ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

CHAIRMAN'S STATEMENT

I take pleasure in presenting the financial results of Stanbic Bank Zimbabwe Limited ("the Bank" or "Stanbic Bank Zimbabwe") for the year ended 31 December 2024.

Operating environment in the country

The economy is estimated to have grown by approximately 2% in 2024 compared to 5.3% in 2023. The slowdown in growth was mainly attributed to the El Nino weather conditions, which significantly impacted the agricultural sectors. Major sectors that contributed to the growth include mining (spurred by impressive gold prices), tourism and infrastructure.

USD inflation, which averaged 4.2% during the first ten months of 2024, slowed down to 2.5% by December 2024. ZWG inflation also peaked at 37.2% in October 2024 and ended the year at 3.7% mainly due to various policy actions which reduced market liquidity, resulting in partial stability in the exchange rate during the last quarter of 2024. In the outlook period the inflation and exchange rate direction are likely to be dependent on the sustainability of the monetary policy being pursued.

Results

The Bank changed its functional currency to USD from 1 January 2024. However, the presentation currency is the local currency, the Zimbabwe Gold (ZWG), which is in line with regulatory guidance.

The Bank achieved a profit after tax of ZWG1.1 billion for the year 2024 which was a commendable outcome given the difficult operating environment.

Capital

The Bank ended the year with a qualifying core capital of ZWG4 billion (2023: ZWG2 billion) which is equivalent to USD156 million against the regulatory minimum in the local currency equivalent of USD30 million. The Board and management continue to monitor the environment and apply necessary measures in preserving the capital.

Dividend

A dividend of ZWG339 million was paid during the period under review, out of the profits for the year ended 31 December 2023. An interim dividend of ZWG516 million out of profits for the year 2024 was approved by the board of directors and paid in November 2024.

Outlook

In the outlook to December 2025, major downside risks are likely to include the sustainability of the electricity/power supply, tight liquidity situation in the market, climate risks (including delayed rainfall), heightened geo-political risks, sluggish mineral commodity price trends and risk of resurgence in ZWG inflation which could further drive dollarisation.

Corporate governance

The Bank continues to maintain high standards of corporate governance, ensuring that its conduct is within the parameters set by both local and international best practice. It complies with regulatory and corporate governance requirements and is committed to advancing the principles and practice of sustainable development and adherence to the laws of the country.

During the year under review, the Bank complied with all regulatory requirements in all material respects.

The Board of Directors

The Board meets a minimum of four times per year, and the record of attendance of each director is as follows for the year ended 31 December 2024:

DIRECTOR'S NAME	MAIN BOARD	AUDIT	LOANS REVIEW	CREDIT	RISK	IT	GOVERNANCE SUSTAINABILITY & PEOPLE
Gregory Sebborn *(Chairman)*	#4	**	**	**	1#	#3	#3
Muchakanakirwa Mkanganwi *(Chairman as of 4 October 2024)*	6	#3	**	#5	**	#1	4
Solomon Nyanhongo *(Chief Executive)*	6	**	**	**	**	**	**
Betty Murambadoro *(Executive)*	6	**	**	**	**	**	**
Tafadzwa Mahachi *(Executive)*	6	**	**	**	**	**	**
Kingston Kamba	5	**	4	**	4	**	**
Lucinda Lee Tyser *(New member appointed on 25 June 2024)*	#3	**	**	#3	**	**	#2
Valentine Mushayakarara	6	4	**	6	**	**	**
Nellie Tiyago	6	**	4	**	4	**	**
Jonathan Wood	6	3	**	**	3	4	**
Tapiwanashe James Museba	6		4	**	**	4	**
Gregory Brackenridge *	6	**	**	6	**	**	4

*Not Zimbabwean residents
** Not a member
#Membership changed

As at 31 December 2024 the Board comprised of eleven directors, three of whom are executive directors. The former Board Chairman, Mr Gregory Sebborn retired following the end of his tenure in accordance with the provisions of the Banking Act [Chapter 24:20] and I was appointed as the Board Chairman effective 4 October 2024.

The Board continues to have an appropriate level of independence for deliberations and objectivity and has the right mix of competencies and experience. To ensure continued competence, the members undergo regular training on key subjects pertaining to their role as directors. The Board is responsible for the overall corporate governance of the Bank, ensuring that appropriate controls, systems, and practices are in place.

Board Committees

The Board Audit Committee

During the year ended 31 December 2024, the committee held four meetings in line with the committee's mandate. Following my appointment as the Board Chairman, Mr Valentine Mushayakarara was appointed Chairman of the Board Audit Committee.

The committee is comprised of three non-executive directors. The role of the committee is to provide an independent evaluation of the adequacy and efficiency of the Bank's internal control systems, accounting practices, information systems and auditing processes.

Communication between the Board, executive management, compliance, internal audit, and external audit is encouraged. Vista Chartered Accountants (Zimbabwe), ("Vista") are the external auditors for the Bank following the formal exit of PricewaterhouseCoopers from Zimbabwe with effect from 17 January 2025. The external auditors engage closely with the members of the Board Audit Committee. The committee liaises with both the external and internal auditors on accounting procedures and on the adequacy of controls and information systems, and reviews the financial statements, considers loss reports on major defalcations, and the effectiveness of the Bank's compliance plan.

The Internal Audit function reports administratively to the Chief Executive Officer and functionally to the Board Audit Committee and Group Internal Audit to ensure that it remains independent. The function consists of one head of department and four managers who have the adequate qualifications and experience in auditing. As at 31 December 2024, 100% of the planned audits for the year had been completed.

Board Loans Review Committee

The committee is required to meet at least four times annually in line with the committee's mandate and may convene more often as and when necessary. During the year ended 31 December 2024, the committee held five meetings.

The Loans Review Committee reviews customer facilities and the level of doubtful debt provisioning. It also considers other risk issues in relation to the structure of the Bank's balance sheet as a result of changes in the operating environment.

The committee comprises three independent non-executive directors.

Board Credit Committee

The committee is required to meet at least four times annually in line with the committee's mandate and may convene more often as and when necessary. During the year ended 31 December 2024, the committee held six meetings.

The Board Credit Committee is tasked with the overall review of the Bank's lending policies. During each meeting, the committee deliberates and considers credit applications beyond the mandate of the Credit Risk Management Committee.

Board Risk Committee

During the year ended 31 December 2024, the committee held four meetings in line with the committee's mandate. As at 31 December 2024 the committee comprised of three non-executive directors, all of whom are independent.

The committee reviews and assesses the integrity of the risk control systems and ensures that risk policies and strategies are effectively identified, managed and monitored in order to contribute to a climate of discipline and control, which will reduce the opportunity of risk, including fraud, in all areas of operation in line with the requirements of the Banking Act [Chapter 24:20] as amended.

Board IT Committee

During the year ended 31 December 2024, the committee held four meetings in line with the committee's mandate.

As at 31 December 2024 the committee comprised three non-executive directors, all of whom are independent. The committee's responsibility is to ensure that prudent and reasonable steps are taken with respect to Information Technology (IT) governance. The committee reviews and assesses risks associated with IT including disaster recovery, business continuity and IT security. This committee has authority for overseeing matters of Information Technology risk including the cultivation and promotion of an ethical IT governance and management culture and awareness.

Board Governance Sustainability and People Committee

During the year ended 31 December 2024 the committee met four times in line with its mandate. The committee also undertook interviews for the appointment of a new director during the course of the year. The committee currently comprises of three non-executive directors.

The committee's responsibility is to adequately deal with all matters that relate to People & Culture, directors' nominations, remuneration, dispute resolution for the directors, Environmental Social Governance and succession planning issues.

Asset and Liability Committee

The Asset and Liability Committee is a key management committee that meets a minimum of ten times a year. During the year ended 31 December 2024, the committee exceeded the ten-meeting requirement and held numerous ad hoc meetings during the course of the year to allow enhanced monitoring of the operating environment and the Bank's financial position.

The committee is responsible for monitoring compliance with policies and for implementing strategies in respect of liquidity, interest rates, foreign exchange, and market risk. It is also responsible for setting policies on the deployment of capital resources of the Bank

The Asset and Liability Committee strives to achieve the following objectives:

- optimise net interest margins and exchange earnings;
- achieve a deposit, lending and investment profile consistent with the Bank's budgetary and strategic targets;
- manage risks within levels which comply with group and/or regulatory limits;
- establish appropriate pricing levels and rates within laid down limits to achieve objectives; and
- grow the statement of financial position size and profits for the period in line with budget.

Assessment of the effectiveness of the Board and its members

The Bank holds an annual Board and director evaluation process as required by the Reserve Bank of Zimbabwe. Weaknesses and areas of concern are identified through this process. The areas of concern are discussed in the Board meetings with a view to rectifying the identified weaknesses. The Board evaluation took place in the first quarter of 2024 and the results of the evaluation were submitted to the Reserve Bank of Zimbabwe.

Stanbic Bank Nominees (Private) Limited

Stanbic Bank Nominees (Private) Limited is a wholly owned subsidiary of Stanbic Bank. It is the nominee company which holds the securities for investments made by Stanbic Bank clients on the money and equity markets (the Bank's custodial business), for the purposes of segregating clients' assets from those belonging to the Bank. The Board for Stanbic Nominees comprises two executive directors and three independent non-executive directors, who meet on a quarterly basis to review the operations and the risks associated with the custody business.

Corporate Social Responsibility

Sustainability is a key pillar we focus on as we pursue business in support of various industries through our Business Banking, Corporate and Investment Banking portfolios, in line with our commitment to drive the growth in and of our country.

The Bank continues to support various clients in credit and foreign currency allocation to enhance their capacity to produce and supply and contribute to the country's economic growth. Some of these clients are in the agricultural and mining sectors. The Bank strives to continuously support its clients in their endeavours.

Acknowledgements

I am grateful to our valued customers and stakeholders for their continued support in an increasingly challenging operating environment. I would like to appreciate and acknowledge the Stanbic Bank staff and management who have received significant recognition from the Group and market for their unwavering commitment to serving clients diligently under persistent economic challenges. I am highly indebted to my fellow Board members for their invaluable counsel and guidance and strenuous efforts to drive the Bank's strategy amid extensive headwinds.

I would like to thank Mr. Gregory Sebborn who served as Chairman of the board before his retirement in October 2024. His exemplary behaviour, commitment and dedication to the success of the Bank is commended and appreciated. I wish him well in his future endeavours.

I welcome Ms. Lucinda Tyser who joined the Bank's board in June 2024, and we look forward to her valuable contribution as we navigate together into the future.

I would like to acknowledge Mr Kingston G.L Kamba, who recently resigned after having served as a member of the board since April 2017. We wish him well in his future endeavours.

Muchakanakirwa Mkanganwi
Chairman

25 March 2025

CHIEF EXECUTIVE'S REPORT

Overview of business results for the year ended 31 December 2024

The first quarter of 2024 was marked by a turbulent operating environment marred with unabated hyperinflation and exchange rate surges which saw the Zimbabwe dollar "ZWL" depreciating by 261% by 31 March 2024. The second quarter of the year was marked with monetary policy changes which resulted in the change in the country's base currency from the ZWL to the new structured currency called the Zimbabwe Gold (ZWG) currency. This new currency was introduced on the 5th of April 2024, and the rate of currency depreciation has reduced since then. The last quarter of the year also saw the resurgence of liquidity challenges, impacting negatively on the productive sectors of the economy on account of deepening funding constraints.

The Bank changed its functional currency from the Zimbabwe dollar ("ZWL") with effect from 1 January 2024. This was done in accordance with IAS21: The Effects of Changes in Foreign Exchange Rates, a standard within the International Financial Reporting Standards (IFRS) framework which has been adopted for use in Zimbabwe by the Public Accountants and Auditors Board (PAAB).

The Bank recorded a historical cost profit of ZWG1.1 billion for the year ended 31 December 2024, after taking into account the technical losses of ZWG389 million (ZWG319 million net after tax) incurred on the investment property portfolio at the beginning of the year when the Bank's functional currency changed. In addition to these losses, the Bank recorded fair value gains of ZWG51 million (ZWG43.5 million net after tax) following the independent property valuation exercise carried out at the end of December 2024. Without these two fair value adjustments, the adjusted profit (commonly referred to as headline earnings) would have been ZWG1.4 billion, and this represents the true performance of the Bank. The table below gives a view of the adjusted profit after tax excluding the impact of the technical accounting adjustments ("day 1 adjustments") and the fair value gain mentioned above:

	31 December 2024 ZWG'000	31 December 2023 ZWG'000
Profit after tax as reported	1 128 294	1 652 291
Day 1 adjustments net after tax:		
Investment properties	318 743	-
Fair value adjustments on investment property	(43 494)	(544 614)
Adjusted profit after tax (headline earnings)	1 403 543	1 107 677

The Bank achieved an adjusted profit after tax of ZWG1.4 billion for the year ended 31 December 2024, increasing by 27% from the comparative prior period profit for the year of ZWG1.1 billion. The improvement in profit after tax was largely because the 2023 profit after tax included a ZWG1.1 billion loss on the net monetary position. In addition, the Bank's net interest income had slightly increased spurred by the new lending assets written during the period.

The Bank ended the year 2024 with a net interest income of ZWG1 billion, increasing from prior period interest income of ZWG954 million by 8%. The uplift in net interest income achieved during the period was largely driven by the increase in the Bank's net lending book from ZWG4.2 billion in December 2023 to ZWG8.4 billion following the extensive currency depreciation which was experienced in September 2024 combined with the new lending assets written during the period. The robust growth in the Bank's lending book in local currency terms was partially offset by the downward revision in the minimum lending rates from as high as 200% in January 2023 to close the year 2024 at 35%.

The Bank's non-funded revenue had declined by 31% from an equivalent of ZWG3.6 billion in the comparative period, closing the year 2024 at ZWG2.5 billion largely because of the fair value losses recorded on investment property combined with a reduction in unrealised exchange gains recorded on foreign currency positions as the ZWG currency had stabilised against the USD up to the third quarter of the year.

The Bank ended the year 2024 with credit impairments of ZWG39.5 million, increasing from a net release of ZWG111 million in the prior period. The once off releases in expected credit loss allowances in 2023 were attributable to the improvement that had happened in the quality of our lending book following the February 2023 interest rate reduction from 200% to 150% which enabled customers to settle outstanding loan arrears. In addition, new lending assets were written during the period resulting in an uplift in expected credit loss allowances.

The Bank's total operating expenses of ZWG1.6 billion increased by 21% from ZWG1.3 billion in the comparative period underpinned by the impact of the 80% currency depreciation which had happened in September 2024. This resulted in the undesired increase in the local currency equivalents of the Bank's foreign currency denominated expenses.

A growth of 119% was registered in the Bank's customer deposit base during the year 2024, reinforced by growth in both foreign currency and local currency deposits as new customers were acquired combined with the upward impact of extensive currency depreciation on USD deposits when they are expressed in ZWG.

Compliance and money laundering control function

Stanbic Bank's independent Compliance Function oversees the identification, assessment, and mitigation of compliance risks as part of the bank's overall risk management framework. This function actively fosters a culture of compliance through advisory services, assurance, training, and reporting. Consequently, stakeholders are guided to adhere to regulatory and policy requirements as well as international best practice to ensure Stanbic conducts business the right way. This approach protects Stanbic from regulatory penalties and reputational harm while strengthening relationships with current and potential strategic partners.

Stanbic Bank is dedicated to fighting money laundering, terrorist financing, and other financial crimes by diligently adhering to regulations such as the Money Laundering and Proceeds of Crime Act [Chapter 9:24] and staying informed about relevant market developments, directives, and global standards to enhance our financial crime control framework.

The Bank remains steadfast in ensuring that all regulatory requirements and directives are complied with.

Statement on corporate social investment ("CSI") responsibilities

Stanbic Bank Zimbabwe remains unwavering in its commitment to uplifting the communities in which it operates through comprehensive and well-thought-out Corporate Social Investment (CSI) initiatives. These initiatives focus on the key pillars of education, environment, health, and sanitation, with a particular emphasis on supporting public health institutions.

As a financial services institution, we are not only customer-centric but also deeply attuned to the needs of the communities we serve. Our tailor-made initiatives ensure that the socioeconomic needs of our beneficiaries are addressed in a sustainable and impactful manner. Premised on our commitment to driving Zimbabwe's growth, these efforts aim to deliver long-term value to the nation.

Healthcare Support

During the period under review, Stanbic Bank donated autoclaves worth USD80 000 to four key health facilities across Zimbabwe: Parirenyatwa Group of Hospitals, Ingutseni Hospital, Victoria Chitepo Provincial Hospital, and Sally Mugabe Hospital. These critical pieces of equipment help maintain higher health standards by sterilizing medical instruments, ensuring infection control, and enabling effective healthcare delivery. Recognizing that a healthy nation is a productive nation, the Bank is proud to support public health institutions that serve the majority of Zimbabwean citizens.

The Bank also invested USD100 000 to refurbish the Harare Children's Hospital, enhancing pediatric healthcare facilities to ensure children receive specialized care. As the future leaders of our nation, ensuring the well-being of children remains a key priority for us.

Other healthcare contributions included a USD75 000 partnership with the Brain and Spine Clinic, which provided life-changing neurological procedures to less privileged individuals. Additionally, in collaboration with Celebration Health, Stanbic Bank funded 50 hernia surgeries for underprivileged children under the age of five, furthering our mission to improve access to critical medical services.

The Bank also continued its annual support of the Albino Charity Organization of Zimbabwe (ALCOS) and the Cancer Association of Zimbabwe, demonstrating our ongoing commitment to addressing diverse health challenges.

Education and Environmental Sustainability

Beyond healthcare, Stanbic Bank expanded its bursary program at Africa University, now supporting seven students as part of our dedication to nurturing future leaders. In the environmental space, the bank contributed USD10 000 to Friends of the Environment, supporting initiatives focused on conservation and sustainability.

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Driving Zimbabwe's Growth

Stanbic Bank Zimbabwe's investments in healthcare, education, and the environment are rooted in the belief that Zimbabwe's growth is driven by the well-being of its people. By addressing the most pressing needs of the communities we serve, we aim to make a lasting impact and foster sustainable development.

Our people

2024 was truly our year of excellence, driven by a team pursuing one purpose: Zimbabwe is our home, we drive her growth. You were an unmatched force, leveraging on our interconnectedness and collective strength in the face of internal system changes, our dynamic macroeconomic environment and unprecedented international challenges. You kept the client at the centre of everything, through it all. The Bank revamped its team effectiveness offering during 2024, further enhancing internal cohesiveness and organisational alignment. Our future skills development focus remained anchored in digital capabilities and sustainability as we continued to grow as a future-fit and ESG-forward leader in the market. Once again, you demonstrated your commitment to distinction, proving your resilience and determination as evidenced in our 2024 financial results. Whilst 2025 is uncertain, , I know you will rise to meet the challenge.

Our customers

As Stanbic Bank Zimbabwe, one of our strategic value drivers is to transform client experience through deepening understanding of client business requirements and being able to proffer feasible solutions. In our continued quest to offer unparallel customer experience, the Bank deployed five bulk note acceptor machines in the year combined with deposit-taking ATM machines.

The Bank continues to focus on the strategic Africa- China trade corridor. During the annual Stanbic-China Day event we launched the "Guide to importing from China" handbook which provides guidance to Zimbabwean companies seeking to import from China. Over the last 3 years the Bank has assisted clients import products with a value over USD 3 million through its import partner. The Bank also remains committed to supporting our clients to enter markets in China. In April we supported the China International Import Expo (CIIE) organization in hosting a roadshow event in Zimbabwe in collaboration with ICBC. During the roadshow MOUs were signed with prominent trade bodies in Zimbabwe. In November 2024 we then accompanied a client in the macadamia field to the CIIE event where they contacted buyers in China and activities are in motion for the client to export to China in 2025.

Renewable energy remains a key priority for the Bank. The Bank launched a renewable energy solution for clients during the year. The installation of solar energy systems on our customers premises enhanced the reduction in energy costs, increased the availability and promotes sustainability. The Bank continues to educate clients on solar energy to promote growth in their businesses. In collaboration with UNESCO, we facilitated a three-day training program on business development for SMEs, emphasizing renewable energy. The program targeted solar installers, technology companies, retailers, and farmers, covering key areas such as business strategy, data analytics, brand building, governance, finance, trade, and banking solutions.

The Bank's ability to leverage on technology has led to enhanced convenience for our clients in line with the Regulatory requirements. During the period, the Bank was among the first in class to certify and process ZWG currency on POS machines. In addition, Integration of our Enterprise OnLine and the ZIMRA TaRMS systems has enabled our customers to make both Domestic and Customs payments conveniently from anywhere and anytime, saving them time and resources. We successfully upgraded the Enterprise OnLine mobile application which allows customers to effectively manage their accounts, make payments, including value-added services such as DSTV, electricity and airtime, and access receipts, statements, and bank confirmations letters securely from their channel of choice.

Vote of thanks

I would like to express my heartfelt appreciation to our esteemed customers and stakeholders for their unwavering support and commitment as we continue to seek growth in a difficult operating environment. I am grateful to the Board of Directors for its sterling guidance and strategic leadership as we continued to navigate a difficult operating environment. My deepest appreciation goes to the Stanbic Bank staff and management for remaining steadfast throughout the year. I would like to thank the Blue Bankers for their perseverance, hard work and determination towards providing exceptional customer service and for achieving these commendable results.

Solomon Nyanhongo
Chief Executive

25 March 2025

STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Note	31 December 2024 ZWG'000	31 December 2023 ZWG'000
ASSETS			
Cash and cash equivalents	1	10 564 924	5 340 176
Derivative assets	2	52	37
Financial investments	3	291 884	50 076
Investment securities	3.2	235 308	78 501
Loans and advances	4	8 395 503	4 248 655
Other assets	6	3 027 918	832 627
Current tax asset		-	1 236
Intangible assets		21 645	16 741
Investment property		1 802 980	1 303 071
Property and equipment		1 130 464	538 583
Right of use assets		13 467	5 521
Total assets		25 484 145	12 415 224
EQUITY AND LIABILITIES			
Equity		4 890 235	2 403 779
Ordinary share capital	7.2	427	427
Ordinary share premium	8.1	17 732	17 732
Reserves	8.2	4 872 076	2 385 620
Liabilities			
Derivative liabilities	2	413	349
Deposits and current accounts	9	16 216 757	7 398 110
Deposits from other banks		1 194 548	263 416
Deposits from customers		15 022 209	7 134 694
Current income liability		20 664	-
Deferred tax liability		476 832	417 348
Lease liability		6 192	3 910
Other liabilities		3 873 052	2 191 728
Total liabilities		20 593 910	10 011 445
Total equity and liabilities		25 484 145	12 415 224

INCOME STATEMENT
For the year ended 31 December 2024

	Note	31 December 2024 ZWG'000	31 December 2023 ZWG'000
Net interest income		1 031 835	954 055
Non interest income		2 860 194	2 972 553
Total income		3 892 029	3 926 608
Total expected credit losses	4.4	(39 521)	111 126
Income after credit loss allowances		3 852 508	4 037 734
Operating expenses		(1 584 935)	(1 311 983)
Staff costs		(710 879)	(576 482)
Other operating expenses		(874 056)	(735 501)
Loss on net monetary position		-	(1 130 318)
Profit before non trading and capital items		2 267 573	1 595 433
Indirect tax		(64 338)	(46 111)
Profit before direct tax		2 203 235	1 549 322
Direct tax		(799 692)	(441 645)
Profit after tax before non trading and capital item		1 403 543	1 107 677
Non trading and capital items net after tax	5	(275 249)	544 614
Profit after tax		1 128 294	1 652 291

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	31 December 2024 ZWG'000	31 December 2023 ZWG'000
Profit for the period	1 128 294	1 652 291
Items that will not be reclassified to profit or loss:		
Loss/(gain) on revaluation of land and buildings (net of tax)	(90 981)	85 994
Net change in fair value of equity investments (net of tax)	81 668	38 070
Foreign currency translation reserve	2 222 445	-
Total comprehensive income for the year attributable to the ordinary shareholder	3 341 426	1 776 355

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	Ordinary share capital ZWG'000	Ordinary share premium ZWG'000	Non-distributable reserve ZWG'000	Revaluation reserve ZWG'000	Fair value through other comprehensive income ZWG'000	Foreign currency translation reserve ZWG'000	Retained earnings ZWG'000	Ordinary shareholder's equity ZWG'000
Year ended 31 December 2024								
Balance as at 1 January 2024	427	17 732	1 984	179 798	70 718	-	2 133 120	2 403 779
Profit for the period	-	-	-	-	-	-	1 128 294	1 128 294
Other comprehensive income								
Net change in fair value of equity investment	-	-	-	-	81 668	-	-	81 668
Loss on revaluation of land and buildings (net of tax)	-	-	-	(90 981)	-	-	-	(90 981)
Foreign currency translation reserve	-	-	-	-	-	2 222 445	-	2 222 445
Total comprehensive income for the period	-	-	-	(90 981)	81 668	2 222 445	1 128 294	3 341 426
Equity-settled share-based payments	-	-	-	-	-	-	-	-
Dividend payment	-	-	-	-	-	-	(854 970)	(854 970)
Total transactions with owner of the Bank recognised directly in equity	-	-	-	-	-	-	(854 970)	(854 970)
Balance as at 31 December 2024	427	17 732	1 984	88 817	152 386	2 222 445	2 406 444	4 890 235

	Ordinary share capital ZWG'000	Ordinary share premium ZWG'000	Non-distributable reserve ZWG'000	Revaluation reserve ZWG'000	Fair value through other comprehensive income ZWG'000	Share-based payment reserve ZWG'000	Retained earnings ZWG'000	Ordinary shareholder's equity ZWG'000
Year ended 31 December 2023								
Balance as at 1 January 2023	427	17 732	1 984	93 804	32 648	-	958 563	1 105 158
Profit for the period	-	-	-	-	-	-	1 652 291	1 652 291
Other comprehensive income								
Net change in fair value of equity investment	-	-	-	-	38 070	-	-	38 070
Gain on revaluation of land and buildings net of tax	-	-	-	85 994	-	-	-	85 994
Total comprehensive income for the period	-	-	-	85 994	38 070	-	1 652 291	1 776 355
Equity-settled share-based payments	-	-	-	-	-	-	-	-
Dividend payment	-	-	-	-	-	-	(477 734)	(477 734)
Total transactions with owner of the Bank recognised directly in equity	-	-	-	-	-	-	(477 734)	(477 734)
Balance as at 31 December 2023	427	17 732	1 984	179 798	70 718	-	2 133 120	2 403 779

STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	31 December 2024 ZWG'000	31 December 2023 ZWG'000
Cash generated from operations		
Net income before indirect tax	2 203 235	1 595 433
Adjusted for:		
Amortisation and impairment of intangible assets	12 782	20 299
Expected credit losses (on and off-balance sheet)	39 521	(111 124)
Depreciation of property and equipment	61 912	14 400
Depreciation of right of use assets	5 653	11 716
Interest on lease liability	105	176
Unrealised exchange gains	(777 796)	(566 049)
Indirect tax paid	(64 338)	(46 111)
Profit from sale of property and equipment	(924)	835
Movement in working capital		
(Increase)/ decrease in derivative assets	(7)	81
Increase in loans and advances	(4 179 960)	(2 613 948)
Increase in accrued interest on financial investments	48 760	10 156
Purchase of financial investments	(621 828)	(228 215)
Proceeds from sale of financial investments	324 369	465 311
Increase in other assets	(1 417 508)	(568 761)
Increase in derivative liabilities	75	339
Increase in deposits	8 818 647	3 519 891
Increase in other liabilities	1 674 865	1 370 563
Direct tax paid	(628 566)	(395 938)
Net cash generated from operating activities	5 498 997	2 479 054
Cash flows from investing activities		
Capital expenditure on:		
- investment property	(3 370)	(205 407)
- equipment, furniture and vehicles	(254 013)	(128 820)
Proceeds from:		
- sale of property and equipment	924	1 573
Net cash used in investing activities	(256 459)	(332 654)
Cash flows from financing activities		
Dividend paid	(854 970)	(477 734)
Lease liability payment	(2 189)	(5 424)
Net cash used in financing activities	(857 159)	(483 158)
Net increase in cash and cash equivalents	4 385 379	1 663 244
Effect of unrealised exchange gains and monetary adjustments	839 449	830 997
Cash and cash equivalents at beginning of the reporting period	5 340 200	2 845 959
Cash and cash equivalents at end of the reporting period	10 565 028	5 340 200

ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the interim financial information are set out below. The accounting policies applied in the preparation of these financial statements from which the results have been derived are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the Bank's previous annual financial statements with the exception of changes referred to under the basis of preparation paragraph below.

AUDITOR'S STATEMENT

These financial results should be read in conjunction with the full set of financial statements for the year ended 31 December 2024, which have been audited by the Independent Auditors, Vista Chartered Accountants (Zimbabwe). The Independent Auditors have issued an unqualified opinion on the financial statements.

BASIS OF PREPARATION

Statement of compliance

The financial statements are based on the statutory records, which are maintained under the historical cost convention basis except for the following material items in the statement of financial position: investment property and investment securities measured at fair value, derivative assets, owner occupied property measured at fair value less accumulated depreciation.

Functional and presentation currency

The Bank's financial statements are presented in the Zimbabwe Gold currency ("ZWG") which is its presentation currency. With effect from 1 January 2024, Stanbic Bank changed its functional currency from the Zimbabwe dollar ("ZWL").

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Change in functional currency

IAS 21: The Effects of Changes in Foreign Exchange Rates requires a change in functional currency to be accounted for prospectively. In determining its opening balances, the Bank converted the December 2023 inflation adjusted financial statements into the new functional currency using the closing official exchange rate as at 31 December 2023 which was USD1:ZWL6 104.723.

Following the change in the Bank's functional currency from the Zimbabwe dollar ("ZWL") as at 1 January 2024, there are technical accounting adjustments that have been included in the Bank's Statement of Comprehensive Income. These adjustments arose from differences in fair values of property assets when expressed in the hitherto ZWL functional currency compared to the underlying valuations in the open market in real terms.

The effects of these adjustments are summarised below:

Impact on property and equipment:

Asset	IAS 29 ZWG value as 31 December 2023 ZWG'000	Reduction in property and equipment ZWG'000	Reduction in deferred tax ZWG'000	Reduction in other comprehensive income ZWG'000
Owner occupied properties	419 382	(116 932)	(28 906)	(88 026)
Motor vehicle	15 144	-	-	-
Computer equipment	35 472	-	-	-
Furniture and fittings	7 642	-	-	-
Office equipment	2 894	-	-	-
Total	480 534	(116 932)	(28 906)	(88 026)

Impact on investment property:

Asset	IAS 29 ZWG value as 31 December 2023 ZWG'000	Reduction in investment property ZWG'000	Reduction in deferred tax ZWG'000	Reduction in current year profits ZWG'000
Investment Property	1 303 071	(388 711)	(69 968)	(318 743)
Total	1 303 071	(388 711)	(69 968)	(318 743)

Impact on investment securities:

Asset	IAS 29 ZWG value as 31 December 2023 ZWG'000	Reduction in investment securities ZWG'000	Reduction in deferred tax ZWG'000	Reduction in other comprehensive income in ZWG'000
Investment securities	78 501	-	-	-
Total	78 501	-	-	-

RISK MANAGEMENT AND CONTROL

Overview

Effective risk management is fundamental to the business activities of Stanbic Bank Zimbabwe Limited. Whilst we remain committed to the objective of increasing shareholder value by developing and growing our business in a way that is consistent with our Board determined risk appetite, we are also cognisant of the need to balance this objective with the interests of both our depositors and regulators. We seek to achieve an appropriate balance between risk and reward in our business and continue to build and enhance the risk management capabilities that assist in delivering our growth plans in a controlled environment.

Risk management is at the core of the operating structures of the Bank. The Bank seeks to limit adverse variations in earnings and equity by managing the risk exposures and capital within agreed levels of risk appetite. Managing and controlling risks, minimising undue concentrations of exposure and limiting potential losses from stress events are all essential elements of the Bank's risk management and control framework. This framework ultimately leads to the protection of the Bank's reputation.

Responsibility and accountability for risk management resides at all levels within the Bank, from the executive down through the organisation to each business manager.

Components of risk management are the risk standards that have been developed for each risk type and which set out the principles for the governance, identification, measurement, management, control and reporting of each risk type. Each standard is approved by the Board Risk committee and is supported by Bank and business units risk policies and procedures.

Risks are controlled at the level of individual exposures and at portfolio level, as well as in aggregate across all businesses and risk types. An objective view of risk taking activities is taken, in particular to balance the short and long-term interests of the Bank.

Risk appetite

Risk appetite is an expression of the maximum level of residual risk that the Bank is prepared to accept to deliver its business objectives. Risk appetite is implemented in terms of various limits, economic capital usage and the risk adjusted performance measures ("RAPM") expected to be achieved, recognising a range of possible outcomes.

The Board establishes the Bank's parameters for risk appetite by:

- providing strategic leadership and guidance;
- reviewing and approving annual budgets and forecasts for the Bank and its business units; and
- regularly reviewing and monitoring the Bank's performance in relation to risk through quarterly Board reports.

Risk categories

The principal risks to which the Bank is exposed and which it manages are defined as follows:

- **Credit risk**
  Credit risk is the risk of loss arising out of the failure of counterparties to meet their financial or contractual obligations when due. Credit risk comprises counterparty risk, settlement risk and concentration risk. These risk types are defined as follows:
  - ***Counterparty risk:*** The risk of credit loss to the Bank as a result of the failure by a counterparty to meet its financial and/or contractual obligations to the Bank.
  - ***Settlement risk:*** The risk of loss to the Bank from settling a transaction where value is exchanged, but where the Bank may not receive all or part of the countervalue.
  - ***Credit concentration risk:*** The risk of loss to the Bank as a result of excessive build-up of exposure to a specific counterparty, industry, market, product, financial instrument or type of security, or geography, or maturity. This concentration typically exists where a number of counterparties are engaged in similar activities and have similar characteristics, which could result in their ability to meet contractual obligations being similarly affected by changes in economic or other conditions.

- **Market risk**
  This is the risk of a change in the actual or effective market value or earnings or future cash flows of a portfolio of financial instruments caused by movements in market variables such as equity, bond and commodity prices, currency exchange rates and interest rates, credit spreads, recovery rates, correlations and implied volatilities in all of the above.

- **Liquidity risk**
  Liquidity risk arises when the Bank is unable to maintain or generate sufficient cash resources to meet its payment obligations as they fall due, or can only do so on materially disadvantageous terms. This inability to maintain or generate sufficient cash resources occurs when counterparties who provide the Bank with funding withdraw or do not roll over that funding, or as a result of a general disruption in asset markets that renders normally liquid assets illiquid.

- **Operational risk**
  Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

- **Business risk**
  Business risk is the risk of loss due to operating revenues not covering operating costs and is usually caused by the following:
  - inflexible cost structure, or
  - market-driven pressures, such as decreased demand, increased competition or cost increases, or
  - Bank-specific causes, such as a poor choice of strategy, reputational damage or the decision to absorb costs or losses to preserve reputation.

- **Reputational risk**
  Reputational risk results from damage to the Bank's image which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

Credit risk

Definition

Credit risk is the risk of loss arising out of the failure of counterparties to meet their financial or contractual obligations when due.

Framework and governance

Credit risk is the Bank's most material risk. It is managed in accordance with the Bank's comprehensive risk management control framework.

The Head of Credit has functional responsibility for credit risk across the Bank and reports to the Chief Executive. Furthermore, the credit function is monitored closely by the Standard Bank Africa Credit function, providing an additional layer of review.

The Board Loans Review Committee and the Board Credit Committee have oversight roles over the credit risk management process.

Each borrower (counterparty) is assigned a risk grade using an appropriate rating model. Rating models are used to achieve objectivity, comparability, transparency and consistency in the rating assignment process.

Most of the models take into account quantitative factors, financial statements and qualitative factors. These are combined to produce a stand-alone rating.

The Bank uses a 25-point master rating scale to quantify the credit risk for each exposure. On origination, each client is assigned a credit risk grade within the Bank's 25-point master rating scale. Ratings are mapped to probability of default ("PDs") by means of calibration formulae that use historical default rates and other data for the applicable portfolio. These credit ratings are evaluated at least annually or more frequently as appropriate.

Master rating scale band	Significant increase in credit risk ("SICR") trigger (from origination)
SB1-12	Low credit risk
SB13-20	3 rating or more
SB21-25	1 rating or more

Wholesale Clients (formerly CIB) exposures are evaluated for SICR by comparing the credit risk grade at the reporting date to the origination credit risk grade. Where the relative change in the credit risk grade exceeds certain pre-defined ratings' migration thresholds or, when a contractual payment becomes more than 30 days overdue (IFRS 9's rebuttable presumption), the exposure is classified within stage 2. These pre-defined ratings' migration thresholds have been determined based on historical default experience which indicate that higher rated risk exposures are more sensitive to SICR than lower risk exposures. Based on an analysis of historical default experience, exposures that are classified by the Bank's master rating scale as investment grade (within credit risk grade 1 - 12 of the Bank's 25-point master rating scale) are assessed for SICR at each reporting date but are considered to be of a low credit risk for IFRS 9 purposes.

Credit risk mitigation

Wherever warranted, the Bank will attempt to mitigate credit risk, including counterparty credit risk ("CCR") to any counterparty, transaction, sector, or geographic region, so as to achieve the optimal balance between risk, cost, capital utilisation and reward. Risk mitigation may include the use of collateral, the imposition of financial or behavioural covenants, the acceptance of guarantees from parents or third parties, the recognition of parental support, and the distribution of risk.

Collateral, parental guarantees, credit derivatives and on- and off-balance sheet netting are widely used to mitigate credit risk. Credit risk mitigation policies and procedures ensure that risk mitigation techniques are acceptable, used consistently, valued appropriately and regularly, and meet the risk requirements of operational management for legal, practical and timely enforcement. Detailed processes and procedures are in place to guide each type of mitigation used.

In the case of collateral where the Bank has an unassailable legal title, the Bank's policy is such that collateral is required to meet certain criteria for recognition in loss given default (LGD) modelling, including that it:

- is readily marketable and liquid
- is legally perfected and enforceable
- has a low valuation volatility
- is readily realisable at minimum expense
- has no material correlation to the obligor credit quality
- has an active secondary market for resale.

The main types of collateral obtained by the Bank for its banking book exposures include:

- mortgage bonds over residential, commercial and industrial properties
- cession of book debts
- pledge and cession of financial assets
- bonds over plant and equipment
- the underlying movable assets financed under leases and
- instalment sales.

Reverse repurchase agreements and commodity leases to customers are collateralised by the underlying assets.

Guarantees and related legal contracts are often required, particularly in support of credit extension to groups of companies and weaker obligors. Guarantors include banks, parent companies, shareholders and associated obligors. Creditworthiness is established for the guarantor as for other obligor credit approvals.

Other credit protection terms may be stipulated, such as limitations on the amount of unsecured credit exposure acceptable, collateralisation if the mark-to-market credit exposure exceeds acceptable limits, and termination of the contract if certain credit events occur, for example, downgrade of the counterparty's public credit rating.

Wrong-way risk arises in transactions where the likelihood of default (i.e. the probability of default ("PD") by a counterparty and the size of credit exposure (as measured by exposure at default ("EAD")) to that counterparty tend to increase at the same time. This risk is managed both at an individual counterparty level and at an aggregate portfolio level by limiting exposure to such transactions, taking adverse correlation into account in the measurement and mitigation of credit exposure and increasing oversight and approval levels. The Bank has no appetite for specific wrong-way risk arising where the correlation between EAD and PD is due to a legal, economic, strategic or similar relationship (i.e. specific wrong-way risk). General wrong-way risk, which arises when the correlation between EAD and PD for the counterparty, due mainly to macro factors, is closely managed within existing risk frameworks.

To manage actual or potential portfolio risk concentrations in areas of higher credit risk and credit portfolio growth, the Bank implements hedging and other strategies from time-to-time. This is done at individual counterparty, sub-portfolio and portfolio levels through the use of syndication, distribution and sale of assets, asset and portfolio limit management, credit derivatives and credit protection.

Analysis of exposure to credit risk

The Bank's exposure to credit risk, varying from normal monitoring to close monitoring as determined by the internal models and as defined in terms of the Bank's rating scale as at 31 December 2024 are set out in the table below.

	Gross total (advances and financial investments)	Credit risk grade SB1 - SB12		Credit risk grade SB13 - SB20		Credit risk grade SB21 - SB25			Balance sheet impairments
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Default	(stage 3)
Mortgage loans	625 639	-	-	573 965	-	-	43 522	8 152	-
Instalment sale and finance leases	1 762 786	1 718 670	-	-	-	-	40 220	3 896	(2 606)
Personal unsecured lending	1 423 793	20 690	-	1 331 564	-	-	29 410	42 129	(43 006)
Business lending and other	1 779 762	582 711	-	1 146 795	-	-	40 762	9 494	(6 630)
Total loans	5 591 980	2 322 071	-	3 052 324	-	-	153 914	63 671	(52 242)
Corporate lending	2 966 595	235 591	-	2 355 713	270 626	90 140	14 525	-	-
Total gross loans and advances	8 558 575	2 557 662	-	5 408 037	270 626	90 140	168 439	63 671	(52 242)
Financial investments at amortised cost									
Sovereign	-	-	-	-	-	-	-	-	-
Banking	299 856	-	-	-	-	299 856	-	-	-
Total financial investments	299 856	-	-	-	-	299 856	-	-	-
Expected credit loss for loans and advances including financial investments									
Stage 1	(53 145)	(5 495)	-	(39 033)	-	(8 617)	-	-	-
Stage 2	(65 657)	-	-	-	(8 049)	-	(57 608)	-	-
Stage 3	(52 242)	-	-	-	-	-	-	(52 242)	-
Net loans and advances and financial investments	8 687 387	2 552 167	-	5 369 004	262 577	381 379	110 831	11 429	-
Off balance sheet exposures									
Letters of credit	73 990	52 062	-	21 335	-	593	-	-	-
Guarantees	317 502	115 216	-	180 744	20 897	645	-	-	-
Irrevocable unutilised facilities	122 930	20 458	-	102 472	-	-	-	-	-
Total	9 201 809	2 739 903	-	5 673 555	283 474	382 617	110 831	11 429	-
Expected credit loss for off balance sheet exposures	(3 225)	(233)	-	(2 373)	(542)	(77)	-	-	-
Stage 1	(2 683)	(233)	-	(2 373)	-	(77)	-	-	-
Stage 2	(542)	-	-	-	(542)	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
Add the following other banking activities exposures:									
Cash and cash equivalents	10 564 924								
Derivative assets	235 308								
Investment securities	52								
Other assets	2 843 304								
Total exposure to credit risk	22 842 172								

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Collateral obtained by the Bank

It is the Bank's policy to dispose of repossessed assets in an orderly fashion. The proceeds are used to repay the outstanding loans. In general, the Bank does not use repossessed assets for business purposes. The collateral obtained by the Bank as at 31 December 2024 amounted to ZWG4.1 billion (31 December 2023: ZWG1.3 billion).

Exposure to credit risk by credit quality as at 31 December 2023 (ZWG'000)

	Gross total (advances and financial investments)	Credit risk grade SB1 - SB12		Credit risk grade SB13 - SB20		Credit risk grade SB21 - SB25			Balance sheet impairments (stage 3)
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Default	
Mortgage loans	329 036	-	-	292 696	-	-	33 463	2 877	(47)
Instalment sale and finance leases	823 435	-	-	813 572	-	-	8 429	1 434	(1 735)
Personal unsecured lending	677 495	-	-	621 371	-	-	31 488	24 636	(21 587)
Business lending and other	674 744	-	-	670 112	-	-	3 914	718	(1 518)
Total loans	2 504 710	-	-	2 397 751	-	-	77 294	29 665	(24 887)
Corporate lending	1 850 970	220 346	-	1 520 252	14 024	96 272	76	-	-
Total gross loans and advances	4 355 680	220 346	-	3 918 003	14 024	96 272	77 370	29 665	(24 887)
Financial investments at amortised cost									
Sovereign	52 529	-	-	-	-	52 529	-	-	-
Total financial investments	52 529	-	-	-	-	52 529	-	-	-
Expected credit loss for loans and advances and financial investments									
Stage 1	(57 070)	(122)	-	(51 174)	-	(5 774)	-	-	-
Stage 2	(27 521)	-	-	-	-	-	(27 521)	-	-
Stage 3	(24 887)	-	-	-	-	-	-	(24 887)	-
Net loans and advances and financial investments	4 298 731	220 224	-	3 866 829	14 024	143 027	49 849	4 778	-
Off balance exposures									
Letters of credit	39 999	18 983	-	21 016	-	-	-	-	-
Guarantees	49 499	-	-	48 800	-	699	-	-	-
Irrevocable unutilised facilities	50 865	14 161	-	33 234	-	3 470	-	-	-
Expected credit loss for off balance sheet exposures	(739)	(83)	-	(472)	-	(184)	-	-	-
Stage 1	(739)	(83)	-	(472)	-	(184)	-	-	-
Stage 2	-	-	-	-	-	-	-	-	-
Add the following other banking activities exposures:									
Cash and cash equivalents	5 340 176								
Derivative assets	37								
Investment securities	78 501								
Other assets	772 488								
Total exposure to credit risk	10 629 557								

Liquidity risk

Definition

Liquidity risk arises when the Bank is unable to meet its payment obligations when they fall due. This may be caused by the Bank's inability to liquidate assets or to obtain funding to meet its liquidity needs.

Framework and governance

The nature of banking and trading activities results in a continuous exposure to liquidity risk. The Bank's liquidity risk management framework, which is consistent with the previous financial reporting period, is designed to measure and manage liquidity positions such that payment obligations can be met at all times, under both normal and considerably stressed conditions. Under the delegated authority of the Board of Directors, the Bank's Asset and Liability Committee ("ALCO") sets liquidity risk standards in accordance with regulatory requirements and international best practice. This ensures that a comprehensive and consistent governance framework for liquidity risk management is followed across the Bank. Furthermore, the Bank's parent company (The Standard Bank Group Limited) runs a Group ALCO function that monitors the various indicators in each country where the Group operates, thus ensuring a double layer of coverage for ALCO purposes.

The tables below analyse the Bank's exposure to interest rate and structural liquidity risks:

Maturity analysis assets and liabilities:

31 December 2024 Liquidity gap analysis (ZWG'000)	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	Above 1 year	Insensitive portion	Total
Assets							
Cash and cash equivalents	7 756 500	12 409	-	-	2 796 119	(103)	10 564 924
Derivative assets	52	-	-	-	-	-	52
Financial investments	-	93 984	102 936	102 936	-	(7 972)	291 884
Investment securities	-	-	-	-	-	235 308	235 308
Loans and advances	2 646 023	465 482	888 423	1 861 026	2 697 620	(163 072)	8 395 503
Other assets	45 173	2 643 933	-	154 198	-	-	2 843 304
Total	10 447 748	3 215 808	991 359	2 118 160	5 493 739	64 161	22 330 975
Liabilities							
Derivative liabilities	413	-	-	-	-	-	413
Deposits from customers and other banks	14 587 323	-	27 037	13 002	1 589 395	-	16 216 757
Other liabilities	2 296	647 026	2 330 029	-	2 528	-	2 981 879
Total	14 590 032	647 026	2 357 066	13 002	1 591 923	-	19 199 049
Liquidity gap	(4 142 284)	2 568 782	(1 365 707)	2 105 158	3 901 816	64 161	-
Cumulative liquidity gap	(4 142 284)	(1 573 502)	(2 939 209)	(834 051)	3 067 765	3 131 926	-
Letters of credit	(2 967)	-	(293 845)	(25 799)	(10 990)	-	-
Financial guarantees	(9 133)	(232)	(2 064)	(223 544)	(516)	-	-
Total liquidity gap (on-and off-balance sheet)	(4 154 384)	(1 573 734)	(3 235 118)	(1 083 394)	3 056 259	3 131 926	-
Total cumulative liquidity gap	(4 154 384)	(1 585 834)	(3 247 450)	(1 391 635)	2 498 675	2 562 836	-

Other assets include internal clearing accounts.
Other liabilities include internal clearing accounts.

Maturity analysis assets and liabilities:

31 December 2023 Liquidity gap analysis (ZWG'000)	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	Above 1 year	Insensitive portion	Total
Assets							
Cash and cash equivalents	4 611 746	-	-	-	728 454	(24)	5 340 176
Derivative assets	37	-	-	-	-	-	37
Financial investments	-	7 631	28 171	16 727	-	(2 453)	50 076
Investment securities	-	-	-	-	-	78 501	78 501
Loans and advances	1 582 590	242 812	329 787	889 817	1 310 674	(107 025)	4 248 655
Other assets	33 700	738 788	-	-	-	-	772 488
Total	6 228 073	989 231	357 958	906 544	2 039 128	(31 001)	10 489 933
Liabilities							
Derivative liabilities	349	-	-	-	-	-	349
Deposits from customers and other banks	7 393 297	-	4 807	-	6	-	7 398 110
Other liabilities	-	1 640 261	33 117	182 379	14 619	27 322	1 897 698
Total	7 393 646	1 640 261	37 924	182 379	14 625	27 322	9 296 157
Liquidity gap	(1 165 573)	(651 030)	320 034	724 165	2 204 503	(58 323)	-
Cumulative liquidity gap	(1 165 573)	(1 816 603)	(1 496 569)	(772 404)	1 252 099	1 193 776	-
Letters of credit	(40 596)	(7 729)	(40 680)	(71 468)	-	-	-
Financial guarantees	(1 230)	(14 511)	(438)	(66 719)	-	-	-
Total liquidity gap (on-and off-balance sheet)	(1 207 399)	(1 838 843)	(1 537 687)	(910 591)	1 252 099	1 193 776	-
Total cumulative liquidity gap	(1 207 399)	(1 880 669)	(1 601 753)	(1 015 775)	1 008 728	950 405	-

Other assets include internal clearing accounts.
Other liabilities include internal clearing accounts.

Liquidity coverage ratio ("LCR")

The below table shows Stanbic Bank's liquidity coverage ratio calculated based on Basel II requirements in line with the RBZ guidelines. The LCR is the ratio of highly liquid assets that the Bank has against its expected cash outflows in a stress scenario.

Category	Sub-category	31 December 2024 Total weighted value ZWG'000	31 December 2023 Total weighted value ZWG'000
High quality liquid assets ("HQLA")	Level 1 assets	2 354 577	2 773 228
	Level 2A assets	-	-
	Level 2B assets	-	-
	Total HQLA	2 354 577	2 773 228
Cash outflows			
	Retail deposits and deposits from small business customers of which:		
	Stable deposits	-	-
	Less stable deposits	22 218	16 907
	Wholesale funding, of which:	-	-
	Operational deposits (all counterparties) and deposits in networks of cooperative banking institutions	-	-
	Non-operational deposits (all counterparties)	3 533 397	2 898 116
	Unsecured debt	-	-
	Secured wholesale funding	-	-
	Additional requirements, of which:	-	-
	Outflows related to derivative exposures and other collateral requirements	-	-
	Outflows related to loss of funding on debt products	-	-
	Credit and liquidity facilities	-	-
	Other contractual funding obligations	-	-
	Other contingent funding obligations	14 232	25 121
	Total Cash Outflows	3 569 847	2 940 144
Cash inflows			
	Reverse repo and other secured lending transactions	-	-
	Credit or liquidity facilities provided to Stanbic Bank Zimbabwe	-	-
	Operational deposits held at other financial institutions	-	-
	Operational deposits held at other financial institutions	-	-
	Other inflows by counterparty	-	-
	Other contractual cash inflows	2 639 021	3 672 325
	Total cash Inflows	2 639 021	3 672 325
	Total HQLA	2 354 577	2 773 228
	Total Net Cash Outflows	930 826	735 036
	Liquidity Coverage Ratio (LCR %)	252.96%	377.29%

Level 1 assets- include notes and coins, central bank balances, debt securities issued by the Reserve Bank of Zimbabwe.
Level 2A assets- include corporate debt securities not issued by a financial institution.
Level 2B assets-include residential mortgage-backed securities.

Foreign currency liquidity management

A number of parameters are observed in order to monitor changes in either market liquidity or exchange rates. The use of the USD as the functional currency in Zimbabwe means that significant foreign currencies to the Bank are the Zimbabwe investment gold ("ZWG"), South African Rand ("ZAR") and the British Pound ("GBP"). These three foreign currencies (and other minor ones) contribute 26% (2023:62%) of the overall statement of financial position size as depicted below and thus pose a significant foreign currency liquidity risk to the Bank:

Statement of financial position by currency as at 31 December 2024	Total ZWG'000	USD ZWG'000	ZWG ZWG'000	ZAR ZWG'000	GBP ZWG'000	Other ZWG'000
Assets						
Cash and cash equivalents	10 564 924	9 195 100	682 061	127 909	286 983	272 871
Derivative assets	52	-	52	-	-	-
Financial investments	291 884	-	291 884	-	-	-
Investment securities	235 308	-	235 308	-	-	-
Loans and advances	8 395 503	7 259 156	1 136 347	-	-	-
Other assets	3 027 918	2 542 855	330 995	122 465	21 387	10 216
Current taxation asset	-	-	-	-	-	-
Intangible assets	21 645	-	21 645	-	-	-
Investment property	1 802 980	-	1 802 980	-	-	-
Property and equipment	1 130 464	-	1 130 464	-	-	-
Right of use assets	13 467	-	13 467	-	-	-
Total assets	25 484 145	18 997 111	5 645 203	250 374	308 370	283 087
Equity and liabilities						
Equity	4 890 235	-	4 890 235	-	-	-
Ordinary share capital	427	-	427	-	-	-
Ordinary share premium	17 732	-	17 732	-	-	-
Reserves	4 872 076	-	4 872 076	-	-	-
Liabilities	20 593 910	16 914 143	2 789 590	296 424	356 794	236 959
Derivative liabilities	413	-	413	-	-	-
Total deposits	16 216 757	13 905 316	1 674 735	152 133	338 296	146 277
Deposits from other banks	1 194 548	1 065 479	36 453	57 040	35 241	335
Deposits from customers	15 022 209	12 839 837	1 638 282	95 093	303 055	145 942
Current taxation liability	20 664	20 664	-	-	-	-
Deferred tax liability	476 832	18 265	458 567	-	-	-
Other liabilities	3 879 244	2 969 898	655 875	144 291	18 498	90 682
Total equity and liabilities	25 484 145	16 914 143	7 679 825	296 424	356 794	236 959
Currency gap	-	2 082 970	(2 034 622)	(46 050)	(48 424)	46 128
Currency size as % of overall statement of financial position	100%	75%	22%	1%	1%	1%

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Statement of financial position by currency as at 31 December 2023	Total ZWG'000	USD ZWG'000	ZWG ZWG'000	ZAR ZWG'000	GBP ZWG'000	Other ZWG'000
Assets						
Cash and cash equivalents	5 340 176	3 680 630	1 481 193	125 730	26 262	26 361
Derivative assets	37	-	37	-	-	-
Financial investments	50 076	-	50 076	-	-	-
Investment securities	78 501	-	78 501	-	-	-
Loans and advances	4 248 655	3 629 779	608 876	-	-	-
Other assets	832 627	319 814	502 891	7 861	2 061	-
Current tax asset	1 236	-	1 236	-		
Intangible assets	16 741	-	16 741	-	-	-
Investment property	1 303 071	-	1 303 071	-	-	-
Property and equipment	538 583	-	538 583	-	-	-
Right of use assets	5 521	-	5 521	-	-	-
Total assets	12 415 224	7 640 223	4 586 726	133 591	28 323	26 361
Equity and liabilities						
Equity	2 403 779	-	2 403 779	-	-	-
Ordinary share capital	427	-	427	-	-	-
Ordinary share premium	17 732	-	17 732	-	-	-
Reserves	2 385 620	-	2 385 620	-	-	-
Liabilities						
Derivative liabilities	349	-	349	-	-	-
Total deposits	7 398 110	5 300 413	1 897 276	82 030	64 926	53 465
Deposits from other banks	263 416	201 229	-	34 957	27 125	105
Deposits from customers	7 134 694	5 099 184	1 897 276	47 073	37 801	53 360
Deferred and current tax liabilities	417 348	-	417 348	-	-	-
Other liabilities	2 195 638	1 820 227	234 995	137 361	1 176	1 879
Total equity and liabilities	12 415 224	7 120 640	4 953 747	219 391	66 102	55 344
Currency gap	-	519 583	(367 021)	(85 800)	(37 779)	(28 983)
Currency size as % of overall statement of financial position	100%	62%	37%	1%	-	-

Market risk

The identification, management, control, measurement and reporting of market risk is categorised as follows:

Trading market risk

These risks arise in trading activities where the Bank acts as a principal with clients in the market. The Bank's policy is that all trading activities are contained in the Bank's trading operations.

Banking book interest rate risk

These risks arise from the structural interest rate risk caused by the differing repricing characteristics of banking assets and liabilities.

Interest rate risk measurement

The analytical techniques used to quantify banking book interest rate risk include both earnings - and valuation-based measures. Results are monitored on at least a monthly basis by ALCO. The analysis takes cognisance of embedded optionality such as loan prepayments and accounts where the account behaviour differs from the contractual position. Desired changes to a particular interest rate risk profile are achieved through the restructuring of on-statement of financial position repricing and/or maturity profiles and, where appropriate, the use of derivative instruments.

Interest rate risk limits

Interest rate risk limits are set with respect to changes in forecast banking book earnings (net interest income and banking book mark-to-market profit or loss) and the economic value of equity. Economic value of equity sensitivity is calculated as the net present value of aggregate asset cash flows less the net present value of aggregate liability cash flows. All assets, liabilities and derivative instruments are allocated to gap intervals based on either their repricing or maturity characteristics. Assets and liabilities for which no identifiable contractual repricing or maturity dates exist are allocated to gap intervals based on behavioural profiling (obtained through statistical analysis and, if required, expert judgement).

Annual net interest income at risk

Assuming no management intervention, a downward 200bps parallel rate shock on all yield curves would decrease the forecast net interest income based on balances as at 31 December 2024 by 6.51% (2023:3.47%) for the local currency balance sheet. For the foreign currency balance sheet a downward 100bps parallel rate shock on all yield curves would decrease the forecast net interest income based on balances as at 31 December 2024 by 8.66% (2023:10.08%). The table below indicates the ZWL equivalent sensitivity of the Bank's banking book earnings (net interest income and0.08% banking book mark-to-market profit or loss) and OCI in response to a parallel yield curve shock, before tax.

Interest rate sensitivity analysis	December 2024 ZWG'000	December 2023 ZWG'000
Increase in basis points	200	200
Sensitivity of annual net local currency interest income	35 447	13 064
Sensitivity of OCI		
Decrease in basis points	200	200
Sensitivity of annual net local currency interest income	(26 959)	(13 714)
Sensitivity of OCI		
Increase in basis points	100	100
Sensitivity of annual net local currency interest income	14 163	6 532
Sensitivity of OCI		
Decrease in basis points	100	100
Sensitivity of annual net local interest income	(13 415)	(6 824)

Interest rate sensitivity analysis	December 2024 ZWG'000	December 2023 ZWG'000
Increase in basis points	200	200
Sensitivity of annual net foreign currency interest income	172 386	86 245
Sensitivity of OCI		
Decrease in basis points	200	200
Sensitivity of annual net foreign currency interest income	(185 182)	(80 415)
Sensitivity of OCI		
Increase in basis points	100	100
Sensitivity of annual net foreign currency interest income	86 193	44 233
Sensitivity of OCI		
Decrease in basis points	100	100
Sensitivity of annual net foreign currency interest income	(92 591)	(40 208)

31 December 2024 Interest rate repricing gap analysis (ZWG'000)	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	>1 year	Non-interest bearing	Total
Assets							
Cash and cash equivalents	4 497 762	-	-	-	-	6 067 162	10 564 924
Derivative assets	-	-	-	-	-	52	52
Financial investments	91 352	102 936	102 936	-	-	(5 340)	291 884
Investment securities	-	-	-	-	-	235 308	235 308
Loans and advances	7 794 630	-	-	-	-	600 873	8 395 503
Other assets	-	-	-	-	-	2 843 304	2 843 304
Total	12 383 744	102 936	102 936	-	-	9 741 359	22 330 975
Liabilities							
Derivative liabilities	-	-	-	-	-	413	413
Deposits from customers and other banks	1 668 544	26 856	12 899	-	-	14 508 458	16 216 757
Other liabilities	-	-	-	-	-	2 981 879	2 981 879
Total	1 668 544	26 856	12 899	-	-	17 490 750	19 199 049
Interest rate repricing gap	10 715 200	76 080	90 037	-	-	(7 749 391)	
Cumulative interest rate repricing gap	10 715 200	10 791 280	10 881 317	10 881 317	10 881 317	-	

Other assets include internal clearing accounts.

Other liabilities include internal clearing accounts.

31 December 2023 Interest rate repricing gap analysis (ZWG'000)	Redeemable on demand	Up to 1 month	1-3 months	3-12 months	>1 year	Non-interest bearing	Total
Assets							
Cash and cash equivalents	2 251 075	-	-	-	-	3 089 101	5 340 176
Derivative assets	-	-	-	-	-	37	37
Financial investments	4 442	6 664	16 659	16 659	-	5 652	50 076
Investment securities	-	-	-	-	-	78 501	78 501
Loans and advances	4 306 743	-	-	-	-	(58 088)	4 248 655
Other assets	-	-	-	-	-	772 488	772 488
Total	6 562 260	6 664	16 659	16 659	-	3 887 691	10 489 933
Liabilities							
Derivative liabilities	-	-	-	-	-	349	349
Deposits from customers and other banks	5 353 683	4 807	-	-	-	2 039 620	7 398 110
Other liabilities	-	-	-	-	-	1 897 698	1 897 698
Total	5 353 683	4 807	-	-	-	3 937 667	9 296 157
Interest rate repricing gap	1 208 577	1 857	16 659	16 659	-	(49 976)	
Cumulative interest rate repricing gap	1 208 577	1 210 434	1 227 093	1 243 752	1 243 752	-	

Other assets include internal clearing accounts.

Other liabilities include internal clearing accounts.

Market risk measurement

The techniques used to measure and control market risk include:

- Daily value-at-risk ("VaR"); and
- Stress tests.

Daily VaR

The Bank uses the historical VaR approach to derive quantitative measures, specifically for market risk under normal conditions. Normal VaR is based on a holding period of one day and a confidence interval of 95%. The use of historical VaR has limitations as it is based on historical correlations and volatilities in market prices and assumes that future prices will follow the observed historical distribution. The Bank back-tests its VaR models to verify the predictive ability of the VaR calculations, thereby ensuring the appropriateness of models. Back-testing compares the daily hypothetical profit or losses under the one-day buy and hold assumption to the prior day's VaR.

Stress tests

Stress testing provides an indication of the potential losses that could occur in extreme market conditions. The stress tests carried out by the Bank include individual market risk factor testing and combinations of market factors per trading desk and combinations of trading desks. Stress tests include a combination of historical and hypothetical simulations.

Other market risk measures

Other market risk measures specific to individual business units include permissible instruments, concentration of exposures, gap limits, maximum tenor and stop loss triggers. In addition, only approved products that can be independently priced and properly processed are permitted to be traded. All VaR limits are approved by both in-country and The Standard Bank of South Africa Limited ALCOs.

The Risk Department independently validates and documents new pricing models and performs an annual review of existing models to ensure they are still relevant and behaving within expectations. In addition, the Risk Department assesses the liquid closing price inputs used to value instruments daily and performs at least a monthly review of less liquid prices from a reasonableness perspective. Where differences are significant, mark-to-market adjustments are made.

Foreign currency risk

The Bank's primary exposures to foreign currency risk arise as a result of cash exposures in currencies other than functional currency. These exposures mainly arise from the proprietary currency trading business undertaken by the Bank's Global Markets Department and are measured using the value-at-risk approach.

Foreign currency value at risk for December 2024

	Maximum possible loss in December 2024 ZWG'000	Minimum possible loss in December 2024 ZWG'000	Average possible loss ZWG'000	Possible loss at 31 December 2024 ZWG'000	Maximum acceptable VaR loss ZWG'000
Normal VaR	979.2	547.7	729.0	926.6	3 400
Stress VaR	56 488	44 108	50 241	49 890	125 800

As depicted in the table, historical trading data for the foreign currency business indicates that the maximum possible loss for any one day's trading in 2024 was ZWG979 200 (2023: ZWG389 000), and the minimum possible loss was ZWG547 700 (2023: ZWG224 000), with an average possible loss of ZWG729 000 (2023: ZWG306 000) in comparison to the maximum acceptable possible loss of ZWG3.4 million (2023: ZWG1 555 000).

Operational risk

Risk assessments are an integral part of the overall risk management process and cover the key components of identification, assessment and management of risk. The Bank's risk and control self-assessment ("RCSA") policy operationalises the need for business to perform self-assessments on an annual basis and initiate actions to mitigate risks or control deficiencies.

The Bank uses key risk indicators ("KRIs") to monitor exposures to key risks identified in the RCSA process. The KRI process is an important component in the management of operational risk and contributes to the development of the Bank's operational risk profile.

The Bank maintains adequate insurance to cover key operational and other risks. Insurance is not considered as an alternative to effective preventative and detective controls but as a compensatory control, providing protection from the consequences of control failure.

Compliance risk

The Bank's approach to managing compliance risk is proactive and premised on internationally accepted principles of risk management and aligned with the methodologies used by the Bank's other risk assurance functions. The Compliance Department provides leadership through specialist support units on compliance with money laundering and terrorist financing control, occupational health and safety and emerging legislative developments. The compliance framework is based on the principles of effective compliance risk management in accordance with the requirements of the Zimbabwe Banking Act (Chapter 24:20) and the Basel Committee on Banking Supervision. The Bank operates a centralised compliance risk management structure.

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Climate Risk Management

Stanbic Bank Zimbabwe defines climate-related risk as the exposure to the physical- and transition-related risk drivers associated with climate change, both in respect of the bank's own activities and operations, but more materially through the transmission of such drivers into credit, market, operational, reputational and other risk exposures from lending to, investing in and otherwise transacting with the bank's counterparties. Exposure to climate-related risks either directly to the bank, or indirectly through increased financial and reputational exposure to the bank's clients and third parties, could therefore present as financial losses, loss of shareholder value, increased investor pressure, heightened reputational risk or regulatory sanctions.

Our climate journey

Our climate journey starts with the purpose of Stanbic Bank Zimbabwe which is: Zimbabwe is our home; we drive her growth. We aim to be a market leader in sustainable finance across the country and aid in Zimbabwe's just energy transition.

As such, together with the broader Standard Bank Group we are committed to achieving net zero carbon emissions from our own operations for newly built facilities by 2030, for existing facilities by 2040 and from our portfolio of financed emissions by 2050. In 2024, the Bank invested considerably in refining its approach to climate change. We understand our climate related opportunities and risks through a double materiality lens. Our approach is underpinned by two interconnected pillars: climate strategy and climate risk.

Climate strategy is led by our client segments and integrates climate-related opportunities and risks into their strategies. This pillar addresses the impact that the Bank has on climate change through setting climate mitigation targets and commitments. Climate risk management is led by our risk function and integrates climate-related risks into the Bank's overall risk management framework. This pillar addresses the impact that climate change has on the Bank.

Zimbabwe much like the rest of the continent is disproportionately impacted by climate change: the continent is already experiencing above average temperature increases, prolonged and severe droughts, frequent flooding, and coastal erosion. Yet Africa's contribution to global GHG emissions is less than 4%. Furthermore, the achievement of the United Nations ("UN") Sustainable Development Goals ("SDGs") is constrained by energy poverty: 600 million Africans have no access to electricity. Energy use per capita in Africa remains one-third of the global average. Africa's demand for electricity is expected to increase by 75% by 2030. As such, climate change and the energy transition present a significant opportunity and a material risk to the Bank.

Our approach to understanding climate related risks and opportunities in Zimbabwe is founded on the principle of common but differentiated responsibility for climate mitigation and lowering GHG emissions that is enshrined in the Paris Agreement. This principle allows developing countries a longer time to transition to net zero, beyond 2050. Due to huge dependency on mining, oil and gas sectors to generate foreign currency, government revenue, and employment for many developing nations like Zimbabwe. It is not tenable to simply stop financing such activity, particularly as the impact on global GHG emissions will be marginal. The broader impacts of loadshedding include weaker consumer and business confidence, and an impediment to foreign investment. This energy challenge similarly poses a significant opportunity driven by the increased demand from households and businesses for off-the-grid and alternative energy solutions. The total value of renewable-energy projects in Africa is thought to be in the region of USD35 billion, including 104 wind projects and over 1 000 solar projects. Zimbabwe is also increasing power demand and efforts to expand electrification. Despite global finance investment flows reaching record highs in 2021, investment to support the energy transitions of African countries remains extremely limited.

For Zimbabwe to make progress towards the SDGs there are sectors that will continue to need financing despite their carbon intensity. Indeed, certain activities will require higher levels of investment. Agricultural and food manufacturing are essential for food security and employment. Mining for copper, cobalt and lithium is core to the global energy transition. Steel and cement are needed for infrastructure development across the continent. We place these sectors and activities under the umbrella of transition finance. We will continue to finance them while also supporting efforts to ensure they have credible plans to transition to net zero. In our view this approach is preferable to disinvestment and disorderly energy transitions.

Zimbabwe will also play a critical role in regional and global climate mitigation efforts, As a continent, Africa serves as a significant carbon sink with its equatorial forests absorbing more carbon than the continent generates. We are working to unlock the opportunities that Zimbabwe holds to support global decarbonisation efforts. Our climate commitments are integrated into our strategy. Our client segments are leading the development of climate targets and commitments across the various economic sectors that we bank.
The needs of our clients are at the forefront of this work, and we are working with them to support their energy transitions, providing climate-related solutions to clients, deploying capital to scale renewable energy solutions, and mobilising capital for a sustainable energy transition.

In keeping with the Bank's operating model, client segments take the lead in assessing and monitoring climate-related issues relevant to their specific businesses. Each segment has identified an appropriate executive to drive climate-related work in their business, ensuring that the climate strategy work takes place as close to our clients as possible. This means for example that the executives leading the Bank's agriculture business monitor climate related issues relevant to the agriculture sector, while executives leading the Bank's residential real estate business monitor issues pertinent to home loans.

In addition, executives in various corporate functions support climate related risk management at total bank level. For example, Risk Management Committee ("RMC") focuses on climate change in relation to sovereign risk. A Sustainability Committee responsible for championing the Bank's sustainability targets has been set up and meets monthly to execute on the business's sustainability agenda and climate-related matters. Relevant capacity building is also being currently developed through bespoke training sessions to different audiences within the Bank.

Our climate policy and commitment to net zero by 2050 is integrated into our strategy, which aims to deliver sustainable growth and value for all our stakeholders. Our strategy is underpinned by integrated thinking, connecting the emerging trends effecting our business and the issues that impact how we execute our strategy and create value. This is reflected in our six strategic value drivers. Our climate strategy is reflected in each value driver.

Climate Risk and Our strategic value drivers

Client focus

Our clients sit at the heart of our climate strategy. We are partnering with our clients supporting their transition and adaptation plans with relevant solutions.

Employee engagement

We are investing in our employee's capabilities to understand climate-related opportunities and risks to better service offering for our clients.

Risk and conduct

We aim to prudently manage climate risk in line with our risk appetite, risk management framework, and regulatory expectations.

Operational excellence

We are managing our direct operational footprint across our offices, branches, and automated teller machines ("ATMs") to reduce our direct GHG emissions.

Financial outcomes

Implementing our climate strategy to support Zimbabwe's transition will generate revenue for the Bank.

Social, economic and environmental impact

Our climate policy will make a positive contribution to economic growth and human development in Zimbabwe, while helping to minimise and mitigate climate-related risk. Our approach supports SDGs 7, 8 and 13.

Governance

We expect that both the board and management will spend more time assessing and monitoring climate-related issues in 2025. We This include:

- Providing adequate oversight on the Bank's sustainability and climate risk agenda.
- Setting climate targets and commitments for Bank
- Monitoring progress in meeting these commitments and targets.
- Monitoring climate risks that may impact the Bank's risk profile and approving and monitoring risk appetite.

Board level oversight and guidance

Stanbic Bank Zimbabwe board

The board is responsible for overseeing climate related risk management and progress against our climate policy and targets. This responsibility is delegated to the Board Risk committee which meets quarterly and provide feedback to the full board.

Board Risk Committee

This committee is expanding its role in the oversight of climate risk management. In the year 2025, it will consider a detailed report on evolving our climate risk management practices, regulatory requirements, and the work being led by the Bank to understand its exposure to climate risk.

Management level oversight

Executive Committee

The Bank's Executive Committee drives the implementation of the climate strategy and adherence to the climate policy. Throughout the year 2025 it will receive progress reports on the target setting work underway in client segments.

Sustainability Committee

This committee has oversight of the Bank's climate policy, climate targets and commitments. In 2025, it is expected to develop a report on progress against the Bank's phase one climate targets.

Risk Management Committee

This committee is developing its role in the oversight of climate risk management. In 2025, the committee will consider a detailed report on evolving climate risk management practices, regulatory requirements, and the work being done by the Bank to understand the its exposure to climate risk.

Client segments

Client segments have strategy and governance committees that oversee climate work in their respective business units, and which recommend climate targets and commitments to Bank-wide governance committees for approval.

How the Bank manages climate change

This work is led by the Bank's client segments who are accountable for setting and meeting climate targets and commitments in line with the Bank's climate policy. The real estate services team is responsible for managing and reducing our direct operational footprint in line with the Bank's climate policy by implementing efficient energy solutions, including solar photovoltaic ("PV") solutions for key buildings.

How climate change impacts the Bank' Climate risk management

This work is led by the Bank's Chief Risk Officer ("CRO"). The CRO is responsible for implementing the emerging climate risk management framework in the business. The Bank's Credit Risk Management Committee ("CRMC") is responsible for ensuring the Bank's lending activities align with environmental and social risk policies, as well as international standards of best practice, and works with business and credit teams to assess and monitor climate risks.

Integration of climate-related risks into overall risk management

Our enterprise risk management framework provides the umbrella for how we manage climate risk across the Bank. The Bank's Risk Management Report provides a comprehensive picture of the Bank's risk management. Our existing policies and standards for risk identification, assessment, management, and mitigation are being applied to climate risk. The Bank's enterprise risk management team conducts an annual process to identify and assess top risks and emerging risks to the Bank informed. Climate-related risks have emerged as a material risk to the Bank and consequently there has been heightened attention given to understanding and managing these risks in the current year.

Climate risk is a financial and non-financial risk

We define climate risk as exposure to the physical and transition risks associated with climate change both in respect of our own activities and operations, but more materially through the transmission of climate risks into credit, market, reputational and other risk exposures from lending to, investing in and otherwise transacting with our clients and counterparties.

We recognise that climate risk has two distinct drivers which are the primary source of risk across all our operations, with varying levels of intensity. Firstly, the risk of financial loss arising through increasing severity and frequency of physical climate risk drivers. This may include more frequent and extreme climate change related weather events such as storms, wildfires, droughts and other physical hazards, all of which are evident in Zimbabwe. It may also include chronic longer-term changes in climate, such as changing precipitation patterns, rising sea levels and average temperature rises.

Secondly, the risk of financial loss arising through transition risk drivers, being changes associated with microeconomic (individual and corporate level) and macroeconomic (economy and country level) adjustments made in transitioning to a lower carbon emissions economy and business operating model. Such drivers include climate related changes in policies, legislation and regulations, changes due to technology improvements that support transition to a lower carbon economy, changes in market demand for products and services that support the transition, and reputational risks associated with changing customer preferences.

We understand the transmission of climate risk has both financial and non-financial elements, and that climate risk-related events have implications for other risk types faced by the bank. Below we have examples of how climate-related risks transmit to the financial and non-financial risk types within our enterprise-wide risk management framework.

Credit risk

Credit risk is the risk of loss arising out of the failure of counterparties to meet their financial or contractual obligations when due. Credit counterparties in high transition risk sectors, such as our coal-fired power generation and mining sectors, are expected to have to incur higher taxes on their emissions in the short to medium term, potentially impacting the credit quality of our exposures.

Market risk

The risk of change in market value, earnings or future cash flows from a financial instrument held, caused by adverse moves in market variables Financial instruments issued by counterparties in sectors with high transition risk due to carbon intensive business models, may be at risk of value erosion in a disorderly transition that impacts market prices.

Liquidity risk

Liquidity risk arises when the Bank is unable to maintain or generate sufficient cash resources to meet its payment obligations as they fall due, or can only do so on materially disadvantageous terms. The potential for the Bank to be impacted through climate-risk related events or conditions, that results in an inability to access sufficient funding to meet liquidity reserving requirements, has not been fully examined as yet.

Materiality of climate-related risks in assessing where material climate-related credit exposures reside in our portfolio, we leveraged internal expert knowledge on the inherent risks in the sectors and industries that our counterparties operate in, in order to build a climate-sensitive sector inventory. We supplemented that with external advisory recommendations, references to peers and links to standard industry classification codes. The value of our outstanding credit exposure to each sector and industry relative to the total portfolio, the geographies in which our exposures are concentrated, as well as the sector-specific strategies we have in place, were also all considerations taken in determining materiality of our climate-related risks and opportunities. When assessing climate-related risks we align with our phased target-setting approach which defines the following timescales for short, medium, and long term: Short term 0 – 5 years; Medium term 5 – 10 years; Long term more than 10 years.

Setting climate risk appetite

Central to the integration of climate risk management is the development of a risk appetite framework within which these risks can be measured and monitored. Our risk appetite defines the nature and magnitude of risk that we are willing to take in support of our financial and strategic objectives. It reflects our capacity to sustain losses and continue to meet our obligations as they fall due, both under normal and stressed conditions. We acknowledge that in the case of climate-related risks, there are multiple dimensions around which risk appetite needs to be set such as a sector's, or country's exposure to climate risk. Our climate policy is one form of expression of our appetite for lending to sectors we've identified as being sensitive to climate-related risks. The targets set for exposure concentration to these sectors reflect our intentions to align to our net zero commitments, and to contribute to mitigating the effects of climate change through limiting our lending to high emitting sectors. This forms the basis for our initial views on portfolio level appetite setting. Further work will be done on setting sector specific metrics for portfolio level appetite monitoring. In terms of transaction level appetite for climate related credit risk.

Targets and metrics

Our climate policy defines the following overall sustainable finance and lending concentration risk-based targets for the primary sectors that we have focused on, being those that we've identified as being exposed to material levels of climate-related risk. Our policy states that these targets will be reviewed regularly and in time will be re-baselined to reflect targets for absolute emissions contractions.

Metrics

The Bank will be using the following metrics:

- lending exposure to high-emissions sectors as a proxy indicator
- We are working toward the disclosure of scope 3 financed emissions data, with an initial focus on mining, tobacco farming and coal-fired power generation.

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

		31 December 2024 ZWG'000	31 December 2023 ZWG'000
1	**Cash and cash equivalents**		
	Bank notes	2 667 694	1 590 897
	Balances with the Central Bank	3 371 658	1 498 228
	Balances with other banks	4 525 675	2 251 075
		10 565 027	5 340 200
	Expected credit loss on balances with other banks	(103)	(24)
	Current	10 564 924	5 340 176

1.1 A reconciliation of the allowances for expected credit losses on balances with other banks

	31 December 2024 ZWG'000	31 December 2023 ZWG'000
Stage 1		
Balance as at the beginning of the year	(24)	(744)
Net movement	476	674
Originated impairments raise	-	(22)
Subsequent impairments	476	696
Derecognised or write offs	-	-
Other movements	(555)	46
Balance at end of the year	(103)	(24)

2 **Derivative instruments**

The Bank's derivatives are classified as held for trading.

Fair values

The fair value of a derivative financial instrument represents for quoted instruments the quoted market price and for unquoted instruments the present value of the positive or negative cash flows, which would have occurred if the rights and obligations arising from that instrument were closed out in an orderly market place transaction at the reporting date.

Use and measurement

The Bank entered into derivative transactions for trading purposes during the year ended 31 December 2024. The derivatives used by the Bank are foreign exchange contracts. Foreign exchange contracts are contractual obligations to buy or sell financial instruments on a future date at a specified price.

The Bank trades derivative instruments on behalf of customers and for its own positions. The Bank transacts derivative contracts to address customers demand both as market maker in the wholesale markets and in structuring tailored derivatives for customers.

	Fair value of assets 31 December 2024 ZWG'000	Fair value of assets 31 December 2023 ZWG'000
Derivatives held for trading		
Foreign exchange contracts	52	37
Maturity analysis of net fair value		
Up to 1 month	52	37

	Fair value of liabilities 31 December 2024 ZWG'000	Fair value of liabilities 31 December 2023 ZWG'000
Derivatives held for trading		
Foreign exchange contracts	(413)	(349)
Maturity analysis of net fair value		
Up to 1 month	(413)	(349)

		31 December 2024 ZWG'000	31 December 2023 ZWG'000
3	**Financial investments**		
	Balance at the beginning of the period	50 076	302 533
	Additions	621 828	228 218
	Accrued interest	2 631	27 015
	Total disposals	(375 760)	(502 480)
	Disposals	(348 745)	(465 310)
	Interest received	(27 015)	(37 170)
	Expected credit loss allowances (note 3.1.4)	(6 891)	(5 210)
	Balance at the end of the period	291 884	50 076
	Current	291 884	50 076
3.1	**Financial investments**		
	Other financial investments		
	Comprising:		
	Financial investments at amortised cost		
	Sovereign	299 856	52 529
3.1.2	**Gross financial investments**		
	Sovereign	299 856	52 529
	Expected credit loss		
	Stage 1	(7 972)	(2 453)
	Net financial investments	291 884	50 076

3.1.3 Expected credit loss for financial investments

	Stage 1	Stage 2	Stage 3	Total
Sovereign December 2024	(7 972)	-	-	(7 972)
Sovereign December 2023	(2 453)	-	-	(2 453)

3.1.4 A reconciliation of the expected credit losses for financial investments at amortised cost, by class:

	Sovereign	Total
Stage 1 2024		
Opening balance	2 453	2 453
Net movement (note 18.7)	6 891	6 891
Originated impairments raised	10 389	10 389
Subsequent decrease in expected credit loss	(3 498)	(3 498)
Other movements	(1 372)	(1 372)
Balance at the end of period	7 972	7 972

	Sovereign	Total
Stage 1 2023		
Balance at beginning of the year	3 088	3 088
Net movement	5 210	5 210
Originated impairments raised	8 298	8 298
Subsequent decrease in expected credit losses	(3 088)	(3 088)
Derecognition on matured financial investments	(5 845)	(5 845)
Balance at the end of period	2 453	2 453

		31 December 2024 ZWG'000	31 December 2023 ZWG'000
	Maturity analysis		
	The maturities represent periods to contractual redemption of the financial investments recorded:		
	Maturing within one year	291 884	50 076
3.2	**Investment securities**		
	Balance at the beginning of the period	78 501	38 428
	Additions	-	-
	Disposal	-	-
	Net change in fair value	156 807	40 073
	Balance at the end of the period	235 308	78 501

The Bank has a 15.97% (2023:15.97%) shareholding in Zimswitch Holdings (Private) Limited, a special purpose company that has shareholding in Zimswitch Technologies (Private) Limited, which provides central national switch for banks in Zimbabwe facilitating clearing and settlement of local payments and transfers. This is a strategic investment that the Bank has made and it is measured at fair value through other comprehensive income.

		31 December 2024 ZWG'000	31 December 2023 ZWG'000
4	**Loans and advances**		
	Gross loans and advances measured at amortised cost	5 591 980	2 504 710
	Mortgage loans	625 639	329 036
	Instalment sale and finance leases	1 762 786	823 435
	Personal unsecured lending	1 423 793	677 495
	Business lending and other	1 779 762	674 744
	Corporate lending	2 966 595	1 850 970
	Allowance for expected credit losses	(163 072)	(107 025)
	Stage 1	(45 173)	(54 617)
	Stage 2	(65 657)	(27 521)
	Stage 3	(52 242)	(24 887)
	Net loans and advances	8 395 503	4 248 655
	Maturity analysis		
	The maturity analysis of gross loans and advances is based on the remaining periods to contractual maturity from period end		
	Redeemable on demand	2 646 023	1 582 590
	Maturing within 1 month	465 482	242 812
	Maturing after 1 month but within 12 months	2 749 449	1 219 605
	Maturing after 12 months	2 697 621	1 310 673
	Gross loans and advances	8 558 575	4 355 680

	31 December 2024 ZWG'000	31 December 2024 %	31 December 2023 ZWG'000	31 December 2023 %
Sectoral analysis-industry				
Individuals	2 092 723	24%	727 913	17%
Agriculture	876 169	10%	504 352	12%
Manufacturing	2 753 061	32%	1 394 676	32%
Wholesale distribution	809 015	9%	468 458	11%
Other services	728 266	9%	537 063	12%
Transport	293 071	3%	101 196	2%
Mining	739 050	9%	542 571	12%
Construction	192 689	2%	75 260	2%
Finance	2 631	0%	4 113	0%
Communications	71 900	1%	78	0%
	8 558 575	100%	4 355 680	100%

4.3 Expected credit losses for loans and advances

The allowance for expected credit losses for loans and advances by class for the year ended 31 December 2024 is as follows:

Total impairments	Stage 1 ZWG'000	Stage 2 ZWG'000	Stage 3 ZWG'000	Total ZWG'000
31 December 2024				
Mortgage loans	1 213	2 399	-	3 612
Instalment sale and finance leases	748	28 714	2 606	32 068
Personal unsecured lending	12 538	6 424	42 129	61 091
Business lending and other	14 060	18 188	7 507	39 755
Corporate lending	16 614	9 932	-	26 546
Balance as at 31 December 2024	45 173	65 657	52 242	163 072

4.3.1 A reconciliation of the allowances for expected credit losses for loans and advances by class for the year ended 31 December 2024

Allowance for expected credit losses	Mortgage loans ZWG'000	Instalment sale and finance leases ZWG'000	Personal unsecured lending ZWG'000	Business lending and other ZWG'000	Corporate lending ZWG'000	Total ZWG'000
Stage 1						
Balance as at the beginning of the year	478	7 906	11 783	15 759	18 691	54 617
Net movement	361	(8 785)	(2 665)	(12 128)	(10 705)	(33 922)
Originated impairments raised	316	68	9 937	8 831	9 598	28 750
Subsequent changes in expected credit loss	(1 604)	(8 943)	(13 483)	(20 191)	(8 401)	(52 622)
Transfers from/(to) stage 2	1 649	90	1 671	(655)	(6 098)	(3 343)
Transfers to stage 3	-	-	(790)	(113)	-	(903)
Derecognition including write off	-	-	-	-	(5 804)	(5 804)
Other movements	374	1 627	3 420	10 429	8 628	24 478
Balance at end of the year	1 213	748	12 538	14 060	16 614	45 173
Stage 2						
Balance as at the beginning of the year	2 265	12 486	5 885	6 828	57	27 521
Net movement	(750)	6 500	2 070	1 645	4 206	13 671
Originated impairments raised	224	-	727	973	1 052	2 976
Subsequent changes in expected credit loss	709	6 590	3 842	174	(2 933)	8 382
Transfers (to)/from stage 1	(1 649)	(90)	(1 671)	655	6 098	3 343
Transfers to stage 3	(34)	-	(828)	(157)	-	(1 019)
Derecognised including write offs	-	-	-	-	(11)	(11)
Other movements	884	9 728	(1 557)	9 715	5 669	24 439
Balance at end of the year	2 399	28 714	6 398	18 188	9 932	65 631
Stage 3						
Balance as at the beginning of the year	47	1 735	21 588	1 517	-	24 887
Net movement	1 157	2 871	41 473	7 862	-	53 363
Originated impairments raised	-	-	-	-	-	-
Subsequent changes in expected credit loss	1 123	4 194	57 743	8 734	-	71 794
Transfers from stage 1	-	-	790	113	-	903
Transfers from stage 2	34	-	828	157	-	1 019
After write off recoveries	-	(1 323)	(17 888)	(1 142)	-	(20 353)
Write offs	(3 715)	-	(439)	-	-	(4 154)
Time value of money ("TVM") unwinding	-	-	-	-	-	-
Other movements	2 511	(2 000)	(20 493)	(1 872)	-	(21 854)
Balance at end of the year	-	2 606	42 129	7 507	-	52 242

4.3.2 December 2023 allowance for expected credit losses on loans and advances to customers

A reconciliation of the allowance for expected credit losses on loans and advances to customers by class:

	Mortgage loans ZWG'000	Instalment sale and finance leases ZWG'000	Personal unsecured lending ZWG'000	Business lending and other ZWG'000	Corporate lending ZWG'000	Total ZWG'000
Stage 1						
Balance as at the beginning of the year	233	102	12 778	3 985	2 017	19 115
Net movement	106	9 440	(2 890)	(18)	15 967	22 605
Originated impairments raised	711	555	(4 624)	(5 868)	19 336	10 110
Subsequent changes in expected credit loss	(608)	8 885	1 738	5 850	(3 107)	12 758
Transfers from/(to) stage 2	3	-	(13)	-	119	109
Transfers to stage 3	-	-	9	-	-	9
Derecognition	-	-	-	-	(381)	(381)
Other movements	139	(1 636)	1 895	11 792	707	12 897
Balance as at end of the year	478	7 906	11 783	15 759	18 691	54 617
Stage 2						
Balance as at the beginning of the year	2 842	14 986	20 443	73 379	515	112 165
Net movement	(4 291)	(16 271)	(175 363)	(365)	867	(195 423)
Originated impairments raised	1 436	85	4 732	936	(17)	7 172
Subsequent changes in expected credit loss	(5 720)	(16 356)	(179 951)	(1 301)	850	(202 478)
Transfers (to)/ from stage 1	(3)	-	13	-	(119)	(109)
Transfers to stage 3	(4)	-	(157)	-	-	(161)
Derecognition including write off	-	-	-	-	153	153
Other movements	3 714	13 771	160 805	(66 186)	(1 325)	110 779
Balance as at end of the year	2 265	12 486	5 885	6 828	57	27 521
Stage 3						
Balance as at the beginning of the year	442	52	8 079	601	534	9 708
Net movement	1 181	2 710	51 111	2 315	-	57 317
Originated impairments raised	-	-	-	-	-	-
Subsequent changes in expected credit loss	1 177	2 710	51 336	2 315	-	57 538
Transfers from stage 1	-	-	(9)	-	-	(9)
Transfers from stage 2	4	-	157	-	-	161
After write off recoveries	-	-	(373)	-	-	(373)
TVM unwinding	-	-	-	-	-	-
Write off	-	-	-	-	-	-
Other movements	(1 576)	(1 027)	(37 602)	(1 399)	(534)	(42 138)
Balance as at end of the year	47	1 735	21 588	1 517	-	24 887

	31 December 2024 ZWG'000	31 December 2023 ZWG'000
4.4 Expected credit losses for the six months ended 31 December 2024:		
Net expected credit losses raised and (released) on financial investments	6 891	5 210
Stage 1 (note 3.1.4)	6 891	5 210
Net expected credit losses raised and (released) on balances with other banks	(476)	(674)
Stage 1 (note 1. 1)	(476)	(674)
Net expected credit losses raised and (released) on loans and advances	33 112	(115 501)
Stage 1 (note 4.3.1)	(33 922)	22 605
Stage 2 (note 4.3.1)	13 671	(195 423)
Stage 3 (note 4.3.1)	53 363	57 317
Net expected credit losses raised and (released) on off – balance sheet exposures	(184)	(161)
Stage 1 (note 11.2.3)	(252)	(373)
Stage 2	68	211
Stage 3	-	1
Total expected credit losses (on and off-balance sheet)	39 343	(111 126)

	31 December 2024 ZWG'000	31 December 2023 ZWG'000
5 Non trading and capital items		
Fair value loss on investment property	(337 739)	664 164
Tax charge	62 490	(119 550)
	(275 249)	544 614

For the year 2024, non trading and capital items includes technical accounting adjustments that were made following the change in the Bank's functional currency from ZWL to USD. These adjustments were because of the differences in fair value of property assets when expressed in local currency compared to the underlying valuations in the open market in real terms. Non trading and capital items for 2023 included fair value adjustments on investment properties following an independent property valuation exercise that had been carried out.

	31 December 2024 ZWG'000	31 December 2023 ZWG'000
6 Other assets		
Inventories	23 631	7 724
Prepayments	160 983	52 414
Amounts due from group companies	27 604	166
Other receivables	3 663	16 356
Internal clearing accounts	2 812 037	755 967
	3 027 918	832 627
Allowance for expected credit losses on other assets	-	-
	3 027 918	832 627
Financial assets	2 843 304	772 489
Non financial assets	184 614	60 138
	3 027 918	832 627
Maturity analysis		
Maturing within 1 year	2 843 304	772 489
Maturing after 1 year	184 614	60 138
	3 027 918	832 627

Internal clearing accounts include suspense accounts where transactions are held temporarily and are cleared daily to the appropriate ledger accounts.

6.1 Due to the short-term nature of these assets and historical experience and available forward-looking information debtors are regarded as having a low PD. Therefore, the ECL has been assessed to be insignificant.

	31 December 2024 ZWG'000	31 December 2023 ZWG'000
7 Share capital		
7.1 Authorised share capital		
500 000 ordinary shares with nominal value of ZWG1 each	822	822
7.2 Issued share capital		
260 000 ordinary shares with nominal value of ZWG1 each	427	427
8 Share premium and reserves		
8.1 Share premium		
Share premium on issue of shares	17 732	17 732
8.2 Reserves		
Non-distributable reserve	90 801	181 782
Fair value through other comprehensive income	152 386	70 718
Foreign currency translation reserve	2 222 445	-
Retained earnings	2 406 444	2 133 120
	4 872 076	2 385 620
9 Deposits and current accounts		
Deposits from other banks	1 194 548	263 416
Deposits from customers	15 022 209	7 134 694
Current accounts	14 775 369	2 083 882
Call deposits	142 408	5 022 256
Term deposits	45 560	5 222
Savings accounts	58 872	23 334
Deposits and current accounts	16 216 757	7 398 110
Current	14 627 363	7 398 104
Non-current	1 589 394	6
	16 216 757	7 398 110
Maturity analysis		
The maturity analysis is based on the remaining periods to contractual maturity from period end		
Redeemable on demand	14 587 328	7 393 297
Maturing with 1 month	-	-
Maturing after 1 month but within 12 months	40 038	4 807
Maturing after 12 months	1 589 391	6
	16 216 757	7 398 110

10 CLASSIFICATIONS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

31 December 2024

	Held for trading ZWG'000	At fair value through profit and loss-default ZWG'000	Fair value through OCI ZWG'000	Amortised cost ZWG'000	Total carrying amount ZWG'000
31 December 2024					
Financial assets					
Cash and cash equivalents	-	5 306 932	-	5 257 992	10 564 924
Derivative assets	52	-	-	-	52
Financial investments	-	-	-	291 884	291 884
Investment securities	-	-	235 308	-	235 308
Loans and advances	-	-	-	8 395 503	8 395 503
Other financial assets	-	-	-	2 843 304	2 843 304
	52	5 306 932	235 308	16 788 683	22 330 975
Financial liabilities					
Derivative liabilities	413	-	-	-	413
Deposits from other banks	-	-	-	1 194 548	1 194 548
Deposits from customers	-	-	-	15 022 209	15 022 209
Other financial liabilities	-	-	-	2 981 879	2 981 879
	413	-	-	19 198 636	19 199 049

Other assets include internal clearing accounts.
Other liabilities include internal clearing accounts.

10.1 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

December 2023

	Held for trading ZWG'000	At fair value through profit or loss-default ZWG'000	Fair value through OCI ZWG'000	Amortised cost ZWG'000	Total carrying amount ZWG'000
31 December 2023					
Financial assets					
Cash and cash equivalents	-	2 348 332	-	2 991 843	5 340 175
Derivative assets	37	-	-	-	37
Financial investments	-	-	-	50 076	50 076
Investment securities	-	-	78 501	-	78 501
Loans and advances	-	-	-	4 248 655	4 248 655
Other assets	-	-	-	772 488	772 488
	37	2 348 332	78 501	8 063 062	10 489 932
Financial liabilities					
Derivative liabilities	349	-	-	-	349
Deposits from other banks	-	-	-	263 416	263 416
Deposits from customers	-	-	-	7 134 694	7 134 694
Other liabilities	-	-	-	1 897 698	1 897 698
	349	-	-	9 295 808	9 296 157

Other assets include internal clearing accounts.
Other liabilities include internal clearing accounts.

11 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is as prices) or indirectly (that is derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

The following table presents the Bank's assets and liabilities that are measured at fair value at 31 December 2024 by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

Assets	Note	Fair values ZWG'000	Level 1 ZWG'000	Level 2 ZWG'000	Level 3 ZWG'000	Valuation techniques and inputs
31 December 2024						
Assets						
Cash and cash equivalents		5 306 932	5 306 932	-	-	
Derivatives assets						
– Foreign exchange contracts	2	52	-	52	-	Discounted cash flows
Investment securities	3.2	235 308	-	-	235 308	Net asset value
Investment property		1 802 980	-	-	1 802 980	Sales comparison method market rentals and yields
Freehold property		862 902	-	-	862 902	Sales comparison method market rentals and yields
Total assets		8 208 174	5 306 932	52	2 901 190	
Liabilities						
Financial liabilities						
Derivatives liabilities						
– Foreign exchange contracts		413	-	413	-	Discounted cash flows
Total liabilities		413	-	413	-	

Assets	Note	Fair values ZWG'000	Level 1 ZWG'000	Level 2 ZWG'000	Level 3 ZWG'000	Valuation techniques and inputs
31 December 2023						
Assets						
Cash and cash equivalents		2 348 332	2 348 332	-	-	
Derivatives assets						
– Foreign exchange contracts	2	37	-	37	-	Discounted cash flows
Investment securities	3.2	78 501	-	-	78 501	Net asset value
Investment property		1 303 071	-	-	1 303 071	Sales comparison method market rentals and yields
Freehold property		419 382	-	-	419 382	Sales comparison method market rentals and yields
Total assets		4 149 323	2 348 332	37	1 800 954	
Liabilities						
Financial liabilities						
Derivatives liabilities						
– Foreign exchange contracts		349	-	349	-	Discounted cash flows
Total liabilities		349	-	349	-	

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy:

Reconciliation of level 3 items	31 December 2024 Investment property ZWG'000	31 December 2024 Freehold property ZWG'000	31 December 2024 Total assets ZWG'000	31 December 2023 Investment property ZWG'000	31 December 2023 Freehold property ZWG'000	31 December 2023 Total assets ZWG'000
Balance at 1 January	1 303 071	419 382	1 722 453	510 084	177 925	688 009
Additions	3 370	195 522	198 892	128 823	131 186	260 009
Day 1 adjustment	(388 711)	(116 932)	(505 643)	-	-	-
Transfers (out) of into level 3	-	-	-	-	-	-
Transfers into (out) of level 3	-	-	-	-	-	-
Gains or losses for the period						
Included in profit or loss	50 972	(12 129)	38 843	664 164	(3 962)	660 202
Exchange rate movements	834 278	416 554	1 250 832	-	-	-
Recognised in other comprehensive income	-	(39 495)	(39 495)	-	114 233	114 233
Balance at the end of the period	1 802 980	862 902	2 665 882	1 303 071	419 382	1 722 453

Reconciliation of level 3 items	31 December 2024 Investment securities ZWG'000	31 December 2023 Investment securities ZWG'000
Balance at 1 January	78 501	38 427
Additions	-	-
Disposal	-	-
Gains or losses for the period		
Recognised in other comprehensive income	85 966	40 074
Exchange rate movements	70 841	-
Balance at the end of the period	235 308	78 501

The table below shows the fair value of financial instruments not measured at fair value as at 31 December 2024:

	Note	Fair values ZWG'000	Level 1 ZWG'000	Level 2 ZWG'000	Level 3 ZWG'000
Assets					
Cash and cash equivalents		5 257 992	5 257 992	-	-
Financial investments		291 884	-	-	291 884
Loans and advances	4	8 395 503	-	-	8 395 503
Other assets		2 843 304	-	-	2 843 304
Total assets		16 788 683	5 257 992	-	11 530 691
Liabilities					
Financial liabilities measured at amortised cost					
Deposits from other banks	9	1 194 548	1 194 548	-	-
Deposits from customers	9	15 022 209	13 432 815	1 589 394	-
Other liabilities		2 981 879	-	-	2 981 879
Total liabilities		19 198 636	14 627 363	1 589 394	2 981 879

The table below shows the fair value of financial instruments not measured at fair value as at 31 December 2023:

Assets	Note	Fair values ZWG'000	Level 1 ZWG'000	Level 2 ZWG'000	Level 3 ZWG'000
31 December 2023					
Cash and cash equivalents		2 991 843	2 991 843	-	-
Financial investments		50 076	-	-	50 076
Loans and advances	4	4 248 655	-	-	4 248 655
Other assets		772 488	-	-	772 488
Total assets		8 063 062	2 991 843	-	5 071 219
Liabilities					
Financial liabilities measured at amortised cost					
Deposits from other banks	9	263 416	263 416	-	-
Deposits from customers	9	7 134 694	7 134 688	6	-
Other liabilities		1 897 698	-	-	1 897 698
Total liabilities		9 295 808	7 398 104	6	1 897 698

12 Contingent liabilities and commitments

12.1 The Bank had written letters of credit and guarantees amounting to ZWG570 million as at 31 December 2024 (31 December 2023: ZWG244 million). The amount of these letters of credit and guarantees represents the Bank's maximum exposure and no material losses are anticipated from these transactions.

	31 December 2024 ZWL'000	31 December 2023 ZWL'000
12.2 Commitments		
As at 31 December 2024 the contractual amounts of the Bank's commitments to engage in capital expenditure or to extend credit to its customers were as follows:		
12.2.1 Capital commitments		
Capital expenditure authorised but not yet contracted	643 568	1 588 437
12.2.2 Loan commitments	243 796	50 865

12.2.3 A reconciliation of the allowance for expected credit losses on off balance sheet exposures by class

	Letter of credit ZWG'000	Guarantee ZWG'000	Loan commitments ZWG'000	Total ZWG'000
31 December 2024				
Stage 1				
Balance at the beginning of the year	189	247	303	739
Net movement	310	(421)	(141)	(252)
Originated impairments raised	(33)	(388)	(255)	(676)
Subsequent changes in expected credit losses	343	(33)	114	424
Transfers to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Derecognised including write offs	-	-	-	-
Other movements	(189)	1 825	560	2 196
Balance at the end of the period	310	1 651	722	2 683
Stage 2				
Balance at the beginning of the year	-	-	-	-
Net movement	-	68	-	68
Originated impairments raised	-	68	-	68
Subsequent changes in expected credit losses	-	-	-	-
Transfers from stage 1	-	-	-	-
Derecognised including write offs	-	-	-	-
Other movements	-	-	-	-
Balance at the end of the period	-	68	-	68
Credit impairment charge	-	-	-	-
Total ECL balance at 31 December 2024	310	1 719	722	2 751

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	Letter of credit ZWG'000	Guarantee ZWG'000	Loan commitments ZWG'000	Total ZWG'000
Year ended 31 December 2023				
Stage 1				
Balance at the beginning of the year	123	158	99	380
Net movement	(225)	38	(186)	(373)
Originated impairments raised	18	8	492	518
Subsequent changes in expected credit losses	(238)	39	(646)	(845)
Transfers from stage 2	-	-	-	-
Derecognised including write offs	(5)	(9)	(32)	(46)
Other movements	291	51	390	732
Balance at the end of the period	189	247	303	739
Stage 2				
Balance at the beginning of the year	1	-	-	1
Net movement	(1)	(4)	216	211
Originated impairments raised	-	-	216	216
Subsequent changes in expected credit losses	(1)	(4)	-	(5)
Transfers to stage 1	-	-	-	-
Derecognised including write offs	-	-	-	-
Other movements	-	4	(216)	(212)
Balance at the end of the period	-	-	-	-
Stage 3				
Balance at the beginning of the year	-	-	-	-
Net movement	-	-	1	1
Originated impairments raised				
Subsequent changes in expected credit losses	-	-	1	1
Transfers to stage 1				
Derecognised including write offs				
Other movements	-	-	(1)	(1)
Balance at the end of the period	-	-	-	-
Expected credit losses charge/(release)	(226)	34	31	(161)
Total ECL balance at 31 December 2023	189	247	303	739

		31 December 2024 ZWG'000	31 December 2023 ZWG'000
13	**Directors' emoluments and key management compensation**		
	Non-executive directors' emoluments		
	Emoluments of directors in respect of services rendered (included in operating expenses):		
	As directors of the Bank	5 657	5 736
	Key management compensation		
	Key management includes executive directors and other members of the Bank's executive committee- included in staff costs.		
	Short term employee benefits	51 120	56 586
	Other long-term benefits	5 319	3 458
	Post- employment benefits	1 276	773
		57 715	60 817

14 Related party disclosures

14.1 Controlling entity

The Bank is a wholly owned subsidiary of The Standard Bank Group Limited. The Standard Bank Group Limited is also a shareholder in various banks and insurance companies outside Zimbabwe. Stanbic Bank Zimbabwe Limited does business with banks and insurance companies in The Standard Bank Group Limited all of which are undertaken on an arm's length basis.

		31 December 2024 ZWG'000	31 December 2023 ZWG'000
14.1.1	**Amounts due from related parties (bank balances):**		
	Stanbic Bank Botswana Limited	1 651	881
	Stanbic Bank Swaziland Limited	-	-
	Stanbic Bank Malawi Limited	26	14
	Stanbic Bank Kenya Limited	181	68
	Stanbic Bank Zambia Limited	-	41
	Standard Bank Mauritius	335	176
	Standard Bank South Africa Limited	1 292 763	1 305 408
	Standard Bank Isle of Man Douglas	1 973 353	-
		3 268 309	1 306 588
	Related through shareholding in the parent company		
	Industrial and Commercial Bank of China (bank balances)	129	130 521

The above list of financial institutions are related parties to Stanbic Bank Zimbabwe Limited because they are subsidiaries of The Standard Bank Group Limited the parent company of the Bank or are shareholders in the parent company.

		31 December 2024 ZWG'000	31 December 2023 ZWG'000
14.1.2	**Transactions**		
	Interest income from:		
	Standard Bank South Africa Limited	72 468	39 194
	Standard Bank Isle of Man Douglas	151 231	31 208
14.1.3	Group recharges	354 987	128 236

		31 December 2024 ZWG'000	31 December 2023 ZWG'000
14.2	**Deposits and loans with related parties-related through common directorship**		
	Total loans and advances	8 746	-
	Total customer deposits	20 819	21 131

15 Capital management

The Bank's capital management framework is designed to ensure that the Bank is capitalised in a manner consistent with the Bank's risk profile regulatory standards and economic capital standards. The Bank holds capital in excess of the minimum requirements to achieve the target capital adequacy ratios set by management and regulators.

The Bank's objectives when managing capital are to:

- comply with the capital requirements set by the banking regulators;
- safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to customers and other stakeholders; and
- maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management employing techniques based on guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe for supervisory purposes. The Reserve Bank of Zimbabwe requires each bank to maintain a minimum capital adequacy ratio of 12%. The table below summarises the composition of regulatory capital and the Bank's capital adequacy ratio:

Capital adequacy	31 December 2024 ZWG'000	31 December 2023 ZWG'000
Ordinary paid up share capital	1	1
Share premium	24	24
Retained earnings	4 022 318	1 931 194
Market and operational risk	(318 998)	(150 907)
Less exposures to insiders	-	-
Reserves	1 213	74 562
Tier 1 capital	3 704 558	1 854 874
Revaluation reserve	580 206	294 627
General provisions (limited to 1.25% of risk weighted assets)	215 868	116 755
Tier 2 capital	796 074	411 382
Market risk	12 362	11 417
Operational risk	306 627	139 490
Tier 3 capital	318 989	150 907
Total Tier1 and 2 capital	4 500 617	2 266 256
Tier 3	318 989	150 907
	4 819 606	2 417 163
Risk weighted assets ("RWAs")	13 238 887	6 954 325
Operational risk equivalent assets	3 832 836	1 743 613
Market risk equivalent assets	197 724	642 489
Total risk weighted assets ("RWAs")	17 269 447	9 340 427
Tier 1 capital ratio	21%	20%
Tier 1 and 2 capital ratio	26%	24%
Tier1 2 and Tier 3 capital	28%	26%
Capital adequacy ratio excluding market and operational risk weighted assets	28%	25%

16 Custodial services

The Bank provides custodial services to individuals and institutions by holding assets (mainly share certificates) on behalf of customers. As at 31 December 2024, funds under custody amounted to ZWG33.5 billion (2023: ZWG9.5 billion) and fee income amounting to ZWG17.1 million on a historical cost basis (2023: ZWG12.2 million) were earned in return for these services.

17 Dividend paid

A dividend of ZWG339 million (USD25 million) was paid during the period under review, out of the profits for the year ended 31 December 2023. An interim dividend of ZWG516 million (USD20 million) for the year 2024 was approved by the board of directors in November 2024. A final dividend of ZWG527.3 million (USD20 million) for the year 2024 was approved in March 2025.

18 External Credit Ratings

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

Rating scale	2024	2023	2022	2021	2020
Long term	AA	AA	AA	AA	AA

19 CAMELS RATINGS

The Reserve Bank of Zimbabwe ("RBZ") conducted a risk based remote examination from 16 November to 18 December 2021 and the Bank achieved the highest possible rating i.e. a CAMELS rating of 1. The CAMELS rating uses a rating scale of 1-5 where 1 is strong 2 is satisfactory 3 is fair 4 is weak and 5 is critical. Hence according to these results the Bank maintained its strong position as measured by the CAMELS rating.

20 RISK ASSESSMENT SYSTEM ("RAS")

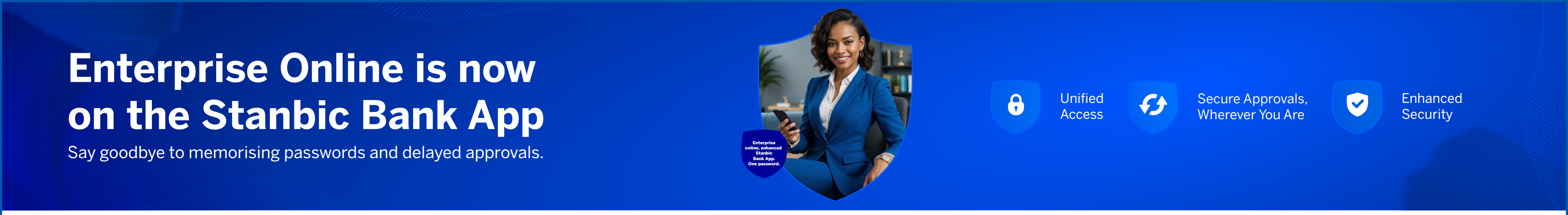
The most recent RAS ratings risk matrix assigned by the Reserve Bank of Zimbabwe is summarised in the table below:

SUMMARY RAS – RATINGS

RAS COMPONENT	2021
Overall Inherent Risk	Low
Overall Risk Management System	Strong
Overall Composite Risk	Low
Direction of Overall Composite Risk	Stable

20.1 SUMMARY RISK MATRIX FORMAT

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	Strong	Low	Stable
Interest Rate	Low	Strong	Low	Stable
Foreign exchange	Low	Strong	Low	Stable
Operational risk	Moderate	Acceptable	Moderate	Stable
Strategic risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance	Low	Strong	Low	Stable
Reputation	Low	Strong	Low	Stable
Overall	**Low**	**Strong**	**Low**	**Stable**



20.2 KEY

Low - reflects a lower than average probability of an adverse impact on a banking institution's capital and earnings. Losses in afunctional 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 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 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 control 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. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the bank's risk tolerance responsibilities and accountabilities are effectively communicated.

Overall Composite Risk

Low – would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.

Moderate – risk management systems appropriately mitigates inherent risk. For a given low risk area significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organisation.

High – risk management systems do not significantly mitigate the high inherent risk. Thus the activity could potentially result in a financial loss that would have a significant impact on the bank's overall condition.

Direction of Overall Composite risk

Increasing – based on the current information risk is expected to increase in the next 12 months

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

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