



CHAIRMAN'S STATEMENT

I am pleased to share the results for the half-year ending 30 June 2024, which once again demonstrate that GetBucks Microfinance Bank Limited (‘the Microfinance Bank’) has been resilient despite inflationary pressures and market disruptions in the operating environment.

In 2024, the operating environment faced significant challenges, with an unstable exchange rate causing numerous operational difficulties for businesses. High inflation, driven by a rapidly depreciating currency and falling international commodity prices, persisted. In response to the local currency’s sharp decline in the first quarter, the Government of Zimbabwe implemented measures to stabilize the economy. Following the introduction of a new currency on 5 April 2024, stability improved, and the currency’s depreciation against the USD slowed to just 0.01% between 5 April and 30 June 2024.

Operational Results

The Microfinance Bank recorded a profit before tax of ZWG\$29.8 million which was a 444% increase as compared to the prior year profit of ZWG\$5.5 million. Other income grew to ZWG\$75.2 million in 2024 as compared to ZWG\$5.5 million in 2023. This was primarily driven by fair value adjustments on the institution’s investment property portfolio, as well as the re-pricing of foreign currency-denominated assets. Operating expenses increased to ZWG\$50.5 million during the year under review. The increase was mainly driven by re-pricing of foreign currency denominated obligations.

Financial Position

Based on the historical figures, the Microfinance Bank grew its total assets by 305%, from ZWG\$37.4 million to ZWG\$151.8 million. The Microfinance Bank managed to mobilise new lines of credit, and as a result, borrowings increased from ZWG\$22.2 million to ZWG\$72 million. Customer deposits grew by 211% to close at ZWG\$14 million up from ZWG\$4.5 million in December 2023. The increase is attributable to the increased use of the USD in the economy. The loan book also increased by 641%, growing from ZWG\$6 million in 2023 to close at ZWG\$44.5 million in 2024.

Capital

The Microfinance Bank’s net equity position was ZWG\$36.1m as at 30 June 2024. To ensure compliance with the regulatory minimum capital requirement, the Microfinance Bank is working on a recapitalization plan as detailed in the Outlook section below.

Dividend

No dividend has been declared for the period under review.

Directorate

During the reporting period, there were no changes to the directorate.

Outlook

With the coming in of the new shareholders, the Microfinance Bank is set to be recapitalized. The injection of capital by the new shareholders will address the regulatory minimum capital requirement of US\$5 million equivalent. The raised capital will capacitate the Microfinance Bank to underwrite increased business volumes.

Appreciation

I remain deeply grateful to our valued customers and key stakeholders, whose trust and partnership have been instrumental in enabling the Microfinance Bank to maintain profitability in this challenging operating environment. I also extend my sincere thanks to my fellow Board members, Management, and Staff for their dedication and collective efforts, which have been vital in sustaining the Bank’s operations throughout the period under review.

MR I. CHAGONDA
CHAIRMAN

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


For the half-year ended 30 June 2024


		June 2024 ZWG	Restated June 2023 ZWG
Interest income	Note 2	14,667,309	1,599,572
Interest expense	3	(13,892,912)	(964,691)
Net interest income		774,397	634,881
Fee and commission income	4	5,080,842	450,934
Other income	5	75,199,820	5,492,980
Total net income		81,055,059	6,578,795
Operating expenses	6	(50,505,370)	(1,024,860)
Allowance for expected credit loss		(740,079)	(73,360)
Profit before taxation		29,809,610	5,480,575
Income tax credit / (expense)	7	1,630,676	(1,152,299)
Profit for the year		31,440,286	4,328,276
Other comprehensive income:			
Revaluation gains on property and equipment		-	-
Tax on revaluation of property and equipment		-	-
Total comprehensive income for the year		31,440,286	4,328,276

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		June 2024 ZWG	Restated Dec 2023 ZWG
ASSETS	Note		
Cash and cash equivalents	8	52,429,161	14,897,702
Loans and advances to customers	9	44,496,925	6,008,373
Investment properties	10	29,771,280	11,419,960
Other assets	11	22,196,801	5,004,541
Intangible assets	12	7,769	12,774
Property and equipment	13	40,295	25,209
Right of use asset	14	35,320	58,186
Tax receivable	15	2,799,838	5,831
Total assets		151,777,389	37,432,576
EQUITY AND LIABILITIES			
Equity attributable to the owners:			
Share capital	16	-	-
Share premium		5,256	4,519
Revaluation reserve		97,560	418,724
Retained earnings		36,083,633	5,964,688
Total equity		36,186,449	6,387,931
Non-current liabilities			
Borrowings	17	63,322,025	19,495,971
Deferred tax liability	18	2,578,153	2,290,943
		65,900,178	21,786,914
Current liabilities			
Borrowings	17	8,733,300	2,699,682
Deposits from customers	19	14,037,241	4,520,652
Other financial liabilities	20	26,920,220	2,037,397
		49,690,761	9,257,731
Total equity and liabilities		151,777,389	37,432,576


Chairman


Managing Director

25 August 2024

MANAGING DIRECTOR'S REPORT

Performance Outturn:

The institution witnessed remarkable growth across various income streams during the year under review. Interest income surged from ZWG\$1.6 million in 2023 to ZWG\$14.7 million in 2024. This substantial increase reflects the institution’s improved lending activities and higher interest-earning assets.

Fee and commission income also increased from ZWG\$450,934 in 2023 to ZWG\$5.1 million in 2024, indicating a higher volume of transactions and services provided by the institution during the period. Additionally, other income grew, reaching ZWG\$75.2 million in 2024, compared to ZWG\$5.5 million in 2023. This sharp rise in other income was primarily driven by fair value adjustments on the institution’s investment property portfolio, as well as the re-pricing of foreign currency-denominated assets. These factors significantly contributed to the institution’s overall financial performance.

However, the institution also faced a notable rise in operating expenses, which rose to ZWG\$50.5 million during the year, mainly due to the re-pricing of foreign currency-denominated obligations. Despite this increase in costs, the institution successfully reported a profit before tax of ZWG\$29.8 million, representing a substantial 444% growth compared to the previous year’s profit of ZWG\$5.5 million.

The institution experienced significant growth in its total assets, which increased by 305%, rising from ZWG\$37.4 million to ZWG\$151.8 million. This growth reflects the institution’s success in securing funding which supported the loan book growth. Borrowings grew from ZWG\$22.2 million to ZWG\$72 million, highlighting the institution’s enhanced financial capacity to support its operations.

The institution’s loan portfolio also expanded significantly, with the loan book increasing by 641%. It grew from ZWG\$6 million in 2023 to ZWG\$44.5 million in 2024, underscoring the institution’s growing capacity to extend credit to its customers, further reinforcing its role in supporting economic activity within the market. These growth metrics reflect the institution’s strengthened financial position and its ability to leverage on new opportunities for continued expansion.

People & Culture

After implementing a new organizational structure aligned with its updated business model, the institution successfully streamlined its work-force, reducing its headcount to 48 employees. This strategic move was aimed at optimizing operational efficiency and reducing overall costs, contributing to the institution’s efforts to enhance profitability. By adopting this leaner structure, the institution has effectively minimized personnel expenses without compromising its ability to deliver quality service. The reduction in headcount reflects a more efficient allocation of resources, ensuring that the organization is well-positioned to meet the demands of its evolving business model.

Technological advancements

The institution will be making significant investments towards the upgrade of IT infrastructure in the coming months in order to improve operational efficiencies and customer experience.

Appreciation

I would like to take this opportunity to sincerely thank our valued customers and stakeholders for their continued support and steadfast commitment to the institution. I also extend my heartfelt appreciation to the entire GetBucks staff and management team for their collective efforts, which have been instrumental in achieving this performance as of 30 June 2024.

In closing, I am profoundly appreciative of the Board’s invaluable advice and direction, for which I remain truly grateful.

MR EDWIN CHAVORA
MANAGING DIRECTOR

STATEMENT OF CHANGES IN EQUITY

For the half-year ended 30 June 2024

	Share capital ZWG	Share premium ZWG	Retained earnings ZWG	Revaluation reserve ZWG	Total equity ZWG
Opening Balance	-	5,256	315,071	97,560	417,887
Profit for the year	-	-	4,328,276	-	4,328,276
Revaluation surplus	-	-	-	-	-
Balance as at 30 June 2023	-	5,256	4,643,347	97,560	4,746,163
Profit for the year	-	-	31,440,286	-	31,440,286
Balance as at 30 June 2024	-	5,256	36,083,633	97,560	36,186,449

STATEMENT OF CASHFLOWS

For the half-year ended 30 June 2024

	June 2024 ZWG	Restated June 2023 ZWG
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	29,809,610	5,480,575
Adjustments for:		
Depreciation and amortisation	4,270	8,099
Fair value adjustments	10,619,523	(4,563,031)
Profit on disposal of non current assets	-	-
Net impairment	740,079	69,528
Interest income	(14,667,309)	(1,599,572)
Interest expense	13,892,912	964,691
Changes in working capital:		
Increase in loans and advances to customers	(36,862,785)	(7,556,726)
Increase in other assets	(22,168,924)	(13,284)
Increase in deposits from customers	10,823,203	3,214,038
Increase in other financial liabilities	23,454,308	3,492,457
Cash generated / (utilised) in operations	15,644,887	(503,225)
Interest received	15,387,356	1,377,375
Interest paid	(14,078,044)	(407,465)
Income tax paid	-	-
Net cash flows utilised in operating activities	16,954,199	466,685
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	222	-
Purchase of property, plant and equipment	(18,482)	-
Additions to intangible assets	(7,835)	-
Purchase of investment property	-	-
Net cash outflows from investing activities	(26,095)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
New borrowings	55,890,761	1,247,032
Repayments	(24,212,149)	-
Net cash flows generated from financing activities	31,678,612	1,247,032
Net increase in cash and cash equivalents	48,606,716	1,713,717
Cash and cash equivalents at the beginning of the year	3,822,445	2,108,728
Inflation effect on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	8 52,429,161	3,822,445

NOTES TO THE FINANCIALS STATEMENTS

General information

Getbucks Microfinance Bank (“the Microfinance Bank”) is a registered deposit taking microfinance institution. The Microfinance Bank is registered under registration number 322/2012.

Basis Of Preparation

Compliance with International Financial ReportingStandards

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and in the manner required by the Companies and

other Business Entities Act (Chapter 24:31). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Microfinance Bank’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in section 3 of the accounting policies. The financial statements have been prepared based on the statutory records that are maintained under the historical cost basis and adjusted for

the effects of applying IAS 29. The financial statements are presented in Zimbabwean dollars and all values are rounded to the nearest dollar.

Functional and presentation currency

Items included in the financial statements of the Microfinance Bank are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Zimbabwe dollar (“ZWG”), which is the Microfinance Bank’s functional and presentation currency.



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

Incorporation and activities			
GetBucks Microfinance Bank Limited ("GetBucks" or "the Microfinance Bank") is registered as a Deposit Taking Microfinance Bank by the Reserve Bank of Zimbabwe, under the MicroFinance Act (Chapter 24:29). The Microfinance Bank is a limited liability Company incorporated and domiciled in Zimbabwe. The Microfinance Bank's business is conducted in Zimbabwe. The address of its registered office is First Floor, Unity Court, 64 Union Avenue, Harare, Zimbabwe		June 2024 ZWG	June 2023 ZWG
2	Interest income		
	Interest on Consumer Loans	7,189,014	782,566
	Interest income on SME Loans	7,478,295	817,006
		14,667,309	1,599,572
3	Interest expense		
	Interest on borrowings	13,754,673	946,789
	Interest on deposits	47,993	6,259
	Interest on leases	90,246	11,643
		13,892,912	964,691
4	Fees and commission		
	Banking fees and commission	1,822,394	324,731
	Administration fees	3,258,448	126,203
		5,080,842	450,934
5	Other income		
	Fair value adjustment	33,575,700	4,563,031
	Penalties and fines	69,679	20,625
	Rental income	97,137	3,030
	Bad debts recovered	4,506,165	-
	Gain on foreign exchange	36,951,139	906,294
		75,199,820	5,492,980
6	Operating expenses		
	Accounting and auditing fees	-	17,001
	Advertising, marketing and sales expenses	699,798	68,347
	Amortisation	1,928	431
	Bank charges	170,517	14,981
	Intermediated Money Transfer Tax (IMTT)	288	425
	Collection costs	543,694	102,733
	Computer expenses	1,232	416
	Professional fees	420,390	609
	Depreciation	2,342	7,668
	Directors fees	63,448	3,419
	Electricity and water	1,208	1,735
	Fines and penalties	-	830
	Loss on disposal	-	2,040
	Insurance expenses	227,067	1,709
	License fees	471,927	70,292
	Loss on foreign exchange	44,195,223	-
	Management fees	-	13,506
	Consultancy	79,880	10,436
	Other expenses	43,143	25,468
	Postage and courier	-	-
	Printing and stationery	6,422	5,772
	Rentals	516,727	516,727
	Repairs and maintenance	262,890	262,890
	Sales acquisition costs	-	8
	Security	119,441	61,792
	Staff costs (note 6.1)	2,400,787	495,138
	Staff welfare and refreshments	1,119	603
	Telephone and fax	199,796	43,212
	Training	-	154
	Travel	76,103	1,259
		50,505,370	1,024,860
6.1	Staff costs		
	Basic salary	2,027,505	401,093
	Medical aid contribution	183,388	59,139
	Pension contributions	122,575	17,738
	Provision for leave pay	67,319	17,168
	Staff recruitment	-	-
		2,400,787	495,138
7	Taxation expense		
	Major components of the tax expense:		
	Local income tax - current period	-	23,493
	Deferred tax	(1,630,676)	1,128,806
		(1,630,676)	1,152,299
7.1	Reconciliation between accounting profit and tax expense:		
	Accounting profit before tax	29,809,610	5,480,575
	Tax at the applicable tax rate of 25.75% (2023 : 24.72%)	7,675,975	1,354,798
	Tax effect of adjustments on taxable income :-		
	Profit on disposal of property and equipment	-	-
	Tax effect of expenses that are not deductible in determining taxable profit :-		
	Donations	-	-
	Intermediary Money Transfer	74	105
	Movement in provisions	17,335	4,244
	Allowance for impairment losses	190,570	17,187
	Net effect of disallowable expenses	(9,514,630)	(224,035)
	Adjustment for inflation	-	-
		(1,630,676)	1,152,299
8	Cash and cash equivalents		
	Cash and cash equivalents consist of:		
	Bank balances	26,198,871	3,561,503
	Balances with the Reserve Bank of Zimbabwe	12,944,091	5,417,317
	Cash on hand	13,286,199	5,918,882
		52,429,161	14,897,702
	Bank overdraft	(65)	(357)
		52,429,096	14,897,345



NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2024

	June 2024 ZWG	Dec 2023 ZWG
17 Borrowings		
17.1 Held at amortised cost		
Everprosperous World Wide Limited promissory notes (note 17.4)	72,055,325	22,195,653
17.2 Non-current liabilities (more than 12 months after reporting date) At amortised cost	63,322,025	19,495,971
17.3 Current liabilities (no more than 12 months after reporting date) At amortised cost	8,733,300	2,699,682

17.4 **Everprosperous World Wide Limited**
The fixed term notes were issued from January 2023 for purposes of growing the Microfinance Bank's loan book. The loans were issued at an interest rate of 60% per annum and are repayable in 12 months from the date of the drawdown.

Security details of the loan are as follows:
- Cession of the Microfinance Bank's loan book

The main shareholder of Everprosperous World Wide Limited is also a shareholder of the Microfinance Bank, and therefore the two entities have common control. Consequently, the Microfinance Bank and Everprosperous World Wide Limited are related parties.

17.5 **Reserve Bank of Zimbabwe Facility**
The Reserve Bank of Zimbabwe had set up a ZWL 500 million facility to finance Micro, Small and Medium Enterprises which had been adversely affected by the Covid-19 pandemic. The Microfinance Bank had drawn down ZWL 50 million under this facility and the Microfinance Bank repaid both the interest accrued and principal by July 2023.

	June 2024 ZWG	Dec 2023 ZWG
18 Deferred tax		
18.1 Deferred tax liability		
Accelerated capital allowance for tax purposes	286,381	379,251
Investment property revaluation	5,114,257	2,483,454
Total deferred tax liability	5,400,638	2,862,705
18.2 Deferred tax asset		
EIR adjustment on loan book	2,822,280	-
Accrued expenses	36	15,393
Assessed tax loss	-	505,644
Expected credit loss on loans and advances	169	50,725
Total deferred tax asset	2,822,485	571,762
Net deferred tax liability	(2,578,153)	(2,290,943)

18.3 **Reconciliation of deferred tax liability**
At beginning of year (2,867,807) (140,204)
Temporary differences:
Recognised in the statement of profit or loss 1,630,676 (2,150,739)
Change in tax rate (1,341,022) -
At end of year (2,578,153) (2,290,943)

19 Deposits from customers		
Deposits from customers are primarily composed of amounts payable on demand.		
Individual		
Current accounts	693,354	325,585
Small and medium enterprises		
Current accounts	13,343,887	4,115,144
Term deposits	-	79,923
	13,343,887	4,195,067
Total	14,037,241	4,520,652
Current (not more than 12 months after reporting date)	14,037,241	4,520,652
Non-current (more than 12 months after reporting date)	-	-
Total	14,037,241	4,520,652

20 Other financial liabilities		
Payroll liabilities	1,366,133	190,444
Leave pay provision	343,360	60,054
Accounting and audit fees provision	1,681	2,215
Lease liability (note 14.2)	1,402,815	396,056
Remittances	121,447	79,072
Accruals and other liabilities	23,446,312	1,290,457
Bank overdraft	65	357
Loans awaiting payment	238,407	18,742
	26,920,220	2,037,397

21 Related parties information		
21.1 Nature of relationships		
Related party	Relationship	
Everprosperous World Wide Limited	Common control / shareholder	

	June 2024 ZWG	June 2023 ZWG
21.2 Related parties borrowings		
Everprosperous World Wide Limited	63,322,025	7,515,093

21.3 Related parties payables		
Everprosperous World Wide Limited	8,733,300	83,829

21.4 Related party deposits		
Everprosperous	4,110,930	-

21.5 **Nature of transactions**
Everprosperous World Wide Limited issued promissory notes for the purpose of growing the Microfinance Bank's loan book. The loans were issued at an interest rate of 69% p.a. and are repayable after 12 months from the date of drawdown.

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2024

21.6 **Key management personnel compensation**
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and include the Managing Director, Finance Director, Head of Legal and Compliance, Head of Treasury, Head of Human Resources and Head of International Banking.

	June 2024 ZWG	June 2023 ZWG
Short term employment benefits	594,123,567	347,821,857
Post employment benefits	6,870,595	26,251,370
	600,994,163	374,073,227

22 **Employee benefits**
Pension fund
All eligible employees contribute to the GetBucks Pension Fund (the Pension Fund) which is a defined contribution pension fund. The Microfinance Bank has no legal or constructive obligation to pay should the Pension Fund's assets be insufficient to meet the Pension Fund's obligations. Contributions to the Pension Fund are expensed as part of staff costs. All employees are members of the National Social Security Authority Scheme (NSSA), to which both the Microfinance Bank and the employees contribute. Contributions by the employer are charged to profit and loss.

	June 2024 ZWG	June 2023 ZWG
Pension expense	3,504,004	13,388,199
NSSA expense	3,366,592	12,863,171
	6,870,595	26,251,370

22.1 Directors' emoluments		
Non-Executive Directors Emoluments	63,448	3,419

23 **Statement of compliance**

The Microfinance Bank is registered Deposit Taking Microfinance Bank and complies with the MicroFinance Act (Chapter 24:29), the Companies Act (Chapter 24:31) and the Exchange Control Act (Chapter 22:05).

As at 30 June 2024, the Microfinance Bank was non-compliant with the minimum capital requirement of USD5 million equivalent in Zimbabwe dollars (ZWG).

24 **Treasury and risk management**
The Microfinance Bank's activities expose it to a number of financial risks. Taking risk is core to a financial services business and the Microfinance Bank aims to achieve a balance between risk and return. The risk management policies are designed to identify, measure, monitor, control and report risks using up to date information systems. Risk management is carried out by management using board approved policies and management is responsible for identifying, monitoring and mitigating financial risks faced by the Microfinance Bank. The Board of Directors assists in ensuring compliance with these policies. The Microfinance Bank also has a compliance function whose role is to identify, record and assess compliance risks associated with the Microfinance Bank's operations.

Credit risk
Credit risk is the risk of financial loss to the Microfinance Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Microfinance Bank's loans and advances to customers. For risk management purposes, the Microfinance Bank considers and consolidates all elements of credit risk exposure such as individual obligor default employer and default risk. Credit risk and exposure to loss are inherent parts of the Microfinance Bank's business stemming from cash and cash equivalents and loans and advances to customers.

The provision of unsecured loans to individuals and business is the main activity of the Microfinance Bank, hence exposure to credit risk and its management are key considerations of the business. Customer credit risk is mitigated by the utilisation of payroll collection models for unsecured individual loans which ensures that the loans are collectable during their tenure, and collateral security for SME and mortgage loans.

The Microfinance Bank's credit department periodically prepares detailed reports on the quality of the customers and adequacy of loan impairment allowance for review.

Allowances for impairment
The loss allowance recognised in the period is impacted by a variety of factors, as described below:

• transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequently "step up" (or "step down") between 12-month and Lifetime ECL;

• additional allowances for new financial instruments recognised during the period, as well as releases of financial instruments de-recognised in the period;

• impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;

• impacts on the measurement of ECL due to changes made to models and assumptions;
• financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

Write-off policy
Financial assets are only written off when the entity has no reasonable expectation of recovery. The Microfinance Bank write-off policy states that a loan with a contractual maturity of more than 1 month will be written off after 365 days of non-payment. Loans with a contractual maturity of 1 month are written off after 180 days of non-payment.

The Microfinance Bank holds collateral against loans and advances to customers in the form of mortgage interest over property, other registered securities over assets, charges against receivables 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. Assets written off are not subject to enforcement activity. Partial write-offs may be possible in cases where collateral security held is inadequate to expunge the debt in full.

Liquidity risk
Liquidity risk is the risk that the Microfinance Bank will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises when assets and liabilities have differing maturities.

The liquidity risk is managed by reviewing the Microfinance Bank's liquidity profile by monitoring the difference in maturities between assets and liabilities and analysing the future level of funds required based on various assumptions, including its ability to liquidate investments and participate in money markets.

Assumptions used take into account loan collections, loan maturities, and operational costs. The Company's liquidity as a lending institution is dependent on the ability to collect instalments from advances made to customers. In case of shocks, delays or inability to collect instalments the Microfinance Bank relies on loan facilities from other financial institutions to ensure that it can meet its obligations.

Market risk
This is the risk of a change in the actual or effective market value or earnings of a portfolio of financial instruments caused by adverse movements in market variables such as equity, bond and commodity prices, currency exchange rates and interest rates, credit spreads, recovery rates, correlations and implied volatilities in all of the above.

Summary of Interest Rate Risk Exposure					
	Up to 3 months ZWG	3-12 months ZWG	1 to 5 years ZWG	Over 5 years ZWG	Total ZWG
2024 ASSETS					
Cash and cash equivalents	52,429,161				52,429,161
Loans and advances to customers	17,696,496	26,791,851	8,578		44,496,925
Investment properties				29,771,280	29,771,280
Other assets				22,196,801	22,196,801
Intangible assets				7,769	7,769
Property and equipment				40,295	40,295
Right of use asset				35,320	35,320
Tax receivable				2,799,838	2,799,838
Total assets	70,125,657	26,791,851	8,578	-	54,851,303
2024 LIABILITIES					
Borrowings	-		72,055,325		72,055,325
Deferred tax liability				2,578,153	2,578,153
Deposits from customers	14,037,241				14,037,241
Other financial liabilities				26,920,220	26,920,220
Total Liabilities	14,037,241	-	72,055,325	-	29,498,373
Interest Rate Re-ricing gap	56,088,416	26,791,851	(72,046,747)	-	25,352,930
Cumulative Gap	56,088,416	82,880,267	10,833,519	10,833,519	36,186,449
2023 ASSETS					
Cash and cash equivalents	3,822,445				3,822,445
Loans and advances to customers	2,467,898	3,512,466	28,010		6,008,373
Investment properties				11,419,960	11,419,960
Other assets				5,004,541	5,004,541
Intangible assets				12,774	12,774
Property and equipment				25,209	25,209
Right of use asset				58,186	58,186
Tax receivable				5,831	5,831
Total assets	6,290,343	3,512,466	28,010	-	16,526,501
2023 LIABILITIES					
Borrowings	2,699,682		19,495,971		22,195,653
Deferred tax liability				2,290,943	2,290,943
Deposits from customers	3,214,038				3,214,038
Other financial liabilities				2,037,397	2,037,397
Total Liabilities	5,913,720	-	19,495,971	-	4,328,340
Interest Rate Re-ricing gap	376,623	3,512,466	(19,467,961)	-	12,198,161
Cumulative Gap	376,623	3,889,088	(15,578,873)	(15,578,873)	(3,380,712)

24 **Treasury and risk management (continued)**
Credit risk (continued)

To maintain an adequate allowance for credit losses, the Microfinance Bank generally provides for a loan or a portion thereof, when a loss is probable. The objective of our credit risk management is to ensure that credit is granted to credit worthy clients in order to collect on loans disbursed.

The Microfinance Bank mainly provides loans to gainfully employed individuals that work for companies and mostly the public service that have concluded a deduction agreement. In terms of the agreement the employer deducts loan instalments from customers salaries based on pre-agreed terms. This mitigates the risk of default on consumer loans.

Credit policies, procedures and limits
The Microfinance Bank has sound and well-defined policies, procedures and limits which are reviewed and approved by the Board of Directors and strictly implemented by management. Credit risk limits include delegated approval and write-off limits for management and Board Credit Committee, individual account limits and concentration. To ensure that the Microfinance Bank only lends to credit worthy customers, before loans are disbursed, checks are conducted to verify identity, employment status and affordability of loan products being applied for. Similar checks are conducted for SME's and where deemed necessary collateral or credit insurance is obtained to mitigate risk of default.

Credit risk mitigation and hedging
As part of the Microfinance Bank's credit risk mitigation and hedging strategy, various types of collateral is taken by the Microfinance Bank. These include mortgage bonds over residential, commercial and industrial properties, cession of book debts and the underlying movable assets financed.

Collateral held for exposure
An estimate of the fair value of collateral and other credit enhancements held against loans and advances to customers are shown below based on their collateral types :-

Collateral types	Segment	June 2024 ZWG	June 2023 ZWG
Mortgage Bonds	SME	33,920,186	8,420,703
Guarantees	SME		161,247
Cash cover	SME		11,416
Exposure credit guarantees	SME	-	-
Security Sharing Agreement	SME		-
Value of collateral		33,920,186	8,593,367

The collateral above is solely for the SME loans. The gross carrying amount of the assets is ZWGS 33,920,186. The gross loan book for SME is ZWG 21,077,696. This implies that collateral cover is 161%. There is no collateral for the consumer segment. None of the collateral was sold or repledged. The Microfinance Bank has an obligation to return it once respective loans have been settled.

	June 2024 ZWG	June 2023 ZWG
Maximum exposure to credit risk without taking into account collateral		
Cash and cash equivalents (excluding cash on hand)	39,142,962	8,978,820
Loans and advances to customers	24,010,444	3,046,265
Total credit risk exposure	63,153,406	12,025,085

Where financial instruments are recorded at fair value the amounts shown above represent the current risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

Other credit enhancements
Customer credit risk is mitigated by the utilisation of payroll collection models. In addition, all consumer loans granted to customers are covered by credit life insurance that pays the Microfinance Bank in case of death or permanent disability of the customer.

Loans with renegotiated terms
Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Microfinance Bank 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. There were no renegotiated loans and advances to customers during the period under review.



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Foreign Currency Exchange Risk
The Microfinance Bank 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'. The Microfinance Bank does not use hedge instruments to manage foreign currency exchange risk.

Capital risk management
The Microfinance Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:
•to comply with the capital requirements set by the Microfinance Banking regulators;

•to safeguard the Microfinance Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders; and

•to maintain a strong capital base to support the development of its business.
The Microfinance Bank's 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 the Microfinance Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Microfinance Bank's capital resources should therefore be adequate to absorb losses such as operating losses, and capital losses on investments. So long as net losses can be fully offset against capital invested by the Microfinance Bank's owners, the legal claims of clients or other creditors are not compromised, and the Microfinance Bank can continue to function without interrupting its operations.

The shareholders' equity for the Microfinance Bank at the half-year end of 2024 is ZWG36 186 449 which translates to USD2 640 749, this was not in compliance with the RBZ's minimum capital requirement of USD5 000 000 equivalent. The new majority shareholders have agreed to inject a minimum of USD5m in capital, to show their commitment they have already placed into the bank instruments in excess of USD\$5m. A rights issue process to bring these instruments as capital would be initiated and concluded before 31 December 2024.

The gearing ratios is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents as shown in the statement of financial position. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

	June 2024 ZWG	Dec 2023 ZWG
Total borrowings		
Other financial borrowings	72,055,325	22,195,653
Less: cash and cash equivalents	(52,429,161)	(14,897,702)
Net debt	19,626,164	7,297,951
Total equity	36,186,449	4,746,163
Total capital	55,812,613	12,044,114
Gearing ratio	35%	61%

Capital adequacy and the use of regulatory capital is monitored daily by the Microfinance Bank's 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 Microfinance Bank's regulatory capital is managed by management and comprises three tiers;

•**Tier 1 Capital:** capital representing a permanent commitment of funds by the shareholders of the microfinance bank (net of any loans and advances given to an insider) which is available to meet losses incurred without imposing a fixed unavoidable charge on the institution's earnings, and includes such of the following elements as are available to the institution after making any required deductions (a) issued and fully paid up ordinary shares or common stock; (b) paid up non-cumulative irredeemable preference shares; (c) reserves consisting of (i) non-repayable share premiums; (ii) disclosed reserves created by a charge to net income in the financial year immediately preceding the current one; (iii) published retained earnings for the current year, including interim earnings, where these have been verified by external auditors; (d) minority interests in subsidiaries arising on consolidation;

•**Tier 2 Capital:** comprises impairment allowance, revaluation reserves, undisclosed reserves, hybrid capital instruments and subordinated term debt.

	June 2024 ZWG	June 2023 ZWG
Capital adequacy		
Share capital	-	-
Share premium	5,256	5,256
Retained earnings	36,083,633	4,643,347
Revaluation reserve	97,560	97,560
	36,186,449	4,746,163
Less: deductions	-	-
Encumbered assets (Bank facility)	-	-
Total core capital	36,186,449	4,746,163
Supplementary capital	-	-
Other reserves (limited to equivalent of core capital)	-	-
General provisions	-	-
Core capital plus supplementary	36,186,449	4,746,163
Net capital base	36,186,449	4,746,163
Risk weighted assets	117,407,560	18,886,756
Tier 1 Ratio	31%	25%
Tier 2 Ratio	31%	25%
Capital adequacy ratio	31%	25%

The Microfinance Bank has 3 classes of risk weighted assets. They are Credit, Market, and Operational risk assets which are components of the Capital Adequacy Ratio ("CAR") calculation. Risk weighted assets are used to determine the minimum amount of capital that must be held by banks to reduce the risk of failure. The capital requirement is based on a risk assessment for each type of bank asset. The required Tier 1 ratio is 12%, Tier 2 is 15%. This is based on operational guidelines for Deposit taking Microfinance Institutions.

Capital charges are assigned as below:

Credit risk capital
Credit risk capital is subject to guidelines provided by the regulator which are based on Basel 1 principles. On this approach the Bank's book exposures are categorised into broad classes of assets with different underlying risk characterised. Risk components are transformed into risk weighted assets using predetermined exposure and loss probability factors. Capital requirements for credit risk are derived from the risk weighted assets.

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for the half-year ended 30 June 2024

Market risk capital
Market risk capital is assessed using regulatory guidelines which consider the risk characteristics of the different trading book assets. Risk components are transformed into risk weighted assets and, therefore, capital requirements, based on predetermined exposure and loss probability factors.

Operational risk capital
This is the risk of losses arising from inadequate or failed internal processes, people and/or systems or from external events. Practices to minimise operational risk are embedded across all transaction cycles. Departmental key risk indicators are used for the purpose of identifying major risks in the operating environment and methods of mitigating the risks. The Microfinance Bank employs the standardised approach to determine capital required to cover operational risk. Each function carries out a risk and control assessment of their processes on a regular basis. The assessment results are reviewed by the Executive Committee of the Microfinance Bank. Internal Audit audits selected functions at given times.

Total capital
Total capital for the Microfinance Bank is assessed to be sufficient to support current business and planned capital projects. Growth in advances will continue to be pursued in such a way as to achieve economic asset yields.

Risk ratings
The Reserve Bank of Zimbabwe conducted an offsite inspection on the Microfinance Bank in the second quarter of 2024 and was assigned a composite rating of '4'

CAMEL* Component	RBS** Rating
Capital Adequacy	4
Asset/Portfolio quality	4
Management, Corporate Governance and Outreach	4
Earnings	3
Liquidity and Funds Management	3

*CAMEL is an acronym for Capital Adequacy, Asset quality, Management, Earnings, and Liquidity.

CAMEL rating system uses a rating scale of 1-5, where '1' is Strong, '2' is Satisfactory, '3' is Fair, '4' is Weak and '5' is Critical.

**RBS stands for Risk-Based Supervision

Legal and compliance risk
Legal and compliance risk is the risk that arises due to the Microfinance Bank's failure to adhere to legal and regulatory obligations. The Microfinance Bank manages this risk through dedicated Legal and Compliance units, and deliberations by its Board Risk and Compliance Committee.

Strategic risk
The roles of the Chairman and the Managing Director are purposefully separated to ensure a clear distinction between governance and management. The Chairman leads the Board of Directors, providing oversight and strategic guidance, while the Managing Director focuses on the day-to-day operations and management of the company.

The executive team, under the leadership of the Managing Director, is responsible for formulating the institution's strategy. This strategic plan is developed with input from key leaders across the organization and is presented to the Board for approval. Once the strategy is approved, the executive directors are tasked with implementing and executing it across all relevant areas of the business. The Board reviews the performance and suitability of the strategy at least quarterly.

Reputation risk
This risk pertains to the potential harm to the Institution's reputation that stems from how the market perceives its operations, including the packaging and delivery of its products and services, as well as the behaviour and conduct of its staff and management. Reputational risk is closely tied to the Institution's overall business ethics and corporate values. If stakeholders, including customers, investors, or regulators, develop a negative perception of the Institution's ethical standards or practices, this can lead to a decline in trust, which may ultimately result in financial losses, such as a reduction in earnings or market share.

To mitigate and manage this risk, the Institution relies on its compliance and human resources function. These teams play a critical role in ensuring that both management and staff adhere to the Institution's ethical codes, regulatory requirements, and internal compliance standards.

Board and Directors evaluation
The Board is required to conduct an annual evaluation process which assesses the performance and effectiveness of individual directors, the Board Chairperson, Committees and overall performance of the Board. Every Board member is expected to make an assessment of the quality of board oversight. Board members also perform peer review of each member in addition to the individual member review done by the Chairperson of the Board. Due to the current Board composition and transition at the Microfinance Bank, there was no evaluation that was carried out during the period under review.

25 Contingent liabilities
There were no contingent liabilities as at as at 30 June 2024 (30 June 2023: nil).

26 Capital commitments
There were no authorised and contracted or authorised but uncontracted capital expenditure as at 30 June 2024. (30 June 2023 : nil)

NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 30 June 2024

27 Going concern
The Directors believe that the Microfinance Bank has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Microfinance Bank is in a sound financial position and that it has access to sufficient financing facilities to meet its foreseeable cash requirements. The Directors are not aware of any material changes that may adversely impact the Microfinance Bank. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the going concern of the Microfinance Bank.

28 Events after the reporting date
There were no subsequent events requiring disclosure or recognition in the audited financial statements.

29 Corporate Governance
Credit risk (continued)
"Getbucks Microfinance Bank Limited adheres to governance practices as stipulated by the Companies and Other Business Entities Act, the Reserve Bank of Zimbabwe Operational Guidelines, and the King IV Code. The Board has set up the Audit and Risk Committee, Remuneration Committee, Credit Committee, Loans Review Committee and the Nominations Committee to assist in the discharge of its duties and responsibilities. The Board has also appointed management committees to assist in the execution of its mandate namely, the Asset and Liability Committee (ALCO) and the Executive Committee."

Board of Directors
The Microfinance Bank is working towards complying with section 20 of the Microfinance Act (Chapter 24:30) which requires deposit taking microfinance institutions to have a minimum of five (5) directors. A new board chairman Mr Innocent Chagonda has since been approved by the Registrar of Microfinance Institutions and two additional board members were identified and nominated.

Audit and Risk Committee
"The Committee oversees the Company's financial reporting process, monitoring the integrity and appropriateness of the Company's financial statements, evaluating the adequacy of the Company's financial and operational processes, compliance, internal controls and risk management processes and the selection, compensation, independence and performance of the Company's external and internal auditors. The Committee meets at least four times a year. The Committee meets regularly with the Company's internal and external auditors. Both the internal and external auditors have unrestricted access to the committee for their independence and objectivity."

Loans Review
"The Loans Review Committee assesses compliance of the loan book with the lending policy and regulations. The Committee conducts loan reviews independent of any person or Committee responsible for sanctioning credit."

Credit Committee
"The Credit Committee's main responsibilities are to consider loan applications beyond the discretionary limits of the Executive Credit Committee and to direct the formulation of, review and monitor the credit principles and policies of the Microfinance Bank."

Remuneration Committee
"The Committee is responsible for setting the Microfinance Bank's remuneration philosophy and reviews the overall remuneration structures of the Microfinance Bank, including all material remuneration proposals and packages for Executive Directors and senior personnel."

Executive Committee
"The Executive Committee is the operational management forum responsible for the delivery of the Company's operational plans. The Executive Committee acts as a link between the Board and management and is responsible for implementation of operational plans, annual budgeting and periodic review of strategic plans, as well as identification and management of key risks. The Executive Committee is made up of the Managing Director, Finance Director, Head Treasury, Head of Risk, and Company Secretary."

Assets and Liabilities Committee (ALCO)
"The ALCO's objective is to derive the most appropriate strategy for the Company in terms of the mix of assets and liabilities given its expectations of the future and potential consequences of interest rate movements, liquidity constraints and capital adequacy within acceptable risk frameworks. The Committee is made up of executive committee members and heads of departments"

29.1 Directors

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

Directors	Position	Changes
Mr. Innocent Chagonda	Independent Non-Executive Chairperson	Appointed in March 2024
Mr. Edwin Chavora	Managing Director	No changes
Mr. Gabriel Chiome	Finance Director	No changes
Nominated Directors		
Mr. Gamuchirai Nyamuzinga	Independent Non-Executive Director	15 May 2024
Ms. Shaleetha Mahabeer	Non-Executive Director	15 May 2024

29.2 Meeting Attendance

Director's Name	Main Board	Audit & Risk	Loans Review	Credit	Remuneration
I Chagonda	1	-	-	-	-
G Nyamuzinga	1	-	-	-	-
S Mahabeer	1	-	-	-	-
E Chavora *	1	-	-	-	-
G Chiome *	1	-	-	-	-

* Executive Director

During the period under review, only one board meeting was held, and no subcommittee meetings took place. With the recent nomination of additional board members, the subcommittees will now be fully constituted, and meetings will resume in earnest.

29.3 Directors' interests in contracts
During the financial year, no contracts were entered into where directors or officers of the Company had an interest and which significantly affected the business of the Company.

29.4 Holding Company
The entity's holding Company is Everprosperous Worldwide Private Limited Limited which holds 99.16% of the Microfinance Bank's equity. The transaction was approved by the Registrar of Microfinance Institutions in May 2023.

By Order of The Board

Mr. Muchineripi Chigwendere (Company secretary).

Registered Office: First Floor, Unity Court Building, 64 Union Avenue, Harare, Zimbabwe.