

# INTEGRATED ANNUAL REPORT 2025



Partners for Success



# VISION & PURPOSE



## VISION

To be the trusted partner delivering value to all our stakeholders across Africa and beyond.



## PURPOSE

Unlocking Possibilities Together.



## LEADERSHIP PHILOSOPHY

We are a purpose-led, people-driven leadership that creates a transparent, honest and inclusive environment in which all have the potential to grow and to thrive.



## PAY OFF LINE

Partners for Success.

## CORE VALUES



Trust



Respect



Innovation



Responsibility



Teamwork



## VALUE PROPOSITION

We deliver customer convenience and satisfaction through innovative, cost-effective products, leveraging advanced technology to efficiently handle value driven transactions.

# The future of banking:

Digitally driven,  
Personally tailored.



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# ABOUT OUR INTEGRATED REPORT

CBZ Holdings Limited, a diversified financial services Group listed on the Zimbabwe Stock Exchange (ZSE) since 1998, presents its integrated annual report for the year ended 31 December 2025. This report combines our Group Consolidated and Company Annual Financial Statements with sustainability disclosures, reflecting our commitment to responsible business practices and long-term value creation across our portfolio of banking, insurance, investments and agribusiness operations. As a leading diversified group, we drive sustainable finance, effective risk management, and inclusive economic growth across our integrated business portfolio. Our strategy is grounded in enhancing sustainable development, building climate resilience, advancing financial inclusion and maintaining strong governance standards.

### Reporting Scope

This report contains information for CBZ Holdings Limited (the Company), and its subsidiaries, together referred to as the Group. In this report, unless otherwise stated, references to 'our', 'we', 'us', 'the Group', CBZH, refers to CBZ Holdings Limited and its subsidiaries.

### Reporting Frameworks

In developing this report, the following guidelines, regulations and standards were taken into consideration:

- The Companies and Other Business Entities Act [Chapter 24:31];
- The Global Reporting Initiative (GRI) Standards (2021);
- The International Financial Reporting Standards (IFRS) Accounting Standards;
- International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards;
- Statutory Instrument (SI) 134 of 2019 - Securities & Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules;
- Zimbabwe Stock Exchange (ZSE) Practice Note 16 of 2023;
- Reserve Bank of Zimbabwe (RBZ) Climate Risk Management Guidelines of 2023; and
- Securities & Exchange Commission Directive 8 of 2024.

This report incorporates selected elements of the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2). While these standards are not yet mandatory in Zimbabwe, the Group has adopted a proactive and forward-looking approach to sustainability reporting by commencing alignment with their principles and disclosure requirements. As a Category 1 entity under the Public Accountants and Auditors Board (PAAB) of Zimbabwe implementation roadmap, the Group recognises its role in leading the transition towards enhanced sustainability-related disclosures. This strategic approach supports the Group's commitment to transparent reporting and readiness for the future application of the ISSB Standards.

### Materiality and Value Creation Framework

Our sustainability materiality assessment is grounded in a double materiality approach, capturing both the Group's significant impacts on the economy, environment and society, as well as how these factors influence our business performance. The results of the Materiality Assessment are presented on page 75.

In alignment with Integrated Reporting principles, this report also demonstrates how our activities draw on and affect the six capitals; namely financial, manufactured, intellectual, human, social and relational and natural capital. These capitals provide a structured lens through which we assess value creation, with each section of the report highlighting the interdependencies and impacts across our diversified operations.



## Sustainability Data and Assurance

This report was prepared using qualitative and quantitative data extracted from company policies, internal records, and responsible personnel for the material sustainability matters presented. In some cases, estimates were made and confirmed for consistency with business activities. This approach guarantees coherence and ensures that the report accurately portrays the Group's service portfolio. CBZ Holdings Limited has restated previously reported sustainability data with respect to operating fuel consumption and attendant scope 1 emissions to incorporate updated information, and this is reflected in the specific indicators updated.

The consolidated and separate financial statements were prepared in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and audited by KPMG Chartered Accountants (Zimbabwe) in accordance with International Standards on Auditing (ISAs) as issued by the International Accounting Standards Board (IASB). The Independent Auditor's Report is available on page 181.

Sustainability information was independently reviewed for alignment with the GRI Standards (2021) and IFRS Sustainability Disclosure Standards by the Institute for Sustainability Africa (INSAF). The GRI Content Index and IFRS S1 and S2 Checklist are found on pages 274–277 and 277–281, respectively.

### Report Declaration

The Directors take responsibility to confirm that this report has been prepared in accordance with the GRI Standards (2021) as issued by the Global Sustainability Standards Board (GSSB).

### Forward Looking Statements

This report may contain forward looking statements which are based on current estimates and projections by CBZ Holdings Limited. These statements do not guarantee future developments and results as these may be affected by several anticipated and unanticipated risks and uncertainties. Stakeholders are therefore cautioned against placing undue reliance on forward looking statements to reflect changes in circumstances and or events after the publication of this report through trading and website updates.

### Feedback on the Report

We value opinions and feedback from all stakeholders on how we can improve our operations and reporting. We welcome any suggestions and or inquires you may have. Share your feedback with Rumbidzayi Angeline Jakanani, Group Chief Legal and Governance Officer through our corporate email: [info@cbz.co.zw](mailto:info@cbz.co.zw) and telephone: (263-242) 748 050 – 79.



## Standards and Business Memberships

### Business and Professional Memberships

#### Icons



### Compliance Statement

The Group's management and Board of Directors are responsible for ensuring compliance with all applicable legal and regulatory requirements, among them:

- The National Code on Corporate Governance in Zimbabwe (ZIMCODE 2014).
- The IPEC Directive on Governance and Risk Management for Insurance Companies, March 2016.
- The Asset Management Act [Chapter 24:26].
- The Banking Act [Chapter 24:20].
- The Banking Amendment Act No. 12 of 2015.
- The Building Society Act [Chapter 24:02].
- The Microfinance Act [Chapter 24:29].
- The Reserve Bank of Zimbabwe Corporate Governance Guidelines No. 01-2004/ BSD.
- The Securities Act [Chapter 24:25].
- The Securities Amendment Act No. 2 of 2013.
- The Insurance Act [Chapter 24:07], and
- Statutory Instruments issued from time to time.

### Compliance with ZSE Practice Note 16.

The Zimbabwe Stock Exchange (ZSE) issued Practice Note 16, prescribes sustainability disclosures across 20 key metrics for listed entities. CBZ Holdings Limited complied with the following:

Economic	Environmental	Social	Governance
<ul style="list-style-type: none"> <li>• Economic performance (page 129)</li> <li>• Indirect Economic Impacts (page 117)</li> <li>• Defined Contribution Plans (page 108)</li> <li>• Procurement (page 127)</li> <li>• Tax (page 130)</li> </ul>	<ul style="list-style-type: none"> <li>• Materials (page 98)</li> <li>• Energy (page 98)</li> <li>• Water (page 121)</li> <li>• Waste (page 121)</li> <li>• Emissions (page 98)</li> </ul>	<ul style="list-style-type: none"> <li>• Employment (page 106)</li> <li>• OHS (page 114)</li> <li>• Training (page 107)</li> <li>• Gender Diversity (page 104)</li> <li>• Local Community (page 116)</li> </ul>	<ul style="list-style-type: none"> <li>• Board Composition (page 147)</li> <li>• Board Committees (page 156)</li> <li>• Board Qualifications (page 138)</li> <li>• Company Profile (page 26)</li> <li>• Compliance with Laws (page 79)</li> </ul>

Beyond compliance, the Group integrates these metrics into its broader sustainability and enterprise risk management frameworks, ensuring alignment with responsible business practices and evolving regulatory expectations across its diversified portfolio of banking, microfinance, general insurance, life assurance, asset management, insurance broking, agribusiness, and real estate operations. This approach enables more comprehensive reporting across key areas such as financial inclusion, responsible financing and investment, governance and environmental & social risk management. In turn, it reinforces the Group's commitment to sustainable finance and transparent stakeholder engagement.

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Discover your next business address at 106 McChlery Avenue, a brand-new, three-storey office building designed for productivity and prestige

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# LEADERSHIP INSIGHTS:

## PERFORMANCE REVIEW AND OUTLOOK

- Reflections from Our Group Chairman **13**  
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“

The Group continues to leverage its strong governance framework, digital capabilities, and financial resilience to scale operations efficiently while maintaining prudent risk management and delivering sustainable long-term value to stakeholders.

”

Luxon Zembe

**GROUP CHAIRMAN**



# REFLECTIONS FROM OUR GROUP CHAIRMAN

Dear Stakeholder, I am pleased to present an overview of CBZ Holdings Limited's consolidated financial performance for the financial year ended 31 December 2025. The Group continued to operate profitably, benefiting from the disciplined execution of its strategic priorities, anchored on sound governance systems, robust financial stewardship, operational efficiency, and customer-centric service delivery. These efforts, supported by prudent risk management and compliance initiatives, enabled the Group to navigate a dynamic operating environment while delivering sustainable value to our stakeholders.

## Operating Environment Review

Global economic growth moderated during 2025, with output expanding by approximately 3.2%, reflecting a slight deceleration from 2024 amid heightened geopolitical tensions and tighter trade conditions. Despite this, Sub-Saharan Africa demonstrated resilience, recording growth of about 4.0%, supported by easing inflation, improved financial conditions, and strong performance in the gold sector.

Zimbabwe's economy staged a notable recovery, achieving growth of approximately 6.6% in 2025, up from 1.7% in the prior year. This rebound was driven by a revitalised agricultural sector, robust services activity, and continued momentum in mining and construction. Foreign exchange markets remained broadly stable, underpinned by a tight monetary stance. The local currency closed the year with a marginal appreciation on the formal market, reinforcing operating environment stability. The US dollar continued to dominate domestic transactions, with foreign currency deposits accounting for approximately 82% of the broad money supply (M3).

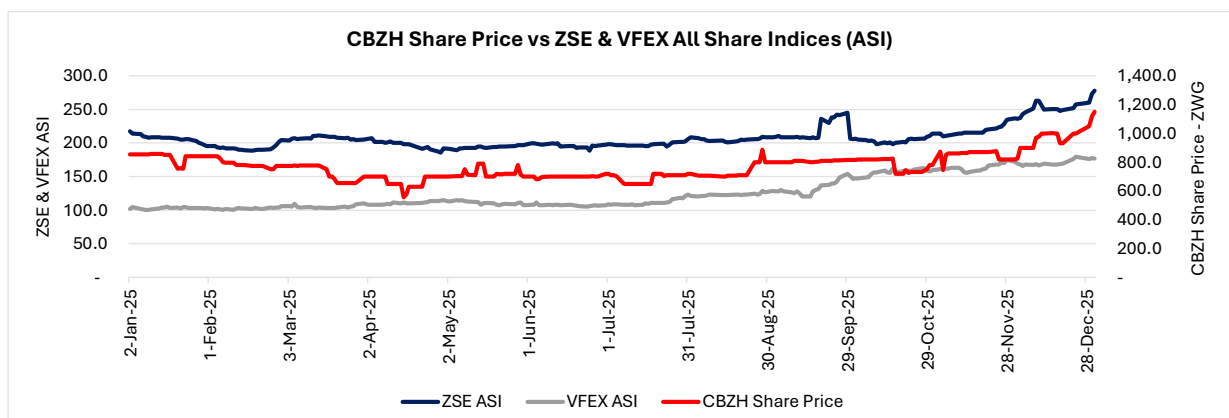
Total foreign currency receipts increased by 21.8% to US\$16.2 billion, reflecting a strengthened FX inflow base. Inflationary pressures eased materially over the year, with ZWG inflation decelerating sharply from

mid-year highs to close at 15.0%, while USD inflation moderated to 12.4%. Monthly inflation averaged 1.2% for ZWG and 1.0% for USD, contributing to improved credit quality, reduced cost pressures, and enhanced deposit mobilisation. Inflation has already declined into single-digit levels in 2026, underpinned by base effects, disciplined monetary policy, and improving macroeconomic fundamentals, reinforcing macroeconomic stability and a more predictable operating environment.

Capital markets recorded strong performance, reflecting renewed investor confidence and a preference for hard-currency and inflation-hedged assets. The Zimbabwe Stock Exchange closed the year up by 27.8%, while the USD-denominated VFEX outperformed with a 74% annual gain. REIT market capitalisation increased significantly, underscoring the growing appetite for property-backed investments. Against this backdrop, CBZ Holdings delivered a solid share price appreciation of 34.5%, closing at ZWG11.50 and translating to a market capitalisation of ZWG6.0 billion by year-end, reinforcing the Group's positive market positioning. The chart below shows the movement of the CBZ Holdings share price and the ZSE All Share Index from 1 January 2025 to 31 December 2025.

## Sustainability

The sustainability landscape continued to evolve during the period under review. While certain advanced-market regulators softened aspects of sustainability regulation and some global banks exited voluntary alliances, sustainability principles remained firmly embedded within the global financial ecosystem. Most major institutions upheld their ESG and climate-related commitments, reaffirming sustainability as a long-term strategic imperative. In contrast, African regulators continued to strengthen sustainability standards, with Zimbabwe's PAAB issuing guidance for the mandatory phased adoption of IFRS S1 and S2 from 1 January 2026, reinforcing the country's momentum toward globally aligned sustainability disclosures.



The Group enhanced its governance framework through the successful rollout of an Environmental and Social Management System (ESMS), enabling more robust identification, assessment, and management of environmental and social risks across lending and investment activities. Sustainability efforts were further validated through external recognition and institutional strengthening. CBZ Bank received the Best Overall ESG Bank Award at the 2025 Banks & Banking Survey Awards, reflecting strong ESG performance and leadership. The Group also continued to deliver meaningful social impact through initiatives such as supporting the Operation of Hope Foundation's cleft lip and palate surgeries, reinforcing its commitment to social upliftment and inclusive development.

### Governance and Directorship

As a Board, we remain firmly committed to maintaining the highest standards of corporate governance in support of sustainable performance, responsible leadership and long term value creation for all our stakeholders. During the year under review, we continued to strengthen our governance structures and ensure alignment with evolving regulatory expectations, best practice principles and the organisation's strategic priorities.

The Board maintained rigorous oversight of the Group's strategy, risk management, financial stewardship and overall performance. We prioritised open dialogue, robust debate and timely decision making to ensure effective governance in a dynamic operating environment. The Board also continued to evaluate its composition, independence and diversity to ensure that we possess the right mix of skills, experience and perspectives to guide the Group confidently into the future.

During the second quarter of the year, the Board welcomed two new independent non-executive directors: Mr. Pfungwa Gore Serima, appointed on 22 April 2025, and Mr. Takudzwa Donald Mudzengerere, appointed on 6 May 2025. Both bring extensive expertise in regional business perspectives and strengthen the Board's skills profile in financial and risk management, investments, business modelling and digital transformation technology, which will significantly enhance the Board's strategic oversight and governance capabilities. These appointments reflect the Board's ongoing commitment to sound corporate governance, diversity of thought and the continuous enhancement of its leadership capacity to support sustainable value creation.

Looking ahead, we will continue strengthening our governance practices to support innovation, sustainable growth and sound stakeholder engagement. The Board will remain vigilant in ensuring that governance remains a strategic enabler of long term success.

### Group's strategy

The Group continues to leverage its strong governance framework, digital capabilities, and financial resilience to scale operations efficiently while maintaining prudent risk management and delivering sustainable long-term value to stakeholders. Diversification into the region is a key strategic initiative that will witness expanded revenue streams and the strengthening of the Group's its footprint across key markets. This approach is supported by strategic partnerships, targeted investments, and the replication of proven business models in high-potential jurisdictions.

### Financial Performance

The Group delivered a strong financial performance for the year ended 31 December 2025 despite operating in a dynamic economic environment characterised by tight liquidity conditions and ongoing policy interventions aimed at stabilising the economy. The Group's diversified business model and continued focus on digital transformation enabled it to sustain growth across its key income streams.

Total income increased to ZWG5.73 billion, up from ZWG4.11 billion in the prior year, reflecting sustained growth in both funded and non-funded income lines. Net interest income grew to ZWG1.89 billion from ZWG1.38 billion in the prior year, supported by growth in the loan book and improved asset yields.

Non-funded income remained the largest contributor to revenue, increasing to ZWG3.86 billion from ZWG2.77 billion in the prior year. This growth was largely driven by increased transaction volumes across the Group's digital platforms and continued expansion of commission and fee-based income streams.

The improved revenue performance translated into a significant increase in profitability, with profit after tax closing at ZWG1.44 billion, compared to ZWG168.05 million in the prior year. Asset quality improved significantly during the period, with the Group's Expected Credit Loss (ECL) expense closing at ZWG20.97 million, compared to ZWG800.65 million in the prior year, reflecting stronger credit risk management and the improved quality of the loan book and other financial assets.

The Group's balance sheet remained resilient, with total assets increasing to ZWG41.15 billion from ZWG34.42 billion in the prior year. Loans and advances grew to ZWG10.19 billion, reflecting the Group's continued support for productive sectors of the economy. Customer deposits also increased to ZWG27.76 billion, up from ZWG21.59 billion, demonstrating sustained customer confidence in the Group.

Overall, the Group maintained strong capital and liquidity positions, positioning the business well to continue supporting economic activity while delivering sustainable long-term value to its shareholders and stakeholders.

These results reflect the resilience of the Group's business model and the successful execution of its strategic priorities, positioning the Group strongly to continue delivering sustainable growth and long-term value for its stakeholders.

### Dividend

The Board has proposed a final dividend of US\$10,000,000, equivalent to US 1.61 cents per share. This is in addition to the interim dividend of US\$2,500,000 declared and paid during the year, resulting in a total annual dividend of US\$12,500,000 (US 2.01 cents per share).

**Appreciation**

On behalf of the Board of Directors, I extend our sincere gratitude to our shareholders, clients, business partners, suppliers, and all stakeholders for their continued trust and support. Your confidence in the Group has been instrumental in enabling us to navigate a complex operating environment while advancing our strategic priorities.

I also wish to commend our management and staff for their unwavering dedication, professionalism, and resilience throughout the period. Your efforts continue to drive progress across the Group, strengthening our operational foundations and positioning us to seize emerging opportunities while delivering sustainable long-term value to all stakeholders.

**Outlook**

Looking ahead, the domestic economy is projected to grow by 5.0%, underpinned by strong agricultural output, continued currency, exchange rate and price stability, as well as steady mineral prices. These fundamentals are expected to provide a supportive platform for economic activity across key sectors. Uncertainties also exist from the imported economic effects of the instabilities within the Gulf region and parts of Europe.

The Group is aware of the key opportunities and threats locally and regionally and will apply prudent risk governance, operational efficiencies to navigate these. Our strategy is centred on utilising & enhancing our capital strength, optimising funding structures, in addition to entrenching business agility to support sustainable growth.

We will continue leveraging our diversified portfolio, strengthening strategic partnerships, and mobilising external lines of credit to support priority economic sectors while delivering sustainable value to shareholders and broader stakeholders.

Thank you,



.....  
MR L. ZEMBE  
GROUP CHAIRMAN

30 March 2026



**Stay Prepared & Protected For Life's Emergencies**

When the unexpected happens, CBZ Shield Cover protects your whole family every month.

- HAC Air & Road Ambulance services
- US\$100 per day Hospital Cash Back
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# GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

“

During the year, we made meaningful progress in executing our strategic agenda, anchored on strengthening the core, expanding into new revenue pools, and building an integrated financial ecosystem.

”

Lawrence Nyazema  
**GROUP CHIEF  
EXECUTIVE OFFICER**

**Introduction**

The year ended 31 December 2025 was defined by a complex and evolving global and domestic operating environment. Persistent geopolitical tensions, elevated global inflation risks, and subdued growth continued to shape financial markets, while locally, tight monetary conditions, limited financial depth, and structural shifts in the economy created both challenges and opportunities for our business. Against this backdrop, the Group demonstrated resilience, adaptability, and disciplined execution of strategy, delivering a strong financial and operational performance while positioning the business for long-term growth.

**Strong Financial Performance and Improved Profitability**

The Group recorded a Profit After Tax of US\$54.31 million, representing a 39.4% increase from the prior year, underpinned by improved asset quality, disciplined cost management, and robust growth in core income streams.

Our asset base expanded to US\$1.58 billion, while deposits grew by 27.7% to US\$1.07 billion, reflecting sustained customer confidence and effective deposit mobilisation strategies. Importantly, the quality of earnings continues to strengthen:

- Underlying non-funded income grew by 9.4%, supported by transactional volumes and diversified revenue streams.
- Expected credit losses declined significantly to US\$0.79 million, evidencing improved credit quality and a resilient lending portfolio.
- Return on Equity improved to 15.8%, while cost discipline drove a more efficient cost-to-income ratio of 62.6%.


These outcomes reflect the strength of our diversified business model and our ongoing focus on sustainable profitability.

**Executing Strategy: Building a Diversified Financial Services Ecosystem**


During the year, we made meaningful progress in executing our strategic transformation agenda, anchored on strengthening the core, expanding into new revenue pools, and building an integrated financial ecosystem.

01


Strengthening the Core




We focused on stabilising and optimising our foundational capabilities:



Enhanced systems stability, achieving a **59%** improvement, supported by cloud migration initiatives.




Improved asset quality and risk management frameworks.




Optimised our operating model, ensuring greater efficiency and resilience.

02


Diversification and Alternative Revenue Streams




We accelerated the development of non-traditional revenue drivers, including:



Bancassurance and insurance distribution expansion.



Commodity trading and Agrivalue chain participation through Agro-Yield.




Digital commerce through the Ziki Mall platform.


These initiatives are critical in reducing reliance on traditional banking income and enhancing revenue sustainability.

03


Customer-Centric Growth



Our focus on customer acquisition and engagement continued to deliver results:



Strong client growth across key business units, particularly in insurance and life businesses.



Expansion of distribution channels and partnerships to improve accessibility and reach.

## Business Segment Highlights

All business clusters contributed positively to Group performance:

### Banking

The Bank remained the core earnings driver, delivering strong balance sheet growth, improved asset quality, and sustained market leadership

loan book expanded by **21.9%**

Credit losses declined **significantly**

Mobilised **US\$130M** in credit lines

Despite elevated funding costs and tight monetary conditions, the Banking business maintained its leading market position, particularly in digital payments and POS transactions, reinforcing its role as the Group's transactional anchor.

Looking ahead, the focus remains on optimising the funding mix, scaling transactional banking, and deepening corporate and SME relationships to enhance margin resilience.

### Microfinance

The microfinance business continued to reposition its portfolio to enhance diversification and reduce concentration risk.

During the year, the business:

- Advanced its portfolio diversification strategy, targeting a reduction in exposure to government-backed securities,
- Expanded its physical presence through new branches,
- Maintained a top-tier industry position.

While the non-performing loan ratio increased moderately, this reflects portfolio restructuring dynamics as the business transitions toward a more balanced and sustainable lending model.

While the non-performing loan ratio increased moderately, this reflects portfolio restructuring dynamics as the business transitions toward a more balanced and sustainable lending model.

### Insurance

The Insurance cluster delivered a strong turnaround performance following strategic restructuring and recapitalisation interventions. During the year, the Group:

significant growth in policy uptake, increasing by **over 170%**

General Insurance recorded **double-digit growth** in policy volumes

Advanced its portfolio diversification strategy, targeting a reduction in exposure to government-backed securities,

Expanded its physical presence through new branches,

Maintained a top-tier industry position.

While profitability remains modest, the cluster has now established a solid platform for growth, with a clear pathway to scale through bancassurance, partnerships, and ecosystem.

### Investments

Funds under management increased by 11% to **US\$356.80M**

Property rental yields improved to **8.8%**

The Investments cluster delivered steady performance, contributing to income diversification and long-term value creation.

Key strategic initiatives included:

- Establishment of a Rwanda equity fund, supporting regional diversification,
- Completion of flagship property developments, and
- Continued optimisation of the property and asset management portfolio.

The cluster remains well-positioned to benefit from regional expansion opportunities and increased institutional investment flows, although performance continues to be influenced by local market liquidity constraints.

### Agro-Business

The Agro-business cluster continued its transition from a traditional financing model to a fully integrated Agri-value chain platform, with growing contributions from commodities trading, logistics, and farming services.

Contributions

- Commodity trading, logistics, and related services are now contributing meaningfully to revenue, enhancing earnings resilience

Challenges

- Lower than expected hectareage,
- Liquidity constraints in commodity markets, and
- External factors including geopolitical developments affecting pricing dynamics.

Joint venture with the ATDC established

Expansion of national agricultural support programmes, including mechanisation initiatives

Diversification across income streams

Going forward, the focus will be on scaling trading operations, improving asset-light models, and strengthening linkages across the broader ecosystem. This diversified model continues to be a key differentiator for the Group.

### Advancing Regional Ambitions

A critical pillar of our long-term strategy is regional expansion to unlock scale, diversify risk, and access hard currency markets.

During the year, we advanced a capital-light regional expansion model through:

- Establishment of a presence in South Africa for our General Insurance.
- Establishment of a presence in Botswana for our Risk Advisory.

Given the limited financial depth of the domestic market, regionalisation remains a strategic imperative for sustainable growth.

**Sustainability, Culture and Transformation**

We continued to embed a high-performance culture aligned to our transformation journey:

- Launched "The CBZ Way," reinforcing a unified culture across the Group.
- Advanced renewable energy initiatives, achieving significant growth in usage.
- Streamlined operations to enhance agility and efficiency.

Our sustainability agenda remains centred on supporting economic development, financial inclusion, and responsible business practices.

**Outlook: Positioned for Scalable Growth**

While risks remain including global geopolitical tensions, energy price volatility, and domestic liquidity constraints the outlook is supported by improving macroeconomic stability and easing inflation dynamics.

In 2026, our strategic priorities will focus on:

- Deepening our digital and fintech capabilities,
- Scaling our ecosystem play,
- Accelerating regional expansion, and
- Strengthening capitalisation across subsidiaries.

We are targeting double-digit growth across revenue, profitability, and assets, while maintaining strong liquidity and capital buffers.

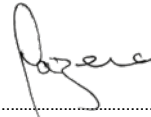
**Appreciation**

I extend my sincere appreciation to our Board, management team, and employees for their dedication and execution excellence. I also thank our customers, shareholders, and valued partners for their continued trust and support.

**Conclusion**

The Group has emerged stronger, more resilient, and better positioned for the future. Our diversified model, disciplined strategy execution, and forward-looking investments provide a solid foundation for sustainable growth and long-term value creation.

We remain committed to delivering on our purpose as a trusted financial partner and a catalyst for economic progress.



L. Nyazema  
**Group Chief Executive Officer**

30 March 2026

# Sustain your business

**Types of loans available:**

- **SME order financing**
- **SME invoice discounting**
- **Salary based loans**
- **Working capital loans**
- **Product Financing**

**Own the tools, grow the profit.**



<b>Harare</b> Red Sphere Finance 81 Robert Mugabe 0713482811 0781273868	<b>Bulawayo</b> CBZ Belmont Branch Red Sphere Finance 1st Floor Corner Leeds & J Chinamano 0789462 916	<b>Mutare</b> CBZ Main Street 88 Herbert Chitepo 0712460371 0782565908	<b>Masvingo</b> CBZ, 376 R.Mugabe Way 0719416802	<b>Chiredzi</b> CBZ, 62 Chilonga Drive 0772315242/ 0716446671	<b>Zvishavane</b> CBZ, 604 Turner Rd 0787462424	<b>Marondera</b> CBZ 2137, Second Street 0718790350 0789362862
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“The Group's core operations continued to underpin performance, supported by strong growth in deposits, transaction volumes and increased utilisation of digital channels. ”

Joel Makombe  
**GROUP CHIEF  
FINANCE OFFICER**

# GROUP CHIEF FINANCE OFFICER'S REVIEW

The Group delivered a strong financial performance underpinned by growth in quality assets funded by a solid deposit and capital base. Investments in client focused digital platforms underpinned the sustained growth in transactional volumes and other related financial activities.

The Group's financial performance also took advantage of improved macroeconomic stability, enhanced exchange rate predictability and strengthening confidence within the financial services sector. These developments provided a more supportive environment for business planning, capital deployment and execution of strategic priorities.

## Overview of the Group's Financial Performance

The Group recorded a profit after tax of ZWG1.44 billion compared to ZWG168.05 million in the prior year. This significant increase in profitability reflects improved earnings capacity across the Group, supported by growth in both funded and non-funded income streams, continued customer acquisition and increased utilisation of digital financial services.

Net interest income increased to ZWG1.89 billion from ZWG1.38 billion in the prior year, supported by growth in earning assets and improved funding efficiency. Non-interest income continued to provide significant contribution to total revenue, benefiting from increased transactional activity, higher digital platform utilisation and growth in fee-based services.

The Group maintained a strong balance sheet position throughout the year. Total assets increased to ZWG41.15 billion from ZWG34.42 billion in 2024, reflecting continued expansion of the balance sheet driven primarily by growth in customer deposits and targeted lending activities. Customer deposits increased to ZWG27.76 billion from ZWG21.59 billion, reinforcing the strength of the Group's funding base and supporting liquidity stability. Loans and advances grew to ZWG10.19 billion from ZWG8.30 billion as the Group continued to support productive sectors of the economy under strengthened credit risk frameworks.

Total equity increased to ZWG9.14 billion from ZWG7.91 billion, strengthening the Group's capital position and providing a solid foundation to support future growth, strategic investments and long-term value creation.

Beyond the banking business, the Group's diversified portfolio continued to contribute positively to overall performance, reinforcing the benefits of our integrated financial services model. Funds Under Management increased to ZWG9.27 billion from ZWG8.29 billion, while Gross Written Premiums grew by 37.4% to ZWG541.55 million from ZWG394.02 million recorded in the prior year.

## Sustained Performance Across a Diversified Portfolio

The Banking cluster remained the primary contributor to Group earnings, supported by strong customer acquisition, increased transactional activity and continued adoption of digital banking platforms. Investments in digital channels continued to enhance customer convenience, improve service delivery and drive growth in transaction volumes and fee-based income.

The Group's diversified business model continues to be a key source of competitive advantage. Whilst Banking remains the dominant earnings contributor, the Insurance, Investments, Agribusiness and Property businesses collectively contributed approximately 10% of the Group's performance. These businesses remain strategically important in supporting earnings diversification, reducing concentration risk and creating additional avenues for long-term growth and value creation.

## Capital and Liquidity Position

The Group maintained adequate capital and liquidity levels throughout the year, supported by profitability generated during the period and prudent balance sheet management. Total equity increased to ZWG9.14 billion, supported by strong profitability and prudent capital management practices.

Liquidity levels remained comfortably above regulatory requirements, supported by continued growth in customer deposits and proprietary resources. The Group maintained adequate liquidity buffers to support business operations, meet customer obligations and retain flexibility to pursue emerging growth opportunities.

The strength of our capital and liquidity position continues to provide resilience against market volatility whilst positioning the Group to capitalise on strategic opportunities across our markets.

## Capital Allocation Decisions

Capital stewardship remains one of management's most important responsibilities. The Group continues to allocate capital in line with its strategic priorities, focusing on opportunities that generate sustainable risk-adjusted returns whilst preserving financial strength and resilience.

During the year, the Group injected in excess of US\$8 million into selected subsidiaries within the Insurance, Agribusiness and Investments clusters. These investments were primarily growth-oriented and aimed at strengthening underwriting capacity, enhancing operational capabilities, supporting business expansion and positioning these entities for improved contribution to Group earnings over the medium to long term.

The Group remains committed to a disciplined capital allocation framework that prioritises investments capable of generating returns above the Group's cost of capital whilst maintaining adequate liquidity and capital buffers. This approach ensures efficient deployment of shareholder capital and supports sustainable value creation.

## OUR CAPITALS

**Financial Capital**  
 Financial capital continued to strengthen during the year, supported by robust profitability and balance sheet expansion. Total equity increased to ZWG9.14 billion from ZWG7.91 billion, while customer deposits grew to ZWG27.76 billion from ZWG21.59 billion. The Group's strong capital position provides the capacity to support future lending growth, strategic investments and sustainable shareholder returns.

**Digital and Intellectual Capital**  
 The Group continued to invest in technology and innovation to enhance operational efficiency, customer experience and business resilience. Information technology operating expenditure amounted to ZWG12.77 billion during the year, supporting the enhancement of digital infrastructure, cybersecurity capabilities, core systems and customer-facing platforms. These investments continue to strengthen the Group's digital capabilities and position us for future growth in an increasingly technology-driven financial services landscape.

**Social and Relationship Capital**  
 The Group maintained strong stakeholder relationships and continued to promote financial inclusion. Through its SEED Nurturing Programme, the Group supported 188 university students, while 23 students participated in the fully funded TOPP Chartered Accountancy Programme. The Group also supported numerous community initiatives through donations during the year.

**Human Capital**  
 Our people remain one of the Group's most valuable assets. During the year, the Group invested over ZWG2.03 billion in employee-related costs, training and development initiatives. In addition to technical and leadership development programmes, the Group continued to promote employee wellbeing through various wellness, engagement and talent development initiatives aimed at fostering a high-performance culture.

**Operational and Physical Capital**  
 The Group continued to enhance service delivery through process optimisation, digitalisation and strategic expansion of service channels. During the year, the microfinance agent network increased from 80 to 191 agents, significantly improving access to financial services within underserved communities. These investments continue to strengthen the Group's operational capacity and support broader financial inclusion objectives.

**Going Concern**

Following a comprehensive assessment of liquidity, capital adequacy, business performance and risk exposures, the Directors remain satisfied that the Group has adequate resources to continue operating for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis, reflecting the Group's strong financial position and its ability to meet obligations as they fall due.

**Dividend and Market Performance**

The Group remains committed to delivering sustainable shareholder value. Following the strong profitability during the year, a dividend declaration total of ZWG52.21 cents per share, compared to ZWG42.82 cents per share in the prior year, was made. The Group delivered a dividend yield of 4.5%, whilst earnings per share increased to ZWG232.24 cents. The capital growth of the CBZ Holdings counter on the ZSE also contributed to shareholder wealth growth during the year.

These results demonstrate the Group's ability to generate sustainable returns for shareholders whilst retaining sufficient capital to support future growth, and strategic investments.

**Outlook and Strategic Focus**

The business enters 2026 from a position of financial strength. The improved stability in the operating environment provides a solid platform for continued execution of the Group's growth strategy. The strategic focus will remain centred on strengthening the existing core businesses through digital transformation, enhancing customer experience and selectively pursuing regional expansion opportunities. The Group remains confident in its ability to sustain the growth momentum, generate attractive returns for shareholders and maintain its leadership position within the financial services sector.

J. Makombe CA(Z)

**Group Chief Finance Officer**

30 March 2026

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# OUR STORY:

## THE GROUP AT A GLANCE

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# CBZ Holdings'

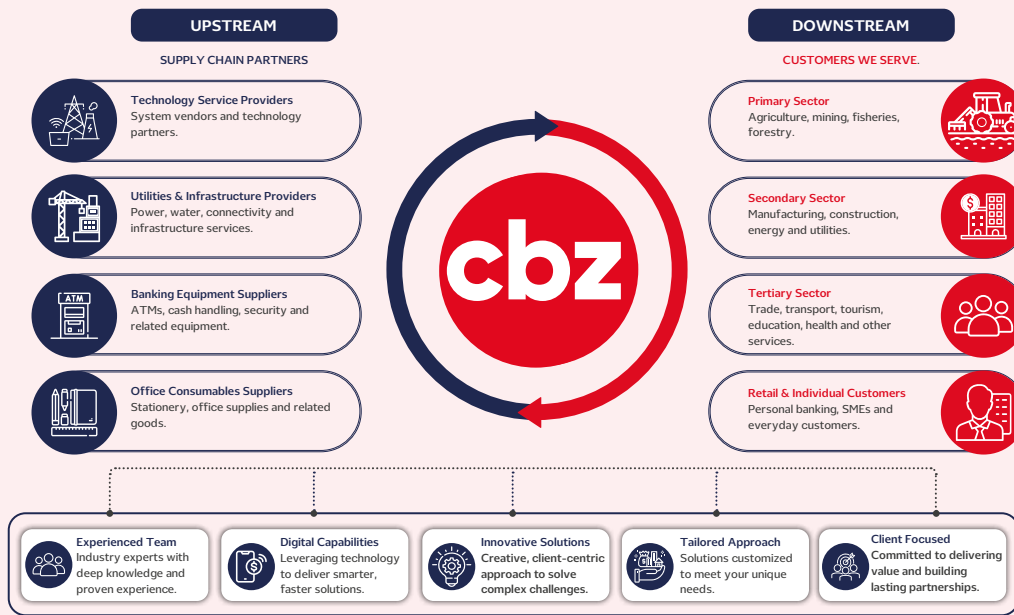
## Strategic evolution

CBZ Holdings Limited is a company incorporated in Zimbabwe under the Companies and Other Business Entities Act [Chapter 24:31]. It is publicly listed on the Zimbabwe Stock Exchange (ZSE) and headquartered in Zimbabwe. The Group's origins date back to 1980, when a partnership between the Government of Zimbabwe (GoZ) and Bank of Credit and Commerce International (BCCI) Holdings Limited led to the establishment of the Bank of Credit and Commerce Zimbabwe (BCCZ) Limited, marking its initial entry into the financial services sector.

Through its subsidiaries and business units, CBZ Holdings Limited provides a comprehensive range of financial and non-financial services to a broad client base that includes retail, commercial, SME, agricultural, and public sector customers. This integrated approach reinforces the Group's role as a key contributor to sustainable development in Zimbabwe.



CBZ Holdings Limited operates within a dynamic ecosystem of upstream and downstream relationships. Its supply chain includes technology service providers such as system vendors, utilities and infrastructure providers, as well as suppliers of banking equipment and office consumables. On the downstream side, the Group serves a diverse customer base across both primary and tertiary sectors, while maintaining strategic partnerships with development finance institutions, international correspondent banks, insurance and reinsurance partners, and regulatory authorities.



# OUR JOURNEY



**In 1980...**  
Our journey began.



**In 1998...**  
We were listed on the Zimbabwe Stock Exchange.



**In 2004...**  
CBZ Holdings Limited was established to become the financial services provider of choice.



**cbz Insurance**

**In 2006...**  
We made a promise to protect your prized possessions through offering innovative and valuable short term insurance solutions.



**DAT VEST**  
A Member of the CBZ Group

**In 2005...**  
We grew our investments portfolio and acquired Datvest Asset Management.



**In 2016...**  
Driven by technology to enhance convenience for our customers, we launched Zimbabwe's first innovative and fully integrated financial services mobile application, CBZ Touch.

**In 2007...**  
We acquired Beverley Building Society, further diversifying our services to offer mortgage-finance products.



**cbz Life**

**In 2010...**  
We made a commitment to always be there for you and your loved ones through our Life Assurance.



**cbz** Capital

**In 2020...**

We set up CBZ Capital a suite to offer investment and structured finance solutions.



**cbz** Holdings

**In 2020...**

CBZ Holdings rebranded.

**cbz** Agro-Yield

**In 2019...**

We established CBZ Agro-Yield to improve national food security for the people of Zimbabwe. We also began a major drive towards financial inclusion by offering microfinance solutions, through RedSphere Finance.



**cbz** Digital

**In 2021...**

We set up CBZ Digital to drive the Business into the future.



**cbz** Holdings

**In 2022...**

Adoption of the CBZ Holdings Limited Group Sustainability Philosophy.

**In 2022...**

We set up CBZ Trustee Services to enhance our offering in capital markets governance.



**cbz** Risk Advisory  
Services

**In 2017...**

Backed by a solid foundation hinged on financial stability and prudent foresight we introduced an Insurance Broking and Risk Advisory Services Unit.



**cbz** Foundation

**In 2022...**

We founded CBZ Foundation, a charitable entity of the Group, to help communities via programmes that connect with our vision and our country's growth and strategic objectives.



**In 2025...**

**Regional Expansion**

CBZ Risk Advisory and CBZ Insurance to be the first SBUs to set up out of Zimbabwe. Total assets market share 19.1%. Market Cap US\$139.8m.



# GROUP STRUCTURE



CBZ Holdings Limited is a diversified financial services group listed on the ZSE, with operations across Zimbabwe and a workforce of 1,180 employees.



**CBZ Bank Limited**  
**100%**  
Commercial banking and mortgage financing



**CBZ Life Limited**  
**100%**  
Long term insurance



**CBZ Risk Advisory Services (Private) Limited**  
**100%**  
Insurance broking and Advisory services



**CBZ Asset Management (Private) Limited T/A DATVEST**  
**100%**  
Fund management and advisory services

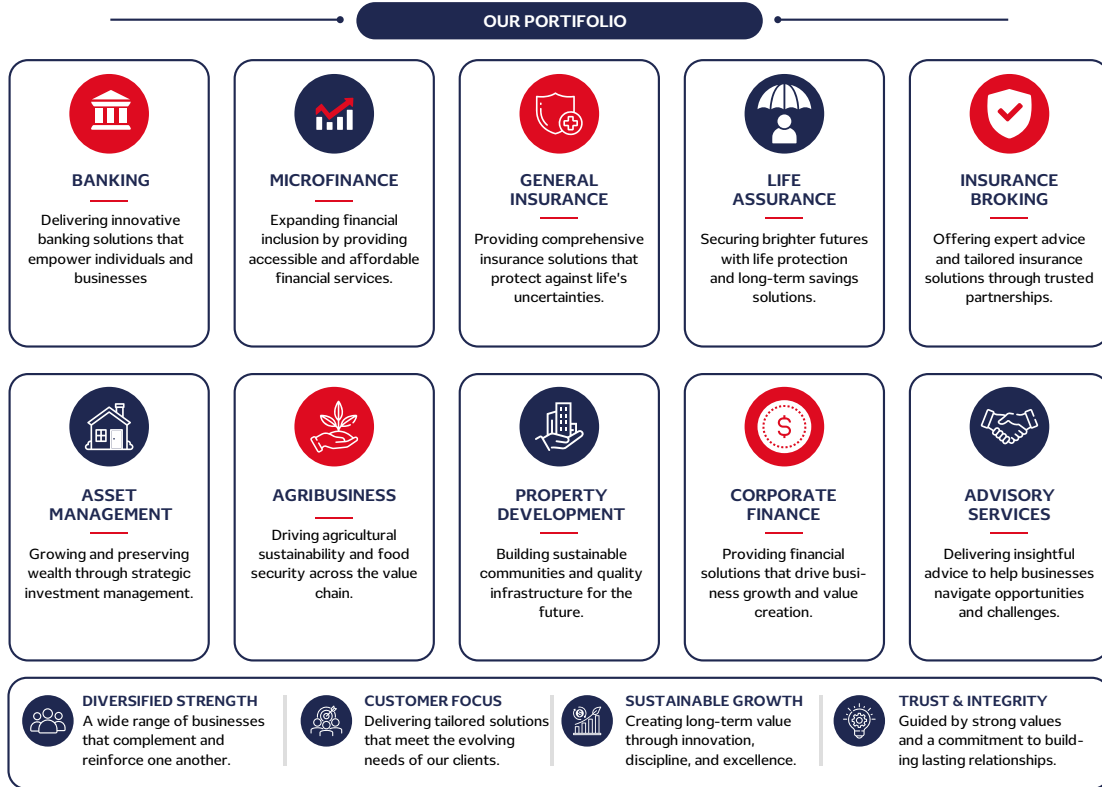


**CBZ Insurance (Private) Limited**  
**98.4%**  
Short term insurance



**CBZ Properties (Private) Limited**  
**100%**  
Property ownership, development and management

The Group's portfolio spans banking, microfinance, general insurance, life assurance, insurance broking, asset management, agribusiness, property development, corporate finance and advisory services.



**red Sphere Finance**  
A Member of the **cbz** Group

Redsphere  
**100%**  
Micro finance

**cbz** Capital

CBZ Capital  
**100%**  
Private Equity

**cbz** Foundation

CBZ Foundation  
**100%**  
Philanthropy

**cbz** Agro-Yield

CBZ Agro Yield  
**100%**  
Agriculture based financing

**cbz** Digital

CBZ Digital  
**100%**  
Digital services

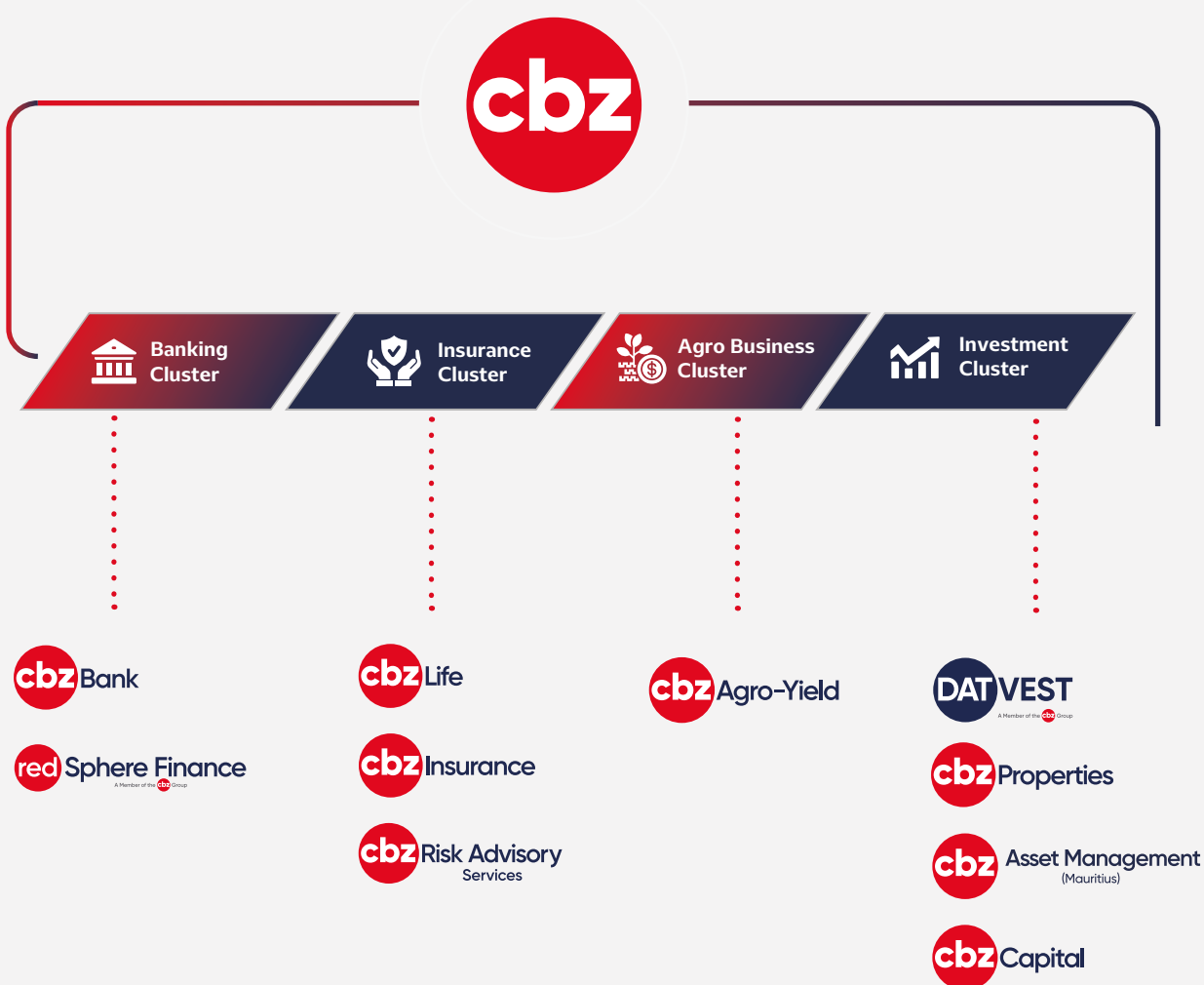
**cbz** Asset Management  
(Mauritius)

CBZ Asset Management  
(Mauritius)  
**100%**  
Wealth Management

# THE GROUP'S CLUSTERS

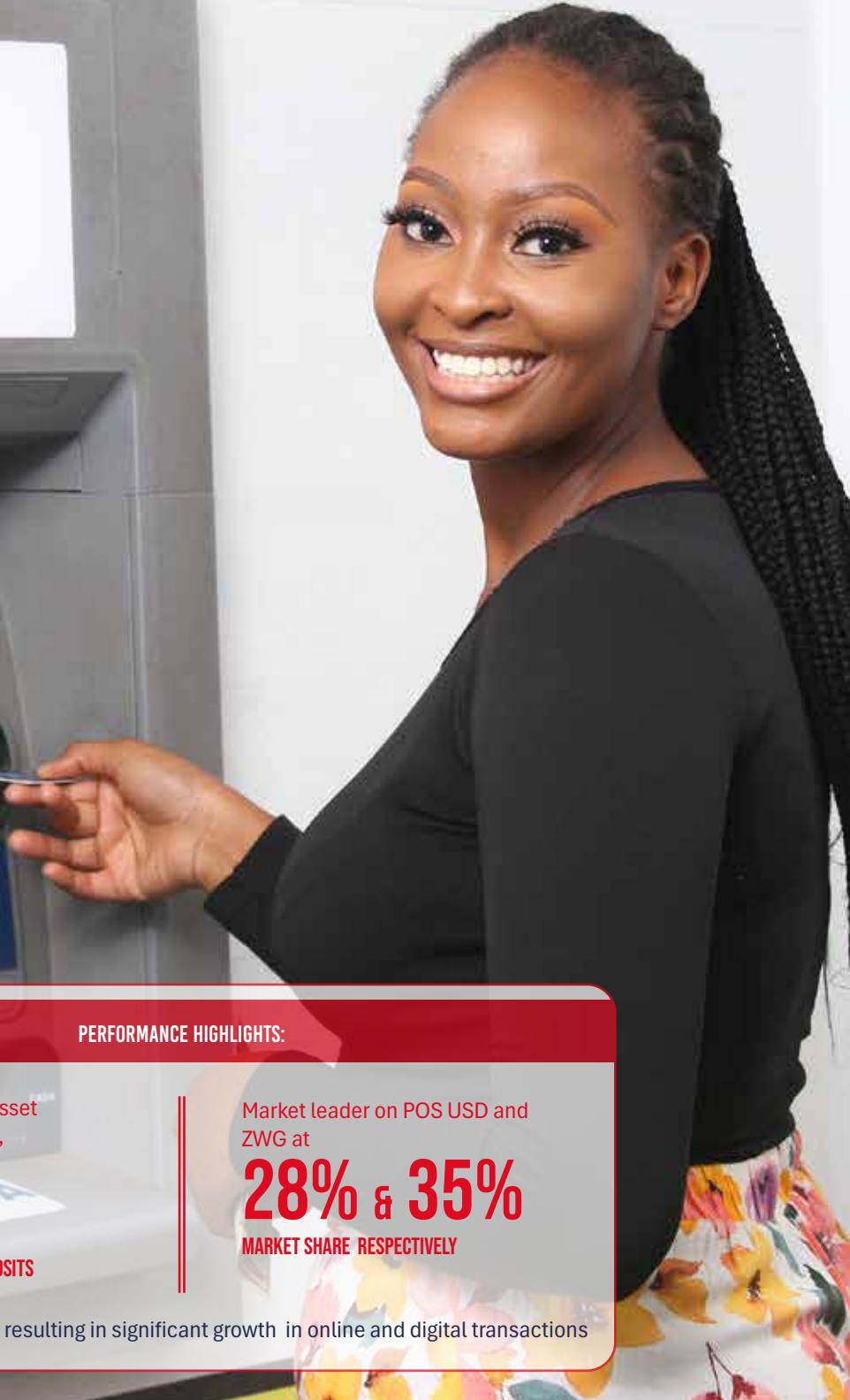
The Group adopted a deliberate and strategic approach to the expansion of its operations through the integration of core financial services, including banking, insurance, and wealth management. This integrated model has strengthened the Group's market position and enhanced its ability to deliver a comprehensive and cohesive suite of financial solutions to a diverse client base. In doing so, the Group has improved value creation across its stakeholder ecosystem, while reinforcing synergies across its business segments.

The Group's investments are structured and managed across the following strategic clusters:





# ACCEPTED HERE



### PERFORMANCE HIGHLIGHTS:

Market leader by asset base and deposits, commanding

**20%**

MARKET SHARE BY DEPOSITS

Market leader on POS USD and ZWG at

**28% & 35%**

MARKET SHARE RESPECTIVELY

Accelerated digitalisation, resulting in significant growth in online and digital transactions



CBZ Bank Limited is a wholly owned subsidiary of CBZ Holdings Limited. CBZ Bank Limited is a licensed commercial bank offering an extensive portfolio of innovative banking and financial solutions to individual and corporate clients. Its service offerings include:

### Our Services



As a leading financial services institution, CBZ Bank creates shareholder value through delivering value to its customers. By serving as a trusted financial partner and providing innovative financial solutions, the Bank strengthens customer relationships, drives sustainable growth, and generates long-term returns for shareholders. This approach creates enduring value for customers, shareholders, employees, and the communities in which the Bank operates.

CBZ Bank aspires to be a sustainability leader in the markets in which it operates, underpinned by a robust sustainability strategy aligned with globally recognised standards and best practices. The Bank's sustainability performance and measurable impact reflect its strong commitment to ESG excellence. This commitment reinforces the Bank's leadership position in advancing sustainability practices and creating long-term value for its stakeholders.



PERFORMANCE HIGHLIGHTS:

Maintained value of disbursed microloans closing at

**US\$9.6 M**  
IN 2025

Strong repayment rates sustained averaging

**92%**

Expanded agent network across underserved areas, closing at

**197**



Red Sphere Finance (Private) Limited is a wholly owned subsidiary of CBZ Holdings Limited. The company commenced operations in October 2019 following successful licensing by the Reserve Bank of Zimbabwe as a Credit-Only Microfinance Institution in terms of the Microfinance Act (Chapter 24:30).

Red Sphere Finance currently operates through four fully-fledged branches located in Harare, Bulawayo, Mutare, and Marondera, complemented by three satellite (bolthole) outlets in Chiredzi, Zvishavane, and Masvingo. This enhances the company's geographic reach and accessibility to clients.

The company plays a strategic role in advancing Zimbabwe's National Financial Inclusion Strategy. It is committed to promoting inclusive economic growth through tailored, product-based financing solutions. Its lending portfolio is primarily focused on non-consumptive facilities that support income-generating

activities, giving marginalised communities a chance for financial inclusion. As a testament to this, the company was recognised as Runners-Up: Most Profitable and Financially Stable MFI at the 2025 ZAMFI National Microfinance Excellence Awards.

In addition, the company actively facilitates access to finance for Micro, Small and Medium Enterprises (MSMEs), extending support beyond traditional salary-based lending to enable entrepreneurship, business growth, and job creation.

Red Sphere Finance's growth strategy is anchored on the formation of strategic partnerships with institutions that offer innovative and competitive products aimed at meeting the needs of financially excluded communities—particularly in areas where Red Sphere Finance does not yet have a physical presence.

**RED SPHERE FINANCE IS ALSO FOCUSED ON:**



**1 EXPANDING  
FINANCIAL LITERACY  
AND AWARENESS**

Expanding financial literacy and awareness through its distribution channels.



**2 DRIVING DOWN  
TRANSACTIONAL AND  
BORROWING COSTS**

Driving down transactional and borrowing costs to enhance affordability.



**3 LEVERAGING  
TECHNOLOGY**

Leveraging technology to develop innovative and efficient delivery channels.



**4 DEEPENING MARKET  
PENETRATION**

Deepening market penetration by targeting previously underserved customer segments within its existing portfolio.

The Company continues to identify and pursue opportunities within its current product suite, with a view to broadening its client base and strengthening its contribution to sustainable economic development.





CBZ Agro-Yield (Private) Limited is a wholly owned subsidiary of CBZ Holdings Limited. It was established to support national agricultural development by:

- Empowering farmers and creating employment.
- Increasing food production through improved farming methods.
- Supporting Government agricultural objectives.

CBZ Agroyield is a key implementing partner in the National Enhanced Agriculture Productivity Scheme (NEAPS), working with the Ministry of Finance and Economic Development and the Ministry of Agriculture to enhance the production of grain crops such as maize, wheat, and soya beans.



01

**AGRICULTURE  
FINANCING**

Provision of financing solutions across the agricultural value chain, supporting production, processing, distribution and value addition activities.



02

**MECHANISATION**

Offering mechanisation schemes that improve farmers' access to modern agricultural equipment, enhancing productivity, operational efficiency and sector-wide mechanisation.



03

**IMPORT AND EXPORT  
FACILITATION**

Facilitating the importation of critical agricultural inputs and raw materials, while supporting the export of agricultural products to local, regional and international markets.



04

**COMMODITY  
TRADING**

Facilitating the sourcing, aggregation, marketing and trading of agricultural commodities, creating market access for producers and supporting efficient movement of agricultural products across the value chain.



05

**INPUT FINANCING AND  
AGRONOMY SUPPORT**

Delivering integrated farming solutions through the provision of agricultural inputs on credit, coupled with agronomic advisory services that support optimal crop management, productivity and sustainable agricultural outcomes.

**PERFORMANCE HIGHLIGHTS:**

Contracted over  
**20,938**  
IN HECTARAGE  
FOR THE YEAR

Launched mechanisation schemes enhancing access to modern agricultural equipment and productivity, valued at  
**US\$30M**

Traded over 36,000 metric tonnes of commodities, valued at over  
**US\$15M**

Established a strategic joint venture to expand export markets, deepen regional trade, and improve access to key agricultural inputs.





CBZ Asset Management (Private) Limited t/a Datvest is a wholly owned subsidiary of CBZ Holdings Limited. As one of Zimbabwe's largest asset management firms, Datvest managed a US\$357 million portfolio across the stock market, fixed income, property.



**PERFORMANCE HIGHLIGHTS:**

Completed residential and commercial property development projects worth  
**US\$ 10M**

Funds under management increased by 11% to  
**US\$357M**

Sold out +2500 residential stands in Northgate Phase 1 development with significant uptake from diaspora community.

Strong performance in money market and equity portfolios.



PERFORMANCE HIGHLIGHTS:

Maintained high average occupancy rates at

**97%**

Stable rental income growth of

**4%**

Maintained a high collection rate at

**99.7%**

MAINTAINING YIELDS OF UP TO 7%



CBZ Properties (Private) Limited is a wholly owned subsidiary of CBZ Holdings Limited. Established in 2004, it specialises in real estate development, investment, and management, with a strong track record across Zimbabwe's property market. Guided by a customer centric approach, the company built a reputation for delivering quality service and adding value to both new and existing assets.

With over 5 million square metres of residential, office, and industrial space developed and 50,000 square metres under active property management, CBZ Properties continues to expand its portfolio through in-house expertise

and strategic partnerships. Its development philosophy combines creativity, responsiveness, and an in-depth understanding of market dynamics.

The company leverages a proprietary property database to:

- Accurately assess market values and forecast trends.
- Analyse the performance of real estate relative to other asset classes.
- Evaluate the impact of regulatory and environmental changes on land use and value.

**SERVICE OFFERED INCLUDE:**

<p><b>1</b></p>  <p><b>PROPERTY DEVELOPMENT SOLUTIONS</b></p> <p>End-to-end property development services from concept to completion, delivering quality projects that create lasting value.</p>	<p><b>2</b></p>  <p><b>PROJECT MANAGEMENT</b></p> <p>Professional management of projects ensuring timely delivery, cost efficiency, and the highest quality standards.</p>	<p><b>3</b></p>  <p><b>PROPERTY MANAGEMENT</b></p> <p>Comprehensive management services that maximize property performance and ensure tenant satisfaction.</p>	<p><b>4</b></p>  <p><b>PROPERTY SALES</b></p> <p>Expert marketing and sales services that connect buyers and sellers, ensuring successful property transactions.</p>	<p><b>5</b></p>  <p><b>VALUATIONS AND REAL ESTATE ADVISORY SERVICES</b></p> <p>Accurate property valuations and strategic advisory services to support informed real estate decisions.</p>
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 <p><b>EXPERTISE</b></p> <p>A team of professionals with in-depth industry knowledge.</p>	 <p><b>CLIENT FOCUSED</b></p> <p>Tailored solutions designed to meet your unique needs.</p>	 <p><b>INNOVATIVE</b></p> <p>Creative and practical solutions that deliver lasting value..</p>	 <p><b>VALUE DRIVEN</b></p> <p>Committed to delivering results that exceed expectations.</p>	 <p><b>TRUSTED PARTNER</b></p> <p>Building long-term relationships based on integrity and trust.</p>
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CBZ Life Limited, a wholly owned subsidiary of CBZ Holdings Limited, was established in 2010. It is licensed to operate as a long-term insurance company. CBZ Life is supported by experienced shareholders, directors, and employees with expertise in life insurance.

Its product offering includes:

OUR PRODUCT OFFERINGS

1

Funeral Insurance

Provides a pre-determined lump sum to a designated beneficiary upon the policyholder's death, paid immediately to assist with funeral expenses.

2

Credit Life Insurance

Covers the outstanding loan amount in the event of the borrower's death or disability, with optional cover for 3 to 6 months of instalments in the event of retrenchment.

3

Term Life Insurance

Offers a fixed benefit payable to the nominated beneficiary upon the policyholder's death.

**FINANCIAL PROTECTION**  
Protecting what matters most.

**PEACE OF MIND**  
Security for you and your loved ones.

**TAILORED SOLUTIONS**  
Plans designed to meet your unique needs.

**TRUSTED PARTNER**  
Committed to your financial wellbeing at every stage.

PERFORMANCE HIGHLIGHTS:

Movement in gross written premiums by

55%

↑

Growing a portfolio of integrated solutions through group synergies

Embedded funeral cover with selected banking products.



PERFORMANCE HIGHLIGHTS:

Growth in gross written premiums by

**17%**

Increased policyholder base by

**22%**

Growth in equity, strengthening underwriting capacity.

# cbz Insurance

CBZ Insurance Company (CBZI) is a majority owned subsidiary of CBZ Holdings Limited, providing short-term insurance solutions. The company is fully licensed and regulated by the Insurance and Pensions Commission of Zimbabwe (IPEC). Established in 2005 and operational since 1 June 2006, CBZI has developed strong capabilities to deliver reliable risk protection solutions across a wide range of sectors.

The company serves a diverse client base, offering flexible and competitively structured insurance solutions tailored to varying needs and business sizes. Its core product offerings include:

CBZI is committed to delivering excellence through efficient claims management, continuous product innovation, and a strong focus on customer satisfaction, thereby enhancing the financial resilience of individuals and businesses across Zimbabwe.

Supported by a team of experienced and innovative professionals, CBZI is recognised for its dynamic, customer-centric approach to short-term insurance. The organisation continues to develop innovative, sustainability-focused risk mitigation solutions that address emerging environmental and business risks while delivering value to its customers and stakeholders.

## OUR CORE PRODUCT OFFERINGS

<p>1</p>  <p><b>Motor Vehicle Insurance</b></p> <p>Comprehensive protection for your vehicles, ensuring peace of mind on the road.</p>	<p>2</p>  <p><b>Residential and Commercial Building Insurance</b></p> <p>Safeguarding your property and assets against unforeseen risks.</p>	<p>3</p>  <p><b>Travel Insurance</b></p> <p>Reliable coverage for your trips, wherever life takes you.</p>	<p>4</p>  <p><b>Casualty, Accident and Health Cover</b></p> <p>Protecting you and your loved ones from life's unexpected events.</p>
<p>5</p>  <p><b>Marine Insurance</b></p> <p>Coverage for your goods, vessels, and marine operations worldwide.</p>	<p>6</p>  <p><b>Business Package Cover</b></p> <p>Tailored protection for businesses, combining multiple covers in one comprehensive package.</p>	<p>6</p>  <p><b>Liability Insurance</b></p> <p>Protection against legal liability and claims, helping you manage risk with confidence.</p>	

 <p><b>DIVERSE CLIENT BASE</b> Serving individuals, families, and businesses of all sizes.</p>	 <p><b>FLEXIBLE SOLUTIONS</b> Customizable insurance options designed to meet unique needs.</p>	 <p><b>COMPETITIVELY STRUCTURED</b> Value-for-money solutions delivering the right cover at the right price.</p>	 <p><b>TRUSTED PARTNER</b> Committed to protecting what matters most to our clients.</p>
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PERFORMANCE HIGHLIGHTS:

Growth in gross written premiums by

**18%**

Maintained a high client retention rate at

**98%**

Strong portfolio growth reflected in growth in brokerage commission at

**12%**















# cbz Risk Advisory Services

CBZ Risk Advisory Services (Pvt) Limited is a wholly owned subsidiary of CBZ Holdings Limited. From its establishment in 2017, the company has grown rapidly to become one of Zimbabwe's top five insurance brokers by market share. The company is a registered insurance broker, offering expert insurance and risk advisory solutions across multiple sectors.

With a highly skilled and experienced team, CBZ Risk Advisory Services leverages digital capabilities to deliver innovative, tailored solutions that address the diverse needs of its clients.

CBZ Risk Advisory Services is committed to delivering value-driven, responsive solutions that enhance client resilience and support sustainable risk management practices across industries.

## OUR SERVICE OFFERINGS

<p><b>1</b></p>  <p><b>Short-Term Insurance Broking</b></p> <p>Comprehensive risk transfer solutions with the right coverage at the best value.</p>	<p><b>2</b></p>  <p><b>Captive Management</b></p> <p>End-to-end captive setup, management and governance support.</p>	<p><b>3</b></p>  <p><b>Claims Management Consultancy</b></p> <p>Expert guidance to optimize claims processes and improve outcomes.</p>	<p><b>4</b></p>  <p><b>Risk Assessment and Advisory</b></p> <p>Identify, evaluate and mitigate risks to build a resilient business.</p>	
<p><b>5</b></p>  <p><b>Employee Benefits Consulting</b></p> <p>Design and manage competitive benefit programs that attract, retain and motivate talent.</p>	<p><b>6</b></p>  <p><b>Pension Advisory Services</b></p> <p>Strategic pension solutions to secure financial well-being for your workforce.</p>	<p><b>6</b></p>  <p><b>Healthcare Consulting</b></p> <p>Data-driven healthcare strategies for better outcomes and sustainable costs.</p>		
 <p><b>Experienced Team</b> Industry experts with deep knowledge and proven experience.</p>	 <p><b>Digital Capabilities</b> Leveraging technology to deliver smarter, faster solutions.</p>	 <p><b>Innovative Solutions</b> Creative, client-centric approach to solve complex challenges.</p>	 <p><b>Tailored Approach</b> Solutions customized to meet your unique needs.</p>	 <p><b>Client Focused</b> Committed to delivering value and building lasting partnerships.</p>





CBZ Capital is a wholly owned subsidiary of CBZ Holdings Limited. The subsidiary participates in strategic transactions across the capital structure including debt, equity, and mezzanine financing. The company excels in complex deal environments, positioning itself both as a trusted partner and advisor focused on solving critical client challenges.

CBZ Capital is committed to delivering innovative financial solutions that support long-term growth and value creation for its clients.

Backed by the strength of the Group, CBZ Capital is rapidly establishing itself as a trusted partner in financing, capital raising and strategic transactions.

OUR SERVICE OFFERINGS

<p>1</p>  <p><b>Structuring</b></p> <p>Designing tailored financial solutions that align with our clients' objectives and optimize outcomes.</p>	<p>2</p>  <p><b>Financing and Capital Raising</b></p> <p>Accessing diverse capital sources and executing innovative financing solutions to fuel growth.</p>	<p>3</p>  <p><b>Strategic Partnerships</b></p> <p>Building and leveraging strong relationships to create value and unlock new opportunities.</p>	<p>4</p>  <p><b>Transaction Advisory</b></p> <p>Executing market strategies with discipline, insight, and a focus on delivering results.</p>
 <p><b>Expertise</b> Deep industry knowledge and extensive transaction experience.</p>	 <p><b>Integrity</b> Upholding the highest standards of ethics and transparency.</p>	 <p><b>Client Focus</b> Dedicated to understanding and solving our clients' most critical challenges.</p>	 <p><b>Results Driven</b> Committed to delivering measurable outcomes and long-term value.</p>

PERFORMANCE HIGHLIGHTS:

Strengthened its market position through strategic partnerships for post year end projects.

Facilitated capital deployment mainly into retail, mining and tourism sectors.

# OUR STRATEGIC THEMES

## Our strategic focus encompasses

Sustainable Businesses | Financial & Social Impact

Technology & Digital Transformation | People & Culture



### Sustainable Businesses

- An optimised composite business model.
- Employ enhanced capital allocation decision criteria.
- Fully integrated business model with a seamless one client journey.
- Best in-breed products across businesses.
- A powerful, globally recognised brand.



### Financial & Social Impact

- Quality earnings growth with sustainable levels of cash and ROE.
- Continue embedding purpose at the core of business strategy to deliver lasting value for individuals and society.
- Position the Group among the highest rated organisations in ESG performance across targeted sustainability indices and rating agencies.



### Technology & Digital Transformation

- Integration of technology and digitalisation for agility, client insights, and customized offerings.
- Provide exceptional customer and team experiences while enhancing value through digital technology improvements.
- Expand technological transformation, to achieve superior performance and enhance channels.



### People & Culture

- Right people in right roles.
- Future-fit learning agenda.
- Build and nurture an entrepreneurial culture.
- Nurture an inclusive work environment.
- Strong Purpose and Values.

The Group aspires to achieve top-tier ESG ratings across selected sustainability indices and leading rating agencies.



# COMPELLING COMPETITIVE ADVANTAGES



## Technology Platforms

- We invested in technology platforms to improve customer experience, and we continue to invest in innovative products and services.
- Our technology platforms also allow the previously unbanked population access to a wide variety of financial services.



## Governance and Risk Management

- The Group pursues strong corporate governance and risk management practices.
- We are deeply committed to excellence in corporate governance and are amongst the leading entities in the local market in the implementation of the ESG frameworks and Integrated reporting, positioning the Group for sustained success.



## Local Roots and Global Perspective

- We have a rich local heritage and deep understanding of the local market, which endears us with all our stakeholders.
- The rich experience of our leadership team gives the Group a global perspective to strategy execution, underpinned by global best practices and standards.



## Our People

- The Group is led by an experienced and diverse senior management team with extensive expertise across the financial services sector.
- We harnessed and continue to attract the best and most passionate talent in the region at every level to drive our growth ambitions. Through carefully planned development programmes and retention strategies, we are determined to retain all our key employees.



## Diversification and Scale

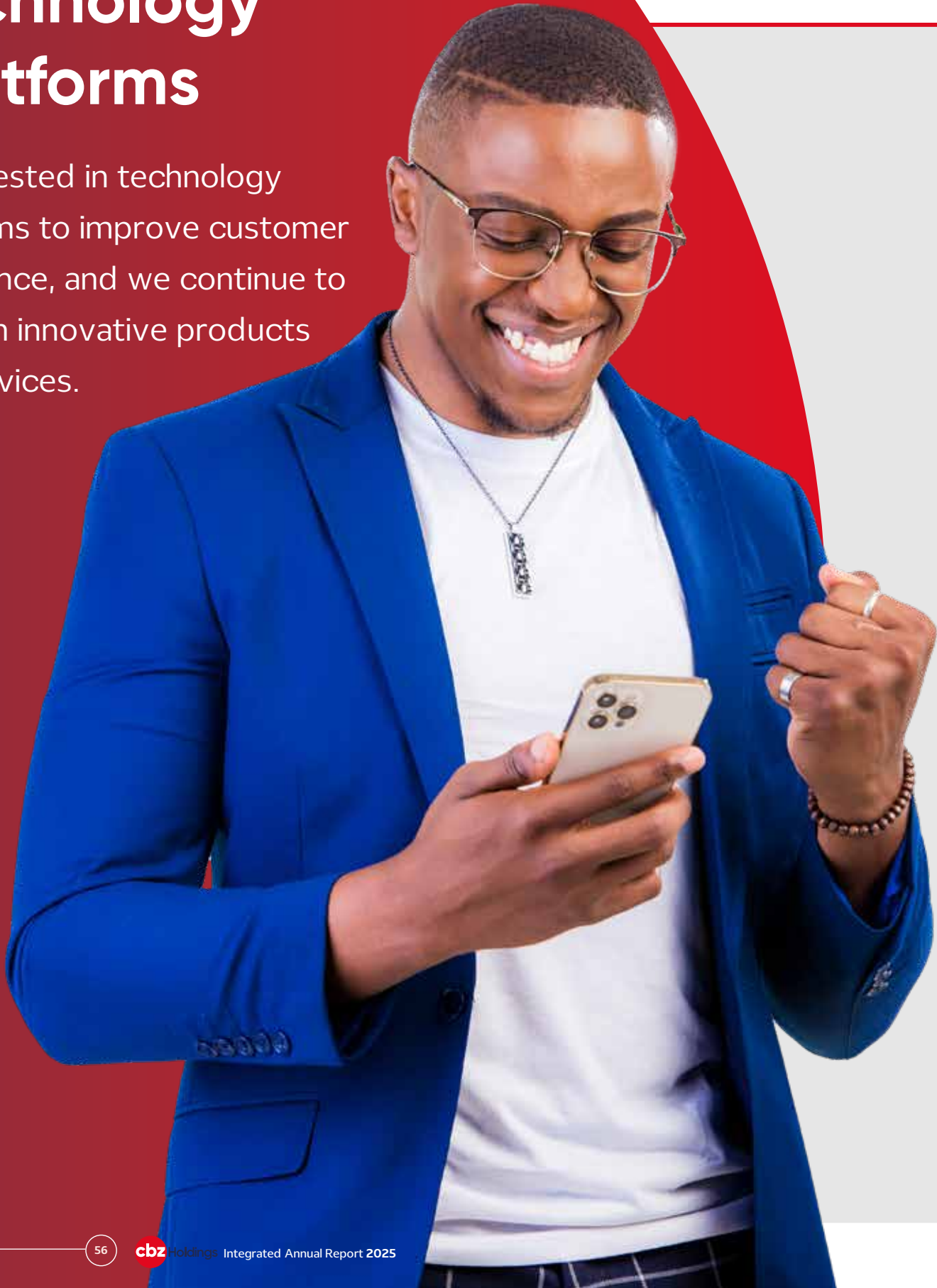
- We are one of the largest and most diversified financial services Groups in Zimbabwe, offering comprehensive solutions in Banking, Insurance, Investments and Agriculture. Our scale allows us to participate in projects that have a significant tangible national impact.
- Our diversified business portfolio and integrated operating model create opportunities for cross-selling, operating synergies, and sustainable value creation. The breadth of our operations provides a diversified earnings base, enhancing resilience and supporting long-term growth.

CBZ Holdings Limited's competitive advantage is anchored in its fully integrated financial services model, which spans banking, insurance, investments, and agribusiness. This diversified and synergistic platform enables the Group to deliver tailored, high-impact financial solutions that respond effectively to the evolving needs of its diverse client base.



# Technology Platforms

We invested in technology platforms to improve customer experience, and we continue to invest in innovative products and services.



In line with our commitment to innovation and customer-centricity, the Group leverages a range of technology platforms to enhance service delivery, improve accessibility, and elevate the overall customer experience, as outlined below:



- 1 Ziki Ecosystem**  
The premier marketplace platform offering a complete range of financial services to the diaspora and local market. Services include
- bill payments for schools and councils,
  - Ziki cash remittances from UK to Zimbabwe,
  - Professional services as well as buying goods and services from various merchants



- 2 CBZ Paylink**  
A payment platform where merchants can send a one-time payment link to a customer to pay using Visa, Mastercard, Zimswitch cards or Ecocash and Onemoney, Innbucks and Omari wallets



- 3 CBZ Touch**  
Mobile App and USSD platform enabling banking from anywhere, at any time.



- 4 CBZ Paycare**  
A platform integrated with Health 263, a system provider for pharmacies and health professionals - allowing a payment link to be sent to directly settle medical bills.



- 5 CBZ Internet banking**  
Enables banking from anywhere, at any time from web portals.



- 6 CBZ Debit cards**  
Linked to core banking or wallet accounts allowing customers to access funds as cash or payment for goods or services at ATMs, POS or for online purchases.



- 7 CBZ POS**  
Standalone or integrated payment solutions enabling merchants to process CBZ, Zimswitch, Visa and Mastercard payments.



- 8 CBZ Credit Cards**  
Linked to a pre-approved credit facility allowing customers to access funds as cash or payment for goods or services at ATMs, POS or for online purchases.



- 9 CBZ E-Commerce**  
Either an off-the-shelf, plug and play or customised ecommerce solution for merchants to sell and accept online payments from customers using Visa, Mastercard, Zimswitch cards or Ecocash and Onemoney, Innbucks and Omari wallets.



- 10 CBZ Agency Banking**  
Agency Banking channel through which CBZ offers selected cash and non-cash services through a 3rd party, extending the reach of its physical distribution network.

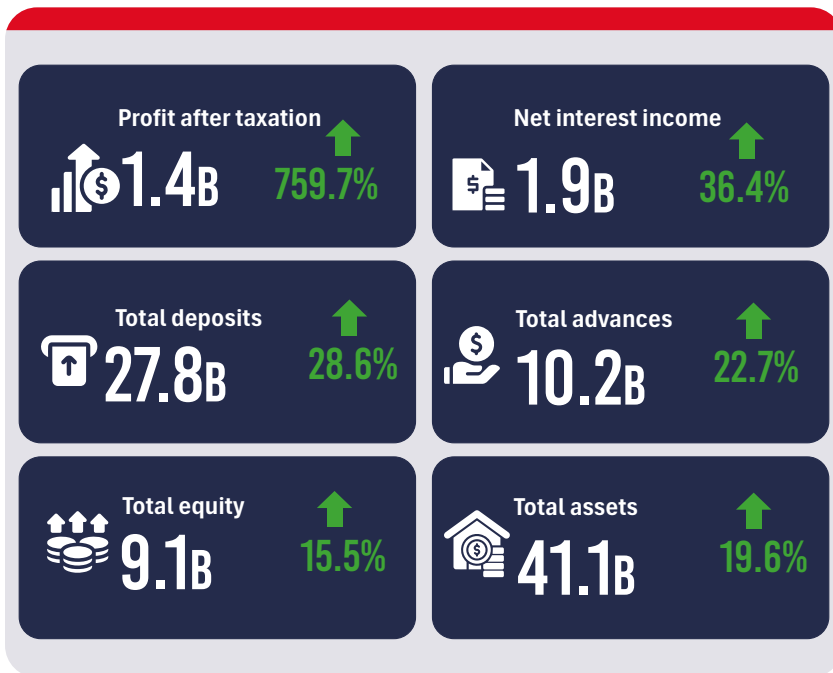


- 11 CBZ Remittances Service**  
In partnership with World Remit, Western Union, Moneygram, Mukuru, Hello Paisa Express Links, MasterCard for Zimbabwe inbound or outbound remittances.

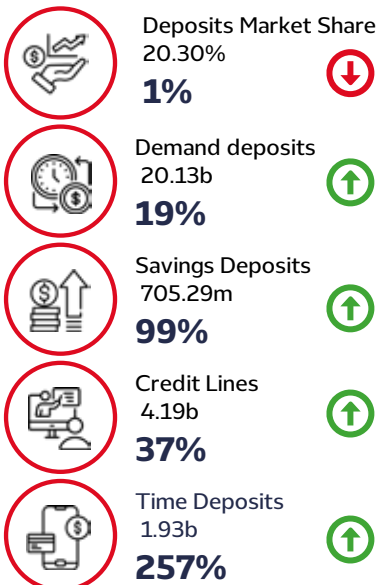


# INTEGRATED FINANCIALS

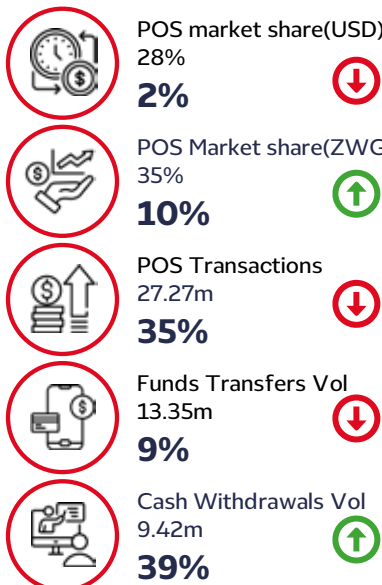
## Performance Highlights (ZWG)



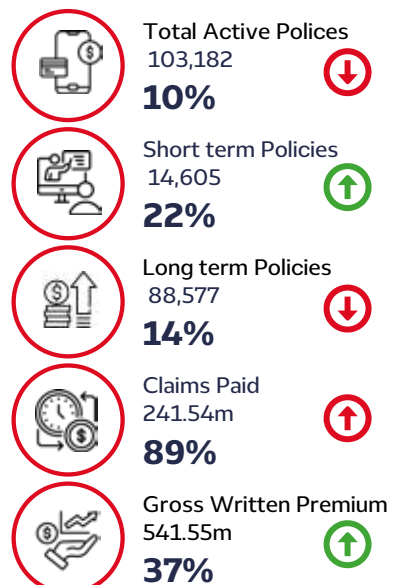
### RAISE DEPOSITS



### TRANSACTION



### INSURE



# Operational Statistics



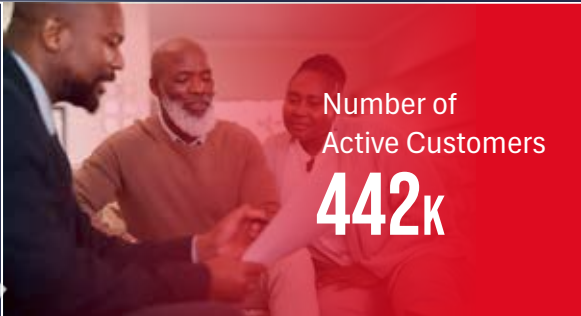
Total Staff Compliment  
**1,180**  
Employee Hire (Headcount)  
**119**



Online Customers  
**+300k**



CBZ Touch Volume  
**4.74M**  
CBZ Touch ZWG Value  
**5.36B**



Number of Active Customers  
**442k**



Internet Banking Volume  
**875k**  
Internet Banking ZWG Value  
**92.43B**  
Mobile Banking Users  
**366k**



No of Micro finance Agents  
**197**



Micro finance active customers  
**23.35k**



POS USD Volume  
**11.55M**  
POS USD Value  
**336.47M**




**35** Number of Bank Branches  
**59** Number of ATMs




POS ZWG Volume  
**15.73M**  
POS ZWG Value  
**8.92B**

**22.k** Number of POS machines


### Environmental Highlights



Purchased Electricity(kWh)  
**2,214,246**



Solar Energy(kWh)  
**465,647**

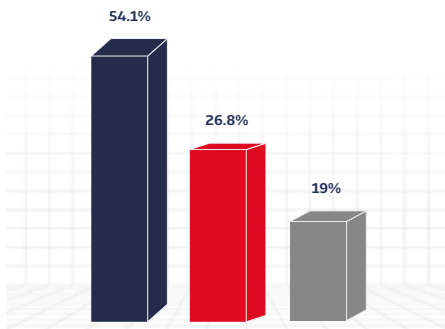


Solid Waste  
**74**(tons)

# OUR ONLINE PRESENCE



## Digital Media Update



**Neutral sentiment:**

Shows that the brand is well known and recognizable, with room for more differentiation.

**Positive sentiment:**

Highlights the positive impact of marketing campaigns on brand perception.

**Negative sentiment:**

Indicates areas for improvement in product customer experience.

Channel	2025	2024	Change%	
Facebook	169 200	157 700	7.29%	
X	43 700	42 800	2.10%	
Instagram	15 800	13 000	21.54%	
LinkedIn	103 000	78 800	30.71%	
Tiktok	18 600	8 900	108.99%	
<b>Total</b>	<b>350 200</b>	<b>301 200</b>	<b>16.27%</b>	

Metrics	2025	2024	Change%	
Reach (Av.)	7 230 000	1 300 000	456.15%	
Impressions	26 830 000	22 000 000	21.95%	

## Website Insights



Visitors(Avg. Per Week)		
Metrics	2025	2024
Visitors (Per Week)	9 200	7 800
Page Views	2 400 000	2 500 000
Average Time on Site	3mins 4sec	1 min 8 sec



★ ★ ★  
**2025**

## CORPORATE AWARDS

Subsidiary	Award	Awarding Organization
	<ul style="list-style-type: none"> <li>• Best Financial Institution of the Year</li> <li>• Winner-Best Service Based Customer Experience of the year 2025</li> <li>• Winner in Best Investor Communication Award</li> <li>• Board of the Year Award</li> </ul>	<ul style="list-style-type: none"> <li>• Afreximbank Pan-African Business &amp; Development Awards</li> <li>• Marketers association of Zimbabwe</li> <li>• Capital Market association of Zimbabwe</li> <li>• Institute of Directors Zimbabwe</li> </ul>
	<ul style="list-style-type: none"> <li>• Best Bank in Zimbabwe</li> <li>• 1st Runner-Up in the Financial Institution Supporting MSMEs</li> <li>• Winner in the Financial Institution Supporting MSMEs</li> <li>• 1st Runner-Up Banking Sector</li> <li>• Super Brand in Banking Sector Category</li> </ul>	<ul style="list-style-type: none"> <li>• Global Finance Magazine</li> <li>• Zimbabwe National Chamber of Commerce</li> <li>• Zimbabwe National Chamber of Commerce</li> <li>• Marketers association of Zimbabwe</li> <li>• Marketers association of Zimbabwe</li> </ul>
	<ul style="list-style-type: none"> <li>• First Position in the Business to Business Category</li> <li>• Winner Microfinance Sector</li> <li>• Runner up in the Most Profitable and Financially Stable MFI</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Experience Association of Zimbabwe</li> <li>• Zimbabwe Association of Microfinance institutions</li> </ul>

**Mr Luxon Zembe**  
Outstanding Chairman - Financial Services Sector  
Corporate Governance Awards



# OUR PURPOSE

OUR VALUE CREATION MODEL 64



# OUR VALUE CREATION MODEL

<b>Financial capital</b>		Inputs as at 1 January 2025 (ZWG 000)
<b>Inputs to value creation</b>		
<ul style="list-style-type: none"> <li>Our strong balance sheet</li> <li>Strong Capital position and support from our shareholders</li> <li>Funding and deposits from our investors and customers</li> </ul>	<ul style="list-style-type: none"> <li>Equity: <b>7,913,463</b></li> <li>Deposits: <b>21,588,205</b></li> <li>Gross Loans &amp; advances: <b>9,131,768</b></li> </ul>	
<b>Human capital</b>		Inputs as at 1 January 2025
<b>Inputs to value creation</b>		
<ul style="list-style-type: none"> <li>Our entrepreneurial culture</li> <li>Experienced leadership team from diverse backgrounds</li> <li>Engaged and well qualified employees</li> <li>Equitable reward structure</li> </ul>	<ul style="list-style-type: none"> <li>Number of employees: <b>1,465</b></li> <li>% of female employees: <b>44%</b></li> <li>Compensation to staff (ZWG000): <b>2,143,571</b></li> </ul>	
<b>Intellectual capital</b>		Inputs as at 1 January 2025
<b>Inputs to value creation</b>		
<ul style="list-style-type: none"> <li>Strong brand equity and reputation</li> <li>Innovative Digital banking platforms</li> <li>Our compelling customer value proposition</li> <li>Our policies, controls, and guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Increased brand equity</li> <li>BPS: <b>5.7</b></li> <li>NPS: <b>39</b></li> <li>CSI: <b>81%</b></li> <li>Continuous Technology platforms upgrades</li> <li>Key skills hired and retained</li> </ul>	
<b>Manufactured capital</b>		Inputs as at 1 January 2025
<b>Inputs to value creation</b>		
<ul style="list-style-type: none"> <li>Our wide branch network</li> <li>Robust technology infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Branches: <b>38</b></li> <li>ATMs: <b>53</b></li> <li>No. of POS machines: <b>20,586</b></li> <li>Number of mobile banking users: <b>903,859</b></li> </ul>	
<b>Social and relationship capital</b>		Inputs as at 1 January 2025
<b>Inputs to value creation</b>		
<ul style="list-style-type: none"> <li>Our strong relationships with our customers</li> <li>Strategic partnerships and service providers</li> </ul>	<ul style="list-style-type: none"> <li>Number of micro finance agent: <b>192</b></li> <li>Number of active customers-banking: <b>384k</b></li> <li>Good relationships with all our stakeholders</li> </ul>	
<b>Natural capital</b>		Inputs as at 1 January 2025
<b>Inputs to value creation</b>		
<ul style="list-style-type: none"> <li>Consumption of energy, water and other natural resources</li> <li>Our influence in the consumption of natural resources through our business activities.</li> </ul>	<ul style="list-style-type: none"> <li>We are committed to responsible environmental stewardship that supports long-term sustainability and resilience.</li> <li>Reducing environmental footprint by embedding sustainable practices across our operations and investments.</li> </ul>	



Outcomes as at 31 December 2025

Long-term Stakeholder impact



Capital Category	Employees	Clients	Shareholders	Regulators	Society
<b>Financial capital</b> <ul style="list-style-type: none"> <li>Equity growth: <b>15.48%</b></li> <li>Equity: ZWG(000) <b>9,138,178</b></li> <li>ROE: <b>15.8%</b></li> <li>Capital Adequacy Ratio: <b>26.05%</b></li> <li>Share price movement: <b>34.5%</b></li> <li>Dividend per share(USDc): <b>2.01</b></li> </ul>	+	+	+	+	+
<b>Human capital</b> <ul style="list-style-type: none"> <li>Salaries and benefits paid: ZWG(000) <b>2,032,012</b></li> <li>Number of employees: <b>1,180</b></li> <li>% of female employees: <b>45%</b></li> </ul>	+	+	+	+	+
<b>Intellectual capital</b> <ul style="list-style-type: none"> <li>Key skills hired and retained</li> <li>Increased brand equity:</li> <li>BPS: <b>5.80</b></li> <li>NPS: <b>47</b></li> <li>CSI: <b>80%</b></li> <li>Continuous Technology platforms upgrades</li> </ul>	+	+	+	+	+
<b>Manufactured capital</b> <ul style="list-style-type: none"> <li>Branches: <b>35</b></li> <li>ATMs: <b>59</b></li> <li>No. of POS machines: <b>21,950</b></li> <li>Number of mobile banking users: <b>366,000</b></li> </ul>	+	+	+	+	+
<b>Social and relationship capital</b> <ul style="list-style-type: none"> <li>Brand equity</li> <li>Education and skills development:</li> <li>Number of micro finance agent: <b>197</b></li> <li>Number of active customers-banking: <b>442k</b></li> <li>The group continued to invest in a number of CSR initiatives to uplift communities</li> <li>Supported a wide variety of local suppliers</li> </ul>	+	+	+	+	+
<b>Natural Capital</b> <ul style="list-style-type: none"> <li>Consumption of energy, water and other natural resources. Our influence in the consumption of natural resources through our business activities.</li> </ul>	+	+	+	+	+

Key: Positive



# BEYOND LENDING:

## OUR SUSTAINABILITY JOURNEY



## Our Clusters

Throughout this report, we feature Cluster Impact Snapshots to illustrate how each of our four business clusters: Banking, Insurance, Agribusiness and Investments, contribute to sustainable value creation. These concise highlights showcase practical initiatives, innovation, and activities undertaken during the reporting period. Together, they provide a clearer view of how our strategy is translated into real world impact across the Group. They also demonstrate the integrated role of our clusters in advancing our sustainability priorities and long term resilience.

# Sustainable Development Goals (SDGs)

We align our operations with the Sustainable Development Goals (SDGs). Accordingly, we have identified priority SDGs where each business cluster can deliver the greatest and most direct impact, as outlined below:

Cluster	Business Units	SDG Icons	Priority SDGs	Rationale
Cross Cutting	CBZ Holdings Limited Group, CBZ Foundation		SDG 16: Peace, Justice and Strong Institutions	Governance, compliance and fiduciary role.
			SDG 5: Gender Equality	Gender lens in operations and services.
			SDG 1: No Poverty SDG 4: Quality Education	Upliftment of marginalised and vulnerable communities.
			SDG 17: Partnerships for the Goals	Collaboration and cooperation for greater impact.
Banking	CBZ Bank & Red Sphere Finance		SDG 6: Clean Water & Sanitation	Infrastructure financing.
			SDG 7: Affordable & Clean Energy	Growing green finance portfolio and building resilience.
			SDG 8: Decent Work and Economic Growth	Core lending activities.
			SDG 9: Industry, Innovation and Infrastructure.	Infrastructure and project finance.
			SDG 10: Reduced Inequalities	Inclusive banking solutions.
			SDG 13: Climate Action	Climate risk management and sustainable finance solutions.

Icon Guide to our Clusters:



Banking Cluster



Insurance Cluster



Agro Business Cluster



Investment Cluster



Philanthropy Cluster

Icon Guide to our Capitals:



Financial capital



Human capital



Intellectual capital



Manufactured capital



Social and relationship capital

Cluster	Business Units	SDG Icons	Priority SDGs	Rationale
 Insurance	CBZ Life CBZ Insurance CBZ Risk Advisory		SDG 3: Good Health	Health insurance products.
			SDG 8: Decent Work & Economic Growth	Business resilience and continuity support.
			SDG 11: Sustainable Cities and Communities	Asset protection.
			SDG 13: Climate Action	Climate risk transfer and management.
 Investments	Datvest, CBZ Capital, CBZ Properties		SDG 7: Affordable and Clean energy	Green investments.
			SDG 9: Industry, Innovation and Infrastructure.	Infrastructure and project finance.
			SDG 13: Climate Action	Climate aligned portfolios.
			SDG 12: Responsible Consumption and Production	Efficient construction.
			SDG 13: Climate Action	Green buildings.
			SDG 9: Industry, Innovation and Infrastructure.	Smart infrastructure construction.
			SDG 2: Zero Hunger	Funding for food and cash crops.
 Agribusiness	Agroyield		SDG 12: Responsible Consumption and Production	Sustainable agriculture.
			SDG 13: Climate Action	Climate smart agriculture.
			SDG 15: Life on Land	Land and biodiversity stewardship.

# OUR SUSTAINABILITY JOURNEY

## Introduction

Our sustainability journey reflects the Group's commitment to responsible and inclusive growth, anchored in creating long-term value across its diversified portfolio of financial and non-financial services. As we continue to evolve, we remain focused on strengthening governance frameworks, empowering our people, advancing climate action, embedding responsible practices across business portfolio and creating value for all our stakeholders.

Guided by transparency, innovation, and a culture of continuous improvement, we are progressively integrating sustainability into our core strategy to support economic resilience and shared prosperity for all our stakeholders.

## Our Sustainability Approach

Our approach to sustainability is guided by the principles of good governance, ethical conduct, and accountability to our stakeholders. Through continuous improvement and responsible practices, we aim to contribute positively to the communities we serve.

We integrate material Economic, Environmental, Social, and Governance (EESG) considerations into our strategy, operations, and investment decisions to support responsible growth and long-term value creation across our diversified portfolio.

We also align with key international and local frameworks, including the UN Sustainable Development Goals (SDGs), IFC Performance Standards, UN Principles for Responsible Banking and Investment, the Nairobi Declaration on Sustainable Insurance (NDSI), and relevant national policies. This ensures consistency with global best practice, while addressing Zimbabwe's development priorities.

We commit to responsible business conduct that balances economic performance with social and environmental considerations.





# Sustainability Strategy And Materiality



## Sustainability Strategy

Our sustainability strategy integrates material Economic, Environmental, Social, and Governance (EESG) considerations into our core business model to support sustainable growth and long term value creation. It provides a structured framework for embedding sustainability across operations, investments, lending, insurance, decision making, and performance management.

The strategy is guided by five strategic pillars, namely Strong Governance, Stakeholder Value Creation, Thriving People, Climate Action, and Responsible Operations. Through these pillars, we strengthen governance and risk management, promote sustainable products and services, invest in our people, support inclusive socio-economic development, and contribute towards the attainment of climate goals.

Aligned with national priorities, regulatory requirements, and global frameworks such as the UN Sustainable Development Goals (SDGs), the strategy also identifies key risks and opportunities, including climate change, environmental pressures, social inequalities, and governance challenges. At the same time, it captures opportunities in green finance, financial inclusion, ESG integration, innovation and digital transformation.

Our strategy implementation is supported by clear governance structures, defined accountability, performance scorecards and measurable KPIs across sustainability dimensions. With a strong focus on transparency, stakeholder engagement, and continuous improvement, we ensure that sustainability is effectively embedded across the Group. Through this approach, we believe that we can enhance resilience, strengthen stakeholder confidence, and contribute meaningfully to sustainable development over the medium to long term period.



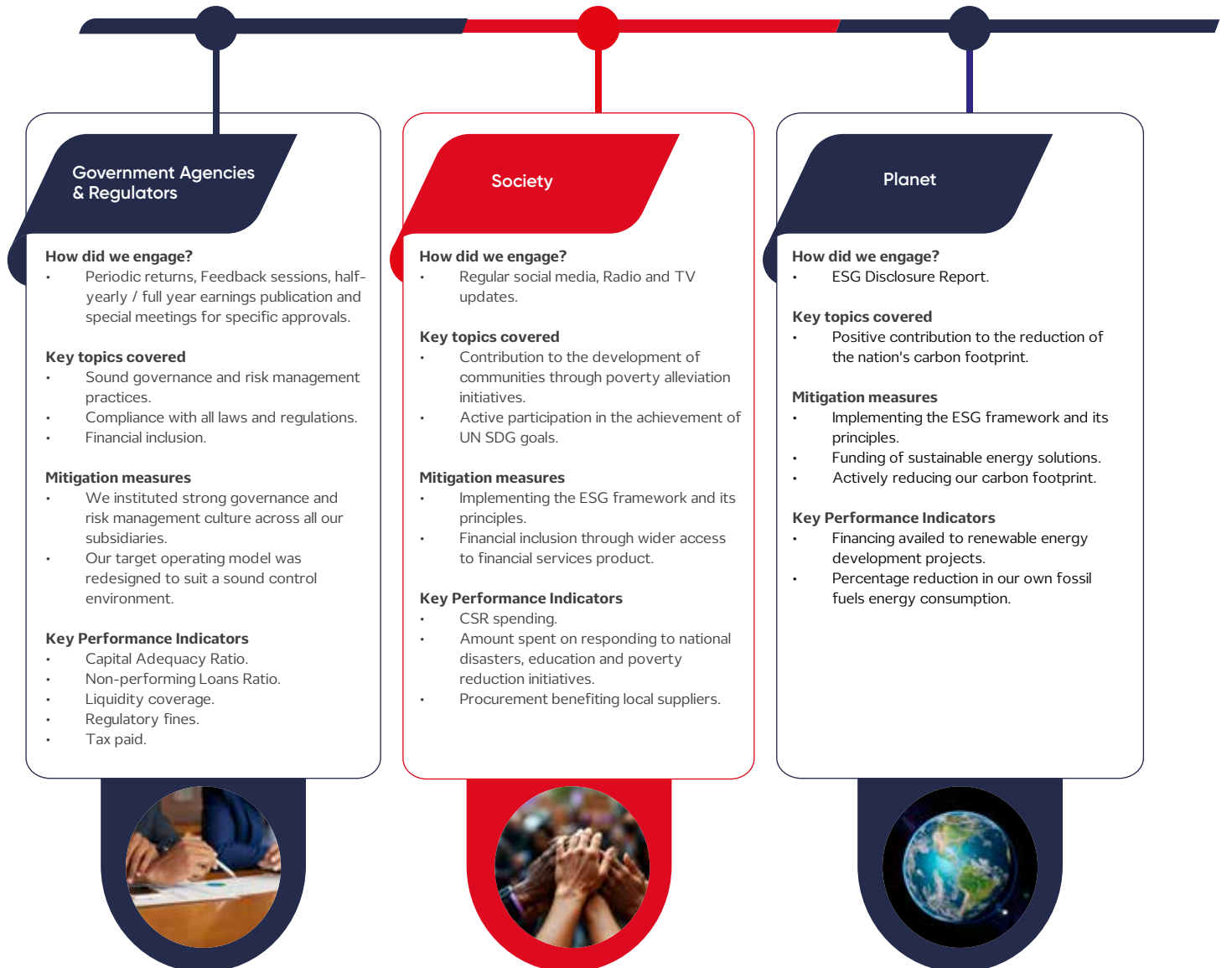
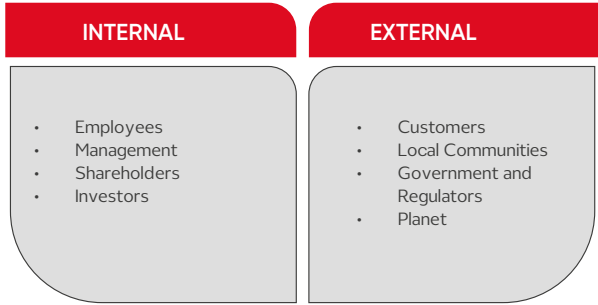
# Connecting with our Stakeholders

To identify our stakeholder groups, we evaluate both their level of influence and their degree of engagement with the Group's activities. This approach enables us to engage a broad range of stakeholders and effectively understand and respond to their diverse interests, expectations, and concerns.

Our Stakeholders are categorised as follows:

## Stakeholder Engagement

We identify and prioritise our stakeholder groups through a shared strategic vision, guided by a structured assessment of individuals and institutions that influence, or are affected by, the Group's diversified operations. Using stakeholder mapping and materiality assessments, we facilitate targeted engagement on issues most significant to our business and to stakeholder expectations across our banking, microfinance, insurance, asset management, agribusiness, and real estate activities.



# Our Operating Environment

## Key sustainability trends in 2025

Despite initial pushbacks in some advanced markets, the year 2025 marked a notable transition from sustainability intent to commitment and execution across most African markets, characterised by:

- Progressive tightening of regulatory and disclosure requirements.
- Strengthening of climate commitments.
- Greater emphasis on climate resilience.
- Deeper integration of ESG into business strategy and risk management.

### Employees

#### How did we engage?

Ongoing communication, especially during key events as needed.

#### Key topics covered

- A safe, secure, and inclusive workplace.
- Equitable compensation.
- Equal opportunities for career growth.

#### Mitigation measures

- Fair salaries and aligned with market standards.
- We prioritise a safe working environment for all employees and support their career advancement.

#### Key Performance Indicators

- Employee attrition rate.
- Employee engagement index.
- Learning and Development hours.



### Customers

#### How did we engage?

- Regular social media, Radio and TV updates.

#### Key topics covered

- Efficient service delivery.
- Dependable online and offline access points.
- Responsible and transparent banking practices.

#### Mitigation measures

- Development of new products.
- Ongoing investment in our service infrastructure.
- Commitment to financial inclusion.

#### Key Performance Indicators

- Brand perception score (BPS).
- Customer satisfaction index (SCI).
- Net promoter score (NPS).



### Local Communities

#### How did we engage?

- Annual General Meetings.
- Analysts' briefings.
- Online investor relations section on the group website.

#### Key topics covered

- Sustainable business.
- Achieve minimum expected ROE.
- Responsible corporate citizen through ESG framework implementation.

#### Mitigation measures

- Expanding our market share through organic growth and mergers and acquisitions.
- Developing customer solutions.

#### Key Performance Indicators

- Revenue and NAV growth .
- Return on Equity.
- Dividend paid.
- Share price performance.
- Cost to Income Ratio.



# Sustainability Materiality Assessment

We conducted a comprehensive Materiality Assessment to identify and prioritise the most significant sustainability impacts and topics relevant to our operations, the economy, society, and the environment.

As a forward-looking and diversified financial services group, we adopted a double materiality approach, aligned with the Global Reporting Initiative (GRI) Standards and the (IFRS) Sustainability Accounting Standards Board (SASB), to capture both the impacts of our activities and the sustainability-related factors that influence our financial performance and long-term value creation. This approach enables us to better assess how sustainability issues affect our business model, financial position, and resilience, while also evaluating our broader external impacts across our business portfolio.


We identified our material topics based on leading global frameworks including GRI and SASB, as well as guidelines from the Principles for Responsible Investment (PRI), the Principles for Responsible Banking (PRB), and the Principles for Sustainable Insurance (PSI). This process was further informed by contextual and scenario analysis, as well as inputs from strategic business units (SBUs) that engage directly with stakeholders.

We prioritised our material topics based on their significance to both the Group's strategic objectives and stakeholder expectations, including those of regulators, investors, clients, and development partners. The validation process involved evaluating each topic according to its relevance to business performance, risk exposure, and stakeholder value.

The identification and prioritisation of material matters was further guided by insights from key external stakeholders, complemented by contributions from internal functions such as risk, compliance, and sustainability. This integrated approach ensured a balanced assessment of the Group's impacts and dependencies across the short, medium, and long term.

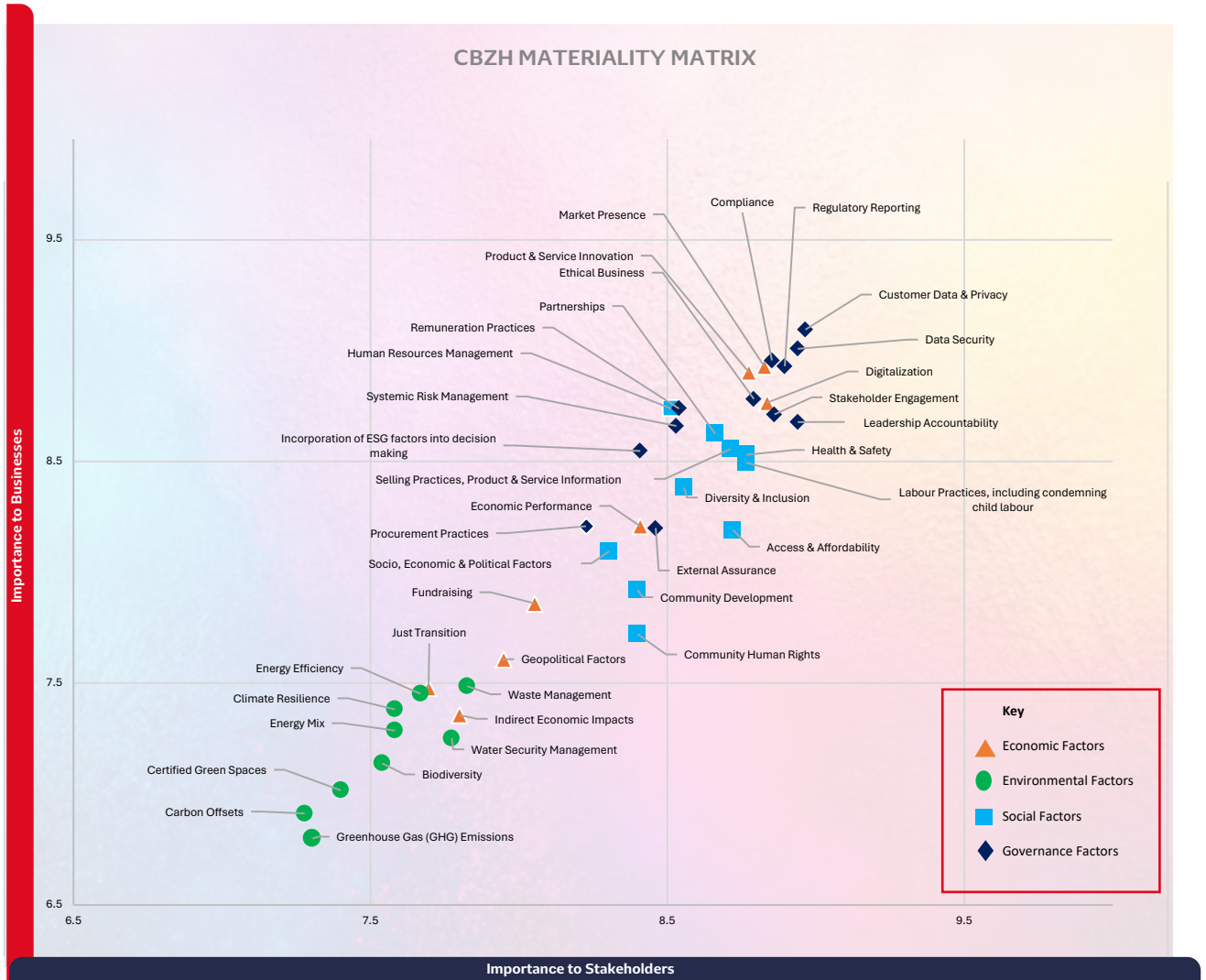
The resulting material topics reflect the critical issues shaping our resilience, responsible conduct, and sustainability. Ultimately, they provide a strong foundation for informed decision-making, risk management and transparent reporting.

Material topics are derived from GRI, SASB and other best practices.

<b>Economic</b> 	<b>Environmental</b> 	<b>Social</b> 	<b>Governance</b> 
Topics that cover the flow of capital among different stakeholders, and business value chain.	Topics that cover the effects on operations on both living and non-living elements of the natural ecosystem.	Topics that cover our impact on society and social cohesion.	Topics that cover the system of managing our sustainability impact and accountability.
<ul style="list-style-type: none"> <li>• Transition Indirect</li> <li>• Indirect Economic Impacts</li> <li>• Geopolitical Factors</li> <li>• Fundraising</li> <li>• Economic Performance</li> <li>• Digitalisation</li> <li>• Product and Service Innovation</li> <li>• Market Presence</li> </ul>	<ul style="list-style-type: none"> <li>• Greenhouse Gas (GHG) Emissions</li> <li>• Carbon Offsets</li> <li>• Certified Green Spaces</li> <li>• Biodiversity</li> <li>• Energy Mix</li> <li>• Water Security Management</li> <li>• Climate Resilience</li> <li>• Energy Efficiency</li> <li>• Waste Management</li> </ul>	<ul style="list-style-type: none"> <li>• Community and Human Rights</li> <li>• Community Development</li> <li>• Socio, Economic and Political Factors</li> <li>• Access and Affordability</li> <li>• Diversity and Inclusion</li> <li>• Labour Practices</li> <li>• Health and Safety</li> <li>• Selling Practices, Product and Service Information</li> <li>• Human Resources Management</li> <li>• Partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement Practices</li> <li>• External Assurance</li> <li>• Incorporation of ESG factors into decision making</li> <li>• Systematic Risk Management</li> <li>• Remuneration Practices</li> <li>• Leadership Accountability</li> <li>• Stakeholder Engagement</li> <li>• Ethical Business Compliance</li> <li>• Regulatory Reporting</li> <li>• Customer Data and Privacy</li> <li>• Data Security</li> <li>• Compliance</li> </ul>

# Materiality Matrix

The Chart below consolidates the ratings into a Materiality Matrix, a framework that identifies, prioritises and visualises sustainability topics according to their importance to the business and to our stakeholders.



As illustrated in the chart above, governance related factors such as customer data and privacy, data security, compliance and regulatory reporting were rated highly overall, reflecting the increasingly complex and dynamic regulatory environment in which the Group operates.

Among economic factors, market presence, product & service innovation, and digitalisation emerged as the most significant priorities, highlighting their central role in driving competitiveness and growth.

On the social front, the health & safety of employees and communities, strategic partnerships, labour practices, and human capital management were identified as key areas of importance. In terms of environmental considerations, waste management,

energy efficiency, and climate resilience were rated highly. Although greenhouse gas (GHG) emissions received a comparatively lower ranking, they remain a critical forward-looking priority that will increasingly influence business performance and stakeholder expectations. In addition, topics such as carbon offsets and certified green spaces present potential avenues for both emissions reduction and innovation-driven revenue generation, particularly within the Group's real estate and investment portfolios.

Thus, the Group is strengthening efforts to build capacity in managing sustainability risks and opportunities, including measuring and managing its financed emissions across its products and services.

# Strong Governance

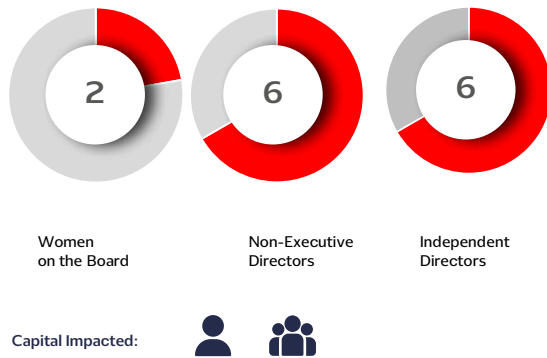


Strong governance underpins our ability to operate responsibly, transparently, and in the best interests of all stakeholders. We are committed to high ethical standards, effective board and management oversight, and robust risk management practices to uphold trust, accountability, and integrity across our operations.

Our sustainability achievements and impacts for the year 2025 are summarised in the table below.

Strategic Priorities	Strategic Goals
<ul style="list-style-type: none"> <li>Uphold the highest standards of ethical conduct.</li> <li>Foster trust among stakeholders.</li> <li>Operate with integrity, transparency and accountability.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve full sustainability compliance across all business units.</li> <li>Improve board gender diversity to 40% women by 2035.</li> <li>Strengthen board independence, with a majority of non-executive directors.</li> <li>Ensure 100% completion of ethics and compliance training for employees annually.</li> <li>Enhance data privacy and cybersecurity, with zero material breaches.</li> <li>Maintain strong sustainability oversight at Board level.</li> <li>Maintain effective risk management frameworks, with regular stress testing and scenario analysis</li> <li>Achieve timely and transparent disclosure aligned with global reporting standards.</li> </ul>

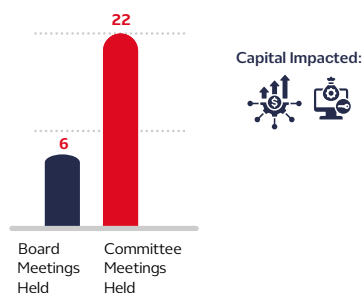
## Board Composition and Diversity





We believe that our strong governance initiatives will have the greatest impacts on SDGs 16: Peace, Justice and Strong Institutions and SDG 17: Partnerships for the Goals.



## Governance Effectiveness



Sustainability and Climate Oversight	Ethics and Compliance Performance
<ul style="list-style-type: none"> <li>100% E&amp;S Screening for all lending transactions above ZWG12 990 350.</li> </ul> <p><b>Capital Impacted:</b></p> 	<ul style="list-style-type: none"> <li>Confirmed Corruption Cases: 0</li> <li>Regulatory Fines: ZWG 1,523,959.81</li> <li>Code of Conduct Training Coverage: 100% of employees</li> </ul> <p><b>Capital Impacted:</b></p> 

includes ensuring alignment with evolving local and international regulatory requirements, sustainability standards, and industry best practices, while also monitoring the effective execution of opportunities arising from the transition to a more sustainable economy.

The Group Sustainability Committee and Bank Board Audit & Finance Committee play a central role in reviewing and approving sustainability strategies, performance metrics and targets. They respectively monitor the Group and Bank environmental footprints, evaluate progress against ESG commitments, and ensure the alignment of labour practices, human rights standards, and governance structures with the sustainability objectives. These committees also oversee stakeholder engagement on sustainability matters, including communication with shareholders, investors, regulators, and broader stakeholder groups.

**Sustainability and Climate Governance**

Our sustainability governance and oversight continued to evolve and mature during the period under review. Oversight of sustainability related risks and opportunities was exercised at Board level through well defined governance structures comprising the Group Sustainability Committee, Group Risk Committee, Bank Board Audit & Finance Committee, Bank Risk Committee, and the Group Strategy and Transformation Department. These committees collectively ensured that sustainability considerations were fully integrated into the enterprise risk management framework, financial planning processes, and strategic decision making across the Group's diversified operations.

Risk focused committees ensure that sustainability risks such as climate related and environmental and social (E&S) risks are embedded within the risk appetite frameworks. They ensure that risks are systematically assessed and managed, including through mandatory environmental and social risk screenings for major transactions, ensuring consistent application across lending, insurance, and investment activities.

In line with their respective Terms of Reference, the board committees oversaw the management and disclosure of sustainability and climate related risks and opportunities. This



The Group Board Members, Executives and Senior Management and IFC Officials pause for a Group Photo after a capacity building session on Sustainability and the ESMS facilitated by the IFC.

To strengthen effective oversight, our Board members underwent targeted training in Sustainable Finance, Climate Risk, and Environmental and Social Risk Management in 2025, enhancing their capacity to oversee emerging ESG risks and opportunities across the Group's portfolio. The training in ESMS followed the successful development and rollout, with the Technical Assistance of the International Finance Corporation (IFC), of the Group's first ESMS and E&S Risk Screening and Rating Tools. The capacity building trainings were facilitated by the IFC.

In terms of performance monitoring and tracking, we developed our sustainability targets and priorities based on material issues identified through frameworks such as GRI and SASB. We monitor our performance against defined risk appetite thresholds across economic, environmental, social, and governance pillars. The Boards receive quarterly sustainability performance reports, ensuring continuous visibility over progress, risks, and opportunities. In addition, the Bank Board Sustainability Champion maintains regular engagement with bank management teams responsible for sustainability strategy implementation, enabling timely escalation of key matters and agile strategic responses.

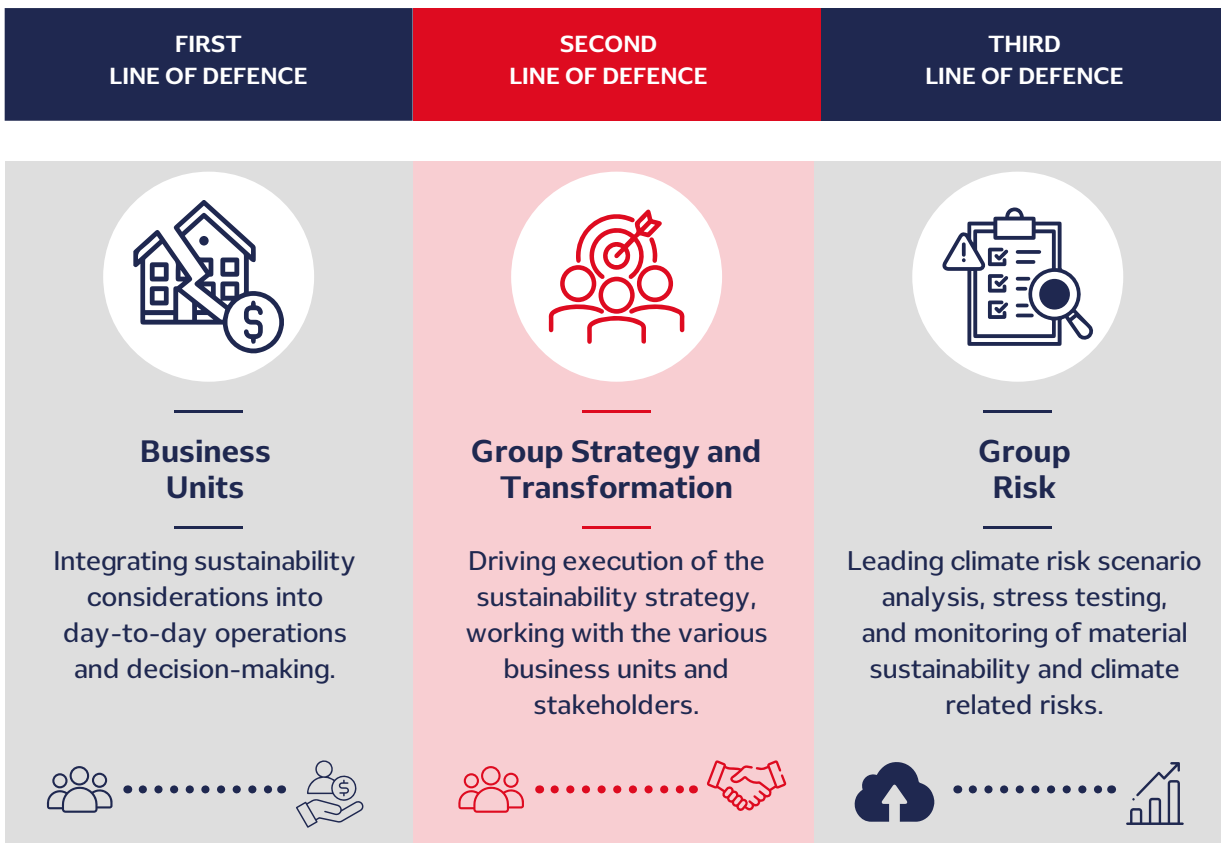
These roles are supported by clear reporting lines to Executive Management and Board Committees, underpinned by policies, governance frameworks, performance monitoring tools and internal controls.

Thus, during the reporting period, the Group further strengthened its sustainability risk management through the development and rollout of its first ever Environmental and Social Management System (ESMS) and an Environmental and Social Risk Screening and Rating Tool. These tools embed E&S risk assessments into credit, underwriting, and investment processes, and are integrated into the broader Enterprise Risk Management framework.

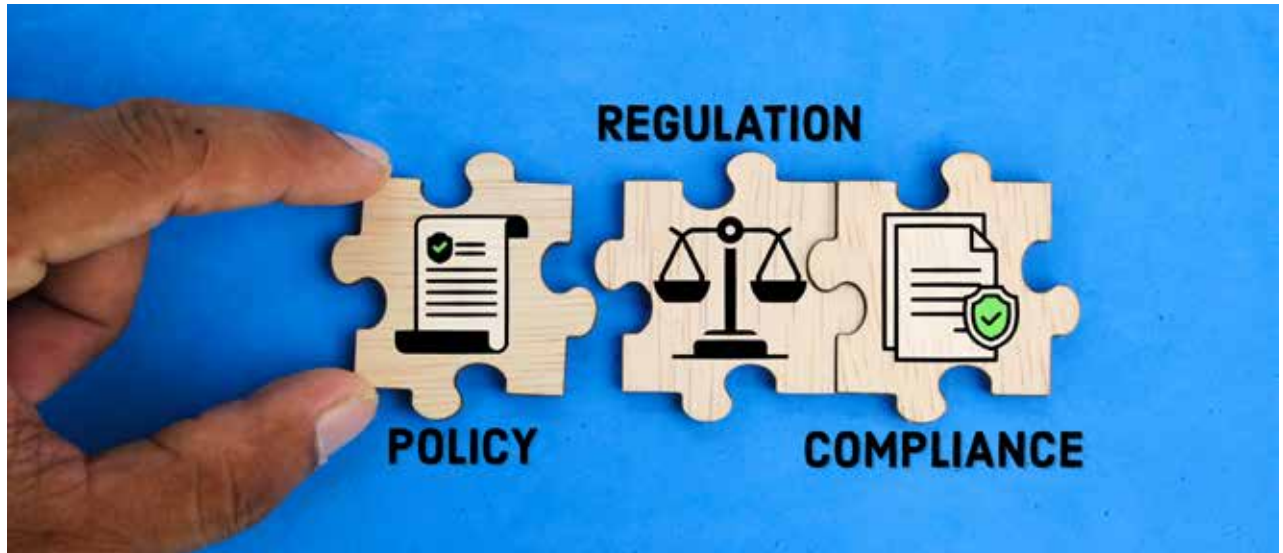
In addition, the Group enhanced its policy framework through the implementation of key instruments, including the Group Sustainability Policy, the updated CBZ Bank Responsible Banking Policy, and the Datvest Responsible Investment Policy. These policies are embedded across core functions such as enterprise risk management, credit underwriting, and investment decision making, ensuring consistent application of ESG principles.

Collectively, these governance structures, processes and controls enable CBZ Holdings Limited to systematically integrate sustainability considerations into its governance, risk management, and strategic decision making, strengthening resilience, enhancing accountability, and supporting the delivery of long-term sustainable value.

Going forward, we will prioritise strengthening of the Governance structures at the rest of our subsidiaries during the year 2026. We will also continue to invest in capacity building for our Boards, and Executives, given the dynamic and evolving nature of the sustainability landscape.



# Business Ethics and Compliance



CBZ Holdings Limited operates within an increasingly dynamic and evolving regulatory environment that supports positive outcomes through strengthened governance, enhanced accountability, and high standards of ethical conduct. This framework reinforces stakeholder confidence by ensuring adherence to statutory requirements and alignment with emerging international best practices.

Robust regulatory frameworks contribute to improved decision making, support innovation, and facilitate alignment with cross border business standards. They also enhance sustainability outcomes through advancing ESG expectations and promote operational efficiency through the adoption of regulatory technologies.

At the same time, the evolving sustainability regulatory landscape presents a range of challenges. These include rising compliance costs, increased operational complexity and potential delays in product development and deployment. In addition, the pace of regulatory change may introduce additional operational and capital demands, heighten the risk of non-compliance and expose the Group to reputational risks and administrative pressures. Managing these dynamics remains critical to sustaining resilience and maintaining stakeholder trust.

Policies	Commitments
<ul style="list-style-type: none"> <li>Compliance Policy</li> <li>Risk Management Policy</li> <li>Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Full compliance with applicable laws and regulations.</li> <li>Ethical conduct and responsible governance.</li> <li>Continuous monitoring of regulatory developments.</li> <li>Transparency, accountability and timely regulatory reporting.</li> </ul>

Our evaluation system is summarised as follows:

<b>Monitoring Systems</b>	<ul style="list-style-type: none"> <li>Internal and external audits of regulatory controls.</li> <li>Management reporting and board oversight of compliance performance.</li> <li>Ongoing risk assessments and compliance testing.</li> </ul>
<b>Goals</b>	<ul style="list-style-type: none"> <li>Maintain strong regulatory compliance and governance standards.</li> <li>Minimise legal and regulatory breaches.</li> <li>Strengthen compliance culture and awareness.</li> </ul>
<b>Targets</b>	<ul style="list-style-type: none"> <li>Timely completion of regulatory reporting obligations.</li> <li>Full completion of mandatory compliance training.</li> <li>Reduction in repeat audit findings or compliance issues.</li> </ul>
<b>KPIs</b>	<ul style="list-style-type: none"> <li>Number of regulatory breaches or sanctions.</li> <li>Compliance training completion rates.</li> <li>Audit findings and remediation closure rates.</li> <li>Timeliness of regulatory submissions.</li> <li>Number of regulatory engagement activities conducted.</li> </ul>
<b>Progress</b>	<ul style="list-style-type: none"> <li>Increased compliance training participation and awareness levels.</li> <li>Improved timeliness and quality of regulatory reporting.</li> <li>Reduction in repeat compliance findings following remediation activities.</li> </ul>

## Preventing Corruption

We are committed to upholding the highest standards of integrity, transparency, and ethical conduct across all our operations. Strengthening the Group's ethical culture and reinforcing accountability have played a key role in enhancing stakeholder confidence and trust in our business practices. These efforts have supported improved compliance with legal and regulatory requirements, while mitigating financial losses associated with bribery, corruption, and other unethical conduct. In addition, enhanced governance processes and greater transparency in decision making have contributed to a more resilient, responsible and sustainable operating environment.

Notwithstanding these achievements, we recognise that weaknesses in anti-corruption controls can result in significant operational disruptions, including investigations, remedial actions, and potential reputational damage arising from unethical conduct within business relationships. Exposure to bribery and facilitation payment risks, particularly in procurement and third-party engagements, remains an area of ongoing focus.

Non-compliance may also lead to financial penalties, regulatory sanctions and increased scrutiny from stakeholders.

In response, we maintain a zero-tolerance approach to bribery, corruption and unethical behaviour. We are committed to full compliance with applicable anti-corruption laws and regulations, and actively promote a culture of transparency, accountability and fair business practices.

Robust mechanisms are in place to safeguard whistleblowers and encourage the reporting of concerns without fear of retaliation, ensuring that ethical standards are consistently upheld across the organisation and its value chain.

**The following are our policies, goals and targets:**

<b>Policies</b>	<ul style="list-style-type: none"> <li>• Anti-Bribery and Corruption Policy.</li> <li>• Whistleblowing Policy.</li> <li>• Code of Ethics.</li> <li>• Procurement Policy.</li> </ul>
<b>Process</b>	<ul style="list-style-type: none"> <li>• Internal audit reviews of anti-corruption controls.</li> <li>• Compliance monitoring and risk assessments.</li> <li>• Periodic management and board reporting on corruption risks.</li> <li>• External audit and regulatory reviews where applicable.</li> <li>• Monitoring of whistleblowing channels and investigations.</li> </ul>
<b>Goals</b>	<ul style="list-style-type: none"> <li>• Strengthen anti-corruption culture and ethical behaviour.</li> <li>• Reduce corruption-related incidents across operations.</li> <li>• Enhance transparency and accountability mechanisms.</li> <li>• Conduct institutional risk assessment on bribery and corruption.</li> </ul>
<b>Targets</b>	<ul style="list-style-type: none"> <li>• 100% completion of anti-corruption training by relevant employees.</li> <li>• Timely closure of reported cases within defined timelines.</li> <li>• Increased coverage of third-party due diligence assessments.</li> <li>• Institutional risk assessment by June 2026.</li> </ul>
<b>KPIs</b>	<ul style="list-style-type: none"> <li>• Number of corruption-related incidents reported and resolved.</li> <li>• Training completion rates on anti-corruption policies.</li> <li>• Percentage of high-risk third parties screened.</li> <li>• Number of policy breaches and remediation actions undertaken.</li> </ul>

The Group remains committed to strengthening its anti-corruption and ethics culture across all operations. The section below outlines key highlights from the Corporate Compliance and Ethics Week, which reinforced our zero-tolerance approach to bribery and corruption.

**Corporate Compliance and Ethics Week: Strengthening a Zero-Tolerance Culture on Corruption**

The Group reinforced its commitment to ethical conduct and zero tolerance for corruption through its Corporate Compliance and Ethics Week, held during the first week of November 2025.

Led by the Compliance Department, the initiative was anchored on the theme of 'Zero Tolerance to All Forms of Bribery and Corruption'. It served as a key platform for strengthening awareness across the Group.

The program formed part of the CBZH Learning Centre's capacity-building agenda, providing employees with targeted training, interactive engagements, and practical case discussions on anti-bribery and corruption risks within the financial services environment. This initiative not only enhanced employee understanding of regulatory and ethical expectations, but it also reinforced the Group's culture of integrity, accountability, and responsible banking. Meanwhile, during the year 2025, CBZ Bank Limited entered into a strategic partnership with Vneuron to elevate regulatory resilience and digital efficiency. This collaboration marks a transformative step in strengthening our compliance framework through intelligent automation and cutting-edge AML technology.



CBZ Bank Managing Director, Valeta Mthimkhulu and Compliance Executive, Mathew Manyati, pause for photo with Vneuron officials at the signing ceremony.

The Compliance Function continued to prioritize capacity building to enhance regulatory compliance, risk management, and governance effectiveness. Compliance Officers and selected executives actively participated in targeted training programmes covering Environmental, Social and Governance (ESG) principles, Data Protection requirements, Financial Crime compliance, and Prudential Guidelines issued by Regulators. This structured training approach ensures that the team remains technically competent, up to date with evolving regulatory expectations, and well-positioned to support the institution in maintaining high standards of compliance and ethical conduct.



Insights at the joint Anti-Money Laundering training session conducted by CBZ Holdings Limited in partnership with the Reserve Bank of Zimbabwe's Financial Intelligence Unit and the Insurance & Pensions Commission.



### Human Rights

The Group demonstrates a strong commitment to respecting and upholding human rights across its operations, with emphasis on employee well-being and responsible stakeholder engagement. We strive to protect the rights of employees, customers, and service providers, and conduct our business in line with the human rights provisions, including the fundamental freedom of movement, association, and expression. The Group recognises that potential human rights incidents may arise, which could result in complaints being lodged with the Zimbabwe Human Rights Commission. Such incidents may expose the Group to reputational risk, including adverse public perception and potential loss of customer trust, should negative publicity arise. Through its ESMS and E&S risk screening tools, the Group also ensures that its lending and investment decisions do not infringe on human rights.



### Risk Management

The CBZH Risk Governance Framework is designed to operate as an integrated, enterprise-wide system that holistically incorporates enterprise risk management (ERM), sustainability risk, and climate-related financial risks. This integrated approach recognises the interconnectedness and interdependencies between traditional financial risks, environmental and social factors, and emerging climate risks, ensuring that risk identification, assessment and mitigation are conducted in a coordinated and forward looking manner.

The framework is anchored on a three-lines-of-defence model, ensuring clear roles, accountability, and independent oversight across the organisation. It embeds sustainability and climate considerations into core risk processes, including strategy formulation, credit evaluation, portfolio management, and stress testing, thereby aligning risk management with long term value creation and resilience.

Oversight of the framework rests with the Board of Directors, which retains ultimate responsibility for risk governance and sets the overall risk appetite, including specific thresholds for sustainability and climate-related risks. The Board is supported by specialised committees, among them the Risk Committee, Audit Committee, and Sustainability Committee, which provide focused oversight on key risk areas.

At the executive level, the Executive Management team is responsible for implementing the framework, operationalising Board directives, and ensuring that risk management practices are effectively embedded across business units. This includes integrating climate risk into enterprise risk management systems, enhancing risk data and reporting capabilities, and ensuring alignment with evolving regulatory expectations and international standards such as IFRS S1 & S2.

Furthermore, the framework promotes a risk awareness culture, supported by continuous capacity building, robust internal controls, and transparent reporting. It ensures that risk insights, including those related to climate transition risks, physical risks, and sustainability impacts, are escalated appropriately, enabling timely and informed decision-making at all levels.

Overall, the CBZH Risk Governance Framework positions the organisation to proactively manage complex and evolving risks, strengthen resilience, and support sustainable economic development in Zimbabwe and beyond.

### Enterprise-Wide Risk Management

CBZH employs an Enterprise-Wide Risk Management (ERM) Framework that is fully integrated across the Group to effectively manage risks that may impact the achievement of its strategic objectives. The framework adopts a holistic Groupwide perspective, ensuring that risks are identified and managed across all business units and departments in a coordinated and consistent manner.

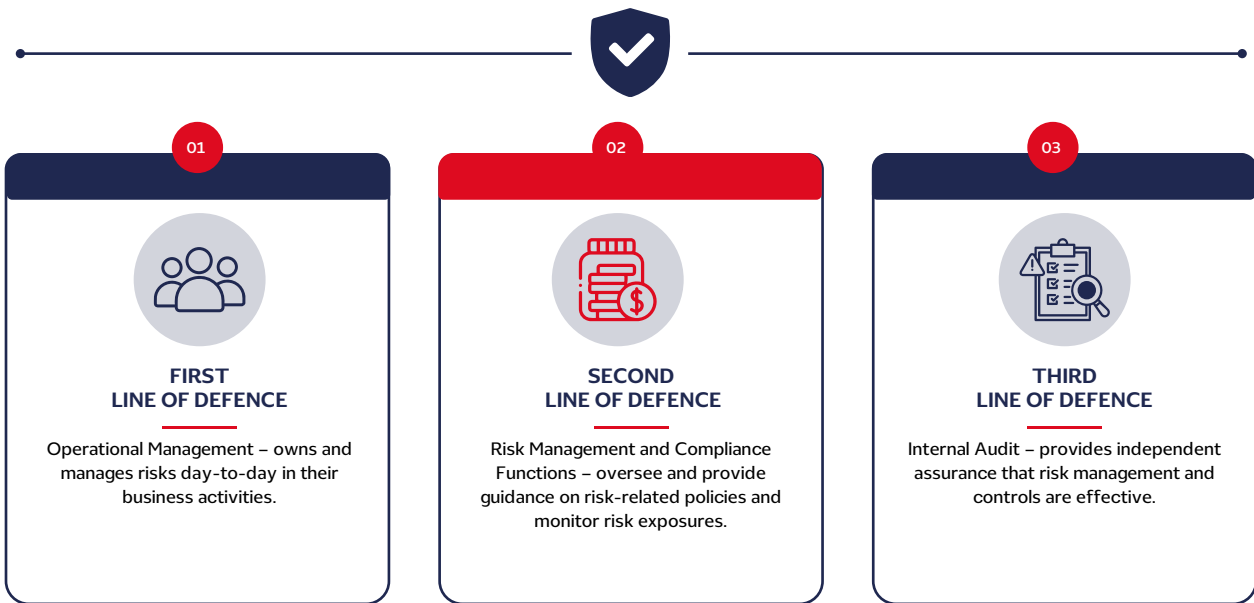
The ERM Framework is founded on key principles, including a clearly defined risk appetite, risk informed decision making, transparency, continuous improvement and organisational agility. These principles enable the Group to respond proactively to both current and emerging risks while maintaining alignment with its strategic priorities.

Operating within an increasingly complex and dynamic risk environment, the Group recognises the need for a framework that is both robust and adaptable. Accordingly, the ERM Framework incorporates structured processes for risk identification, assessment, management, monitoring and mitigation, supported by strong governance, internal controls, and reporting mechanisms.

**Our ERM framework is as follows:**

Risk Identification	Risk Analysis	Risk Evaluation
<p>Our risk identification process involves systematically recognising and documenting potential risks that may hinder the achievement of organisational objectives. It focuses on detecting internal and external risk sources across processes, systems, people and external environments using audits, incident reviews and process analysis. The outcome is a comprehensive risk register capturing all material risks facing the organisation.</p>	<p>We assess the nature, likelihood and potential impact of identified risks, while evaluating the effectiveness of existing controls. The risk analysis process determines both inherent and residual risk levels using qualitative and quantitative assessment methods such as risk appetite matrices, key risk indicators and scenario analysis. The outcome is prioritisation of risks based on severity and control adequacy.</p>	<p>When evaluating risk, we compare analysed risks against our risk appetite and tolerance levels to determine acceptability. Risk evaluation assists us in guiding decision making on appropriate risk responses, including risk mitigation, transfer, avoidance or acceptance. The outcome is the development of action plans and escalation of risks that exceed acceptable thresholds.</p>

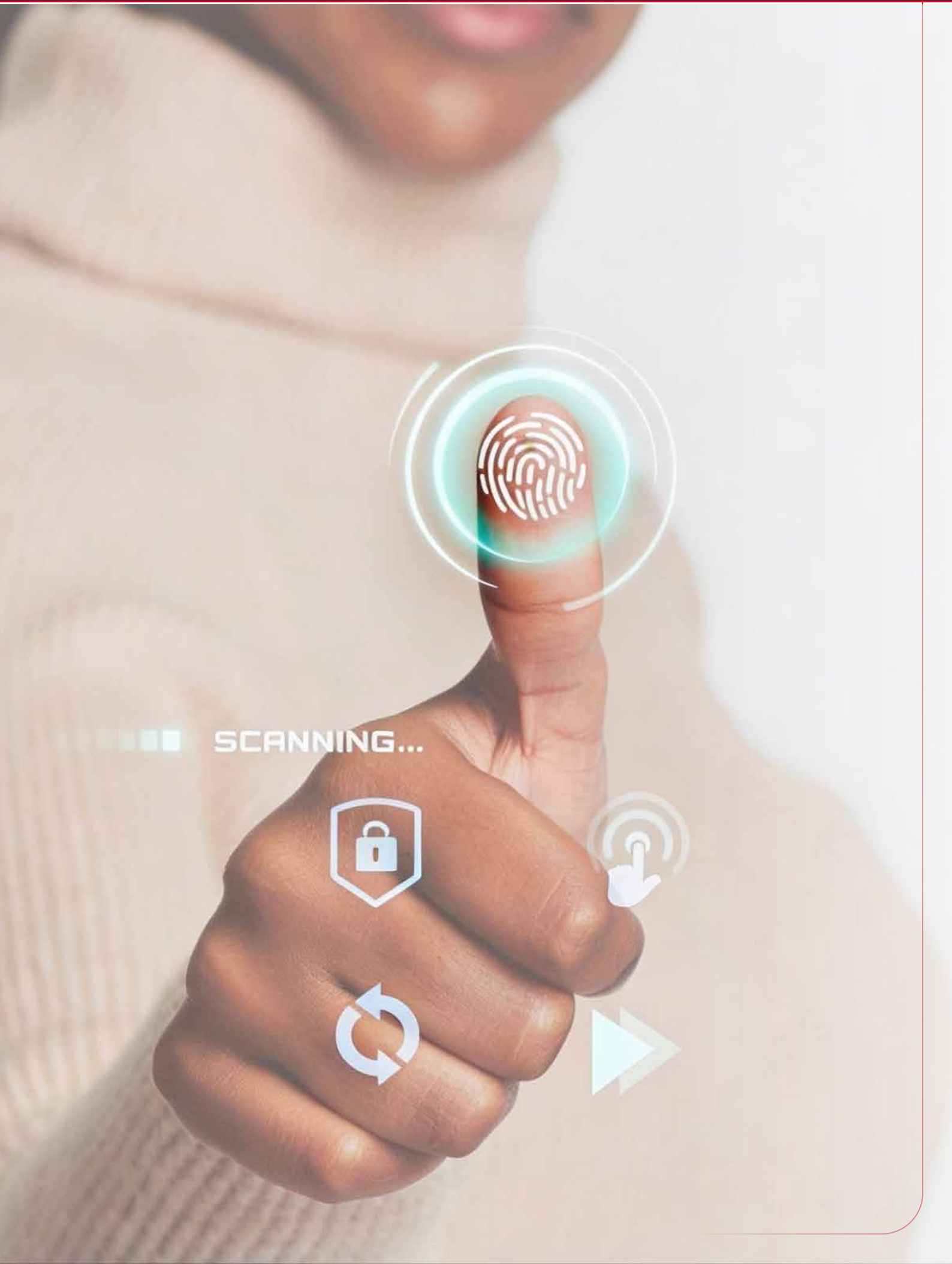
**Our ERM framework is structured with clear governance, including a three-lines-of-defence model as follows.**



This model assigns clear responsibility for risk governance to operational management, supported by the risk management and compliance functions. The internal audit function ultimately provides independent assurance on the effectiveness of the risk governance framework and the broader internal control environment.

This structure ensures that risk is actively managed across all levels of the organisation, with clearly defined roles, responsibilities and accountability. It reinforces a disciplined approach to risk ownership, embedding risk management within day-to-day business activities.

The framework is further underpinned by a well-established risk culture, clearly articulated risk appetite parameters, robust stress testing practices and a comprehensive risk taxonomy. Together, these elements enhance the identification, understanding and assessment of risks, enabling the Group to implement timely and appropriate mitigation measures while strengthening overall organisational resilience.



SCANNING...








## Approach to managing financial risks

The Group manages its financial risks through a fully integrated Enterprise Risk Management (ERM) Framework. This provides a structured and disciplined approach to the identification, measurement, monitoring, control, and reporting of risks in alignment with the Group's risk appetite, strategic objectives, and regulatory requirements.

CBZ Holdings Limited maintains robust governance oversight through the Board of Directors and its specialised committees. These are supported by executive management structures that ensure effective implementation and continuous monitoring. This governance architecture is reinforced by comprehensive risk management policies, clearly defined risk limits, delegated authorities, and advanced risk monitoring tools, ensuring consistency and accountability across the Group.

The Group's financial risk management approach is anchored on three core risk categories:

 <p><b>CREDIT RISK</b></p> <p>Credit Risk, which is managed through stringent credit risk assessment frameworks, prudent underwriting standards, sectoral risk limits, and continuous portfolio monitoring, including early warning systems and remedial management strategies.</p> <ul style="list-style-type: none"> <li>Credit Risk Assessment Frameworks</li> <li>Prudential Underwriting Standards</li> <li>Sectoral Risk Limits</li> <li>Portfolio Monitoring</li> <li>Early Warning &amp; Remedial Strategies</li> </ul>	 <p><b>LIQUIDITY RISK</b></p> <p>Liquidity Risk, which is managed and mitigated through proactive liquidity planning, maintenance of sufficient high-quality liquid assets, diversified funding sources, and robust cash flow forecasting practices to ensure the Group can meet its obligations under both normal and stressed conditions.</p> <ul style="list-style-type: none"> <li>Proactive Liquidity Planning</li> <li>High Quality Liquid Assets</li> <li>Diversified Funding Sources</li> <li>Cash Flow Forecasting</li> </ul>	 <p><b>MARKET RISK</b></p> <p>Market Risk, which is controlled through clearly defined risk limits, scenario analysis, and active treasury oversight, including monitoring of interest rate, foreign exchange, and other market exposures.</p> <ul style="list-style-type: none"> <li>Clearly Defined Risk Limits</li> <li>Scenario Analysis</li> <li>Active Treasury Oversight</li> <li>Monitoring of Market Exposures</li> </ul>
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These risk categories are managed in an integrated manner, recognising their interdependencies and potential compounding effects, particularly under stressed economic or market conditions.

The Group further enhances its risk management capabilities using forward-looking risk management tools, including scenario analysis and stress testing, which support proactive identification of vulnerabilities and emerging risks. Regular, transparent risk reporting and escalation mechanisms ensure that management and the Board maintain a clear and timely view of the Group's risk profile.

In addition, the framework increasingly incorporates sustainability and climate-related financial risks, including transition and physical risks, into core risk management processes. This ensures alignment with evolving regulatory expectations and international frameworks such as the RBZ Climate Risk Management Guidelines and the IFRS S1 & S2, while strengthening the Group's resilience to long-term systemic risks.

Overall, this integrated and forward-looking approach enables the Group to maintain financial soundness, operational resilience, and sustainable value creation, while ensuring that risk exposures remain within acceptable thresholds.

**Significant enterprise risks identified during the period were as follows:**

Risk Category	Risk Description	Mitigation Measures
<b>Technology Risk</b>	Legacy IT infrastructure may expose the Group to system inefficiencies, increased downtime risk and reduced resilience. Platform and supporting infrastructure may not adequately support evolving business and digital banking requirements.	Implementation of an Infrastructure Replacement Plan. Establishment of a co-location Disaster Recovery (DR) site. Network refresh through Network-as-a-Service with lifecycle management. Long-term Core Banking Modernisation strategy to replace legacy platforms.
<b>Regulatory and Compliance Risk</b>	Changes in tax policies, regulatory inspections and delayed regulatory approvals expose the Group to compliance breaches, operational delays and regulatory sanctions.	Implementation of IMTT tax changes and automation of Digital Services Tax through engagements with service providers. Strengthening transaction monitoring reports. Implementation of deposit limits and enhanced depositor narration requirements. Strengthening system controls before reapplying for regulatory approvals.
<b>Cybersecurity Risk</b>	Incomplete onboarding and stabilisation of cybersecurity monitoring systems may expose the Group to potential cyber threats and delayed incident detection.	Onboarding servers onto Privileged Access Management (PAM) and Security Information and Event Management (SIEM) systems. Continued platform onboarding and system stabilisation initiatives.
<b>Business Risk</b>	New projects increase execution and delivery risks, including potential resource constraints, project overruns and operational disruptions.	Centralised oversight and monitoring of projects through the Transformation Management Office (TMO).
<b>Operational Risk</b>	Weak segregation of duties, inconsistent custodianship controls, policy misalignment, inadequate SOPs, weak segregation of duties and staffing shortages may expose the Group to process failures, fraud risk, and control breakdowns.	Recruitment initiatives and SEEDs implementation to address staffing gaps. Departmental review and alignment of policies and procedures with the new operating model.
<b>Conduct Risk</b>	Instances of employee misconduct and failure to adhere to operational procedures expose the Group to financial loss, regulatory sanctions and reputational damage.	Disciplinary action against employee misconduct. Engagement with law enforcement authorities where applicable. Reinforcement of ethical conduct and compliance standards.
<b>Strategic Risk</b>	IT risk challenges and system vulnerabilities may hinder achievement of the Group's strategic objectives and digital transformation agenda.	Periodic vulnerability assessments and penetration testing. Integration of Sustainability Standards within strategic and investment decision frameworks.
<b>Security and Fraud Risk</b>	Aging electronic security infrastructure increases vulnerability to fraud, physical security breaches and ineffective monitoring of branch security systems.	Conducting site security assessments and monitoring callout responses. Tracking branch security compliance through security checklists. Planned upgrades aligned with branch modernisation initiatives.
<b>Reputational Risk</b>	Service delays at the Call Centre due to inadequate staffing and limited communication infrastructure negatively impact customer experience and brand perception.	Implementation of a secure WhatsApp API supporting multi-user access. Strengthening customer service capacity and response turnaround times.



## Sustainability-Related Risks and Opportunities (SRRO)

CBZ Holdings Limited identifies, measures, manages, and monitors sustainability-related risks and opportunities through its integrated Enterprise Risk Management (ERM) Framework, embedding environmental, climate, social, and governance (ESG) considerations into existing risk management processes. This integration is supported by dedicated sustainability policies, Environmental and Social Risk Management (ESRM) frameworks, and the Group's risk appetite statement, ensuring consistency and alignment with strategic objectives.

We identify sustainability and climate related risks and opportunities through multiple structured processes, including:

- Risk and Control Self-Assessments (RCSAs).
- Regulatory horizon scanning and compliance monitoring.
- Stakeholder engagement, i.e. customers, investors, regulators, and communities.
- Transaction-level environmental and social screening and due diligence.

Identified risks are prioritised based on risk severity, strategic relevance, regulatory impact, and their potential to affect financial performance and long-term resilience.

Furthermore, the Group applies a combination of qualitative and quantitative approaches to assess sustainability-related risks and opportunities. This is done based on the following:

- Regulatory requirements and evolving sustainability standards.
- Industry benchmarks and international best practices.
- Environmental and social due diligence findings and impact assessments.
- Internal loss data and incident reporting.
- Stakeholder expectations.
- Strategic business plans and sectoral exposure analysis.

Risks are evaluated using defined parameters, including:

- Impact severity, i.e. financial, operational, reputational, environmental, and social.
- Likelihood of occurrence.
- Risk velocity, i.e. speed of impact manifestation.
- Control effectiveness.
- Exposure duration.

Our risk thresholds and tolerance levels are guided by the Group's risk appetite framework. This ensures that sustainability risks are assessed consistently alongside traditional risk categories.

We also conduct forward-looking assessments of sustainability and climate-related risks under a range of plausible future scenarios. This includes evaluating:

- Physical risks such as extreme weather events, water scarcity, and environmental degradation.
- Transition risks arising from regulatory changes, market dynamics, technological shifts, and evolving stakeholder expectations.

Scenario analysis supports strategic planning, portfolio risk assessment, and stress testing, enabling the Group to evaluate potential financial and operational impacts under different climate pathways. These insights inform risk mitigation strategies, capital allocation decisions, and business continuity planning, enhancing long-term resilience.

In terms of risk integration and governance, sustainability-related risks are fully integrated into the Group's risk taxonomy and they are assessed alongside traditional risks such as credit, market, operational, and compliance risks. Risks with significant financial, regulatory, or strategic implications are escalated through established governance structures and incorporated into risk registers, management reporting, and Board-level oversight processes.

The Group places particular emphasis on sustainability risks that could materially impact the following areas of the business:

- Financial performance and asset quality.
- Regulatory compliance.
- Reputation and stakeholder confidence.
- Long-term business sustainability and resilience.

We monitor and report on sustainability risks and opportunities on an ongoing basis, supported by robust oversight mechanisms, including:

- Key Risk Indicators (KRIs) and sustainability performance metrics.
- Regular risk reporting to Management and Board Committees.
- Periodic RCSA reviews and risk register updates.
- Internal audit and compliance assurance reviews.
- Continuous monitoring of regulatory developments and industry trends.
- Ongoing ESG due diligence and portfolio-level monitoring.

Meanwhile, during the reporting period, we enhanced our sustainability risk management capabilities by deepening the integration of ESG and climate considerations into core ERM processes and strategic decision-making. Key improvements included:

- Strengthening climate scenario analysis and stress testing capabilities.
- Incorporating sustainability-specific risk indicators into monitoring frameworks.
- Enhancing governance oversight structures for ESG risks.
- Increasing alignment with emerging regulatory requirements and global reporting frameworks.

Our sustainability-related risks and opportunities for the reporting period were as follows:

Risk Category	Risk Description	Mitigation Measures	Related Opportunities
<b>Environmental Risks</b>			
Power Supply Risks	Risk of inadequate power generation and supply from hydropower sources, may disrupt banking operations, digital platforms, branches, data centres, and agro-processing activities.	Investment in solar energy systems, backup generators, energy-efficient infrastructure, hybrid power solutions and business continuity planning.	Expansion of green financing products for renewable energy projects, lower long-term energy costs, improved operational resilience, and enhanced ESG positioning.
High Energy and Water Usage	High consumption of electricity and water across branches, offices, and agro-processing operations may increase operational costs and environmental footprint.	Adoption of energy-efficient equipment, water recycling systems, smart metering, green building initiatives, and resource consumption monitoring.	Cost savings through efficiency measures, eligibility for green funding, improved sustainability ratings, and stronger investor confidence.
<b>Social Risks</b>			
Literacy Risks	Low levels of financial and digital literacy may limit customer understanding and uptake of financial products and services.	Financial literacy programmes, customer awareness campaigns, simplified product communication, multilingual engagement, and digital education initiatives.	Increased financial inclusion, growth in banking customers, stronger customer loyalty, and expanded digital banking adoption.
Health and Safety Risks	Unsafe working conditions, ergonomic risks, and health-related incidents may affect employees, contractors, and customers.	Employee wellness programmes, emergency preparedness, regular safety training, and compliance monitoring.	Improved employee wellbeing, enhanced productivity, talent retention, and stronger employer brand.
<b>Governance Risks</b>			
Reputational Risk	Poor environmental, social, and governance practices by borrowers or investee companies may expose CBZ Holdings to reputational and regulatory risks.	Enhanced ESG due diligence, responsible lending policies, borrower monitoring, and adoption of sustainable finance frameworks.	Positioning as a leading sustainable finance institution and attraction of ESG-focused investors and partners.
Supply Chain Risk	Disruptions in borrower supply chains due to environmental, geopolitical, or social factors may impair borrower performance and repayment capacity.	Supply chain risk assessments, sector diversification, borrower stress testing, and promotion of resilient sourcing practices.	Opportunities to finance resilient supply chains, local sourcing initiatives, and sustainable procurement solutions.

# Climate- Related Risks and Opportunities (CRRO)



We continued to integrate climate-related risks and opportunities into the Group's Enterprise Risk Management (ERM) Framework. We identified these risks through established processes, including Risk and Control Self-Assessments (RCSAs), environmental and social due diligence, credit risk assessments, regulatory monitoring, and portfolio-level reviews.

The assessment of climate-related risks is informed by a combination of quantitative and qualitative inputs, including regulatory requirements, climate and sector-specific risk data, portfolio exposures, stakeholder expectations, and historical loss experience. These inputs are evaluated using defined risk parameters, including the impact severity and likelihood of occurrence, to ensure consistent and robust risk assessment.

The Group applies climate scenario analysis to evaluate both physical risks, such as extreme weather events and resource scarcity, and transition risks such as regulatory changes, market dynamics, and technological developments. These forward-looking assessments support stress testing, strategic planning, and portfolio risk analysis, enabling the Group to assess potential financial and operational impacts under different climate pathways.

Climate-related risks are assessed using standard enterprise risk rating methodologies, which consider the nature of the risk, probability of occurrence, financial implications, and potential operational and reputational impacts. Risks are prioritised based on severity, regulatory expectations, exposure concentration, and alignment with the Group's strategic objectives and risk appetite thresholds, ensuring that material risks are escalated and managed

appropriately.

Ongoing monitoring is conducted through integrated oversight mechanisms, including Key Risk Indicators (KRIs), periodic RCSA reviews, continuous portfolio monitoring, and governance committee oversight. These processes ensure that climate-related risks are actively tracked, reported, and managed within acceptable risk thresholds, supporting the Group's resilience and long-term sustainability.

During the year under review, the Group conducted forward-looking risk assessments, including climate scenario analysis and stress testing, focusing on the Bank's lending portfolio. The Group plans to extend these assessments to all subsidiaries during the 2026 financial year, ensuring a more comprehensive, Group-wide view of climate risk exposure.

In addition, CBZ Holdings Limited became a member of the Partnership for Carbon Accounting Financials (PCAF), reinforcing its commitment to the measurement, disclosure, and active management of financed emissions. This milestone supports the strengthening of the Group's climate risk assessment and reporting practices in line with emerging global standards. Leveraging its PCAF membership, the Group intends to develop robust methodologies to quantify financed emissions across its lending, investment, and underwriting portfolios, thereby enhancing transparency, supporting target setting, and enabling more informed climate-related risk and opportunity management.

**Climate-Related Risks and Opportunities (CRRO) and Impacts**

**Key:**

- Current Period ■
- Short Term (0-5 years) ▲
- Medium term (5-10 years) ●
- Long Term (10-20 years) ◆

**Business Model and Value Chain Impacts**

Understanding the Group's business model and value chain provides essential context for assessing how climate-related risks and opportunities may affect its operations, financial performance, and long-term strategy. The following table presents these risks:

Climate-related Risks and Opportunities (CRRO)			
Risk	Impact On Business Model	Impact On Value Chain	Areas Affected
<b>Chronic Drought/ Rainfall Variability</b>	<ul style="list-style-type: none"> <li><span style="color: green;">■</span> Active loan restructuring for dry land portfolios; mandatory transition to drought resistant crops/ grains for high-risk zones.</li> <li><span style="color: green;">▲</span> Strategic pivot to 'Agro-ecological zoning' where financing decisions are contingent on drought-hardy crop selection.</li> <li><span style="color: green;">●</span> Integration of market-linkage programs for drought resistant crops such as sorghum to ensure value-chain stability and borrower repayment.</li> <li><span style="color: green;">◆</span> Business model fully 'climate-resilient' through 100% water-secure infrastructure and drought-immune crop portfolios.</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: green;">■</span> Reduced volume of produce delivered by financed farmers due to lower yields.</li> <li><span style="color: green;">▲</span> Disruption in repayment inflows from rain-fed farming clients; increased demand for restructuring.</li> <li><span style="color: green;">●</span> Shift in demand towards suppliers of drought-resistant seeds (sorghum/pulses) and irrigation equipment.</li> </ul>	<ul style="list-style-type: none"> <li>• High-risk natural regions</li> <li>• Storage Silos and Irrigation Infrastructure.</li> <li>• Transporters, Seeds Companies, etc.</li> </ul>
<b>Carbon Pricing and Inputs</b>	<ul style="list-style-type: none"> <li><span style="color: green;">■</span> Increased cost of synthetic fertilisers; initial pilot of organic/bio-fertiliser subsidies for sorghum growers.</li> <li><span style="color: green;">▲</span> Scale 'Smart Agriculture' to optimise input efficiency, specifically targeting low-nitrogen requirement crops.</li> <li><span style="color: green;">●</span> Transition finance to local, low-carbon bio-fertilisers and circular economy organic supply chains.</li> <li><span style="color: green;">◆</span> Portfolio shifts entirely toward regenerative models with near-zero reliance on imported synthetic inputs.</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: green;">■</span> Inflationary pressure on imported fertiliser costs passed on to farmers, squeezing their margins.</li> <li><span style="color: green;">▲</span> Increased credit risk as farmers struggle with higher input costs driven by global energy prices.</li> <li><span style="color: green;">●</span> Localisation of the supply chain by financing local manufacturers of organic/bio-fertilisers.</li> <li><span style="color: green;">◆</span> Full transition to a 'Low Carbon' supply chain where financed farmers use certified green inputs.</li> </ul>	<ul style="list-style-type: none"> <li>• National / Global Import Routes.</li> <li>• Global Import Routes (Beira Corridor).</li> <li>• Warehouses.</li> <li>• Transporters, Warehouses.</li> </ul>
<b>Green Financing Products</b>	<ul style="list-style-type: none"> <li><span style="color: green;">■</span> Rollout of 'Resilience Loans' covering sorghum seed packs and solar-powered micro-irrigation.</li> <li><span style="color: green;">▲</span> Rapid scaling of borehole and dam financing to supplement production during peak dry spells.</li> <li><span style="color: green;">●</span> Green financing becomes the dominant revenue stream, attracting ESG-indexed capital at lower cost of funds.</li> <li><span style="color: green;">◆</span> Organisation is the national leader in Sustainable Finance, setting the standard for arid-land banking.</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: green;">■</span> Partnerships with equipment vendors.</li> <li><span style="color: green;">▲</span> Scale up vendor financing programs to ensure farmers have access to quality green technology.</li> <li><span style="color: green;">●</span> Integration of 'Carbon Credits' into the value chain.</li> <li><span style="color: green;">◆</span> Creation of a closed-loop 'Green Ecosystem'.</li> </ul>	<ul style="list-style-type: none"> <li>• Arid and semi-arid regions.</li> <li>• Global Import Routes.</li> <li>• National (Grid-unstable areas).</li> <li>• Energy Systems.</li> <li>• Solar Equipment Distribution Centers.</li> </ul>

## Climate- Related Risks and Opportunities (CRRO) (continued...)

The Group evaluates how climate-related risks and opportunities (CRROs) may translate into potential financial impacts across its operations and portfolios. This is depicted in the table below:

Financial Implication of Climate-Related Risks and Opportunities			
	Physical Risk (Chronic)	Transition Risk (Policy)	Opportunity (Resource Efficiency)
	Chronic Drought/ Rainfall Variability	Carbon Pricing and Inputs	Green Financing Products
Impacts	El Niño induced drought leading to crop failure in funded portfolio.	Import taxes on fertiliser or chemicals increasing cost of production for borrowers.	Financing climate-smart technologies.
Cashflows	<ul style="list-style-type: none"> <li>■ Reduced inflow from loan repayments; delayed interest collections.</li> <li>▲ Net cash outflow as fixed costs remain but inflows drop.</li> <li>● Cash flows stabilise but at lower volume than historical peak.</li> <li>◆ Consistent cash flows from diversified (drought-resistant) portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>■ High input costs reduce borrower net cashflows and weaken repayment capacity, elevating credit risk.</li> <li>▲ Higher outflow for funding client import requirements.</li> <li>● Lower lending volumes to traditional fertiliser importers.</li> <li>◆ Higher cash flows from new sustainable trade products.</li> </ul>	<ul style="list-style-type: none"> <li>■ Initial cash outflow for product setup and marketing.</li> <li>▲ Increased interest income from new disbursement lines.</li> <li>● Strong positive operating cash flows from green portfolio.</li> <li>◆ Robust, long-term annuity style cash flows from infrastructure loans.</li> </ul>
Effects on Financial Performance	<ul style="list-style-type: none"> <li>■ Increased Expected Credit Losses (ECL) reducing Net Profit.</li> <li>▲ Reduced Interest Income and lower ROE.</li> <li>● Moderate recovery in margins due to stricter credit criteria.</li> <li>◆ Stable, predictable returns with lower volatility.</li> </ul>	<ul style="list-style-type: none"> <li>■ Compressed margins if cost increases cannot be passed to borrowers.</li> <li>▲ Decline in fee-based income.</li> <li>● Reduced revenue from traditional trade finance lines.</li> <li>◆ Improved profitability from premium 'Green Trade' products.</li> </ul>	<ul style="list-style-type: none"> <li>■ Initial cost increase (Employee training/Systems) reducing short-term profit.</li> <li>▲ Neutral (offset by setup costs).</li> <li>● High Net Interest Income and Margins on green products.</li> <li>◆ Superior ROE driven by low cost of funds and high asset quality.</li> </ul>
Financial Position	<ul style="list-style-type: none"> <li>■ Decrease in carrying value of 'Loans and Advances' due to write-downs.</li> <li>▲ Increase in 'Non-Performing Loans' (NPL) ratio.</li> <li>● Write-off of persistent bad debts; cleaner balance sheet post-restructure.</li> <li>◆ Stronger asset quality with lower default probability.</li> </ul>	<ul style="list-style-type: none"> <li>■ Potential devaluation of collateral in high-input farming sectors.</li> <li>▲ Increase in working capital loan utilisation by clients.</li> <li>● Shift in asset mix towards low-input / regenerative farming clients.</li> <li>◆ Asset base dominated by low-carbon agriculture.</li> </ul>	<ul style="list-style-type: none"> <li>■ Recognition of new 'Green Asset' class on Balance Sheet.</li> <li>▲ Growth in 'Green Loan' book assets.</li> <li>● Increase in Green Assets' mix.</li> <li>◆ Dominant 'Green Asset' base with high collateral value.</li> </ul>
Access to Finance	<ul style="list-style-type: none"> <li>■ Tightening of interbank lending lines due to sector risk perception.</li> <li>▲ Access to standard facilities may be restricted, with shift to insured lending only.</li> <li>● Access restored via specialised 'Climate Adaptation' funds.</li> </ul>	<ul style="list-style-type: none"> <li>▲ Reduced lending to high-carbon input intensive sectors.</li> <li>● Preferential access to green trade finance lines.</li> </ul>	<ul style="list-style-type: none"> <li>■ Access to pilot 'Green Credit' lines from DFI partners.</li> <li>▲ Access to larger pool of green funds.</li> <li>● Unrestricted access to global green markets.</li> </ul>
Cost of Capital	<ul style="list-style-type: none"> <li>▲ Cost of debt may increase due to higher risk premium.</li> <li>● Cost of capital stabilises as portfolio shifts to irrigated clients.</li> <li>◆ Lower cost of capital for 'Resilient' portfolio segments.</li> </ul>	<ul style="list-style-type: none"> <li>● Higher cost to finance 'brown' supply chains.</li> <li>◆ Lower cost of funding for sustainable supply chains.</li> </ul>	<ul style="list-style-type: none"> <li>▲ Marginal reduction in funding costs for green specific tranches.</li> <li>● Significant reduction in Weighted Average Cost of Capital (WACC).</li> <li>◆ Lowest tier cost of capital.</li> </ul>

### Climate Resilience

The Group's climate resilience assessment incorporates a comprehensive evaluation of key areas of risk exposure and strategic opportunity, enabling a forward-looking understanding of its capacity to withstand and adapt to climate-related impacts. This includes assessing physical risks, such as chronic drought conditions and increasing rainfall variability, which have direct implications for key sectors and portfolio performance.

In addition, the assessment considers transition risks, including the potential introduction of carbon pricing mechanisms, evolving regulatory frameworks, and associated input cost pressures that may affect clients' business models and the Group's risk profile. These insights are complemented by an evaluation of emerging market opportunities, particularly the development and scaling of sustainable financing solutions.

Through this integrated approach, the Group strengthens its ability to anticipate, manage, and respond to climate-related risks, while positioning itself to support its clients in transitioning to more sustainable practices. Collectively, these considerations inform the Group's overall climate resilience strategy, enhancing its capacity to maintain financial stability, protect asset quality, and contribute to the transition towards a low-carbon, climate-resilient economy.

Climate Resilience		Chronic Drought/ Rainfall Variability	Carbon Pricing and Inputs	Green Financing Products
	<b>Our Response to CRROs</b>	<ul style="list-style-type: none"> <li>Meteorological Alignment - Strategy focuses on aligning financing with specific meteorological reports for each region and season (Agro-ecological zoning by season).</li> <li>Crop Shifting - Actively encouraging borrowers to shift towards drought-resistant crops (such as Sorghum) in vulnerable areas.</li> <li>Diversification - Reducing concentration risk by diversifying the portfolio into other drought resistant crops and climate smart agriculture driven projects.</li> </ul>	<ul style="list-style-type: none"> <li>We drive sustainability through the efficient use of agricultural inputs to lower the carbon footprint of farming. We reduce the volume of carbon-intensive fertilisers required per hectare by providing precise guidance on recommended products and optimal application rates.</li> <li>We source inputs locally, protecting clients from imported inflation and external economic shocks. This protects margins from currency fluctuation and future carbon-pricing mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening strategy to capture opportunities in the sustainable finance space.</li> </ul>
	<b>Our Planned Response to CRROs</b>	<ul style="list-style-type: none"> <li>Financing efficient water management systems.</li> <li>Rolling out financing solutions for alternative water sources.</li> <li>Transferring risk and de-risking projects through innovative insurance solutions such as drought insurance and weather index insurance.</li> </ul>	<ul style="list-style-type: none"> <li>Manage the Supply Chain by engaging with suppliers to secure 'Green' input lines that are exempt from future carbon penalties.</li> <li>Providing advisory and technical assistance to farmers on precision input application methods.</li> </ul>	<ul style="list-style-type: none"> <li>We are supporting the adoption of sustainable practices across primary industrial and tertiary sectors. This strategy mitigates the risk of power shortages and drought, ensuring consistent production capacity regardless of external utility challenges.</li> </ul>
		<ul style="list-style-type: none"> <li>These measures directly address physical risks by reducing reliance on rain-fed agriculture and diversifying revenue streams beyond traditional crops, especially in the agribusiness portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>While primarily a physical risk mitigation, 'Smart Agriculture' serves as a transition strategy by lowering the carbon footprint of production and production costs.</li> </ul>	<ul style="list-style-type: none"> <li>We view renewable energy and Climate Smart Agriculture financing not merely as compliance measures, but as engines for portfolio growth.</li> </ul>

The table below outlines the Group's anticipated responses to key climate-related risks and opportunities, including chronic drought and rainfall variability, carbon pricing and input cost pressures, and the expansion of green financing solutions. It provides a structured view of expected business model adaptations, as well as the direct and indirect mitigation and adaptation measures to be implemented.

The table further highlights the associated funding strategies, capital allocation considerations, and resourcing requirements necessary to support these actions. This includes investments in risk management capabilities, product innovation, client engagement, and data and analytics enhancements to strengthen climate risk integration.

Collectively, these actions demonstrate how the Group intends to embed climate considerations across its core business activities, including lending, investment, underwriting and portfolio management. They also reflect the Group's commitment to strengthening its risk management practices, enhancing resilience, and advancing its sustainable finance strategy, while supporting clients in transitioning towards more sustainable and climate-resilient business models.

	Chronic Drought/ Rainfall Variability	Carbon Pricing and Inputs	Green Financing Products
Anticipated Business Model Adjustments for CRRO's	<ul style="list-style-type: none"> <li>Transitioning from general working capital to 'climate-smart' credit contingent on climate smart agriculture practices.</li> </ul>	<ul style="list-style-type: none"> <li>Integrating 'Input Efficiency' scoring into credit reviews to favour clients with climate related risk ratings.</li> </ul>	<ul style="list-style-type: none"> <li>Launching Green Finance solutions, shifting from passive lending to a core enabler of the energy transition</li> </ul>
Direct Mitigation and Adaptation Efforts	<ul style="list-style-type: none"> <li>Prioritising facilities for water infrastructure to secure client production cycles.</li> </ul>	<ul style="list-style-type: none"> <li>Financing Localised Sourcing of organic inputs to reduce reliance on carbon-intensive raw materials.</li> </ul>	<ul style="list-style-type: none"> <li>Structuring long-term sustainable finance facilities, matching loan tenures to asset lifespans.</li> </ul>
Indirect Mitigation and Adaptation Efforts	<ul style="list-style-type: none"> <li>Promoting conservation agriculture and soil water retention, e.g. through technical advisory and employees led farmer engagement.</li> </ul>	<ul style="list-style-type: none"> <li>Encouraging Precision Nutrient Management (Variable Rate Application) to reduce fertilizer-related emissions per hectare.</li> </ul>	<ul style="list-style-type: none"> <li>Enabling clients to move towards building energy resilience and security.</li> </ul>
Enabling clients to move towards building energy resilience and security.	<ul style="list-style-type: none"> <li>Mobilising and allocating capital from sustainable funding sources.</li> <li>Upskilling employees to better structure and fund sustainable projects</li> </ul>	<ul style="list-style-type: none"> <li>Mobilising Transition Finance for hard-to-abate projects.</li> <li>Raising funds through structured sustainable finance instruments.</li> </ul>	<ul style="list-style-type: none"> <li>Issuing Green Bonds; partnering with international financiers in the sustainable finance and impact investment space.</li> </ul>

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## Climate Scenario Analysis

The Group conducted climate scenario analysis focused on its agricultural lending portfolio, recognising agriculture as the sector that is most exposed to physical climate risks, particularly in relation to drought, temperature variability, and water availability.

The scenario analysis was anchored on both global and regional transition pathways, incorporating the Paris Agreement-aligned 1.5°C and 2°C scenarios, alongside national agro-ecological zoning frameworks and emerging regional carbon pricing mechanisms, including potential Carbon Tax and Green Levy regimes affecting agricultural imports. These transition assumptions were used to evaluate potential impacts on production costs, competitiveness, and borrower resilience.

Macroeconomic assumptions underpinning the analysis reflected commodity price volatility across key agricultural segments, including grains and horticulture, as well as inflationary pressures on imported inputs such as fertiliser, fuel, and equipment. The assessment also considered the evolving cost of capital, including potential differentiation between carbon-intensive ("brown") and climate-aligned ("green") agricultural investments, which may influence financing conditions and asset valuations over time.

The analysis further incorporated country-specific and regional variables, including:

- Historical rainfall and temperature patterns across Zimbabwe's Natural Regions
- Import cost data sourced from the Zimbabwe Revenue Authority (ZIMRA)
- National dam levels and groundwater availability, to assess irrigation capacity and water security

Additionally, energy related assumptions reflected the current reliance on grid electricity supplied by ZESA and diesel-powered backup generation, while also incorporating the Group's strategic transition pathway to increase solar energy adoption to 30% by 2035. This transition is expected to mitigate energy cost volatility, reduce carbon intensity, and enhance operational resilience.

In addition, the scenario analysis incorporated technology adoption pathways aimed at enhancing climate resilience and resource efficiency.

These included:

- Solar-powered irrigation systems,
- Advanced borehole drilling and water management solutions,
- Weather-indexed insurance products to mitigate climate variability risks, and
- Precision agriculture technologies to improve input efficiency and yield optimisation

Overall, this comprehensive and forward-looking scenario analysis enables the Group to better understand the potential financial, operational, and credit risk implications of climate change on its agricultural portfolio. It supports risk informed lending decisions, portfolio rebalancing, and the development of targeted adaptation and mitigation strategies, while positioning the Group to support clients in transitioning towards more climate-resilient and sustainable agricultural practices.

The table below, thus outlines the approach and outcomes from the scenario analysis.



	CRRO	Scenario Used	Diversity of Scenarios	Scenario Assessment of Business Resilience
Physical Risk (Chronic)	Chronic Drought/ Rainfall Variability	<ul style="list-style-type: none"> <li>IPCC RCP 4.5 (<math>\approx 2^{\circ}\text{C}</math>) and RCP 8.5 (<math>&gt;3^{\circ}\text{C}</math>) rainfall projections; Regional meteorological data; Agro-ecological zoning models.</li> </ul>	<ul style="list-style-type: none"> <li>Moderate (<math>2^{\circ}\text{C}</math>) and severe (<math>&gt;3^{\circ}\text{C}</math>) warming pathways;</li> <li>Short (0–5 years), Medium (5–10 years),</li> <li>Long term (10–20 years) horizons.</li> </ul>	<ul style="list-style-type: none"> <li>Assesses exposure to rainfall decline and variability impacting crop yields, livestock feed, irrigation demand and agricultural credit performance.</li> <li>Supports strategic diversification into drought-resistant crops, livestock, and water security investments, strengthening long-term portfolio resilience.</li> </ul>
Transition Risk (Policy and Regulatory)	Carbon Pricing and Inputs	<ul style="list-style-type: none"> <li>IEA Net Zero 2050 scenario;</li> <li>Carbon price sensitivities (USD 25–100/tCO<sub>2</sub>e);</li> <li>Policy transition scenarios.</li> </ul>	<ul style="list-style-type: none"> <li>Low, moderate and accelerated decarbonisation pathways;</li> <li>Medium–Long term horizon (5–20 years).</li> </ul>	<ul style="list-style-type: none"> <li>Evaluates impact of rising fertilizer, fuel and energy costs on margins and borrower repayment capacity.</li> <li>Informs promotion of precision farming, smart agriculture and low-carbon input optimisation to protect profitability and credit quality under tightening climate policy.</li> </ul>
Transition Opportunity (Market)	Green Financing Products	<ul style="list-style-type: none"> <li>Net Zero 2050 sustainable finance projections;</li> <li>Paris climate finance mobilisation pathways;</li> <li>DFI green funding frameworks.</li> </ul>	<ul style="list-style-type: none"> <li>Moderate and accelerated green finance uptake scenarios;</li> <li>Medium–Long term horizon (5–20 years).</li> </ul>	<ul style="list-style-type: none"> <li>Assesses growth potential in sustainable financing.</li> <li>Enhances revenue diversification, reduces borrower energy cost exposure, strengthens ESG positioning and improves strategic resilience in a transitioning economy.</li> </ul>



CBZH Group CEO, Lawrence Nyazema, Group CFO, Joel Makombe and Group Chief Marketing & Customer Experience Officer, Matilda Nyathi, pause for a photo with officials from Tsapo at the launch of the EVs and Hybrid Vehicles Pilot Test.

## Metrics and Targets

The Group's metrics and targets provide a structured and consistent basis for monitoring, managing, and reporting on its climate-related risks and opportunities, in alignment with global standards. These indicators facilitate the measurement of performance over time, enable the tracking of progress against the Group's strategic climate objectives, and enhance the transparency and comparability of climate-related disclosures.

Collectively, the metrics and targets support informed decision making, strengthen accountability, and reinforce the integration of climate considerations into the Group's broader sustainability strategy and enterprise risk management framework.

To support the development of practical and achievable targets, the Group undertook a pilot assessment of electric and hybrid vehicles during the period under review. The results indicated positive outcomes in terms of emissions reduction potential, demonstrating the viability of transitioning to lower-carbon alternatives within the Group's operations. However, the assessment also highlighted higher upfront capital costs compared to conventional vehicle models, underscoring the need to balance environmental benefits with financial considerations in future target setting and capital allocation decisions.



During the period under review, the Group affirmed 2024 as its baseline year and, notwithstanding identified data limitations, established interim emissions reduction targets. These targets will be reviewed on a bi-annual basis to ensure alignment with evolving best practices, regulatory expectations and the Group's long-term decarbonisation pathway.

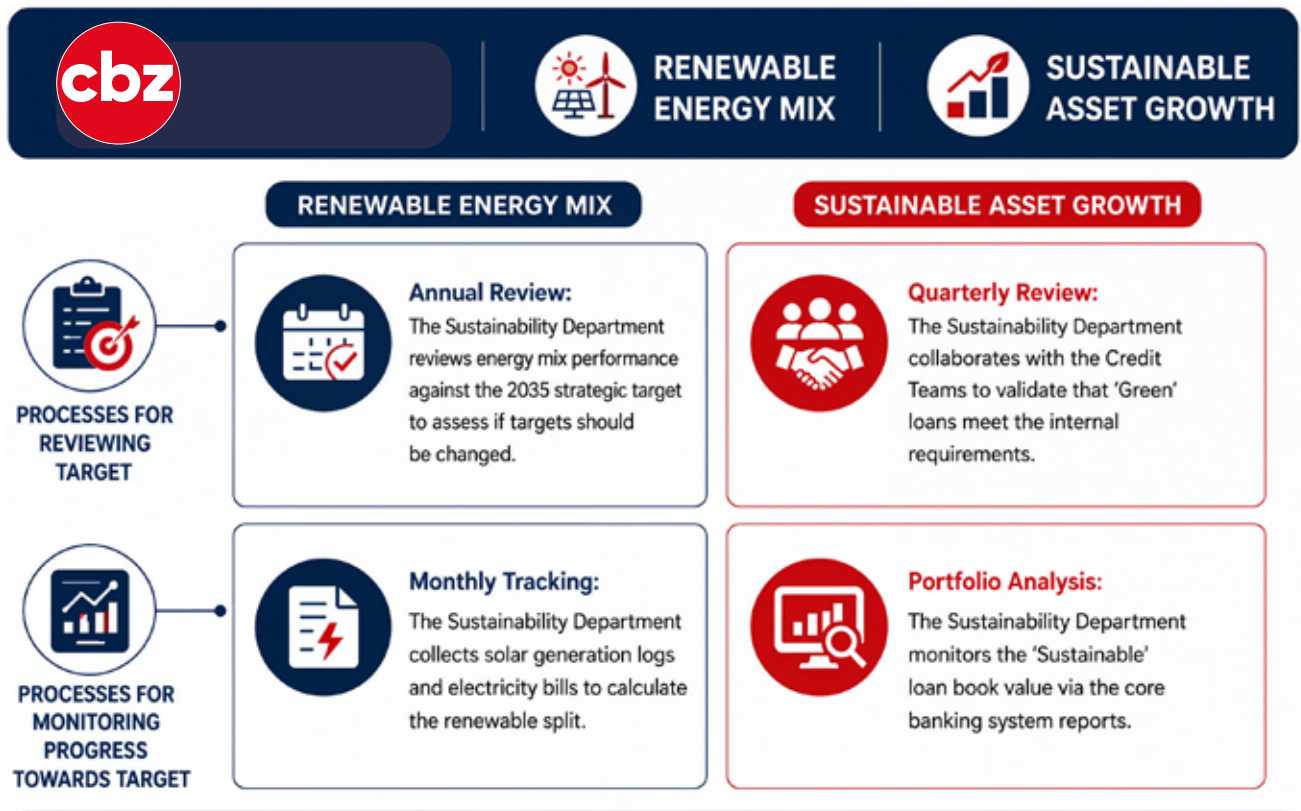
	Scope 1 Emissions	Scope 2 Emissions	Scope 3 Emissions
<b>Total Emissions in tCO2 Equivalent (2024 - Baseline)</b>	1 291	437 (Partial Coverage)	2 474 (Staff commuting partly covered). 15 412 (Estimated financed emissions from the Bank's lending portfolio)
<b>Annual Emission Reduction Target</b>	4.2% from 2024 baseline	4.2% from 2024 baseline	2.5% for staff commuting. 3.0 for financed emissions.
<b>Results</b>	Achieved a 21% annual reduction in 2025.	Recorded 14% increase in Scope 2 emissions to 499 tCO2 due to increased data coverage in 2025.	Achieved a 20% decline in staff commuting related emissions. However, future progress depends on pace of national transition towards climate smart transport systems and infrastructure.

The Group's climate-related targets are structured across key focus areas that reflect its strategic priorities in advancing sustainability and strengthening resilience. These target areas include renewable energy mix and sustainable asset growth, which provide a framework for tracking progress and driving performance in line with the Group's climate objectives.

	Renewable Energy Mix	Sustainable Asset Growth
<b>Target</b>	Achieve 30% Renewable Energy mix by 2035.	Achieve 30% of total sustainable assets portfolio by 2035.
<b>Metric Used</b>	% of Renewable energy (Solar vs Total).	% of Portfolio classified as Sustainable Assets.
<b>Objective of the Target</b>	Reduce reliance on Electricity/ Generator to lower Scope 1 & 2 emissions.	Grow the sustainable assets portfolio to mobilise transition finance.
<b>Applicability to CBZ Holdings</b>	Entity-wide (Operational Control)	Financed Portfolio (Scope 3)
<b>Target Period</b>	2035	2035
<b>Base Period for Target</b>	2024	2024
<b>Milestones and Interim Targets</b>	The Group's purchased electricity data did not achieve full coverage during the reporting period, which limited the ability to comprehensively determine the energy mix. Notwithstanding this constraint, the Group increased its renewable energy generation to 465,646 kWh, driven by additional solar installations and enhanced data capture processes.	The Group aims to increase the proportion of sustainable assets within its portfolio to 15.0% by 2028. In 2026, it will conduct detailed portfolio assessments and upgrade its management information systems to improve the identification, monitoring, and reporting of use-of-proceeds across lending, investment, and underwriting decisions.
<b>Target Alignment with International Standards</b>	Aligned with SDG 7 (Affordable and Clean Energy) and informed by the NDC goals for emission reduction.	Aligned with Green Loan Principles (LMA) and IFRS S2 Climate Resilience guidance.
<b>GHG Gases covered by the target</b>	CO2	CO2
<b>Scope of Emissions covered</b>	Scope 1 and Scope 2 Gross Emissions (Absolute Reduction).	Gross (Portfolio Re-alignment).

### Monitoring and Review

The Group established processes for ongoing monitoring and periodic review of its climate-related metrics and targets to ensure continued relevance, accuracy, and alignment with strategic objectives. This enables timely assessment of progress, identification of emerging gaps, and continuous improvement in the integration of climate considerations into decision-making and reporting.



With respect to the revision of targets, the Group acknowledges that its data, methodologies, and analytical capabilities are still evolving, while the implementation of climate-related actions and interventions remains at an early stage of maturity.

Accordingly, no revisions to existing targets were made during the period under review. The Group will continue to enhance its data quality, measurement approaches, and monitoring systems to support more robust target setting and future recalibration, as its climate risk management and sustainability practices mature.

Furthermore, the insights obtained from the EVs and Hybrid Vehicles pilot tests will also inform the Group's refinement of its climate-related metrics, targets, and transition pathways, as it continues to strengthen its data, methodologies, and implementation capabilities.





# CLIMATE ACTION

Climate action is a central pillar of the Group's sustainability agenda, reflecting its commitment to contributing to a low-carbon, climate-resilient future. The Group recognises its dual role as both an operator and a financial intermediary in supporting the transition to a more sustainable economy.

Accordingly, the Group is committed to reducing its environmental footprint through responsible resource management and operational efficiency, while actively enabling its customers and communities to transition to sustainable and climate-resilient pathways. This includes supporting the adoption of low-carbon technologies, promoting sustainable business practices, and facilitating access to green and transition finance solutions.

Through these efforts, the Group aims to create long-term shared value, strengthen resilience, and play a meaningful role in advancing sustainable development.

Strategic Priorities	Strategic Goals
<ul style="list-style-type: none"> <li>Contribute towards attainment of climate goals.</li> </ul>  	<ul style="list-style-type: none"> <li>100% E&amp;S screening of all lending, investment and underwriting transactions.</li> <li>Structural shift in balance sheet to 30% green assets by 2035.</li> <li>Annual reductions in operational emissions.</li> <li>Annual reductions in financed emissions intensity and absolute financed emissions.</li> </ul>

Energy Efficiency	Greenhouse Gas Emissions
<ul style="list-style-type: none"> <li><b>Total Electricity Consumption:</b> 2,214,246 kWh</li> <li><b>Renewable Energy Generation and Usage:</b> 465,647 kWh</li> </ul> <p><b>Capital Impacted:</b></p> 	<ul style="list-style-type: none"> <li><b>Scope 1 Emissions:</b> 1,018,000 kgCO<sub>2</sub></li> <li><b>Scope 2 Emissions:</b> 499,000 kgCO<sub>2</sub></li> <li><b>Scope 3 Emissions:</b> 1,972,000 kg CO<sub>2</sub> (Employee Commuting).</li> </ul> <p><b>Capital Impacted:</b></p> 



## Energy Efficiency

Electricity remains a key enabler of the Group's core activities, underpinning branch operations, data centre functionality, customer service delivery and workplace management, including lighting, heating and cooling across the organisation. The Group also uses fossil fuels to support employee transportation, operational logistics, and the running of standby generators during periods of power supply interruptions.

In line with its commitment to climate action, the Group is progressively expanding the use of energy sources across its operations. In fact, during the period under review, the Group increased its renewable energy generation to an estimated 465 647kWh following installations of solar systems at 11 additional sites.

These initiatives are designed to supplement energy supply, enhance operational resilience amid grid instability and reduce the Group's carbon footprint. Through these measures, the Group aims to improve energy efficiency, lower its operational carbon footprint and support the broader transition towards a cleaner and sustainable energy mix, while ensuring continuity and reliability of service delivery.

The Group will continue to advance its sustainability agenda by embedding sustainability principles into its operations. This includes increased adoption of renewable energy solutions, collaboration with clean energy providers, and the implementation of energy efficient practices across offices, data centres, and facilities. Smart metering and data analytics will increasingly be utilised to monitor energy consumption and identify opportunities for efficiency improvements, while digital solutions will be leveraged to reduce paper use and optimise energy demand. We will further align our financial services with environmental objectives through the provision of green loans that support renewable energy projects, energy efficient infrastructure upgrades, and other sustainable initiatives. We will also promote ESG focused investment products and explore opportunities in the sustainable finance capital markets to finance low carbon and climate resilient projects.

To extend the impact of its sustainability efforts, CBZH actively engages customers through awareness initiatives and incentives that encourage the adoption of sustainable energy solutions, reinforcing the Group's commitment to a greener, more inclusive, and resilient future.

## GOALS

1



**IMPROVE ENERGY EFFICIENCY.**

...

2



**REDUCE CARBON FOOTPRINT.**

...

3



**PROMOTE SUSTAINABLE FINANCE.**

...

4



**TOTAL ENERGY MONITORING.**

...

5



**PROMOTE RENEWABLE ENERGY ADOPTION.**

...

6



**PROMOTE GREEN LOGISTICS.**

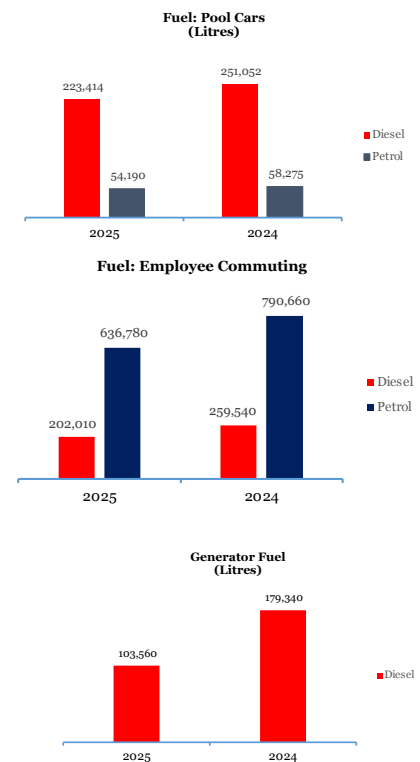
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**Our evaluation system is summarised below:**

<b>Monitoring System</b>	<ul style="list-style-type: none"> <li>Monthly Logistics/ Administration reviews</li> <li>Daily monitoring of usage</li> </ul>
<b>Targets and KPIs</b>	<ul style="list-style-type: none"> <li>Our energy efficiency targets are currently under development and will be progressively refined as data availability, quality, and measurement capabilities improve.</li> </ul>
<b>Progress</b>	<ul style="list-style-type: none"> <li>Increased renewable energy usage to 465 647kWh in 2025.</li> <li>Enhanced energy efficiencies at all branches and sites that were fitted with solar energy systems.</li> </ul>

**Meanwhile, our energy consumption for the period under review was follows:**



Indicator	Unit	2025	2024
Electricity	kWh	2,214,246	1,936,289
Solar Energy	kWh	465,647	149,000

Diesel consumption for generators declined by 42.3%, representing a significant reduction in Scope 1 emissions. The decline largely reflected reduced load shedding intensity, hence increased grid usage, as well as increased investment in renewable energy power generation in 2025, compared to 2024. In fact, renewable energy utilisation increased by 212.5%, indicating a clear structural shift in the Group's energy mix, driven by the successful deployment and scaling of onsite solar systems. Grid electricity consumption increased by 14.4%. However, when assessed alongside the substantial reduction in generator use, this increase is operationally efficiency neutral and primarily attributable to reduced load shedding and improved data coverage across facilities.



**GreenHouse Gas (GHG) Emissions**

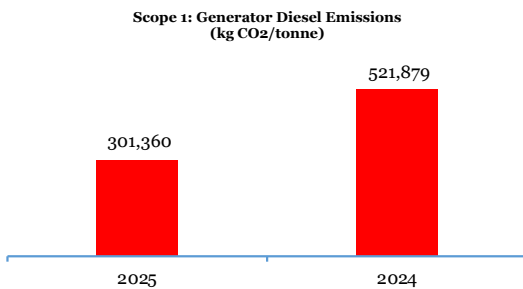
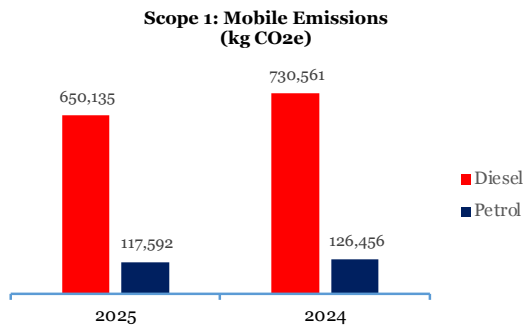
The Group monitors and tracks emissions from stationary and mobile sources as part of its commitment to reducing hydrocarbon fuel consumption. The Group's emissions categories are summarised below:

- **Scope 1 Emissions (Direct Emissions):** These emissions arise directly from sources owned or controlled by CBZ Holdings, including stationary sources such as generators used as back up power at some of our branches and mobile sources such as pool vehicles used in day-to-day operations.
- **Scope 2 Emissions (Indirect Emissions):** These emissions result from the consumption of electricity generated by third parties in our offices and properties, excluding the emissions from the electricity supplier. The data for our purchased electricity and related emissions primarily refers to electricity consumed through the national grid via the national power utility.
- **Scope 3 Emissions (Other Indirect Emissions):** These emissions arise from activities not directly controlled by the Group, but related to its operations, including business travel, financing employee commuting, investment procurement of goods and services and other value chain activities. The data presented in this report partially covers employee commuting, specifically where this is facilitated through staff fuel allocations.

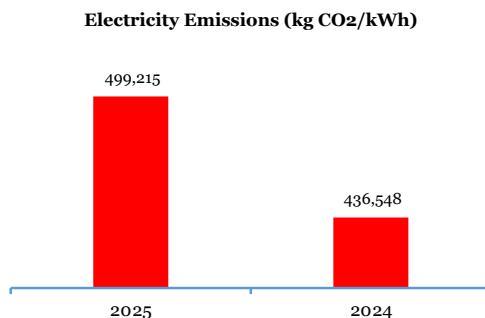
**Emission Factors and Methodology**

Scope 1, 2 and 3 emissions were calculated based on CBZH's energy consumption, using emission factors from the Greenhouse Gas (GHG) Protocol. Petrol emissions were adjusted downward by 5% to reflect ethanol blending in Zimbabwe, while the emission factor for grid electricity was increased by 10% to account for the national energy mix of thermal and hydropower generation.

Our scope 1 emissions for the reporting period were as follows:

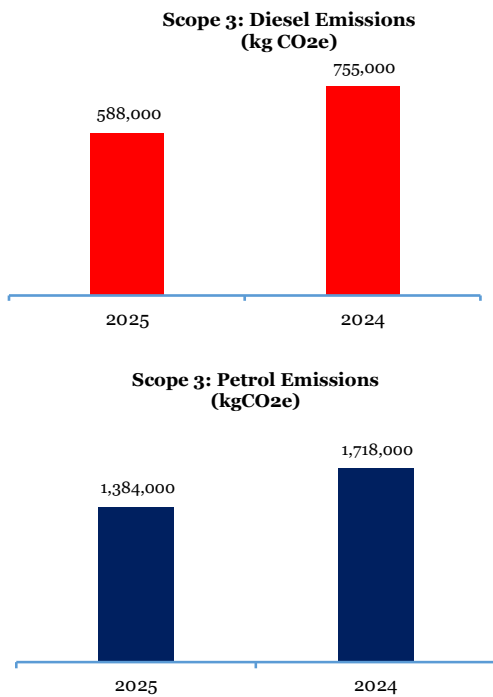


Our scope 2 emissions for the period under review was as follows:



The increase was primarily driven by both an expansion in data coverage and higher electricity consumption from the grid, largely attributable to reduced load shedding during the period.

**Our scope 3 emissions for the period under review were as follows:**



**Low Emission Development Strategy**

As global expectations increasingly shift toward lowcarbon development, we recognise our responsibility to reduce greenhouse gas emissions, strengthen climate resilience, and contribute to a more sustainable economy.

In line with this commitment, we achieved a 21% reduction in Scope 1 operational emissions in 2025, relative to our 2024 baseline. This decline was largely attributable to a 42% decline in generator related emissions, reflecting reduced reliance on backup power due to improved grid electricity availability, as well as increased investment in renewable energy solutions. Further contributing to this outcome were early gains from operational efficiency improvements and the initial impact of our electric vehicle (EV) and hybrid vehicle pilot programmes, which have begun to reduce fossil fuel consumption across our fleet.

Meanwhile, Scope 2 emissions increased in 2025, primarily due to higher grid electricity consumption. This trend reflects reduced load shedding by the national utility and enhanced data coverage across our operations. In the short term, Scope 2 emissions are expected to rise further as data completeness improves. However, over the medium to long term, we anticipate a gradual deceleration as we transition toward renewable energy as the primary source of operational power.

With respect to Scope 3 emissions, our focus during the year remained on expanding data coverage across key categories, particularly employee commuting and financed emissions. While commuting related emissions declined by 20%, this figure currently reflects only fuel allocations provided by the Group. As data coverage improves and the organisation grows, this metric is expected to increase in the short to medium term. Its effective

management will also depend on broader national progress in adopting climate smart transport solutions. In relation to financed emissions, the Group became a member of the Partnership for Carbon Accounting Financials (PCAF). This strategic step enables us to address the current limitations in client level emissions data by applying recognised methodologies to measure emissions across our lending, investment, and underwriting portfolios. This marks a critical milestone in strengthening our climate risk management and disclosures.

Climate change also presents material risks to our loan portfolio, particularly in sectors exposed to physical climate impacts. Increasingly frequent and severe droughts can negatively affect agricultural productivity, reducing clients' capacity to meet repayment obligations. In response, we began integrating climate resilience considerations into our lending strategy, including increased financing for irrigated agriculture and drought resistant crop varieties.

Our medium-term objective is to progressively transition our balance sheet toward more resilient and climate aligned asset portfolios, positioning the Group to better withstand emerging climate risks while supporting sustainable economic development.

**The following are our policies, goals and targets for the reporting period under review:**

<b>Policies</b>	<ul style="list-style-type: none"> <li>Responsible Banking Policy (CBZ Bank)</li> <li>Responsible Investment Policy (Datvest)</li> <li>Sustainability Policy (CBZH)</li> </ul>
<b>Processes</b>	<ul style="list-style-type: none"> <li>Procurement Department reviews fuel logs and electricity bill every month and shares them with Sustainability Department to track progress.</li> </ul>
<b>Goals</b>	<ul style="list-style-type: none"> <li>Transition our operations towards a low carbon development pathway.</li> </ul>
<b>Targets</b>	<ul style="list-style-type: none"> <li>Reach at least 30% renewable energy in our total energy mix by 2035.</li> <li>Reach 30% sustainable assets mix by 2035.</li> </ul>
<b>KPIs</b>	<ul style="list-style-type: none"> <li>Total tonnes of CO<sub>2e</sub> emitted.</li> <li>Percentage of renewable energy used.</li> <li>Value of green products financed in our loan and investment books.</li> </ul>
<b>Progress</b>	<ul style="list-style-type: none"> <li>Increased solar energy generation to 465 000 kWh in 2025.</li> </ul>



**Climate Strategy and Resilience**  
**Insurance Cluster**

**Protecting Tomorrow: Climate Risk in Action**

The Insurance Cluster continues to play a pivotal role in strengthening climate risk management and resilience across Zimbabwe by developing tailored risk transfer solutions that support households, businesses, and the public sector in adapting to the growing impacts of climate change. Through a combination of innovative insurance products, strategic partnerships, and advisory services, the Cluster addresses critical climate-related risks, including drought, extreme weather events, and environmental degradation, thereby enhancing both economic and social resilience.

Within the agriculture sector, the Cluster expanded access to weather index insurance solutions. These solutions provide timely, parametric payouts linked to predefined weather indicators such as rainfall levels. This reduces farmers' vulnerability to drought and rainfall variability while improving recovery capacity following climate shocks. CBZ Holdings Limited has been instrumental in scaling these initiatives, leveraging its extensive stakeholder ecosystem through CBZ Agroyield to drive adoption and impact.

In the extractive sector, the cluster has actively supported mining clients through the provision of environmental impairment liability insurance. This coverage mitigates financial risks associated with pollution, land degradation, and other environmental impacts, while simultaneously incentivising improved environmental management practices and strengthening compliance with regulatory and sustainability standards. Collectively, these

interventions demonstrate the Insurance Cluster's effective integration of climate risk considerations into product design and service delivery, advancing climate adaptation and resilience across strategically important sectors of the economy.

Looking ahead, we remain committed to strengthening our role as a catalyst for sustainable development by de-risking investments and projects across the economy, thereby enabling the flow of capital into climate resilient and low carbon sectors. Our approach focuses on enhancing risk transfer mechanisms, deepening technical underwriting capabilities, and embedding climate considerations across our insurance solutions to support long term economic stability and resilience.

In line with this strategic direction, the insurance cluster joined the Nairobi Declaration on Sustainable Insurance (NDSI). This reflects our intention to align with leading continental frameworks on sustainable insurance, while strengthening our internal capacity to identify, assess, and manage emerging environmental, social, and climate related risks.

Through this platform, we aim to accelerate innovation in sustainable insurance products, expand partnerships, and broaden market reach, positioning the Insurance Cluster as a key enabler of Zimbabwe's transition to a more resilient, inclusive, and low carbon economy.



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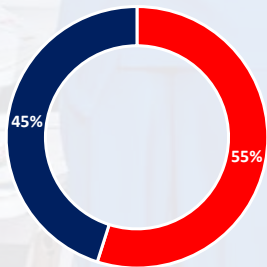


# THRIVING PEOPLE

## Our Human Capital Framework

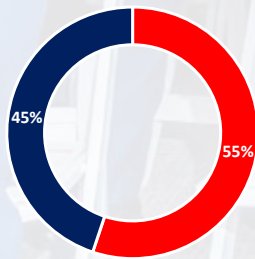


Total Employees  
(Headcount)



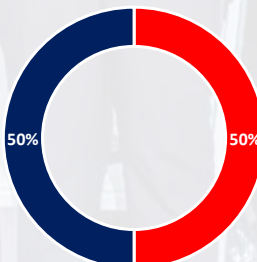
■ Male ■ Female

Permanent Employees  
(Headcount)



■ Male ■ Female

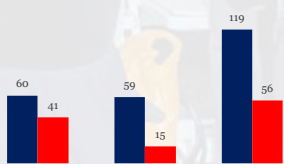
Temporary Employees  
(Headcount)



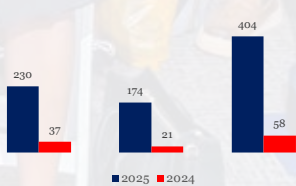
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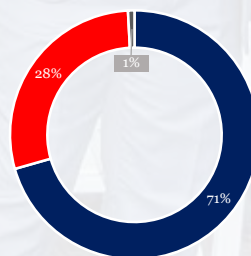
Employee Hire



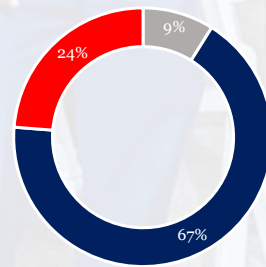
Employee Turnover



Employee hire by Age (Headcount)



Employee Turnover by Age (Headcount)



# Our Human Capital Framework



At CBZ Holdings, our people remain at the heart of our business, shaping our culture, driving innovation, and delivering on our promise to build a sustainable financial services powerhouse. In 2025, our Human Capital function continued to advance the Group's strategic priorities through a deliberate focus on talent attraction, development, and engagement, while also responding to the evolving needs of a multi-generational workforce.

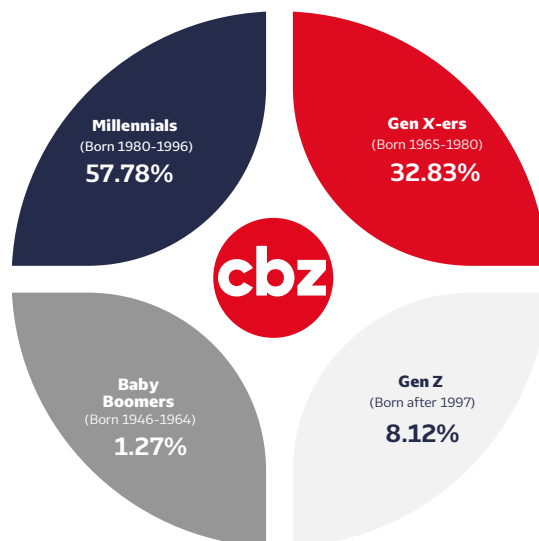
### A Multi-Generational Workforce Driving Transformation

Our workforce is a reflection of Zimbabwe's generational mosaic. A key interest is our generational diversity with Millennials (1981 – 1996) remaining the dominant cohort at 57.78% underscoring their role in driving transformation, innovation and leadership development, Gen X (1965 – 1980) accounted for 32.83% great for leadership stability and institutional knowledge and our budding and growing Gen Z (1997 – 2012) representation of 8.12% which signals a growing pipeline of emerging talent. Baby Boomer's (1946 – 1964) constituted 1.27% of our staff as they continue to offer mentorship and strategic perspective. This generational diversity positions the Group to leverage experience, innovation and continuity while ensuring long-term sustainability through effective succession planning.

### Gender Representation: Progress and Intentional Action

In 2025, the Human Capital Division reaffirmed its gratitude to our staff, who remain the cornerstone of CBZ's success and the driving force behind our transformation journey. Following the restructuring exercise, we prioritised stabilising the organisation by accelerating talent acquisition and successfully filling critical roles across the business. Male employees accounted for 55% of the workforce, while 45% were female, reflecting the Group's ongoing commitment to fostering a more gender-balanced and inclusive workplace.

### Our Multi-Generational Workforce



### Gender Representation:





## Building Tomorrow's Leaders Today

During 2025, the Group successfully inducted approximately 47 students in January 2025 and 141 Student Enhancement Experiential Development (SEED) student attachees in September 2025, reaffirming CBZ's commitment to developing young talent and strengthening the future workforce pipeline. The induction programme provided a structured introduction to the organisation, its values, ethical standards, and performance expectations. With many initiatives surrounding innovation and performance, we look forward to cultivating bright and powerful leaders of tomorrow.

### Learning Culture: Equipping a Future-Ready Workforce

At the heart of our people strategy is a firm commitment to continuous learning as a catalyst for growth, innovation, and operational excellence. In 2025, we deepened our learning culture by expanding access to LinkedIn Learning across the Group, ensuring that every employee can benefit from a world-class digital platform offering a wide range of on-demand courses. This initiative empowers employees to drive their own development in key areas such as leadership, digital transformation, financial acumen, and customer experience.

Additionally, employees were continually enrolled on KnowBe4, the group's digital learning platform that aids employees safeguard against cybersecurity.

In addition, we actively fostered learning communities and encouraged job family training to knowledge sharing, cultivating a collaborative and agile learning environment that accelerates both individual capability and organizational performance.

PROGRAM	2025	2024
SEED	188	146
TOPP	23	15



## Life After Employment

The Group's continued pension contributions play a vital role in building sustainable retirement income, supporting financial stability after employees retire. These contributions demonstrate the Group's dedication to the long-term welfare of its employees and underscores the value of preparing for financial security in the future. Our financial contributions to pensions schemes totalled ZWG 35.5 million.

### Employee Relations

Structured employee representation through internal bodies and Trade Unions play a critical role, as it enables engagement on matters of mutual interest that directly impact operations. When managed well, these relationships foster positive and collaborative interactions, support open communication on business and strategic issues, and contribute significantly to employee motivation and productivity. Conversely, poor employee relations can harm service delivery to customers and third parties, damage our reputation, and attract negative publicity. Neglecting employee concerns may lead to low morale and dissatisfaction; thus, line managers and Human Capital Business Partners continuously monitor employee relations and act promptly to address any issues.

<b>Goals</b>	Maintain a stable and productive employee base.
<b>Policies</b>	We have Group Human Resources Policies that emphasises the importance of open and mutual communication and engagements in adherence to: <ul style="list-style-type: none"> <li>• Labor Act (Chapter 28:01)</li> <li>• Protocol of 2014 to the Forced Labour Convention 1930 as ratified by the Zimbabwean Government.</li> </ul>
<b>Actions Taken</b>	<ul style="list-style-type: none"> <li>• Open door policy on issues and concerns impacting on employees.</li> <li>• Regular employee briefings and business update meetings by Group Executive Management.</li> <li>• Regular Works Council meetings.</li> </ul>
<b>Targets</b>	<ul style="list-style-type: none"> <li>• Quarterly Works Council Meetings/Engagements.</li> </ul>
<b>KPIs</b>	<ul style="list-style-type: none"> <li>• Number of resolved/closed issues.</li> <li>• Number of complaints received.</li> <li>• Employee Engagement Index score.</li> </ul>
<b>Capital Impacted</b>	

### Parental Leave

In accordance with the Labour Act [Chapter 28.01], female employees are entitled to 90 days of maternity leave. Parental leave statistics for the period under review were as follows:



## Collective Bargaining Agreements (CBA)

We acknowledge that CBA plays a critical role in fostering stable labour relations, ensuring equitable treatment of employees, and enhancing business predictability. The implementation of stable employee remuneration structures enhances employee cost management and improves employee motivation. There are risks of strained industrial relations if employee needs are not met either for financial remuneration or professional development. Labour disputes can result in labour strikes which can cause down times and lost revenue. As a group we therefore strive to ensure our employees are remunerated fairly and we keep an open channel of communication to address their needs.

The Group is a member of the Bank Employers Association of Zimbabwe (BEAZ) that engages the Trade Union, Zimbabwe Banks and Allied Workers Union (ZIBAWU) in coming up with sector Collective Bargaining Agreements for the banking sector. Further, employees working within the insurance cluster participate in CBA in line with the provisions of S152 of the Labour Act. We strive to comply with the provisions of the Labour Act [Chapter 28:01] and appropriate statutory instruments related to wages and working conditions.

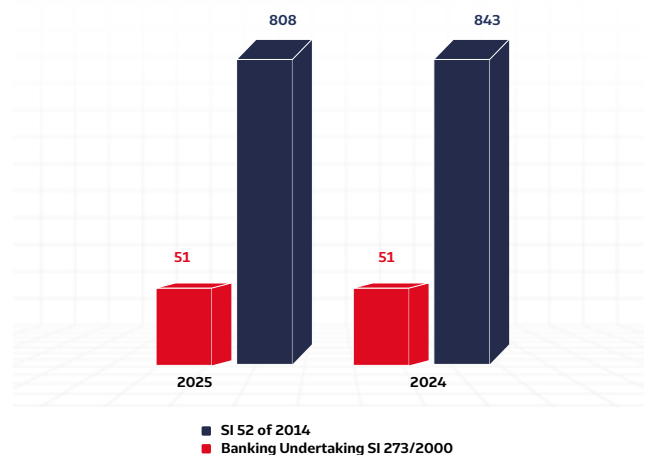
<b>Goals</b>	<ul style="list-style-type: none"> <li>Stable industrial relations.</li> </ul>
<b>Actions Taken</b>	<ul style="list-style-type: none"> <li>Negotiations grounded in economic indicators and business performance.</li> <li>Interim cost of living adjustments and discretionary interventions.</li> <li>Implementing remedial interventions outside the sector level platform through the internal Works Council platform.</li> </ul>
<b>Processes</b>	<ul style="list-style-type: none"> <li>Stakeholder feedback is provided through the number of signed Collective Bargaining Agreements and/or declared deadlocks in wage negotiations and the intended legal remedies to address the impasse.</li> </ul>
<b>Targets</b>	<ul style="list-style-type: none"> <li>Quarterly Works Council Meetings/Engagements.</li> </ul>
<b>KPIs</b>	<ul style="list-style-type: none"> <li>Number of signed Collective Bargaining Agreements per Negotiating cycle.</li> <li>Number of attended Collective Bargaining Meetings.</li> <li>Percentage compliance to payment of the Minimum wages for the negotiating period.</li> </ul>

Collective Bargaining is guided by principles of fairness, evidence-based negotiation, business performance, and the social cushioning of employees.

Key stakeholders, including the Bankers Association of Zimbabwe (BAZ) as the principal, are engaged early to obtain and guide the sector's wage mandate and are continuously consulted throughout the negotiation process to ensure alignment across Group. Effective and consistent information flow between all parties, including informal engagement with Trade Unions to understand labour expectations, plays a vital role in building consensus, fostering transparency, and ensuring successful, stable, and constructive negotiations. CBA for the period under review was as follows:



Collective Bargaining Agreement Head Count



## Expertise and Skills Development

As CBZ, we recognise that enhanced career mobility and succession readiness stem from ongoing talent development, while continuous learning strengthens our organisational culture. Increased internal promotion rates helps in reducing external recruitment costs, and our strengthened employer brand continues to attract high potential talent. We acknowledge the importance of upskilled employees in improving adaptability to market changes and aligning individual capabilities with our strategic business needs. However, we are aware of adverse impacts that can arise, such as training fatigue or overload during high-pressure periods, inequitable access to learning opportunities for remote or frontline employees, and budget constraints that may limit the reach and inclusivity of programmes. Talent attrition following significant training investments due to external poaching or career mobility is also a concern. We also recognise that if learnings are not tailored to the needs of our employees, we may incur training costs that do not bring a long-term benefit.

To support sustainable performance, CBZH established a fully-fledged Talent Development function backed by an annual budget to build capabilities across all employee levels. Backed by structured stakeholder engagement, the Group conducts an annual training needs and skills gap analysis to ensure continuous learning aligns with evolving business priorities and market trends. While robust systems are in place, the Group proactively manages the risk of potential skills shortages or misalignments to nurture a highly skilled, future-ready workforce.

The Group's training and education initiatives include:

- Rotating learning schedules to avoid overload during peak work seasons.
- Expanding access via online platforms and blended delivery to reach dispersed teams.
- Evaluating training needs through feedback.
- Developing catch-up learning programmes for underserved segments.
- Integrating training metrics into performance management dashboards.

<b>Policies</b>	<ul style="list-style-type: none"> <li>• Talent Development Policy.</li> <li>• Performance Management Policy.</li> <li>• Promotions and Lateral Moves Policy.</li> </ul>
<b>Goals</b>	<ul style="list-style-type: none"> <li>• Build a skilled, future ready employee base aligned with CBZ strategic goals.</li> </ul>
<b>Targets</b>	<ul style="list-style-type: none"> <li>• 100% training needs analysis.</li> <li>• 100% training attendance.</li> <li>• 100% post training evaluation.</li> </ul>
<b>KPIs</b>	<ul style="list-style-type: none"> <li>• Training attendance.</li> <li>• Training needs analysis.</li> <li>• Internal Promotion Rate.</li> </ul>
<b>Progress</b>	<ul style="list-style-type: none"> <li>• Training hours and participation targets for Q1 and Q2 were met or exceeded.</li> <li>• Expanded learning library and course access through LinkedIn Learning.</li> </ul>

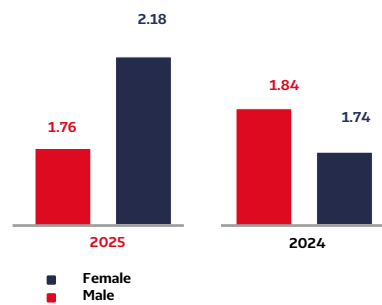
The Group is enhancing its monitoring and reporting of training participation

by department, gender, and employee level. We implemented signature programmes such as SEED, TOPP, alongside rolling out LinkedIn Learning to promote self-paced, personalised learning paths.

As part of our continuous improvement, we acknowledge the need for contextualised content and have begun leveraging internal subject matter experts and co-creating programmes with business units. We introduced a training calendar synchronised with business cycles to avoid capacity clashes, and we hold strategic alignment sessions with Heads of Departments to tailor learning priorities and approaches that have proven effective in addressing specific departmental needs. Average employee training hours for the period under review was as follows:



Average employee training hours



### Our Culture Transformation

We set the tone for our culture transformation journey by placing employee engagement at the center of our efforts. Under Phase 1 of The CBZ Way, focus group engagements created space for open dialogue, enabling employees to share their experiences, shape the cultural narrative, and define the future we aspire to build together. This collective input has anchored our commitment to a values-driven culture, one grounded in

- Trust
- Teamwork
- Respect,
- Responsibility
- Innovation

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# Employee Wellness: Supporting the Whole Person



Employee wellbeing remained a priority through initiatives such as the Women’s Breast Cancer High Tea during Breast Cancer Awareness Month in October 2025 and the CBZ Men Cave focusing on prostate cancer awareness in November 2025. These initiatives promoted holistic wellbeing, inclusion, and psychological safety.

The Group also dominated the physical wellness front both nationally and internationally. The athletics team conquered the track as they participated in the Comrades Marathon. Locally, CBZ emerged as reigning champions at the annual Interbank Competitions where we secured 8 Gold medals, 9 Silver medals and 10 Bronze medals which ultimately had the Bank placing 1st out of all the banks.

### The Road Ahead

In 2026, the Group seeks to focus on advancing the next phases of The CBZ Way, strengthening leadership capability, deepening digital enablement, and sustaining employee wellbeing. These priorities will support a resilient, future-ready, and people-centered organization.

By aligning strategic workforce planning with values-driven leadership, we aim to go beyond creating a great workplace, developing a high-performing workforce that is well-positioned to influence and transform the future of financial services in Zimbabwe and beyond.





## Employee Health & Safety



**Occupational Health & Safety Management System:** The Safety, Health & Wellness System of CBZ Holdings Ltd and its Subsidiaries (The Group) is designed to foster a secure work environment, mitigate potential safety and health risks and always prioritize the well-being of employees. The OSH System applies to all employees within the Group, including CBZ Holdings Limited, CBZ Bank Ltd, CBZ Capital, CBZ Life, CBZ Insurance, CBZ Risk Advisory Services, CBZ Asset Management (DATVEST), CBZ Properties, Redsphere Finance and other workers who are not directly employed by CBZ Holdings. The Zimbabwean government oversees Occupational Health & Safety through the National Social Security Authority (NSSA).

Key OSH regulations in Zimbabwe that apply to CBZ Holdings:

- Factories & Works Act of 1996 and its regulations,
- RGN 262 - RGN 264, RGN 278 of 1976,
- Electrical Regulation,
- SI 287 of 1982,
- NSSA (S.I. 68 of 1990) and Workers Compensation, Scheme,
- Hazardous Substances & Articles Act Chapter 15:05,
- Public Health Act of 1925 and amended 1970,
- Labour Act (Chapter 28:01)

### CBZ Holdings' joint management-worker health and safety Committee

CBZ Holdings has an established formal joint management-worker health and safety committee. The committee is made up of Health, Safety & Wellness representatives, a representative from the Premises & Projects Department and a representative from the Premises Security & Risk Department. It is led by the Employee Safety, Health & Wellness Coordinator. The role of a Health and Safety Committee is to identify and assess workplace hazards and actively contribute to the creation and execution of initiatives aimed at safeguarding the well-being and security of employees. Meetings are held on a quarterly basis and workplace safety assessments are conducted monthly.

### Hazard Identification, Risk Assessment and Incident Investigation

#### Identification of work-related hazards and assessment of risks:

A standard Health & Safety Practices & Housekeeping Inspection Form assesses work stations, kitchens, ablution facilities and yard areas. Trained Employee Wellness Champions carry out these

inspections monthly. Results are consolidated by Employee Safety, Health & Wellness Coordinator, who ensures identified hazards are eliminated. CBZ Properties and Employee Safety, Health and Wellness Champions carry out scheduled inspections and maintenance to ensure that Mechanical and Electrical installations are in sound state. Such inspections are conducted quarterly or as the situation demands. Separately, Group Risk Management assesses the adequacy of firefighting equipment at all buildings including branches during their routine visits.

#### Reporting of work-related hazards and hazardous situations:

Employee Wellness Champions are informed about work-related hazards and are committed to address them through established channels. The policy provides protection for employees who take charge and make the executive call to remove themselves from a hazardous situation. Effective participation from both management and staff is crucial for the success of safety, health, wellness and environmental matters. Employees take ownership of their work environment and promptly notify management of any equipment issues or hazardous conditions in their workstations. Management then escalates these matters to CBZ Properties. Additionally, there is a dual reporting system in place with the Loss Control and Security Department for the purpose of servicing and maintaining fire extinguishers and ensuring the security of emergency exit routes.

#### Removing workers from hazardous situations:

Wellness Champions and Fire Marshalls have the authority to communicate with the leader of the Strategic Business Unit (SBU) and provide recommendations for necessary actions to be taken to prioritize the well-being of our employees and safeguard our valuable assets and equipment. Emergency Evacuation procedures are thoroughly taught to all employees and prominently displayed in each SBU.

#### Occupational Health Services:

The Group does not gather personal medical health information from personnel. To get treatments, employees contact their preferred medical practitioner and use their medical insurance coverage. Medical practitioners keep medical health records while respecting patient-doctor confidentiality. Counselling cases handled by the resident therapist adhere to counsellor-client confidentiality. In circumstances that need further referrals, the client's permission is requested to contact professionals to resolve the issue. Medical records for workers treated by a Group-appointed doctor stay with the attending physician, who solely provides advice and direction.

**Promotion of Worker Health**

**Employee Healthcare Access:** CBZH facilitates access to healthcare through its Medical Aid Schemes, which provides cover for employees, spouses, and eligible children for general medical care and chronic disease treatment. Employees benefit from workplace counselling services, psychological support, HIV programmes, and ongoing wellness education. Trained First Aiders and established referral processes ensure prompt access to external healthcare when needed. In addition, CBZH offers voluntary wellness programmes that include HIV/AIDS education, chronic disease awareness, psychological counselling, and general health education. These services are accessed through workplace awareness sessions, support groups, counselling platforms, and partnerships with medical aid providers. Free condoms, health information materials, and regular wellness campaigns further support employees by addressing both work-related and non work-related health risks.

**Prevention and Mitigation of OH&S Impacts Directly Linked to Business Relationships:**

CBZH requires all contractors and visitors to comply with its OHS rules, emergency procedures, PPE requirements, and safety protocols while onsite to prevent hazards associated with external parties. Contractors are required to commit in writing to adhering to CBZH's safety standards, including fire safety measures, hazard control practices, and wellness requirements. Their activities are monitored through inspections, oversight by SHE representatives, and periodic safety audits to ensure risks are properly identified and controlled. Visitors are guided by CBZH's evacuation and emergency procedures, helping to minimise risks arising from external interactions.

# You Deserve More for Your Loyalty!

Your CBZ Bank account now offers FREE Funeral cover and Hospital cash back, because your loyalty deserves more.

Account Type	FREE Cover Amount
Ordinary Account	Funeral Cover of \$200 Hospital Cash Back of \$20 per day
Prime Account	Funeral Cash of \$500 Hospital Cash Back of \$40 per day
Private Account	Funeral Cash of \$1000 Hospital Cash Back of \$80 per day

For more information, call our contact center on 460



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## Building Sustainable Communities

CBZ Holdings is committed to creating lasting value in the communities where we operate. Through targeted initiatives, we aim to address key social, environmental, and economic challenges, enhancing the quality of life for the communities in which we serve.



## Empowering Communities

We contribute towards sustainable community development by supporting initiatives that promote social and economic well-being. We recognise the importance of inclusive growth and strive to create opportunities that empower individuals and communities to thrive. Through targeted programmes and strategic partnerships, we focus on building resilience, enhancing livelihoods, and leaving a long-term positive impact. Our approach is rooted in collaboration, ensuring that development efforts are responsive to community needs and aligned with broader sustainability goals.

### Corporate Social Investment

The Group continued to advance positive socio-economic outcomes through its structured Corporate Social Responsibility (CSR) programmes. These initiatives, primarily implemented through the CBZ Foundation and in partnership with reputable non-governmental organisations (NGOs), delivered measurable benefits to communities across Zimbabwe. The Group's CSR focus is on strengthening access to health care and education services for rural and underserved populations, particularly in areas where infrastructure and service delivery were historically limited.

Despite these contributions, the Group acknowledges certain inherent risks. Uneven geographical distribution of CSR initiatives may result in perceptions of imbalance across provinces. In some instances, delays in fund disbursement affect the timely execution of urgent interventions. Reputational risks may arise if partner organisations fail to uphold ethical standards or do not deliver programmes as expected.

To manage these risks and strengthen the effectiveness of CSR programmes, CBZH implemented the following measures:

- CSR Partner Vetting Process to assess the legitimacy, capacity, governance standards, and strategic alignment of all applicant organisations.
- Closely monitoring programme implementation through mid-project reviews and requirements for photographic and documentary evidence to verify progress.
- Establishing community feedback and grievance mechanisms to enable real-time engagement and capture beneficiary input.
- Conducting a reassessment of existing NGO partnerships to ensure continued alignment with CBZH's values, restructuring support or exiting partnerships where performance standards were not met.
- Use the Donations and Sponsorships Policy as a guiding framework to ensure all supported initiatives align with the Group's strategic CSR focus areas.
- Conducting regular internal audits and programme evaluations through the Group Internal Audit function.

### Advancing Sustainable Development Goals (SDGs)

#### Sustainable Development Goals

CBZ Holdings Limited (CBZH) adopts a focused and impact driven approach to the Sustainable Development Goals (SDGs), embedding SDG priorities within its Corporate Social Responsibility (CSR) strategy to address Zimbabwe's most pressing social and developmental challenges.







This approach is anchored in supporting vulnerable communities, advancing social inclusion, and creating long term shared value for stakeholders through targeted interventions and strategic, multi stakeholder partnerships. By aligning its initiatives with clearly defined impact areas, the Group ensures that its social investments deliver measurable and sustainable outcomes.

The Group's SDG prioritisation is guided by a comprehensive assessment of Zimbabwe's socio economic landscape, stakeholder expectations, and alignment with national development frameworks, including the National Development Strategy II (NDS II). It is further informed by CBZH's capacity to leverage its financial, operational, and partnership strengths to drive meaningful change.

Accordingly, the selected priority SDGs represent areas where the Group can maximise its impact and influence, addressing critical community needs while contributing to inclusive growth, resilience, and sustainable development outcomes at both national and regional levels.



The table below highlights CBZH's indirect economic impacts and the link to priority SDGs for the reporting period:

SDG	Key CSR Initiatives	Observed Impact
	<ul style="list-style-type: none"> <li>Celebration Health surgical support.</li> <li>Donations to Chikurubi Female Prison.</li> <li>CBZ Marathon.</li> <li>Partnership with Operation of Hope for Cleft Lip and Palate Surgeries.</li> </ul>	<ul style="list-style-type: none"> <li>23 disadvantaged children received life-changing surgeries.</li> <li>Improved hygiene, maternal and infant health for female inmates and children.</li> <li>2,250 participants engaged in national wellness promotion.</li> <li>64 patients impacted.</li> </ul>
	<ul style="list-style-type: none"> <li>School fees sponsorship for vulnerable girls.</li> <li>Learner transport support via Makomborero Trust.</li> </ul>	<ul style="list-style-type: none"> <li>Increased access to education at primary, secondary, tertiary and vocational levels.</li> <li>Improved school attendance and retention for disadvantaged learners.</li> </ul>
	<ul style="list-style-type: none"> <li>Donation of reusable sanitary towels to girl learners.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced absenteeism among girls.</li> <li>Improved menstrual health, dignity, and participation in education.</li> </ul>
	<ul style="list-style-type: none"> <li>Support to orphans, disadvantaged children, inmates, and marginalised communities.</li> </ul>	<ul style="list-style-type: none"> <li>Improved access to health, education, and basic needs for vulnerable groups.</li> <li>Reduced social and economic exclusion.</li> </ul>
	<ul style="list-style-type: none"> <li>Community-based CSR partnerships.</li> <li>National sporting and social events.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened community cohesion and resilience.</li> <li>Enhanced social infrastructure and community engagement.</li> </ul>
	<ul style="list-style-type: none"> <li>Collaboration with NGOs, trusts, schools, hospitals, and public institutions.</li> </ul>	<ul style="list-style-type: none"> <li>Scalable and sustainable CSR delivery.</li> <li>Increased reach, effectiveness, and shared value creation.</li> </ul>

## CBZ 2025 CORPORATE SOCIAL RESPONSIBILITY INITIATIVES



### CBZ 2025 Marathon

CBZ runners cross the finish line during the 2025 Marathon, completing their race with determination and pride.

CBZ Holdings continued to focus on sustainable, responsible CRS initiatives, achieving high standards in health, education, philanthropy, and sporting and wellness, aimed at supporting vulnerable communities. During the year, inclusive projects were implemented to further the socio-economic status of the underprivileged populations in Zimbabwe. The Group continued creating long-term value for its stakeholders, who comprise investors, customers, employees, suppliers, and the communities in which it operates. Key initiatives included a partnership with Celebration Health in providing free surgeries to disadvantaged communities, and this enabled 23 children to receive surgery at Harare Children's Hospital.

CBZ partnered with Tariro, Hope & Health for Zimbabwe's Orphans Trust, by paying school fees for academic support. The organization provides mentoring, career guidance, HIV/AIDS awareness, and feminine hygiene support. School fees pay for underprivileged girls across primary, secondary, tertiary, and vocational-technical levels for 2025. Additionally, we continue to support Makomborero Trust, a charity restoring dignity and hope through education by sponsoring running costs for its student bus, which ferries the learners to and from the different schools where they learn. CBZ hosted the 2025 Annual CBZ Marathon at the Old Georgians Sports Club in Harare, where about 2,250 athletes from across the country competed in races ranging from 5 km, 10 km, 21.1 km, and the main 42.2 km race. The event was also attended by elite runners as a qualifier for the Two Oceans Marathon and Comrades Marathon. CBZ hosts

the marathon event to align its brand with these positive attributes, helping to "unfreeze" a potentially rigid corporate image and present itself as a more trustworthy and friendly entity.

Some of the initiatives that were done during this period included donating reusable sanitary towels to girls' learners in low-income communities as a transformative initiative that addresses critical issues, such as promoting education by reducing absenteeism and dropping out of school and improving academic performance. CBZ donated reusable pads to Enterprise Primary School and Masimbe Secondary School in Shamva.





CBZ donated reusable pads to the girl learners at Masimbe Secondary School in Shamva, and they were happy to receive these gifts

### Enterprise Primary School Reusable Pads Donation



Some of the learners who benefited from the reusable pads' donation pose with CBZ Officials.

The Headmaster of Enterprise Primary School -Mr. Chifanzwa, and the Group Chief Marketing & Customer Experience Officer.

CBZ Holdings, as a 'Partner for Success,' entity, collaborated with the Zimbabwe Prisons and Correctional Services (ZPCS) in their thrust, which encourages community and multi-sectoral involvement to improve inmate well-being by donating to Chikurubi Female Prisons, addressing the basic needs of women and children. They donated the following items: reusable sanitary pads, bathing towels, vaseline, washing soap, toothbrushes, toothpaste, slippers, plastic buckets (15 litres), cotton hats for babies, track suits for babies, cotton wool, baby socks, cooking oil, washing powder, and baby diapers.



# RESPONSIBLE OPERATIONS

We recognise that our operational choices influence environmental performance, employee well-being, and stakeholder trust. Through continuous improvement and adherence to best-practice standards, we aim to operate with integrity while creating long-term value.

### Strategic Priorities

- Digitalling our operations
- Sustainable procurement that supports local suppliers
- Adopting circular economy principles

### Strategic Goals

- Grow sustainable operations/portfolio to 30% by 2035
- Adopt a digital first approach
- 100% screening of suppliers

**CIRCULAR ECONOMY AND RESOURCE MANAGEMENT**

**WATER**  
Water Deliveries: **645 m<sup>3</sup>**

**WASTE**  
Liquid Waste Generated: **73,750 m<sup>3</sup>**

**GREEN BUILDINGS**

- Green-Certified Buildings: **No certified buildings yet.**
- Energy-Efficient Buildings: **No rated buildings yet.**

CAPITAL IMPACTED: NATURAL CAPITAL
 CAPITAL IMPACTED: HUMAN AND FINANCIAL CAPITAL

**SUSTAINABLE FINANCE AND RESPONSIBLE BANKING**

**TRANSACTIONS PROCESSED DIGITALLY:**  
**82%**

**AVERAGE TRANSACTION PROCESSING TIME:**  
**3.02 minutes**

**NEW DIGITAL PRODUCTS LAUNCHED:**  
**13**

**6** CLEAN WATER AND SANITATION

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION

**15** LIFE ON LAND

**CUSTOMER RIGHTS AND PROTECTION**

**Data Breaches Reported:** **0**

**Customer Complaints Received:** **10 254**

**Customer Complaints Resolved Within SLA:** **9 048**

**FINANCIAL INCLUSION**  
New Accounts Opened: **53 868**

Capital Impacted: Human and Intellectual Capital

**PROPERTY MANAGEMENT**

**Total Properties:** **154**

**Owned vs Leased:** **28% / 72%**

**Property Valuations Conducted:** **1116**

**Safety Incidents in Properties:** **0**

Capital Impacted: Manufactured Capital

### Ethical Sourcing

- Suppliers Screened for ESG Risks: **0**
- Local Supplier Spend: **80%**
- Procurement Spend: **ZWG1.7b**
- Suppliers Terminated for Non-Compliance: **0**

Our approach to ethical sourcing began to meaningfully evolve during the period under review, following the introduction of the Group Sustainability Policy, which embeds responsible procurement practices into our operations. The Group continues to prioritise local sourcing, with 80% of procurement spend directed to local supplier spending, thereby supporting local economic development and strengthening domestic value chains.

In instances where specialised solutions are not readily available within the local market, particularly in relation to core ICT systems, the Group sources directly from international vendors to ensure operational resilience and technological efficiency. Notwithstanding this, these arrangements are structured to incorporate local participation, with most international providers maintaining partnerships with local vendors to deliver firstline support and maintenance services.

This evolving approach reflects the Group's commitment to balancing operational excellence with responsible sourcing, while promoting inclusive economic growth, building local capacity, and enhancing the sustainability of its supply chain. We will continue to embed ESG principles into our value chain practices going forward.

#### Capitals Impacted:



### Circular Economy and Transition



#### Water

We recognise that our financing and investment decisions can indirectly contribute to water scarcity and pollution, particularly when supporting water intensive projects or industries with poor environmental practices. Contracting suppliers that lack effective water management can further exacerbate these issues. Even when not directly responsible, our relationships through supply chain financing, client engagements, or investment portfolios may link the Group to significant water-related impacts. Excessive or unmanaged water use can harm local communities by limiting access to clean water, potentially infringing on human rights, while also degrading ecosystems, polluting water sources, and threatening biodiversity.

Our internal operations, such as those at the Boat House, may contribute to these risks if not carefully managed. In response, we are committed to conducting thorough water risk assessments, optimising water use across our operations and implementing sustainable water management practices. These efforts not only protect aquatic ecosystems and reduce environmental harm, but also improve operational efficiency, lower costs, and strengthen community relationships such as provision of borehole schemes to ensure employees have access to safe, clean water.

The Group is implementing measures to strengthen the monitoring and management of water consumption across its operations.

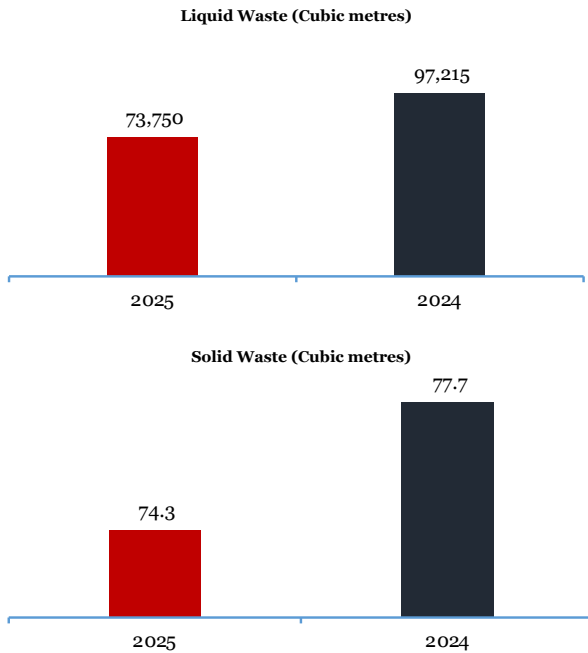


#### Waste

CBZH recognises that its operations and business relationships may cause or contribute to negative environmental impacts, particularly through waste generation and management practices. The Group generates various waste streams, including carbon emissions, hazardous materials, and electronic waste, as part of its daily activities, while inefficient processes can lead to excess and avoidable waste. Environmental impacts may arise indirectly through suppliers with weak waste management practices and through the Group's products and services, such as motor vehicles and houseboats, particularly where end of life management is inadequate.

In response, CBZH continues to strengthen its environmental sustainability efforts through targeted waste management practices. These include the provision of waste separation bins, engagement of cleaning contractors to support responsible waste handling, regular emissions reporting. The Group continues to focus on reducing waste generation, increasing recycling and reuse, and recovering resources where possible. Ongoing monitoring, transparent reporting, and stakeholder engagement support continuous improvement and alignment with longterm sustainability objectives.

Our waste generated for the reporting period was as follows:



Estimated solid waste decreased by 4.4%, from a 77.7 tonnes to 74.3 tonnes, mainly due to improved procurement practices, reduced material use, and operational efficiencies. However, waste volumes will continue to be influenced by business activity levels and are partly based on estimates.

**Sustainable Finance**

**Green Financing and Investment**

We continue to advance environmental sustainability and climate resilience through our financing and investment activities across the Group. Key initiatives include renewable energy financing, particularly solar lending solutions, as well as climate smart agriculture programmes that promote drought resistant crop varieties, conservation farming practices, and water efficient irrigation systems. These are complemented by agricultural insurance solutions designed to strengthen resilience against climate related shocks and vulnerabilities, as well as derisk and catalyse investments.

The expansion of green lending and climate resilient finance presents a significant opportunity for the Group to support climate adaptation and mitigation initiatives as well as inclusive economic growth, while aligning its portfolio with emerging sustainability priorities.

However, the Group recognises that exposure to carbon intensive and climate vulnerable sectors may give rise to environmental and climate related risks. These include potential contributions to environmental degradation, greenhouse gas emissions, and heightened transition, credit, and reputational risks, particularly where ESG considerations are not fully integrated into decision making processes.

To address these risks, the Group developed its first Environmental and Social Management System (ESMS) and E&S Risk Screening Tool, aligned with the IFC Performance Standards. These frameworks facilitate the systematic identification, assessment, measurement and management of environmental and social risks

arising from financing and investment activities, while also supporting the implementation of appropriate risk mitigation, transfer, and avoidance measures.

The rollout of the ESMS framework commenced with the banking subsidiary, given its relatively higher environmental and social risk exposure. The Group plans to extend the ESMS across all subsidiaries between 2026 and 2027, thereby strengthening enterprise wide integration of sustainable finance principles and enhancing the resilience of its overall portfolio.

Our policies and commitments are as follows:

<b>Policies</b>	<ul style="list-style-type: none"> <li>Group Sustainability Policy.</li> <li>Environmental and Social Risk Management (ESRM) Framework.</li> <li>Responsible Banking Policy.</li> <li>Responsible Investment Policy.</li> <li>Climate Risk Management Policy.</li> </ul>
<b>Commitments</b>	<ul style="list-style-type: none"> <li>Support sustainable and climate-resilient economic development.</li> <li>Integrate ESG and climate risk across all financing and investment decisions.</li> <li>Expand green finance products including renewable energy and sustainable agriculture financing.</li> <li>Strengthen climate resilience through insurance and risk advisory solutions.</li> </ul>
<b>Goals</b>	<ul style="list-style-type: none"> <li>Increase financing of green and climate-resilient projects across the Group.</li> <li>Reduce exposure to high-carbon-intensive sectors over time.</li> <li>Strengthen ESG integration across all subsidiaries.</li> </ul>
<b>Targets</b>	<ul style="list-style-type: none"> <li>Growth in sustainable/green finance portfolio year-on-year.</li> <li>Progressive inclusion of ESG screening in 100% of new corporate lending.</li> <li>Development of green financial products across at least 3 subsidiaries.</li> </ul>
<b>KPI's</b>	<ul style="list-style-type: none"> <li>Value of green finance loans and investments.</li> <li>Percentage of portfolio screened for ESG risk.</li> <li>Exposure to high-emission sectors.</li> <li>Number or value of green financing activities.</li> </ul>
<b>Progress</b>	<ul style="list-style-type: none"> <li>100% of lending transactions above US\$500 000 screened for E&amp;S risks.</li> <li>Became a member of the PCAF in-order to advance measurement of financed emissions.</li> </ul>

As mentioned above, the Group made significant progress in strengthening the integration of ESG considerations into its credit and investment decision making processes, enhancing risk identification, management, and alignment with sustainable finance principles. This contributed to improved awareness of sustainability related risks across the lending and investment portfolio.

In parallel, the Group also actively positioned its subsidiaries to participate more effectively in sustainable finance by delivering targeted capacity building programmes on sustainability and climate finance, aimed at deepening technical expertise and embedding ESG considerations across business operations.

Notwithstanding this progress, challenges remain, particularly in relation to ESG data availability, internal capacity constraints, and the development of robust measurement frameworks to accurately quantify financed emissions and broader sustainability impacts.

Addressing these gaps remains a key priority as the Group continues to strengthen its sustainable finance architecture.

Ongoing engagement with regulators, investors, development finance institutions, and clients continues to inform and refine the Group's approach to green and sustainable finance. These engagements are driving enhanced transparency, continuous policy improvement, and closer alignment with evolving global ESG standards and stakeholder expectations, positioning the Group to deliver more measurable and credible sustainability outcomes over time.

### Responsible Lending

Our lending activities continue to support business growth, including within the SME segment, contributing to local economic development and job creation. Through personal, SME, and corporate lending, we expanded access to finance and improved customer livelihoods, while a strong credit policy framework enhanced risk discipline and portfolio quality. Fair and responsible lending practices promote equitable access to credit. However, stricter credit standards, introduced in response to evolving risk conditions, may limit funding opportunities for higher risk customer segments.

Looking ahead, the expansion of ESG focused lending including renewable energy, climate smart agriculture, and sustainable enterprises offers an opportunity to support long-term sustainable development while diversifying the loan portfolio. Increased financing of community-based initiatives, such as affordable housing and education, alongside tailored solutions for women-led businesses, can advance social inclusion and economic participation. Integrating ESG considerations into credit assessments further strengthens risk management, while access to green financing solutions may attract impact-oriented investors and support sustainable balance sheet growth.

#### Our policies, goals and targets are as follows:

<b>Policies</b>	Responsible Banking Policy Credit Policy
<b>Targets</b>	<ul style="list-style-type: none"> <li>100% screening of all loans against the Exclusion List.</li> <li>100% E&amp;S Screening of all qualifying loans.</li> <li>15% of total portfolio dedicated to 'green' and 'social impact' loans by 2028.</li> <li>100% of high-risk clients monitored annually for ESG compliance.</li> <li>Establish grievance mechanisms across all lending divisions by end of 2025.</li> <li>E&amp;S Due Diligence for all high risk projects.</li> </ul>
<b>KPI</b>	<ul style="list-style-type: none"> <li>Percentage of loans screened for ESG risks quarterly.</li> <li>Number of financial literacy and inclusion programs done annually.</li> <li>Volume of sustainable project loans disbursed semi-annually.</li> <li>Number of grievance cases received and resolved quarterly.</li> <li>Percentage of high-risk borrowers audited annually.</li> <li>Reduction in NPL (Non-Performing Loans) ratio semi-annually.</li> <li>Customer satisfaction score (credit services) annually.</li> </ul>

#### Progress

- During the period under review, we strengthened our stakeholder management framework by incorporating formal grievance management mechanisms to enhance responsiveness, transparency, and accountability in stakeholder engagement.
- In parallel, we launched our Environmental and Social Management System (ESMS), with a phased implementation approach. As part of this rollout, 100% of lending transactions above US\$500,000 are now subject to environmental and social (E&S) risk screening, marking a significant step toward embedding sustainability considerations into lending decisions.
- Looking ahead, we have set clear targets to extend E&S risk screening to 100% of all qualifying transactions by 2030 under the enhanced ESMS. This progressive expansion will further strengthen the integration of ESG principles into core business processes, improve risk management, and support the transition toward a more sustainable and responsible lending portfolio.

### Operational Efficiency in Transaction Processing Time

Reducing transaction processing times improves operational efficiency and enhances the customer experience, enabling the Group to handle higher transaction volumes, strengthen customer satisfaction, and support greater financial inclusion. While system maintenance and downtime present potential risks to service continuity and reputation, particularly for time sensitive transactions, the Group continues to manage these challenges proactively. Enhanced monitoring tools, realtime tracking, and regular audits are used to ensure that transaction completion aligns with agreed Service Level Agreements (SLAs). Feedback from operations, IT, and customer service teams further supports the timely identification and resolution of system inefficiencies, contributing to smoother operations and improved responsiveness.

#### Our evaluation system is summarised below:

<b>Targets</b>	<ul style="list-style-type: none"> <li>Limit system downtime due to transaction processing issues to less than 0.5% per quarter.</li> <li>Achieve a system uptime of 70% or higher.</li> </ul>
<b>KPI</b>	<ul style="list-style-type: none"> <li>% System down time.</li> <li>% of transaction processing issues.</li> </ul>
<b>Moni- toring System</b>	<ul style="list-style-type: none"> <li>Real time tracking.</li> <li>Regular audits.</li> </ul>

### Product and Service Innovation and Digitalisation

We are advancing our competitiveness and long-term sustainability through a strengthened focus on product and service innovation. The Group uses a hybrid model to better coordinate innovation efforts, streamline governance, and accelerate the delivery of strategic initiatives. By prioritising in-house digital engineering, we are enhancing our ability to rapidly design and deploy customer-centric digital products, reduce development costs, and retain ownership of critical intellectual property. The shift toward automation, digitised processes, and omnichannel service delivery is improving customer experience, operational efficiency, and market responsiveness. At the same time, we remain mindful of potential risks such as digital exclusion, cybersecurity threats, and organisational adjustment pressures. Through responsible innovation, strong risk oversight, and collaborative partnerships with fintech's, regulators, and technology providers, we aim to deliver inclusive, secure, and impactful solutions that support the evolving needs of customers and the broader financial ecosystem.

# Upcoming Prime Agro Residential Plots Available in Chegutu!

CBZ Properties offers 2-hectare plots just 6km north-east of Chegutu CBD, easily accessible via the Chegutu–Chinhoyi Road.

**\$2.85 per sqm**

- Cash
- 30% deposit, balance up to 31 December 2026 and a once off 3% admin fee on the balance amount.

**\$3 per sqm**

- 30% deposit, balance over 12 months at 12% interest per annum
- 30% deposit paid over 3 months, balance over 9 months at 12% interest per annum

Gravel roads and stormwater drainage.

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[cbzpsales@cbz.co.zw](mailto:cbzpsales@cbz.co.zw)



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Our evaluation system is summarised below:

<b>Goals</b>	<ul style="list-style-type: none"> <li>Establish CBZ as the leading digital financial services provider in Zimbabwe.</li> <li>Build a fully functional in-house innovation and development capability.</li> <li>Achieve seamless, secure, customer centric, end to end digital experiences across all business units.</li> </ul>
<b>Targets</b>	<ul style="list-style-type: none"> <li>70% of new products developed or enhanced internally by 2027.</li> <li>60% customer transactions moved to digital channels by FY2026.</li> <li>Reduce product development cycle time by 30% by FY2025.</li> <li>Achieve 90% cyber maturity score by FY2026.</li> <li>Train at least 500 employees in innovation, agility, and digital literacy.</li> </ul>
<b>KPIs</b>	<ul style="list-style-type: none"> <li>% of digital transactions vs branch transactions.</li> <li>Time-to-market for innovation projects.</li> <li>Customer satisfaction and digital NPS.</li> <li>System uptime and cybersecurity incident rate.</li> <li>Number of internally developed products.</li> <li>Innovation pipeline throughput and delivery velocity.</li> </ul>

During 2025, our executive leadership actively engaged with branch teams across the network, creating opportunities to express appreciation and directly interact with our customers. These engagements provided valuable insights into customer experiences, expectations, and evolving needs.

This initiative represents a critical step in strengthening our customer-centric approach, enabling the systematic incorporation of client feedback into product design, development, and service



Geoffrey Mutauro, CBZ Bank Private Banking, and CBZH Group Chief Legal & Governance Officer, Rumbidzai A Jakanani chat with a Client during the Customer Service Week.



Group Chief Strategy & Transformation Officer, Nkosana Ndllovu and Group Chief Information Officer, Thabo Ndlela, receive customer feedback through our Contact Centre during the Customer Service Week.

### Safeguarding Customer Rights and Interests

#### Customer Privacy and Data Protection

Protecting customer privacy and data security is a core priority for CBZ Holdings Limited. It is fundamental to maintaining trust and confidence in an increasingly digital financial environment. Strong data protection practices support wider adoption of digital banking, enhance financial inclusion, improve customer retention, and reduce reliance on paper based processes. At the same time, CBZH recognises that as services move online, concerns around data privacy, security controls, and third party data sharing must be carefully managed to maintain a positive customer experience.

To mitigate these risks, CBZH applies industry standard encryption to sensitive customer data both in transit and at rest and requires multifactor authentication for access to online and mobile banking services. The Group conducts annual security audits and compliance checks, with most systems already encrypted and full coverage targeted by 2025. CBZH strengthens oversight of third party vendors by limiting, monitoring, and regularly reviewing access to customer information. These measures are supported by customer awareness initiatives, multiple service support channels, and real-time analytics to monitor system activity and security incidents, ensuring robust data protection and sustained trust in the Group's digital platforms.

**The following were policies, goals and targets for the reporting period:**

<b>Policies</b>	<ul style="list-style-type: none"> <li>Data Protection and Privacy Policy</li> <li>Information Security Policy</li> <li>Cybersecurity Risk Management Framework</li> <li>Third-Party Risk Management Policy</li> </ul>
<b>Process</b>	<ul style="list-style-type: none"> <li>We manage customer privacy through an integrated data protection and information security framework covering the full data life-cycle, including collection, processing, storage, transmission, and deletion of customer information. Technical and organisational measures include encryption of sensitive data, robust access controls, and mandatory multifactor authentication for digital banking channels.</li> <li>Oversight is supported by annual information security audits, compliance reviews, and continuous system monitoring to detect and respond to privacy or security incidents. Thirdparty service providers with access to customer data are subject to due diligence, contractual data protection obligations, and periodic reviews. Customer awareness initiatives and multiple service support channels further support responsible data handling and early identification of potential privacy concerns.</li> </ul>
<b>Goals</b>	<ul style="list-style-type: none"> <li>Protect customer privacy and personal information across all Group operations and delivery channels.</li> <li>Prevent breaches of customer privacy and losses of customer data.</li> <li>Maintain customer trust and confidence in the Group's digital and technology-enabled services.</li> <li>Minimise customer privacy risks arising from internal processes and third-party relationships.</li> </ul>
<b>Targets</b>	<ul style="list-style-type: none"> <li>Achieve full encryption of sensitive customer data across all critical systems by 2025.</li> <li>Conduct at least one comprehensive information security and data protection audit annually.</li> <li>Perform annual data protection assessments covering all critical third-party service providers.</li> <li>Maintain zero substantiated breaches of customer privacy resulting in regulatory sanctions or material customer harm during the reporting period.</li> </ul>
<b>KPIs</b>	<ul style="list-style-type: none"> <li>Percentage of sensitive customer data encrypted at rest and in transit.</li> <li>Number of identified data privacy or information security incidents during the reporting period.</li> <li>Percentage of digital banking users protected by multi-factor authentication.</li> <li>Percentage of critical third-party providers subjected to annual data protection and security reviews.</li> <li>Completion rate of planned information security audits and compliance assessments.</li> </ul>

**Advancing Financial Inclusion**

The Group advances financial inclusion by designing and delivering solutions that bring formal financial services closer to underserved populations, including rural communities, women, youth, and small-scale entrepreneurs. The Group leverages multiple access channels to widen reach, combining digital platforms such as CBZ Touch with an expanding agent banking network and basic mobile banking services available on feature phones, ensuring customers without internet access can still transact conveniently.

Product development is tailored to the needs of low income, micro and informal sector participants, with solutions such as low KYC accounts, low-cost accounts, microloans, micro insurance

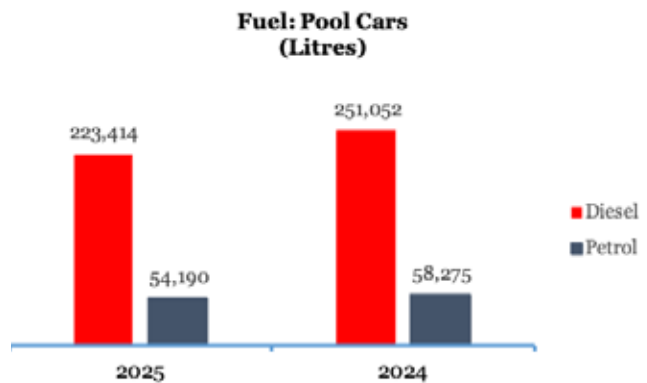
and agribusiness financing aimed at supporting livelihoods and economic participation. Financial literacy also forms a core pillar of this approach. It is delivered through community outreach initiatives, SME capacity building programmes, and educational tools embedded within digital platforms.

During the year, we participated in various initiatives that promote and enhance financial inclusion, among them imparting financial literacy to students during the Global Money week.

Red Sphere Finance Officials engage with young minds during the Global Money Week, equipping them with tools and insights to thrive in tomorrow's financial world.

During the year 2025, Datvest, in partnership with the Investment Professionals of Zimbabwe, hosted students from Mabelreign Girls High in exploring the world of investments. This largely fulfilled the mantra that behind every empowered woman was once a girl who was taught to believe in her potential.

We remain committed to unlocking potential and empowering young women to lead with confidence, purpose and financial literacy.



CBZ Officials pause for a photo with students and officials from Mabelreign Girls High.

**Property Management**

Tenant satisfaction underpins our property management approach, as it is closely linked to occupancy stability, asset performance, and long-term value. We prioritise responsive maintenance, clear communication, and efficient service delivery to enhance tenant experience, support lease renewals, and maintain a strong reputation. Proactive engagement and timely resolution of tenant concerns help reduce vacancies, minimise disputes, and limit rent payment delays, contributing to operational efficiency and stable rental income.

Our approach is reinforced through effective lease administration, disciplined rent collection, and ongoing maintenance oversight to protect revenue streams and preserve asset value. Risk management is embedded through strong compliance and governance practices, reducing legal, financial, and operational exposure. We also maintain oversight of tenant relations, lease management, maintenance, and financial reporting to ensure consistent performance across the portfolio and alignment with stakeholder expectations.

**The following were the guiding policies for the reporting period:**

Policies	<ul style="list-style-type: none"> <li>• Tenant Management Policy.</li> <li>• Lease Administration Policy.</li> <li>• Maintenance and Facility Management Policy.</li> <li>• Financial Management Policy.</li> <li>• Regulatory Compliance Policy.</li> <li>• Risk and Insurance Policy.</li> </ul>
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**Property Quality and Valuation**

We prioritise ongoing property upkeep, enhancements, and full compliance with lease obligations. Our property management strategy is designed to enhance the market value of our assets by promoting tenant satisfaction and encouraging lease renewals. Properties that are well maintained and well positioned continue to draw reliable tenants, reinforcing our competitive standing and generating stable income through sustained occupancy levels and competitive rental rates. However, postponed maintenance and ageing infrastructure in certain instances present risks to tenant experience and asset valuation. In addition, older properties necessitate more frequent capital expenditure, which can place pressure on short-term cash flows. Additionally, broader economic conditions may influence property values beyond our direct control. We address these risks through proactive maintenance oversight, structured capital expenditure planning, and regular property valuations to track performance, ensuring the portfolio remains resilient, competitive, and aligned with stakeholder expectations.

**The following were the guiding policies for the reporting period:**

Policies	<ul style="list-style-type: none"> <li>• Planned Maintenance Policy.</li> <li>• Capital Improvement Policy.</li> <li>• Valuation and Asset Review Policy.</li> <li>• Compliance Policy.</li> <li>• Procurement Policy.</li> </ul>
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**Property Safety and Security**

Investing in safety and security is critical to protecting assets, employees, and customers, while maintaining trust and operational stability. Enhanced security measures help safeguard the Group's resources and strengthen stakeholder confidence. Insufficient investment in security systems increases exposure to risks such as theft, potentially endangering depositor funds and the safety of employees and clients.

To address these risks, the Group applies an integrated security framework that incorporates physical and electronic controls across all sites. This is supported by well-defined contracts and Service Level Agreements (SLA), regular audits, routine inspections, and monitoring processes. Additional safeguards include insurance cover, standard operating procedures and ongoing SLA reviews. The Premises Policy provides overarching guidance to protect assets, employees, and clients, reducing physical, reputational, legal, and regulatory risks through effective security management. As part of the Group's security strategy, continuous engagement with key stakeholders is undertaken to assess and confirm the appropriateness and adequacy of security measures for each site and project.

**Ethical Sourcing and Procurement**

The Group promotes ethical procurement by implementing transparent and competitive sourcing processes, supporting local suppliers and SMEs to contribute to economic development, and improving environmental performance through a preference for compliant and environmentally responsible suppliers. However, these activities present risks, including potential human rights violations,

or environmental non-compliance within the supply chain, as well as supplier concentration risks that may affect business continuity. The Group is directly involved through its procurement and supplier management activities, with impacts caused or contributed to through supplier selection and contracting decisions, and in some cases directly linked through ongoing business relationships even where CBZ has not directly caused the impact.



The Group applies supplier governance measures, including prequalification and due diligence processes, the integration of ESG, ethics and compliance clauses into supplier contracts, and a preference for compliant local suppliers where feasible. The Group actively engages with suppliers to communicate ESG expectations, address identified non-compliance issues, and implement corrective action plans, with potential disengagement where breaches remain unresolved. This approach is supported by ongoing supplier engagement, capacity building initiatives, and the cultivation of long-term supplier relationships to strengthen compliance, resilience, and shared value across the supply chain.

**Our evaluation system is summarised below:**

Monitoring System	<ul style="list-style-type: none"> <li>• Periodic supplier reviews.</li> <li>• Internal audits and compliance checks.</li> <li>• Management review through procurement governance structures.</li> </ul>
Goals	<ul style="list-style-type: none"> <li>• Strengthen responsible sourcing practices.</li> <li>• Reduce supply chain ESG risks.</li> </ul>
Targets	<ul style="list-style-type: none"> <li>• 100% of suppliers subjected to due diligence.</li> <li>• Increased proportion of spend with compliant local suppliers.</li> </ul>
KPIs	<ul style="list-style-type: none"> <li>• Percentage of suppliers assessed for ESG compliance.</li> <li>• Number of supplier non-compliance cases identified and resolved.</li> </ul>
Assessment	<ul style="list-style-type: none"> <li>• We reviewed our engagement approach to strengthen supplier related risks at onboarding stage.</li> </ul>



# STAKEHOLDER VALUE CREATION

The Group recognises the critical importance of cultivating strong and transparent stakeholder relationships as a foundation for shared growth and long-term resilience. Through proactive engagement, ethical conduct, and disciplined decision-making, we are committed to creating sustainable value for all stakeholders connected to our business, while reinforcing trust, accountability and long-term partnership.



**Financial Performance**

The Group continues to play a significant role in delivering positive economic value through its financial performance, tax contributions, employment creation, and support for broader economic activity. Our sustained profitability translates into meaningful contributions to public revenues, supporting national development priorities and the provision of essential public services.

Through our banking platform, we serve over one million retail and corporate customers, providing financing solutions that stimulate broad based economic growth across key sectors. During the year, we mobilised external lines of credit from regional and international financial institutions to augment our locally generated deposits. We also entered into a strategic equity partnership with the Africa Finance Corporation to strengthen our role in advancing industrial and infrastructure development across Africa. Additionally, we also partnered with the African Export-Import Bank (Afreximbank) for the Africa Trade Gateway (ATG), a digital innovation that is transforming trade across the continent. ATG provides a single digital platform for cross-border payments, compliance, and market access – making African trade faster, smarter, and more connected. These initiatives enabled the Group to expand lending to small and medium sized enterprises (SMEs) and agribusinesses, thereby promoting entrepreneurship, rural development and enhanced food security.

At the same time, the Group remains cognisant of the environmental and social risks associated with certain financing and investment exposures, particularly in sectors such as mining and agriculture. While the underlying activities are not directly controlled by the Group, these relationships may indirectly contribute to practices that pose risks to ecosystems and environmental sustainability.

In response, the Group continues to strengthen its ESG risk management frameworks and engagement with clients, with the objective of promoting improved environmental practices, supporting transition pathways, and aligning its portfolio with sustainable and responsible financing principles over time. Our policies for managing these risks are as follows:

- Enterprise Risk Management Framework.
- Credit Risk Management Policy.
- Sustainability Policy.
- Responsible Banking Policy.
- Responsible Investment Policy.
- Treasury and Liquidity Management Policies.
- Information Security Policies.
- Corporate Governance Framework.

**Our actions and evaluation system is summarised below:**

<b>Actions taken</b>	<ul style="list-style-type: none"> <li>• Management of non-performing loans, restructuring initiatives and fraud prevention controls.</li> <li>• Continued investing in digital transformation, customer service enhancement and support for productive sectors through diversified financial services.</li> </ul>
<b>Monitoring System</b>	<ul style="list-style-type: none"> <li>• Internal and external audits.</li> <li>• Enterprise risk management processes.</li> <li>• Regulatory reviews.</li> <li>• Board oversight structures and stakeholder feedback mechanisms.</li> </ul>
<b>Goals</b>	<ul style="list-style-type: none"> <li>• Deliver sustainable profitability and shareholder value.</li> <li>• Maintain strong liquidity and capital adequacy.</li> <li>• Enhance operational efficiency and digital transformation.</li> <li>• Support financial inclusion and sustainable economic growth.</li> </ul>
<b>Targets</b>	<ul style="list-style-type: none"> <li>• Maintain capital and liquidity ratios above regulatory minimums.</li> <li>• Improve operational efficiency and digital adoption.</li> <li>• Maintain acceptable credit and investment risk levels.</li> </ul>
<b>KPIs</b>	<ul style="list-style-type: none"> <li>• Profit After Tax.</li> <li>• Return on Equity (ROE).</li> <li>• Cost-to-income ratio.</li> <li>• Capital adequacy ratio.</li> <li>• Liquidity ratio.</li> <li>• Non-Performing Loan ratio (NPL).</li> </ul>
<b>Progress</b>	<p>Progress was achieved in profitability growth, digital transformation, customer service enhancement and strengthening risk management and ESG integration practices, as previously highlighted. Our full economic and financial impacts are further outlined in our comprehensive financial results.</p>



**Investments Cluster**

**Investing with Purpose: Capital for Impact**

During the year 2025, Datvest further advanced its responsible investment approach by strengthening the frameworks that guide capital allocation and investment decision making. A key milestone was the enhancement and Board approval of the company's Responsible Investment Policy, reinforcing governance oversight and embedding sustainability considerations at the highest level of decision making.

As part of its commitment to integrating ESG factors into investment processes, Datvest initiated a comprehensive review of its investment portfolio to assess financed emissions using the PCAF methodology. This initiative is designed to enhance transparency on the environmental impact of its investment decisions. This will also support more informed, risk adjusted capital deployment decisions, in line with emerging global best practice. The Group will further strengthen the sustainability governance and oversight and risk management across the remaining entities.

Collectively, these efforts position the Investments Cluster to progressively align its portfolio with sustainable investment principles, directing capital toward assets and projects that generate the highest positive environmental and social outcomes. This approach supports the Group's broader objective of long-term value creation, while contributing to the transition toward a more resilient, lowcarbon, and inclusive economy.

**Responsible Tax Practices**

The Group upholds responsible tax practices grounded in legal compliance and ethical conduct. It applies rigorous due diligence across all business relationships through partner vetting, transparency clauses, and adherence to a strict code of conduct. We recognise that well-designed tax strategies play a critical role in reducing tax exposure, ensuring regulatory compliance, enhancing financial reporting, and supporting informed decision-making. Effective tax management enhances competitiveness, attracts investment, and strengthens stakeholder confidence. However, the Group acknowledges that tax compliance can be complex, resource-intensive, and may expose the business to audit pressures and litigation risks, particularly during periods of economic uncertainty. To address these challenges, the Group established a formal tax strategy that supports long-term financial sustainability and aligns with broader business objectives and sustainable development goals. This strategy is reviewed and approved annually by the Board of Directors and reflects the Group's commitment to compliance, transparency, and ethical tax conduct.

**Approach to Tax**

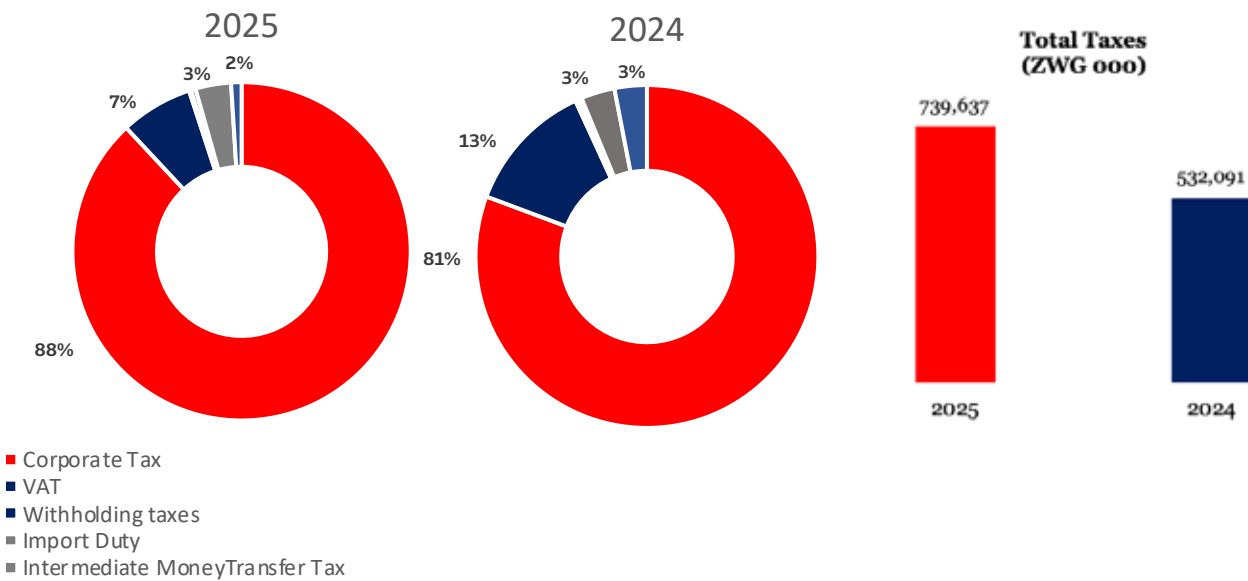
We maintain a tax compliance framework that is underpinned by strong internal controls, the use of technology to automate tax processes, and alignment with applicable Zimbabwean tax laws. Regular internal audits and tax risk assessments are conducted to identify and address potential exposures, while external tax advisors are engaged to support compliance with complex or evolving tax requirements. The Group follows an ethical approach to tax planning and maintaining transparency in its dealings with the tax authorities.

Proactive engagement with tax authorities, including seeking clarification on ambiguous regulations and consulting on significant transactions, helps ensure regulatory alignment. Tax due diligence is undertaken during business transactions to effectively manage potential tax risks. Where errors are identified, the Group discloses and rectifies them promptly, cooperates fully with tax authorities, and utilises formal dispute resolution mechanisms when required. Remedial actions, such as process enhancements and employee training, are implemented to prevent recurrence, and restitution is made where appropriate. Through timely and accurate tax payments and responsible utilisation of government incentives, the Group contributes positively to national development.

**Stakeholder Engagement on Tax Matters**

CBZ Holdings Limited adopts a transparent and collaborative approach to stakeholder engagement on tax matters. The Group ensures timely and accurate tax filings, maintains well-organised financial records, and engages openly with ZIMRA, particularly in relation to complex or high-value transactions. Voluntary disclosure of errors is encouraged to build mutual trust and minimise penalties. A professional and respectful relationship with tax authorities is maintained through designated contact persons, consistent communication, and an effort to understand regulatory expectations. The Group uses formal communication channels, scheduled engagements, and ZIMRA's online platforms while strictly complying with prescribed procedures governing all tax-related processes.

**Our tax figures for the period under review were as follows:**



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# CORPORATE GOVERNANCE

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# OUR APPROACH TO CORPORATE GOVERNANCE

Integrity, strong ethical values, professionalism and the highest standards of governance are core to CBZ Holdings Limited. The Board understands that effective governance is key to the successful development and execution of the Group's strategy. Governance is how the Board makes decisions and provides oversight to promote the success of the Group for the long-term sustainable benefit of our shareholders, having regard to the interests of our stakeholders, including our clients, customers, staff and the society and wider environment in which we operate.

The Group aims to stay abreast with the developments in good governance and has a governance framework that guarantees continuous compliance with the Zimbabwe Corporate Governance Code (ZIMCODE 2014), the Zimbabwe Stock Exchange Rules SI134/2019; the Reserve Bank of Zimbabwe Corporate Governance Guidelines No. 01-2004/BSD; the Banking Act (Chapter 24:20), the Banking Amendment Act of 2015; Microfinance Act [Chapter 24:30], IPEC Directive on Governance and Risk Management for Insurance Companies of March 2016 and amendments, Securities Act (Chapter 24:25); Securities Amendment Act No. 2 of 2013, Asset Management Act (Chapter 24:26), Companies and Other Business Entities Act (Chapter 24:31) and the South African King Reports.

As a listed entity, CBZ Holdings has developed a Group Governance Code that has been approved and adopted throughout the Group. The Board is pleased to report that the Company complied with the provisions of the Code during the year ended 31 December 2025.

## **Our Governance Framework**

The Board is ultimately responsible for ensuring effective governance, which is supported by a structure that the Board has determined to be suitable for the needs of the organisation. The Audit and Finance Committee; the Risk Management Committee; Legal and Compliance Committee; the Human Resources and Corporate Governance Committee (this committee also serves as the Nomination Committee); the Information Technology Committee; Environmental Social and Governance Committee; and Strategy Committee are the Board's six primary committees. The Board reserves certain matters for its own consideration.

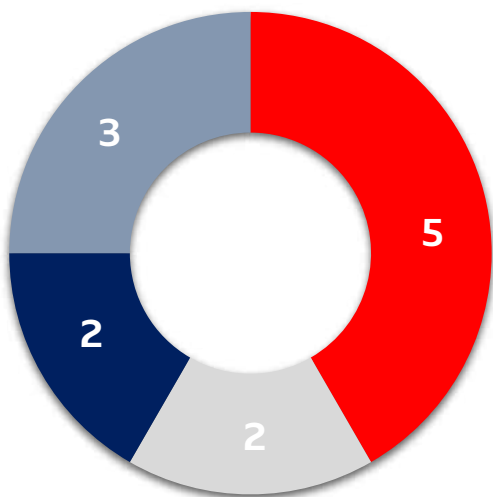


# OUR GROUP EXECUTIVE TEAM

The Group Executive Committee comprises the Group's most senior executives. The Executive management team supports the Group Chief Executive Officer in managing the company's businesses.

The Executive management team is responsible for developing and delivering strategy and priorities approved by the Boards, monitoring performance against key financial objectives, managing and overseeing asset and liability management, capital allocations, risk, disclosure issues, investments, acquisitions and disposals, operational issues, customer issues and succession planning. The Executive management team actively promotes the Group's culture and values.

## Tenure of Exco members



Number of Executive Members <b>12</b>	Combined years of service within the Group <b>97+</b>
Number of Entities led <b>11</b>	Number of Employees led <b>1180</b>

## Gender demographics



Average age **50**



**Joel Makombe**  
Group Chief Finance Officer  
  
Age  
46



**Lawrence Nyazema**  
Group Chief Executive Officer  
  
Age  
54



**Valeta Mthimkhulu**  
Managing Director CBZ Bank  
  
Age  
50



**Nkosana Ndlovu**  
Group Chief Strategy & Transformation Officer  
  
Age  
44



**Thabo Ndelela**  
Group Chief Information Officer  
  
Age  
52



**Nyasha Mangwiza**  
Group Chief Human Capital Officer  
  
Age  
49



**Rumbidzayi Jakanani**  
Group Chief Legal Counsel & Governance Officer  
  
Age  
48



**Matilda Nyathi**  
Group Chief Marketing & Customer Experience Officer  
  
Age  
49



**Eunice Mujekenyeke**  
Group Chief Risk Officer  
  
Age  
47



**Takawira Chinyani**  
Head of Insurance Cluster  
  
Age  
47



**Tendai Muzadzi**  
Head of Investments Cluster  
  
Age  
48



**Wellington Mutizwa**  
Head of Agro-Business Cluster  
  
Age  
51

# OUR GROUP BOARD



**Luxon Zembe (68)**  
**Group Chairperson**

**Independent**  
**Non-Executive Director**

**Appointed:** 1 December 2023

**Nationality:** Zimbabwean

Based in Zimbabwe

**Committee Membership:**

- Risk, Legal & Compliance
- Human Resources & Corporate Governance Nominations
- Strategy

## Skills and experience

Luxon is a distinguished business leader, corporate governance specialist and strategic management consultant with over 35 years of experience across the private, public and non-governmental sectors in Zimbabwe. His expertise spans corporate governance and board effectiveness, strategic planning and execution, policy formulation, financial services governance, executive leadership development and institutional transformation.

## Qualifications

- Master of Business Administration (MBA), International MBA Graduate – Henley Business School (in partnership with Standard Chartered)
- Business Management Graduate, Henley International Management College (UK)
- Adult Education Graduate, University of Zimbabwe
- Science Teacher Training, Hillside Teachers College
- Human Resources Management & Training Graduate, Institute of People Management of Southern Africa
- Human Capital Development Graduate, United Kingdom Skill Base Centre
- Certified Trainer and Consultant, Commonwealth (Corporate Governance)
- Certified Trainer and Consultant, International Labour Organization (Business Development)
- Criterion Referenced Instruction Trainer, SMM Mines
- Graduate, Outward Bound International School (Wales, UK)

## Career

Luxon has held senior executive, advisory and board leadership roles across banking, manufacturing, mining, education and consultancy. He served as a Senior Executive with Standard Chartered Bank International, where he led strategic change initiatives across Africa.

Prior to this, He held senior human capital and organisational development roles at Treger Group of Companies and earlier served as Education and Training Officer at De Beers Botswana Mining Company at the Orapa Diamond Mine. He is the Founder and Chairperson of Management Solutions Group of Companies, established in 1996, a diversified group with interests in governance and strategic management consultancy, offshore investment advisory services, education and training, commercial. His public sector and policy exposure includes service on the Reserve Bank of Zimbabwe Advisory Board and Monetary Policy Committee, as well as the National Economic Consultative Forum.

## External Board Appointments

Luxon is also Chairperson of Management Solutions Group of Companies (Pvt) Ltd, Fiscal Revenue Solutions (Pvt) Ltd, and World Vision Zimbabwe, and serves as Vice Chairperson of the AFZ Charity Fund.



Lawrence Nyazema (54)  
**Group CEO**

**Executive Director**

**Appointed:** 1 December 2024

**Nationality:** Zimbabwean Based in Zimbabwe

**Committee Membership:**

- Sustainability
- Strategy

**Skills and experience**

Lawrence is an accomplished banking executive with over 33 years' experience across local and international financial institutions. His expertise spans wholesale and commercial banking, treasury and balance-sheet management, structured finance, fundraising, risk management, ecosystem banking, organisational transformation and strategy execution. He is recognised for building high-performance teams, leading complex restructurings and delivering sustainable growth in challenging operating environments. Lawrence leads the Group's transformation and integrated financial services strategy.

**Qualifications**

- Master of Science in Finance, University of London Jan 2015
- Bachelor of Science in Business Management, Management College of Southern Africa Jan 2002.
- Diploma, Institute of Bankers South Africa Jan 1999 Institute of Bankers Diploma Zimbabwe Jan 1997

**Career**

Lawrence began his career at ZB Financial Holdings Limited (1990–2000), progressing from Analyst to Senior Treasury Dealer and gaining deep experience in derivatives, liquidity and structured finance. He then joined Barclays Bank of Zimbabwe Limited (now First Capital Bank), where he served in senior roles over 19 years, including Senior Foreign Currency Dealer, Head of Market Making and Liquidity, Treasurer (2007–2011) and Commercial Director (2011–2019), leading major growth, treasury and M&A initiatives. In January 2020, he joined CBZ Bank Limited as Executive Director – Wholesale Banking and was appointed Managing Director effective 1 January 2022, delivering strong balance-sheet growth, capital raising and asset quality improvement.

**External Board Appointments**

None.

# OUR GROUP BOARD

(CONTINUED...)



Edward Mashingaidze (71)  
**Independent Non-Executive  
Director**

**Appointed:** 1 November 2019

**Nationality:** Zimbabwean Based in  
Zimbabwe

**Committee Membership:**

- Audit & Finance Committee
- Human Resources & Corporate Governance Nominations
- Strategy

**Skills and experience**

Eddie is a seasoned executive, engineer and business leader with over 30 years of senior management experience across the engineering, processing, mining, construction and technology-driven industrial sectors. He has deep expertise in executive leadership, large-scale project management, industrial operations, technology integration and corporate growth.

**Qualifications**

- Doctor of Business Administration (DBA) – University of Liverpool, UK
- Master of Research (MRes) – University of Liverpool, UK
- MBA – University of Liverpool, UK
- BCom (Economics) – University of South Africa (UNISA)

**Career**

Eddie has played a pivotal role in the establishment, growth and regional expansion of EnergyDAS (Private) Limited, where he currently serves as Managing Director (Africa), leading innovation and strategic expansion, including advanced applications in unmanned aerial vehicle (UAV) technology. Prior to this, he served for fifteen years as Managing Director of Plant & Equipment (Private) Limited, the authorised distributor of Komatsu earth-moving equipment, overseeing operations within the mining and construction sectors.

Earlier in his career, he served as Managing Director of United Refineries (Private) Limited, a subsidiary of TA Holdings Limited, where he led large-scale processing and manufacturing operations within the oils, detergents and biofuels industries. He also held senior executive roles within Enterprise Financial Group, contributing to corporate strategy and business development.

**External Board Appointments**

Eddie currently serves as a Director of EnergyDAS (Private) Limited. His previous board and executive committee experience includes directorships and senior governance roles at United Refineries (Private) Limited, Blue Ribbon Foods (Private) Limited, Agrifoods (Private) Limited, William Bain (Private) Limited, and service on the TA Holdings Limited Executive Committee, providing oversight across diversified industrial and commercial enterprises.



Joel Makombe (46)  
**Group CFO**

**Executive Director**

**Appointed:** 1 March 2025

**Nationality:** Zimbabwean  
Based in Zimbabwe

**Committee Membership:**

- Sustainability
- Strategy

**Skills and experience**

Joel is an accomplished finance executive with over 20 years' experience in financial leadership and business partnering within the financial services sector, spanning banking, insurance and asset management. He brings deep expertise in financial strategy, IFRS reporting, budgeting and forecasting, treasury management, tax planning and regulatory compliance, corporate governance, and executive decision support. He has strong credentials in strategic management and project delivery.

**Qualifications**

- Fellow Chartered Certified Accountant (FCCA)
- Chartered Accountant (CA)-Institute of Chartered Accountants in England and Wales (ICAEW)
- Chartered Accountant CA (Z)- Institute of Chartered Accountants of Zimbabwe (ICAZ)
- Associate Banker Institute of Bankers Zimbabwe (IOBZ)
- M. Sc Professional Accountancy University of London
- Master of Business Administration (MBA) Oxford Brookes University
- Business and Finance Professional (BFP)-Institute of Chartered Accountants in England and Wales (ICAEW)
- PRINCE2 (Project Management) AXELOS
- Bachelor of Accountancy Honors Degree (UZ)

**Career**

Joel's career commenced in group finance roles within the banking sector, including service as Group Management Accountant at ZB Bank and Management Accountant at Nedbank (MBCA Bank).

He joined CBZ Holdings Limited in 2008 as Head of Group Finance, where he led group-wide financial control. In April 2019, he was appointed Divisional Director – Group Finance, a role he held for five years, providing strategic financial leadership, overseeing treasury, tax, governance compliance and business partnering across the Group. He was subsequently appointed Group Chief Finance Officer, reflecting progression through senior executive responsibility within the Group.

**External Board Appointments**

Joel currently serves as a Non-Executive Director of First Mutual Holdings Limited.

# OUR GROUP BOARD

(CONTINUED...)



Edward E. Galante (68)  
**Independent Non-Executive  
Director**

**Appointed:** 1 November 2019

**Nationality:** American Based in  
Zimbabwe

**Committee Membership:**

- Audit & Finance Committee (Chair)
- Sustainability (Chair)
- Strategy

**Skills and experience**

Ted is a seasoned executive, entrepreneur with extensive international experience across Zimbabwe, Southern Africa and the United States. His expertise spans board governance, private equity, investment banking, property development, structured finance, capital raising, mortgage-backed securities, financial inclusion and regulatory engagement. He has deep experience in emerging and frontier markets, with strength in financial structuring, institutional governance, sustainability and complex multi-stakeholder transactions. He is also an experienced strategic advisor with a strong background in financial services, real estate development and public-private partnerships.

**Qualification**

- Bachelor of Arts (BA) in History and Philosophy – College of Notre Dame
- Continuing Executive Education Graduate – London Business School | Harvard Business School (YPO Continuing Education)
- Specialized Executive Training – IMF Board Training Programs | AI Training Programs

**Career**

Ted is currently a management and strategic consultant following his retirement from Mangwana Capital (Private) Limited, Zimbabwe's first locally funded private equity firm, which he co-founded and where he served as a Founding Partner, overseeing capital raising from local pension funds and multiple portfolio investments across agriculture, natural resources and manufacturing.

Prior to this, he served as Executive Director of Chartwell Capital (Pty) Ltd in South Africa, a boutique investment bank regulated by the South African Reserve Bank, where he played a key role in building its housing finance business.

**External Board Appointments**

Ted also serves as a Board Member and Chair of the Finance Committee of Money Mart Finance and acts as Senior Advisor to the Zimbabwe Presidential Housing and Title Deeds Programme. Ted is the Founder and Promoter of the Oxford Said Business School Financial Inclusion Programme, spearheading its launch in Zimbabwe. His leadership roles further include serving as the founding Chairperson of the Young Presidents' Organization (YPO) Harare Chapter and as the immediate past YPO Africa Gold Regional Chairperson.



Ms Rebecca Gaskin Gain (60)  
**Independent Non-Executive  
Director**

**Appointed:** 1 November 2019

**Nationality:** American Based in Qatar

**Committee Membership:**

- Risk, Legal & Compliance (chair)
- Sustainability
- Human Resources & Corporate Governance Nominations
- Strategy

**Skills and experience**

Rebecca is an internationally recognised lawyer with more than 30 years' experience in emerging markets. She brings deep expertise in foreign direct investment, privatisation, project and structured finance, regulatory and contractual negotiations, risk management, and dispute-aware transaction structuring. Admitted to the New York State Bar in 1990, she combines strong legal acumen with executive leadership, having advised governments, multilaterals, private investors and listed corporates on complex cross-border investments and infrastructure transactions, particularly in energy and financial services.

**Qualifications**

- Juris Doctor (JD) Degree – Columbia University School of Law / Emory University School of Law
- Admitted Attorney – New York State Bar Association
- Bachelor of Arts (History), Honours Program (Cum Laude) – Wake Forest University
- Curriculum Graduate – Faculty of Islamic Finance, Insaniah University of Malaysia
- Foundations in Finance Graduate – Insead / Amsterdam Institute of Finance
- Law Clerkship Graduate – Appellate Division for the Supreme Court of New York State

**Career**

Rebecca began her international career following a clerkship at the Appellate Division of the Supreme Court of New York, subsequently advising the Czech Ministry of Privatisation and the Russian Privatisation Centre on large-scale divestiture programmes. She later served as Privatisation Advisor to the Ministry of Finance of Uganda, preparing public enterprises for divestiture and advising on telecommunications licensing.

From 2000 to 2003, she was appointed Chief Executive Officer of Standard Bank Congo, becoming the first woman to lead a Standard Bank Group subsidiary, where she restructured operations, strengthened compliance and led the institution through complex regulatory and macro-economic conditions. In 2003, she was appointed to the Standard Bank Group Africa Executive Committee, also the first woman to hold that role, and served as a Director of the Group's Africa Division. Rebecca is a recipient of the National Order of Civil Merit of the Democratic Republic of Congo.

**External Board Appointments**

Rebecca previously served on the UN-HABITAT Consultative Board (2001–2010) and represented private investors on the Investment Committee of the Central Africa SME Fund (CASF) from 2011 to 2017. She has also served as a Director of Congolnra SARL, an infrastructure investment company focused on public-private partnerships in the Democratic Republic of Congo.

# OUR GROUP BOARD

(CONTINUED...)



Pfungwa Gore Serima (60)  
**Independent Non-Executive  
Director**

**Appointed:** 22 April 2025

Nationality: Zimbabwean  
Based in South Africa

**Committee Membership:**

- Risk, Legal & Compliance
- Digital (Chair)

**Skills and experience**

Pfungwa is a highly accomplished technology and business executive with over 36 years' experience across Africa and the Middle East. He brings deep expertise in enterprise technology, digital transformation, regional expansion, corporate leadership, and governance. His career spans senior executive roles within leading global technology and professional services organisations, where he led large-scale transformation initiatives, built high-performing regional operations, and guided organisations through strategic shifts from legacy models to digital-first platforms.

Career Pfungwa began his professional career in Zimbabwe, serving in Chief Information Officer roles across private and public sector institutions, where he drove national-level technology transformation initiatives.

**Qualifications**

- Bachelor of Business Studies and Computer Science – University of Zimbabwe.

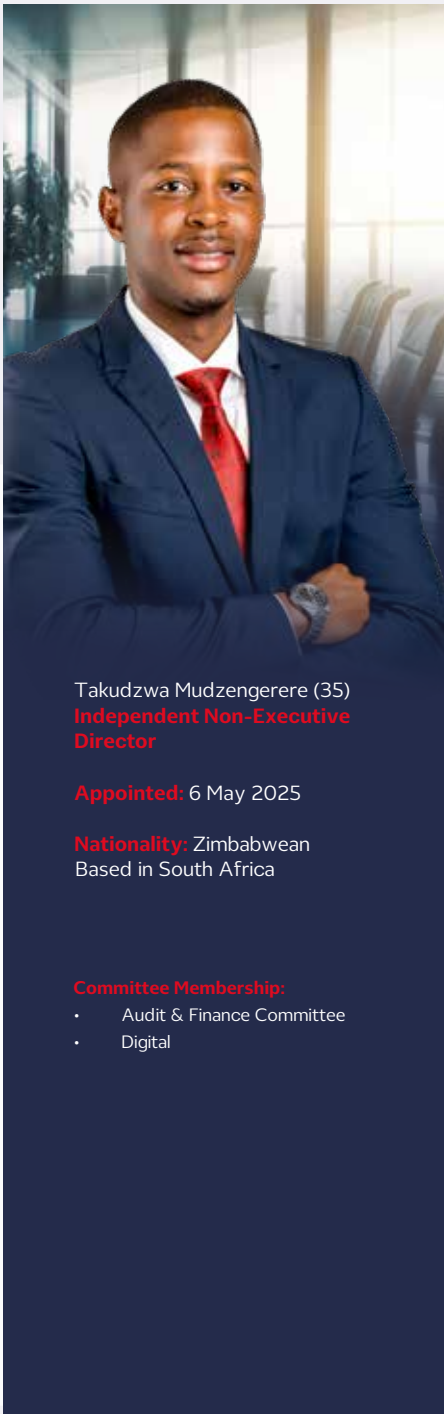
**Career**

Pfungwa began his professional career in Zimbabwe, serving in Chief Information Officer roles across private and public sector institutions, where he drove national-level technology transformation initiatives.

He later joined Accenture, serving as Chief Executive Officer of Accenture Technology Solutions and subsequently Chief Executive Officer of Accenture Technology Infrastructure Services, where he led complex technology delivery and infrastructure modernisation programs. Pfungwa was thereafter appointed Managing Director of Microsoft South Africa, overseeing regional growth and market expansion. He went on to serve as Chief Executive Officer and Executive Chairperson of SAP Africa, where he was responsible for strategy, governance, and expansion across the continent. From 2016 to 2025, he served as Group Chief Executive Officer of Metrofile Holdings, leading the successful transformation of the group from a physical records storage business into a diversified digital information and data services provider.

**External Board Appointments**

Pfungwa previously served on the boards of WesBank (part of the FirstRand Group, South Africa) and the German Chamber of Commerce. He currently serves as an Independent Non-Executive Director of Hippo Valley Estate Limited.



Takudzwa Mudzengerere (35)  
**Independent Non-Executive  
Director**

**Appointed:** 6 May 2025

**Nationality:** Zimbabwean  
Based in South Africa

**Committee Membership:**

- Audit & Finance Committee
- Digital

**Skills and experience**

Takudzwa is an investment professional with over 17 years' experience in financial services and corporate finance across Africa. His expertise includes mergers and acquisitions, capital raising, private equity investing, valuations, and financial due diligence. As a board-level practitioner, he brings strong competence in investment governance, capital allocation, and strategic oversight, supported by his qualifications as a Chartered Accountant and CFA Charter holder.

**Qualifications**

- CFA Charterholder – CFA Institute
- Chartered Accountant, CA (SA) – South African Institute of Chartered Accountants (SAICA)
- Post Graduate Diploma (Honours) in Applied Accounting Sciences – University of South Africa (2014)
- Post Graduate Diploma in Advanced Accounting Sciences – University of South Africa (2013)
- Bachelor of Accounting Sciences – University of South Africa (June 2009 – June 2012)

**Career**

Takudzwa began his career at Ernst & Young (2009–2016), progressing through assurance and advisory roles. He later served as Manager, Transaction Advisory Services at Ernst & Young Advisory Services (2016–2019). From 2019 to 2021, he was Senior Manager – Corporate Development (M&A) at EOH Holdings, followed by Senior Manager – Mergers & Acquisitions (Africa) at AB InBev (2021–2022). He is currently Director – Investment Advisory and Corporate Finance at Athari Capital Partners.

**External Board Appointments**

Takudzwa is a Non-Executive Director of Origen Construction.

# OUR GROUP BOARD (CONTINUED...)



**Rumbidzayi Angeline Jakanani (48)**  
Group Chief Legal Counsel &  
Governance Officer

**Nationality:** Zimbabwean  
Based in Zimbabwe

## Qualifications

- Bachelor of Law (Honors) Degree – University of Zimbabwe.
- Master of Law in International Economic Law - University of Warwick UK.
- Master of Business Administration Degree in Strategic Management – National University of Science and Technology.

## Career

Rumbidzayi is a lawyer by profession and an experienced governance officer. She undertook her legal training with Stumbles and Rowe Legal Practitioners and joined CBZ in 2005 in her capacity as Manager Corporate Governance and Compliance. In 2009, she was appointed as Legal Corporate Secretary for CBZ Bank Limited then elevated to her appointment as Group Legal Corporate Secretary, CBZ Holdings Limited, in 2012 a position she held until December 2022 when she was appointed as the Group Chief Governance Officer. In October 2024 she was appointed the Acting Group Chief Legal Counsel & Governance Officer which position was made substantive in February 2025.

With her 20 years of diversified and uninterrupted experience providing legal, corporate governance and company secretarial duties, she has facilitated corporate processes, securing favourable company terms and acquisitions. Rumbidzayi offers strong legal, governance and leadership skills and provides guidance to the Board as a whole and to individual directors with regard to how their responsibilities should be discharged in the best interests of the Group.

She holds a Masters of Laws in International Economic Law from the University of Warwick (UK), an MBA in Strategic Management from the National University of Science and Technology and a Bachelors (Honours) Degree in Law from the University of Zimbabwe.

## External Board Appointments

None.

# BOARD EXPERTISE AND DIVERSITY PROFILE

The Board is constituted to ensure an appropriate balance of skills, experience, knowledge, independence and diversity necessary for the effective governance of a regulated financial services holding company. The composition of the Board enables it to provide sound strategic leadership, robust oversight and effective challenge to management.

Given the nature of the Group's businesses, experience in banking and financial services is a key consideration, and the Board includes directors with substantial expertise in these areas. This is complemented by experience in accounting, finance, law, risk management, economics, governance, information technology, human capital management and strategy, ensuring that the Board collectively possesses the competence required to oversee the Group's operations within a complex regulatory environment.

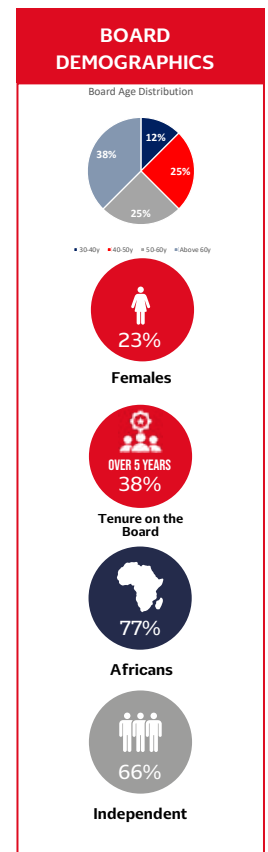
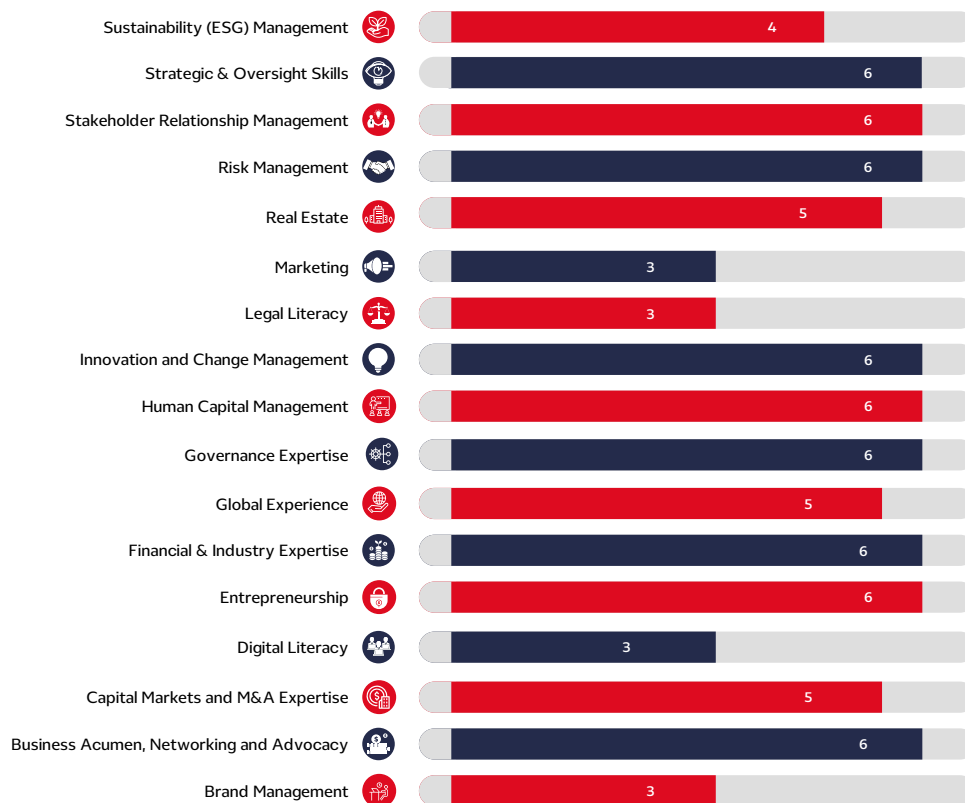
The Board recognises that diversity is a critical contributor to effective governance and sustainable decision making. Diversity considerations extend beyond gender and include race, culture, age, nationality, educational background, professional experience, tenure,

skills and knowledge. The Board believes that a diverse composition promotes independent thinking, constructive debate and well balanced decision making.

The composition of the Board is reviewed on an ongoing basis, considering rotation and succession planning, tenure, retirement, resignation, skills requirements and the outcomes of Board and committee effectiveness evaluations. These reviews ensure that the Board remains appropriately constituted to meet the Group's strategic objectives, regulatory obligations and governance standards.

The Board acknowledges the importance of gender diversity and remains committed to its progressive improvement. As at the reporting date, the Board comprised of one female independent non executive director, four male independent non-executive directors and two male executive directors. Gender diversity continues to be a key consideration in future Board appointments and succession planning.

## BOARD SKILLS MATRIX



# OUR BOARD GOVERNANCE STRUCTURE



CBZ HOLDINGS LIMITED  
MAIN BOARD



SUBSIDIARIES' BOARDS

Sphere Finance  
A Member of the CBZ Group

Agro-Yield

Insurance

Properties

COMMITTEES



Agroyield and CBZ Properties Committees have been approved by their respective Boards and are being implemented



### The Role of the Board of Directors

The Board of Directors is the highest governing body of the Group and is responsible for providing strategic leadership, effective oversight and direction to ensure the sustainable long-term success of the Group. As a financial services holding company listed on the Zimbabwe Stock Exchange and regulated by the Reserve Bank of Zimbabwe, the Board is committed to the highest standards of corporate governance, ethical conduct and regulatory compliance.

The primary role of the Board is one of stewardship, acting in the best interests of the Company and its Shareholders while taking into account the legitimate interests of clients, depositors, regulators, employees and the broader community. The Board has a fiduciary responsibility to protect and enhance shareholder value through the establishment of clear strategic objectives, robust oversight of management, and the promotion of a sound corporate culture aligned to the Group's purpose, values and long-term growth strategy.

The Board exercises its duties with due care, skill, diligence and independent judgement. It is responsible for reviewing, approving and monitoring the Group's strategic plans, budgets, capital adequacy, major investments and transactions. The Board ensures that measurable objectives and key performance indicators are in place and that executive management is held accountable for the achievement of approved strategies and financial and operational performance.

In the context of a regulated financial services environment, the Board oversees the establishment and maintenance of an effective risk management and internal control framework. This includes oversight of material financial, credit, market, liquidity, operational, compliance, conduct, technology and reputational risks. The Board also ensures compliance with applicable laws, regulations and supervisory requirements issued by the Reserve Bank of Zimbabwe, the Zimbabwe Stock Exchange and other relevant authorities.

The Board provides oversight of the Group's governance framework, including ethical leadership, sustainability, transformation and stakeholder engagement. It ensures that the Group conducts its business responsibly and in a manner consistent with sound banking and financial services practices, societal expectations and national economic priorities.

The roles of the Chairperson and the Group Chief Executive Officer are separate, clearly defined and documented. The Chairperson is responsible for leading the Board, setting its agenda and ensuring its effectiveness, while the Group Chief Executive Officer is responsible for the day-to-day management of the Group and for implementing the Board-approved strategy. This separation of roles ensures an appropriate balance of power and authority and prevents any concentration of unfettered decision-making.

The Board comprises of executive and independent non-executive directors. The independent non-executive directors bring a broad range of skills, experience and expertise relevant to the financial services sector, including accounting, finance, banking, law, risk management, economics, sustainability, technology, governance and human capital management. This diversity enhances objective decision-making and strengthens the Board's oversight role.

The Board meets at least four times a year, with additional meetings convened as necessary to address specific matters requiring urgent consideration. The Board, its committees and individual directors are evaluated periodically to assess effectiveness and to ensure continuous improvement in governance practices.

Through its committees and ongoing engagement with management, the Board ensures that the Group operates in accordance with approved policies, maintains financial soundness, and upholds the confidence of shareholders, regulators and other stakeholders.

### Integrity and Availability of Information to the Board

The Board is provided with accurate, relevant, timely and clear information to enable it to discharge its duties effectively and to make informed decisions in the best interests of the Group and its stakeholders. Board information is prepared and presented in a manner that supports effective oversight, strategic deliberation and compliance with applicable regulatory and statutory requirements.

All directors have direct access to the advice and services of the Group Chief Legal Counsel and Governance Officer, who provides guidance on legal, regulatory and governance matters. In addition, directors are entitled, where necessary and subject to agreed procedures, to obtain independent professional advice at the Group's expense to assist them in fulfilling their fiduciary responsibilities.

The Board has unrestricted access to all information relating to the Group and its subsidiaries, including access to management and employees where appropriate. Senior management and subject-matter experts are invited to attend Board meetings to provide detailed insights, clarification and context on matters under consideration.

The integrity of information submitted to the Board is supported by established internal reporting, assurance and control processes. Information presented to the Board is reviewed for accuracy, completeness and consistency prior to presentation, ensuring that material risks, opportunities and performance matters are appropriately disclosed.

Regular reports and updates provided to the Board include, but are not limited to, the following:

- Annual strategic and operating plans, budgets, capital expenditure plans and performance updates against these plans.
- Quarterly financial and operational performance reports of subsidiary units.
- Information relating to the recruitment, succession, remuneration and performance of executive management.
- Details of materially significant litigation, show cause notices, prosecutions, and penalty notices.
- Any materially relevant defaults, breaches or potential breaches of financial or contractual obligations.
- Matters involving potential public, client, depositor or product liability claims of a significant nature.
- Details of proposed or concluded joint ventures, mergers, acquisitions, disposals or strategic collaboration agreements.
- Transactions involving significant payments towards goodwill, brand equity or intellectual property.
- Significant developments in human resource management, including labour relations, talent management, transformation and organisational changes.
- Sales, disposals or acquisitions of investments, subsidiaries or assets that are material or outside the normal course of business.
- Instances of non-compliance with regulatory, statutory or listing requirements, as well as material shareholder-related matters, including delays in dividend payments or share transfers.

Through these arrangements, the Board ensures that it is appropriately informed of all matters that may materially affect the Group's performance, financial position, risk profile, regulatory standing or reputation, thereby enabling effective oversight and responsible governance.

### Balance and Diversity

The Board is constituted to ensure an appropriate balance of skills, experience, knowledge, independence and diversity necessary for the effective governance of a regulated financial services holding company. The composition of the Board enables it to provide sound strategic leadership, robust oversight and effective challenge to management.

Given the nature of the Group's businesses, experience in banking and financial services is a key consideration, and the Board includes directors with substantial expertise in these areas. This is complemented by experience in accounting, finance, law, risk management, economics, governance, information technology, human capital management and strategy, ensuring that the Board collectively possesses the competence required to oversee the Group's operations within a complex regulatory environment.

The Board recognises that diversity is a critical contributor to effective governance and sustainable decision-making. Diversity considerations extend beyond gender and include race, culture, age, nationality, educational background, professional experience, tenure, skills and knowledge. The Board believes that a diverse composition promotes independent thinking, constructive debate and well-balanced decision-making.

The composition of the Board is reviewed on an ongoing basis, taking into account rotation and succession planning, tenure, retirement, resignation, skills requirements and the outcomes of Board and committee effectiveness evaluations. These reviews ensure that the Board remains appropriately constituted to meet the Group's strategic objectives, regulatory obligations and governance standards.

The Board acknowledges the importance of gender diversity and remains committed to its progressive improvement. As at the reporting date, the Board comprised of one female independent non-executive director, four male independent non-executive directors and two male executive directors. Gender diversity continues to be a key consideration in future Board appointments and succession planning.

#### Board Charter

The Board Charter is the cornerstone of the Group's governance framework and sets out the principles, structures and processes through which the Board exercises effective leadership and oversight. The Charter defines the Board's authority, responsibilities, composition and functioning, and supports the promotion of ethical, responsible and effective governance across the Group.

The Board Charter is reviewed annually to ensure continued alignment with applicable laws, regulations and governance standards, including the Companies and Other Business Entities Act [Chapter 24:31], the Banking Act [Chapter 24:20], the Zimbabwe Stock Exchange Listing Requirements and the Reserve Bank of Zimbabwe Corporate Governance and Risk Management Guidelines.

The Board Charter, among other things:

- Clearly defines and separates the roles, responsibilities and authority of the Group Chairperson and the Group Chief Executive Officer, ensuring an appropriate balance of power and accountability.
- Establishes formal, transparent and rigorous processes for the induction, appointment, ongoing development, evaluation and succession of directors.
- Sets out the criteria for director independence and provides for the periodic assessment of such independence.
- Defines the Board's mandate and the matters reserved for the Board, confirming that directors retain collective responsibility and accountability for:
  - Ensuring the sustainable long-term performance and viability of the Group.
  - Approving and overseeing the implementation of the Group's strategic plans.
  - Monitoring operational and financial performance and holding management accountable for delivery.
  - Ensuring the effectiveness of risk management, internal control and assurance frameworks.
  - Overseeing compliance with legislative, regulatory, supervisory and governance requirements.
  - Approving significant accounting policies, the annual financial

statements and other key disclosures.

- Overseeing the selection, orientation, evaluation and succession of Board members.
- Ensuring fair, transparent and responsible remuneration policies and practices.
- Monitoring transformation, empowerment and human capital governance.
- Promoting balanced, transparent and meaningful reporting to shareholders and other key stakeholders.

Through the Board Charter, the Board affirms its role as the focal point of the Group's corporate governance system and its commitment to ethical leadership, sound risk governance, regulatory compliance and accountability in the execution of its duties.

#### Size and Composition of the Board

The Board is constituted to ensure an appropriate balance of skills, experience, knowledge, independence and diversity, and to maintain a clear separation between the functions of governance and management. The composition of the Board enables it to discharge its oversight responsibilities effectively within a regulated financial services environment.

The Board comprises eight (8) directors, consisting of six (6) Independent Non-Executive Directors and two (2) Executive Directors. This composition supports independent judgement, effective challenge of management and compliance with regulatory expectations applicable to a financial holding company.

The size and composition of the Board are determined with reference to:

- The provisions of the Company's Memorandum and Articles of Association.
- The Banking Act [Chapter 24:20] and the Banking Amendment Act.
- The Companies and Other Business Entities Act [Chapter 24:31].
- The Zimbabwe Stock Exchange Listing Requirements.
- The Reserve Bank of Zimbabwe Prudential Standard No. 022025/ BSSFS: Corporate Governance.
- National Code on Corporate Governance (ZIMCODE).
- International governance best practice relevant to financial institutions.

In determining the size of the Board, consideration is given to the nature, scale and complexity of the Group's operations, the need for an appropriate mix of executive, non-executive and independent non-executive directors, succession planning, and the effective functioning of Board committees.

The governance arrangements for the Board and its committees have been designed to ensure effective oversight, informed decision-making and compliance with applicable regulatory and supervisory requirements.

#### Director Training and Professional Development

The Group is committed to ensuring that all its directors possess the requisite knowledge, skills and competencies to discharge their fiduciary duties effectively in a dynamic, regulated and evolving environment. Directors have access to a range of formal training programmes, briefings and professional development opportunities designed to enhance Board effectiveness and support informed decision-making.

Directors are encouraged to undertake training considered necessary to support the performance of their roles. Non-Executive Directors discuss their professional development needs with the Chairperson or the Group Chief Legal Counsel and Governance Officer at least annually. Director training requirements are informed by changes in the regulatory, legislative and business environment, as well as by skills gaps and development needs identified through the annual Board and committee evaluation process.

Each year, the Group and subsidiary Boards approve a calendar of training programmes to ensure that Director development remains structured, relevant and responsive to emerging risks, regulatory expectations and strategic priorities.

During the reporting period, the Group undertook a comprehensive training programme covering governance, regulatory compliance, sustainability, technology, risk, finance and human capital management. Training sessions conducted during 2025 included the following:

- Governing Artificial Intelligence
- AntiMoney Laundering and Counter-Financing of Terrorism
- Board Charter and Terms of Reference
- Accountability for Sustainability
- Enterprise Governance of IT, Digital and Innovation
- KPMG Audit Committee Forum
- Human Resources Governance
- Audit and Finance Committee Roles and Responsibilities
- Business Development and Strategy
- Trade and Structured Finance
- Climate Risk and Sustainability

These sessions were designed to strengthen Directors' understanding of their oversight responsibilities, particularly in areas of heightened regulatory focus such as financial crime, technology governance, sustainability, climate related risks and the effective functioning of the various Boards and committees.

#### **Training Objectives**

In line with the Group's strategic imperatives and regulatory expectations applicable to the Group and its subsidiaries, the Board recognises that an effective Director training programme achieves the following objectives:

- To ensure that Directors are appropriately supported and equipped to meet the evolving demands of the Group's operating and regulatory environment.
- To enhance Directors' professional and personal development by broadening and deepening their existing skill sets.
- To foster a culture of continuous learning that contributes to sound governance, effective oversight and sustainable long-term value creation.

## Board Training Schedule

	COURSE	FACILITATOR	CBZ HOLDINGS	CBZ BANK	CBZ AGRO YIELD	CBZ ASSET MANAGEMENT	CBZ INSURANCE	CBZ LIFE	CBZ PROPERTIES	CBZ RISK ADVISORY	RedSphere FINANCE
23-Apr-25	Governing Artificial Intelligence	Carolynn Chalmers - Good Governance Academy	4	5	3	2	1	4	4	2	2
29-Apr-25	Anti-Money Laundering/Counter Financing of Terrorism	Bank of Zimbabwe	3	6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
16-May-25	Board Charters & Terms of Reference	Thomas Lusiyano - Ganesha Consulting	3	5	2	2	0	4	2	0	1
22-May-25	Sustainability/ESG	Carolynn Chalmers - Good Governance Academy	7	5	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3 & 4 July 2025	Enterprise Governance of IT, Digital & Innovation Workshop	Tichaona Zororo - EGIT	7	7	n/a	n/a	n/a	n/a	n/a	n/a	n/a
17-Jul-25	KPMG Audit Committee Forum	KPMG	1	1	n/a	1	n/a	1	1	n/a	2
23-Jul-25	Human Resource Governance	Rose Nhamo	5	3	4	4	1	2	4	4	2
27-Aug-25	Audit & Finance Committee - Roles and Responsibilities	"Thomas Lusiyano - Ganesha Consulting	5	5	3	3	2	3	4	2	1
8-Oct-25	Business Development and Strategy Part 1	Thomas Lusiyano - Ganesha Consulting	5	8	3	2	2	2	3	1	3
14 & 15 Oct 2025	Climate and Sustainability	International Finance Corporation	5	6	5	3	1	3	3	2	0
21-Oct-25	Anti-Money Laundering/Counter Financing of Terrorism/Counter Proliferation Financing	Compliance Function (In House & Financial Intelligence Unit)	n/a	7	n/a	n/a	n/a	n/a	n/a	n/a	n/a
29-Oct-25	Trade and Structured Finance	Margaret Makura - Cedar Point Global	n/a	8	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5-Nov-25	Business Development and Strategy Part 2	Thomas Lusiyano - Ganesha Consulting	2	3	3	3	0	1	2	1	1

## Board Meetings

The Board meets at least four times a year, with meetings scheduled on a quarterly basis. A structured Board meeting calendar is approved in advance to ensure adequate coverage of all matters reserved for the Board and to support effective oversight throughout the year. Individual director attendance at Board meetings is disclosed in the report.

In addition to the scheduled meetings, special or additional Board meetings are convened as required to consider urgent or material matters arising between scheduled meetings. This ensures that the Board remains responsive to the Group's operating, regulatory and risk environment.

The agendas and meeting structure are designed to ensure that sufficient time is dedicated to matters of strategic importance. Key focus areas include strategy formulation and oversight, risk management, information technology, performance monitoring, governance, regulatory compliance, capital and sustainability. Directors are encouraged to propose items for inclusion on the Board agenda, ensuring that emerging issues and concerns are addressed timeously.

Comprehensive Board papers are circulated in advance of each meeting to enable Directors to prepare adequately for informed discussion and decision-making. The quality, relevance and clarity of information provided to the Board are continually reviewed to support effective oversight.

Board meetings are conducted in a manner that promotes open, constructive dialogue, active participation and independent challenge. Sufficient time is allocated to enable robust deliberation and the timely resolution of issues. The Chairperson facilitates meetings to ensure balanced participation and effective decision-making, without dominating or unduly influencing discussions.

Senior executives and control function heads attend Board and Board committee meetings by invitation to provide insight, context and subject-matter expertise on matters under consideration. Such engagement enables the Board to interact directly with executive management on key strategic, risk, legal, compliance, technology and human capital matters, and also supports effective succession planning and leadership development.

## DIRECTORS' RESPONSIBILITIES

The Board recognises that it bears ultimate responsibility for the governance, performance and sustainability of the Group. All Directors receive ongoing guidance on their statutory and fiduciary duties. Directors are supported in the discharge of their responsibilities by the Group Chief Legal Counsel and Governance Officer, who provides continuous advice on legal, regulatory and governance matters.

Directors' roles and responsibilities are reinforced on an ongoing basis through governance updates and reports tabled quarterly via the Group Human Resources and Corporate Governance Committee. These updates support Directors in remaining informed of evolving regulatory expectations, governance standards and best practices applicable to a regulated financial holding company.

The Board has approved and maintains a Governance Code, which articulates the governance principles, systems, structures and internal controls applicable across the Group. The Governance Code is supported by a suite of Board approved policies and frameworks and is made available to all Directors. The Governance Code and supporting policies are reviewed and approved by the Board annually to ensure continued relevance, effectiveness and alignment with legislative and regulatory developments.

The Board maintains a register of Directors' interests, external appointments and shareholdings, which is reviewed on a quarterly basis and updated as changes arise. Directors are required to disclose any actual or potential conflicts of interest promptly, and such declarations are considered and addressed at Board or committee meetings where relevant. Where conflicts arise, appropriate measures, including recusal from deliberations or decisions, are applied to ensure the integrity and independence of Board decisions. Through these processes, the Board ensures accountability, transparency and ethical conduct, consistent with its fiduciary responsibilities and regulatory obligations.

**RETIREMENT AND APPOINTMENT OF NEW DIRECTORS**

During the reporting period, certain changes occurred in the composition of the Boards across the Group, as set out below:

**Board Appointments during 2025**

Name	Status	Board	Date of Appointment
Joel Makombe	Executive Director	CBZ Holdings	1 March 2025
Pfungwa Serima	Independent Non-Executive Director	CBZ Holdings	22 April 2025
Takudzwa Mudzengerere	Independent Non-Executive Director	CBZ Holdings	6 May 2025
Robert John Hoard	Independent Non-Executive Director	CBZ Bank	18 March 2025
Valeta Mthimkhulu	Executive Director (Managing Director)	CBZ Bank	1 August 2025
Prof. Paul Mapfumo	Independent Non-Executive Director	CBZ Agro-Yield	13 March 2025
Taremeredzwa Mutendadzamera	Independent Non-Executive Director	CBZ Agro-Yield	13 March 2025
Michael Zihumo	Independent Non-Executive Director	CBZ Agro-Yield	13 March 2025
Heena Joshi	Acting Chairperson	CBZ Asset Management t/a Datvest Asset Management	18 September 2025
Fungai Kuipa	Independent Non-Executive Director	CBZ Capital	13 May 2025
Lionel Chinyamutangira	Independent Non-Executive Director	CBZ Capital	13 May 2025
Joey Shumbamhini	Independent Non-Executive Director	CBZ Insurance	4 June 2025
Dr. Nancy Matshe	Independent Non-Executive Director	CBZ Insurance	12 June 2025
Dr. Chessman Wekwete	Independent Non-Executive Director	CBZ Life	14 March 2025
Dr. Welcome Sibanda	Independent Non-Executive Director	CBZ Life	14 March 2025
Brenda Tsvetu	Independent Non-Executive Director	CBZ Properties	12 March 2025
Nyasha Mukura	Independent Non-Executive Director	CBZ Properties	12 March 2025
Regai Hove	Independent Non-Executive Director	CBZ Risk Advisory Services	28 August 2025

**Board Retirements during 2025**

Name	Status	Board	Date of Retirement
Louis Gerken	Independent Non-Executive Director	CBZ Holdings	17 January 2025
Tawanda Gumbo	Executive Director (Group CFO)	CBZ Holdings	28 February 2025
Gift Simwaka	Executive Director (Managing Director)	CBZ Bank	1 March 2025
Never Mhlanga	Independent Non-Executive Director & Chairperson	CBZ Asset Management t/a Datvest Asset Management	12 September 2025

During the year under review, the Group experienced changes in the composition of its Boards. A total of fifteen (15) Independent Non-Executive Directors (INEDs) were appointed across the Group, while two (2) Independent Non-Executive Directors resigned during the period.

The process to recruit additional directors remains ongoing to ensure that the Boards are appropriately constituted to meet the Group's strategic, governance and regulatory requirements.

The appointment of new Directors is conducted in accordance with pre-established selection criteria, taking into account the existing skills mix, experience and competencies of the Board as a whole, as well as identified areas where additional expertise is required. Particular consideration is given to ensuring that the Board collectively possesses the professional, financial, industry, risk, governance and regulatory expertise necessary to support the Group's longterm strategy and sustainability.

All appointments are made with due regard to the need to maintain an appropriate balance of independence and diversity, including diversity of gender, age, skills, knowledge, experience and perspective. A formal, transparent and rigorous appointment process is followed, and all Director appointments are subject to confirmation by shareholders at the Annual General Meetings.






Prior to appointment, all prospective Directors are required to undergo a Fitness and Probity assessment in line with industry specific regulatory requirements to ensure their suitability for office in a regulated financial services environment.

# Board Committees

In the discharge of its responsibilities effectively and efficiently, the Board is supported by a number of Board committees to which specific duties and authority are delegated. The use of committees assists the Board in fulfilling its oversight responsibilities while retaining overall accountability for governance, strategy, performance and risk management.

Each Board committee is constituted with due regard to the nature of its mandate and comprises Directors with an appropriate balance of skills, experience and independence relevant to the committee's responsibilities. This ensures that no undue reliance is placed on any one individual and that matters are considered objectively and rigorously.

**The Board recognises that the effective use of committees delivers the following benefits:**

<p><b>Enhanced expertise:</b> </p> <p>Committees enable Directors with specialised skills and experience to focus on specific areas such as audit and finance, risk and compliance, human capital governance and remuneration. This enhances the quality of analysis, deliberation and recommendations made to the Board.</p>	<p><b>Increased efficiency:</b> </p> <p>By delegating detailed work and the in-depth consideration of complex matters to committees, the Board is able to allocate sufficient time at Board meetings to strategic, performance and governance matters. This improves the overall efficiency and effectiveness of Board decision making.</p>	<p><b>Improved oversight:</b> </p> <p>Committees provide focused oversight of critical areas including financial reporting, risk management, regulatory compliance, internal control, executive remuneration and nominations. Through regular reporting to the Board, committees support enhanced monitoring and assurance.</p>	<p><b>Enhanced accountability:</b> </p> <p>Committee members are accountable for the execution of their delegated mandates and for reporting to the Board on matters within their remit. This promotes clarity of responsibility, strengthens governance discipline and reinforces collective Board accountability.</p>	<p><b>Succession Planning and Board Effectiveness:</b> </p> <p>Through the work of the relevant committees, the Board is supported in identifying and developing potential Board and committee leadership talent. This contributes to effective succession planning and sustained Board effectiveness.</p>
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Each Board committee operates under formally approved terms of reference, which are reviewed periodically to ensure continued relevance and alignment with regulatory requirements and the Group's governance framework. Committees report regularly to the Board, and the Board applies its independent judgement to all committee recommendations.

The Board committees meet at least quarterly to review past performance, consider emerging matters and provide oversight and direction to management on both operational and policy-related issues. Each committee operates in accordance with formally approved written terms of reference, which clearly define its mandate, authority, responsibilities and reporting obligations. Through these committees, the Board allocates specific responsibilities while retaining overall accountability for governance and performance.

Where deemed necessary, the Board and its committees may seek independent professional advice at the cost of the Group to support informed decision making and the proper discharge of their delegated responsibilities. During the year under review, the Board committees continued to play an integral role in the Group's governance framework. The committees discharged their mandates in a manner that was both comprehensive and effective, providing focused oversight and supporting the Board in fulfilling its statutory, fiduciary and regulatory responsibilities.

The Board has established and delegated specific duties to the following six standing committees, each operating under approved terms of reference:

- Audit and Finance Committee
- Risk, Legal and Compliance Committee
- Group Human Resources and Corporate Governance Committee (which also serves as the Nominations Committee)
- Digital Committee
- Sustainability Committee
- Strategy Committee

The Board recognises that committees are fundamental to effective corporate governance, enabling deeper focus on critical areas, enhanced oversight and informed recommendations to the Board. Through regular engagement, structured reporting and robust deliberation, the committees continue to support the Board in promoting sound governance, prudent risk management, sustainable value creation and regulatory compliance across the Group.

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## BOARD COMMITTEES



### AUDIT & FINANCE COMMITTEE

The Audit & Finance Committee assists the Board in fulfilling its oversight responsibilities relating to financial reporting, internal controls, assurance, audit matters and financial management. The Committee plays a critical role in supporting the integrity of the Group's financial reporting and the effectiveness of its control environment.

The Committee oversees the coordination and effectiveness of internal control, internal audit and risk management activities, with a particular focus on financial risks and controls. Its responsibilities include reviewing the adequacy and effectiveness of financial reporting processes, internal control systems and audit functions, as well as ensuring appropriate responses to identified control weaknesses.

The Committee is responsible for considering and recommending to the Board the appointment, reappointment or removal of the external auditors, approving their terms of engagement, and overseeing auditor independence and objectivity. It also reviews the scope and outcomes of both internal and external audit work, including significant audit findings, management responses and remediation actions.

In addition, the Committee reviews and considers the Group's financial performance, budgets, capital expenditure plans and financial planning. The Group's annual financial statements, interim reports, budgets, Internal Audit reports and External Audit reports are presented to and discussed by the Committee.

During the year under review, the Committee held separate meetings with both the External Auditors and the Internal Audit function, in the absence of management, to enable open and candid discussions on audit findings, the effectiveness of internal controls, risk management matters, auditor independence, and any other issues of concern that required independent consideration by the Committee.

Through its work, the Audit & Finance Committee supports the Board in ensuring transparent, accurate and reliable financial and integrated reporting, sound financial governance, regulatory compliance and the maintenance of investor and stakeholder confidence.



### HUMAN RESOURCES & CORPORATE GOVERNANCE COMMITTEE

The Group Human Resources & Corporate Governance Committee assists the Board in discharging its responsibilities relating to human capital management, remuneration, Board effectiveness and corporate governance across the Group.

**The Committee's key responsibilities include:**

- Setting, reviewing and recommending the Group's overall remuneration policy and strategy to ensure alignment with the Group's strategic objectives, regulatory requirements and sustainable value creation.
- Reviewing and approving remuneration arrangements, performance contracts and incentive structures for Executive Directors and senior management.
- Providing oversight of corporate governance matters for the Group and the Board, including the development, implementation and ongoing review of the Group's governance framework, policies and practices.
- Overseeing strategic human resources matters, including talent management, succession planning, leadership development and organisational effectiveness.
- Reviewing and considering the Group Human Resources Report and the Corporate Governance Report prior to submission to the Board.

In its capacity as the **Nominations Committee**, the Committee is responsible for:

- Identifying and assessing candidates for appointment as Non-Executive Directors and making recommendations to the Board for election or reelection.
- Ensuring that the director nomination process is formal, transparent and rigorous.
- Reviewing the structure, size and composition of the Board and its committees, and recommending changes where necessary.
- Considering the balance of skills, experience, knowledge, independence and diversity on the Board.
- Overseeing Board succession planning and ensuring that Board membership is periodically refreshed.
- Assessing Board composition and succession matters at least annually.

Through its work, the Committee supports effective Board leadership, sound governance practices and responsible human capital management in line with regulatory expectations and the Group's longterm strategic objectives.

### STRATEGY COMMITTEE

The Strategy Committee assists the Board in providing oversight and direction on the Group's strategic positioning, longterm growth objectives and major strategic initiatives. The Committee supports the Board by ensuring that strategy formulation, evaluation and execution are aligned with the Group's purpose, risk appetite, capital position and regulatory environment.

**The Committee's key responsibilities include:**

- Considering, reviewing, analysing, monitoring and evaluating the Group's strategic plan and overall strategy, and making recommendations to the Board for approval.
- Exercising oversight of the implementation of the approved strategy and monitoring progress against strategic objectives.
- Reviewing and, where appropriate, recommending to the Board potential acquisitions, disposals or restructuring of any business, business unit or material assets within the Group.
- Reviewing and evaluating proposed mergers, joint ventures, strategic alliances, profit-sharing arrangements or similar transactions involving any member of the Group.
- Reviewing key strategic projects and initiatives to assess alignment with the Group's strategy, financial sustainability and risk profile.
- Assisting the Board in assessing major financial plans, capital allocation decisions and investment proposals, and considering other material matters that may impact the strategic direction of the Company or the Group.

Through its work, the Strategy Committee supports informed, disciplined and forward-looking decision-making by the Board and contributes to the sustainable longterm growth and value creation objectives of the Group.

## RISK, COMPLIANCE AND LEGAL COMMITTEE

The Risk, Legal and Compliance Committee assists the Board in fulfilling its oversight responsibilities relating to the effectiveness of the Group's risk management, legal and compliance frameworks, as well as the adequacy of internal controls in a regulated financial services environment.

### The Committee's responsibilities include:

- Providing oversight of the effectiveness of the Group's systems of risk management and internal controls, ensuring that material risks are identified, assessed and managed within approved risk parameters.
- Reviewing, approving and recommending to the Board the methodologies and frameworks used to identify, assess, measure, monitor and report on risks across the Group.
- Reviewing, monitoring and constructively challenging risk assessments, emerging risk trends, risk concentrations and management's responses thereto.
- Reviewing and recommending to the Board the Group's risk strategy, risk appetite and risk governance approach, and monitoring alignment with the Group's strategic objectives.
- Monitoring and providing the Board with an opinion on the overall effectiveness of the Group's risk management system.
- Overseeing the development, implementation and ongoing effectiveness of the Group Compliance Framework, including adherence to applicable laws, regulations, supervisory directives and internal policies.
- Providing oversight of material legal and regulatory matters that may have an impact on the Group's operations, financial position or reputation.

The Group Risk Report, Group Legal Report and Group Compliance Report are presented to and discussed by the Committee on a regular basis, enabling focused oversight and informed recommendations to the Board. Through its work, the Committee supports prudent risk taking, regulatory compliance and the maintenance of a strong control environment across the Group.

## DIGITAL COMMITTEE

### Digital Committee

The Digital Committee assists the Board in discharging its oversight responsibilities relating to information technology, digital strategy and innovation, ensuring that technology initiatives support the Group's strategic objectives while appropriately managing technology-related risks and maximising value creation.

### The Committee's responsibilities include:

- Providing strategic direction, oversight and governance in respect of the Group's information technology and digital transformation initiatives.
- Assisting the Board in fulfilling its oversight responsibilities relating to IT strategy, digital innovation, cybersecurity, data management and technology resilience.
- Serving as a forum for discussion, evaluation and recommendation on matters relating to information technology governance, digital capabilities and emerging technologies across the Group.
- Reviewing, monitoring and providing guidance on the Group's IT and information management strategies, governance frameworks, operating models, policies, standards and internal controls.
- Overseeing the management of key technology-related risks, including cybersecurity, data privacy, system resilience, third-party technology dependencies and business continuity.
- Monitoring alignment between digital initiatives and the Group's overall strategy, risk appetite and regulatory obligations.

Through its work, the Digital Committee supports the Board in ensuring that technology is used responsibly, securely and effectively to enhance operational efficiency, support innovation, protect information assets and sustain the Group's competitive position in a rapidly evolving digital environment.

## SUSTAINABILITY COMMITTEE

### Sustainability Committee

The Sustainability Committee assists the Board in discharging its responsibilities relating to environmental, social and governance (ESG) matters, and in ensuring that sustainability considerations are integrated into the Group's strategy, operations and decision-making processes.

### The Committee's responsibilities include:

- Assisting the Board in the development and oversight of the Group's ESG framework, policies and practices, and ensuring the integration of ESG considerations into the Group's strategy, business model and longterm value creation objectives.
- Overseeing ESG priority setting, including the identification of material ESG risks and opportunities, the development of ESG related key performance indicators (KPIs) and targets, and monitoring progress against these measures.
- Reviewing ESG related disclosures, reporting and assurance processes, and providing oversight of compliance with applicable laws, regulations and standards relating to sustainability, corporate responsibility and ESG reporting requirements.
- Considering matters relating to sustainability reporting, including climate related disclosures, assurance over ESG information, and emerging requirements relating to taxonomy, labelling and responsible finance.
- Assisting the Board by monitoring and advising on relevant ESG trends, regulatory developments and best practices that may impact the Group, its stakeholders and its operating environment.

Through its work, the Sustainability Committee supports the Board in promoting responsible business conduct, sustainable value creation, effective oversight of ESG risks and opportunities, and transparent reporting to stakeholders.

## BOARD EVALUATION

An effective Board remains a fundamental pillar of organisational performance, strategic clarity and long term business sustainability. The Company recognises that a strong evaluation framework is essential for ensuring the Board continues to discharge its responsibilities with diligence, independence of mind and professional competence.

Consistent with RBZ Prudential Standard No. 02 2025/BSSFS, which requires regulated institutions to conduct structured assessments of the Board, individual Directors, Board Committees and key governance functions, the Group has adopted a comprehensive and formalised evaluation process.

The evaluation process assesses the Board's effectiveness in:

- Providing ethical and strategic leadership.
- Setting the institution's overall direction, values and governance framework.
- Exercising effective oversight of senior management.
- Ensuring compliance with applicable laws, supervisory expectations and internal policies.
- Meeting its accountability obligations to shareholders and broader stakeholders.

To ensure objectivity and depth, the Board undertakes a rigorous annual evaluation, which includes:

- Assessment of the Chairperson.
- Individual Director assessments, focusing on competence, contribution, preparedness, and independence.
- Committee evaluations to determine their effectiveness, mandate alignment, and quality of oversight.
- A collective Board effectiveness review, examining structure, dynamics, information flow and decision making robustness.

The evaluation is conducted using a structured set of criteria and detailed questionnaires completed confidentially by each Director. This process enables the identification of strengths, areas for improvement, and opportunities to enhance governance practices. In accordance with RBZ requirements for transparent and credible governance assurance, the annual evaluation is facilitated by independent external consultants, who compile a Board Evaluation Report and provide recommendations to support continuous improvement.

The outcomes of the evaluation are incorporated into Board development and action plans and overseen by the Group Human Resources and Corporate Governance Committee during 2026.

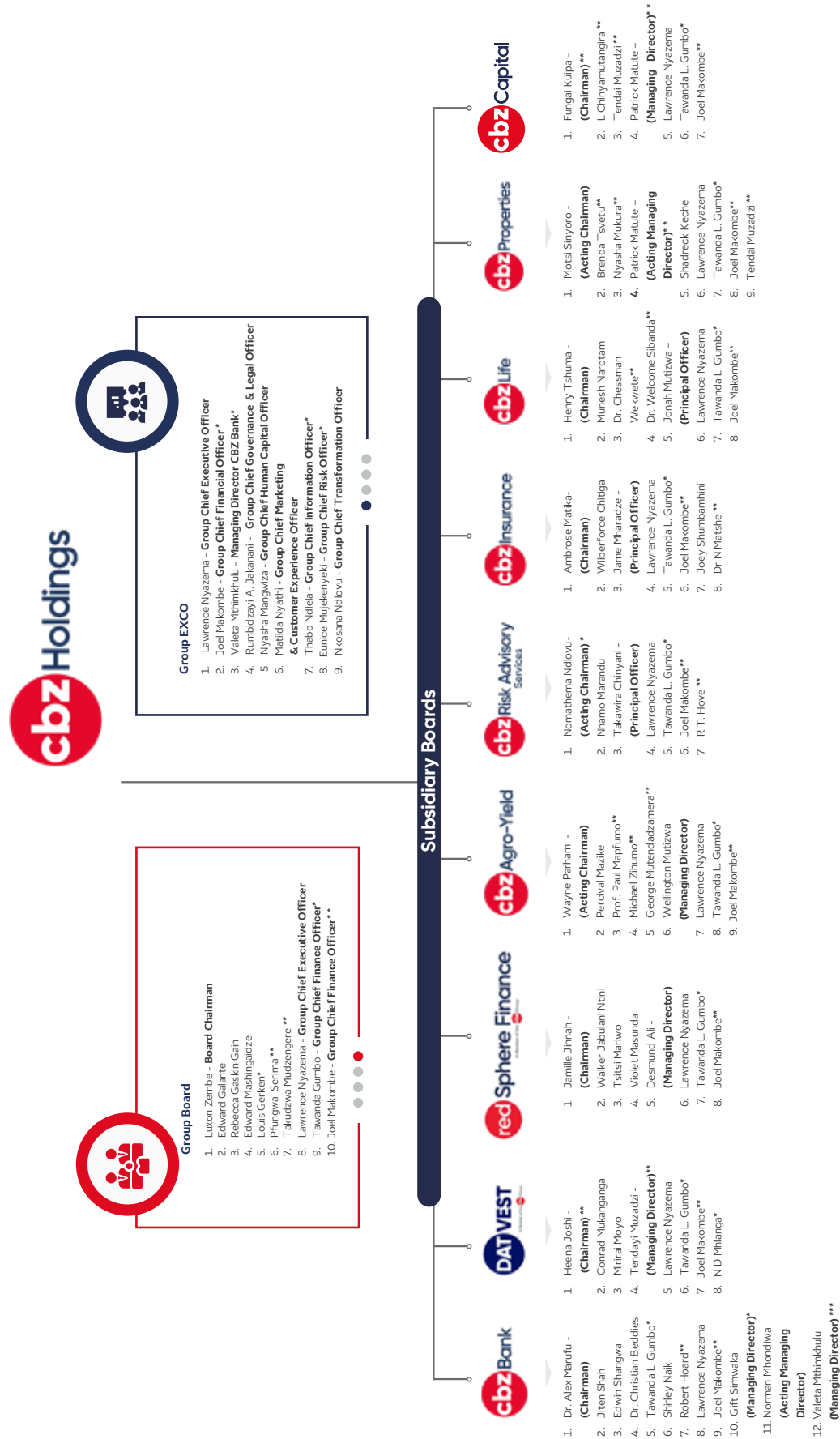
### GROUP BOARD EVALUATION RESULTS

Evaluation Category	CBZ Holdings	CBZ Bank	CBZ Agro-Yield	CBZ Asset Management	CBZ Capital	CBZ Insurance	CBZ Life	CBZ Properties	CBZ Risk Advisory	Red Sphere Finance
<b>Board &amp; Strategy Effectiveness</b>	"1.47 Strong"	"1.20 Strong"	"1.44 Strong"	"1.30 Strong"	"1.50 Strong"	"1.06 Strong"	"1.20 Strong"	"1.54 Strong"	"1.42 Strong"	"1.54 Good"
<b>Board Structure &amp; Committees</b>	"1.25 Strong"	"1.25 Strong"	"1.35 Strong"	"1.61 Strong"	"1.73 Strong"	"1.65 Strong"	"1.55 Strong"	"1.60 Strong"	"2.28 Satisfactory"	"1.17 Good"
<b>Board Meetings &amp; Procedures</b>	"1.32 Strong"	"1.24 Strong"	"1.11 Strong"	"1.20 Strong"	"1.28 Strong"	"1.07 Strong"	"1.17 Strong"	"1.48 Strong"	"1.26 Good"	"1.14 Good"
<b>Board and Management Relations</b>	"1.45 Strong"	"1.44 Strong"	"1.42 Strong"	"1.49 Strong"	"1.47 Strong"	"1.21 Strong"	"1.23 Strong"	"1.71 Strong"	"1.26 Good"	"1.52 Good"
<b>Succession Planning &amp; Training</b>	"1.72 Strong"	"1.74 Strong"	"1.92 Strong"	"1.27 strong"	"1.44 Strong"	"1.75 Strong"	"1.47 Strong"	"2 Satisfactory"	"1.61 Good"	"1.40 Good"
<b>Board Responsibilities</b>	"1.18 Strong"	"1.09 Strong"	"1 Strong"	"1 Strong"	"1.20 Strong"	"1 Strong"	"1.04 Strong"	"1.36 Strong"	"1.20 Good"	"1.23 Good"
<b>Overall Score</b>	"1.40 Strong"	"1.33 Strong"	"1.37 Strong"	"1.31 Strong"	"1.44 Strong"	"1.29 Strong"	"1.28 Strong"	"1.62 Strong"	"1.51 Good"	"1.33 Good"

### Progress following the 2025 evaluation

An externally facilitated evaluation of the Board and its Committees was undertaken in 2025, with the outcomes and recommendations aligned at a Group level to ensure consistency in governance practices. Following this process, the Board approved a structured action plan to address areas of improvement. Oversight of the implementation of these actions was delegated to the Group Human Resources and Governance Committee, which will monitor progress throughout 2026 and provide periodic updates to the Board.

The Boards of Directors of the various units as at 31 December 2025 were constituted as tabulated below:











**Key:**  
 \* Retired/Resigned in 2025  
 \*\* Appointed in Q1 2025  
 \*\*\* Appointed in Q3 2025

# BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER

## Group Board attendance registers

CBZ Holdings Limited (Attendance Register January to December 2025 Boards, Merger And Integration Strategy Committee Engagements)

										
		Board Chairman	Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Chief Finance Officer	Chief Finance Officer	Chief Executive Officer
	Meetings Held	Zembe L Board Chairman	Mashingaidze EU Independent non-executive director	Galante EE Independent non-executive director	Gain R Independent non-executive director	Mudzengere T Independent non-executive director	Serima PG Independent non-executive director	Gumbo T Chief Finance Officer	Makombe J Chief Finance Officer	Nyazema L Chief Executive Officer
Audits & Finance	4	*	4	4	*	3	*	N/A	4*	4*
Special Audit & Finance	2	*	2	2	*	N/A	*	***	2*	2*
Risk Compliance & Legal	4	4	*	*	4	*	3	N/A	4*	4*
ESG Committee	4	4	*	4	4	*	3	N/A	4	4
Digital Committee	4	1*↓	1*↓	4	1*↓	3	3	N/A	4*	4*
HR & Corp Govern	4	4	4	*	4	*	*	N/A	*	4*
Special HR & Corp Govern	1	1	1	*	1	N/A	N/A	*	N/A	1*
Strategy Committee	1	1	1	1	1	1	1	N/A	1	1
Main Board	4	4	4	4	4	3	3	N/A	4	4
Special Main Board	2	2	2	2	2	N/A	N/A	1	N/A	N/A
<b>Total Committees</b>	<b>24</b>	<b>15</b>	<b>13</b>	<b>15</b>	<b>15</b>	<b>7</b>	<b>10</b>	<b>0</b>	<b>5</b>	<b>5</b>
<b>Total Boards</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>4</b>

**Key**  
 \* not a member      \*\* Executive      \*\*\* Did not attend      ^ Resigned on 28 February 2025      ^^ Appointed on 1 March 2025      ^^^ Appointed 22 April 2025  
 ^^^^ Appointed on 6 May 2025      \*↓ Step down as a member in Q2  
 ^ During 2024, the committee held four meetings and 2 special meetings. In addition, members of the committee attended several engagements which included amongst others, human capital matters and the Group restructuring exercise which commenced in 2024.

## Subsidiary Board attendance registers

CBZ Bank Limited Board Attendance Register (January to December 2025)

Name	Audit & Finance	Risk & Management	Credit	Special Credit	Loans Review	Main Board	Special Main Board	Total Committees	Total Main Boards
<b>Meetings Held</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>20</b>	<b>9</b>
Dr. M.P.A. Marufu	*	*	*	*	4	4	5	4	9
E.T. Shangwa	4	*	1*↓	3*↓	3↑	4	5	11	9
Dr. C.H. Beddies	4	*	4	4	*	4	5	12	9
J.G. Shah	1*↓	4	*	*	4	4	5	9	9
S.B. Naik	*	4	*	*	*	4	5	4	9
R.J. Hoard <sup>^^^</sup>	3	*	3	1	*	3	3	7	6
L. Nyazema	4*	1*↓	4	4	4*	4	5	9	9
J. Makombe <sup>^^</sup>	4*	3↑	4*	3*	1*↓	4	3	4	7
V. Mthimkhulu <sup>^^^</sup>	2*	2*	2*	1*	2*	2	1	*	3
N. Mhondiwa <sup>**</sup>	4*	4*	4*	4*	4*	4	5	*	9
G. Simwaka <sup>^^</sup>	n/a	n/a	n/a	1*	n/a	n/a	1	n/a	1
T.L. Gumbo <sup>^</sup>	n/a	n/a	n/a	1*	n/a	n/a	1	n/a	1

Key

\* not a member | \*\* Executive | \*\*\* Did not attend | ^ Resigned on 28 February 2025 | ^^ Appointed on 1 March 2025  
 ^^^ Resigned on 1 March 2025 | ^^^^ Appointed on 18 March 2025 | ^^^^^ Appointed on 1 August 2025 | ↑ Appointed as a member in Q2  
 \*↓ Stepped down as a member in Q2

#### CBZ Asset Management Board Attendance Register (January to December 2025)

Name	Audit & Finance	Special Audit & Finance	Investments & Risk	Main Board	Special Board	Strategy Session	Total Committees	Total Boards
<b>Meetings Held</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>5</b>
N. Mhlanga <sup>^^</sup>	*	n/a	2	2	n/a	1	2	2
H.J. Joshi <sup>v</sup>	3*↓	*	4	4	1	1	7	5
M.T.V. Moyo	4	1	*	4	1	1	5	5
C.F. Mukanganga	4	1	4	4	1	1	9	5
L. Nyazema	1↑	1	4*	4	1	1	2	5
J. Makombe <sup>^^</sup>	4*	1*	1↑	4	1	1	1	5
T. Muzadzi <sup>**</sup>	4*	1*	4*	4	1	1	*	5
T.L. Gumbo <sup>^</sup>	n/a	n/a	n/a	n/a	n/a	1	n/a	n/a

#### Key

\* not a member | \*\* Executive | \*\*\* Did not attend | ^ Resigned on 28 February 2025 | ^^ Appointed on 1 March 2025  
 ^^^ Resigned on 12 September 2025 | √ Appointed acting chairperson on 18 September 2025 | ↓ Stepped down as a member in Q3  
 ↑ Appointed as a member in Q4

#### CBZ Life Limited Board and Committees Attendance Register (January to December 2025)

Name	Audit & Finance	Investments & Risk	HR & Remuneration	Main Board	Total Committees	Total Boards
<b>Meetings Held</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>12</b>	<b>4</b>
H. Tshuma	2*↓	4	4	4	10	4
M.B. Narotam	4	4	4	4	12	4
Dr. C. Wekwete <sup>^^^</sup>	3	3	3	3	9	3
Dr. W. Sibanda <sup>^^^</sup>	3	*	*	3	3	3
L. Nyazema	4*	4*	4	4	4	4
J. Makombe <sup>^^</sup>	4*	4*	4*	4	*	4
J. Mutizwa <sup>**</sup>	4*	4*	4*	4	*	4
T.L. Gumbo <sup>^</sup>	n/a	n/a	n/a	n/a	n/a	n/a

#### Key

\*not a member | \*\*Executive | \*\*\* Did not attend | ^ Resigned on 28 February 2025 | ^^ Appointed on 1 March 2025  
 ^^^ Appointed on 14 March 2025 | \*↓ Stepped down as a member in Q3

#### CBZ Insurance Board and Committees Attendance Register (January to December 2025)

Name	Audit & Finance	Investments & Risk	HR & Remuneration	Main Board	Total Committees	Total Boards
<b>Meetings Held</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>12</b>	<b>4</b>
A.T.K. Matika	2*↓	4	4	4	10	4
W. Chitiga	4	2*↓	4	4	10	4
J. Shumbamhini <sup>^^^</sup>	*	2	*	2	2	2
Dr. N. Matshe <sup>^^^</sup>	2	*	*	2	2	2
L. Nyazema	4*	4*	4	4	4	4
J. Makombe <sup>^^</sup>	4*	4*	4*	4	*	4
J. Mharadze <sup>**</sup>	4*	4*	4*	4	*	4
T.L. Gumbo <sup>^</sup>	n/a	n/a	n/a	n/a	n/a	n/a

#### Key

\*not a member | \*\*Executive | \*\*\* Did not attend | ^ Resigned on 28 February 2025 | ^^ Appointed on 1 March 2025  
 ^^^ Appointed on 4 June 2025 | ^^^^ Appointed on 12 June 2025 | \*↓ Stepped down as a member in Q3

#### Red Sphere Finance Board and Committees Attendance Register (January to December 2025)

Name	Audit & Finance Committee	Credit	Main Board	Total Committees	Total Boards
<b>Meetings Held</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>8</b>	<b>4</b>
J. Jinnah	*	4	4	4	4
W.J. Ntini	4	*	4	4	4
T. Mariwo	4	4	4	8	4
V. Masunda	4	4	4	8	4
L. Nyazema	4*	4*	4	*	4
J. Makombe <sup>^^</sup>	4*	4*	4	*	4
D. Ali <sup>**</sup>	4*	4*	4	*	4
T.L. Gumbo <sup>^</sup>	n/a	n/a	n/a	n/a	n/a

#### Key

\* not a member | \*\* Executive | \*\*\* Did not attend | ^ Resigned on 28 February 2025 | ^^ Appointed on 1 March 2025

**CBZ Risk Advisory Services Board and Committees Attendance Register (January to December 2025)**

Name	Audit & Risk	Main Board	Total Committees	Total Boards
<b>Meetings Held</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Dr. N. Ndlovu	4	4	4	4
Dr. N. Marandu	4	4	4	4
R.T. Hove <sup>^^^</sup>	2	2	2	2
L. Nyazema	4*	4	*	4
J. Makombe <sup>^^</sup>	4*	4	*	4
T. Chinyani <sup>**</sup>	4*	4	*	4
T.L. Gumbo <sup>^</sup>	n/a	n/a	n/a	n/a

**Key**

\* Not Member | \*\* Executive | \*\*\* Did not attend | ^ Resigned on 28 February 2025 | ^^ Appointed on 1 March 2025  
<sup>^^^</sup> Appointed on 28 August 2025

**CBZ Properties Board Attendance Register (January to December 2025)**

Name	Audit & Finance <sup>^^^</sup>	Risk & Investments <sup>^^^</sup>	Main Board	Total Committees	Total Boards
<b>Meetings Held</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>4</b>
M. Sinyoro	*	2	4	2	4
B. Tsvetu	2	2	4	4	4
N. Mukura	2	2	4	4	4
L. Nyazema	2	2	4	4	4
J. Makombe <sup>^^</sup>	1*	1	3	1	3
T. Muzadzi	2*	2*	4	*	4
P.J. Matute <sup>**</sup>	2*	2*	4	*	4
S. Keche <sup>**</sup>	2*	2*	4	*	4
T.L. Gumbo <sup>^</sup>	n/a	n/a	n/a	n/a	n/a

**Key**

\* Not a Member | \*\* Executive | \*\*\* Did not attend | ^ Resigned on 28 February 2025 | ^^ Appointed on 1 March 2025  
<sup>^^^</sup> Committees constituted in Q3 2025

**CBZ Agro Yield Board Attendance Register (January to December 2025)**

Name	Audit & Finance <sup>^^^</sup>	Risk <sup>^^^</sup>	Main Board	Total Committees	Total Boards
<b>Meetings Held</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>4</b>
W.D. Parham	*	2	4	2	4
P.S. Mazike	2	2	4	4	4
Prof. P. Mapfumo <sup>^^^</sup>	*	1	2	1	2
T.G. Mutendadzamera <sup>^^^</sup>	2	*	3	2	3
M. Zihumo <sup>^^^</sup>	2	*	3	2	3
L. Nyazema	2*	2*	4	*	4
J. Makombe <sup>^^</sup>	2*	2*	4	*	4
W. Mutizwa <sup>**</sup>	2*	2*	4	*	4
T.L. Gumbo <sup>^</sup>	n/a	n/a	n/a	n/a	n/a

**Key**

\* not a member | \*\* Executive | \*\*\* Did not attend | ^ Resigned on 28 February 2025 | ^^ Appointed on 1 March 2025 | <sup>^^^</sup> Appointed on 13 March 2025  
<sup>^^^</sup> Committees constituted in Q3 2025

**CBZ Capital Board Attendance Register (January to December 2025)**

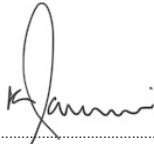
Name	Main Board	Total Boards
<b>Meetings Held</b>	<b>4</b>	<b>4</b>
F. Kuipa <sup>^^</sup>	3	3
L. Chinyamutangira <sup>^^^</sup>	3	3
L. Nyazema	4	4
J. Makombe <sup>^^</sup>	4	4
T. Muzadzi	4	4
P.J. Matute <sup>**</sup>	4	4
T.L. Gumbo <sup>^</sup>	n/a	n/a

**Key**

\* Not Member | \*\* Executive | \*\*\* Did not attend

<sup>^</sup> Resigned on 28 February 2025 | <sup>^^</sup> Appointed on 1 March 2025<sup>^^^</sup> Appointed 13 May 2025**STATEMENT OF COMPLIANCE**

Based on the information set out in this corporate governance statement the Board believes that throughout the accounting period under review, the Group complied with the requisite regulatory requirements.

**By order of the Board**


Rumbidzayi Angeline Jakanani

**GROUP CHIEF LEGAL COUNSEL AND GOVERNANCE OFFICER**

30 March 2026

# REPORT OF THE DIRECTORS

We have the pleasure in presenting our report and the audited financial statements for the year ended 31 December 2025.

## SHARE CAPITAL

The authorized and issued share capital of the Company is as follows:

Authorised: 1 000 000 000 ordinary shares  
 Issued and fully paid: 622 068 783 ordinary shares

## INCORPORATION ACTIVITIES AND RESULTS

The Group offers commercial banking micro financing asset management property management short and long term insurance and other financial services and is incorporated in Zimbabwe.

Summarised below is breakdown of the application of profit after tax attributable to equity holders of the parent:

	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000
Dividend Payout	332 896	68 724
Retained for future growth	1 111 772	99 637
	<b>1 444 668</b>	<b>168 361</b>

### Directorate as at 31 December 2025

- |                                   |  |
|-----------------------------------|--|
| Mr Luxon Zembe (Group Chairman)   | Independent Non Executive Director       |
| Mr Takudzwa Mudzengerere          | Independent Non Executive Director       |
| Mr Edward Ushemazoro Mashingaidze | Independent Non Executive Director       |
| Ms Rebecca Louise Gaskin Gain     | Independent Non Executive Director       |
| Mr Edward Elio Galante            | Independent Non Executive Director       |
| Mr Pfungwa Serima                 | Independent Non Executive Director       |
| Mr Lawrence Nyazema*              | Group Chief Executive Officer            |
| Mr Joel Makombe*                  | Group Chief Finance Officer              |
| Rumbidzayi Angeline Jakanani**    | Group Chief Governance and Legal Officer |

\*Executive  
 \*\* Ex officio

### By Order of the Board



.....  
 Rumbidzayi Angeline Jakanani  
**Group Chief Governance Officer**

30 March 2026

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# SHAREHOLDERS' INFORMATION

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Shareholders' Calendar **171**





# ANALYSIS OF SHAREHOLDERS

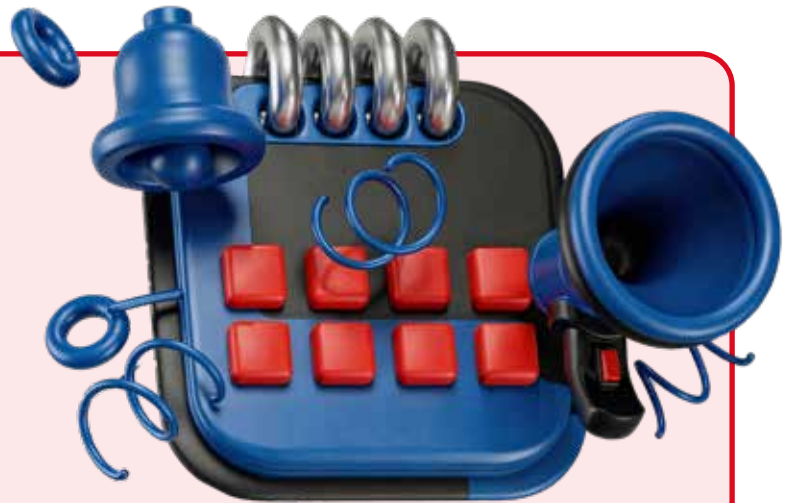
Industry	Holders	% of Holders	Shares	% of Shares
COMPANIES	352	3.22	173 128 517	27.83
INDIVIDUALS	10 390	94.98	19 947 982	3.21
NON RESIDENTS	39	0.36	96 892 138	15.57
PENSION FUND	75	0.69	212 851 464	34.22
NOMINEES	36	0.33	117 207 540	18.84
INVESTMENTS TRUSTS & PROPERTY COMPANIES	32	0.29	320 009	0.05
INSURANCE	15	0.14	1 721 133	0.28
<b>Total</b>	<b>10 939</b>	<b>100.00</b>	<b>622 068 783</b>	<b>100.00</b>

Range	Holders	% of Holders	Shares	% of Shares
0 - 5 000	10 031	91.70	7 603 653	1.22
5 001 - 10 000	393	3.59	2 898 765	0.47
10 001 - 25 000	315	2.88	4 989 542	0.80
25 001 - 100 000	133	1.22	6 680 512	1.07
100 001 - 200 000	27	0.25	3 655 067	0.59
200 001 - 500 000	17	0.16	5 205 853	0.84
500 001 -	23	0.21	591 035 391	95.01
<b>Total</b>	<b>10 939</b>	<b>100.00</b>	<b>622 068 783</b>	<b>100.00</b>

## CONSOLIDATED TOP 10 AS AT 31 DECEMBER 2025

Account Name	Shares	% of Total
NATIONAL SOCIAL SECURITY AUTHORITY	146 095 699	23.48
AKRIBOS WEALTH MANAGRS NOMINEES	114 139 177	18.35
MUTAPA INVESTMENT FUND	110 000 000	17.68
LIBYAN FOREIGN BANK (NEW NON RESIDENT) THE	96 609 470	15.53
PUBLIC SERVICE PF	61 320 455	9.86
DATVEST NOMINEES (PVT) LTD	43 327 854	6.96
STANBIC NOMINEES (PVT) LTD	5 969 836	0.96
QuantAfrica Wealth Management	5 053 605	0.81
MAKOMO ENGINEERING PVT LTD	3 033 439	0.49
REMO INVESTMENT BROKERS (PVT) LTD	1 940 357	0.31
<b>TOTAL</b>	<b>587 489 892</b>	<b>94.43</b>
<b>OTHER SHAREHOLDERS</b>	<b>34 649 231</b>	<b>5.57</b>
<b>SHARES IN ISSUE</b>	<b>622 068 783</b>	<b>100.00</b>

# SHAREHOLDERS' CALENDAR



## Anticipated dates

---

Half year financial results to 30 June 2026

**August 2026**

Full year financial results to 31 December 2026

**March 2027**

Integrated Annual report and Annual General Meeting

**July 2027**





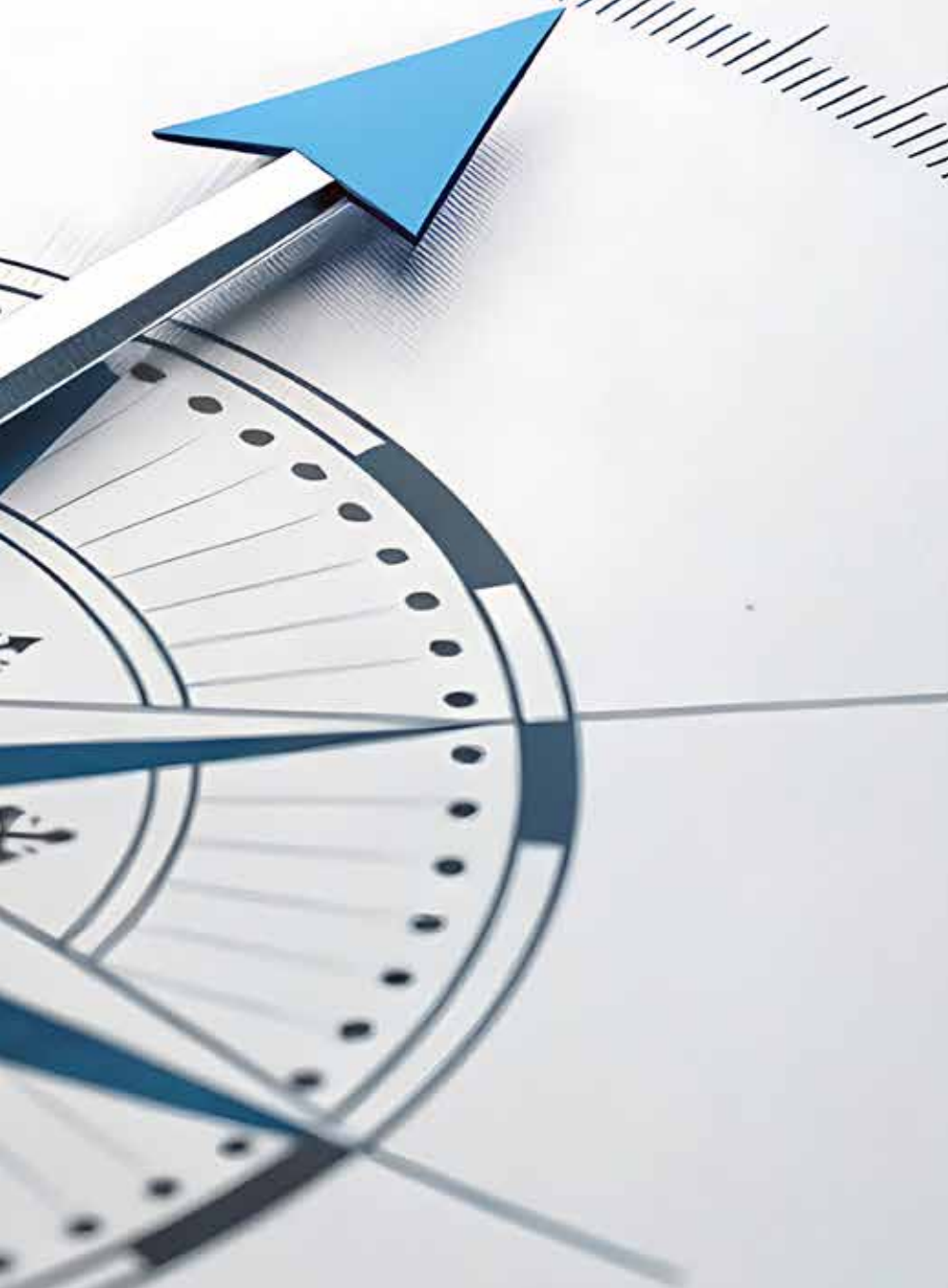
# ACTUARY'S REPORTS

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CBZ Life Limited Actuary's Report **175**



# INSURANCE



# CBZ INSURANCE (PRIVATE) LIMITED INDEPENDENT ACTUARY'S REPORT

AS AT 31 DECEMBER 2025

## INDEPENDENT ACTUARY'S OPINION

I, Tafadzwa Chiduzwa, of Claxon Actuaries (Pvt) Ltd, acting as the Independent Appointed Actuary of CBZ Insurance Company (Private) Limited, certify that, as at 31 December 2025, this Actuarial Valuation for CBZ Insurance Company has been prepared in accordance with the Guidelines to the Insurance Industry on Actuarial Valuations issued by the Insurance and Pensions Commission in Zimbabwe as well as generally accepted actuarial principles. I conclude that, as of 31 December 2025, CBZ Insurance Company (Private) Limited had adequate solvency capital to meet the prescribed minimum regulatory requirement in accordance with ZICARP, the Insurance Act and IPEC guidelines.

For, and on Behalf of,

**Claxon Actuaries (Pvt) Ltd**

Tafadzwa Chiduzwa

# CBZ LIFE (PRIVATE) LIMITED INDEPENDENT ACTUARY'S REPORT

AS AT 31 DECEMBER 2025

## STATUTORY INSTRUMENT 183 OF 2009 INSURANCE (AMENDMENT) REGULATIONS, 2009 (No. 14)

### CERTIFICATE AS TO THE SOLVENCY OF CBZ LIFE AS AT 31 DECEMBER 2025

I, the undersigned, hereby certify that CBZ Life is solvent on an ongoing basis as at 31 December 2025 as shown in the table below. This is after adjusting company values based on calculations in terms of the "Guideline for the Insurance and Pensions Industry on Adjusting Insurance and Pension Values in Response to Currency Reforms".

The following table shows the results of the actuarial valuation of CBZ Life on the Published Reporting Basis in respect of the year ended 31 December 2025.

	<b>31 DEC 2025 ZWG</b>	<b>31 DEC 2024 ZWG</b>
Total Assets	305 840 362	293 784 048
Current and other Liabilities	(65 329 994)	(18 363 495)
Policyholder Liabilities	(58 705 330)	(121 079 375)
<b>Excess Assets</b>	<b>181 805 038</b>	<b>154 341 178</b>

The following table shows the results of the actuarial valuation of CBZ Life on the Statutory Reporting Basis in respect of the year ended 31 December 2025.

	<b>31 DEC 2025 ZWG</b>	<b>31 DEC 2024 ZWG</b>
Total Admissible Assets	276 237 237	230 319 153
Policyholder Liabilities	(58 705 330)	(121 079 375)
<b>Excess Assets</b>	<b>217 531 907</b>	<b>109 239 778</b>
<b>Minimum Capital Requirements*</b>	<b>51 961 400</b>	<b>51 597 000</b>

\*Minimum capital requirement is US\$2 000 000 at valuation date exchange rate.

For statutory valuation purposes, all assets in excess of the admissibility requirements in terms of Statutory Instrument 95 of 2017 must be treated as inadmissible. SI 95 of 2017 requires insurers to hold ZWG51,961,400 capital after excluding inadmissible assets and imposing haircuts on others. The Company had admissible assets that exceeded actuarial and current liabilities as at 31 December 2025 by ZWG217,531,907. The ratio of the Company's excess assets to the minimum capital requirement of ZWG51,961,400 as at 31 December 2025 was 319%.

I hereby certify that, to the best of my knowledge and belief, at 31 December 2025, the value of the admissible assets in respect of all classes of life business carried out by CBZ Life Limited exceeded the amount of liabilities in respect of those classes of insurance by 319% of the minimum requirement of ZWG51,961,400 subject to my comment above.

Published Basic Reconciliation of Excess Assets

	<b>31 DEC 2025 ZWG</b>	<b>31 DEC 2024 ZWG</b>
<b>Excess Assets per Published Accounts</b>	<b>181 805 038</b>	<b>154 341 178</b>
<b>Adjust For: Inadmissible assets and liabilities</b>	<b>35 726 869</b>	<b>(45 101 399)</b>
Inadmissible assets	(29 603 124)	(45 101 399)
Inadmissible liabilities	65 329 993	-
<b>Excess Assets per Statutory Valuation</b>	<b>217 531 907</b>	<b>109 239 779</b>

Name of the Revaluation Actuary: James Olubayi

Name of Actuary's Professional Principal Regulator: Institute and Faculty of Actuaries (UK)

Date: 19 March 2026



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# GROUP FINANCIAL STATEMENTS

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# STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the oversight of the consolidated financial statements preparation to ensure that they comply with the Companies and Other Business Entities Act (Chapter 24:31) and IFRS<sup>®</sup> Accounting Standards. They have general responsibility, through various Board Committees, Executive management, compliance, and internal audit function for risk management and ensuring that internal controls are in place to identify and mitigate risks of the Group to prevent and detect fraud and other irregularities.

The consolidated financial statements are, by Law and IFRS<sup>®</sup> Accounting Standards, required to present fairly, the financial position of the Group and its performance for that period. In preparation of the Group financial statements, the Directors are required to:

- state whether they have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards; and
- prepared on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.
- select suitable accounting policies and then apply them consistently; and
- make judgements and estimates that are reasonable and prudent.

#### Compliance with Local legislation

The consolidated financial statements have been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29), Asset Management Act (Chapter 24:06) and Zimbabwe Stock Exchange (ZSE) Listing Rules of 2019. In addition, the Group is in compliance with the RBZ Banking Regulations, Statutory Instrument 205 of 2000.

#### Compliance with IFRS

The consolidated financial statements of the Group have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

#### Functional currency assessment

The Group reassessed its functional currency in line with IAS 21, The Effects of Changes in Foreign Exchange Rates and concluded that the United States Dollar (US\$) remains the functional currency. This determination reflects the currency that best represents the economic substance of the Group's operations, including revenue generation, cost structures, financing activities, and cash flows consistent with the Group's prior year assessment.

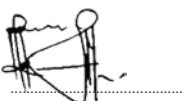
#### Going concern

The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern and to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

#### Responsibility

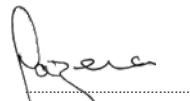
The Directors are responsible for preparing the annual financial statements. These consolidated financial statements were prepared by CBZ Holdings Limited's Group Finance Department, under the direction and supervision of the Group Chief Finance Officer, Mr Joel Makombe, CA(Z) PAAB Registration Number 03744.

#### By order of the Board.



J. MAKOMBE CA(Z)  
GROUP CFO

30 March 2026



L. NYAZEMA  
GROUP CEO

30 March 2026

# INDEPENDENT AUDITORS' REPORT



## Independent Auditors' report

### To the shareholders of CBZ Holdings Limited

---

#### Opinion

We have audited the consolidated and separate financial statements of CBZ Holdings Limited (the group and company), which comprise the consolidated and company statements of financial position as at 31 December 2025, the consolidated and company statements of profit or loss and other comprehensive income, consolidated and company changes in equity and consolidated and company cash flows for the year then ended, and group and company material accounting policies and notes to the consolidated and company financial statements, as set out on pages 186 to 273.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of CBZ Holdings Limited as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29), and Asset Management Act (Chapter 24:26).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the group and company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of the financial statements of public interest entities, and we have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

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

We have determined that there are no key audit matters to communicate in respect of the Company financial statements.

**Valuation of investment properties and land and buildings**

Refer to:

- Group and company material accounting policies - the significant accounting estimates and judgements note 1.3 fair value measurement principles, the investment properties accounting policy note 1.5, the property and equipment accounting policy note 1.6, and the fair value measurement accounting policy note 1.29.
- Notes to the consolidated financial statements - the fair value measurement note 19, the property and equipment note 20 and the investment properties note 21.

Key audit matter	How the matter was addressed in our audit
<p>The group holds land and buildings measured at fair value in accordance with IAS 16, Property, Plant and Equipment (IAS 16). The group also holds investment properties which are measured at fair value in accordance with IAS 40, Investment Property (IAS 40).</p> <p>As at reporting date the group had land and buildings valued at ZWG1.11 billion and also held investment properties valued at ZWG1.33 billion.</p> <p>Investment properties, and land and buildings are subject to variability in values. The fair values of the properties were determined by a registered internal appraiser.</p> <p>The group applied various valuation methods, including the implicit investment approach, direct comparison approach and the cost approach in performing the valuations.</p> <p>The land and buildings and investment properties are classified as Level 3 within the IFRS 13, Fair Value (IFRS 13) hierarchy, as the valuations incorporate significant unobservable inputs such as capitalisation rates, comparable rentals per month, per square meter and rates per square meter which have estimation uncertainty inherent in their values.</p> <p>Given the degree of complexity involved in determining the fair value of the land and buildings and investment properties, the significant judgement and estimation required in determining the key inputs and assumptions used in determining the fair values in the local property market, the valuation of the Group's land and buildings and the investment properties was considered a key audit matter.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• We obtained process understanding of the group property portfolio and the selection of the methods used in the valuation of the different properties by performing inquiries with management internal appraiser.</li> <li>• We evaluated the professional qualifications, competence, capabilities and objectivity of the registered internal appraiser engaged by management, to value the group properties through inspection of their professional membership and their curriculum vitae.</li> <li>• We evaluated the professional qualifications, competence, objectivity, capabilities and independence of our own engaged professional independent property valuation expert by enquiring about their interest and relationship with the group and confirming their membership to professional associations.</li> <li>• We tested accuracy of data elements such as land size by inspecting the title deeds and assessed the movement and changes from the prior year.</li> <li>• With the assistance of our engaged external property valuation expert, we:             <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the valuation methodologies applied by the internal appraiser by comparing them to accepted market practice and valuation techniques, based on our expert's knowledge of the property valuation industry; and</li> <li>• Challenged key assumptions, including capitalisation rates, comparable rentals per month, per square meter, rates per square meter and market comparable prices, by performing independent valuations for a sample of properties. These independent valuations included the recalculation of capitalisation rates, comparable rentals per month, per square meter, rates per square meter comparison of management's rental and market assumptions to observable market data, recent transactions, and offer prices.</li> </ul> </li> <li>• We assessed whether the classification of land and buildings and investment properties within Level 3 of the fair value hierarchy was appropriate based on the requirements of IFRS 13.</li> <li>• We evaluated the adequacy of the Group's disclosures relating to the valuation of land and buildings and investment properties in accordance with IAS 16, IAS 40, and IFRS 13.</li> </ul>

**Expected credit losses in respect of loans and advances to customers**

Refer to:

- Group and Company material accounting policies - significant accounting estimates and judgements note 1.3, expected credit loss and the impairment of financial assets policy accounting policy note 1.9.
- Notes to the consolidated financial statements - the loans and advances to customers note 12, the expected credit losses on financial instruments note 13 and the credit risk note 34.3.

Key audit matter	How the matter was addressed in our audit
<p>As at the reporting date, the Group had gross loans and advances to customers of ZWG11 billion.</p> <p>The Group applies an Expected Credit Loss (ECL) model in accordance with IFRS 9, Financial Instruments (IFRS 9), to determine an ECL allowance of ZWG812.13 million in respect of these loans and advances.</p> <p>Determining ECL requires significant judgement and assumptions, including the following key areas:</p> <ul style="list-style-type: none"> <li>• the credit rating allocated to the counterparties;</li> <li>• the determination of the Group's definition of default;</li> <li>• the estimate of the likelihood of default over a given time horizon, probability of default (PD);</li> <li>• the estimate of the loss arising in the case where a default occurs at a given time, loss given default (LGD);</li> <li>• the estimate of the exposure at a future default date, exposure at default (EAD);</li> <li>• the criteria for assessing a significant increase in credit risk (SICR); and</li> <li>• the incorporation of forward-looking information related to the expected outlook on the country's macro-economic variables and the gross domestic product growth rates used in determining the expected credit losses in the loans and advances portfolios.</li> </ul> <p>Due to the significance of the loans and advances to customers to the Group together with significant judgement and estimation uncertainty applied in determining the ECL allowance, this was considered a key audit matter.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Group's IFRS 9 policy and models by performing inquiries with management and inspecting the IFRS 9 model to evaluate the information obtained through those inquiries. In addition, we tested the design and implementation, and where applicable, the operating effectiveness of key controls relating to the ECL process.</li> <li>• We evaluated compliance with IFRS 9 by comparing management's accounting policy and the ECL model documentation against the requirements of IFRS 9.</li> <li>• We evaluated the effectiveness of Group's credit risk management and governance controls by testing the design, implementation, and operating effectiveness of controls implemented by the Group.</li> <li>• We identified changes made to the ECL model parameters during the year, and with the involvement of our Financial Risk Management (FRM) specialists, challenged management on the reasonableness and validity of these changes by reperforming the ECL calculations using an independent challenger model to confirm the accuracy of the application of the ECL model.</li> <li>• On a sample basis, and with the assistance of our specialists, we tested the accuracy and completeness of historical credit loss data used in the development of the PD models by inspecting underlying loan agreements and loan account statements obtained during the credit origination process.</li> <li>• On a sample basis, we inspected collateral documents and valuation reports to corroborate the existence and accuracy of collateral values.</li> <li>• We assessed the completeness, accuracy, and validity of data inputs used in the ECL model, we: <ul style="list-style-type: none"> <li>• obtained external confirmations for selected loan balances;</li> <li>• reconciled loan book balances to the general ledger; and</li> <li>• agreed interest rates and contractual terms to underlying loan agreements.</li> </ul> </li> <li>• With the assistance of our Financial Risk Management specialists, we performed the following: <ul style="list-style-type: none"> <li>• assessed the reasonableness of management's assumptions used in the determination of the PDs, EADs and LGDs for stage 1 and stage 2 loans by comparing them to industry benchmarks.</li> <li>• independently assessed the appropriateness and accuracy of the expected credit loss (ECL) staging applied by management by recomputing the staging classification using arrears information and other relevant credit risk indicators.</li> <li>• assessed the appropriateness of the Group's IFRS 9 ECL models by independently reperforming ECL calculations using our own models.</li> <li>• engaged an economist and used available external and independent macroeconomic information, including gross domestic product (GDP) growth rates, to challenge management's forwardlooking assumptions incorporated into the ECL estimates.</li> <li>• performed an analysis of the financial performance of selected counterparties and independently recalculated credit risk ratings where applicable.</li> </ul> </li> <li>• We assessed the adequacy of the Group's disclosures in respect of ECL as required in terms of IFRS 7 Financial Instruments: Disclosures.</li> </ul>

### Valuation of unlisted investments

Refer to:

- Group and company material accounting policies - the significant accounting estimates and judgements note 1.3; the financial assets accounting policy note 1.7 and fair value measurement accounting policy note 1.29.
- Notes to the consolidated financial statements - the equity investments note 16 and the fair value measurement note 19.

Key audit matter	How the matter was addressed in our audit
<p>The group holds unlisted investments amounting to ZWG641 million which are measured at fair value in accordance with IFRS 13, Fair Value Measurement (IFRS 13).</p> <p>The group determines the fair value of its unlisted investments using a combination of market based and income based valuation approaches, including the earnings multiple and discounted cash flow (DCF) techniques. The valuation incorporates significant judgement in selecting and applying key assumptions, including model inputs, liquidity discounts, country or jurisdiction specific risk factors, inflation, credit risk, and volatility.</p> <p>Determining the fair value of unlisted investments involves significant estimation uncertainty and requires the application of judgement in selecting and applying key assumptions.</p> <p>Due to the significant judgement and estimation uncertainty involved in determining their fair values, the valuation of unlisted investments was considered a key audit matter.</p>	<p>Using our own valuation specialists we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• We evaluated and challenged the appropriateness of the valuation methodologies applied by management by comparing them to accepted market practice and valuation techniques commonly used for unlisted equity instruments.</li> <li>• Evaluated and challenged assumptions such as the model inputs, liquidity discounts, country or jurisdiction-specific risk factors, inflation, credit risk and volatility used in the valuation of the unlisted investments through performing an independent computation using our own independent inputs and considering macro-economic factors.</li> <li>• In addition to the procedures performed with the assistance of our specialist above, our procedures also included the following:</li> <li>• We obtained external confirmations of the holding of the shares held directly with the investee and confirmed that the holding was appropriately considered in the determination of the fair value of the investments; and</li> <li>• We assessed the adequacy and completeness of the disclosures in the financial statements to determine whether they appropriately reflect the Group's exposure to financial instrument valuation risk in accordance with IFRS 13 and IFRS 7, Financial Instruments: Disclosures.</li> </ul>

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the document titled, "CBZ Holdings Group and Company Annual Financial Statements for the year ended 31 December 2025", which we obtained prior to the date of this report, and the Sustainability Report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditors' report thereon.

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

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

**Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29), and Asset Management Act (Chapter 24:26) and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibilities for the audit of the consolidated and separate financial statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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



.....  
Themba Mudidi

**Chartered Accountant (Zimbabwe)**

**Registered Auditor**

PAAB Practicing Certificate Number 0437

30 March 2026

For and on behalf of, KPMG Chartered Accountants (Zimbabwe), Reporting Auditors

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

		AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
	<b>NOTES</b>		
Interest income	2	2 693 948	1 684 892
Interest expense	2	(805 437)	(300 185)
<b>Net interest income</b>		<b>1 888 511</b>	<b>1 384 707</b>
Non-interest income	3	3 864 528	2 770 945
Net insurance service result	4.1	(18 465)	(41 371)
Net insurance finance cost	4.2	(6 477)	(2 872)
<b>Total income</b>		<b>5 728 097</b>	<b>4 111 409</b>
Operating expenditure	5	(3 583 251)	(3 003 403)
Expected credit loss expense on financial assets	13	(20 965)	(800 651)
<b>Operating income</b>		<b>2 123 881</b>	<b>307 355</b>
Net change in investment contract liabilities		(4 611)	(9 366)
Share of profit/ (loss) of equity-accounted investees net of tax	17	134 111	(231 371)
<b>Profit before taxation</b>		<b>2 253 381</b>	<b>66 618</b>
Taxation	6.1	(808 679)	101 432
<b>Profit after tax for the year</b>		<b>1 444 702</b>	<b>168 050</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Gains /(losses) on property revaluations		97 377	(434 036)
Gains on equity instruments at FVOCI*		43 598	14 365
Exchange gains on translation to presentation currency		7 934	4 323 672
<b>Other comprehensive income for the year net of tax</b>		<b>148 909</b>	<b>3 904 001</b>
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Exchange loss on translation of foreign subsidiaries	28.7	(2 004)	(204)
Share of OCI of equity-accounted investees		(13 085)	37 343
<b>Other comprehensive income for the year net of tax</b>		<b>(15 089)</b>	<b>37 139</b>
<b>Total comprehensive income for the year</b>		<b>1 578 522</b>	<b>4 109 190</b>
<b>Profit for the year attributable to:</b>			
Equity holders of parent		1 444 668	168 361
Non-controlling interests	28.5	34	(311)
<b>Profit after tax for the year</b>		<b>1 444 702</b>	<b>168 050</b>
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of parent		1 578 522	4 109 435
Non-controlling interests	28.5	-	(245)
<b>Total comprehensive income for the year</b>		<b>1 578 522</b>	<b>4 109 190</b>
<b>Earnings per share (ZWG cents)</b>			
Basic	7.1	232.24	27.06
Basic diluted	7.1	232.24	27.06
Headline	7.1	233.35	71.87

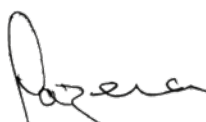
## Consolidated Statement of Financial Position

As at 31 December 2025

		AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>ASSETS</b>			
Cash and cash equivalents	9	10 583 177	6 994 166
Money market assets	10	633 197	1 084 650
Financial securities	11	7 610 523	5 853 981
Loans and advances to customers	12	10 187 169	8 300 282
Insurance assets	25	35	21 357
Reinsurance assets	25	84 138	46 634
Equity investments	16	788 088	581 699
Equity-accounted investees	17	1 224 634	1 116 901
Land inventory	15	1 031 601	498 997
Other assets	14	5 404 092	6 573 577
Current tax receivable		150	148
Intangible assets	22	35 091	28 355
Property and equipment	20	1 718 904	1 750 576
Investment properties	21	1 326 678	1 051 139
Deferred tax assets	23.1	521 238	517 042
<b>TOTAL ASSETS</b>		<b>41 148 715</b>	<b>34 419 504</b>
<b>LIABILITIES</b>			
Deposits	24	27 763 441	21 588 205
Insurance liabilities	25	226 419	189 286
Reinsurance liabilities	25	-	10 187
Other liabilities	26	2 985 414	3 948 831
Current tax liabilities		117 537	44 446
Investment contract liabilities	25.2	17 167	16 467
Lease liabilities	20.1b	38 151	21 247
Deferred tax liabilities	23.2	862 519	687 483
		<b>32 010 648</b>	<b>26 506 152</b>
<b>EQUITY</b>			
Share capital	28.1	9 879	9 879
Share premium	28.2	232 384	232 384
General reserve	28.9	(28 244)	(15 159)
Revaluation reserve	28.3	366 943	269 576
Share based payment reserve	28.8	-	20 911
Fair value reserve	28.6	261 986	218 344
Retained earnings	28.4	3 956 603	2 844 831
Foreign currency translation reserve	28.7	4 338 627	4 332 697
<b>Equity attributable to equity holders of the parent</b>		<b>9 138 178</b>	<b>7 913 463</b>
Non-controlling interests	28.5	(111)	(111)
<b>TOTAL EQUITY</b>		<b>9 138 067</b>	<b>7 913 352</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>41 148 715</b>	<b>34 419 504</b>


L. ZEMBE  
GROUP CHAIRMAN

30 March 2026


L. NYAZEMIA  
GROUP CHIEF EXECUTIVE OFFICER

30 March 2026


R. A. JAKANANI  
GROUP CHIEF GOVERNANCE OFFICER

30 March 2026

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital ZWG 000	Share premium ZWG 000	Share based payment reserve ZWG 000	Revaluation reserve ZWG 000	Fair value reserve ZWG 000	FCTR* ZWG 000	General reserve ZWG 000	Retained earnings ZWG 000	Total equity attributable to parent ZWG 000	Non- controlling interests ZWG 000	Total ZWG 000
<b>AUDITED</b>											
<b>31 December 2024</b>											
Opening balance	9 879	232 384	20 911	703 494	203 979	9 413	(52 502)	2 745 194	3 872 752	134	3 872 886
Profit for the year	-	-	-	-	-	-	-	168 361	168 361	(311)	168 050
Other comprehensive income for the year	-	-	-	(433 918)	14 365	4 323 284	37 343	-	3 941 074	66	3 941 140
Dividend paid	-	-	-	-	-	-	-	(68 724)	(68 724)	-	(68 724)
<b>Closing balance</b>	<b>9 879</b>	<b>232 384</b>	<b>20 911</b>	<b>269 576</b>	<b>218 344</b>	<b>4 332 697</b>	<b>(15 159)</b>	<b>2 844 831</b>	<b>7 913 463</b>	<b>(111)</b>	<b>7 913 352 31</b>
<b>December 2025</b>											
Opening balance	9 879	232 384	20 911	269 576	218 344	4 332 697	(15 159)	2 844 831	7 913 463	(111)	7 913 352
Profit for the year	-	-	-	-	-	-	-	1 444 668	1 444 668	34	1 444 702
Other comprehensive income for the year	-	-	-	97 367	43 642	5 930	(13 085)	-	133 854	(34)	133 820
Dividend paid	-	-	-	-	-	-	-	(332 896)	(332 896)	-	(332 896)
Cancellation of equity settled share based payment	-	-	(20 911)	-	-	-	-	-	(20 911)	-	(20 911)
<b>Closing balance</b>	<b>9 879</b>	<b>232 384</b>	<b>-</b>	<b>366 943</b>	<b>261 986</b>	<b>4 338 627</b>	<b>(28 244)</b>	<b>3 956 603</b>	<b>9 138 178</b>	<b>(111)</b>	<b>9 138 067</b>

\* Foreign currency translation reserve

## Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2 253 381	66 618
<b>Non-cash items:</b>		
Depreciation	222 806	134 004
Amortisation of intangible assets	17 933	7 371
Bad debts recovered	(11 363)	(49 296)
Fair value adjustments on investment properties	(25 111)	330 318
Derecognition of right of use asset and lease liability	(1 758)	-
Fair value adjustments on financial instruments	(17 096)	73 268
Expected credit loss expense on financial assets	20 965	800 651
Unrealised gains on foreign currency exchange	(35 460)	(840 915)
Changes in insurance and reinsurance assets/ liabilities	(56 590)	(10 433)
Unpaid net interest accrued from financial instruments	(124 783)	(55 799)
Dividend in specie - equity investments received	-	(4 983)
Gain on disposal of equities	(132 963)	-
Profit on sale of property and equipment	(5 603)	(201)
Share of (profit)/ loss in associate	(134 111)	231 371
Day one gains on financial instruments	(416 227)	(305 926)
Write off of property and equipment	42 109	45 251
Interest on lease liability	3 205	1 568
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>1 599 334</b>	<b>422 867</b>
<b>Changes in operating assets and liabilities</b>		
Deposits	6 079 992	6 857 159
Loans and advances to customers	(1 575 970)	(777 512)
Life assurance investment contract liabilities	598	4 228
Insurance assets	21 984	4 481
Reinsurance assets	(86 625)	(10 361)
Insurance liabilities	141 833	83 196
Reinsurance liabilities	(10 504)	18 562
Money market assets	(14 590)	(149 851)
Financial securities	(734 888)	(548 685)
Land inventory	(30 507)	(41 544)
Other assets	836 366	(961 871)
Other liabilities	(1 147 884)	(3 534 971)
	<b>3 479 805</b>	<b>942 831</b>
<b>TAXATION</b>		
Corporate tax paid	(572 254)	(151 219)
<b>Net cash inflow from operating activities</b>	<b>4 506 885</b>	<b>1 214 479</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds on disposal of investment property	41 992	-
Investment in equities during the year	(141 542)	(39 601)
Equity investments disposed during the year	3 719	8 194
Purchase of investment property	(201 423)	(30 853)
Proceeds on disposal of property and equipment	6 494	868
Purchase of property and equipment	(236 976)	(330 488)
Purchase of intangible assets	(15 754)	(19 831)
Dividend received - investments in associates	18 801	12 981
<b>Net cash outflow from investing activities</b>	<b>(524 689)</b>	<b>(398 730)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease liability principal repayment	(13 119)	(9 022)
Interest on lease liability paid	(3 205)	(1 568)
Dividend paid	(332 896)	(68 724)
<b>Net cash outflow from financing activities</b>	<b>(349 220)</b>	<b>(79 314)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3 632 976</b>	<b>736 435</b>
Cash and cash equivalents at beginning of the year	6 994 166	4 137 303
Exchange gains on foreign cash balances	(8 971)	(1 087 143)
Effects of translation to presentation currency	(34 994)	3 207 571
<b>Cash and cash equivalents at the end of the year</b>	<b>10 583 177</b>	<b>6 994 166</b>

# Group Accounting Policies

For the year ended 31 December 2025

## Group and Company Material Accounting Policies For the year ended 31 December 2025

The following paragraphs describe the main accounting policies of the Group. The same accounting policies are equally applicable to the Company, unless explicitly stated otherwise. The terms "Group" and "Company" are used throughout the report to refer to the "consolidated" and "separate" financial statements of the Group and Company, respectively. These terms are applied consistently in accordance with the context in which they are presented.

### 1.1 BASIS OF PREPARATION

The Group and Company financial statements have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards, as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the International Financial Reporting Interpretations Committee, ("IFRS IC") interpretations. In addition, these consolidated financial statements have also been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07); Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29) and Asset Management Act (Chapter 24:26).

#### Functional currency

Over the past few years, progressive monetary and exchange control reforms have provided greater policy clarity and stability to the operating environment. The promulgation of Statutory Instrument 218 of 2023, which extended the use of foreign currency for domestic transactions until 31 December 2030, reinforced confidence in the multicurrency framework and supported the Group's ability to conduct long-term business planning and product underwriting in stable currencies.

During the year ended 31 December 2024, following an assessment conducted in accordance with International Accounting Standard 21 – The Effects of Changes in Foreign Exchange Rates, the Directors concluded that the United States Dollar (US\$) had become the Group's functional currency with effect from 1 January 2024. The change was applied prospectively, with inflation-adjusted balances as at 31 December 2023 translated into US\$ using the prevailing official exchange rate, in compliance with IAS 21 and IAS 29 – Financial Reporting in Hyperinflationary Economies.

During the 2025 financial year, the Directors reassessed the underlying transactions, events, and conditions that determine the functional currency of the Group in accordance with the requirements of IAS 21. Based on this assessment, the Directors reaffirmed that the United States Dollar (US\$) remains the Group's functional currency, as it continues to be the primary currency that influences revenue generation, product pricing, operating costs, and settlement of transactions.

The Directors will continue to monitor monetary and policy developments and will reassess the appropriateness of the functional currency should there be any significant changes in the underlying transactions, events, or conditions that could impact the indicators set out in IAS 21.

#### Presentation currency

The Group's financial statements are presented in Zimbabwe Gold (ZWG) to comply with local statutory and regulatory reporting requirements in Zimbabwe. All values are rounded to the nearest ZWG except when otherwise indicated. The Group applied the below procedures to translate the results and financial position in its functional currency to the presentation currency:

- assets and liabilities for each statement of financial position were translated at the closing rate as at 31 December 2025
- income and expenses for each statement presenting profit or loss and other comprehensive income were translated using the monthly average exchange rates; and
- all resulting exchange differences were recognised in other comprehensive income.

The Group's 2025 annual financial statements, including comparatives have been presented in the ZWG by translating the reported numbers in USD functional currency to the ZWG presentation currency.

#### Basis of consolidation.

##### i. Business combinations

The Group's consolidated financial statements incorporate the financial statements of the Group and entities (including structured entities) controlled by the Group and its subsidiaries. In the separate financial statements of the Company, Investments in subsidiaries are held at cost less accumulated impairment losses.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent

**1.1 Basis of consolidation (continued)**

consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

**ii. Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which it ceases. All intra-group balances, transactions, income and expenses, profits and losses resulting from intra-group transactions that are recognised in assets and liabilities and income and expenses are eliminated in full.

**iii. Non-controlling interests**

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group Interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

**iv. Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-Controlling Interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is assessed to determine its classification and the measurement approach after control is lost.

**v. Interests in equity- accounted investees**

The Group's interests in equity accounted investees comprises interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control over the financial and operating policies. Interests in associates are accounted under the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent, to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity- accounted investees, until the date on which significant influence ceases.

**vi. Transactions eliminated on consolidation**

Intra Group balances and transactions, and any unrealised income and expenses (Except for foreign currency transactions gains and losses) arising from intra Group transactions are eliminated. Unrealised gains arising from transactions with equity- accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but to the extent that there is no evidence of impairment.

**1.2 CHANGES IN MATERIAL ACCOUNTING POLICIES AND DISCLOSURES****Lack of exchangeability – Amendments to IAS 21**

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

**The amendments did not have a material impact on the Group's financial statements.**

Amendments to the SASB standards to enhance their international applicability.

The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics. The amendments did not have a material impact on the Group's financial statements.

**1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the process of applying the Group's accounting policies, management made certain judgements and estimates that have a significant effect on the amounts recognised in the financial statements as stated below:

**Fair value measurement principles**

The fair value of financial instruments is based on their market price at the reporting date. If a market price is not available, the fair value of an instrument is estimated using Price earnings multiples ("PE"). Where PE multiples techniques are used, the multiples are based on comparable entities at the reporting date for companies with similar business selected by management based on their judgement, then adjusted for country and size discounts based on judgement.

The Group adopted the Directors valuation on its Investment properties, land inventory and owner occupied properties. The frequency of valuations depends on the changes in the fair values. The Group's Valuations rely on available market evidence as input for calculating property fair values. This includes transaction prices for comparable properties, rents and capitalisation rates.

In view of the emergency and availability of US\$ denominated evidence on the market, for the year ending 31 December 2024 the Group's properties were valued using a direct US\$ valuation. For the year ended 31 December 2023, the Group's valuations were done in direct ZWL.

**Expected Credit Loss**

The Group reviews all financial assets, financial guarantees and letters of credit at the reporting date to assess whether there has been increase in credit risk for the purposes of expected credit loss expense calculation. In particular, judgement by Management is required on key concepts such as whether there has been a significant increase in credit risk, measurement of lifetime expected credit losses and forward-looking assumptions on determining the probability of default. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

IFRS 9 requires the assessment of the Expected Credit loss (ECL) on all financial assets from initial recognition. The ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Group records the expected

loss expense through profit or loss. Refer to note 12.4 for more detail on the Expected Credit loss (ECL) expense on financial assets.

#### **Assets and liabilities linked to RBZ Financial asset in lieu of legacy debts and nostro gap accounts**

The Group held foreign currency denominated legacy debts and nostro gap accounts amounting to US\$ 74 846 181 (December 2024: US\$80 634 302). These debts relate to liabilities denominated in US\$ and are presented in deposits in the statement of financial position and in Note 20, and are classified as financial liabilities subsequently measured at amortised cost.

The Reserve Bank of Zimbabwe (RBZ) committed to provide foreign currency funding in full to support the Group in financing legacy debts and nostro gap at an exchange rate of US\$1:Z\$1. In the prior periods, the RBZ requested the Group to pay over the Zimbabwe dollar equivalent of legacy debt and nostro gap accounts at an exchange rate of US\$1:Z\$1. The Group recognised a foreign denominated asset for this amount and as at 31 December 2025, USD102 712 930.56 (December 2024:US\$123 247 923) was receivable from the RBZ. This amount is presented as a receivable in other assets in the statement of financial position and in Note 13 and is classified as a financial asset subsequently measured at amortised cost.

We note that to date US\$ 90 794 290 (December 2024: US\$70 259 297) has been made available under this arrangement demonstrating the willingness and capability of the RBZ to honour the settlement arrangement. The Group exercised judgement, in setting its expectation that the RBZ financial asset will be recovered and that the RBZ has the intention and ability to settle on a gradual basis, the outstanding amounts. In light of amortised cost measurement, the Group estimated the timing and amount of the cash flows associated with the legacy debt and nostro gap financial liability and RBZ financial asset.

#### **Estimation of property and equipment useful life**

The determination of estimated useful life for property and equipment is carried out at each reporting date. At the end of each financial year, the Group's valuations department assesses all property taking into account the market values and physical status. The Group reassesses the estimated useful life for property and equipment at each reporting period. The reassessment takes into account physical status, technological trends and historical usage. Where the reassessment indicates a change in the useful life the change is treated as a change in accounting estimate and accounted for prospectively in line with IAS 8. Refer to accounting policy note 1.6 for the useful lives of property and equipment.

#### **Estimation of property and equipment residual values**

The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The estimated residual values of property and equipment are determined at each reporting date. The residual values are taken into account on depreciation calculation where Property and equipment are depreciated over their estimated useful lives on a straight line basis such that the cost or valuations of the assets are reduced to the estimated residual values. The Group reviews annually the residual values and useful lives of the assets. Where there has been a change on the residual value of an asset of property and equipment the change is accounted for prospectively as a change in accounting estimate. The average of 10% residual value has been determined from the general assessment save for land, buildings and software.

#### **Inputs for valuation of unlisted equity investments**

When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques

that include the earnings multiple and the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

Judgements include considerations of inputs such as discounts rates, cash flows, comparable prices, comparable entities and jurisdiction/ country and size discounts.

#### **Deferred tax**

Deferred taxation is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences arising out of the initial recognition of assets or liabilities and temporary differences on initial recognition of business combinations that affect neither accounting nor taxable profit are not recognised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Management exercised judgement on the extent to which the Group that will generate taxable profit against which the deductible temporary difference can be utilised.

#### **Effective Interest rate**

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, excluding ECL. For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. In coming up with the effective interest rate, the Group makes significant judgement on credit rating of a specific customer, the security available to cover the exposure, the facility type and the tenure of the exposure.

#### **Uncertain Tax treatments**

Income tax expense represents the sum of the tax currently payable and deferred tax. The Group uses judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision is based on which approach provides better predictions of the resolution of the uncertainty. The Company assumes that the taxation authority will examine amounts reported to it and will have full knowledge of all relevant information when doing so. Where the Group concludes that it is probable that a particular tax treatment will be accepted, it determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax files. If the Group concludes that it is probable that a particular tax treatment will be accepted, it uses the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

#### **Determining the lease term of contracts with renewal and termination options – Group as lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of buildings that are used as branches. The Group typically exercises its option to renew these leases to avert the notable business disruption risks, which would be encountered if replacement assets are not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### **Determining the incremental borrowing rate to use as discount rate on initial recognition**

The Group's incremental borrowing rate represents what the Group 'would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.' In applying the concept of 'similar security', the Group uses the right-of-use asset granted by the lease and not the fair value of the underlying asset. The Group's rate represents the amount that would be charged to acquire an asset of similar value for a similar period. The Group estimates the IBR using observable inputs (such as market interest rates) and make certain entity-specific adjustments (such as the subsidiary's stand-alone credit rating, or to reflect the terms and conditions of the lease). The Group applied judgement to estimate an incremental borrowing rate in the context of a right-of-use asset, especially when the value of the underlying asset differs significantly from the value of the right-of-use asset.

#### **Property lease classification – Group as lessor**

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

#### **Classification and measurement of insurance contracts**

The Group assessed whether the contracts it issues are within the scope of IFRS 17 and whether they meet the definition of an insurance contract. In applying that judgement, the Group considered whether the contracts it issues transfer significant insurance risk.

In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9.

#### **Determination of unit of account for portfolio and insurance group determination.**

##### **a) Determination of portfolios of contracts**

Insurance contracts that are subject to similar risks and managed together are included within a portfolio. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is

further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts). Portfolio risks are based on the possible perils that insurance holders may be exposed to.

##### **b) Aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous and groups of other contracts.**

All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are;

- (i) contracts that are onerous at initial recognition;
- (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
- (iii) a group of remaining contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered. For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment to test whether contracts are onerous.

Sets of contracts usually correspond to policyholder pricing groups that the Group determined to have similar insurance risk and that are priced within the same insurance rate ranges. The Group monitors the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at the level of these pricing groups with no information available at a more granular level.

Aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous and groups of other contracts

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Sets of contracts usually correspond to policyholder pricing groups that the Group determined to have similar insurance risk and that are priced within the same insurance rate ranges. The Group monitors the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at the level of these pricing groups with no information available at a more granular level. This judgement was based on a number of assumptions in forecasting of future cash flows and their discounting.

The effect of these judgements it entails that onerous contracts loss is immediately recognised in the profit or loss statement. Similar grouping assessment is also done for reinsurance contracts held.

**Measurement approaches**

The Group uses different measurement approaches depending on the type of contracts, as follows:

Contracts Issues	Product Classification	Measurement Model
Term life insurance contracts	Insurance contracts	PAA for policies issued (with coverage of one year or less)
All contracts under the short term	Insurance contracts	PAA for policies issued
Universal life insurance contracts	Insurance contracts without direct participation features	GMM
Direct participating contracts	Investment contracts with direct participation features	VFA
Investment contracts with DPF	Investment contracts with direct participation features	VFA
Investment contracts without DPF	Financial instruments	Financial liabilities measured at FVTPL under IFRS 9
Reinsurance contracts held		
Term life – quota share reinsurance	Reinsurance contract held	GMM

The Group does not have any reinsurance contracts issued to compensate another entity for claims arising from one or more insurance contracts issued by that other entity.

**Measurement methods applicable for each portfolio**

The Group applied either the GMM, PAA, or VFA measurement models to its groups of contracts. Contracts accounted for using the PAA model had to meet the eligibility test. Significant judgement was applied in concluding the PAA approach on some term life insurance products (GLA and Comfort-sure portfolios). These portfolios where PAA has been applied have a coverage period of one year or less. The Group applied significant judgement in determining whether the renewal period cash flows fall within the contract boundary for these portfolios. Full consideration was given to facts and conditions at point of renewal including the factoring of insurance risk in the renewal price. The conclusion on this judgement has been to exclude the renewal period from the coverage period as it constitutes a new contract. This has an implication of the portfolios qualifying in the PAA measurement approach.

**Cash flows to fulfil insurance contracts**

The Group uses judgement to determine which cash flows are within the boundary of insurance contracts, thus those that relate directly to the fulfilment of the contracts. The Group performs regular expense studies and uses judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance contracts using the following systematic methods in allocating overheads.

**Expense attribution**

Insurance acquisition costs such as costs of selling, underwriting and starting a group of insurance contracts were allocated to products based on the

percentage of new business premiums per product, products with higher premiums have high allocated insurance acquisitions costs. Similarly, policy administration & maintenance costs and fixed & variable overheads, were allocated based on total premiums so that the products with a large amount of premiums also had a high amount of expenses allocated to it. The claims handling costs were split using the actual of claims paid so that a product with a high amount of claims paid will also have a high amount of claims handling expenses.

Based on the facts and circumstances during the reporting period, management judged that there were no abnormal expenses attributed to insurance service. The effect of this judgement has been the inclusion of all directly attributable expenses in the insurance service results.

**Determination of discount rates**

The bottom-up approach was applied in the determination of the discount rates for all products. Under this approach, the discount rate is determined as the risk-free yield adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an illiquidity premium). The ZWG risk free yield was derived using the Reserve Bank of Zimbabwe’s Treasury bill projections to come up with a yield curve. The Treasury bills projections from the 2021 RBZ annual report were used to come up with the ZWG risk free rate.

The risk-free yield was derived using credit rating information from the Corporate Finance Institute. Since Zimbabwe is not rated, management assumed the worst-case scenario and adopted the default probability of CCC.

Table - Credit Rating against default probability

Credit Rating	Default Probability
AAA	0%
AA	0.30%
A	0.39%
BBB	1.02%
BB	4.22%
B	13.84%
CCC	49.28%

**Mortality Risk**

The Group derives mortality rates assumptions from all lives graduated mortality rates with SA85-90 and SA56-62 published mortality rates from and the Actuarial Society of South Africa as well as the a(S5) mortality rates as per 1000 lives from the United Kingdom. Mortality rates are differentiated between policyholder groups based on age.

**Persistency/Lapse Risk**

The Group derives assumptions about lapse and surrender rates based on the Group’s own experience. Historical lapse and surrender rates are derived from the company’s policy administration data. An analysis is then performed of the company’s historical rates in comparison to the assumptions previously used. Statistical methods are used to derive adjustments to reflect the company’s own experience and any trends in the data to arrive at the probability weighted expected lapse and surrender rates. Analysis is performed and assumptions are set by major product line. Currently the only product affected by lapse risk is the Funeral Cash Plan.

**Determination of risk adjustment**

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group’s degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates.

The risk adjustment was calculated at the entity level and then allocated down to each group of contracts in accordance with their risk profiles. The provision for adverse deviation method was used to derive the overall risk adjustment for non-financial risk for contracts measured under GMM and VFA whilst the Mack method was used to derive the overall risk adjustment for non-financial risk for contracts measured under PAA.

In the provision for adverse deviation method, the risk adjustment is determined by applying a stress to the best estimate assumptions and re-projecting the cash flows under that stress. The stress factors chosen will be in line with the mandatory margins prescribed in the SAP 104 Standard. A confidence level of 90% was used to determine the risk adjustment for non-financial risk.

In the Mack method, the risk adjustment is determined by using past claims data to derive the estimates of the mean and variance of the total ultimate claims arising from each accident period. The method is based on pure chain-ladder method. Management set a confidence level of 90% in determining the risk adjustment for non-financial risk.

#### Coverage units

The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits and the Group determines coverage units as follows:

- a) for term life and universal life insurance contracts, coverage units are determined based on the policies' face values that are equal to the fixed death benefit amounts;
- b) for direct participating contracts, coverage units are based on the fixed death benefits amounts (during the insurance coverage period) plus policyholders' account values;
- c) for investment contracts with DPF, coverage units are based on policyholders' account values;
- d) for automobile insurance contracts acquired in the run-off period, coverage units are based on the expected amount of claims covered in the period and the expected amount of claims remaining to be covered in future periods.

The Group reflects the time value of money in the allocation of the CSM to coverage units.

#### 1.4 FOREIGN CURRENCIES

The Group's consolidated financial statements are presented in ZWG which is also the Holding company's presentation currency. All transactions are initially recognised in the USD functional currency. Transactions in foreign currencies are initially recorded at the spot exchange rate at transaction date. Monetary assets and liabilities denominated in foreign currencies are restated at reporting date. Management established the prevailing interbank foreign exchange rate published by the Reserve Bank of Zimbabwe (RBZ) as the appropriate spot rate during the period on the basis that the central bank promulgated the same as the official exchange rate applicable to all foreign exchange transactions. The Group and its customers buy and sell foreign currency at this official rate, hence ascertaining the exchangeability principle in accordance with IAS 21. Non-monetary assets denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of transaction while those at fair value are translated using the exchange rate at the date when the fair value was determined. All exchange gains/losses arising on the translation or settlement of foreign denominated monetary items are recognised in profit or loss.

#### 1.5 INVESTMENT PROPERTIES

##### Recognition criteria

Investment properties are those properties held for earning rental income and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in fair values of investment properties are included in profit or loss in the period in which they arise, together with any corresponding tax effects. Rental income from letting of the investment properties is recognised straight line over the lease term. The fair value assessments by the valuer take into account the following aspects:

- \* Age of property
- \* Aesthetic quality
- \* Structural condition
- \* Size of land
- \* Location

##### Transfers to and from investment properties

Transfers are made to or from investment property only when there is a change in use and a revaluation is done first before the transfer from or right after the transfer to. If an investment property becomes more than 20% owner occupied where split is not possible, it is reclassified as property and equipment in accordance with IAS 16 (Property, plant and equipment) and its fair value at the date of its classification becomes its cost for subsequent accounting as property and equipment under IAS 16.

##### Derecognition

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

#### 1.6 PROPERTY AND EQUIPMENT

##### Recognition criteria

Work in progress is stated at cost, net of accumulated impairment losses, if any. All equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any except for properties which are accounted for using the revaluation method. Costs that are directly attributable to the acquisition, construction, or improvement of an item of property and equipment are capitalised to its cost. Such costs include the cost of replacing part of such property and equipment when that cost is incurred and the recognition criteria are met. Gross carrying amount represents either cost or the revalued amount, in the case of revalued property. Property and equipment are depreciated over their estimated useful lives on a straight line basis such that the cost or valuations of the assets are reduced to their estimated residual values. The estimated useful lives at the end of this reporting period are:

Buildings	40 years
Computer and equipment	5 years
Furniture & Fittings	10 years
Leasehold improvements	10 years
Motor vehicles	3-5 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be the same as the recoverable amount. The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, where appropriate, at each financial year end. Freehold land and buildings are measured at fair value while subsequent additions between valuation dates are shown at cost. The frequency of valuations depends on the changes in the fair values these assets. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Any revaluation surplus is credited to the asset revaluation reserve except to the extent that it reverses a revaluation loss of the same asset previously recognised in profit or loss in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss except where a deficit directly offsets a previous surplus on the same asset. This deficit is directly offset against the surplus in the asset revaluation reserve. All other items of property and equipment are carried at cost.

#### Derecognition

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Revaluation reserves are maintained as long as the Group still holds the assets. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

## 1.7 FINANCIAL ASSETS

#### Initial Recognition

A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets held by the Group include balances with banks and cash, money market assets, financial securities, loans and advances, debt and equity instruments and RBZ financial asset in lieu of legacy debt.

Financial assets that are debt instruments in the scope of IFRS 9 (Financial Instruments) are classified, at initial recognition, and subsequently measured at:

- \* Amortised Cost,
- \* Fair Value Through Other Comprehensive Income (FVOCI), or
- \* Fair Value Through Profit or Loss (FVPL),

When financial assets are recognised initially they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, any directly attributable transaction costs. Transaction costs on all financial assets that are carried at fair value through profit or loss, they are accounted for as an expense. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

#### Subsequent measurement

For purposes of subsequent measurement, the Group's financial assets are classified in the following three categories:

##### i. Financial assets at amortised cost

The Group's financial assets are classified as subsequently measured at amortised cost under IFRS 9 if they meet both of the following criteria:

- \* Hold to collect business model test – The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows. The hold to collect business model does not require that financial assets are always held until their maturity. The Group's business model can still be to hold financial assets to collect contractual cash flows, even when sales of financial assets occur. Examples of these sales that would not contradict holding financial assets to collect contractual cash flows include selling the financial asset close to its maturity and selling the financial asset to realise cash to deal with an unforeseen need for liquidity.
- \* Solely payments of principal and interest (SPPI) contractual cash flow characteristics test – The contractual terms of the financial asset give rise to cash flows that are SPPI on the principal amount outstanding on a specified date. (I.e. the contractual cash flows are consistent with a basic lending arrangement).

The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in the Group's interest income using the effective interest rate method. The Group's financial assets at amortised cost mainly include loans and advances to customers, financial securities, listed debt bonds, money market assets, RBZ financial asset in lieu of legacy debt, trade receivables.

##### ii. Financial assets at fair value through other comprehensive income

The Group measures its debt instruments at fair value through OCI if both of the following conditions are met:

- \* financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and;
- \* The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments measured at fair value through OCI, interest income and foreign exchange revaluation are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. However, the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the Statement of Financial position. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments not held for trading as equity instruments

designated at fair value through OCI. This election is made on an instrument by instrument basis. The Group's equity investments measured under this category are unquoted equities. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

### iii Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- \* The rights to receive cash flows from the asset have expired
- \* The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to pay.

## 1.8 FINANCIAL LIABILITIES

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities and recognised at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, other liabilities and deposits (including legacy debt and nostro gap).

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans, other borrowings and deposits are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

#### Derecognition

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

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

## 1.9 IMPAIRMENT

### Financial assets

The Group assesses at each reporting date on a forward looking basis, the expected credit losses (ECL) associated with a financial asset or a group of financial assets. The Group carries out a significant increase in credit risk assessment at each reporting date in order to determine whether the credit risk of its financial assets has increased significantly since initial recognition. This assessment determines which grading/classification stage the instrument is in and the amount of ECL to recognise. Whether credit risk has significantly increased or not is determined based on the changes in default risk. Evidence of changes in default risk may include indications that the debtors or a group of debtors is experiencing significant difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### Financial Assets carried at amortised cost

The carrying amount of the financial asset in the Statement of Financial Position shall be reduced with the loss allowance for expected credit losses (ECL). The Group recognizes 12-month expected credit loss as a loss allowance when there is no significant increase in the credit risk of the financial asset since initial recognition. When there is a significant increase in credit risk since initial recognition, expected credit losses for the remaining life of the financial assets are recognized as a loss allowance. The amount of the credit loss expense is measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The Group recognises

credit loss even if it expects to be paid in full but later than when contractually due.

The Group recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised.

The Group carries out significant increase in credit risk assessment at each reporting date in order to determine whether the credit risk of its financial assets has increased significantly individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually, significant since initial recognition. If it is determined that there is no significant increase in the credit risk since initial recognition, the Group recognizes 12-month expected credit losses. If it is determined that there is significant increase in the credit risk since initial recognition, the Group recognizes life time credit loss allowance.

If in a subsequent period, the amount of the Expected Credit Loss (ECL) decreases and the decrease can be due to credit risk the previously recognised loss allowance is reversed. Any subsequent reversal of the loss allowance is recognised in profit or loss to the extent that the carrying value of the asset does not exceed what the amortised cost would have been had the impairment is reversed.

Expected credit losses are also calculated for Bank and cash balances

#### Financial Assets carried at Fair Value through other comprehensive income (FVOCI)

The Group's equity investments measured at Fair Value through other comprehensive income are unlisted equity investments. No impairment loss is recognised on equity instruments as they are measured at fair value with gains and losses recognised through OCI and the fair value reserve.

#### Financial Assets carried at Fair Value through profit or loss (FVPL)

No impairment is recognised for financial assets measured at Fair value through profit or loss. Changes in fair value are recognised through profit and loss in as much as they affect the carrying amount of these assets. The Group has listed equity investments and these are measured at FVPL.

#### Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less cost of disposal and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and the risks specific to the asset. Impairment of continuing operations is recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

## 1.10 REVENUE RECOGNITION

The Group's major revenue items emanate from IFRS 15 (Revenue from contract with customers), as well as IFRS 9 (Financial instruments), and IFRS 17 insurance Contracts (Refer to note 1.11). The Group's revenue is presented as total income in the Group's statement of profit or loss and other comprehensive income.

### a) Revenue within the scope of IFRS 15

The Group recognises revenue from contracts with customers under the scope of IFRS 15 as it transfers promised goods or services to customers at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services excluding amounts collected on behalf of third parties. The Group applies the five step approach to revenue recognition under IFRS 15. The Group recognises revenue when a performance obligation is satisfied by transferring a promised good or service to the customer (which is when the customer obtains control of that good or service).

The Group satisfies a performance obligation by transferring control of a promised good or service to the customer, which could occur over time (typically for promises to transfer services to a customer) or at a point in time (typically for promises to transfer goods to a customer). Control includes the ability to prevent others from directing the use of and obtaining the benefits from the asset. The Group satisfies a performance obligation at a point in time unless it meets one of the following criteria, in which case, it is deemed to be satisfied over time:

- \* The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- \* The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- \* The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If the Group does not satisfy its performance obligation over time, it satisfies it at a point in time and revenue will be recognised when control is passed at that point in time. Factors that indicate the passing of control include the present right to payment for the asset or the customer has legal title to the asset or the Group has transferred physical possession of the asset.

When the revenue is recognised over time, the Group recognises the revenue in line with the pattern of transfer. The Group selects an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Whether the Group recognises revenue over the period during which it produces a product/services, or on delivery to the customer will depend on the specific terms of the contract.

The Group's major revenue items recognised under the scope of IFRS 15 are as follows:

### i. Services rendered

The Group recognises revenue for services rendered at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for the services excluding amounts collected on behalf of third parties to customers based on the estimated outcome of the transactions. (These include project management fees and advisory income that is recognised over a period of time and net income from foreign currency dealing). The revenue is recognised by reference to the stage of completion of the transaction at the reporting date. The stage of completion is measured based on the amount of work performed. When the outcome cannot be reliably estimated, revenue is recognised only to the extent of the expenses incurred that are recoverable.

**ii. Commission and fee income**

The Group recognises revenue from commission and fee income including account maintenance fees, ledger fees, advisory income, Agro Inputs handling fees, ATM/ cash withdrawal fees and Point of sale income as the related services are performed. Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

**iii. Property sales**

Revenue arising from the sale of land inventory is recognised as an amount that reflects the consideration to which the Group expects to be entitled to in exchange of the land inventory excluding amounts collected on behalf of third. The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when control has been transferred upon signing of the sale agreement. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months.

**iv. Agro-business income**

The Group records revenue from the provision of Agricultural inputs to its beneficiary contract farmers. The revenue is recognised when the control of agricultural inputs transfers to the beneficiary contract farmer, which generally occurs at the time of collection of inputs from the designated supplier, distributor or directly delivered to the beneficiary contract farmer's preferred location. The Group prices agricultural inputs at market price of such inputs. Once these criteria are met, the inputs debtor- asset is derecognized, where inputs were paid in advance and the gain or loss on such inputs is recorded upon the transfer of control of the agricultural inputs to the beneficiary farmer.

**b) Revenue within the scope of IFRS 9**

The Group's revenue items recognised under the scope of IFRS 9 are as follows:

**i. Trading income**

Net trading and dealing income includes gains or losses arising from disposals and changes in fair values of financial assets and liabilities held for trading. Net trading income also includes gains or losses arising from impact of changes in foreign currency exchange rates on foreign currency denominated monetary balances

**ii. Interest Income**

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- \* The gross carrying amount of the financial asset; or
- \* The amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets (POCI), the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

For Financial assets that are not POCI, but have become credit impaired (or stage 3), interest income is calculated by applying the effective interest to their amortised cost (i.e. net of the expected credit loss provision).

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

**iii. Commission and fee income**

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

**iv. Dividends**

Dividend income is recognised when the right to receive income is established. Usually, this is the ex-dividend date for quoted equity securities. Dividends are presented either in net trading income, net income from other financial instruments at FVTPL or other revenue based on the underlying classification of the equity investment.

Dividends on equity investments designated at FVOCI are recognised in P/L, unless if the dividend clearly represents a recovery of part of the cost of the investment. Dividends received from equity accounted investee are recognised in the carrying amount of the investment, in line with the equity method of accounting. The holding Company may receive dividends from its subsidiaries, these are eliminated for group reporting.

**v. Other income**

Other income relates largely to insignificant and non-routine income earned by the group, which often is aggregated for reporting, and may be disaggregated as and when they become material. These items include unrealised gains on foreign currency monetary balances held, Group holiday facility income and non-routine income on various customers' or business once off transactions.

**vi. Management fees**

The Holding company earns management fees from its subsidiaries, and these are eliminated for group reporting.

**c) Revenue within the scope of IFRS 13**

The Group's revenue items recognised and originating from measurements under the scope of IFRS 13 are as follows:

- i. Fair Value adjustments on Investment properties The Group recognises income from Gains or losses arising from changes in fair values of investment properties
- ii. Fair Value adjustments on listed equity investments The Group recognises income from Gains or losses arising from changes in fair values of listed equity investments

**d) Lease income under IAS 40**

Rental income from letting of the investment properties is recognised in the Statement of Profit or Loss on straight line basis over the lease term

**e) Income from disposal of Investment property and property plant and equipment**

Profit or loss on disposal of investment property and property and equipment is recognised in the Statement of Profit or loss. The profit or loss on disposal is calculated by comparing the carrying amount of the asset disposed on disposal date and the proceeds from disposal.

### 1.11 IFRS 17 INSURANCE CONTRACTS

#### Recognition, measurement and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM.

Under IFRS17, Insurance revenue in each reporting period represents the changes in liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

The standard also requires that insurance finance income and expenses are presented separately from insurance revenue and insurance expenses. When measuring the liability for remaining coverage, the Premium Allocation Approach is similar to the Group's previous accounting treatment. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts (deferred acquisition costs) until those costs were included in the profit or loss. Under IFRS17, only insurance acquisition cash flows that arise before the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in carrying amount of related portfolio of contracts and are derecognised once the related contracts are recognised.

Income and expenses from reinsurance contracts other than insurance finance income and expenses are presented as a net amount in the profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

#### Definition of an insurance contract

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. The Company offers short term insurance, term funeral, credit life, and annuity contracts, as well as life assurance. The main risks that the Group is exposed to are as follows:

- Mortality risk – risk of loss arising due to the incidence of policyholder death being earlier than expected
- Morbidity risk – risk of loss arising due to policyholder health experience being worse than expected
- Longevity risk – risk of loss arising due to the annuitant living longer than expected
- Expense risk – risk of loss arising from Expense experience being higher than expected
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with the insurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of outwards reinsurance arrangements.

#### Separating components from insurance and reinsurance contracts

The Group assesses its life insurance and reinsurance products to determine whether they contain components which must be accounted for under another IFRS rather than IFRS 17 (distinct non insurance components). After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract.

Where insurance premiums include an investment (i.e. deposit) component - an amount that will be paid to policyholders or their beneficiaries regardless of whether an insured event occurs. The receipt and repayment of these non-distinct investment components do not relate to the provision of insurance service; therefore, such amounts are not presented as part of the insurer's revenue or insurance service expenses. The Group applies IFRS 9 to account for distinct investment components (not interrelated with insurance and able to be sold separately). That is, the related net investment income is excluded from the insurance service result and presented separately.

Some of the products issued by the Group include an investment component. This has been assessed to meet the definition of a distinct investment component in IFRS 17. An investment component is distinct if, and only if, both of the following conditions are met:

- \* The investment component and the insurance component are not highly interrelated, and
- \* A contract with equivalent terms is sold, or could be sold, separately at least in the same jurisdiction. An investment component and an insurance component are highly interrelated if, and only if:
  - \* The insurer is unable to measure one component without considering the other component. For instance, when the value of one component changes in direct response to a change in the other component, or
  - \* The policyholder is unable to benefit from one component unless the other component is also present. For instance, if the lapse or maturity of one component would cause the lapse or maturity of the other component, this would suggest the two components are highly interrelated.

Otherwise, the investment component and the insurance component would not be considered highly interrelated.

#### Recognition and de-recognition of insurance contracts

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- \* the beginning of the coverage period
- \* the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- \* when the Group determines that a group of contracts becomes onerous.

A group of reinsurance contracts held that covers the losses of separate insurance contracts on a proportionate basis (proportionate or quota share reinsurance) is recognised at the later of:

- \* the beginning of the coverage period of the group; or
- \* the initial recognition of any underlying insurance contract.

The Group does not recognise a group of quota share reinsurance contracts held until it has recognised at least one of the underlying insurance contracts. A group of reinsurance contracts held that covers aggregate losses from underlying contracts in excess of a specified amount (non-proportionate reinsurance contracts, such as excess of loss reinsurance) is recognised at the earlier of:

- (a) the beginning of the coverage period of the group of reinsurance contracts held; and
- (b) the date the Group recognises an onerous group of underlying insurance contracts,
- (c) if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

Only contracts that meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

An insurance contract is de-recognised when it is:

- \* extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- \* the contract is modified and certain additional criteria are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the de-recognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
  - (i) is not in scope of IFRS 17;
  - (ii) results in different separable components;
  - (iii) results in a different contract boundary; or
  - (iv) belongs to a different group of contracts;
- b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
- c) the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

- a) Adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group.
- b) Adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the de-recognition:
  - (i) If the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service.
  - (ii) If the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party.
  - (iii) If the original contract is modified resulting in its de-recognition, in the amount of the FCF adjustment in a. adjusted for the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received.

- c) Adjusts the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognised, adjustments to the FCF are done to remove relating rights and obligations and account for the effect of the de-recognition result in the following amounts being charged immediately to profit or loss.

- (i) if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
- (ii) if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party;
- (iii) if the original contract is modified resulting in its de-recognition, any net difference between the derecognised part of the LRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

#### Insurance acquisition costs

The Group includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are:

- a) costs directly attributable to individual contracts and groups of contracts; and
- b) costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

These includes for example, non-refundable commissions paid on issuance of a contract.

Before a group of insurance contracts is recognised, the Group can pay directly attributable acquisition costs to originate them. When such prepaid costs are refundable in case of insurance contracts termination, they are recorded as a prepaid insurance acquisition cash flows asset within other assets and allocated to the carrying amount of a group of insurance contracts when the insurance contracts are subsequently recognised.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

At the end of each reporting period, the Company revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Company assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- \* An impairment test at the level of an existing or future group of insurance contracts; and
- \* An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss. The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

#### Initial measurement - Groups of contracts not measured under the PAA

On initial recognition, the Group measures a group of insurance contracts as the total of:

- (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks and a risk adjustment for non-financial risk; and the CSM,
- (b) the fulfilment cash flows of a group of insurance contracts do not reflect the Group's non-performance risk

#### Fulfilment cash flows

The fulfilment cash flows (FCF) are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- (i) are based on a probability weighted mean of the full range of possible outcomes;
- (ii) are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and
- (iii) reflect conditions existing at the measurement date

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC. The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

Risk of the Group's non-performance is not included in the measurement of groups of insurance contracts issued.

In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

#### Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides coverage in the future. At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- a) the initial recognition of the FCF;
- b) the de-recognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows; and
- c) cash flows arising from the contracts in the group at that date.

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately with no CSM recognised on the balance sheet on initial recognition.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives reinsurance coverage in the future.

For insurance contracts acquired, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

- a) the initial recognition of the FCF; and
- b) cash flows arising from the contracts in the group at that date, including the fair value of the groups of contracts acquired as at the acquisition date as a proxy of the premiums received.

#### Reinsurance contracts held measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- \* Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes
- \* The Company determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer
- \* The Company recognises both day 1 gains and day 1 losses at initial recognition in the statement of financial position as a CSM and releases this to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, it establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. Where only some contracts in the onerous underlying group are covered by the group of reinsurance contracts held, the Group uses a systematic and rational method to determine the portion of losses recognised on the underlying group of insurance contracts to insurance contracts covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage. Where the Group enters into reinsurance contracts held which provide coverage relating to events that occurred before the purchase of the reinsurance, such cost of reinsurance is recognised in profit or loss on initial recognition.

#### Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

#### Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. This assessment is reviewed every reporting period. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

- a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- b) both of the following criteria are satisfied:
  - (i) the Group has the practical ability to reprice the portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
  - (ii) the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Riders represent add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, which are issued together with the main insurance contract forms part of a single insurance contract with all the cash flows within its boundary. Some insurance contracts issued by the Group provide policyholders with an option to buy an annuity upon the initially issued policy maturity. The Group assesses its practical ability to reprice such insurance contracts in their entirety to determine if annuity-related cash flows are within or outside of the insurance contract boundary. As a result of this assessment, non-guaranteed annuity options are not measured by the Group until they are exercised.

Cash flows are outside the insurance contracts boundary if they relate to future insurance contracts and are recognised when those contracts meet the recognition criteria. Cash flows are within the boundaries of investment contracts with DPF if they result from a substantive obligation of the Group to deliver cash at a present or future date.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive services from

the reinsurer. The Group's quota share life reinsurance agreements held are one year renewable contracts. Estimates of future cash flows arising from all underlying contracts issued and expected to be issued within one-year's boundary are included in each of the reinsurance contracts' measurement.

The excess of loss reinsurance contracts held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts may include mandatory or voluntary reinstatement reinsurance premiums, which are guaranteed per the contractual arrangements and are thus within the respective reinsurance contracts' boundaries.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

#### Subsequent measurement - Groups of contracts not measured under the PAA

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

- a) the LRC, comprising:
  - (i) the FCF related to future service allocated to the group at that date; and
  - (ii) the CSM of the group at that date; and
- b) the LIC, comprising incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

- a) the remaining coverage, comprising:
  - (i) the FCF related to future service allocated to the group at that date; and
  - (ii) the CSM of the group at that date; and
- b) the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

#### Changes in fulfilment cash flows

The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates. The changes in estimates of the FCF are treated as follows:

- a) changes that relate to current or past service are recognised in profit or loss; and
- b) changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as follows;

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

- a) experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
- b) changes in estimates of the present value of future cash flows in the LRC, except for those that arise from the effects of the time value of money, financial risk and changes therein.
- c) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
- d) changes in the risk adjustment for non-financial risk that relate to future service.

**Adjustments for (a) to (d) are measured using the locked-in discount rates**

**For insurance contracts under the GMM, the following adjustments do not relate to future service and thus do not adjust the CSM:**

- a) changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
- b) changes in the FCF relating to the LIC; and
- c) experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

**For insurance contracts issued, at the end of each reporting period (which the Group defines as three-month annual), the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:**

- a) The effect of any new contracts added to the group.
- b) For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
- c) Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
- d) The effect of any currency exchange differences.
- e) The amount recognised as insurance revenue for services provided during the period determined after all other adjustments above.

For a group of reinsurance contracts held, the carrying amount of the CSM at the end of each reporting period is adjusted to reflect changes in the FCF in the same manner as a group of underlying insurance contracts issued, except that when underlying contracts are onerous and thus changes in the underlying FCF related to future service are recognised in insurance service expenses by adjusting the loss component, respective changes in the FCF of reinsurance contracts held are also recognised in the insurance service result.

**Interest accretion on the CSM**

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items (locked-in discount rates). If more contracts are added to the existing groups in the subsequent reporting periods, the Group revises the locked-in discount curves by calculating weighted-average discount curves over the period that contracts in the group are issued. The weighted-average discount curves are determined by multiplying the new CSM added to the group and their corresponding discount curves over the total CSM.

**Adjusting the CSM for changes in the FCF relating to future service**

The CSM is adjusted for changes in the FCF measured applying the locked-in discount rates. Release of the CSM to profit or loss. The amount of the CSM recognised in profit or loss for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units. For contracts issued, the Group determines the coverage period for the CSM recognition as follows:

- a) for term life and universal life insurance contracts, the coverage period corresponds to the policy coverage for mortality risk;

**Subsequent measurement - Groups of contracts not measured under the PAA (continued)**

- b) for direct participating contracts and for investment contracts with DPF, the coverage period corresponds to the period in which insurance or investment management services are expected to be provided; and

The total number of coverage units in a group is the quantity of coverage provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

- i. the quantity of benefits provided by contracts in the group;
- ii. the expected coverage duration of contracts in the group; and
- iii. the likelihood of insured events occurring, only to the extent that they affect the expected duration of contracts in the group.

The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits and the Company determines coverage units as follows:

- a) for term life and universal life insurance contracts, coverage units are determined based on the policies' face values that are equal to the fixed death benefit amounts;
- b) for direct participating contracts, coverage units are based on the fixed death benefits amounts (during the insurance coverage period) plus policyholders' account values;
- c) for investment contracts with DPF, coverage units are based on policyholders' account values;
- d) for automobile insurance contracts acquired in the run-off period, coverage units are based on the expected amount of claims covered in the period and the expected amount of claims remaining to be covered in future periods.

For reinsurance contracts held, the CSM is released to profit or loss as services are received from the reinsurer in the period. Coverage units for the proportionate term life reinsurance contracts are based on the insurance coverage provided by the reinsurer and are determined by the ceded policies' fixed face values taking into account new business projected within the reinsurance contract boundary.

The coverage period for these contracts is determined based on the coverage of all underlying contracts whose cash flows are included in the reinsurance contract boundary.

**Onerous contracts - Loss component**

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Company recognises the excess in insurance service expenses and records it as a loss component of the LRC. When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- a. expected incurred claims and expenses for the period;
- b. changes in the risk adjustment for non-financial risk for the risk expired; and
- c. finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in a. and b. above reduce the respective components of insurance revenue and are reflected in insurance service expenses. Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

#### Investment Contracts with Discretionary Participation Features measured under VFA

For investment contracts with DPF that are measured under the VFA and provide the Group with discretion as to the timing and amount of the cash flows to be paid to the policyholders, a change in discretionary cash flows is regarded as relating to future service and accordingly adjusts the CSM. At inception of such contracts, the Group specifies its commitment as crediting interest to the policyholder's account balance based on the return on a pool of assets less a spread. The effect of discretionary changes in the spread on the FCF adjusts the CSM while the effect of changes in assumptions that relate to financial risk on this commitment are reflected in insurance finance income or expenses.

When no commitment is specified, the effect of all changes in assumptions that relate to financial risk and changes thereof on the FCF is recognised in insurance finance expenses.

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

- a) changes in the Group's share of the fair value of the underlying items; and
- b) changes in the FCF that do not vary based on the returns of underlying items:
  - (i) changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
  - (ii) experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
  - (iii) changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
  - (iv) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
  - (v) changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments for (ii) to (v) are measured using the current discount rates. Investment Contracts with Discretionary Participation Features

For insurance contracts under the VFA, the following adjustments do not relate to future service and thus do not adjust (a) the CSM:

- a) changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
- b) changes in the FCF that do not vary based on the returns of underlying items:

#### Initial and subsequent measurement - Groups of contracts measured under the PAA

The Group may simplify the measurement of a group of insurance contracts using the premium allocation approach if, and only if, at the inception of the group:

- (a) the Group reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced by applying the General measurement Model ; or

- (b) the coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary is one year or less.

For insurance contracts issued, insurance acquisition cash flows are deferred and recognised over the coverage period of contracts in a group.

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the de-recognition of the prepaid acquisition cash flows asset.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid. The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- a. the LRC; and
- b. the LIC, comprising the for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- a. the remaining coverage; and
- b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- a. increased for premiums received in the period;
- b. decreased for insurance acquisition cash flows paid in the period;
- c. decreased for the amounts of expected premiums received recognised as insurance revenue for the services provided in the period; and
- d. increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For contracts measured under the PAA, the LIC is measured at the fulfilment cash flows relating to incurred claims. Future cash flows are not adjusted for the time value of money since short term insurance contracts issued by the Company and measured under the PAA typically have a settlement period of less than one year

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- a. increased for ceding premiums paid in the period; and
- b. decreased for the amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money as insurance premiums are due within the coverage of contracts, which is one year or less.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. Future cash flows are not adjusted for the time value of money since short term insurance contracts issued by the Company and measured under the PAA typically have a settlement period of over one year. If a group of contracts becomes onerous, the Company increases the carrying amount of the LRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses.

Subsequently, the Group amortises the amount of the loss component

within the LRC by decreasing insurance service expenses. The loss component amortisation is based on the passage of time over the remaining coverage period of contracts within an onerous group. If facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage has changed, then the Company re-measures the FCF by applying the GMM and reflects changes in the FCF by adjusting the loss component as required until the loss component is reduced to zero.

As the Group provides services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Company expects to be entitled to in exchange for those services.

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts. For groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

#### Reinsurance contracts

The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

If a loss-recovery component is created for a group of reinsurance contracts measured under the PAA, then the Group adjusts the carrying amount of the asset for remaining coverage instead of adjusting the CSM.

#### Insurance service expenses

Insurance service expenses include the following:

- incurred claims and benefits excluding investment components;
- other incurred directly attributable insurance service expenses;
- amortisation of insurance acquisition cash flows;
- changes that relate to past service (i.e. changes in the FCF relating to the LIC); and
- changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, whilst for contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the statement of profit or loss.

#### Insurance service result from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

- reinsurance expenses;
- incurred claims recovery;
- other incurred directly attributable insurance service expenses;
- effect of changes in risk of reinsurer non-performance;
- for contracts measured under the GMM, changes that relate to future service (i.e. changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts); and
- changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance recoveries recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Group expects to pay in exchange for those services. For contracts not measured under the PAA, net -reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

- ceded premium experience adjustments relating to past and current service
- insurance claims and other expenses in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components;
- changes in the risk adjustment for non-financial risk, excluding: changes included in finance income (expenses) from reinsurance contracts held; and changes that relate to future coverage (which adjust the CSM);
- amounts of the CSM recognised in profit or loss for the services received in the period; and

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts. Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

#### Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- the effect of the time value of money and changes in the time value of money; and
- the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

- interest accreted on the FCF and the CSM;
- the effect of changes in interest rates and other financial assumptions; and
- foreign exchange differences arising from contracts denominated in a foreign currency.

For contracts measured under the VFA, the main amounts within insurance finance income or expenses are:

- changes in the fair value of underlying items;
- interest accreted on the FCF relating to cash flows that do not vary with returns on underlying items; and
- the effect of changes in interest rates and other financial assumptions on the FCF relating to cash flows that do not vary with returns on underlying items.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

- interest accreted on the LIC; and
- the effect of changes in interest rates and other financial assumptions.

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

For the contracts measured under the GMM and the PAA, the Group includes all insurance finance income or expenses for the period in profit or loss (i.e. the profit or loss option (the PL option) is applied).

The Group disaggregates insurance finance income or expenses on insurance contracts with direct participating features between profit or loss and OCI. The impact of changes in market interest rates on the value of the life insurance and related reinsurance assets and liabilities are reflected in OCI in order to minimise accounting mismatches between the accounting for financial assets and insurance assets and liabilities.

### 1.12 EMPLOYEE BENEFITS

Employee benefits are the considerations given by the Group in exchange for services rendered by employees. Such benefits include:

#### Short-term benefits

Benefits earned by employees under normal employment terms including salaries, wages, bonuses and leave pay. These are expensed as earned and accordingly provisions are made for unpaid bonuses and leave pay. These provisions are included in other liabilities in the Statement of Financial Position.

- i) The Group and employees contribute towards the National Social Security Authority, a defined contribution fund. Costs applicable to this scheme are determined by the systematic recognition of legislated contributions.
- ii) The Group operates a defined contribution scheme, the assets of which are held in a separate trustee-administered fund. The costs are charged to the profit or loss as incurred.

#### Employee share option scheme

The Group's Employee Share Options Scheme ("ESOS") is a share-based, cash-settled employee compensation scheme. The ESOS allows the employees of the Group to become entitled to a future cash payment (rather than an equity instrument), based on Group's share price upon fulfilling certain conditions.

The fair value of the amount payable to employees in respect of cash settled employee compensation is recognised as an expense with a corresponding increase in liabilities over the period during which the employees become unconditionally entitled to payment. The liability is measured at each reporting date and at settlement date based on the fair value of the shares. Any changes in the liability are recognised as staff costs within operating expenditure in profit or loss.

### 1.13 TAXATION

#### Current taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that were enacted or substantively enacted at reporting date.

#### Capital gains tax

At reporting date, deferred tax is computed based on the applicable capital gains tax rate on the sale of investment property held for capital appreciation or equity investments.

#### Value added tax

Revenue, expenses, and assets are recognised net of Value Added Tax (VAT) except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of the acquisition of the asset or as part of the expense item as applicable and receivables and payables that are stated with the amount of VAT included.

#### Deferred taxation

Deferred income tax is provided using the full liability method on temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences except:

- a) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised except:

- \* where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- \* in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date.

Deferred tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Changes in tax rates

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

### 1.14 CONTINGENCIES AND COMMITMENTS

Transactions are classified as contingencies where the Group's obligations depend on uncertain future events and principally consist of guarantees provided for third party obligations underwritten. Items are classified as commitments where the Group commits itself to future transactions or if the items will result in the acquisition of assets.

### 1.15 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenue and expenses that relate to transactions with any of the Group's other components, for which discreet information is available. All operating segments' operating results are reviewed regularly by the Group Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance.

### 1.16 FIDUCIARY ACTIVITIES

The Group's Asset Management subsidiary acts as a trustee in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, post-employment benefit plans and other institutions. These assets and income arising thereon are excluded from these consolidated financial statements as they are not assets and income of the Group.

### 1.17 FINANCIAL GUARANTEES AND LOAN COMMITMENTS

'Financial guarantees' are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Loan commitments' are firm commitments to provide credit under pre-specified terms and conditions. Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of;

- \* the loss allowance determined in accordance with IFRS 9 and
- \* the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15

Expected credit losses arising from financial guarantees are included within provisions. The Group has issued no loan commitments that are measured at FVTPL

### 1.18 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

### 1.19 LEASED ASSETS

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract

conveys the right to control the use of an identified asset, the Group assesses whether:

- \* The contract involves the use of an identified asset- this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- \* The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- \* The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

#### Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use Asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

- \* Fixed payments, including in-substance fixed payments;
- \* Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- \* Amounts expected to be payable under a residual value guarantee; and
- \* The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in

'property, plant and equipment' and lease liabilities in the Statement of Financial Position.

#### Leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets. All leased assets valued at or below ZWG25 981 qualify for the low value lease exemption. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### Short-term leases

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less and do not contain a purchase option. The Group applies the short-term lease recognition exemption to its short-term leases of buildings. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

### 1.20 SHARE CAPITAL

#### Ordinary share capital

Ordinary shares are classified as equity. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at Annual general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

#### Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are disposed the resulting surplus or deficit on the transaction is recognised directly in retained earnings

#### Cancellation of Treasury shares

When treasury shares are cancelled the Group's share capital and share premium is reduced with the effect of the cancellation. The resulting deficit on the transaction is recognised directly in revenue reserve.

### 1.21 REVALUATION RESERVE

The revaluation reserve represents all revaluation adjustments made to property and equipment.

### 1.22 RETAINED EARNINGS RESERVE

This reserve represents cumulative profits that have not been paid out as dividends.

### 1.23 SHARE PREMIUM

This represents capital raised through an issue of shares that exceeds the nominal value of the shares. This capital is not available for distribution to shareholders as dividends.

### 1.24 FAIR VALUE RESERVE

Fair value reserve represents changes in the fair value of unquoted equities that are irrevocably elected to be initially measured at fair value through other comprehensive income.

### 1.25 FOREIGN CURRENCY TRANSLATION RESERVE

The Foreign currency translation reserve represents the exchange rate gains or losses arising from translating a foreign subsidiary and foreign exchange gains or losses as a result of translation from functional

currency to presentation currency. Gains or losses arising from translation of the foreign subsidiaries are reclassified from equity to profit or loss upon disposal of the subsidiary. Gains and losses arising from translation to presentation currency are recognised through other comprehensive income and are presented within equity.

### 1.26 SHARE BASED PAYMENT RESERVE

Share based payment reserve represents movements arising from transacting with the entity's own shares, in equity settled share based payments.

### 1.27 GENERAL RESERVE

The general reserve reflects changes in the share of other comprehensive income (OCI) of equity-accounted investees.

### 1.28 RELATED PARTIES

The Group has related party relationships with its shareholders, subsidiaries, Directors and key management employees, and their close family members. Transactions with related parties are carried out on arm's length basis.

### 1.29 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its no performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. See note 17,20 &21.

The Group measures the fair value of instruments using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.

If there is no quoted price in an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs, maximise the use of relevant observable inputs, and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

The Group measures fair values using the following fair value hierarchy that reflects the significance of inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for identical instrument
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable input have a significant effect on the instrument's valuation. This

category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 1.30 LAND INVENTORY

Inventory is stated at the lower of cost and net realisable value. Cost is determined using the Average cost method. The Group first calculates all the costs of the whole area of land inventory (purchase price and development costs) including roads in order to ascertain the total costs of bringing the whole area of land inventory to its resalable condition. When the total costs are obtained it is then divided by the total size of the land inventory (stands) in square meters. This will result in obtaining the cost of the land inventory per square meter. When the individual stands are now sold the cost of each stand is the result of multiplying the size of the individual stand by the cost per square meter.

### 1.31 CASH AND CASH EQUIVALENTS

Balances with other banks and cash and bank balances include cash on hand, deposits held at call with other banks, RBZ statutory reserves (comprising of reserving requirements), other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown as liabilities. Cash and bank balances are carried at amortised cost in the statement of financial position. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### 1.32 LEGACY DEBTS & NOSTRO GAP ACCOUNTS

The undertaking by the Reserve Bank of Zimbabwe (RBZ) to provide US Dollars to assist in settling Legacy debt and Nostro gap accounts at an exchange rate of 1:1 was recognised as a government assistance. The resulting outstanding RBZ financial asset in lieu of legacy debt was accounted for at the closing interbank rate. On the liability side the Legacy debts and Nostro gap accounts were treated as deposits and translated to the functional currency at the closing interbank rate.

RBZ financial asset in lieu of legacy debt receivable is initially measured at fair value and subsequently at amortised cost as per the requirements of IFRS 9. This is in line with the measurement policy for the Group's monetary assets classified and measured at amortised cost. Subsequent measurement takes into account expected credit losses. Refer to detailed accounting policy note 1.7 on financial assets measured at amortised cost.

### 1.33 ACCOUNTING FOR GOLD COINS

The Gold coins are initially measured at cost, including transaction costs. Subsequent to initial recognition, Gold coins are measured at fair value. Gains or losses arising from changes in fair value are included in the statement of profit or loss in the period in which they arise.

### 1.34 SHARE BASED PAYMENT TRANSACTIONS

#### Equity-settled share-based payment transactions

For equity-settled share-based payment transactions with external parties other than employees, the Group measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services received, the Group measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The Group measures the fair value of the services or goods received by reference to the fair value of the equity instruments granted. The fair value of those equity instruments are measured at grant date. Employee share options are addressed under employee benefits.

### 1.35 CHANGES THE PRESENTATION OR CLASSIFICATION OF FINANCIAL STATEMENTS

The group changes the presentation of its financial statements only if the changed presentation provides information that is reliable and more relevant to users of the financial statements and the revised structure is likely to continue. During the current period, the Group change presentation as follows:

- i) To disclose accrued interest and interest received separately in the statement of cash flows, previously, these amounts were presented on a net basis.
- ii) The Group has presented other comprehensive income on a net of tax basis, with the related tax disclosed in Note 6 to the annual financial statements.

The changes do not affect existing subtotals and are purely presentational in nature. Presentation of other items in the annual financial statements is aligned to the preceeding year.

### 1.36 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

#### IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

#### **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures)

Clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update existing ones.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

#### **Annual Improvements to IFRS Accounting Standards – Amendments to:**

IFRS 1 First-time Adoption of International Financial Reporting Standards;  
IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;  
IFRS 9 Financial Instruments;  
IFRS 10 Consolidated Financial Statements; and  
IAS 7 Statement of Cash flows

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

#### **Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements**

The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity. The changes are effective for annual reporting periods beginning on or after 1 January 2026.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

#### **Translation to a Hyperinflationary Presentation Currency: Amendments to IAS 21**

The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one. The amendments are effective for annual reporting periods beginning on or after 1 January 2027.

The amendments may affect the Group financial statements due to hyperinflationary conditions in the local presentation currency. The impact on the Group's financial information is being assessed.

#### **Disclosures about Uncertainties in the Financial Statements: Illustrative Examples**

A set of examples that illustrate the reporting of the effects of uncertainties in financial statements through climate-related fact patterns. Illustrative examples are not an integral part of standards and, therefore, do not have an effective date.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

# Notes to the Audited Consolidated Financial Results

For the year ended 31 December 2025

## 1.2 INCORPORATION AND ACTIVITIES

The consolidated financial results of the Group for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 20 March 2026. The Group offers commercial banking, asset management, short term insurance, life assurance, agro business and other financial services and is incorporated in Zimbabwe.

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>2. INTEREST</b>		
<b>Interest income</b>		
Overdrafts	284 101	164 798
Loans	1 645 568	1 007 685
Mortgage loans	101 211	49 088
Staff loans	15 625	12 037
Securities investments	603 509	430 462
Other investments	43 934	20 822
	<b>2 693 948</b>	<b>1 684 892</b>
<b>Interest expense</b>		
Savings deposits	25 951	7 407
Time deposits	150 724	70 733
Other offshore deposits	431 212	132 016
Lease liability	3 205	1 568
Other	194 345	88 461
	<b>805 437</b>	<b>300 185</b>
<b>NET INTEREST INCOME</b>	<b>1 888 511</b>	<b>1 384 707</b>
Interest income and Interest expense is calculated using the Effective Interest Rate method.		
<b>3. NON-INTEREST INCOME</b>		
Fair value adjustments on financial instruments	17 096	(73 268)
Fair value adjustments on investment properties	25 111	(330 318)
Net income from trading securities	132 963	12
Net income from foreign currency dealing	673 158	591 275
Unrealised gains on foreign currency exchange	35 460	840 915
Agro business income	65 847	36 166
Commission and fee income	2 719 262	1 409 209
Profit on disposal of property and equipment	5 945	201
Bad debts recovered	73 359	229 159
Property sales	38 375	24 206
Lease income	39 677	24 758
Other operating income	38 275	18 630
<b>Total non interest income</b>	<b>3 864 528</b>	<b>2 770 945</b>
<b>Dissagregation by class</b>		
<b>Fairvalue gains recognised through profit or loss</b>		
Fair value adjustments on financial instruments	17 096	(73 268)
Fair value adjustments on investment properties	25 111	(330 318)
<b>Total</b>	<b>42 207</b>	<b>(403 586)</b>
<b>Trading and foreign exchange gains income</b>		
Net income from trading securities	132 963	12
Net income from foreign currency dealing	673 158	591 275
Unrealised profit on foreign currency exchange	35 460	840 915
<b>Total</b>	<b>841 581</b>	<b>1 432 202</b>
<b>Transactional income at a point in time</b>		
Agro business income	65 847	36 166
Commission and fee income	2 719 262	1 409 209
<b>Total</b>	<b>2 785 109</b>	<b>1 445 375</b>

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>Other income</b>		
Property sales	38 375	24 206
Profit on disposal of property and equipment	5 945	201
Bad debts recovered	73 359	229 159
Lease income	39 677	24 758
Other operating income	38 275	18 630
<b>Total</b>	<b>195 631</b>	<b>296 954</b>
<b>Total non interest income</b>	<b>3 864 528</b>	<b>2 770 945</b>

Included in unrealised gains are exchange gains on foreign currency monetary balances held largely by the Banking operations and Agrobusiness segments. Commission and fee income largely comprises income earned from Banking operations segments.

Included in commission and fee income are largely fees and other commissions earned on group banking operations customer transactions. Major lines included in commission and fee income are cash withdrawal fees (ZWG1 047 154 561), service fees (ZWG819 862 915) and funds transfer fees (ZWG545 476 589).

Other operating income comprises of day one gains on financial instruments initial fairvalue measurement, dividend income, group holiday home facility income and other non-routine facilitation fees on customer transactions and losses on de-recognition of promissory notes.

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>4. INSURANCE INCOME</b>		
<b>4.1 Insurance service result</b>		
Insurance revenue (i)	536 642	266 344
Insurance service expenses (ii)	(547 773)	(268 197)
Net income/(expenses) from reinsurance contracts held (iii)	(7 334)	(39 518)
<b>Insurance service result</b>	<b>(18 465)</b>	<b>(41 371)</b>
<b>(i) Insurance revenue</b>		
Changes in Liability for remaining coverage	101 094	57 230
Revenue from contracts measured under Premium Allocation Approach (PAA)	435 548	209 114
<b>Total</b>	<b>536 642</b>	<b>266 344</b>

Included in the changes in remaining coverage is contractual service margin recognised for services provided. Also included in the changes in remaining coverage are profit/ loss movement relating to Change in risk adjustment for non-financial risk expected incurred claims & other insurance service expenses. Included in the changes and remain coverage is contractual service margin recognised for services provided amount to ZWG 20,098,761 (2024:ZWG 16,669,891). Also included in the changes in remaining coverage is profits or loss movement relating to change in risk adjustment for non-financial risk, expected incurred claims and other insurance service expenses.

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>(ii) Insurance service expenses</b>		
Incurred claims	241 538	127 776
Changes to liabilities for incurred claims	34 740	(8 309)
Onerous contracts	13 993	(15 458)
Insurance acquisition cashflow amortisation	92 871	54 794
Other directly attributable expenses	164 631	109 394
<b>Total</b>	<b>547 773</b>	<b>268 197</b>
<b>(iii) Net income/ expenses from reinsurance contracts held</b>		
Changes in remaining coverage	(10 004)	(5 394)
Reinsurance expenses for contracts measured under PAA	(147 825)	(67 671)
Claims recovered from reinsurance contracts under PAA	150 495	33 547
<b>Total</b>	<b>(7 334)</b>	<b>(39 518)</b>
<b>4.2 Net insurance finance cost</b>		
Expenses from insurance contracts issued	6 477	4 293
Income from reinsurance contracts held	-	(1 421)
<b>Total</b>	<b>6 477</b>	<b>2 872</b>

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>4.3 Disaggregation of insurance service result by product</b>		
Life assurance	(694)	(7 631)
Short term insurance	(17 771)	(33 740)
	<b>(18 465)</b>	<b>(41 371)</b>
<b>5. OPERATING EXPENDITURE</b>		
Staff costs	2 032 012	2 143 571
Administration expenses	1 344 507	754 812
Audit fees	27 484	20 408
Depreciation	222 806	134 004
Amortisation of intangible assets	17 933	7 371
Property cost of sales	62 789	7 380
Write off & Impairment of property and equipment	42 109	45 251
Derecognition of right of use asset and lease liability	(1 758)	-
<b>Total operating expenditure</b>	<b>3 747 882</b>	<b>3 112 797</b>
Expenditure relating to insurance service	(164 631)	(109 394)
<b>Operating expenditure as reported</b>	<b>3 583 251</b>	<b>3 003 403</b>

Included in Audit fees are charges for non-audit services for the reviews of interim consolidated financial statements performed by the entity's audit. The company did not engage in non-audit services as such no fees were recognised between the prior and current year. Significant items included in administrative expenses include IT-related costs of ZWG 480,142,576 [2024: ZWG 303 282 614] and professional, legal and consultancy fees of ZWG 106,629,569 [2024: ZWG 67 352 691].

**Remuneration of directors and key management personnel (included in staff costs)**

Fees for services as directors	62 994	20 898
Pension and retirement benefits for past and present directors	12 773	8 476
Salaries and other benefits	155 477	164 422
	<b>231 244</b>	<b>193 796</b>
Short term employment benefits	218 471	185 320
Post employment benefits	12 773	8 476
	<b>231 244</b>	<b>193 796</b>

**6. TAXATION**

**6.1 The following constitutes the major components of income tax expense recognised in the Statement of Profit or Loss.**

**Analysis of tax charge in respect of the profit for the year**

Current income tax charge	651 245	233 500
Deferred income tax	157 434	(334 932)
<b>Taxation</b>	<b>808 679</b>	<b>(101 432)</b>

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>6.2 Tax rate reconciliation</b>		
Notional tax	25.00	25.00
Aids levy	0.75	0.75
Exempt income	(10.28)	(116.61)
Non-deductible expenditure	18.89	494.13
Effect of rebasing tax bases	1.65	(595.16)
Effect of special tax rate	0.52	67.01
Tax credits	(0.64)	(27.38)
<b>Effective tax rate</b>	<b>35.89</b>	<b>(152.26)</b>

Included in exempt income is income from government bills, mortgage housing income and dividend income. Non-deductible expenses include expenditure on exempt income, excess pension costs and disallowable donations.

Rebasing of taxes includes deferred tax release emanating from change in functional currency.

**6.3 The following constitutes the major components of deferred income tax expense recognised in the Statement of Other Comprehensive Income.**

Revaluation of property	7 678	(108 336)
Unlisted equities	8 585	7 180
<b>Total taxation relating to components of other comprehensive income</b>	<b>16 263</b>	<b>(101 156)</b>

**7. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the end year after adjusting for treasury shares.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the parent by the sum of weighted average number of ordinary shares outstanding and the weighted average number of potentially dilutive ordinary shares after adjusting for treasury shares.

The following reflects the income and shareholding data used in the basic and diluted earnings per share computations:

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>7.1 Annualised earnings per share (ZWG cents)</b>		
Basic	232.24	27.06
Diluted basic	232.24	27.06
Headline	233.35	71.87
<b>7.2 Earnings attributable to holders of parent</b>		
Basic	1 444 668	168 361
Diluted basic	1 444 668	168 361
Headline	1 451 570	447 072
<b>Number of shares used in calculations (weighted)</b>		
Basic	622 069	622 069
Diluted basic	622 069	622 069
Headline	622 069	622 069
<b>7.3 Reconciliation of denominators used for calculating basic and diluted earnings per share:</b>		
<b>Weighted average number of shares used for basic EPS</b>	<b>622 069</b>	<b>622 069</b>
<b>Weighted average number of shares used for diluted EPS</b>	<b>622 069</b>	<b>622 069</b>
<b>7.4 Headline Earnings</b>		
Profit attributable to ordinary shareholders	1 444 668	168 361
<b>Adjusted to exclude re-measurements</b>		
Write off & impairment of property and equipment	42 109	45 251
Write off of right of use asset and lease liability	(1 758)	-
Disposal gain on property and equipment	(5 945)	(201)
(Gain)/ Loss on investment properties valuation	(25 111)	330 318
Tax relating to remeasurements	(2 393)	(96 657)
<b>Headline earnings</b>	<b>1 451 570</b>	<b>447 072</b>
<b>8. DIVIDENDS</b>		
Dividends are paid on shares held at the record date net of treasury shares held on the same date.		
<b>Cash dividend on ordinary shares declared and paid:</b>		
Interim dividend	64 951	-
Final Dividend	259 807	68 724
Interim paid per share (ZWG cents)	10.69	-
Final dividend paid per share (ZWG cents)	53.51	11.05
<b>9. CASH AND CASH EQUIVALENTS</b>		
Interbank placements	309 786	112 095
Cash and current accounts	2 053 202	1 254 620
Balances with foreign banks	2 251 256	1 041 530
Balances with the Reserve Bank of Zimbabwe	2 527 266	1 341 151
RBZ Statutory reserve	3 441 667	3 244 770
	<b>10 583 177</b>	<b>6 994 166</b>

The cash and cash equivalents balance represent the Group's cash and cash equivalent balance. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently 30% for demand or call deposits and 15% for term or savings deposits denominated in both Zimbabwean local and foreign currency. Expected credit losses amounting to ZWG 12,578,757 have been recognised with respect to cash and cash equivalents.

**9.1 Restricted cash and cash equivalents**

 RBZ Statutory reserve  
 Amounts secured as guarantees or collateral

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
	3 441 667	3 244 770
	230 428	98 470
	<b>3 672 095</b>	<b>3 343 240</b>

**10. MONEY MARKET ASSETS**

 Interbank Placements  
 RBZ Savings bonds  
 Bankers acceptances  
 Accrued interest

**Total gross money market assets**

Allowance for expected credit loss

**Total net money market assets**

	652 386	1 071 837
	-	26 538
	18 968	7 741
	11 886	15 495
	<b>683 240</b>	<b>1 121 611</b>
	(50 043)	(36 961)
	<b>633 197</b>	<b>1 084 650</b>

**10.1 Maturity analysis**

The maturity analysis of money market assets is shown below:

Between 0 and 3 months

Between 3 and 6 months

Between 6 and 12 months

	268 343	567 879
	279 628	551 367
	135 269	2 365
	<b>683 240</b>	<b>1 121 611</b>

Maturity analysis is based on the remaining period from 31 December 2025 to contractual maturity. Money market assets are non-credit financial assets with an original maturity of less than 1 year.

**11. FINANCIAL SECURITIES**

 Treasury bills  
 Savings bonds  
 Promissory notes  
 Accrued interest

**Total gross financial securities**

Allowance for expected credit loss

**Total net financial securities**

	7 335 819	5 160 230
	678	671
	-	228 806
	398 763	565 418
	<b>7 735 260</b>	<b>5 955 125</b>
	(124 737)	(101 144)
	<b>7 610 523</b>	<b>5 853 981</b>

**11.1 Maturity analysis**

The maturity analysis of financial securities is shown below:

Between 0 and 3 months

Between 3 and 6 months

Between 6 and 12 months

Between 1 and 5 years

Above 5 years

	1 261 949	831 205
	1 437 527	2 222 887
	1 846 225	1 467 713
	3 189 124	1 432 982
	435	338
	<b>7 735 260</b>	<b>5 955 125</b>

Maturity analysis is based on the remaining period from 31 December 2025 to contractual maturity. Financial securities are non-credit financial assets with an original maturity of more than 1 year.

**12. LOANS AND ADVANCES TO CUSTOMERS**

 Overdrafts  
 Commercial loans  
 Staff loans  
 Mortgage advances  
 Agro business loans  
 Interest accrued

**Total gross loans and advances to customers**

Allowance for expected credit Loss

**Total net advances**

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
	1 014 429	1 591 771
	7 974 779	6 033 018
	190 765	82 865
	560 192	493 998
	752 885	653 260
	506 248	276 856
	<b>10 999 298</b>	<b>9 131 768</b>
	(812 129)	(831 486)
	<b>10 187 169</b>	<b>8 300 282</b>

12.1	Sectoral analysis:	AUDITED 31 DEC 2025 ZWG 000		AUDITED 31 DEC 2024 ZWG 000	
			%		%
	Private	2 607 867	24	3 119 820	34
	Agriculture	3 210 575	29	2 110 016	24
	Mining	646 563	6	1 638 764	18
	Manufacturing	856 441	8	647 133	7
	Distribution	2 562 918	23	981 358	11
	Construction	112 936	1	164 788	2
	Transport	72 969	1	33 041	-
	Communication	418 436	3	199 403	2
	Services	497 805	5	199 586	2
	Financial organisations	12 788	-	37 859	-
		<b>10 999 298</b>	<b>100</b>	<b>9 131 768</b>	<b>100</b>

12.2	Maturity analysis	AUDITED 31 DEC 2025 ZWG 000		AUDITED 31 DEC 2024 ZWG 000	
	Less than 1 month		1 982 627		1 592 361
	Between 1 and 3 months		1 955 487		687 761
	Between 3 and 6 months		1 846 897		1 459 822
	Between 6 months and 1 year		2 192 389		3 116 731
	Between 1 and 5 years		2 936 101		2 202 720
	More than 5 years		85 797		72 373
			<b>10 999 298</b>		<b>9 131 768</b>

Maturity analysis is based on the remaining period from 31 December 2025 to contractual maturity.

### 12.3 Loans to directors and key management

#### Included in advances are loans to executive directors and key management:

Opening balance	11 410	39 903
Effects of translation to presentation currency	(474)	13 513
Advances made during the year	30 535	9 236
Foreign exchange movement	(113)	(46 529)
Repayment during the year	(6 612)	(4 713)
<b>Closing balance</b>	<b>34 746</b>	<b>11 410</b>

#### Loans to employees

#### Included in advances are loans to employees:

Opening balance	71 456	92 163
Advances made during the year	122 590	60 607
Effects of translation to presentation currency	(1 500)	46 940
Foreign exchange movement	(887)	(114 483)
Repayments during the year	(35 639)	(13 771)
<b>Closing balance</b>	<b>156 020</b>	<b>71 456</b>

Loans to employees and directors are at arm's length, where the interest rates charged are lower than market rates in line with group policy for internal lending, the fairvalue loss on initial recognition of the financial asset is recognised through PL as employee benefits. At 31 December 2025 the ECLs recognised for loans to directors, key management and employees were ZWG1,293,798 (2024:ZWG1,140,365)

12.4	Allowance for Expected Credit Loss	AUDITED 31 DEC 2025 ZWG 000		AUDITED 31 DEC 2024 ZWG 000	
	Opening balance	831 486		622 060	
	Effects of translation to presentation currency	6 474		335 021	
	Credit loss expense on loans and advances	2 645		791 782	
	Foreign exchange movement	(74)		(69 778)	
	Amounts written off during the year	(28 402)		(847 599)	
	<b>Closing balance</b>	<b>812 129</b>		<b>831 486</b>	
12.5	Collateral	Government Guarantee	647 959	873 419	
		Cash cover	1 559	8 287	
		Registered Marketable Commodities	2 967 675	29 411	
		Mortgage bonds	3 124 760	3 599 503	
		Notarial general covering bonds	1 014 302	2 056 053	
		<b>7 756 255</b>	<b>6 566 673</b>		

### 13. EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS

The table below shows the ECL charges on financial assets for the year recorded in the Statement of Profit or Loss:

	AUDITED							
	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Money market assets	14 174	(7 748)	-	-	-	-	14 174	(7 748)
Financial securities	(694)	(22 093)	-	-	-	-	(694)	(22 093)
Loans and advances to customers	65 984	42 049	(117 838)	280 648	54 499	469 085	2 645	791 782
Financial guarantees	(609)	362	-	-	-	-	(609)	362
Other receivables	(10 828)	28 120	(1 575)	73	17 245	2 163	4 842	30 356
Lease receivables	-	-	179	516	428	7 476	607	7 992
<b>Expected credit loss expense</b>	<b>68 027</b>	<b>40 690</b>	<b>(119 234)</b>	<b>281 237</b>	<b>72 172</b>	<b>478 724</b>	<b>20 965</b>	<b>800 651</b>

### 14. OTHER ASSETS

Prepayments & Stationary  
Other receivables

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Prepayments & Stationary	349 571	351 410
Other receivables	5 054 521	6 222 167
	<b>5 404 092</b>	<b>6 573 577</b>

Included in other receivables is an amount of ZWG 2,668,553,835 (31 December 2024: ZWG 3,179,611,536), relating to financial assets arising from registered legacy liabilities and nostro gap accounts. These balances are denominated in United States Dollars, comprising US\$46,185,131 in respect of legacy debt payable by the Reserve Bank of Zimbabwe and US\$56,527,800 relating to the nostro gap account payable by the Ministry of Finance, Economic Development and Investment Promotion.

The financial asset is denominated in USD and has been translated into ZWG using the closing exchange rate, in accordance with the requirements of IAS 21: The Effects of Changes in Foreign Exchange Rates. Additional details regarding the settlement of these amounts are disclosed in Note 24.1.

### 15. LAND INVENTORY

Opening balance  
Additions  
Effects of translation to presentation currency  
Transfers from property plant and equipment  
Disposals  
Transfer to Investment property  
**Closing balance**

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Opening balance	498 997	222 280
Additions	560 405	48 924
Effects of translation to presentation currency	(9 090)	236 192
Transfers from property plant and equipment	44 078	-
Disposals	(62 789)	(7 371)
Transfer to Investment property	-	(1 028)
<b>Closing balance</b>	<b>1 031 601</b>	<b>498 997</b>

### 16. EQUITY INVESTMENTS

Opening balance  
Effects of translation to presentation currency  
Additions  
Disposals  
Dividend in specie  
Fair value adjustments through profit or loss  
Fair value adjustments through other comprehensive income  
**Closing balance**

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Opening balance	581 699	270 798
Effects of translation to presentation currency	(713)	326 234
Additions	141 542	39 601
Disposals	(3 719)	(8 194)
Dividend in specie	-	4 983
Fair value adjustments through profit or loss	17 096	(73 268)
Fair value adjustments through other comprehensive income	52 183	21 545
<b>Closing balance</b>	<b>788 088</b>	<b>581 699</b>

#### 16.1 Investments in Equities

Listed investments  
Unlisted investments

Equity investments designated at fair value through profit or loss  
Equity investments designated at fair value through other comprehensive income

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Listed investments	147 292	140 757
Unlisted investments	640 796	440 942
	<b>788 088</b>	<b>581 699</b>
Equity investments designated at fair value through profit or loss	147 292	140 757
Equity investments designated at fair value through other comprehensive income	640 796	440 942
	<b>788 088</b>	<b>581 699</b>

The Group holds listed and unlisted equity investments. Listed investments are held for trading and considered short-term in nature, and are measured at fair value through profit or loss in. The Group does not have any other financial assets designated at fair value upon initial recognition. Unlisted equity investments are held for capital appreciation and are measured at fair value through other comprehensive income.

	AUDITED 31 DEC 2025 ZWG 000	%	AUDITED 31 DEC 2024 ZWG 000	%
<b>16.2 Investment in subsidiaries</b>				
CBZ Bank Limited	68 752	100	68 270	100
CBZ Asset Management (Private) Limited	10 828	100	10 752	100
CBZ Insurance (Private) Limited	71 102	98.4	37 065	98.4
CBZ Properties (Private) Limited	85 666	100	46 619	100
CBZ Life Assurance (Private) Limited	35 804	100	35 553	100
CBZ Asset Management Mauritius	51 378	100	46 090	100
CBZ Risk Advisory Services (Private) Limited	17 206	100	17 086	100
Red Sphere Finance (Private) Limited	50 693	100	37 438	100
CBZ Agro Yield (Private) Limited	126 372	100	689	100
CBZ South Africa Private Limited	22 123	100	21 710	100
	<b>539 924</b>		<b>321 272</b>	

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>17. EQUITY-ACCOUNTED INVESTEEES</b>		
Opening balance	1 116 901	754 085
Share of profit in associate	134 111	(231 371)
Share of OCI in associate	(13 085)	37 343
Dividends distributed	(18 801)	(12 981)
Effects of translation to presentation currency	5 508	569 825
<b>Closing balance</b>	<b>1 224 634</b>	<b>1 116 901</b>

**17.1 First Mutual Holdings Limited ("FMHL")**

First Mutual Holdings Limited is a Holding company incorporated in Zimbabwe. It has diverse interests in Life Assurance, Health Insurance, Short Term Insurance, Short Term Re-insurance, Long Term Re-insurance, Wealth Management, Property sector, Funeral Services and Microfinance, housed under the following subsidiaries; First Mutual Life, First Mutual Health, Nicoz-Diamond Insurance, First Mutual Reinsurance, FMRE Property & Casualty (Botswana) First Mutual Wealth Management, First Mutual Properties, First Mutual Funeral Services and First Mutual Microfinance, respectively.

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
% shareholding	36.47%	36.47%
<b>The carrying amount of interest in associate is split as follows:</b>		
Opening Balance	711 075	338 600
Effects of translation to presentation currency	3 029	417 301
Dividend received	(18 074)	(12 981)
Share of profit in associate	116 737	(69 188)
Share of OCI in associate	(13 085)	37 343
<b>Carrying amount of interest in Associate</b>	<b>799 682</b>	<b>711 075</b>

**The following table analyses the Audited financial information of FMHL as included in its own Financial Statements as at 31 December 2025**

Non-current assets (100%)	5 872 565	5 013 204
Current assets (100%)	1 310 891	1 648 697
Non-current liabilities (100%)	4 185 869	1 280 466
Current liabilities (100%)	286 691	3 023 908
Fair value of FMHL shares (100%) *	1 553 000	3 245 343
Group's share of fair value (36.47%)	566 379	1 183 577
Revenue	1 421 001	273 098
Profit from continuing operations (100%)	361 541	(471 991)
Other comprehensive income (100%)	19 878	102 392
<b>Total comprehensive income (100%)</b>	<b>381 420</b>	<b>(369 598)</b>
<b>Group share of Total Comprehensive Income</b>	<b>103 652</b>	<b>(31 845)</b>

\*The fair value was determined using the quoted market price of FMHL shares on the Zimbabwe stock exchange.

## 17.2 First Mutual Properties Limited ("FMP")

First Mutual Properties, is a subsidiary of First Mutual Holdings. It is a real estate company with vested interests in the development and management of commercial properties in the major towns of Zimbabwe.

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
% shareholding	16.8%	16.8%
<b>The carrying amount of interest in associate is split as follows:</b>		
Opening Balance	405 826	415 479
Effects of translation to presentation currency	2 479	152 530
Investment in associate during the year at Cost	-	-
Dividend received	(727)	-
Share of profit in associate	17 374	(162 183)
<b>Carrying amount of interest in Associate</b>	<b>424 952</b>	<b>405 826</b>

The following table analyses the financial information of FMP as included in its own Audited Financial Statements as at 31 December 2025

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Non-current assets (100%)	3 575 403	3 461 666
Current assets (100%)	63 683	69 624
Non-current liabilities (100%)	448 542	457 290
Current liabilities (100%)	89 560	93 328
Fair value of FMP (100%)*	1 179 220	3 249 007
Group's share of the fair value (16.8%)	198 109	545 833
Revenue	349 721	151 674
Profit from continuing operations (100%)	103 415	(965 377)
<b>Total comprehensive income (100%)</b>	<b>103 415</b>	<b>(965 377)</b>
<b>Group share of Total Comprehensive Income</b>	<b>17 374</b>	<b>(162 183)</b>

\*The fair value was determined using the quoted market price of FMP shares on the Zimbabwe stock exchange.

The Directors have provided additional information as shown below on how the reported Group's financial performance would be excluding the equity - accounted investments in FMHL and FMP.

	Including Investment in Associate 31 DEC 2025 ZWG 000	Excluding Investment in Associate 31 DEC 2024 ZWG 000
<b>Statement of Profit or loss and other Comprehensive Income</b>		
Profit after tax	1 444 702	1 310 591
Other comprehensive income	133 820	(291)
<b>Total comprehensive income for the year</b>	<b>1 578 522</b>	<b>1 444 411</b>
<b>Statement of Financial Position</b>		
Total Assets	41 148 715	40 349 033
Total Liabilities	32 010 648	26 506 152
Equity	9 138 067	9 166 311

## 18. CATEGORIES OF FINANCIAL ASSETS

## 31 December 2025

	AUDITED			Total carrying amount ZWG 000
	At fair value through profit or loss ZWG 000	At fair value through OCI ZWG 000	At amortised cost ZWG 000	
Balances with banks and cash	-	-	10 583 177	10 583 177
Money market assets	-	-	633 197	633 197
Financial securities	-	-	7 610 523	7 610 523
Loans and advances to customers	-	-	10 187 169	10 187 169
Equity investments	147 292	640 796	-	788 088
Other assets	-	-	5 054 521	5 054 521
<b>Total assets</b>	<b>147 292</b>	<b>640 796</b>	<b>34 068 587</b>	<b>34 856 675</b>

## 31 December 2024

	AUDITED			Total carrying amount ZWG 000
	At fair value through profit or loss ZWG 000	At fair value through OCI ZWG 000	At amortised cost ZWG 000	
Balances with banks and cash	-	-	6 994 166	6 994 166
Money market assets	-	-	1 084 650	1 084 650
Financial securities	-	-	5 853 981	5 853 981
Loans and advances to customers	-	-	8 300 282	8 300 282
Equity investments	140 757	440 942	-	581 699
Other assets	-	-	6 222 167	6 222 167
<b>Total assets</b>	<b>140 757</b>	<b>440 942</b>	<b>28 455 246</b>	<b>29 036 945</b>

The fair values of financial instruments measured at amortised cost have not been disclosed, as the carrying amounts are considered to be a reasonable approximation of their fair values.

## 19. FAIR VALUE MEASUREMENT

19.1 The following table presents items of the Statement of Financial Position which are recognised at fair value:

	AUDITED							
	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000
Equity investments	147 292	140 757	-	-	640 796	440 942	788 088	581 699
Land and buildings	-	-	-	1 038 519	1 076 431	-	1 076 431	1 038 519
Investment properties	-	-	-	1 051 139	1 326 678	-	1 326 678	1 051 139
<b>Total assets at fair value</b>	<b>147 292</b>	<b>140 757</b>	<b>-</b>	<b>2 089 658</b>	<b>3 043 905</b>	<b>440 942</b>	<b>3 191 197</b>	<b>2 671 357</b>

The fair values of the non-listed equities have been classified as level three. Fair value gains on these investments were recognised in Other Comprehensive Income under the line item Gains on Equity Instruments at FVOCI.

The fair values of the Group's properties have been classified as Level 3, having previously been classified as Level 2. The unobservable inputs used in the valuation of land and buildings were previously not considered significant, and the properties were therefore classified within Level 2 of the fair value hierarchy. Following the change in the Group's functional currency, the valuation process now incorporates a greater degree of judgement and significant unobservable inputs, resulting in the reclassification of these property valuations to Level 3 in accordance with IFRS 13 – Fair Value Measurement. The valuation methodology has been highlighted separately on note 20 for Property and equipment and note 21 for Investment properties.

## 19.2 Level 3 Valuation techniques

## 19.2.1 Valuation of equities

The fair values were derived using a combination of income and market approaches depending on the appropriateness of the methodologies to the type of equity instruments held. The valuation took into account certain assumptions about the model inputs, including but not limited to liquidity discounts, country or jurisdiction factors, inflation, credit risk and volatility. A range of probabilities was also applied to these inputs and the fair values derived were deemed to be within acceptable fair values ranges of the equities.

The following table shows the valuation techniques used in measuring the fair value of unquoted equities as well as the significant unobservable inputs used.

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
Earnings Multiple	<ul style="list-style-type: none"> <li>Jurisdiction/country and size discount (68%)</li> </ul>	<ul style="list-style-type: none"> <li>The fair values would increase/ decrease if the jurisdiction/country and size discount was higher or lower</li> </ul>
Discounted Cash Flow Technique	<ul style="list-style-type: none"> <li>Inflation shock adjusted return (1.5%)</li> <li>Discount rate (10-15%)</li> </ul>	The fair values would increase/ decrease if: <ul style="list-style-type: none"> <li>The inflation shock adjusted return was higher/lower</li> <li>The discount rate was lower / higher was higher or lower</li> </ul>

If the average jurisdiction or country discount had been at 5% more or less, the impact on other comprehensive income would be ZWG 13,660,026 and impact on statement of financial position would be ZWG 14,378,974.

### 19.2.2 Valuation of properties

The Group used a combination of valuation techniques, including the implicit investment approach, direct comparison method, and cost approach to determine the fair value of its properties. A number of unobservable inputs were used in these valuations; of these, management has identified the capitalisation rate as the only significant unobservable input impacting Level 3 fair values. The details of the inputs applied are summarised below:

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
Earnings Multiple	<ul style="list-style-type: none"> <li>Capitalisation rate [8.5%-13%]</li> <li>Rentals per square metre [ZWG45.47 - ZWG1 117.17]</li> </ul>	<ul style="list-style-type: none"> <li>An increase in the capitalisation rate would result in a decrease in the fair value of the property, while a decrease in the capitalisation rate would increase the fair value.</li> <li>Higher rentals per square metre would increase the fair value of the property, while lower rentals would decrease the fair value.</li> </ul>
Direct comparison method	Rate per square metre [ZWG25.98 - ZWG2 619.89]	<ul style="list-style-type: none"> <li>An increase in the rate per square metre would increase the fair value of the property, while a decrease would reduce the fair value.</li> </ul>
Cost approach	Depreciation factor [10%-60%]	<ul style="list-style-type: none"> <li>An increase in the depreciation factor would decrease the fair value of the property, while a lower depreciation factor would increase the fair value.</li> </ul>

The fair value of the Group's properties is sensitive to changes in the capitalisation rate. A reasonably possible increase or decrease of 5% in the capitalisation rate would result in a corresponding decrease or increase in the fair value of the properties, while changes in the other inputs are expected to have a limited impact on Level 3 valuations. If the capitalisation rate had been 5% up or down, the Group's total comprehensive income would have been ZWG 62, 636,805 and impact on the Financial Position would be ZWG 84,359,333 higher or lower than the reported position

## 20. PROPERTY AND EQUIPMENT

AUDITED								
Land ZWG 000	Buildings ZWG 000	Leasehold improvements ZWG 000	Motor vehicles ZWG 000	Computer ZWG 000	Equipment ZWG 000	Furniture & Fittings ZWG 000	Work in progress ZWG 000	Total ZWG 000

### 31 December 2025

Cost									
Opening balance	127 317	979 145	8 067	109 046	318 759	129 215	70 604	310 024	2 052 177
Effects of translation to presentation currency	888	(6 898)	857	1 095	6 843	4 093	2 159	5 497	14 534
Additions	-	34 800	14 013	20 387	43 235	19 010	19 629	120 702	271 776
Revaluation gain	479	(8 765)	-	-	-	-	-	-	(8 286)
Transfers from/ (to) land inventory	-	33 850	-	-	-	-	-	(77 928)	(44 078)
Disposals	-	-	(596)	(4 029)	(2 151)	(98)	(55)	-	(6 929)
Transfers to intangible assets	-	-	-	-	-	-	-	(8 869)	(8 869)
Transfers to investment properties	-	-	-	-	-	-	-	(100 868)	(100 868)
Write offs	-	(15 725)	(1 132)	-	(1 643)	(215)	(254)	(41 552)	(60 521)
Intercategory transfers	-	-	-	-	15 683	4 461	7 300	(27 444)	-
<b>Closing balance</b>	<b>128 684</b>	<b>1 016 407</b>	<b>21 209</b>	<b>126 499</b>	<b>380 726</b>	<b>156 466</b>	<b>99 383</b>	<b>179 562</b>	<b>2 108 936</b>

Accumulated depreciation									
Opening balance	-	38 556	5 338	40 575	140 583	50 546	26 003	-	301 601
Effects of translation to presentation currency	-	(9 772)	455	513	4 895	2 843	1 507	-	441
Charge for the year	-	128 003	3 343	21 168	48 124	17 336	4 832	-	222 806
Disposals	-	-	(397)	(3 728)	(1 771)	(93)	(49)	-	(6 038)
Write offs	-	(12 750)	(695)	-	(1 524)	(215)	(253)	-	(15 437)
Revaluation	-	(113 341)	-	-	-	-	-	-	(113 341)
<b>Closing balance</b>	<b>-</b>	<b>30 696</b>	<b>8 044</b>	<b>58 528</b>	<b>190 307</b>	<b>70 417</b>	<b>32 040</b>	<b>-</b>	<b>390 032</b>

<b>Net Book Value</b>	<b>128 684</b>	<b>985 711</b>	<b>13 165</b>	<b>67 971</b>	<b>190 419</b>	<b>86 049</b>	<b>67 343</b>	<b>179 562</b>	<b>1 718 904</b>
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	AUDITED								
	Land ZWG 000	Buildings ZWG 000	Leasehold improvements ZWG 000	Motor vehicles ZWG 000	Computer ZWG 000	Equipment ZWG 000	Furniture & Fittings ZWG 000	Work in progress ZWG 000	Total ZWG 000
<b>31 December 2024</b>									
<b>Cost</b>									
Opening balance	123 779	773 327	4 444	40 307	123 464	49 197	32 465	89 405	1 236 388
Additions	-	16 213	-	14 342	75 078	22 616	5 173	212 486	345 908
Effects of translation to presentation currency	111 688	699 972	3 623	47 833	117 634	52 546	31 986	70 667	1 135 949
Revaluation gain	(108 150)	(506 859)	-	-	-	-	-	-	(615 009)
Disposals	-	-	-	-	(1 328)	(421)	(311)	-	(2 060)
Write offs	-	(3 508)	-	(44)	(210)	(102)	(42)	(45 093)	(48 999)
Intercategory transfers	-	-	-	6 608	4 121	5 379	1 333	(17 441)	-
<b>Closing balance</b>	<b>127 317</b>	<b>979 145</b>	<b>8 067</b>	<b>109 046</b>	<b>318 759</b>	<b>129 215</b>	<b>70 604</b>	<b>310 024</b>	<b>2 052 177</b>
<b>Accumulated depreciation</b>									
Opening balance	-	9 634	2 334	13 109	54 396	21 577	11 405	-	112 455
Charge for the year	-	81 319	719	11 008	28 246	8 857	3 855	-	134 004
Disposals	-	-	-	-	(895)	(347)	(151)	-	(1 393)
Write offs	-	(3 508)	-	(39)	(75)	(92)	(34)	-	(3 748)
Effects of translation to presentation currency	-	23 748	2 285	16 497	58 911	20 551	10 928	-	132 920
Revaluation	-	(72 637)	-	-	-	-	-	-	(72 637)
<b>Closing balance</b>	<b>-</b>	<b>38 556</b>	<b>5 338</b>	<b>40 575</b>	<b>140 583</b>	<b>50 546</b>	<b>26 003</b>	<b>-</b>	<b>301 601</b>
<b>Net Book Value</b>	<b>127 317</b>	<b>940 589</b>	<b>2 729</b>	<b>68 471</b>	<b>178 176</b>	<b>78 669</b>	<b>44 601</b>	<b>310 024</b>	<b>1 750 576</b>

The carrying amount of the land and buildings is the fair value of the property as determined by a registered internal appraiser, having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe standards.

In determining the market values of the subject properties, the following was considered:

- Comparable market evidence which comprised complete transactions as well as transactions where offers had been made but the transactions had not been finalised.
- Professional judgement was exercised to take cognisance of the fact that properties in the transaction were not exactly comparable in terms of size, quality and location of the properties owned by the group.
- The reasonableness of the market values of commercial properties so determined, per above bullet, was assessed by reference to the properties in the transaction.
- The values per square metre of lettable spaces for both the subject properties and comparable were analysed.
- With regards to market values for residential properties, the comparison method was used. This method entails carrying out a valuation by directly comparing the subject property, which have been sold or rented out. The procedure was performed as follows:
  - i. Surveys and data collection on similar past transactions.
  - ii. Analysis of collected data.
- Comparison of the analysis with the subject properties and then carrying out the valuation of the subject properties. Adjustments were made to the following aspects:
  - a) Age of property – state of repair and maintenance,
  - b) Aesthetic quality – quality of fixtures and fittings,
  - c) Structural condition – location,
  - d) Accommodation offered – size of land.

#### The maximum useful lives are as follows:

Buildings	40 years
Motor vehicles	3-5 years
Leasehold improvements	10 years
Computer equipment	5 years
Furniture and fittings	10 years

The carrying amount of buildings would have been ZWG 337,037,114 (31 December 2024: ZWG 343,254,879) had they been carried at cost. Property and equipment was tested for impairment through comparison with open market values.

If the fair value adjustment had been 5% up or down, the Group's other Comprehensive Income would have been ZWG 4,868,850 (31 December 2024: ZWG 20,135,561) higher or lower than the reported position, impact on the Financial Position would be ZWG 5,252,750 (31 December 2024: ZWG 27,118,600) higher or lower than the reported position.

Included in property and equipment are amounts relating to right of use assets for buildings that are leased by the Group for periods more than one year. The buildings are used by the Group for its various branches and operations.

The information about the leases for which the Group is a lessee is presented below:

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>20.1a Right of use assets</b>		
Opening balance	29 387	9 442
Additions	34 800	15 420
Derecognition	(2 975)	-
Effects of translation to presentation currency	(8 795)	13 207
Depreciation charge for the year	(14 662)	(8 682)
<b>Closing balance</b>	<b>37 755</b>	<b>29 387</b>
Cost	68 451	39 989
Depreciation	(30 696)	(10 602)
	<b>37 755</b>	<b>29 387</b>

The Group leases a number of branches under operating leases. The buildings and equipment are mainly used by the Bank for its various branches and operations. The leases run for a period of five years with an option to renew the lease for a further five years after that expiry date.

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>20.1b Lease liabilities</b>		
Opening balance	21 247	9 338
Additions	34 800	15 420
Derecognition	(4 734)	-
Interest	3 205	1 568
Effects of translation to presentation currency	(43)	5 704
Repayment	(16 324)	(10 590)
Foreign exchange movement	-	(193)
	<b>38 151</b>	<b>21 247</b>

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>20.1c Lease liabilities maturity analysis</b>		
Less than one month	1 167	1 107
One to three months	2 671	2 522
Three to six months	3 502	3 220
Six to twelve months	6 951	5 477
One to five years	34 041	10 618
	<b>48 332</b>	<b>22 944</b>

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>20.1d Amounts recognised in statement of profit or loss</b>		
Interest on lease liabilities	3 205	1 568
Depreciation	14 662	8 682
Expenses relating to short term leases	1 665	1 346
	<b>19 532</b>	<b>11 596</b>

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>20.1e Amounts recognised in statement of cash flow</b>		
Lease payments	<b>16 324</b>	<b>10 590</b>

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>21. INVESTMENT PROPERTIES</b>		
Opening balance	1 051 139	879 322
Additions	201 423	30 853
Disposals	(52 894)	-
Transfers from land inventory	-	1 028
Transfer from property and equipment	100 868	-
Effects of translation to presentation currency	1 031	470 254
Fair valuation adjustments	25 111	(330 318)
<b>Closing balance</b>	<b>1 326 678</b>	<b>1 051 139</b>

The carrying amount of the investment property is the fair value of the property as determined by a registered internal appraiser, having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Group's investment properties and in reference to the rental yields applicable to similar properties. The properties were valued as at 31 December 2025.

In arriving at the market value of the property, the implicit investment approach was applied based on the capitalisation of income. This method is based on the principle that rentals and capital values are inter-related. Hence given the income produced by a property, its capital value can therefore be estimated. Comparable rentals inferred from properties within the locality of the property based on use, location, size and quality of finishes were used. The rentals were then adjusted per square meter to the lettable areas, being rentals achieved for comparable properties as at 31 December 2025. The rentals are then annualised and a capitalisation factor was applied to arrive at a market value of the property, also inferring on comparable premises which are in the same category as regards the building elements.

In assessing the market value of the residential stands, values of various properties that had been recently sold or which are currently on sale and situated in comparable residential areas were used. Market evidence from other estate agents and local press was also taken into consideration. Additional details on the valuation input have been disclosed on note 19.

The rental income derived from investment properties amounted to ZWG39,667,028(December 2024: ZWG24 757 646) and direct Operating expenses amounted to ZWG5 098 756 (December 2024: ZWG3 052 454). All the Group's lettable Investment properties were occupied as at 31 December 2025.

If the fair value adjustment had been 5% up or down, the Group's profit would have been ZWG 1,255,550 (31 December 2024: ZWG 15,615,008) higher than the reported position and the Statement of Financial Position would be ZWG 1,192,773 (31 December 2024: ZWG 16,436,850) higher than the reported position.

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 5 years. Subsequent renewals are negotiated with the lessee and historically the average renewal period is 5 years.

The following sets out a maturity analysis of lease payments showing the undiscounted lease payments to be received after the reporting date:

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>21.1 Lease income maturity analysis</b>		
Up to one year	33 795	30 723
Between 1 and 2 years	25 324	23 022
Between 2 and 3 years	12 101	11 001
Between 3 and 4 years	6 493	7 214
Between 4 and 5 years	2 762	2 511
	<b>80 475</b>	<b>74 471</b>
	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>22. INTANGIBLE ASSETS</b>		
At cost	104 988	84 657
Accumulated amortisation	(69 897)	(56 302)
	<b>35 091</b>	<b>28 355</b>
<b>Movement in intangible assets</b>		
Opening balance	28 355	9 969
Additions	15 754	19 831
Transfer from property and equipment	8 869	-
Amortisation charge	(17 933)	(7 371)
Effects of translation to presentation currency	46	5 926
<b>Closing balance</b>	<b>35 091</b>	<b>28 355</b>

Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets which comprise computer software are amortised over a period of 3 years. The group has no internally generated assets.

## 23. DEFERRED TAXATION

### 23.1 Deferred tax asset

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

The deferred tax included in the Statement of Profit or Loss and Other Comprehensive Income composed of:

	AUDITED					
	Statement of Profit or Loss		Statement of Other Comprehensive Income		Total carrying amount	
	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000
Opening balance	517 042	250 588	-	-	517 042	250 588
Assessed losses	(9 219)	20 355	-	-	(9 219)	20 355
Impairments and provisions	15 284	225 113	-	-	15 284	225 113
Other	(1 869)	20 986	-	-	(1 869)	20 986
<b>Closing deferred tax balance</b>	<b>521 238</b>	<b>517 042</b>	<b>-</b>	<b>-</b>	<b>521 238</b>	<b>517 042</b>

The deferred tax included in the Statement of Financial Position are comprised of:

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Assessed losses	39 058	48 276
Expected credit loss provisions	437 785	422 502
Other	44 395	46 264
<b>Closing deferred tax balance</b>	<b>521 238</b>	<b>517 042</b>

### 23.2 Deferred tax liability

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

The deferred tax included in the Statement of Profit or Loss and Other Comprehensive Income composed of:

	AUDITED					
	Statement of Profit or Loss		Statement of Other Comprehensive Income		Total carrying amount	
	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000
Opening balance	574 804	501 089	112 679	213 836	687 483	714 925
Intangible assets	(531)	2 791	-	-	(531)	2 791
Equity investments	(96)	11 278	8 385	7 180	8 289	18 458
Property and equipment	(11 999)	168 698	7 500	(108 337)	(4 499)	60 361
Investment properties	20 873	34 805	-	-	20 873	34 805
Other	150 904	(143 857)	-	-	150 904	(143 857)
<b>Closing deferred tax balance</b>	<b>733 955</b>	<b>574 804</b>	<b>128 564</b>	<b>112 679</b>	<b>862 519</b>	<b>687 483</b>

The deferred tax liability balances included in the Statement of Financial Position are comprised of:

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Intangible assets	3 991	4 522
Equity investments	38 884	30 595
Property and equipment	227 875	232 375
Investment properties	150 189	129 316
Other	441 580	290 675
<b>Closing balance</b>	<b>862 519</b>	<b>687 483</b>

Included in other are deferred tax balances relating to unrealised foreign currency exchange gains/ losses, deferred facilitation fees, deferred establishment fees and other commissions.

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>24. DEPOSITS</b>		
Demand	20 131 743	16 948 800
Savings	705 293	354 822
Time	1 938 717	543 120
Treasury	389 214	593 443
Credit lines	4 191 348	3 059 467
Collateral deposits	407 126	88 553
	<b>27 763 441</b>	<b>21 588 205</b>

#### 24.1 Settlement of legacy liabilities and nostro gap accounts

Included in the deposits balance above are amounts that are denominated in USD amounting to US\$ 74,846,181 (December 2024: US\$80,634,302), being legacy liabilities of US\$46,177,401 (December 2024: US\$46,177,401) and nostro gap accounts of US\$28,668,781 (December 2024: US\$34,456,901) which are shown at ZWG1,944,556,181 (December 2024: ZWG 2,080,244,040). These liabilities are expected to be funded from receipts from the Reserve Bank of Zimbabwe and Ministry of Finance, Economic Development and Investment Promotion, receivable on a gradual basis in accordance with the legacy debt settlement framework agreed among the parties during the year ended 31 December 2019. Under these modalities, the counterparties will provide funding progressively to the Group in respect of all registered nostro gap accounts and legacy liabilities, respectively. To date US\$ 90,794,290 (December 2024: US\$70,259,297) has been made available under this arrangement demonstrating the willingness and capability of the counterparties to honor the settlement arrangement.

The Group has however identified key risks attendant to the legacy liabilities and nostro gap accounts which risks are noted below:

**i) The risk that a significant portion (or all) gets recalled for which the Group is unable to settle without immediate assistance from the Reserve Bank of Zimbabwe and Ministry of Finance, Economic Development and Investment Promotion**

The Group has considered that as at 31 December 2025 the Group held cash and cash equivalents amounting to an equivalent of US\$407 347 654 (2024: US\$271 107 467) (this includes all foreign denominated balances after translation to US\$) which amounts are greater than the total legacy debts of US\$46 177 401. Therefore, any liability calls can be funded from these balances. While the Group acknowledges that the timing of outflows of these liabilities as well as the timing of available support from the counterparties is largely outside of their control management continues to actively engage them to influence both the timing and amount of the potential calls and also continues to actively manage the retention of foreign export proceeds to manage this exposure.

**ii) The risk that no foreign currency or insufficient currency is made available from the Counterparties thus making the guarantee void and the call falling back on the Group**

The Group acknowledges that in the event of a call of a portion (or all) of these liabilities at a time when support is not immediately available, the Group would need to meet the repayments from its own resources. However, the Group has considered that, as at 31 December, cash and cash equivalents of US\$407,347,654 were held, significantly exceeding the total legacy debts of US\$46,177,401. Accordingly, any liability calls can be fully funded from these available balances.

In the event that all the risks outlined above materialise, despite management's mitigating actions, and the debt is called in full while funding is not immediately available from the counterparties notwithstanding their guarantees, the Group could face a significant liquidity gap. In such a scenario, the Group would need to engage with counterparties to negotiate repayment and engage the Government of Zimbabwe to seek assistance in this regard. The potential liquidity gap can be assessed from Note 35.5 to the financial statements, excluding the legacy and nostro gap financial asset disclosed within Other Assets under the "less than one month" bucket.

**24.2 Sectoral Analysis**

	AUDITED 31 DEC 2025 ZWG 000		AUDITED 31 DEC 2024 ZWG 000	
		%		%
Private	1 840 989	7	1 542 590	5
Agriculture	247 962	1	281 439	1
Mining	504 045	2	416 862	2
Manufacturing	516 365	2	523 844	3
Distribution	1 899 121	7	1 778 093	5
Construction	317 348	1	106 709	1
Transport	239 322	1	66 349	1
Communication	566 627	2	197 864	2
Services	15 347 058	54	12 895 619	71
Financial organisations	5 014 839	18	2 868 675	7
Financial and investments	1 269 765	5	910 161	2
<b>Total</b>	<b>27 763 441</b>	<b>100</b>	<b>21 588 205</b>	<b>100</b>

**24.3 Maturity analysis**

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Less than 1 month	22 676 207	18 411 189
Between 1 and 3 months	2 684 149	61 269
Between 3 and 6 months	647 677	910 622
Between 6 months and 1 year	691 052	959 396
Between 1 and 5 years	995 583	1 245 729
More than 5 years	68 773	-
<b>Total</b>	<b>27 763 441</b>	<b>21 588 205</b>

Maturity analysis is based on the remaining period from 31 December 2025 to contractual maturity.

**25. INSURANCE CONTRACTS**

The group offers insurance services under CBZ Insurance and CBZ Life, which offers short term insurance on property and life assurance services respectively.

**25.1 Balance sheet composition of insurance assets and liabilities**

AUDITED						
	Life Risk ZWG 000	Property Risk ZWG 000	Total ZWG 000	Current ZWG 000	Non current ZWG 000	Total ZWG 000
<b>31 December 2025</b>						
Insurance contract assets	35	-	35	-	35	35
Reinsurance assets	1 528	82 610	84 138	82 610	1 528	84 138
Insurance liabilities	(90 693)	(135 726)	(226 419)	(135 726)	(90 693)	(226 419)
<b>Total</b>	<b>(89 130)</b>	<b>(53 116)</b>	<b>(142 246)</b>	<b>(53 116)</b>	<b>(89 130)</b>	<b>(142 246)</b>

AUDITED						
	Life Risk ZWG 000	Property Risk ZWG 000	Total ZWG 000	Current ZWG 000	Non current ZWG 000	Total ZWG 000
<b>31 December 2024</b>						
Insurance contract assets	21 357	-	21 357	-	21 357	21 357
Reinsurance assets	543	46 091	46 634	46 091	543	46 634
Insurance liabilities	(113 716)	(75 570)	(189 286)	(75 570)	(113 716)	(189 286)
Reinsurance liabilities	(597)	(9 590)	(10 187)	(9 590)	(597)	(10 187)
<b>Total</b>	<b>(92 413)</b>	<b>(39 069)</b>	<b>(131 482)</b>	<b>(39 069)</b>	<b>(92 413)</b>	<b>(131 482)</b>

At 31 December 2025, the Group did not have exposure to credit risk arising from insurance contracts, which relates to premiums receivable for services that the Group has already provided, and the maximum exposure to credit risk from reinsurance contracts is ZWG 1,528,019 (2024: ZWG 7,633,771). Expected credit losses on receivables, have been accounted for in line with accounting policies for other trade receivables held by the Group.

## 25.2 (a) Analysis of insurance contract liabilities by remaining coverage and incurred claims

	AUDITED						
	LIFE RISK			PROPERTY RISK			
	Liability for remaining coverage ZWG 000	Loss component ZWG 000	Liability for incurred claims ZWG 000	Total ZWG 000	Liability for remaining coverage ZWG 000	Liability for incurred claims ZWG 000	Total ZWG 000
<b>31 December 2025</b>							
<b>Movements in insurance contract balances</b>							
Opening insurance contract assets	21 357	-	-	21 357	-	-	-
Opening insurance contract liabilities	(88 034)	-	(25 682)	(113 716)	(35 646)	(39 924)	(75 570)
<b>Net opening balance</b>	<b>(66 677)</b>	<b>-</b>	<b>(25 682)</b>	<b>(92 359)</b>	<b>(35 646)</b>	<b>(39 924)</b>	<b>(75 570)</b>
<b>Amounts recognised in comprehensive income</b>							
Insurance revenue	193 259	-	-	193 259	357 912	-	357 912
Insurance service expenses	(26 576)	(8 504)	(152 109)	(187 189)	(66 242)	(299 614)	(365 856)
Finance expenses from insurance contracts issued	(6 308)	(62)	(106)	(6 476)	-	-	-
Foreign exchange gains/ losses	2 274	(709)	(992)	573	(18)	(12)	(30)
Foreign currency translation reserve	6 687	(6 833)	(565)	(711)	(284)	1 172	888
<b>Amounts recognised in cashflow statement</b>							
Premiums received	(191 853)	-	-	(191 853)	(354 740)	-	(354 740)
Claims and other directly attributable expenses paid	-	-	169 661	169 661	-	237 198	237 198
Insurance acquisition cash flows	24 436	-	-	24 436	64 473	-	64 473
<b>Net closing balance</b>	<b>(64 758)</b>	<b>(16 108)</b>	<b>(9 793)</b>	<b>(90 659)</b>	<b>(34 545)</b>	<b>(101 180)</b>	<b>(135 725)</b>
Closing insurance contract assets	445	(410)	-	35	-	-	-
Closing insurance contract liabilities	(65 203)	(15 698)	(9 793)	(90 694)	(34 545)	(101 180)	(135 725)
<b>Net closing balance</b>	<b>(64 758)</b>	<b>(16 108)</b>	<b>(9 793)</b>	<b>(90 659)</b>	<b>(34 545)</b>	<b>(101 180)</b>	<b>(135 725)</b>

## 25.2 (a) Analysis of insurance contract liabilities by remaining coverage and incurred claims

	AUDITED					
	LIFE RISK			PROPERTY RISK		
	Liability for remaining coverage ZWG 000	Liability for incurred claims ZWG 000	Total ZWG 000	Liability for remaining coverage ZWG 000	Liability for incurred claims ZWG 000	Total ZWG 000
<b>31 December 2024</b>						
<b>Movements in insurance contract balances</b>						
Opening insurance contract assets	25 680	109	25 789	49	-	49
Opening insurance contract liabilities	(63 463)	386	(63 077)	(22 139)	(20 874)	(43 013)
<b>Net opening balance</b>	<b>(37 783)</b>	<b>495</b>	<b>(37 288)</b>	<b>(22 090)</b>	<b>(20 874)</b>	<b>(42 964)</b>
<b>Amounts recognised in comprehensive income</b>						
Insurance revenue	117 362	-	117 362	169 673	-	169 673
Insurance service expenses	(29 881)	(84 193)	(114 074)	(36 379)	(112 254)	(148 633)
Finance expenses from insurance contracts issued	(1 938)	(195)	(2 133)	-	-	-
Foreign exchange gains/ losses	(54 778)	16 272	(38 506)	2 402	8 930	11 332
Other	-	-	-	(11 114)	(15 208)	(26 322)
<b>Amounts recognised in cashflow statement</b>						
Premiums received	(93 003)	-	(93 003)	(198 316)	-	(198 316)
Claims and other directly attributable expenses paid	13 601	28 447	42 048	-	99 482	99 482
Insurance acquisition cash flows	19 743	13 492	33 235	60 178	-	60 178
<b>Net closing balance</b>	<b>(66 677)</b>	<b>(25 682)</b>	<b>(92 359)</b>	<b>(35 646)</b>	<b>(39 924)</b>	<b>(75 570)</b>
Closing insurance contract assets	21 357	-	21 357	-	-	-
Closing insurance contract liabilities	(88 034)	(25 682)	(113 716)	(35 646)	(39 924)	(75 570)
<b>Net closing balance</b>	<b>(66 677)</b>	<b>(25 682)</b>	<b>(92 359)</b>	<b>(35 646)</b>	<b>(39 924)</b>	<b>(75 570)</b>

## 25.2 (b) Analysis by measurement approach

### Life risk contracts not measured under the PAA

	AUDITED			
	PV of Cashflows ZWG 000	Risk adjustment ZWG 000	CSM ZWG 000	Total ZWG 000
<b>31 December 2025</b>				
Net opening balance	108 371	20 701	7 213	136 285
<b>Statement of comprehensive income</b>				
<b>Changes relating to current services</b>				
CSM recognised change in risk adjustment	(16 280)	-	-	(16 280)
<b>Changes relating to future services</b>				
Initial recognition of contracts	20 050	21	(201)	19 870
Changes in estimates affecting CSM	(267 522)	4 861	295 113	32 452
<b>Changes relating to past services</b>				
Finance expenses	(943)	13	(40)	(970)
Foreign exchange rate movement	13 982	3 744	65 667	83 393
<b>Net closing balance</b>	<b>(142 342)</b>	<b>29 340</b>	<b>367 752</b>	<b>254 750</b>

## 25.2 (b) Analysis by measurement approach

### Life risk contracts not measured under the PAA

	AUDITED			
	PV of Cashflows ZWG 000	Risk adjustment ZWG 000	CSM ZWG 000	Total ZWG 000
<b>31 December 2024</b>				
Net opening balance	(11 379)	19 983	26 942	35 546
<b>Statement of comprehensive income</b>				
<b>Changes relating to current services</b>				
CSM recognised change in risk adjustment	31 810	(1 200)	(16 670)	13 940
<b>Changes relating to future services</b>				
Initial recognition of contracts	27 732	429	(42 341)	(14 180)
Changes in estimates affecting CSM	3 822	35	1 294	5 151
Other changes	642	1 074	45 399	47 115
<b>Changes relating to past services</b>				
Adjustments to liabilities for incurred claims	(526)	-	-	(526)
Finance expenses	(412)	(281)	(1 526)	(2 219)
Other changes	56 682	661	(5 885)	51 458
<b>Net closing balance</b>	<b>108 371</b>	<b>20 701</b>	<b>7 213</b>	<b>136 285</b>

## 25.2 Investment contract liabilities

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Opening balance	16 467	12 239
Investment return	(3 135)	2 623
Contributions received	8 335	1 433
Benefits paid	(309)	(138)
Foreign currency translation movement	116	310
Foreign exchange movement	(4 307)	-
<b>Closing balance</b>	<b>17 167</b>	<b>16 467</b>

## 25.3 Investment contract liabilities are supported by the following net assets

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Money market assets	304	291
Cash	326	313
Prescribed assets	1 935	1 856
Listed equity Investment	5 186	4 975
Investment property	3 012	2 889
Other	6 404	6 143
<b>Total</b>	<b>17 167</b>	<b>16 467</b>

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>26. OTHER LIABILITIES</b>		
Revenue received in advance	32 523	64 942
Sundry creditors	2 034 873	2 570 330
Accruals	272 074	317 757
Suspense	176 648	42 288
Provisions	469 296	953 514
	<b>2 985 414</b>	<b>3 948 831</b>
<p>All other liabilities are current and are expected to be realized within the next twelve months. Included in provisions are provisions for performance based incentive scheme, audit fees provision and leave pay provision and largely expected to be utilized in the following year.</p> <p>As end of year 2025, the Group had unearned revenue of ZWG32,523,846 (2024: ZWG 64,941,603), which comprised of deferred advisory fees, deferred guarantee commission and revenue received in advance. All deferred revenue at the end of the previous year has been recognised as revenue in the current year.</p>		
<b>27. CATEGORIES OF FINANCIAL LIABILITIES</b>		
Deposits	27 763 441	21 588 205
Other liabilities	2 952 891	3 883 889
Lease liability	38 151	21 247
	<b>30 754 483</b>	<b>25 493 341</b>
<b>28. EQUITY AND RESERVES</b>		
<b>28.1 Share Capital</b>		
	<b>Shares (000)</b>	<b>Shares (000)</b>
Authorised 1 000 000 000 ordinary shares of ZWG 0.01 each	1 000 000	1 000 000
<b>Issued and fully paid</b>		
Opening balance	622 069	622 069
<b>Closing balance</b>	<b>622 069</b>	<b>622 069</b>
	<b>AUDITED 31 DEC 2025 ZWG 000</b>	<b>AUDITED 31 DEC 2024 ZWG 000</b>
Opening balance	9 879	9 879
<b>Closing balance</b>	<b>9 879</b>	<b>9 879</b>
<b>28.2 SHARE PREMIUM</b>		
Opening balance	232 384	232 384
<b>Closing balance</b>	<b>232 384</b>	<b>232 384</b>
<b>28.3 REVALUATION RESERVE</b>		
Opening balance	269 576	703 494
Net revaluation gain/(loss)	97 367	(433 918)
<b>Closing balance</b>	<b>366 943</b>	<b>269 576</b>
<b>28.4 RETAINED EARNINGS</b>		
Opening balance	2 844 831	2 745 194
Profit for the year	1 444 668	168 361
Dividend paid	(332 896)	(68 724)
<b>Closing balance</b>	<b>3 956 603</b>	<b>2 844 831</b>
<b>Retained earnings comprises:</b>		
Holding company	87 674	(41 449)
Subsidiary companies	3 846 381	2 972 106
Effect of consolidation journals	22 548	(85 826)
<b>Closing balance</b>	<b>3 956 603</b>	<b>2 844 831</b>

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>28.5 NON CONTROLLING INTERESTS (NCI)</b>		
<b>Non controlling interests comprise:</b>		
Opening balance	(111)	134
Profit for the year	34	(311)
Total comprehensive income	(34)	66
<b>Closing balance</b>	<b>(111)</b>	<b>(111)</b>
<b>28.6 FAIR VALUE RESERVE</b>		
Opening balance	218 344	203 979
Other comprehensive income	43 642	14 365
<b>Closing balance</b>	<b>261 986</b>	<b>218 344</b>
<b>28.7 FOREIGN CURRENCY TRANSLATION RESERVE</b>		
Opening balance	4 332 697	9 413
Exchange gain on translation to presentation currency	7 934	4 323 488
Exchange loss on translation of a foreign subsidiary	(2 004)	(204)
<b>Closing balance</b>	<b>4 338 627</b>	<b>4 332 697</b>
<b>28.8 SHARE BASED PAYMENT RESERVE</b>		
Opening balance	20 911	20 911
Cancellation of equity settled share based payments	(20 911)	-
<b>Closing balance</b>	<b>-</b>	<b>20 911</b>
<b>28.9 GENERAL RESERVE</b>		
Opening balance	(15 159)	(52 502)
Share of OCI of equity-accounted investees	(13 085)	37 343
<b>Closing balance</b>	<b>(28 244)</b>	<b>(15 159)</b>

## 29. CAPITAL MANAGEMENT

The Group adopted the Internal Capital Adequacy Assessment Policy (ICAAP) which enunciates CBZ Holding's approach, assessment and management of risk and capital from an internal perspective that is over and above the minimum regulatory rules and capital requirements of Basel II. The primary objective of the Group's capital management is to ensure that the Group complies with externally imposed capital requirements and economic capital requirements which is risk based capital requirements. The Group maintains strong credit ratings and healthy capital ratios in order to support its business and maximise shareholder value. ICAAP incorporates a capital management framework designed to satisfy the needs of key stakeholders i.e. depositors, regulators, rating agencies who have specific interest in its capital adequacy and optimal risk taking to ensure its going concern status (solvency). The focus is also targeted at meeting the expectations of those stakeholders i.e. shareholders, analysts, investors, clients and the general public who are interested in looking at the profitability of the Group vis-à-vis assumed levels of risk (risk versus return).

## 30. CONTINGENCIES AND COMMITMENT

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Guarantees	53 954	35 594
<b>Closing balance</b>	<b>53 954</b>	<b>35 594</b>
<b>Capital Commitments</b>		
Authorised and contracted for	19 858	2 892
<b>Closing balance</b>	<b>19 858</b>	<b>2 892</b>

The capital commitments will be funded from the Group's own resources.

## 31. FUNDS UNDER MANAGEMENT

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Pension Funds	5 216 924	3 841 362
Institutional & individual clients - Equities	2 794 551	3 460 456
Institutional & individual clients - Fixed Income	633 313	417 563
Exchange traded funds	9 337	6 096
Real Estate Investments Trusts	605 729	554 508
Unit trust funds	10 179	6 705
<b>Closing balance</b>	<b>9 270 033</b>	<b>8 286 690</b>

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## 32. OPERATING SEGMENTS

The Group is comprised of the following operating segments:

Banking Operations	Asset Management	Insurance Operations	Property Investments	Agro Business	Micro Finance	Other Operations
Provides commercial banking products through retail banking corporate and merchant banking and investing portfolios through the treasury function.	Provides fund management services to a wide spectrum of investors through placement of either pooled portfolios or individual portfolios.	Provides short term insurance and Life assurance. Also provides Risk Advisory Services to its clients as part of its insurance operations function.	Property investment arm of the Group.	Provides contract farming loans to farmers both individual and commercial.	Provides financial services to the informal sector, SMEs, Civil Servants, small holder farmers and all those who are gainfully employed.	Comprise the activities of the parent company, including equity investments held by the holding company. The segment's performance also includes investments in associates, as disclosed in Note 17.

Transactions between reportable segments, are conducted on an arm's length basis and are based on commercially agreed terms. Segment information is prepared in accordance with the accounting policies applied in the preparation of the Group's financial statements and is consistent with the information presented to the chief operating decision maker for the purposes of resource allocation and performance assessment. As the reportable segments are separately registered entities that maintain their own financial records in accordance with applicable accounting standards, there are no measurement differences between segment results and the amounts recognised in the consolidated financial statements.

The table below shows the segment operational results for the year ended 31 December 2025

### 32.1 Segment operational results

	AUDITED								
	Banking operations ZWG 000	Asset management ZWG 000	Insurance operations ZWG 000	Property investment ZWG 000	Agro business ZWG 000	Micro Finance ZWG 000	Other operations ZWG 000	Elimination of intersegment amounts ZWG 000	Consolidated ZWG 000
<b>INCOME</b>									
<b>Net interest income for the year ended 31 Dec 2025</b>	<b>1 713 628</b>	<b>(127)</b>	<b>6 781</b>	<b>(794)</b>	<b>120 288</b>	<b>206 130</b>	<b>(134 239)</b>	<b>(23 156)</b>	<b>1 888 511</b>
Net interest income for the year ended 31 Dec 2024	1 215 529	37	4 305	(4 639)	99 377	124 651	(54 946)	393	1 384 707
<b>Non-interest income for the year ended 31 Dec 2025</b>	<b>3 545 151</b>	<b>99 265</b>	<b>112 002</b>	<b>72 831</b>	<b>106 844</b>	<b>15 264</b>	<b>1 211 133</b>	<b>(1 297 962)</b>	<b>3 864 528</b>
Non-interest income for the year ended 31 Dec 2024	2 880 184	41 442	20 612	(112 232)	(23 638)	21 595	451 734	(508 752)	2 770 945
<b>Insurance service result for the year ended 31 Dec 2025</b>	<b>-</b>	<b>-</b>	<b>(1 388)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17 077)</b>	<b>(18 465)</b>
Insurance service result for the year ended 31 Dec 2024	-	-	(24 379)	-	-	-	-	(16 992)	(41 371)
<b>Total income for the year ended 31 Dec 2025</b>	<b>5 258 778</b>	<b>99 138</b>	<b>110 919</b>	<b>72 037</b>	<b>227 132</b>	<b>221 394</b>	<b>1 076 894</b>	<b>(1 338 195)</b>	<b>5 728 097</b>
Total income for the year ended 31 Dec 2024	4 095 713	41 479	(2 334)	(116 871)	75 738	146 246	396 788	(525 350)	4 111 409
<b>Staff costs for the year ended 31 Dec 2025</b>	<b>1 217 915</b>	<b>40 494</b>	<b>129 568</b>	<b>34 379</b>	<b>88 335</b>	<b>58 232</b>	<b>463 089</b>	<b>-</b>	<b>2 032 012</b>
Staff costs for the year ended 31 Dec 2024	1 446 391	29 911	87 783	45 748	87 194	32 572	413 972	-	2 143 571
<b>Administrative expenses for the year ended 31 Dec 2025</b>	<b>1 236 901</b>	<b>19 045</b>	<b>85 685</b>	<b>19 544</b>	<b>59 485</b>	<b>54 390</b>	<b>137 725</b>	<b>(268 268)</b>	<b>1 344 507</b>
Administrative expenses for the year ended 31 Dec 2024	708 423	13 060	56 035	13 796	49 663	28 473	78 897	(193 535)	754 812
<b>Depreciation &amp; amortisation for the year ended 31 Dec 2025</b>	<b>204 070</b>	<b>753</b>	<b>6 047</b>	<b>1 540</b>	<b>13 420</b>	<b>2 591</b>	<b>15 131</b>	<b>(2 813)</b>	<b>240 739</b>
Depreciation & amortisation for the year ended 31 Dec 2024	120 779	408	4 967	643	5 480	2 093	8 175	(1 170)	141 375
<b>Expected credit losses for the year ended 31 Dec 2025</b>	<b>117</b>	<b>(1 554)</b>	<b>489</b>	<b>(44)</b>	<b>15 763</b>	<b>6 194</b>	<b>-</b>	<b>-</b>	<b>20 965</b>
Expected credit losses for the year ended 31 Dec 2024	835 749	132	1 154	468	(60 379)	16 365	6 980	182	800 651
<b>Results</b>									
<b>Profit before taxation for the year ended 31 Dec 2025</b>	<b>2 599 775</b>	<b>38 928</b>	<b>49 153</b>	<b>11 246</b>	<b>46 745</b>	<b>98 842</b>	<b>455 785</b>	<b>(1 047 093)</b>	<b>2 253 381</b>
Profit before taxation for the year ended 31 Dec 2024	928 626	(5 391)	(58 853)	(180 314)	(8 310)	66 090	(114 059)	(561 171)	66 618
<b>Cash flows:</b>									
<b>Used in operating activities for the year ended 31 Dec 2025</b>	<b>5 157 072</b>	<b>4 047</b>	<b>(43 904)</b>	<b>3 245</b>	<b>(102 851)</b>	<b>130 591</b>	<b>571 749</b>	<b>(1 213 064)</b>	<b>4 506 885</b>
Used in operating activities for the year ended 31 Dec 2024	1 389 163	(1 471)	49 543	(577)	89 956	(5 268)	37 575	(344 442)	1 214 479
<b>Used in investing activities for the year ended 31 Dec 2025</b>	<b>(524 515)</b>	<b>(131)</b>	<b>37 260</b>	<b>(1 706)</b>	<b>(4 395)</b>	<b>(1 345)</b>	<b>(201 384)</b>	<b>171 527</b>	<b>(524 689)</b>
Used in investing activities for the year ended 31 Dec 2024	(337 693)	(393)	(44 815)	(264)	(31 361)	(691)	(1 338)	17 825	(398 730)
<b>Used in financing activities for the year ended 31 Dec 2025</b>	<b>(982 610)</b>	<b>(1 905)</b>	<b>27 309</b>	<b>(1 421)</b>	<b>114 263</b>	<b>(8 422)</b>	<b>(340 939)</b>	<b>844 505</b>	<b>(349 220)</b>
Used in financing activities for the year ended 31 Dec 2024	(290 540)	(197)	(189)	(786)	(65 881)	(3 307)	(72 984)	354 570	(79 314)
<b>Total assets and liabilities</b>									
<b>Reportable segment liabilities for the year ended 31 Dec 2025</b>	<b>29 321 300</b>	<b>12 932</b>	<b>298 854</b>	<b>62 479</b>	<b>736 437</b>	<b>242 384</b>	<b>1 563 610</b>	<b>(227 348)</b>	<b>32 010 648</b>
Reportable segment liabilities for the year ended 31 Dec 2024	24 282 922	46 616	279 729	102 054	626 231	220 344	1 180 413	(232 157)	26 506 152
<b>Total segment assets for the year ended 31 Dec 2025</b>	<b>36 465 706</b>	<b>73 647</b>	<b>564 207</b>	<b>345 994</b>	<b>1 564 091</b>	<b>423 594</b>	<b>2 067 975</b>	<b>(356 499)</b>	<b>41 148 715</b>
Total segment assets for the year ended 31 Dec 2024	30 421 244	74 901	470 859	334 738	1 443 455	314 739	1 787 557	(427 989)	34 419 504

**33. RELATED PARTIES**

The Group does not have an ultimate parent as it is owned by several shareholders none of which has a controlling interest. The Group has related party relationships with its Directors and key management employees, their companies and close family members. The Group carries out banking and investment related transactions with various companies related to its shareholders, all of which were undertaken at arm's length and in compliance with the relevant Banking Regulations.

**Loans and advances to Directors' companies**

AUDITED						
	Gross limits ZWG 000		Utilised limits ZWG 000		Value of security ZWG 000	
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Loans to directors' companies	-	36 141	18 728	18 102	-	-

The loans to directors' companies above include companies directly owned or significantly influenced by executive and non-executive directors and/or their close family members. The loans above are provided at commercial terms with interest rates ranging from 12% to 24% per annum and a tenure ranging from 1 month to 12 months. The loans to directors and key management personnel are shown in note 12.3.

**Transactions with Directors' companies**

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Interest income	2 024	1 110
Commission and fee income	134	128
	<b>2 158</b>	<b>1 238</b>

**34. RISK MANAGEMENT****34.1 Risk overview**

CBZ Holdings Enterprise Wide Risk Management Framework is anchored on the desire to uphold a High Risk Management and Compliance Culture as one of the major strategic thrusts and is supported by a clearly defined risk appetite in terms of various key exposures. This approach has given direction to the Group's overall Going Concern underpinned by robust strategic planning and policies. Through the Group risk management function, the Group regularly carries risk analysis through value at risk (VaR) assessments, stress testing as well as simulations to ensure that there is congruency or proper alignment between its strategic focus and its desired risk appetite.

**34.2 Group risk management framework**

The Group's risk management framework looks at enterprise wide risks and recognises that for effective risk management to take root, it has to be structured in terms of acceptable appetite, defined responsibility, accountability and independent validation of set processes. The Group Board is responsible for setting and reviewing the risk appetite as well as Group Policies. Management and staff are responsible for the implementation of strategies aimed at the management and control of the risks that fall within their strategic organisational responsibilities. The Group Enterprise Wide Risk Management function is responsible for ensuring that the Group's risk taking remains within the set risk benchmarks. The Group Internal Audit function on the other hand provides independent assurance on the adequacy and effectiveness of the deployed risk management processes.

CBZ Holdings Enterprise Wide Governance and Compliance Unit evaluates quality of compliance with policies, processes and governance structures. In terms of risk governance, the Group Board has delegated authority to the following Group Board Committees whose membership consists of Non-Executive Directors of the Group:

**Risk Management & Compliance Committee** – has the responsibility for oversight and review of prudential risks comprising of but not limited to credit, liquidity, interest rate, exchange, investment, operational, equities, insurance, security, technological, reputational and compliance. Its other responsibilities include reviewing the adequacy and effectiveness of the Group's risk management policies, systems and controls as well as the implications of proposed regulatory changes to the Group. It receives consolidated quarterly risk and compliance related reports from the Group Executive Management Committee (Group EXCO) and Group Risk Management Sub-Committee. The committee governance structures ensure that approval authority and risk management responsibilities are cascaded down from the Board through to the appropriate business units and functional committees. Its recommendations are submitted to the Group Board.

**IT & Business Development Committee** – oversees the harmonisation, adequacy, relevance and effectiveness of Group IT systems in supporting as well as delivering services to the Group's stakeholders. In addition, the committee looks at the integrity of the Group's management information systems.

**Audit & Finance Committee** – manages financial risk related to ensuring that the Group's financial results are prepared in line with the International Financial Reporting Standards. This committee is responsible for capital management policy as well as the adequacy of the Group's prudential capital requirements taking into account the Group's risk appetite. The committee is also tasked with the responsibility of ensuring that efficient tax management systems are in place and that the Group is in full compliance with tax regulations.

**Human Resources & Remunerations Committee** – is accountable for people related risks and ensures that the Group has the optimal numbers as well as the right mix in terms of skills and experience for the implementation of the Group's strategy. The committee also looks at succession planning, the welfare of Group staff as well as the positive application of the Group's Code of Ethics.

**34.3 Credit risk**

This is the risk of potential loss arising from the probability of borrowers and or counterparties failing to meet their repayment commitments to the Group as and when they fall due in accordance with agreed terms and conditions.

**Credit risk management framework**

Credit risk is managed through a framework of credit policies and standards covering the identification, management, measurement and control of credit risk. These policies are approved by the Board, which also delegates credit approvals as well as loans reviews to designated sub committees within the Group. Credit origination and approval roles are segregated.

The Group uses an internal rating system based on internal estimates of probability of default over a one year horizon and customers are assessed against a range of both quantitative and qualitative factors. Credit concentration risk is managed within set benchmarks by counterparty or a group of connected counterparties, by sector, maturity profile and by credit rating. Concentration is monitored and audited through the responsible risk committees set up by the Board.

The Group through credit originating units as well as approving committees regularly monitors credit exposures, portfolio performance and external environmental factors that are likely to impact on the credit book. Through this process, clients or portfolios that exhibit material credit weaknesses are put on watch for close monitoring or exiting of such relationships where restructuring is not possible. Those exposures which are beyond restructuring are downgraded to Recoveries and Collections Unit.

**Credit mitigation**

Credit mitigation is employed in the Group through taking collateral, credit insurance and other guarantees. The Group is guided by considerations related to legal certainty, enforceability, market valuation and the risk related to guarantors in deciding which securities to accept from clients. Types of collateral that are eligible for risk mitigation include cash, mortgages over residential, commercial and industrial property, plant and machinery, marketable securities, guarantees, assignment of crop or export proceeds, leasebacks and stop-orders.

**Non – performing loans and advances**

The Group's credit policy also covers past due, default, impaired and non-performing loans and advances, as well as specific and portfolio impairments. Past due refers to a loan or advance that exceeds its limit for fluctuating types of advances or is in arrears by 30 days or more. Non-performing loans and advances is where, for example, a specific provision for impairment is raised against a credit exposure as a result of a decline in the credit quality or where an obligation is past due for more than 90 days or an obligor has exceeded a sanctioned limit for more than 90 days. Non-performing loans and advances are defined as loans and advances where the Group has raised a specific provision for impairment. A specific provision for impairment is raised where an asset is classified as:

- Substandard, doubtful or loss under the prudential lending guidelines issued by the Regulatory authorities and where collateral held against the advance is insufficient to cover the total expected losses.
- Portfolio impairment, on the other hand, applies under loans and advances that have not yet individually evidenced a loss event i.e. advances classified as "Pass" and "Special Mention" under prudential lending guidelines issued by the Regulatory authorities. For such portfolios, the Group calculates and makes general provisions.

**34.3 (a) Credit risk exposure**

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Balances with banks	8 529 975	5 739 546
Money market assets	633 197	1 084 650
Financial securities	7 610 523	5 853 981
Loans and advances to customers	10 187 169	8 300 282
Other assets	5 054 521	6 222 167
<b>Total</b>	<b>32 015 385</b>	<b>27 200 626</b>
Financial guarantees	53 954	35 594
<b>Total</b>	<b>53 954</b>	<b>35 594</b>

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not maximum risk exposure that could arise in the future as a result of changes in value.

The Group held cash and cash equivalents of ZWG 8,529,975,644 (2024: ZWG 5,739,546,051) (excluding notes and coins) as at 31 December 2025 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank, local banks and foreign banks.

Balances with foreign banks represent Bank balances and Short-term Money market assets with foreign banks and are assessed for credit quality with reference to external credit ratings of the foreign counterparty banks as shown below.

The balances disclosed in the table below represents the maximum credit exposure for each foreign banking counterpart.

	Rating Agency	Rating	31 Dec 2025 ZWG 000	31 Dec 2024 ZWG 000
African Export Import Bank	Fitch	B-	91 071	3 846
Oddo BHF Aktiengesellschaft Bank	Fitch	B	6	84 677
First Rand Bank South Africa	Fitch	C+	2 030 152	535 920
Bank of China	Fitch	AB-	17 310	2 386
Aktif Yatirim Bank	Fitch	C+	2 144	647
United Overseas Bank	Fitch	AB+	49 070	46 684
Bidvest Bank South Africa	Fitch	BC-	564	561
CSC Bank	Fitch	BC-	55 494	18 200
South African Reserve Bank	Fitch	C+	9	36
ABSA Bank	Fitch	C+	1 118	-
South African Reserve Bank	Fitch	C+	640	-
<b>Total</b>			<b>2 247 578</b>	<b>692 957</b>

## 34.3(b) An industry sector analysis of the Group's loans and advances before and after taking into account collateral held is as follows:

	AUDITED		AUDITED	
	31 DEC 2025 ZWG 000	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000	31 DEC 2024 ZWG 000
		Net maximum exposure (not covered by mortgage security)		Net maximum exposure (not covered by mortgage security)
	Gross maximum exposure		Gross maximum exposure	
Private	2 607 867	2 188 745	3 119 820	2 731 125
Agriculture	3 210 575	1 447 326	2 110 016	789 012
Mining	646 563	595 289	1 638 764	1 414 858
Manufacturing	856 441	481 238	647 133	-
Distribution	2 562 918	1 720 564	981 358	410 432
Construction	112 936	-	164 788	-
Transport	72 969	-	33 041	15 849
Communication	418 436	418 426	199 403	198 841
Services	497 805	4 983	199 586	42 395
Financial organisations	12 788	-	37 859	-
<b>Gross value</b>	<b>10 999 298</b>	<b>6 856 571</b>	<b>9 131 768</b>	<b>5 602 512</b>

The Group holds collateral against loans and advances to customers in the form of mortgage bonds over property, other registered securities over assets, guarantees, cash cover, assignment of crop or export proceeds, leasebacks and stop-orders. Estimates of fair values are based on the value of collateral assessed at the time of borrowing and are regularly aligned to trends in the market. An estimate of the fair value of collateral and other security enhancements held against loans and advances to customers and banks is shown above and analysed as follows:

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>Collateral split by class</b>		
Government Guarantee	647 959	873 419
Cash cover	1 559	8 287
Registered Marketable Commodities	2 967 675	29 411
Mortgage bonds	3 124 760	3 599 503
Notarial general covering bonds	1 014 302	2 056 053
	<b>7 756 255</b>	<b>6 566 673</b>

**Collateral split by asset Quality**

The table below sets out the carrying amount and the value of the identifiable collateral held against loans and advances to customers measured at amortized cost.

The Group holds collateral against loans and advances to customers in the form of mortgage bonds over property, other registered securities over assets, guarantees, cash cover, assignment of crop or export proceeds, leasebacks and stop-orders. Estimates of fair values are based on the value of collateral assessed at the time of borrowing, and are regularly aligned to trends in the market.

	31 Dec 2025		31 Dec 2024	
	Carrying amount ZWG 000	Collateral ZWG 000	Carrying amount ZWG 000	Collateral ZWG 000
Stage 1 & 2	9 996 613	7 307 769	8 371 684	5 035 217
Stage 3	1 002 685	448 486	760 084	1 531 456
	<b>10 999 298</b>	<b>7 756 255</b>	<b>9 131 768</b>	<b>6 566 673</b>

There are no financial instruments for which no expected credit loss allowance was recognized due to collateral held.

The Group holds collateral against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

**Collateral for loans and advances split by asset type**

	31-Dec-25	31-Dec-24	Principal Type of collateral held
Loans & advances to retail customers	%	%	
	0.00	-	Cash
	0.25	0.13	mortgage security
	-	-	Marketable Commodities
	0.04	0.05	Government Guarantee
	0.03	0.07	NGCBs
Loans and advances to corporate customers	0.68	0.75	Other
	-	0.00	Cash
	0.12	0.17	Mortgage security
	0.40	0.00	Marketable Commodities
	0.01	0.11	Government Guarantee
	0.02	0.06	NGCBs
	0.46	0.66	Other

Included in other collateral for retail customers are largely direct deductions, structured receivables, corporate Guarantees, Liens

### 34.3 (c) Credit quality per class of financial assets

#### a. Loans and advances to customers

- (i) The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 34.3.1.

AUDITED									
	SRS Rating	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000	
		31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>Internal rating grade</b>									
Performing	"1 - 3c"	2 711 347	3 593 168	53 975	30 744	-	-	2 765 322	3 623 912
Special mention	"4a - 7c"	6 939 508	3 620 672	291 783	1 127 100	-	-	7 231 291	4 747 772
Non-performing	"8 - 10"	-	-	-	-	1 002 685	760 084	1 002 685	760 084
<b>Total</b>		<b>9 650 855</b>	<b>7 213 840</b>	<b>345 758</b>	<b>1 157 844</b>	<b>1 002 685</b>	<b>760 084</b>	<b>10 999 298</b>	<b>9 131 768</b>

- (ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances is as follows:

AUDITED									
GROSS CARRYING AMOUNT	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000		
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	
Opening balance	7 213 840	3 567 745	1 157 844	1 180 686	760 084	477 287	9 131 768	5 225 718	
New assets originated or purchased	5 246 799	8 049 046	195 568	2 370 142	80 863	115 576	5 523 230	10 534 764	
Transfers from Stage 1	(527 224)	(617 932)	263 388	437 775	263 836	180 157	-	-	
Transfers from Stage 2	305 298	561 691	(535 519)	(2 470 216)	230 221	1 908 525	-	-	
Transfers from Stage 3	8 599	28 228	44 758	15 457	(53 357)	(43 685)	-	-	
Effects of translation to presentation currency	(5 943)	3 196 173	27 734	1 074 832	(286)	109 870	21 505	4 380 875	
Foreign exchange movement	116 935	(4 451 115)	(14 397)	(1 054 793)	2 069	(855 865)	104 607	(6 361 773)	
Repayments during the year	(2 707 449)	(3 119 996)	(793 618)	(396 039)	(252 343)	(231 796)	(3 753 410)	(3 747 831)	
Amounts written off	-	-	-	-	(28 402)	(899 985)	(28 402)	(899 985)	
<b>Gross loans and advances to customers</b>	<b>9 650 855</b>	<b>7 213 840</b>	<b>345 758</b>	<b>1 157 844</b>	<b>1 002 685</b>	<b>760 084</b>	<b>10 999 298</b>	<b>9 131 768</b>	
Allowance for expected credit loss	(281 625)	(217 792)	(10 890)	(127 257)	(519 614)	(486 437)	(812 129)	(831 486)	
<b>Net loans and advances to customers</b>	<b>9 369 230</b>	<b>6 996 048</b>	<b>334 868</b>	<b>1 030 587</b>	<b>483 071</b>	<b>273 647</b>	<b>10 187 169</b>	<b>8 300 282</b>	

The Group may write off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of recovery.

ECL RECONCILIATION		AUDITED							
	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000		
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	
Opening balance	217 792	103 310	127 257	154 097	486 437	364 653	831 486	622 060	
New assets originated or purchased	241 693	182 857	36 629	1 003 760	34 125	91 582	312 447	1 278 199	
Effects of translation to presentation currency	48	96 678	3 602	143 356	2 824	153 476	6 474	393 510	
Transfers from Stage 1	(109 043)	(62 378)	4 501	15 096	104 542	47 282	-	-	
Transfers from Stage 2	8 044	35 650	(28 800)	(1 150 817)	20 756	1 115 167	-	-	
Transfers from Stage 3	13 849	716	3 203	3 466	(17 052)	(4 182)	-	-	
Foreign exchange movement	2 471	(28 101)	(3 485)	(20 547)	940	(74 299)	(74)	(122 947)	
Amounts written off	-	-	-	-	(28 402)	(1 076 582)	(28 402)	(1 076 582)	
Amounts paid off	(93 229)	(110 940)	(132 017)	(21 154)	(84 556)	(130 660)	(309 802)	(262 754)	
<b>Closing balance</b>	<b>281 625</b>	<b>217 792</b>	<b>10 890</b>	<b>127 257</b>	<b>519 614</b>	<b>486 437</b>	<b>812 129</b>	<b>831 486</b>	

### b. Financial Securities

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and period end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 34.3.1.

		AUDITED							
	SRS Rating	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000	
		31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>Internal rating grade</b>									
Performing	"1 - 3c"	7 735 260	5 955 125	-	-	-	-	7 735 260	5 955 125
<b>Total</b>		<b>7 735 260</b>	<b>5 955 125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 735 260</b>	<b>5 955 125</b>

(ii). An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to financial securities as follows:

		AUDITED							
		Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000	
		31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Opening balance		5 955 125	2 851 150	-	-	-	-	5 955 125	2 851 150
New assets originated or purchased		6 753 095	2 703 996	-	-	-	-	6 753 095	2 703 996
Effects of translation to presentation currency		619	2 636 045	-	-	-	-	619	2 636 045
Maturities during the year		(4 973 579)	(2 236 066)	-	-	-	-	(4 973 579)	(2 236 066)
<b>Gross financial securities</b>		<b>7 735 260</b>	<b>5 955 125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 735 260</b>	<b>5 955 125</b>
Allowance for expected credit loss		(124 737)	(101 144)	-	-	-	-	(124 737)	(101 144)
<b>Closing balance</b>		<b>7 610 523</b>	<b>5 853 981</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 610 523</b>	<b>5 853 981</b>

(iii) The table below shows the Expected Credit Loss allowance reconciliation for financial securities for the period under review:

		AUDITED							
		Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000	
		31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
Opening balance		101 144	60 984	-	-	-	-	101 144	60 984
New assets originated or purchased (excluding write offs)		47 110	25 711	-	-	-	-	47 110	25 711
Effects of translation to presentation currency		43 306	81 272	-	-	-	-	43 306	81 272
Foreign exchange movement		(19 019)	(19 019)	-	-	-	-	(19 019)	(19 019)
Maturities		(47 804)	(47 804)	-	-	-	-	(47 804)	(47 804)
<b>Closing balance</b>		<b>124 737</b>	<b>101 144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124 737</b>	<b>101 144</b>

### c. Money market asset

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 34.3.1.

AUDITED									
	SRS Rating	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000	
		31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>Internal rating grade</b>									
Performing	"1 - 3c"	683 240	1 121 611	-	-	-	-	683 240	1 121 611
<b>Total</b>		<b>683 240</b>	<b>1 121 611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>683 240</b>	<b>1 121 611</b>

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to money market assets is as follows:

AUDITED									
	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000		
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	
Opening balance	1 121 611	476 040	-	-	-	-	1 121 611	476 040	
New assets originated or purchased	679 408	2 931 133	-	-	-	-	679 408	2 931 133	
Foreign exchange movement	1 367	-	-	-	-	-	1 367	-	
Maturities during the year	(1 137 709)	(2 694 873)	-	-	-	-	(1 137 709)	(2 694 873)	
Effects of translation to presentation currency	18 563	409 311	-	-	-	-	18 563	409 311	
<b>Gross money market assets</b>	<b>683 240</b>	<b>1 121 611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>683 240</b>	<b>1 121 611</b>	
Allowance for expected credit loss	(50 043)	(36 961)	-	-	-	-	(50 043)	(36 961)	
<b>Closing balance</b>	<b>633 197</b>	<b>1 084 650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>633 197</b>	<b>1 084 650</b>	

Movement in ECLs for financial securities relate to new origination and maturities. All financial securities were classified as stage 1 and there were no inter stage transfers during the year. Refer to Note 13 for ECLs recognized in the statement of comprehensive income in respect of financial securities.

### d. Financial guarantees

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 34.3.1.

AUDITED									
	SRS Rating	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000	
		31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024
<b>Internal rating grade</b>									
Performing	"1 - 3c"	53 954	35 594	-	-	-	-	53 954	35 594
<b>Total</b>		<b>53 954</b>	<b>35 594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53 954</b>	<b>35 594</b>

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to financial guarantees is as follows:

AUDITED									
	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000		
	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	31 DEC 2025	31 DEC 2024	
Opening balance	35 595	27 069	-	-	-	-	35 595	27 069	
New assets originated or purchased	55 240	35 594	-	-	-	-	55 240	35 594	
Effects of translation to presentation currency	(180)	24 424	-	-	-	-	(180)	24 424	
Guarantees Expired during the year	(36 701)	(51 493)	-	-	-	-	(36 701)	(51 493)	
<b>Gross Guarantees</b>	<b>53 954</b>	<b>35 594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53 954</b>	<b>35 594</b>	
Allowance for expected credit loss	(7 466)	(896)	-	-	-	-	(7 466)	(896)	
<b>Closing balance</b>	<b>46 488</b>	<b>34 698</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46 488</b>	<b>34 698</b>	

The Financial Assets that were impaired under IFRS 9 were Loans, Overdrafts, Leases, Bank Guarantees, and Letters of Credit, Credit Cards Facilities, Money Market Placements and Treasury Bills and other receivables. Expected Credit Losses of these assets were calculated as at 31 December 2025.

Expected Credit Losses (ECL) are computed as the expected present value of credit losses incorporating forward looking macro-economic variables. The general framework of this computation has three components, namely Probability of Default (PD); Exposure at Default (EAD); and Loss Given Default (LGD), with the ECL expressed as a product of the components. During the period, two adjustments to the LGD estimates have been considered by management to ensure non-zero valued ECL when a borrower is over-collateralised. An LGD Floor is defined at the lowest value for the LGD, greater than zero, that can be applied for ECL purposes. The LGD Floor is set equal to 10% and 5% for foreign and local currency denominated exposures respectively. A Haircut is also applied to pledged collateral and depends on the collateral type. Management makes periodic adjustments to its ECL model components in line with regulatory and best practice guidelines. Adherence to such a model and risk governance framework ensures that ECL estimates are credible and accurately reflect the credit risk associated with the Group's financial assets.

The Group writes off financial assets when there is no reasonable expectation of recovery. Notwithstanding this, the Group continues to pursue the recovery of amounts legally due, including those that have been written off.

### 34.3.1 Definition of Parameters used for Calculation of Expected Credit Losses (ECL)

#### Default

This is failure by a borrower to comply with the terms and conditions of a loan facility as set out in the facility offer letter or loan contract.

Default occurs when a debtor is either unwilling or unable to repay a loan.

#### The Probability of Default (PD)

This is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognised and is still in the portfolio.

#### The Exposure at Default (EAD)

This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

#### The Loss Given Default (LGD)

This is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. LGD measurement takes into account time value of money, from the time of the default to when collateral cash will be received and it is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside and a downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

With the exception of credit cards and other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument, unless the Bank has the legal right to call it earlier. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

#### Significant increase in credit risk and Stage Recognition

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

A significant increase in credit risk is defined as a significant increase in the probability of a default occurring since initial recognition. Credit risk has increased significantly when contractual payments are more than 30 days past due.

#### Key consideration for a significant change in credit risk under a financial asset include the following;

- i. The counterparty rating deteriorates. The downward credit migration of a credit rating by at least three (3) notches is categorised as Significant Increase in Credit Risk.
- ii. Breaches in conditionality or covenants.
- iii. Deterioration in account conduct. This can be through account performance deterioration.
- iv. Any corporate action relating to changes in corporate structure, control, acquisitions or disposals.
- v. Significant changes in executive leadership.
- vi. Any other factor that is reasonably expected to have a negative impact on prospects for repayment, including but not limited to legislative changes, perceived sectoral risks, and negative media coverage.
- vii. Actual or expected significant change in the financial instrument's external credit rating (Credit Reference Bureau rating).
- viii. Declining Asset Quality.
- ix. Reduction in financial support from the parent company.
- x. Expected changes in the loan agreement terms and conditions.
- xi. Changes in group parent's payment pattern.
- xii. Decision to change collateral.

- xiii. Deterioration of macro-economic factors affecting the borrower. Observance of environmental factors that would negatively influence performance of the client is also factored to determine Significant Increase in Credit Risk depending on the severity of change.

#### Forward looking information

In its ECL model, the Group considers three scenarios, namely Best Case, Base Case and Worst Case from a spectrum of macro-economic fortunes and the scenarios are probability weighted. The ECL model focuses on perturbing PDs by treating this ECL component as a random variable. It is assumed that macro-economic fortunes are related to credit default.

Gross Domestic Product (GDP) growth rates is the variable in use for forward looking PDs. GDP growth rate is a consistent macro-economic variable that may have the requisite intuitive correlation to credit default risk measurement and can be easily corroborated over time. It is assumed that low GDP growth rate environments will result in higher credit default probabilities and the opposite is also assumed to be true. In addition to being intuitive, the approach relies on observations at both external and internal environments. The model is applicable in the case when there is insufficient data to calibrate standard models with the added feature that implicitly improves credit risk measurement with continued use.

Credit default risk is modelled as a Bernoulli trial in which either default or no default occurs over a specified time interval. The probability of default itself is also treated as a random variable that follows a beta distribution. The model is based on the notion of a mixed Bernoulli-Beta distribution and this mixture has a conjugate prior distribution which will allow a simple way in which the models are re-calibrated in the future as lending portfolios grow and evolve, hence the implicit improvement to credit default measurement.

The GDP growth rates are assumed to be random variables and follow a Gaussian distribution. The parameters of the Gaussian distribution are also treated as random variables. IMF historical GDP growth rates for similar economies are used to calibrate parameters for the Gaussian distribution. In addition to historical GDP for the nation and similar economies, Group Economics team provides estimates of future Best Case GDP growth rate for Zimbabwe. Using the statistical concepts of Bayesian Inference, parameter estimates are incorporated to derive predictive distribution of GDP growth rates.

The centre of the distribution (Base Case) for the predictive model is assumed to be the expected growth rate as per Ministry of Finance and Economic Development. In order to postulate credit default probabilities in alternative macro-economic conditions, there is a function that maps the GDP growth rates distribution to the default probabilities distribution. The method employed here relies on establishing Best Case GDP growth rate to be compared to the Base Case GDP growth rate and a measure of likelihood obtained using the assumed Gaussian distribution for GDP growth rates. Using this measure of likelihood, an applicable quantile on the distribution for probability of default is obtained and defined as the upper bound for the Best Case probability of default for the respective credit rating. The Base Case probability of default is determined as the mode of the probability of default distribution. The Worst Case probability of default is determined as function of the mean of the default distribution under the low GDP growth scenarios.

The combination of the Bernoulli-Beta and Gaussian distribution for forward looking PDs resulted in the weightings of 20%, 52% and 28% being applied for Best Case, Base Case and Worst Case scenarios respectively. The scenarios and their attributes are reassessed at least annually.

Based on financial asset's stage, 12 Months or Life-Time Expected Credit Losses were calculated.

- a) 12 Months Expected Credit Losses is a portion of Lifetime expected credit losses that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.
- b) Lifetime Expected Credit Losses are the expected present value of losses that arise if borrowers default on their obligations at some time during the life of the financial asset. These are weighted average credit losses that result from all possible default events over the expected life of the financial asset or instrument.

#### Stage 1: Performing

The financial assets in this stage are neither past due nor specifically impaired, and are current and fully compliant with all contractual terms and conditions. When loans are first recognised, the Group recognises an allowance based on 12 months ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2. The Group calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast exposure at default (EAD) and multiplied by the expected loss given default (LGD) and discounted by an approximation to the original EIR.

#### Stage 2: Underperforming

The assets have early arrears but not specifically impaired loans. It covers all loans where the counterparties have failed to make contractual payments and are less than 90 days past due, but are expected that the full carrying values will be recovered when considering future cash flows including collateral. When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

#### Stage 3: Credit Impaired

For loans considered credit-impaired, the Group recognises the lifetime expected credit losses (LTECLs) for these loans. LTECLs were calculated for all the assets which were classified under this stage. Loans satisfying the followings were classified under Stage 3;

- a) Instalments (Principal and Interest) were due and unpaid for 90 days or more.
- b) The Group had identified objective evidence of default, such as a breach of a material loan covenant or condition (there is marked significant increase in credit risk i.e. deterioration in asset quality).
- c) The Group had sufficient evidence about significant financial difficulties of the borrower contrary to cash flow projections.
- d) High probability of bankruptcy or other financial reorganization of the borrower has been identified.

Under this stage interest revenue recognised was based on Amortised Cost i.e. Gross exposure amount less allowance.

**Purchased or originated credit impaired (POCI)**

Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

**Debt instruments measured at fair value through OCI**

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

**Cure, Modification and Forbearance of Financial Assets**

During the period under Review, some of the financial assets were cured, modified and forborne.

**Cure**

Cure is the reclassification of a non-performing or underperforming asset into performing status. The specific requirements for reclassifying non-performing forborne exposures comprise the completion of a "cure period" of six(6) months and that the debtor's behaviour demonstrates that financial difficulties no longer exist. To dispel concerns regarding financial difficulties, all of the following criteria should be satisfied:

- i) The borrower should have settled, by means of regular payments, an amount equivalent to all the amounts past due on the date the forbearance measures were granted (if there were past-due amounts at this date), or to the amount written-off as part of these forbearance measures (if there was no past-due amount at the date of the forbearance measures).
- ii) It has been established that the obligor is able to meet the requirements of the revised terms and conditions.
- iii) For retail exposures, the borrower should have settled 6 full consecutive monthly payments under the revised terms.
- iv) For other Corporate, Agriculture and some wholesale clients with quarterly or longer dated repayment terms, further evaluation should be done by the Management Credit Committee which may include qualitative factors in additions to compliance with revised payment terms.
- v) The borrower does not have any other transactions with amounts more than 90 days past due at the date when the exposure is reclassified to the performing category.

**Modification and Forbearance**

These are formal, contractual agreements between the customer and the Group to change cash flows from what was originally agreed or previously amended as well as contractual terms and conditions. Where a contract was subjected to some or all of the above forbearance measures, it was referred to as modification. It was also referred to as Restructuring by the Group. Modification in some instances resulted in change in PD, instalment and interest rate among other factors.

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession of, or otherwise enforce collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

Any loan that has been renegotiated or modified but not derecognised, the Group also reassesses whether there has been a significant increase in credit risk. The Group also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum six months' probation period. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

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

The Group also recalculate for recognition, the gross carrying amount of the financial asset and recognise a modification gain or loss in profit or loss if the contractual cash flows of a financial asset are renegotiated or modified and the renegotiation or modification does not result in the derecognition of that financial asset. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest or the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

**Derecognition**

Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. The Group derecognises a financial asset when, and only when:

- a) The contractual rights to the cash flows from the financial asset expire, or
- b) It transfers the financial asset and the transfer qualifies for de-recognition.

**Write-offs**

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance. Any subsequent recoveries are treated as Other income.

- A loan or asset graded "loss" shall be written off after at least a year (360 days) from date of such classification whether or not the Group intends or is in the process of attempting to recover the loan or asset. These write-offs will require the recommendation of Recoveries and Collections department and approved as per the Group credit policy in place. When central bank regulations allow it, the board may authorize write-offs in certain circumstances.
- Write-off of debt arising from Bank charges, service fees, commissions and resultant interest accruals with supporting schedules must be approved as per current the Group expenditure policy.

**34.3.2 Market risk**

This is the risk of loss under both the banking book and or trading book arising from unfavourable changes in market price such as interest rates, foreign exchanges rates, equity prices, credit spreads and commodity prices, which can cause substantial variations in earnings and or economic value of the Group and its strategic business units (SBUs) if not properly managed. The Group's exposure to market risk arises mainly from customer driven transactions.

**34.3.3 Group market risks management framework**

To manage these risks, there is oversight at Group Board level through the Group Board Risk Management Committee, which covers Asset and Liability Management processes through yearly review of the Group's Asset and Liability as well as investment policies and benchmarks meant to assist in attaining the Group's liquidity strategic plan. The Group's (SBU) Boards are responsible for setting specific market risks strategies for their respective SBU and Executive Management implements policy and track performance regularly against set benchmarks through use of daily liquidity position reports, investment portfolio mix, cash flow analysis, liquidity matrix analysis, liquidity gap analysis and liquidity simulations to evaluate ability of the SBU to withstand stressed liquidity situations.

**34.4 Liquidity risk**

Liquidity relates to the Group's ability to fund its growth in assets and to meet obligations as they fall due without incurring unacceptable losses. The Group recognises two types of liquidity risks i.e. Market liquidity risk and Funding liquidity risk.

Market liquidity risk is the risk that the Group cannot cover or settle a position without significantly affecting the market price because of limited market depth.

Funding risk on the other hand is the risk that the Group will not be able to efficiently meet both its expected as well as the unexpected current and future cash flow needs without affecting the financial condition of the Group.

The Group's liquidity risk management framework ensures that limits are set under respective Group Strategic Business Units relating to limits such as levels of wholesale funding, retail funding, loans to deposit ratio, counter-party exposures, liquidity coverage ratio, net stable funding ratio as well as prudential liquidity ratio.

The primary funding sources under the Group are customer deposits made up of current, savings and term deposits and these are diversified by customer type and maturity profile. The Group, through the ALCO processes and statement of financial position management ensures that asset growth and maturity are funded by appropriate growth in deposits and stable funding, respectively.

## 34.4.1 CONTRACTUAL GAP ANALYSIS

## CONTRACTUAL LIQUIDITY PROFILE

	AUDITED						
	Less than one month ZWG 000	1 to 3 months ZWG 000	3 to 6 months ZWG 000	6 to 12 months ZWG 000	1 to 5 years ZWG 000	5 years and above ZWG 000	Total ZWG 000
<b>31 December 2025</b>							
<b>Assets</b>							
Balances with banks and cash	10 802 183	-	-	-	-	-	10 802 183
Money market assets	88 868	35 838	586 757	5 631	-	-	717 094
Financial securities	331 798	955 407	1 426 131	1 944 945	3 389 766	695	8 048 742
Loans and advances to customers	1 898 115	2 204 265	2 149 532	2 523 765	3 443 225	109 557	12 328 459
Insurance contract assets	-	-	35	-	-	-	35
Reinsurance contract assets	8 261	24 783	34 572	16 522	-	-	84 138
Financial guarantees	2 814	3 859	13 872	33 409	-	-	53 954
Current tax receivable	150	-	-	-	-	-	150
Other liquid assets	2 013 192	2 705 656	17 542	20 422	-	-	4 756 812
<b>Total assets</b>	<b>15 145 381</b>	<b>5 929 808</b>	<b>4 228 441</b>	<b>4 544 694</b>	<b>6 832 991</b>	<b>110 252</b>	<b>36 791 567</b>
<b>Liabilities</b>							
Deposits	22 926 775	2 812 123	693 607	768 354	1 419 138	-	28 619 997
Insurance contract liabilities	13 573	131 411	54 290	27 145	-	-	226 419
Other liabilities	482 952	1 133 373	550 284	389 653	140 761	-	2 697 023
Current tax payable	2 501	115 426	814	-	-	-	118 741
Lease liabilities	1 594	4 647	6 343	20 014	26 470	-	59 068
Investment contract liabilities	-	-	17 167	-	-	-	17 167
Financial guarantees	2 814	3 859	13 872	33 409	-	-	53 954
Capital commitments	19 858	-	-	-	-	-	19 858
<b>Total liabilities</b>	<b>23 450 067</b>	<b>4 200 839</b>	<b>1 336 377</b>	<b>1 238 575</b>	<b>1 586 369</b>	<b>-</b>	<b>31 812 227</b>
<b>Liquidity gap</b>	<b>(8 304 686)</b>	<b>1 728 969</b>	<b>2 892 064</b>	<b>3 306 119</b>	<b>5 246 622</b>	<b>110 252</b>	<b>4 979 340</b>
<b>Cumulative liquidity gap</b>	<b>(8 304 686)</b>	<b>(6 575 717)</b>	<b>(3 683 653)</b>	<b>(377 534)</b>	<b>4 869 088</b>	<b>4 979 340</b>	<b>4 979 340</b>

## CONTRACTUAL LIQUIDITY PROFILE

AUDITED							
	Less than one month ZWG 000	1 to 3 months ZWG 000	3 to 6 months ZWG 000	6 to 12 months ZWG 000	1 to 5 years ZWG 000	5 years and above ZWG 000	Total ZWG 000
<b>31 December 2024</b>							
<b>Assets</b>							
Balances with banks and cash	7 039 548	-	-	-	-	-	7 039 548
Money market assets	402 366	181 265	593 917	-	-	-	1 177 548
Financial securities	216 630	622 799	2 350 382	1 541 212	1 516 553	2 142	6 249 718
Loans and advances to customers	1 675 110	816 646	1 678 548	3 451 670	2 655 686	95 819	10 373 479
Insurance contract assets	-	-	21 357	-	-	-	21 357
Reinsurance assets	27 654	9 218	9 761	-	-	-	46 633
Financial guarantees	5 756	6 328	14 083	9 427	-	-	35 594
Other liquid assets	2 267 636	3 187 750	223 228	86 786	174 463	272 277	6 212 140
<b>Total assets</b>	<b>11 634 700</b>	<b>4 824 006</b>	<b>4 891 276</b>	<b>5 089 095</b>	<b>4 346 702</b>	<b>370 238</b>	<b>31 156 017</b>
<b>Liabilities</b>							
Deposits	18 484 874	72 167	993 308	1 040 917	1 635 800	-	22 227 066
Insurance contract liabilities	45 342	128 830	15 114	-	-	-	189 286
Reinsurance contract liabilities	5 754	1 918	1 918	-	-	-	9 590
Other liabilities	1 081 878	2 026 746	791 714	107 316	44 614	-	4 052 268
Lease liability	1 612	3 095	4 299	8 201	25 303	-	42 510
Investment contract liabilities	-	-	-	16 467	-	-	16 467
Financial guarantees	5 756	6 328	14 083	9 427	-	-	35 594
Capital commitments	2 892	-	-	-	-	-	2 892
<b>Total liabilities</b>	<b>19 628 108</b>	<b>2 239 084</b>	<b>1 820 436</b>	<b>1 182 328</b>	<b>1 705 717</b>	<b>-</b>	<b>26 575 673</b>
<b>Liquidity gap</b>	<b>(7 993 408)</b>	<b>2 584 922</b>	<b>3 070 840</b>	<b>3 906 767</b>	<b>2 640 985</b>	<b>370 238</b>	<b>4 580 344</b>
<b>Cumulative liquidity gap</b>	<b>(7 993 408)</b>	<b>(5 408 486)</b>	<b>(2 337 646)</b>	<b>1 569 121</b>	<b>4 210 106</b>	<b>4 580 344</b>	<b>4 580 344</b>

The table above shows the undiscounted cash flows of the Group's non-derivative on and off balance sheet financial assets and liabilities on the basis of their earliest possible contractual maturity and the related year gaps. For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest year in which the guarantee could be called.

The Group's SBUs carry out static statement of financial position analysis to track statement of financial position growth drivers, the pattern of core banking deposits, statement of financial position structure levels and direction of the SBU's maturity mismatch and related funding or liquidity gap. The Group also relies on stress testing under various scenarios i.e moderate extreme and severe in line with RBZ Recovery Planning Guideline to assess and manage liquidity risk. The Asset and Liability Management Committee (ALCO) of the respective SBU comes up with strategies to manage these liquidity gaps through funding gap limits. Additionally, the Group models asset and liability behaviours to measure liquidity risk from a behavioural perspective.

Details of the liquidity ratios for the relevant Group SBUs as at the reporting date and during the year were as follows:

	CBZ Bank Limited %
At 31 December 2025	51.88
At 31 December 2024	43.76
Average for the year	52.94
Maximum for the year	60.76
Minimum for the year	49.03

**34.5 INTEREST RATE RISK**

This is the possibility of Group's interest income being negatively influenced by unforeseen changes in the interest rate levels arising from weaknesses related to a Group's trading funding and investment strategies.

This is managed at both Board and Management level through the regular policy and benchmarks which relate to interest rate risk management. The major areas of intervention involves daily monitoring of costs of funds, asset yield, monthly analysis of interest re-pricing gaps and monthly interest rate simulations to establish the Group and its SBUs' ability to sustain a stressed interest rate environment, value at risk (VaR), interest rate risk set limits and various interest rate risk hedging strategies. The use of stress testing is an integral part of the interest rate risk management framework and considers both the historical market events as well as anticipated future scenarios. The Group and its SBUs denominate their credit facilities in the base currency, the ZWG in order to minimise cross currency interest rate risk. The Group's interest rate risk profiling is illustrated on the next table.

At 31 December 2025 if interest rates (both earning and paying rates) at that date had been 15 basis points higher or lower with all other variables held constant post tax profit would have been ZWG 22,667,760 lower or higher respectively than the reported position. This arises as a result of the sensitivity of the net interest assets in the movement of the interest rates.

**INTEREST RATE REPRICING**

AUDITED								
	Less than one month ZWG 000	1 to 3 months ZWG 000	3 to 6 months ZWG 000	6 to 12 months ZWG 000	1 to 5 years ZWG 000	5 years and above ZWG 000	Non-interest bearing ZWG 000	Total ZWG 000
<b>31 December 2025</b>								
<b>Assets</b>								
Balances with banks and cash	2 569 043	-	-	-	-	-	8 014 134	10 583 177
Money market assets	81 502	18 988	496 399	36 308	-	-	-	633 197
Financial securities	613 570	917 987	1 408 867	1 815 378	2 854 293	428	-	7 610 523
Loans and advances to customers	1 522 875	1 875 548	1 778 231	2 118 847	2 809 118	82 550	-	10 187 169
Insurance assets	-	-	-	-	-	-	35	35
Reinsurance assets	-	-	-	-	-	-	84 138	84 138
Equity investments	-	-	-	-	-	-	788 088	788 088
Equity-accounted investees	-	-	-	-	-	-	1 224 634	1 224 634
Land inventory	-	-	-	-	-	-	1 031 601	1 031 601
Other assets	-	-	-	-	-	-	5 404 092	5 404 092
Current tax receivable	-	-	-	-	-	-	150	150
Intangible assets	-	-	-	-	-	-	35 091	35 091
Investment properties	-	-	-	-	-	-	1 326 678	1 326 678
Property and equipment	-	-	-	-	-	-	1 718 904	1 718 904
Deferred taxation	-	-	-	-	-	-	521 238	521 238
<b>Total assets</b>	<b>4 786 990</b>	<b>2 812 523</b>	<b>3 683 497</b>	<b>3 970 533</b>	<b>5 663 411</b>	<b>82 978</b>	<b>20 148 783</b>	<b>41 148 715</b>
<b>Equity &amp; Liabilities</b>								
Deposits	15 866 513	2 684 149	647 677	691 052	995 583	68 772	6 809 695	27 763 441
Insurance liabilities	-	-	-	-	-	-	226 419	226 419
Other liabilities	291 763	956 631	426 614	225 066	135 137	-	950 203	2 985 414
Current tax payable	-	105 214	-	-	-	-	12 323	117 537
Investment contract liabilities	-	-	-	-	-	-	17 167	17 167
Deferred taxation	-	-	-	-	-	-	862 519	862 519
Lease liabilities	1 380	941	1 427	4 257	30 146	-	-	38 151
Equity	-	-	-	-	-	-	9 138 067	9 138 067
<b>Total liabilities and equity and reserves</b>	<b>16 159 656</b>	<b>3 746 935</b>	<b>1 075 718</b>	<b>920 375</b>	<b>1 160 866</b>	<b>68 772</b>	<b>18 016 393</b>	<b>41 148 715</b>
<b>Interest rate repricing gap</b>	<b>(11 372 666)</b>	<b>(934 412)</b>	<b>2 607 779</b>	<b>3 050 158</b>	<b>4 502 545</b>	<b>14 206</b>	<b>2 132 390</b>	<b>-</b>
<b>Cumulative gap</b>	<b>(11 372 666)</b>	<b>(12 307 078)</b>	<b>(9 699 299)</b>	<b>(6 649 141)</b>	<b>(2 146 596)</b>	<b>(2 132 390)</b>	<b>-</b>	<b>-</b>

## INTEREST RATE REPRICING

AUDITED								
	Less than one month ZWG 000	1 to 3 months ZWG 000	3 to 6 months ZWG 000	6 to 12 months ZWG 000	1 to 5 years ZWG 000	5 years and above ZWG 000	Non-interest bearing ZWG 000	Total ZWG 000
<b>31 December 2024</b>								
<b>Assets</b>								
Balances with banks and cash	2 072 636	-	-	-	-	-	4 921 530	6 994 166
Money market assets	400 955	173 717	504 423	3 191	2 364	-	-	1 084 650
Financial securities	280 934	615 481	2 121 890	1 468 345	1 366 993	338	-	5 853 981
Loans and advances to customers	1 124 403	656 477	1 396 119	2 988 586	2 065 771	68 926	-	8 300 282
Insurance assets	-	-	-	-	-	-	21 357	21 357
Reinsurance assets	-	-	-	-	-	-	46 634	46 634
Equity investments	-	-	-	-	-	-	581 699	581 699
Equity-accounted investees	-	-	-	-	-	-	1 116 901	1 116 901
Land Inventory	-	-	-	-	-	-	498 997	498 997
Other assets	89	-	205 201	77 396	173 234	269 984	5 847 673	6 573 577
Current tax receivable	-	-	-	-	-	-	148	148
Intangible assets	-	-	-	-	-	-	28 355	28 355
Investment properties	-	-	-	-	-	-	1 051 139	1 051 139
Property and equipment	-	-	-	-	7 280	-	1 743 296	1 750 576
Deferred taxation	-	-	-	-	-	-	517 042	517 042
<b>Total assets</b>	<b>3 879 017</b>	<b>1 445 675</b>	<b>4 227 633</b>	<b>4 537 518</b>	<b>3 615 642</b>	<b>339 248</b>	<b>16 374 771</b>	<b>34 419 504</b>
<b>Equity &amp; Liabilities</b>								
Deposits	18 411 189	61 269	910 622	959 396	1 245 729	-	-	21 588 205
Insurance liabilities	-	-	-	-	-	-	189 286	189 286
Reinsurance liabilities	-	-	-	-	-	-	10 187	10 187
Other liabilities	220 117	20 509	787 140	91 522	40 461	-	2 789 082	3 948 831
Current tax payable	-	-	-	-	-	-	44 446	44 446
Investment contract liabilities	-	-	-	-	-	-	16 467	16 467
Deferred taxation	-	-	-	-	-	-	687 483	687 483
Lease Liability	1 308	2 492	3 409	6 598	7 440	-	-	21 247
Equity	-	-	-	-	-	-	7 913 352	7 913 352
<b>Total equity and liabilities</b>	<b>18 632 614</b>	<b>84 270</b>	<b>1 701 171</b>	<b>1 057 516</b>	<b>1 293 630</b>	<b>-</b>	<b>11 650 303</b>	<b>34 419 504</b>
<b>Interest rate repricing gap</b>	<b>(14 753 597)</b>	<b>1 361 405</b>	<b>2 526 462</b>	<b>3 480 002</b>	<b>2 322 012</b>	<b>339 248</b>	<b>4 724 468</b>	<b>-</b>
<b>Cumulative gap</b>	<b>(14 753 597)</b>	<b>(13 392 192)</b>	<b>(10 865 730)</b>	<b>(7 385 728)</b>	<b>(5 063 716)</b>	<b>(4 724 468)</b>	<b>-</b>	<b>-</b>

**34.6 EXCHANGE RATE RISK**

This risk arises from the changes in exchange rates and originates from mismatches between the values of assets and liabilities denominated in different currencies and can lead to losses if there is an adverse movement in exchange rate where open positions either spot or forward, are taken for both on and off statement of financial position transactions.

Supervision is at Board level through the Board Risk Management Committee which covers ALCO processes by way of strategic policy and benchmarking reviews and approval. The management Assets and Liabilities Committee (ALCO) which meets on a monthly basis reviews performance against set benchmarks embedded under acceptable currencies, currency positions as well as stop loss limits.

At 31 December 2025, if foreign exchange rates at that date had weakened or strengthened by 5 percentage points with all other variables held constant, post tax profit for the year would have been ZWG 36,925,418 higher or lower respectively than the reported position. This arises as a result of the increase or decrease in the fair value of the underlying assets and liabilities denominated in foreign currencies.

**Sensitivity by currency:**

	ZWG	ZAR	GBP	EUR	Other foreign currencies
Impact in ZWG	(2 362 709)	5 071 338	4 033 172	26 908 288	3 280 378

**The foreign currency position for the Group as at 31 December 2025 is as below:****FINANCIAL POSITION BY CURRENCY**

AUDITED							
Position expressed in ZWG 000	Total 000	USD 000	ZWG 000	ZAR 000	GBP 000	EUR 000	Other foreign currencies 000
<b>31 December 2025</b>							
<b>Assets</b>							
Balances with banks and cash	10 583 177	7 992 586	2 051 608	292 453	8 132	137 009	101 389
Money market assets	633 197	633 197	-	-	-	-	-
Financial securities	7 610 523	6 575 128	1 035 395	-	-	-	-
Loans and advances to customers	10 187 169	9 237 505	944 785	4 876	3	-	-
Insurance assets	35	35	-	-	-	-	-
Reinsurance assets	84 138	67 616	16 522	-	-	-	-
Equity investments	788 088	737 601	50 487	-	-	-	-
Equity-accounted investees	1 224 634	1 224 634	-	-	-	-	-
Land inventory	1 031 601	1 031 601	-	-	-	-	-
Other assets	5 404 092	4 557 714	846 014	309	55	-	-
Current tax receivable	150	-	150	-	-	-	-
Intangible assets	35 091	35 091	-	-	-	-	-
Investment properties	1 326 678	1 326 678	-	-	-	-	-
Property and equipment	1 718 904	1 718 904	-	-	-	-	-
Deferred taxation	521 238	430 521	90 717	-	-	-	-
	<b>41 148 715</b>	<b>35 568 811</b>	<b>5 035 678</b>	<b>297 638</b>	<b>8 190</b>	<b>137 009</b>	<b>101 389</b>
<b>Equity &amp; Liabilities</b>							
Deposits	27 763 441	22 598 627	4 770 416	205 792	4 403	111 358	72 845
Insurance liabilities	226 419	178 789	47 630	-	-	-	-
Other liabilities	2 985 414	2 736 444	216 776	4 488	681	1 882	25 143
Current tax payable	117 537	92 888	24 649	-	-	-	-
Investment contract liabilities	17 167	-	17 167	-	-	-	-
Deferred taxation	862 519	839 837	22 682	-	-	-	-
Lease Liability	38 151	38 151	-	-	-	-	-
Equity	9 138 067	9 138 067	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>41 148 715</b>	<b>35 622 803</b>	<b>5 099 320</b>	<b>210 280</b>	<b>5 084</b>	<b>113 240</b>	<b>97 988</b>

AUDITED							
Position expressed in ZWG 000	Total 000	ZWG 000	USD 000	ZAR 000	GBP 000	EUR 000	Other foreign currencies 000
<b>31 December 2024</b>							
<b>Assets</b>							
Balances with banks and cash	6 994 166	5 370 375	1 182 363	301 895	24 739	61 485	53 309
Money market assets	1 084 650	1 084 650	-	-	-	-	-
Financial securities	5 853 981	5 385 470	468 511	-	-	-	-
Loans and advances to customers	8 300 282	7 272 950	986 107	41 225	-	-	-
Insurance assets	21 357	16 222	5 135	-	-	-	-
Reinsurance assets	46 634	37 416	9 218	-	-	-	-
Equity investments	581 699	536 505	45 194	-	-	-	-
Equity-accounted investees	1 116 901	1 116 901	-	-	-	-	-
Land Inventory	498 997	498 997	-	-	-	-	-
Other assets	6 573 577	6 287 448	286 021	52	51	5	-
Current tax receivable	148	148	-	-	-	-	-
Intangible assets	28 355	28 355	-	-	-	-	-
Investment properties	1 051 139	1 051 139	-	-	-	-	-
Property and equipment	1 750 576	1 750 576	-	-	-	-	-
Deferred taxation	517 042	515 629	1 413	-	-	-	-
<b>Total assets</b>	<b>34 419 504</b>	<b>30 952 781</b>	<b>2 983 962</b>	<b>343 172</b>	<b>24 790</b>	<b>61 490</b>	<b>53 309</b>
<b>Equity &amp; Liabilities</b>							
Deposits	21 588 205	18 600 354	2 693 291	195 035	3 800	45 556	50 169
Insurance liabilities	189 286	105 507	83 779	-	-	-	-
Reinsurance Liabilities	10 187	8 269	1 918	-	-	-	-
Other liabilities	3 948 831	3 602 611	327 971	2 329	588	1 512	13 820
Current tax payable	44 446	27 029	17 417	-	-	-	-
Investment contract liabilities	16 467	16 467	-	-	-	-	-
Deferred taxation	687 483	686 828	655	-	-	-	-
Lease Liability	21 247	10 734	10 513	-	-	-	-
Equity	7 913 352	7 913 352	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>34 419 504</b>	<b>30 971 151</b>	<b>3 135 544</b>	<b>197 364</b>	<b>4 388</b>	<b>47 068</b>	<b>63 989</b>

## FOREIGN CURRENCY POSITION IN RESPECTIVE CURRENCY

	UNDERLYING CURRENCY				
	ZWG	ZAR	GBP	EUR	Other foreign currencies
	000	000	000	000	000
<b>31 December 2025</b>					
<b>Assets</b>					
Balances with banks and cash	2 051 608	292 453	8 132	137 009	101 389
Financial securities	1 035 395	-	-	-	-
Loans and advances to customers	944 785	4 876	3	-	-
Reinsurance assets	16 522	-	-	-	-
Equity investments	50 487	-	-	-	-
Other assets	846 014	309	55	-	-
Current tax receivable	150	-	-	-	-
Deferred taxation	90 717	-	-	-	-
<b>Total assets</b>	<b>5 035 678</b>	<b>297 638</b>	<b>8 190</b>	<b>137 009</b>	<b>101 389</b>
<b>Liabilities</b>					
Deposits	4 770 416	205 792	4 403	111 358	72 845
Insurance liabilities	47 630	-	-	-	-
Other liabilities	216 776	4 488	681	1 882	25 143
Current tax payable	24 649	-	-	-	-
Investment contract liabilities	17 167	-	-	-	-
Deferred taxation	22 682	-	-	-	-
	<b>5 099 320</b>	<b>210 280</b>	<b>5 084</b>	<b>113 240</b>	<b>97 988</b>
<b>Net position</b>	<b>(63 642)</b>	<b>87 358</b>	<b>3 106</b>	<b>23 769</b>	<b>3 401</b>

## FOREIGN CURRENCY POSITION IN RESPECTIVE CURRENCY

	UNDERLYING CURRENCY				
	ZWG	ZAR	GBP	EUR	Other foreign currencies
	000	000	000	000	000
<b>31 December 2024</b>					
<b>Assets</b>					
Balances with banks and cash	1 182 363	301 895	24 739	61 485	53 309
Financial securities	468 511	-	-	-	-
Loans and advances to customers	986 107	41 225	-	-	-
Insurance assets	5 135	-	-	-	-
Reinsurance assets	9 218	-	-	-	-
Equity investments	45 194	-	-	-	-
Other assets	286 021	52	51	5	-
Deferred taxation	1 413	-	-	-	-
<b>Total assets</b>	<b>2 983 962</b>	<b>343 172</b>	<b>24 790</b>	<b>61 490</b>	<b>53 309</b>
<b>Liabilities</b>					
Deposits	2 693 291	195 035	3 800	45 556	50 169
Insurance liabilities	83 779	-	-	-	-
Reinsurance liabilities	1 918	-	-	-	-
Other liabilities	327 971	2 329	588	1 512	13 820
Current tax payable	17 417	-	-	-	-
Lease liabilities	10 513	-	-	-	-
Deferred taxation	655	-	-	-	-
<b>Total liabilities</b>	<b>3 135 544</b>	<b>197 364</b>	<b>4 388</b>	<b>47 068</b>	<b>63 989</b>
<b>Net position</b>	<b>(151 582)</b>	<b>145 808</b>	<b>20 402</b>	<b>14 422</b>	<b>(10 680)</b>

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>34.6.1 CLOSING EXCHANGE RATES</b>		
USD	25.9807	25.7985
ZAR	1.5647	1.3725
GBP	34.9726	32.3745
EUR	30.4987	26.8408

**34.7 Operational risk**

This is the potential for loss arising from human error and fraud, inadequate or failed internal processes, systems failure, non-adherence to procedure or other external sources that result in the compromising of the Group and its SBUs revenue or erosion of the Group and its SBUs' statement of financial position value.

**34.7.1 Operational risk management framework**

The Group Risk Management Committee exercises adequate oversight over operational risks across the Group with the support of SBU Boards as well as business and functional level committees. Group Risk Management is responsible for setting and approving of Group Operational Policies and maintaining standards for operational risk.

The Group Board Audit Committee through the Internal Audit function as well as Group Enterprise Wide Governance and Compliance, performs their independent review and assurances under processes and procedures as set under Business Units policies and procedure manuals. On the other hand, the Group Risk Management and Group IT Department with assistance from the Organisation and Methods Department within Group Human Resources ensure that processes, procedures and control systems are in line with variables in the operating environment.

**34.8 Strategic risk**

This is the risk that arises where the Group's strategy may be inappropriate to support its long-term corporate goals due to underlying inadequate strategic planning processes, weak decision making processes as well as weak strategic implementation programs.

To mitigate this risk, the Group's Board, SBU Boards and Management teams craft the strategy which is underpinned by the Group's corporate goals. Approval of the strategy is the responsibility of the appropriate Board whilst implementation is carried out by Management. On the other hand, strategy and goal congruency is audited monthly by management and quarterly by the appropriate Board.

**34.9 Regulatory risk**

Regulatory risk is defined as the failure to comply with applicable laws and regulations or supervisory requirements, or the exclusion of provisions of relevant regulatory requirements out of operational procedures. This risk is managed and mitigated through the Group Board Risk Management Committee and the Group Enterprise-Wide Governance and Compliance unit which ensures that:

- a. Comprehensive and consistent compliance policies and procedures exist covering the Group and its SBUs
- b. A proactive and complete summary statement of the Group and its SBUs position on ethics and compliance exists;
- c. A reporting structure of the Group Enterprise-Wide Compliance Function exists that ensures independence and effectiveness; and
- d. Yearly compliance and awareness training targeting employees in compliance sensitive areas is carried out.

**34.10 Reputation risk**

This is the risk of potential damage to the Group's image that arises from the market perception of the manner in which the Group and its SBUs package and deliver their products and services as well as how staff and management conduct themselves. It also relates to the Group's general business ethics. This can result in loss of earnings or adverse impact on market capitalisation as a result of stakeholders adopting a negative view to the Group and its actions. The risk can further arise from the Group's inability to address any of its other key risks. This risk is managed and mitigated through:

- a. continuous improvements to the Group's operating facilities to ensure they remain within the taste of the Group's various stakeholders;
- b. ensuring that staff subscribe to the Group's code of conduct, code of ethics and general business ethics; and
- c. stakeholders' feedback systems that ensures proactive attention to the Group's reputation management.

**34.11 Money-laundering risk**

This is the risk of financial or reputational loss suffered as a result of transactions in which criminal financiers disguise the origin of funds they deposit in the subsidiaries of the Group and then use the funds to support illegal activities. The Group manages this risk through:

- a. adherence to Know Your Customer Procedures;
- b. effective use of compliance enabling technology to enhance anti-money laundering program management, communication, monitoring and reporting;
- c. development of early warning systems; and
- d. integration of compliance into individual performance measurement and reward structures.

**34.12 Insurance risk**

The principal risk that the insurance segment faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the insurance subsidiary is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The subsidiaries also purchase reinsurance as part of their risk mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

The insurance company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the company substantially dependent upon any single reinsurance contract.

**Climate related risks**

The Group's exposure to climate-related risks is assessed as minimal. Management has considered the potential impact of climate-related factors on credit risk exposures, impairment of non-financial assets, and other key judgements and estimates. In determining forward-looking information and applying management judgements, these risks are taken into account, and based on current assessments, they are not expected to have a material impact on the Group's financial position or performance.

**34.13 Risk and Credit Ratings****CBZ Bank Limited**

Rating agent	2025	2024	2023	2022	2021	2020	2019	2018
<b>Global Credit Rating (Long term)</b>	AA-	AA-	AA-	AA-	A+	A+	A+	A

**CBZ Life Private Limited**

Rating agent	2025	2024	2023	2022	2021	2020	2019	2018
<b>Global Credit Rating (Financial strength)</b>	A(zw)-	A(zw)-	A(zw)-	A(zw)-	A(zw)-	A(zw)-	A-	A-

**CBZ Insurance Private Limited**

Rating agent	2025	2024	2023	2022	2021	2020	2019	2018
<b>Global Credit Rating(Claims paying ability)</b>	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB+	BBB+

**CBZ Asset Management Private Limited**

Rating agent	2025	2024	2023	2022	2021	2020	2019	2018
<b>Global Credit Rating (Manager quality)</b>	MQ2(ZW)	MQ2(ZW)	MQ2(ZW)	MQ2(ZW)	MQ2(ZW)	MQ2(ZW)	A	A

**34.14.2 Reserve Bank Ratings**

	CAMELS RATING MATRIX						
	Composite	Capital adequacy	Asset quality	Management	Earnings	Liquidity	Sensitivity to market risk
<b>CBZ Bank Limited (current)</b>	2	1	3	2	2	2	2
<b>CBZ Bank Limited (previous)</b>	1	1	2	1	1	2	2

**Key:**

- 1- Strong
- 2- Satisfactory
- 3- Fair
- 4- Substandard
- 5- Weak

**CBZ Bank Limited**

**Risk Matrix Summary**

Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	High	Acceptable	Moderate	Increasing
Liquidity Risk	High	Acceptable	Moderate	Stable
Interest Rate Risk	Moderate	Acceptable	Moderate	Stable
Foreign Exchange Risk	High	Acceptable	Moderate	Stable
Strategic Risk	High	Acceptable	Moderate	Stable
Operational Risk	High	Acceptable	Moderate	Stable
Legal & Compliance Risk	Moderate	Acceptable	Moderate	Stable
Reputation Risk	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

**KEY**

**Level of Inherent Risk**

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

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

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

**Adequacy of Risk Management Systems**

**Weak -** risk management systems are inadequate or inappropriate given the size complexity and risk profile of the banking institution. Institution’s risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written down 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 financial institution’s risk tolerance responsibilities are effectively communicated.

**Overall Composite Risk**

**Low Risk -** 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 -** risk management effectively identifies and controls all types of risk posed by the relevant functional 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 organization.

**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 Rating**

**Increasing -** based on the current information composite risk is expected to increase in the next twelve months.

**Decreasing -** based on current information composite risk is expected to decrease in the next twelve months.

**Stable -** based on the current information composite risk is expected to be stable in the next twelve months.

#### 34.14 Compliance and Regulatory risk

Compliance and regulatory risk refer to the risk of legal or regulatory sanctions, financial loss, or reputational damage arising from an institution's failure to comply with applicable laws, regulations, standards, and internal policies. This includes exposure to changes in the regulatory environment, non-adherence to supervisory requirements, and weaknesses in internal controls or governance frameworks. Effective management of this risk ensures that the Group operates within established legal and regulatory boundaries while maintaining high standards of ethical conduct and corporate governance

CBZ Holdings manages legal and compliance risk through an integrated framework that ensures adherence to applicable laws, regulations, and internal policies. The framework is overseen by the Board Risk and Compliance Committee, with implementation led by the independent Compliance Function, which conducts ongoing monitoring, regulatory advisory, and staff awareness initiatives to promote a strong compliance culture.

The Group undertakes regular compliance risk assessments, monitors regulatory developments, and enforces key policies including AML/CFT, data protection, sanctions compliance, and conduct standards. Independent monitoring, contract vetting, litigation management, and review of legal documentation form the core of legal risk mitigation practices. Any incidents or breaches are promptly investigated, escalated, and remediated, with lessons incorporated into process and control improvements.

Through these systems and practices, CBZ Holdings ensures legal and compliance risks are effectively identified, assessed, mitigated, and reported, thereby supporting regulatory soundness, operational integrity, and sustainable business conduct across the Group.

During the year, the Group had the following non-compliance issues:

1. The Group was fined ZWG 206,663.38 by RBZ for late submission of the updated net open position policy.
2. The Group incurred interest amounting to US\$297,305 in respect of delayed settlement of statutory reserve requirements with the Reserve Bank of Zimbabwe. The delay arose following a regulatory change implemented in September 2024, which increased the statutory reserve ratio on foreign currency deposits from 20% to 30%. This change required the Group to realign its liquidity position and funding strategies to meet the revised reserve requirements. As a result, there was a delay in the settlement of the statutory reserves due.

The associated interest charge was recognised in profit or loss as part of finance costs in accordance with IAS 1 and IFRS 9, where applicable. The outstanding interest liability was fully settled on 16 January 2026.

Management has since implemented measures to ensure timely compliance with revised statutory reserve requirements and to mitigate the risk of similar occurrences in future.

#### 35. GROUP RISK MANAGEMENT SYSTEM, STRATEGIES & PRACTICES

The Group's strategy for risk management is to optimize the risk-return trade-off, through minimizing the risk exposures for the expected returns or maximizing returns for a given level of risk exposure. The thrust remains value creation and preservation for customers, shareholders and the communities we operate in. Risk taking activities are governed by the Board approved Enterprise Risk Management Framework (including supporting frameworks such as Compliance, Stress Test, Model Risk & Capital Management), Risk Appetite Statement, and Risk Policies & Processes. In Q4 2025, a Combined Assurance Framework was adopted by the Group, adding to the suite of risk governance documents, for a coordinated approach towards risk management.

The Group Board remains ultimately responsible for ensuring a sound risk and control system is maintained across the Group. This responsibility has been delegated to the Group Board Risk, Legal & compliance Committee, supported by Subsidiary Risk Committees. Day to day risk management is the responsibility of management, with the support, guidance, oversight and challenge provided by risk, compliance and audit functions. Every quarter the Board Risk Committee evaluates, checks and challenges effectiveness of risk management actions through consideration and in depth discussion of, the control function reports.

The three lines of assurance model continues to be entrenched in the Group's approach to the risk management. The operational units supported by back-office functions are the Line 1 assurance function, the risk owners responsible for implementing the risk controls as they execute their duties. Risk & Compliance are the Line 2 assurance function responsible for providing guidance, advice, support to Line 1 on sound risk and compliance management practices. Line 2 is also responsible periodically assessing Line 1's adherence to risk control requirements and proffering recommendations on how to address any deficiencies identified. Line 3 Independent Assurance on the soundness of the control environment is provided by internal and external auditors.

In 2025, enhancements were done to the ERM Framework through enforcement of the forward-looking risk management processes such as group-wide stress testing and scenario analysis, and emerging risks and opportunities evaluation. Key risk indicators were refined and developed for the inherent risks, for improved risk measurement. An operational risk management system, RiskLogix was implemented as part of automating the risk processes, and the embedment exercise is continuing. Qualitative assessments continued to be complemented with quantitative measures, through risk analytics and financial modelling. The IFRS 9 model was automated during the year, resulting in significant improvements in the turnaround time of generating the expected credit losses.

Risk exposures were maintained within risk appetite limits, with none rated extreme, i.e. in breach of the risk appetite limit, on a residual basis. The tight monetary policy however, constrained asset creation across the group, but largely for the lending entities. The overall risk profile of the Group as at 31 December 2025 was moderate with a stable trend. The main risk exposures were under credit risk and operational risk. Risk mitigating measures were put in place to reduce the exposures to within target range. These will continue to be reviewed for effectiveness in 2026.

The outlook for risk management in 2026 is of continued embedment of the forward looking assessments to complement the point in time assessments for improved risk mitigation. This is imperative given the increased volatility of the operating environment exacerbated by the geopolitical developments.

**36. CAPITAL ADEQUACY**

The capital adequacy is calculated in terms of the guidelines issued by the Reserve Bank of Zimbabwe.

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Risk Weighted Assets	28 495 742	23 933 213
<b>Total Qualifying Capital</b>	<b>7 424 366</b>	<b>6 408 555</b>
<b>Tier 1</b>		
Share capital & share premium	15 999	35 887
Revenue reserves	52 271	2 490 733
Other reserves	6 009 894	2 733 979
Exposure to insiders	(26 134)	(29 596)
	<b>6 052 030</b>	<b>5 231 003</b>
Less Tier 3	(1 011 841)	(800 162)
	<b>5 040 189 4</b>	<b>430 841</b>
<b>Tier 2</b>		
Revaluation reserves	788 585	165 252
Fair Value Reserve	227 554	101 092
General provisions	356 197	612 043
Excess of tier one capital	-	299 165
	<b>1 372 336</b>	<b>1 177 552</b>
<b>Tier 3</b>		
Capital allocated for market risk	126 232	24 883
Capital allocated to operational risk	885 610	775 279
	<b>1 011 842</b>	<b>800 162</b>
<b>Total capital</b>	<b>7 424 367</b>	<b>6 408 555</b>
<b>Total risk weighted assets</b>	<b>28 495 742</b>	<b>23 933 213</b>
<b>Capital Adequacy (%)</b>		
Tier 1	17.69%	18.51%
Tier 2	4.82%	4.92%
Tier 3	3.55%	3.34%
<b>Total</b>	<b>26.06%</b>	<b>26.77%</b>

**37. GOING CONCERN**

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future and will be able to realise its assets and settle its liabilities in the ordinary course of business. In assessing the appropriateness of the going concern basis of preparation, consideration was given to the Company's financial position, liquidity profile, projected cash flows and available financial resources. Particular consideration was given to the following matters:

**a) Net current liability position**

At 31 December 2025, the Company was in a net current liability position. The assessment of the Company's liquidity position, projected cash flows and available financial resources indicates that the Company is expected to meet its obligations as they fall due. The Company continues to benefit from expected dividend income, management fee income and a portfolio of highly liquid equity investments that provide financial flexibility, where required. Accordingly, the net current liability position does not give rise to a material uncertainty regarding the Company's ability to continue as a going concern, and the financial statements have been prepared on the going concern basis.

**b) Company restructuring exercise**

In January 2025, the Company completed a restructuring exercise initiated in August 2024 as part of the Group's 2024–2028 Strategic Plan.

The restructuring was undertaken to optimise the operating model, improve operational efficiency, strengthen governance structures and enhance technological capabilities. The restructuring is expected to enhance operational efficiency and has been factored into the Company's financial forecasts used in the going concern assessment.

Based on the assessment performed, no material uncertainties have been identified that may cast significant doubt on the Company's ability to continue as a going concern for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

**38. GROUP INTERNAL AUDIT FUNCTION**

The Group's internal audit function provides independent assurance on the effectiveness of risk management, internal controls, and governance processes. The function, comprising 16 professionals, reports functionally to the Audit Committee and administratively to the GCEO. During the year, internal audit conducted reviews on 108 processes, covering key risk areas including compliance, strategy, operations, cybersecurity, IT security, business continuity, and disaster recovery. Findings were reported to management and the Audit Committee.

**39. SUBSEQUENT EVENTS**

Subsequent to the reporting date, the Central Bank issued the Monetary Policy Statement on 27 February 2026, outlining policy measures aimed at strengthening macroeconomic stability, deepening the use of the domestic currency (ZiG), and promoting sustainable economic growth. The policy stance maintained a prudent monetary framework focused on preserving price and exchange rate stability while supporting the continued use of the local currency in domestic transactions.

Key highlights of the Monetary Policy Statement included the introduction of the upgraded ZiG banknote series with enhanced security features, confirmation of the achievement of single-digit annual inflation, and the continued maintenance of low and stable monthly inflation levels. The policy also reiterated the authorities' intention to transition towards a mono-currency framework in the medium term, subject to the attainment of key macroeconomic conditions including durable price stability, adequate foreign currency reserves, and a stable foreign exchange market.

The Monetary Policy Statement further introduced regulatory adjustments affecting the banking sector, including the reduction and removal of certain bank and transaction charges aimed at enhancing financial inclusion and improving the affordability of banking services. These measures are expected to exert downward pressure on the Group's non-funded income, particularly commission and fee-based revenues. The Group intends to mitigate this impact through increased transaction volumes, continued expansion of digital banking platforms, and further enhancement of its information technology systems to support efficient service delivery and higher transaction throughput. The Group will comply with all regulatory requirements and directives arising from the Monetary Policy Statement.

In addition, the Monetary Policy Statement maintained key structural policy measures including the retention of the Targeted Finance Facility to support productive sectors of the economy, the continued foreign currency retention threshold for exporters, and the development of a foreign exchange market trading platform aimed at improving market efficiency and price discovery.

In addition to the Monetary Policy highlighted above, subsequent to the reporting date, global geopolitical developments, including the escalating tensions between Iran and Israel, have heightened uncertainty in the global economic environment. These developments may contribute to increased global commodity and energy prices, particularly fuel costs, which may result in imported inflationary pressures and increased costs of doing business within the domestic economy. The Group continues to closely monitor these developments and assess their potential impact on its operations and the broader economic environment.

These events occurred after the reporting date and have therefore not resulted in adjustments to the amounts recognised in these Consolidated Annual Financial Statements.

# Company Financial Statements

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## Company Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

		AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
	<b>NOTES</b>		
Revenue	2	1 214 540	452 786
Operating expenditure	3	(752 401)	(558 520)
<b>Operating profit</b>		<b>462 139</b>	<b>(105 734)</b>
Expected credit loss expense		-	(6 980)
<b>Profit before tax</b>		<b>462 139</b>	<b>(112 714)</b>
Taxation	4	1 219	8 127
<b>Profit for the year after tax</b>		<b>463 358</b>	<b>(104 587)</b>
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods.</b>			
Gains or (losses) on property revaluation		214	(905)
Fair value gains on equity investments		-	39
Effects of translation to presentation currency		(17 932)	362 532
Deferred income tax relating to other comprehensive income	4.3	(55)	231
<b>Other comprehensive income for the year net of tax</b>		<b>(17 773)</b>	<b>361 897</b>
<b>Total comprehensive income for the year</b>		<b>445 585</b>	<b>257 310</b>
<b>Profit for the year attributable to:</b>			
Equity holders of parent		463 358	(104 587)
<b>Total profit for the year</b>		<b>463 358</b>	<b>(104 587)</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of parent		445 585	257 310
<b>Total comprehensive income for the year</b>		<b>445 585</b>	<b>257 310</b>
<b>Earnings per share (ZWG cents):</b>			
Basic		74.49	(16.81)
Fully diluted		74.49	(16.81)

## Company Statement of Financial Position

As at 31 December 2025

		AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>ASSETS</b>			
	<b>NOTES</b>		
Cash and cash equivalents	5	40 605	11 343
Other assets	12	94 136	278 660
Financial securities	14	277 961	63 479
Investments in equities	8	49 827	72 938
Investments in subsidiaries	8.2	539 924	321 272
Investments in associates	8.3	981 442	974 560
Property and equipment	10	59 119	42 193
Deferred tax assets	11.1	18 266	12 988
<b>TOTAL ASSETS</b>		<b>2 061 280</b>	<b>1 777 433</b>
<b>LIABILITIES</b>			
Other liabilities	15	1 325 368	1 144 043
Lease liabilities	10.2	21 063	14 481
Deferred tax liabilities	11.2	10 954	6 855
Current tax		8 992	8 929
<b>TOTAL LIABILITIES</b>		<b>1 366 377</b>	<b>1 174 308</b>
<b>EQUITY AND RESERVES</b>			
Share capital	19	9 879	9 879
Share premium	20	232 384	232 384
Revaluation reserve	18	2 819	2 660
Retained earnings	16	87 716	(42 746)
Fair value reserve	17	17 505	17 505
Share based payment reserve	21	-	20 911
Foreign currency translation reserve	22	344 600	362 532
<b>TOTAL EQUITY AND RESERVES</b>		<b>694 903</b>	<b>603 125</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2 061 280</b>	<b>1 777 433</b>

## Company Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital ZWG 000	Share premium ZWG 000	Share based payment reserve ZWG 000	Revaluation reserve ZWG 000	Fair value reserve ZWG 000	FCTR* ZWG 000	Retained earnings ZWG 000	Total ZWG 000
<b>AUDITED</b>								
<b>31 December 2024</b>								
Opening balance	9 879	232 384	20 911	3 332	17 468	-	130 565	414 539
Profit for the year	-	-	-	-	-	-	(104 587)	(104 587)
Other comprehensive income for the year	-	-	-	(672)	37	362 532	-	361 897
Dividend paid	-	-	-	-	-	-	(68 724)	(68 724)
<b>Closing balance</b>	<b>9 879</b>	<b>232 384</b>	<b>20 911</b>	<b>2 660</b>	<b>17 505</b>	<b>362 532</b>	<b>(42 746)</b>	<b>603 125</b>
<b>31 December 2025</b>								
Opening balance	9 879	232 384	20 911	2 660	17 505	362 532	(42 746)	603 125
Profit for the year	-	-	-	-	-	-	463 358	463 358
Other comprehensive income for the year	-	-	-	159	-	(17 932)	-	(17 773)
Cancellation of equity settled share based payment	-	-	(20 911)	-	-	-	-	(20 911)
Dividend paid	-	-	-	-	-	-	(332 896)	(332 896)
<b>Closing balance</b>	<b>9 879</b>	<b>232 384</b>	<b>-</b>	<b>2 819</b>	<b>17 505</b>	<b>344 600</b>	<b>87 716</b>	<b>694 903</b>

\* Foreign currency translation reserve

## Company Statement of Cash Flows

For the year ended 31 December 2025

		AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		462 139	(112 714)
<b>Non-cash items:</b>			
Depreciation	3	12 540	7 307
Day one gains on financial instruments		(97 698)	-
Fair value adjustment on financial instruments	2	17 361	(4 982)
Unrealised (gain)/loss on foreign currency position		(630)	40 063
Profit on sale of property and equipment		(631)	8
Accrued interest on financial instruments		(736)	-
Expected credit loss expense		-	6 980
Write offs and impairment of fixed assets		989	80
Interest on lease liability		2 341	1 188
<b>Operating cash inflow / outflow before changes in operating assets and liabilities</b>		<b>395 675</b>	<b>(62 070)</b>
<b>Changes in operating assets and liabilities</b>			
Other assets		14 363	(429 263)
Financial securities		-	(63 480)
Other liabilities		160 774	611 463
		<b>570 812</b>	<b>56 650</b>
<b>Taxation</b>			
Corporate tax paid		-	(1 855)
<b>Net cash inflow from operating activities</b>		<b>570 812</b>	<b>54 795</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in equities during the year		(214 713)	-
Purchase of property and equipment		(18 420)	(1 374)
Financial securities disposed during the year		30 923	2
Proceeds on disposal of property and equipment		825	34
<b>Net cash outflow from investing activities</b>		<b>(201 385)</b>	<b>(1 338)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	7	(332 896)	(68 724)
Lease liability payment		(5 482)	(3 231)
Interest on lease liability		(2 341)	(1 188)
<b>Net cash outflow from financing activities</b>		<b>(340 719)</b>	<b>(73 143)</b>
<b>Net decrease in balances with banks and cash</b>			
Balances with banks and cash at the beginning of the year		11 343	64 995
Exchange gains on foreign cash balances		247	(18 688)
Inflation effects on cash & cash equivalent		306	(15 278)
<b>Cash &amp; Cash equivalents at the end of the year</b>		<b>40 605</b>	<b>11 343</b>

# Notes to the Company financial statements for the

For the year ended 31 December 2025

## 1 INCORPORATION AND ACTIVITIES

The financial statements of the Company for the year ended 31 December 2025 are prepared in accordance with the same principles used in preparing consolidated financial statements of the Group. For detailed accounting policies refer to the Group's Financial statements.

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>2 REVENUE</b>		
Fair value adjustments on financial instruments	(17 361)	4 982
Dividend income	1 136 701	364 901
Profit/(loss) on disposal of property and equipment	631	(8)
Interest received	3 538	2 350
Other operating income	63 433	414
Unrealised gain/ (loss) on foreign currency exchange	630	(40 063)
Management fees	26 968	120 210
	<b>1 214 540</b>	<b>452 786</b>
<b>2.1 Disaggregation of revenue Income from investments</b>		
Income from investments		
Dividends received from listed and unlisted investments	1 136 701	364 901
Fair value adjustments on financial instruments	(17 361)	4 982
<b>Total</b>	<b>1 119 340</b>	<b>369 883</b>
<b>Exchange gains or loss on monetary balances</b>		
Exchange gains/(losses) on monetary assets	436	(53 110)
Exchange gains/(losses) on monetary liabilities	194	13 047
<b>Total</b>	<b>630</b>	<b>(40 063)</b>
<b>Revenue recognised at a point in time</b>		
Management fees**	26 968	120 210
Other operating income	63 433	414
<b>Total</b>	<b>90 401</b>	<b>120 624</b>
The Company's revenue is recognised at a point in time.		
**Management fees are wholly from subsidiaries companies		
<b>3 OPERATING EXPENDITURE</b>		
Staff costs	463 089	412 582
Other administration expenses	134 156	76 322
Audit fees	4 070	4 933
Depreciation	12 540	7 307
Interest expense	137 557	57 296
Write off of property and equipment	989	80
	<b>752 401</b>	<b>558 520</b>
<b>Remuneration of directors and key management personnel (included in staff costs)</b>		
Fees for services as directors	25 388	9 601
Pension for past and present directors	8 159	5 681
Salaries and other benefits	97 376	111 058
	<b>130 923</b>	<b>126 340</b>
Short term employment benefits	122 764	120 659
Post employment benefits	8 159	5 681
	<b>130 923</b>	<b>126 340</b>

**4 TAXATION**

**4.1 The following constitutes the major components of income tax expense recognised in the Statement of profit or loss.**

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Deferred tax	(1 219)	(8 127)
<b>Deferred tax income</b>	<b>(1 219)</b>	<b>(8 127)</b>

**4.2 Tax rate reconciliation**

	%	%
Notional tax	25.00	25.0
Aids levy	0.75	0.75
Non-deductible expenses	35.43	(1.02)
Exempt income	(62.19)	0.88
Effect on rebasing tax bases	0.76	(0.05)
<b>Effective tax rate</b>	<b>(0.25)</b>	<b>25.57</b>

Included in exempt income is income from interest and local dividend income.

Non-deductible expenses include expenditure on exempt income, excess pension costs and disallowed expenses.

**4.3 The following constitutes the major components of deferred income tax expense recognised in the statement of other comprehensive income**

Revaluation of property and equipment	55	(233)
Unlisted equities	-	2
	<b>55</b>	<b>(231)</b>

**5 BANK AND CASH**

Cash at bank	40 605	11 343
	<b>40 605</b>	<b>11 343</b>

**6 EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the per year after adjusting for treasury shares.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the parent by the sum of weighted average number of ordinary shares outstanding and the weighted average number of potentially dilutive ordinary shares after adjusting for treasury shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>6.1 Annualised earnings per share (ZWG cents)</b>		
Basic	74.49	(16.81)
Diluted basic	74.49	(16.81)
<b>6.2 Earnings attributable to holders of parent</b>		
Basic	463 358	(104 587)
Diluted basic	463 358	(104 587)
<b>Number of shares used in calculations</b>		
Basic	622 069	622 069
<b>Diluted basic</b>	<b>622 069</b>	<b>622 069</b>
<b>6.3 Headline Earnings</b>		
Profit attributable to ordinary shareholders	463 358	(104 587)
<b>Adjusted to exclude re-measurements</b>		
Write off & impairment of property and equipment	3 415	80
Disposal gain on property and equipment	(631)	8
Tax relating to remeasurements	(717)	(23)
<b>Headline earnings</b>	<b>465 425</b>	<b>(104 522)</b>

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>7 DIVIDENDS</b>		
Interim dividend paid	66 500	-
Final dividend proposed and paid	266 396	68 724
	<b>332 896</b>	<b>68 724</b>
Interim dividend per share (Cents)	10.69	-
Final dividend per share (Cents)	53.51	11.05
Dividends are paid on shares held at the record date, net of treasury shares held on the same date.		
<b>8 EQUITY INVESTMENTS</b>		
Opening balance	394 210	194 443
Additions	214 713	422
Disposals	-	(2)
Fair value adjustments through Profit or Loss	(17 361)	4 982
Fair value adjustments through Other Comprehensive Income	-	39
Effects of translating to presentation currency	(1 811)	194 326
<b>Closing balance</b>	<b>589 751</b>	<b>394 210</b>
<b>8.1 Equities investment split</b>		
Listed investments	44 733	67 881
Unlisted investments	545 018	326 329
	<b>589 751</b>	<b>394 210</b>
Equity investments designated at fair value through profit or loss	44 733	67 881
Equity investments designated at fair value through other comprehensive income	5 094	5 057
	<b>49 827</b>	<b>72 938</b>

	AUDITED 31 DEC 2025 ZWG 000	%	AUDITED 31 DEC 2024 ZWG 000	%
<b>8.2 Investment in subsidiaries</b>				
CBZ Bank Limited	68 752	100	68 270	100
CBZ Asset Management (Private) Ltd	10 828	100	10 752	100
CBZ Insurance (Private) Ltd	71 102	98.4	37 065	98.4
CBZ Properties (Private) Ltd	85 666	100	46 619	100
CBZ Life Assurance (Private) Ltd	35 804	100	35 553	100
CBZ Asset Management-Mauritius	51 378	100	46 090	100
CBZ Risk Advisory (Private) Ltd	17 206	100	17 086	100
Redsphere Finance (Private) Ltd	50 693	100	37 438	100
CBZ Agro Yield (Private) Ltd	126 372	100	689	100
CBZ South Africa Private Limited	22 123	100	21 710	100
	<b>539 924</b>		<b>321 272</b>	

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>8.3 Investments in associates</b>		
Opening balance	974 560	512 301
Effects of translation to presentation currency	6 882	462 259
<b>Closing balance</b>	<b>981 442</b>	<b>974 560</b>

CBZ Holdings "the company" holds investments in associates accounted for at cost in the separate Financial Statements of the company. These investments are equity-accounted at Group level refer to Group Financial Statements note 17.

## 9. FAIR VALUE MEASUREMENT

### 9.1 The following table presents items of the Statement of Financial Position of the Company which are recognised at fair value:

	AUDITED							
	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000
Equity investments	44 733	67 881	-	-	5 094	5 057	49 827	72 938
Land and Buildings	-	-	-	6 243	6 287	-	6 287	6 243
<b>Total assets at fair value</b>	<b>44 733</b>	<b>67 881</b>	<b>-</b>	<b>6 243</b>	<b>11 381</b>	<b>5 057</b>	<b>56 114</b>	<b>79 181</b>

There were no transfers between Level 1 and Level 2 during the year.

The fair values of the non-listed equities have been classified as level three. Fair value gains on these investments were recognised in Other Comprehensive Income under the line item Gains on Equity Instruments at FVOCI.

The fair values of the Company's properties have been classified as Level 3, having previously been classified as Level 2. The unobservable inputs used in the valuation of land and buildings were previously not considered significant, and the properties were therefore classified within Level 2 of the fair value hierarchy. Following the change in the Group's functional currency, the valuation process now incorporates a greater degree of judgement and significant unobservable inputs, resulting in the reclassification of these property valuations to Level 3 in accordance with IFRS 13 – Fair Value Measurement. The valuation methodology has been highlighted separately on note 10 for Property and equipment

#### Level 3 valuation techniques

##### Investments in unlisted equities

The fair values were derived using a combination of income and market approaches depending on the appropriateness of the methodologies to the type of equity instruments held. The valuation took into account certain assumptions about the model inputs, including but not limited to liquidity discounts, country or jurisdiction factors, inflation, credit risk and volatility. A range of probabilities was also applied to these inputs and the fair values derived were deemed to be within acceptable fair values ranges of the equities.

##### Valuation of properties

The Company used a combination of valuation techniques, including the implicit investment approach, direct comparison method, and cost approach to determine the fair value of its properties. A number of unobservable inputs were used in these valuations; of these, management has identified the capitalisation rate as the only significant unobservable input impacting Level 3 fair values. The details of the inputs applied are summarised below:

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
Implicit investment approach	Capitalisation rate (20%-25%)	<ul style="list-style-type: none"> <li>An increase in the capitalisation rate would result in a decrease in the fair value of the property, while a decrease in the capitalisation rate would increase the fair value.</li> </ul>
Direct comparison method	Rentals per square metre (ZWG250-ZWG280) Rate per square metre (ZWG250-ZWG280)	<ul style="list-style-type: none"> <li>Higher rentals per square metre would increase the fair value of the property, while lower rentals would decrease the fair value.</li> <li>An increase in the rate per square metre would increase the fair value of the property, while a decrease would reduce the fair value.</li> </ul>
Cost approach	Depreciation factor (7%-10%)	<ul style="list-style-type: none"> <li>An increase in the depreciation factor would decrease the fair value of the property, while a lower depreciation factor would increase the fair value.</li> </ul>

The fair value of the Company's properties is sensitive to changes in the capitalisation rate. A reasonably possible increase or decrease of 5% in the capitalisation rate would result in a corresponding decrease or increase in the fair value of the properties, while changes in the other inputs are expected to have a limited impact on Level 3 valuations.

**10. PROPERTY AND EQUIPMENT**

	Buildings ZWG 000	Leasehold improvements ZWG 000	Motor vehicles ZWG 000	Computer & Equipment ZWG 000	Furniture & Fittings ZWG 000	Total ZWG 000
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**31 December 2025**
**Cost**

Opening balance	37 349	4 646	7 650	13 399	8 295	71 339
Effects of translation to presentation currency	220	(78)	(98)	47	35	126
Right of use asset	14 542	-	-	-	-	14 542
Additions	-	6 380	7 052	3 726	1 262	18 420
Derecognition of right of use asset	(12 682)	-	-	-	-	(12 682)
Disposals	-	(504)	(515)	-	-	(1 019)
Write offs	-	(1 132)	-	(1 702)	(254)	(3 088)
<b>Closing balance</b>	<b>39 429</b>	<b>9 312</b>	<b>14 089</b>	<b>15 470</b>	<b>9 338</b>	<b>87 638</b>

**Accumulated depreciation**

Opening balance	15 862	2 385	3 231	6 064	1 604	29 146
FCTR	181	23	(9)	32	(1)	226
Right of use asset	6 797	-	-	-	-	6 797
Charge for the year	214	733	1 886	2 126	784	5 743
Derecognition of right of use asset	(9 755)	-	-	-	-	(9 755)
Disposal	-	(310)	(515)	-	-	(825)
Revaluation	(214)	-	-	-	-	(214)
Write offs	-	(695)	-	(1 651)	(253)	(2 599)
<b>Closing balance</b>	<b>13 085</b>	<b>2 136</b>	<b>4 593</b>	<b>6 571</b>	<b>2 134</b>	<b>28 519</b>

<b>Net book value</b>	<b>26 344</b>	<b>7 176</b>	<b>9 496</b>	<b>8 899</b>	<b>7 204</b>	<b>59 119</b>
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	Buildings ZWG 000	Leasehold improvements ZWG 000	Motor vehicles ZWG 000	Computer & Equipment ZWG 000	Furniture & Fittings ZWG 000	Total ZWG 000
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**31 December 2024**
**Cost**

Opening balance	14 576	2 442	4 021	6 229	2 686	29 954
Effects of translation to presentation currency	17 665	2 204	3 629	6 062	5 520	35 080
Right of use asset	6 158	-	-	-	-	6 158
Additions	-	-	-	1 248	126	1 374
Revaluation gain	(1 050)	-	-	-	-	(1 050)
Disposals	-	-	-	(26)	(37)	(63)
Write offs	-	-	-	(114)	-	(114)
<b>Closing balance</b>	<b>37 349</b>	<b>4 646</b>	<b>7 650</b>	<b>13 399</b>	<b>8 295</b>	<b>71 339</b>

**Accumulated depreciation**

Opening balance	4 887	815	874	2 457	587	9 620
FCTR	6 695	1 026	1 335	2 691	672	12 419
Right of use asset	4 280	-	-	-	-	4 280
Charge for the year	145	544	1 022	957	359	3 027
Disposal	-	-	-	(7)	(14)	(21)
Revaluation	(145)	-	-	-	-	(145)
Write offs	-	-	-	(34)	-	(34)
<b>Closing balance</b>	<b>15 862</b>	<b>2 385</b>	<b>3 231</b>	<b>6 064</b>	<b>1 604</b>	<b>29 146</b>

<b>Net book value</b>	<b>21 487</b>	<b>2 261</b>	<b>4 419</b>	<b>7 335</b>	<b>6 691</b>	<b>42 193</b>
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During the year the company wrote-off assets that were fully depreciated and are no longer expected to generate future economic benefits.

These assets included office equipment, furniture and fittings, and computer equipment.

The carrying amount of the land and buildings is the fair value of the property as determined by a registered internal appraiser, having an appropriate, recognised professional qualification and recent experience in the location and category of the property being valued.

The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe standards.

In determining the market values of the subject property, the following was considered:

- Comparable market evidence which comprised complete transactions as well as transactions where offers had been made but the transactions had not been finalised.
- Professional judgement was exercised to take cognisance of the fact that properties in the transaction were not exactly comparable in terms of size, quality and location of the property owned by the company.
- The reasonableness of the market values of commercial properties so determined, per above bullet, was assessed by reference to the properties in the transaction.
- Comparison of the analysis with the subject properties and then carrying out the valuation of the subject properties.

Adjustments were made to the following aspects:

- Age of property – state of repair and maintenance,
- Aesthetic quality – quality of fixtures and fittings,
- Structural condition – location,
- Accommodation offered – size of land.

Included in property and equipment are amounts relating to Right of use assets for buildings that are leased by the Company for periods more than one year. The information about the leases for which the Company is a lessee is presented below:

#### 10.1 Right of use Assets

The Company leases its head office from CBZ Asset Management under finance leases. The building is used as the Head office by the Company.

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
At cost	33 143	31 106
Depreciation	(13 085)	(15 862)
<b>Carrying Amount</b>	<b>20 058</b>	<b>15 244</b>
Opening balance	15 244	5 307
Additions	14 204	6 158
Effects of translation to presentation currency	334	8 059
Derecognition	(2 927)	-
Depreciation charge for the year	(6 797)	(4 280)
<b>Closing balance</b>	<b>20 058</b>	<b>15 244</b>
<b>10.2 Lease liability</b>		
Opening balance	14 481	4 065
Additions	14 542	6 158
Effects of translation to presentation currency	(52)	7 490
Interest	2 341	1 188
Derecognition	(2 426)	-
Repayment	(5 482)	(3 232)
Interest paid	(2 341)	(1 188)
<b>Closing balance</b>	<b>21 063</b>	<b>14 481</b>
<b>10.3 Lease Liability maturity analysis</b>		
Less than one year	7 809	7 352
One to five years	20 211	17 562
<b>Total undiscounted lease liabilities</b>	<b>28 020</b>	<b>24 914</b>
<b>10.4 Amounts recognised in the statement of profit or loss</b>		
Interest on Lease liabilities	2 341	1 188
Expenses relating to short term leases	1 477	228
	<b>3 818</b>	<b>1 416</b>
<b>10.5 Amounts recognised in the statement of cash flows</b>		
<b>Total cash outflow for leases</b>	<b>(7 823)</b>	<b>(4 419)</b>

## 11 DEFERRED TAXATION

### 11.1 Deferred tax asset

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

The deferred tax included in the statement of financial position and changes recorded in the statement of profit or loss and other comprehensive income comprised of:

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
Opening balance	12 988	16 350
Credit loss provisions	-	717
Effects of translating to presentation currency	8	14 657
Other	5 270	(18 736)
<b>Closing deferred tax balance</b>	<b>18 266</b>	<b>12 988</b>

The deferred tax included in the statement of financial position are comprised of:

Assesed loss	8 178	4 976
Credit loss provisions	1 465	1 454
Provisions	3 200	2 829
Lease liability	5 423	3 729
<b>Closing deferred tax balance</b>	<b>18 266</b>	<b>12 988</b>

### 11.2 Deferred tax liability

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

The deferred tax included in the statement of profit or loss and other comprehensive income are comprised of:

Opening balance	6 855	17 880
Equity investments	(242)	20
Property and equipment	1 533	971
Effects of translating to presentation currency	(48)	15 774
Unrealised foreign exchange gains	2 856	(27 790)
<b>Closing balance</b>	<b>10 954</b>	<b>6 855</b>

The deferred tax included in the statement of financial position are comprised of:

Equity investments	1 029	1 256
Property and equipment	9 925	8 369
Unrealised foreign exchange gains	-	(2 770)
<b>Closing balance</b>	<b>10 954</b>	<b>6 855</b>

## 12 Intercompany balances

CBZ Asset Management (Private) Ltd	-	3 697
CBZ Properties (Private) Ltd	4 838	25 927
CBZ Life Assurance (Private) Ltd	775	294
CBZ Risk Advisory (Private) Ltd	308	1 025
Prepayments	44 746	198 929
Other receivables	43 469	48 788
	<b>94 136</b>	<b>278 660</b>

Outstanding intercompany balances with subsidiary Companies are priced at arm's length and none of these balances are secured. No Expected Credit Loss (ECL) allowance has been recognised in the current or prior year in respect of these as management has assessed the probability of default to be zero.

## 13 RELATED PARTIES

## 13.1 Intra-Group related party transactions

	Management Fees		Interest Expense		Other Costs (Shared Costs Insurance & Valuation fees)	
	AUDITED		AUDITED		AUDITED	
	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000	31 DEC 2025 ZWG 000	31 DEC 2024 ZWG 000
<b>Related Party</b>						
CBZ Bank Limited	22 107	107 317	(71)	(36)	(1 599)	(3 406)
CBZ Asset Management (Pvt) Ltd	559	1 929	-	-	-	-
CBZ Insurance (Pvt) Ltd	736	1 477	-	-	(1 641)	(3 206)
CBZ Properties (Pvt) Ltd	440	1 627	-	-	(842)	(199)
CBZ Life Assurance (Pvt) Ltd	681	1 298	(3 003)	(947)	-	-
CBZ Risk Advisory (Pvt) Ltd	339	1 195	-	-	-	-
Redsphere Finance	746	1 586	-	-	-	-
CBZ Agro Yield	1 359	3 781	-	-	-	(29 984)

## 13.2 Amounts due from or (to) group companies

	AUDITED		
	Amounts due from ZWG 000	Amounts due to ZWG 000	Net ZWG 000
<b>31 December 2025</b>			
<b>Group Company</b>			
CBZ Bank Limited	-	(17 298)	(17 298)
CBZ Asset Management (Pvt) Ltd	-	(7 258)	(7 258)
CBZ Insurance (Pvt) Ltd	-	(129)	(129)
CBZ Properties (Pvt) Ltd	4 838	-	4 838
CBZ Life Assurance (Pvt) Ltd	775	-	775
CBZ Asset Management-Mauritius	-	(627)	(627)
CBZ Risk Advisory (Pvt) Ltd	308	-	308
Redsphere Finance	-	(3 168)	(3 168)
CBZ Agro Yield	-	(50 537)	(50 537)
	<b>5 921</b>	<b>(79 017)</b>	<b>(73 096)</b>

## Amounts due from or (to) group companies

	AUDITED		
	Amounts due from ZWG 000	Amounts due to ZWG 000	Net ZWG 000
<b>31 December 2024</b>			
<b>Group Company</b>			
CBZ Bank Limited	-	(26 227)	(26 227)
CBZ Asset Management (Pvt) Ltd	3 697	-	3 697
CBZ Insurance (Pvt) Ltd	-	(1 656)	(1 656)
CBZ Properties (Pvt) Ltd	25 927	-	25 927
CBZ Life Assurance (Pvt) Ltd	294	-	294
CBZ Asset Management-Mauritius	-	(623)	(623)
CBZ Risk Advisory (Pvt) Ltd	1 025	-	1 025
Redsphere Finance	-	(1 845)	(1 845)
CBZ Agro Yield	-	(58 477)	(58 477)
	<b>30 943</b>	<b>(88 828)</b>	<b>(57 885)</b>

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>14 FINANCIAL SECURITIES</b>		
Financial securities are non credit financial assets with an original maturity of more than 1 year.		
Treasury bills	277 961	63 479
<b>Total gross financial securities</b>	<b>277 961</b>	<b>63 479</b>
<b>15 OTHER LIABILITIES</b>		
<b>Intercompany balances</b>		
CBZ Bank Limited	17 298	26 227
CBZ Asset Management (Private) Ltd	7 258	-
CBZ Insurance (Private) Ltd	129	1 656
CBZ Asset Management-Mauritius	627	623
Redsphere Finance	3 168	1 845
CBZ Agro Yield	50 537	58 477
Provisions	92 729	142 967
Sundry creditors	192 504	(2 674)
Accruals	134 703	200 675
Debentures	826 415	714 247
	<b>1 325 368</b>	<b>1 144 043</b>
<b>16 RETAINED EARNINGS</b>		
Opening balance	(42 746)	130 565
Total comprehensive income for the year	463 358	(104 587)
Dividend paid	(332 896)	(68 724)
<b>Closing balance</b>	<b>87 716</b>	<b>(42 746)</b>
<b>17 FAIR VALUE RESERVE</b>		
Opening balance	17 505	17 468
Other comprehensive income	-	37
<b>Closing balance</b>	<b>17 505</b>	<b>17 505</b>
The fair value reserve comprises of the cumulative net change in the fair value of unquoted equities designated at FVOCI.		
<b>18 REVALUATION RESERVE</b>		
Opening balance	2 660	3 332
Net revaluation gain	159	(672)
<b>Closing balance</b>	<b>2 819</b>	<b>2 660</b>
The revaluation reserve relates to the revaluation of property and equipment.		
<b>19 SHARE CAPITAL</b>		
Authorised 1 000 000 000 ordinary shares of ZWG 000 0.01 each		
	<b>Shares (000)</b>	<b>Shares (000)</b>
Opening balance	622 069	622 069
<b>Issued and fully paid</b>	<b>622 069</b>	<b>622 069</b>
Opening balance	9 879	9 879
<b>Closing balance</b>	<b>9 879</b>	<b>9 879</b>
<b>20 SHARE PREMIUM</b>		
Opening balance	232 384	232 384
<b>Closing balance</b>	<b>232 384</b>	<b>232 384</b>
<b>21 SHARE BASED PAYMENT RESERVE</b>		
Opening balance	20 911	20 911
Cancellation of equity settled share based payment	(20 911)	-
<b>Closing balance</b>	<b>-</b>	<b>20 911</b>

	AUDITED 31 DEC 2025 ZWG 000	AUDITED 31 DEC 2024 ZWG 000
<b>22 FOREIGN CURRENCY TRANSLATION RESERVE</b>		
Opening balance	362 532	-
Effects of translation to presentation currency	(17 932)	362 532
<b>Closing balance</b>	<b>344 600</b>	<b>362 532</b>

**23 RISK MANAGEMENT**

The company's risk management is in line with the Group's risk management framework (note 34).

**24 ACCOUNTING POLICIES**

The company's accounting policies are consistent with those applied in the Group's financial statements.

**25 GOING CONCERN**

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future and will be able to realise its assets and settle its liabilities in the ordinary course of business.

In assessing the appropriateness of the going concern basis of preparation, consideration was given to the Company's financial position, liquidity profile, projected cash flows and available financial resources. Particular consideration was given to the following matters:

**a) Net current liability position**

At 31 December 2025, the Company was in a net current liability position. The assessment of the Company's liquidity position, projected cash flows and available financial resources indicates that the Company is expected to meet its obligations as they fall due.

The Company continues to benefit from expected dividend income, management fee income and a portfolio of highly liquid equity investments that provide financial flexibility, where required. Accordingly, the net current liability position does not give rise to a material uncertainty regarding the Company's ability to continue as a going concern, and the financial statements have been prepared on the going concern basis.

**b) Company restructuring exercise**

In January 2025, the Company completed a restructuring exercise initiated in August 2024 as part of the Group's 2024–2028 Strategic Plan.

The restructuring was undertaken to optimise the operating model, improve operational efficiency, strengthen governance structures and enhance technological capabilities. The restructuring is expected to enhance operational efficiency and has been factored into the Company's financial forecasts used in the going concern assessment.

Based on the assessment performed, no material uncertainties have been identified that may cast significant doubt on the Company's ability to continue as a going concern for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

# ANNEXURES

## GRI Content Index

<b>Statement of use</b>	CBZ Holdings reported the information cited in this GRI content index for the period from 01 January 2025 to 31 December 2025 in accordance with the GRI Standards.				
<b>GRI used</b>	GRI 1: Foundation 2021				
GRI STANDARD	DISCLOSURE	LOCATION (Page)	Omission		
			Part Omitted	Reason	Explanation
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	30-31			
	2-2 Entities included in the organisation's sustainability reporting	30-31			
	2-3 Reporting period, frequency and contact point	6			
	2-4 Restatements of information	7			Improvements in sustainability data collection
	2-5 External assurance	7			
	2-6 Activities, value chain and other business relationships	30-32			
	2-7 Employees	104			
	2-8 Workers who are not employees	104			
	2-9 Governance structure and composition	136			
	2-10 Nomination and selection of the highest governance body	158			
	2-11 Chair of the highest governance body	138			
	2-12 Role of the highest governance body in overseeing the management of impacts	150			
	2-13 Delegation of responsibility for managing impacts	158- 159			
	2-14 Role of the highest governance body in sustainability reporting	159			
	2-15 Conflicts of interest	154			
	2-16 Communication of critical concerns	150			
	2-17 Collective knowledge of the highest governance body	138			
	2-18 Evaluation of the performance of the highest governance body	160			
	2-19 Remuneration policies	151			
	2-20 Process to determine remuneration	151			
	2-21 Annual total compensation ratio	Not Available			
	2-22 Statement on sustainable development strategy	77			
	2-23 Policy commitments	Not Available			
	2-24 Embedding policy commitments	Not Available			
	2-25 Processes to remediate negative impacts	84-92			
	2-26 Mechanisms for seeking advice and raising concerns	72-73			
	2-27 Compliance with laws and regulations	8			
	2-28 Membership associations	8			
	2-29 Approach to stakeholder engagement	72			
	2-30 Collective bargaining agreements	109			

GRI STANDARD	DISCLOSURE	LOCATION (Page)	Omission		
			Part Omitted	Reason	Explanation
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	74			
	3-2 List of material topics	74			
	3-3 Management of material topics				See management approaches for each topic
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	129, 186-189			
	201-2 Financial implications and other risks and opportunities due to climate change	88-92			
	201-3 Defined benefit plan obligations and other retirement plans	108			
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	116-119			
	203-2 Significant indirect economic impacts	117			
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	121			
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	130			
	207-2 Tax governance, control, and risk management	130			
	207-3 Stakeholder engagement and management of concerns related to tax	130			
	207-4 Country-by-country reporting	Not Available			
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Not Available			
	301-2 Recycled input materials used	Not Available			
	301-3 Reclaimed products and their packaging materials	Not Available			
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	99			
	302-2 Energy consumption outside of the organisation	99			
	302-3 Energy intensity	Not Available			
	302-4 Reduction of energy consumption	99			
	302-5 Reductions in energy requirements of products and services	99			
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	121			
	303-2 Management of water discharge-related impacts	121			
	303-3 Water withdrawal	Not Available			
	303-4 Water discharge	Not Available			
	303-5 Water consumption	Not Available			
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Available			
	304-2 Significant impacts of activities, products and services on biodiversity	Not Available			
	304-3 Habitats protected or restored	Not Available			

GRI STANDARD	DISCLOSURE	LOCATION (Page)	Omission		
			Part Omitted	Reason	Explanation
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	100			
	305-2 Energy indirect (Scope 2) GHG emissions	100			
	305-4 GHG emissions intensity	Not Available			
	305-5 Reduction of GHG emissions	101			
	305-6 Emissions of ozone-depleting substances (ODS)	Not Available			
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Not Available			
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	121			
	306-2 Management of significant waste-related impacts	121			
	306-3 Waste generated	122			
	306-4 Waste diverted from disposal	Not Available			
	306-5 Waste directed to disposal	Not Available			
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	105			
	401-3 Parental leave	108			
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	1 month			
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	114			
	403-2 Hazard identification, risk assessment, and incident investigation	114			
	403-3 Occupational health services	114			
	403-4 Worker participation, consultation, and communication on occupational health and safety	114			
	403-5 Worker training on occupational health and safety	114			
	403-6 Promotion of worker health	115			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	115			
	403-8 Workers covered by an occupational health and safety management system	114			
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	110			
	404-2 Programmes for upgrading employee skills and transition assistance programmes	107, 110			
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	76, 104, 137			
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	109			
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programmes	117			
	413-2 Operations with significant actual and potential negative impacts on local communities	116			

## IFRS S1 and S2 Check List

GOVERNANCE		
Disclosures	Disclosure Reference	Page(s)
Which governance body(s), oversee the effective management of Sr/CrROs across the entity?		159
How are responsibilities for Sr/CrROs reflected in the terms of reference, mandates, role descriptors and other related policies applicable to the governance body?		154
How are appropriate skills and competencies of the governance bodies determined or developed to oversee strategy designed to respond to Sr/CrROs?	Pending full adoption for future disclosure	
How and how often are those in the governance body(s) informed about the organisation's related risks and opportunities?		154
Explain how those in (1) consider Sr/CrROs when overseeing the entity's strategy, decisions on major transactions, and its risk management process and related policies?	Pending full adoption for future disclosure	
Have those in (1) considered trade-offs associated with those risks and opportunities?	Pending full adoption for future disclosure	
How do those in (1) oversee the setting of targets related to Sr/CrRO, and monitor progress towards those targets?	Pending full adoption for future disclosure	
Have related performance metrics been included in remuneration policies? If so, how?	Pending full adoption for future disclosure	
Is management directly involved in the Sr/CrRO activities of their entity? Demonstrate how they are involved?		159
Does the management possess sufficient knowledge of all major business lines to ensure that appropriate policies, processes, controls and risk monitoring systems are in place, and that accountability and lines of authority are clearly delineated?	Pending full adoption for future disclosure	
How has the management deployed the appropriate skills to ensure that appropriate processes, controls and procedures are carried out to monitor, manage and oversee Sr/CrRO's?		77
Is the management role delegated to a specific management-level position or management-level committee? How is oversight exercised over that position or committee?		147 - 149
What controls and procedures are used to support the oversight of Sr/CrRO? How are these controls and procedures integrated with other internal functions?	Pending full adoption for future disclosure	

STRATEGY		
Disclosures	Disclosures Reference	Page(s)
Identify and describe Sr/CrRO that could reasonably be expected to affect the entity's prospects.	Pending full adoption for future disclosure	
How are key stakeholders engaged on sustainability and climate related issues to better enable the institution to develop strategies to address relevant concerns?		72-73
Categorise each identified climate related risk as either a physical risk or transition risk.		94
Specify the time horizons—short, medium or long term—over which the effects of each of those Sr/CrRO could reasonably be expected to occur.		89-90
Explain how the time horizons link to the planning horizons used for the entity's strategic decision making.		89
Describe the current and anticipated effects of Sr/CrRO on the entity's business model and value chain.		89
Where in the entity's business model and value chain are Sr/CrRO concentrated? (for example, geographical areas, facilities and types of assets).		89
Describe how the entity responded to, and plans to respond to, Sr/CrRO in its strategy and decision-making.		91
Describe any current and anticipated changes to the business model attributable to climate-related risks and opportunities including changes in resource allocation e.g., plans to manage or decommission carbon, energy or water-intensive operations, changes in demand or supply chain, or investments and expenditure, including on research and development, acquisitions and divestments?	Pending full adoption for future disclosure	
Describe any current and anticipated direct mitigation and adaptation efforts, for example, energy use, fleet management, employee commute, water consumption, resource consumption and usage of paper.		92
Details on any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies.		101
Details of how the entity plans to achieve any climate-related targets including greenhouse gas emissions targets it has set and any targets it is required to meet by law or regulation.		101
How is the entity resourcing or plans to resource the activities attributable to climate-related risks and opportunities?		101
For climate-related risks and opportunities, what were the key assumptions made in the scenario analysis?		93
For climate-related risks and opportunities, what was the reporting period in which the climate-related scenario analysis was carried out?		93-94

RISK MANAGEMENT		
Disclosures	Disclosure Reference	Page(s)
How does the entity identify, assess and prioritise sustainability/ climate-related risks?		86-88
How does this process monitor sustainability/ climate-related risks?		86-88
What inputs and parameters (for example, information about data sources and the scope of operations covered in the processes) does the entity apply to assess, prioritise and monitor sustainability/ climate related risks?		86-88
How does the entity apply scenario analysis to inform its identification of sustainability/ climate-related risks? If so, how?		93-94
How does the entity assess the nature, likelihood and magnitude of the effects of those risks?	Pending full adoption for future disclosure	
How does this process consider qualitative factors, quantitative thresholds, or other criteria?	Pending full adoption for future disclosure	
How does this process prioritise sustainability/ climate-related risks relative to other types of risk?	Pending full adoption for future disclosure	
How has the entity changed the processes it uses compared with the previous reporting period? If so, how?	Pending full adoption for future disclosure	
Is scenario analysis integrated into and does it inform the entity's overall risk management framework?		93-94
How has the entity considered that circumstances might change over time? Which in turn will affect the organisation's approach to scenario and climate-related scenario analysis?	Pending full adoption for future disclosure	
How does the entity identify, assess, prioritise and monitor sustainability/ climate-related opportunities relative to other types of opportunities?	Pending full adoption for future disclosure	
What inputs and parameters (for example, information about data sources and the scope of operations covered in the processes) does the entity apply to assess, prioritise and monitor sustainability/ climate related opportunities?	Pending full adoption for future disclosure	
What processes does the entity have in place to manage Sr/CrROs?		87-88
Which Sr/CrROs fall under this process?		87, 89
What are the investment and disposal plan for this process?	Pending full adoption for future disclosure	
What are the planned sources of funding to implement this process?	Pending full adoption for future disclosure	

**METRICS AND TARGETS**

Disclosures	Disclosure Reference	Page(s)
For each Sr/CrRO, what metrics are required by an applicable IFRS Sustainability Disclosure Standard.		95-96
For each Sr/CrRO, what metrics does the entity use to measure and monitor that SrRO and its performance in relation to that SrRO, including progress towards any targets the organisation has set, and any targets it is required to meet by law or regulation.		96
What inputs and parameters (for example, information about data sources and the scope of operations covered in the processes) does the entity apply to assess, prioritise and monitor sustainability/ climate related risks?		
Do you apply a metric that is taken from another source other than IFRS Sustainability Disclosure Standard? If so, explain: <ul style="list-style-type: none"> <li>• How the metric is defined.</li> <li>• Whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure.</li> <li>• Whether the metric is validated by a third party and, if so, which party</li> <li>• The method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made.</li> </ul>	Pending full adoption for future disclosure	
Which approach, inputs and assumptions does the entity use to measure its GHG emissions?		96
Why has the entity chosen to use the approach, inputs and assumptions it uses to measure the GHG emissions?	Pending full adoption for future disclosure	
Have there been any changes in the measurement approach, inputs and assumptions the entity has used during the reporting period? Why were there changes?	Pending full adoption for future disclosure	
How are the Scope 1 and Scope 2 GHG emissions disaggregated between the consolidated accounting entity and other investees such as associates, joint ventures and unconsolidated subsidiaries?	Pending full adoption for future disclosure	
How are the Scope 2 GHG emissions disaggregated per location, and which are their associated contractual instruments?	Pending full adoption for future disclosure	
What categories are included in the entity's measurement of Scope 3 greenhouse gas emissions, according to the categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3)?		96
Which category 15 GHG emissions are associated with the entity's investments (financed emissions)?	Pending full adoption for future disclosure	
Does the entity apply a carbon price in decision-making? If so, how?	Pending full adoption for future disclosure	

METRICS AND TARGETS		
Disclosures	Disclosure Reference	Page(s)
Does the entity factor climate related considerations into executive remuneration? If so, how?	Pending full adoption for future disclosure	
Which approach has the entity used while setting each target? Has the approach been validated by a third party?	Pending full adoption for future disclosure	
How does the entity review each target and monitor its progress against it?		97
Have there been revisions to the targets? If so, why?	Pending full adoption for future disclosure	
How has the entity been performing against each of the set targets? Have there been trends and changes in the entity's performance?	Pending full adoption for future disclosure	
For each metric, indicate:  1. The metric used to set the target, 2. The objective of the target, 3. The part of the entity to which the target applies e.g., entire or part of the entity, specific business unit etc. 4. The base period from which progress is measured, Existing milestones and interim targets. 6. Whether the quantitative target is an absolute or intensity target 7. How has the target been informed by the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement?		96
Which GHG emissions are covered by the target? In which category (Scope 1, 2 and 3) does these emissions fall?		96
Is the target a gross GHG emission target or a net GHG emission target? If net, has the entity separately disclosed the associated gross greenhouse gas emission target?	Pending full adoption for future disclosure	
Was the target derived using a sectoral decarbonisation approach?	Pending full adoption for future disclosure	
To what extent does the entity rely on the use of carbon credit to achieve its net GHG emissions target?	Pending full adoption for future disclosure	
Which third-party scheme verified or certified the carbon credits used by the entity?	Pending full adoption for future disclosure	
Which type of carbon credit did the entity use?	Pending full adoption for future disclosure	
Was the underlying offset nature-based or based on technological carbon removals?	Pending full adoption for future disclosure	
Was the underlying offset achieved through carbon reduction or carbon removal?	Pending full adoption for future disclosure	
Which other factors may be considered to verify the credibility and integrity of the carbon credits the entity has used/ plans to use?	Pending full adoption for future disclosure	

# NOTICE OF AN ANNUAL GENERAL MEETING

For the year ended 31 December 2025

Notice is hereby given that the **Thirty-Fourth Annual General Meeting** of the Shareholders of CBZ Holdings Limited, ("the Company") will be held through a virtual platform, <https://polling.fts-net.com> on **Friday 17 July 2026 at 1000 hours (CAT)** for the purpose of transacting the following business:

## AGENDA

To consider and if deemed fit, to pass the following resolutions with or without amendments:-

### ORDINARY BUSINESS

#### 1. Virtual meeting

To note and approve the convening of the 34th Annual General Meeting through a virtual platform.

#### 2. Minutes

To consider and approve the minutes of the 33rd Annual General Meeting of the Company held on 18 July 2025.

#### 3. Financial Statements and Statutory Reports

To receive, consider and adopt the Directors' Report, the Auditors' Report and the Audited Annual Financial Statements for the financial year ended 31 December 2025.

#### 4. Dividend

To confirm payment of an interim dividend of **US\$2,500,000 (US0.40 cents per share)** declared on 21 October 2025 and a final dividend of **US\$10,000,000 (US1.61 cents per share)** declared on 17 April 2026 for the year ended 31 December 2025.

#### 5. Directorate

**5.1** In accordance with Clause 6.10.2 of the Company's Board Charter, Directors are to retire from the Board by rotation after having served a period of three years and if eligible may offer themselves for re-election. Consequently, Edward Elio Galante will be retiring by rotation and being eligible, offers himself for re-election.

**5.2** In accordance with Article 125(h) of the Company's Articles of Association, once a director reaches the age of 70 years of age, his office shall be extended on an annual basis until his seventy-eighth birthday. Consequently, Edward Ushemazoro Mashingaidze will be retiring and being eligible, offers himself for re-election for the ensuing year.

#### 6. Remuneration of Directors

To approve the remuneration of Directors for the past financial year.

(NOTE: In terms of Section 3 of Practice Note 4 issued by the ZSE on the 17th of January 2020, the Director's Remuneration Report shall be available for inspection by Members at the registered office of the Company)

#### 7. External Auditors

**7.1** To approve the External Auditors' fees for the year ended 31 December 2025.

**7.2** To note the retirement of KPMG Chartered Accountants Zimbabwe as External Auditors of the Company, after having served their statutory term.

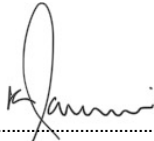
**7.3** To appoint Ernst & Young Zimbabwe as the External Auditors of the Company, following the retirement on KPMG Chartered Accountants Zimbabwe.

**8. ANY OTHER BUSINESS**

To transact any other business as may be transacted at an Annual General Meeting.

**NOTES:**

- i. Details of the Virtual AGM will be sent by our transfer secretaries, First Transfer Secretaries (Private) Limited, to all Shareholders through email.
- ii. Shareholders are advised to update their contact details with the transfer secretaries on the following contacts: First Transfer Secretaries (Private) Limited, 1 Armagh Avenue, Eastlea, Harare, Telephone: +263 242 782869/7, Email: info@fts-net.com.
- iii. In terms of the Companies and Other Business Entities Act [Chapter 24:31] a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company.
- iv. Proxy forms must be lodged at the registered office of the Company or the transfer secretaries not less than 48 (forty-eight hours) before the time for holding the meeting.
- v. Members may request a copy of the 2025 Annual Report from the registered office of the Company or from the office of the transfer secretaries.

**By order of the Board**

.....  
Rumbidzayi Angeline Jakanani  
**Group Chief Legal Counsel & Governance Officer**

**REGISTERED HEAD OFFICE**

5 Campbell Road  
Pomona, Borrowdale  
Harare, Zimbabwe  
Telephone: (263-4) 748050-79  
Email: info@cbzh.co.zw

16 June 2026

# FORM OF PROXY



I/We.....

Of.....

Being a member of CBZ Holdings Limited and entitled to.....votes hereby

appoint.....Of.....

Or failing him/her.....as my/our proxy to vote for me/us and on

my/our behalf at the Annual General Meeting to be held through Zoom at 1600 hours and at any adjournment thereof.

Signed by me this \_\_\_\_\_ day of \_\_\_\_\_ 2026

Signature: \_\_\_\_\_

## NOTES:

1. Any member of the Company entitled to attend and vote at the meeting of the company shall be entitled to appoint another person, whether a member of the Company or not, as his proxy to attend, vote and speak in his stead.
2. Proxy Forms should be forwarded to reach office of the Company at least 48 (forty-eight) hours before the time appointed for holding the meeting.
3. An instrument appointing a proxy shall be valid only for the one specified meeting for which it shall be submitted and any adjournment thereof.



# GROUP DETAILS

## REGISTERED HEAD OFFICE

5 Campbell Road  
Pomona, Borrowdale  
Harare, Zimbabwe  
Telephone: (263-242) 748 050 - 79  
Email: info@cbz.co.zw  
www.cbz.co.zw

## TRANSFER SECRETARIES

First Transfer Secretaries (Private) Limited  
1 Armagh Avenue  
Eastlea  
Harare  
P O Box 11 Harare  
Zimbabwe  
Tel:+263 4 782869/72; +263 772 146157  
+263 4 749048  
Email: info@fts-net.com  
www.fts-net.com

## LEGAL PRACTITIONERS

Mawere & Sibanda Legal Practitioners  
3rd Floor Chiyedza House  
1<sup>st</sup> Street/ Kwame Nkrumah Avenue  
P.O Box CY 1376  
Causeway  
Harare, Zimbabwe

## AUDITORS

KPMG Chartered Accountants (Zimbabwe)  
Mutual Gardens  
100 The Chase (West), Emerald Hill  
Harare  
Tel: +263 (242) 302600  
Fax: +263 (242) 303699

## DIRECTORS

Mr. L. Zembe - **Chairman**  
Ms. R. L Gaskin Gain - **Non Executive**  
Mr. E. U Mashingaidze - **Non Executive**  
Mr. E. E. Galante - **Non Executive**  
Mr L. Nyazema- **Executive**  
Mr. J. Makombe - **Executive**  
Mr P.G Serima - **Non Executive**  
Mr T Mudzengerere - **Non Executive**









[cbz.co.zw](http://cbz.co.zw)



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