ABRIDGED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2025

CHAIRMAN'S STATEMENT

I am pleased to present the financial results of Stanbic Bank Zimbabwe Limited ("the Bank" or "Stanbic Bank Zimbabwe") for the half year ended 30 June 2025.

Operating environment in the country

The IMF, World Bank and the Government are aligned with a projected 6% growth forecast. The growth projection is supported by recovery in consumer spending, agriculture production and improvement in electricity generation. Tourism and Mining are also forecast to remain strong and grow during 2025. The country's foreign currency generation capacity continues to strengthen, with the economy generating an estimated USD6 billion in foreign currency during the first five months of 2025 up from USD4.9 billion same period last year.

ZWG monthly inflation which averaged 10% during the second half of 2024 slowed down to 2.4% during the first half of 2025. The slowdown is mainly attributed to the tight monetary policy. However, USD inflation which averaged under 4% during the second half of 2024 increased to 14% during the first half of 2025. The spike in USD monthly inflation in January 2025 to 11.5% was mainly due to increases in utilities, food and non-alcoholic beverages prices. However, the annual inflation rates of 92.5% and 14% for ZWG and USD respectively continue to be high.

Results

The Bank achieved a profit after tax of ZWG682.2 million for the six months period ended 30 June 2025, growing from a profit of ZWG27.1 million in the comparative period. The results were hard-won amid demanding conditions.

Capital

The Bank ended the six months period with qualifying core capital of ZWG4.2 billion (2024: ZWG4 billion) which is equivalent to USD154.6 million against the regulatory minimum in the local currency equivalent of USD30 million. The Board and management continue to monitor the environment, implementing the necessary measures in preserving the Bank's capital.

Dividend

A dividend of ZWG538 million was paid during the period under review, out of the profits for the year ended 31 December 2024.

Outlook

In the outlook period the inflation and exchange rate direction remain dependent on the sustainability of the current tight monetary policy being pursued.

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 half year ended 30 June 2025:

DIRECTOR'S NAME	MAIN BOARD	AUDIT	LOANS REVIEW	CREDIT	RISK	IT	GOVERNANCE SUSTAINABILITY & PEOPLE
Muchakanakirwa Mkanganwi (Chairman)	2	**	**	**	3	2	3
Solomon Nyanhongo (Chief Executive)	2	**	**	**	**	**	**
Betty Murambadoro (Executive)	2	**	**	**	**	**	**
Tafadzwa Mahachi (Executive)	2	**	**	**	**	**	**
Kingston Kamba	-	-	-	-	-	-	-
Valentine Mushayakarara	2	3	**	3	**	**	**
Nellie Tiyago	2	**	2	**	3	**	**
Jonathan Wood	2	3`	2	**	3	**	**
Gregroy Brackenridge*	2	**	**	3	**	**	3
Dr. James Museba*	2	3	2	**	**	2	**
Lucinda Tyser	2	**	**	3	**	2	3

*Not Zimbabwean residents
- Resigned 17 February 2025
** Not a member

As at 30 June 2025 the Board comprised ten directors, three of whom are executive directors. The Board continues to have an appropriate level of independence for deliberations and objectivity and has the right mix of competencies and experience with seven members on the board serving as independent non-executive directors. To ensure continued upskilling and alignment with changing trends, the members undergo regular training on key subjects pertaining to their roles as directors. The Board is primarily 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

The committee is required to meet at least four times annually in line with the committee's mandate and may convene more often as necessary. During the half year ended 30 June 2025, the committee held three meetings. The committee is comprised of three independent 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 independent audit is encouraged. Ernst & Young Zimbabwe, ("EY") are the independent auditors for the Bank following their appointment at the Annual General Meeting held in March 2025. The independent auditors engage closely with the members of the Board Audit Committee. The committee liaises with both the independent 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 adequate qualifications and experience in auditing. As at 30 June 2025, 42% of the planned audits for the year had been completed and the remaining 58% will be completed before end of the year.

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 necessary. During the half year ended 30 June 2025, the committee held two meetings.

The Loans Review Committee reviews customer facilities and the level of allowance for credit losses. It also considers other risk issues in relation to the structure of the Bank's balance sheet because 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 necessary. During the half year ended 30 June 2025, the committee held three 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 half year ended 30 June 2025, the committee held three meetings in line with the committee's mandate and comprised 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 Information Technology Committee

During the half year ended 30 June 2025, the committee held two meetings in line with the committee's mandate.

As at 30 June 2025 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 half year ended 30 June 2025 the committee met three times in line with its mandate. The committee currently comprises three non-executive directors, all of whom are independent.

The committee's responsibility is to adequately deal with all matters that relate to People and 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 half year ended 30 June 2025, the committee exceeded the ten-meeting requirement and held numerous ad hoc meetings 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 2025 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 Zimbabwe. It is the nominee company which holds the securities for investments made by Stanbic Bank Zimbabwe 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 of Stanbic Nominees (Private) Limited comprises of 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 and Commercial 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 goods and services 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 extend my profound gratitude to our esteemed clients and stakeholders for their unwavering support and trust which has remained the cornerstone of our success. I would like to thank the Stanbic Bank management and staff for their relentless commitment and hard work which continues to drive us forward. I remain indebted to the Board of directors for their valuable contribution and exceptional leadership in a challenging operating environment.

I would like to thank Mr. Kingston Kamba who served as a director on the board and resigned in February this year and I wish him well in his future endeavours.

Muchakanakirwa Mkanganwi
Chairman

26 August 2025

CHIEF EXECUTIVE'S REPORT

Overview of business results for the half year ended 30 June 2025

The relatively stable macro-economic conditions that prevailed in the last quarter of 2024, persisted into the first half of the year 2025, characterised by price and exchange rate stability as the monetary authorities maintained a tight grip on money supply. As at the end of June 2025 ZWG inflation had reached 92.5% whilst USD inflation ended the period at 14.03%. The ZWG currency had depreciated slightly from a rate of USD1:ZWG25.8 in December 2024 to USD1:ZWG26.9 reinforced by the tight supply of ZWG currency in the market.

Despite the stable macro-economic indicators, the operating environment remained highly challenging on account of the illiquid market conditions arising from the ZWG liquidity constraints and the high statutory reserve requirements of 30% on both foreign currency and local currency demand deposits. In addition, some companies closed down or reduced their operations on account of the operating environment and funding constraints. The liquidity challenges in the market had an undesired effect on banks' lending capacity as demand for ZWG funding by customers remained high. Although funding structures such as the Targeted Finance Facility were introduced by the Reserve Bank of Zimbabwe, this was not sufficient to meet the funding requirements from the key sectors of the economy. In addition, periods of delayed settlement of supplier payments and matured treasury instruments were experienced in the first half of the year, interrupting business cycles and subduing potential.

The Bank ended the first half of the year with a profit after tax of ZWG682.2 million, growing from a prior period profit of ZWG27.1 million. The June 2024 profit after tax included a fair value loss of ZWG319 million that had been recorded following the change in functional currency from the Zimbabwe dollar to the United States of America dollar effective 1 January 2024.

The Bank registered a commendable growth in its net interest income which ended the six months period at ZWG840 million, surpassing the ZWG374 million achieved in the comparative period largely underpinned by the new lending assets which were written mainly in foreign currency as the net lending book grew from ZWG8.4 billion in December 2024 to ZWG10 billion. In addition, the exchange rate depreciation that had happened in September 2024 contributed to the increase in the ZWG equivalents of the Bank's foreign currency denominated net interest income.

The Bank's non-funded income had grown from ZWG683 million in the comparative period to ZWG1.5 billion as at the end of June 2025 largely reinforced by the elevated volumes of transactions which were passing through the various banking channels supported by the improved tobacco selling season. In addition, the exchange rate depreciation of September 2024 reinforced the ZWG equivalents of all the foreign currency denominated fee and commission income.

In the six months period to 30 June 2025, the Bank's expected credit loss allowances grew from ZWG24.9 million to ZWG43 million, largely driven by the new lending assets written in the period.

The Bank's total operating expenses had increased from ZWG533.2 million in the comparative period to ZWG1.3 billion as at the end of June 2025 largely driven by the increase in information technology expenses and security expenses on the back of increased support from service providers as the Bank focused on the rollout of new products and increasing points of representation.

The Bank's customer deposits grew by 37% from ZWG16.2 billion as at the end of December 2024 and ended the six months period at ZWG22.2 billion largely because of the expansion of the customer base and the support from external financiers combined with the impact of exchange rate depreciation on the foreign currency denominated deposits which dominate the Bank's customer deposits.

Compliance and money laundering control function

Stanbic Bank Zimbabwe's independent Compliance function is integral to the Bank's enterprise-wide risk management framework. This function manages the identification, assessment, and mitigation of compliance risks, supporting the Bank's commitment to conducting business in accordance with applicable laws, internal policies, and international best practices. The Compliance function provides advisory services, assurance, training, and reporting to promote a strong culture of compliance across the organization. Its role helps safeguard the Bank against regulatory sanctions and reputational risk, while also reinforcing trust with stakeholders and strategic partners.

In line with its regulatory obligations, Stanbic Bank remains fully committed to the prevention of money laundering, terrorist financing, proliferation financing, and other financial crimes. The Bank diligently adheres to the provisions of the Money Laundering and Proceeds of Crime Act [Chapter 9:24] and continuously monitors relevant regulatory developments and global standards to enhance its financial crime risk management framework.

The Bank affirms its ongoing commitment to compliance with all applicable regulatory requirements and the operation of a sustainable enterprise.

Statement on corporate social investment responsibilities

At Stanbic Bank Zimbabwe, we believe that a stronger society begins with sustainable and meaningful investment in the communities we serve. Our Corporate Social Investment ("CSI") initiatives are grounded in the belief that inclusive, long-term impact across key social sectors- health and sanitation, education, and sport—can create a thriving, resilient Zimbabwe. We also affirm that when every member of society contributes in whatever way they can, we build a better tomorrow, together.

During the first half of 2025, the Bank continued to fund 121 chemotherapy sessions through our ongoing partnership with the Cancer Association of Zimbabwe, helping patients access life-saving treatment.

To promote menstrual health and reduce school absenteeism among adolescent girls, the Bank embarked on a national reusable sanitary pad drive, starting in Shamva, where 133 girls received dignity kits. The programme, implemented in partnership with Talia Women's Network, is set to reach over 1 000 girls nationwide by year end. The Bank increased support for this initiative by 50% in 2025, reflecting our deep commitment to both dignity and education.

In the Tertiary education space, Stanbic Bank launched a new undergraduate bursary programme at Midlands State University, supporting five students with full tuition, accommodation and allowances over the full course of their studies. This marks a significant milestone in expanding access to education for disadvantaged Zimbabwean youth.

The Bank is proud of its continued support of Africa University, where eight students began their academic journeys in 2025 under full sponsorship from the Bank. These students have been onboarded with full tuition, laptops, food and accommodation covered.

At the primary and secondary school level, the Bank maintains its partnership with the Nduna Trust, through which two primary and one high school student are currently receiving comprehensive support.

Our CSI journey so far is a testament to what can happen when purpose meets action. Every bursary granted and every medical session funded represents a life touched and a future made brighter. Together, we are building a Zimbabwe that is educated, healthy, and full of promise.

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ABRIDGED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2025

Our people

At the core of our purpose, Zimbabwe is our home, we drive her growth, lies our people. In a period marked by both transformation and turbulence across the markets, our people remain the cornerstone of our progress. Your resilience, commitment, and agility have enabled us to deliver on our financial targets and further navigate change with confidence and unity.

In the first half of the year, the Bank deepened its investment in employee development, aligning its talent strategy with the long-term needs of the business, facilitated cross-functional exposure initiatives and leadership development programs and drove strategic talent acquisition into critical functions. Our focus remained clear: building a future-proof organisation enabled by people who lead with autonomy and serve with excellence.

We continued to build internal capability in digital literacy, sustainability, and stakeholder engagement—areas critical to our growth path. Remarkable examples of internal collaboration driving tangible outcomes, from the successful roll-out of digital solutions to the enhancement of client service across our branches and units, abound. The actions of our staff reinforce our belief that people, not just platforms, are the true infrastructure of an enduring business.

We made strides in strengthening our safety culture and fostering a workplace where everyone can thrive without compromise.
As we enter the next half of the year, we do so anchored in the knowledge that our staff are already rising to meet what lies ahead.

Our customers

The Bank remains committed to keeping its esteemed clients at the centre of its business. The Bank retained its coveted key sponsorship status for the annual gala dinner for the Chamber of Mines conference themed "Unlocking Growth Potential for the Zimbabwe Mining Industry". Our focus extends beyond mining and metals to other strategic sectors. During the period under review, the Bank jointly held a conference on Sustainability on Mining with the Embassy of Sweden and participated in the annual Mining Indaba in Cape Town for enhanced collaboration with global stakeholders in the mining industry. As sustainability and Environmental, Social and Governance ("ESG") takes centre stage worldwide, the Bank closed key sustainable finance milestones.

The Bank continues to increase its ATM footprint with two ATMs having been rolled out during the period. These ATMs have deposit taking capability, bringing convenience to our cherished customers. In addition, the Bank rolled out road licence insurance across its branches, offering a one stop solution to its clients. The Bank recently launched IPAY, which is an automated payment platform for processing of foreign payments by individuals and business banking clients. This innovation buttresses our commitment to seamless, efficient, and user-friendly digital banking solutions. Automated solutions on money transfer platforms were introduced during the period, further enhancing the Bank's transaction processing efficiencies in an effort to meet the evolving needs of customers.

The Bank participated in the citrus value chain program in Chipinge in partnership with Zimtrade to support farmers who intend to export to China. In addition, the Bank hosted the Beyond Borders Offshore Value Proposition for Mauritius on the 10th of June 2025, aimed at enriching customer awareness on the offshore banking services offering.

Vote of thanks

My heartfelt appreciation goes to our clients and stakeholders whose immense support and loyalty continues to fuel the Bank's success. Equally, I extend my special recognition to our dedicated management and staff whose hard work and resilience have contributed to the achievement of these remarkable results. Through the dedication of the Blue Bankers, we successfully navigated challenges as a team and strengthened the Bank's performance. To our Board of directors, I say thank you for your strategic guidance and sterling support that continued to steer the Bank towards sustainable growth.

Solomon Nyanhongo
Chief Executive

26 August 2025

DIRECTORS' STATEMENT OF RESPONSIBILITY

The directors are responsible for the preparation and integrity of financial statements that fairly present the state of the affairs of the Bank at the end of the financial period, comprising the statement of profit or loss, the statements of comprehensive income, changes in equity and cash flows for the period, and other information contained in this report in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Other Business Entities Act of Zimbabwe (Chapter 24:31) and the Banking Act of Zimbabwe (Chapter 24:20).

The Companies and Other Business Entities Act of Zimbabwe (Chapter 24:31) requires the directors to prepare financial statements for each financial year. The financial statements are required by law and IFRS to present fairly the financial position and performance of the Bank for the period.

In preparing the Bank's financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Bank or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Bank's transactions and disclose with reasonable accuracy at any time the financial position of the Bank and enable them to ensure that its financial statements comply with IFRS and are prepared in the manner required by the Companies and Other Business Entities Act of Zimbabwe (Chapter 24:31) and Banking Act of Zimbabwe (Chapter 24:20). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Bank's website.

Accounting convention

These interim financial statements have been prepared under the historical cost convention, except for derivative assets, investment securities, investment property and land and building included property and equipment that are carried at fair value.

Compliance with IFRS and laws and regulations

The financial statements have been prepared in accordance with IFRS and in the manner required by the Companies and Other Business Entities Act of Zimbabwe (Chapter 24:31) and Banking Act of Zimbabwe (Chapter 24:20).

Approval

These interim financial statements have been approved by the Board of Directors and are signed on its behalf by the Chairman and the Chief Executive.

________________________________ Chairman

________________________________ Chief Executive

26 August 2025

STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

	Note	30 June 2025 ZWG'000	31 December 2024 ZWG'000
ASSETS			
Cash and cash equivalents	1	16 068 991	10 564 924
Derivative assets	2	372	52
Financial investments	3	327 551	291 884
Investment securities	3.2	243 594	235 308
Loans and advances	4	9 995 140	8 395 503
Other assets	6	2 706 693	3 214 493
Intangible assets		20 476	21 645
Investment property		1 883 162	1 802 980
Property and equipment		1 417 124	1 130 464
Right of use assets		14 083	13 467
Total assets		32 677 186	25 670 720
EQUITY AND LIABILITIES			
Equity		5 256 439	4 890 235
Ordinary share capital	7.2	427	427
Ordinary share premium	8.1	17 732	17 732
Reserves	8.2	5 238 280	4 872 076
Liabilities			
Derivative liabilities	2	32	413
Deposits and current accounts	9	22 211 257	16 216 757
Deposits from other banks		1 637 715	1 194 548
Deposits from customers		20 573 542	15 022 209
Current income liability		128 360	207 239
Deferred tax liability		449 056	476 832
Lease liability		3 090	6 192
Other liabilities		4 628 952	3 873 052
Total liabilities		27 420 747	20 780 485
Total equity and liabilities		32 677 186	25 670 720

STATEMENT OF PROFIT OR LOSS
For the half year ended 30 June 2025

	Note	30 June 2025 ZWG'000	30 June 2024 ZWG'000
Net interest income		840 421	374 038
Non interest income		1 480 085	683 023
Total income		2 320 506	1 057 061
Expected credit loss charges	4.4	(43 889)	(24 885)
Income after credit loss allowances		2 276 617	1 032 176
Operating expenses		(1 307 084)	(533 210)
Staff costs		(529 656)	(234 327)
Other operating expenses		(777 428)	(298 883)
Profit before non trading and capital items		969 533	498 966
Indirect tax		(17 498)	(11 236)
Profit before direct tax		952 035	487 730
Direct tax		(269 883)	(141 868)
Profit after tax before non trading and capital items		682 152	345 862
Non trading and capital items net after tax	5	-	(318 757)
Profit for the period		682 152	27 105

STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 June 2025

	30 June 2025 ZWG'000	30 June 2024 ZWG'000
Profit for the period	682 152	27 105
Items that will not be reclassified to profit or loss:		
Loss on revaluation of land and buildings (net of tax)	-	(107 522)
Net change in fair value of equity investments (net of tax)	-	(41 756)
Foreign currency translation reserve	222 060	73 448
Total comprehensive income for the year attributable to the ordinary shareholder	904 212	(48 725)

STATEMENT OF CHANGES IN EQUITY
For the half year ended 30 June 2025

	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
Half year ended 30 June 2025								
Balance as at 1 January 2025	427	17 732	1 984	88 817	152 386	2 222 445	2 406 444	4 890 235
Profit for the period	-	-	-	-	-	-	682 152	682 152
Other comprehensive income								
Net change in fair value of equity investment	-	-	-	-	-	-	-	-
Loss on revaluation of land and buildings (net of tax)	-	-	-	-	-	-	-	-
Foreign currency translation reserve	-	-	-	-	-	222 060	-	222 060
Total comprehensive income for the period	-	-	-	-	-	222 060	682 152	904 212
Equity-settled share-based payments	-	-	-	-	-	-	-	-
Dividend declared	-	-	-	-	-	-	(538 008)	(538 008)
Total transactions with owner of the Bank recognised directly in equity	-	-	-	-	-	-	(538 008)	(538 008)
Balance as at 30 June 2025	427	17 732	1 984	88 817	152 386	2 444 505	2 550 588	5 256 439

	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
Half year ended 30 June 2024								
Balance as at 1 January 2024	427	17 732	1 983	179 798	70 718	-	2 133 121	2 403 779
Profit for the period	-	-	-	-	-	-	27 105	27 105
Other comprehensive income								
Net change in fair value of equity investment	-	-	-	-	(41 756)	-	-	(41 756)
Gain on revaluation of land and buildings net of tax	-	-	-	(107 522)	-	-	-	(107 522)
Foreign currency translation reserve	-	-	-	-	-	73 448	-	73 448
Total comprehensive income for the period	-	-	-	(107 522)	(41 756)	73 448	27 105	(48 725)
Dividend declared	-	-	-	-	-	-	(339 000)	(339 000)
Total transactions with the owner of the Bank recognised directly in equity	-	-	-	-	-	-	(339 000)	(339 000)
Balance as at 30 June 2024	427	17 732	1 983	72 276	28 962	73 448	1 821 226	2 016 054

STATEMENT OF CASH FLOWS
For the half year ended 30 June 2025

	Note	30 June 2025 ZWG'000	30 June 2024 ZWG'000
Cash generated from operations			
Net income before indirect tax		969 533	498 966
Adjusted for:			
Amortisation and impairment of intangible assets		3 505	17
Expected credit losses (on and off-balance sheet)		43 889	24 885
Depreciation of property and equipment		33 400	1 572
Depreciation of right of use assets		4 202	1 089
Interest on lease liability		84	35
Unrealised exchange gains		(63 223)	-
Indirect tax paid		(17 498)	(11 236)
Gain from sale of property and equipment		(1 983)	(373)
Movement in working capital			
Increase in derivative assets		(328)	(333)
Increase in loans and advances		(1 638 928)	(79 834)
Increase in accrued interest on financial investments		(1 436)	-
Purchase of financial investments		(336 000)	(3 002)
Proceeds from sale of financial investments		299 239	53 213
Decrease in other assets		393 542	112 498
Increase in derivative liabilities		(391)	(296)
Increase in deposits		5 994 500	1 376 046
Increase/(decrease) in other liabilities		755 900	(88 372)
Direct tax paid		(191 776)	(246 519)
Net cash generated from operating activities		6 246 231	1 639 356
Cash flows from investing activities			
Capital expenditure on:			
- investment property		-	(2 278)
- equipment, furniture and vehicles		(419 349)	(91 772)
Proceeds from:			
- sale of property and equipment		1 983	510
Net cash used in investing activities		(417 366)	(93 540)
Cash flows from financing activities			
Dividend paid		(538 008)	(339 000)
Lease liability payment		(3 199)	(2 365)
Net cash used in financing activities		(541 207)	(341 365)
Net increase in cash and cash equivalents		5 287 658	1 204 451
Effect of unrealised exchange gains and monetary adjustments		219 671	22 713
Cash and cash equivalents at beginning of the reporting year		10 565 027	5 340 200
Cash and cash equivalents at end of the reporting period	1	16 072 356	6 567 364

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ABRIDGED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2025

ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the 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 Accounting Standards 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.

BASIS OF PREPARATION

Statement of compliance

The Bank's condensed interim results, including the statement of financial position, income statement, statement of changes in equity, statement of other comprehensive income and statement of cash flows, for the six months ended 30 June 2025 are prepared in accordance with the requirements of International Financial Reporting Standards ("IFRS") and its interpretations as published by the International Accounting Standards Board, the Banking Act of Zimbabwe (Chapter 24:20) and the presentation requirements of IAS 34 Interim Financial Reporting.

Functional and presentation currency

The Bank's financial statements are presented in the Zimbabwe Gold ("ZWG") which is its presentation currency.

Functional currency

The Bank's functional currency is United States of America dollars ("USD").

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 Bank 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 of 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 uses 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

Corporate and Investment Banking 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 indicates 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 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; and
- 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 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 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 30 June 2025 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			Statement of financial position allowance for expected credit losses
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Default	(stage 3)
Mortgage loans	641 729	-	-	563 733	-	-	62 608	15 388	(752)
Instalment sale and finance leases	1 989 325	1 853 187	-	-	-	-	128 730	7 408	(3 616)
Personal unsecured lending	1 479 446	28 533	-	1 324 566	-	-	79 680	46 667	(46 943)
Business lending and other	1 976 813	451 025	-	1 481 256	-	-	36 890	7 642	(3 435)
Total loans	6 087 313	2 332 745	-	3 369 555	-	-	307 908	77 105	(54 746)
Corporate lending	4 084 231	237 170	-	3 237 403	463 334	146 324	-	-	-
Total gross loans and advances	10 171 544	2 569 915	-	6 606 958	463 334	146 324	307 908	77 105	(54 746)
Financial investments at amortised cost									
Sovereign	-	-	-	-	-	-	-	-	-
Banking	337 399	-	-	-	-	337 399	-	-	-
Total financial investments	337 399	-	-	-	-	337 399	-	-	-
Expected credit loss for loans and advances including financial investments									
Stage 1	(50 763)	(2 106)	-	(32 768)	-	(15 889)	-	-	-
Stage 2	(80 743)	-	-	-	(5 411)	-	(75 332)	-	-
Stage 3	(54 746)	-	-	-	-	-	-	(54 746)	-
Net loans and advances and financial investments	10 322 691	2 567 809	-	6 574 190	457 923	467 834	232 576	22 359	-
Off balance sheet exposures									
Letters of credit	117 704	-	-	117 704	-	-	-	-	-
Guarantees	412 375	112 336	-	192 756	101 894	5 389	-	-	-
Irrevocable unutilised facilities	115 225	55 586	-	59 639	-	-	-	-	-
Total	10 967 995	2 735 731	-	6 944 289	559 817	473 223	232 576	22 359	-
Expected credit loss for off balance sheet exposures	(5 178)	(31)	-	(5 013)	-	(134)	-	-	-
Stage 1	(3 811)	(31)	-	(3 646)	-	(134)	-	-	-
Stage 2	(1 367)	-	-	(1 367)	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-
Add the following other banking activities exposures:									
Cash and cash equivalents	16 068 991								
Derivative assets	372								
Investment securities	243 594								
Other assets	2 574 537								
Total exposure to credit risk	29 850 311								

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 30 June 2025 amounted to ZWG4.6 billion (31 December 2024: ZWG4.1 billion).

Exposure to credit risk by credit quality restated as at 31 December 2024 (ZWG'000)

	Gross total (advances and financial investments)	Credit risk grade SB1 - SB12		Credit risk grade SB13 - SB20		Credit risk grade SB21 - SB25			Statement of financial position allowance for expected credit losses
		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	299 856	-	-	-	-	299 856	-	-	-
Total financial investments	299 856	-	-	-	-	299 856	-	-	-
Expected credit loss for loans and advances and 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 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	-	-	-	-	-
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)	-	-	-	-
Add the following other banking activities exposures:									
Cash and cash equivalents	10 564 924								
Derivative assets	235 308								
Investment securities	52								
Other assets	3 029 879								
Total exposure to credit risk	23 028 747								

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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:

30 June 2025 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	11 474 422	417 292	-	-	4 180 642	(3 365)	16 068 991
Derivative assets	372	-	-	-	-	-	372
Financial investments	-	67 480	168 700	101 219	-	(9 848)	327 551
Investment securities	-	-	-	-	-	243 594	243 594
Loans and advances	3 182 672	630 782	1 074 249	1 897 429	3 386 412	(176 404)	9 995 140
Other assets	34 211	2 403 692	-	136 634	-	-	2 574 537
Total	14 691 677	3 519 246	1 242 949	2 135 282	7 567 054	53 977	29 210 185
Liabilities							
Derivative liabilities	32	-	-	-	-	-	32
Deposits from customers and other banks	21 156 514	92 136	68 802	128 777	765 028	-	22 211 257
Other liabilities	-	1 380 301	894 764	960 912	4 593	-	3 240 570
Total	21 156 546	1 472 437	963 566	1 089 689	769 621	-	25 451 859
Liquidity gap	(6 464 869)	2 046 809	279 383	1 045 593	6 797 433	53 977	-
Cumulative liquidity gap	(6 464 869)	(4 418 060)	(4 138 677)	(3 093 084)	3 704 349	3 758 326	-
Letters of credit	-	-	(16 276)	(572 247)	-	-	-
Financial guarantees	(12 416)	(70 728)	(71 183)	(139 444)	(74 170)	-	-
Total liquidity gap (on-and off-balance sheet)	(6 477 285)	(4 488 788)	(4 226 136)	(3 804 775)	3 630 179	3 758 326	-
Total cumulative liquidity gap	(6 477 285)	(4 501 204)	(4 309 280)	(3 975 378)	2 747 885	2 801 862	-

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

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	-	-	2 796 118	(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	2 697 621	(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.

Liquidity coverage ratio ("LCR")

The below table shows Stanbic Bank Zimbabwe'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	30 June 2025 Total weighted value ZWG'000	31 December 2024 Total weighted value ZWG'000
High quality liquid assets ("HQLA")	Level 1 assets	3 795 491	2 354 577
	Level 2A assets	-	-
	Level 2B assets	-	-
	Total HQLA	3 795 491	2 354 577
Cash outflows			
	Retail deposits and deposits from small business customers of which:		
	Stable deposits	-	-
	Less stable deposits	46 025	22 218
	Wholesale funding, of which:	-	-
	Operational deposits (all counterparties) and deposits in networks of cooperative banking institutions	-	-
	Non-operational deposits (all counterparties)	8 508 805	3 533 397
	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	62 238	14 232
	Total Cash Outflows	8 617 068	3 569 847
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	6 462 801	2 639 021
	Total cash Inflows	6 462 801	2 639 021
	Total HQLA	3 795 491	2 354 577
	Total net cash outflows	2 154 267	930 826
	Liquidity coverage ratio ("LCR")	176.18%	252.96%

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 Zimbabwe gold ("ZWG"), South African Rand ("ZAR") and the British Pound ("GBP"). These three foreign currencies (and other minor ones) contribute 15% (2024:15%) of the overall statement of financial position size as depicted below and thus pose a significant foreign currency risk to the Bank:

Foreign currency position as at 30 June 2025	Total ZWG'000	USD ZWG'000	ZWG ZWG'000	ZAR ZWG'000	GBP ZWG'000	Other ZWG'000
Assets						
Cash and cash equivalents	16 068 991	14 290 815	1 134 145	67 439	40 883	535 709
Derivative assets	372	-	372	-	-	-
Financial investments	327 551	-	327 551	-	-	-
Investment securities	243 594	-	243 594	-	-	-
Loans and advances	9 995 140	8 683 894	1 311 246	-	-	-
Other assets	2 706 693	2 089 360	590 980	25 995	37	321
Total financial assets	29 342 341	25 064 069	3 607 888	93 434	40 920	536 030
Liabilities						
Derivative liabilities	32	-	32	-	-	-
Total deposits	22 211 257	18 968 676	3 094 695	95 395	52 488	3
Deposits from other banks	1 637 715	1 469 410	132 475	35 800	27	3
Deposits from customers	20 573 542	17 499 266	2 962 220	59 595	52 461	-
Current income tax liability	128 360	94 157	34 203	-	-	-
Other liabilities	4 628 952	3 509 604	890 806	204 341	1 175	23 026
Total financial liabilities	26 968 601	22 572 437	4 019 736	299 736	53 663	23 029
Currency gap	-	2 491 632	(411 848)	(206 302)	(12 743)	513 001
Currency size as a % of foreign currency position	100%	85%	13%	0%	0%	2%

Foreign currency position 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	3 214 493	2 729 430	330 995	122 465	21 387	10 216
Total financial assets	22 702 164	19 183 686	2 676 647	250 374	308 370	283 087
Liabilities						
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 income tax liability	207 239	-	207 239	-	-	-
Other liabilities	3 879 244	2 543 688	1 082 085	144 291	18 498	90 682
Total financial liabilities	20 303 653	16 449 004	2 964 472	296 424	356 794	236 959
Currency gap	-	2 734 682	(287 825)	(46 050)	(48 424)	46 128
Currency size as a % of foreign currency position	100%	85%	12%	1%	1%	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 30 June 2025 by 6.74% (2024:6.51%) 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 30 June 2025 by 11.13% (2024:8.66%). 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.

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Interest rate sensitivity analysis	June 2025 ZWG'000	December 2024 ZWG'000
Increase in basis points	200	200
Sensitivity of annual net local currency interest income	37 078	35 447
Sensitivity of OCI		
Decrease in basis points	200	200
Sensitivity of annual net local currency interest income	(29 431)	(26 959)
Sensitivity of OCI		
Increase in basis points	100	100
Sensitivity of annual net local currency interest income	14 831	14 163
Sensitivity of OCI		
Decrease in basis points	100	100
Sensitivity of annual net local interest income	(14 677)	(13 415)
Increase in basis points	200	200
Sensitivity of annual net foreign currency interest income	286 537	172 386
Sensitivity of OCI		
Decrease in basis points	200	200
Sensitivity of annual net foreign currency interest income	(228 790)	(185 182)
Sensitivity of OCI		
Increase in basis points	100	100
Sensitivity of annual net foreign currency interest income	143 269	86 193
Sensitivity of OCI		
Decrease in basis points	100	100
Sensitivity of annual net foreign currency interest income	(127 429)	(92 591)

30 June 2025 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	8 658 533	-	-	-	-	7 410 458	16 068 991
Derivative assets	-	-	-	-	-	372	372
Financial investments	67 193	167 982	102 224	-	-	(9 848)	327 551
Investment securities	-	-	-	-	-	243 594	243 594
Loans and advances	10 021 757	-	-	-	-	(26 617)	9 995 140
Other assets	-	-	-	-	-	2 574 537	2 574 537
Total	18 747 483	167 982	102 224	-	-	10 192 496	29 210 185
Liabilities							
Derivative liabilities	-	-	-	-	-	32	32
Deposits from customers and other banks	1 868 268	16 167	269	4 581	-	20 321 972	22 211 257
Other liabilities	-	-	-	-	-	3 240 570	3 240 570
Total	1 868 268	16 167	269	4 581	-	23 562 574	25 451 859
Interest rate repricing gap	16 879 215	151 815	101 955	(4 581)	-	(13 370 078)	
Cumulative interest rate repricing gap	16 879 215	17 031 030	17 132 985	17 128 404	17 128 404	-	

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

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	-	-	-	-	-	3 029 879	3 029 879
Total	12 383 744	102 936	102 936	-	-	9 927 934	22 517 550
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	-	-	(7 562 816)	
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.

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 the 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 June 2025 ZWG'000	Minimum possible loss in June 2025 ZWG'000	Average possible loss ZWG'000	Possible loss at 30 June 2025 ZWG'000	Maximum acceptable VaR loss ZWG'000
Normal VaR	3 810	2 610	3 140	2 753	7 000
Stress VaR	196 540	154 506	172 560	179 072	185 367

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 2025 was ZWG3 810 000 (2024: ZWG979 200), and the minimum possible loss was ZWG2 610 000 (2024: ZWG547 700), with an average possible loss of ZWG3 140 000 (2024: ZWG729 000) in comparison to the maximum acceptable possible loss of ZWG7 million (2024: ZWG3.4 million).

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 the Bank 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.

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 which assesses the effect of climate related risks on the Bank's financial performance and how the Bank's activities impact the environment and society. Our approach is underpinned by two interconnected pillars: climate strategy and climate risk.

Stanbic's 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 greenhouse gas ("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. Similarly, this energy challenge 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 client segment has identified an appropriate senior manager 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 manager leading the Bank's agriculture business monitors climate related issues relevant to the agriculture sector, while the manager leading the Bank's Personal and private banking business monitors issues pertinent to home loans.

In addition, leadership in various corporate functions support climate related risk management at total bank level. For example, our 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 Bank'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, each of which reflects our climate strategy.

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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. This includes:

- 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 provides feedback to the 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 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 Bank. 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, 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 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.

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2025

		30 June 2025 ZWG'000	31 December 2024 ZWG'000
1	**Cash and cash equivalents**		
	Bank notes	2 432 878	2 667 694
	Balances with the Central Bank	4 980 945	3 371 658
	Balances with other banks	8 658 533	4 525 675
		16 072 356	10 565 027
	Allowance for expected credit losses on balances with other banks	(3 365)	(103)
	Current	16 068 991	10 564 924

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

	30 June 2025 ZWG'000	31 December 2024 ZWG'000
Stage 1		
Balance as at the beginning of the year	(103)	(24)
Net movement	(2 828)	476
Originated impairments raise	-	-
Subsequent impairments	(2 828)	476
Derecognised or write offs	-	-
Other movements	(434)	(555)
Balance at end of the period	(3 365)	(103)

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 half year ended 30 June 2025. 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 30 June 2025 ZWG'000	Fair value of assets 31 December 2024 ZWG'000
Derivatives held for trading		
Foreign exchange contracts	372	52
Maturity analysis of net fair value		
Up to 1 month	372	52

	Fair value of liabilities 30 June 2025 ZWG'000	Fair value of liabilities 31 December 2024 ZWG'000
Derivatives held for trading		
Foreign exchange contracts	(32)	(413)
Maturity analysis of net fair value		
Up to 1 month	(32)	(413)

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		30 June 2025 ZWG'000	31 December 2024 ZWG'000
3	**Financial investments**		
	Balance at the beginning of the year	291 884	50 076
	Additions	336 000	621 828
	Accrued interest	1 436	2 631
	Total disposals	(299 870)	(375 760)
	Disposals	(297 239)	(348 745)
	Interest received	(2 631)	(27 015)
	Allowances for expected credit losses (note 3.1.4)	(1 899)	(6 891)
	Balance at the end of the period	327 551	291 884
	Current	327 551	291 884
3.1	**Financial investments**		
	Other financial investments		
	Comprising:		
	Financial investments at amortised cost		
	Sovereign	337 399	299 856
3.1.2	**Gross financial investments**		
	Sovereign	337 399	299 856
	Allowance for expected credit losses		
	Stage 1	(9 848)	(7 972)
	Net financial investments	327 551	291 884

3.1.3 Allowance for expected credit losses on financial investments

	Stage 1	Stage 2	Stage 3	Total
30 June 2025	(9 848)	-	-	(9 848)
31 December 2024	(7 972)	-	-	(7 972)

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

	Sovereign	Total
Stage 1 2025		
Balance at beginning of the year	7 972	7 972
Net movement (note 4.4)	1 899	1 899
Originated impairments raised	9 848	9 848
Subsequent decrease in expected credit losses	(7 949)	(7 949)
Other movements	(23)	(23)
Balance at the end of period	9 848	9 848

	Sovereign	Total
Stage 1 2024		
Balance at beginning of the year	2 453	2 453
Net movement	6 891	6 891
Originated impairments raised	10 389	10 389
Subsequent decrease in expected credit losses	(3 498)	(3 498)
Derecognition on matured financial investments	(1 372)	(1 372)
Balance at the end of period	7 972	7 972

		30 June 2025 ZWG'000	31 December 2024 ZWG'000
	Maturity analysis		
	The maturities represent periods to contractual redemption of the financial investments recorded:		
	Maturing within one year	327 551	291 884
3.2	**Investment securities**		
	Balance at the beginning of the year	235 308	78 501
	Additions	-	-
	Disposal	-	-
	Net change in fair value	8 286	156 807
	Balance at the end of period	243 594	235 308

The Bank has a 15.97% (2024:15.97%) shareholding in Zimswitch Holdings (Private) Limited, a special purpose company that has shareholding in Zimswitch Technologies (Private) Limited, which provides central national switch for financial intermediaries 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.

		30 June 2025 ZWG'000	31 December 2024 ZWG'000
4	**Loans and advances**		
	Gross loans and advances measured at amortised cost	6 087 313	5 591 980
	Mortgage loans	641 729	625 639
	Instalment sale and finance leases	1 989 325	1 762 786
	Personal unsecured lending	1 479 446	1 423 793
	Business lending and other	1 976 813	1 779 762
	Corporate lending	4 084 231	2 966 595
	Allowance for expected credit losses	(176 404)	(163 072)
	Stage 1	(40 915)	(45 173)
	Stage 2	(80 743)	(65 657)
	Stage 3	(54 746)	(52 242)
	Net loans and advances	9 995 140	8 395 503
	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	3 182 672	2 646 023
	Maturing within 1 month	630 782	465 482
	Maturing after 1 month but within 12 months	2 971 678	2 749 449
	Maturing after 12 months	3 386 412	2 697 621
	Gross loans and advances	10 171 544	8 558 575

	30 June 2025 ZWG'000	30 June 2025 %	31 December 2024 ZWG'000	31 December 2024 %
Sectoral analysis-industry				
Individuals	2 967 935	29%	2 753 061	32%
Agriculture	2 209 043	22%	2 092 723	25%
Manufacturing	1 016 493	10%	876 169	10%
Wholesale distribution	1 121 511	11%	809 015	9%
Other services	1 017 247	10%	728 266	9%
Transport	186 137	2%	293 071	3%
Mining	1 215 274	12%	739 050	9%
Construction	427 577	4%	192 689	2%
Finance	1 631	0%	2 631	0%
Communications	8 696	0%	71 900	1%
	10 171 544	100%	8 558 575	100%

4.3 **Allowance for expected credit losses on loans and advances**

The allowance for expected credit losses for loans and advances by class for the half year ended 30 June 2025 is as follows:

Total impairments historical cost	Stage 1 ZWG'000	Stage 2 ZWG'000	Stage 3 ZWG'000	Total ZWG'000
30 June 2025				
Mortgage loans	1 138	4 209	752	6 099
Instalment sale and finance leases	454	35 946	3 616	40 016
Personal unsecured lending	13 209	10 393	46 943	70 545
Business lending and other	5 981	24 784	3 435	34 200
Corporate lending	20 133	5 411	-	25 544
Balance as at 30 June 2025	40 915	80 743	54 746	176 404

4.3.1 A reconciliation of the allowance for expected credit losses on loans and advances by class for the half year ended 30 June 2025

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	1 213	748	12 538	14 060	16 614	45 173
Net movement	(132)	(328)	(107)	(8 306)	2 883	(5 990)
Originated impairments raised	423	344	6 404	5 634	15 766	28 571
Subsequent changes in expected credit loss	(1 623)	(1 865)	(7 579)	(13 033)	(11 492)	(35 592)
Transfers from/(to) stage 2	1 998	1 217	1 998	(784)	(1 391)	3 038
Transfers to stage 3	(930)	(24)	(930)	(123)	-	(2 007)
Derecognition including write off	-	-	-	-	-	-
Other movements	57	34	778	227	636	1 732
Balance at end of the period	1 138	454	13 209	5 981	20 133	40 915
Stage 2						
Balance as at the beginning of the year	2 399	28 714	6 398	18 188	9 932	65 631
Net movement	1 669	6 195	3 881	5 643	(4 713)	12 675
Originated impairments raised	1 457	7 258	2 755	1 497	-	12 967
Subsequent changes in expected credit loss	4 171	154	5 085	3 719	(6 104)	7 025
Transfers (to)/from stage 1	(1 998)	(1 217)	(1 998)	784	1 391	(3 038)
Transfers to stage 3	(1 961)	-	(1 961)	(357)	-	(4 279)
Derecognised including write offs	-	-	-	-	-	-
Other movements	141	1 037	114	953	192	2 437
Balance at end of the period	4 209	35 946	10 393	24 784	5 411	80 743
Stage 3						
Balance as at the beginning of the year	-	2 606	42 129	7 507	-	52 242
Net movement	1 980	2 288	21 788	4 641	-	30 697
Originated impairments raised	-	-	-	-	-	-
Subsequent changes in expected credit loss	(911)	2 264	18 897	4 161	-	24 411
Transfers from stage 1	1 961	-	1 961	357	-	4 279
Transfers from stage 2	930	24	930	123	-	2 007
After write off recoveries	-	-	-	-	-	-
Write offs	-	-	-	-	-	-
Time value of money ("TVM") unwinding	(109)	(46)	-	(74)	-	(229)
Other movements	(1 119)	(1 232)	(16 974)	(8 639)	-	(27 964)
Balance at end of the period	752	3 616	46 943	3 435	-	54 746

4.3.2 December 2024 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	478	7 906	11 783	15 759	18 691	54 617
Net movement	361	(8 785)	(2 665)	(11 950)	(10 705)	(33 744)
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)	(20 013)	(8 401)	(52 444)
Transfers from/(to) stage 2	1 649	90	1 671	(655)	(6 098)	(3 343)
Transfers to stage 3	-	-	(790)	(113)	-	(903)
Derecognition	-	-	-	-	(5 804)	(5 804)
Other movements	374	1 627	3 420	10 251	8 628	24 300
Balance as 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)
Derecognition including write off	-	-	-	-	(11)	(11)
Other movements	884	9 728	(1 557)	9 715	5 669	24 439
Balance as 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)
TVM unwinding	-	-	-	-	-	-
Write off	(3 715)	-	(439)	-	-	(4 154)
Other movements	2 511	(2 000)	(20 493)	(1 872)	-	(21 854)
Balance as at end of the year	-	2 606	42 129	7 507	-	52 242

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		30 June 2025 ZWG'000	30 June 2024 ZWG'000
4.4	**Expected credit losses for the ended 30 June 2025:**		
	Net expected credit losses raised/(released) on financial investments	1 899	(240)
	Stage 1 (note 3.1.4)	1 899	(240)
	Net expected credit losses raised/(released) on balances with other banks	2 828	(473)
	Stage 1 (note 1. 1)	2 828	(473)
	Net expected credit losses raised on loans and advances	37 382	25 808
	Stage 1 (note 4.3.1)	(5 990)	(9 816)
	Stage 2 (note 4.3.1)	12 675	9 230
	Stage 3 (note 4.3.1)	30 697	26 394
	Net expected credit losses raised/(released) on off – balance sheet exposures	1 780	(210)
	Stage 1 (note 12.2.3)	1 014	(241)
	Stage 2	766	31
	Expected credit losses raised/(released) (on and off-balance sheet)	43 889	24 885
5	**Non trading and capital items**		
	Fair value loss on investment property	-	(388 728)
	Income tax credit	-	69 971
		-	(318 757)

Non trading and capital items for the half year ended 30 June 2024 included 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 in the open market when expressed in ZWL compared to the underlying valuations in USD.

		30 June 2025 ZWG'000	31 December 2024 ZWG'000
6	**Other assets**		
	Inventories	59 991	23 631
	Prepayments	72 166	160 983
	Amounts due from group companies	13 314	27 604
	Other receivables	8 066	3 663
	Internal clearing accounts	2 553 156	2 998 612
		2 706 693	3 214 493
	Allowance for expected credit losses on other assets	-	-
		2 706 693	3 214 493
	Financial assets	2 574 537	3 029 879
	Non financial assets	132 156	184 614
		2 706 693	3 214 493
	Maturity analysis		
	Maturing within 1 year	2 574 537	3 029 879
	Maturing after 1 year	132 156	184 614
		2 706 693	3 214 493

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 probability of default ("PD") by a counterparty. Therefore, the allowance for expected credit losses ("ECL") has been assessed to be insignificant.

		30 June 2025 ZWG'000	31 December 2024 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	90 801
	Fair value through other comprehensive income	152 386	152 386
	Foreign currency translation reserve	2 448 506	2 222 445
	Retained earnings	2 550 588	2 406 444
		5 242 281	4 872 076
9	**Deposits and current accounts**		
	Deposits from other banks	1 637 715	1 194 548
	Deposits from customers	20 573 542	15 022 209
	Current accounts	20 134 140	14 775 369
	Call deposits	259 716	142 408
	Term deposits	77 449	45 560
	Savings accounts	102 237	58 872
	Deposits and current accounts	22 211 257	16 216 757
	Current	21 446 229	14 627 363
	Non-current	765 028	1 589 394
		22 211 257	16 216 757
	Maturity analysis		
	The maturity analysis is based on the remaining periods to contractual maturity from period end		
	Redeemable on demand	21 156 514	14 587 328
	Maturing with 1 month	92 136	-
	Maturing after 1 month but within 12 months	197 579	40 038
	Maturing after 12 months	765 028	1 589 391
		22 211 257	16 216 757

10 CLASSIFICATIONS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES
30 June 2025

	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
30 June 2025					
Financial assets					
Cash and cash equivalents	-	6 547 108	-	9 521 883	16 068 991
Derivative assets	372	-	-	-	372
Financial investments	-	-	-	327 551	327 551
Investment securities	-	-	243 594	-	243 594
Loans and advances	-	-	-	9 995 140	9 995 140
Other financial assets	-	-	-	2 574 537	2 574 537
	372	6 547 108	234 594	22 419 111	29 210 185
Financial liabilities					
Derivative liabilities	32	-	-	-	32
Deposits from other banks	-	-	-	1 637 715	1 637 715
Deposits from customers	-	-	-	20 573 542	20 573 542
Other financial liabilities	-	-	-	3 240 570	3 240 570
	32	-	-	25 451 827	25 451 859

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

10.1 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES
December 2024

	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 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 assets	-	-	-	3 029 879	3 029 879
	52	5 306 932	235 308	16 975 258	22 517 550
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 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.

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 30 June 2025 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
30 June 2025						
Assets						
Cash and cash equivalents		6 547 108	6 547 108	-	-	Derivatives assets
– Foreign exchange contracts	2	372	-	372	-	Discounted cash flows
Investment securities	3.2	243 594	-	-	243 594	Discounted cash flows
Investment property		1 883 162	-	-	1 883 162	Sales comparison method, and market rentals and yields
Freehold property		1 114 520	-	-	1 114 520	Sales comparison method, and market rentals and yields
Total assets		9 788 756	6 547 108	372	3 241 276	
Liabilities						
Financial liabilities						
Derivatives liabilities						
– Foreign exchange contracts		32	-	32	-	Discounted cash flows
Total liabilities		32	-	32	-	

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	Discounted cash flows
Investment property		1 802 980	-	-	1 802 980	Sales comparison method, and market rentals and yields
Freehold property		862 902	-	-	862 902	Sales comparison method, and 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	-	

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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	30 June 2025			31 December 2024		
	Investment property ZWG'000	Freehold property ZWG'000	Total assets ZWG'000	Investment property ZWG'000	Freehold property ZWG'000	Total assets ZWG'000
Balance at 1 January	1 802 980	862 902	2 665 882	1 303 071	419 382	1 722 453
Additions	-	217 032	217 032	3 370	195 522	198 892
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	-	(6 404)	(6 404)	50 972	(12 129)	38 843
Exchange rate movements	80 182	40 990	121 172	834 278	416 554	1 250 832
Recognised in other comprehensive income	-	-	-	-	(39 495)	(39 495)
Balance at the end of the period	1 883 162	1 114 520	2 997 682	1 802 980	862 902	2 665 882

Reconciliation of level 3 items	30 June 2025 Investment securities ZWG'000	31 December 2024 Investment securities ZWG'000
Balance at 1 January	235 308	78 501
Additions	-	-
Disposal	-	-
Gains or losses for the period		
Recognised in other comprehensive income	-	85 966
Exchange rate movements	8 286	70 841
Balance at the end of the period	243 594	235 308

The table below shows the fair value of financial instruments not measured at fair value as at 30 June 2025:

	Note	Fair values ZWG'000	Level 1 ZWG'000	Level 2 ZWG'000	Level 3 ZWG'000
Assets					
Cash and cash equivalents		9 521 883	9 521 883	-	-
Financial investments		327 551	-	-	327 551
Loans and advances	4	9 995 140	-	-	9 995 140
Other assets		2 574 537	-	-	2 574 537
Total assets		22 419 111	9 521 883	-	12 897 228
Liabilities					
Financial liabilities measured at amortised cost					
Deposits from other banks	9	1 637 715	1 637 715	-	-
Deposits from customers	9	20 573 542	19 808 514	765 028	-
Other liabilities		3 240 570	-	-	3 240 570
Total liabilities		25 451 827	21 446 229	765 028	3 240 570

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

Assets	Note	Fair values ZWG'000	Level 1 ZWG'000	Level 2 ZWG'000	Level 3 ZWG'000
31 December 2024					
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		3 029 879	-	-	3 029 879
Total assets		16 975 258	5 257 992	-	11 717 266
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

12 Contingent liabilities and commitments

12.1 The Bank had written letters of credit and guarantees amounting to ZWG956.5 million as at 30 June 2025 (31 December 2024: ZWG570 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.

		30 June 2025 ZWL'000	31 December 2024 ZWL'000
12.2	**Commitments**		
	As at 30 June 2025 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	368 317	643 568
12.2.2	**Loan commitments**	193 206	243 796

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
30 June 2025				
Stage 1				
Balance at the beginning of the year	310	1 651	722	2 683
Net movement	1 935	(770)	(151)	1 014
Originated impairments raised	1 433	160	383	1 976
Subsequent changes in expected credit losses	506	(853)	(115)	(462)
Transfers to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Derecognised including write offs	(4)	(77)	(419)	(500)
Other movements	42	58	14	114
Balance at the end of the period	2 287	939	585	3 811
Stage 2				
Balance at the beginning of the year	-	566	-	566
Net movement	-	766	-	766
Originated impairments raised	-	801	-	801
Subsequent changes in expected credit losses	-	(35)	-	(35)
Transfers from stage 1	-	-	-	-
Derecognised including write offs	-	-	-	-
Other movements	-	35	-	35
Balance at the end of the period	-	1 367	-	1 367
Expected credit losses charge/(release)	1 935	(4)	(151)	1 780
Total ECL balance at 30 June 2025	2 287	2 306	585	5 178

	Letter of credit ZWG'000	Guarantee ZWG'000	Loan commitments ZWG'000	Total ZWG'000
Year ended 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 from stage 2	-	-	-	-
Derecognised including write offs	-	-	-	-
Other movements	(189	1 825	560	2 196
Balance at the end of the year	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 to stage 1	-	-	-	-
Derecognised including write offs	-	-	-	-
Other movements	-	498	-	498
Balance at the end of the year	-	566	-	566
Expected credit losses (release)/charge	310	(353)	(141)	(184)
Total ECL balance at 31 December 2024	310	2 217	722	3 249

		30 June 2025 ZWG'000	31 December 2024 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	5 143	2 058
	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	45 810	24 660
	Other long-term benefits	308	-
	Post- employment benefits	1 638	716
		47 756	25 376

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 of 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.

		30 June 2025 ZWG'000	30 June 2024 ZWG'000
14.1.1	Amounts due from related parties (bank balances):		
	Stanbic Bank Botswana Limited	1 772	1 651
	Stanbic Bank Swaziland Limited	20	-
	Stanbic Bank Malawi Limited	32	26
	Stanbic Bank Kenya Limited	190	181
	Stanbic Bank Zambia Limited	191	-
	Standard Bank Mauritius	542	335
	Standard Bank South Africa Limited	1 593 400	1 292 763
	Standard Bank Isle of Man Douglas	4 180 093	1 973 353
		5 776 240	3 268 309
	Related through shareholding in the parent company		
	Industrial and Commercial Bank of China (bank balances)	8 963	129

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.

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		30 June 2025 ZWG'000	30 June 2024 ZWG'000
14.1.2	**Transactions**		
	Interest income from:		
	Standard Bank South Africa Limited	18 000	21 230
	Standard Bank Isle of Man Douglas	31 307	39 496
14.1.3	Group recharges	152 501	75 336
14.2	**Deposits and loans with related parties-related through common directorship**		
	Total loans and advances	8 946	8 746
	Total customer deposits	68 563	20 819

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	30 June 2025 ZWG'000	31 December 2024 ZWG'000
Ordinary paid up share capital	1	1
Share premium	24	24
Retained earnings	4 166 679	4 022 318
Market and operational risk	(399 325)	(318 998)
Less exposures to insiders	-	-
Reserves	1 213	1 213
Tier 1 capital	3 768 592	3 704 558
Revaluation reserve	533 847	580 206
General provisions (limited to 1.25% of risk weighted assets)	259 926	215 868
Tier 2 capital	793 773	796 074
Market risk	60 005	12 362
Operational risk	339 320	306 627
Tier 3 capital	399 325	318 989
Total Tier1 and 2 capital	4 562 365	4 500 617
Tier 3	399 325	318 989
	4 961 690	4 819 606
Risk weighted assets ("RWAs")	15 628 805	13 238 887
Operational risk equivalent assets	4 241 506	3 832 836
Market risk equivalent assets	843 761	197 724
Total risk weighted assets ("RWAs")	20 714 072	17 269 447
Tier 1 capital ratio	18%	21%
Tier 1 and 2 capital ratio	22%	26%
Tier1 2 and Tier 3 capital	24%	28%
Capital adequacy ratio excluding market and operational risk weighted assets	24%	28%

16 Custodial services

The Bank provides custodial services to individuals and institutions by holding assets on their behalf. As at 30 June 2025, funds under custody amounted to ZWG35.6 billion (2024: ZWG33.5 billion) and fee income amounting to ZWG19.1 million on a historical cost basis (30 June 2024: ZWG4.3 million) was earned in return for these services.

17 Dividend declaration

During the first half of the year, the Bank had paid a dividend of ZWG538 million in historical cost terms out of the 2024 profits.

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	**2025**	**2024**	**2023**	**2022**	**2021**
Long term	AA	AA	AA	AA	AA

19 CAMELS RATINGS

The 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 a functional area with low inherent risk would have little negative impact on the banking institution's overall financial condition.

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

High – reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in 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 mitigate 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.