



# ANNUAL REPORT

Transformation and Retooling Towards a DFI of Scale

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## ABBREVIATIONS AND DEFINITIONS

AADFI	African Association of Development Finance Institutions
AFD	French Development Agency
AfDB	African Development Bank
AML/CFT/CPF	Anti-Money Laundering/ Countering the Financing of Terrorism/ Counter-Proliferation Financing
AU	African Union
BAZ	Bankers Association of Zimbabwe
CEO	Chief Executive Officer
CFF	Climate Finance Facility
CMMMD	Compliance Review and Mediation Department
CSP	Customer Security Programme
CUZ	Catholic University of Zimbabwe
CZI	Confederation of Zimbabwe Industries
DAE	Direct Access Entity
DFI	Development Finance Institution
EMA	Environmental Management Agency
EMDEs	Emerging Market and Developing Economies
EOSD	European Organisation for Sustainable Development
EPC+F	Engineering, Procurement, Construction and Financing
ESG	Environmental, Social, and Governance
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESSMS	Environmental and Social Sustainability Management System
EXCO	Executive Committee of the IDBZ
FATF	Financial Action Task Force
GCF	Green Climate Fund
GDP	Gross domestic product
GHG	Greenhouse Gases
GoZ	Government of Zimbabwe
HCFC	Hydrochlorofluorocarbons
HFC	Hydrofluorocarbons
ICT	Information Communication Technology
IDBZ	Infrastructure and Development Bank of Zimbabwe
IPPs	Independent Power Producers
IRBM	The Integrated Results Based Management
JV	Joint Venture
LED	Light-Emitting Diode
LTS	Long Term Strategy
MALCO	Management of Assets and Liabilities Committee
MOLAFWRD	Ministry of Lands, Agriculture, Fisheries, Water and Rural Development
MONHSA	Ministry of National Housing and Social Amenities
MOPSE	Ministry of Primary and Secondary Education
MOTID	Ministry of Transport and Infrastructural Development
MTR	Mid-Term Review Report
NDS 1	National Development Strategy 1 (2021-2025)

## ABBREVIATIONS AND DEFINITIONS (continued)

NDS 2	National Development Strategy 2 (2026-2030)
NPL	Non-Performing Loan
NRZ	National Railways of Zimbabwe
OPC	Office of the President and Cabinet
PCR	Project Completion Report
PECG Act	Public Entities Corporate Governance Act
PPDF	Project Preparation and Development Fund
PPDPA Act	Public Procurement and Disposal of Public Assets Act.
PPP	Public-Private Partnerships
PRAZ	Procurement Regulatory Authority of Zimbabwe
PSGRS	Prudential Standards, Guidelines and Rating System
PSISP	Public Sector Investment Programme
Q1, Q2, Q3 and Q4	First, Second, Third and Fourth Quarter of the Year
RBZ	Reserve Bank of Zimbabwe
SDGs	Sustainable Development Goals
SSCI	Sustainability Standards and Certification Initiative
WASH	Water, Sanitation and Hygiene
WHITE	Water and Sanitation, (ii) Housing, (iii) Irrigation Development (iv) Transport, and (v) Energy
ZDB	Zimbabwe Development Bank
ZIG	Zimbabwe Gold (currency)
ZINWA	Zimbabwe National Water Authority



## CORPORATE INFORMATION

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### Kantor and Immerman Legal Practitioners

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#### BancABC Limited

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#### African Century Limited

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#### Nedbank

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Telephone: +263 (24) 2750171-8



## BOARD OF DIRECTORS



**Dr. Kupukile Mlambo**  
Board Chairman



**Dr. Naomi N. Wekwete**  
Deputy Board Chair



**Mr. Willing Zvirevo**  
Acting Chief Executive Officer



**Dr. Barbara Mbuyisa**  
Board Member



**Dr. Andries Rukobo**  
Board Member



**Mr. Reginald Mugwara**  
Board Member



**Ms. Sibusisiwe P. Bango**  
Board Member (deceased)



**Dr. Nobert O. Mugwagwa**  
Board Member



**Mr. Tadios Muzoroza**  
Board Member



**Mrs. Arina Manyanya**  
Board Member

## CORPORATE MANAGEMENT



**Mr. Willing Zvirevo**  
Acting Chief Executive Officer



**Mr. Cassius Gambinga**  
Director - Finance



**Mr. Daniel Makono**  
Director - Legal Counsel and Bank Secretary



**Mr. Kennias Kanguru**  
Head Internal Audit



**Dr. Reggie Dangarembwa**  
Director - Infrastructure Projects 1



**Eng. Nicodimus Chidhakwa**  
Director - Infrastructure Projects 2



**Mr. Norbet Mutasa**  
Director - Private Sector Operations



**Mr. Majaya Katoma**  
Director - Treasury



**Eng. Fredy Masuka**  
Director - Procurement Management

## CORPORATE MANAGEMENT *(continued)*



**Mr. Phillip Tadiwa**  
Director - Compliance Review  
and Mediation



**Mr. Simbarashe Makombera**  
Director - Corporate Services  
and Human Resources



**Mr. Weston Nembaware**  
Executive Assistant to the CEO



**Mr. Takaidza Mabuto**  
Head - Risk Management



**Mr. Alexio Mashonganyika**  
Head - Credit and Policies



**Mr. Douglas Mapuranga**  
Head - ICT



**Mr. Phillip Chitsika**  
Chief Economist, Strategy and  
Performance Monitoring



**Mrs. Priscillah Zvobgo**  
Chief Communications Officer



**Dr. Kupukile Mlambo**  
**Chairman of the Board**

#### **Background**

*In 2025, the Zimbabwean economy registered a 6.6% growth, higher than 1.7% recorded in 2024. Mining, agriculture, construction, electricity, transport, and information & communication sectors anchored growth in 2025. The growth momentum is projected to continue in 2026 with a firm forecast of 5% GDP growth. This growth trajectory points to an increased demand in the Bank products and services.*

The country achieved macroeconomic stability in 2025, characterised by declining inflation and a stable exchange rate. The stability reduced market price distortions and smoothed project cost projections. However, high interest rates, tight liquidity and limited availability of long-term capital in the market constrained the Bank's resource mobilisation for infrastructure development. The dearth of bankable projects in the market also continues to hinder the mobilisation of resources for infrastructure projects. The Bank is therefore scaling up its efforts to develop a diversified pipeline of commercially attractive projects to bankability in collaboration with Government, Project Promoters and Development Partners.

## CHAIRMAN'S STATEMENT *(continued)*

### Contribution to Vision 2030

Under the National Development Strategy 1 (NDS1), the Bank made measurable contributions towards advancing Vision 2030 by supporting key infrastructure and social development initiatives. It facilitated the delivery of 1,032 student beds, 703 housing units and 2,157 serviced stands, as well as the rehabilitation of two health facilities. In addition, the Bank supported energy and agricultural development by financing transformer protection installations, prepaid electricity meters, household solar systems, and irrigation development on 2,000 hectares, and paprika and chilli production. In 2025, the Bank developed its Five-Year Strategic Plan (2026-2030), guided by Vision 2030, priorities of the National Development Strategy 2 (NDS2), and specific sector policies. The Bank is prioritising the development and implementation of various projects to enable it to make a measurable development impact. Investment will be prioritised in the following sectors: water and sanitation; housing, irrigation infrastructure; transport and energy (WHITE). Support will also be given to the productive sector of the economy targeting: the infrastructure value chain; green transitioning; industrialisation; exports promotion; import substitution; and value addition & beneficiation. The Bank relies on continuous collaboration with Government Agencies, Development Partners and the Private Sector for effective mandate delivery.

### Institutional Reforms

The Bank announced the retirement of Mr Zondo T. Sakala on 31 August 2025. The Bank expresses its profound gratitude to Mr Sakala for a decade of transformative leadership of the institution after serving his two terms. In the interim, Mr Willing Zvirevo has been appointed Acting CEO pending the appointment of a substantive Chief Executive Officer. The Bank remains committed to its transformation journey, with a continued focus on improving efficiency, effectiveness and financial sustainability. Our key priorities will include capitalisation, capital preservation initiatives, and commercial discipline to ensure resilience and long-term sustainability.

### Appreciation

The Bank is grateful for the unwavering support from the Office of the President and Cabinet, the Ministry of Finance, Economic Development and Investment Promotion, the Reserve Bank of Zimbabwe, Government Line Ministries and Departments, Public Agencies, Cooperating Partners and investment partners among other key stakeholders. Their support is instrumental to the Bank's ability to execute its mandate.

I also extend my sincere gratitude to the Board, Management, and Staff for their tireless efforts in advancing the Bank's mandate.



**Dr. Kupukile Mlambo**  
**Chairman of the Board**

27 March 2026



**W. Zvirevo**  
**Acting Chief Executive Officer**

*Guided by its strategic theme “Transforming and Retooling Towards a DFI of Scale: Recalibration and Adaptation”, the Bank has remained focused on supporting the development and financing of infrastructure and other development initiatives across all sectors of the economy.*

#### **Bank Operations**

In 2025, the Bank operated in an improved macro-economic environment characterised by declining inflation and a stable exchange rate. While the tight fiscal and monetary policy measures had a stabilisation effect on the macroeconomic environment, the prevailing tight liquidity conditions and high interest rates created a challenging landscape for the Bank’s resource mobilisation efforts. As a result, the Bank’s loan book growth was curtailed, and project completion was delayed. Nonetheless, the Bank registered notable progress in executing its mandate.

During the year under review, US\$15.83 million was raised from the market to support project implementation, productive sector lending, and for liquidity management. A total of US\$6.4 million was disbursed towards infrastructure projects (US\$2.1 million) and productive sector financing (US\$4.3 million).

In 2025, the Bank made significant progress in advancing its mandate across water and sanitation, housing, irrigation, transport, and energy sectors. These interventions reinforced its commitment to addressing national infrastructure gaps for socio-economic transformation.

## CHIEF EXECUTIVE OFFICER'S STATEMENT *(continued)*

The following were the Bank's interventions in various sectors:

- i. Water Supply and Irrigation: Through its advisory services, the Bank was engaged by ZINWA as Independent Engineer in contract rates negotiations on the following projects: Musami Water Supply Project; Vungu Dam, Water Supply and Irrigation Project; Gwayi Shangani Dam Hydro Power Project and Water Intake Pump Station.
- ii. Irrigation Development: Independent Engineer services on contracts revaluation and value for money audits for the Department of Irrigation on Land Clearing Contracts and Irrigation Infrastructure.
- iii. Transport: Advisory Services to the Ministry of Transport and Infrastructural Development on Public-Private Partnership (PPP) transactions relating to Forbes and Chirundu Border Posts Upgrades, Harare-Nyamapanda Road & Nyamapanda Border Post Upgrade, and Old Gwanda Road Upgrade.
- iv. Housing Development: The Bank continued to deliver impactful housing projects nationwide, with the following notable milestones registered:
  - a) Wils Grove Park, Bulawayo - the project entailed the development of 114 low-density stands. Completed works include surfaced roads, stormwater drainage, and water reticulation.
  - b) Kadoma Cluster Housing - A total of 7 out of 30 3-bedroom cluster units have been completed together with related civil works.
  - c) Mabuto Villas, Hatfield (Harare) – The project entailed the construction of 20 3-bedroom cluster housing units along with all the supporting infrastructure. The project reached completion and was sold out before end of December 2025.
  - d) Waneka Phase III (Harare): 48 flat units were completed and sold out.
  - e) Catholic University Accommodation (Harare) – the project reached bankability in 2025 and fundraising commenced. The project entails the construction of student accommodation facilities with a total capacity of 1,024 beds.
  - f) Energy: The 5MW Gutu Solar Project reached bankability and will be implemented in 2026.

The following projects are at various stages of preparation:

- i. Marimba Cluster Housing Development Project (Harare);
- ii. Gerizim Villas Cluster Housing Project (Harare);
- iii. Samavale Low Density Housing Project (Masvingo);
- iv. Kwekwe Low Density Housing (Kwekwe);
- v. Morningside Medium Density Housing Project (Masvingo);
- vi. Lithium Batteries Assembly Project (Marondera);
- vii. 2.4MW Odzani Mini-hydro Project Phase A (Mutasa, Manicaland); and
- viii. Muuyu Truckstop (Mwenezi, Masvingo).

In terms of climate finance initiatives, the Bank is developing the USD 50 million Horticulture Investment Fund for Enhanced Climate Resilience (HIFECR). The facility, which will blend concessional resources from the Green Climate Fund with co-financing from other Development Partners, public sources and the private sector, seeks to strengthen resilience in high-value export chains including coffee, citrus, avocado, berries, and fresh produce. The project targets over 150,000 direct beneficiaries, with strong participation targets for women and youth.

### Bank Capitalisation

During the year, the Bank received an equivalent of US\$6.8 million (Government of Zimbabwe - US\$4.7 million and RBZ - US\$2.1 million) in capital injections from its shareholders, and this provided essential operational support. As part of continued support in strengthening the Bank's balance sheet, Government allocated another ZiG 150 million towards the Bank's capitalisation under the 2026 National Budget. This was further bolstered by issuance of capitalisation Treasury Bills for USD 50 million in February 2026. The Bank is thankful for ongoing shareholder support and will continue to pursue its capitalisation initiatives to achieve its ambition of becoming "a DFI of Scale".

### Financial Performance

During the period under review, the Bank recorded an operating loss before tax of ZiG 532 million compared to a profit of ZiG 239.8 million in the prior year. The reported loss was mainly because of loans written off amounting to ZiG 101

## CHIEF EXECUTIVE OFFICER'S STATEMENT *(continued)*

million and an increase in operating expenses to ZiG 435.3 million during the year compared to ZiG 228.8 million in 2024. Net revenue for the period was ZiG 81.7 million compared to ZiG 221.1 million in 2024. Prior year revenue was mainly driven by recognition of revenue on the Sumben Phase 1 Housing Project which reached completion in 2024. During the year, the Bank completed the Waneka Phase III and Mabuto Villas housing development projects. Housing projects generated revenues of ZiG 44 million during the year compared to ZiG 184.3 million in the prior period.

Total assets decreased by 3% during the period to end the year at ZiG 1.32 billion. The major drivers of the decrease in the balance sheet were limited loan book growth affected by tight market liquidity and high impairment. Shareholders injected a total of ZiG 181.9 million in capital during the period. Looking ahead, the Bank will strengthen its financial sustainability by aligning resource allocation with strategic priorities, boosting short-term revenue generation, and maintaining disciplined cost management.

To enhance its development impact and financial performance, the Bank has put in motion several strategies that are aimed at achieving the following outcomes:

- i. Stronger capital position and underwriting capacity;
- ii. Improved quality, commercial attractiveness and diversity of the project pipeline;
- iii. Enhanced project origination, structuring and advisory capabilities;
- iv. Increased off-balance sheet financing and productive sector lending; and,
- v. A lean corporate structure for operational agility and cost efficiency.

### Appreciation

I would like to extend our deep gratitude to the Office of President and Cabinet, Ministry of Finance, Economic Development and Investment Promotion, and the Reserve Bank of Zimbabwe for their unwavering support to the Bank. My appreciation also goes to the Board of Directors for their steadfast guidance, strategic insight, and continued oversight throughout the year. The Bank remains deeply appreciative for the support from its clients, Development Partners and other stakeholders. I am also grateful to all Bank staff for their dedication and teamwork as we strive to make measurable contributions towards national development and the attainment of Vision 2030.



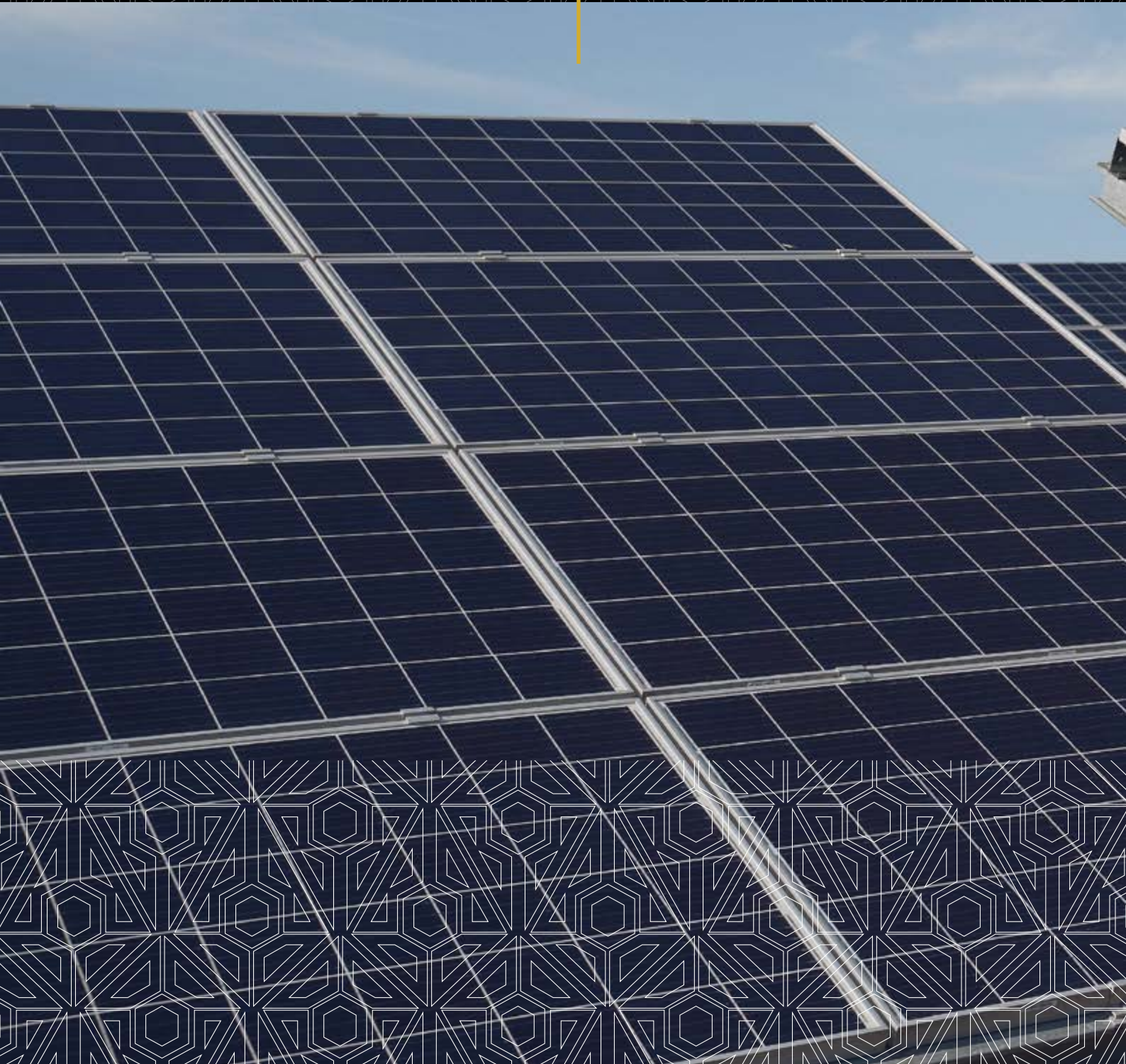
**W. Zvirevo**

**Acting Chief Executive Officer**

27 March 2026

# CHAPTER 01

INSTITUTIONAL  
PROFILE



## CHAPTER 1: INSTITUTIONAL PROFILE *(continued)*

### 1.1 Legal Status and Ownership Structure

The Infrastructure and Development Bank of Zimbabwe (“the IDBZ”) is a development finance institution set up by the Government of Zimbabwe on the 31st of August 2005, taking over the assets and liabilities of the former Zimbabwe Development Bank (“ZDB”). It is established under section 3 of the Infrastructure and Development Bank of Zimbabwe Act [Chapter 24:14] as amended (“the IDBZ Act”). Currently, the Government of Zimbabwe and the Reserve Bank of Zimbabwe (RBZ) are the primary shareholders at 87.407377% and 12.592576%, respectively.

### 1.2 Mandate, Vision, Mission, Purpose, and Values

#### 1.2.1 Mandate

The entity derives its mandate from the IDBZ Act [Chapter 24:14], Part IV, Section 16.

The objectives of the Bank are:

- a) To promote economic development and growth, and to improve the living standards of Zimbabweans, through the development of infrastructure including, but not limited to, roads, dams, water reticulation, housing, sewerage, technology, amenities and utilities;
- b) To develop institutional capacity in undertakings and enterprises of all kinds in Zimbabwe; and
- c) To support development projects and programmes in all sectors of the Zimbabwean economy.

#### 1.2.2 Vision

A Zimbabwe with a robust and inclusive infrastructure for sustainable growth and development.

#### 1.2.3 Mission

To promote national development and the delivery of sustainable infrastructure in Zimbabwe through advisory and financing solutions.

#### 1.2.4 Purpose

Uplifting livelihoods of all Zimbabweans through sustainable infrastructure development.

#### 1.2.5 Core Values:

The Bank intends to support inclusive, sustainable infrastructure and enterprise development guided by its Purpose and the triple P concept on sustainability. To this end, it strives to adhere to the following values:

- i. Integrity* - The Bank undertakes its work in a transparent, ethical and honest manner.
- ii. Professionalism* – The IDBZ’s work is characterised by high quality, expert knowledge, teamwork proficiency and accountability.
- iii. Service Orientation* - The Bank’s clients come first in all what it does, and it undertakes its work with passion and time-consciousness.
- iv. Transformational Innovation* – The IDBZ strives to create business models that are profitable, competitive, and long-lasting.
- v. Sustainability* – The Bank supports initiatives that are technically feasible, financially & economically viable, environmentally friendly, and gender & socially equitable.
- vi. Knowledge Generation & Sharing* – The IDBZ provides outstanding leadership and service through knowledge generation, sharing and advocacy.

### 1.3 Role in National, Regional and Global Development Ecosystems

The Bank’s contribution to national and regional development is primarily through providing financial and technical support to development projects and programmes in all sectors of the Zimbabwean economy. Table 1.3.1 shows that Bank’s contributions in its focus sectors.

## CHAPTER 1: INSTITUTIONAL PROFILE *(continued)*

**Table 1.3.1: IDBZ's Contribution to Global, Regional, and Domestic Development Agenda**

IDBZ Focus Sector	SDG	AU Agenda 2063	NDS 1 Sector and Outcome
<b>Water and Sanitation</b>	The interventions of the IDBZ in the water and sanitation sector seeks to improve access to water and sanitation services by all Zimbabweans towards the achievements of SDGs 6.	<ul style="list-style-type: none"> <li>• Aspiration 1 – prosperous Africa based on inclusive growth and sustainable development.</li> <li>• Goal 1 – High standard of living, quality of life and well being</li> <li>• Goal 3 – health and well-nourished citizens</li> </ul>	<ul style="list-style-type: none"> <li>• Sector - Social infrastructure</li> <li>• Outcome - improved infrastructure and access to services (water and sanitation)</li> </ul>
<b>Housing</b>	Interventions in the housing sector seeks to improve access to adequate safe and affordable housing and social amenities in support of most SDGs specifically SDG 11 – Sustainable Cities and Communities.	<ul style="list-style-type: none"> <li>• Goal 10 - world class infrastructure Criss-crosses Africa</li> </ul>	<ul style="list-style-type: none"> <li>• Sector - Social (Urban and Rural Housing)</li> <li>• Outcome - improved access to affordable and quality housing and social amenities.</li> </ul>
<b>Irrigation</b>	Interventions by the Bank in the irrigation sector seeks to enhance agricultural productivity in support of SDG 2.	<ul style="list-style-type: none"> <li>• Aspiration 1 – prosperous Africa based on inclusive growth and sustainable development.</li> <li>• Goal 5 - modern agriculture for increased productivity and production</li> </ul>	<ul style="list-style-type: none"> <li>• Sector - Economic Infrastructure</li> <li>• Outcome - improved infrastructure and access to services.</li> </ul>
<b>Transport</b>	Interventions in the transport sector, the Bank seeks to enhance transport connectivity in fulfilment of SDG 9 – Industry, Innovation, and Infrastructure.	<ul style="list-style-type: none"> <li>• Aspiration 1 – prosperous Africa based on inclusive growth and sustainable development.</li> <li>• Goal 10 - world class infrastructure Criss-crosses Africa.</li> </ul>	<ul style="list-style-type: none"> <li>• Sector - Economic Infrastructure</li> <li>• Outcome - improved infrastructure and access to services.</li> </ul>
<b>Energy</b>	IDBZ investment in the energy sector will lead to improved access to energy for all Zimbabweans answering the call to SDG 7.	<ul style="list-style-type: none"> <li>• Aspiration 1 – prosperous Africa based on inclusive growth and sustainable development.</li> <li>• Goal 7 - environmentally sustainable climate resilience economies and communities.</li> <li>• Goal 4 – transformed economies and job creation.</li> </ul>	<ul style="list-style-type: none"> <li>• Sector - Economic Infrastructure</li> <li>• Outcome - improved infrastructure and access to services.</li> </ul>

## CHAPTER 1: INSTITUTIONAL PROFILE *(continued)*

### 1.4 Relationship With Government, Regulators, and Partners

**Table 1.4.1: Stakeholders and their Demands and Expectation**

STAKEHOLDER	DEMANDS/ EXPECTATIONS
1. Zimbabwean Population	<ul style="list-style-type: none"> <li>• Modern, adequate, affordable, equitable, sustainable infrastructure and services</li> </ul>
2. Government of Zimbabwe (Office of the President and Cabinet)	<ul style="list-style-type: none"> <li>• Achievement of Vision 2030.</li> <li>• Development Impacts / Mandate delivery</li> <li>• Regulatory and statutory compliance</li> <li>• Input in policy formulation</li> </ul>
3. Shareholder	<ul style="list-style-type: none"> <li>• Dividend/ Return</li> <li>• Financial sustainability</li> <li>• Effective governance systems</li> <li>• Visible developmental impacts</li> <li>• Organisational growth.</li> </ul>
4. Line Ministries	<ul style="list-style-type: none"> <li>• Developmental impacts</li> <li>• Technical &amp; financial support</li> <li>• Collaborations on development projects</li> </ul>
5. State Owned Enterprises	<ul style="list-style-type: none"> <li>• Technical and financial support</li> <li>• Collaborations on development projects</li> </ul>
6. Reserve Bank of Zimbabwe	<ul style="list-style-type: none"> <li>• Regulatory and statutory compliance</li> <li>• Bank input in policy formulation</li> </ul>
7. IDBZ Board of Directors	<ul style="list-style-type: none"> <li>• Mandate delivery</li> <li>• Decision support systems</li> <li>• Training and development</li> <li>• Management and Staff integrity</li> <li>• Shared commitment to good corporate governance</li> </ul>
8. Regulators (EMA, PRAZ, RBZ)	<ul style="list-style-type: none"> <li>• Regulatory compliance</li> </ul>
9. Investors & Financial Institutions (local & foreign)	<ul style="list-style-type: none"> <li>• Compliance and Best practice.</li> <li>• Transparency.</li> <li>• Bankable projects that are investment-ready</li> <li>• Cofinancing/Syndication arrangements</li> <li>• Acceptable financial returns</li> <li>• Bank's financial soundness (Credit worthiness)</li> </ul>
10. Infrastructure and Climate Funds	<ul style="list-style-type: none"> <li>• Bankable projects</li> <li>• Best practice and internal operational efficiency</li> <li>• Cofinancing/ Syndication Arrangements</li> <li>• Financial soundness</li> <li>• Projects with demonstrable climate rationale and development impact</li> </ul>
11. Industry bodies, research bodies and associations (Bankers Association of Zimbabwe (BAZ), Confederation of Zimbabwean Industries (CZI), Banking Employers Association of Zimbabwe (BEAZ), Chamber of Mines)	<ul style="list-style-type: none"> <li>• Participation in infrastructure events (conferences, workshops)</li> <li>• Relevant products and services</li> <li>• Positive impact on society</li> <li>• Member subscription</li> <li>• Bank collaboration on their advocacy initiatives</li> <li>• Bank support on their offerings</li> </ul>
12. External Auditors	<ul style="list-style-type: none"> <li>• Transparency, integrity, cooperation and full disclosure</li> </ul>



# CHAPTER 02

OPERATING  
LANDSCAPE –  
ENHANCING GROWTH  
DRIVERS TOWARD  
VISION 2030



## CHAPTER 2: OPERATING LANDSCAPE – ENHANCING GROWTH DRIVERS TOWARD VISION 2030 *(continued)*

### 2.1 Macroeconomic Environment

#### 2.1.1 Global

Global growth in 2025 was mixed across major economies, with modest gains in advanced markets and varied performance in the USA, EMEs, Japan, and China. In Sub-Saharan Africa growth strengthened and is expected to continue rising despite risks from trade restrictions and policy uncertainty. It is estimated that in 2025 global growth was between 2.7% - 3.3% and projected to register between 2.6%- 3.3% in 2026<sup>1</sup>. Artificial Intelligence (AI) adoption and easing financial conditions are expected to support productivity and growth in 2026.

Risks to the global growth outlook are;

- i. geopolitical tensions and interstate conflicts;
- ii. uncertainty and risks associated with AI;
- iii. trade tensions, disruption of supply chains and fragmentation;
- iv. extreme weather and climate shocks;
- v. inflation and uncertain monetary conditions; and
- vi. financial markets vulnerability.

#### 2.1.2 Domestic

Zimbabwe's economy expanded by 6.6% in 2025, driven by strong recovery in agriculture and solid growth across mining, electricity, ICT, construction, and manufacturing. Growth is projected to average 5% in 2026 and 2027, supported by continued macroeconomic stability and robust sectoral performance, particularly in ICT, trade, electricity, finance, mining, agriculture, and construction. Tight fiscal and monetary policies sharply reduced inflation in 2025, and inflation is expected to remain low within single digit level and stable in 2026.

#### 2.1.3 Social, Environmental & Sustainable Development

Zimbabwe's sustainability and environmental governance framework is aligned to Vision 2030, NDS1, and the Paris Agreement and has strong emphasis on climate-resilient, resource-efficient and inclusive infrastructure development. Progress has been registered in renewable energy expansion, new carbon market regulations with mandatory community benefit sharing, and the launch of a blockchain based carbon registry. Property and Land Developers are adopting solar systems, water-efficient technologies and waste management solutions. Green building standards and future by-laws will further support sustainable construction. Meanwhile, advances by Zimbabwe National Geospatial and Space Agency (ZINGSA) in geospatial and satellite technologies are strengthening environmental monitoring, disaster-risk management and climate-resilient agricultural planning.

The Bank's infrastructure investments integrate climate-resilient design across water supply, irrigation, sustainable housing and renewable energy systems. Through these efforts, the Bank is supporting Zimbabwe's transition to a low-carbon, climate-resilient, and inclusive development pathway.

### 2.2 Infrastructure Development Update

One of the ten objectives of the National Development Strategy 2 (2026-2030) (NDS2) is to develop a strong, modern and resilient infrastructure backbone across all sectors of the economy to support productivity and sustainable socio-economic development focusing on energy, transport, ICT, water and sanitation as well as housing development.

Despite the infrastructure development gains achieved under NDS 1, there is a substantial infrastructure funding gap. To bridge the infrastructure gap, Government has embarked on ease of doing business reforms to attract long-term investment for large-scale projects to complement its ongoing infrastructure investments. These efforts aim to ensure capacity keeps pace with growing economic activity and private-sector demand.

#### 2.2.1 Water and Sanitation

The Government has prioritized "Climate Resilient WASH" to mitigate the effects of climate change. Major dam construction included

- **Kunzvi Dam:** The project is on track to begin impounding water during the 2025/26 rainy season, providing a long-term solution for Harare's water deficit.

<sup>1</sup> IMF and World Bank, 2026

## CHAPTER 2: OPERATING LANDSCAPE – ENHANCING GROWTH DRIVERS TOWARD VISION 2030 *(continued)*

- **Gwayi-Shangani Dam:** The project is on the critical path of the Matabeleland Zambezi Water Project. Currently, mobilisation of funding required for the construction of a 252 km pipeline to Bulawayo is ongoing.

Rural transformation initiatives by the Government and Development Partners significantly expanded access to basic water services in 2025, benefiting communities and schools through solar-powered piped schemes, borehole rehabilitation, and extensive borehole drilling under national programmes. The Ministry of Lands, Agriculture, Fisheries, Water, and Rural Development was allocated ZiG 26.8 billion in the 2026 National Budget, underlining Government's commitment to infrastructure development in rural areas.

Across urban centres, there is a growing shift toward smarter and more sustainable water management systems, with cities increasingly adopting technologies such as smart metering, pipe replacement programmes, wastewater recycling and the reuse of treated sludge for agricultural purposes. These developments reflect a broader move toward Integrated Urban Water Management (IUWM), with several municipalities emerging as early leaders in promoting more efficient, resilient and circular urban water solutions.

While significant progress was recorded in dam construction and rural borehole programs, the sector is saddled with challenges related to aging urban reticulation infrastructure, inadequate long-term funding and climate change risks.

Financing of the WASH infrastructure is dominated by development finance institutions, public sector and the Development Partners. The Bank's support is mainly through technical and financial advisory services to ensure efficient implementation and effective use of public resources.

### 2.2.2 Housing

Several housing projects under NDS1 delivered over 700,000 affordable units across rural and urban areas, while informal settlements were upgraded with essential water and sanitation services though these additions increased pressure on existing infrastructure. By 2025, housing delivery followed a dual model in which Government focused on enabling infrastructure and social housing, while private developers, homeowners and other partners drove 70–80% of market-facing supply, supported by targeted public investment and notable progress on projects such as Chimoio Flats, Kasese serviced stands, Dombotombo Flats and Beitbridge Flats.

With the launch of NDS2 in 2025, housing delivery remains a national priority toward achieving 1,000,000 units by 2030, emphasising PPPs, recapitalisation of the housing guarantee fund, mortgage guarantees and mobilisation of long-term capital. To support these efforts, the Bank will continue financing serviced stands, housing, student and staff accommodation construction through joint ventures and structured loan facilities.

### 2.2.3 Irrigation

In a move that is aimed at ensuring inclusive economic growth and guaranteeing food and nutrition security both at household and national level, GOZ in collaboration with international partners made investments towards enhancing irrigated agriculture capacity under NDS 1, focusing on the Rural Development 8.0 model. This resulted in revitalisation of communal irrigation schemes and establishment of Village Business Units (VBUs), integrating borehole drilling with solar-powered irrigation and "hub-and-spoke" marketing models, transforming subsistence plots into viable commercial entities. These interventions contributed to record-breaking wheat harvests (circa 640,000 metric tonnes in 2025)<sup>2</sup> and stabilised maize production despite regional El Niño shocks.

Under NDS 2, priority is on the following on-going dam projects scheduled for completion by 2030 at cost of US\$1.7 billion<sup>3</sup>:

- Tuli Manyange Dam in Gwanda - will provide water for irrigation and supply water to Gwanda Town and the Gwanda Lithium Mine.
- Vungu Dam in Kwekwe - to provide water for consumption, fisheries project, irrigation and establishment of a mini-hydro plant.
- Bindura Dam - to supply water for mining and irrigation in Bindura and surrounding areas.
- Semwa Dam in Rushinga – to supply water for irrigation and domestic use in Rushinga and Chimhanda.
- Defe Dam in Gokwe - to provide water for irrigation.

<sup>2</sup> Food and Agriculture Organisation (FAO), 11 December 2025.

<sup>3</sup> National Development Strategy 2 (2026-2030)

## CHAPTER 2: OPERATING LANDSCAPE – ENHANCING GROWTH DRIVERS TOWARD VISION 2030 *(continued)*

- vi. Silverstroom Dam in Centenary- to provide water for irrigation for communities around Muzarabani and Centenary.
- vii. Dande Dam in Guruve – to provide water for irrigation in Guruve and Mbire.
- viii. Zhovhe dam, targeting irrigation as well as guarantee supply to Beitbridge town.

In support of national agricultural productivity, employment creation, foreign currency generation, and economic growth and development, the Bank finances irrigation infrastructure development and rehabilitation through Joint Venture (JV) partnerships and structured loan facilities. Currently, the Bank is involved in the preparation of the rehabilitation of the Middle Sabi Irrigation Scheme, which is at project development stage.

### 2.2.4 Transport

During the NDS 1 period, the transport sector saw transformative capital investment aimed at reducing transit costs, enhancing regional integration, improving safety, and stimulate economic growth through increased trade and mobility. Key milestones<sup>4</sup> include:

- a) **Road & Border Infrastructure: Strategic investments focused on North-South Corridor bottlenecking and rural connectivity:**
  - i. Beitbridge Border Post Modernization (US\$302M): Successfully transitioned into Southern Africa’s premier land-border facility. New dedicated terminals and upgraded ICT systems have significantly reduced crossing times and bolstered fiscal revenue.
  - ii. Harare-Masvingo-Beitbridge Highway: 530 km of the upgrade is now operational, with completion of the final 50 km slated for Q1 2026.
  - iii. Strategic Linkages: Commissioned the Trabablas Interchange (US\$140M) and the Shurugwi-Mandamabwe Highway (US\$41M), the latter serving as a critical artery linking the Beitbridge and Chirundu border posts.
  - iv. Rural & Urban Accessibility: Under the Emergency Road Rehabilitation Programmes (ERRP 1 & 2), extensive works converted rural feeder roads to all-weather standards, narrowing the urban-rural divide.
- b) **Aviation & Regional Hub Capacity:**
  - i. R.G. Mugabe International Airport (US\$153M): Completion of the expansion project has more than doubled passenger capacity, from 2.5 million to 6 million per annum. Upgrades included a new VVIP Pavilion and refurbished domestic terminals, positioning Zimbabwe as a competitive regional aviation hub.
- c) **Rail & Digital Connectivity: Investments in the rail sub-sector prioritized safety and the recovery of freight volumes:**
  - i. Permanent Way & Safety: Rehabilitated 55.82 km of track across major corridors (Mutare-Harare-Bulawayo; Victoria Falls). Enhanced ballast production and re-sleepering resulted in a 35% reduction in derailments.
  - ii. Rolling Stock Recovery: Through a mix of internal funding, PPPs, and support from the Mutapa Investment Fund, 11 locomotives and over 500 wagons/coaches were refurbished, stabilizing freight capacity above 2.3 million tons.
  - iii. Digitalisation: Fiber infrastructure was commissioned along key rail routes, and an integrated train control system reached 40% completion, significantly improving operational reliability.
  - iv. Service Resumption: Reintroduced passenger rail services on the Harare–Mutare and Bulawayo-Victoria Falls routes, restoring public confidence in affordable transit.

Zimbabwe will continue leveraging on its geographical advantage to unlock economic opportunities by strengthening the North-South Corridor and the rapidly growing Beira Corridor. During NDS 2 period, focus will be on modernisation of the Chirundu and Forbes border posts to further streamline regional transit and trade facilitation, rail revitalisation, and rehabilitation of smaller domestic airports. For major roads, the Government will continue to use the already successful pivoted Public-Private Partnerships (PPPs) models and the “User-Pay” principle. The Road Fund will be further strengthened through the realignment of road user fees and the modernisation of tolling infrastructure to ensure a sustainable lifecycle for national assets.

The Bank will continue supporting transport infrastructure development through technical and financial advisory services, particularly for large-scale road and border post modernisation projects. Acting as an Agent of MOTID, the Bank has undertaken independent assessments of feasibility studies, financial models and concession agreements for projects such as the Harare–Nyamapanda Road, Chirundu Border Post Modernisation, Forbes Border Post Upgrade and the Old Gwanda Road Project.

<sup>4</sup>National Development Strategy 2 (2026-2030)

## CHAPTER 2: OPERATING LANDSCAPE – ENHANCING GROWTH DRIVERS TOWARD VISION 2030 *(continued)*

### 2.2.5 Energy

Energy continues to play a significant role in the country's economic and social development. To support investments in the energy sector, the Government implemented various policies. In 2019, the Government established the National Renewable Energy Policy (NREP). The Policy aims to meet the country's energy requirements by using renewable sources. It therefore targets to achieve more than 2100MW of installed renewable capacity (excluding large hydro) by 2030. Cooperation of policymakers, investors, and stakeholders is required to achieve the country's energy mix.

Under the National Renewable Energy Policy (NREP), the Government has demonstrated its commitment to enhancing the country's energy landscape by approving generation licenses to a total of 39 IPPs with a combined solar energy generation capacity of 1050MW. If fully implemented, these will complement ZPC's (Kariba South Hydro and Hwange Thermal) energy generation efforts. These projects are expected to play a vital role in diversifying the energy mix and reducing reliance on fossil fuels. Additionally, the government commissioned thermal and solar plants with a total generation capacity of 45MW (Zimplats facility), and the Zhuzhing plant (240MW).

In 2025, the GOZ approved a US\$450 million contract for the refurbishment and upgrading of Hwange 1 – 6 power stations. At completion, the generation capacity of the plants is expected to increase to 2000MW from the current 300MW, increasing the country's total generation capacity to 3485MW by 2030, which remains below the current and projected energy demand of 4000MW.

In line with the SDG 7 and the Vision 2030, the country's energy strategy is built on five pillars whose aim is to address the country's power challenges and enabling long term sustainability. The five pillars are:

- i. Universal Electricity Access;
- ii. Clean Cooking Transition;
- iii. Sustainable Energy Mix and Renewables;
- iv. Investment Mobilisation; and
- v. Strategic Reforms and Actions.

The Bank finances and develops renewable energy and energy value-chain projects through structured financing mechanisms and project preparation support. These energy sector interventions are expected to reduce reliance on imports, support industrial development, create employment opportunities, and enhance the country's capacity for clean and sustainable energy solutions.

### 2.2.6 Secondary Sectors (Education, Tourism, ICT and Health)

In the targeted secondary focus sectors, the Bank finances health infrastructure (development & refurbishment of hospitals, clinics, and health points), education infrastructure (development and refurbishment of classroom blocks, libraries, laboratories and sports facilities), ICT infrastructure and tourism facilities. The IDBZ achieves the above through Joint Venture (JV) partnerships and structured financing facilities.

#### Education

In 2025, Zimbabwe's education infrastructure strategy maintained a blended delivery model in which Government remained the primary financier, while implementation increasingly relied on development partners and institutional investors to accelerate school development. The strategic thrust centred on expanding and modernising learning facilities to strengthen primary, secondary, and tertiary systems.

Government prioritised construction, rehabilitation, equipment renewal, and institutional support, guided by broader national transformation goals that link education to skills development, digital literacy, and economic competitiveness. Significant resources were channelled towards building new schools and upgrading essential facilities such as classroom blocks, sanitation systems, and staff accommodation. However, pressure on the national budget given multiple competing priorities continued to constrain the pace of investment.

Demand for education infrastructure remained high, driven by population growth and urban expansion, with many schools requiring upgrades in buildings, water and sanitation, laboratory spaces, digital tools, and vocational-training equipment. The demand for renewable energy from many education institutions is high giving space for private sector participation.

## CHAPTER 2: OPERATING LANDSCAPE – ENHANCING GROWTH DRIVERS TOWARD VISION 2030 *(continued)*

### Health

In 2025, Zimbabwe's health infrastructure strategy prioritised rehabilitation, modernisation and expanded access, particularly in underserved regions. Government led the effort through public investment, while development partners and PPP-based programmes complemented delivery. Key budget allocations underscored this strategic direction:

- ZiG3.493 billion was committed under the Zimbabwe Infrastructure Investment Programme for health infrastructure.
- The 2025 National Budget allocated ZiG28.3 billion to the Ministry of Health and Child Care to support hospital operations, infrastructure upgrades, equipment procurement and medical supplies.

### ICT

The Government of Zimbabwe recognises ICT infrastructure as a key enabler for digital transformation, economic growth and inclusive development. In line with Vision 2030, efforts are being made to expand broadband access and improve connectivity across the country. The sector is experiencing increased investment in fibre and wireless technologies, including projects such as Fibre to the Home (FTTH) and 5G Wireless to the Premises (WTTP), aimed at improving internet access for households, businesses and institutions. A major development has been the introduction of Starlink, which has significantly improved connectivity in remote and underserved areas through satellite-based internet services. These developments are helping bridge the digital divide and support equitable access to education and digital services.

The following achievements were registered in the ICT sector during NDS 1:

- Expansion of broadband network coverage and fibre optic infrastructure.
- Establishment of information communication technologies kiosks across the country.
- Roll-out of the ICT Laboratory Per School Programme aimed at improving the quality of education in marginalised areas.

The Bank is engaging key sector players to support the development and structuring of ICT infrastructure projects aimed at strengthening Zimbabwe's digital ecosystem.

### Tourism

Investment opportunities in the tourism sector include development of world-class infrastructure that include roads, airports, and resorts, and increasing capacity of hotels and lodges. Investments are also needed in areas like theme parks, conference facilities, and wildlife-based tourism. IDBZ, in its support of the sector will complement Government efforts through catalysing private sector investments in the sector.

Major ongoing infrastructure investments that support the tourism sector include:

- A new international terminal at Robert Mugabe International Airport expanded capacity from 2.5 million to 6 million passengers annually;
- A domestic terminal was under construction in 2024;
- A new tourism complex under construction in the Hwange National Park, including a visitor centre, tourism offices, and ranger housing; and
- Renovations are underway at Great Zimbabwe ruins and other national parks.

The IDBZ, in its support of the sector plays a key role in enhancing public private partnership. There are opportunities for the Bank to mobilise resources for the development of tourism facilities.



# CHAPTER 03

BANK CONTRIBUTION  
TOWARDS  
DEVELOPMENT



## CHAPTER 3: BANK CONTRIBUTION TOWARDS DEVELOPMENT (*continued*)

### 3.1 Treasury and Resource Mobilisation

In 2025, the economy remained broadly stable, although conditions were characterised by tight liquidity, elevated interest rates, and a deposit base largely dominated by demand deposits. Investor confidence remained weak, with persistent scepticism toward long-term commitments. This, combined with an insufficient pipeline of bankable projects across sectors, impeded the Bank's resource mobilisation efforts. Looking ahead, the Bank will prioritise resourcing and revitalising the Project Preparation and Development Fund (PPDF) to rebuild a strong pipeline of bankable, investment ready projects. To achieve this, the Bank will intensify engagement with shareholders and other development-oriented partners to secure patient, long-term capital dedicated specifically to project preparation activities.

Despite the tight liquidity conditions, the Bank managed to mobilise resources to the tune of US\$9.43 million:

- Project financing (US\$1.83 million against a target of US\$7 million);
- Capitalisation (US\$6.8 million against a target of US\$6 million); and
- Short term lending – ZiG 20 million (equivalent to US\$0.8 million) through the RBZ Targeted Finance Facility.

The Bank continue to explore innovative financial instruments that align with the requirements of the market. In addition to the Bank's Infrastructure Bonds Programme, the Board authorised the Bank to undertake a US\$30 million Agro Bond Programme. The Agro Bond Programme aims to help the Bank to scale up its agricultural value chain financing, with a bias towards export crops.

#### 3.1.1 Bank Capitalisation

The Bank remains guided by its long-term capitalisation strategy to achieve a capitalisation level of US\$500 million in the medium term and US\$1 billion by 2030. The first phase of the capitalisation strategy entails cash injection by the current shareholders in the short-term. Long-term initiatives include proposals for Government to transfer valuable land assets to the Bank for capitalisation, liquidity support by channelling some of Government's project resources through the Bank, and capitalisation through Treasury Bills.

Shareholders injected a total of US\$6.8 million towards the Bank's capitalisation in 2025. The capitalisation was made up of cash injection of ZWG138.3 million (equivalent to US\$5.2 million) and Treasury Bills worth US\$1.6m. The Bank closed the year with a core capital position (Tier 1 capital) of US\$17 million. Shareholders have committed to recapitalise the Bank through further liquid capital injections and guarantees to assist the Bank with its resource mobilisation initiatives

#### 3.1.2 Funding Sources

National Development Banks (NDBs) such as the IDBZ require access to patient and appropriately priced capital for them to be effective in mandate delivery. Typical NDBs across the world funding model is "blended finance" approach, blending: (i) capital injections and soft loans from shareholders; (ii) concessional finance from bilateral and multilateral finance institutions; and (iii) commercial debt from DFIs, banks and institutional investors.

Due to country and internal limitations, the IDBZ's current approach is to leverage very limited capital injections from its Shareholders (GoZ and RBZ) to raise additional finance from the local capital markets through debt issuances (mainly Infrastructure Bonds), short-term deposit mobilisation, and off-balance sheet financing mechanisms. Capital injections from the Shareholders are primarily used to finance project preparation and also co-finance projects that would have reached bankability, to catalyse investments into projects by institutional investors. Medium to long term funding remained limited during the year under review, constraining asset creation. Investors continued to favour competitively priced instruments, capitalizing on the higher yields available at the longer end of the curve.

In 2025, the Bank's ability to mobilise resources was constrained by a limited pipeline of bankable projects, resulting in modest fundraising outcomes. During the year, the Bank secured a total of US\$1.83 million in project financing, comprising:

- US\$1.65 million for on-lending to agro-processing clients; and
- US\$0.18 million for the Mabuto Villas Housing Project.

To support ongoing initiatives, the Bank is actively in the market seeking additional funding, including:

- US\$1.5 million for further on-lending to agro-processing clients; and
- US\$3.98 million to finance the 5MW Gutu Solar Project.

## CHAPTER 3: BANK CONTRIBUTION TOWARDS DEVELOPMENT (*continued*)

The Bank also advanced climate-related funding prospects through the Green Climate Fund (GCF), refining Concept Notes for three major proposals:

- Horticulture Investment Fund for Enhanced Climate Resilience (HIFECR),
- Zimbabwe Renewable Energy Facility (ZREF), and
- Harare Light Rail Project (HLR).

Only one application could proceed at a time, leading to the prioritisation of the US\$50 million HIFECR submission, which was under preparation for resubmission in early 2026. The ZREF and HLR proposals will follow once the HIFECR evaluation is completed. In addition, the Bank completed the development of the GCF Readiness and Preparatory Support Programme application, which was formally submitted in December 2025. The Readiness Facility is a dedicated GCF window designed to strengthen national institutional capacities for climate finance programming. The Bank's application sought support to advance institutional strengthening, project pipeline development, and reinforce systems for monitoring and reporting. The total funding request amounted to US\$991,440, in line with GCF Readiness allocations, and is expected to support implementation over a three-year period once approved.

The Bank is working with the NDC partnership on the operationalisation strategy for the Climate Finance Facility (CFF). The NDC Partnership is a global coalition established to deliver on ambitious, transformational climate action that helps achieve the Paris Agreement and drive sustainable development. The CFF will be instrumental in resource mobilisation and the development of a green project pipeline.

Institutionally, IDBZ has strengthened its sustainability architecture through the establishment of a Climate Finance Unit, which provides strategic oversight on climate risk integration within the Bank's investment portfolio. The unit undertakes periodic assessments of the Bank's operational carbon footprint, supports the development of climate-aligned infrastructure investments and facilitates access to international climate finance resources. In this regard, the Bank has secured accreditation to the Green Climate Fund (GCF) and the Fund for Responding to Loss and Damage (FRLD), positioning it as a key national conduit for climate finance. Efforts are also underway to secure accreditation to the Adaptation Fund, which will further expand Zimbabwe's ability to access concessional resources for climate-resilient infrastructure development.

The Climate Finance Facility is designed to serve as a catalytic platform for mobilising additional climate finance through blended finance approaches that combine concessional resources, private capital and development partner funding. Through this mechanism, the Bank seeks to accelerate investments in climate-resilient infrastructure including irrigation systems that support food security, water infrastructure that enhances drought resilience, renewable energy systems that strengthen energy security, and climate-smart technologies that improve the efficiency and sustainability of infrastructure services.

### 3.1.3 Cost of funds and maturity profile

The cost of funds was effectively minimised, while returns were optimized across trading and lending assets. Investor funds remained concentrated in the short term, with maturities largely capped at up to 90 days.

### 3.1.4 Liquidity Management

The operating environment was characterized by systemic liquidity constraints, as such, the Bank maintained a disciplined approach to liquidity gap management. The strategy was underpinned by rigorous asset liability matching and the preservation of buffer liquidity through interbank placements and investments in short-dated, tradable instruments to ensure resilience and flexibility.

The Bank sustained a balanced liquidity management strategy, effectively leveraging its diverse portfolios to cover operational expenses, project disbursements, and investment maturities. All financial obligations were met as they fell due, underscoring the institution's resilience and disciplined approach. Forex funding needs for operational payments were met through Bank revenues.

## CHAPTER 3: BANK CONTRIBUTION TOWARDS DEVELOPMENT *(continued)*

### 3.2 Primary Focus Sectors Interventions

#### 3.2.1 Water and Sanitation

The Bank secured an advisory service mandate to provide Independent Engineer Services and Value for Money (VfM) audits for the Vungu Dam and Musami Dam projects, on behalf of ZINWA. These strategic water infrastructure developments are central to the revitalisation of Harare’s WASH systems. The anticipated outcomes are enhanced bulk water supply to Harare City and improved public health and living standards. In addition, the Bank was approached by Private Promoters who are interested in developing WASH infrastructure in Harare and Victoria Falls. While these initiatives are still at preliminary preparatory stages, this signal growing appetite to address critical water and sanitation gaps across key urban centres by both private and public sectors.

#### 3.2.2 Housing

In 2025, two housing projects worth US\$20.6 million were committed to the Bank’s project pipeline, one project was developed to bankability, and seven were under implementation.

**Table 3.2.1: Projects Committed to the Pipeline**

Project	Description	Location	Estimated Cost (US\$ million)
Clipsham 2 Housing Project, Masvingo	Servicing of 100 hectares of land with water and sewer reticulation, roads and stormwater drainage, and electricity reticulation. Total number of stands is approximately 650 - 700	Masvingo	8.2
Samavale Housing Project, Masvingo	Servicing of 686 low residential stands and 33 commercial stands on 143 hectares of land with water and sewer reticulation, roads and stormwater drainage, and electricity reticulation.	Masvingo	12.4
<b>Total</b>			<b>20.6</b>

## CHAPTER 3: BANK CONTRIBUTION TOWARDS DEVELOPMENT *(continued)*

**Table 3.2.2: Projects under Preparation and Development**

Project	Description	Location	Estimated Cost (US\$ million)	Comment
1. Marimba Cluster Housing Project [Harare]	Construction of a gated community comprising of fifteen (15) cluster housing units with supporting infrastructure of water and wastewater reticulation as well as roads and stormwater drainage.	Harare	0.7	The project will be implemented through a Structured Finance Facility
2. Gerizim Villas- Hatfield Cluster Housing Development Project [Harare]	Construction of 20, 3-& 4-bedroom cluster housing units.	Harare	1.3	The Project is at an advanced stage of preparation and development.
3. Kwekwe Medium Density Housing Development Project [Kwekwe]	Servicing of medium density residential stands and a commercial centre with water, wastewater, roads, stormwater drainage and public lighting services. The scope of preparatory works include application for change of use, production of layout plans, tacheometry surveys, geotechnical investigations, production of engineering designs, EIA and all necessary approvals.	Kwekwe	0.35 (preparatory works)	The project is under preparation.
4. Samavale Low Density Housing Development Project [Masvingo]	Servicing of 686 low density stands and 33 commercial stands with water, sewer, electricity, roads and stormwater drainage.	Masvingo.	6.9	The project will be implemented through a Structured Finance Facility. The Project is at advanced stage of preparation and development, and construction is anticipated to begin in May 2026.
5. Morningside Medium Density Housing Project [Masvingo]	Servicing of 122 stands with water, sewer, electricity, roads and stormwater drainage	Masvingo.	2.5	The project is under preparation.
<b>Total</b>			<b>14.9</b>	

In 2025, the Catholic University of Zimbabwe Student Accommodation Project (estimated cost US\$12. million) was developed to bankability. The project entails construction of eight student accommodation blocks with a total capacity of 1,024 beds. By close of 2025, construction of water and sewer main lines was underway and is expected to be completed by March 2026. The procurement of the main contractor for the construction of the student accommodation blocks was in progress as well. Construction of the main project is expected to commence in 2026.

## CHAPTER 3: BANK CONTRIBUTION TOWARDS DEVELOPMENT (*continued*)

**Table 3.2.3: Projects under implementation**

Project	Description	Funding Model	Location	Estimated Cost (US\$ million)	Status
1. Wilsgrrove Park Phase 2 Housing Project	Servicing of 114 Low density residential stands measuring from 3,500 square metres to 9,000 square metres each,	Bank Loan to a private promoter, Whitepear Farming Company (Pvt) Ltd	Bulawayo	2.6	Completed works include surfaced roads, stormwater drainage and water reticulation. Installation of solar streetlighting as well as concrete lined drains was in progress
2. Spitzkop Housing Development [Gwanda]	Servicing of 133 high-density residential stands, each measuring an average of 300 m <sup>2</sup> . The scope of work includes sewer, water reticulation, road infrastructure and solar street lighting.	Bank equity investment into the project	Gwanda	1.1	Implementation is set to commence in Q2 2026, and completion is targeted for end of Q4 2026.
3. Kadoma Cluster Housing Project [Kadoma]	Construction of 30 modern, 3-bedroom cluster units, each seating on 400 square meters. The development includes visitors and residents parking space, 24 Hour security, borehole water powered by solar system and a biodigester which provides metered gas in each unit.	Bank loan to a Private Promoter.	Kadoma	1.5	A total of 7 housing units, and most civil works were completed. Surfacing of Roads will commence once 50% of the units have been completed. Project completion is expected in February 2027.
4. Honister Cluster Housing Project [Harare]	Construction of 42 modern cluster housing units on the Bank's land.	The Bank entered an EPC+F contract with a Consortium to design, finance and construct cluster housing units	Harare	9.7	The Bank has disposed its interest in the project to a Private Consortium.
5. Mabuto Villas - Hatfield Cluster Housing Development [Harare]	Construction of twenty (20) 3-bedroom detached single storey units with supporting infrastructure,	Development through a loan to private promoter Armtrust (Pvt) Ltd.	Harare	1.1	Project completed in December 2025 and most of the beneficiaries have taken occupation of their apartments.
6. Waneka Phase III Housing Development Project [Harare]	Development of a gated community consisting of 48 two-bedroom flats with supporting infrastructure.	Bank's Equity Investment in the Project.	Harare	2.5	Project is practically complete. Most of the beneficiaries have taken occupation of their apartments.
7. Catholic University Students Accommodation Project [Harare]	Construction of eight student accommodation blocks with a total capacity of 1,024 beds.	Financed through Equity Investment by the Bank and Private Investors	Harare	15.2	The project was under procurement process, construction is scheduled to commence in 3rd quarter of 2026.

### 3.2.3 Irrigation

The Bank continued to provide technical and financial advisory support for the Rehabilitation of the Middle Sabi Irrigation Schemes, a project aimed at revitalising irrigation infrastructure in the Middle Sabi area of Chipinge. A formal Project Governance Structure was established and approved by the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development (MOLAFWRD).

In addition, the Bank worked with MOLAFWRD to conduct independent value-for-money reviews of previously awarded contracts for irrigation development and land-clearing works. These assessments were undertaken to verify the validity of contractor claims and ensure prudent use of public funds as the Department of Irrigation processes outstanding payments.

## CHAPTER 3: BANK CONTRIBUTION TOWARDS DEVELOPMENT (*continued*)

### 3.2.4 Transport

The Bank completed Independent Assessments of Feasibility Studies, Financial Models, and Draft Concession Agreements for key road infrastructure projects, and continues to provide these advisory services to the Ministry of Transport and Infrastructural Development (MOTID). These initiatives are critical to the modernisation of regional trade corridors and are expected to improve traffic flow efficiency, shorten transit times, and enhance cross-border trade facilitation.

The Bank has also engaged Private Promoters in the transport sector to mobilise resources for emerging opportunities in e-mobility. Several promoters are developing feasibility studies for the introduction of electric buses along major transport routes. This initiative carries significant environmental benefits, including reductions in CO<sub>2</sub> emissions and support for the transition toward cleaner, more sustainable urban mobility systems.

### 3.2.5 Energy

The Bank in partnership with Gutu Rural District Council is implementing the Gutu Solar Project, a 5MW Solar Photovoltaic Plant in Chatsworth, Gutu District, Masvingo Province, through an EPC+F+O&M Model. The project is intended to enhance local power generation capacity, improve provincial energy security, and contribute towards the achievement of national renewable energy targets. The procurement of the EPC contractor has been concluded. Project implementation started in first quarter of 2026.

In addition, the Bank is preparing and developing a Lithium-ion Battery Assembly Project on Bank owned land in Marondera in partnership with Kundai Resources Private Limited. The project will focus on the assembly of lithium-ion batteries for domestic, commercial, industrial, and mobility applications. Its primary objective is to reduce dependence on imported batteries while strengthening Zimbabwe's lithium value chain through local beneficiation and value addition. The initiative is also expected to enhance export earnings by positioning the country as a regional supplier of lithium-ion battery packs for household energy systems, electric vehicles, and industrial energy storage solutions.

## 3.3 Secondary Focus Sectors Interventions

### 3.3.1 Health

In 2025, the Bank continued scouting for appropriate opportunities in the health sector.

### 3.3.2 Education

Towards the end of the year, negotiations with Ministry of Primary and Secondary Education (MoPSE) for technical and financial advisory services were at an advanced stage. The Memorandum of Agreement with MOPSE is expected to be signed early 2026. The advisory services are for the construction and rehabilitation of Government primary and secondary schools countrywide. The Bank is currently in discussions with St Francis of Assisi for collaboration on the construction of a 168 bed girls' hostel at the school.

### 3.3.3 ICT

The Bank is engaging TelOne on two strategic ICT infrastructure initiatives, namely the Fibre to the Home (FTTH) Broadband Project and the 5G Wireless to the Premises (WTTP) Project. The FTTH project targets approximately 300,000 homes nationwide, while the 5G WTTP project aims to deliver up to 1,000,000 fixed wireless broadband connections across the country. Both initiatives are designed to enhance broadband penetration, strengthen digital connectivity for residential, SME and enterprise users, and support Zimbabwe's digital transformation agenda. It is envisaged that the projects will be implemented in phases and structured into investment tranches of approximately US\$5 million ticket sizes to enhance bankability and facilitate staged financing, with engagements currently at preliminary stages pending further technical, financial and structuring assessments.

## CHAPTER 3: BANK CONTRIBUTION TOWARDS DEVELOPMENT *(continued)*

### 3.3.4 Tourism

The Bank's strategic focus in the sector entails supporting tourism sector growth through working capital and capital expenditure financing for operators. It seeks to promote domestic tourism and regional competitiveness by investing directly in tourism infrastructure and leveraging Private Partnerships (PPPs) to rehabilitate and expand strategic tourism assets. Key Bank Investments include:

- Samukele Lodge (Bulawayo):- Bank-owned 7-bed facility providing accommodation and meals.
- Kanyemba Zambezi Fishing Lodge (Mbire District): Strategically located at the Trio Point (Zambia–Zimbabwe–Mozambique). The Bank invested US\$760,026 under a PPP for Phases 1 & 2 rehabilitation. The Lodge was reopened in February 2025 with a 16-bed capacity, a 40-seater conference centre, and staff accommodation. Phase 3 (2026): will consist of the rehabilitation of three additional chalets to expand capacity to 25 beds.
- Mwenezi Lodge: The Bank financed a lodge called BRYCA River Lodge in Mwenezi with a 12-bed capacity.

### 3.4 Implementation Monitoring and Self-Evaluation

The following PCRs were produced and then posted on the Bank's website [www.idbz.co.zw](http://www.idbz.co.zw) in 2025

**Table 3.4.1: Project Completion Report and Key Lessons**

Project Name	Project Description	Outputs	Outcomes	Key Lessons Learnt
Clipsham Views Phase 1 Housing Development [Masvingo]	Servicing of 777 mixed use low-density stands with surfaced roads, water, and electricity reticulation.	<ul style="list-style-type: none"> <li>• 704 Low-density residential stands,</li> <li>• 26 Service Industrial stands</li> <li>• 23 Institutional stands</li> <li>• 3 Hospitality stands.</li> <li>• 16 commercial stands</li> <li>• 5 Open Spaces</li> </ul>	Improved access to sustainable and inclusive housing	<p>Deployment of dedicated Bank staff onsite ensures that project issues are resolved timeously to facilitate timely project completion.</p> <p>Endowment and commonage payments have the effect of reducing the project financial viability.</p>
Umvutcha B Low-Cost Housing Development Project [Bulawayo]	Homesaver account for the Proposed servicing of low-cost housing Stands at Umvutcha B [Bulawayo] under the then Ministry of Local Government, Public Works and National Housing's "New Cities-Musha Mutsva" Concept, through UDCORP/IDBZ collaboration.	1,771 Homesaver accounts opened	<p>Project abandoned due to lack of provision of appropriate land by the Project Promoter.</p> <p>All savings by potential beneficiaries eroded due to Government currency regulatory changes.</p>	<p>Extensive stakeholder engagement is critical in identifying appropriate project land</p> <p>Government regulatory changes on currency can erode value of project related funds.</p>
Sumben Real Estate Phase 1 Housing Development Project [Harare]	Servicing of 116 mixed use low-density stands with surfaced roads, water, and electricity reticulation.	116 low-density stands	Improved access to sustainable and inclusive housing	<p>All civil works should be based on detailed geotechnical investigations to contain unforeseen project scope variations during implementation</p> <p>Engage Contractors only when necessary statutory approvals and preparatory activities are completed.</p>

## CHAPTER 3: BANK CONTRIBUTION TOWARDS DEVELOPMENT (*continued*)

In 2026, Mid-Term Reviews (MTRs) for the following projects are planned, namely, Kadoma Cluster Houses Development and Gutu Solar. Production of four (4) project completion reports (PCRs) is targeted for 2026 as well:

- i. MoNHSAs Revolving Housing Facility Programme,
- ii. Ascend Concrete (Pvt) Ltd Capital expenditure facility,
- iii. Waneka Housing Development Phase 3, and
- iv. Wilsgrrove Park Phase 2 Housing Development projects.

In 2026, the Bank will continue to buttress its independent implementation monitoring efforts to ensure the integrity of project implementation during the entire project implementation cycle.

### 3.5 Independent Evaluations

In 2026, the Bank prioritised strengthening its evaluation capacity through targeted capacity-building initiatives and the launch of its inaugural independent evaluations. Field studies and data analysis for the evaluation of the Waneka Housing Development Project Phases 1 and 2 were successfully completed.

The Bank also initiated the procurement process to engage an external consultant who is expected to join the internal evaluation team in the first quarter of 2026, enhancing the Bank's ability to conduct rigorous, independent assessments.

These evaluations will provide an opportunity to measure the Bank's contribution to key socio-economic development priorities, including gender equality and inclusivity, in alignment with the National Development Strategy 2 (NDS2).

### 3.6 Advisory Services for Ministries, Departments and Agencies (MDAs)

The Bank, in line with its mandate, provided technical and financial advisory services to Government Ministries and Public Entities for infrastructure projects. Independent evaluations and value for money audits were conducted for Zimbabwe National Water Authority on dam projects which includes the Gwayi-Shangani Mini-Hydro Power Plant & Water Intake Pumping Station, Vungu Dam and Musami Dam projects. The Bank also provided advisory services to Zimbabwe Investment and Development Agency (ZIDA) for construction of its Head Office at Highlands Precinct Park, and to the Ministry of Lands, Agriculture Fisheries and Water Resources (MOLAFWR) through the Department of Irrigation (DoI) through Value for Money audits on Land Clearance Projects and Irrigation Scheme development that were executed. The Bank continues to engage with MDAs for advisory services mandates.

### 3.7 Productive Sector Support

For the Year ended 31 December 2025, the Bank approved loans worth US\$6.98 million to support the productive sector. Manufacturing and agriculture accounted for 41% of the approved facilities while the balance was spread across mining, housing, tourism and health. The Bank was also able to secure ZiG 20 million from the Reserve Bank of Zimbabwe under the Targeted Finance Facility (TFF) to finance working capital of companies in the productive sector. The growth of the loan book was limited by tight market liquidity, high interest rates and lack of concessionary funding.

### 3.8 Development Effectiveness

The Bank remains committed to funding infrastructure and development across multiple sectors. In 2025, projects worth US\$20.6 million were committed to the Project Pipeline, with US\$15.2 million worth of projects reaching bankability. Resource mobilisation milestones included raising US\$1.83 million for implementation, disbursing US\$6.4 million towards infrastructure development and productive sector. The Bank secured US\$6.8 million in new capital.

These efforts directly benefited Zimbabweans by creating jobs across the entire infrastructure value chain. Over and above supporting economic and social infrastructure, the Bank activities also supported the development of capital markets and financial inclusion.

In terms of knowledge generation, the Bank produced and disseminated several analytical papers to guide policy and innovation, in areas such as institutional efficiency, project preparation, project financing, infrastructure sectors (energy and tourism) and sustainability.

## CHAPTER 3: BANK CONTRIBUTION TOWARDS DEVELOPMENT (*continued*)

### 3.8.1 Results Chain

**Table 3.8.1: Inputs/Activities, Outputs, Outcomes, and Impacts**

INPUTS/ ACTIVITIES	OUTPUTS	OUTCOMES	EXPECTED IMPACT
<ul style="list-style-type: none"> <li>Project Preparation and Development</li> <li>Project identification</li> <li>Project preparation and development</li> </ul>	<ul style="list-style-type: none"> <li>New projects committed to the Pipeline – US\$20.6 million.</li> <li>Project under preparation and development – US\$14.9 million</li> <li>Climate Finance</li> <li>3 Concept Notes for GCF funding underwent review of the GCF Coordination Framework Committee:               <ol style="list-style-type: none"> <li>Horticulture Investment Fund for Enhanced Climate Resilience (HIFECR) (IDBZ)</li> <li>Zimbabwe Renewable Energy Facility (IDBZ/UNDP/Old Mutual)</li> <li>Harare Light Rail Project (Sesani/ Harare City Council/IDBZ)</li> </ol> </li> <li>One Concept Note was accepted by GCF, HIFECR.</li> </ul>	<ul style="list-style-type: none"> <li>Improved availability of multisectoral bankable and shovel ready projects - US\$15.2 million projects reached bankability.</li> </ul>	<ul style="list-style-type: none"> <li>Wider investment options for investors.</li> <li>Improved investment in infrastructure.</li> </ul>
<ul style="list-style-type: none"> <li>Resource Mobilisation</li> <li>Bank capitalisation</li> <li>Project preparation and development funding</li> <li>Project implementation financing</li> <li>Climate finance</li> <li>Green Climate Fund (GCF)</li> <li>Fund for Responding to Loss and Damage (FRLD)</li> <li>Climate Finance Facility (CFF)</li> </ul>	<ul style="list-style-type: none"> <li>Additional Bank capitalisation raised – US\$6.8 million</li> <li>Resources mobilised for project implementation financing – US\$1.83 million</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened Bank Balance Sheet.</li> <li>Increase in projects under implementation.</li> <li>Enhanced the Bank's Climate Finance capability.</li> </ul>	<ul style="list-style-type: none"> <li>Increased business opportunities for the Bank – strategic partnerships and own balance sheet lending.</li> <li>Improvement in the infrastructure stock.</li> <li>Deeper and wider capital markets.</li> <li>High impact investments.</li> </ul>
<ul style="list-style-type: none"> <li>Project Implementation</li> </ul>	<ul style="list-style-type: none"> <li>Projects under implementation:               <ul style="list-style-type: none"> <li>Wilsgrove Park Phase 2 Housing Project</li> <li>Spitzkop Housing Development [Gwanda]</li> <li>Kadoma Cluster Housing Project [Kadoma]</li> <li>Honister Cluster Housing Project [Harare]</li> <li>Mabuto Villas - Hatfield Cluster Housing Development [Harare]</li> <li>Waneka Phase III Housing Development Project [Harare]</li> <li>Catholic University Students Accommodation Project [Harare]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Increased stock of sustainable infrastructure</li> <li>Decent accommodation</li> <li>Improved access to water, sanitation, and electricity.</li> <li>Improved access to transport and communication.</li> <li>Improved access to tourism facilities</li> </ul>	<ul style="list-style-type: none"> <li>Increase in GDP per capita.</li> <li>Improved standards of living.</li> <li>Employment creation</li> <li>Increase in foreign currency inflows</li> </ul>
<ul style="list-style-type: none"> <li>Productive Sector Financing</li> <li>Business development and consummation of structured deals.</li> </ul>	<ul style="list-style-type: none"> <li>Loan book size (US\$7.0 million)</li> <li>Disbursements (US\$4.3 million)</li> </ul>	<ul style="list-style-type: none"> <li>Improved capacity utilisation.</li> <li>Diversified income streams for the Bank.</li> <li>Increased employment opportunities.</li> <li>Increased irrigable land.</li> <li>Improved learning outcomes</li> <li>Increased foreign currency generation.</li> <li>Increased infrastructure stock (housing and road rehabilitation)</li> </ul>	<ul style="list-style-type: none"> <li>Food security</li> <li>Improved access to energy</li> <li>Employment creation.</li> <li>Increased foreign currency availability.</li> <li>Foreign currency preservation through import substitution.</li> <li>Improved access to decent accommodation.</li> <li>Increase in skills</li> </ul>
<ul style="list-style-type: none"> <li>Knowledge generation and sharing</li> <li>Research papers</li> <li>Policy analysis and review</li> <li>PESTEL analysis</li> <li>workshop attendance and presentations</li> <li>competitor analysis</li> </ul>	<ul style="list-style-type: none"> <li>Nine (9) research papers disseminated.</li> </ul>	<ul style="list-style-type: none"> <li>Improved knowledge in the economy.</li> <li>Improved innovation (new products, business processes and policies).</li> <li>Improved partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Increased investments in infrastructure development.</li> <li>Enhance the Bank's internal efficiency.</li> <li>Enhanced capability of the Bank to deliver on its mandate.</li> <li>Improved Bank's agility.</li> </ul>



# CHAPTER 04

STRENGTHENING  
CAPACITY TO DELIVER



## CHAPTER 4: STRENGTHENING CAPACITY TO DELIVER *(continued)*

### 4.1 Strategy and Business Model

The Bank's work is guided by its Mandate, and the national development agenda, that is Vision 2030, NDS1 & 2, National Budgets, and Infrastructure Investment Plans. However, to ensure focused interventions, the Bank has developed a Long-Term Strategy (2021 – 2030) (LTS) to guide its operations. The Bank also developed its IRBM Strategic Plan 2026-2030 with range of strategies that include to:

- Enhance the Bank's financial sustainability through capitalisation, capital preservation initiatives, and commercial discipline;
- Enhance the Bank's financial sustainability by aligning resource allocation with strategic priorities, enhanced revenue generation, and maintaining disciplined cost management within approved budgets;
- Drive the Bank towards sustainability through pursuing the Sustainability Standards and Certification Initiative (SSCI);
- Develop commercially attractive multi-sectoral projects to bankability;
- Harness diverse financing channels including climate finance facilities (such as GCF and CFF), project finance structures, and Public-Private Partnerships (PPPs) for mandate delivery; and
- Strengthen the Bank's revenue base through innovation and partnerships, harnessing opportunities in green finance, advisory mandates and infrastructure financing capacity.

The Bank's Strategic Plan is anchored on two pillars, namely, Infrastructure and Development. Under the Infrastructure Pillar, the Bank will prioritise investments in primary sectors; Water & Sanitation, Housing, Irrigation, Transport and Energy (WHITE), and the secondary sectors of Health, Education, ICT and Tourism. Under the Development Pillar focus will be on supporting the productive sectors that include the Infrastructure Value Chain, Green Transition, Industrialisation, Export Generation, and Value Addition & Beneficiation.

The Bank's core service offering include the following:

- Coordinating & supporting the preparation of bankable projects for investment;
- Mobilisation of investment into projects that would have reached bankability;
- Infrastructure-related advisory services for large projects;
- PPP transactions; and Project Monitoring; and
- Providing financing solutions to private sector clients.

The Bank's infrastructure business model entails end-to-end solutions across the project cycle, allowing the Bank to support all aspects of the project, from early conceptualisation, preparation & structuring for bankability, to investment mobilisation, tendering, and implementation monitoring, as depicted in Fig. 4.1.1.

## CHAPTER 4: STRENGTHENING CAPACITY TO DELIVER *(continued)*

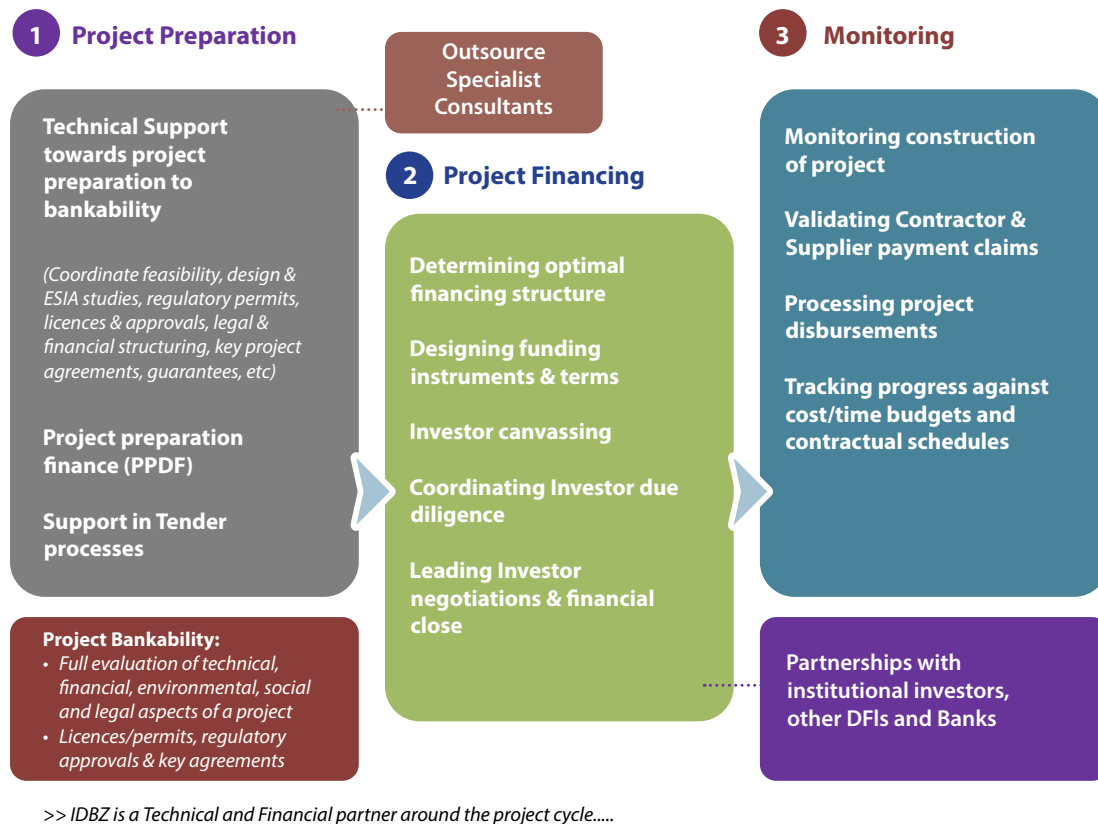


Figure 4.1.1: IDBZ Infrastructure Business Model

### 4.1.1 Sustainability Standards and Certification Initiative

The Bank continued to pursue the certification by the European Organisation for Sustainable Development (EOSD) Sustainability Standards and Certification Initiative (SSCI) that started in 2018. Meaningful progress was achieved across all the eight mandatory modules, bringing the overall project completion rate to 63% by year-end, against a targeted certification level of 60%.

Through this initiative, the Bank fortifies the integration of sustainable practices into its operations, supporting its transformation towards becoming a sustainable and resilient development finance institution (DFI) of scale. Participating in the SSCI reinforces organisational resilience, enhances reputation, improves access to sustainable finance, facilitates innovation and operational efficiency, and aligns the Bank with global and national sustainability goals, all of which support long-term growth and positive societal impact.

In line with its sustainability objectives and purpose statement, the Bank remains committed to effectively managing climate and environmental risks, building a sustainable business model, and contributing to a socially responsible and enduring economy. Adoption of these sustainability standards is also expected to enhance the Bank's ability to secure enduring green funding.

### 4.2 Operational Efficiency

The constrained liquidity environment experienced in 2025 necessitated an intensified focus on the performance of the loan portfolio. Facility review cycles were reduced from quarterly to monthly, while strict monitoring and enforcement of all Policies, Operational Guidelines, and Manuals were maintained. During the period, the Bank also continued to make steady progress in implementing the Sustainable Operations Alignment Plan, which seeks to optimise resource utilisation through alignment with the High Impact Goals, thereby enhancing corporate performance and reducing operational costs.

## CHAPTER 4: STRENGTHENING CAPACITY TO DELIVER *(continued)*

### 4.2.1 Policies

During the year, the Bank undertook a comprehensive review and alignment of its Policies, Operational Guidelines, and Manuals to ensure consistency with best practice and responsiveness to the evolving operating environment. Furthermore, the Bank initiated an extensive business process re-mapping and re-engineering programme in 2025. This exercise, which will continue into 2026, is intended to strengthen the institutional policy framework, enhance operational cohesion, and support the Bank's transition towards a more robust and modernised operating environment.

### 4.2.2 Internal Audit

The Internal Audit function continued to provide independent assurance on the effectiveness of the Bank's operations, ensuring that projects and programmes were implemented in line with value-for-money principles. Through its oversight, Internal Audit contributed to:

- Strengthening the Bank's ability to achieve its strategic objectives and deliver on its mandate;
- Enhancing governance, risk management, and internal control processes;
- Supporting informed decision-making and institutional foresight;
- Safeguarding the Bank's reputation and reinforcing stakeholder confidence; and
- Upholding the Bank's commitment to serving the public interest.

### 4.2.3 Technology and Digital Transformation

#### 4.2.3.1 Operational Resilience

The Bank's core systems remained stable and resilient, ensuring uninterrupted service throughout the year. Disaster recovery simulations confirmed institutional readiness, while enhanced firewall configurations and secure cloud environments safeguarded critical financial operations.

#### 4.2.3.2 Cybersecurity and Compliance

The Bank's cybersecurity posture remained strong throughout the year. Independent assessments confirmed compliance with international standards, including ISO 20022 and the SWIFT Customer Security Controls. Awareness campaigns further strengthened the security culture, while targeted interventions reduced risks across the ICT environment. In 2026, the Bank will continue to reinforce its resilience and enhance readiness against emerging cyber threats through planned strategic initiatives, including the deployment of advanced detection and response tools.

#### 4.2.3.3 Digital Transformation

During 2025, the Bank advanced preparations for the next phase of digital transformation. Key groundwork included planning the upgrade of the core banking system, designing the integration of Straight-Through Processing (STP) to automate settlement transactions, and initiating the redevelopment of the Internet Banking platform to expand digital access. The Bank also supported the development of new digital products and strengthened integration with interbank platforms, aligning operations with global financial messaging standards.

#### 4.2.3.4 Governance and Transparency

The Bank's digital platforms, including the website and supplier portal, continued to promote transparency by publishing procurement notices, investor relations materials, and public disclosures. ICT governance frameworks were strengthened and embedded within institutional processes, ensuring that technology investments are guided by international best practice, and regulatory requirements.

#### 4.2.3.5 Outlook

In 2026, the Bank will implement the planned upgrade of the core banking system, complete STP integration for automated settlement, and relaunch Internet Banking services. The renewal of ageing infrastructure will also be prioritised. In addition, the Bank will explore adopting agentic artificial intelligence solutions tailored to institutional needs to enhance efficiency, compliance, and innovation. These initiatives will modernise service delivery, strengthen resilience, and position the Bank's ICT environment as a driver of inclusion and transformation, supporting the mandate under Vision 2030 and NDS2.

## CHAPTER 4: STRENGTHENING CAPACITY TO DELIVER *(continued)*

### 4.2.4 Quality of Bank Operations and Portfolio Performance

The loan portfolio remained under strain during the period, reflecting tight market liquidity and protracted delays in the completion of key infrastructure projects financed by the Bank. As at 31 December 2025, the Non-Performing Loan (NPL) ratio stood at 15%, against the regulatory prudential threshold of 5%. The Bank continues to prioritise disciplined portfolio management through sustained collection efforts on the active book and the expedited resolution of non-performing exposures to preserve asset quality and support balance sheet resilience.

### 4.3 Knowledge Generation and Sharing

In 2025, the following short research papers were produced and disseminated:

**Table 4.3.1: 2025 Research Papers**

Research Paper	Focus
DFI Efficiency	Highlights factors that affect efficiency of a DFI and strategies to improve the same.
Unpacking projects preparation and Bankability- Presentation at Midlands Investment Conference	Assessment of project viability, risks, socio-economic impacts, and financial returns and project preparation to bankability.
Projects Financing Options - Presentation at Manicaland Investment Conference	Covers project financing options that include debt, equity, mezzanine/ quasi-equity, real estate investment trusts (REITs) and project finance.
Tourism Sector: Investment opportunities for the Bank	The paper explores investment opportunities for the Bank in the tourism sector.
Overview of Zimbabwe's Energy Sector: Investment Opportunities for the Bank	The paper explores investment opportunities for the Bank in the energy sector.
Innovative Infrastructure Financing Approaches Independent of Budgetary Allocations	The paper explores innovative infrastructure financing models that are gaining prominence, including trade-linked infrastructure under the AfCFTA, pension and sovereign wealth fund mobilisation, diaspora bonds, impact investing, resource-for-infrastructure arrangements, blended finance, carbon financing, Public-Private Partnerships (PPPs), and emerging philanthropic partnerships within PPP structures.
Embedding Sustainability Standards in Infrastructure Development.	The paper examines how the adoption and operationalisation of SSCI standards can enhance IDBZ's effectiveness, credibility, and developmental impact, enabling the Bank to act as a conduit between international sustainability frameworks and national infrastructure priorities across diverse sectors and geographies.
IDBZ Carbon Footprint Baseline Study	The study focused on evaluating material greenhouse gas emissions from Bank operations and identifying feasible climate mitigation actions.

### 4.4 Social, Environmental and Sustainable Development

The Bank demonstrated its commitment to green growth and sustainable development by commissioning its first Carbon Footprint Baseline Study undertaken between March and September 2025. The study focused on determining material greenhouse gas (GHG) emissions from Bank operations and identifying feasible climate mitigation actions which the Bank needs to put in place in order to promote environmental stewardship and bolster climate action. Using the year 2023 as the base year, the results showed that the Bank's total carbon footprint was 271.9 metric tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq) in 2023, rising to 294.3 mtCO<sub>2</sub>eq in 2024 (Tables 1 and 2, appendix 1), clearly showing the need for deliberate intervention to curtail emissions growth.

The Bank recognizes that reducing its carbon footprint is both a strategic business necessity and an environmental and social responsibility. To this end, the Bank plans to accelerate its carbon offsetting programme through key initiatives such as the installation of a solar PV system at IDBZ House, following the successful rollout a similar one at its Bulawayo

## CHAPTER 4: STRENGTHENING CAPACITY TO DELIVER *(continued)*

Office in 2024. Other measures to be pursued include phasing out HFCs and HCFCs (refrigerants), enhancing energy efficiency through retrofitting incandescent lighting system with LED lighting and motion-sensor systems. These initiatives are further supported by community-based afforestation and ecosystem restoration programmes such as the Bank supported Emson Village in Rushinga, Mashonaland Central Province. The carbon footprint baseline study identified significant opportunities for carbon footprint reduction and provides direction for the Bank to set its net-zero targets by 2035.

Further, the Bank continued to ensure that all its projects and those for clients go through a mandatory Environmental and Social Impact Assessment (ESIA) process before implementation. Environmental and Social Management Plan (ESMP) implementation monitoring in 2025 covered 07 on Pagomo and Hatfield Cluster Housing Development projects in Harare. ESMP implementation monitoring did not only ensure compliance with the stipulations of the Environmental and Social Management Plans for respective projects but also ensured that the health and safety of communities around Bank project sites were safeguarded.

### 4.5 Disability, Gender Equality and Social Inclusion

The Bank sustained its established practice of deliberately mainstreaming the needs of persons with disabilities, women, and youth in the design and implementation of all Bank-supported projects. This approach advances inclusivity, promotes equity, and enhances the overall social impact of the Bank's interventions. The Disability and Accessibility Audit on the Bank premises was conducted by representatives from Organisations of Persons with Disability (OPDs). The recommendations arising from the audit will be implemented progressively in line with agreed priorities and resource availability.

The Bank continued to maintain gender disaggregated data on project beneficiaries to support effective monitoring of gender equality outcomes, strengthen accountability, and inform the design of programmes that respond to the diverse needs of women and men. Notably, within the housing sector, joint ownership increased from 19% in Q4 2024 to 23% in Q4 2025. The Bank promotes joint ownership not only as a matter of equity and fairness, but also as a strategic investment in sustainable, inclusive, and gender-responsive development. In addition, gender disaggregated employment data for Bank projects and Bank-supported projects indicates that, of the 117 individuals employed, 9.4% were female. Furthermore, youth accounted for 75.2% of the total workforce engaged across these projects.

With respect to staffing levels, gender disparities at management level remain pronounced, with five females compared to 27 males in management positions. Overall, female staff accounted for 39.17% of the Bank's total staff complement, up from 37.8% in Q4 2024, reflecting continued efforts to strengthen gender equality across the workforce. However, this remains marginally below the annual target of 42%. The Bank continues to undertake deliberate measures to promote improved gender balance, including prioritising, the appointment of suitably qualified female candidates to vacant positions. While incremental progress has been achieved, sustained and targeted interventions will be necessary to attain greater gender parity, particularly at management level.

### 4.6 Corporate Social Investment

The IDBZ believes that the most vital infrastructure for national development is the untapped potential of youth. Guided by its theme, "Investing in the Future: Our Commitment to Human Capital Development", the Bank reaffirmed its commitment to social equity and inclusive growth by providing comprehensive educational financial support to eight underprivileged students across various levels of the academic spectrum.

By removing financial barriers to education, the Bank is actively nurturing a pipeline of future leaders, engineers, and professionals who will eventually contribute to Zimbabwe's economic landscape. Our support in 2025 was distributed as follows:

- Primary Education: 5 Students
- Secondary Education: 2 Students
- Tertiary/University Education: 1 Student

## CHAPTER 4: STRENGTHENING CAPACITY TO DELIVER *(continued)*

### 4.7 Procurement

#### 4.7.1 2025 Review

In 2025, the Bank received approval to conduct public procurement as a 'Class A Procuring Entity'. For the year, the IDBZ's Annual Procurement Plan was valued at US\$18 million, while the Asset Disposal Plan had a total value of US\$5.7 million. The Bank demonstrated compliance with regulatory requirements, submitting all monthly and quarterly procurement returns to the PRAZ as mandated.

The Bank also successfully registered as a Supplier with PRAZ through the e-GP portal, earning certification in three categories:

- i. Management & General Consultancy Services (SM001)
- ii. Project Management (SP008), and
- iii. Investment and Banking (SI009)

The certification enables the Bank to participate in capacity building programs and offer consulting services to Government Ministries, Departments and Agencies (MDAs) and the private sector.

Subsequently the Bank offered the following advisory services:

- i. Public-Private Partnerships (PPP) Projects Independent Reviewer Services, Review of Public-Private Partnerships for the Ministry of Transport and Infrastructural Development.
- ii. Project Management Services for the Proposed Zimbabwe Investment Development Agency (ZIDA) Head Office at Highlands Precinct Office Park as an EPC/Turnkey Project.
- iii. Procurement Consultancy Services for the Kwangu/Ngakwami Presidential Title Deeds Programme Trust for Epworth.
- iv. The Ministry of Lands, Agriculture, Forestry, Water and Rural Development for irrigation and land clearing projects.

#### 4.7.2 Procurement Contracts

##### Awarded Procurement Contracts

The Bank concluded both domestic and international competitive procurement contracts in 2025.

##### a) National Competitive Bidding

The contracts concluded through National Competitive Bidding (NCB) were in both local currency (ZiG) and foreign currency (USD). The cumulative total value for the procurement contracts in local currency was ZiG486,394.64, whilst in foreign currency US\$128,101.80

##### b) International Competitive Bidding

The value of contracts was US\$20,317,463.47 for the Kwangu/Ngakwami Presidential Title Deeds Program, and EUR83,076.38 for the Capacity Building Training in Sustainable Financing.

The following major procurement contracts were awarded.

##### a. Consultancy Services:

- i. Engagement of Consultant for Capacity Building Training in Sustainable Finance.
- ii. Full Environmental and Social Impact Assessment (ESIA) for Glenwood Park and Glenwood Park Extension, Epworth.
- iii. Surveying, Planning and Relocation Survey for Subdivision B of Van Rooyen's Rest, Plumtree.
- iv. Provision of Consultancy Services for the Recruitment of the IDBZ Chief Executive Officer
- v. Consultancy services for valuation of financial assets

##### b. Non-consultancy Services:

- i. Supply and Installation of Boardroom Conferencing Equipment
- ii. IFRS 9 System Recalibration and Upgrade
- iii. IFRS 9 System - Model Validation

## CHAPTER 4: STRENGTHENING CAPACITY TO DELIVER *(continued)*

- c. Works:
  - a. Construction of water reticulation, sewer reticulation, roads, stormwater drainage and bulk water and sewer infrastructure for Glenwood Park Extension, Epworth (Lot 4)
  - b. Construction of water reticulation, sewer reticulation, roads, stormwater drainage and bulk water and sewer infrastructure for Glenwood Park, Epworth (Lot 5)
  - c. Supply and Installation of a new elevator at IDBZ Head Office.
- d. Goods:
  - Nil: Only Purchase Orders were issued.

### 4.7.3 Purchase Orders

The value of Purchase Orders issued upon tender processes through Request for Quotation methods are ZIG6,698,074.50 and US\$621,886.55, in local currency and foreign currency respectively. The distribution of payments on purchase orders is as shown in Table 4.7.1

**Table 4.7.1: Purchase Orders Payments Distribution**

	ZiG	USD
Non-Consulting Services	66%	16%
Goods	24%	77%
Works	9%	6%
Consulting Services	0%	1%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

### 4.7.4 Asset Disposal

The Bank concluded asset disposals for a total value of US\$30,032.75 in 2025. These were for ICT Equipment, vehicles and vehicle parts (See Appendices 3 and 4).

### 4.7.5 Procurement challenges in 2024

- The Bank's Liquidity Situation: The tight liquidity situation resulted in some procurements being delayed or deferred.
- Macro-economic environment: Despite the narrowing of the exchange rate premium, suppliers and service providers continued to price goods and services in USD at elevated levels as a hedge against potential value erosion when payments were made in local currency.

### 4.7.6 Major achievements for the period under review

- i. Operational Efficiency: The Bank's operational efficiency continued to improve as all procurements were done within the target cycle timelines.
- ii. Value for Money: All procurement activities were concluded within the target budget indicated in the approved Procurement Plan 2025.

### 4.7.7 2026 Strategic Thrust

The Bank will enhance efficiency and effectiveness of procurement processes through the following:

- a) Enforcing compliance with the Bank's Policy and Procedures, the PPDP Act and PPDP (General) Regulations;
- b) Wider use of the e-GP;
- c) Wider use of Framework Agreements; and
- d) Value for Money initiatives.

## 4.8 Human Resources and Organisational Development

The Bank closed the year 2025 with a staff complement of 120 employees, representing 66% of the approved establishment. Despite the recruitment freeze, operational continuity was maintained through internal transfers, workload optimisation, and short-term engagements. Gender representation stood at 39.17% women, with near parity at professional levels, although gender imbalance persisted at managerial level. The workforce remained predominantly youthful, strengthening long-term institutional capacity and supporting the Bank's talent-development objectives.

Staff stability remained strong, reflected in a 97.6% retention rate, and the Bank met its 5% vacancy ratio target. A focused initiative to enhance leave management reduced outstanding leave liabilities by 17%. Staff costs remained within budget, demonstrating disciplined cost control. Wellness programmes recorded strong participation, and overall industrial relations remained stable throughout the year.



# CHAPTER 05

GOVERNANCE, ETHICS,  
AND INTEGRITY



## CHAPTER 5: GOVERNANCE, ETHICS, AND INTEGRITY (*continued*)

### 5.1 Corporate Governance Statement for FY2025

#### 5.1.1 Introduction

In the execution of its statutory mandate, the Bank adheres to the principles and tenets of sound corporate governance, embedding these across all business processes to ensure effective and efficient delivery of products and services in an economically, socially and environmentally sustainable manner. Compliance with applicable legal and regulatory requirements, together with alignment to internationally recognised governance standards and guidelines, constitutes the foundation of the Bank's corporate governance architecture.

Corporate governance within IDBZ is anchored on the principles of fairness, transparency, accountability, financial sustainability and environmental stewardship, with deliberate emphasis on the integration and mainstreaming of environmental, social and governance (ESG) considerations. These principles underpin the Bank's commitment to building a financially sustainable, socially responsible and environmentally resilient institution that delivers long-term value to all stakeholders.

#### 5.1.2 Governance Framework

##### 5.1.2.1 Infrastructure and Development Bank of Zimbabwe Act [Chapter 24:14]

The IDBZ was established in 2005 as the successor institution to the Zimbabwe Development Bank ("ZDB") and operates in terms of the Infrastructure and Development Bank of Zimbabwe Act [Chapter 24:14] ("the IDBZ Act").

The Bank falls under the oversight of the Minister of Finance, Economic Development, and Investment Promotion. This oversight responsibility is shared with the Reserve Bank of Zimbabwe pursuant to Finance Act No. 3 of 2014, which amended the Banking Act [Chapter 24:20] and brought IDBZ under the supervisory ambit of the Central Bank. This dual regulatory framework strengthens prudential oversight and reinforces governance discipline within the institution.

##### 5.1.2.2 Banking Act [Chapter 24:20]

As a participant in the financial services sector, certain prescribed provisions of the Banking Act apply to the governance of IDBZ in terms of General Notice 115 of 2017. These provisions primarily relate to corporate governance and risk management and ensure that the Bank operates within a robust prudential and compliance framework consistent with financial sector regulatory expectations.

##### 5.1.2.3 National Code on Corporate Governance (the Code)

Section 36 of the Finance Act (No. 13) amended the Public Entities Corporate Governance Act [Chapter 10:33] ("PECGA") to exclude financial institutions as defined in the Banking Amendment Act (No. 12) of 2025, from the application of the Act. Following this amendment, the Corporate Governance Unit issued a circular dated 8 March 2024, expressly exempting the IDBZ from the application of the PECGA. Notwithstanding this exemption, the Bank remains obligated to comply with the National Code on Corporate Governance Zimbabwe ("the National Code"), which is incorporated as the First Schedule to PECGA.

The Corporate Governance Unit in the Office of the President and Cabinet continues to provide governance direction through Circulars and Practice Directions. The Bank has implemented robust systems, policies and internal controls to monitor and assess compliance with the requirements of the Code, thereby strengthening accountability, enhancing transparency and entrenching ethical leadership across the institution.

##### 5.1.2.4 Best Practice Corporate Governance standards

In addition to statutory and regulatory requirements, the Bank embraces recognised principles of good corporate governance embodied in both local and international governance frameworks. This commitment ensures that the Bank remains aligned with evolving best practice standards and enhances stakeholder confidence in its governance structures and processes.

#### 5.1.3 Board Charter

Section 56 of the National Code requires the Board of every entity to adopt a Board Charter and to conduct the business and affairs of the entity in accordance with that Charter. The Charter must give effect, inter alia, to the following principles:

- i. The promotion and maintenance of a high standard of professional ethics;
- ii. The efficient and economic utilisation of available resources;
- iii. The provision of services impartially, fairly, equitably and without bias;
- iv. Co-operation with governmental institutions and other public entities;

## CHAPTER 5: GOVERNANCE, ETHICS, AND INTEGRITY (continued)

- v. Openness and transparency in the internal workings and procedures of the public entity and in its dealings with the public; and
- vi. Commercial viability, in the case of a public commercial entity.

The Bank has adopted a Board Charter which is reviewed and updated periodically to ensure continued relevance, regulatory alignment and strategic effectiveness in guiding the operations and conduct of the Board.

### 5.1.4 Code of Conduct and Ethical Framework

Section 55 of the Code requires the Board to provide ethical leadership by framing and implementing a Code of Ethics, morality and professionalism applicable to the institution, its employees, management and Board members.

In compliance with this requirement, the Bank has developed and implemented a comprehensive Code of Ethics Policy. The Policy establishes a clear framework governing the conduct of Directors, Management, Staff and relevant stakeholders. It is designed to promote integrity, honesty, professionalism and ethical decision-making, and is grounded in the Bank's core values. The ethical framework reinforces a culture of accountability and responsible stewardship across all levels of the institution.

### 5.1.5 Board of Directors

Section 4(2) of the IDBZ Act, as amended, provides that the Board shall comprise a minimum of seven (7) and a maximum of nine (9) Directors.

In June 2019, the Minister of Finance, Economic Development and Investment Promotion appointed an eight-member Board to serve as the Bank's governing body for a three-year term, renewable once. Upon expiry of the initial term, six (6) members were reappointed, while two (2) members did not seek reappointment. During the second term, one of the reappointed members subsequently resigned.

Dr K. Mlambo was appointed substantive Chairman of the Board with effect from 1 April 2023. The Chairman serves as an independent non-executive Director, thereby reinforcing the separation of oversight and executive functions.

During 2024, the Minister of Finance appointed three (3) new Board members in January and February, and a further one (1) member in November. These appointments strengthened the Board's capacity and diversity, and significantly enhanced gender balance, with three of the 2024 appointees being female.

During the year under review, the Bank sadly lost one of its long-serving Board members, Ms Sibusisiwe Bango, who passed away on 7 September 2025. Ms Bango served on the Board for over six years and made a distinguished contribution to the governance and strategic direction of the Bank. Her expertise, dedication and steadfast commitment to the Bank's developmental mandate were deeply valued. The Board records its sincere appreciation for her service. Her contribution to the institution remains part of her enduring legacy.

The table below shows the Board composition as at 31 December 2025:

**Table 5.1.1: IDBZ Board Composition**

Director	Designation	Date Appointed/ Renewal of Term
1. Dr. Kupukile Mlambo	Non-Executive Board Chair	1 April 2023
2. Dr. Naomi N. Wekwete	Independent Non-Executive Deputy Chair	1 Jan 2024
3. Dr. Norbert O. Mugwagwa	Independent Non-Executive Director	19 July 2022
4. Mr. Reginald Mugwara	Independent Non-Executive Director	19 July 2022
5. Mr. Tadios Muzoroza	Independent Non-Executive Director	19 July 2022
6. Dr. Andries Rukobo	Independent Non-Executive Director	1 Jan 2024
7. Mrs. Arina Manyanya	Non-Executive Director	1 Feb 2024
8. Dr. Barbara Mbuyisa	Independent Non-Executive Director	1 Nov 2024
9. Mr. Willing Zvirevo	Acting CEO/Ex-Officio	1 Sept 2025

## CHAPTER 5: GOVERNANCE, ETHICS, AND INTEGRITY (*continued*)

### 5.1.6 Duties and Responsibilities of the Board

The duties and responsibilities of the Board are prescribed in section 4A of the Infrastructure and Development Bank of Zimbabwe Act [Chapter 24:14], read together with sections 61–76 of the National Code on Corporate Governance Zimbabwe.

In accordance with this legislative and governance framework, the Board retains ultimate responsibility for providing strategic direction and oversight to the Bank. It formulates and approves policies and strategies necessary for the achievement of the Bank's developmental mandate and long-term objectives.

The Board exercises oversight over the overall activities of IDBZ and its subsidiaries, ensuring that the Group operates within a sound system of governance, risk management and internal control. In discharging this responsibility, the Board ensures that adequate control systems are in place to identify, monitor and manage risk, and that resources are utilised efficiently, economically and in alignment with the Bank's strategic priorities.

### 5.1.7 Board Committees

To enhance the effective discharge of its functions and strengthen focused oversight across the Bank's operations, the Board constituted five (5) Committees operating under clearly defined mandates and Terms of Reference.

These Committees enable detailed scrutiny of key operational and strategic areas while preserving the Board's collective responsibility for decision-making.

#### 5.1.7.1 Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities in relation to the integrity of financial reporting, the effectiveness of internal control systems, internal audit processes, external audit engagements and overall financial governance.

Through its work, the Committee provides assurance that financial and governance processes are robust, transparent and aligned to the Bank's strategic objectives and regulatory obligations.

#### 5.1.7.2 Finance and Risk Management Committee

The Finance and Risk Management Committee supports the Board in overseeing the Bank's financial risk profile and ensuring the effective implementation of the Enterprise-wide Risk Management Framework.

The Committee provides focused oversight on risk identification, assessment and mitigation, thereby safeguarding the Bank's financial sustainability and resilience in a dynamic operating environment.

#### 5.1.7.3 Human Resources (HR) and Information Communication Technology (ICT) Committee

The Human Resources and ICT Committee supports the Board in overseeing human capital strategy and ICT governance. The Committee ensures that the Bank's staffing, remuneration practices and compensation levels, talent and performance standards are consistent with the Bank's culture, objectives, values, business strategy and financial sustainability. Furthermore, ensuring that the Bank's ICT frameworks are effectively aligned with corporate objectives, thereby enhancing operational efficiency, fostering innovation, and strengthening long-term institutional capability.

#### 5.1.7.4 Corporate Governance, Compliance, Ethics and Sustainability Committee

The Corporate Governance, Compliance, Ethics and Sustainability Committee supports the Board in overseeing adherence to corporate governance principles, policies, standards and independence requirements.

The Committee also provides oversight on compliance matters and sustainability considerations, ensuring that governance practices, ethical conduct and environmental, social and governance (ESG) imperatives remain integrated into the Bank's strategic and operational processes.

## CHAPTER 5: GOVERNANCE, ETHICS, AND INTEGRITY (continued)

### 5.1.7.5 Investments Committee

The Investments Committee, which sits as a Committee of the Whole, considers proposals for new equity and/or quasi-equity investments that fall outside Management approval thresholds.

The Committee exercises strategic oversight over the evaluation, approval and implementation of such investments, ensuring alignment with the Bank's developmental mandate, risk appetite and financial sustainability objectives.

### 5.1.8 Board Remuneration

The IDBZ Board Remuneration Framework is determined in accordance with directives issued by the Corporate Governance Unit applicable to Public Entities. The framework is aligned with the Board remuneration guidelines for State Enterprises developed by the Office of the President and Cabinet.

For the period under review, non-executive Directors received remuneration comprising a retainer and sitting allowances, in accordance with the approved framework.

A summary of total fees paid to Board Members in 2025 is set out below:

Total Fees Paid in Zimbabwe Gold (ZiG)	1,536,887.19
Total Fees Paid in United States Dollars (US\$)	38,428.83

### 5.1.9 Board Evaluation

The Bank undertakes an annual Board and Director Evaluation exercise. This process is designed to provide feedback to the Board regarding its performance as well as identifying skills gaps. The outcome of the evaluation exercise enables the institution to structure appropriate training and development programmes, as well as allow the Board to take stock of areas needing improvement for enhanced effectiveness.

### 5.1.10 Board and Board Committee Attendance Record for 2025

Table 5.1.2: Board and Board Committee Attendance

	Main Board	Audit Committee	Finance & Risk Management Committee	Human Resources & ICT Committee	Corporate Governance, Compliance, Ethics & Sustainability Committee	Investments Committee
Board Member / Total Meetings Held	7	5	4	8	4	2
Dr. K. Mlambo	7	n/a	4	7	n/a	2
Dr. N.N. Wekwete	7	n/a	4	n/a	4	2
Dr. A. Rukobo	7	n/a	n/a	8	4	2
Mr. R. Mugwara	7	5	4	n/a	n/a	2
Mrs. A. Manyanya	7	5	3	n/a	2	2
Dr. N. Mugwagwa	7	n/a	4	n/a	3	2
Mr. T. Muzoroza	7	n/a	n/a	8	4	2
Dr. B. Mbuyisa	7	5	n/a	8	n/a	2
Ms. S.P Bango*	3	3	n/a	4	n/a	1
Mr. T. Z. Sakala**	4	4	3	6	3	1
Mr. W. Zvirevo***	3	1	0	1****	1	1

\* Passed away in Q3/2025 following illness.

\*\*CEO's Term of Office expired on 31 August 2025.

\*\*\*Appointed as Acting CEO effective 1 September 2025.

\*\*\*\*Acting CEO was not an invitee to one of the meetings.

## CHAPTER 5: GOVERNANCE, ETHICS, AND INTEGRITY (*continued*)

### 5.2 Risk Management

#### 5.2.1 Risk Taxonomy and Governance

The Bank's risk profile is a direct function of its developmental mandate and the volatile macroeconomic environments in which it operates. To ensure institutional resilience, the IDBZ employs an integrated Enterprise Risk Management (ERM) framework. This framework ensures that risk-taking is intentional, transparent, and aligned with the Bank's overarching strategy and Board-approved Risk Appetite. The risk universe is categorized into several distinct pillars, each governed by specific policies and oversight mechanisms. Integrity of the control environment is validated via the "Three Lines of Defence" model, ensuring objective oversight across Risk Management, Internal Audit, and Compliance.

##### 5.2.1.1 Credit Risk

Credit risk remains the primary driver of the Bank's risk profile, defined as the potential for financial loss resulting from counterparty default. The Bank utilises a lifecycle-based credit management philosophy. This "cradle-to-grave" approach integrates forward-looking assessments into origination, rigorous technical appraisal, and proactive portfolio monitoring. Governance is enforced through a robust hierarchy of delegated authorities and concentration limits. To sharpen our predictive capabilities, the Bank continues to invest in advanced credit analytics and ECL (Expected Credit Loss) modelling to ensure adequate provisioning and capital preservation.

##### 5.2.1.2 Project Risk

Given the complexity of development finance, project risk encompasses a multidimensional matrix of technical, environmental, social, and fiduciary variables. The Bank mitigates execution risk through the deployment of cross-functional "Project Appraisal Teams" and rigorous pre-disbursement due diligence. Our methodology emphasizes realistic financial modelling and robust contract management to ensure that project outputs translate into sustainable developmental outcomes while minimising the risk of "stalled" or non-performing assets.

##### 5.2.1.3 Liquidity Risk

Liquidity risk management is focused on ensuring the Bank maintains sufficient high-quality liquid assets (HQLA) to meet all contractual obligations under both idiosyncratic and systemic stress scenarios. Daily liquidity positions are monitored against regulatory benchmarks and internal "Survival Horizons." Primary oversight is vested in the Management Asset and Liabilities Committee (MALCO), which optimizes the Bank's funding strategy and ensures the maintenance of prudent liquidity buffers in accordance with the Liquidity Management Policy.

##### 5.2.1.4 Operational Risk and Resilience

The Bank adopts a proactive stance toward operational risk—the risk of loss arising from inadequate internal processes, human error, or system failures. Recognising the evolving threat landscape, we have mainstreamed Cybersecurity, Climate, and AI-Related Risks into our core operational risk taxonomy.

- **Climate Risk:** Managed via a dedicated framework that assesses the physical and transition risks within our portfolio.
- **Cyber Resilience:** Strengthened by a "defence-in-depth" architecture, including multi-factor authentication, continuous monitoring, and rigorous disaster recovery protocols. Oversight of cyber controls is embedded within the "Three Lines of Defence" model, ensuring objective oversight across Risk Management, Internal Audit, and Compliance.
- **Artificial Intelligence (AI) Risk:** While the Bank does not currently employ AI-driven applications in management decision-making, governance protocols have been established to anticipate and mitigate potential risks associated with emerging AI technologies. These include risks related to data privacy, algorithmic bias, and model opacity. The Bank remains committed to ensuring that any future adoption of AI tools will be subject to rigorous validation and aligned with ethical standards and fiduciary responsibilities.

##### 5.2.1.5 Market Risk

Market risk exposure, primarily interest rate volatility and currency fluctuations, is tightly controlled by MALCO. To insulate the balance sheet from foreign exchange volatility, the Bank primarily utilizes back-to-back hedging structures. The Treasury function conducts daily sensitivity analyses to ensure that market exposures remain within the strictly defined thresholds of the Bank's risk appetite.

## CHAPTER 5: GOVERNANCE, ETHICS, AND INTEGRITY *(continued)*

### 5.2.1.6 Strategic Risk

Strategic risk is the possibility that internal or external factors inhibit the achievement of the Bank's Long-Term Strategy (LTS). We mitigate this through a disciplined execution framework where strategic objectives are cascaded into annual KPIs and budgetary allocations. Quarterly Board-level reviews serve as a critical feedback loop, allowing for dynamic recalibration of tactics in response to shifting market conditions.

### 5.2.1.7 Reputational Risk

The Bank recognizes that its "social license to operate" is contingent upon stakeholder perception. Reputational risk is managed through radical transparency, proactive engagement, and an independent whistle-blowing mechanism. By maintaining a structured complaints management system, we ensure that grievances, whether from project-affected communities or institutional partners, are addressed before they manifest as systemic reputational damage.

### 5.2.1.8 Compliance Risk

Compliance risk management is anchored by the Compliance Review and Mediation Department (CMMD), which operates with functional independence. The Bank employs a risk-based compliance monitoring programme to ensure adherence to international AML/CFT/CPF standards, legal statutes, and internal ethical codes. Focus remains on fostering a "culture of integrity," where compliance is viewed as a collective responsibility rather than a peripheral function.

### 5.2.2 External Benchmarking: PSGRS Rating

The Bank's institutional strength is periodically validated through the Prudential Standards, Guidelines and Rating System (PSGRS), administered by the Association of African Development Finance Institutions (AADFI). This peer-reviewed framework provides an objective assessment of our governance, financial stability, and operational efficacy.

For the 2024 reporting period, the Bank's self-assessment was independently verified by the Auditor, BDO Zimbabwe, yielding an institutional score of 88%. While the overall score remains robust, the pillar-level analysis reveals a significant strengthening of our Financial Standards.

**Table 5.2.1: Prudential Standards, Guidelines and Rating System Score**

PSGRS Standard	Weighted Contribution per Standard	Rating Year: 2024	Rating Year: 2023	Rating Year: 2022	Rating Year: 2021	Rating Year: 2020
Governance	40%	38%	37%	43%	35%	43%
Financial	40%	32%	25%	25%	20%	29%
Operational	20%	18%	27%	16%	27%	16%
Overall Score		88%	89%	84%	82%	88%
PSGRS Rating			B+	B+	B+	B+

### 5.3 Compliance and Anti-Money Laundering Framework

This note outlines the governance framework, regulatory approach, and financial implications associated with the Bank's Compliance and AML/CFT/CPF<sup>5</sup> programs. The Bank maintains a zero-tolerance policy towards financial crime and is committed to conducting business with integrity and in accordance with all applicable laws and regulatory framework.

#### 5.3.1 Regulatory Compliance

The Bank operates in a complex and evolving regulatory environment. The regulatory compliance framework is designed to meet the requirements of relevant legislation, including but not limited to the IDBZ Act [Chapter 24:14], Banking Act [Chapter 24:20], Money Laundering and Proceeds of Crime Act [Chapter 9:24] as well as regional and international standards set by the Financial Action Task Force (FATF).

The Board of Directors has established a formal framework for managing financial crime risks in the form of money laundering, terrorist financing and proliferation financing risks. The Bank maintains a conservative risk appetite, meaning it will not engage in business relationships or transactions where money laundering, terrorist financing or proliferation financing risks cannot be effectively mitigated or where the source of funds or wealth cannot be verified to the Bank's satisfaction.

<sup>5</sup> AML/CFT/CPF (Anti-Money Laundering/Countering the Finance of Terrorism/Countering Proliferation Financing)

## CHAPTER 5: GOVERNANCE, ETHICS, AND INTEGRITY (*continued*)

### 5.3.2 Governance Structure (Three Lines of Defence)

The Bank utilises a “Three Lines of Defence” model to ensure robust compliance risk management and oversight.

- First Line: Business units and line managers are responsible for the day-to-day application of regulatory compliance, AML/CFT/CPF controls, including initial Customer Due Diligence (CDD) and ongoing monitoring.
- Second Line: The Compliance function is responsible for setting the compliance framework, AML/CFT/CPF programme, conducting independent monitoring, suspicious activity reporting, and providing training. This function operates independently of the business lines it monitors.
- Third Line: Internal Audit provides independent assurance over the design and operating effectiveness of the compliance monitoring and AML/CFT/CPF framework.

### 5.3.3 Key Components of the AML/CFT/CPF Program

The Bank’s AML/CFT/CPF program is risk-based and includes the following key elements:

- Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD): Thorough CDD is conducted on all new customers to verify identity and understand the nature and purpose of the relationship. For customers presenting a higher risk (e.g., Politically Exposed Persons (PEPs), customers in high-risk jurisdictions), EDD measures are applied to gain a deeper understanding of their profile and source of funds. In line with evolving standards, the Bank adheres to beneficial ownership requirements, identifying individuals with a qualifying ownership or control interest.
- Sanctions Screening: The Bank screens all customers and transactions, against applicable sanctions lists, including the UN list to ensure compliance with applicable sanctions programs.
- Transaction Monitoring: Automated systems monitor customer transactions against expected behaviour to detect unusual or potentially suspicious activity that may indicate money laundering, terrorist financing or proliferation financing.
- Suspicious Transactions Reporting (STR): When unusual activity or transactions cannot be reasonably explained, the Bank files the requisite reports (e.g., STRs or Suspicious Activity Reports) with the Financial Intelligence Unit, as required by law.
- Training: On a regular basis, the Bank’s Board of Directors, Management and Staff receive relevant AML/CFT/CPF training to ensure that they remain fully informed of their legal and regulatory obligations, recognise and respond appropriately to potential money laundering, terrorist financing, and proliferation financing risks to maintain and strong institution-wide culture of compliance and vigilance.

### 5.3.4 Regulatory Developments and Future Preparedness

The IDBZ continuously monitors the regulatory horizon to prepare for changes. Notable developments that may impact the Bank’s future financial and operational planning include:

- Cyber and Data Protection Act [Chapter 12:07]: The Bank is implementing measures to ensure full compliance with applicable data protection laws and regulatory requirements, reinforcing its commitment to safeguarding customer information and institutional integrity.
- Technological Changes: The Bank is investing in advanced technology to enhance the efficiency and effectiveness of its monitoring systems, while proactively managing data security risks associated with increased data collection and processing. Current initiatives include strengthening sanctions and PEP screening, upgrading transaction monitoring systems, and expanding straight-through processing capabilities to reduce manual intervention, improve accuracy, and accelerate transaction turnaround times in line with evolving regulatory and operational demands.

### 5.3.5 Financial Impact

There were no material fines or non-monetary sanctions imposed by regulatory authorities for compliance or AML/CFT/CPF breaches during the reporting period.

## CHAPTER 5: GOVERNANCE, ETHICS, AND INTEGRITY *(continued)*

### 5.4 Directors' Report

#### 5.4.1 Business of the Infrastructure and Development Bank of Zimbabwe (IDBZ) Group

The Bank advances infrastructure and development through a multi-faceted approach encompassing resource mobilisation, structured financing, technical assistance, advisory services and targeted value chain support. This integrated model enables the institution to deliver catalytic impact across priority sectors while strengthening project sustainability and long-term economic value creation.

The Bank's primary focus sectors comprise Water and Sanitation, Housing, Irrigation Infrastructure, Transport and Energy (WHITE). These sectors are central to national productivity, social inclusion and economic resilience, and represent critical enablers of sustainable development.

In addition, the Bank supports selected secondary sectors, namely Health, Education, Tourism and Information and Communication Technology (ICT), recognising their strategic importance in enhancing human capital development, service delivery and digital transformation.

Sector prioritisation is informed by the Bank's statutory mandate as set out in the Infrastructure and Development Bank of Zimbabwe Act [Chapter 24:14], as well as alignment with Government development priorities articulated under the National Development Strategies 1 and 2 (NDS1 & 2) and Vision 2030. This ensures that the Bank's interventions remain policy-aligned, developmentally responsive and strategically positioned to contribute meaningfully to Zimbabwe's long-term socio-economic transformation

#### 5.4.2 General Policy Directions of the Minister

In terms of Section 9A (1) of the IDBZ Act, the Minister of Finance, Economic Development and Investment Promotion may give the Board general directions regarding the policy it is to observe in the exercise of its functions, and the Board shall take all necessary steps to comply with every such direction. A forum has been established where the Board meets with the Honourable Minister periodically to update him on key strategic developments. Two meetings were held between the Board and the Minister in June 2025 and in December 2025.

Section 9A (3) of the IDBZ Act requires the Board to set out in its Annual Report, the terms of every direction given to it in terms of this provision by the Minister and any views or comments the Board expressed on such direction.

During the year under review the Minister did not issue any directive of a policy nature to the Board.

#### 5.4.3 Authorized and Issued Share Capital

##### 5.4.3.1 Ordinary Share Capital

The Authorized Share Capital of the Bank remained at ZiG1,500,000.00 comprised of 150,000,000 ordinary shares at a nominal value of ZiG0.01 (one cent) per share. The issued ordinary shares increased during the year from 30,054,288 to 46,825,238 following the allotment of rights offer shares to the two major shareholders during the period.

##### 5.4.3.2 Preference Share Capital

The Preference Shares remained unchanged at 382,830 with a nominal value of ZiG100.00 per share. The non-cumulative, nonredeemable preference shares were issued to the Government of Zimbabwe and carry a 5% dividend payable out of distributable profits.

#### 5.4.4 Financial Results for the year

The results for the year are fully dealt with in the financial statements forming part of the Annual Report.

#### 5.4.5 Dividends

The Directors do not recommend a dividend for the year ended 31 December 2025 because the Bank made an operating loss.

## CHAPTER 5: GOVERNANCE, ETHICS, AND INTEGRITY *(continued)*

### 5.4.6 Directorate

The Board of Directors is comprised of individuals shown in the table below.

**Table 5.4.1: IDBZ Board of Directors**

Director	Designation	Date Appointed/ Re-appointed
1. Dr. Kupukile Mlambo	Non-Executive Board Chair	1 April 2023
2. Dr. Naomi N. Wekwete	Independent Non-Executive Deputy Chair	1 Jan 2024
3. Dr. Norbert O. Mugwagwa	Independent Non-Executive Director	19 July 2022
4. Mr. Reginald Mugwara	Independent Non-Executive Director	19 July 2022
5. Mr. Tadios Muzoroza	Independent Non-Executive Director	19 July 2022
6. Dr. Andries Rukobo	Independent Non-Executive Director	1 Jan 2024
7. Mrs. Arina Manyanya	Non-Executive Director	1 Feb 2024
8. Dr. Barbara Mbuyisa	Independent Non-Executive Director	1 Nov 2024
9. Mr. Willing Zvirevo	Acting CEO/Ex-Officio	1 Sept 2025

### 5.4.7 Directors' Interest in Infrastructure and Development Bank of Zimbabwe

During the year, no Director held either directly or indirectly any interest in the share capital of the Infrastructure and Development Bank of Zimbabwe.

### 5.4.8 Declaration of Assets

In line with provisions of the Banking Act [Chapter 24:20], all Directors of the Bank are required to declare their assets on appointment and annually thereafter at the anniversary of their appointment. Copies of the asset declarations are available for inspection in the Office of the Bank Secretary.

### 5.4.9 Directors' emoluments

Directors' emoluments are disclosed in the notes to the financial statements.

### 5.4.10 Interest of Directors and Officers

During the year under review, no Director or officer of the Bank had any direct or indirect interest in the projects and programmes of the IDBZ.

### 5.4.11 Auditors

The Auditor General appointed BDO Chartered Accountants (Zimbabwe) as the Bank's independent Auditor effective the year 2021. For the year under review, the audit fees were US\$135,000.00 including VAT and disbursement. The Auditors were appointed for a five (5) year term expiring in 2025.

The Directors' Report is made in accordance with a Resolution of the Board.



**Dr. Kupukile Mlambo**  
Board Chairman



**Willing Zvirevo**  
Acting Chief Executive Officer

## CHAPTER 5: GOVERNANCE, ETHICS, AND INTEGRITY *(continued)*

### 5.5 Directors' Responsibility Statement

The Directors are responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with International Financial Reporting Standards ("IFRS") except for the departure described in Note 2.1 and the requirements of the Infrastructure and Development Bank of Zimbabwe Act [Chapter 24:14], the Public Finance Management Act [Chapter 22:19] and other applicable laws and regulations.

In fulfilling this responsibility, the Directors are required to:

- i. Select appropriate accounting policies and apply them consistently;
- ii. Make judgements and accounting estimates that are reasonable and prudent;
- iii. State whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- iv. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Bank will continue in operation.

The Directors are further responsible for maintaining adequate accounting records and effective systems of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting process, the safeguarding of assets, and the prevention and detection of fraud and other irregularities. Such systems are designed to manage rather than eliminate risk and therefore provide reasonable, but not absolute, assurance against material misstatement or loss.

The Group's Internal Audit function operates independently and has unrestricted access to the Audit Committee. It performs regular assessments of the effectiveness of the internal control environment, risk management processes and governance structures, and reports its findings to the Audit Committee, together with recommendations for enhancement where appropriate.

The Directors confirm that, based on the information available to them and the assessments undertaken, the financial statements present, in all material respects, the financial position of the Bank as at the reporting date and its financial performance and cash flows for the year then ended.

The financial statements have been prepared on the going concern basis and the Board has no reason to believe, based on available information and cash resources, that it is not appropriate.

The Independent Auditors are responsible for expressing an opinion on whether the financial statements give a true and fair view in accordance with IFRS and applicable statutory requirements. Their report to the members is set out on pages 57 to 59 of this Annual Report.

The financial statements were approved by the Board of Directors on 27 March 2026 and are signed on its behalf by the Chairman and the Acting Chief Executive Officer.

**C Gambinga**  
Director Finance

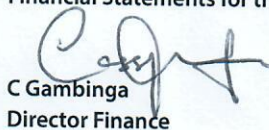


**K. Mlambo**  
Board Chairman



**Willing Zvirevo**  
Acting Chief Executive Officer

#### 5.5.1 Financial Statements for the Infrastructure and Development Bank of Zimbabwe



**C Gambinga**  
Director Finance



**K. Mlambo**  
Board Chairman



**Willing Zvirevo**  
Acting Chief Executive Officer



# CHAPTER 06

FINANCIAL  
STATEMENTS



# Independent Auditor's Report



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Baines Avenue  
P.O Box 334  
Harare Zimbabwe

## To the Shareholders of Infrastructure and Development Bank of Zimbabwe and its subsidiaries Report on the Audit of the Consolidated Financial Statements

### Adverse Opinion

We have audited the consolidated financial statements of Infrastructure and Development Bank of Zimbabwe and its subsidiaries (hereinafter referred to as "Group"), set out on pages 60 to 108 which comprise the consolidated statement of financial position as at 31 December 2025, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended; and notes to the financial statements, including material accounting policy information.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the Group consolidated financial statements do not present fairly the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### Basis for Adverse Opinion

#### *i. Non-compliance with International Accounting Standard 29 (IAS 29) - "Financial Reporting in Hyperinflationary Economies"*

In the current and the prior year, management assessed and determined the ZiG as the Group's functional currency. The Public Accountants and Auditors Board has not yet lifted the pronouncement that the ZiG is the currency of a hyperinflationary economy for financial reporting purposes as per the indicators in IAS 29. Accordingly, IAS 29 remains applicable to entities whose functional currency is the ZiG. However, for the years ended 31 December 2025 and 31 December 2024, the consolidated financial statements were not restated to reflect the effects of inflation as required by IAS 29. Consequently, several components of the consolidated financial statements and corresponding figures are materially and pervasively misstated, and the related financial effects could not be reliably quantified.

#### *ii. Forensic investigations on Group property development projects*

As disclosed in Note 43, the Group instituted additional forensic investigations on selected property development projects that it funded and managed following an initial forensic investigation on one of its investee entities. At the date of this audit report, these forensic investigations were ongoing, and their results were not yet available. Because the forensic investigations whose findings could have a significant impact on these financial statements had not been completed, we were unable to obtain sufficient appropriate audit evidence regarding the nature, extent of any irregularities that may be identified by these investigations. As a result, we were unable to determine whether any adjustments to the consolidated financial statements might be necessary.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics

## Independent Auditor's Report *(continued)*

Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

### **Other information**

The directors are responsible for the other information. The other information comprises the Chairman's Statement and Chief Executive Officer's Statement which we obtained prior to the date of this auditor's report. The other information also comprises additional information in the document titled "Infrastructure and Development Bank of Zimbabwe Annual Report 2025" which we expect to receive after the date of the auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

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

### **Responsibilities of the Directors for the Consolidated Financial Statements**

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

## Independent Auditor's Report *(continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Jonas Jonga PAAB Practising Certificate No. 0438.



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**BDO Zimbabwe Chartered Accountants**

Kudenga House  
3 Baines Avenue  
Harare

**Jonas Jonga CA(Z)**  
**Partner**  
**Registered Public Auditor**

**27 March 2026**

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2025

	Note	31 Dec 2025 ZiG	31 Dec 2024 ZiG
<b>ASSETS</b>			
Cash and bank balances	5	134 872 875	122 718 371
Inventories	11	12 378 730	28 121 685
Other receivables and prepayments	10	26 280 456	34 380 880
Loans and advances to customers	9	293 283 098	419 461 631
Investment securities	6	4 553 503	5 997 372
Financial assets at fair value through other comprehensive income	7	39 870 166	51 425 073
Treasury bills and other financial assets	8	21 544 871	203 612 667
Assets pledged as collateral	8.1	359 546 301	124 448 662
Investment in associates	12.3	8 667 004	9 540 231
Investment property	13	206 951 656	235 534 371
Non-current assets held for sale	14	80 231 043	-
Intangible assets	16	347 898	695 797
Property and equipment	15	125 429 828	125 038 028
Right of use assets	17	1 089 498	688 264
Deferred taxation	18.1	-	337 378
<b>Total assets</b>		<b>1 315 046 927</b>	<b>1 362 000 410</b>
<b>EQUITY AND LIABILITIES</b>			
<b>LIABILITIES</b>			
Deposits from customers	24	526 456 174	188 856 643
Local lines of credit and bonds	25	187 156 144	217 816 401
Other liabilities	26	160 723 911	146 511 504
Deferred taxation	18.2	6 765 308	21 129 520
Lease liability	27	1 135 887	545 413
<b>Total liabilities</b>		<b>882 237 424</b>	<b>574 859 481</b>
<b>EQUITY</b>			
Share capital	19	331 869	164 159
Share premium	19	779 744 296	389 362 924
Foreign currency translation reserve	20	27 084 390	(15 844 215)
Amounts awaiting allotment	19	-	249 959 844
Preference share capital	23	74 049 071	74 049 071
Fair value reserve	22	40 399 006	53 338 842
Revaluation reserve	21	132 384 615	127 717 160
Accumulated Loss		(602 711 579)	(81 180 715)
<b>Equity attributable to parent owners of the Group</b>		<b>451 281 668</b>	<b>797 567 070</b>
<b>Non-controlling interest in equity</b>		<b>(18 472 165)</b>	<b>(10 426 141)</b>
<b>Total shareholders' equity</b>		<b>432 809 503</b>	<b>787 140 929</b>
<b>Total equity and liabilities</b>		<b>1 315 046 927</b>	<b>1 362 000 410</b>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	31 Dec 2025 ZiG	31 Dec 2024 ZiG
Interest and related income	28.1	83 996 279	58 379 221
Interest and related expenses	28.2	(63 422 361)	(26 483 765)
<b>Net interest income</b>		<b>20 573 918</b>	<b>31 895 456</b>
Property sales	29	99 406 430	262 771 475
Cost of sales	29	(55 444 165)	(78 513 464)
<b>Net profit on property sales</b>		<b>43 962 265</b>	<b>184 258 011</b>
Fees and commission income	30	17 173 508	4 548 817
Dividend income		1 471	436 926
<b>Net revenue</b>		<b>81 711 162</b>	<b>221 139 210</b>
Other income	32	4 992 625	2 452 072
Net loan impairment (charge)		(15 795 155)	(9 408 133)
Rent debtors impairment recovery / (charge)		536 776	(269 575)
Debtors impairment recovery		7 927 008	45 467
Treasury bills impairment (charge)		(10 425 774)	(5 617 618)
Fair value gain on investment property	13; 32	37 364 700	115 551 694
Net (loss) / gain on financial assets at fair value through profit or loss	6; 30	(1 444 361)	6 997 192
Unrealised exchange (loss) / gain	34	(65 936 264)	131 282 385
Operating expenses	35	(435 319 643)	(228 750 221)
Write-offs	36	(125 431 271)	-
Interest expense on lease liability		(100 259)	(24 640)
(Loss) / profit on disposal of investment property		(7 860 760)	7 270 167
Loss on disposal of movable assets		(926 653)	(159 159)
Share of loss of associate	12.3	(1 413 083)	(669 024)
<b>(Loss) / profit for the period before taxation</b>		<b>(532 120 952)</b>	<b>239 839 817</b>
Income tax credit / (expense)	37	14 026 834	(22 209 420)
<b>(Loss) / profit for the period</b>		<b>(518 094 118)</b>	<b>217 630 397</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss</b>			
Net fair value loss on financial assets at fair value through other comprehensive income	7	(12 939 836)	(31 919 342)
Revaluation surplus on property and equipment	15	10 779 311	62 204 422
<b>Other comprehensive income for the period net of tax</b>		<b>(2 160 525)</b>	<b>30 285 080</b>
<b>Total comprehensive (loss) / income for the year</b>		<b>(520 254 643)</b>	<b>247 915 477</b>
<b>(Loss) / profit for the year attributable to:</b>			
Equity holders of the parent entity		(530 745 273)	183 284 503
Non-controlling interest		12 651 155	34 345 894
		<b>(518 094 118)</b>	<b>217 630 397</b>
<b>Total comprehensive (loss) / income attributable to:</b>			
Equity holders of the parent entity		(532 905 954)	212 724 353
Non-controlling interest		12 651 311	35 191 124
		<b>(520 254 643)</b>	<b>247 915 477</b>
(Loss) / profit per share attributable to the equity holders of the Bank during the year (expressed in ZiG cents per share)			
<b>Basic earnings per share</b>			
From (loss) / profit for the year attributable to equity holders (ZiG cents)	38	(1 766)	610

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Ordinary share capital ZIG	Share premium ZIG	Amounts awaiting allotment ZIG	Currency conversion reserve ZIG	Preference share capital ZIG	Fair value reserve ZIG	Revaluation reserve ZIG	Retained earnings ZIG	Total before non-controlling interest ZIG	Non controlling interest ZIG	Total equity ZIG
<b>Balance at 1 January 2024</b>	164 159	389 362 924	42 854 793	111 701 518	74 049 071	85 258 184	67 245 810	(263 515 045)	507 121 414	(83 153 786)	423 967 628
Profit for the period	-	-	-	-	-	-	-	183 284 503	183 284 503	34 345 894	217 630 397
Derecognition of subsidiary	-	-	-	-	-	-	-	(950 173)	(950 173)	-	(950 173)
Revaluation of property and equipment	-	-	-	-	-	-	62 204 422	-	62 204 422	845 230	63 049 652
Net fair value gain on financial assets at fair value	-	-	-	-	-	(31 919 342)	-	-	(31 919 342)	-	(31 919 342)
Allotment of shares	-	-	255 727 225	-	-	-	-	-	255 727 225	-	255 727 225
Discounting of Treasury Bills	-	-	(48 622 174)	-	-	-	-	-	(48 622 174)	-	(48 622 174)
Translation from ZWL to ZIG currency	-	-	-	(127 545 733)	-	-	(1 733 072)	-	(129 278 805)	37 536 521	(91 742 284)
<b>Balance as at 31 December 2024</b>	164 159	389 362 924	249 959 844	(15 844 215)	74 049 071	53 338 842	127 717 160	(81 180 715)	797 567 070	(10 426 141)	787 140 929
<b>Balance at 1 January 2025</b>	164 159	389 362 924	249 959 844	(15 844 215)	74 049 071	53 338 842	127 717 160	(81 180 715)	797 567 070	(10 426 141)	787 140 929
Profit for the period	-	-	-	-	-	-	-	(530 745 273)	(530 745 273)	12 651 155	(518 094 118)
Revaluation of property and equipment	-	-	-	-	-	-	10 779 311	-	10 779 311	-	10 779 311
Net fair value gain on financial assets at fair value	-	-	-	-	-	(12 939 836)	-	-	(12 939 836)	-	(12 939 836)
Capital received	-	-	181 902 041	-	-	-	-	-	181 902 041	-	181 902 041
Discounting of Treasury Bills	-	(48 682 125)	48 622 174	-	-	-	-	-	(59 951)	-	(59 951)
Translation from ZWL to ZIG currency	-	-	(41 252 852)	42 928 605	-	-	-	-	1 675 753	177 478	1 853 231
Allotment of shares	167 710	439 063 497	(439 231 207)	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	(20 785 594)	(20 785 594)
Realisation on disposal of non-investment property	-	-	-	-	-	-	(2 599 608)	2 599 608	-	1 733 072	1 733 072
Disposal of moveable assets	-	-	-	-	-	-	(3 512 248)	3 512 248	-	-	-
Reversal of retained earnings for previously consolidated entity	-	-	-	-	-	-	-	-	3 102 553	(1 822 134)	1 280 419
<b>Balance as at 31 December 2025</b>	331 869	779 744 296	-	27 084 390	74 049 071	40 399 006	132 384 615	(602 711 579)	451 281 668	(18 472 165)	432 809 503

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	31 Dec 2025 ZiG	31 Dec 2024 ZiG
<b>Cash flows from operating activities</b>			
(Loss) / profit for the period before taxation		(532 120 952)	239 839 817
Adjustments for:			
Depreciation	15;17	17 760 729	11 884 703
Amortisation	16	347 899	1 987 586
Finance cost on lease liability		100 259	24 640
Loss / (profit) on disposal of investment property		7 860 760	(7 270 167)
Loss on disposal of movable assets		926 653	159 159
Loss on disposal of land		87 989	-
Loan impairment charge		15 795 155	9 408 133
Rent debtors impairment (recovery) / charge		(536 776)	269 575
Debtors impairment (recovery)		(7 927 008)	(45 467)
Treasury bills impairment charge		10 425 774	5 617 618
Provisions and accruals		41 239 617	57 590 322
Unrealised exchange loss / (gain)		65 936 264	(131 282 385)
Net gain /(loss) on financial assets at fair value through profit or loss	6	1 444 361	(6 997 192)
Fair value gain on investment property	13	(37 364 700)	(115 551 694)
Share of loss of associate		1 413 083	669 024
		<b>(414 610 894)</b>	<b>66 303 672</b>
<b>Changes in :</b>			
Loans and advances to customers		(82 146 361)	(239 108 568)
Other receivables and prepayments		(8 100 424)	64 653 699
Inventories		15 742 955	147 768 149
Deposits from customers		337 599 531	87 302 761
Other liabilities		14 212 407	(70 650 083)
<b>Net cash utilised / generated from operating activities</b>		<b>(137 302 786)</b>	<b>56 269 630</b>
<b>Cash flow from investing activities</b>			
Acquisition of property and equipment	15	(4 120 654)	(17 651 855)
Acquisition of financial assets at fair value through other comprehensive income	7	(1 384 929)	(463 863)
Proceeds from disposal of investment property		4 901 825	2 527 947
Proceeds from disposal of shares of a subsidiary		-	69 841 302
Proceeds from disposal of movable assets		841 817	93 874
Proceeds from disposal of non-investment property		2 113 228	-
Improvements of investment property	13	(411 407)	(6 903 919)
Investment in associates	12.3	(539 856)	(1 002 233)
Dividend received		1 471	436 927
<b>Net cash utilised / generated from investing activities</b>		<b>1 401 495</b>	<b>46 878 180</b>
<b>Cash flow from financing activities</b>			
Payment of dividends		(20 785 594)	-
Proceeds from issue of bonds		131 603 271	13 960 064
Decrease in local lines of credit		(182 121)	(21 578 681)
Repayment of bonds		(100 943 014)	(38 812 060)
Capital received	19	138 363 253	2 401 225
<b>Net cash utilised / generated from financing activities</b>		<b>148 055 795</b>	<b>(44 029 452)</b>
<b>Net increase in cash and cash equivalents</b>		<b>12 154 504</b>	<b>59 118 358</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>122 718 371</b>	<b>63 600 013</b>
<b>Cash and cash equivalents at the end of the period</b>	5	<b>134 872 875</b>	<b>122 718 371</b>

# SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2025

## 1 INFRASTRUCTURE AND DEVELOPMENT BANK GROUP PROFILE AND PRINCIPAL ACTIVITIES

The Infrastructure and Development Bank of Zimbabwe ("IDBZ"/ the "Bank"/the "Group") is a Development Financial Institution which was incorporated and domiciled in Zimbabwe under the IDBZ Act (Chapter 24:14). The address of the Bank's registered office is IDBZ House, 99 Gamal Abdel Nasser Road, Harare, Zimbabwe. IDBZ and its subsidiaries (together the "Group") are primarily involved in mobilising and providing finance for infrastructure development activities and management of infrastructure development projects.

The consolidated financial statements were approved by the Board of Directors on 27 March 2026

## 2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements for the year ended 31 December 2025 have been compiled adopting the principles from International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards), except for noncompliance with IAS 29- Financial Reporting in Hyperinflationary Economies and as required by the Infrastructure Development Bank of Zimbabwe Act (Chapter 24:14) and the Banking Act (Chapter 24:20).

#### 2.1.1 Basis of consolidation

The Group's consolidated financial results incorporate the financial statements of the Bank and entities controlled by the Bank. Control is achieved when the Bank has power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The results of subsidiaries acquired or disposed of during the year are incorporated from the dates control was acquired and up to the date control ceased.

#### Subsidiaries

The financial results of the subsidiaries are prepared for the same reporting period as the Bank, using consistent accounting policies.

All intra-group balances, transactions, income and expenses, profits and losses resulting from intra-group transactions that are recognised in assets and liabilities and income and expenses are eliminated in full.

#### Non-controlling Interest

Non-controlling interests represent the portion of profit and net assets that is not held by the Group and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

#### Basis of measurement

The financial statements have been prepared on the historical cost basis except for land and buildings, investment property and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

**Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

**Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

**Level 3** inputs are unobservable inputs for the asset or liability

#### Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of 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 accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Bank's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Judgement was applied on the following in preparing financial statements:

- The Group's functional and presentation currency;
- Cash generating units for impairment loss computation;
- Classification of financial instruments;
- Use of exchange rates;
- Impairment of assets;
- Useful lives of assets;
- Income taxes;
- Allowances for credit losses;
- Employee benefits accruals and provisions
- Conversion of ZWL balances to ZiG

#### 2.1.2 New standards, interpretations and amendments adopted from 1 January 2025

The following amendments are effective for the annual reporting period beginning 1 January 2025:

Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates)

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

#### New standards, interpretations and amendments issued but not yet effective

The following amendments are effective for the annual reporting period beginning 1 January 2026:

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)

## SIGNIFICANT ACCOUNTING POLICIES *(continued)* FOR THE YEAR ENDED 31 DECEMBER 2025

Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

**The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:**

### **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. IFRS 18 has not been early adopted.

IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Group is currently assessing the effect of these new accounting standards and amendments.

## **2.3 Foreign currency translation**

### **(a) Functional and presentation currency**

Items included in the consolidated financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in the Zimbabwe Gold ("ZiG"), which is the functional and presentation currency of the Group. The Group carried out an assessment and concluded that the ZiG was its functional currency.

### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

All foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income within net foreign exchange gains or losses.

## **2.4 Consolidation**

### **(a) Subsidiaries**

The nature of project finance requires the creation of Special Purpose Vehicles (SPVs) to ring fence certain risks. The IDBZ Act allows the Bank to create SPVs to achieve its objectives. Some of these SPVs satisfy the definition of subsidiaries for financial reporting purposes.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

When the Group has less than a majority of the voting rights of the investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquirer and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquires identifiable net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

#### **Goodwill**

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group entities are eliminated. Profits or losses resulting from transactions with Group entities that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### **(b) Changes in ownership interests in subsidiaries without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

## **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### **(c) Loss of control**

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

#### **(d) Associates and joint ventures**

Associates and Joint Ventures are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/ (loss) of an associate' in the statement of comprehensive income.

Profits or losses resulting from upstream and downstream transactions between the Group and its associates and joint ventures are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains or losses arising in investments in associates or joint ventures are recognised in the statement of comprehensive income.

The Bank discontinues the use of equity method when it ceases to have significant influence over an Associate. From that point, the investment is accounted for in accordance with IFRS 9 provided the associate does not become a subsidiary. On the loss of significant influence the Bank measures any remaining investment in the associate at fair value. Any difference between the sum total of the fair value of the retained investment and proceeds from disposing of part of the investment compared to the total carrying amount of the investment at the date when significant influence or loss is recognised in profit and loss.

#### **(e) Joint operations**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to assets and obligations for the liabilities, relating to the arrangement.

The Group's joint operations are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. The Group's interest in joint operation is accounted for in the consolidated financial statements using proportionate consolidation.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

Proportionate consolidation involves combining the Group's share of the joint operation's revenue and expenses, assets and liabilities and cash flows of the jointly-controlled entities on a line-by-line basis with similar items in the Group's financial statements. When the Group sells assets to a joint operation, the Group recognises only the portion of gains or losses on the sale of assets that is attributable to the interest of the other operators. The Group recognises the full amount of any loss when the sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

The Group accounts for the assets; liabilities; revenues and expenses relating to its interest in a joint operation in accordance with the IFRS applicable to the particular assets; liabilities; revenues and expenses.

When the Group purchases assets from a joint operation, it does not recognise its share of the profits of the joint ventures arising from the Group's purchase of assets until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Refer to note 12 for a detailed analysis of the Group.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

#### **2.5 Deferred tax**

Deferred tax is recognised using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences arising out of the initial recognition of assets or liabilities and temporary differences on initial recognition of business combinations that affect neither accounting nor taxable profit are not recognised.

**2.5.1** The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

**2.5.2** In determining the amounts used for taxation purposes the directors referred to applicable effective exchange rates at the date of acquisition of assets or incurring of liabilities. The Zimbabwe Revenue Authority (ZIMRA), announced methods to account for the deferred tax arising on assets purchased in USD. These methods require the preparer to first estimate the equivalent ZiG value of those assets at the time of purchase. Since the measurement of transactions in Zimbabwe dollars in the prior periods is affected by several economic variables such as mode of payment and hyperinflation this is an area where the directors have had to apply their judgement and acknowledge there could be significant variations in the results achieved depending on assumptions made.

#### **2.5.3 Financial assets and liabilities**

##### **Date of recognition**

Financial assets and liabilities are initially recognised using trade date accounting, i.e. the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial instruments that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Bank recognises balances due to customers when funds are transferred to the Bank.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 2.5.4 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 2.5.6. Financial instruments are initially measured at their fair value as defined in Note 2.1.1, except in the case of financial assets and financial liabilities recorded at Fair Value through Profit or Loss (FVPL) wherein transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the Day 1 profit or loss, as described below.

##### Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

#### 2.5.5 Measurement categories of financial assets and liabilities

The Bank classified all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost,
- FVOCI; and
- FVPL

The Bank classifies and measures its derivative and trading portfolio at FVPL. The Bank may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

#### 2.5.6 Balances due from other banks, loans and advances to customers and financial investments at amortised cost

The Bank only measures balances due from other banks, loans and advances to customers and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

#### 2.5.7 Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 2.5.8 The SPPI test

As a second step of its classification process the Bank assesses the contractual terms of financial instruments to identify whether they meet the Solely Payments of Principal and interest (SPPI) test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

#### 2.5.9 Financial assets or financial liabilities held for trading

The Bank classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking.

Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in net trading income. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, equities, short positions and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

#### 2.5.10 Debt instruments at FVOCI

The Bank applies this category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

These instruments comprise debt instruments measured at fair value through other comprehensive income (FVOCI) in accordance with IFRS 9. Subsequent measurement is at fair value, with changes in fair value recognised in other comprehensive income. Interest income and foreign exchange gains and losses are recognised in profit or loss. On derecognition, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

#### 2.5.11 Equity instruments at FVOCI

Upon initial recognition, the Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

#### 2.5.12 Debt issued (bonds) and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### **Financial assets and financial liabilities at fair value through profit or loss**

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis Or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy. Or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVPL due to changes in the Bank's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument.

Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

#### **2.6 Reclassification of financial assets and liabilities**

The Bank does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line or there is a change in business model for a group of financial instruments.

#### **2.7 Derecognition of financial assets and liabilities**

##### **2.8 Derecognition due to substantial modification of terms and conditions**

The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it

- 2.8.1** becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

#### **Derecognition other than for substantial modification**

##### **Financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

The Bank has transferred the financial asset if, and only if, either:

- The Bank has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement: Pass-through arrangements are transactions whereby the Bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
  - The Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
  - The Bank cannot sell or pledge the original asset other than as security to the eventual recipients
  - The Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

#### 2.8.2 Financial liabilities

A transfer only qualifies for derecognition if either:

- The Bank has transferred substantially all the risks and rewards of the asset or;
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Bank considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Bank has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Bank's continuing involvement, in which case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Bank could be required to pay. If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

- 2.9. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

#### Impairment of financial assets

##### 2.9.1. Overview of the ECL principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Bank's policies for determining if there has been a significant increase in credit risk are set out in Note 2.31.2. The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

- 2.9.2.** Based on the above process, the Bank groups its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:
- **Stage 1:** When loans are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
  - **Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
  - **Stage 3:** These are loans that are considered credit-impaired. The Bank records an allowance for the LTECLs.
  - **POCI:** Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

**2.9.3. The calculation of ECLs**

The Bank calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- **PD** The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- **EAD** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- **LGD** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Bank considers four scenarios (a base case, an upside, a mild downside ('downside 1') and a more extreme downside ('downside 2')). Each of these is associated with different PDs, EADs and LGDs, as set out above. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset. With the exception of revolving facilities, for which the treatment is separate, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

**2.9.4.** The mechanics of the ECL method are summarised below:

- **Stage 1:** The 12months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the four scenarios, as explained above.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

- **Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- **Stage 3:** For loans considered credit -impaired, the Bank recognises the lifetime expected credit losses for these loans.  
The method is similar to that for Stage 2 assets, with the PD set at 100%.
- **POCI:** POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the four scenarios, discounted by the credit- adjusted EIR.

#### 2.9.5. Treatment of loan commitments, financial guarantees and other off-balance sheet exposures

- Loan commitments and letters of credit.
- Financial guarantee contracts.

When estimating LTECLs for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within Provisions.

The Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the four scenarios. The ECLs related to financial guarantee contracts are recognised within Provisions.

#### 2.10. Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

#### 2.11. Purchased or originated credit impaired financial assets (POCI)

For POCI financial assets, the Bank only recognises the cumulative changes in LTECL since initial recognition in the loss allowance.

#### Forward looking information

In its ECL models, the Bank relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Inflation

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

#### 2.12. Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed when market fundamentals change significantly. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

#### 2.13. Collateral repossessed

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Bank's policy.

In its normal course of business, the Bank does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the Statement of Financial Position.

#### Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

#### Forborne and modified loans

The Bank sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Bank considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Bank would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Bank's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

The Bank also reassesses whether there has been a significant increase in credit risk. The Bank also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum 24-month probation period. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities has to be considered performing
- The probation period of two years has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period
- The customer does not have any contract that is more than 30 days past due

#### 2.14 Taxes

All the receipts and accruals of the Bank are exempt from income tax in terms of paragraph 2 of the Third Schedule of the Income Tax Act (Chapter 23:06) and by virtue of Section 10 of the Capital Gains Tax Act (Chapter 23:01). The Bank's subsidiaries are liable for tax per Income Tax Act (Chapter 23:06) and Capital Gains Tax Act (Chapter 23:01)

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### Changes in tax rates

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period. If the tax rate increases, deferred taxes will also increase, i.e. deferred tax assets and liabilities will increase. Similarly, if the tax rate decreases, deferred taxes also decrease. The effect of the change in tax rates is shown separately on the tax rate reconciliation and is accounted for in the Statement of profit or loss.

#### Income tax

Income tax expenses comprise current, AIDS levy and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

#### (a) Current

Current tax comprises expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using rates enacted or substantively enacted at the reporting date in the country where the Bank operates and generates taxable income and any adjustment to tax payable in respect of previous years.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities.

#### 2.15 (b) Deferred taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Bank has not rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### 2.16 Other receivables

**2.16.1** Other receivables and prepayments are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non current assets.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 2.16.2 Inventories

Inventories comprise substantially of properties under construction, for development and completed units. All inventories are valued at the lower of cost or net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

#### 2.17 Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows: The cost or fair value of properties under development for sale comprises specifically identified cost, including the acquisition cost of land or fair value as it relates to land received as part of a government grant, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised. Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

##### Completed property held for sale

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

##### Investment property

Property that is held for long-term rental yields or for capital appreciation or both; and that is not occupied by the entities in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices in less active markets or discounted cash flow projections. Valuations are performed as at the statement of financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

These valuations form the basis for the carrying amounts in the consolidated financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Fair value measurement of property under construction is only applied if the fair value is considered to be reliably measurable. It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract;
- The stage of completion;
- Whether the project/property is standard (typical for the market) or non-standard;
- The level of reliability of cash inflows after completion;
- Past experience with similar constructions;
- The development risk specific to the construction; and
- Status of construction permits.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the consolidated financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those rational market participants would take into account when determining the value of the investment property. policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

Changes in fair value are recognised in the statement of comprehensive income. Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal.

Where the Group disposes of an investment property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of comprehensive income within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of the transfer is treated in the same way as revaluation under IAS 16, 'Property and Equipment'. Any resulting increase in the carrying amount of the property is recognised in the profit or loss to the extent that it reverses a previous impairment, with any remaining increase recognised in other comprehensive income and increases directly to revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to statement of comprehensive income.

#### 2.18 Property and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

Property and equipment are carried at the fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Valuations are performed yearly to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. At the date of the revaluation, accumulated depreciation is eliminated. A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

**2.19** Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

• Buildings	50 years
• Computer and office equipment	3-5 years
• Motor vehicles	5 years
• Furniture and fittings	7 years
• Intangible assets	4 years

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**2.20 Intangible assets**

#### **Software licences**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful lives. Software has a maximum expected useful life of 4 years. The Group also applies value in use where the asset continues in use after its useful life.

**2.21 Amortisation**

Computer software costs recognised as intangible assets are amortised on the straight-line basis over their estimated useful lives.

#### **Impairment of non-financial assets**

Assets that have an indefinite useful life - for example, intangible assets not ready to use - are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**2.22 Share capital**

#### **Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of tax from the proceeds.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the company's option, and any dividends are discretionary. Dividends on preference share capital classified as equity are recognised as distributions within equity. Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. The liability is recognised in accordance with the Group's policy for interest-bearing borrowings and accordingly dividends thereon are recognised on an accrual basis in profit or loss as part of finance costs.

#### 2.23 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and bonus.

#### 2.24 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or customers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non current liabilities.

2.25 Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.26 Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable).

##### 2.26.1 Related parties

Related party transactions and outstanding balances with key management and other entities in the Group are disclosed.

#### Revenue recognition

Revenue is derived substantially from the business of banking, Bank's own projects, project advisory services and related activities, and comprises of net interest income and non-interest income. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group; and when specific criteria have been met for each of the group activities as described below.

The Group bases its estimate of return on historical results taking into consideration the type of customer, type of transaction and the specifics of each arrangement.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### Recognition of interest income

##### The effective interest rate method

Under both IFRS 9, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and financial instruments designated at FVPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges). If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

#### 2.26.2 Interest and similar income

The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Bank calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis. For purchased or originated credit-impaired (POCI) financial assets, the Bank calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets. Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate in net trading income and Net gains/(losses) on financial assets at fair value through profit or loss, respectively.

#### 2.26.3 Non-interest income

Non-interest income includes advisory and arrangement fees, net revenue from foreign exchange trading and net gains on the realisation or revaluation of investment properties. All such commissions and fees including service fees, investment management fees, placement and syndication fees are recognised as the related services are performed.

#### 2.26.4 Dividend income

Dividend income is recognised when the right to receive income is established. Usually this is at the ex-dividend date for equity securities. Dividends are reflected as a component of non-interest income based on the underlying classification of the equity instruments.

#### 2.26.5 Rental income

Rental income from the investment property is accounted for on an accrual basis.

#### 2.26.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2025

### 2.27 Property sales

Gross profit arising from the sale of property is recognised on legal completion of the sale that is the point at which both parties sign the agreement of sale and the property is handed over to the purchaser.

### 2.28 Employee benefits

#### 2.28.1 Pension scheme

The Group subscribes to two defined contribution pension plans; one is the Infrastructure and Development Bank of Zimbabwe's group pension scheme and the other plan is the National Social Security Authority Scheme covering substantially all of its employees. A defined contribution plan, is a plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions should the fund at any time not hold sufficient assets to pay all employees the benefits relating to their service in the current and prior periods. The Group's obligations for contributions to these scheme is recognised as an expense in the statement of comprehensive income as they are incurred.

#### 2.28.2 Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

### 2.29 Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### 2.30 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. The diluted EPS figure is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of outstanding shares for the effects of all potentially dilutive ordinary shares.

### 2.31 Dividend distribution

Dividend distribution to the Bank's shareholders is recognised as a liability in the period in which the dividends are declared by the Bank's directors.

#### 2.31.1 Fiduciary activities

The Group manages, on behalf of the Ministry of Finance and Economic Development, loan (and collection thereof) and fiscal funding disbursements to implementing agencies for infrastructure projects.

The assets and income arising thereon are excluded from these consolidated financial statements as they are not assets of the Group.

## SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

**(a) Critical accounting estimates and key sources of estimation uncertainty**

The Group's financial position and its financial results are influenced by assumptions, estimates and management judgment, which necessarily have to be made in the course of the preparation of the financial statements.

The Group makes estimates and assumptions concerning the future. The resulting estimates will, by definition seldom equal the related actual results. The estimates and assumptions that have a significant risk of carrying a material adjustment to the carrying amount of assets and liabilities within the next financial year addressed below:

**(b) Impairment on loans and advances**

**Determination of impairment allowance**

The measurement of the expected credit loss allowance is an area of significant judgement. The process requires the interaction of complex LGD, EAD and PD models requires as well as the use of human judgement about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 2.9. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Determining criteria for default;

**2.31.2 Significant increase in credit risk**

The Bank defines significant increase in credit risk as a significant increase in the probability of a default occurring since initial recognition. Credit risk would have increased significantly when contractual payments are more than 30 days past due. All accounts with significant material impact are placed on watch list from 15 days past due. This increase in credit risk is determined, on a continuous basis. In this case, the Bank performs the assessment on appropriate groups or portions of a portfolio of financial instruments. The Bank applies a rebuttable presumption that the credit risk has increased significantly when contractual payments are more than 30 days past due.

**2.31.3 Default**

According to the Bank's policies, default arises when an obligor/ borrower fails to meet debt service obligations within 90 days of commitment either owing to lack of capacity or unwillingness to pay. This mirrors the 90 days past due rebuttable presumption contained in the Standard.

**2.31.4 Key sources of estimation uncertainty**

**Impairment of financial assets at fair value through other comprehensive income**

This note relates to other financial assets other than debt instruments at fair value through other comprehensive income. The Group determines that financial assets at FVTOCI are impaired when there is a significant or prolonged decline in the fair value below its costs. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

## **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### **Useful lives and residual values of property and equipment**

The Group's management determines the estimated useful lives, residual values and related depreciation charges of its property and equipment. The estimate is based on projected life cycles for these assets. Management will increase the depreciation charges where useful lives are less than previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned.

#### **Fair value measurements and valuation processes**

Some of the Group's assets are measured at fair value for financial reporting purposes. In estimating the fair value of an asset, the Group uses market observable data to the extent that it is available. Where this is not available, the Group uses third party qualified valuers to perform the valuation.

Treasury bills are valued to reflect their present values by discounting for time value of money. This is reached applying market discount rate to future cash-flows to determine the present value of cash flows. In the absence of a market discount rate, IFRS 13 allows for the development of a valuation model using inputs which can either be verifiable or are not verifiable with the extent of verifiability determining whether the valuation model belongs under Level 2 or Level 3 of the valuation input scale.

#### **Revaluation of land and buildings and investment properties**

The Group carries its land and buildings and investment properties at fair value, with changes in fair value of investment properties and land and buildings being recognised in the statement of profit or loss and other comprehensive income respectively. For land and buildings and investment properties, a valuation has been undertaken using three methods; the Comparison approach, Income approach and the Cost approach. These approaches are used for fair value estimates as these are acceptable in that they maximise market inputs in active markets even if the asset being measured is not exchanged in an active market.

#### **2.31.5 Income Approach**

The investment method involves the capitalisation of current and expected rental income by an appropriate yield.

#### **Comparison Approach**

This entails using evidence of past sales of comparable properties, held under similar interest which are analysed on the basis of yield, rental return, voids and arrears. The obtained comparative statistics were then applied to the subject properties being valued with adjustments made to cater for property specific peculiarities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 RISK MANAGEMENT

#### 3.1 Risk management policies

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including fair value interest rate risk, cash flow interest rate risk, foreign exchange risk, and price risk).

Risk management is a key function of management. The dynamism characterising the financial services sector has increased the importance of risk management. The Group has put in place a risk management framework to identify the type and areas of risk and to measure and assess all risks to enable management to make sound judgements and decisions and thereby limit losses.

The Board of Directors has overall responsibility for setting policies for risk management. The implementation and monitoring of the risk policies is through appropriate risk management structures with delegated authority from the Board. The Risk Management and Compliance Units independently monitors risk throughout the Group according to set risk policies and provides advice and support on compliance matters. The Group manages risk within applicable laws. Each department is responsible for ensuring that its conduct complies with all the applicable laws and regulations.

In addition, the Group Internal Audit Unit is responsible for independent review of risk management and control environment; and the Group Legal Counsel provides advice and support on legal matters.

A Finance and Risk Management Committee has been set at Board level and it consists of non-executive directors to ensure the importance of this function is emphasized at a higher level.

#### 3.2 Credit risk

Credit risk is the possibility of loss arising from the inability of a client or a counter party to meet its commitments to the Group. It is inherent in most banking products and activities. Credit risk management and control within the Group is guided by the Group's credit policy. The credit policy outlines procedures for accurate assessment, proper approval and consistent monitoring of credit risk.

#### Maximum exposure to credit risk before collateral held or other credit enhancement

	Maximum Exposure 31 Dec 2025 ZiG	Maximum Exposure 31 Dec 2024 ZiG
<b>Credit risk exposure relating to on-balance sheet assets are as follows:</b>		
Cash and bank balances	134 872 875	122 718 371
Treasury bills and other financial assets	21 544 871	203 612 667
Gross loans and advances to customers	329 987 584	440 802 641
Assets pledged as collateral	359 546 301	124 448 662
Other receivables and prepayments	26 280 456	34 380 880
	<b>872 232 087</b>	<b>925 963 221</b>
<b>Credit risk exposure relating to off-balance sheet assets are as follows:</b>		
Loan commitments and guarantees	-	-
Maximum exposure to credit risk	<b>872 232 087</b>	<b>925 963 221</b>

Financial guarantees. Financial guarantees principally represent guarantees that require the Group to make certain payments if guarantee holders fail to meet their financial obligations. There was no potential obligation resulting from these guarantees

There is no significant risk with respect to cash and cash equivalents as the Group holds bank accounts with large financial institutions with sound financial and capital cover. The fair value of cash and cash equivalents at the reporting date approximates the carrying amount.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

<b>Loans and advances (including assets pledged as collateral) are summarised as follows:</b>	<b>31 Dec 2025 ZiG</b>	<b>31 Dec 2024 ZiG</b>
Stage 1	242 338 473	161 460 744
Stage 2	23 205 696	58 122 498
Stage 3	64 443 415	221 219 399
<b>Gross</b>	<b>329 987 584</b>	<b>440 802 641</b>
Less: allowance for impairment	(36 704 486)	(21 341 010)
<b>Net</b>	<b>293 283 098</b>	<b>419 461 631</b>

### 3.3 Liquidity risk

Liquidity risk is the possibility that the Group may fail to cover its financial obligations as they fall due. The risk arises as a result of mismatches between the maturities of assets and liabilities.

Management manages liquidity risk through cash flow and maturity mismatch management. They meet regularly to set and review the Group's strategies. The treasury department has the responsibility to implement and maintain a liquidity management strategy to ensure that the Group has sufficient liquidity to meet its daily liquidity obligations.

The Group has developed a comprehensive contingency liquidity plan to ensure that the Group does not get affected in case of a major market upset.

The Group uses the following strategies in its liquidity risk management:

- 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.
- Maintains a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring the liquidity ratios of the statement of financial position against internal and regulatory requirements;
- Diversification of liabilities to achieve a stable funding base and avoid excessive reliance on any one counter party;
- Maturity mismatch limits for its cumulative funding positions; and
- Access to inter-bank markets.

#### Contract maturity analysis

Sources of liquidity are regularly reviewed by a separate team in Treasury function to maintain a wide diversification by provider, product and term.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2025

### Historical Cost

As at 31 December 2025	Up to 1 month ZiG	1 to 3 months ZiG	3 to 9 months ZiG	9 to 12 months ZiG	over 12 months ZiG	Total ZiG
<b>Assets</b>						
Cash and bank balances	134 872 875	-	-	-	-	134 872 875
Investment securities	4 553 503	-	-	-	-	4 553 503
Financial assets at fair value through other comprehensive income	-	-	-	-	39 870 166	39 870 166
Treasury bills and other financial assets	-	-	-	-	21 544 871	21 544 871
Assets pledged as collateral	323 216 137	25 418 114	10,912,050	-	-	359 546 301
Non-current Assets Held for Sale	-	-	-	80 231 043	-	80 231 043
Loans and advances to customers	64 115 022	67 463 564	-	104 955 718	56 748 794	293 283 098
<b>Total</b>	<b>526 757 537</b>	<b>92 881 678</b>	<b>10 912 050</b>	<b>185 186 761</b>	<b>118 163 831</b>	<b>933 901 857</b>
<b>Liabilities</b>						
Deposits from customers	498 649 809	1 219 198	26 587 167	-	-	526 456 174
Bonds	-	27 009 975	26 319 357	25 233 285	-	78 562 617
Local lines of credit	108 593 527	-	-	-	-	108 593 527
Other liabilities	-	-	-	160 723 911	-	160 723 911
Lease Liability	-	-	-	-	1 135 887	1 135 887
<b>Total</b>	<b>607 243 336</b>	<b>28 229 173</b>	<b>52 906 524</b>	<b>185 957 196</b>	<b>1 135 887</b>	<b>875 472 116</b>
Gap	(80 485 799)	64 652 505	(41 994 474)	(770 435)	117 027 944	58 429 743
<b>Contingent liabilities:</b>						
Loan commitments and guarantees	-	-	-	-	-	-
<b>Total gap</b>	<b>(80 485 799)</b>	<b>64 652 505</b>	<b>(41 994 474)</b>	<b>(770 435)</b>	<b>117 027 944</b>	<b>58 429 741</b>
<b>Total cumulative gap</b>	<b>(80 485 799)</b>	<b>(15 833 294)</b>	<b>(57 827 768)</b>	<b>(58 598 203)</b>	<b>58 429 741</b>	<b>-</b>
<b>As at 31 December 2024</b>						
<b>Assets</b>						
Cash and bank balances	122 718 371	-	-	-	-	122 718 371
Investment securities	5 997 372	-	-	-	-	5 997 372
Financial assets at fair value through other comprehensive income	-	-	-	-	51 425 073	51 425 073
Treasury bills and other financial assets	-	-	-	-	203 612 667	203 612 667
Assets pledged as collateral	-	8 494 476	-	-	115 954 186	124 448 662
Loans and advances to customers	129 179 507	68 222 594	-	158 006 079	64 053 451	419 461 631
<b>Total</b>	<b>257 895 250</b>	<b>76 717 070</b>	<b>-</b>	<b>158 006 079</b>	<b>435 045 377</b>	<b>1 052 112 436</b>
<b>Liabilities</b>						
Deposits from customers	169 061 084	18 662 610	1 132 948	-	-	188 856 643
Bonds	-	-	-	-	109 040 753	109 040 753
Local lines of credit	217 816 401	-	-	-	-	217 816 401
Other liabilities	-	-	-	146 511 504	-	146 511 504
Lease Liability	-	-	-	-	545 413	545 413
<b>Total</b>	<b>386 877 485</b>	<b>18 662 610</b>	<b>1 132 948</b>	<b>146 511 504</b>	<b>109 586 166</b>	<b>662 770 714</b>
Gap	(128 982 235)	58 054 460	(1 132 948)	11 494 575	325 459 211	264 893 063
<b>Contingent liabilities:</b>						
Loan commitments and guarantees	-	-	-	-	-	-
<b>Total gap</b>	<b>(128 982 235)</b>	<b>58 054 460</b>	<b>(1 132 948)</b>	<b>11 494 575</b>	<b>325 459 211</b>	<b>264 893 063</b>
<b>Total cumulative gap</b>	<b>(128 982 235)</b>	<b>(70 927 775)</b>	<b>(72 060 723)</b>	<b>(60 566 148)</b>	<b>264 893 063</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 3.4.3 Interest rate risk

The table below summarises the Group's exposure to interest rate risks. It includes the Group's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

##### Interest rate repricing gap analysis Historical Cost

As at 31 December 2025	Up to 1 month ZiG	1 to 3 months ZiG	3 to 9 months ZiG	9 to 12 months ZiG	over 12 months ZiG	Non interest bearing ZiG	Total ZiG
<b>Assets</b>							
Cash and bank balances	134 872 875	-	-	-	-	-	134 872 875
Investment securities	-	-	-	-	-	4 553 503	4 553 503
Loans and advances to customers	64 115 022	67 463 564	-	104 955 718	56 748 794	-	293 283 098
Financial assets at fair value through other comprehensive income	-	-	-	-	-	39 870 166	39 870 166
Treasury bills and other financial assets	-	-	-	-	21 544 871	-	21 544 871
Non-current assets held for sale	-	-	-	80 231 043	-	-	80 231 043
Assets pledged as collateral	323 216 137	25 418 114	10 912 050	-	-	-	359 546 301
<b>Total assets</b>	<b>522 204 034</b>	<b>92 881 678</b>	<b>10 912 050</b>	<b>185 186 761</b>	<b>78 293 665</b>	<b>44 423 669</b>	<b>933 901 857</b>
<b>Equity and liabilities</b>							
Deposits from customers	498 649 809	1 219 198	26 587 167	-	-	-	526 456 174
Bonds	-	27 009 975	26 319 357	25 233 285	-	-	78 562 617
Local lines of credit	108 593 527	-	-	-	-	-	108 593 527
Other liabilities	-	-	-	-	-	160 723 911	160 723 911
Lease Liability	-	-	-	-	1 135 887	-	1 135 887
<b>Total equity and liabilities</b>	<b>607 243 336</b>	<b>28 229 173</b>	<b>52 906 524</b>	<b>25 233 285</b>	<b>1 135 887</b>	<b>160 723 911</b>	<b>875 472 116</b>
<b>Total interest repricing gap</b>	<b>(85 039 302)</b>	<b>64 652 505</b>	<b>(41 994 474)</b>	<b>159 953 476</b>	<b>77 157 778</b>	<b>(116 300 242)</b>	<b>58 429 741</b>
<b>Total cumulative gap</b>	<b>(85 039 302)</b>	<b>(20 386 797)</b>	<b>(62 381 271)</b>	<b>97 572 205</b>	<b>174 729 983</b>	<b>58 429 741</b>	<b>-</b>
<b>As at 31 December 2024</b>							
<b>Assets</b>							
Cash and bank balances	122 718 371	-	-	-	-	-	122 718 371
Investment securities	-	-	-	-	-	5 997 372	5 997 372
Loans and advances to customers	129 179 507	68 222 594	-	158 006 078	64 053 452	-	419 461 631
Financial assets at fair value through other comprehensive income	-	-	-	-	-	51 425 073	51 425 073
Treasury bills and other financial assets	-	-	-	-	203 612 667	-	203 612 667
Trading assets pledged as collateral	-	8 494 476	-	-	115 954 186	-	124 448 662
<b>Total assets</b>	<b>251 897 878</b>	<b>76 717 070</b>	<b>-</b>	<b>158 006 078</b>	<b>383 620 305</b>	<b>57 422 445</b>	<b>927 663 776</b>
<b>Equity and liabilities</b>							
Deposits from customers	169 061 084	18 662 611	1 132 948	-	-	-	188 856 643
Local lines of credit	217 816 401	-	-	-	-	-	217 816 401
Other liabilities	-	-	-	-	-	146 511 504	146 511 504
Lease Liability	-	-	-	-	545 413	-	545 413
<b>Total equity and liabilities</b>	<b>386 877 485</b>	<b>18 662 611</b>	<b>1 132 948</b>	<b>-</b>	<b>545 413</b>	<b>146 511 504</b>	<b>553 729 961</b>
<b>Total interest repricing gap</b>	<b>(134 979 607)</b>	<b>58 054 459</b>	<b>(1 132 948)</b>	<b>158 006 078</b>	<b>383 074 892</b>	<b>(89 089 059)</b>	<b>373 933 815</b>
<b>Total cumulative gap</b>	<b>(134 979 607)</b>	<b>(76 925 148)</b>	<b>(78 058 096)</b>	<b>79 947 982</b>	<b>463 022 874</b>	<b>373 933 815</b>	<b>-</b>

#### 3.4.3 Interest risk sensitivity analysis

The table below indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, and the impact on the Group's statement of comprehensive income. The rates used for the sensitivity are approved by the Management Assets and Liabilities Committee (MALCO).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2025

Historical Cost Interest rate change	Effect on profit for the period ended 2025 ZiG	Effect on profit for the period ended 2024 ZiG
5% increase / (decrease)	4 199 814	2 918 961
10% increase / (decrease)	8 399 628	5 837 922

### 3.4.4 Foreign exchange risk

The Group is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarises the Group's exposure to foreign currency exchange rate risk as at 31 December

Concentration of currency risk on off-balance sheet financial instruments as at 31 December was as follows:

As at 31 December 2025	ZiG	USD ZiG equivalent	ZAR ZiG equivalent	BWP ZiG equivalent	GBP ZiG equivalent	EURO ZiG equivalent	Total ZiG
<b>Assets</b>							
Cash and bank balances	70 142 045	64 620 507	18 599	-	60 287	31 437	134 872 875
Investment securities	4 553 503						4 553 503
Loans and advances to customers	30 784 222	262 498 876					293 283 098
Treasury bills and other financial assets		21 544 871					21 544 871
Assets pledged as collateral		359 546 301					359 546 301
Financial assets at fair value through other comprehensive income	17 257 820	22 612 346					39 870 166
Other receivables and prepayments	26 280 456						26 280 456
	<b>149 018 046</b>	<b>730 822 901</b>	<b>18 599</b>	<b>-</b>	<b>60 287</b>	<b>31 437</b>	<b>879 951 270</b>
<b>Equity and liabilities</b>							
Deposits from customers	445 962 637	77 309 548	3 183 989			-	526 456 174
Bonds	-	78 562 617					78 562 617
Local lines of credit	108 593 527						108 593 527
Lease Liability		1 135 887					1 135 887
Other liabilities	160 723 911						160 723 911
	<b>715 280 075</b>	<b>157 008 052</b>	<b>3 183 989</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>875 472 116</b>
<b>Net foreign exchange position</b>	<b>(566 262 029)</b>	<b>573 814 849</b>	<b>(3 165 390)</b>	<b>-</b>	<b>60 287</b>	<b>31 437</b>	<b>4 479 154</b>
<b>As at 31 December 2024</b>							
<b>Assets</b>							
Cash and bank balances	5 324 838	117 274 390	27 069	1 533	57 764	32 777	122 718 371
Investment securities	5 997 372						5 997 372
Loans and advances to customers	2 885 068	416 576 563					419 461 631
Treasury bills and other financial assets		203 612 667					203 612 667
Assets pledged as collateral	124 448 662	-					124 448 662
Financial assets at fair value through other comprehensive income	15 708 365	35 716 708					51 425 073
Other receivables and prepayments	34 380 880						34 380 880
	<b>188 745 185</b>	<b>773 180 328</b>	<b>27 069</b>	<b>1 533</b>	<b>57 764</b>	<b>32 777</b>	<b>962 044 656</b>
<b>Equity and liabilities</b>							
Deposits from customers	15 752 382	173 103 196	1 065			-	188 856 643
Bonds	-	111 044 754					111 044 754
Local lines of credit	106 771 647						106 771 647
Lease Liability		545 413					545 413
Other liabilities	146 511 504						146 511 504
	<b>269 035 533</b>	<b>284 693 363</b>	<b>1 065</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>553 729 961</b>
<b>Net foreign exchange position</b>	<b>(80 290 348)</b>	<b>488 486 965</b>	<b>26 004</b>	<b>1 533</b>	<b>57 764</b>	<b>32 777</b>	<b>408 314 695</b>

The Group had no off balance sheet foreign currency exposure as at 31 December 2025 (31 December 2024 - ZiGnil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 3.5 Operational Risk

The Bank remained awake to emerging operational risks particularly cyber security risk and climate risk by mainstreaming both in its operations. The Climate Risk Management Framework guides strategies for identification, measurement, and monitoring of climate-related risks; as well as the internal control and reporting arrangements. The Bank has continued to strengthen its resilience against cyber risk through regular software upgrades, access controls and authentication, awareness campaigns and disaster recovery plans. Assurance on the adequacy of control systems within the Bank's operating environment is provided by the three independent functions namely Risk Management, Internal Audit, and Compliance Review and Mediation.

#### 3.6 Strategy Risk

The Bank's strategy is guided by its Long-Term Strategy (LTS) with annual plans implemented through the Work Program and Budget. The annual plans and budget performance are tracked and reported to the Board of Directors on a quarterly basis to ensure the set objectives are achieved.

## 4 FAIR VALUE FINANCIAL ASSETS AND LIABILITIES

### 4.1.1 Fair value estimation

The following table presents the Group's assets and liabilities that are measured at fair value:

As at 31 December 2025	ZiG Level 1	Level 2	ZiG Level 3
Investment securities	4,553,503	-	-
Financial assets at fair value through other comprehensive income	-	-	39,870,166
<b>Total assets</b>	<b>4 553 503</b>	<b>-</b>	<b>39 870 166</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
As at 31 December 2024	ZiG Level 1	Level 2	ZiG Level 3
Investment securities	5 997 372	-	-
Financial assets at fair value through other comprehensive income	-	-	51 425 073
<b>Total assets</b>	<b>5 997 372</b>	<b>-</b>	<b>51 425 073</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 4.1.2 Financial instruments not measured at fair value

The table below summarises the carrying amounts of those financial assets and liabilities presented in the Group's statement of financial position. The fair value of the financial instruments approximates carrying amount.

	Carrying amount 31 Dec 2025 ZiG	Fair value 31 Dec 2025 ZiG	Carrying amount 31 Dec 2024 ZiG	Fair value 31 Dec 2024 ZiG
<b>Financial assets :</b>				
Treasury bills and other financial assets	21 544 871	21 544 871	203 612 667	203 612 667
Loans and advances to customers	293 283 098	293 283 098	419 461 631	419 461 631
Assets pledged as collateral	359 546 301	359 546 301	124 448 662	124 448 662
<b>Financial liabilities:</b>				
Deposits from customers	526 456 174	526 456 174	188 856 643	188 856 643
Bonds and local lines of credit	187 156 144	187 156 144	217 816 401	217 816 401

It is assessed that the carrying amounts approximates their fair values.

#### (a) Loans and advances to customers

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value. As the loans and advances are issued at variable rates, the carrying amount approximates fair value.

#### (b) Deposits from customers

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. All deposits are in this category therefore the carrying amount approximates fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 4.1.3 Risk limit control and mitigation policies

The Group manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, and industry sector are approved by the Board of Directors.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Some other specific control and mitigation measures are outlined below:

##### a) Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties; and
- Charges over business assets such as premises, inventory and trade receivables.
- Sinking funds with ring fenced cashflows

Longer-term finance and lending to corporate entities are generally secured. In addition, in order to minimize the credit loss, the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

##### b) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer when required.

Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions - are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amounts of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

#### 4.2 Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit grading model, which assigns PDs to the individual grades
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs

Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs

- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

	31 Dec 2025 ZiG	31 Dec 2024 ZiG
<b>5 CASH AND BANK BALANCES</b>		
Cash on hand	8 087 748	17 169 638
Balances with banks	126 785 127	105 548 733
	<b>134 872 875</b>	<b>122 718 371</b>
Balances with banks		
Balance with the Central Bank	39 817 746	89 409 359
Bank deposits	86 967 381	10 544 906
Placements with other banks	-	5 594 468
<b>Net placements due</b>	<b>126 785 127</b>	<b>105 548 733</b>
<b>6 INVESTMENT SECURITIES</b>		
At 1 January	5 997 372	5 997 372
Translation from ZWL to ZiG currency	492	(6 997 192)
Additions	-	-
Net loss through profit or loss	(1 444 361)	6 997 192
<b>At 31 December</b>	<b>4 553 503</b>	<b>5 997 372</b>
<p>Changes in fair value of investment securities are presented as non-cash adjustments to cash flows from operating activities in the statement of cash flows. Changes in fair values of investment securities are recorded in statement of profit or loss and other comprehensive income. The fair value of all equity securities is based on their current bid prices in an active market, the Zimbabwe Stock Exchange ("ZSE").</p>		
<b>7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>	<b>31 Dec 2025 ZiG</b>	<b>31 Dec 2024 ZiG</b>
At 1 January	51 425 073	82 880 552
Unrealised loss	-	-
Additions	1 384 929	463 863
Net fair value loss on financial assets at fair value through other comprehensive income	(12 939 836)	(31 919 342)
<b>At 31 December</b>	<b>39 870 166</b>	<b>51 425 073</b>
<p>Financial assets at fair value through other comprehensive income include the following;</p>		
<b>Unlisted securities:</b>		
Equity securities - Zimbabwe	17 257 820	15 708 365
Equity securities - Botswana	22 612 346	35 716 708
	<b>39 870 166</b>	<b>51 425 073</b>
<b>8 TREASURY BILLS AND OTHER FINANCIAL ASSETS</b>		
Treasury bills as substitution for debt instruments	-	-
Capitalisation Treasury Bills	(1 379 918)	199 515 280
Treasury bills acquired from the market	-	-
Accrued Interest	28 247 448	9 420 046
Less Impairment allowances	(5 322 659)	(5 322 659)
	<b>21 544 871</b>	<b>203 612 667</b>

Issuer	Issue date	Maturity amount	Maturity date	Coupon rate	Discount rate	Purpose
Government of Zimbabwe	10/08/2023	US\$4 442 162	08/08/2028	5%	10%	TBs issued in lieu of outstanding amounts.
Government of Zimbabwe	22/11/2024	US\$10 000 000	22/11/2029	5%	10%	Capital injection
Government of Zimbabwe	10/02/2023	US\$1 618 771	22/02/2028	5%	10%	Capital injection

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2025

### 8.1 Assets pledged as collateral

The nature and carrying amounts of the assets pledged as collateral are as follows:

	Assets		Related Liability	
	31 Dec 2025 ZiG	31 Dec 2024 ZiG	31 Dec 2025 ZiG	31 Dec 2024 ZiG
Treasury bills	359 546 301	124 448 662	375 165 493	123 833 658
<b>Current</b>	<b>359 546 301</b>	<b>124 448 662</b>	<b>375 165 493</b>	<b>123 833 658</b>

Assets pledged as collateral are financial assets purchased or acquired which are subsequently pledged as collateral for fixed deposits and bankers acceptances from other financial institutions.

9 LOANS AND ADVANCES TO CUSTOMERS		31 Dec 2025 ZiG	31 Dec 2024 ZiG
<b>Individual</b>			
- term loans and mortgages		100 079 858	115 749 630
<b>Corporate</b>			
- corporate customers		229 907 726	325 053 011
Gross loans and advances to customers		329 987 584	440 802 641
Less: allowance for impairment (Note 9.1.2)		(36 704 486)	(21 341 010)
<b>Net loans and advances to customers</b>		<b>293 283 098</b>	<b>419 461 631</b>
Current		236 534 304	355 408 178
Non-current		56 748 794	64 053 453
		<b>293 283 098</b>	<b>419 461 631</b>
<b>9.1 Loan impairment allowance</b>			
<b>Stage 1</b> -12 Month expected credit loss allowance charge		20 617 719	10 487 862
<b>Stage 2</b> - Lifetime expected credit loss allowance not credit impaired		3 197 951	2 190 268
<b>Stage 3</b> - Lifetime expected credit loss allowance credit impaired		12 888 816	8 662 880
<b>Net loan impairment loss</b>		<b>36 704 486</b>	<b>21 341 010</b>
<b>9.1.1 Maturity analysis of loans and advances to customers</b>			
Up to one month		64 115 022	129 179 507
Up to three months		67 463 564	68 222 594
Up to one year		104 955 718	158 006 078
Up to 3 years		52 709 717	61 846 835
Up to 5 years		2 370 237	1 365 371
Later than 5 years		1 668 840	841 246
		<b>293 283 098</b>	<b>419 461 631</b>

### 9.1.2 Analysis of ECL in relation to loans and advances as at 31 December 2025

	Stage 1	Stage 2	Stage 3	Total
Loans and advances subject to Stage 1: 12 month ECL	242 338 473	-	-	242 338 473
Loans and advances subject to Stage 2: Life ECL not credit impaired	-	23 205 696	-	23 205 696
Loans and advances subject to Stage 3: Life ECL credit impaired	-	-	64 443 415	64 443 415
Gross loans and advances	242 338 473	23 205 696	64 443 415	329 987 584
<b>Less impairment allowances</b>				
Stage 1:12 month ECL	(20 617 719)	-	-	(20 617 719)
Stage 2:Life ECL not credit impaired	-	(3 197 951)	-	(3 197 951)
Stage 3:Life ECL credit impaired	-	-	(12 888 816)	(12 888 816)
Net loans and advances to customers	221 720 754	20 007 744	51 554 600	293 283 098

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### Analysis of ECL in relation to loans and advances as at 31 December 2024

	Stage1	Stage 2	Stage 3	Total
Loans and advances subject to Stage 1: 12 month ECL	161 460 744			161 460 744
Loans and advances subject to Stage 2: Life ECL not credit impaired		58 122 498		58 122 498
Loans and advances subject to Stage 3: Life ECL credit impaired			221 219 399	221 219 399
Gross loans and advances	161 460 744	58 122 498	221 219 399	440 802 641
<b>Less impairment allowances</b>				
Stage 1:12 month ECL	(10 487 862)	-	-	(10 487 862)
Stage 2:Life ECL not credit impaired	-	(2 190 268)	-	(2 190 268)
Stage 3:Life ECL credit impaired	-	-	(8 662 880)	(8 662 880)
Net loans and advances to customers	150 972 882	55 932 230	212 556 519	419 461 631

#### 9.1.3 Sectorial analysis of loans and advances to customers

	Percentage (%)	31 Dec 2025 ZiG	Percentage (%)	31 Dec 2024 ZiG
Manufacturing	14%	46 576 015	-	-
Mining	4%	13 208 504	-	-
Agro processing and business	47%	156 171 282	2%	6 741 694
Health	0.2%	545 630	-	-
Construction	4%	13 406 294	16%	69 748 737
Energy	0%	-	0%	2 077 542
Mortgages	24%	78 279 329	26%	113 765 063
Individuals and other services	8%	21 800 530	57%	248 469 605
Gross value of loans and advances	100%	329 987 584	100%	440 802 641
Less allowance for impairment		(36 704 486)		(21 341 010)
		<b>293 283 098</b>		<b>419 461 631</b>

#### 10 OTHER RECEIVABLES AND PREPAYMENTS

	31 Dec 2025 ZiG	31 Dec 2024 ZiG
Receivables	16 243 640	44 236 925
Less impairment loss	(15 732 863)	(23 201 832)
Net receivables	510 777	21 035 093
Pre-payments	25 769 679	13 345 787
	<b>26 280 456</b>	<b>34 380 880</b>

#### 11 INVENTORIES

	31 Dec 2025 ZiG	31 Dec 2024 ZiG
Inventory - housing units	9 363 587	1 449
Inventory - serviced stands	1 704 823	20 445 252
Work in progress	703 026	6 651 068
Consumables and materials	607 294	1 023 916
	<b>12 378 730</b>	<b>28 121 685</b>

#### 12 INVESTMENTS IN SUBSIDIARIES, JOINT OPERATION AND ASSOCIATES

The Group enters into business arrangements with various entities/parties notably in the area of housing development. Judgement is applied in the assessment of the underlying agreements so as to determine whether the arrangements result in subsidiaries, joint operations, joint ventures or associates. Notes 2.3 (a) – (e) describe the Group's accounting policies on how these business arrangements are evaluated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 12.1 Investment in subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows.

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at 31 Dec 2025 %	As at 31 Dec 2024 %
Waneka Properties (Private) Limited	Property development	Zimbabwe	70	70
Norton Medical Investments (Private) Limited	Medical services	Zimbabwe	60	60
Kariba Housing Development Project	Property development	Zimbabwe	90	90
Mazvel Investments Private Limited. Phase 1	Property development	Zimbabwe	43	43
Samukele Lodges (Private) Limited	Hospitality	Zimbabwe	100	100
Changamire Inkosi Investments (Private) Limited	Property Investment	Zimbabwe	60	60
Kanyemba Fishing Lodge (Private) Limited	Hospitality	Zimbabwe	63	63

#### 12.2 Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	interest and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	31 Dec 2025 %	31 Dec 2024 %	31 Dec 2025 ZiG	31 Dec 2024 ZiG	31 Dec 2025 ZiG	31 Dec 2024 ZiG
Waneka Properties (Private) Limited	30	30	69 274	181 228	522 220	452 946
Norton Medical Investments (Private) Limited	40	40	2 949	(204 094)	4 223 012	4 296 109
Kariba Housing Development Project	10	10	-	-	-	-
Mazvel Investments Private Limited. Phase 1	57	57	13 510 504	36 172 082	(24 491 352)	(16 786 593)
Changamire Inkosi Investments (Private) Limited	40	40	(35 196)	845 230	2 170 175	3 433 531
Kanyemba Fishing Lodge (Private) Limited	37	37	(896 220)	(1 803 322)	(896 220)	(1 822 134)
<b>Total</b>			<b>12 651 311</b>	<b>35 191 124</b>	<b>(18 472 165)</b>	<b>(10 426 141)</b>

#### 12.3 Carrying amount of the investment in associates

Balance as at 1 January	9 540 231	9 243 840
Translation from ZWL to ZiG currency	-	9 207 267
Equity contribution for associate companies	539 856	1 002 233
Share of loss from associate	(1 413 083)	(669 024)
Transfer to Investment in subsidiaries	-	(9 243 840)
Derecognition of an associate	-	(245)
<b>Balance as at 31 December</b>	<b>8 667 004</b>	<b>9 540 231</b>

#### 13 INVESTMENT PROPERTY

Balance as at 1 January	235 534 371	120 045 249
Additions during the year	411 407	6 903 919
Repossessions during the year	20 941 009	-
Disposals for the year	(7 068 788)	(6 966 491)
Transfer to current assets held for sale	(80 231 043)	-
Net gain from fair value adjustment	37 364 700	115 551 694
<b>Balance as at 31 December</b>	<b>206 951 656</b>	<b>235 534 371</b>

##### Analysis by nature

Residential properties	127 009 042	54 169 626
Commercial and industrial properties	79 942 614	181 364 745
	<b>206 951 656</b>	<b>235 534 371</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

The Bank's investment properties comprise commercial and residential properties that are rented out to third parties and land held for future projects development. The investment properties were measured at fair value as per valuations made by a registered external valuer. Valuation has been prepared in accordance with the RICS Valuation – Professional Standards (9th Edition) published by the Royal Institution of Chartered Surveyors and in accordance with IVSC International Valuation Standard 1 (IVS 1, 2011) on the basis of Fair Value for financial reporting.

Documentation of ownership such as title deeds, agreements of sales, and lease agreements and documentation such as change of use, development permits, tenancy, rental and occupancy schedules were analyzed to gauge how they fare with the market rentals, and market occupancy levels. The comparison and investment/income approach was mainly utilized to arrive at the market rentals which were capitalized to arrive at the market values.

With regards to land, the comparison and residual method was applied to arrive at the market values taking into consideration the permissible land use, location, surrounding developments, and extent of the land size.

The properties were considered as if free and clear of all encumbrances, i.e. easements, pre-emption clauses, liens or any other restrictions on title. We have not taken into account any liability of the property portfolio regarding taxes, single or recurring public or private charges, local taxes and costs

#### Measurement of fair value

The fair value for the Bank's investment properties was categorised under level 3 in the fair value hierarchy based on the inputs used for the valuation technique explained above.

No investment properties were pledged as collateral security for fixed term deposits.

Included in the consolidated statement of profit or loss and other comprehensive income are the following amounts which relate to investment properties held by the Group

	31 Dec 2025 ZiG	31 Dec 2024 ZiG
Rental income	3 340 105	41 588
<b>14 NON-CURRENT ASSETS HELD FOR SALE</b>		
Balance as at 1 January	-	-
Transfer from investment properties	80 231 043	-
<b>Balance as at 31 December</b>	<b>80 231 043</b>	<b>-</b>

Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

#### 15 PROPERTY AND EQUIPMENT

	Freehold Land and buildings ZiG	Computer and office equipment ZiG	Motor vehicles ZiG	Fixtures and fittings ZiG	Capital work in progress ZiG	Total ZiG
<b>COST</b>						
<b>At 01 January 2024</b>	37 986 042	4 744 349	9 303 257	1 663 305	-	53 696 953
Additions	388 995	1 138 221	1 754 610	58 339	14 311 690	17 651 855
Capitalisations		14 308		-		14 308
Revaluation gain / (loss)	44 919 604	989 304	6 707 147	(285 316)	-	52 330 739
Disposals	-		(273 631)	-		(273 631)
Foreign currency translation reserve	-	-	-	-		-
Transfer to assets held for sale	-					-
Translation from ZWL to ZiG currency (388 995)	(388 995)	2 006 545		254		1 617 804
<b>At 31 December 2024</b>	<b>82 905 646</b>	<b>8 892 727</b>	<b>17 491 383</b>	<b>1 436 582</b>	<b>14 311 690</b>	<b>125 038 028</b>
<b>At 01 January 2025</b>	<b>82 905 646</b>	<b>8 892 727</b>	<b>17 491 383</b>	<b>1 436 582</b>	<b>14 311 690</b>	<b>125 038 028</b>
Additions	0	3 867 066	-	253 588	-	4 120 654
Capitalisations	23 437 710	259 292	-	1 538 372		25 235 374
Revaluation gain / (loss)	(2 519 977)	513 072	(4 860 828)	1 068 476		(5 799 257)
Disposals	(3 482 797)	(2 003)	(3 121 619)	-	(14 311 690)	(20 918 109)
Impairment loss	(1 094 308)	-	-	(1 152 554)		(2 246 862)
<b>At 31 December 2025</b>	<b>99 246 274</b>	<b>13 530 154</b>	<b>9 508 936</b>	<b>3 144 464</b>	<b>-</b>	<b>125 429 828</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2025

	Freehold Land and buildings ZiG	Computer and office equipment ZiG	Motor vehicles ZiG	Fixtures and fittings ZiG	Capital work in progress ZiG	Total ZiG
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>						
At 01 January 2024	-	-	-	-	-	-
Charge for the year	715 534	3 484 711	4 154 644	1 545 688	-	9 900 577
Eliminated on disposals	-	(4 091)	(22 803)	-	-	(26 894)
Eliminated on transfer to assets held for sale	-	-	-	-	-	-
Eliminated on revaluation	(715 534)	(3 480 620)	(4 131 841)	(1 545 688)	-	(9 873 683)
<b>At 31 December 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 01 January 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Charge for the year	1 912 405	7 312 138	6 316 978	1 559 635	-	17 101 156
Eliminated on disposals	-	(1 335)	(888 544)	-	-	(889 879)
Eliminated on revaluation	(1 912 405)	(7 310 803)	(5 428 434)	(1 559 635)	-	(16 211 277)
<b>At 31 December 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CARRYING AMOUNT</b>						
Cost at 31 December 2024	82 905 646	8 892 727	17 491 383	1 436 582	14 311 690	125 038 028
Accumulated depreciation at 31 December 2024	-	-	-	-	-	-
<b>Carrying amount at 31 December 2024</b>	<b>82 905 646</b>	<b>8 892 727</b>	<b>17 491 383</b>	<b>1 436 582</b>	<b>14 311 690</b>	<b>125 038 028</b>
Cost at 31 December 2025	99 246 274	13 530 154	9 508 936	3 144 464	-	125 429 828
Accumulated depreciation at 31 December 2025	-	-	-	-	-	-
<b>Carrying amount at 31 December 2025</b>	<b>99 246 274</b>	<b>13 530 154</b>	<b>9 508 936</b>	<b>3 144 464</b>	<b>-</b>	<b>125 429 828</b>
<b>16 INTANGIBLE ASSETS</b>						
<b>COMPUTER SOFTWARE COST</b>						
At 01 January 2024						7 266 019
<b>At 31 December 2024</b>						<b>7 266 019</b>
At 01 January 2025						7 266 019
<b>At 31 December 2025</b>						<b>7 266 019</b>
<b>ACCUMULATED AMORTISATION</b>						
At 01 January 2024						5 488 019
Charge for the year						1 987 586
Translation from ZWL to ZiG currency						(905 383)
<b>At 31 December 2024</b>						<b>6 570 222</b>
At 01 January 2025						6 570 222
Charge for the year						347 899
Translation from ZWL to ZiG currency						(311 674)
<b>At 31 December 2025</b>						<b>6 918 121</b>
<b>CARRYING AMOUNT</b>						
<b>Cost at 31 December 2024</b>						7 266 019
Accumulated amortisation at 31 December 2024						(6 570 222)
<b>Carrying amount at 31 December 2024</b>						<b>695 797</b>
Cost at 31 December 2025						7 266 019
Accumulated amortisation at 31 December 2025						(6 918 121)
<b>Carrying amount at 31 December 2025</b>						<b>347 898</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

<b>17 RIGHT OF USE ASSETS</b>					
<b>Cost</b>			<b>31 Dec 2025</b>	<b>31 Dec 2024</b>	
			<b>ZiG</b>	<b>ZiG</b>	
At 01 January			2 326 181	1 755 674	
Remeasurements / Adjustments			(592 145)	555 463	
Translation from ZWL to ZiG currency			-	15 044	
<b>Balance</b>			<b>1 734 036</b>	<b>2 326 181</b>	
<b>Accumulated Depreciation</b>					
At 01 January			1 637 917	1 246 652	
Translation from ZWL to ZiG currency			-	(1 216 789)	
Charge for the year			659 573	1 984 126	
Remeasurements / Adjustments			(1 652 952)	(376 072)	
<b>Balance</b>			<b>644 538</b>	<b>1 637 917</b>	
<b>Carrying Amount</b>			<b>1 089 498</b>	<b>688 264</b>	
<b>18 DEFERRED TAXATION</b>					
<b>18.1 Deferred Tax Asset</b>					
Deferred tax asset is the amount of income taxes recoverable in future years in respect of deductible temporary differences, unused tax losses and unused tax credits.					
Opening Balance			337 378	17 894 604	
Translation from ZWL to ZiG currency				(16 477 326)	
Transfer to deferred tax liability			(337 378)	(1 079 900)	
<b>Closing Balance</b>			<b>-</b>	<b>337 378</b>	
<b>18.2 Deferred Tax Liability</b>					
Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.					
Opening Balance			21 129 520	-	
Charge for the year			(14 026 834)	22 209 420	
Transfer from deferred tax asset			(337 378)	(1 079 900)	
<b>Closing Balance</b>			<b>6 765 308</b>	<b>21 129 520</b>	
<b>19 SHARE CAPITAL AND SHARE PREMIUM</b>					
<b>Authorised share capital</b>					
150 000 000 ordinary shares with a nominal value of ZiG0,01.					
The directors are authorised to issue an unlimited number of preference shares as approved by shareholders.					
<b>Issued share capital</b>				<b>Amounts</b>	
	<b>Number</b>	<b>Share capital</b>	<b>Share</b>	<b>Awaiting</b>	<b>Total</b>
	<b>of shares</b>	<b>ZiG</b>	<b>premium</b>	<b>Allotment</b>	<b>ZiG</b>
			<b>ZiG</b>	<b>ZiG</b>	<b>ZiG</b>
At 1 January 2024	30 054 287	164 159	389 362 924	42 854 793	432 381 876
Issue of shares	-	-	-	-	-
Allotment of shares	-	-	-	255 727 225	255 727 225
Discounting of capitalisation treasury bills	-	-	-	(48 622 174)	(48 622 174)
<b>At 31 December 2024</b>	<b>30 054 287</b>	<b>164 159</b>	<b>389 362 924</b>	<b>249 959 844</b>	<b>639 486 927</b>
At 1 January 2025	30 054 287	164 159	389 362 924	249 959 844	639 486 927
Issue of shares	16 770 951	167 710	439 063 497	(439 231 207)	-
Allotment of shares	-	-	-	181 902 041	181 902 041
Foreign currency translation reserve				(41 252 852)	(41 252 852)
Discounting of capitalisation treasury bills			(48 682 125)	48 622 174	(59 951)
<b>At 31 December 2025</b>	<b>46 825 238</b>	<b>331 869</b>	<b>779 744 296</b>	<b>-</b>	<b>780 076 165</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2025

	31 Dec 2025 ZiG	31 Dec 2024 ZiG
<b>20 FOREIGN CURRENCY TRANSLATION RESERVE</b>		
At the beginning of the year	(15 844 215)	111 701 518
Charge for the year	-	-
Foreign currency translation reserve	42 928 605	(127 545 733)
Transfer from FCTR to Retained Earnings on disposal of investments	-	-
Transfer from FCTR to NCI	-	-
<b>At the end of the year</b>	<b>27 084 390</b>	<b>(15 844 215)</b>
<b>21 REVALUATION RESERVE</b>		
At the beginning of the year	127 717 160	67 245 810
Translation from ZWL to ZiG currency	-	(1 733 072)
Charge for the year	10 779 311	62 204 422
Realised on disposal of non-investment property	(2 599 608)	-
Realised on disposal of moveable of assets	(3 512 248)	-
<b>At the end of the year</b>	<b>132 384 615</b>	<b>127 717 160</b>
<b>22 FAIR VALUE RESERVE</b>		
At the beginning of the year	53 338 842	85 258 184
Translation from ZWL to ZiG currency	-	-
Charge for the year	(12 939 836)	(31 919 342)
<b>At the end of the year</b>	<b>40 399 006</b>	<b>53 338 842</b>

### 23 PREFERENCE SHARE CAPITAL

The preference shares are 5% non-cumulative, non-redeemable and paid up preference shares with a par value of ZiG100.00 per share. A dividend is payable at the discretion of Directors and is paid out of distributable profits.

No dividend has been declared during the financial year.

	Number of shares	Preference Share capital ZiG
<b>Issued preference share capital</b>		
At 1 January 2024	382 830	74 049 071
Issue of shares	-	-
<b>At 31 December 2024</b>	<b>382 830</b>	<b>74 049 071</b>
At 1 January 2025	382 830	74 049 071
Issue of shares	-	-
<b>At 31 December 2025</b>	<b>382 830</b>	<b>74 049 071</b>

	31 Dec 2025 ZiG	31 Dec 2024 ZiG
<b>24 DEPOSITS FROM CUSTOMERS</b>		
Deposits from customers are primarily comprised of amounts payable on demand and term deposits.		
Large corporate customers	518 829 239	181 229 708
Retail customers	7 626 935	7 626 935
	<b>526 456 174</b>	<b>188 856 643</b>
<b>24.1 Maturity analysis of deposits from customers</b>		
Up to one month	498 649 809	169 061 085
Up to three months	1 219 198	18 662 610
Above six months	26 587 167	1 132 948
	<b>526 456 174</b>	<b>188 856 643</b>

Deposits due to customers only include financial instruments classified as liabilities at amortised cost. The fair value of the deposits approximate the fair value due to their short tenure.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 24.2 Sectorial analysis of deposits from customers

	Percentage (%)	31 Dec 2025 ZiG	Percentage (%)	31 Dec 2024 ZiG
Financial markets	37.30%	196 391 619	18.67%	35 252 981
Fund managers and pension funds	5.55%	29 224 463	26.67%	50 358 844
Individuals	0.00%	92	5.92%	11 179 365
Government and public sector institutions	5.49%	28 883 988	31.44%	59 384 364
Other services	51.66%	271 956 012	17.30%	32 681 089
	100.00%	526 456 174	100.00%	188 856 643

	31 Dec 2025 ZiG	31 Dec 2024 ZiG
<b>25 LOCAL LINES OF CREDIT AND BONDS</b>		
Bonds	78 562 617	109 040 753
Lines of credit	108 593 527	108 775 648
<b>Total</b>	<b>187 156 144</b>	<b>217 816 401</b>
Current	-	-
Non current	187 156 144	217 816 401
	<b>187 156 144</b>	<b>217 816 401</b>

The movement in the balances during the year was as follows;

	ZiG Bonds	ZiG Lines of credit
At 1 January 2025	109 040 753	108 775 648
New issues/funding	131 603 271	-
Translation from ZWL to ZiG currency	-	-
Repayments/Disbursements	(162 081 407)	(182 121)
<b>At 31 December 2025</b>	<b>78 562 617</b>	<b>108 593 527</b>

Lines of credit and bonds are recognised initially at fair value, net of transaction costs incurred. Lines of credit and bonds are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

	31 Dec 2025 ZiG	31 Dec 2024 ZiG
<b>26 OTHER LIABILITIES</b>		
Accruals	24 380 349	44 272 062
Provision for outstanding employee leave	9 044 133	4 444 123
Dividend payable	4 267 515	62
Value Added Tax Liability	13 661 439	293 774
Withholding tax services	186 352	144 223
IMT Tax	390 754	209 681
Sundry creditors	12 006 285	41 596 121
Projects accounts payable	1 351	1 351
Deferred income	11 766 851	0
Waneka Private Ltd loan payable	64 540 964	
Other	20 477 918	55 550 107
	<b>160 723 911</b>	<b>146 511 504</b>
<b>27 LEASE LIABILITY</b>		
At 1 January	545 413	124 521
Additions	1 623 956	-
Interest expense	100 259	24 640
Lease payments	(489 580)	(390 111)
Foreign exchange movements	(644 161)	786 363
<b>At 31 December</b>	<b>1 135 887</b>	<b>545 413</b>
Current portion	577 583	545 413
Long term portion	558 304	-
	<b>1 135 887</b>	<b>545 413</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2025

	31 Dec 2025 ZiG	31 Dec 2024 ZiG
<b>28 NET INTEREST INCOME</b>		
<b>28.1 Interest and related income:</b>		
Loans and advances to large corporates	56 431 213	45 326 882
Loans and advances to individuals	2 709 862	79 730
Treasury bills and other financials assets	19 219 364	5 113 923
Placements with local banks	5 512	33
Mortgages	2 646 915	6 583 689
Cash and bank balances	2 983 413	1 274 964
	<b>83 996 279</b>	<b>58 379 221</b>
<b>28.2 Interest and related expense:</b>		
Bonds	(209 652)	(6 493 995)
Deposits from large corporates	(62 816 936)	(18 980 653)
Deposits from individuals	(395 773)	(1 009 117)
	<b>(63 422 361)</b>	<b>(26 483 765)</b>
<b>29 SALES</b>		
Property sales	99 406 430	262 771 475
Cost of sales	(55 444 165)	(78 513 464)
Gross profit	43 962 265	184 258 011
<b>30 FEE AND COMMISSION INCOME</b>		
Advisory and management fees	16 412 561	-
Banking service fees	760 947	4 548 817
	<b>17 173 508</b>	<b>4 548 817</b>
<b>31 NET GAINS/ (LOSSES ) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
Listed equity securities (Note 6)	(1 444 361)	6 997 192
<b>32 OTHER INCOME</b>		
Rental income	3 340 065	41 588
Bad debts recovered	93 534	-
Sundry income	1 559 026	2 410 484
	<b>4 992 625</b>	<b>2 452 072</b>
<b>33 FAIR VALUE GAIN ON INVESTMENT PROPERTY AND NON-CURRENT ASSETS HELD FOR SALE</b>		
Net gain from fair value adjustment	37 364 700	115 551 694
	<b>37 364 700</b>	<b>115 551 694</b>
<b>34 NET FOREIGN EXCHANGE GAINS/(LOSSES)</b>		
Net realised gains from foreign currency trade	-	-
Net unrealised (losses) / gains from translation of foreign currency balances	(65 936 264)	131 282 385

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2025

	31 Dec 2025 ZiG	31 Dec 2024 ZiG
<b>35 OPERATING EXPENSES</b>		
Repairs and maintenance	9 430 153	5 896 019
Staff costs	310 393 121	150 486 367
Telecommunication and postage	210 008	121 468
IT and software costs	22 712 199	14 503 012
Directors remuneration	2 554 786	871 504
Operating lease payments	-	-
Water, electricity and rates	7 505 112	4 334 903
Legal and professional fees	7 684 549	4 519 892
Audit fees	3 865 239	4 163 610
Depreciation	17 101 156	10 516 762
Depreciation of right of use assets	659 573	694 010
Amortisation	347 899	1 987 586
Impairment of property and equipment	2 246 862	-
Fuel and lubricants	11 098 403	7 298 622
Business travel	7 636 436	3 912 523
Donations, marketing and public relations	1 187 478	556 712
Insurance and security	7 767 148	3 279 536
Subscriptions	5 290 447	2 477 014
Printing and stationery	821 014	391 912
Bank charges	3 409 515	1 229 810
Staff training	411 056	429 107
Refreshments	2 085 624	744 518
Administrative costs	10 901 865	10 335 334
	<b>435 319 643</b>	<b>228 750 221</b>
<b>35.1 Employee benefit costs</b>		
Salaries and bonuses	176 381 190	96 803 733
Pension costs	22 011 750	12 979 421
Post employment medical benefits	67 246	4 610 363
Leave pay expense	2 114 347	8 389 173
Other staff expenses	109 818 588	27 703 677
	<b>310 393 121</b>	<b>150 486 367</b>
<b>Post employment benefits</b>		
<b>35.2 Pension Fund</b>		
The Group operates a defined contribution plan for all permanent employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are paid to a separately administered fund on a mandatory basis. Contributions to this fund are charged against income when incurred. The Group has no further obligations once the contributions have been paid.		
	31 Dec 2025 ZiG	31 Dec 2024 ZiG
Contributions for the year	<b>22 011 750</b>	<b>12 979 421</b>
<b>National Social Security Authority Scheme</b>		
The Group and all its employees contribute to the National Social Security Authority Scheme, which was promulgated under the National Social Security Act (Chapter 17:04). The Group's obligations under the scheme are limited to specific contributions legislated from time to time.		
Contributions for the year	<b>3 226 384</b>	<b>1 816 316</b>
<b>36 WRITE-OFFS</b>		
Loans and advances	100 954 269	-
Receivables	24 477 002	-
	<b>125 431 271</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

The loan write-offs resulted from structured loans that were advanced to projects in which the Bank is repaid in the form of housing units and stands which the Bank presells during project implementation. The projects encountered implementation delays due to funding constraints which affected project completion timelines. Interest and late payment charges continued to be charged on the structured loans during the period when the projects had stalled despite the Bank having to be repaid with a fixed number of units. The write-offs relate to two (2) projects namely the Waneka Housing Development and Wilsgrove housing development projects. Waneka is complete, and sold out while Wilsgrove is nearing completion with presales of the units being ongoing.

The receivable write off relates to an amount owed to the Bank on projects disposed to a third party in November 2020. The balance arose due to effects of exchange rate movements at the time of settlement. The Bank has made several engagements with the debtor for settlement of the full amount however, chances of recovery of the amount are improbable.

	31 Dec 2025 ZiG	31-Dec-24 ZiG
<b>37 TAXATION</b>		
<b>Income tax</b>		
Current tax expense	-	-
Current tax credit	14 026 834	(22 209 420)
Tax credit / (expense)	<b>14 026 834</b>	<b>(22 209 420)</b>
<b>Reconciliation of income tax credit</b>		
Based on results for the period at a normal rate of 25.75%		
Arising due to:		
<b>Taxable profit/(loss) of taxable entities</b>	54 473 143	(89 843 931)
<b>Tax credit/ (expense) at 25.75%</b>	14 026 834	(22 209 420)
Non-deductible expenses	-	-
Non-taxable income	-	-
Tax rate differential on capital gains	-	-
Tax credit/ (expense)	<b>14 026 834</b>	<b>(22 209 420)</b>
The aggregate tax relating to items that are charged or credited directly to equity	14 026 834	(22 209 420)
Current tax	-	-
Deferred tax	<b>14 026 834</b>	<b>(22 209 420)</b>
<b>38 EARNINGS PER SHARE</b>		
<b>Basic and diluted loss per share</b>		
Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Bank by the number of ordinary shares in issue during the year.		
No dilutive instruments were held during the year. (2024 - ZiGnil)		
The calculation of basic earnings per share at 31 December was based on the following:		
Profit/(Loss) attributable to equity holders	(530 745 273)	183 284 503
Weighted average number of issued ordinary shares	30 054 287	30 054 287
Basic profit / (loss) per share (ZiG cents)	<b>(1 766)</b>	<b>610</b>
<b>39 COMMITMENTS AND GUARANTEES</b>		
<b>Loan commitments, guarantees and other financial facilities</b>		
At 31 December 2025, the Group had contractual amounts for off-statement of financial position financial instruments that commit it to extend guarantees and loans as follows:		
<b>Guarantees / loan commitments</b>	-	-



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### b) Key management compensation

Key management includes directors (executive and non-executive) and members of the Executive Committee. The

compensation paid or payable to key management for employee services is shown below:

	31 Dec 2025 ZiG	31 Dec 2024 ZiG
Salaries and other short-term employee benefits	120 146 933	42 530 264
Post-employment benefits	6 197 177	2 245 019
Termination benefits	2 725 024	-
<b>Total</b>	<b>129 069 134</b>	<b>44 775 283</b>

	Directors and other key management personnel 31 Dec 2025 ZiG	Associated companies 31 Dec 2025 ZiG	Directors and other key management personnel 31 Dec 2024 ZiG	Associated companies 31 Dec 2024 ZiG
<b>c) Loans and advances to related parties</b>				
Loans outstanding	15 605 142	-	963 631	-
Interest income earned	992 358	-	21 590	-

The loans issued to directors and other key management personnel are secured except for personal loans, carry fixed interest rates and are payable on reducing balance.

	Directors and other key management personnel 31 Dec 2025 ZiG	Associated companies 31 Dec 2025 ZiG	Directors and other key management personnel 31 Dec 2024 ZiG	Associated companies 31 Dec 2024 ZiG
<b>d) Deposits from related parties</b>				
Deposits	-	-	460 584	-
Interest expense on deposits	-	-	-	-

The above deposits are unsecured, carry fixed interest rates and are repayable on maturity date.

#### e) Director's shareholdings

As at 31 December 2025, the Directors did not hold directly and indirectly any shareholding in the Group.

#### 42 LEGAL AND COMPLIANCE RISK

Compliance risk is the current and prospective risk of damage to the organisation's business model or objectives, reputation and financial soundness arising from non-adherence to policy, legal and regulatory requirements. During the period under review, the Bank was in compliance with applicable laws including the IDBZ Act [Chapter 24:14] and Banking Act [Chapter 24:20].

#### 43 FORENSIC AUDIT ON ZIMCAMPUS PROPERTIES (PRIVATE) LIMITED AND RELATED MATTERS

During the financial year, an interim forensic audit was instituted by the Bank in respect of Zimcampus Properties (Private) Limited ("Zimcampus"), a special purpose entity established for the development and operation of student accommodation facilities. The Infrastructure and Development Bank of Zimbabwe ("IDBZ") holds an investment interest of 7.67 percent in this entity. The Bank played a role in the initiation of the Project before inviting other institutional investors to participate in implementation, as well as handling project disbursements. Allegations of financial irregularities were raised against the Zimcampus Managing Director, who was also a Bank employee seconded to the project by the Bank. Based on preliminary investigations done, the extent of the prejudice could not be established. The matter was then referred to the Zimcampus Board which instituted its own procurement process with the assistance of IDBZ to engage an independent forensic auditor to carry out a more focused investigation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

The interim forensic audit initiated by the Bank focused on project governance, procurement processes, and the management of project expenditures. Following consideration of the findings, the Board of Directors of IDBZ resolved to commission additional forensic audits on other selected projects funded and managed by the Bank in order to assess whether similar control weaknesses or irregularities may exist. At the reporting date, a forensic auditor had been engaged and the investigations had commenced. Management evaluated whether the findings of the Zimcampus interim forensic audit indicated the existence of impairment indicators, provisions, contingent liabilities, or other adjustments to amounts recognised in these financial statements. Based on the information available as at the reporting date, management concluded that no adjustments to the carrying amounts of assets or liabilities were required. Because the additional forensic audits had just been commissioned as at the date of authorisation of these financial statements, the potential financial implications, if any, cannot be reliably estimated. Management will continue to monitor developments, and any financial effects arising from the outcomes of the additional forensic audits will be recognised or disclosed in the period in which sufficient information becomes available, in accordance with IFRS requirements.

#### 44 GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the Bank will be able to continue its operations and meet its liabilities as they fall due. In assessing the appropriateness of this assumption, management considered the Bank's current and projected financial performance, liquidity position, funding arrangements, and continued shareholder support. Accordingly, management believes that the going concern assumption remains valid.

##### 1. Capitalisation and shareholders' support

The Bank's total capital position stood at US\$16.7 million as at 31 December 2025. During the year under review, the Bank was allocated ZiG 150 million under the national budget. Of this amount, ZiG 126.5 million was received from the Ministry of Finance, Economic Development and Investment Promotion (MoFEDIP) in 2025, with the remaining ZiG 23.5 million received in the first week of January 2026. In addition, the Bank received US\$2.06 million in shareholder support from the Reserve Bank of Zimbabwe (RBZ), of which US\$1.6 million was in treasury bills, and a US\$441.4k debt instrument which was subsequently converted to equity. For 2026, the Bank has been allocated a further ZiG 150 million and will be approaching the RBZ for its proportionate contribution. Management hopes for the early release of these funds by the Ministry of Finance, as this is expected to strengthen the Bank's capital position and enhance its capacity to effectively carry out its mandate.

In February 2026, the Bank received US\$50 million treasury bills from MoFEDIP which will strengthen the balance sheet as well as providing collateral for deposit mobilisation. This will help in mobilising finance for projects, improving liquidity management and enhancing the income earning capacity.

The Bank is currently engaged in discussions with MoFEDIP for an agency mandate to manage project funds on behalf of the government and other government ministries. This role will earn the Bank fees as well as improve liquidity as project funds will be channeled through the Bank. Lately the Bank has been approached by various government ministries and departments for advisory roles in irrigation, schools' construction and roads rehabilitation showing confidence in its technical capacity.

##### 2. Projects under implementation

As of 31 December 2025, the Bank was implementing several strategic projects, the following of which were at advanced stages of completion:

Project Name	Project Value	% Completion
Wilsgrave Park Housing Project, (Bulawayo)	US\$2.6 million	95%
Mornington Cluster Houses Development (Kadoma)	US\$2.0 million	40%

The following projects are ready for fundraising and implementation in 2026. The table below outlines the project value and details:

Project Name	Project Value	Project Scope
Catholic University Student Accommodation	US\$15.2 million	2 Blocks of student's accommodation 1024 beds.
Marimba Clusters	US\$0.667 million	Construction of 15 3-bed cluster Units in Marimba.
Spitzkop	US\$1.1 million	Servicing of 133 high-density residential stands in Gwanda.
Samavale residential stands	US\$5.5 million	Servicing of 686 low density residential stands in Masvingo (average 1000 sqm).

The Bank continues to operate as a going concern and remains actively engaged in the marketing and sale of serviced stands and cluster housing projects. These activities are expected to support future cash inflows and drive growth in interest income through expansion of the loan portfolio. As of 31 December 2025, the loan book amounted to US\$12.3 million.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### FOR THE YEAR ENDED 31 DECEMBER 2025

The Bank supported the following clients during the year under the Short-Term Infrastructure Value Chain Financing (IVCF) and Structured Deals products, as shown in the table below.

Project Name	Project Value	% Completion
Mangwana Opportunities/ Twine and Cordage	US\$1.5 million	Ongoing
Wellbert Farming	US\$150,000	Phase One 100%
Conrock Concrete (Pvt) Ltd	US\$280,000	Ongoing
Sustainable Agriculture Technology (SAT)	US\$430,000	100%
Mangwana Opportunities/ Jardin T/A Carolina Estates	US\$1.5million	Ongoing
Pangawa Agri Portfolio	US\$69,000	100%
Zimbabwe Fertiliser Company (ZFC)	US\$1.5 million	Term sheet signing stage

#### 3. Resourcing the Bank through long term project financing instruments

The Bank continues to fund projects from Bond issuances with repayments anchored on project receivables ringfenced in a dedicated sinking fund facility. The target for the Bank is to obtain an optimum mix of short- term and long-term projects to achieve sustained growth of its financial position. During the period under review, the Bank raised US\$1.83 million through indexed bonds, which was deployed to infrastructure and agricultural projects. The Bank remains active in the market and has budgeted to raise US\$30 million in funding through infrastructure and agro bonds.

#### 4. Liquidity

As at 31 December 2025, the Bank's liquidity ratio was 40% which is above the prudential minimum requirement of 30% prescribed by the Reserve Bank of Zimbabwe (RBZ). This also exceeded the requirement under Section 20(4) of the IDBZ Act, which mandates the Bank to maintain at least 10% of its liabilities in liquid assets.

During the period under review, the Bank actively managed its short-term liquidity through money market operations. Time and call deposits from the interbank market amounted to ZiG 260.9 million, mainly consisting of short-term placements. These were utilized to meet temporary funding needs and to optimize reserve levels.

#### 5. Staff Retention

The Bank continues to prioritize its employees by offering competitive compensation. Currently, the salary structure is split such that 30% of remuneration is paid in USD and 70% in ZiG. In addition to offering competitive compensation, the Bank reinstated personal loan facilities in the first half of the year and introduced micro-lending facilities at the end of the fourth quarter. The micro-lending facility is currently in its pilot phase and is open to staff, reflecting the Bank's ongoing commitment to employee financial well-being and overall welfare. Staff retention for the year 2025 was 97.6%.

#### 45 SUBSEQUENT EVENTS

Subsequent to the financial year end, in January 2026, the Bank received the remaining ZiG 23.5 million from the Ministry of Finance, Economic Development and Investment Promotion (MoFEDIP), being the outstanding balance of the ZiG 150 million allocated to the Bank through the National Budget.

Additionally, in February 2026, the Bank received US\$50 million in Treasury Bills from MoFEDIP.

## SHAREHOLDING STRUCTURE

**Table 6.8.1: Shareholding Structure**

#	Shareholder	Number of Shares	Percentage
1	Government of Zimbabwe c/o Ministry of Finance	40,928,713	87,407377%
2	Reserve Bank of Zimbabwe	5,896,504	12,592576%
3	Fidelity Life Assurance Company of Zimbabwe Limited	12	0,000026%
4	Finnish Fund for the Industrial Cooperation Limited (Finnfund)	5	0,000011%
5	African Development Bank (AfDB)	4	0,000009%
6	European Investment Bank	1	0,000002%
	TOTAL	46,825,238	100,000000%

**Notes:**

The par value of each ordinary share is ZiG0.01

The par value of each preference share is ZiG100.00

## Notice to Shareholders Annual General Meeting of IDBZ

Notice is hereby given that the 41<sup>st</sup> Annual General Meeting of the Infrastructure and Development Bank of Zimbabwe will be held on Thursday, 25 June 2026 at 1400 hours, at The Venue, 23 Kenny Rd, Avondale, Harare.

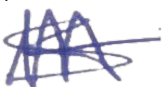
REF#	AGENDA ITEM	BY WHOM	EST. TIME
<b>A</b>	<b>1. MEETING OPENING</b>	Board Chairperson	15min
	1.1 Board Chairperson's Welcome Remarks		
	1.2 Constitution		
	1.3 Apologies		
	1.4 Adoption of the Agenda		
<b>B</b>	<b>2. CONFIRMATION OF MINUTES &amp; MATTERS ARISING</b>	Board Chairperson/Secretary	15min
	2.1 Confirmation and ratification of Minutes of the 40th Annual General Meeting held on 25 June 2025		
	2.2 Matters Arising from the Minutes of the 40th Annual General Meeting held on 25 June 2025		
<b>C</b>	<b>3. CORPORATE REPORTS</b> (for adoption and approval)	Board Chairperson CEO Finance Director Compliance Director External Auditors	10min 10min 10min 10min 15min
	3.1 Chairperson's Report		
	3.2 Chief Executive Officer's Report		
	3.3 Financial Report		
	3.4 Compliance Report		
	3.5 Audit Report		
	a. To receive and consider for adoption the Audit Report from the External Auditors for the year ended 31 December 2025		
Question and Answer Session			
<b>D</b>	<b>4. BOARD AND EXECUTIVE RETIREMENTS</b> (for noting)	Board Chairperson	10min
	4.1 To take note of the retirement of the following three (3) IDBZ Board Members whose second, three-year Terms of Office expired on 18 January 2026, namely:		
	i. Mr. Tadios Muzoroza		
	ii. Dr. Norbert Obert Mugwagwa		
	iii. Mr. Reginald Mugwara		
4.2 To take note of the retirement of Mr. Thomas Zondo Sakala whose second, five-year term of office as IDBZ Chief Executive Officer expired on 31 August 2025			
4.3 To take note of the passing of Ms. Sibusisiwe Precious Bango, one of the IDBZ Board Members on 7 September 2025			
Question and Answer Session			

## Notice to Shareholders *(continued)*

### Annual General Meeting of IDBZ

REF#	AGENDA ITEM	BY WHOM	EST. TIME
E	<p><b>5. BOARD AND EXECUTIVE APPOINTMENTS</b> (for noting)</p> <p>5.1 To take note of the appointment of the following as IDBZ Board Members for three-year terms, namely:</p> <ul style="list-style-type: none"> <li>i. Mr. Patson Gasura (effective 2 March 2026)</li> <li>ii. Ms. Ntombizodwa Takawira (effective 2 March 2026)</li> <li>iii. Mr. Masimba Makunike (effective 9 March 2026)</li> <li>iv. Mr. Never Nyemudzo (effective 1 May 2026)</li> </ul> <p>5.2 To take note of the appointment of Mr. Willing Zvirevo as IDBZ Acting Chief Executive Officer with effect from 1 September 2025.</p> <p>Question and Answer Session</p>	Board Chairperson	10min
F	<p><b>6. DIRECTORS FEES</b> (for confirmation and approval)</p> <p>6.1 To confirm the Board fees and sitting allowances payable to Non-Executive Board Members for the year ended 31 December 2025 amounting to ZIG1,536,887.19 and US\$38,428.83</p> <p>Question and Answer Session</p>	Board Chairperson	10min
G	<p><b>7. EXTERNAL AUDIT FEES AND RENEWAL OF TERM</b> (for noting and approval)</p> <p>7.1 To consider and confirm payment of Audit Fees to BDO Zimbabwe Chartered Accountants for the year-Ended 31 December 2025 being US\$135,000.00</p> <p>7.2 To take note of the re-appointment of BDO Zimbabwe Chartered Accountants as recommended by the Office of the Auditor General as External Auditors of the IDBZ for the Financial Year 2026</p> <p>Question and Answer Session</p>	Board Chairperson	10min
H	<p><b>8. LINE MINISTER'S STATEMENT</b> (for noting)</p> <p>To receive the statement from the Honourable Minister of Finance, Economic Development &amp; Investment Promotion on the year under review and expectations for the ensuing year(s)</p>	Hon. Minister (or his representative)	15min
I	<b>9. ANY OTHER BUSINESS</b>	All	
J	<b>10. CLOSING REMARKS</b>	Board Chairman	

By order of the Board



D. Makono

*Legal Counsel and Bank Secretary*

# PROXY FORM

## Annual General Meeting of IDBZ

We, \_\_\_\_\_  
(FULL NAME).

Of No. \_\_\_\_\_  
(PHYSICAL ADDRESS)

being the registered holder of

.....  
Ordinary Shares in the Infrastructure and Development Bank of Zimbabwe

hereby appoint .....  
of .....

or, failing him/her, the Chairman of the meeting as my/our proxies, to vote for me/us and on my/our behalf at the ANNUAL GENERAL MEETING of the Bank to be held at The Venue, 23 Kenny Rd, Avondale, Harare, on 25 June 2026 commencing at 1400hrs and at any adjournment thereof.

Signed at ..... this.....Day of .....2026

Full Name and Signature of Member

.....

**NOTE:**

1. A Member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and speak in his/her stead. The person appointed need not be a member. This proxy form should reach the Registered Office of the Bank no later than 48hours before the time of the meeting.

**Registered Office:**

99 Gamal Abdel Nasser Road (formerly Rotten Row Road),  
P O Box 1720 Harare, Zimbabwe  
Tel: +263 242 774 226/7, +263 242 750 171-8z  
E-mail: dmakono@idbz.co.zw

## APPENDICES

### Appendix 1: Overall GHG Emissions in tCO<sub>2</sub>eq for 2023

	IDBZ House	Milton Park Office	Bulawayo Office	Samukele Lodge	Total
<b>Scope 1 Emissions</b>					
Diesel vehicles	96.606				96.606
Petrol vehicles	0.838	0.838			
Generators	1.34	2.054	0	0	3.394
HFCs	2.338	2.338			
Lubricants	NE	NE	NE	NE	NE
<b>Scope 2 Emissions</b>					
Grid electricity	162.975	NE	NE	NE	162.975
<b>Scope 3 Emissions</b>					
Solid waste	3.70	1.32	NE	NE	5.02
Wastewater	0.631	NE	NE	0.056	0.687
<b>Total</b>					<b>271.858</b>

### Appendix 2: Overall GHG Emissions in tCO<sub>2</sub> eq for 2024

	IDBZ House	Milton Park Office	Bulawayo Office	Samukele Lodge	Total
<b>Scope 1 Emissions</b>					
Diesel vehicles	93.802				93.802
Petrol vehicles	3.028	3.028			
Generators	3.224	2.501	0	0	5.725
HFCs	2.338	2,338			
Lubricants	NE	NE	NE	NE	NE
<b>Scope 2 Emissions</b>					
Grid electricity	123.223	34.298	26.177	NE	183.698
<b>Scope 3 Emissions</b>					
Solid waste	3.70	1.32	NE	NE	5.02
Wastewater	0.631	NE	NE	0.056	0.687
<b>Total</b>					<b>294.298</b>

## APPENDICES *(continued)*

### Appendix 3: List of Contracts 2025

Project and Contract title	Project Description.	Contract Value Local Currency (ZiG)	Contract Value (USD/EUR)	Service Provider(s) Name	Service Provider's Nationality
Construction of water reticulation, sewer reticulation, roads, stormwater drainage and bulk water and sewer infrastructure for Glenwood Park Extension, Epworth (Lot 4)	Construction of water reticulation, sewer reticulation, roads, stormwater drainage, reinforced concrete water reservoirs, sewer treatment plant, outfall sewers, and bulk water pipelines (mains and delivery) for Glenwood Park Extension medium density suburb, in Epworth		US\$5,509,133.72	Mak Bokano Contracting (Pvt) Ltd	Zimbabwe
Construction of water reticulation, sewer reticulation, roads, stormwater drainage and bulk water and sewer infrastructure for Glenwood Park Extension, Epworth (Lot 5)	Construction of water reticulation, sewer reticulation, roads, stormwater drainage, reinforced concrete water reservoirs, sewer treatment plant, outfall sewers, and bulk water pipelines (mains and delivery) for Glenwood Park high-density suburb, in Epworth		US\$14,808,329.75	Mak Bokano Contracting (Pvt) Ltd	Zimbabwe
Full ESIA for Glenwood housing project, Epworth	Provision of full environmental and social impact assessment for Glenwood Park extension (Lot 4) and Glenwood Park (Lot 5)		US\$8,740.00	Susti Global (Pvt) Ltd	Zimbabwe
Capacity Building in Sustainable Finance	Capacity Building to IDBZ in Sustainable Finance		EUR 83,076.38	Clima Capital Partners LLC	United States of America
Surveying, Planning and Relocation Survey for Subdivision B of Van Rooyen's Rest, Plumtree	Surveying, Planning and Relocation Survey for Subdivision B of Van Rooyen's Rest, Plumtree		US\$14,922.00	T. N. Fusire Land Surveyors	Zimbabwe
Government Gazette, Annual Subscription 2025	2025 6month Annual Subscription for Government Gazette (July-Dec 2025)	1,185.61	-	Printflow Private Limited	Zimbabwe
Supply and Installation of Boardroom Conferencing Equipment	Supply and Installation of Boardroom Conferencing Equipment	480,215.13	-	Touchbase Technologies	Zimbabwe
Provision of Consultancy Services for the Recruitment of the IDBZ Chief Executive Officer	Provision of Consultancy Services for the Recruitment of the IDBZ Chief Executive Officer		US\$15,289.00	Proserve Consulting Group	Zimbabwe
IFRS 9 System Recalibration and Upgrade.	IFRS 9 System Recalibration and Upgrade.	-	US\$17,000.00	Modworld Consulting (Private) Limited	Zimbabwe
Optima Legal Subscription 2025	Optima Legal Subscription 1 December 2025 to 28 February 2026	4,997.90	-	OPTIMA LEGAL (PRIVATE) LIMITED	Zimbabwe
IFRS 9 System - Model Validation	IFRS 9 System - Model Validation	-	US\$17,250.00	Ernst & Young Advisory Services (Private) Limited	Zimbabwe
Supply and Installation of New Elevator at IDBZ House	SUPPLY AND INSTALLATION OF ONE NEW ELEVATOR AT IDBZ HOUSE		US\$49,900.80	RYTE LIFTS PRIVATE LIMITED	Zimbabwe
Consultancy services for valuation of financial assets	Consultancy services for valuation of financial assets	-	US\$5,000.00	Genesis Global Finance (Private) Limited	Zimbabwe

## APPENDICES *(continued)*

### Appendix 4: Asset Disposals 2025

Description of Disposed Items	Reasons for xDisposal	Method of Disposal Used	Quantity	Actual Disposal Value per unit (USD)	Total Value Realised (USD)
HP Probook 450	Obsolete	Public Auction	16	50	800.00
RICO AFICIO 3025	Obsolete	Public Auction	1	100	100.00
HP COLOUR LASERJET 2025	Obsolete	Public Auction	1	20	20.00
HP COLOUR LASERJET M277N	Obsolete	Public Auction	3	20	60.00
HP CPU	Obsolete	Public Auction	3	40	120.00
HP CPU	Obsolete	Public Auction	1	30	30.00
HP MONITOR	Obsolete	Public Auction	3	10	30.00
LG MONITOR	Obsolete	Public Auction	1	10	10.00
BAYSTACK 151 SWITCH	Obsolete	Public Auction	1	20	20.00
APC UPS	Obsolete	Public Auction	1	100	100.00
PABX LG ERICKSON ARIA IP-MG (expansion)	Obsolete	Public Auction	2	20	40.00
DESK PHONE - IPECS	Obsolete	Public Auction	3	10	30.00
DESK PHONE - OPTICON	Obsolete	Public Auction	1	4	4.00
DESK PHONE - ALCATEL	Obsolete	Public Auction	1	3	3.00
Old Vehicle tyres	Obsolete	Public Auction	8	20	160.00
Old Vehicle batteries	Obsolete	Public Auction	4	20	80.00
Isuzu Double DTeq Cab Truck ACC 9836	Other	Public Auction	1	5880	5,880.00
Nissan NP300 Double Cab Truck AEF 2218	Other	Public Auction	1	12000	12,000.00
Nissan NP300 Single Cab Truck AES 4609	Other	Public Auction	1	10545.75	10,545.75
<b>Total</b>					<b>30,032.75</b>





**IDBZ House**  
99 Gamal Abdel Nasser Road (formerly  
Rotten Row)  
Harare  
Zimbabwe

Website: [www.idbz.co.zw](http://www.idbz.co.zw)