GetBucks Microfinance Bank

Audited Financial Statements

For the year ended 31 December 2024

CHAIRMAN'S STATEMENT

Introduction
To our esteemed stakeholders, it is my pleasure to present to you our financial results for the year ending December 31, 2024.

Operating Environment
The year under review saw the introduction of a new structured currency (ZWG) backed by mineral commodities and US Dollar reserves by the Reserve Bank of Zimbabwe on 5 April 2024 to replace the volatile and deteriorating ZWL currency and bring macroeconomic stability. To stabilize the new currency the authorities implemented a tight monetary policy regime which saw the Reserve Bank of Zimbabwe raising Statutory Reserve Requirements and devaluing the ZWG in September 2024. The Fiscal Authorities on the other hand delayed settlement of Government obligations. This cocktail of measures slowed down economic activity in the last quarter of 2024.

Operational Results
The Microfinance Bank recorded Total Comprehensive Income of ZWG$ 80.2 million up from ZWG$ 4.28 million in 2023. This growth was on the back of increases in all revenue lines particularly other income and commendable progress in managing operating expenses.

Financial Position
The Microfinance Bank grew its total assets by 2,334% mainly due to an increase in the cash and cash equivalents held by the Microfinance Bank. The increase in cash and cash equivalents supported the growth of the loan book with the Microfinance Bank achieving a 1,658% growth in the loan book. Borrowings grew by 1.327.5% from ZWG$2 million to ZWG$29.2 million. Customer deposits also grew by 571.5% during the period under review, from ZWG$3.4 million in 2023 to over ZWG$23 million in 2024.

Capital
The Microfinance Bank's net equity position as at December 31, 2024 is ZWG$85 million, a 1,673.9% increase from the 2023 position. To ensure compliance with the regulatory minimum capital requirement, the Microfinance Bank will invite shareholders to subscribe to rights issue in April 2025 that will raise an addition circa US$7 million in capital.

Dividend
No dividend has been declared for the period under review.

Directorate
During the period under review, Mr. Gamuchirai Nyamuzinga and Ms. Shaleetha Mahabeer were appointed as non-executive directors following the approval of the Reserve Bank of Zimbabwe. On behalf of the Board of Directors, I would like to formally welcome our new Non-Executive Directors and I wish them success and a positive experience.

Outlook
The tight monetary policy regime instituted by the Authorities calls for a more careful and studious approach to managing our business.

Appreciation
On behalf of the Board of Directors, I would like thank our shareholders, my fellow board members, clients, business partners and suppliers for all your support during the 2024 financial year. Lastly, I would like to thank our management and staff for all their hard work and loyalty during this period and I look forward to a successful 2025.

MR I. CHAGONDA
CHAIRMAN

MANAGING DIRECTOR'S REPORT

INTRODUCTION
The Microfinance Bank continued with the implementation of its key strategic initiatives, improving operational efficiencies, building resilience, and embracing sustainable practices.

The year started off on a slow note as economic players awaited the unveiling of the new currency regime. The tight monetary policy implemented by the Reserve Bank of Zimbabwe to support the introduction of the ZWG currency brought in stability on the exchange rate front in the last quarter of 2024 but also impacted on economic activity in the economy as witnessed by challenges faced in the Retail Sector. The authorities need to find the right balance between stabilizing the exchange rate and therefore inflation and keeping the economy ticking. A slowdown in economic activity will result in job losses, reduction in aggregate demand and therefore reduced government revenue collections bringing us back to where it all began, Government's over reliance on the overdraft facility at the Central Bank to fund its operations.

Performance Outturn.
During the financial period under review, the institution had significant increase in all areas of its revenue. Interest income increased significantly from ZWG$4 million in 2023 to ZWG$67,3 million in 2024. Fees and Commissions went up from ZWG$ 3.7 million in 2023 to ZWG$20.7 million in 2024. Other Income increased from ZWG$8 million in 2023 to ZWG$101.5 million in 2024. The substantial increase in other revenue was principally caused by fair value adjustments to the institution's investment property portfolio, as well as the re-pricing of foreign currency-denominated assets.

The institution's operating expenses increased from ZWG$3 million in 2023 to ZWG$23 million in 2024. Allowance for credit losses increased from ZWG$3.5 million in 2023 to ZWG$23.5 million in 2024, the increase was largely as a result of non-payment of suppliers by the Government which impacted on the clients ability to service their debts.

Resultantly, Profit before Tax increased from ZWG$5.8 million in 2023 to ZWG$89.2 million in 2024.

Total assets increased by 2,434%, rising from ZWG$28.6 million in 2023 to ZWG$697.3 million in 2024. This growth reflects the institution's success in securing funding which supported the loan book growth. Borrowings grew from ZWG$2 million in 2023 to ZWG$29.2 million, this highlights that the institution enhanced financial capacity to support its operations. The institution's loan portfolio also surged significantly, expanding by 1,758%. It increased from ZWG$4.5 million in 2023 to ZWG$81.7 million in 2024, demonstrating the institution's increasing ability to issue credit to its customers and reaffirming its posi tion in supporting economic activity in the marketplace. These growth measures show the institution's enhanced financial position.

People & Culture
After implementing a new organizational structure aligned with its updated business model, the institution successfully streamlined its workforce, reducing its headcount to 46 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 thank the Getbucks Microfinance Bank team, board and shareholders for their immense support during the period under review. I am sincerely grateful to our valued clients, funding partners, stakeholders and regulatory authorities for their various contributions in our pursuit of delivering on our vision. 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

AUDITOR'S STATEMENT

The inflation adjusted audited financial results should be read in conjunction with the full set of financials statements for the year ended 31 December 2024, which have been audited by the Independent Auditors, Crowe Chartered Accountants (Zimbabwe). The Independent Auditors have issued an unqualified opinion on the financial statements.

The auditors' report has been made available to the management and the directors of Getbucks Microfinance Bank Limited. The engagement partner responsible for the audit was Albert Tirivangani (PAAB Practice Certificate Number 0584)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	INFLATION ADJUSTED 2024 ZWG	INFLATION ADJUSTED 2023 ZWG	HISTORICAL COST 2024 ZWG	HISTORICAL COST 2023 ZWG
Interest income	2	111 853 631	43 461 057	67 258 270	4 000 409
Interest expense	3	(97 403 798)	(35 995 536)	(58 569 497)	(3 313 239)
Net interest income		**14 449 833**	**7 465 521**	**8 688 773**	**687 170**
Fee and commission income	4	34 477 092	40 699 910	20 731 285	3 746 257
Other income	5	167 880 708	87 684 907	101 536 929	8 071 030
Total net income		**216 807 633**	**135 850 338**	**130 956 987**	**12 504 457**
Operating expenses	6	(39 616 651)	(33 075 936)	(23 821 734)	(3 044 502)
Allowance for expected credit loss		(39 125 922)	(38 719 777)	(23 526 655)	(3 563 994)
Monetary loss		(83 675 705)	(23 024 650)	-	-
Profit before taxation		**54 389 355**	**41 029 975**	**83 608 598**	**5 895 961**
Income tax expenses	7	(10 628 451)	(17 534 711)	(6 390 953)	(1 613 997)
Profit for the year		**43 760 904**	**23 495 264**	**77 217 645**	**4 281 964**
Other comprehensive income:					
Revaluation gains on property and equipment		6 723 907	-	4 043 126	-
Tax on revaluation of property and equipment		(1 731 406)	-	(1 041 105)	-
Total comprehensive income for the year		**48 753 405**	**23 495 264**	**80 219 666**	**4 281 964**

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

ASSETS	Note	INFLATION ADJUSTED 2024 ZWG	INFLATION ADJUSTED 2023 ZWG	HISTORICAL COST 2024 ZWG	HISTORICAL COST 2023 ZWG
Cash and cash equivalents	8	481 650 274	12 259 544	481 650 274	11 303 974
Loans and advances to customers	9	80 146 701	4 944 380	80 146 701	4 558 990
Investment properties	10	82 401 600	10 959 731	82 401 600	8 665 159
Other assets	11	47 250 581	41 254 558	47 250 581	3 797 310
Intangible assets	12	9 722	14 863	5 846	9 693
Property and equipment	13	4 065 330	29 331	4 057 685	19 128
Right of use asset	14	5 726 769	3 161 969	1 833 276	291 046
Tax receivable	15	-	48 063	-	4 424
Total assets		**701 340 163**	**72 762 882**	**697 345 963**	**28 649 724**
EQUITY AND LIABILITIES					
Equity attributable to the owners:					
Share capital	16	-	-	-	-
Share premium		5 254	5 254	3 427	3 427
Revaluation reserve		5 479 694	5 479 694	3 319 738	317 717
Retained earnings		78 174 878	23 785 523	81 688 898	4 471 253
Total equity		83 659 826	29 270 471	85 012 063	4 792 397
Non-current liabilities					
Borrowings	17	107 725 955	16 043 529	107 725 955	14 793 015
Deferred tax liability	18	13 519 334	18 885 223	8 129 259	1 738 306
		121 245 289	34 928 752	115 855 213	16 531 321
Current liabilities					
Borrowings	17	29 241 865	2 221 611	29 241 865	2 048 447
Deposits from customers	19	23 034 583	4 338 468	23 034 583	3 430 149
Other financial liabilities	20	438 586 790	2 003 580	438 586 790	1 847 410
Tax payable	15	5 571 806	-	5 615 449	-
		496 435 048	8 563 659	496 478 687	7 326 006
Total equity and liabilities		**701 340 163**	**72 762 882**	**697 345 963**	**28 649 724**

Chairman

31 March 2025

Managing Director

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2024

INFLATION ADJUSTED

	Share capital ZWG	Share premium ZWG	Retained earnings ZWG	Revaluation reserve ZWG	Total equity ZWG
Balance as at 31 December 2022	**-**	**5 254**	**290 259**	**487 193**	**782 707**
Profit for the year	-	-	23 495 264	-	23 495 264
Balance as at 31 December 2023	**-**	**5 254**	**23 785 523**	**487 193**	**24 277 971**
Profit for the year	-	-	54 389 355	-	54 389 355
Revaluation surplus	-	-	-	4 992 501	4 992 501
Balance as at 31 December 2024	**-**	**5 254**	**78 174 878**	**5 479 694**	**83 659 827**

HISTORICAL COST

	Share capital ZWG	Share premium ZWG	Retained earnings ZWG	Revaluation reserve ZWG	Total equity ZWG
Balance as at 31 December 2022		**3 427**	**189 289**	**317 717**	**510 432**
Profit for the year	-	-	4 281 964	-	4 281 964
Revaluation surplus	-	-	-	-	-
Balance as at 31 December 2023		**3 427**	**4 471 253**	**317 717**	**4 792 396**
Profit for the year	-	-	77 217 645	-	77 217 645
Revaluation surplus	-	-	-	3 002 021	3 002 021
Balance as at 31 December 2024		**3 427**	**81 688 898**	**3 319 738**	**85 012 063**

STATEMENT OF CASHFLOWS

For the year ended 31 December 2024

CASH FLOWS FROM OPERATING ACTIVITIES	Note	INFLATION ADJUSTED 2024 ZWG	INFLATION ADJUSTED 2023 ZWG	HISTORICAL COST 2024 ZWG	HISTORICAL COST 2023 ZWG
Profit before income tax		54 389 355	41 029 975	83 608 598	5 895 961
Adjustments for:					
Depreciation and amortisation		14 203	268 511	764 689	61 323
Fair value adjustments		(71 441 869)	(5 974 064)	(73 736 442)	(8 023 431)
Profit on disposal of non current assets		-	(49 441)	-	(4 551)
Net impairment		17 251 265	1 518 624	14 681 856	139 783
Interest income		(111 853 631)	(43 461 051)	(67 258 270)	(4 000 409)
Interest expense		97 403 798	40 388 404	58 569 497	3 313 239
Changes in working capital:					
Increase in loans and advances to customers		74 380 471	(42 891 862)	(84 705 691)	(3 948 017)
Increase in other assets		42 234 246	(40 862 927)	(43 453 271)	(3 761 262)
Increase in deposits from customers		18 705 502	34 519 891	19 604 434	3 177 412
Increase / (decrease) in other financial liabilities		441 336 369	15 602 825	436 739 379	1 436 175
Cash (utilised) in operations		**562 419 709**	**88 885**	**344 814 780**	**(5 713 777)**
Interest received		79 028 854	47 775 755	67 258 270	4 397 559
Interest paid		(71 611 743)	(23 281 630)	(60 945 866)	(2 142 977)
Income tax paid		(771 080)	(58 612)	(771 080)	(5 395)
Net cash flows utilised in operating activities		**569 065 740**	**24 524 398**	**350 356 104**	**(3 464 590)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		-	49 346	-	4 740
Purchase of property, plant and equipment		60	24 119	(51)	(15 729)
Additions to intangible assets		-	107 060	-	(9 854)
Purchase of investment property		-	-	-	-
Net cash (outflows) / inflows from investing activities		**60**	**180 525**	**(51)**	**(20 843)**
CASH FLOWS FROM FINANCING ACTIVITIES					
New borrowings		143 167 851	160 471 213	121 844 384	14 770 706
Repayments		(2 178 622)	(2 185 618)	(1 854 137)	(201 177)
Net cash flows generated from financing activities		**140 989 229**	**158 285 595**	**119 990 247**	**14 569 529**
Net increase / (decrease) in cash and cash equivalents		710 055 029	182 990 518	470 346 300	11 084 096
Cash and cash equivalents at the beginning of the year		12 390 323	278 103	11 303 974	219 878
Inflation effect on cash and cash equivalents		(224 670 102)	(170 878 298)	-	-
Cash and cash equivalents at the end of the year	8	**497 775 250**	**12 390 323**	**481 650 274**	**11 303 974**

GetBucks

Microfinance Bank

Audited Financial Statements

For the year ended 31 December 2024

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

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 Reporting Standards

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 year ended 31 December 2024

1 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.

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
2 Interest income				
Interest on Consumer Loans	57 118 079	18 342 135	34 345 449	1 688 317
Interest income on SME Loans	54 735 552	25 118 922	32 912 821	2 312 092
	111 853 631	**43 461 057**	**67 258 270**	**4 000 409**
3 Interest expense				
Interest on borrowings	97 403 798	35 995 536	58 569 497	3 313 239
	97 403 798	**35 995 536**	**58 569 497**	**3 313 239**
4 Fees and commission				
Banking fees and commission	16 272 543	16 272 543	9 784 779	3 159 975
Administration fees	18 204 549	6 369 457	10 946 506	586 282
	34 477 092	**40 699 910**	**20 731 285**	**3 746 257**
5 Other income				
Fair value adjustment	122 627 133	87 167 784	73 736 442	8 023 431
Profit on disposal of assets	-	49 443	-	4 551
Rental income	1 426 037	467 680	857 485	43 048
Provision for leave pay	(367 973)	-	367 973	-
Bad debts recovered	11 100 984	-	6 675 089	-
Gain on foreign exchange	33 094 526	-	19 899 940	-
	167 880 708	**87 684 907**	**101 536 929**	**8 071 030**
6 Operating expenses				
Accounting and auditing fees	320 709	119 995	192 844	11 045
Advertising, marketing and sales expenses	4 529 585	1 512 518	2 723 667	139 221
Amortisation	6 398	18 002	3 847	1 657
Bank charges	2 642 584	638 041	1 589 002	58 729
Intermediated Money Transfer Tax (IMTT)	-	61 426	-	5 654
Collection costs	3 688 803	1 999 374	2 218 100	184 034
Computer expenses	13 421	6 997	8 070	644
Professional fees	1 246 433	108 761	749 488	10 011
Depreciation	1 265 316	648 221	760 842	59 666
Directors fees	83 703	24 216	50 331	2 229
Electricity and water	16 180	21 098	9 729	1 942
Fines and penalties	4 653	2 539 691	2 798	233 768
Insurance expenses	844 706	248 441	507 927	22 868
License fees	2 582 886	1 579 398	1 553 105	145 377
Loss on foreign exchange	-	6 898 726	-	634 999
Consultancy	304 241	341 189	182 942	31 405
Other expenses	778 715	277 536	468 246	25 546
Postage and courier	-	6 834	-	629
Printing and stationery	33 492	47 313	20 139	4 355
Rentals	2 770 108	2 477 918	1 665 683	228 082
Repairs and maintenance	501 091	113 737	301 309	10 469
Sales acquisition costs	-	54	-	5
Security	686 467	788 705	412 777	72 597
Staff costs (note 6.1)	14 878 101	11 942 888	8 946 293	1 099 293
Staff welfare and refreshments	16 877	24 759	10 148	2 279
Telephone and fax	1 395 116	548 422	838 892	50 480
Training	-	1 086	-	100
Travel	1 007 066	80 590	605 555	7 418
	39 616 651	33 075 936	23 821 734	3 044 502
6.1 Staff costs				
Basic salary	13 200 359	9 723 254	7 937 456	894 985
Medical aid contribution	1 010 963	1 263 783	607 898	116 326
Pension contributions	666 780	483 661	400 939	44 519
Provision for leave pay	-	472 189	-	43 463
	14 878 102	11 942 887	8 946 293	1 099 293
7 Taxation expense				
Major components of the tax expense:				
Local income tax - current period	-	-	-	-
Deferred tax	10 628 451	17 534 711	6 390 953	1 613 997
	10 628 451	**17 534 711**	**6 390 953**	**1 613 997**
7.1 Reconciliation between accounting profit and tax expense:				
Accounting profit before tax	139 044 988	64 054 624	83 608 598	5 895 961
Tax at the applicable tax rate of 25.75% (2023 : 24.72%)	35 804 084	15 834 308	21 529 214	1 457 482
Tax effect of adjustments on taxable income : -				
Profit on disposal of property and equipment	-	(12 222)	-	(1 125)
Tax effect of expenses that are not deductible in determining taxable profit : -				
Intermediary Money Transfer	-	15 188	-	1 398
Movement in provisions	(31 468 454)	146 199	(18 922 173)	13 457
Allowance for impairment losses	6 287 277	375 400	3 780 578	34 554
Net effect of disallowable expenses	5 545	1 175 838	3 334	108 231
	10 628 452	**17 534 711**	**6 390 953**	**1 613 997**
8 Cash and cash equivalents				
Cash and cash equivalents consist of:				
Bank balances	173 117 408	2 929 899	173 117 408	2 701 528
Balances with the Reserve Bank of Zimbabwe	199 640 810	4 457 992	199 640 810	4 110 514
Cash on hand	108 892 056	4 871 653	108 892 056	4 491 932
	481 650 274	12 259 544	481 650 274	11 303 974
Bank overdraft	(2 205 869)	(294)	(2 205 869)	(271)
	479 444 405	**12 259 250**	**479 444 405**	**11 303 703**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
9 Loans and advances maturities				
9.1 Consumer loans				
Maturing within 3 months	4 688 411	557 274	4 688 411	513 838
Maturing within 3 - 12 months	48 953 946	2 069 552	48 953 946	1 908 240
Maturing 1- 5 years	53 754	24 377	53 754	22 477
Gross carrying amount	53 696 111	2 651 203	53 696 111	2 444 555
Less credit impairment	(6 043 383)	(144 386)	(6 043 383)	(133 132)
Specific impairment allowance	(5 546 644)	(26 266)	(5 546 644)	(24 219)
Portfolio impairment allowance	(496 739)	(118 120)	(496 739)	(108 913)
Net carrying amount	**47 652 728**	**2 506 817**	**47 652 728**	**2 311 423**
Current (no more than 12 months after reporting date)	53 642 357	2 486 961	47 605 024	2 293 115
Non-current (more than 12 months after reporting date)	53 754	19 856	47 704	18 308
Net carrying amount	**53 696 111**	**2 506 817**	**47 652 728**	**2 311 423**
9.2 SME loans				
Maturing within 3 months	29 105 615	1 519 046	29 105 615	1 400 644
Maturing within 3 - 12 months	11 821 396	942 992	11 821 396	869 490
Gross carrying amount	40 927 011	2 462 038	40 927 011	2 270 134
Less credit impairment	(8 433 038)	(24 474)	(8 433 038)	(22 567)
Specific impairment allowance	(8 059 847)	(23 647)	(8 059 847)	(21 804)
Portfolio impairment allowance	(373 191)	(827)	(373 191)	(763)
Net carrying amount	**32 493 973**	**2 437 564**	**32 493 973**	**2 247 567**
Current (no more than 12 months after reporting date)	29 105 615	2 437 563	23 108 382	2 247 567
Non-current (more than 12 months after reporting date)	11 821 396	-	9 385 590	-
Net carrying amount	**40 927 011**	**2 437 563**	**32 493 972**	**2 247 567**
Total net carrying amount	**80 146 701**	**4 944 380**	**80 146 701**	**4 558 990**
Current (no more than 12 months after reporting date)	82 747 972	4 924 524	70 713 407	4 540 682
Non-current (more than 12 months after reporting date)	11 875 150	19 856	9 433 294	18 308
Net carrying amount	**94 623 122**	**4 944 380**	**80 146 701**	**4 558 990**

INFLATION ADJUSTED

9.3 Expected credit loss analysis	Gross carrying amount ZWG	Allowance for ECL ZWG	Net carrying amount ZWG
Stage 1 loans	60 237 982	33 468	60 204 513
Stage 2 loans	1 339 728	30 271	1 309 456
Stage 3 loans	33 045 407	12 055 381	20 990 027
Adjustment for inflation	-	(4 831 819)	4 831 819
Total	**94 623 117**	**7 287 301**	**87 335 815**
As at 31 December 2023			
Stage 1 loans	4 142 525	145 596	3 996 929
Stage 2 loans	211 003	252 481	(41 477)
Stage 3 loans	759 713	1 293 452	(533 739)
Adjustment for inflation	-	(1 494 600)	1 494 600
Total	**5 113 241**	**196 928**	**4 916 313**

HISTORICAL COST

	Gross carrying amount ZWG	Allowance for ECL ZWG	Net carrying amount ZWG
As at 31 December 2024			
Stage 1 loans	60 237 982	20 125	60 217 858
Stage 2 loans	1 339 728	18 202	1 321 525
Stage 3 loans	33 045 407	7 248 974	25 796 433
Total	**94 623 117**	**7 287 301**	**87 335 816**
As at 31 December 2023			
Stage 1 loans	3 819 635	13 401	3 806 234
Stage 2 loans	194 557	23 240	171 317
Stage 3 loans	700 497	119 057	581 440
Total	**4 714 689**	**155 698**	**4 558 991**

9.4 Exposure to credit risk

	Stage 1 12 months ECL ZWG	Stage 2 Lifetime ECL ZWG	Stage 3 Lifetime ECL ZWG	Total ZWG
Loss allowance as at 1 January 2024	**36 309**	**9 470**	**109 919**	**155 698**
Financial assets derecognised during the period other than write offs				
Transfers:				
Transfers from stage 1 to stage 2	(4 355 003)	4 355 003		-
Transfers from stage 1 to stage 3	(9 382 334)	-	9 382 334	-
Transfers from stage 3 to stage 2	-	306	(306)	-
Write Offs	-	-	(8 337 668)	(8 337 668)
New financial assets originated	14 653 244	26 497	789 530	15 469 271
Loss allowance as at 31 December 2024	**952 216**	**4 391 276**	**1 943 809**	**7 287 301**

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
10 Investment properties				
Opening balance	10 959 731	317 273	8 665 158	206 906
Fair value adjustment	71 441 869	9 975 693	73 736 442	8 023 431
Disposals	-	(20 251)	-	(13 207)
Transfer from property and equipment (note 13)	-	687 016	-	448 029
Closing balance	**82 401 600**	**10 959 731**	**82 401 600**	**8 665 159**
11 Other assets				
Prepayments	-	136 150	-	12 532
Consumables	10 427	113 281	10 427	10 427
Deposits	47 159 090	40 823 577	47 159 090	3 757 640
Rental receivable	81 064	181 551	81 064	16 711
	47 250 581	**41 254 558**	**47 250 581**	**3 797 310**
12 Intangible assets				
Software				
Opening carrying amount	105 306	16 253	9 693	1 496
Additions	-	107 055	-	9 854
Amortisation charge	(6 398)	(18 002)	(3 847)	(1 657)
Carrying amount	**98 908**	**105 306**	**5 846**	**9 693**
Cost	127 893	127 893	11 772	11 772
Accumulated amortisation	(28 985)	(22 587)	(5 926)	(2 079)
Carrying amount	**98 908**	**105 306**	**5 846**	**9 693**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

13 Property and equipment

INFLATION ADJUSTED

	Land ZWG	Buildings ZWG	Furniture and fittings ZWG	Motor vehicles ZWG	Equipment ZWG	Leasehold improvements ZWG	Total ZWG
13.1 Cost / Valuation							
Balance as at 31 December 2022	**177 967**	**515 493**	**537**	**4 783**	**12 416**	**1 449**	**712 645**
Additions	-	-	4 571	-	19 548	-	24 119
Disposals	-	-	-	-	(322)	-	(322)
Transfer to investment property	(177 967)	(515 493)	-	-	-	-	(693 460)
Balance as at 31 December 2023	**-**	**-**	**5 108**	**4 783**	**31 642**	**1 449**	**42 982**
Additions	-	-	-	-	556	-	556
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	1 331 768	1 520 846	1 190 512	-	4 043 126
Balance as at 31 December 2024	**-**	**-**	**1 336 876**	**1 525 629**	**1 222 710**	**1 449**	**4 086 664**
13.2 Depreciation							
Balance as at 31 December 2022	**-**	**-**	**267**	**986**	**4 116**	**837**	**6 205**
Depreciation charge for the year	-	6 443	138	790	6 187	362	13 920
Accumulated depreciation on disposals	-	-	-	-	(32)	-	(32)
Writeback of depreciation on revaluation	-	(6 443)	-	-	-	-	(6 443)
Balance as at 31 December 2023	**-**	**-**	**405**	**1 776**	**10 271**	**1 199**	**13 651**
Depreciation charge for the year	-	-	910	1 006	5 495	273	7 683
Accumulated depreciation on disposals	-	-	-	-	-	-	-
Writeback of depreciation on revaluation	-	-	-	-	-	-	-
Balance as at 31 December 2024	**-**	**-**	**1 315**	**2 782**	**15 766**	**1 472**	**21 334**
13.3 Net Book Amount							
Balance as at 31 December 2024	**-**	**-**	**1 335 561**	**1 522 847**	**1 206 944**	**(23)**	**4 065 330**
Balance as at 31 December 2023	**-**	**-**	**4 703**	**3 007**	**21 371**	**250**	**29 331**

HISTORICAL COST

	Land ZWG	Buildings ZWG	Furniture and fittings ZWG	Motor vehicles ZWG	Equipment ZWG	Leasehold improvements ZWG	Total ZWG
13.4 Cost / Valuation							
Balance as at 31 December 2022	**116 059**	**336 172**	**350**	**3 119**	**8 097**	**945**	**464 742**
Additions			2 981	-	12 748	-	15 729
Disposals			-	-	(210)	-	(210)
Transfer to investment property	(116 059)	(336 172)					(452 231)
Balance as at 31 December 2023	**-**	**-**	**3 331**	**3 119**	**20 635**	**945**	**28 030**
Additions	-	-	-	-	51	-	51
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	1 331 768	1 520 846	1 190 512	-	4 043 126
Balance as at 31 December 2024	**-**	**-**	**1 335 099**	**1 523 965**	**1 211 198**	**945**	**4 071 207**
13.5 Depreciation							
Balance as at 31 December 2022	**-**	**-**	**174**	**643**	**2 684**	**546**	**4 047**
Depreciation charge for the year	-	4 202	90	515	4 035	236	9 078
Accumulated depreciation on disposals	-	-	-	-	(21)	-	(21)
Transfer to investment property	-	(4 202)	-	-		-	(4 202)
Balance as at 31 December 2023	**-**	**-**	**264**	**1 158**	**6 698**	**782**	**8 902**
Depreciation charge for the year	-	-	547	605	3 304	164	4 620
Accumulated depreciation on disposals	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Balance as at 31 December 2024	**-**	**-**	**811**	**1 763**	**10 002**	**946**	**13 522**
13.6 Net Book Amount							
Balance as at 31 December 2024	**-**	**-**	**1 334 288**	**1 522 202**	**1 201 196**	**-**	**4 057 685**
Balance as at 31 December 2023	**-**	**-**	**3 067**	**1 961**	**13 937**	**163**	**19 128**

	INFLATION ADJUSTED 2024 ZWG	INFLATION ADJUSTED 2023 ZWG	HISTORICAL COST 2024 ZWG	HISTORICAL COST 2023 ZWG
14 Leases				
14.1 Right of use asset				
Buildings				
Opening carrying amount	3 161 969	11 929	291 046	1 098
Additions	-	575 583	-	52 980
Remeasurement of right of use asset	3 822 431	3 080 031	2 298 451	283 504
Amortisation charge	(1 257 631)	(493 645)	(756 221)	(45 438)
Disposals	-	(11 929)	-	(1 098)
Carrying amount	**5 726 769**	**3 161 969**	**1 833 276**	**291 046**
Cost	6 984 400	3 655 614	2 589 497	336 484
Accumulated amortisation	(1 257 631)	(493 645)	(756 221)	(45 438)
Carrying amount	**5 726 769**	**3 161 969**	**1 833 276**	**291 046**
14.2 Lease liabilities				
Buildings				
Opening carrying amount	3 264 863	4 476	300 517	412
Additions	-	-	-	-
Disposals	-	(46 553)	-	(4 285)
Interest expense	420 965	227 159	253 129	20 909
Lease payments	(1 591 619)	(250)	(957 050)	(23)
Adjustment for lease modification	3 822 431	3 080 031	2 298 451	283 504
	5 916 640	**3 264 863**	**1 895 046**	**300 517**

14.3 The table below describes the nature of the lease resulting in the right of use asset and related lease liabilities:

Identified asset	Lease term	Remaining term	Option for extension
First Floor, Unity Court, 64 Union Avenue, Harare.	3 years	1.5 years	Yes

	INFLATION ADJUSTED 2024 ZWG	INFLATION ADJUSTED 2023 ZWG	HISTORICAL COST 2024 ZWG	HISTORICAL COST 2023 ZWG
15 Tax receivable / (payable)				
Opening balance	48 063	(10 549)	4 424	(971)
Tax charge for the year	(6 390 953)	-	(6 390 953)	-
WHT Payable		-	-	-
Provisional tax payments	771 080	58 612	771 080	5 395
Adjustment for inflation	-	-	-	-
	(5 571 810)	**48 063**	**(5 615 449)**	**4 424**
16 Equity				
Share Capital				
Authorised				
20 000 000 000 ordinary shares with nominal value of ZWG0.00000000004	1	1	1	1
Issued				
1 163 118 377 ordinary shares with nominal value of ZWG0.00000000004	-	-		

Share premium

The reserve relates to amounts received in the issue of shares that is in excess of their nominal value. This amount forms part of the non-distributable reserves of the Microfinance Bank and thus will not be available for the payment of dividends.

	INFLATION ADJUSTED 2024 ZWG	INFLATION ADJUSTED 2023 ZWG	HISTORICAL COST 2024 ZWG	HISTORICAL COST 2023 ZWG
17 Borrowings				
17.1 Held at amortised cost				
Everprosperous World Wide Limited promissory notes **(note 17.4)**				
Opening balance	16 841 462	564 175	16 841 462	520 200
Repayments	(16 718 284)	(749 255)	(16 718 284)	(690 854)
Additions	4 059 780	16 088 192	4 059 780	14 834 197
Interest	26 665 358	2 221 611	26 665 358	2 048 447
Fair value loss	106 119 504	47 546	106 119 504	43 840
Reserve Bank of Zimbabwe Facility (note 17.5)	-	92 871	-	85 632
Closing balance	**136 967 820**	**18 265 139**	**136 967 820**	**16 841 462**
17.2 **"Non-current liabilities** (more than 12 months after reporting date) At amortised cost"	107 725 955	16 043 529	107 725 955	14 793 015
17.3 **Current liabilities** (no more than 12 months after reporting date) At amortised cost	29 241 865	2 221 611	29 241 865	2 048 447

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.

	INFLATION ADJUSTED 2024 ZWG	INFLATION ADJUSTED 2023 ZWG	HISTORICAL COST 2024 ZWG	HISTORICAL COST 2023 ZWG
18 Deferred tax				
18.1 Deferred tax liability				
Accelerated capital allowance for tax purposes	1 228 068	3 126 334	738 445	287 766
Investment property revaluation	30 998 760	20 472 171	18 639 743	1 884 378
Total deferred tax liability	**32 226 828**	**23 598 505**	**19 378 188**	**2 172 144**
18.2 Deferred tax asset				
Accrued expenses	12 353 542	126 893	7 428 260	11 680
Assessed tax loss	-	4 168 239	-	383 669
Expected credit loss on loans and advances	6 353 952	418 150	3 820 670	38 489
Total deferred tax asset	**(18 707 494)**	**4 713 282**	**11 248 930**	**433 838**
Net deferred tax liability	**(13 519 334)**	**(18 885 223)**	**(8 129 258)**	**(1 738 306)**
18.3 Reconciliation of deferred tax liability				
At beginning of year	**(18 885 223)**	**(1 155 761)**	**(1 738 306)**	**(106 383)**
Temporary differences:				
Recognised in the statement of profit or loss		(17 729 462)	(6 390 952)	(1 631 923)
Recognised in other comprehensive income	(10 628 450)	-	-	
Adjustment for inflation	15 994 339	-	-	-
At end of year	**(13 519 334)**	**(18 885 223)**	**(8 129 258)**	**(1 738 306)**

	INFLATION ADJUSTED 2024 ZWG	INFLATION ADJUSTED 2023 ZWG	HISTORICAL COST 2024 ZWG	HISTORICAL COST 2023 ZWG
19 Deposits from customers				
Deposits from customers are primarily composed of amounts payable on demand.				
Individual				
Current accounts	1 761 651	312 464	1 761 651	247 045
Small and medium enterprises				
Current accounts	21 272 932	3 949 302	21 272 932	3 122 461
Term deposits	-	76 702	-	60 643
	21 272 932	4 026 004	21 272 932	3 183 104
Total	**23 034 583**	**4 338 468**	**23 034 583**	**3 430 149**
Current (not more than 12 months after reporting date)	23 034 583	4 338 468	23 034 583	3 430 149
Non-current (more than 12 months after reporting date)	-	-	-	-
Total	**23 034 583**	**4 338 468**	**23 034 583**	**3 430 149**
20 Other financial liabilities				
Payroll liabilities	925 746	156 720	925 746	144 504
Leave pay provision	207 589	49 419	207 589	45 567
Accounting and audit fees provision	192 844	1 823	192 844	1 681
Lease liability **(note 14.2)**	1 895 047	325 921	1 895 047	300 517
Remittances	126 649	65 070	126 649	59 998
Accruals and other liabilities	433 033 046	1 404 333	433 033 046	1 294 872
Bank overdraft	2 205 869	294	2 205 869	271
	438 586 790	**2 003 580**	**438 586 790**	**1 847 410**

21 Related parties information

21.1 Nature of relationships

Related party	Relationship
Everprosperous World Wide Limited	Common control / shareholder
Al-Shams Global	Common control / shareholder

	INFLATION ADJUSTED 2024 ZWG	INFLATION ADJUSTED 2023 ZWG	HISTORICAL COST 2024 ZWG	HISTORICAL COST 2023 ZWG
21.2 Related parties borrowings				
Everprosperous World Wide Limited	136 967 820	-	136 967 820	-
21.3 Related parties payables				
Al-Shams Global	274 754 334	-	274 754 334	-
Everprosperous World Wide Limited	171 242 077	-	171 242 077	-

21.4 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 60% and are repayable after 12 months from the date of drawdown.

GetBucks Microfinance Bank

Audited Financial Statements

For the year ended 31 December 2024

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

21.5 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.

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Short term employment benefits	2 901 953	2 583 178	2 469 735	237 770
Post employment benefits	44 829	29 873	38 152	2 750
	2 946 782	**2 613 051**	**2 507 887**	**240 520**
21.6 Directors' emoluments				
Non-executive directors' emoluments				
Emoluments of directors in respectof rendered services (included in operating expenses): As directors of the Bank:	308 910	37 609	185 749	3 419

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.

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Pension expense	522 163	33 938	313 980	3 124
NSSA expense	669 891	29 454	402 810	2 711
	1 192 054	**63 392**	**716 789**	**5 835**

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 31 December 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.

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	2024 ZWG	2023 ZWG
Mortgage Bonds	SME	61 390 508	6 379 321
Guarantees	SME	-	122 157
Cash cover	SME	-	8 649
Exposure credit guarantees	SME	-	-
Security Sharing Agreement	SME	-	-
Value of collateral		**61 390 508**	**6 510 126**

The collateral above is solely for the SME loans and the gross carrying amount of the assets is ZWG61 390 508. The gross loan book for SME is ZWG40 927 006. This implies that collateral cover is 150%. There is no collateral for the consumer segment. None of

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

the collateral was sold or repledged. The Microfinance Bank has an obligation to return it once respective loans have been settled.

Maximum exposure to credit risk without taking into account collateral

	2024 ZWG	2023 ZWG
Cash and cash equivalents (excluding cash on hand)	372 758 218	6 812 042
Loans and advances to customers	80 146 702	4 558 991
Total credit risk exposure	**452 904 920**	**11 371 033**

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 year (December 2022: nil).

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;

Allowances for impairment (continued)

- 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.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

Interest rate risk

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

The Microfinance Bank's main interest rate risk arises from long-term borrowings which are issued at fixed rates. These expose the Microfinance Bank to cash flow interest rate risk which is partially offset by having a short term portfolio as the main asset in the Microfinance Bank thereby reducing net interest expense.

Foreign currency 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 Microfinance Bank has complied with all externally imposed capital requirements throughout the period. There have been no material changes in the Microfinance Bank's management of capital during the period. The Reserve Bank of Zimbabwe ("RBZ") regulates the minimum capital requirements of all microfinance lenders. The shareholders' equity for the Microfinance Bank at year end of ZWG85 012 063 which translates to

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

USD3 295 233, which was not in compliance with the RBZ's minimum capital requirement of USD5 000 000 equivalent. There is a rights issue process that the bank has adopted to meet the minimum capital requirement and it is expected to be finalised by the 30th of April 2025.

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.

	2024 ZWG	2023 ZWG
Total borrowings		
Other financial borrowings	612 333 899	23 857 329
Less: cash and cash equivalents	(481 650 274)	(11 303 974)
Net debt	130 683 625	12 553 355
Total equity	85 012 064	4 792 396
Total capital	215 695 690	17 345 751
Gearing ratio	61%	72%

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.

Capital adequacy	2024 ZWG	2023 ZWG
Share capital	-	-
Share premium	3 427	3 427
Retained earnings	81 688 900	4 471 253
Revaluation reserve	3 319 738	317 717
	85 012 064	4 792 396
Less: deductions		
Encumbered assets (Bank facility)	-	-
Total core capital	**85 012 064**	**4 792 396**
Supplementary capital		
Other reserves (limited to equivalent of core capital)	-	-
General provisions	-	-
Core capital plus supplementary	**85 012 064**	**4 792 396**
Net capital base	85 012 064	4 792 396
Risk weighted assets	255 942 625	13 523 318
Tier 1 Ratio	32%	33%
Tier 2 Ratio	1%	2%
Capital adequacy ratio	33%	35%

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.

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 last quarter of 2024 and was assigned a composite rating of '4'

	CAMELS RATING MATRIX - 31 DECEMBER 2024 RBZ OFFSITE EXAMINATION						
	Composite	Capital Adequacy	Asset Quality	Management	Earnings	Liquidity	Sensitivity to market risk
Getbucks Microfinance Bank Limited	4	4	4	4	3	3	4

Key

1.Strong 2.Satisfactory 3.Fair 4.Substandard 5.Weak

	RBS** Rating	
CAMEL* Component	**2024**	**2023**
Capital Adequacy	**4**	**4**
Asset/Portfolio quality	**4**	**4**
Management, Corporate Governance and Outreach	**4**	**4**
Earnings	**3**	**3**
Liquidity and Funds Management	**3**	**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

Strategic Risk

Strategic risk is the risk of a financial loss or of reputational harm arising from inappropri-

RXD GB 20250520008

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

ate strategic orientations, improper execution, or ineffective response to economic, financial, or regulatory changes. The corporate strategic plan is developed by the Senior Leadership Team, in alignment with the Bank's overall risk appetite, and approved by the Board. Once approved, the initiatives of the strategic plan are monitored regularly to ensure that they are progressing. If not, strategies could be reviewed or adjusted if deemed appropriate. In addition, the Microfinance Bank has a specific Board-approved policy for strategic investments, which are defined as purchases of business assets or acquisitions of significant interests in an entity for the purposes of acquiring control or creating a long-term relationship. As such, acquisition projects and other strategic investments are analyzed through a due diligence process to ensure that these investments are aligned with the corporate strategic plan and the Microfinance Bank's risk appetite.

Reputational Risk

Reputational risk is the risk that the Microfinance Bank's operations or practices will be judged negatively by the public, whether that judgment is with or without basis, thereby adversely affecting the perception, image, or trademarks of the Microfinance Bank and potentially resulting in costly litigation or loss of income. Reputation risk generally arises from a deficiency in managing another risk. The Microfinance Bank's reputation may, for example, be adversely affected by non-compliance with laws and regulations or by process failures. All risks must therefore be managed effectively in order to protect the Microfinance Bank's reputation. The Microfinance Bank's corporate culture continually promotes the behaviours and values to be adopted by employees. Ethics are at the heart of everything we do. To fulfill our mission, put people first, and continue to build a strong Microfinance Bank, we must maintain the highest degree of work ethic. Our Code of Conduct outlines what is expected from each employee in terms of ethical behaviour and rules to be followed as they carry out their duties.

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.

During the period the Microfinance Bank was fined USD$ 7,000.00 by the Reserve Bank of Zimbabwe on 26 Septmeber 2024, for the late publication of unaudited financial statements for the half year ended 30 June 2024.

The Microfinance Bank has not had an external credit rating conducted on the institution in the last three years. An external credit rating will be carried out in 2025.

Risk Assessment System ("RAS")

Summary RAS -Ratings

Risk Matrix summary

Type of Risk	Level of Inherent Risk	Adequacy of risk management systems	Overall composite risk	Direction of composite risk
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Credit Risk	High	Acceptable	High	Increasing
Liquidity Risk	Moderate	Acceptable	Moderate	Stable
Interest Rate Risk	Moderate	Acceptable	Moderate	Stable
Foreign Exchange Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Low	Acceptable	Low	Decreasing
ICT & Cyber Risk	High	Acceptable	High	Increasing
Legal Risk	Low	Acceptable	Low	Decreasing
Reputational Risk	Low	Acceptable	Low	Decreasing
Compliance Risk	Moderate	Acceptable	Moderate	Stable
OVERALL RATING	**MODERATE**	**MODERATE**	**MODERATE**	**MODERATE**

Interpretation of risk matrix Level of inherent risk

Low - reflects lower than average probability of an adverse impact on a banking institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the banking institution's overall financial condition.

Moderate - could reasonably be expected to result in a loss which could be absorbed by a banking institution in the normal course of business.

High - reflects a higher-than-average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the banking institution.

Adequacy of risk management systems

Weak - risk management systems are inadequate or inappropriate given the size, complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects, particularly as indicated by continued exceptions or by the failure to adhere to written policies and procedures.

Acceptable - management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses, these have been recognised and are being addressed. Management information systems are generally adequate.

Strong - management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The Board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the Bank's risk tolerance. Responsibilities and accountabilities are effectively communicated.

Overall composite risk

Low - would be assigned to low inherent risk areas. Moderate risk areas may be assigned to a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.

Moderate - risk management systems appropriately mitigate inherent risk. For a given low risk area, significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand, a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organisation.

High - risk management systems do not significantly mitigate the high inherent risk. Thus, the activity could potentially result in a financial loss that would have a significant impact on the Bank's overall condition.

Direction of overall composite risk

Increasing- based on the current information, risk is expected to increase in the next 12 months.

Decreasing - based on current information, risk is expected to decrease in the next 12 months.
Stable - based on current information, risk is expected to be stable in the next 12 months.

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 31 December 2024 (31 December 2023: nil).

26 Capital commitments

There were no authorised and contracted or authorised but uncontracted capital expenditure as at 31 December 2024.
(31 December 2023 : nil).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 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

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 setup 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.

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	Nationality	Changes
Mr. Innocent Chagonda	Non-Executive Chairperson(Independent)	Zimbabwean	Appointed in Feb 2024
Mr. Gamuchirai Nyamuzinga	Non-Executive Director(Independent)	Zimbabwean	Appointed in Sept 2024
Ms. Shaleetha Mahabeer	Non-Executive Director	Zimbabwean	Appointed in Sept 2024
Mr. Edwin Chavora	Managing Director	Zimbabwean	No changes
Mr. Gabriel Chiome	Finance Director	Zimbabwean	No changes

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**

The Board of Directors was reconstituted on the 24th of September 2024 following the appointment of Ms S. Mahabeer and Mr G. Nyamuzinga. Under the circumstances ,the Board was able to meet once during the last quarter of the year and the Board Committees were reconstituted thereafter. Going forward ,the Board and Board Committees shall meet at least once every quarter.

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.

By Order of The Board

Mr. Muchineripi Chigwendere (Company secretary).

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