



# FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2025

### CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

#### Introduction

*In this report, I present the results of InnBucks MicroBank for the year ended 30 June 2025. These results are presented at a time the MicroBank has increased momentum towards the strategic plan of becoming a leading digital bank that delivers service through integrated and innovative solutions. The MicroBank has also experienced remarkable growth despite the challenges presented by the operating environment.*

#### Operating environment

The global economic landscape in 2025 has been characterised by modest growth amid uncertainty with GDP forecasts from the IMF and World Bank ranging between 2.5% to 3.0%. The slowdown in global growth was driven by geopolitical tensions, trade frictions and broader tariff escalations which are disrupting supply chains and trade flows.

While global growth has remained subdued, Zimbabwe showed signs of stable growth, supported by improved agricultural output and increase in foreign currency inflows. The recently introduced ZWG currency was devalued by 43 % in September 2024, but remained stable for the rest of the financial period on the back of tight monetary policy measures. These measures included among other things, the increase of statutory reserve requirements to 30% and the increase in the bank policy rate from 20% to 35%. Consequently, the financial sector had to contend with managing liquidity constraints across major currencies, thereby limiting asset growth. In addition, the continued informalisation of the market has seen transactions increasingly being conducted outside of formal channels, thereby impacting negatively on banks' deposits, transactions volumes and the sector's financial intermediary role. Despite the challenges in the operating environment, InnBucks MicroBank has remained resilient, focusing on delivering innovative financial solutions and has resultantly grown over the reporting period across several measures.

#### Financial performance

The MicroBank posted a profit after tax of ZwG74.6 million for the year ended 30 June 2025 which is up 195% from the previous year. This increase was largely driven by 196% growth in interest income which was as a result of a 327% growth in loans and advances up to ZwG1.5 billion. Whilst the lending growth was significant, we continue maintaining a firm credit risk management framework to ensure a sustainable quality portfolio. In addition, there was a 14.4 times growth in trading income coming off a low base to reach ZwG148.7 million. However, fees and commission income declined by 2% to ZwG178.7 million following the launch of the MicroBank's subscription-based pricing model (KaOne)

which is consistent with the MicroBank's strategy of creating an affordable financial services ecosystem.

#### Capital

InnBucks MicroBank's core capital position closed at ZwG306.7 million as of 30 June 2025, which is above the current minimum regulatory requirement of ZwG134.7 million (US\$5.0 million USD equivalent) with a comfortable margin of safety being maintained. The MicroBank's capital adequacy ratio remained strong, closing the year at 17.6% which is above the regulatory minimum threshold of 15%. With a liquid assets ratio of 43%, the MicroBank carried a comfortable buffer above the regulatory minimum level of 30% representing capacity to underwrite more business.

#### Dividend

No dividend has been declared for the year under review.

#### Directorate

I would like to inform our valued stakeholders of the resignation of Tafadzwa Madya from the position of Chief Finance Officer, effective 30 September 2024. We extend our sincere gratitude to Tafadzwa for his leadership, and dedication to the MicroBank during his tenure. We wish him continued success in his future endeavours.

The following Non-Executive Director appointments were made i.e. Mark Hurst, Amit Gupta, Mike Mudondo and Isaack Manitho. These incoming Directors bring significant experience and expertise to the Board, and we look forward to their invaluable contributions to the MicroBank's growth and development.

In addition, I am pleased to announce the appointment of Baldwin Guchu as the Chief Executive Officer, Tinashe Hove as the Chief Finance Officer and Johnson Mahanya as the Business Banking Executive. Consequently, Baldwin transitions from Non-Executive to Executive Director. Daisy Zinyemba, who has successfully led the company as CEO since 2022, will move into the role of Chief Operating Officer. The Board expresses its

gratitude to Daisy for her outstanding leadership and looks forward to her continued contributions as COO. We extend a warm welcome to both the incoming Non-Executive and Executive Directors as they assume their new roles and look forward to their contributions as we grow the business together.

#### Commitment to compliance


At InnBucks MicroBank, our commitment to compliance is a core principle. We are dedicated to adhering to international best practices and local regulatory requirements, particularly those set by the Reserve Bank of Zimbabwe. Our organization prioritizes transparency and accountability, ensuring that all employees understand their roles in maintaining compliance through regular training and awareness programs.

#### Outlook

Looking ahead, the economy is projected to recover from a low growth rate of 1.7% in 2024 to 6% in 2025 driven by positive prospects of the 2024/2025 summer cropping season. We anticipate the stability of the local currency to continue whilst liquidity being made available for the banking sector's intermediary role to continue functioning effectively. To navigate potential challenges, it will be essential for both the Government and Business to demonstrate resilience and adaptability in policy decisions.

#### Appreciation

On behalf of the Board, I would like to express sincere gratitude to our dedicated management team and committed employees for their continued contribution to the success of InnBucks MicroBank limited. We also extend our deep appreciation to our loyal customers and supportive partners for their continued patronage and support.

  
**Ralph Watungwa**  
**CHAIRMAN**  
**DATE:** 26 SEPTEMBER 2025

### CHIEF EXECUTIVE OFFICER'S REPORT FOR THE YEAR ENDED 30 JUNE 2025

#### Business Performance

*The MicroBank's profit before tax for the year ended 30 June 2025 amounted to ZwG115.2 million, 113% higher than ZwG54.0 million posted in the previous year. The increase in profit was due to growth in the loan book which drove up interest income and corresponding trading income.*

#### Key highlights include:

- **Loan and advances** – grew by 327% to ZwG1.5 billion, driven by growth in lending to our Business Banking customers and payroll-based lending.
- **Growing funding sources** - Customer deposits grew by 693% to ZwG1.0 billion, largely driven by Business Banking customers.
- **Net interest income** - Net income from lending activities increased by 285% to ZwG108.7 million, driven by growth in our loan book and investment in Treasury assets.
- **Non-interest income** - increased by 70% to ZwG327.4 million driven by significant growth in Treasury trading activities.

This performance was underpinned by growth in customer numbers for both individuals and business resulting in sustained growth in customer deposits balances and volume of transactions.

#### Our products and service commitments

The MicroBank continues to develop and enhance service offerings to its expanding customer base. The following are some of the notable service offerings implemented during the year:

- Migration of the wallet system to a new, modern platform capable of scale and rapid new product development.
- A Customer Relationship Management platform managed by both human and AI agents. The Customer Contact Centre was also transitioned to a voice-over IP platform.
- Launch of a new InnBucks MicroBank App with 4-5 times more processing speed.
- Varied merchant integrations and addition of billers across the country to enable greater reach and usability for the InnBucks MicroBank wallet.
- Launch of outbound international remittances and enhanced channels for inbound remittances.

#### Outlook

As we look ahead, we plan to complete the migration of our core banking system to Mambu, which is a modern API-first platform which we expect to give the business greater flexibility and speed. On the back of this, a pipeline of other products and services will also be rolled out. We will continue to explore strategic alliances to promote expansion, encourage innovation, and elevate the standard of service to our customers.

The MicroBank is fully positioned to continue to meaningfully participate in both retail and business banking opportunities that the operating environment presents. Growth will be driven through the launch of new, segment-focused products and use cases on the MicroBank's retail digital platforms, and improved access of services through increased physical distribution particularly into informal markets.

#### Appreciation

We extend our sincere gratitude to all our valued clients and stakeholders for their steadfast support. We deeply appreciate your continued trust in us as your financial partner and are committed to consistently delivering relevant solutions to serve you better. Our Board's unwavering support and counsel remain a vital anchor for our business, and we are incredibly thankful for their guidance. Finally, I want to express my profound appreciation to our dedicated staff for their consistent efforts in building a legacy we can all be proud of, and for achieving these strong results.

  
**BALDWIN GUCHU**  
**CHIEF EXECUTIVE OFFICER**  
**DATE:** 26 SEPTEMBER 2025



DIRECTORS' REPORT

Corporate Governance Statement

For the year ended 30 June 2025, the MicroBank achieved partial compliance with the relevant regulatory requirements. In the noted cases of partial compliance, the institution has made every reasonable effort to ensure adherence. Notably:

-The MicroBank was levied penalties on the failure to submit the following reports on time and in the required format such as self assessment compliance report, customer complaints returns, Agency banking report, board and directors evaluations report and climate risk profile report.

-The Board of Innbucks MicroBank was not fully constituted and as such it did not meet on all the four quarters as required by Section 20.6 of the Microfinance Act.

Board of Directors

The Board of InnBucks has a unitary structure and functions as an authoritative decision-making body and meets regularly as required and periodically monitors the performance of Management.

All the Directors possess expertise and experience in relevant areas such as Accountancy, Law, Risk Management and Banking. The Board collectively and the Directors individually are fully involved in the Bank’s affairs and adhere to the highest ethical standards. The Directors are elected to hold Office until expiration of their term of office and are eligible for re-election as provided by the InnBucks Board Charter.

Directors

The directors in office at the date of this report are as follows:

Directors			Nationality	Changes
Ralph Watungwa	Chairperson	Independent Non- Executive Director	Zimbabwean	No change
Mark Hurst	Non-Executive	Independent Non- Executive Director	South African	Appointed on 07 October 2024
Amit Gupta	Non-Executive	Independent Non- Executive Director	Indian	Appointed on 07 October 2024
Basil Dionisio	Non-Executive	Non-Executive Director	Zimbabwean	No change
Mike Mudondo	Non-Executive	Non-Executive Director	Zimbabwean	Appointed on 01 March 2025
Isaack Manitho	Non-Executive	Non-Executive Director	Zimbabwean	Appointed on 01 March 2025
Baldwin Guchu	Executive	Executive Director	Zimbabwean	Changes from Non Executive to Executive w.e.f 1 Jan 2025
Daisy Zinyemba	Executive	Executive Director	Zimbabwean	No change
Johnson Mahanya	Executive	Executive Director	Zimbabwean	Appointed on 19 January 2025
Tafadzwa Madya	Executive	Executive Director	Zimbabwean	Resigned on 30 September 2024
Tinashe Hove	Executive	Executive Director	Zimbabwean	Appointed on 01 October 2024

Meeting Attendances

	Main Board	Credit Committee	Loans Review Committee	Risk and Compliance	IT Governance Committee	Audit & Finance Committee
Meetings Held	3	1	1	1	1	1
Ralph Watungwa	3	-	1	1	-	-
Mark Hurst	3	1	-	-	1	1
Amit Gupta	3	1	-	1	-	1
Basil Dionisio*	2	1	-	-	*	-
Mike Mudondo	1	-	1	1	-	1
Isaack Manitho	1	-	1	-	1	-
Baldwin Guchu	3	1	1	1	1	1
Daisy Zinyemba	3	1	1	1	1	1
Johnson Mahanya	2	1	1	-	-	-
Tafadzwa Madya**	**	**	**	**	**	**
Tinashe Hove	3	-	-	1	-	1

Key

\* Apologies

\*\* Resigned

Independent Auditors’ Opinion

The audited financial results should be read in conjunction with the full set of financial statements for the year ended 30 June 2025, which have been audited by BDO Zimbabwe Chartered Accountants. An unmodified opinion has been issued thereon. The determination of expected credit losses on financial assets and revenue recognition have been identified as key audit matters for the year and are included in the audit report. The auditors’ report on the financial statements is available for inspection at the Microbank’s registered office.

The Engagement Partner for the audit is Silas Mapindu (PAAB Practicing Number: 0639).  
BDO Zimbabwe Chartered Accountants

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2025

		AUDITED	AUDITED
	Note	30 June 2025	30 June 2024
		ZwG	ZwG
Interest income calculated using the effective interest rate method	6	285 239 719	96 382 209
Interest expense calculated using the effective interest rate method	7	( 94 117 165)	( 22 233 413)
<b>Net interest income</b>		<b>191 122 554</b>	<b>74 148 796</b>
Expected credit losses on financial assets	10	( 82 450 217)	( 45 929 364)
<b>Net income from lending activities</b>		<b>108 672 337</b>	<b>28 219 432</b>
Fee and commissions income	8	178 673 252	182 739 806
Trading income	9	148 716 821	10 292 977
<b>Non interest income</b>		<b>327 390 073</b>	<b>193 032 783</b>
<b>Net operating income</b>		<b>436 062 410</b>	<b>221 252 215</b>
Staff expenses	11	( 127 844 483)	( 50 746 502)
Information Technology and Infrastructure costs	12	( 40 801 799)	( 17 738 082)
Administration expenses	13	( 152 247 904)	( 98 798 612)
<b>Total operating costs</b>		<b>( 320 894 186)</b>	<b>( 167 283 196)</b>
<b>Profit before tax</b>		<b>115 168 224</b>	<b>53 969 019</b>
Income tax expense	14.1	( 40 617 383)	( 28 668 043)
<b>Profit for the year</b>		<b>74 550 841</b>	<b>25 300 976</b>
<b>Other comprehensive income</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
Fair value loss on financial assets at FVTOCI, net of tax	17.3	(9 742 133)	-
Effects of translation to presentation currency		130 766 968	-
<b>Total comprehensive income for the year</b>		<b>195 575 676</b>	<b>25 300 976</b>




FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2025

		AUDITED	AUDITED
		30 June 2025	30 Jun 2024
		ZwG	ZwG
	Note		
ASSETS			
Cash and cash equivalents	15	560 125 736	122 821 396
Investment securities	17	316 578 616	68 363 368
Loans and advances to customers	16	1 459 186 720	341 917 953
Other assets	18	67 977 534	39 003 171
Equipment	20	28 921 305	10 578 443
Intangible assets	21	7 951 002	3 711 238
Right of use assets	22	11 700 631	7 992 120
Deferred tax	19	13 340 686	2 932 692
Total assets		2 465 782 230	597 320 381
LIABILITIES			
Trust funds	23	403 096 139	130 318 231
Deposits from customers	24	1 029 683 687	129 872 705
Borrowings	27	602 621 934	168 369 789
Other liabilities	25	88 233 290	32 109 702
Current tax liability	14.4	22 358 248	17 231 594
Lease liabilities	26	13 072 895	8 277 999
Total liabilities		2 159 066 193	486 180 020
EQUITY			
Share capital		109 836	109 836
Share premium		73 354 284	73 354 284
Financial assets at FVTOCI Reserve		( 9 742 133)	-
Foreign Currency Translation Reserve		130 766 968	-
Retained earnings		112 227 082	37 676 241
Total equity		306 716 037	111 140 361
Total equity and liabilities		2 465 782 230	597 320 381



Ralph Watungwa  
(Chairman of the Board)



Baldwin Guchu  
(Chief Executive Officer)

26 SEPTEMBER 2025

26 SEPTEMBER 2025

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

		Share	Financial assets	Foreign currency	Retained	
	Share Capital	Premium	at FVTOCI Reserve	Translation Reserve	Earnings	Total
	ZwG	ZwG	ZwG	ZwG	ZwG	ZwG
Balance at 01 July 2023	109 836	73 354 284	-	-	12 375 265	85 839 385
Total comprehensive income	-	-	-	-	25 300 976	25 300 976
Balance at 30 June 2024	109 836	73 354 284	-	-	37 676 241	111 140 361
Total comprehensive income	-	-	( 9 742 133)	130 766 968	74 550 841	195 575 676
Balance at 30 June 2025	109 836	73 354 284	( 9 742 133)	130 766 968	112 227 082	306 716 037

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Note	AUDITED	AUDITED
		30 June 2025	30 June 2024
		ZwG	ZwG
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		115 168 224	53 969 019
Interest expenses	7	94 117 165	22 233 413
Net profit before interest and tax		209 285 389	76 202 432
Non-cash items:			
- Impairment losses on financial assets measured at amortised cost	10	82 450 217	45 929 364
- Depreciation of equipment	20	4 818 084	4 364 967
- Amortisation of intangible assets	21	1 865 953	905 797
- Amortisation of right of use assets	22	4 327 100	3 159 621
Operating cash flows before changes in operating assets and liabilities		302 746 743	130 562 181
Changes in working capital			
Increase in deposits from customers		899 810 982	120 275 375
Increase in other liabilities		56 123 588	11 529 804
Increase in Trust funds		272 777 908	41 471 354
Increase in loans and advances to customers		( 1 693 368 466)	( 293 597 145)
Increase in other assets		( 71 695 179)	( 26 022 010)
Net cash utilised in operations		(233 604 424)	( 15 780 441)
Interest expense paid	7	( 94 117 165)	( 22 233 413)
Income taxes paid	14.4	( 3 177 907)	( 19 363 932)
Net cash flows used from operations		( 330 899 496)	( 57 377 786)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of equipment	20	( 13 241 845)	( 9 299 483)
Acquisition of intangible assets	21	( 2 792 545)	( 1 516 311)
Net cash used in investing activities		( 16 034 390)	( 10 815 794)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in investment securities		235 692 105	6 066 100
Increase in borrowings	27	434 252 145	162 166 283
Lease liability payments	26	( 4 074 566)	( 2 372 722)
Net cash generated from financing activities		665 869 684	165 859 661
Net increase in cash and cash equivalents		318 935 797	97 666 081
Net foreign exchange on cash and cash equivalents		(118 368 542)	54 391 724
Cash and cash equivalents at beginning of the year		122 821 396	79 547 039
Cash and cash equivalents at the end of the year	15	560 125 736	122 821 396







1

GENERAL INFORMATION

InnBucks MicroBank Limited (“InnBucks”) is a registered Deposit Taking Microfinance MicroBank in Zimbabwe and is regulated by the Reserve Bank of Zimbabwe, under the Microfinance Act (Chapter 24:29).

InnBucks Microbank Limited is a limited liability Company incorporated and domiciled in Zimbabwe on 6 February 2019.

Its registered office address is 2 Northridge Close, Northridge Park, Borrowdale, Harare, Zimbabwe.

Bankers	Reserve Bank of Zimbabwe, CBZ Bank Limited
Attorneys	Manokore Attorneys 61 Princess Drive Cnr Glenara Avenue, Newlands, Harare
External Auditor	BDO Zimbabwe Chartered Accountants Kudenga House, 3 Baines Avenue, P.O. Box 334, Harare
Company Secretary	Tinashe Hove. CA (Z).

2

BASIS OF PREPARATION

2.1

Statement of compliance

The MicroBank’s financial statements have been prepared in accordance with the relevant requirements of the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). The annual financial statements as at, and for the year ended 30 June 2025, have been prepared under the supervision of Tinashe Hove CA (Z), Chief Finance Officer of InnBucks Microbank Limited. The financial statements are prepared based on accounting records maintained under the historical cost convention and modified by financial instruments carried at fair value.

The Microbank’s financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) as well as the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the Microfinance Act (Chapter 24.29). The IFRS Conceptual Framework, provides that in applying fair presentation to the Microbank financial statements, entities should go beyond consideration of the legal form of transactions and other factors impacting on the financial statements to also consider the underlying economic substance therein. The MicroBank has prepared its financial statements on a historical cost basis which complies with the requirements of International Financial Reporting Standards (IFRS).

2.2

Functional currency

The Directors determined that the functional currency of the Bank is United States of American Dollar (USD) based on requirements and conditions under IAS 21 “The Effects of Changes in Foreign Exchange Rates” for the determination of functional currency.

2.3

Presentation currency

For the purposes of the financial statements, the results and financial position of the Company are expressed in Zimbabwe Gold (ZwG) which is the presentation currency. Statement of financial position line items for the reporting period ending 30 June 2025 were translated using the closing rate at 30 June 2025 while the income statement lines were translated using average rates for the period. The resulting exchange differences were recognised in Other Comprehensive Income and taken to a separate component of equity, that is the Foreign Correny Translation Reserve (FCTR).

2.4

Foreign currency transactions

Transactions in foreign currencies are translated into USD, which is the functional currency of the MicroBank at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at the reporting date. The foreign currency gain or loss on monetary items are recognised through profit and loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on costs in a foreign currency are translated using the spot exchange rate at the date of the transaction.

3.

ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

The summary of the new revised standards interpretations are included in the full set for the financial statements which can be obtained at the Company’s offices or their published media.

4.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of the Company’s accounting policies is included in the full set of the financial statements which can be obtained at the Company’s offices or other published media

5.

SEGMENT INFORMATION

For management purposes, the MicroBank is organised into operating segments based on products and services as follows:

Retail Banking	Individual customers deposits, loans to individuals, debit and credit card facilities, and funds transfer facilities.
Business Banking	Provision of loans, other credit facilities, deposit and current accounts for corporate and institutional customers. This also includes managing relationships with correspondent banks. Funding mobilisation, money market investments, securities trading, accepting and discounting of instruments and foreign currency trading. Provision of corporate financial solutions including derivative instrument structures, debt factoring, swap transactions, foreign currency auction support to customers.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the financial statements. Income taxes are managed on a MicroBank basis and are not allocated to operating segments.

Transfer prices between operating segments are on arm’s length basis in a manner similar to transactions with third parties.

CIVIL SERVANTS LOANS

MA SOFT LOANS

Need a Quick Loan?

We've Got You Covered! Fast, Affordable & Reliable, loans for Civil Servants.

Contact our credit department

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creditoperations@innbucks.co.zw

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creditoperations@innbucks.co.zw

InnBucks MicroBank Limited is a registered Deposit Taking Microfinance Bank and a member of the Deposit Protection Scheme.

Terms and Conditions apply

THE NEW 'SWIPE' CARD

GIVING YOU MORE WAYS TO PAY

Say hello to seamless transactions and effortless convenience with the InnBucks Local Bank Card. Swipe, tap, pay, and go with confidence, anywhere in Zimbabwe, as we redefine the way you bank.

InnBucks

Balance \$0.00

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Terms & Conditions apply.

InnBucks is a product of InnBucks MicroBank Limited, a registered Deposit Taking Microfinance Bank and a member of the Deposit Protection Scheme.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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## NOTES TO FINANCIAL STATEMENTS

		AUDITED	AUDITED	
		30 June 2025	30 June 2024	
		ZwG	ZwG	
6	INTEREST INCOME CALCULATED USING THE EFFECTIVE INTEREST RATE METHOD			
	Interest from individuals customers	200 814 451	77 676 066	
	Interest from business banking customers	65 607 231	17 627 869	
	Interest from investment securities	16 885 846	-	
	Interest from other lending activities	1 932 191	1 078 274	
	285 239 719	96 382 209		
7	INTEREST EXPENSE CALCULATED USING THE EFFECTIVE INTEREST RATE METHOD			
	Due to offshore borrowings	34 641 244	18 145 852	
	Due to money market borrowings	12 690 850	2 640 162	
	Due to banks and other funding partners	24 349 684	920 842	
	Due to customers deposits	21 589 865	-	
	Finance costs on lease liabilities	845 522	526 557	
	94 117 165	22 233 413		
8	FEE AND COMMISSION INCOME			
	Subscription fees	35 584 624	-	
	Cash withdrawal fees	45 191 195	737 270	
	Send money fees	-	139 713 700	
	Value added services	15 603 639	9 375 675	
	Bank transactional fees	46 145 856	29 803 683	
	Fees from personal loans	11 486 798	1 309 187	
	Remittance fees	3 728 382	1 800 291	
	Cash management business fees	20 932 758	-	
		178 673 252	182 739 806	
	9	TRADING INCOME		
		Cash swaps commission	56 366 592	-
Foreign currency trading income		86 577 878	8 657 788	
Other operating income		2 856	377 557	
Unrealised foreign currency gains		5 769 495	1 257 632	
	148 716 821	10 292 977		
10	EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS			
	Loans and advances to customers	73 167 596	4 682 340	
	Investment securities	9 606 622	41 247 024	
	Undrawn facilities	1 670 633	-	
	Recoveries during the year	(1 994 634)	-	
	82 450 217	45 929 364		
11	STAFF EXPENSES			
	Basic salaries	81 00 807	31 361 066	
	Allowances	5 965 769	1 092 285	
	Incentive bonus	10 053 131	15 104 091	
	Social security	2 608 417	1 216 251	
	Leave pay expenses	5 930 742	310 755	
	Other staff cost	21 785 617	1 662 054	
		127 844 483	50 746 502	
12	INFORMATION TECHNOLOGY AND INFRASTRUCTURE COSTS			
	Internet fees	4 612 188	1 281 040	
	Software support fees	381 660	337 305	
	Software licences	19 627 433	11 094 616	
	Server support costs	900 802	247 050	
	System development costs	1 290 490	-	
	Zimswitch fees	2 506 692	85 035	
	Depreciation and amortisation expenses	3 609 860	1 938 931	
	Other costs	7 872 674	2 754 105	
		40 801 799	17 738 082	
	13	ADMINISTRATION AND GENERAL EXPENSES		
Marketing costs		21 173 042	10 453 025	
Cash in transit costs		41 738 409	12 521 523	
Consultancy costs		16 133 543	5 203 519	
Directors fees		2 683 697	762 289	
Bulk SMS costs		6 423 201	4 320 894	
Licencing costs		454 384	555 609	
Premises costs		813 754	773 066	
Repairs and maintenance costs		641 698	502 519	
Withdrawal and managers commission		-	34 447 336	
Audit fees		1 117 702	821 836	
Insurance costs		7 397 744	2 118 286	
Travel costs	6 087 405	1 332 068		
Subscription costs	738 170	691 394		
Stationery and consumables	2 076 225	705 295		
Regulatory fees	2 440 425	1 627		
Deposit Protection Corporation premiums	1 720 491	916 574		
Intermediated Money Transfer Tax	2 099 926	1 246 739		
Security costs	1 239 894	1 123 866		
Bank charges	5 145 557	979 068		
Net operational loss	19 340 217	-		
Depreciation	7 401 277	2 426 036		
Other operating costs	5 381 143	16 896 043		
	152 247 904	98 798 612		
14	TAXATION			
	The following constitutes the major components of income tax expense recognised in the Statement of Profit or Loss:			
14.1	Income tax expense			
14.2	Reconciliation of income tax charge			
14.3	Income tax rate reconciliation			
14.4	Current tax liabilities			



## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

AUDITED	AUDITED
30 June 2025	30 June 2024
ZwG	ZwG
188 870 280	31 801 535
228 979 951	60 595 648
142 275 505	30 424 213
<b>560 125 736</b>	<b>122 821 396</b>

Balances with the Central Bank, commercial banks, notes and cash are used to facilitate customer and the MicroBank's transactions which include payments and cash withdrawals.

- Salary based loans - Private companies
- Salary based loans - Government
- Business bank loans and advances
- Overdraft loans
- Debt factoring
- Other lending
- Total gross loans and advances to customers**
- Expected credit loss allowance (note 16.4)
- Net loans and advances to customers**

Less than 1 month	48 611 391	24 698 426
1 to 3 months	180 189 563	78 457 547
3 to 12 Months	345 363 328	72 556 441
12 Months to 1 year	195 205 360	104 413 706
1 to 5 years	732 210 047	75 607 585
	1 501 579 689	355 733 705
Allowances for impairment losses on loans and advances to customers	( 42 392 969)	( 13 815 752)
	<b>1 459 186 720</b>	<b>341 917 953</b>

AUDITED		AUDITED	
30 June 2025	Contribution	30 June 2024	Contribution
ZwG	%	ZwG	%
260 023 230	17.3%	51 220 926	14.4%
232 541	0.0%	968 036	0.3%
31 862 293	2.1%	2 397 529	0.7%
118 891 812	7.9%	26 971 032	7.6%
7 595 427	0.5%	4 235 509	1.2%
55 557 803	3.7%	8 405 562	2.4%
230 139 802	15.3%	56 111 720	15.8%
2 964 000	0.2%	13 958 046	3.9%
27 997	0.0%	16 705 374	4.7%
224 289 243	14.9%	5 223 998	1.5%
162 039 691	10.8%	37 418 365	10.5%
52 427 440	3.5%	31 686 580	8.9%
12 229 387	0.8%	18 464 562	5.2%
12 949 860	0.9%	5 751 462	1.6%
330 349 163	22.1%	76 215 004	21.4%
1 501 579 689	100%	355 733 705	100%

### Net loans and advances to customers as at 30 June 2025

Stage 1	Stage 2	Stage 3	Total
49 365 130 (4 244 755)	708 245 845 304	4 020 599 3 399 451	5 093 974 -
(4 376 647) 114 421 17 471	1 217 836 (372 532) -	3 158 811 258 111 (17 471)	- - -
(31 344 307) 329 944 272	(358 268) 3 3895 73	(3 484 027) 3 492 488	(35 186 602) 336 826 333
343 720 340	4 584 854	7 428 511	355 733 705
54 354 408 (15 129 822) 2 138 842 67 345 388	211 200 2 627 448 (2 467 876) 51 628	(54 565 608) 12 502 374 329 034 (67 397 016)	- - - -
- (406 541 699) 108 2748 753 416 593 960	- (1 438 137) 1 637 024 5 379 949	(63 692 819) (3 276 850) 101 288 576 13 145 617	(63 692 819) (411 256 686) 1 185 674 353 435 119 526
1 490 875 762	10 374 890	329 037	1 501 579 689
Stage 1	Stage 2	Stage 3	Total
1 219 050  (118 970) (128 987) 9 688 329	203 393  (20 527) 86 234 (106 761) -	3 785 817  (1 782 089) 1 207 763 135 537 (3 125 389)	5 208 260  (1 921 586) 1 165 010 38 464 (3 125 060)
2 912 800 855 046 1 127 834 929 920 -	578 161 509 070 69 091 - -	7 038 117 6 008 905 1 010 467 - 18 745	10 529 078 7 373 021 2 207 392 929 920 18 745
4 012 880	761 027	9 041 845	13 815 752
(428 525) (479 079) 15 018 35 536	1 285 204 1 804 605 (544 573) 25 172	9 050 286 12 268 067 322 868 (3 540 649)	9 906 965 13 593 593 (206 687) (3 479 941)
26 848 957 3 597 127 6 478 345 10 622 291 6 151 194 -	4 652 428 2 802 028 1 781 866 - 68 534 -	31 759 246 22 735 178 8 792 527 - - 231 541	63 260 631 29 134 333 17 052 738 10 622 291 6 219 728 231 541
- 4 586 490 35 019 802	- 850 929 7 549 588	(63 692 819) 13 665 021 (176 421)	(63 692 819) 19 102 440 42 392 969
339 707 460	3 823 827	(1 613 334)	341 917 953
1 455 855 960	2 825 302	505 458	1 459 186 720





NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

16.4.1 Non-performing book

	AUDITED 30 June 2025 ZwG	AUDITED 30 June 2024 ZwG
Non-performing loans and advances	14 120 113	4 689 353
Less: Allowance for loan impairment	(14 117 903)	(97 408)
Carrying amount	2 210	4 591 945

16.4.2 ECL movement on loans and advances

Balance at the beginning of the year	13 815 752	5 208 260
Write offs charged to provision	(63 692 819)	-
Charge to statement of profit or loss (note 10)	73 167 596	4 682 340
Effects of translation to presentation currency	19 102 440	3 925 152
Balance at end of the year	42 392 969	13 815 752

The above provisions have been established in terms of accounting policy in respect of financial assets as at 30 June 2025.

17 INVESTMENT SECURITIES

Carrying amounts		
Savings Bonds-Assets classified as measured at ‘amortised cost’ (AMCO)*1	54 013 166	68 363 368
Treasury Buyback Bills-Assets classified as measured at ‘amortised cost’ (AMCO)*2:	194 976 768	-
Auction Treasury Bills-Assets classified as measured ‘at fair value through other comprehensive income’ (FVTOCI)*3:	67 588 682	-
	316 578 616	68 363 368
Maturing within 1 year	-	-
Maturing after 1 year	316 578 616	68 363 368
	316 578 616	68 363 368

17.2 Movement of financial assets held at amortized cost

17.2.1 Savings Bonds-Assets classified as measured at AMCO*1		
Balance at the beginning of the year	68 363 368	-
Purchases during the year	-	109 542 582
Day one loss	-	(36 344 080)
Interest accrued	2 781 010	-
ECL charge to statement of profit or loss	(2 526 619)	(4 835 134)
Effects of translation to presentation currency	(14 604 593)	-
Balance at the end of the year	54 013 166	68 363 368

17.2.2 Treasury Buyback Bills-Assets classified as measured at AMCO\*2

Balance at the beginning of the year	-	-
Purchases during the year	188 087 153	-
Interest accrued	16 885 846	-
ECL charge to statement of profit or loss	(7 080 003)	-
Effects of translation to presentation currency	(2 916 228)	-
Balance at the end of the year	194 976 768	-

17.3 Movement of assets classified as measured at fair value through other comprehensive income

17.3.1 Auction Treasury Bills-Assets classified as measured at FVTOCI*3		
Balance at the beginning of the year	-	-
Purchases during the year	77 516 878	-
Fair value loss recognised in statement of other comprehensive	(9 742 133)	-
Effects of translation to presentation currency	(186 063)	-
Balance at the end of the year	67 588 682	-

The Reserve Bank of Zimbabwe (RBZ) has issued various forms of treasury bills which the Bank has participated in. The Microbank has two categories of treasury bills classified as follows: a) as at fair value through other comprehensive income (FVTOCI) and b) as at amortised cost (AMCO).

- \* 1. The savings bonds and Treasury Bills are with the Government of Zimbabwe at interest of 0% and 3% per annum respectively. The instruments matures during periods up to November 2042. ZwG115.9 million Savings Bonds were utilised as collateral against the Trust Borrowings.
- \* 2. The Microbank received Treasury Bills from buy back arrangements with Business Banking customers for loans and overdraft facilities. The facilities have an average maturity period of 6 months.
- \* 3. The Bank acquired Treasury Bills directly from the Reserve Bank of Zimbabwe as an allotment of outstanding willing buyer willing seller auction trading arrangements as per Monetary Policy of 2024. These treasury bills were issued over an average period of 2 years (June 2024: Nil days) which were at an average rate of 3% (June 2024: Nil).

18 OTHER ASSETS

Remittances receivables	16 027 141	14 201 632
Prepayments general	25 792 613	1 211 532
Airtime prepayment	7 591 304	6 423 058
Wallet collections receivable	9 208 101	4 592 085
Other prepayments	9 358 375	12 574 864

19 DEFERRED TAX

The following table shows deferred tax asset recorded in the statement of financial position and changes recorded in the income tax expense:		
Property and equipment	( 6 698 135)	( 1 394 399)
Provisions	( 3 012 906)	( 2 060 584)
Right of use assets	3 366 272	2 131 788
Leases liabilities	19 685 455	4 255 887
	13 340 686	2 932 692
Balance at the beginning of the year	2 932 692	1 082 494
Current year tax credit	10 407 994	1 850 198
Charged to profit or loss	7 573 843	1 850 198
Effects of translation to presentation currency	2 834 151	-
Balance at the end of the year	13 340 686	2 932 692

20 EQUIPMENT

	AUDITED			
	Motor Vehicles	Office Equipment	Furniture and Fittings	Total
	ZwG	ZwG	ZwG	ZwG
Cost				
At 30 June 2023	539 688	4 194 761	1 720 340	6 454 789
Additions	2 896 486	4 886 157	1 516 840	9 299 483
At 30 June 2024	3 436 174	9 080 918	3 237 180	15 754 272
Additions	2 797 422	8 239 025	2 205 398	13 241 845
Effects of translation to presentation currency	( 2 363 735)	9 239 571	2 968 630	9 844 466
At 30 June 2025	3 869 861	26 559 514	8 411 208	38 804 583
Accumulated depreciation				
At 30 June 2023	48 912	663 588	98 362	810 862
Charge for the year	107 705	3 361 093	896 169	4 364 967
At 30 June 2024	156 617	4 024 681	994 531	5 175 829
Charge for the year	420 410	3 798 759	598 915	4 818 084
Effects of translation	186 428	10 785	(271 848)	(74 635)
At 30 June 2025	763 455	7 834 225	1 321 598	9 919 278
Carrying amount				
At 30 June 2024	3 279 557	5 056 237	2 242 649	10 578 443
At 30 June 2025	3 106 406	18 725 289	7 089 610	28 921 305

SEND &  
RECEIVE

MONEY

WITH







# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2025

AUDITED		
Goodwill	Computer Software	Total
ZwG	ZwG	ZwG
2 289 430	1 621 219	3 910 649
-	1 516 311	1 516 311
2 289 430	3 137 530	5 426 960
-	2 792 545	2 792 545
2 260 001	1 053 171	3 313 172
4 549 431	6 983 246	11 532 677
-	809 925	809 925
-	905 797	905 797
-	1 715 722	1 715 722
-	1 865 953	1 865 953
-	3 581 675	3 581 675
2 289 430	1 421 808	3 711 238
4 549 431	3 401 571	7 951 002

AUDITED
30 June 2024
ZwG
9 345 823
2 428 973
11 774 796
826 505
7 209 106
19 810 407
623 055
3 159 621
3 782 676
4 327 100
8 109 776
7 992 120
11 700 631

AUDITED	AUDITED
30 June 2025	30 June 2024
ZwG	ZwG
403 096 139	130 318 231
<b>403 096 139</b>	<b>130 318 231</b>
453 282 101	125 461 034
214 511 808	-
329 720 411	-
32 169 367	4 411 671
<b>1 029 683 687</b>	<b>129 872 705</b>
235 823 296	-
793 860 391	129 872 705
<b>1 029 683 687</b>	<b>129 872 705</b>

Trust funds represent InnBucks wallet customer deposits. These are due on demand.

- Corporates deposits
- Treasury call deposits
- Fixed deposits
- Individual customer deposits

\* Secured deposits

## Unsecured deposits

Treasury bills amounting to ZWG\$235.8 million (2024: Nil) were used as security for the Microbank to access fixed deposits.

Less than 1 month

3 to 12 Months

- Agriculture
- Mining
- Individuals
- Manufacturing and Retail
- Services

- InnBucks Trust intercompany
- Merchant intercompany payable
- Sundry creditors
- Leave provision
- Incentive provision
- Deferred income
- Intermediated Money Transfer Tax (IMTT)
- Levy on foreign payments
- Statutory fees payable
- Audit fee accrual
- Other liabilities

**Balance at the beginning of the year**

New leases

Lease modifications

Finance costs accrual

Payment of lease liabilities

Effects of translation to presentation currency

**Balance at the end of the year**

Less than 1 month  
3 to 12 Months  
More than 12 months

Offshore borrowings  
Short term borrowings

Less than 1 month  
3 to 12 Months  
More than 12 months

The MicroBank entered into an agreement with Satfin Limited for an offshore facility amounting to ZwG603 million. This facility is available upon drawdown which is payable to the lender at the end of three years. 1% is charged as facility fee on drawdown. Interest is charged at an annual rate of SOFR plus 6% per annum. Short term borrowings are secured by treasury bills at a rate of 10%-12% per annum and they mature within 3 to 12 months.

AUDITED	AUDITED
30 June 2025	30 June 2024
ZwG	ZwG
485 451 468	129 872 705
544 232 219	-
<b>1 029 683 687</b>	<b>129 872 705</b>
21 765 955	75 276 620
82 021 849	-
195 517 622	4 411 672
556 705 276	-
173 672 985	50 184 413
<b>1 029 683 687</b>	<b>129 872 705</b>
-	3 443 792
7 463 204	-
9 651 519	2 802 321
9 064 857	1 931 941
24 274 465	14 195 797
1 382 772	-
18 679 837	4 704 778
6 684 177	-
4 285 336	-
716 082	508 867
6 031 041	4 522 206
<b>88 233 290</b>	<b>32 109 702</b>
8 277 999	9 023 521
-	1 627 200
826 505	-
845 522	526 557
( 4 920 088)	( 2 899 279)
8 042 957	-
<b>13 072 895</b>	<b>8 277 999</b>
424 125	212 063
5 089 500	2 314 515
7 559 270	5 751 421
<b>13 072 895</b>	<b>8 277 999</b>
377 234 491	168 369 789
225 387 443	-
<b>602 621 934</b>	<b>168 369 789</b>
6 632 013	1 852 954
218 755 430	61 119 258
377 234 491	105 397 577
<b>602 621 934</b>	<b>168 369 789</b>





NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

28

Classification and measurement of financial assets and financial liabilities

The following table shows the carrying amounts and the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

AUDITED	Carried	Carried	Carried			
30 June 2025	at FVTPL	at AMCO	at FVTOCI	Total	Level 1 & 2	Level 3
	ZwG	ZwG	ZwG	ZwG	ZwG	ZwG
Financial assets measured at fair value						
Treasury bills	-	-	67 588 681	67 588 681	-	67 588 681
Financial assets not measured at fair value						
Cash and cash equivalents	-	560 125 736	-	560 125 736		
Loans and advances	-	1 459 186 720	-	1 459 186 720		
Treasury Bills	-	248 989 935	-	248 989 935		
Trade and other receivables	-	67 977 534	-	67 977 534		
Total	-	2 336 279 925	67 588 681	2 403 868 606		
Financial liabilities						
Deposit and other accounts	-	1 029 683 687	-	1 029 683 687		
Trade and other payables	-	88 233 290	-	88 233 290		
Borrowings	-	602 621 934	-	602 621 934		
Total	-	1 720 538 911	-	1 720 538 911		

AUDITED	Carried	Carried	Carried			
30 June 2024	at FVTPL	at AMCO	at FVTOCI	Total	Level 1 & 2	Level 3
	ZwG	ZwG	ZwG	ZwG	ZwG	ZwG
Financial assets measured at fair value						
Treasury bills	68 363 368	-	-	68 363 368	-	68 363 368
Financial assets not measured at fair value						
Cash and cash equivalents	-	122 821 396	-	122 821 396		
Loans and advances	-	341 917 953	-	341 917 953		
Trade and other receivables	-	39 003 171	-	39 003 171		
Total	68 363 368	503 742 520	-	572 105 888		
Financial liabilities						
Deposit and other accounts	-	129 872 705	-	129 872 705		
Trade and other payables	-	32 109 702	-	32 109 702		
Borrowings	-	168 369 789	-	168 369 789		
Total	-	330 352 196	-	330 352 196		

29

RISK MANAGEMENT

29.1

Risk management policies

The Company's business involves taking on risks in a targeted manner and managing them appropriately. The core function of risk management is to identify all key risks for the Company, measure and manage the risks. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and best practice.

The Company endeavours to keep abreast of best practice in the measurement and management of risk by utilising the latest methodologies. Risk is managed within the frameworks of the Reserve Bank of Zimbabwe ("RBZ") guidelines and international microfinance best practices.

The Company's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company defines risk as the possibility of losses or profits foregone, which may be caused by internal and external factors.

29.2

Risk categories

The risks to which the Company is exposed to include;

- Market risks;
- Interest rate risk;
- Liquidity risk;
- Credit risk;
- Operational risk; and
- Reputation risk
- Capital risk

29.2.1

Market risks

The Company takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Risk and Compliance Department, independent of business operations is accountable to the Board and it monitors all market risk exposures and alerts management and the Board of any evolving situations in time.

Market risk measurement techniques

The Company applies a value at risk ("VaR") methodology to its portfolios to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The measurement techniques used to measure and control market risk include:

a) Daily Value at Risk ("DVaR")

Value at risk is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the maximum amount the Company might lose but only to a certain level of confidence. There is therefore a statistical probability that the actual loss could be greater than the VaR estimate. The VaR model makes assumptions on the pattern of the market movements based on historical holding periods. The use of this approach does not prevent losses outside these limits. In the event of more significant market movements, DVaR is an estimate of the potential loss which might arise from unfavourable market movements, if the current positions were held unchanged for one business day and measured to a confidence of 99%.

b) Stress tests

Stress tests provide an indication of the potential size of losses that could arise in extreme situations. The stress tests carried out by the Risk and Compliance Department is on interest rate risk.

Interest rate stress risk is the daily monitoring of the potential loss if there is a large interest rate movement.

The results of the stress tests are reviewed by senior management and by the Board of Directors. The stress testing is tailored to the business and typically uses scenario analysis.

29.2.3

Settlement risk

Settlement risk arises in any situation where settlement in cash or securities is made in the expectation of a corresponding receipt in cash or securities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Company's market transactions on any single day.

29.2.4

Reputational risk management

Reputational risk is a threat or danger to the good name or standing of the Company. The Company manages reputation risk through its evaluation and control of the major risk types as set out above. In addition, there is an open communication culture that allows for all issues to be appropriately dealt with in a timely manner.

29.2.6

Interest rate risk

Interest rate risk generally stems from assets and liabilities maturing and/or being re-priced at different times and rates.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Liabilities may mature before assets leading to the rollover of such liabilities pending sufficient quantity of assets maturing to repay the liabilities. In a rising market, expensive liabilities may be used to replace cheaper liabilities and/or fund lower yielding assets.

Assets may mature before liabilities do and have to be reinvested. In a falling market this may be made at lower rates than the original and/or lower than the rates for liabilities to be retired.

29.2.7

Liquidity risk management

Liquidity risk arises from a mismatch of asset and liability cash flows and/or different maturity profiles. Liquidity obligations arise from requirements to advance loans and advances, repay loans and borrowings, other liabilities and make interest and other expenses payments. Refer to note 28 for the gap analysis.

The Company determines ideal weights for maturity buckets which are used to benchmark the actual maturity profile. Maturity mismatches across the time buckets are managed through the profile of loans and borrowings.

Details of the liquidity ratio for the Bank at the reporting date and during the reporting year were as follows:

At 30 June 2025	43%
At 30 June 2024	45%

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

29.2.7 LIQUIDITY PROFILING ANALYSIS

The amounts disclosed in the table below are the contractual undiscounted cash flows. The assets which are used to manage liquidity risk, which is mainly Cash and bank balances and investment securities are also included on the table based on the contractual maturity profile.

Past due but not impaired loans

These are loans and advances where contractual interest or principal payments are past due but the Company believes that impairment is not appropriate on the basis of the level of security or collateral available and or the stage of collection of amounts owed to the Company.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower’s financial position or where the Company has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring.

Allowances for impairment

The Company establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for group of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Write-off policy

The Company writes off a loan and advances balance (less any related allowances for impairment losses) when the Board determines that the loan or advance is uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower’s or issuer’s financial position such that the borrower or issuer can no longer pay the obligations, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller loans, write off decisions generally are based on internal limits set from time to time by Risk and Compliance Department.

Security held against advances

The Company holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

29.2.9 Strategic risk

Strategic risk is a possible source of loss that might arise from the pursuit of an unsuccessful business plan. The roles of the Chairman and Chief Executive Officer are not vested in the same person. The executive team formulates the strategy under the guidance of the Board which approves it. The Chief Executive Officer and senior management bear the responsibility to execute the approved strategy. The Board reviews the performance and suitability of the strategy at least quarterly.

29.2.10 Legal and compliance

The Board ensures that the management and operations of the Company’s business is done within the governance and regulatory control framework established by the Company and other regulatory bodies. The Risk and Compliance Department is in place to monitor legal compliance requirements and ensures that they are met on a daily basis.

29.2.11 Operational risk

Operational risk arises from human error or fraud, inadequate or failed internal processes and systems, non adherence to procedures or other external sources that result in losses.

The Company continues to develop and expand its guidelines, standards, methodologies and systems in order to enhance the management of operational risk.

To manage operational risk, the Company has established sound practices, including:

- independent functions; Risk and Compliance Department that facilitates correct and consistent practices and processes across the Company.

- These proactively identify, mitigate risks, measure control effectiveness and losses, as well as report on operational risk;
- policies and procedures to sustain effective risk management practices;
  - tools to support effective management of operational risk.
  - a centralized loss event database (incident reports) to record material operational risk incidents and actual losses;
  - use of risk indicators to provide management with early warning signals on potential operational risk exposures in order to initiate preventative action;
  - ongoing assessment of the effects of changes in the regulatory environment and acquisition of skills and knowledge of best practice to ensure the Company’s own endeavours are most appropriate for the environment.

Risk information generated from these processes is used to assist business units to optimise controls and avoid or mitigate losses. It also provides support for business decisions through a balanced focus on risk and return in decision making and through ongoing staff awareness.

29.2.12 Compliance risk

Compliance risk emanates from violations of or non conformance with laws, rules, regulations, prescribed practices, internal policies and procedures or ethical standards. Compliance management is effected through Risk and Compliance Department and assists management to identify and comply with, all statutory, regulatory and supervisory requirements.

29.2.13 Foreign currency risk

InnBucks takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Foreign Exchange risk arises from having transactions and balances denominated in currencies that are not the functional and presentation currency, the ‘ZWG Dollar’. InnBucks does not use hedge instruments to manage foreign currency exchange risk.

AUDITED						
Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	5 years and above	Total
ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
519 825 747	-	-	-	40 299 989	-	560 125 736
145 918 672	218 878 008	291 837 344	364 796 680	437 756 016	-	1 459 186 720
-	-	-	202 191 989	77 516 878	36 869 750	316 578 617
16 027 141	-	-	51 950 393	-	-	67 977 534
681 771 560	218 878 008	291 837 344	618 939 062	555 572 883	36 869 750	2 403 868 607
403 096 139	-	-	-	-		403 096 139
205 936 743	257 420 922	288 311 445	154 452 564	123 562 013	-	1 029 683 687
56 495 621	31 737 669	-	-	-	-	88 233 290
9 601 238	12 757 011	-	-	-	-	22 358 249
413 347	1 240 041	4 133 470	7 286 036	-	-	13 072 894
-	-	225 387 442	-	-	377 234 492	602 621 934
675 543 088	303 155 643	517 832 357	161 738 600	123 562 013	377 234 492	2 159 066 193
6 228 472	(84 277 635)	(225 995 013)	457 200 462	432 010 870	(340 364 742)	244 802 414
6 228 472	(78 049 163)	(304 044 176)	153 156 286	585 167 156	244 802 414	-
118 727 749	-	-	-	4 093 647	-	122 821 396
119 671 283	102 575 386	68 383 591	51 287 693	-	-	341 917 953
-	-	-	-	-	68 363 368	68 363 368
-	-	39 003 171	-	-	-	39 003 171
238 399 032	102 575 386	107 386 762	51 287 693	4 093 647	68 363 368	572 105 888
130 318 231	-	-	-	-	-	130 318 231
129 872 705	-	-	-	-	-	129 872 705
14 470 113	14 195 797	3 443 792	-	-	-	32 109 702
4 704 778	12 526 816	-	-	-	-	17 231 594
210 198	630 594	1 891 782	5 545 425	-	-	8 277 999
-	-	-	-	168 369 789	-	168 369 789
279 576 025	27 353 207	5 335 574	5 545 425	168 369 789	-	486 180 020
(41 176 993)	75 222 179	102 051 188	45 742 268	(164 276 142)	68 363 368	85 925 868
(41 176 993)	34 045 186	136 096 374	181 838 642	17 562 500	85 925 868	-

29.2.8 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company’s clients or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises mainly from commercial and consumer loans and advances, balances with banks and cash and other assets.

Credit risk is the single largest risk for the Company’s business management therefore carefully manages its exposures to credit risk.

Management of credit risk

The Board of Directors has delegated responsibility for the management of credit risk to its Management Credit Committee (“MCC”).

Impaired loans and advances

Impaired loans and advances are loans and advances for which the Company determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/ securities agreement(s).





NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

30 June 2025	UNDERLYING FOREIGN CURRENCY BALANCES				
	US\$	ZAR	EUR	GBP	Total
Balances with banks and cash	456 399 584	31 114 550	1 498 316	705 196	489 717 646
Loans and advances to customers	1 459 186 720	-	-	-	1 459 186 720
Investment securities	316 578 616	-	-	-	316 578 616
Other assets	66 790 522	-	214 164	-	67 004 686
Total Assets	2 298 955 442	31 114 550	1 712 480	705 196	2 332 487 668
Deposits from customers	920 061 221	1 481 043	2 803 673	987 533	925 333 470
Wallet deposits	403 096 139	-	-	-	403 096 139
Borrowings	602 621 934	-	-	-	602 621 934
Other liabilities	88 233 290	-	-	-	88 233 290
Total Liabilities	214 012 584	1 481 043	2 803 673	987 533	2 019 284 833
Net position	284 942 858	29 633 507	( 1 091 193)	( 282 337)	313 202 835

30 June 2024	UNDERLYING FOREIGN CURRENCY BALANCES				
	US\$	ZAR	EUR	GBP	Total
Balances with banks and cash	100 615 067	6 131 603	68 337	68 666	106 883 673
Loans and advances to customers	381 466 459	-	-	-	381 466 459
Investment securities	27 336 287	-	-	-	27 336 287
Other assets	47 995 026	-	-	-	47 995 026
Total Assets	557 412 839	6 131 603	68 337	68 666	563 681 445
Deposits from customers	109 774 430	753 177	1 425 794	502 205	112 455 606
Wallet deposits	130 318 235	-	-	-	130 318 235
Borrowings	171 135 673	-	-	-	171 135 673
Other liabilities	27 842 630	-	-	-	27 842 630
Total Liabilities	439 070 968	753 177	1 425 794	502 205	441 752 144
Net position	118 341 871	5 378 426	( 1 357 457)	( 433 539)	121 929 301

29.2.14 Capital risk management

Capital risk refers to the risk of InnBucks own capital resources being adversely affected by unfavourable external developments

InnBucks capital resources should therefore be adequate to absorb losses such as operating losses, and capital loss on investments.

The Reserve Bank of Zimbabwe (“RBZ”) regulates the minimum capital requirements of all deposit taking microfinance institutions. InnBucks core capital position closed at ZwG306.7 million as at 30 June 2025 which is above the current minimum regulatory requirement of US\$5 million or ZwG equivalent.

InnBucks policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders’ return is also recognised and InnBucks recognises the need to maintain a balance between higher returns that might be possible with greater gearing and the advantages and security accorded by a sound capital position.

Capital adequacy and the use of regulatory capital is monitored daily by InnBucks management and the directors employing techniques based on guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe for supervisory purposes.

The Company’s regulatory capital is managed by management and comprises three tiers;

- Tier 1 Capital: comprises contributed capital, accumulated profits, capital reserves (comprising share premium and share allocation reserves)
- Tier 2 Capital: comprises impairment allowance
- Tier 3 Capital: Comprises operational and market risk capital.

Share capital  
Share premium  
Financial assets at FVTOCI Reserve  
Foreign Currency Translation Reserve  
Retained earnings

Core capital  
Less Exposures to related parties  
Less: capital allocated for market and operational risk  
Tier 1 capital

ECL provisions – (limited to 1,25% of risk weighted assets  
Tier 2 capital

Add: Sum of market and operational risk capital

Regulatory capital base (Tier 3 capital)

Total risk weighted assets

Tier 1 ratio  
Tier 2 ratio  
Total capital adequacy ratio

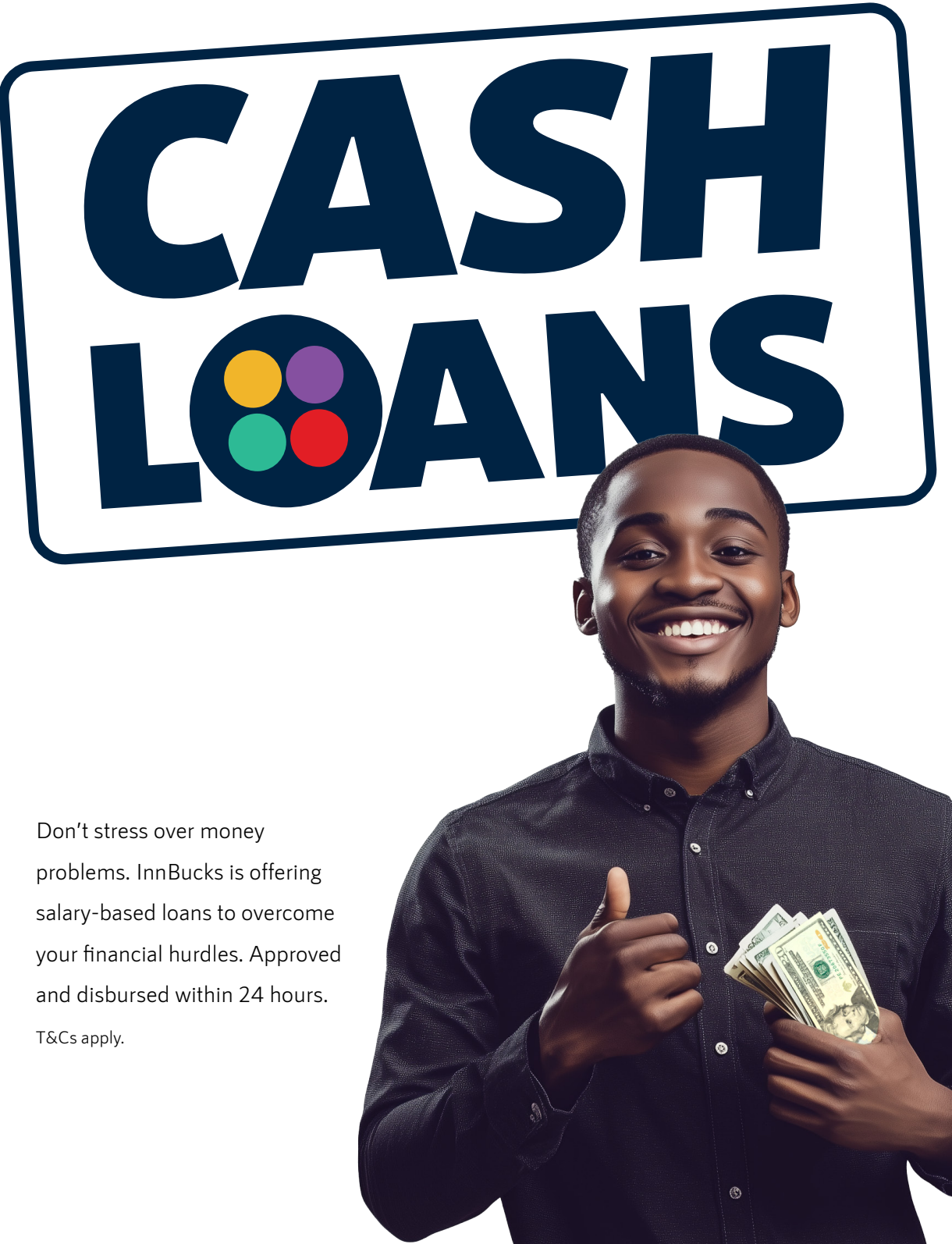
RBZ minimum required

30 GOING CONCERN

The Board continuously assesses the Bank’s ability to continue as a going concern, considering the current economic climate and all relevant data regarding potential risks and uncertainties.  
After reviewing the projections for 2026 and the Bank’s cash flow, the Board has no reason to believe that the Bank will not continue as a going concern. Therefore, the financial statements for the year ended 30 June 2025, were prepared on the going concern basis.

31 EVENTS AFTER THE REPORTING DATE

There are no material events after reporting date that warrant disclosure.



Don't stress over money problems. InnBucks is offering salary-based loans to overcome your financial hurdles. Approved and disbursed within 24 hours.

T&Cs apply.

AUDITED	AUDITED
30 June 2025	30 June 2024
ZwG	ZwG
109 836	109 836
73 354 284	73 354 284
( 9 742 133)	-
130 766 968	-
112 227 082	37 676 241
306 716 037	111 140 361
(42 850 566)	(25 030 599)
(16 466 666)	(7 230 061)
247 398 805	78 879 701
20 227 118	5 192 673
267 625 923	84 072 374
16 466 666	7 230 061
284 092 589	91 302 435
1 618 169 475	415 413 857
15.3%	19.0%
16.5%	20.2%
17.6%	22.0%
15.0%	15.0%