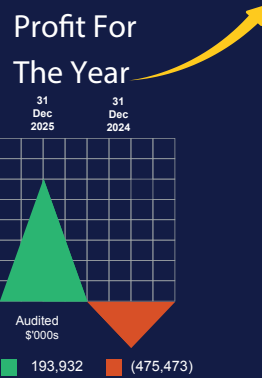


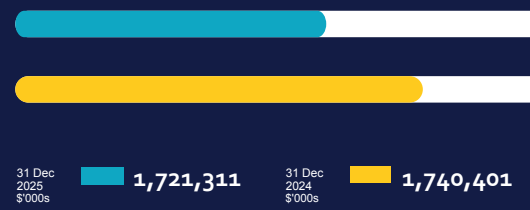


# THE ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended 31 December 2025

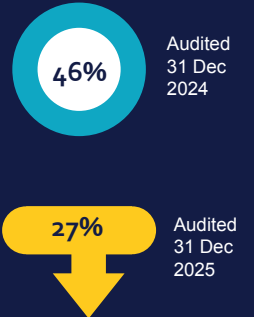
## Your Visa to Travel Better Than Ever.



### Shareholders Funds



### Capital Adequacy Ratio



### CHAIRMAN'S STATEMENT

#### FOR THE YEAR ENDED 31 DECEMBER 2025

##### Introduction

The Board presents the audited annual financial statements of African Banking Corporation of Zimbabwe Limited and its Subsidiary ("the Group") for the year ended 31 December 2025.

The year was characterised by a measurable improvement in domestic macroeconomic stability, against a backdrop of continued global uncertainty. Within this environment, the Group remained focused on statement of financial position resilience, disciplined execution and strengthening its strategic positioning.

##### Operating Environment

Global economic conditions remained uncertain in 2025, driven by geopolitical tensions, trade fragmentation, and supply chain disruptions. Despite this, Sub-Saharan Africa ("SSA") demonstrated resilience, supported by commodity demand and improved domestic conditions in key markets.

In Zimbabwe, economic growth rebounded to approximately 6%, underpinned by a strong agricultural season, improved power generation and robust mining sector performance, particularly in gold.

Monetary policy interventions contributed to significant stabilisation of inflation and exchange rates, improving business predictability and restoring a degree of confidence in the Zimbabwe Gold ("ZWG") currency. However, the Board remains mindful that the economy remains highly dollarised, liquidity conditions are structurally tight, and growth remains concentrated in narrow sectors of the economy. These factors continue to shape the risk landscape within which the Group operates.

##### Financial Performance

The Group recorded a profit for the year of ZWG194 million, reflecting a strong recovery in underlying performance prior-year and current distortions brought by mismatches between exchange rates and inflation. Key performance highlights include:

- Total operating income growth, driven by increased transactional volumes and improved revenue diversification,
- Strong contribution from fees and commissions, supported by digital platform adoption,
- Growth in net interest income, reflecting expansion in lending activities,
- Treasury trading income, benefiting from active market positioning,
- Operating expenses increased marginally, reflecting continued investment in systems, people, and strategic initiatives,
- Total deposits increased significantly,
- Loans and advances grew by 49%, reflecting increased demand across key sectors, and
- Total assets expanded, demonstrating continued statement of financial position growth.

During the year under consideration, the Group recognised an impairment loss of ZWG 123.7 million. This loss arose from the way some non-monetary asset balances were measured during periods of high inflation and subsequently converted into United States dollars following the change in the Group's functional currency.

##### Strategy and Execution

The Group continues to pursue a strategy anchored on digital transformation, revenue diversification and strategic partnerships across key sectors, including mining, agriculture and financial services. Investments in technology, including system upgrades and process re-engineering, have enhanced customer experience, transactional efficiency and operational scalability. However, the Board emphasises that the strategic ambition must be matched by execution discipline. Accordingly, the Board is focused on ensuring that growth initiatives are aligned with the Group's risk appetite, operational capacity and systems are fit for purpose and capital is allocated to risk-adjusted and value-accretive opportunities.

Looking ahead, the Group will continue to refine its strategy to respond to evolving market conditions while maintaining a disciplined approach to growth.

##### Governance, Risk and Control Environment

The Board places significant emphasis on strong governance, robust risk management and effective internal controls as the foundation of sustainable performance. During the year the Group maintained compliance with regulatory capital and liquidity requirements and continued investments were made in risk management frameworks and systems.

##### Changes to the Board and Executive Management

During the year under review, the Board experienced a number of changes in both its independent Non-Executive board composition and executive management, undertaken in line with good corporate governance practices and succession planning.

Independent Non-Executive Directors, namely Mr. Albert Rufaro Katsande, Dr. Eve Christine Gadzikwa, and Mrs. Clare Dorothy Aufrère Peech, retired from the Board with effect from 30 June 2025 after having each served for a period of ten years. In addition, Mr. Bhengkosi Nkomo retired from the Board with effect from 1 November 2025. The Board records its sincere appreciation for their significant contribution, guidance and commitment to the Group during their tenure.

Four new Independent Non-Executive Directors were appointed during the year, namely Mr. Fayaz King, Mr. Andrew Paul Lane-Mitchell, Mrs. Patience Manyara Shuro, and Mrs. Manyara Mercy Chigunduru. The Board is confident that their collective experience, expertise and independence will add significant value to the Group's governance and strategic direction.

During the year, the Group Chief Finance Officer, Mr. Vander Mutenga, resigned with effect from 1 May 2025 to pursue personal interests. The Board acknowledges his contribution to the Group. Subsequently, Mrs. Emmah Mungoni was appointed Group Chief Finance Officer with effect from 17 September 2025. The Board welcomes her and looks forward to her contribution to the Group's financial leadership.

##### Sustainability and Stakeholder Impact

The Group continues to deliver meaningful impact through its sustainability initiatives, structured around four key pillars: Women and Children, Youth and Education, Health and Disability, and Arts and Culture. These initiatives reflect the Group's commitment to responsible banking and community development.

##### Environmental, Social and Governance ("ESG")

The Board remains committed to the Group's sustainability agenda and to embedding environmental, social and governance considerations into the Group's long-term strategy. During the year, the Group continued to advance its sustainability framework, including progress towards science-based targets, reflecting a long-term commitment to responsible growth and environmental stewardship. In line with the Reserve Bank of Zimbabwe's Climate Risk Management Guideline and the emerging International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards (IFRS S1 and S2), the Group is strengthening its governance, risk management and reporting approaches to ESG and climate-related matters.

These initiatives are being implemented on a phased basis, with an initial focus on developing a structured ESG scorecard to support consistent measurement, monitoring and disclosure as the Group's sustainability journey continues.

##### Outlook

The outlook for 2026 remains positive, supported by continued macroeconomic stabilisation, growth in key productive sectors and ongoing financial sector reforms. However, risks remain, including global geopolitical uncertainty, commodity price volatility and domestic liquidity constraints. Within this context, the Group will focus on strengthening statement of financial position resilience, growing deposits and stable funding sources, enhancing digital capabilities and operational efficiency and maintaining disciplined risk management and governance standards.

##### Conclusion

The Board is encouraged by the Group's performance and the progress made in strengthening its strategic position. At the same time, the Board remains clear that sustained success will depend on disciplined execution, strong governance, and continued investment in systems, people, and processes. On behalf of the Board, I extend my appreciation to Management and staff for their commitment and professionalism, our customers and stakeholders for their continued trust, and the regulator for its ongoing guidance and oversight. The Board remains committed to delivering sustainable value, maintaining strong governance standards, and positioning the Group for long-term success.

F. King  
Independent Non-Executive Chairman

### MANAGING DIRECTOR'S STATEMENT

#### FOR THE YEAR ENDED 31 DECEMBER 2025

##### Introduction

The Group delivered a strong financial and operational performance for the year ended 31 December 2025, supported by disciplined execution of strategic priorities, improved macroeconomic stability, and continued investment in digital and operational capabilities.

During the year, management focused on enhancing customer experience and service delivery, driving operational efficiency and cost discipline, strengthening risk management and governance frameworks and expanding revenue streams and market presence.

##### Operating Environment

The operating environment improved during the year, underpinned by stronger domestic economic activity, particularly in the mining and agricultural sectors. Macroeconomic stabilisation contributed to improved predictability and supported increased financial sector participation. However, the environment remains characterised by tight liquidity conditions, high levels of dollarisation and concentration of growth in key sectors such as mining. These factors continue to influence funding dynamics, credit deployment and pricing and margin stability. Management has, therefore, maintained a disciplined and risk-aware approach to balance sheet growth and resource allocation.

##### Customer Growth, Market Expansion and Deposit Mobilisation

Customer acquisition and market expansion remained a core focus, supported by improved service accessibility through digital channels and service kiosks, targeted engagement with key economic sectors and strengthened partnerships with international remittance providers. These initiatives contributed to strong growth in customer deposits and increased utilisation of transactional platforms. While deposit growth was encouraging, management notes that the funding base remains predominantly short-term and foreign currency-based in line with dollarised economy. This has implications for cost of funds and balance sheet stability. Accordingly, management will continue to prioritise stable deposit mobilization and diversification of funding sources.

##### Digital Transformation and Product Innovation

The Group continued to invest in digital capabilities to enhance customer experience and improve operational efficiency. Key developments included launch of enhanced internet and mobile banking platforms, introduction of new card products and in-house card processing capabilities and automation of key processes and expansion of paperless and digital transaction capabilities. The successful upgrade of the core banking system in February 2026 provides a strong foundation for future innovation and scalability.

##### Risk Management and Regulatory Compliance

The Group maintained a strong commitment to regulatory compliance and risk management. During the year the Reserve Bank of Zimbabwe conducted a regulatory inspection, resulting in a "Satisfactory" rating.

The Group achieved Payment Card Industry Data Security Standard ("PCI DSS") certification, reinforcing its commitment to data security

Management has initiated targeted actions to address these areas, including strengthening financial reporting discipline and timelines, enhancing control environments and reconciliation processes and improving model validation and risk oversight frameworks. These initiatives are aimed at ensuring consistency, accuracy, and timeliness in reporting and risk management.

##### Financial Performance

The Group delivered a profit for the year of ZWG194 million, underpinned by our strategic focus on digital transformation. Enhanced digital channels boosted transactional income, while optimised foreign trading provided a robust contribution to the bottom line. Key highlights include:

- Total assets growth of 30%, reflecting balance sheet expansion.
- Loan book growth of 49%, driven by increased demand across consumer, small and medium enterprises ("SME"), and corporate segments.
- Strong capital adequacy of 27% and liquid asset ratio of 55.4%, well above regulatory thresholds of 12% and 30%, respectively.

The Board remains focused on enhancing the quality, sustainability and continued diversification of earnings going forward.

##### Change in Functional Currency

Effective 1 January 2025, the Group transitioned its functional currency from ZWG to the United States Dollar ("USD"), in line with International Accounting Standard ("IAS") 21, The Effects of Changes in Foreign Exchange Rates. This change more accurately reflects the economic substance of the Group's operations, given the predominance of USD-denominated transactions. While this transition improves financial transparency and comparability, the Board recognises that it also introduces new considerations regarding earnings comparability and continued exposure to currency and liquidity dynamics.

# AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

## People and Culture

The Group continues to invest in building a high-performance, accountable, and collaborative culture. Key initiatives included strengthening performance management frameworks, enhancing training and capability development and aligning talent development with digital transformation priorities. As the Group continues to scale its strategic initiatives, building critical skills and leadership capacity remains essential to support execution and operational resilience.

## Outlook

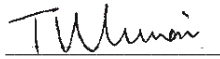
The outlook for 2026 remains cautiously positive, supported by continued macroeconomic stabilization, growth in key productive sectors and ongoing financial sector reforms. However, Management remains mindful of key risks, including market liquidity constraints, evolving regulatory requirements, global geopolitical uncertainty and execution risks associated with scaling strategic initiatives. In response, Management will focus on strengthening statement of financial position resilience and funding stability, enhancing digital capabilities and operational efficiency, maintaining robust risk management and governance standards and driving sustainable and diversified revenue growth. The Group will continue to explore the use of emerging technologies, including artificial intelligence to enhance decision-making, customer engagement, and operational effectiveness.

## Conclusion

The Group has made meaningful progress during the year under consideration, delivering improved financial performance and strengthening its strategic position. At the same time, management recognises that sustained success will depend on execution discipline, continued investment in systems, people, and controls and strong alignment between strategy, risk appetite, and operational capacity.

Management remains committed to delivering sustainable value, strengthening governance and control environments and positioning the Group for long-term growth and resilience

I extend my sincere appreciation to the Board for its guidance and oversight, to our employees for their dedication, and to our customers and stakeholders for their continued trust and support.



T. Munaiva

Managing Director

## DIRECTORS' STATEMENT OF RESPONSIBILITIES

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### Responsibility for the annual financial statements

The directors are responsible for the preparation and fair presentation of the financial statements of the Group which comprise the statements of financial position as at 31 December 2025, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended and notes to the financial statements and other information contained in this publication.

The directors are also responsible for ensuring that the Group's internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets.

The directors have assessed the ability of the Group to continue as a going concern and have no reason to believe that the Group will not be a going concern in the year ahead. The financial statements have accordingly been prepared on the going concern basis.

#### Compliance

The consolidated and separate financial statements set out in this publication have been prepared by management in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standard Interpretations Committee ("SIC") interpretations issued under previous constitutions.

#### Change in Functional Currency

Over the recent years, the economy went through significant improvement, as a result of major shift in monetary policy and exchange control measures that substantially increased foreign currency transaction volumes. Consequently, the Group's foreign currency transactions activity, deposits and advances also increased. As a result, the Directors assessed as required by International Accounting Standard ("IAS") 21, The Effects of Changes in Foreign Exchange Rates whether the use of the ZWG as the functional currency remained appropriate. Based on the assessment, the Directors concluded that there has been a change in functional currency from ZWG to USD with effect from 1 January 2025.

#### CORPORATE GOVERNANCE

The Group remains firmly committed to upholding the highest standards of integrity, ethical leadership, accountability, and transparency across its governance structures. The Group recognises that effective corporate governance is fundamental to long-term sustainability and value creation and remains committed to ensuring fair, responsible, and ethical conduct towards its clients, investors, shareholders, and all other stakeholders.

As corporate governance continues to evolve in response to emerging risks, regulatory developments, and global best practice, the Group regularly reviews and enhances its governance systems, policies, and processes. These efforts are aimed at ensuring ongoing compliance with all applicable laws, regulations, and regulatory directives, while also maintaining alignment with internationally accepted standards of good corporate governance.

#### The Board of Directors

The Board is responsible for setting the strategic direction of the Group and establishing clear, measurable objectives and performance targets for Management. It ensures the preservation of a strong and effective governance framework that supports prudent leadership, responsible risk-taking, and sustainable performance. With extensive collective experience spanning multiple industries and professional disciplines, Board members bring deep insight, rigorous oversight, and innovative perspectives to the Group's decision-making processes.

The Board's broad understanding of market dynamics, regulatory developments, and emerging technologies enables it to anticipate risks, leverage opportunities, and guide the Group toward long-term value creation and competitive advantage. In fulfilling its oversight role, the Board provides independent and objective judgment, constructively challenges Management, and monitors the execution of strategy within the approved risk appetite and governance boundaries.

During the year ended 31 December 2025, the Board demonstrated robust strategic oversight through the effective governance of large-scale digital transformation initiatives and leadership transitions. Strategic oversight continues to strengthen as the Board advances its governance practices.

The composition of the Board complies with the requirements of the Banking Act [Chapter 24:20], interpreted together with the Prudential Standard No. 02-2025/BSSF: Corporate Governance, as well as other recognised corporate governance standards. The roles, powers, and responsibilities of the Board and its Committees are clearly defined in the Board Charter and the Committee Terms of Reference. These governing documents are reviewed and approved annually to ensure continued relevance, alignment with regulatory expectations, and ongoing Board effectiveness.

#### Independence of the Directors

Independence is a central pillar of effective governance, ensuring objective judgment and impartial oversight in all Board deliberations. Seven (7) of the Board Directors are independent non-executive directors, and this allows for impartial judgment, the challenging of Management decisions where necessary, and ensuring that Board deliberations remain balanced and evidence-based. They also provide independent scrutiny of the Group's risk management and internal control systems, helping the Board to identify emerging risks and ensure that appropriate mitigation strategies are in place.

Furthermore, and in accordance with section 20B of the Banking Act [Chapter 24:20], all Directors complete and submit a Declaration of Interest Form, which forms the primary basis for the Group's annual assessment of their independence. Directors are further required to disclose any new interests or potential conflicts that may arise during the year. These disclosures are also submitted on a quarterly basis or earlier, if circumstances warrant, and are promptly recorded. All declarations are subsequently tabled for noting at the next Board meeting to ensure full transparency and continued alignment with regulatory and governance expectations.

#### Board and Director Evaluations

In line with legislative requirements, the Board conducts its annual evaluation of Board effectiveness. The results of the assessment confirmed that the Board, its Committees and the individual directors continue to operate effectively and discharge their mandate in a manner consistent with sound corporate governance practices.

The 2024 board assessment was conducted, and remedial action was undertaken to address areas of improvement. The 2025 Board and Director evaluation exercise commenced. The Board is satisfied that the insights derived from the evaluation process demonstrate continued progress and a strengthening trajectory in its overall performance, governance maturity, and strategic oversight capabilities. The assessments covers the following key areas:

- Board self-evaluation
- Chairperson's assessment
- Individual Director Assessment
- Committee assessment

#### Directors' Training and Professional Development

The Group prioritises continuous professional development of its Directors, recognising that ongoing learning is essential to maintaining an effective and well-informed Board. Through structured development initiatives, Directors are equipped with the up-to-date knowledge and skills necessary to execute their responsibilities diligently and to provide robust oversight within the institution.

During the year, directors attended several workshops including a Refresher Induction Training on corporate governance and Anti-money Laundering and Countering the Financing of Terrorism ("AML/CFT") which was done by the Reserve Bank of Zimbabwe's Banking Supervision, Surveillance and Financial Stability, and the Securities and Exchange Commission of Zimbabwe. Moreover, a Sustainability training session was held, facilitated by KPMG South Africa. The directors also underwent training on the Cyber and Data Protection Legal Framework which was conducted by the Postal and Telecommunications Regulatory Authority of Zimbabwe ("POTRAZ"). Additionally, the Board participated in Cyber Security and Artificial Intelligence training that was facilitated by Adept Solutions (Private) Limited whilst the Audit Committee also attended the 2025 KPMG Audit Committee Forum.

#### Changes to the Board and Succession Planning

During the period under review notable changes were made to the Board of Directors. Three (3) independent non-executive directors, namely Mr. Albert Rufaro Katsande (Chairman), Dr. Eve Christine Gadzikwa and Mrs. Clare Dorothy Auprère retired effective the 30th of June 2025 in accordance with section 19 of the Banking Act [Chapter 24:20] as read with the Board Charter after having served on the Board for ten (10) years, whilst Mr. Bhekinkosi Nkomo an independent non-executive director also retired from the Board effective 1 November 2025. Throughout their tenure, they

upheld the highest standards of governance, demonstrating strong strategic foresight, ethical leadership, and unwavering support to the Executive Management team in advancing the Group's strategic objectives.

The Board also welcomed four (4) new independent non-executive directors, Mr. Fayaz King, Mr. Andrew Paul Lane-Mitchell, Mrs. Patience Manyara Shuro and Mrs. Manyara Mercy Chigunduru. Mr. Fayaz King was appointed Chairman effective the 1st of October 2025, and as part of the succession planning, Mr. Nhena Nyagura was also appointed as the Senior Independent Director effective the 1st of October 2025. The Board looks forward to their valuable insights and contributions to the growth of the Group drawn from their long and illustrious careers as seasoned professionals in their respective fields.

The Finance Director, Mr. Vander Mutenga, exited the Group effective 1 May 2025 to pursue personal interests. The Board thereafter welcomed Mrs. Emmah Nyaradzo Mungoni, who assumed the role of Finance Director with effect from 17 September 2025. The Group extends its sincere gratitude to Mr. Mutenga for his dedication and valuable contributions during his tenure, and wishes him every success in his future endeavours. At the same time, it warmly welcomes Mrs. Mungoni and looks forward to her leadership and contributions to the Group.

The ABC Holdings Limited Group also witnessed the sad passing of the ABC Holdings Limited Chief Executive Officer, Mr. Sanjeev Anand on the 28th of April 2025. The late Mr. Anand was also a non-executive director on the ABC Holdings (Zimbabwe) Limited Board of Directors, and a member of the Board's Investments Committee and Remuneration and Nominations Committee. His contributions to the Group were invaluable and he will be deeply missed.

Board succession planning continues to receive much focus in 2025. In line with the Group's corporate governance arrangements, the board regularly reviews its composition to ensure its effectiveness and the appropriateness of its skillset, experience, and diversity. A comprehensive succession plan is in place, tailored to the essential skills required for an effective board.

#### Board Meetings and Attendance

The Board and its committees meet every quarter, with additional meetings held when necessary. Meetings are also conducted in a manner that promotes open communication, active participation and timely resolution of issues. As at 31 December 2025, the Board was comprised of nine (9) directors, which included an independent non-executive Chairman, six (6) independent non-executive directors, and two (2) executive directors.

For the year ended 31 December 2025, the main Board had held eleven (11) meetings, which comprised four (4) quarterly meetings and six (6) special meetings and the 2026 Budget and Strategy Session. The record of attendance of each director is indicated below:

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
*A.R. Katsande	Independent Non-Executive Chairman	5	5	100%
**Dr. E.C. Gadzikwa	Independent Non-Executive Director	5	2	40%
T. Mutarisi	Independent Non-Executive Director	11	11	100%
***C.D.A. Peech	Independent Non-Executive Director	5	3	60%
****B. Nkomo	Independent Non-Executive Director	10	10	100%
*****F. King	Independent Non-Executive Director	9	9	100%
N. Nyagura	Independent Non-Executive Director	11	11	100%
M. R. Davis	Independent Non-Executive Director	11	10	91%
*****A.P. Lane-Mitchell	Independent Non-Executive Director	9	9	100%
*****P. M. Shuro	Independent Non-Executive Director	9	9	100%
*****M. M. Chigunduru	Independent Non-Executive Director	8	8	100%
T. Munaiva	Managing Director	11	11	100%
*****V. Mutenga	Finance Director	2	2	100%
*****E. N. Mungoni	Finance Director	5	5	100%

\* A. R. Katsande retired effective 30 June 2025

\*\* Dr. E.C. Gadzikwa retired effective 30 June 2025

\*\*\* C.D.A. Peech retired effective 30 June 2025.

\*\*\*\* B. Nkomo retired effective 1 November 2025.

\*\*\*\*\* F. King was appointed as an independent non-executive director effective 1 February 2025.

\*\*\*\*\* A. P. Lane-Mitchell was appointed as an independent non-executive director effective 30 April 2025.

\*\*\*\*\* P. M. Shuro was appointed as an independent non-executive director effective 30 April 2025

\*\*\*\*\* M. M. Chigunduru was appointed as an independent non-executive director effective 1 June 2025

\*\*\*\*\* V. Mutenga resigned as Finance Director effective 1 May 2025.

\*\*\*\*\* E. N. Mungoni was appointed as Finance Director effective 17 September 2025.

#### BOARD COMMITTEES

The Board has five (5) Committees which are chaired by independent non-executive directors. During the reporting period the Committees were reconstituted twice. The first reconstitution was done with effect from 1 July 2025 following the retirements of Mr. A. R. Katsande, Dr. E. C. Gadzikwa and Mrs. C.D.A. Peech from the Board of Directors. The second reconstitution was conducted with effect from 1 November 2025 pursuant to the retirement of Mr. B. Nkomo and appointment of Mr. F. King as the Board Chairman.

#### Board Audit Committee

The Committee comprises of Independent Non-Executive Directors. The Committee engages proactively with both the external and internal auditors on matters relating to accounting practices, financial reporting standards, and the adequacy of the Group's internal control environment and information systems. In fulfilling its oversight responsibilities, the Committee reviews the Group's financial statements to ensure integrity, transparency, and compliance with applicable regulatory and reporting requirements. It also evaluates the effectiveness of the Group's internal controls framework, including risk management processes and the robustness of financial and operational controls, to ensure that systems remain sound, reliable, and aligned with good corporate governance practices.

For the period ended 31 December 2025, the Committee held six (6) meetings, which comprised four (4) quarterly meetings and two (2) special meetings, and the record of attendance of each director is as follows:

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
**B. Nkomo	Independent Non-Executive Chairman	5	5	100%
N. Nyagura	Independent Non-Executive Member	4	4	100%
*Dr. E. C. Gadzikwa	Independent Non-Executive Member	4	2	50%
***P. M. Shuro	Independent Non-Executive Member Chairperson	2	2	100%
***A.P. Lane - Mitchell	Independent Non-Executive Member	2	2	100%
****T. Mutarisi	Independent Non-Executive Member	1	0	0

\*E. C. Gadzikwa retired as a Committee Member effective 30 June 2025.

\*\*B. Nkomo retired as a Committee Member and Chairman effective 1 November 2025.

\*\*\*A. Lane-Mitchell was appointed a Committee Member effective 1 July 2025.

\*\*\*P. M. Shuro was appointed a Committee Member effective 1 July 2025 and as the Committee Chairperson with effect from 2 November 2025

\*\*\*\*T. Mutarisi was appointed a Committee Member effective 1 November 2025.

#### Board Risk Committee

The Board Risk committee is responsible for exercising oversight of the institution's key risks. It reviews the appropriateness and effectiveness of the risk management systems by ensuring that risk policies and strategies are effectively identified, managed and monitored. The committee is comprised of Independent Non-Executive Directors and reports to the Board on the committee's key areas of focus following each meeting.

As at 31 December 2025, the Committee had held four (4) meetings and the record of attendance of each director is as follows:

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
*Dr. E. C. Gadzikwa	Independent Non-Executive Chairperson	2	1	100%
T. Mutarisi	Independent Non-Executive Member	4	3	75%
**C.D.A. Peech	Independent Non-Executive Member	2	2	100%
***M. M. Chigunduru	Independent Non-Executive Chairperson	2	2	100%
****F. King	Independent Non-Executive Member	2	2	100%

\*E. C. Gadzikwa retired as a Committee Member and Chairperson effective 30 June 2025.

\*\*C.D.A. Peech retired as a Committee Member effective 30 June 2025.

\*\*\*M. M. Chigunduru was appointed as the Committee Chairperson effective 1 July 2025.

\*\*\*\*F. King was appointed a Committee Member effective 1 July 2025.

#### Board Loans Review Committee

The Committee is comprised of Independent Non-Executive Directors and is responsible for overseeing the overall lending policy of the institution and assessment of its credit risk. It also constantly reviews the quality of the institution's loan portfolio to ensure compliance with internal policies, applicable laws and regulations. The Committee also monitors loan portfolio growth and ensures that appropriate provisions are made for potential losses and subsequent debt recoveries.

For the period ended 31 December 2025, the Committee held four (4) meetings and the record of attendance of each director is as follows:

# AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
*C.D.A. Peech	Independent Non-Executive Chairperson	2	2	100%
**B. Nkomo	Independent Non-Executive Member	2	2	100%
****A.P. Lane- Mitchell	Independent Non-Executive Chairman	2	2	100%
***P. M. Shuro	Independent Non-Executive Member	2	2	100%
*****M. M. Chigunduru	Independent Non-Executive Member	1	1	100%
*****T. Mutarisi	Independent Non-Executive Member	3	3	100%

\*C.D.A. Peech retired as a Committee Member and Chairperson effective 30 June 2025.

\*\*B. Nkomo retired as a Committee Member effective 30 June 2025.

\*\*\*P. M. Shuro was appointed a Committee Member effective 1 July 2025.

\*\*\*\*A. P. Lane- Mitchell was appointed a Committee Member effective 1 July 2025 and Chairman effective 1 November 2025.

\*\*\*\*\*M. M. Chigunduru was appointed a Committee Member effective 1 November 2025.

\*\*\*\*\*T. Mutarisi retired as a Committee Member effective 1 November 2025.

## Board Credit Committee

The Board Credit Committee deliberates and considers credit applications beyond the mandate of the Management Credit Committee. For the period ended 31 December 2025, the Committee considered forty-four (44) credit applications, eleven (11) were recommended to the Main Board for approval. The Committee held nine (9) meetings and the record of attendance of each director is as follows:

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
M.R. Davis	Independent Non-Executive Chairman	9	9	100%
*A.R. Katsande	Independent Non-Executive Member	3	3	100%
T. Munaiwa	Managing Director	9	9	100%
**N. Nyagura	Independent Non-Executive Member	6	6	100%

\*A. R. Katsande retired as a Committee Member effective 30 June 2025.

\*\*N. Nyagura was appointed a Committee Member effective 1 July 2025.

## Board Information and Communication Technology Committee

The committee is responsible for reviewing and approving the Group's technology strategies. It also reviews significant technology investments and expenditure and monitors and evaluates current and future trends in technology that may affect the institutions strategic direction. In addition, the committee monitors the Group's ICT risk management and security framework and its effectiveness. The Committee comprises of Independent Non-Executive Directors.

For the period ended 31 December 2025, the Committee held four (4) quarterly meetings and the record of attendance of each director is as follows:

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
N. Nyagura	Independent Non-Executive Chairman	4	4	100%
*A.R. Katsande	Independent Non-Executive Member	2	2	100%
M.R. Davis	Independent Non-Executive Member	2	2	100%
**F. King	Independent Non-Executive Member	2	2	100%
***M. M. Chigunduru	Independent Non-Executive Member	1	1	100%

\*A. R. Katsande retired as a Committee Member effective 30 June 2025.

\*\*F. King was appointed a Committee Member effective 1 July 2025.

\*\*\*M. M. Chigunduru was appointed a Committee Member effective 1 July 2025 and retired effective 1 November 2025.

## Board Remuneration and Nominations Committee

The Committee is constituted at ABC Holdings (Zimbabwe) Limited level. It has the responsibility of setting the employment and remuneration terms for employees as well as providing oversight of issues related to Directors' nominations and appointment.

For the period ended 31 December 2025, the Committee had held two (2) quarterly meetings, and the record of attendance of each director is as follows:

Name of Director	Designation	Total Meetings Held	Total Present	% Attendance
I. Magaya	Non-Executive Chairman	4	4	100%
C. Shoniwa	Non-Executive Member	4	4	100%
*S. Anand	Non-Executive Member	2	0	0

\* Mr. S. Anand passed on the 28th of April 2025

## Management Committees

The Group operates twelve (12) management committees responsible for setting and monitoring service delivery standards and management performance targets. These committees oversee the Group's operational activities and ensure adherence to regulatory requirements. They also support the effective implementation of the Group's policies and procedure manuals, which are reviewed and approved annually by the Board of Directors to ensure they remain relevant and aligned with the operating environment.

## RISK MANAGEMENT FRAMEWORK

### Financial risk factors

The Group's business involves the analysis, evaluation, acceptance and management of risk or a combination of risks in a targeted manner. Taking risk is core to the financial services business and an inevitable consequence of being in business. The Group's aim is to achieve an appropriate balance between risk and return and to minimise potential adverse effects on the Group's financial performance. The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by the Risk Committee, under policies approved by the Board. The Board approves principles for overall risk management, as well as policies covering specific areas, such as market risk, liquidity risk and credit risk. In addition, internal audit is responsible for the independent review of risk management and the control environment.

The significant risks are credit risk, liquidity risk and market risk. Market risk includes foreign currency exchange risk, interest rate risk and price risk.

### Credit Risk

Credit risk is the risk that the Group's customers, clients or counterparties default on their loan or credit commitments. The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided for at the statement of financial position date. Country (or sovereign) risk is part of overall credit risk and is managed as part of the credit risk management function as it has a major impact on individual counterparties' abilities to perform. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances to customers but can also arise from credit enhancement provided such as financial guarantees, letters of credit, endorsements and acceptances.

The Risk Department reviews African Banking Corporation of Zimbabwe Limited's and ABC Easy Loans (Private) Limited's exposures regularly and reports to the Board. Credit risk is traditionally the single largest risk for the Group's business; therefore, management carefully manages credit origination, covenant monitoring and performance and security. The Board has defined and documented a credit policy for the Group which forms the basis of credit decisions. This policy includes a framework of limits and delegation of credit approval authority which are strictly adhered to. No specific individual has the power to authorise credit exposures. The Group has a Board Credit Committee that operates within the defined limits set by the Board. This committee is responsible for the management of credit risk including, credit decisions, processes, legal and documentation risk and compliance with impairment policies.

The Risk Department regularly reviews adherence to required standards. The Group's Credit Committee reports to the Board and is responsible for approval of credit decision within approved limits, recommendations in exposures limits and provisioning policies. The Board Loans Review Committee and Board Credit Committee at Subsidiary level also monitors the health of the credit portfolios at least quarterly and increase provisions or enhance controls should this be required. The Group has standard provisioning policies which at a minimum comply with the prudential guidelines of the Reserve Bank of Zimbabwe and IFRS 9. Impairment are determined monthly as per IFRS 9 guidelines and are subject to regular review by the Risk Department. Regular internal audit oversight is also brought to bear on the credit book.

### Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position and sales of assets, or potentially an inability to fulfill lending commitments. The risk that the Group will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activities, systemic shocks and natural disasters.

## Liquidity risk management process

The Group holds liquid reserves in tradable instruments on money market placements which are available if required. Liquidity is assessed by currency as well as by time bracket. Group liquidity management is dependent upon accurate cash flow projections and the monitoring of its future funding requirements. The Group's liquidity management process is monitored by the Treasury department and includes:

- day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers
- maintaining a portfolio of marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow
- monitoring statement of financial position liquidity ratios against internal and regulatory requirements.
- managing the concentration and profile of debt maturities; and

- monitoring and reporting the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The Treasury department also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

## Market risk

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

Market exposures related to dealing positions are housed and managed in Treasury department within a framework of pre-approved dealer, currency and counterparty limits.

The Risk Department is responsible for monitoring of limits and pricing, thereby ensuring that any errors or unauthorised transactions are promptly identified.

## Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise.

The Asset and Liability Committee ("ALCO") is responsible for managing interest rate and liquidity risk in the Group and meets on a monthly basis.

## Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour

Operational risk arises from all of the Group's operations. The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and innovation. In all cases, Group policy requires compliance with all applicable legal and regulatory requirements. The Board of Directors has created Risk and Controls Committee ("RCC"), which is responsible for the development and implementation of controls to address operational risk.

## Legal Risk

Legal risk is the risk that a transaction or contract cannot be consummated because of some legal barrier, such as inadequate documentation, a regulatory prohibition on a specific counterparty, and the unenforceability of contracts such as netting and collateral arrangements in bankruptcy. The Legal Department, maintains and approves all existing and new legal documents to ensure compliance with statutory laws and regulatory guidelines.

## Compliance Risk

Compliance risk is the current and prospective risk of damage to the Group's business model or objectives, reputation and financial soundness arising from non-adherence with regulatory requirements and expectations of key stakeholders such as clients, staff members and society. Compliance risk, therefore, not only exposes the Group to fines, penalties, civil claims, loss of authorisation to operate and an inability to enforce contracts, but also to reputational damage. The Board has set up systems, processes and an independent compliance function; to assist in the mitigation and management of compliance risk.

The Group has classified compliance risk management as an integral part of the Group's risk management framework. Executive and senior management have nurtured a vibrant compliance culture which firmly supports sound business ethics and customer centric values. The Group is committed to meeting legislative, regulatory and international best practice requirements.

## Reputational Risk

Reputational risk is the risk that the Group could lose its market share due to perception by the market that the Group is not conducting its business in a sound manner. The Group has in place active customer complaints monitoring procedures for ensuring continuous improvement in the Group's service delivery standards.

## Strategic Risk

Strategic risk is the risk that the Group's business strategies are ineffective, being poorly executed, or insufficiently resilient to changes in the business environment. The Group devotes substantial management and planning resources to the development of strategic plans for organic growth and identification of possible opportunities, supported by substantial expenditure to generate growth in customer business. If these strategic plans are not delivered as anticipated, the Group's earnings could grow more slowly or decline. In addition, the Group's strategy could be impacted by revenue volatility due to factors such as macroeconomic conditions, inflexible cost structures, uncompetitive products or pricing and structural inefficiencies.

The role of Chairman vests with an Independent Non-Executive director and is separate from the role of Managing Director, which vests with an executive director. The Board guides and approves the strategies formulated by the executive team. The Board has delegated oversight on risk management and control functions to the Audit, Loans Review and Risk Management Committees. The Managing Director has the responsibility of implementing the strategies approved by the Board which, in turn, reviews performance and continuing applicability of strategies on a quarterly basis.

## Solvency Risk

Solvency risk refers to uncertainty that the Group may have insufficient capital resources to:

- Meet minimum regulatory requirements;
- Absorb any incipient losses that may arise during the course of business;
- Support the targeted credit rating; and
- Support growth and other strategic options.

Regulators assess the Group's capital position and target levels of capital resources on an ongoing basis. Targets may increase in the future, and rules dictating the measurement of capital may be adversely changed, which would constrain the Group's planned activities and contribute to adverse impact on the Group's earnings. During periods of market dislocation, increasing the Group's capital resources in order to meet targets may prove more difficult or costly.

In order to address these issues, the Group has an Internal Capital Adequacy Assessment Programme ("ICAAP") in line with the provisions of Basel II for Groups to develop internal capital plans and assess their level of capitalisation against the risk profile of the Group. The Group will continue to strengthen its ICAAP by embedding appropriate economic capital methodologies as internal models evolve with enhanced data capabilities.

## Risk and Credit Ratings

The Reserve Bank of Zimbabwe conducts examinations of banks and financial institutions it regulates.

The Central Bank last conducted an onsite inspection in October 2025 and the ratings were as follows:

## Composite rating

Examination ratings	Sep-25	Sep-23	May-14
Overall risk rating	Moderate	Moderate	Moderate
Capital adequacy, asset quality, management, earnings, liquidity, and sensitivity rating	2	3	3

## Overall risk ratings – matrix 2025

Type of risk	Level of inherent risk	Adequacy of risk management systems	Overall composite risk	Direction of overall composite risk
Credit	Moderate	Acceptable	Moderate	Stable
Liquidity	High	Acceptable	High	Stable
Foreign Exchange	Moderate	Acceptable	Moderate	Stable
Interest Rate	Moderate	Acceptable	Moderate	Stable
Operational	Moderate	Acceptable	Moderate	Stable
Cyber	High	Acceptable	Moderate	Increasing
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance	Moderate	Acceptable	Moderate	Stable
Reputation	Low	Acceptable	Moderate	Stable
Overall Rating	Moderate	Acceptable	Moderate	Stable

# AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

## CAMELS rating – matrix 2025

Component rating	Composite	Capital adequacy	Asset quality	Management	Earnings	Liquidity	Sensitivity to market risk
30 Sep 2025	2	2	2	2	3	3	2
1 Sep 2023	3	3	3	3	3	3	2
1 May 2014	3	2	4	3	4	3	3

The Group was assigned a composite CAMELS rating of “2” that is “fair” for its 2025 on site examination. Banking institutions in this category exhibit financial, operational or compliance weaknesses ranging from moderately severe to unsatisfactory. When weaknesses relate to financial condition, such institutions may be vulnerable to the onset of adverse business conditions and could easily deteriorate if concerted action is not effective in correcting the areas of weakness. Institutions which are insignificantly non-compliant with laws and regulations may also be accorded this rating.

Generally, these institutions give cause for supervisory concern and require more than normal supervision to address deficiencies. Overall strength and financial capability is still able to make failure only a remote possibility.

## External Credit Ratings

Rating agent	Global Credit Rating Company (Proprietary) Limited			
Date of rating	May-25	Aug-22	Sep-21	May-20
Expiry date	May-26	Jul-23	May-22	Aug-21
Long term	BBB-	BBB+	BBB+	BBB+

ICRA assigned a “BBB” rating with an “Evolving” outlook to “African Banking Corporation of Zimbabwe Limited” on the 7th of May 2025, assuming no material adverse events affecting the business occur during the validity period. The assigned rating reflects a balanced assessment of BancABC’s business model, competitive advantages, market conditions and overall financial stability, which contribute to the overall creditworthiness of the entity based on the ICRA credit rating methodology for banking institutions.

## Environmental, Social and Governance (“ESG”) and Climate Risk

The Group has integrated ESG into its core strategy to drive long-term enterprise value. The Board’s strategy actively aligns with the UN Sustainable Development Goals (“SDGs”), utilising ISSB reporting standards to ensure investor-grade transparency and accountability.

## Core Impact Pillars

- Agribusiness & Climate Action:** The Group transitioned hundreds of small-holders to high-efficiency irrigation, significantly reducing water waste and soil erosion (SDG 6: Clean Water & Sanitation and SDG 12: Responsible Consumption & Production). This initiative secures thousands of jobs, reinforcing a commitment to SDG 2: Zero Hunger.
- Education & Quality Learning:** Having met internal growth targets, the Group now supports an extensive network of schools and universities. Funding for STEM labs and renewable energy has increased enrollment capacity while cutting carbon footprints, directly supporting SDG 4: Quality Education and SDG 7: Affordable & Clean Energy.
- Financial Inclusion & Reduced Inequalities:** The Group expanded formal banking to remote areas like Binga and Kamativi. Its digital literacy reach lowers barriers to entry, supporting SDG 1: No Poverty and SDG 10: Reduced Inequalities by formalizing the rural economy.
- SME & Gender Equality:** The Group transformed its SME portfolio, with over half now supporting women-led businesses. By exceeding targets and closing the credit gap, the Group is driving SDG 5: Gender Equality and SDG 9: Industry, Innovation & Infrastructure.

## 2026 Strategic Outlook

The Board’s roadmap focuses on deepening SDG integration through climate resilience, green infrastructure, provincial reach, and inclusive growth. The Group continually invest in enhanced data analytics to bridge transparency gaps, ensuring the Group remains a resilient, impact-led institution.

## Auditor’s Statement

These abridged consolidated financial statements derived from the audited consolidated financial statements of African Banking Corporation of Zimbabwe Limited and its subsidiary (“the Group”) for the financial year ended 31 December 2025, should be read together with the complete set of the annual audited financial statements, for the year ended 31 December 2025, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor’s report signed by Farai Chibisa, Registered Public Auditor 0547.

An unmodified audit opinion has been issued on the audited consolidated financial statements of the Group, for the year then ended.

The auditor’s report includes a section on key audit matters outlining matters that in the auditor’s professional judgment, were of most significance in the audit of the consolidated financial statements. The key audit matters were with respect to expected credit loss allowance (“ECL”) and change in functional currency. The auditors’ opinion is not modified in respect of these matter.

The auditor’s report on the consolidated financial statements and the full set of the audited consolidated financial statements, are available for inspection at the Group’s registered office and the auditor’s report has been made available to Management and the Directors of the Company.

## ABRIDGED AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group	
		31-Dec-25 ZWG’ 000	31-Dec-24 ZWG’ 000
<b>ASSETS</b>			
Cash and cash equivalents and balances with the central bank	4	1 825 845	1 623 768
Amounts due from group companies	19.1	17 251	40 114
Investment securities	5	1 099 997	477 762
Loans and advances to customers	6	2 242 003	1 505 718
Current income tax asset		11 487	2 676
Other assets	7	506 612	433 084
Non-current assets held for sale		138 743	-
Property and equipment	8	553 560	571 657
Right-of-use assets		28 917	42 168
Investment properties	9	472 562	646 010
Intangible assets		111 769	17 081
<b>Total assets</b>		<b>7 008 746</b>	<b>5 360 038</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits from banks	10	442 615	34 613
Deposits from customers	10	3 997 936	2 804 539
Borrowed funds	11	379 422	267 991
Amounts due to group companies	19.2	-	9 873
Provisions and other liabilities	12	283 476	240 839
Deferred tax liabilities		183 986	261 782
<b>Total liabilities</b>		<b>5 287 435</b>	<b>3 619 637</b>
<b>Equity</b>			
Share capital		156	156
Share premium		248 765	248 765
Capital awaiting allotment		223 252	223 252
Revaluation reserve		203 501	192 283
Financial assets at fair value through other comprehensive income reserve		15 361	14 608
Retained earnings		1 030 276	1 061 337
<b>Total equity</b>		<b>1 721 311</b>	<b>1 740 401</b>
<b>Total liabilities and equity</b>		<b>7 008 746</b>	<b>5 360 038</b>

	Note	Company	
		31-Dec-25 ZWG’ 000	31-Dec-24 ZWG’ 000
<b>ASSETS</b>			
Cash and cash equivalents and balances with the central bank	4	1 825 274	1 610 881
Amounts due from group companies	19.1	33 308	44 945
Investment securities	5	1 099 997	477 762
Loans and advances to customers	6	2 059 879	1 451 490
Current income tax asset		11 286	3 170
Other assets	7	371 781	423 612
Non-current assets held for sale		138 743	-
Investment in subsidiary		16 576	16 576
Property and equipment	8	548 692	536 007
Right-of-use assets		28 917	42 168
Investment properties	9	472 562	646 010
Intangible assets		111 769	17 081
<b>Total assets</b>		<b>6 718 784</b>	<b>5 269 702</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits from banks	10	442 615	34 613
Deposits from customers	10	3 997 936	2 804 539
Borrowed funds	11	164 302	222 083
Amounts due to group companies	19.2	-	9 873
Provisions and other liabilities	12	280 617	231 228
Deferred tax liabilities		188 889	259 488
<b>Total liabilities</b>		<b>5 074 359</b>	<b>3 561 825</b>
<b>Equity</b>			
Share capital		156	156
Share premium		248 765	248 765
Capital awaiting allotment		223 252	223 252
Revaluation reserve		203 488	192 270
Financial assets at fair value reserve through other comprehensive income reserve		15 361	14 608
Retained earnings		953 403	1 028 827
<b>Total equity</b>		<b>1 644 425</b>	<b>1 707 878</b>
<b>Total liabilities and equity</b>		<b>6 718 784</b>	<b>5 269 702</b>



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# AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

## ABRIDGED AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group	
		31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Interest and similar income	13	506 831	198 856
Interest expenses and similar charges	13	(170 876)	(53 364)
<b>Net interest income before expected credit loss allowance</b>		<b>335 955</b>	<b>145 492</b>
Expected credit losses allowance	14	( 23 409)	(112 721)
<b>Net interest income after expected credit loss allowance</b>		<b>312 546</b>	<b>32 771</b>
Non-interest income	15	1 034 683	1 020 036
<b>Operating income</b>		<b>1 347 229</b>	<b>1 052 807</b>
Operating expenses	16	(1 124 926)	(960 506)
Loss on net monetary position		-	(542 317)
<b>Profit/(loss) before income tax</b>		<b>222 303</b>	<b>( 450 016)</b>
Income tax expense	17	( 28 371)	( 25 457)
<b>Profit/(loss) for the year</b>		<b>193 932</b>	<b>( 475 473)</b>
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified to profit or loss</b>			
Fair value gains on financial assets			
through other comprehensive income, before income tax		805	8 249
Income tax effect on fair value adjustments		( 52)	( 2 474)
		<b>753</b>	<b>5 775</b>
<b>Items that will not be reclassified to profit or loss</b>			
Revaluation surplus/(deficit) on land and buildings, before income tax		15 248	(323 720)
Income tax effect on revaluation surplus		( 4 030)	83 372
		<b>11 218</b>	<b>(240 348)</b>
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>11 971</b>	<b>( 234 573)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>205 903</b>	<b>( 710 046)</b>

	Note	Company	
		31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Interest and similar income	13	394 257	176 276
Interest expenses and similar charges	13	( 148 090)	( 51 495)
<b>Net interest income before expected credit loss allowance</b>		<b>246 167</b>	<b>124 781</b>
Expected credit losses allowance	14	( 21 252)	( 105 709)
<b>Net interest income after expected credit loss allowance</b>		<b>224 915</b>	<b>19 072</b>
Non-interest income	15	1 026 783	972 927
<b>Operating income</b>		<b>1 251 698</b>	<b>991 999</b>
Operating expenses	16	( 1 080 784)	( 932 716)
Loss on net monetary position		-	(536 191)
<b>Profit/(loss) before income tax for the year</b>		<b>170 914</b>	<b>( 476 910)</b>
Income tax expense	17	( 21 345)	( 26 085)
<b>Profit/(loss) for the year</b>		<b>149 569</b>	<b>( 502 995)</b>
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Fair value gains on financial assets			
through other comprehensive income, before income tax		805	8 249
Income tax effect on fair value adjustments		(52)	(2 474)
		<b>753</b>	<b>5 775</b>
<b>Items that will not be reclassified to profit or loss</b>			
Revaluation surplus/(deficit) on land and buildings, before income tax		15 248	( 323 736)
Income tax effect on revaluation surplus		( 4 030)	83 372
		<b>11 218</b>	<b>( 240 360)</b>
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>11 971</b>	<b>( 234 585)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>161 540</b>	<b>( 737 580)</b>

## ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital ZWG' 000	Share premium ZWG' 000	Capital Awaiting Allotment ZWG' 000	Revaluation reserve ZWG' 000	Financial assets at fair value through other comprehensive income reserve ZWG' 000	Retained earnings ZWG' 000	Total ZWG' 000
<b>Balance at 1 January 2024</b>	156	248 765	223 252	432 631	8 833	1 536 810	2 450 447
Loss for the year	-	-	-	-	-	( 475 473)	( 475 473)
Other comprehensive income for the year	-	-	-	( 240 348)	5 775	-	( 234 573)
<b>Balance at 31 December 2024</b>	<b>156</b>	<b>248 765</b>	<b>223 252</b>	<b>192 283</b>	<b>14 608</b>	<b>1 061 337</b>	<b>1 740 401</b>
<b>Balance at 1 January 2025</b>	156	248 765	223 252	192 283	14 608	1 061 337	1 740 401
Profit for the year	-	-	-	-	-	193 932	193 932
Dividend	-	-	-	-	-	( 224 993)	( 224 993)
Other comprehensive income for the year	-	-	-	11 218	753	-	11 971
<b>Balance at 31 December 2025</b>	<b>156</b>	<b>248 765</b>	<b>223 252</b>	<b>203 501</b>	<b>15 361</b>	<b>1 030 276</b>	<b>1 721 311</b>

## ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital ZWG' 000	Share premium ZWG' 000	Capital Awaiting Allotment ZWG' 000	Revaluation reserve ZWG' 000	Financial assets at fair value through other comprehensive income reserve ZWG' 000	Retained earnings ZWG' 000	Total ZWG' 000
<b>Balance at 1 January 2024</b>	156	248 765	223 252	432 630	8 833	1 531 822	2 445 458
Loss for the year	-	-	-	-	-	( 502 995)	( 502 995)
Other comprehensive income for the year	-	-	-	( 240 360)	5 775	-	( 234 585)
<b>Balance at 31 December 2024</b>	<b>156</b>	<b>248 765</b>	<b>223 252</b>	<b>192 270</b>	<b>14 608</b>	<b>1 028 827</b>	<b>1 707 878</b>
<b>Balance at 1 January 2025</b>	156	248 765	223 252	192 270	14 608	1 028 827	1 707 878
Profit for the year	-	-	-	-	-	149 569	149 569
Dividend	-	-	-	-	-	( 224 993)	( 224 993)
Other comprehensive income for the year	-	-	-	11 218	753	-	11 971
<b>Balance at 31 December 2025</b>	<b>156</b>	<b>248 765</b>	<b>223 252</b>	<b>203 488</b>	<b>15 361</b>	<b>953 403</b>	<b>1 644 425</b>

## AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group	
		31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
<b>Cash flows from operating activities</b>			
Profit/(loss) before income tax		222 303	( 450 016)
<b>Adjusted for:</b>			
Net change in expected credit losses		34 762	74 305
Bad debts written off		12 601	43 483
Net interest income	13	(335 955)	( 145 492)
Unrealised foreign exchange gains	15.2	(338)	( 729 927)
Change in fair value of investment properties	15.2	(40 270)	553 103
Profit on disposal of property and equipment		( 2 130)	( 3 118)
Depreciation of property and equipment		44 496	47 336
Depreciation of right-of-use assets		8 575	23 746
Amortisation of intangible assets		10 340	4 261
Other provisions charged to profit or loss		14 627	601 947
Leave pay provision charged to profit or loss		32 355	44 219
Loss on net monetary position		-	542 295
Impairment of non financial assets		128 864	-
<b>Working Capital Changes</b>			
(Increase) in loans and advances to customers		( 766 301)	( 420 212)
(Increase)/decrease in other assets		( 73 525)	421 745
Increase/(decrease) in deposits from banks		408 001	( 153 286)
Increase/(decrease) in deposits from customers		1 193 401	( 916 391)
Increase/(decrease) in other liabilities		92 777	( 38 763)
Decrease in amounts due from group companies		22 853	27 540
(Decrease) in amounts due to group companies		( 9 873)	( 5 794)
<b>Cash generated from/(utilised in) operations</b>		<b>997 563</b>	<b>( 479 019)</b>
Interest received		462 301	84 229
Interest paid		(147 856)	(66 199)
Income taxes paid		( 119 046)	(22 577)
<b>Net cash generated from/(utilised in) operating activities</b>		<b>1 192 962</b>	<b>( 483 566)</b>
<b>Cash flows from investing activities</b>			
Acquisition of investment securities		( 705 246)	( 216 081)
Proceeds from disposal of investment securities		40 788	518 211
Acquisition of property and equipment	8	( 48 718)	( 72 806)
Proceeds from disposal of property and equipment		30 397	-
Proceeds from disposal of investment properties		16 887	5 378
Acquisition of investment properties		( 119 537)	-
Acquisition of intangible assets	9	( 105 034)	( 2 468)
<b>Net cash (utilised in)/generated from investing activities</b>		<b>( 890 463)</b>	<b>232 234</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowed funds		276 254	49 155
Repayment of borrowed funds during the year		(168 496)	(17 641)
Dividends paid		(224 986)	-
Principal elements of lease payments		( 2 519)	( 6 567)
<b>Net cash (utilised in)/generated from financing activities</b>		<b>( 119 747)</b>	<b>24 947</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>182 752</b>	<b>( 226 385)</b>
Inflation effect on cash		-	( 165 575)
Effects of exchange rate changes on cash and cash equivalents		19 325	( 387 487)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1 623 768</b>	<b>2 403 215</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>1 825 845</b>	<b>1 623 768</b>



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# AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

## AUDITED SEPARATE STATEMENT OF CASH FLOWS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Company	
		31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
<b>Cash flows from operating activities</b>			
Profit/(loss) before income tax		170 914	( 476 910)
<b>Adjusted for:</b>			
Net change in expected credit losses		9 223	103 273
Bad debts written off		12 315	12 689
Net interest income	13	( 246 167)	( 124 781)
Unrealised foreign exchange gains	15.2	-	( 667 912)
Change in fair value of investment properties		( 40 270)	553 103
Profit on disposal		( 2 130)	( 3 123)
Depreciation of property and equipment		51 355	47 325
Depreciation of right-of-use assets		8 574	23 746
Amortisation of intangible assets		10 342	4 261
Other provisions charged to profit or loss		14 627	601 951
Leave pay provision charged to profit or loss		29 930	41 956
Loss on net monetary position		-	536 192
Impairment of non financial assets		128 864	-
<b>Working Capital Changes</b>			
(Increase) in loans and advances to customers		( 635 201)	( 397 920)
(Increase)/ decrease in other assets		( 73 392)	( 266 978)
(Increase)/ decrease in deposits from banks		408 003	( 153 286)
(Increase)/ decrease in deposits from customers		1 193 401	( 920 288)
(Increase)/ decrease in other liabilities		182 255	( 42 842)
Decrease in amounts due from group companies		11 630	27 384
(Decrease) in amounts due to group companies		( 9 879)	( 5 794)
<b>Cash generated from/(utilised in) operations</b>		<b>1 224 394</b>	<b>( 1 107 954)</b>
Interest received		382 046	83 241
Interest paid		(125 175)	( 65 543)
Income taxes paid		(104 131)	( 15 074)
<b>Net cash generated from/(utilised in) operating activities</b>		<b>1 377 134</b>	<b>( 1 105 330)</b>
<b>Cash flows from investing activities</b>			
Acquisition of investment securities		( 705 246)	( 216 081)
Proceeds from disposal of investment securities		40 788	518 211
Acquisition of property and equipment	8	( 49 025)	( 38 036)
Proceeds from disposal of property and equipment		234	-
Proceeds from disposal of investment properties		16 887	5 378
Acquisition of investment properties	9	(119 537)	-
Acquisition of intangible assets		( 105 034)	( 2 468)
<b>Net cash generated from/(utilised in) investing activities</b>		<b>( 920 933)</b>	<b>267 004</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowed funds		69 914	2 418
Repayment of borrowed funds during the year		(123 019)	( 17 641)
Dividends paid		(224 993)	-
Principal elements of lease payments		( 2 519)	( 6 567)
<b>Net cash utilised in financing activities</b>		<b>( 280 617)</b>	<b>( 21 790)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>175 584</b>	<b>( 860 116)</b>
Inflation effect on cash		-	( 309 057)
Effects of exchange rate changes on cash and cash equivalents		38 809	376 886
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1 610 881</b>	<b>2 403 168</b>
<b>Cash and cash equivalents at the end of the year</b>	4	<b>1 825 274</b>	<b>1 610 881</b>

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2025

African Banking Corporation of Zimbabwe Limited trading as BancABC (the "Bank or Company") is incorporated and domiciled in Zimbabwe and is a registered commercial bank in terms of the Zimbabwe Banking Act (Chapter 24:20). The Bank and its subsidiary ABC Easy Loans (Private) Limited together ("the Group") provide retail banking, corporate banking, treasury, microfinancing, and corporate advisory services in Zimbabwe. ABC Easy Loans (Private) Limited trading as ("BancEasy") provides microfinancing activities. The audited consolidated financial statements of the Group for the year ended 31 December 2025 comprise the Company and its subsidiary.

The audited consolidated financial statements were approved for issue by the Board of Directors on 24 March 2026.

### 2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these audited consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for new standards and amendments adopted effective 1 January 2025.

### 3. BASIS OF ACCOUNTING

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

In preparing these consolidated financial statements, management has made judgement, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

### 3.1. CHANGE IN FUNCTIONAL CURRENCY

The Group has changed its functional currency from Zimbabwe Gold ("ZWG") to United States Dollar ("USD or US\$") effective 1 January 2025. The presentation currently remains ZWG.

The change in functional currency was determined after considering the below parameters and factors:

- The currency that mainly influences interest rates and fees;
- The currency that mainly influences labour, materials and other Group costs;
- The currency in which funds from financing activities are generated; and
- The currency in which receipts from operating activities are usually retained.

The change is made in the context of Zimbabwe's economy, which operates under a multicurrency regime as promulgated by Statutory Instrument 218 of 2023, allowing the use of multi currencies including USD; and which is expected to continue until 2030.

The Group's functional currency has been changed to USD because a significant portion of its transactions, assets and liabilities are denominated in USD, makes it a more appropriate reflection of the Group's economic reality.

The change in functional currency has been applied prospectively. The exchange rate used to translate 31 December 2024 inflation adjusted ZWG figures to USD was the prevailing official exchange rate of ZWG 25.79 to USD 1. The resultant balances were adopted as the opening USD balances on 1 January 2025.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL RESULTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3.2. PRESENTATION CURRENCY

The audited consolidated financial statements are presented in ZWG, which is the Group's presentation currency for the year ended 31 December 2025 and as prescribed by paragraph 194 of the Monetary Policy Statement presented by the Reserve Bank Governor on 6 February 2025, that every licensed person must adopt a common presentation currency, ZWG, for reporting purposes.

All amounts have been converted to presentation currency using an exchange rate of ZWG25.98 to USD1 and were rounded to the nearest thousands, except when otherwise indicated.

### 3.3. USE OF JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgments and estimates about the future that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the latest annual financial statements.

### 3.4. GOING CONCERN

In preparing these financial statements, the Directors have assessed the Group's ability to continue as a going concern. Having considered the Group's current financial position, forecasts, and borrowing facilities, the Directors are satisfied that the Group has sufficient resources to continue in operation for at least the next 12 months from the date of approval of these consolidated financial statements.

There are no material uncertainties related to events or conditions that may cast significant doubt about the Group's ability to continue as a going concern.

Therefore, the financial statements have been prepared on the going concern basis, which assumes that the Group will continue to operate for the foreseeable.

### 4. CASH AND CASH EQUIVALENTS AND BALANCES WITH THE CENTRAL BANK

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Cash on hand	377 032	462 820
Balances with banks and the central bank	371 316	359 339
Loans and advances to banks	220 108	66 069
Statutory reserves	857 389	735 540
<b>Total</b>	<b>1 825 845</b>	<b>1 623 768</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Cash on hand	377 032	462 820
Balances with banks and the central bank	370 745	346 452
Loans and advances to banks	220 108	66 069
Statutory reserves	857 389	735 540
<b>Total</b>	<b>1 825 274</b>	<b>1 610 881</b>

Balances with banks and Central Bank comprise of balances with less than three months maturity from date of acquisition, including cash on hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

### 5. INVESTMENT SECURITIES

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Financial assets at amortised cost	1 094 567	473 619
Financial assets at fair value through other comprehensive income	5 430	4 143
<b>Total</b>	<b>1 099 997</b>	<b>477 762</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Financial assets at amortised cost	1 094 567	473 619
Financial assets at fair value through other comprehensive income	5 430	4 143
<b>Total</b>	<b>1 099 997</b>	<b>477 762</b>

### 6. LOANS AND ADVANCES TO CUSTOMERS

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Overdrafts	326 551	226 526
Staff loans	185 216	103 039
Term loans	1 618 987	1 051 049
Loans to small to medium enterprises	209 378	193 218
Gross loans and advances to customers	2 340 132	1 573 832
Less: Expected credit losses	( 98 129)	( 68 114)
<b>Net loans and advances to customers</b>	<b>2 242 003</b>	<b>1 505 718</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Overdrafts	299 687	226 526
Staff loans	169 992	103 039
Term loans	1 485 888	989 761
Loans to small to medium enterprises	192 179	193 219
Gross loans and advances to customers	2 147 746	1 512 545
Less: Expected credit losses	( 87 867)	( 61 055)
<b>Net loans and advances to customers</b>	<b>2 059 879</b>	<b>1 451 490</b>



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# AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL RESULTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

### 6.1 Gross credit risk concentration

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Agriculture	217 822	127 851
Mining and energy	499 557	395 972
Wholesale service and retail	98 337	243 569
Manufacturing	578 149	161 912
Individuals	946 267	644 528
<b>Total gross loans</b>	<b>2 340 132</b>	<b>1 573 832</b>
Less: Expected credit loss	( 98 129)	( 68 114)
<b>Total</b>	<b>2 242 003</b>	<b>1 505 718</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Agriculture	199 921	19 693
Mining and energy	458 481	44 999
Wholesale service and retail	90 257	31 047
Manufacturing	530 604	10 236
Individuals	868 483	1 406 570
<b>Total gross loans</b>	<b>2 147 746</b>	<b>1 512 545</b>
Less: Expected credit loss	( 87 867)	( 61 055)
<b>Total</b>	<b>2 059 879</b>	<b>1 451 490</b>

### 6.2 Maturity profile for loans and advances to customers

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Due within 1 month	288 724	3 871
Due between 1 month and 3 months	380 305	5 638
Due between 3 months and 12 months	582 176	49 492
Greater than 1 year	1 088 927	1 514 831
<b>Total</b>	<b>2 340 132</b>	<b>1 573 832</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Due within 1 month	264 977	3 871
Due between 1 month and 3 months	349 051	5 639
Due between 3 months and 12 months	534 318	49 493
Greater than 1 year	999 400	1 453 542
<b>Total</b>	<b>2 147 746</b>	<b>1 512 545</b>

### 7. OTHER ASSETS

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Other receivables	438 554	273 388
Prepayments	68 058	159 696
<b>Total</b>	<b>506 612</b>	<b>433 084</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Other receivables	303 714	263 444
Prepayments	68 067	160 168
<b>Total</b>	<b>371 781</b>	<b>423 612</b>

### 8. PROPERTY AND EQUIPMENT

Property and Equipment	Group				Total ZWG' 000
	Land and buildings ZWG' 000	Leasehold improvements ZWG' 000	Motor vehicles ZWG' 000	Furniture, fittings and equipment ZWG' 000	
<b>Year ended 31 December 2025</b>					
Opening net carrying amount	414 993	7 015	11 795	137 854	571 657
Additions	-	7 586	1 096	40 036	48 718
Revaluation surplus	15 248	-	-	-	15 248
Disposals	-	-	-	( 30 397)	( 30 397)
Depreciation and impairment charges	( 9 873)	( 2 407)	( 5 819)	( 33 567)	( 51 666)
<b>Closing net carrying amount</b>	<b>420 368</b>	<b>12 194</b>	<b>7 072</b>	<b>113 926</b>	<b>553 560</b>
<b>Year ended 31 December 2024</b>					
Opening net carrying amount	755 757	6 261	8 274	99 628	869 920
Additions	-	806	3 999	68 001	72 806
Revaluation loss	( 323 733)	-	-	-	( 323 733)
Depreciation charge	( 17 031)	( 52)	( 478)	( 29 775)	( 47 336)
<b>Closing net carrying amount</b>	<b>414 993</b>	<b>7 015</b>	<b>11 795</b>	<b>137 854</b>	<b>571 657</b>

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL RESULTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Company				Total ZWG' 000
	Land and buildings ZWG' 000	Leasehold improvements ZWG' 000	Motor vehicles ZWG' 000	Furniture, fittings and equipment ZWG' 000	
<b>Year ended 31 December 2025</b>					
Opening net carrying amount	414 990	7 015	11 483	102 519	536 007
Additions	-	7 586	1 403	40 037	49 026
Revaluation surplus	15 248	-	-	-	15 248
Disposals	-	-	-	(234)	(234)
Depreciation and impairment charges	( 9 873)	( 2 407)	( 5 820)	( 33 255)	( 51 355)
<b>Closing net carrying amount</b>	<b>420 365</b>	<b>12 194</b>	<b>7 066</b>	<b>109 067</b>	<b>548 692</b>
<b>Year ended 31 December 2024</b>					
Opening net carrying amount	755 757	6 261	7 950	99 064	869 032
Additions	-	806	4 001	33 229	38 036
Revaluation loss	( 323 736)	-	-	-	( 323 736)
Depreciation charge	( 17 031)	( 52)	( 468)	( 29 774)	( 47 325)
<b>Closing net carrying amount</b>	<b>414 990</b>	<b>7 015</b>	<b>11 483</b>	<b>102 519</b>	<b>536 007</b>

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Opening net carrying amount	646 010	1 204 517
Acquisition of investment properties	119 537	-
Transfer to non current asset held for sale	( 138 737)	-
Disposal of investment property	( 194 518)	(5 404)
Fair value gain/(loss)	40 270	(553 103)
<b>At 31 December - net carrying amount</b>	<b>472 562</b>	<b>646 010</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Opening net carrying amount	646 010	1 204 517
Acquisition of investment properties	119 537	-
Transfer from other assets	( 138 737)	-
Disposal of investment property	( 194 518)	(5 404)
Fair value gain/(loss)	40 270	(553 103)
<b>At 31 December - net carrying amount</b>	<b>472 562</b>	<b>646 010</b>

### 10. DEPOSITS

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Deposits from banks	442 615	34 613
Deposits from customers (Note 10.1)	3 997 936	2 804 539
<b>Total</b>	<b>4 440 551</b>	<b>2 839 152</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Deposits from banks	442 615	34 613
Deposits from customers (Note 10.1)	3 997 936	2 804 539
<b>Total</b>	<b>4 440 551</b>	<b>2 839 152</b>

### 10.1 Sectorial distribution of customer deposits

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Agriculture	17 173	11 899
Individuals and households	47 207	32 710
Financial institutions	88 049	95 193
Wholesale, service and retail	3 756 420	2 602 980
Mining and energy	81 995	56 820
Manufacturing	7 092	4 937
<b>Total</b>	<b>3 997 936</b>	<b>2 804 539</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Agriculture	17 173	11 899
Individuals and households	47 207	32 710
Financial institutions	88 049	95 193
Wholesale, service and retail	3 756 420	2 602 980
Mining and energy	81 995	56 820
Manufacturing	7 092	4 937
<b>Total</b>	<b>3 997 936</b>	<b>2 804 539</b>

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# AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL RESULTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

### 11. BORROWED FUNDS

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Off-shore borrowings	164 302	218 835
Local borrowing	215 120	49 156
<b>Total</b>	<b>379 422</b>	<b>267 991</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Off-shore borrowings	164 302	218 835
Local borrowing	-	3 248
<b>Total</b>	<b>164 302</b>	<b>222 083</b>

### 12. PROVISIONS AND OTHER LIABILITIES

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Accruals	20 681	10 834
Provisions	68 043	94 674
Lease liability	31 385	-
Other	163 367	135 331
<b>Total</b>	<b>283 476</b>	<b>240 839</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Accruals	20 681	10 834
Provisions	62 094	94 674
Lease liability	31 385	-
Other	166 457	125 720
<b>Total</b>	<b>280 617</b>	<b>231 228</b>

### 13. NET INTEREST INCOME

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Interest and similar income		
Loans and advances:		
- to banks	19 018	9 119
- to customers	454 402	157 885
Cash and short-term funds	17 797	12 263
Financial assets at amortised cost	15 614	19 589
<b>Total interest income</b>	<b>506 831</b>	<b>198 856</b>

Interest expense and similar charges		
Deposits from banks	( 32 424)	(8 652)
Deposits from customers	( 89 348)	(9 509)
Borrowed funds	( 49 104)	(35 203)
<b>Total interest expense and similar charges</b>	<b>( 170 876)</b>	<b>(53 364)</b>
<b>Net interest income</b>	<b>335 955</b>	<b>145 492</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Interest and similar income		
Loans and advances:		
- to banks	19 018	9 120
- to customers	341 828	135 312
Cash and short-term funds	17 797	12 267
Financial assets at amortised cost	15 614	19 577
<b>Total interest income</b>	<b>394 257</b>	<b>176 276</b>
Interest expense and similar charges		
Deposits from banks	( 32 424)	(8 651)
Deposits from customers	(87 945)	(8 794)
Borrowed funds	(27 721)	(34 050)
<b>Total interest expense and similar charges</b>	<b>(148 090)</b>	<b>(51 495)</b>
<b>Net interest income</b>	<b>246 167</b>	<b>124 781</b>

### 14. EXPECTED CREDIT LOSSES ALLOWANCE

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Income statement movement comprised of:		
Net change in expected credit losses	11 120	74 305
Recoveries	(312)	(5 067)
Write-offs	12 575	43 483
<b>Total</b>	<b>23 383</b>	<b>112 721</b>

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL RESULTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Income statement movement comprised of:		
Net change in expected credit losses	9 223	103 273
Recoveries	( 286)	( 10 253)
Write-offs	12 315	12 689
<b>Total</b>	<b>21 252</b>	<b>105 709</b>

### 15. NON-INTEREST INCOME

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Fee and commission income (15.1)	679 526	525 208
Net trading income (15.2)	185 139	968 820
Other operating income (15.3)	170 018	(473 992)
<b>Total</b>	<b>1 034 683</b>	<b>1 020 036</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Fee and commission income (15.1)	672 536	522 785
Net trading income (15.2)	184 801	857 519
Other operating income (15.3)	169 446	( 407 403)
<b>Total</b>	<b>1 026 783</b>	<b>972 901</b>

#### 15.1 Fee and commission income

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Trading fees and commissions	272 486	211 113
Net commission income	407 040	314 095
<b>Total</b>	<b>679 526</b>	<b>525 208</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Trading fees and commissions	265 497	208 683
Net commission income	407 039	314 102
<b>Total</b>	<b>672 536</b>	<b>522 785</b>

#### 15.2 Net trading income

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Foreign exchange trading	184 801	238 893
Unrealised foreign exchange gains	338	729 927
<b>Total</b>	<b>185 139</b>	<b>968 820</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Foreign exchange trading	184 801	189 607
Unrealised foreign exchange gains	-	667 912
<b>Total</b>	<b>184 801</b>	<b>857 519</b>

#### 15.3 Other operating income

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Fair value adjustments on investment properties	40 270	(553 103)
Other	112 263	62 587
Rental income	17 485	16 498
<b>Total</b>	<b>170 018</b>	<b>(474 018)</b>

	Company	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Fair value adjustments on investment properties	40 270	(553 103)
Other	111 691	129 202
Rental income	17 485	16 498
<b>Total</b>	<b>169 446</b>	<b>( 407 403)</b>

### 16. OPERATING EXPENSES

	Group	
	31-Dec-25 ZWG' 000	31-Dec-24 ZWG' 000
Personnel expenses	483 111	443 543
Directors' fees	8 704	9 795
General and administrative expenses	569 718	431 825
Depreciation and amortisation expenses	63 419	75 343
<b>Total</b>	<b>1 124 952</b>	<b>960 506</b>

# AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL RESULTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Company	
	31-Dec-25	31-Dec-24
	ZWG' 000	ZWG' 000
Personnel expenses	458 845	430 040
Director's fees	8 704	9 797
General and administrative expenses	(16.1) 550 128	417 536
Depreciation, impairment and amortisation	63 107	75 343
<b>Total</b>	<b>1 080 785</b>	<b>932 716</b>

### 16.1 General and administrative expenses

	Group	
	31-Dec-25	31-Dec-24
	ZWG' 000	ZWG' 000
Information technology expenses	195 349	182 385
Marketing and communication expenses	52 117	22 993
Insurance	32 762	23 720
Repairs and maintenance expenses	38 841	41 907
Security expenses	36 841	32 138
Consultation and professional fees	30 086	30 449
Impairment loss *	123 720	66 095
Other	52 221	32 138
<b>Total</b>	<b>569 718</b>	<b>431 825</b>

### 16.1 General and administrative expenses

	Company	
	31-Dec-25	31-Dec-24
	ZWG' 000	ZWG' 000
Information technology expenses	193 270	180 566
Marketing and communication expenses	32 788	22 317
Insurance	32 762	23 720
Repairs and maintenance expenses	35 983	40 426
Security expenses	36 607	31 956
Consultation and professional fees	19 434	27 592
Impairment loss *	123 720	-
Other	75 564	90 960
<b>Total</b>	<b>550 128</b>	<b>417 537</b>

\* The impairment loss arose from the translation of inflation adjusted non-monetary items ZWG balances to USD values at the date of change in functional currency. The translated USD carrying amounts were assessed to be higher than the recoverable amounts. The loss is a non cash and non operating item.

## 17. TAXATION

### 17.1 Income tax expense

	Group	
	31-Dec-25	31-Dec-24
	ZWG' 000	ZWG' 000
Deferred tax	( 81 865)	(26 708)
Current income tax	110 236	52 165
<b>Income tax expense</b>	<b>28 371</b>	<b>25 457</b>

	Company	
	31-Dec-25	31-Dec-24
	ZWG' 000	ZWG' 000
Deferred income tax	( 74 669)	(24 682)
Current income tax	96 014	50 766
<b>Income tax expense</b>	<b>21 345</b>	<b>26 085</b>

### 17.2 Reconciliation of effective tax rate

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Group	
	31-Dec-25	31-Dec-24
	ZWG' 000	ZWG' 000
Profit before income tax	222 303	92 274
Notional income tax on profit for the year at a statutory rate of 25.75%	57 243	23 760
Non-deductible expenses	11 262	49 918
Non-taxable income	( 40 134)	(48 221)
<b>Income tax expense</b>	<b>28 371</b>	<b>25 457</b>

	Company	
	31-Dec-25	31-Dec-24
	ZWG' 000	ZWG' 000
Profit before income tax	170 927	59 288
Notional income tax on profit for the year at a statutory rate of 25.75%	44 014	15 267
Add Non-deductible expenses	11 276	51 831
Less Non-taxable income	( 33 945)	(41 013)
<b>Income tax expense</b>	<b>21 345</b>	<b>26 085</b>

Management believes that the Group has the capacity to generate enough taxable profits against which the deferred tax assets can be utilised.

## 18. FAIR VALUE, ACCOUNTING ESTIMATES AND JUDGEMENTS

### 18.1. Fair value hierarchy

The Group measures fair values using the following fair value hierarchy, which reflects the significance of inputs used in making the measurements.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities traded on the Zimbabwe Stock Exchange.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL RESULTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non-listed equity investments.

The hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible. For the valuation of all properties, management engages valuation specialists.

None of the Group's financial liabilities were carried at fair value.

At 31 December 2025	Group	
	Level 3	Total fair value
	ZWG' 000	ZWG' 000
<b>Assets</b>		
Financial assets at fair value through other comprehensive income	5 430	5 430
Land and buildings	420 368	420 368
Investment properties	472 563	472 556
<b>Total at fair value</b>	<b>898 361</b>	<b>898 356</b>

At 31 December 2025	Company	
	Level 3	Total fair value
	ZWG' 000	ZWG' 000
<b>Assets</b>		
Financial assets at fair value through other comprehensive income	5 432	5 432
Land and buildings	420 368	420 368
Investment properties	472 556	472 556
<b>Total at fair value</b>	<b>898 356</b>	<b>898 356</b>

## 19. RELATED PARTY TRANSACTIONS

African Banking Corporation of Zimbabwe Limited trading as BancABC is a wholly owned subsidiary of ABC Holdings (Zimbabwe) Limited. ABC Holdings (Zimbabwe) Limited is controlled by ABC Holdings Limited (incorporated and domiciled in Botswana). The ultimate controlling party of the Group is Atlas Mara Limited.

ABC Holdings (Zimbabwe) Limited's other main subsidiaries include:

- ABC Stockbrokers (Private) Limited
- ABC Asset Management (Private) Limited
- ABC Easy Loans (Private) Limited trading as BancEasy is a wholly owned subsidiary of BancABC.

Related party transactions are a normal feature of business and are disclosed in terms of IAS 24, 'Related party disclosures'. Related party transactions may affect the assessment of operations, risk and opportunity facing the organisation.

The Group entered into various financial services transactions with companies in the ABC Holdings Limited group during the year. All related party balances are disclosed at their carrying amounts.

Year end balances arising from transactions with related parties are as follows:

### 19.1 Amounts due from group companies

	Group	
	31-Dec-25	31-Dec-24
	ZWG' 000	ZWG' 000
Amounts due from group companies		
ABC Holdings Zimbabwe Limited	1 481	37 074
ABC Stockbrokers (Private) Limited	3 949	2 364
ABC Asset Management (Private) Limited	11 821	676
<b>Total</b>	<b>17 251</b>	<b>40 114</b>

	Company	
	31-Dec-25	31-Dec-24
	ZWG' 000	ZWG' 000
ABC Holdings Zimbabwe Limited	1 481	37 074
ABC Stockbrokers (Private) Limited	3 949	2 364
ABC Asset Management (Private) Limited	12 601	4 832
ABC Easy Loans (Private) Limited	15 277	675
<b>Total</b>	<b>33 308</b>	<b>44 945</b>

### 19.2 Amounts due to group companies

	Group	
	31-Dec-25	31-Dec-24
	ZWG' 000	ZWG' 000
Amounts due to group companies		
ABC Holdings (Zimbabwe) Limited	-	9 873
<b>Total</b>	<b>-</b>	<b>9 873</b>

	Company	
	31-Dec-25	31-Dec-24
	ZWG' 000	ZWG' 000
ABC Holdings (Zimbabwe) Limited	-	9 873
<b>Total</b>	<b>-</b>	<b>9 873</b>

Both the balances due to group companies and balances due from group companies have no fixed repayment period. No collateral has been provided for these balances.

### 19.3 Remuneration Policy

The Group's policy is to remunerate Non-Executive Directors fairly and reasonably for their time, expertise, and commitment. Non-Executive Directors receive a fixed fee for their services, which is not linked to individual or Group performance. There is no equity-based compensation.

For executive directors and senior executives, the remuneration policy is designed to attract, retain, and motivate high-performing executives. The policy provides for a mix of fixed and variable remuneration, with the variable component linked to individual and company performance (profit share/ annual compensation incentive). There is no equity-based compensation and remuneration is competitive with market rates.

This Remuneration Policy is reviewed annually and updated as necessary to ensure alignment with the Company's strategic objectives and regulatory requirements.



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# AFRICAN BANKING CORPORATION OF ZIMBABWE LIMITED

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL RESULTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

### 20. FINANCIAL RISK MANAGEMENT

#### 20.1 Interest rate repricing risk

The Group is exposed to various risks with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the Group's exposure to interest rate risk. Included in the table are the Group's assets and liabilities at carrying amounts categorised by the earlier of contractual repricing or maturity dates.

#### Interest rate repricing gap analysis

Interest rate repricing gap analysis	Group					Total
	Up to 1 month	1 - 3 months	3 - 12 months	Greater than 1 year	Non-interest bearing	
<b>At 31 December 2025</b>	ZWG'000	ZWG'000	ZWG'000	ZWG'000	ZWG'000	ZWG'000
<b>Assets</b>						
Cash and cash equivalents and balances with the central bank	1 825 845	-	-	-	-	1 825 845
Amounts due from group companies	-	-	17 251	-	-	17 251
Investment securities	33 983	-	72 850	993 164	-	1 099 997
Loans and advances to customers	276 612	364 369	557 780	1 043 242	-	2 242 003
Current income tax asset	-	-	-	-	11 487	11 487
Other assets	-	-	-	-	506 586	506 586
Non current assets held for sale	-	-	-	-	138 743	138 743
Property and equipment	-	-	-	-	553 560	553 560
Right-of-use assets	-	-	-	-	28 917	28 917
Investment properties	-	-	-	-	472 562	472 562
Intangible assets	-	-	-	-	111 769	111 769
<b>Total assets</b>	<b>2 136 440</b>	<b>364 369</b>	<b>647 881</b>	<b>2 036 406</b>	<b>1 823 624</b>	<b>7 008 720</b>
<b>Liabilities</b>						
Deposits from banks	442 615	-	-	-	-	442 615
Deposits from customers	396 855	3 601 081	-	-	-	3 997 936
Provisions and other liabilities	-	-	-	-	283 476	283 476
Deferred tax liabilities	-	-	-	-	183 986	183 986
Borrowed funds	-	-	215 120	164 302	-	379 422
Equity	-	-	-	-	1 721 311	1 721 311
<b>Total liabilities and equity</b>	<b>839 470</b>	<b>3 601 081</b>	<b>215 120</b>	<b>164 302</b>	<b>2 188 773</b>	<b>7 008 746</b>
<b>Total interest rate repricing gap</b>	<b>1 296 970</b>	<b>( 3 236 712)</b>	<b>432 761</b>	<b>1 872 104</b>	<b>( 365 123)</b>	<b>-</b>
<b>Cumulative interest rate repricing gap</b>	<b>1 296 970</b>	<b>( 1 939 742)</b>	<b>( 1 506 981)</b>	<b>365 123</b>	<b>-</b>	<b>-</b>
<b>As at 31 December 2024</b>	<b>1 385 175</b>	<b>( 1 063 969)</b>	<b>( 247 872)</b>	<b>448 202</b>	<b>( 533 146)</b>	<b>-</b>

#### 20.1 Interest rate repricing risk (continued)

Interest rate repricing gap analysis	Company					Total
	Up to 1 month	1 - 3 months	3 - 12 months	Greater than 1 year	Non-interest bearing	
<b>At 31 December 2025</b>	ZWG'000	ZWG'000	ZWG'000	ZWG'000	ZWG'000	ZWG'000
<b>Assets</b>						
Cash and cash equivalents and balances with the central bank	1 825 274	-	-	-	-	1 825 274
Amounts due from group companies	-	-	33 308	-	-	33 308
Investment securities	33 983	-	72 850	993 164	-	1 099 997
Loans and advances to customers	254 142	334 769	512 462	958 506	-	2 059 879
Current income tax asset	-	-	-	-	11 286	11 286
Other assets	-	-	-	-	371 761	371 761
Non current assets held for sale	-	-	-	-	138 737	138 737
Investment in subsidiary	-	-	-	-	16 576	16 576
Property and equipment	-	-	-	-	548 693	548 693
Right-of-use assets	-	-	-	-	28 917	28 917
Investment properties	-	-	-	-	472 562	472 562
Intangible assets	-	-	-	-	111 769	111 769
<b>Total assets</b>	<b>2 113 399</b>	<b>334 769</b>	<b>618 620</b>	<b>1 951 670</b>	<b>1 700 301</b>	<b>6 718 759</b>
<b>Liabilities</b>						
Deposits from banks	442 615	-	-	-	-	442 615
Deposits from customers	396 855	3 601 081	-	-	-	3 997 936
Provisions and other liabilities	89 375	62 094	76 175	52 974	-	280 618
Amounts due to group companies	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	188 889	188 896
Borrowed funds	-	-	-	164 302	-	164 302
Equity	-	-	-	-	1 644 425	1 644 425
<b>Total liabilities</b>	<b>928 845</b>	<b>3 663 175</b>	<b>76 175</b>	<b>217 276</b>	<b>1 833 314</b>	<b>6 718 785</b>
<b>Total interest rate repricing gap</b>	<b>1 184 554</b>	<b>( 3 328 406)</b>	<b>542 445</b>	<b>1 734 395</b>	<b>( 132 988)</b>	<b>-</b>
<b>Cumulative interest rate repricing gap</b>	<b>1 184 554</b>	<b>( 2 143 852)</b>	<b>( 1 601 407)</b>	<b>132 988</b>	<b>-</b>	<b>-</b>
<b>As at 31 December 2024</b>	<b>1 372 371</b>	<b>( 1 076 797)</b>	<b>( 199 041)</b>	<b>442 790</b>	<b>( 737 665)</b>	<b>-</b>

#### 20.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations when they fall due because of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities.

#### Non-derivative cash flows

The table below presents the non-derivative cash flows payable and recoverable by the Group and the Company by remaining contractual maturities at the reporting date.

## NOTES TO THE AUDITED CONSOLIDATED FINANCIAL RESULTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

### Liquidity risk

#### The Group's maturity

analysis as at 31 December 2025

	Group				Total
	Up to 1 month	1 - 3 months	3 - 12 months	Greater than 1 year	
<b>analysis as at 31 December 2025</b>	ZWG'000	ZWG'000	ZWG'000	ZWG'000	ZWG'000
Cash and cash equivalents and balances with the central bank	1 825 845	-	-	-	1 825 845
Amounts due from group companies	-	-	17 251	-	17 251
Investment securities	33 983	-	72 850	993 164	1 099 997
Loans and advances to customers	276 612	364 369	557 780	1 043 242	2 242 003
Other assets (excluding prepayments)	-	-	438 554	-	438 554
<b>Total assets</b>	<b>2 136 440</b>	<b>364 369</b>	<b>1 086 435</b>	<b>2 036 406</b>	<b>5 623 650</b>
Deposits from banks	442 615	-	-	-	442 615
Deposits from customers	396 855	3 601 081	-	-	3 997 936
Other liabilities (excluding provisions)	89 426	68 043	68 433	57 573	283 475
Borrowed funds	-	-	215 120	164 302	379 422
<b>Total liabilities</b>	<b>928 896</b>	<b>3 669 124</b>	<b>283 553</b>	<b>221 875</b>	<b>5 103 448</b>
<b>Liquidity gap</b>	<b>1 207 544</b>	<b>( 3 304 755)</b>	<b>802 882</b>	<b>1 814 531</b>	<b>520 202</b>
<b>Cumulative liquidity gap</b>	<b>1 207 544</b>	<b>( 2 097 211)</b>	<b>( 1 294 329)</b>	<b>520 202</b>	<b>-</b>
<b>As at 31 December 2024</b>	<b>1 385 185</b>	<b>( 1 063 978)</b>	<b>25 574</b>	<b>721 653</b>	<b>-</b>

#### 20.2 Liquidity risk (continued)

#### The Group's maturity

analysis as at 31 December 2025

	Company				Total
	Up to 1 month	1 - 3 months	3 - 12 months	Greater than 1 year	
<b>analysis as at 31 December 2025</b>	ZWG'000	ZWG'000	ZWG'000	ZWG'000	ZWG'000
Cash and cash equivalents and balances with the central bank	1 825 274	-	-	-	1 825 274
Amounts due from group companies	-	-	33 308	-	33 308
Investment securities	33 983	-	72 850	993 164	1 099 997
Loans and advances to customers	254 143	334 761	512 443	958 532	2 059 879
Other assets (excluding prepayments)	-	-	303 713	-	303 713
<b>Total assets</b>	<b>2 113 400</b>	<b>334 761</b>	<b>922 314</b>	<b>1 951 696</b>	<b>5 322 171</b>
Deposits from banks	442 615	-	-	-	442 615
Deposits from customers	396 855	3 601 081	-	-	3 997 936
Other liabilities (excluding provisions)	89 374	62 094	76 175	52 975	280 618
Borrowed funds	-	-	-	164 302	164 302
<b>Total liabilities</b>	<b>928 844</b>	<b>3 663 175</b>	<b>76 175</b>	<b>217 277</b>	<b>4 885 471</b>
<b>Liquidity gap</b>	<b>1 184 556</b>	<b>( 3 328 414)</b>	<b>846 139</b>	<b>1 734 419</b>	<b>436 700</b>
<b>Cumulative liquidity gap</b>	<b>1 184 556</b>	<b>( 2 143 858)</b>	<b>( 1 297 719)</b>	<b>436 700</b>	<b>-</b>
<b>As at 31 December 2024</b>	<b>1 372 371</b>	<b>( 1 076 050)</b>	<b>65 151</b>	<b>706 982</b>	<b>-</b>

#### 20.3 Foreign currency exchange risk

Foreign currency exchange risk is the risk arising from fluctuations in foreign exchange rates and their effect on future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Risk Department sets limits on the level of exposure by currency and in aggregate.

As at 31 December 2025, the Group's aggregate net foreign currency open position ratio and single currency net open position ("NOP") ratio was 14.98% and 9.72%, respectively. These foreign currency net open positions were within the regulatory limits.

The tables below summarise the Group's exposure to foreign currency exchange risk as at 31 December 2025.

#### 20.3.1 Concentration of currency risk

	Group						Total
	ZWG	US\$	ZAR	GBP	EUR	Other	
<b>At 31 December 2025</b>	ZWG'000	ZWG'000	ZWG'000	ZWG'000	ZWG'000	ZWG'000	ZWG'000
Cash and cash equivalents and balances with the central bank	166 225	1 520 391	42 631	13 151	76 955	6 494	1 825 847
Amounts due from group companies	17 251	-	-	-	-	-	17 251
Investment securities	46 324	1 053 647	-	-	-	26	1 099 997
Loans and advances to customers	220 316	2 020 441	219	-	1 027	-	2 242 003
Current income tax asset	-	11 487	-	-	-	-	11 487
Other assets	33 099	470 822	2 164	150	377	-	506 612
<b>Total assets</b>	<b>483 215</b>	<b>5 076 788</b>	<b>45 014</b>	<b>13 301</b>	<b>78 359</b>	<b>6 520</b>	<b>5 703 197</b>
<b>Liabilities</b>							
Deposits from banks and customers	674 462	3 671 846	26 854	4 774	61 860	755	4 440 551
Other liabilities	230 565	51 337	1 138	86	-	349	283 475
Borrowed funds	23 470	355 952	-	-	-	-	379 422
<b>Total liabilities</b>	<b>928 497</b>	<b>4 079 135</b>	<b>27 992</b>	<b>4 860</b>	<b>61 860</b>	<b>1 104</b>	<b>5 103 448</b>
<b>Net financial instrument balance</b>	<b>442,282</b>	<b>997,653</b>	<b>17,022</b>	<b>8,441</b>	<b>16,499</b>	<b>5,416</b>	<b>599,749</b>
<b>As at 31 December 2024</b>	<b>(277,890)</b>	<b>1,068,958</b>	<b>31,585</b>	<b>8,911</b>	<b>(3,951)</b>	<b>48,681</b>	<b>876,303</b>

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 FOR THE YEAR ENDED 31 DECEMBER 2025

At 31 December 2025	Company						
	ZWG' 000 Equivalent	US\$ ZWG' 000 Equivalent	ZAR ZWG' 000 Equivalent	GBP ZWG' 000 Equivalent	EUR ZWG' 000 Equivalent	Other ZWG' 000 Equivalent	Total ZWG' 000 Equivalent
Cash and cash equivalents and balances with the central bank	166 173	1 519 897	42 608	13 146	76 929	6 521	1 825 274
Amounts due from group companies	33 308	-	-	-	-	-	33 308
Investment securities	46 324	1 053 647	-	-	-	26	1 099 997
Loans and advances to customers	202 416	1 856 321	208	-	961	-	2,059,880
Current income tax asset	-	11 276	-	-	-	10	11 286
Other assets	24 292	345 517	1 585	104	260	-	371,758
<b>Total assets</b>	<b>472 513</b>	<b>4 786 658</b>	<b>44 401</b>	<b>13 250</b>	<b>78 150</b>	<b>6,557</b>	<b>5,401,593</b>
Liabilities							
Deposits from banks and customers	674 459	3 671 835	26 864	4 780	61 860	753	4 440 551
Other liabilities	105 118	174 305	1,117	78	-	-	280 618
Borrowed funds	10 158	154 143	-	-	-	-	164 301
<b>Total liabilities</b>	<b>789 735</b>	<b>4,000,283</b>	<b>27,981</b>	<b>4,858</b>	<b>61,860</b>	<b>5 804</b>	<b>4,885,470</b>
<b>Net financial instrument balance</b>	<b>(317 222)</b>	<b>786,375</b>	<b>16,420</b>	<b>8,392</b>	<b>16,290</b>	<b>5,778</b>	<b>516,033</b>
<b>As at 31 December 2024</b>	<b>( 719)</b>	<b>810,714</b>	<b>31,595</b>	<b>8,873</b>	<b>( 3 964)</b>	<b>78,630</b>	<b>925,130</b>

**21. CAPITAL ADEQUACY**

The RBZ requires each bank in Zimbabwe to maintain a minimum total regulatory capital adequacy ratio of 12% and minimum core capital of the ZWG equivalent of US\$30 million. The note summarises the composition of regulatory capital and ratios of the Bank.

	Group	
	31 Dec 2025 ZWG' 000	31 Dec 2024 ZWG' 000
Tier 1		
Ordinary paid-up share capital	0	0
Share premium	20	20
Capital awaiting allotment	82	82
Retained earnings	1 149 991	1 079 866
Less: Exposure to insiders and connected parties	( 30 704)	( 27 743)
<b>Total qualifying Tier 1 capital</b>	<b>1 119 389</b>	<b>1 052 225</b>
Tier 2		
Revaluation reserve	313 423	307 850
Financial assets at fair value through other comprehensive income reserve	-	4 395
General provisions (Limited to 1.25% of Total Risk Weighted Assets)	41 581	22 166
<b>Total qualifying Tier 2 capital (Limited to 100% of total qualifying Tier 1 capital)</b>	<b>355 004</b>	<b>334 411</b>
<b>Total regulatory capital</b>	<b>1 474 394</b>	<b>1 386 636</b>
<b>Total risk-weighted assets</b>	<b>5 458 541</b>	<b>3 552 293</b>
Tier 1 ratio	21%	37%
Tier 2 ratio	7%	9%
Capital adequacy ratio	27%	46%

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL RESULTS (continued)**  
 FOR THE YEAR ENDED 31 DECEMBER 2025

**22. OFF-STATEMENT OF FINANCIAL POSITIONS ITEMS**

	Group	
	31 Dec 2025 ZWG' 000	31 Dec 2022 ZWG' 000
Commitments to lend	9 285	16 132
Financial guarantees	3 715	7 838
<b>Total</b>	<b>13 000</b>	<b>23 970</b>

**23. Contingent Liabilities**

The Zimbabwe Revenue Authority ("ZIMRA") is currently conducting a comprehensive tax audit of the Group covering all tax heads, including Pay As You Earn ("PAYE"), Value Added Tax ("VAT"), corporate income tax, and Withholding Tax ("WHT"). The audit, which commenced in October 2024, is ongoing as of the reporting date.

A key area of discussion with ZIMRA relates to the deductibility of interest expenses on deposits and lines of credit. Under the Income Tax Act (Chapter 23:06) Section 16(1)(o), ZIMRA has raised queries regarding the non-deductibility of the interest expense for the periods under review.

Subsequent to the reporting date, section 16(1)(o) of the Income Tax Act was repealed with effect from 1 January 2026. This amendment is applicable prospectively and does not legally alter the tax treatment for the financial year ended 31 December 2025 or prior periods currently under audit.

As of 31 December 2025, ZIMRA has not issued any formal assessments for any of the tax heads under review. Management, in consultation with tax advisors, has assessed the status of the audit and considers it possible, but not probable, that a significant outflow of economic resources will be required.

At the date of signing the financial statement, it is not practicable to provide a reliable estimate of the potential financial effect, if any, due to the preliminary nature of the audit findings and the ongoing technical discussions regarding the interpretation of the repealed section. Consequently, no provision has been recognised in these financial statements in accordance with IAS 37.

**24. Breaches and fines**

Due to the delay in submission of the Model Risk Management Reports, which was due on 31 March 2025 in breach of Banking Act [Chapter 24:20], the Group has incurred a penalty of ZWG 150,194.

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