UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026

Infrastructure and Development Bank of Zimbabwe

Transformation and Retooling Towards a DFI of Scale

CHAIRMAN'S STATEMENT

Kupukile Mlambo (Dr)
Chairman of the Board

Background

Zimbabwe's economy is projected to grow by 5% in 2026, following estimated growth of 8.3% in 2025. The macroeconomic environment during the first half of 2026 remained broadly supportive, underpinned by agriculture, mining, manufacturing and energy. Growth prospects were reinforced by relative exchange-rate stability and easing inflationary pressures, with inflation averaging about 4.4% during the first half of 2026 and annual ZiG inflation remaining contained at 4.7% in June 2026. The official exchange rate also remained stable, with the USD/ZWG interbank rate average recorded at about 26.77 as at 30 June 2026.

These developments helped improve business confidence and supported a more predictable operating environment. However, downside risks remain, tight liquidity, higher oil prices, weather-related shocks, infrastructure bottlenecks, elevated debt levels, power shortages and global market volatility, which could weigh on the pace of economic activity. This, notwithstanding, the environment offers great opportunities for the Bank to pursue its mandate.

Contribution to Vision 2030 and National Development Priorities

The Bank's interventions during the period remained firmly guided by the National Development Strategy 2 (NDS2) principles of equitable development, inclusivity, and broad-based economic empowerment. The Bank continued to support national development priorities through infrastructure financing, project preparation, project advisory services and inclusive programming. During the period, the Bank maintained its contribution to the housing sector, while advancing several projects under consideration across the energy, mining and manufacturing sectors.

Through its Productive Sector window, credit extended by the Bank is expected to support foreign currency generation, improve incomes for more than 14,600 smallholder farmers, and strengthen rural agro industrialisation. The facility also supported women and youth through financing to smallholder farmers, contributing to climate resilience and sustainable livelihoods.

The Bulawayo Student Accommodation Facility achieved 100% occupancy, providing secure and affordable accommodation to 1,032 students. In addition, the Bank continued to support tourism-sector projects that contribute to water catchment protection and carbon sequestration, thereby creating opportunities for carbon credits and conservation grants.

Institutional Reforms and Governance

The Board remains committed to upholding sound corporate governance, integrity and sustainability across the institution. In line with the Government's zero-tolerance approach to corruption, the Bank reinforced measures to strengthen accountability and eradicate corruption within the institution. All Board Members and Staff renewed their integrity pledges during the first half year of 2026.

Building on this governance foundation, the Bank continued to advance its sustainability journey under the Sustainability Standards and Certification Initiative, achieving an overall completion rate of 73% at half year. The Bank has also undertaken to account for emissions across its operations and progressively reduce them over time, with the long-term objective of reaching net zero.

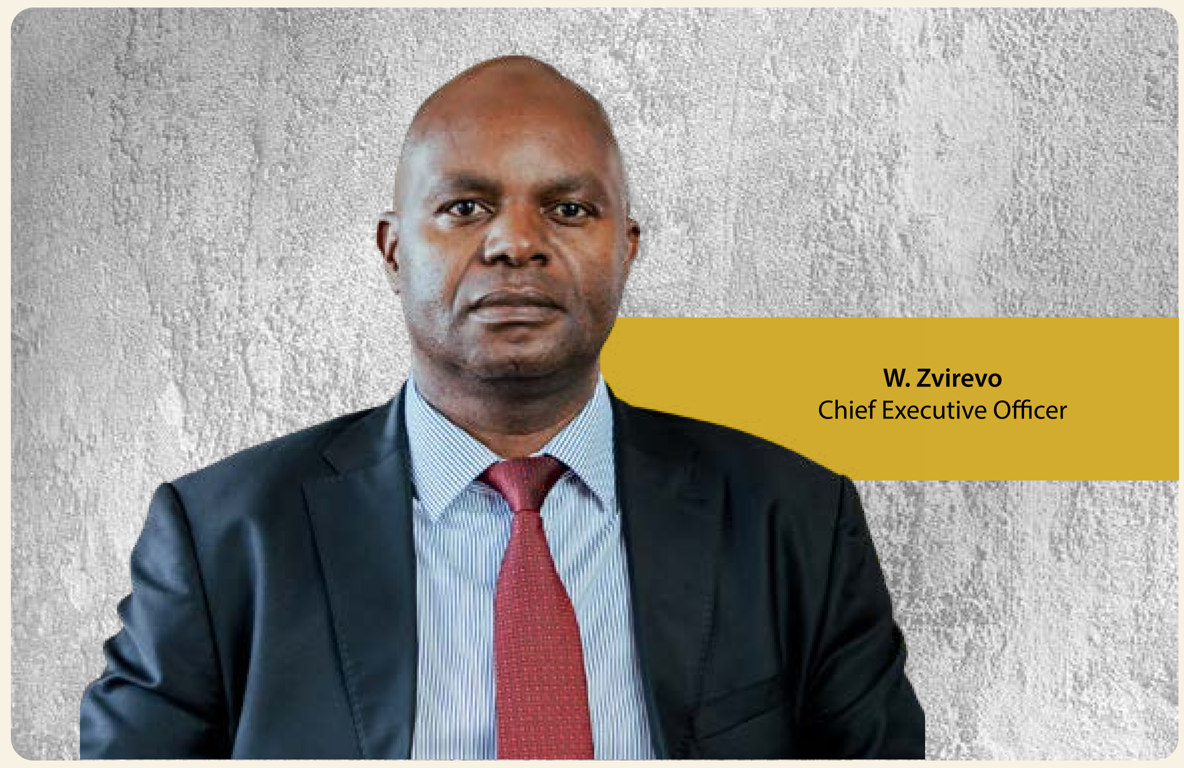
The Board will continue to support management in embedding sustainability, inclusivity and operational excellence across the institution.

Appreciation

On behalf of the Board, I wish to convey our profound appreciation to the Office of the President and Cabinet, the Ministry of Finance, Economic Development and Investment Promotion, the Reserve Bank of Zimbabwe, and all our stakeholders for their continued guidance, support, and confidence in the Bank. I further acknowledge the invaluable contributions of my fellow Board members, Management, and Staff, whose dedication, resilience, and commitment have enabled the Bank to navigate this transformative period while remaining focused on its developmental mandate and strategic objectives. Their unwavering efforts are instrumental in positioning the Bank for sustainable growth and enhanced developmental impact.

Dr. Kupukile Mlambo
Board Chairman
19 August 2026

CHIEF EXECUTIVE OFFICER'S STATEMENT



W. Zvirevo
Chief Executive Officer

In line with its 2026 Annual Strategic Plan, the Bank remained focused on strengthening its development financing role, improving operational efficiency, accelerating project preparation and building the foundation for financial sustainability. During the first half of the year, the Bank continued to consolidate its governance framework, while registering notable progress in project preparation, advisory services, ICT modernisation and staff development.

Bank Operations

During the period under review, the Bank approved financing amounting to US$17.7 million. Productive sector approvals amounted to US$7.75 million, supporting clients in tourism, agriculture, mining and infrastructure value chains. Infrastructure project approvals amounted to US$9.9 million, mainly in the housing sector.

The Bank disbursed US$2.4 million towards productive sector and infrastructure projects during the half year. The 5MW Gutu Solar Project and Spitzkop Housing Project (Gwanda) progressed into construction phase, whilst investor engagements continued on the Catholic University of Zimbabwe Students Accommodation Project. Disbursements are expected to pick up significantly in the second half of the year.

The Bank mobilised US$7.9 million in resources during the period and is targeting to scale up its fundraising initiatives as more projects reach bankability. Looking ahead, priority will be given to building a more diverse pipeline of investment-ready projects to anchor the Bank's resource mobilisation efforts.

The Bank continued to contribute to national development priorities by providing advisory services across its target sectors. During the first half of 2026, significant work was undertaken through the provision of technical advisory and independent engineering services for strategic infrastructure projects, particularly in the energy sector, including hydropower projects, as well as in the water and sanitation sector through dam, water supply, and irrigation infrastructure initiatives. These interventions underscore the Bank's commitment to supporting sustainable economic growth and enhancing the country's productive capacity.

Financial Performance

The Bank registered a loss of ZWG 151.0 million for the half-year to June 2026, an improvement from the ZWG195 million loss recorded in the comparative period in the previous year. This outcome was primarily driven by subdued revenue generation as projects under implementation are not yet paying back, compounded by impairment provisions and elevated funding costs which have significantly compressed interest margins. To mitigate these challenges, the Bank will accelerate initiatives to broaden its revenue sources, as well as enforcing stringent cost containment measures aimed at enhancing operational efficiency and improving profitability.

Shareholder support received during the period under review helped to strengthen the Bank's balance sheet, with total assets growing by 101% compared to the corresponding prior period. The Bank will leverage this enhanced capital position to raise more resources for projects and to support its productive sector lending window, thus allowing it to gradually strengthen revenue generation.

Institutional Capacity and Transformation

Significant progress was made in strengthening internal systems and institutional capacity. The Bank continued to modernise its core banking system, enhance operational efficiency and improve service delivery, including through progress towards internet banking solutions. These initiatives are expected to strengthen data management, support improved decision-making and enhance the overall customer experience.

Outlook

In the second half of 2026, management will focus on improving revenue generation, accelerating works on projects under implementation, converting bankable projects into disbursements, lowering the cost of funding through diversification of the deposit book, and strengthening asset-liability management. Priority will also be given to scaling up project preparation, onboarding high-quality projects, growing the loan book through viable short-cycle transactions and sustaining cost containment measures.

Appreciation

I wish to express my sincere appreciation to the Government of Zimbabwe, the Office of the President and Cabinet, the Ministry of Finance, Economic Development and Investment Promotion, the Reserve Bank of Zimbabwe, the Board of Directors, our stakeholders, customers and Development Partners for their continued guidance, support and confidence in the Bank. I also extend my gratitude to Management and Staff for their dedication, professionalism and unwavering commitment to the Bank's mandate as we continue to transform IDBZ into a stronger, more responsive and sustainable development finance institution.

W. Zvirevo
Chief Executive Officer
19 August 2026

Infrastructure and Development Bank of Zimbabwe

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026

Transformation and Retooling Towards a DFI of Scale

CORPORATE GOVERNANCE

MEMBERSHIP

Kupukile Mlambo (Dr.) - Non-Executive Board Chair
Naomi N. Wekwete (Dr.) - Independent Non-Executive Deputy Chair
Andries Rukobo (Dr.) - Independent Non-Executive Director
Arina Manyanya (Mrs.) - Non-Executive Director
Barbara Mbuyisa (Dr.) - Independent Non-Executive Director
Ntombizodwa Takawira - Independent Non-Executive Director
Masimba Makunike - Independent Non-Executive Director
Patson Gasura - Independent Non-Executive Director
Never Nyemudzo - Non-Executive Director
Willing Zvirevo (Mr.) - CEO/Ex-Officio

Duties and Responsibilities of the Board

The duties and responsibilities of the Board are outlined in section 4A of the IDBZ Act [Chapter 24:14], as read together with sections 61-76 of the National Code on Corporate Governance:
(a) formulating policies to ensure the efficient achievement of the Bank's objectives;
(b) supervising all the activities engaged in by the Bank;
(c) ensuring that the Bank has adequate control systems to monitor and manage risk;
(d) ensuring efficient and economic use of the Bank's resources; and
(e) formulating and enforcing rules of corporate governance and ethical practice for observance by the Bank's directors and staff.

The table below shows the Board composition as at 30 June 2026:

Director	Designation	Date Appointed/renewal of Term
Kupukile Mlambo (Dr.)	Independent Non-Executive Board Chair	1 April 2023
Naomi N. Wekwete (Dr.)	Independent Non-Executive Deputy Chair	1 Jan 2024
Andries Rukobo (Dr.)	Independent Non-Executive Director	1 Jan 2024
Arina Manyanya (Mrs.)	Non-Executive Director	1 Feb 2024
Barbara Mbuyisa (Dr.)	Independent Non-Executive Director	1 Nov 2024
Ntombizodwa Takawira (Mrs.)	Independent Non-Executive Director	2 March 2026
Masimba Makunike (Mr.)	Independent Non-Executive Director	2 March 2026
Patson Gasura (Mr.)	Independent Non-Executive Director	9 March 2026
Never Nyemudzo (Mr.)	Non-Executive Director	1 May 2026
Willing Zvirevo (Mr.)	CEO/Ex-Officio	1 June 2026

Board and Board Committee Attendance Record for 2026

	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	2	2	2	2	2	2
Dr. K. Mlambo	2	N/A	2	2	N/A	1
Dr.NN. Wekwete	2	N/A	2	N/A	2	1
Dr. A. Rukobo	2	1	N/A	1	2	1
Mrs. A Manyanya	2	2	2	N/A	1	1
Dr. B. Mbuyisa	2	2	N/A	2	N/A	1
Mrs. N. Takawira*	1	N/A	N/A	1	1	0
Mr. M. Makunike*	1	1	N/A	1	N/A	2
Mr. P. Gasura*	1	1	N/A	N/A	1	2
Mr. N. Nyemudzo*	1	N/A	1	N/A	N/A	1
Mr. W. Zvirevo	2	2	2	2	2	2

*The new Board Members were appointed after the Q1 2026 Board and Board Committee meetings had already been convened. Consequently, the composition of the Board Committees was reconstituted in Q2 2026 to accommodate the newly appointed Board Members.

BOARD COMMITTEES

For the effective discharge of its functions and to enhance oversight on the various areas of the Group's operations, the Board constituted and appointed five Committees which operate under clearly defined areas of responsibility and Terms of Reference. The purpose of the Committees is to enable the Board to fulfil its responsibility.

Audit Committee

The Committee ensures that the following processes are in place and are adhered to: internal controls, internal audit, external audit, and financial governance.

Finance and Risk Management Committee

The Committee provides oversight of risk management including financial and operational risk.

Human Resources and ICT Committee

The Committee is to ensure that the Bank has adequate policies in place and is adhering to the following, namely: Human Resources Policy, Human Capital Strategy, and ICT Governance and Strategies.

Corporate Governance, Compliance, Ethics and Sustainability Committee

The Committee's responsibility is to ensure that the Bank has adequate policies in place and is adhering to the following: corporate governance principles, policies, standards and practices, and compliance requirements. The Committee also monitors the Bank's overall compliance with environmental, social and gender policies and strategies and the adequacy of measures taken to ensure responsible and high impact investments.

Investments Committee (Sitting as a Committee of the Whole)

The purpose of the Board Investments Committee is to consider proposals for new equity and/or quasi-equity investments by the Bank that falls outside of Management approval thresholds and oversees the implementation of such investment projects.

Board Remuneration

The IDBZ Board Remuneration Framework is determined in accordance with directives issued by the Corporate Governance Unit for all Public Entities. The Bank's Remuneration Framework is based on the board remuneration guidelines for State Enterprises developed by the Office of President and Cabinet. For the period under review, the non-executive Board Members received a total of ZiG815,864.58 and US$21,029.05 in remuneration based on a retainer and sitting allowances.

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 and efficiency.

Directors' Responsibility Statement

The Directors are responsible for the preparation and fair presentation of the Bank's financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Infrastructure and Development Bank of Zimbabwe Act [Chapter 24:14] and other applicable laws and regulations. This responsibility includes selecting and consistently applying appropriate accounting policies, making reasonable and prudent judgements and estimates, and preparing the financial statements on a going concern basis.

The Directors are also responsible for maintaining adequate accounting records and effective systems of internal control designed to safeguard the Bank's assets and to provide reasonable assurance regarding the reliability of financial reporting and the prevention and detection of fraud and other irregularities.

The Group's Internal Audit function operates independently and reports directly to the Audit Committee, providing assurance on the effectiveness of internal controls, risk management and governance processes.

The Directors confirm that the financial statements present fairly, 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 were prepared on a going concern basis. The financial statements were approved by the Board of Directors on 19 August 2026 and are signed on its behalf by the Chairman and the Chief Executive Officer.

External Credit Rating- Prudential Standards, Guidelines and Rating System (PSGRS)

The Bank was rated under the Prudential Standards, Guidelines and Rating System (PSGRS). The Framework falls under the purview of Association of African Development Finance Institutions (AADFI) and requires independent validation of the rating by an external audit firm. The Bank's PSGRS for the financial year ended 31 December 2025 was validated by the Bank's External auditors, BDO Zimbabwe. An overall rating grade of "B+" was assigned with a score of 86%. The rating scale evaluates three critical areas namely: Governance, Financial and Operational Standards. The risk assessment ratings are summarised in the Table.

Table: PSGRS ratings

PSGRS Standard	Weighted Contribution per Standard	Rating Year: 2025	Rating Year: 2024	Rating Year: 2023
Governance	40%	38%	38%	37 %
Financial	40%	31%	32%	25%
Operational	20%	17%	18%	27%
Overall Score		**86%**	**88%**	**89%**
PSGRS Rating		B+	B+	B+

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 20265

	Note	30 June 2026 ZiG	31 Dec 2025 ZiG
ASSETS			
Cash and bank balances	5	227 684 818	134 872 875
Inventories	11	3 109 448	12 378 730
Other receivables and prepayments	10	33 136 828	26 280 456
Loans and advances to customers	9	362 875 889	293 283 098
Investment securities	6	5 886 848	4 553 503
Financial assets at fair value through other comprehensive income	7	41 081 124	39 870 166
Treasury bills and other financial assets	8	793 792 536	21 544 871
Assets pledged as collateral	8.1	778 121 739	359 546 301
Investment in associates	12.3	8 650 503	8 667 004
Investment property	13	207 347 949	206 951 656
Non-current assets held for sale	14	59 721 235	80 231 043
Intangible assets	16	8 429 308	347 898
Property and equipment	15	115 912 056	125 429 828
Right of use assets	17	1 294 570	1 089 498
Total assets		**2 647 044 851**	**1 315 046 927**
EQUITY AND LIABILITIES			
LIABILITIES			
Deposits from customers	24	795 928 328	526 456 174
Local lines of credit and bonds	25	190 354 038	187 156 144
Other liabilities	26	154 483 694	160 723 911
Deferred taxation	18.1	2 141 925	6 765 308
Lease liability - buildings	27	1 370 467	1 135 887
Total liabilities		**1 144 278 452**	**882 237 424**
EQUITY			
Share capital	19	331 869	331 869
Share premium	19	784 500 791	779 744 296
Foreign currency translation reserve	20	16 697 466	27 084 390
Amounts awaiting allotment	19	1 226 168 682	-
Preference share capital	23	74 049 071	74 049 071
Fair value reserve	22	41 609 964	40 399 006
Revaluation reserve	21	132 384 615	132 384 615
Accumulated Loss		(752 944 913)	(602 711 579)
Equity attributable to parent owners of the Group		**1 522 797 545**	**451 281 668**
Non-controlling interest in equity		**(20 031 146)**	**(18 472 165)**
Total shareholders' equity		**1 502 766 399**	**432 809 503**
Total equity and liabilities		**2 647 044 851**	**1 315 046 927**

The financial statements were approved by the Board of Directors and signed on their behalf by:

Dr. Kupukile Mlambo
Board Chairman

19 August 2026

W. Zvirevo
Chief Executive Officer

19 August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2026

	Note	30 June 2026 ZiG	30 June 2025 ZiG
Interest and related income	28.1	67 639 445	45 909 417
Interest and related expenses	28.2	(63 413 524)	(22 412 941)
Net interest income		**4 225 921**	**23 496 476**
Property sales	29	13 780 827	14 782 535
Cost of sales	29	(10 037 566)	(544 547)
Net profit on property sales		**3 743 261**	**14 237 988**
Fee and commission income	30	2 203 135	16 855 425
Dividend income		1 431	496
Net revenue		**10 173 748**	**54 590 385**
Other income	32	2 040 933	2 445 114
Net loan impairment (charge)		(22 377 367)	(8 876 976)
Rent debtors impairment recovery		173 428	622 975
Debtors impairment (charge)		(95 242)	(817 302)
Treasury bills impairment (charge)		(44 713 972)	(890 970)
Fair value gain on investment property	13; 33	6 112 047	9 901 657
Net gain / (loss) on financial assets at fair value through profit or loss	6 ; 31	1 333 837	(2 568 659)
Unrealised exchange gain / (loss)	34	65 697 911	(53 552 277)
Operating expenses	35	(182 298 049)	(195 576 512)
Interest expense on lease liability	27	(69 515)	(55 594)
(Loss) / profit on disposal of investment property		(1 310 398)	1 203 143
Profit on disposal of non-current assets held for sale		15 776 108	-
Loss on disposal of movable assets		(169 362)	
Share of loss of associate	12.3	(1 065 934)	(1 054 951)
(Loss) for the period before taxation		**(150 791 827)**	**(194 629 967)**
Income tax credit/ (expense)	36	(256 413)	20 533 992
(Loss) for the period		**(151 048 240)**	**(174 095 975)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Net fair value gain on financial assets at fair value through other comprehensive income	7	1 210 958	2 286 755
Other comprehensive income for the period net of tax		**1 210 958**	**2 286 755**
Total comprehensive loss for the period		**(149 837 282)**	**(171 809 220)**
(Loss)/profit for the year attributable to:			
Equity holders of the parent entity		(150 043 223)	(186 755 391)
Non-controlling interest		(1 005 017)	12 659 416
		(151 048 240)	**(174 095 975)**
Total comprehensive (loss)/profit attributable to:			
Equity holders of the parent entity		(148 832 265)	(184 484 147)
Non-controlling interest		(1 005 017)	12 674 927
		(149 837 282)	**(171 809 220)**
Profit/(loss) per share attributable to the equity holders of the Bank during the year (expressed in ZiG cents per share)			
Basic earnings per share			
From (loss) for the year attributable to equity holders (ZiG cents)	37	(320)	(621)

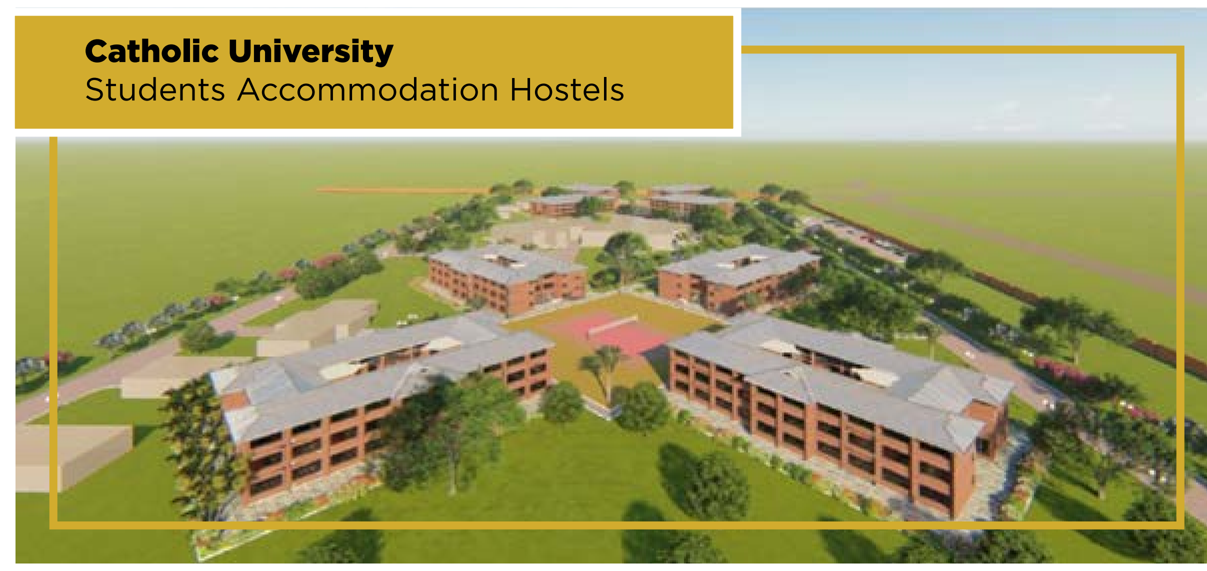
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026

Infrastructure and Development Bank of Zimbabwe

Transformation and Retooling Towards a DFI of Scale

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2026

	Note	30 June 2026 ZiG	30 June 2025 ZiG
Cash flows from operating activities			
(Loss) for the period		(150 791 827)	(194 629 967)
Adjustments for:			
Depreciation	35	10 161 078	8 718 897
Amortisation	16	532 879	173 949
Finance cost	27	69 515	55 594
Loss / (profit) on disposal of investment property		1 310 398	(1 203 143)
Loss on disposal of motor vehicles		169 362	-
(Profit) on disposal of non current assets held for sale		(15 776 108)	-
Loan impairment charge		22 377 367	8 876 976
Rent debtors impairment (recovery)		(173 428)	(622 975)
Debtors impairment charge		95 242	817 302
Treasury bills impairment charge		44 713 972	890 970
Provisions and accruals		(3 457 615)	6 909 931
Unrealised exchange (gain) / loss		(65 697 911)	53 552 277
Net (gain) / loss on financial assets at fair value through profit or loss	6	(1 333 837)	2 568 659
Fair value gain on investment property	13	(6 112 047)	(9 901 657)
Share of loss of associate		1 065 934	1 054 951
Non cash interest income		(44 675 340)	-
		(207 522 366)	**(122 738 236)**
Changes in :			
Loans and advances to customers		(95 014 242)	33 887 097
Other receivables and prepayments		(6 856 373)	3 218 286
Inventories		9 269 282	(1 158 853)
Deposits from customers		269 472 154	129 120 131
Other liabilities		(6 240 217)	40 201 734
Net cash utilised in operating activities		**(36 891 762)**	**82 530 159**
Cash flow from investing activities			
Acquisition of property and equipment	15	(475 631)	(3 820 523)
Acquisition of intangible assets	16	(6 516 786)	-
Proceeds from sale of investment property		10 051 107	5 205 838
Proceeds from sale of non-current assets held for sale		26 591 788	
Proceeds from sale of property, plant and equipment		-	158 007
Improvements to investment property	13	-	(411 407)
Investment in associates	12.3	(1 049 434)	-
Dividend received		1 431	496
Net cash utilised in investing activities		**28 602 475**	**1 132 411**
Cash flow from financing activities			
Payment of dividends		(553 964)	(9 832 978)
Proceeds from issue of bonds		72 219 861	26 030 004
(Decrease)/increase in local lines of credit		2 075 868	(101 864 486)
Repayment of bonds		(71 097 835)	(80 170 037)
Capital received		98 457 300	58 271 353
Net cash generated from financing activities		**101 101 230**	**(107 566 144)**
Net increase in cash and cash equivalents		**92 811 943**	**(23 903 574)**
Cash and cash equivalents at the beginning of the year		**134 872 875**	**122 718 371**
Cash and cash equivalents at the end of the period	5	**227 684 818**	**98 814 797**



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2026

	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
Balance at 1 January 2025	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	-	-	-	-	-	-	-	(186 755 391)	(186 755 391)	12 659 416	(174 095 975)
Net fair value gain on financial assets at fair value	-	-	-	-	-	2 286 755	-	-	2 286 755		2 286 755
Revaluation of property and equipment							(6 867 829)		(6 867 829)		(6 867 829)
Issue of share capital			101 810 141	-	-	-	-	-	101 810 141		101 810 141
Discounting of Treasury Bills			(5 135 616)						(5 135 616)		(5 135 616)
Translation from ZWL to ZiG currency				(16 872)					(16 872)		(16 872)
Dividend paid	-	-	-	-	-	-	-	-	-	(9 832 978)	(9 832 978)
Revaluation realised on disposal of motor vehicle							(679 805)	679 805	-		-
Balance as at 30 June 2025	**164 159**	**389 362 924**	**346 634 369**	**(15 861 087)**	**74 049 071**	**55 625 597**	**120 169 526**	**(267 256 301)**	**702 888 258**	**(7 599 703)**	**695 288 555**
Balance at 1 January 2026	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
Loss for the period	-	-	-	-	-	-	-	(150 043 223)	(150 043 223)	(1 005 017)	(151 048 240)
Net fair value gain on financial assets at fair value	-	-	-		-	1 210 958	-	-	1 210 958		1 210 958
Tranfer to subsidiary	-	-	-	-	-		-	(190 111)	(190 111)	-	(190 111)
Issue of share capital	-	-	1 377 467 300	-	-	-	-	-	1 377 467 300	-	1 377 467 300
Discounting of Treasury Bills		4 756 495	(151 298 618)						(146 542 123)		(146 542 123)
Translation from ZWL to ZiG currency				(10 386 924)			-		(10 386 924)		(10 386 924)
Dividend paid									-	(553 964)	(553 964)
Balance as at 30 June 2026	**331 869**	**784 500 791**	**1 226 168 682**	**16 697 466**	**74 049 071**	**41 609 964**	**132 384 615**	**(752 944 913)**	**1 522 797 545**	**(20 031 146)**	**1 502 766 399**

SIGNIFICANT ACCOUNTING POLICIES
FOR THE HALF YEAR ENDED 30 JUNE 2026

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 22 August 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 30 June 2026 have been compiled adopting the principles fromInternational Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB) and interpretations (collectively IFRS Accounting Standards), except for non compliance with IAS 29 - Financial Reporting in Hyperinflationary Economies and as required by the Infrastructure and 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.

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 effective 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.
These amendments had no effect on the consolidated financial statements of the Group.

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)

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.

2.2 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 its 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.

2.3 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 on or more of the three elements of control listed above.

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.

(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 equit 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.

Proportionate consolidation involves combining the Group's share of the joint operation' income 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.

2.4 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
FOR THE HALF YEAR ENDED 30 JUNE 2026

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.

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.

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 reclassfied to profit and 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 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.

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.

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.

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
FOR THE HALF YEAR ENDED 30 JUNE 2026

2.9.4. The mechanics of the ECL method are summarised below :
- Stage 1: The 12 months 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.
- 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.

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)

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.

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 valuators 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.

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.

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 restated proportionately with the change in gross carrying amount so that the carrying amount after revaluation equals its revalued amount. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
FOR THE HALF YEAR ENDED 30 JUNE 2026

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.

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.

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 assets 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.

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 signs 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.

(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.

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 valuators 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 valuations have been undetaken 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.

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
FOR THE HALF YEAR ENDED 30 JUNE 2026

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

Credit risk exposure relating to on-balance sheet assets are as follows:	Maximum Exposure 30 June 2026 ZiG	Maximum Exposure 31 Dec 2025 ZiG
Cash and bank balances	227 684 818	134 872 875
Treasury bills and other financial assets	793 792 536	21 544 871
Gross loans and advances to customers	425 001 826	329 987 584
Assets pledged as collateral	778 121 739	359 546 301
Other receivables and prepayments	33 136 828	26 280 456
	2 257 737 747	**872 232 087**
Credit risk exposure relating to off-balance sheet assets are as follows:		
Loan commitments and guarantees	-	-
Maximum exposure to credit risk	**2 257 737 747**	**872 232 087**

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.

Loans and advances (including assets pledged as collateral) are summarised as follows:	30 June 2026 ZiG	31 Dec 2025 ZiG
Stage 1	184 737 535	242 338 473
Stage 2	31 670 530	23 205 696
Stage 3	208 593 761	64 443 415
Gross	**425 001 826**	**329 987 584**
Less: allowance for impairment	(62 125 937)	(36 704 486)
Net	**362 875 889**	**293 283 098**

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.

Historical Cost

As at 30 June 2026	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
Assets						
Cash and bank balances	227 684 818	-	-	-	-	227 684 818
Investment securities	5 886 848	-	-	-	-	5 886 848
Financial assets at fair value through other comprehensive income	-	-	-	-	41 081 124	41 081 124
Treasury bills and other financial assets	-		-	-	793 792 536	793 792 536
Trading assets pledged as collateral	-	-		-	778 121 739	778 121 739
Non-current Assets Held for Sale	-	-	-	59 721 235		59 721 235
Loans and advances to customers	261 209 818	12 677 445	-	35 377 573	53 611 053	362 875 889
Total	**494 781 484**	**12 677 445**	**-**	**95 098 808**	**1 666 606 452**	**2 269 164 189**
Liabilities						
Deposits from customers	637 687 117	158 241 211	-	-	-	795 928 328
Bonds	11 351 251	25 253 397	6 475 347	11 351 251	25 253 397	79 684 643
Local lines of credit	110 669 395					110 669 395
Other liabilities	-	-	-	154 483 694		154 483 694
Lease Liability	-	-	-	-	1 370 467	1 370 467
Total	**759 707 763**	**183 494 608**	**6 475 347**	**165 834 945**	**26 623 864**	**1 142 136 527**
Gap	(264 926 279)	(170 817 163)	(6 475 347)	(70 736 137)	1 639 982 588	1 127 027 662
Contingent liabilities:						
Loan commitments and guarantees	-	-	-	-	-	-
Total gap	**(264 926 279)**	**(170 817 163)**	**(6 475 347)**	**(70 736 137)**	**1 639 982 588**	**1 127 027 662**
Total cumulative gap	**(264 926 279)**	**(435 743 442)**	**(442 218 789)**	**(512 954 926)**	**1 127 027 662**	**-**

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
Assets						
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
Trading 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
Total	**526 757 537**	**92 881 678**	**10 912 050**	**185 186 761**	**118 163 831**	**933 901 857**
Liabilities						
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
Total	**607 243 336**	**28 229 173**	**52 906 524**	**185 957 196**	**1 135 887**	**875 472 116**
Gap	(80 485 799)	64 652 505	(41 994 474)	(770 435)	117 027 944	58 429 741
Contingent liabilities:						
Loan commitments and guarantees		-	-	-	-	-
Total gap	**(80 485 799)**	**64 652 505**	**(41 994 474)**	**(770 435)**	**117 027 944**	**58 429 741**
Total cumulative gap	**(80 485 799)**	**(15 833 294)**	**(57 827 768)**	**(58 598 203)**	**58 429 741**	**-**

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

As at 30 June 2026	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
Assets							
Cash and bank balances	227 684 818	-	-	-	-	-	227 684 818
Investment securities	-	-	-	-	-	5 886 848	5 886 848
Loans and advances to customers	261 209 818	12 677 445	-	35 377 573	53 611 053	-	362 875 889
Financial assets at fair value through other comprehensive income	-	-	-	-	-	41 081 124	41 081 124
Treasury bills and other financial assets	-	-	-	-	793 792 536	-	793 792 536
Non-current assets held for sale	-	-	-	59 721 235	-	-	59 721 235
Trading assets pledged as collateral	-	-	-	-	778 121 739	-	778 121 739
Total assets	**488 894 636**	**12 677 445**	**-**	**95 098 808**	**1 625 525 328**	**46 967 972**	**2 269 164 189**
Equity and liabilities							
Deposits from customers	637 687 117	158 241 211	-	-	-	-	795 928 328
Bonds	11 351 251	25 253 397	6 475 347	11 351 251	25 253 397	-	79 684 643
Local lines of credit	110 669 395	-	-	-	-	-	110 669 395
Other liabilities		-	-	-	154 483 694	-	154 483 694
Lease Liability	-	-	-	-	-	1 370 467	1 370 467
Total equity and liabilities	**759 707 763**	**183 494 608**	**6 475 347**	**11 351 251**	**179 737 091**	**1 370 467**	**1 142 136 527**
Total interest repricing gap	**(270 813 127)**	**(170 817 163)**	**(6 475 347)**	**83 747 557**	**1 445 788 237**	**45 597 505**	**1 127 027 662**
Total cumulative gap	**(270 813 127)**	**(441 630 290)**	**(448 105 637)**	**(364 358 080)**	**1 081 430 157**	**1 127 027 662**	**-**

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
Assets							
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
Trading assets pledged as collateral	323 216 137	25 418 114	10 912 050	-	-	-	359 546 301
Total assets	**522 204 034**	**92 881 678**	**10 912 050**	**185 186 761**	**78 293 665**	**44 423 669**	**933 901 857**
Equity and liabilities							
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
Total equity and liabilities	**607 243 336**	**28 229 173**	**52 906 524**	**25 233 285**	**1 135 887**	**160 723 911**	**875 472 116**
Total interest repricing gap	**(85 039 302)**	**64 652 505**	**(41 994 474)**	**159 953 476**	**77 157 778**	**(116 300 242)**	**58 429 741**
Total cumulative gap	**(85 039 302)**	**(20 386 797)**	**(62 381 271)**	**97 572 205**	**174 729 983**	**58 429 741**	**-**

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).

Interest rate change	Effect on profit for the period ended 2026 ZiG	Effect on profit for the period ended 2025 ZiG
5% increase / (decrease)	3 381 972	4 199 814
10% increase / (decrease)	6 763 945	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 30 June.

Concentration of currency risk on off-balance sheet financial instruments as at 30 June was as follows:

As at 30 June 2026	ZiG	USD ZiG equivalent	ZAR ZiG equivalent	BWP ZiG equivalent	GBP ZiG equivalent	EURO ZiG equivalent	Total ZiG
	Assets						
Cash and bank balances	127 577 597	99 959 385	45 833	1 636	63 191	37 176	227 684 818
Investment securities	5 886 848						5 886 848
Loans and advances to customers	44 755 439	318 120 450					362 875 889
Treasury bills and other financial assets	793 792 536						793 792 536
Assets pledged as collateral	778 121 739	-					778 121 739
Financial assets at fair value through other comprehensive income	41 081 124						- 41 081 124
Other receivables and prepayments	8 440 543	24 603 405	92 880				33 136 828
	1 799 655 826	**442 683 240**	**138 713**	**1 636**	**63 191**	**37 176**	**2 242 579 782**
Equity and liabilities							
Deposits from customers	381 000 185	414 926 880	1 263			-	795 928 328
Bonds	-	79 684 643					79 684 643
Local lines of credit	110 669 395						110 669 395
Lease Liability	1 370 467						1 370 467
Other liabilities	154 483 694						154 483 694
	647 523 741	**494 611 523**	**1 263**	**-**	**-**	**-**	**1 142 136 527**
Net foreign exchange position	**1 152 132 085**	**(51 928 283)**	**137 450**	**1 636**	**63 191**	**37 176**	**1 100 443 255**

As at 31 December 2025	ZiG	USD ZiG equivalent	ZAR ZiG equivalent	BWP ZiG equivalent	GBP ZiG equivalent	EURO ZiG equivalent	Total ZiG
Assets							
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
	149 018 046	**730 822 901**	**18 599**	**-**	**60 287**	**31 437**	**879 951 270**
Equity and liabilities							
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
	715 280 075	**157 008 052**	**3 183 989**	**-**	**-**	**-**	**875 472 116**
Net foreign exchange position	**(566 262 030)**	**573 814 849**	**(3 165 390)**	**-**	**60 287**	**31 437**	**4 479 154**

The Group had no off balance sheet foreign currency exposure as at 30 June 2026 (31 December 2025 - ZiGnil).

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
FOR THE HALF YEAR ENDED 30 JUNE 2026

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:

At 30 June 2026	ZiG Level 1	Level 2	ZiG Level 3
Investment securities	5 886 848	-	-
Financial assets at fair value through other comprehensive income	-	-	41 081 124
Total assets	**5 886 848**	**-**	**41 081 124**
Total liabilities	**-**	**-**	**-**

At 31 December 2025			
Investment securities	4 553 503	-	-
Financial assets at fair value through other comprehensive income	-	-	39 870 166
Total assets	**4 553 503**	**-**	**39 870 166**
Total liabilities	**-**	**-**	**-**

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 30 Jun 26 ZiG	Fair value 30 Jun 26 ZiG	Carrying amount 31 Dec 25 ZiG	Fair value 31 Dec 25 ZiG
Financial assets :				
Treasury bills and other financial assets	793 792 536	793 792 536	21 544 871	21 544 871
Loans and advances to customers	362 875 889	362 875 889	293 283 098	293 283 098
Assets pledged as collateral	778 121 739	778 121 739	359 546 301	359 546 301
Financial liabilities:				
Deposits from customers	795 928 328	795 928 328	526 456 174	526 456 174
Bonds and local lines of credit	190 354 038	190 354 038	187 156 144	187 156 144

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.

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

5 CASH AND BANK BALANCES

	30 Jun 26 ZiG	31 Dec 25 ZiG
Cash on hand	10 524 744	8 087 748
Balances with banks	217 160 074	126 785 127
	227 684 818	**134 872 875**
Balances with banks		
Balance with the Central Bank	72 242 785	39 817 746
Bank deposits	106 574 517	86 967 381
Placements with other banks	38 342 772	-
Net placements due	**217 160 074**	**126 785 127**

6 INVESTMENT SECURITIES

	30 Jun 26 ZiG	31 Dec 25 ZiG
At 1 January	4 553 503	5 997 372
Translation from ZWL to ZiG currency	(492)	492
Net gain through profit or loss	1 333 837	(1 444 361)
At 30 June	**5 886 848**	**4 553 503**

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").

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 Jun 26 ZiG	31 Dec 25 ZiG
At 1 January	39 870 166	51 425 073
Additions	-	1 384 929
Net fair value gains on financial assets at fair value through other comprehensive income	1 210 958	(12 939 836)
At 30 June	**41 081 124**	**39 870 166**
Financial assets at fair value through other comprehensive income include the following;		
Unlisted securities:		
Equity securities - Zimbabwe	17 781 983	17 257 820
Equity securities - Botswana	23 299 141	22 612 346
	41 081 124	**39 870 166**

8 TREASURY BILLS AND OTHER FINANCIAL ASSETS

	30 Jun 26 ZiG	31 Dec 25 ZiG
Capitalisation Treasury Bills	795 091 978	(1 379 918)
Accrued Interest	62 160 711	28 247 448
Less Impairment allowances	(63 460 153)	(5 322 659)
	793 792 536	**21 544 871**

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	0%	10%	Capital injection
Ministry of Finance	23/02/2026	US$50,000,000	22/02/2029	5%	10%	Capital injection

It is the Bank's intention to hold these treasury bills to maturity and use these financial assets as collateral in raising money market deposits.

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

	Assets 30 Jun 26 ZiG	31 Dec 25 ZiG	Related Liability 30 Jun 26 ZiG	31 Dec 25 ZiG
Treasury bills	778 121 739	359 546 301	512 624 227	375 165 493
Current	**778 121 739**	**359 546 301**	**512 624 227**	**375 165 493**

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

	30 Jun 26 ZiG	31 Dec 25 ZiG
Individual		
- term loans and mortgages	117 397 840	100 079 858
Corporate		
- corporate customers	307 603 986	229 907 726
Gross loans and advances to customers	425 001 826	329 987 584
Less: allowance for impairment (Note 9.1.2)	(62 125 937)	(36 704 486)
Net loans and advances to customers	**362 875 889**	**293 283 098**
Current	309 264 835	236 534 304
Non-current	53 611 054	56 748 794
	362 875 889	**293 283 098**

9.1 Loan impairment allowance

	30 Jun 26 ZiG	31 Dec 25 ZiG
Stage 1-12 Month expected credit loss allowance charge	14 384 747	20 617 719
Stage 2- Lifetime expected credit loss allowance not credit impaired	6 022 249	3 197 951
Stage 3- Lifetime expected credit loss allowance credit impaired	41 718 941	12 888 816
Net loan impairment loss	**62 125 937**	**36 704 486**

9.1.1 Maturity analysis of loans and advances to customers

	30 Jun 26 ZiG	31 Dec 25 ZiG
Up to one month	261 209 818	64 115 022
Up to three months	12 677 445	67 463 564
Up to one year	35 377 573	104 955 718
Up to 3 years	53 611 053	52 709 717
Up to 5 years	-	2 370 237
Later than 5 years	-	1 668 840
	362 875 889	**293 283 098**

9.1.2 Analysis of ECL in relation to loans and advances as at 30 June 2026

	Stage1	Stage 2	Stage 3	Total
Loans and advances subject to Stage 1:12 month ECL	184 737 535	-	-	184 737 535
Loans and advances subject to Stage 2:Life ECL not credit impaired	-	31 670 530	-	31 670 530
Loans and advances subject to Stage 3:Life ECL credit impaired	-	-	208 593 761	208 593 761
Gross loans and advances	184 737 535	31 670 530	208 593 761	425 001 826
Less impairment allowances				
Stage 1:12 month ECL	(14 384 747)	-	-	(14 384 747)
Stage 2:Life ECL not credit impaired	-	(6 022 249)	-	(6 022 249)
Stage 3:Life ECL credit impaired	-	-	(41 718 941)	(41 718 941)
Net loans and advances to customers	170 352 788	25 648 281	166 874 820	362 875 889

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

	Stage1	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
Less impairment allowances				
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	20 007 745	51 554 599	293 283 098

9.1.3 Sectorial analysis of loans and advances to customers

	Percentage (%)	30 Jun 26 ZiG	Percentage (%)	31 Dec 25 ZiG
Manufacturing	18%	76 031 954	14%	46 576 015
Mining	1%	5 905 617	4%	13 208 504
Retail	0	629 090	-	-
Agro processing	5%	23 036 985	47%	156 171 282
Tourism and hospitality	1%	3 216 633	-	-
Health	0%	-	0%	545 630
Construction	5%	19 205 159	4%	13 406 294
Mortgages	16%	68 591 563	24%	78 279 329
Individuals and other services	54%	228 384 825	8%	21 800 530
Gross value of loans and advances	100%	425 001 826	100%	329 987 584
Less allowance for impairment		(62 125 937)		(36 704 486)
		362 875 889		**293 283 098**

10 OTHER RECEIVABLES AND PREPAYMENTS

	30 Jun 26 ZiG	31 Dec 25 ZiG
Receivables	21 204 859	16 243 640
Less impairment loss	(16 211 530)	(15 732 863)
Net receivables	4 993 329	510 777
Pre-payments	28 143 499	25 769 679
	33 136 828	**26 280 456**

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
FOR THE HALF YEAR ENDED 30 JUNE 2026

11 INVENTORIES	**30 Jun 26 ZiG**	**31 Dec 25 ZiG**
Inventory - housing units	1 777 529	9 363 587
Inventory - serviced stands	301 750	1 704 823
Work in progress	623 789	703 026
Consumables and materials	406 380	607 294
	3 109 448	**12 378 730**

Included in work in progress are land development costs for Waneka. These are qualifying costs for capitalisation in accordance with IAS 2.

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.

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 ownershiinterest and voting power held by the Group** As at 30 June 2026 %	As at 31 Dec 2025 %
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	Hospitality	Zimbabwe	100	100
Changamire Inkosi	Property Investment	Zimbabwe	60	60
Kanyemba Lodges	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**	
	30 Jun 26 %	**31 Dec 25 %**	**30 Jun 26 ZiG**	**31 Dec 25 ZiG**	**30 Jun 26 ZiG**	**31 Dec 25 ZiG**
Waneka Properties (Private) Limited	30	30	27 562	69 274	549 782	522,220
Norton Medical Investments (Private) Limited	40	40	-	2 949	4 223 012	4 223 012
Kariba Housing Development Project	10	10	-	-	-	-
Mazvel Investments (Private) Limited	57	57	(492 677)	13 510 504	(24 984 029)	(24,491,352)
Samukele Lodges	100	100	-	-	-	-
Changamire Inkosi	40	40	10 275	(35 196)	1 294 106	2 170 175
Kanyemba Lodges	37	37	(550 177)	(896 220)	(1 446 397)	(896 220)
Total			**(1 005 017)**	**12 651 311**	**(20 363 526)**	**(18 472 165)**

	30 Jun 26 ZiG	**31 Dec 25 ZiG**
12.3 Carrying amount of the investment in associates		
Balance as at 1 January	8 667 004	9 540 231
Equity contribution for Associate Companies	1 049 433	539 856
Share of loss from associates	(1 065 934)	(1 413 083)
Balance as at 30 June 2026	**8 650 503**	**8 667 004**
13 INVESTMENT PROPERTY		
Balance as at 1 January	206 951 656	235 534 371
Additions during the year		411 407
Repossessions during the year		20 941 009
Disposals for the year	(5 715 754)	(7 068 788)
Transfer from non current assets held for sale		(80 231 043)
Net gain from fair value adjustment	6 112 047	37 364 700
Balance as at 30 June 2026	**207 347 949**	**206 951 656**
Analysis by nature		
Residential properties	124,977,274	127 009 042
Commercial and industrial properties	82 370 675	79 942 614
	207 347 949	**206 951 656**

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 as per our 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 documentantion 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.

	30 Jun 26 ZiG	**30-Jun-25 ZiG**
Rental income	1 644 824	1 701 781

14 NON-CURRENT ASSETS HELD FOR SALE	**Historical Cost** 30 Jun 26 ZiG	31 Dec 25 ZiG
Balance as at 1 January	80 231 043	-
Transfer from investment properties	-	80 231 043
Disposals for the year	(20 509 808)	-
Balance as at 30 June 2026	**59 721 235**	**80 231 043**

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**
COST						
At 01 January 2025	82 905 646	8 892 727	17 491 383	1 436 582	14 311 690	125 038 028
Additions	-	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)
At 31 December 2025	**99 246 274**	**13 530 154**	**9 508 936**	**3 144 464**	**-**	**125 429 828**
At 01 January 2026	**99 246 274**	**13 530 154**	**9 508 936**	**3 144 464**	**-**	**125 429 828**
Additions		356 707	-	118 925		475 632
Disposals	-	(193 556)	-	-		(193 556)
At 30 June 2026	**99 246 274**	**13 693 305**	**9 508 936**	**3 263 389**	**-**	**125 711 904**
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 01 January 2025						-
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)
At 31 December 2025	**-**	**-**	**-**	**-**	**-**	**-**
At 01 January 2026	-	-	-	-	-	-
Charge for the year	1 552 363	4 760 635	2 169 821	1 341 223	-	9 824 042
Eliminated on disposals	-	(24 194)	-	-		(24 194)
At 30 June 2026	**1 552 363**	**4 736 441**	**2 169 821**	**1 341 223**	**-**	**9 799 848**
CARRYING AMOUNT						
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	-	-	-	-	-	-
Carrying amount at 31 December 2025	**99 246 274**	**13 530 154**	**9 508 936**	**3 144 464**	**-**	**125 429 828**
Cost at 30 June 2026	99 246 274	13 693 305	9 508 936	3 263 389	-	125 711 904
Accumulated depreciation at 30 June 2026	(1 552 363)	(4 736 441)	(2 169 821)	(1 341 223)	-	(9 799 848)
Carrying amount at 30 June 2026	**97 693 911**	**8 956 864**	**7 339 115**	**1 922 166**	**-**	**115 912 056**

16 INTANGIBLE ASSETS
COMPUTER SOFTWARE

COST	
At 01 January 2025	7 266 019
Additions	-
At 31 December 2025	**7 266 019**
At 01 January 2026	7 266 019
Additions	8 614 289
At 30 June 2026	**15 880 308**
ACCUMULATED ARMOTISATION	
At 01 January 2025	6 570 222
Charge for the year	347 899
At 31 December 2025	**6 918 121**
At 01 January 2026	6 918 121
Charge for the year	532 879
At 30 June 2026	**7 451 000**
CARRYING AMOUNT	
Cost at 31 December 2025	7 266 019
Accumulated amortisation at 31 December 2025	(6 918 121)
Carrying amount at 31 December 2025	**347 898**
Cost at 30 June 2026	15 880 308
Accumulated amortisation at 30 June 2026	(7 451 000)
Carrying amount at 30 June 2026	**8 429 308**

17 RIGHT OF USE ASSETS	**30 Jun 26 ZiG**	**31 Dec 25 ZiG**
Cost		
At 01 January	1 734 036	2 326 181
Remeasurements / Adjustments	(208 586)	(592 145)
Balance	**1 525 450**	**1 734 036**
Accumulated Depreciation		
At 01 January	644 538	1 637 917
Charge for the year	337 047	659 573
Remeasurements / Adjustments	(750 705)	(1 652 952)
Balance	**230 880**	**644 538**
Carrying Amount	**1 294 570**	**1 089 498**

18 DEFERRED TAXATION

18.1 Deferred Tax Liability

Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.

	30 Jun 26 ZiG	**31 Dec 25 ZiG**
Opening Balance	6 765 308	21 129 520
Charge for the year	256 413	(14 026 834)
Transfer from deferred tax asset	-	(337 378)
Movement during the year	(4 879 796)	-
Closing Balance	**2 141 925**	**6 765 308**

Infrastructure and Development Bank of Zimbabwe

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026

Transformation and Retooling Towards a DFI of Scale

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
FOR THE HALF YEAR ENDED 30 JUNE 2026

19 SHARE CAPITAL AND SHARE PREMIUM

Authorised share capital

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.

Issued share capital	Number of shares	Share capital ZiG	Share premium ZiG	Amounts Awaiting Allotment ZiG	Total ZiG
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 capitalisations treasury bills	-	-	(48 682 125)	48 622 174	(59 951)
At 31 December 2025	**46 825 238**	**331 869**	**779 744 296**	**-**	**780 076 165**
At 1 January 2026	46 825 238	331 869	779 744 296	-	780 076 165
Capital received awaiting allotment of shares	-	-	-	1 377 467 300	1 377 467 300
Discounting of capitalisations treasury bills	-	-	4 756 495	(151 298 618)	(146 542 123)
At 30 June 2026	**46 825 238**	**331 869**	**784 500 791**	**1 226 168 682**	**2 011 001 342**

	30 Jun 26 ZiG	31 Dec 25 ZiG
20 FOREIGN CURRENCY TRANSLATION RESERVE		
At the beginning of the year	27 084 390	(15 844 215)
Foreign currency translation reserve	(10 386 924)	42 928 605
At the end of the year	**16 697 466**	**27 084 390**
21 REVALUATION RESERVE		
At the beginning of the year	132 384 615	127 717 160
Charge for the year	-	10 779 311
Realised on disposal of non-investment property	-	(2 599 608)
Realised on disposal of moveable of assets	-	(3 512 248)
At the end of the year	**132 384 615**	**132 384 615**
22 FAIR VALUE		
At the beginning of the year	40 399 006	53 338 842
Charge for the year	1 210 958	(12 939 836)
At the end of the year	**41 609 964**	**40 399 006**

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.

Issued preference share capital	Number of shares	Preference Share capital ZiG
At 1 January 2025	382 830	74 049 071
Issue of shares	-	-
At 31 December 2025	**382 830**	**74 049 071**
At 1 January 2026	382 830	74 049 071
Issue of shares	-	-
At 30 June 2026	**382 830**	**74 049 071**

	30 Jun 26 ZiG	31 Dec 25 ZiG
24 DEPOSITS FROM CUSTOMERS		
Deposits from customers are primarily comprised of amounts payable on demand and term deposits.		
Large corporate customers	721 216 720	517 552 142
Retail customers	74 711 608	8 904 032
	795 928 328	**526 456 174**
24.1 Maturity analysis of deposits from customers		
Up to one month	637 687 117	498 649 809
Up to three months	158 241 211	1 219 198
Above six months	-	26 587 167
	795 928 328	**526 456 174**

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.

24.2 Sectorial analysis of deposits from customers

	Percentage (%)	30 Jun 26 ZiG	Percentage (%)	31 Dec 25 ZiG
Financial markets	50%	401 047 206	19%	196 391 619
Fund managers and pension funds	22%	173 212 856	27%	29 224 463
Individuals	2%	17 255 302	6%	92
Government and public sector institutions	18%	145 348 557	31%	28 883 988
Other services	8%	59 064 407	17%	271 956 012
	100%	**795 928 328**	**100%**	**526 456 174**

	30 Jun 26 ZiG	31 Dec 25 ZiG
25 LOCAL LINES OF CREDIT AND BONDS		
Bonds	79 684 643	78 562 617
Lines of credit	110 669 395	108 593 527
Total	**190 354 038**	**187 156 144**
Current		-
Non current	190 354 038	187 156 144
	190 354 038	**187 156 144**

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

	ZiG Bonds	ZiG Lines of credit
At 1 January 2026	78 562 617	108 593 527
New issues/Funding	72 219 861	2 075 868
Repayments/Disbursements	(71 097 835)	-
At 30 June 2026	**79 684 643**	**110 669 395**

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.

	30 Jun 26 ZiG	31 Dec 25 ZiG
26 OTHER LIABILITIES		
Accruals	27 960 956	24 380 349
Leave pay provision	11 647 952	9 044 133
Dividend payable	4 269 908	4 267 515
Value Added Tax Liability	13 099 431	13 661 439
Withholding tax services	155 135	186 352
IMT Tax	200 662	390 754
Sundry creditors	2 005 551	12 006 285
Projects accounts payable	1 351	1 351
Deferred income	13 363 119	11 766 851
Waneka Private Ltd loan payable	62 688 079	64 540 964
Other	19 091 550	20 477 918
	154 483 694	**160 723 911**
27 LEASE LIABILITY		
At 1 January	1 135 887	545 413
Remeasurements	(1 135 887)	-
Additions	1 560 205	1 623 956
Interest expense	69 515	100 259
Lease payments	(404 126)	(489 580)
Foreign exchange movements	144 873	(644 161)
	1 370 467	**1 135 887**
Current portion	673 449	577 583
Long tern portion	697 018	558 304
	1 370 467	**1 135 887**

	30 Jun 26 ZiG	30 Jun 25 ZiG
28 NET INTEREST INCOME		
28.1 Interest and related income:		
Loans and advances to large corporates	25 717 218	25 340 255
Loans and advances to individuals	3 320 227	479 881
Treasury bills and other financials assets	32 051 264	9 561 878
Placements with local banks	1 043 878	1 528 727
Mortgages	4 453 224	7 397 037
Cash and bank balances	1 053 634	1 601 639
	67 639 445	**45 909 417**
28.2 Interest and related expense:		
Bonds	(2 665 717)	(3 813 139)
Deposits from large corporates	(60 073 579)	(18 470 149)
Deposits from individuals	(674 228)	(129 653)
	(63 413 524)	**(22 412 941)**
29 SALES		
Property sales	13 780 827	14 782 535
Cost of sales	(10 037 566)	(544 547)
Gross profit	**3 743 261**	**14 237 988**
30 FEE AND COMMISSION INCOME		
Advisory and management fees	-	15 590 501
Banking service fees	2 203 135	1 264 924
	2 203 135	**16 855 425**
31 NET GAINS/ (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Listed equity securities (Note 6)	1 333 837	(2 568 659)
32 OTHER INCOME		
Rental income	1 644 824	1 701 781
Sundry income	396 109	743 333
	2 040 933	**2 445 114**
33 FAIR VALUE LOSS ON INVESTMENT PROPERTY		
Net gain/(loss) from fair value adjustment	6 112 047	9 901 657
Unrealised gain/(loss) from fair value adjustment of investment property	**6 112 047**	**9 901 657**
34 NET FOREIGN EXCHANGE GAINS/(LOSSES)		
Net realised gains from foreign currency trade	-	-
Net unrealised (losses) / gains from translation of foreign currency balances	65 697 911	(53 552 277)
35 OPERATING EXPENSES		
Staff costs	125 207 979	134 028 625
Audit fees	13 791	190 424
Depreciation	10 161 078	8 718 897
Amortisation	532 879	173 949
Administrative costs	46 382 322	52 464 617
	182 298 049	**195 576 512**
36 TAXATION		
Income tax		
Current tax (expense)	(256 413)	-
Current tax credit	-	20 533 992
Tax credit / (expense)	**(256 413)**	**20 533 992**
Reconciliation of income tax credit		
Based on results for the period at a normal rate of 25.75%		
Arising due to:		
Accounting profit/ (loss)	(995 779)	79 743 659
Tax credit/ (expense) at 25.75%	(256 413)	20 533 992
Tax credit/ (expense)	**(256 413)**	**20 533 992**
The aggregate tax relating to items that are charged or credited directly to equity	(256 413)	20 533 992
Current tax	(256 413)	20 533 992
Deferred tax	-	-
37 EARNINGS PER SHARE		
Basic and diluted loss per share		
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. (2025 - ZiGnil)		
The calculation of basic earnings per share at 30 June was based on the following:		
(Loss) attributable to equity holders	(150 043 223)	(186 755 391)
Weighted average number of issued ordinary shares	46 825 238	30 054 287
(Loss) per share (ZiG cents)	**(320)**	**(621)**

	30 Jun 26 ZiG	31 Dec 25 ZiG
38 FUNDS UNDER MANAGEMENT		
Government funds under management		
The Group manages government funds under revolving facilities such as housing revolving fund and repayments from Parastatals and implementing agencies of fiscal allocations towards infrastructure projects.		
Held on behalf of:		
Government of Zimbabwe	301 340	251 859
Represented by:		
Sinking fund	-	44 011
Amounts awaiting disbursement	44 231	
Loans and advances to parastatals and government implementing agencies	257 109	207 848
	301 340	**251 859**

Infrastructure and Development Bank of Zimbabwe

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026

Transformation and Retooling Towards a DFI of Scale

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
FOR THE HALF YEAR ENDED 30 JUNE 2026

39 RELATED PARTIES

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

a) Identity of related parties

The Bank has a related party relationship with its major shareholders, associates and key management personnel.

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 30 June 2026 %	As at 31 Dec 2025 %
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	Property development	Zimbabwe	43	43
Samukele Lodges (Private) Limited	Hospitality	Zimbabwe	100	100
Changamire Inkosi (Private) Limited	Property Investment	Zimbabwe	60	60
Kanyemba Lodges (Private) Limited	Hospitality	Zimbabwe	63	63

The following transactions were carried out with related parties:
A number of banking transactions are entered into with related parties in the normal course of business. For the year ended 30 June 2026, these included:

	IDBZ	MAZVEL	CLIPSHAM	WANEKA	ZIMCAMPUS	KARIBA	TOTAL
Mazvel Investments (Private) Limited	13 731 251	-	-	-	-	-	13 731 251
Waneka Properties (Private) Limited	4 718 189	-	-	-	-	-	4 718 189
ZIMCAMPUS Properties	3 922 899	-	-	-	-	-	3 922 899
Samukele Lodges (Private) Limited	559 642	-	-	-	-	-	559 642
TOTAL	**22 931 981**	**-**	**-**	**-**	**-**	**-**	**22 931 981**

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:

	30 Jun 26 ZiG	31 Dec 25 ZiG
Salaries and other short-term employee benefits	26 704 752	120 146 933
Post-employment benefits	3 024 294	6 197 177
Termination benefits	-	2 725 024
Total	**29 729 046**	**129 069 134**

c) Loans and advances to related parties

	Directors and other key management personnel 30 Jun 26 ZiG	Associated companies 30 Jun 26 ZiG	Directors and other key management personnel 31 Dec 25 ZiG	Associated companies 31 Dec 25 ZiG
Loans outstanding	24 904 996	-	15 605 142	-
Interest income earned	1 528 478	-	992 358	-

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.

d) Deposits from related parties

	Directors and other key management personnel 30 Jun 26 ZiG	Associated companies 30 Jun 26 ZiG	Directors and other key management personnel 31 Dec 25 ZiG	Associated companies 31 Dec 25 ZiG
Deposits at 30 June	740 280	-		-
Interest expense on deposits	-	-	-	-

e) Director's shareholdings

As at 30 June 2026, the Directors did not hold directly and indirectly any shareholding in the Group.

40 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].

41 Subsequent Events

Management has assessed events occurring after the reporting period up to the date on which the financial statements were authorised for issue. No significant adjusting or non-adjusting events were identified that require recognition in, or disclosure in, these financial statements in accordance with International Accounting Standard (IAS) 10, Events after the Reporting Period.

42 Going Concern

The directors have assessed the Bank's ability to continue as a going concern for the foreseeable future, taking into account the economic environment in which the Bank is expected to operate over the next 12 months. This assessment considered the Bank's capital position, liquidity headroom, shareholder support, funding initiatives, project pipeline and available human and physical resources. Based on these factors, the directors are satisfied that the Bank has adequate resources to continue meeting its obligations as they fall due and to withstand short-term stress factors within reasonable parameters. Accordingly, the financial statements for the half year ended 30 June 2026 have been prepared on a going concern basis.