



Bank, Build & go Beyond

AUDITED FINANCIAL STATEMENTS >>

FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS (ZWG)



Housing & Mortgages



NBS Capital



Corporate & Institutional Banking



Micro Finance



Retail & SME Banking



Structured Finance

BOARD CHAIRMAN'S STATEMENT

Full Year Ended 31 December 2025

Introduction

On behalf of the Board of Directors, it is my pleasure to present the National Building Society's financial results for the full year ended 31 December 2025. The financial results incorporate Lenderspark Finance, our microfinance subsidiary launched in the second half of 2024.

Operating Environment

The year 2025 unfolded against a backdrop of significant global uncertainty. Geopolitical tensions, the reimposition of trade tariffs across major economies, and persistent inflationary pressures in developed markets combined to dampen global growth prospects. The World Bank projected global GDP growth at approximately 2.3% for 2025, the weakest performance since the 2008 global financial crisis. These headwinds were felt broadly, with growth slowing down in approximately 60% of developing economies, which averaged 3.8% for the year. Despite this challenging external backdrop, Zimbabwe's economy demonstrated remarkable resilience. This was driven by a strong rebound in the agricultural sector, underpinned by favourable rainfall, following the severe El Niño-induced drought of 2024, as well as record-high gold prices and sustained platinum and lithium output. Zimbabwe's GDP growth surpassed initial projections, coming in ahead of the earlier forecast of 6.6%. This performance placed Zimbabwe comfortably above the sub-Saharan African average of approximately 3.7% and reflects the inherent strength of our nation's productive base. Inflation, a perennial concern, has declined significantly to single-digit levels for the first time in nearly three decades, underscoring the effectiveness of monetary tightening and fiscal discipline.

Foreign exchange stability was maintained during 2025, with only modest depreciation in the ZWG, contributing to greater predictability in the domestic business environment.

For NBS, this translated into a more predictable operating environment, improved borrower affordability, and growing demand for housing finance. We recalibrated our strategy early in the year to capitalise on these conditions, resulting in the strong performance reflected in this report.

The Society acknowledges the Government of Zimbabwe and the Reserve Bank of Zimbabwe for their proactive and disciplined approach to macroeconomic management, which created the conditions for businesses like ours to thrive and serve our customers effectively.

Robust Financial Performance

I am proud to report that the National Building Society delivered a strong financial performance for the full year ended 31 December 2025. The Group recorded a comprehensive surplus of ZWG85.1 million vs an inflation adjusted loss of ZWG45 million in the comparative period. This is testament to our resilience and a reflection of the disciplined execution of our growth strategy, a sustained focus on growing funded income and the continued deepening of our balance sheet.

This result was underpinned by significant growth in net interest income of 93% year on year, which was driven by the deliberate expansion of our lending portfolio.

The NPL ratio remained tightly managed, attesting to the quality of our loan book and the rigor of our credit underwriting standards. The balance sheet grew meaningfully, with total loans and advances expanding in line with our strategic targets, positioning the Society for an even stronger 2026.

Housing Delivery — Fulfilling Our Mandate

Housing delivery remains the heartbeat of the Society's mandate, and 2025 was a commendable year in this regard. The Society successfully commissioned 124 fully serviced residential stands in Mathendele, Plumtree, a development that exemplifies our commitment to providing quality affordable housing solutions across all the provinces of Zimbabwe. The Plumtree development was completed to a high standard with solar street lighting and reflects our dedication to sustainable, green developments.

In Bulawayo, the Society progressed to Phase Two of the Rangemore housing project, delivering 300 residential housing units under the Accelerated Civil Servants Presidential Housing Scheme. This achievement speaks directly to NBS's role as a catalyst for national development, providing decent homes to Zimbabwe's civil service and supporting the Government's broader Vision 2030 housing agenda.

In Harare, Phase Two of the Glaudina Flats project, comprising 96 two-bedroom apartments, was executed during the second half of the year, adding to our growing portfolio of completed residential units.

Through our mortgage portfolio, the Society continued to finance residential purchases, residential construction, and home improvements for thousands of Zimbabweans, reinforcing our position as the country's premier housing finance institution.

Capitalisation — A Strong and Resilient Balance Sheet

The Society closed 2025 with a sound and growing capital base. Core capital stood at USD57 million as at 31 December 2025 growing by 44% from prior year and significantly above the Reserve Bank of Zimbabwe's regulatory minimum of USD 20 million for building societies. This growth was underpinned by a USD14 million capital injection from our shareholder NBSA and was further bolstered by retained earnings generated by the Society.

Both capital adequacy and liquidity ratios at 59% and 46% respectively remained comfortably above regulatory minimum throughout the year, confirming the resilience of the Society's financial position and its ability to absorb shocks while continuing to serve its customers and grow its loan book.

This strong capital foundation is not merely a regulatory achievement; it is the bedrock upon which we will accelerate our strategic agenda in the years ahead.

Financial Inclusion — Lenderspark Finance

Through Lenderspark Finance, our microfinance subsidiary, the Society made significant inroads in extending formal financial services to previously unbanked and underbanked segments of the population. Lenderspark grew its loan book by 81% and expanded its client base across multiple sectors of the economy, with a particular focus on small and medium enterprises, informal traders, and individuals who lack access to traditional banking credit.

As we scale Lenderspark, we are deepening our data analytics capabilities to better understand and serve this segment, while maintaining rigorous credit standards that protect both the customer and the Society. We see Lenderspark as a long-term strategic asset that will contribute meaningfully to the Society's earnings growth and social impact. The growth of Lenderspark is a critical pillar of our financial inclusion strategy and the Society's broader mandate to contribute to inclusive national economic development.

This aligns directly with the Government's Vision 2030 agenda for inclusive economic growth.

In Memoriam — Mrs. Pauline Chapendama

It is with deep sorrow and a heavy heart that I record the untimely passing of Mrs. Pauline Chapendama, a distinguished member of the NBS Board of Directors in October 2025. Her contributions to the Board's deliberations were invaluable, and her counsel was always characterised by wisdom, foresight, and a genuine passion for the communities we serve.

On behalf of the Board, Management, staff, and all stakeholders of the National Building Society, I extend our most sincere condolences to her family, friends, and all who had the privilege of knowing her.

Governance

During 2025, Ms. Patience Zenda was appointed to the Board of Directors representing our line ministry, the Ministry of Public Service, Labour and Social Welfare (MPSLSW).

The Board also recorded the departure of Mr. Philip Hamadziripi and Mrs. Josephine Takundwa following their reassignments. I extend my sincere gratitude to both Mr. Hamadziripi and Mrs. Takundwa for their dedicated service to the Board and wish them every success in their new roles.

Outlook for 2026

Society looks forward to 2026 with confidence and strategic clarity. Zimbabwe's economic outlook is encouraging, as the IMF projects GDP growth of approximately 5% for 2026, supported by continued momentum in agriculture and mining, a stabilising exchange rate, and declining inflation. The Ministry of Finance, Economic Development and Investment Promotion (MOFEDIP) has projected even more optimistic growth of between 8.5% and 10%, which, if realised, would represent the fastest economic expansion in over fourteen years. This macro environment presents the National Building Society with a compelling opportunity to deepen its impact on financing and providing housing in Zimbabwe, expand its balance sheet, and serve an even larger customer base.

The Board is confident that the Society is well-positioned to capitalise on Zimbabwe's improving economic environment, to contribute meaningfully to the national housing agenda, and to deliver sustained value to our shareholder, customers, and the communities we serve. As Zimbabwe moves closer to its Vision 2030 goals, NBS will continue to strive to be at the forefront of this journey: building homes, building communities, and building the nation of Zimbabwe.

Appreciation

On behalf of the Board, I wish to express my profound gratitude to all stakeholders who contributed to the Society's success in 2025. To our shareholder, NBSA, we are deeply grateful for the capital and liquidity support, strategic guidance, and the unwavering confidence placed in the Society's leadership and direction. To the Government of Zimbabwe, we thank you for the enabling environment and the various measures that have supported macroeconomic stability and housing development. To the Reserve Bank of Zimbabwe, we extend our gratitude for the constructive engagement, regulatory clarity, and the consistent support that underpins the Society's confidence in operating within a well-regulated financial system.

I extend special appreciation to my fellow Board members for their diligence, commitment, and the high standard of governance they bring to the Society. To the Managing Director and the entire Management and Staff of the National Building Society, your collective dedication, professionalism, and passion for our mission are the true engine of our success.

And finally, to our customers, your trust, loyalty, and continued partnership are the foundation of everything we do. We remain deeply humbled by your confidence in the National Building Society, and we renew our commitment to exceed your expectations in the year ahead.

S. I. MUTUMBWA
Board Chairman
31 March 2026

MANAGING DIRECTOR'S STATEMENT

Full Year Ended 31 December 2025

Introduction

I am honored to present the Managing Director's Statement for the National Building Society's financial statements for the year ended 31 December 2025. This has been a year of significant strategic execution, operational excellence, and meaningful progress towards our vision of becoming Zimbabwe's premier housing and financial services institution. The results we present today reflect the commitment and effort of every member of the National Building Society team, and I am immensely proud of what we have achieved together.

Financial Performance – Resurgent Profitability

I am delighted to report that in 2025, the Society recorded a comprehensive surplus of ZWG85.1 million reversing an inflation-adjusted loss of ZWG45 million recorded in the comparative period. The profitability was underpinned by robust growth in net interest income, which surged by 93% year on year. This was the direct result of our expansion of the lending portfolio which grew by 70% to ZWG2.41 billion, a clear testament to our continued commitment to supporting economic activity.

Operating expenses were held within budget, and a healthy net interest margin was maintained that underpins the Society's long-term earnings growth strategy. The new tax measures implemented in 2025 broadened the taxable base for building societies resulting in higher income tax expense.

The balance sheet expanded by 40%, closing the year at a strong position of ZWG5.59 billion. Furthermore, the loans and advances growth was coupled with the optimisation of our funding base. Our NPL ratio remained tightly managed, closing the year at 1.55%, reflecting the rigour embedded in our credit underwriting standards.

Operational Highlights

The year was defined by three major areas of achievement: housing delivery, technology transformation, branch and channel expansion.

The upgrade of our core banking system to Fusion Essence was the most transformative operational initiative of the year. This world-class platform replaced our legacy infrastructure and has dramatically improved the speed, reliability, and functionality of our digital services. We saw a meaningful uptick in digital transaction volumes following the system go-live, confirming that our customers are embracing the convenience of our improved platform.

Furthermore, we also upgraded our mobile banking application, enhanced the internet banking platform, and deployed next-generation ATMs across our branch network. These strategic digital banking enhancements have all collectively elevated customer experience.

The official opening of our Chiredzi branch brought our total footprint to ten branches, with the branch already playing an important role in supporting the agricultural value chain in the Lowveld and surrounding regions. We also rolled out agency banking in the second half of the year, a critical step in our financial inclusion agenda that enables NBS to extend its reach into communities where physical branches are not economically viable.

Our treasury and risk management functions also benefited from the improved technological infrastructure, enabling more sophisticated liquidity management and real-time monitoring of our financial metrics. These improvements fundamentally strengthen the Society's risk management capabilities and position us for continued growth.

Housing Delivery and Community Impact

The delivery of affordable housing is our key mandate and our most enduring promise to the people of Zimbabwe. In 2025, we continued to deliver on this mandate with tangible, community-changing results. The Mathendele development in Plumtree, comprising of 124 fully serviced residential stands, was commissioned. The development was executed to the highest standards, incorporating all the requisite infrastructure such as tarred roads, reticulated

water, sewer, electricity and enhanced with solar street lighting. This development stands as a model of sustainable, community-centered housing delivery.

In Bulawayo, the completion of 300 housing units in partnership with our shareholder NBSA, under Phase Two of the Accelerated Civil Servants Presidential Housing Scheme, represents one of the most impactful housing projects delivered by the Society. These are not just statistics, these are families with a secure place to call home, civil servants who can now build equity and stability for their children and their futures.

The Glaudina Phase Two project in Harare, comprising 96 two-bedroom flats, was executed and is providing quality urban housing to residents in one of the country's highest-demand areas.

Across all these projects, the Society's mortgage financing portfolio continued to grow, enabling thousands of individual Zimbabweans to purchase, build, and improve their homes cementing the National Building Society's position as Zimbabwe's premier mortgage financier.

People and Culture

Our people are the foundation of our success, and I want to place on record my deep appreciation for the dedication and professionalism of every NBS employee. In 2025, we invested significantly in staff training and development, with a particular emphasis on digital skills, customer service excellence, and leadership development. The upgrade to Fusion Essence required intensive capacity building across all business units, and I am proud of the way our teams embraced the change and delivered a seamless transition for our customers.

We also continued to build a culture of accountability, high-performance, and customer-centricity. We saw high levels of performance in our customer service and stakeholder engagement indices. We will continue to invest in our people, recognising that the quality of our team is the most important determinant of the Society's long-term success.

Outlook and Strategic Priorities for 2026

Looking into 2026, the operating environment is broadly constructive. The IMF projects Zimbabwe's GDP growth at around 5%, while the Government has expressed ambition for growth of between 8.5% and 10%, potentially the fastest rate of expansion since 2012. Agriculture and mining are expected to remain the primary growth engines, with inflation projected to stay in single digits and the exchange rate expected to remain relatively stable under the IMF's Staff Monitored Programme framework.

For NBS, 2026 presents a significant opportunity to accelerate our growth trajectory. Our strategic priorities for the year include delivering new housing projects in Masvingo, Bulawayo, Mutare and Harare; scaling our mortgage book and deepening our housing finance market share; further expanding our digital channels and agency banking network; growing Lenderspark Finance's SME and retail portfolio; and continuing to strengthen our capital base and risk management frameworks.

We will also pursue new partnerships with government, development finance institutions, and the private sector, to unlock additional housing funding and expand the supply of affordable homes.

We enter 2026 with an energised team, a healthy balance sheet and a clear strategic agenda.

Appreciation

I wish to express my sincere gratitude to the Board of Directors for their leadership, strategic guidance, and the high standards of governance that they bring to the Society. The Board's support has been instrumental in enabling Management to execute our strategy with clarity and confidence.

To the Management team and staff of NBS: your commitment, creativity, and resilience in 2025 has been extraordinary.

To all our banking and business partners, your collaboration and trust are deeply valued.

Lastly to our valued customers, you are at the centre of everything we do and your trust in NBS is our greatest honor. We will continue to Bank, Build, and Go Beyond, for our customers and all the communities we serve in across the nation of Zimbabwe.

SIFISO MAHLANGU
Managing Director
31 March 2026

SUSTAINABILITY STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2025

In 2025, the Society continued to position sustainability as a strategic driver of long-term growth and resilience. The Society intentionally broadened and deepened the sustainability strategic pillar by embedding sustainability in all its operations and aligning sustainability with value creation, building and strengthening resilience and responsible growth. The Society enhanced its frameworks in line with global standards such as Global Reporting Initiative (GRI), IFRS S1 and S2, while progressing towards SSCI certification. This was supported by focusing on capturing sustainable finance opportunities and scale the business; and improved integration of sustainability in strategy through to decision making, systems and processes, organizational culture and risk management across the organization.

CORPORATE GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2025

The Board is committed to high standards of Corporate Governance and believes that a sound governance structure engenders a successful company. For the year 2025, the Society has, in the Directors' opinion, complied fully with the tenets of good Corporate Governance in Zimbabwe as specifically incorporated in the Banking Act [Chapter 24:20] read together with the Banking Amendment Act Number 12 of 2016, the Building Societies Act [Chapter 24:02] and the Reserve Bank of Zimbabwe Corporate Governance Guidelines.

Recognising the pivotal role of an effective Board of Directors, the Board places utmost importance on its composition and functions. Active engagement with our Shareholders is a key priority for the Board, with regular meetings held to solicit and consider the Shareholders' perspectives and feedback. This two-way communication ensures that the Board remains responsive and aligned with the interests of our Shareholders.

THE BOARD ROLES AND RESPONSIBILITIES

The Board lost one of its Board members, Mrs Pauline Chapendama who passed away on 12 October 2025. Mrs Chapendama was the Chairperson of the Board Audit and Board Loans Review Committees. She was also a member of the Board ICT and Board Risk Committees. Mrs Josephine Takundwa also resigned from the Board on 26 June 2025. She was the Chairperson of the Board Credit Committee and a member of the Board Human Resources and Board Finance, Housing and Strategy Committees. The Society's principals are working towards filling these vacancies. Given the preceding scenario, the position of the Board Committees as of 31 December 2025 was as follows;

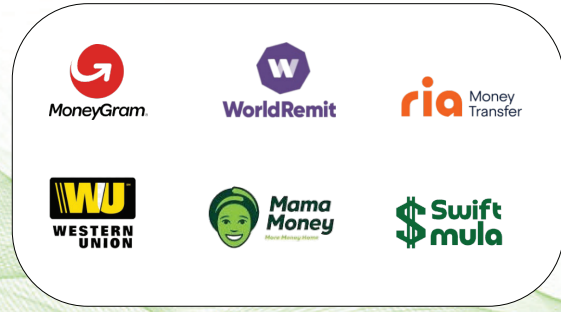
AUDIT COMMITTEE

The Audit Committee comprised of two independent non-executive directors.

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Bank, Build & go Beyond

Collect Your Cash Easily At Any Of Our Branches Across Zimbabwe



The members are as follows:

David Mutemachani -Member (Independent NED)
Molly Dingani-Member Chairman (Independent NED)

The Committee meets at least four times a year to review the following:

- The adequacy and appropriateness of the Society's accounting and internal control systems;
- Significant accounting policies adopted by the Society to ensure compliance with International Financial Reporting Standards and generally accepted accounting principles;
- The scope and results of the work of the external auditor;
- Financial matters relevant to financial reporting in a timely manner;
- The Society's interim financial statements, annual financial statements, and preliminary announcements prior to their release to ensure that they are complete, reflect appropriate accounting principles, contain appropriate disclosures and are consistent with the information known to Committee members; and
- Making any necessary recommendations to the Board.

LOANS REVIEW COMMITTEE

The Committee consisted of two independent non-executive directors and one non-executive director. The members are as follows;

David Mutemachani -Chairman (Independent NED)
Molly Dingani-Member (Independent NED)
Daniel Ngwira -Member (NED)

Its terms of reference include:

- To ensure that the lending processes and the loan portfolio conforms to the Society's credit policy, which has been approved and adopted by the Board;
- To ensure that the lending function is in compliance with Reserve Bank of Zimbabwe guidelines;
- To keep executive officers and the Board adequately informed on lending portfolio risk;
- To ensure that problem loans are identified, and classified appropriately in line with Reserve Bank of Zimbabwe guidelines;
- To ensure that adequate provisions are maintained to cover potential loan losses; and
- To ensure that write-offs of bad loans are made in a timely manner.

CREDIT COMMITTEE

The Committee consisted of two independent non-executive directors and one non-executive director. The members are as follows;

Sithokozile Mrewa -Chairman (Independent NED)
Shingai I Mutumbwa -Member (Independent NED)
Patience Zenda -Member (NED)

Its terms of reference include:

- To approve applications that do not expose the Society to undue credit risk;
- To ensure that the Society gets an adequate return for taking credit risk;
- To ensure that the lending process and the loan portfolio conform to the Society's credit policy, which has been approved and adopted by the Board;
- To ensure that the lending function complies with Reserve Bank of Zimbabwe Guidelines; and
- To ensure responsible lending to the community and general public of Zimbabwe.

HUMAN RESOURCES AND NOMINATIONS COMMITTEE

The Committee comprised of three independent non-executive directors and three non-executive directors. The members are as follows;

David Mutemachani-Chairman (Independent NED)
Shingai I Mutumbwa -Member (Independent NED)
Sithokozile Mrewa-Member (Independent NED)
Grace Mathe -Member (NED)

Betty Nyereyegona -Member (NED)
Patience Zenda -Member (NED)

The Committee is responsible for:

- Overseeing the overall human resources strategy;
- Developing policies on remuneration packages and benefits of directors and senior management;
- The Society's reward policy to include, job alignment and salary benchmarking;
- The appointment of the executive management roles incumbents;
- The performance management and discipline of the Managing Director; and
- The evaluation of board members.

RISK AND COMPLIANCE COMMITTEE

The Risk and Compliance committee consisted of one Independent non-executive director and three non-executive directors. The members are as follows;

Molly Dingani-Chairman (Independent NED)
Betty Nyereyegona -Member (NED)
Grace Mathe -Member (NED)
Daniel Ngwira-Member (NED)

The Committee's terms of reference include:

- To review and to have oversight of the risk profile of the Society within the context of the Board determined risk / return profile;
- To assess the material risks faced by the various business units of the Society;
- To make recommendations to the Board concerning the Society's risk appetite and particular risks or risk management practices of concern to the Committee; and
- To refer in writing to the Board Audit Committee any matters that have come to the attention of the Committee that are relevant for the Board Audit Committee.

FINANCE, HOUSING PROJECTS AND STRATEGY COMMITTEE

The committee is comprised of two independent non-executive directors, four non-executive directors and two executive directors. The members are as follows;

David Mutemachani -Chairman (Independent NED)
Shingai I Mutumbwa -Member (Independent NED)
Patience Zenda -Member (NED)

Grace Mathe -Member (NED)
Betty Nyereyegona-Member (NED)
Daniel Ngwira-Member (NED)

Managing Director -Member (Executive)
Finance Director-Member (Executive)

The Committee's terms of reference include:

- To recommend financial policies, goals, and budgets that support the mission, values, and strategic goals of the organization.
- To review the organization's financial performance against its goals and proposes major transactions and programs to the board.
- To oversee all housing development projects facilitated or financed by NBS and its shareholders.

ICT, CYBER SECURITY AND DIGITALISATION COMMITTEE

The ICT, Cyber Security and Digitalisation Committee consisted of three independent non-executive directors, two non-executive directors, two executive directors and one executive member of management.

The members are as follows;

Molly Dingani -Chairman (Independent NED)
David Mutemachani-Member (Independent NED)
Sithokozile Mrewa-Member (Independent NED)

Betty Nyereyegona -Member (NED)
Daniel Ngwira-Member (NED)

Managing Director-Member (Executive)
Finance Director-Member (Executive)

Head ICT- Member (Executive Management)

The Committee's terms of reference include:

- To review and oversee the overall ICT Governance of the Society;
- To supervise the implementation of ICT, Digitalisation, and Innovation strategies, including Digital Banking initiatives of the Bank.

INTEGRITY COMMITTEE

The Integrity Committee consisted of two Independent non-executive directors, two non-executive directors, one executive director and one executive member of management. The members are as follows;

Sithokozile Mrewa -Chairman (Independent NED)
Shingai I Mutumbwa-Member (Independent NED)
Grace Mathe-Member (NED)

Patience Zenda-Member (NED)

Managing Director-Member (Executive) ex-officio
Head Human Resources (Executive Management) ex-officio.

The Committee's terms of reference include:

- To act as a corruption prevention tool to tackle weaknesses in governance within the Society.
- The Committee is tasked with taking measures to prevent corruption within the Society's sphere of control, through streamlining corruption prevention best practices in liaison with the various divisions to instil good ethical practices in all employees and minimise the occurrence of corruption.

INTERNAL AUDIT

The Internal Audit department comprises of the Head of department, ICT and Operational auditors. The Head of Audit reports directly to the Audit Committee and administratively to the Managing Director.

INDUCTION AND EVALUATION OF DIRECTORS

On appointment, new directors are briefed on their fiduciary duties and responsibilities by executive management. Visits to Society sites and operations are arranged to facilitate understanding of the Society's affairs. Directors are informed of any new relevant legislation and changing commercial risks that affect the Society.

Directors are entitled to seek independent professional advice at the Society's expense about the affairs of the Society and, where necessary, for the furtherance of their duties. The Board conducts regular ongoing assessments to evaluate the effectiveness of its procedures.

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THE COMPANY SECRETARY

The Company Secretary is responsible to the Board as a whole and to Directors individually, for ensuring compliance with procedures and applicable statutes and regulations.

The Board has unlimited access to the Company Secretary, who advises the Board and its sub-Committees on issues including compliance with Society rules and procedures and statutory regulations. The Company Secretary ensures that the proceedings and affairs of the Directorate, the Society itself and Shareholders, are properly administered. The Secretary assists in developing the annual Board plan and administers all statutory obligations of the Society.

The Board has unlimited access to the Company Secretary, who advises the Board and its sub-Committees on issues including compliance with Society rules and procedures and statutory regulations. The Company Secretary ensures that the proceedings and affairs of the Directorate, the Society itself and Shareholders, are properly administered. The Secretary assists in developing the annual Board plan and administers all statutory obligations of the Society.

BOARD AND COMMITTEE ATTENDANCE

Membership and attendance for the period to December 2025 is as noted below:

Main Board			
NAME	TOTAL MEETINGS	PRESENT	ABSENT
Shingai Mutumbwa (INED)	7	7	Nil
David Mutemachani (INED)	7	7	Nil
Pauline Chapendama *(INED)	6	5	LOA
Betty Nyereyegona (NED)	7	7	Nil
Grace Mathe (NED)	7	7	Nil
Philip Hamadziripi *(NED)	1	1	Nil
Josephine Takundwa *(INED)	2	2	Nil
Mukai Mahachi (ED)	7	7	Nil
Sifiso Mahlangu (ED)	7	6	LOA
Sithokozile Mrewa (INED)	7	7	Nil
Molly Dingani (INED)	7	5	LOA
Daniel Ngwira (NED)	7	7	Nil
Patience Zenda *(NED)	4	4	Nil

INED-Independent Non-Executive Director

NED-Non-Executive Director

ED- Executive Director

LOA- Leave of Absence granted

* Mrs Pauline Chapendama passed away on 12 October 2025.

** Mr Philip Hamadziripi and Mrs Josephine Takundwa resigned from the Board with effect from 7 May 2025 and 26 June 2025 respectively.

*** Mrs Patience Zenda was appointed to the Board with effect from 10 July 2025.

Audit Committee			
NAME	TOTAL MEETINGS	PRESENT	ABSENT
Pauline Chapendama	4	4	Nil
David Mutemachani	5	5	Nil
Molly Dingani	5	5	Nil

Credit Committee			
NAME	TOTAL MEETINGS	PRESENT	ABSENT
Josephine Takundwa*	2	2	Nil
Shingai Mutumbwa	4	4	Nil
Philip Hamadziripi*	1	1	Nil
Sithokozile Mrewa	4	4	Nil
Patience Zenda**	2	2	Nil

* Philip Hamadziripi and Josephine Takundwa resigned from the Board with effect from 7 May 2025 and 26 June 2025 respectively

** Patience Zenda was appointed to the Board with effect from 10 July 2025.

Loans Review Meeting			
NAME	TOTAL MEETINGS	PRESENT	ABSENT
Pauline Chapendama	3	3	Nil
David Mutemachani	4	3	LOA
Molly Dingani	4	4	Nil
Daniel Ngwira	4	4	Nil

Risk and Compliance Committee			
NAME	TOTAL MEETINGS	PRESENT	ABSENT
Pauline Chapendama	3	3	Nil
Betty Nyereyegona	4	4	Nil
Grace Mathe	4	4	Nil
Molly Dingani	4	4	Nil
Daniel Ngwira	4	4	Nil

Human Resources and Nomination Committee

NAME	TOTAL MEETINGS	PRESENT	ABSENT
David Mutemachani	5	4	LOA
Shingai Mutumbwa	5	5	Nil
Josephine Takundwa*	3	3	Nil
Grace Mathe	5	5	Nil
Betty Nyereyegona	5	4	LOA
Philip Hamadziripi*	2	2	Nil
Sithokozile Mrewa	5	5	Nil

* Philip Hamadziripi and Josephine Takundwa resigned from the Board with effect from 7 May 2025 and 26 June 2025 respectively

ICT, Digitalisation, and Innovation Committee

NAME	TOTAL MEETINGS	PRESENT	ABSENT
David Mutemachani	4	3	LOA
Pauline Chapendama	3	3	Nil
Betty Nyereyegona	4	4	Nil
Sifiso Mahlangu	4	3	LOA
Mukai Mahachi	4	4	Nil
Molly Dingani	4	4	Nil
Sithokozile Mrewa	4	4	Nil
Daniel Ngwira	4	4	Nil

Finance, Housing Projects and Strategy Committee

NAME	TOTAL MEETINGS	PRESENT	ABSENT
David Mutemachani	4	4	Nil
Shingai Mutumbwa	4	4	Nil
Josephine Takundwa*	2	2	Nil
Philip Hamadziripi*	1	1	Nil
Grace Mathe	4	4	Nil
Betty Nyereyegona	4	4	Nil
Sifiso Mahlangu	4	4	Nil
Mukai Mahachi	4	4	Nil
Daniel Ngwira	4	4	Nil
Patience Zenda**	2	2	Nil

* Philip Hamadziripi and Josephine Takundwa resigned from the Board with effect from 7 May 2025 and 26 June 2025 respectively.

** Patience Zenda was appointed to the Committee with effect from 10 July 2025.

Integrity Committee			
NAME	TOTAL MEETINGS	PRESENT	ABSENT
Shingai Mutumbwa	4	3	LOA
Josephine Takundwa*	2	2	Nil
Philip Hamadziripi*	1	1	Nil
Grace Mathe	4	4	Nil
Sifiso Mahlangu	4	4	Nil
Pauline Chapendama	3	3	Nil
Sithokozile Mrewa	4	4	Nil

* Philip Hamadziripi and Josephine Takundwa resigned from the Board with effect from 7 May 2025 and 26 June 2025 respectively.

** Patience Zenda was appointed to the Committee with effect from 10 July 2025.

BOARD CHANGES

Mr Philip Hamadziripi and Mrs Josephine Takundwa resigned from the Board with effect from 7 May 2025 and 26 June 2025 respectively. The Society appointed Mrs Patience Zenda (Non-Independent Non-Executive Director) to the Board to replace Mr Philip Hamadziripi with effect from 10 July 2025. Mrs Pauline Chapendama passed away on 12 October 2025.

COMPLIANCE STATEMENT

National Building Society recognizes that a robust compliance framework is fundamental to maintaining stakeholder trust, ensuring operational integrity, and securing long-term sustainability. Throughout the financial year ending 31 December 2025, NBS has demonstrated unwavering commitment to upholding the highest standards of corporate governance and regulatory adherence across all facets of our operations.

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AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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Consolidated statement of financial position

as at 31 December 2025

Note	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Assets				
Cash and cash equivalents	5 1 536 406 999	1 191 089 819	1 531 135 326	1 178 465 771
Investment securities	6 594 300 943	530 517 403	594 300 943	530 517 403
Other assets and prepayments	7 263 879 226	49 785 249	343 901 421	116 497 882
Inventory	8 90 056 945	101 402 189	90 056 945	101 402 189
WIP	9 18 995 547	58 449 971	18 995 547	58 449 971
Loans and advances	10 2 405 547 476	1 416 942 220	2 291 379 034	1 354 120 619
Computer software	11 26 276 902	11 988 283	26 276 902	11 988 283
Investment property	12 479 356 186	468 528 753	479 356 186	468 528 753
Right of use Asset	13 21 095 955	65 866 936	21 095 955	65 866 936
Property equipment	14 151 942 466	88 232 306	150 084 008	87 770 655
Total Assets	5 587 858 645	3 982 803 129	5 546 582 267	3 973 608 462
Equity and Liabilities				
Liabilities				
Deposits	15 3 560 454 538	2 408 964 079	3 560 454 538	2 408 964 079
Borrowings	16 168 874 548	168 874 548	168 874 548	168 874 548
Lease liability	13.1 29 523 249	33 921 547	29 523 249	33 921 547
Deferred tax liability	17.2 17 789 504	-	17 838 817	-
Other liabilities	17 331 305 186	345 772 545	326 434 147	342 569 878
Total Liabilities	4 107 947 025	2 957 532 719	4 103 125 299	2 954 330 052
Shareholders' equity				
Share capital	18.1 842 109 920	478 380 163	842 109 920	478 380 163
Revaluation reserve	18.3 49 836 662	31 394 385	49 657 313	31 408 389
Accumulated surplus	18.2 564 484 276	513 708 252	529 173 983	509 489 858
Foreign currency translation reserve	18.4 23 480 762	1 787 610	22 515 752	-
Total Shareholder equity	1 479 911 620	1 025 270 410	1 443 456 968	1 019 278 410
Total liabilities and equity	5 587 858 645	3 982 803 129	5 546 582 267	3 973 608 462

Consolidated statement of profit or loss and other comprehensive income

as at 31 December 2025

Note	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Interest income	20 557 859 952	302 345 728	501 974 159	292 797 508
Interest expense	21 (189 414 143)	(112 201 981)	(189 414 143)	(112 201 981)
Net interest income	368 445 809	190 143 747	312 560 016	180 595 527
Charge for impairment	10.4 (11 642 083)	(21 075 851)	(9 241 871)	(20 109 526)
	356 803 726	169 067 896	303 318 145	160 486 001
Non funded income	22 455 364 554	1 282 961 931	436 944 111	1 278 855 950
Total operating income for the year	812 168 280	1 452 029 827	740 262 256	1 439 341 951
Operating expenses	23 (682 177 967)	(430 683 385)	(655 589 314)	(424 195 563)
Loss on monetary position	-	(1 046 440 411)	-	(1 046 454 413)
Surplus/(deficit) before tax	129 990 313	(25 093 969)	84 672 942	(31 308 025)
Income tax	24 (63 324 155)	(1 435 551)	(49 098 683)	560 111
Surplus/(deficit) for the year	66 666 158	(26 529 520)	35 574 259	(30 747 914)
Items that will not be reclassified to profit and loss				
Other comprehensive income				
Revaluation of plant and equipment	24 838 083	(18 433 575)	24 577 675	(18 419 571)
Deferred tax	(6 395 806)	-	(6 328 751)	-
Net gain	18 442 277	(1 8433 575)	18 248 924	(18 419 571)
Comprehensive surplus/(deficit) for the year	85 108 435	(44 963 095)	53 823 183	(49 167 485)

Consolidated statement of changes in equity

as at 31 December 2025

Note	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Year ended 31 December 2024				
Balance as at 1 January 2024	478 380 163	49 827 960	-	552 034 504
Total comprehensive deficit	-	(18 433 575)	-	(26 529 520)
Foreign currency translation reserve	-	-	1 787 610	-
Dividend paid	-	-	-	(11 796 732)
Balance as at 31 December 2024	478 380 163	31 394 385	1 787 610	513 708 252
Year ended 31 December 2025				
Balance as at 1 January 2025	478 380 163	31 394 385	1 787 610	513 708 252
Issue of share capital	363 729 757	-	-	363 729 757
Total comprehensive surplus	-	18 442 277	-	66 666 158
Foreign currency translation reserve	-	-	21 693 152	-
Dividend paid	-	-	-	(15 890 134)
Balance as at 31 December 2025	842 109 920	49 836 662	23 480 762	564 484 276

Consolidated statement of changes in equity

as at 31 December 2025

Note	Society			
	Share capital	Revaluation reserve	Foreign currency translation reserve	Accumulated surplus
	ZWG	ZWG	ZWG	ZWG
Year ended 31 December 2024				
Balance as at 1 January 2024	478 380 163	49 827 960	-	552 034 504
Dividend	-	-	-	(11 796 732)
Total comprehensive deficit	-	(18 419 571)	-	(30 747 914)
Balance as at 31 December 2024	478 380 163	31 408 389	-	509 489 858
Year ended 31 December 2025				
Balance as at 1 January 2025	478 380 163	31 408 389	-	509 489 858
Total comprehensive surplus	-	18 248 924	-	35 574 259
Shares issued during the year	363 729 757	-	-	363 729 757
Foreign currency translation reserve	-	-	22 515 752	-
Dividend paid	-	-	-	(15 890 134)
Balance as at 31 December 2025	842 109 920	49 657 313	22 515 752	529 173 983

Consolidated statement of cash flows

as at 31 December 2025

Notes	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Cash flows from operating activities				
Surplus/(Deficit) before tax	129 990 313	(25 093 969)	84 672 942	(31 308 025)
Adjusted for:				
Depreciation	14 30 062 763	21 179 438	29 852 433	21 126 047
Amortisation of software	11 4 561 621	3 598 679	4 561 621	3 598 679
Right of use asset depreciation	13 15 876 785	641 513	15 876 785	641 513
Loss on net monetary position	-	1 046 440 411	-	1 046 454 413
Unrealised exchange gains	(22 486 622)	(483 600 078)	(22 486 622)	(483 600 078)
Fair value adjustments on investment property	12 (16 364 209)	(562 058 094)	(16 364 209)	(562 058 094)
Fair value adjustments on gold coins and tokens	7 (3 858 336)	(4 356 487)	(3 858 336)	(4 356 487)
Profit on asset disposal	11 428 280	23 224	11 428 280	23 224
Charge for impairment	10.4 11 642 083	21 075 851	9 241 871	20 109 526
Interest expense on lease liability	13.1 1 467 182	1 325 436	1 467 182	1 325 436
Net interest income	(368 445 809)	(190 143 747)	(312 560 016)	(180 595 527)
Operating cash flows before changes in operating assets	(206 125 949)	(170 967 823)	(198 168 069)	(168 639 373)
Changes in net operating assets and liabilities				
Increase/(decrease) in other assets and prepayments	(187 749 019)	79 274 667	(201 058 581)	12 562 035
Increase/(decrease) in inventory	16 882 020	(8 631 325)	16 882 020	(8 631 325)
Increase/(decrease) in capital WIP	39 454 424	(58 449 971)	39 454 424	(58 449 971)
Increase/(decrease) in loans and advances	(1 000 150 043)	107 835 040	(946 402 990)	(311 977 113)
Increase in deposits	1 151 490 459	805 469 485	1 151 490 459	1 289 069 563
Decrease in other liabilities	(14 467 359)	(118 817 110)	(16 135 731)	(122 019 777)
Net cash from working capital changes	(20 066 546)	635 712 963	(15 393 846)	631 914 039
Interest received	557 859 952	302 345 728	501 974 159	292 797 508
Interest paid	(189 414 143)	(112 201 981)	(189 414 143)	(112 201 981)
Income tax paid	(51 930 457)	(1 435 551)	(37 588 617)	560 111
Net cash inflow from operating activities	115 849 885	824 421 159	121 032 931	813 069 677
Cash flows from investing activities				
Purchase of property and equipment	14 (72 033 837)	(22 927 930)	(70 687 108)	(22 398 884)
Purchase of investment securities	6 (63 783 540)	(153 212 796)	(63 783 540)	(153 212 796)
Proceeds from disposal of assets	-	130 807	-	130 807
Purchase of computer software	11 (27 179 523)	(5 529 689)	(27 179 523)	(5 529 689)
Net cashflows from investing activities	(162 996 900)	(181 539 608)	(161 650 171)	(181 010 562)
Cash flows from financing activities				
Issue of Share capital	18.1 363 729 757	-	363 729 757	-
Proceeds from borrowings	16 -	168 874 548	-	168 874 548
Loan repayment	16 -	(33 983)	-	(33 983)
Lease payments	13.2 (17 435 388)	(7 642 231)	(17 435 388)	(7 642 231)
Dividend paid	18.2 (15 890 134)	(11 796 732)	(15 890 134)	(11 796 732)
Net cash flows from financing activities	330 404 235	149 401 602	330 404 235	149 401 602
Net increase in cash and cash equivalents	283 257 220	792 283 153	289 786 995	781 460 717
Effects of inflation	-	(273 416 755)	-	(275 218 367)
Effects of changes in foreign currency	62 157 256	-	62 979 856	-
Cash & cash equivalents at the beginning of the year	1 192 354 983	673 488 585	1 179 730 935	673 488 585
Cash & cash equivalents at the end of the year	5 1 537 769 459	1 192 354 983	1 532 497 786	1 179 730 935
Comprises of:				
Cash on hand	256 855 128	20 159 890	256 855 128	20 139 989
Foreign bank balances	478 234 789	16 072 837	478 234 789	16 072 837
Banks and money market	802 679 542	1 156 122 256	797 407 869	1 143 518 109
Total cash and cash equivalents	5 1 537 769 459	1 192 354 983	1 532 497 786	1 179 730 935

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1 General information and statement of compliance

Nature of Business

National Building Society Limited (the Society) and its subsidiary, Lenderspark Finance (Private) Limited (together "the Group"), are companies incorporated and domiciled in Zimbabwe. The Society was registered as a Building Society in terms of the Building Societies Act (Chapter 24:02) of Zimbabwe on 11 September 2015. The principal business of the Society is that of providing mortgage finance including deposit acceptance and investing activities. Lenderspark Finance (Private) Limited, is registered as a credit only microfinance institution in terms of Microfinance Act (Chapter 24:30) and its principal business is provision of microlending services.

2 Basis of preparation

2.1 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies and Other Business Entities Act (Chapter 24:31), the Building Society Act (Chapter 24:02) of Zimbabwe, sections of the Banking Act (Chapter 24:20) applicable to Building Societies and the Microfinance Act (Chapter 24:30).

2.2 Functional and Presentation Currency

The Society's functional currency is United States Dollar (USD) effective 1 January 2025.

Following the promulgation of SI 218 of 2023 in which the multi-currency regime was extended to 2030, inflationary pressure and tight liquidity led to the extensive use of the USD. The Monetary Policy Statement (MPS) pronounced on the 5th of April 2024, ushered in a change in currency from the previous Zimbabwe Dollar (ZWL) to Zimbabwe Gold (ZWG). This was put into law with the promulgation of Statutory Instrument 60 (SI 60) of 2024. The MPS introduced further measures to mop up ZWG liquidity such as increased statutory reserves, NNCD's and treasury bills which further increased the use of USD from 2024 and into 2025.

The directors have been continuously assessing the Group's functional currency guided by International Accounting Standard 21 (IAS 21), The Effects of Changes in Foreign Exchange Rates. The following factors were considered:

- The currency that mainly influences sales prices for goods and services.
- The currency used by its competitive forces and regulations that mainly determine the sales prices of its goods and services.
- The currency that mainly influences labor, material and other costs of providing goods.
- The currency in which funds from financing activities are generated.
- The currency in which receipts from operating activities are usually retained.

After extensive considerations, the Directors concluded that there has been an increase in use of USD within the Group to the extent that it constituted a change in functional currency. The Society then proceeded to translate the hyperinflated ZWG closing balances to USD in accordance with IAS 21 and IAS 29. The change to USD which is not inflationary stopped the need for inflation adjusted statement

The financial statements are presented in ZWG as permitted by IAS21. The balance sheet was converted at the closing rate of USD1: ZWG 25.9807 being the closing rate on 31 December 2025

3 Statement of Compliance

The Society's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards and Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC). The financial statements are prepared from statutory records that are maintained under the historical cost convention. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies and Other Business Act (Chapter 24:31), the Building Societies Act (Chapter 24:02) and sections of the Banking Act (Chapter 24:20) applicable to Building Society.

4 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

A full set of The Society's policies are available in its annual report, which is ready for inspection at The Society's registered office.

5 Cash and Cash equivalents

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Balances with the RBZ	660 289 930	583 004 379	660 289 930	583 004 379
Interbank placements	605 603 943	482 693 456	605 603 943	482 693 456
Balances with banks	15 016 444	106 497 258	9 748 785	93 893 111
Cash on hand	256 859 142	20 159 890	256 855 128	20 139 989
	1 537 769 459	1 192 354 983	1 532 497 786	1 179 730 935

5.1 Reserve Bank of Zimbabwe

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Reserve Bank of Zimbabwe	660 289 930	583 004 379	660 289 930	583 004 379
Interbank placements	605 603 943	482 693 456	605 603 943	482 693 456
Bank balances	15 016 444	106 497 258	9 748 785	93 893 111
	1 280 910 317	1 172 195 093	1 275 642 658	1 159 590 946
Stage 1 - ECL allowance	(1 362 460)	(1 265 164)	(1 362 460)	(1 265 164)
	1 279 547 857	1 170 929 929	1 274 280 198	1 158 325 782
Cash on hand	256 859 142	20 159 890	256 855 128	20 139 989
Net carrying amount of cash and cash equivalents	1 536 406 999	1 191 089 819	1 531 135 326	1 178 465 771

Cash and cash equivalents comprise balances denoted in Zimbabwean Dollars (ZWG) and foreign balances converted at the closing official exchange rate applicable as at 31 December 2025 of USD 1: ZWG 25.9807. The Group does not hold any encumbered balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

6 Investment Securities held at amortised cost

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Treasury bills	594 561 417	440 792 104	594 561 417	440 792 104
Interbank placements	-	90 932 450	-	90 932 450
Stage 1 - ECL allowance	(260 474)	(1 207 151)	(260 474)	(1 207 151)
Net carrying amount	594 300 943	530 517 403	594 300 943	530 517 403

Maturity Analysis - Gross

	Group	Society
	2025	2024
	ZWG	ZWG
Less than 1 month	369 310 490	31 176 840
3 to 6 months	61 757 926	350 895 962
6 months to 1 year	163 493 001	92 167 503
1 year to 5 years	-	57 484 249
	594 561 417	531 724 554

The fair values of these investment securities have been disclosed under **Note 19**.

7 Other Assets and prepayments

	Group	Society
	2025	2024
	ZWG	ZWG
Interest accrued	70 711 793	9 871 713
Investment in subsidiary	-	-
Collateral deposits	9 902 258	14 036 618
Gold coins and tokens	9 591 771	5 733 435
Sundry assets	173 673 404	20 143 483
	263 879 226	49 785 249
	253 362 844	35 748 631
Non-current	10 516 382	14 036 618
Current	263 879 226	49 785 249
	343 901 421	116 497 882

Included in sundry assets are prepaid expenses and accounts receivables.

Gold coins and tokens

	Group	Society
	2025	2024
	ZWG	ZWG
Opening balance	5 733 435	46 691 686
Disposal	-	(1 713 420)
Fair valuation	3 858 336	4 356 487
Effects of inflation	-	(43 601 318)
	9 591 771	5 733 435

8 Inventory

Finished units

	Group	Society
	2025	2024
	ZWG	ZWG
Plumtree	19 155 568	-
Sunset Villas	-	20 558 027
Glaudina	34 329 708	-
NBS Park and Stoneridge	919 551	23 956 677
	54 404 827	44 514 704

Work in progress

	Group	Society
	2025	2024
	ZWG	ZWG
Newmara	15 695 688	13 193 721
Glaudina	19 956 430	41 597 223
Plumtree	-	2 096 541
	35 652 118	56 887 485
	90 056 945	101 402 189

8.1 Finished units

NBS Park and Stoneridge houses.

Mathendele housing development project (Plumtree)

Mathendele is a project of 124 units in Plumtree.

8.2 Work in Progress Newmara Project

The project comprises 153 units under construction at Newmara, Mutare.

Glaudina Project

The Society is developing 9 high rise blocks in Glaudina. In 2025 the first 2 blocks were completed and construction of 3 more blocks commenced.

9 Capital Work In Progress

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Opening balance	58 449 971	-	58 449 971	-
Additions	-	58 449 971	-	58 449 971
Transfer to property and equipment	(39 454 424)	-	(39 454 424)	-
Closing Balance	18 995 547	58 449 971	18 995 547	58 449 971

Work in progress is made up of branch refurbishments and ICT infrastructure.

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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Housing & Mortgages



NBS Capital



Corporate & Institutional Banking



Micro Finance



Retail & SME Banking



Structured Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Society	
	2025	2024	2025	2024
10 Loans and advances	ZWG	ZWG	ZWG	ZWG
Personal loans, advances and overdrafts	1 690 549 879	338 685 058	1 653 266 886	324 222 795
Mortgage loans	443 917 355	955 921 719	443 917 355	955 921 719
Corporate lending	304 967 634	91 157 268	224 715 648	41 831 605
Other advances	-	52 574 103	-	52 574 103
Gross loans and advances	2 439 434 868	1 438 338 148	2 321 899 889	1 374 550 222
Impairment provision	(33 887 392)	(21 395 928)	(30 520 855)	(20 429 603)
Net loans and advances	2 405 547 476	1 416 942 220	2 291 379 034	1 354 120 619
10.1 Maturity Analysis				
Less than 1 month	92 034 537	95 825 118	52 898 415	83 854 483
1 month to 3 months	196 040 738	70 385 661	168 839 864	56 527 659
3 months to 6 months	254 462 579	172 697 083	222 784 343	149 691 794
6 months to 1 year	479 284 664	357 226 745	462 544 831	349 244 174
1 year to 5 years	1 175 912 103	382 761 994	1 173 132 189	375 790 566
More than 5 years	241 700 247	359 441 547	241 700 247	359 441 546
	2 439 434 868	1 438 338 148	2 321 899 889	1 374 550 222
10.2 Loan impairment allowance				
Exposure to credit - gross loans and advances				
Loans and advances subject to Stage 1	2 280 631 657	1 305 439 807	2 177 176 120	1 290 045 098
Loans and advances subject to Stage 2	115 690 967	110 805 792	106 114 101	68 233 189
Loans and advances subject to Stage 3	43 112 244	22 092 549	38 609 668	16 271 935
Gross loans and advances	2 439 434 868	1 438 338 148	2 321 899 889	1 374 550 222
Loan Impairment Charge				
Stage 1	14 164 177	8 993 200	13 268 507	8 884 004
Stage 2	5 770 269	5 918 478	5 541 689	5 225 755
Stage 3	13 952 946	6 484 250	11 710 659	6 319 844
Gross impairment loss	33 887 392	21 395 928	30 520 855	20 429 603
Net loans and advances	2 405 547 476	1 416 942 220	2 291 379 034	1 354 120 619
Impairment allowances				
Portfolio impairment	19 934 446	19 473 684	18 810 196	18 671 763
Specific impairment	13 952 946	1 922 244	11 710 659	1 757 840
Total impairment loss	33 887 392	21 395 928	30 520 855	20 429 603
10.3 Impairment provision				
Opening balance	21 395 928	40 973 172	20 429 603	40 973 172
Charge in profit and loss	12 491 464	18 684 049	10 091 252	17 717 724
Effects of changes in inflation	-	(38 261 293)	-	(38 261 293)
Closing balance	33 887 392	21 395 928	30 520 855	20 429 603
10.4 ECL allowance movement				
	Cash and cash equivalents	Loans and advances	Investment securities	Total
Group	ZWG	ZWG	ZWG	ZWG
2025				
Balance at beginning of year 2025	1 265 164	21 395 928	1 207 151	23 868 243
Charge to profit and loss for the year	97 296	12 491 464	(946 677)	11 642 083
Effects of changes in inflation	-	-	-	-
Balance at 31 December 2025	1 362 460	33 887 392	260 474	35 510 326
2024				
Balance at beginning of year 2024	227 313	40 973 172	989 144	42 189 629
Charge to profit and loss for the year	1 250 119	18 684 049	1 141 683	21 075 851
Effects of changes in inflation	(212 268)	(38 261 293)	(923 676)	(39 397 237)
Balance at 31 December 2024	1 265 164	21 395 928	1 207 151	23 868 243
Society				
ECL allowance movement				
2025				
Balance at beginning of year 2025	1 265 164	20 429 603	1 207 151	22 901 918
Charge to profit and loss for the year	97 296	10 091 252	(946 677)	9 241 871
Balance at 31 December 2025	1 362 460	30 520 855	260 474	32 143 789
2024				
Balance at beginning of year 2024	227 313	40 973 172	989 144	42 189 629
Charge to profit and loss for the year	1 250 119	17 717 724	1 141 683	20 109 526
Effects of changes in inflation	(212 268)	(38 261 293)	(923 676)	(39 397 237)
Balance at 31 December 2024	1 265 164	20 429 603	1 207 151	22 901 918

Change in ECL

Analysis of loan impairment charge on the statement of profit and loss

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Increase in loan impairment charge on loans and advances for the period	10 719 067	18 225 830	8 318 855	17 259 506
Impairment allowance on account balances in excess	1 772 397	458 219	1 772 397	458 219
Impairment charges on cash and cash equivalents and investment securities	(849 381)	2 391 802	(849 381)	2 391 801
Net impairment charge to statement of profit and loss	11 642 083	21 075 851	9 241 871	20 109 526

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Society	
	2025	2024	2025	2024
10.5 Sectorial Analysis	ZWG	ZWG	ZWG	ZWG
Corporates	304 967 634	91 157 268	224 715 648	41 831 605
Individuals	2 134 467 234	1 347 180 880	2 097 184 241	1 332 718 617
	2 439 434 868	1 438 338 148	2 321 899 889	1 374 550 222
11 Computer software				
Cost				
Opening balance	26 849 661	21 319 972	26 849 661	21 319 972
Additions	27 179 523	5 529 689	27 179 523	5 529 689
Disposal	(1 937 806)	-	(1 937 806)	-
Closing balance	34 651 115	26 849 661	34 651 115	26 849 661
Amortisation				
Opening balance	14 861 378	11 262 699	14 861 378	11 262 699
Charge to income statement	4 561 621	3 598 679	4 561 621	3 598 679
Disposals	(1 104 876)	-	(1 104 876)	-
Closing balance	8 374 213	14 861 378	8 374 213	14 861 378
Net book value	26 276 902	11 988 283	26 276 902	11 988 283

Included in computer software is the Society's core banking system, Fusion Essence.

	Group		Society	
	2025	2024	2025	2024
12 Investment property				
Opening balance	468 528 753	666 262 225	468 528 753	666 262 225
Fair value adjustments	16 364 209	562 058 094	16 364 209	562 058 094
Transfer to inventory	(5 536 776)	-	(5 536 776)	-
Transfer from inventory	-	-	-	-
Effects of inflation	-	(759 791 566)	-	(759 791 566)
Closing balance	479 356 186	468 528 753	479 356 186	468 528 753

Investment property comprises of properties received from the shareholders as consideration for a rights issue as follows:

- Stand 19208 of stand 19206 of Harare Township measuring 4 378 square metres.
- Part of stand 4459 Glaudina Township of lot 2 Gillingham measuring 1 9562 hectares.
- Lot 28 of New Christmas Gift in Gweru district measuring 628 4923 hectares.

Also included in investment property is Block 2, Block 3A and Block 3B all measuring 48.5 hectares of the remaining extent of Newmara of Hilldale. The portions of land were received as part of an arbitration award.

	Group		Society	
	2025	2024	2025	2024
13 Right of use asset	ZWG	ZWG	ZWG	ZWG
Balance at the beginning of the year	82 477 152	80 304 145	82 477 152	80 304 145
Effects of changes in functional currency	(36 050 677)	-	(36 050 677)	-
Additions	11 978 455	2 173 007	11 978 455	2 173 007
Remeasurement (modifications)	(408 547)	-	(408 547)	-
Closing balance	57 996 383	82 477 152	57 996 383	82 477 152
Accumulated depreciation				
Balance at the beginning of the year	16 610 216	15 968 703	16 610 216	15 968 703
Effects of changes in functional currency	4 413 427	-	4 413 427	-
Charge for the year	15 876 785	641 513	15 876 785	641 513
Closing balance	36 900 428	16 610 216	36 900 428	16 610 216
Carrying amount at 31 December 2025	21 095 955	65 866 936	21 095 955	65 866 936
13.1 Lease liability				
Opening balance	33 921 547	27 612 264	33 921 547	27 612 264
Additions	11 978 455	2 173 007	11 978 455	2 173 007
Remeasurement (modifications)	(408 547)	-	(408 547)	-
Interest expense	1 467 182	1 325 436	1 467 182	1 325 436
Repayments	(17 435 388)	(7 642 231)	(17 435 388)	(7 642 231)
Exchange gain on lease liability	-	35 223 112	-	35 223 112
Effects of Inflation	-	(24 770 041)	-	(24 770 041)
	29 523 249	33 921 547	29 523 249	33 921 547
13.2 Lease expense in profit or loss				
Lease interest expense	1 467 182	1 325 436	1 467 182	1 325 436
Depreciation	15 876 785	641 513	15 876 785	641 513
	17 343 967	1 966 949	17 343 967	1 966 949
Total cashflows relating to leases				
Cash payments for lease liability	17 435 388	7 642 231	17 435 388	7 642 231

14 Property and equipment

No items of property and equipment were pledged as collateral as at 31 December 2025. Office equipment, furniture and fittings, motor vehicles and computer equipment were revalued at 31 December 2025 by Dawn Property Consultancy (Pvt) Ltd, registered independent valuers. The valuation was undertaken on a market value basis. Market value is the estimated amount for which an asset can be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing assuming:

- the plant and equipment will be used at the premise for the foreseeable future; and
- the assets are fit for the purposes for which they are intended to be used and comply with all the relevant by laws and statutory regulations.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

14 Property and equipment (continued)

	Group					Total
	Leasehold Improvements	Office Equipment	Furniture and Fittings	Motor Vehicles	Computer Equipment	
Cost						
Opening balance	20 131 351	5 961 245	5 279 385	40 565 567	23 709 468	95 647 016
Additions	11 367 609	8 409 461	1 724 738	5 472 030	45 059 999	72 033 837
Disposals	-	(215 354)	(246 115)	(3 543 767)	(285 918)	(4 291 154)
Revaluation gain	-	1 587 855	3 512 573	(4 039 271)	(2 520 581)	(1 459 424)
Closing balance	31 498 960	15 743 207	10 270 581	38 454 559	65 962 968	161 930 275

Accumulated depreciation

Opening balance	7 414 710	-	-	-	-	7 414 710
Charge for the year	2 573 099	1 559 832	1 863 960	10 889 559	13 176 313	30 062 763
Disposals	-	(53 303)	(70 842)	(956 955)	(111 057)	(1 192 157)
Revaluation	-	(1 506 529)	(1 793 118)	(9 932 604)	(13 065 256)	(26 297 507)
Closing balance	9 987 809	-	-	-	-	9 987 809

Net book value December 2025

	21 511 151	15 743 207	10 270 581	38 454 559	65 962 968	151 942 466
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31 December 2024

	Group					Total
	Leasehold Improvements	Office Equipment	Furniture and Fittings	Motor Vehicles	Computer Equipment	
Cost						
Opening balance	15 778 626	2 772 810	8 754 385	49 172 042	36 304 006	112 781 869
Additions	4 352 725	3 245 170	1 009 498	4 638 354	9 682 183	22 927 930
Revaluation gain	-	(243)	(3 098)	-	(116 027)	(119 368)
Disposal	-	(56 492)	(4 481 400)	(13 244 829)	(22 160 694)	(39 943 415)
Closing balance	20 131 351	5 961 245	5 279 385	40 565 567	23 709 468	95 647 016

Accumulated depreciation

Opening balance	5 587 165	22 324	43 153	-	2 104 250	7 756 892
Charge for the year	1 827 545	395 784	945 851	10 090 551	7 919 707	21 179 438
Revaluation	-	(18)	(233)	-	(11 529)	(11 780)
Disposal	-	(418 090)	(988 771)	(10 090 551)	(10 012 428)	(21 509 840)
Closing balance	7 414 710	-	-	-	-	7 414 710

Net book value December 2024

	12 716 641	5 961 245	5 279 385	40 565 567	23 709 468	88 232 306
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31 December 2025

	Society					Total
	Leasehold Improvements	Office Equipment	Furniture and Fittings	Motor Vehicles	Computer Equipment	
Cost						
Opening balance	20 131 351	5 634 070	5 144 909	40 565 567	23 709 468	95 185 365
Additions	11 367 609	8 409 461	1 390 964	4 729 007	44 790 067	70 687 108
Disposal	-	(215 354)	(246 115)	(3 543 767)	(285 918)	(4 291 154)
Revaluation gain	-	1 587 855	3 403 324	(3 958 757)	(2 541 924)	(1 509 502)
Closing balance	31 498 960	15 416 032	9 693 082	37 792 050	65 671 693	160 071 817

Accumulated depreciation

Opening balance	7 414 710	-	-	-	-	7 414 710
Charge for the year	2 573 099	1 559 832	1 839 507	10 806 324	13 073 671	29 852 433
Disposals	-	(53 303)	(70 842)	(956 955)	(111 057)	(1 192 157)
Revaluation	-	(1 506 529)	(1 768 665)	(9 849 369)	(12 962 614)	(26 087 177)
Closing balance	9 987 809	-	-	-	-	9 987 809

Net book value December 2025

	21 511 151	15 416 032	9 693 082	37 792 050	65 671 693	150 084 008
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31 December 2024

	Group					Total
	Leasehold Improvements	Office Equipment	Furniture and Fittings	Motor Vehicles	Computer Equipment	
Cost						
Opening balance	15 778 626	2 772 810	8 754 385	49 172 042	36 304 006	112 781 869
Additions	4 352 725	2 858 759	866 863	4 638 354	9 682 183	22 398 884
Disposals	-	(243)	(3 098)	-	(116 027)	(119 368)
Revaluation gain	-	2 744	(4 473 241)	(13 244 829)	(22 160 694)	(39 876 020)
Closing balance	20 131 351	5 634 070	5 144 909	40 565 567	23 709 468	95 185 365

Accumulated depreciation

Opening balance	5 587 165	22 324	43 153	-	2 104 250	7 756 892
Charge for the year	1 827 545	350 707	937 537	10 090 551	7 919 707	21 126 047
Disposals	-	(18)	(233)	-	(11 529)	(11 780)
Revaluation gain	-	(373 013)	(980 457)	(10 090 551)	(10 012 428)	(21 456 449)
Closing balance	7 414 710	-	-	-	-	7 414 710

Net book value December 2024

	12 716 641	5 634 070	5 144 909	40 565 567	23 709 468	87 770 655
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

15 Deposits

	Group		Society	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
Transactional and savings deposits	1 427 224 463	1 156 586 317	1 427 224 463	1 156 586 317
Term deposits	2 133 230 075	1 252 377 762	2 133 230 075	1 252 377 762
	3 560 454 538	2 408 964 079	3 560 454 538	2 408 964 079

15.1 Deposits by source

Banks	-	-	-	-
Corporates	3 319 405 535	1 525 007 221	3 319 405 535	1 525 007 221
Individuals	241 049 003	883 956 858	241 049 003	883 956 858
	3 560 454 538	2 408 964 079	3 560 454 538	2 408 964 079

15.2 Maturity analysis

Less than 1 month	1 824 104 088	818 443 619	1 824 104 088	818 443 619
1 month to 3 months	484 766 492	103 643 224	484 766 492	103 643 224
3 months to 6 months	232 011 196	41 939 596	232 011 196	41 939 596
6 months to 1 year	412 788 346	13 580 689	412 788 346	13 580 689
1 year to 5 years	493 858 445	486 011 952	493 858 445	486 011 952
More than 5 years	112 925 971	945 344 999	112 925 971	945 344 999
	3 560 454 538	2 408 964 079	3 560 454 538	2 408 964 079

Maturity analysis is based on the remaining period from 31 December 2025 to contractual maturity.

15.3 Sectorial Analysis

Individuals	241 997 181	883 956 857	241 997 181	883 956 857
Manufacturing	16 784 786	3 978 300	16 784 786	3 978 300
Transport and Distribution	34 834 652	3 842 430	34 834 652	3 842 430
Energy and Minerals	579 057 325	239 747 718	579 057 325	239 747 718
Financial Services	1 872 061 431	982 252 594	1 872 061 431	982 252 594
Construction and Property	26 773 762	54 212 373	26 773 762	54 212 373
Trade and Services	788 945 399	240 973 806	788 945 399	240 973 806
	3 560 454 538	2 408 964 078	3 560 454 538	2 408 964 078

16 Borrowings

Opening balances	168 874 548	33 983	168 874 548	33 983
Additions	-	168 874 548	-	168 874 548
Repayment	-	(33 983)	-	(33 983)
	-	168 874 548	-	168 874 548

Current portion

	168 874 548	168 874 548	168 874 548	168 874 548
	168 874 548	168 874 548	168 874 548	168 874 548

Terms and repayment schedule

	Nominal interest facility rate	Year of maturity	Group		Society	
			Carrying amount	Carrying amount	Carrying amount	Carrying amount
Shareholder loan			2025	2024	2025	2024
Secured loan	12%	2029	129 903 499	129 903 499	129 903 499	129 903 499
Secured loan	10%	2029	38 971 049	38 971 049	38 971 049	38 971 049
			168 874 548	168 874 548	168 874 548	168 874 548

17 Other liabilities

	Group		Society	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
Deferred income	78 534 122	26 969 139	78 534 122	26 969 139
Accrued interest	27 213 358	3 099 966	27 213 358	3 099 966
Provisions	9 782 027	6 710 382	9 035 083	6 241 171
Other liabilities	215 775 679	308 993 058	211 651 584	306 259 602
	331 305 186	345 772 545	326 434 147	342 569 878

Deferred income consists of loan origination fees that are received in advance and recognised using the effective interest rate method over the average life of the underlying asset. Other liabilities consist of trade payables and other payables.

17.1 Provisions

Group	Group		Totals ZWG
	Audit Fee ZWG	Bonus ZWG	
Balance at 1 January 2025	1 266 690	5 443 692	6 710 382
Provisions made during the year	2 139 121	11 745 848	13 884 969
Provisions paid during the year	(1 266 690)	(9 546 634)	(10 813 324)
Balance at 31 December 2025	2 139 121	7 642 906	9 782 027

Balance at 1 January 2024

Provisions made during the year	3 052 054	10 123 526	13 175 580
Provisions paid during the year	(1 867 767)	(4 944 961)	(6 812 728)
Effects of change in inflation	(1 162 597)	(457 219)	(1 619 816)
Balance at 31 December 2024	1 266 690	5 443 692	6 710 382

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17.1 Provisions	Society		
	Audit Fee	Bonus	Totals
Society	ZWG	ZWG	ZWG
Balance at 1 January 2025	1 266 690	5 443 692	6 710 382
Provisions made during the year	1 911 790	11 226 234	13 138 024
Provisions paid during the year	(1 266 689)	(9 546 634)	(10 813 323)
Balance at 31 December 2025	1 911 791	7 123 292	9 035 083
Balance at 1 January 2024	1 245 000	4 837 276	6 082 276
Provisions made during the year	3 052 054	10 123 526	13 175 580
Provisions paid during the year	(1 867 767)	(4 944 961)	(6 812 728)
Effects of change in inflation	(1 162 597)	(4 572 149)	(5 734 746)
Balance at 31 December 2024	1 266 690	5 443 692	6 710 382

17.2 Deferred tax	Society	
	2025	2024
Deferred tax liability on revaluation	17 789 504	17 838 817

18 Equity and Reserves	Society	
	2025	2024
18.1 Share Movement		
Authorised ordinary shares	1 000 000 000	1 000 000 000
Issued and fully paid ordinary shares	514 279 060	511 479 060
Unissued ordinary shares	485 720 940	488 520 940

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Issued share capital	478 380 163	478 380 163	478 380 163	478 380 163
New Issue of share capital	363 729 757	-	363 729 757	-
	842 109 920	478 380 163	842 109 920	478 380 163

18.2 Accumulated surplus	Group		Society	
	2025	2024	2025	2024
Opening balance	513 708 252	552 034 504	509 489 858	552 034 504
Surplus for the year	66 666 158	(26 529 520)	35 574 259	(30 747 914)
Dividend paid	(15 890 134)	(11 796 732)	(15 890 134)	(11 796 732)
Closing balance	564 484 276	513 708 252	529 173 983	509 489 858

18.3 Revaluation reserve	Group		Society	
	2025	2024	2025	2024
Opening balance	31 394 385	49 827 960	31 408 389	49 827 960
Movement for the year	18 442 277	(18 433 575)	18 248 924	(18 419 571)
Closing balance	49 836 662	31 394 385	49 657 313	31 408 389

18.4 Foreign currency translation reserve	Group		Society	
	2025	2024	2025	2024
Opening balance	1 787 610	-	-	-
Movement for the year	21 693 152	1 787 610	22 515 752	-
Closing balance	23 480 762	1 787 610	22 515 752	-

19 CATEGORIES OF FINANCIAL INSTRUMENTS FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

	Group		Society	
	Amortised Cost	Carrying amount	Amortised Cost	Carrying amount
31 December 2025	ZWG	ZWG	ZWG	ZWG
Financial assets				
Cash on hand	256 859 142	256 859 142	256 855 128	256 855 128
Bank balances	675 306 374	675 306 374	670 038 715	670 038 715
Interbank placements	605 603 943	605 603 943	605 603 943	605 603 943
Investment securities	594 300 943	594 300 943	594 300 943	594 300 943
Loans and advances	2 405 547 476	2 405 547 476	2 291 379 034	2 291 379 034
Total	4 537 617 878	4 537 617 878	4 418 177 763	4 418 177 763
Financial liabilities				
Deposits	3 560 454 538	3 560 454 538	3 560 454 538	3 560 454 538
Borrowings	168 874 548	168 874 548	168 874 548	168 874 548
Total	3 729 329 086	3 729 329 086	3 729 329 086	3 729 329 086
31 December 2024				
Financial assets				
Cash on hand	20 159 890	20 159 890	20 139 989	20 139 989
Bank balances	15 016 444	15 016 444	9 748 785	9 748 785
Interbank placements	105 232 094	105 232 094	604 241 483	604 241 483
Investment securities	530 517 403	530 517 403	530 517 403	530 517 403
Loans and advances	1 416 942 220	1 416 942 220	1 354 120 619	1 354 120 619
Total	2 087 868 051	2 087 868 051	2 518 768 279	2 518 768 279
Financial liabilities				
Deposits	2 408 964 079	2 408 964 079	2 408 964 079	2 408 964 079
Borrowings	168 874 548	168 874 548	168 874 548	168 874 548
Total	2 577 838 627	2 577 838 627	2 577 838 627	2 577 838 627

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19.1 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE	Group		Society	
	Level 2	Level 3	Total fair value	Total carrying amount
31 December 2025	ZWG	ZWG	ZWG	ZWG
Financial assets				
Cash on hand	256 859 142	-	256 859 142	256 859 142
Bank balances	675 306 374	-	675 306 374	675 306 374
Interbank placements	-	605 603 943	605 603 943	605 603 943
Investment securities	-	594 300 943	594 300 943	594 300 943
Loans and advances	2 405 547 476	-	2 405 547 476	2 405 547 476
Total	3 337 712 992	1 199 904 886	4 537 617 878	4 537 617 878
Financial liabilities				
Deposits	3 560 454 538	-	3 560 454 538	3 560 454 538
Borrowings	-	168 874 548	168 874 548	168 874 548
Total	3 560 454 538	168 874 548	3 729 329 086	3 729 329 086
31 December 2024				
Financial assets				
Cash on hand	20 159 890	-	20 159 890	20 159 890
Bank balances	15 016 444	-	15 016 444	15 016 444
Interbank placements	-	105 232 094	105 232 094	105 232 094
Investment securities	-	530 517 403	530 517 403	530 517 403
Loans and advances	1 416 942 220	-	1 416 942 220	1 416 942 220
Total	1 452 118 554	635 749 497	2 087 868 051	2 087 868 051
Financial liabilities				
Deposits	2 408 964 079	-	2 408 964 079	2 408 964 079
Borrowings	-	168 874 548	168 874 548	168 874 548
Total	2 408 964 079	168 874 548	2 577 838 627	2 577 838 627
Society				
31 December 2025				
Financial assets				
Cash on hand	256 855 128	-	256 855 128	256 855 128
Bank balances	670 038 715	-	670 038 715	670 038 715
Interbank placements	-	605 603 943	605 603 943	605 603 943
Investment securities	-	594 300 943	594 300 943	594 300 943
Loans and advances	2 291 379 034	-	2 291 379 034	2 291 379 034
Total	3 218 272 877	1 199 904 886	4 418 177 763	4 418 177 763
Financial liabilities				
Deposits	3 560 454 538	-	3 560 454 538	3 560 454 538
Borrowings	-	168 874 548	168 874 548	168 874 548
Total	3 560 454 538	168 874 548	3 729 329 086	3 729 329 086
31 December 2024				
Financial assets				
Cash on hand	20 139 989	-	20 139 989	20 139 989
Bank balances	9 748 785	-	9 748 785	9 748 785
Interbank placements	-	604 241 483	604 241 483	604 241 483
Investment securities	-	-	-	-
Loans and advances	1 354 120 619	-	1 354 120 619	1 354 120 619
Total	1 384 009 393	604 241 483	1 988 250 876	1 988 250 876
Financial liabilities				
Deposits	2 408 964 079	-	2 408 964 079	2 408 964 079
Borrowings	-	168 874 548	168 874 548	168 874 548
Total	2 408 964 079	168 874 548	2 577 838 627	2 577 838 627

The carrying amount of the financial instruments not measured at fair value approximates their fair value since the carrying amount is net of the expected credit losses disclosed in note 10.3. The table below indicates the valuation techniques used in measuring Level 3 fair values for investment securities and the significant unobservable inputs used.

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19.2 FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

Group	Level		Total fair value	Total carrying amount
	Level 2	Level 3		
	ZWG	ZWG	ZWG	ZWG
31 December 2025				
Financial assets				
Cash on hand	256 859 142	-	256 859 142	256 859 142
Bank balances	675 306 374	-	675 306 374	675 306 374
Interbank placements	-	605 603 943	605 603 943	605 603 943
Investment securities	-	594 300 943	594 300 943	594 300 943
Loans and advances	2 405 547 476	-	2 405 547 476	2 405 547 476
Total	3 337 712 992	1 199 904 886	4 537 617 878	4 537 617 878
Financial liabilities				
Deposits	3 560 454 538	-	3 560 454 538	3 560 454 538
Borrowings	-	168 874 548	168 874 548	168 874 548
Total	3 560 454 538	168 874 548	3 729 329 086	3 729 329 086
31 December 2024				
Financial assets				
Cash on hand	20 159 890	-	20 159 890	20 159 890
Bank balances	15 016 444	-	15 016 444	15 016 444
Interbank placements	-	105 232 094	105 232 094	105 232 094
Investment securities	-	530 517 403	530 517 403	530 517 403
Loans and advances	1 416 942 220	-	1 416 942 220	1 416 942 220
Total	1 452 118 554	635 749 497	2 087 868 051	2 087 868 051
Financial liabilities				
Deposits	2 408 964 079	-	2 408 964 079	2 408 964 079
Borrowings	-	168 874 548	168 874 548	168 874 548
Total	2 408 964 079	168 874 548	2 577 838 627	2 577 838 627

Society	Level		Total fair value	Total carrying amount
	Level 2	Level 3		
	ZWG	ZWG	ZWG	ZWG
31 December 2025				
Financial assets				
Cash on hand	256 855 128	-	256 855 128	256 855 128
Bank balances	670 038 715	-	670 038 715	670 038 715
Interbank placements	-	605 603 943	605 603 943	605 603 943
Investment securities	-	594 300 943	594 300 943	594 300 943
Loans and advances	2 291 379 034	-	2 291 379 034	2 291 379 034
Total	3 218 272 877	1 199 904 886	4 418 177 763	4 418 177 763
Financial liabilities				
Deposits	3 560 454 538	-	3 560 454 538	3 560 454 538
Borrowings	-	168 874 548	168 874 548	168 874 548
Total	3 560 454 538	168 874 548	3 729 329 086	3 729 329 086
31 December 2024				
Financial assets				
Cash on hand	20 139 989	-	20 139 989	20 139 989
Bank balances	9 748 785	-	9 748 785	9 748 785
Interbank placements	-	604 241 483	604 241 483	604 241 483
Investment securities	-	530 517 403	530 517 403	530 517 403
Loans and advances	1 354 120 619	-	1 354 120 619	1 354 120 619
Total	1 384 009 393	1 134 758 886	2 518 768 279	2 518 768 279
Financial liabilities				
Deposits	2 408 964 079	-	2 408 964 079	2 408 964 079
Borrowings	-	168 874 548	168 874 548	168 874 548
Total	2 408 964 079	168 874 548	2 577 838 627	2 577 838 627

The carrying amount of the financial instruments not measured at fair value approximates their fair value since the carrying amount is net of the expected credit losses disclosed in note 10.3. The table below indicates the valuation techniques used in measuring Level 3 fair values for investment securities and the significant unobservable inputs used.

Financial instrument valuation technique	Range of estimate	Interrelationship between significant unobservable inputs and fair value measurements
Instrument- Investment Securities		- the estimated fair value would increase with an increase in projected cash flows or decrease with a decrease in projected cash flows.
Valuation technique - Discounted cash flow method	5%-12%	- an increase in the loan tenure would lead to an increase in the projected cash flows, and a decrease in the loan tenure would lead to a decrease in the projected cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
20 Interest				
Interest income				
Loans and advances	320 568 977	172 720 295	264 683 184	163 172 075
Money market placements	237 290 975	129 625 433	237 290 975	129 625 433
	557 859 952	302 345 728	501 974 159	292 797 508
21 Interest expense				
Money market deposits	168 028 179	108 974 949	168 028 179	108 974 949
Borrowings	19 727 191	3 226 469	19 727 191	3 226 469
Savings deposits	1 658 773	563	1 658 773	563
	189 414 143	112 201 981	189 414 143	112 201 981
Net interest income	368 445 809	190 143 747	312 560 016	180 595 527
22 Non funded income				
Net commission and fee income	213 073 512	166 547 941	201 735 926	162 441 960
Property sales	49 557 488	9 343 420	49 557 488	9 343 420
Realised exchanged gains	2 512 467	60 430 742	2 512 467	60 430 742
Unrealised exchanged gains	22 486 622	483 600 078	22 486 622	483 600 078
Fair value adjustment on investment property	16 364 209	562 058 094	16 364 209	562 058 094
Other operating income	151 370 256	981 656	144 287 399	981 656
	455 364 554	1 282 961 931	436 944 111	1 278 855 950
23 Operating expenses				
Staff Costs	272 497 772	243 764 806	262 400 408	240 487 216
Defined Contribution plan	14 041 040	6 499 127	14 041 040	6 499 127
Right of use depreciation	16 610 216	641 513	16 610 216	641 513
Depreciation	29 852 433	21 165 722	29 852 433	21 126 048
Amortisation of computer software	4 561 621	3 598 679	4 561 621	3 598 679
Other expenses	344 614 885	155 013 538	328 123 596	151 842 980
	682 177 967	430 683 385	655 589 314	424 195 563
Remuneration of directors and key management personnel				
Fees for services as directors	6 898 342	2 497 441	5 011 214	2 497 441
Short term benefits of executive staff	42 631 453	32 591 364	42 631 453	32 591 364
Post employment benefits	4 790 967	1 919 714	4 790 967	1 919 714
	54 320 762	37 008 519	52 433 634	37 008 519

Other expenses include other operating expenses. The Society leases a number of buildings under operating leases mainly used by the Society for its branches. The leases run for a period of 4-5 years with an option to renew the lease after the expiry date.

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
24 Income tax expense				
Current income tax charge	51 930 457	1 448 022	37 588 617	(560 111)
Deferred tax expense	11 393 698	(12 471)	11 510 066	-
	63 324 155	1 435 551	49 098 683	(560 111)

Income tax expense comprises current tax and deferred tax for Lenderspark Finance and the National Building Society. With effect from 1 January 2025, following the enactment of the Finance (No. 2) Act No. 7 of 2024, the Society is liable for tax but is exempt from income tax to the extent of income derived from the provision of mortgage finance.

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
24.1 Tax reconciliation				
Accounting profit	129 990 313	4 273 115	84 672 942	10 024 454
Income tax calculated @25.75%	33 472 506	1 100 327	21 803 283	2 581 297
Tax effects of :				
Disallowable deductions	119 446 490	-	118 375 372	-
Exempt income	(89 594 841)	-	(91 079 972)	-
	63 324 155	1 100 327	49 098 683	2 581 297
Tax paid reconciliation				
Balance at the beginning of the year	-	-	-	-
Current tax for the year recognised in profit or loss	(63 324 155)	(1 100 327)	(49 098 683)	(2 581 297)
Tax paid reconciliation	58 598 870	1 435 551	45 298 219	-
Balance at the end of the year	(4 725 285)	335 224	(3 800 464)	2 581 297

25 Related party disclosures

The Group is a wholly owned subsidiary of National Social Security Authority (NSSA) through its two funds Pension and other Benefits Fund (POBS) and Accident Prevention and Workers Compensation Fund (APWC). NSSA has diverse business interests across various economic sectors.

A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits and money market investments.

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25.1 The following is a list of related parties to the Society:

Name of related party	Nature of relationship
First Mutual Life Group	Common shareholder
National Social Security Authority	Shareholder
Zimre Holdings Limited	Common shareholder
OK Zimbabwe	Common shareholder
Rainbow Tourism Group Limited	Common shareholder
FBC Building Society	Common shareholder
Lenderspark Microfinance	Subsidiary
Directors	Key management personnel

25.2 Transactions with related parties

Interest on term deposits

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
NSSA	20 933 214	195 052 019	20 933 214	195 052 019
First Mutual Life Group	2 252 204	-	2 252 204	-
Rainbow Tourism Group	1 120	-	1 120	-
FBC Building Society	-	31 060	-	31 060
Total	23 186 538	195 083 079	23 186 538	195 083 079

Deposits received

NSSA	1 018 543 132	1 031 029 609	1 018 543 132	1 031 029 609
First Mutual Life Group	134 896 404	-	134 896 404	-
Total	1 153 439 536	1 031 029 609	1 153 439 536	1 031 029 609

Borrowings

Borrowings from NSSA	168 874 548	168 874 548	168 874 548	168 874 548
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Rent expense

Rent expense to NSSA	12 376 073	5 190 201	12 376 073	5 190 201
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25.3 Balances with related parties

Deposits

Term deposit with NSSA	1 401 022 276	566 569 614	1 401 022 276	566 569 614
Transaction deposits with NSSA	725 968 366	490 668 313	725 968 366	490 668 313
Transactional deposits with ZIMRE Holdings Limited	6 254 901	1 532 069	6 254 901	1 532 069
Term deposit First Mutual Life Group	137 148 609	-	137 148 609	-
Transactional deposits with NicosDiamond	3 564 888	610 157	3 564 888	610 157
Term deposits Rainbow Tourism Group Limited	19 895	-	19 895	-
Transactional deposits with Rainbow Tourism Group Limited	36 816	-	36 816	-
Total	2 274 015 751	1 059 380 153	2 274 015 751	1 059 380 153

Loans and Advances

Loans to directors, key management and employees	45 723 757	11 598 615	45 723 757	11 598 615
Loans to OK Zimbabwe Limited	56 126 177	-	56 126 177	-
Loans to Rainbow Tourism Group Limited	65 942 827	-	65 942 827	-

Closing Balance

	167 792 761	11 598 615	167 792 761	11 598 615
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25.4 Included in loans and advances are loans to Executive Directors and key management.

Opening balance	11 598 615	1 793 865	11 598 615	1 793 865
Advances made during the year	37 184 365	9 974 225	37 184 365	9 974 225
Repayments during the year	(3 059 223)	(169 475)	(3 059 223)	(169 475)
Closing Balance	45 723 757	11 598 615	45 723 757	11 598 615

26 RISK MANAGEMENT

The Group is exposed to various types of risks including credit, interest rate, foreign exchange rate, liquidity, operational, legal, compliance, strategic and reputation risks. The key objective of the risk management framework at the Society is to ensure that these risks are measured, mitigated and monitored on an ongoing basis as guided by internal policies and procedures established to address such risks.

26.1 Credit risk

This is risk of potential loss that arises when a borrower, or client, or counterparty, may fail to meet obligations in accordance with agreed credit terms and conditions. This includes failing to meet interest and capital repayments, settlements and collateral risk.

26.1.1 Credit risk management framework

Credit Risk is managed through a comprehensive processes of credit origination, credit approval, credit monitoring and review. There is comprehensive segregation of duties between credit origination, approval and review processes. The Group continues to prudently maintain an impairment allowance on its credit exposures to cushion itself from problematic exposures. Undesirable characteristics within the credit portfolio that include concentration risk are managed through a framework of approved limits which are monitored and reviewed by the Loans Review Committee set by the Board.

The Group also applies credit risk stress testing methodologies which are generally meant to assess vulnerability from impact of changing economic conditions on asset quality, earnings performance and capital adequacy.

The Group, thus, manages its credit risk by adhering to credit policies and procedure manuals and monitors risk exposure against the set thresholds. These Credit policies are reviewed annually to align with developing trends in the market and business strategic objectives.

The Board through its Board Credit Committee and the Board Loans Review Committee maintains oversight over the credit risk profile of the institution. Management structures supported by the Management Credit Committee and Management Loans Review Committee actively manage credit risk profile of the Society.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

26.1.2 Credit risk mitigation

Where possible, the Group takes collateral as a secondary recourse to the borrower. The Group has put in place policies to determine the eligibility of collateral for credit risk mitigation. In times of difficulty, the Group reviews customers' specific facts and circumstances to assist them in restructuring their repayment liabilities. However, should the need arise, disposal and recovery processes are in place for disposal of collateral held by the Group.

26.1.3 Non-performing loans and advances

The Group classifies its loans and advances into performing and nonperforming loans in accordance with the RBZ guidelines.

The table below summarizes the Group's exposure to credit risk

26.1.4 Credit Risk exposure

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Cash and cash equivalents	1 537 769 459	668 765 478	1 532 497 786	1 179 730 935
Investment securities	594 561 417	375 640 822	594 561 417	531 724 554
Loans and advances	2 439 434 868	1 095 489 387	2 321 899 889	1 374 550 222
Total	4 571 765 744	2 139 895 687	4 448 959 092	3 086 005 711

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

26.1.5 Ageing analysis of past due but not impaired loans and advances (special mention loans):

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
1 to 3 months	136 353 301	69 622 384	109 152 427	69 528 011

26.1.6 Sectoral analysis of the Group's advances before and after considering collateral held is as follows:

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Private	2 439 434 868	1 438 338 148	2 321 899 889	1 374 550 222
Collateral analysis				
Mortgage bonds	858 008 417	703 838 483	858 008 417	703 838 483

The Group holds collateral against loans and advances to customers in the form of mortgage bonds over property. Estimates of property fair values are based on the values of collateral assessed at the time of borrowing and are regularly aligned with trends in the market in compliance with the Group's Credit Policy. Issued mortgage loans constitute about 36% of the gross maximum exposure and of this, 8% were secured by mortgage bonds (2024: 8%). In the event of default, the Group has the right to sell the property in order to recover the value of the mortgage.

26.1.7 Credit quality per class of financial assets (gross)

	Group		Society	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Pass	2 215 290 141	1 288 634 986	2 176 154 019	1 286 406 888
Special mention	136 353 301	69 622 384	109 152 427	69 528 011
Substandard	52 835 786	11 287 230	21 157 550	11 257 441
Doubtful	19 534 475	7 026 832	2 794 642	6 966 141
Loss	15 421 165	61 766 716	12 641 251	391 741
Total	2 439 434 868	1 438 338 148	2 321 899 889	1 374 550 222

26.2 Market risk

Market risk is defined as the risk of a loss resulting from the fluctuation of the market prices of financial instruments. The Group's transactions are mainly exposed to the following risk categories:

- Interest rate risk
- Foreign exchange risk

26.2.1 Market risk management framework

The Board through the Board Risk and Compliance Committee has oversight over Market Risk and sets the Group's risk appetite for market risk. Management structures supported by ALCO are in place to identify, measure and monitor market risk on an ongoing basis against set benchmarks and through the use of daily, weekly and monthly risk dashboards and reports highlighting inherent market risk and assessed against key market risk metrics.

Sensitivity analysis is employed to quantify the impact of a specified potential changes in individual market parameters on the value of the Group's positions. Stress testing is also used to show the market risk under extreme but plausible conditions. Documented stress scenarios are constructed regularly for key balance sheet risk drivers across all portfolios. These are guided by the relevant policies that have been approved by the Board.

26.3 Interest rate risk

This arises from the possibility that changes in interest rates will affect the current and future cash flows of the Group's interest bearing instruments. The Group employs several methods that enable it to identify, measure and monitor interest rate risk. Margin analysis, interest rate repricing gaps and sensitivity analysis are employed on a regular basis to assess the Group's exposure to interest rate risk.

These are guided by the relevant NBS policies that have been approved by the Board.

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26.3.1 Interest rate repricing gap analysis

Group 2025	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	5 years and above	Non interest bearing	Total
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Assets								
Cash and cash equivalents	256 859 142	-	-	-	-	-	1 279 547 857	1 536 406 999
Investment securities	369 310 490	-	61 757 926	163 232 527	-	-	-	594 300 943
Loans and advances	92 034 537	196 040 738	254 462 579	479 284 664	1 175 912 103	207 812 855	-	2 405 547 476
Other assets and prepayments	-	-	-	-	-	-	263 879 226	263 879 226
Inventory	-	-	-	-	-	-	90 056 945	90 056 945
Work in progress	-	-	-	-	-	-	18 995 547	18 995 547
Computer software	-	-	-	-	-	-	26 276 902	26 276 902
Investment property	-	-	-	-	-	-	479 356 186	479 356 186
Right of use asset	-	-	-	-	-	-	21 095 955	21 095 955
Property and equipment	-	-	-	-	-	-	151 942 466	151 942 466
Total assets	718 204 169	196 040 738	316 220 505	642 517 191	1 175 912 103	207 812 855	2 331 151 084	5 587 858 645
Equity and liabilities								
Deposits	1 824 104 088	484 766 492	232 011 196	412 788 346	493 858 445	112 925 971	-	3 560 454 538
Borrowings	-	-	-	-	168 874 548	-	-	168 874 548
Lease liability	-	-	-	-	-	-	29 523 249	29 523 249
Other liabilities	-	-	-	-	-	-	349 094 690	349 094 690
Equity and reserves	-	-	-	-	-	-	1 479 911 620	1 479 911 620
Total equity and liabilities	1 824 104 088	484 766 492	232 011 196	412 788 346	662 732 993	112 925 971	1 858 529 559	5 587 858 645
Periodic gap	(1 105 899 919)	(288 725 754)	84 209 309	229 728 845	513 179 110	94 886 884	472 621 525	-
Cumulative gap	(1 105 899 919)	(1 394 625 673)	(1 310 416 364)	(1 080 687 519)	(567 508 409)	(472 621 525)	-	-

Group 2024	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	5 years and above	Non interest bearing	Total
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Assets								
Cash and cash equivalents	20 159 890	-	-	-	-	-	1 170 929 929	1 191 089 819
Investment securities	31 176 840	-	350 895 962	92 167 503	56 277 098	-	530 517 403	530 517 403
Loans and advances	95 825 118	70 385 661	172 697 083	357 226 745	382 761 994	338 045 619	-	1 416 942 220
Other assets and prepayments	-	-	-	-	-	-	49 785 249	49 785 249
Inventory	-	-	-	-	-	-	101 402 189	101 402 189
Work in progress	-	-	-	-	-	-	58 449 971	58 449 971
Computer software	-	-	-	-	-	-	11 988 283	11 988 283
Investment property	-	-	-	-	-	-	468 528 753	468 528 753
Right of use asset	-	-	-	-	-	-	65 866 936	65 866 936
Property and equipment	-	-	-	-	-	-	88 232 306	88 232 306
Total assets	147 161 848	70 385 661	523 593 045	449 394 248	439 039 092	338 045 619	2 015 183 616	3 982 803 129
Equity and liabilities								
Deposits	818 443 619	103 643 224	41 939 596	13 580 689	486 011 952	945 344 999	-	2 408 964 079
Borrowings	-	-	-	-	168 874 548	-	-	168 874 548
Lease liability	-	-	-	-	-	-	33 921 547	33 921 547
Other liabilities	-	-	-	-	-	-	345 772 545	345 772 545
Equity and reserves	-	-	-	-	-	-	1 025 270 410	1 025 270 410
Total equity and liabilities	818 443 619	103 643 224	41 939 596	13 580 689	654 886 500	945 344 999	1 404 964 502	3 982 803 129
Periodic gap	(671 281 771)	(33 257 563)	481 653 449	435 813 559	(215 847 408)	(607 299 380)	610 219 114	-
Cumulative gap	(671 281 771)	(704 539 334)	(222 885 885)	212 927 674	(2 919 734)	(610 219 114)	-	-

Society 2025	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	5 years and above	Non interest bearing	Total
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Assets								
Cash and cash equivalents	256 855 128	-	-	-	-	-	1 274 280 198	1 531 135 326
Investment securities	369 310 490	-	61 757 926	163 232 527	-	-	-	594 300 943
Loans and advances	52 898 415	168 839 864	222 784 343	462 544 831	1 173 132 189	211 179 392	-	2 291 379 034
Other assets and prepayments	-	-	-	-	-	-	343 901 421	343 901 421
Inventory	-	-	-	-	-	-	90 056 945	90 056 945
Work in progress	-	-	-	-	-	-	18 995 547	18 995 547
Computer software	-	-	-	-	-	-	26 276 902	26 276 902
Right of use asset	-	-	-	-	-	-	21 095 955	21 095 955
Investment property	-	-	-	-	-	-	479 356 186	479 356 186
Property and equipment	-	-	-	-	-	-	150 084 008	150 084 008
Total assets	679 064 033	168 839 864	284 542 269	625 777 358	1 173 132 189	211 179 392	2 404 047 162	5 546 582 267
Liabilities								
Deposits	1 824 104 088	484 766 492	232 011 196	412 788 346	493 858 445	112 925 971	-	3 560 454 538
Borrowings	-	-	-	168 874 548	-	-	-	168 874 548
Lease liability	-	-	-	-	-	-	47 362 066	47 362 066
Other liabilities	-	-	-	-	-	-	326 434 147	326 434 147
Equity and reserves	-	-	-	-	-	-	1 443 456 968	1 443 456 968
Total equity and liabilities	1 824 104 088	484 766 492	232 011 196	581 662 894	493 858 445	112 925 971	1 817 253 181	5 546 582 267
Periodic gap	(1 145 040 055)	(315 926 628)	52 531 073	44 114 464	679 273 744	98 253 421	586 793 981	-
Cumulative gap	(1 145 040 055)	(1 460 966 683)	(1 408 435 610)	(1 364 321 146)	(685 047 402)	(586 793 981)	-	-

Society 2024	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	5 years and above	Non interest bearing	Total
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Assets								
Cash and cash equivalents	20 139 989	-	-	-	-	-	1 158 325 782	1 178 465 771
Investment securities	31 176 840	-	350 895 962	92 167 503	56 277 098	-	530 517 403	530 517 403
Loans and advances	83 854 483	56 527 659	149 691 794	349 244 174	375 790 566	339 011 943	-	1 354 120 619
Other assets and prepayments	-	-	-	-	-	-	116 497 882	116 497 882
Inventory	-	-	-	-	-	-	101 402 189	101 402 189
Work in progress	-	-	-	-	-	-	58 449 971	58 449 971
Computer software	-	-	-	-	-	-	11 988 283	11 988 283
Right of use asset	-	-	-	-	-	-	65 866 936	65 866 936
Investment property	-	-	-	-	-	-	468 528 753	468 528 753
Property and equipment	-	-	-	-	-	-	87 770 655	87 770 655
Total assets	135 171 312	56 527 659	500 587 756	441 411 677	432 067 664	339 011 943	2 068 830 451	3 973 608 462
Liabilities								
Deposits	818 443 619	103 643 224	41 939 596	13 580 689	486 011 952	945 344 999	-	2 408 964 079
Borrowings	-	-	-	168 874 548	-	-	-	168 874 548
Lease liability	-	-	-	-	-	-	33 921 547	33 921 547
Other liabilities	-	-	-	-	-	-	342 569 878	342 569 878
Equity and reserves	-	-	-	-	-	-	1 019 278 410	1 019 278 410
Total equity and liabilities	818 443 619	103 643 224	41 939 596	182 455 237	486 011 952	945 344 999	1 395 769 835	3 973 608 462
Periodic gap	(683 272 307)	(47 115 565)	458 648 160	258 956 440	(53 944 288)	(606 333 056)	673 060 616	-
Cumulative gap	(683 272 307)	(730 387 872)	(271 739 712)	(12 783 272)	(66 727 560)	(673 060 616)	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

26.4 Foreign Exchange Risk

Foreign exchange risk refers to potential adverse impact on earnings and economic value of assets and liabilities of the Society as a result of exchange rate movements or volatility. The Society monitors its foreign currency denominated assets and liabilities on an ongoing basis as guided by thresholds to maximum exposures per currency and stop loss limits which were approved by the Board.

26.5 Liquidity Risk

Liquidity risk is the risk that the Group may fail to fund increases in assets and meet obligations as they fall due, without incurring unacceptable losses. The Group is exposed to credit risk due to its involvement in lending business.

The Group is exposed to both funding liquidity risk and market liquidity risk. Funding liquidity risk is the risk that the Group may not be able to meet its obligations as they fall due. Market liquidity risk is the risk that the Group will be unable to sell its assets and settle positions, without incurring an unacceptable loss.

The Group focuses on ensuring that at any given time, there is sufficient liquidity to meet its obligations and sets aside sufficient buffer to cater for unforeseen stress events that can arise in the normal course of business. The Group's liquidity risk framework ensures that there are triggers in place for monitor the liquidity risk profile, thereby taking appropriate actions depending on the direction of indicators of liquidity risk. As an integral part of its risk management, the Group applies stress testing methodologies to its liquidity risk profile on a regular basis to unearth underlying liquidity vulnerabilities.

26.5.1 Liquidity gap analysis

Group 2025	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	5 years and above	Total
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Assets							
Cash and cash equivalents	256 859 142	-	-	-	1 279 547 857	-	1 536 406 999
Investment securities	369 310 490	-	61 757 926	163 232 527	-	-	594 300 943
Loans and advances	92 034 537	196 040 738	254 462 579	479 284 664	1 175 912 103	207 812 855	2 405 547 476
Other assets and prepayments	-	-	-	-	-	263 879 226	263 879 226
Inventory	-	-	-	-	-	90 056 945	90 056 945
Work in progress	-	-	-	-	-	18 995 547	18 995 547
Computer software	-	-	-	-	-	26 276 902	26 276 902
Right of use asset	-	-	-	-	-	479 356 186	479 356 186
Investment property	-	-	-	-	-	21 095 955	21 095 955
Property and equipment	-	-	-	-	-	151 9	

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Bank, Build & go Beyond



Housing & Mortgages



NBS Capital



Corporate & Institutional Banking



Micro Finance



Retail & SME Banking



Structured Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

26.5.1 Liquidity gap analysis (continued)

Society 2024	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	5 years and above	Total
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Assets							
Cash and cash equivalents	20 139 989	-	-	-	1 158 325 782	-	1 178 465 771
Investment securities	31 176 840	-	350 895 962	92 167 503	56 277 098	-	530 517 403
Loans and advances	83 854 483	56 527 659	149 691 794	349 244 174	375 790 566	339 011 943	1 354 120 619
Other assets and prepayments	-	-	-	-	116 497 882	-	116 497 882
Inventory	-	-	-	-	101 402 189	-	101 402 189
Work in progress	-	-	-	-	58 449 971	-	58 449 971
Computer software	-	-	-	-	11 988 283	-	11 988 283
Right of use asset	-	-	-	-	65 866 936	-	65 866 936
Investment property	-	-	-	-	468 528 753	-	468 528 753
Property and equipment	-	-	-	-	87 770 655	-	87 770 655
Total assets	135 171 312	56 527 659	500 587 756	441 411 677	2 500 898 115	339 011 943	3 973 608 462
Liabilities							
Deposits	818 443 619	103 643 224	41 939 596	13 580 689	486 011 952	945 344 999	2 408 964 079
Borrowings	-	-	-	168 874 548	-	-	168 874 548
Lease liability	-	-	-	-	33 921 547	-	33 921 547
Other liabilities	-	-	-	-	342 569 878	-	342 569 878
Total liabilities	818 443 619	103 643 224	41 939 596	182 455 237	862 503 377	945 344 999	2 954 330 052
Periodic gap	(683 272 307)	(47 115 565)	458 648 160	258 956 440	1 638 394 738	(606 333 056)	1 019 278 410
Cumulative gap	(683 272 307)	(730 387 872)	(271 739 712)	(12 783 272)	1 625 611 466	1 019 278 410	-

26.5.2 Liquidity coverage ratio

	SUB-CATEGORY	TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS	Level 1 Assets	476 602 968
	Level 2A Assets	-
	Level 2B Assets	-
	TOTAL HIGH-QUALITY LIQUID ASSETS (HQLA)	476 602 968
CASH OUTFLOWS	Retail deposits and deposits from small business customers, of which:	
	Stable deposits	3 814 230
	Less stable deposits	17 799 740
	Unsecured wholesale funding, of which:	268 157 098
	Operational deposits (all counterparties) and deposits in networks of cooperative banking institutions	-
	Non-operational deposits (all counterparties)	-
	Unsecured debt	-
	Secured wholesale funding	-
	Additional requirements, of which:	
	Outflows related to derivative exposures and other collateral requirements	-
	Outflows related to loss of funding on debt products	-
	Credit and liquidity facilities	3 254 617
	Other contractual funding obligations	-
	Other contingent funding obligations	-
Additional cash outflows	240 450 134	
TOTAL CASH OUTFLOWS	533 475 819	
CASH INFLOWS	Reverse repo and other secured lending transactions	-
	Amounts to be received from fully performing retail customers:	32 757 109
	Amounts to be received from fully performing non-financial corporate customers:	16 950 510
	Credit or liquidity facilities provided to the reporting bank	-
	Operational deposits held at other financial institutions	-
	Amounts to be received from financial institutions counterparties	177 426 466
	Other inflows by counterparty	-
Other contractual cash inflows	-	
TOTAL CASH INFLOWS	227 134 085	
TOTAL HQLA	476 602 968	
TOTAL NET CASH OUTFLOWS	306 341 735	
LIQUIDITY COVERAGE RATIO (%)	156%	

26.6 Operational Risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events.

The NBS Operational Risk Management Framework defines minimum expected standards and processes, responsibilities and governance structure for operational risk management practice across the Society. The Society has adopted the following classification of operational risk events for easy of monitoring and analysis of impact management of operational risk.

- Internal Fraud;
- External Fraud;
- Business Disruption and System Failures;
- Client Products and Business Practices;
- Employment Practices and Workplace Safety;
- Execution Delivery and process management; and
- Damage to Physical Assets.

Key Risk indicators, Loss incident reporting framework and RCSA (Risk and Control Self Assessments) are being used across all risk centres for identifying, assessing, monitoring and managing key risks within a department and evaluating the effectiveness of the controls that are in place to manage these risks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

26.7 Compliance and Legal Risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with laws, rules, regulations, prescribed practices, internal policies and procedures, or ethical standards.

Legal risk is the risk of loss due to litigation and is primarily manifesting through:

- Contract risks;
- Claims by other parties on failed fiduciary responsibilities or failed obligations
- Changes in the law, which could magnify legal risk exposure.

Compliance and legal risk management framework of the Group ensures participation of all bank units in the identification, assessment, controlling, and monitoring of compliance and legal risks. All bank units are responsible and accountable for compliance and legal risk management in their respective contexts. The Group has a zero tolerance principle to which is part of the Board approved risk appetite framework.

26.8 Strategic risk

Strategic risk refers to the current and/or prospective impact on the Group's earnings, capital or business viability arising from adverse business decisions and implementation of strategies which are inconsistent with internal factors and not responsive to the external environment.

The Group has put in place structures and procedures to identify, measure and monitor strategic risk on a regular basis and effectiveness is evaluated against the Group's strategic objectives. In implementing the Group's strategy, the Board and Senior management determine and allocate financial and operating targets to departments. Monitoring of progress against the action plans is done on an ongoing basis and risk mitigation is applied accordingly.

26.9 Reputational risk

Reputational risk is the risk of loss due to the damage to the name of the institution. Such potential value destruction occurs in a situation of negative public opinion on an institution. It can be a result of factors such as service delivery, performance, strategy execution, brand positioning and competitiveness. It normally results in loss of sales, share value and breakdown of relationships.

In line with the Board approved reputational risk management policy, Group management has the primary responsibility for reputational risk identification, assessment, and mitigation. Communication of information about the Group to the public or press releases is done in line with the provisions of the communications policies. Any exposures to reputational risk dealt with as provided in the overall Enterprise-wide Risk Management framework of the Group.

26.10 Capital management

National Building Society adopted the Internal Capital Adequacy Assessment Policy (ICAAP) which details the Society's approach, assessment and management of risk and capital from an internal perspective that is over and above the minimum regulatory rules and capital requirements of Basel II. The primary objective of the Society's capital management is to ensure that the Society complies with externally imposed capital requirements and that the Society maintains strong credit ratings and healthy capital ratios in order to support its business and maximise shareholder value. ICAAP incorporates a capital management framework designed to satisfy the needs of key stakeholders i.e. depositors, regulators, rating agencies who have specific interest in its capital adequacy and optimal risk taking to ensure its going concern status (solvency). The focus is also targeted at meeting the expectations of those stakeholders i.e. shareholder, analysts, investors, clients and the general public who are interested in looking at the profitability of the Society vis-à-vis assumed levels of risk.

26.10.1 Capital adequacy

Capital adequacy is computed in line with guidelines provided by the Reserve Bank of Zimbabwe. The Society's regulatory capital is managed by the Society and comprises three tiers:

- Tier 1 Capital: comprises contributed capital and accumulated profits.
- Tier 2 Capital: comprises impairment allowance and revaluation reserve.
- Tier 3 Capital: comprises operational and market risk capital.

Risk weighted assets

Tier 1

Share capital
Accumulated profit

Core capital

Tier 2

Borrowings
Revaluation reserve

Tier 3

Foreign exchange exposures
Commodity exposures
Capital allocated for operational risk

Core capital

Tier 1 ratio
Tier 2 ratio
Tier 3 ratio

Capital adequacy ratio

Capital adequacy ratio

Regulatory capital consists solely of Tier 1 capital which comprises share capital, share premium and shares awaiting allotment, general reserve and accumulated deficit/surplus. Tier 2 capital consists of loans from the shareholder. Tier 3 capital consist of foreign exchange exposure, commodity exposure and capital allocated for operational risk.

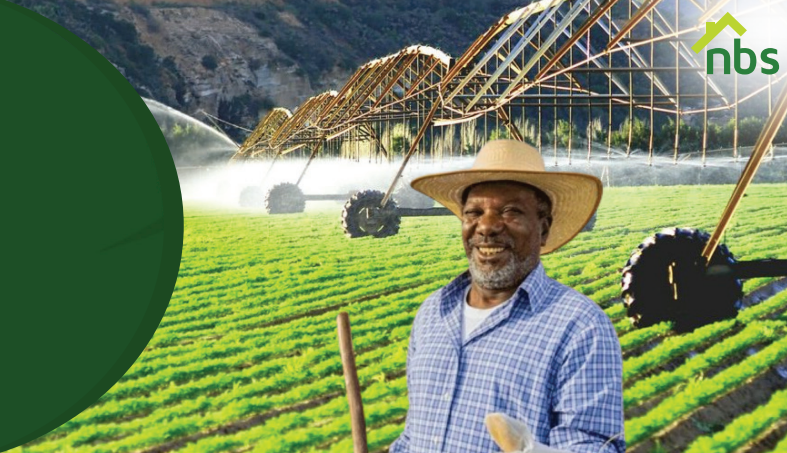
	31 December 2025	31 December 2024
	ZWG	ZWG
Risk weighted assets	3 004 116 583	3 232 125 618
Tier 1		
Share capital	842 109 920	478 380 163
Accumulated profit	529 173 983	509 489 858
Core capital	1 371 283 903	987 870 021
Tier 2		
Borrowings	168 874 548	168 874 548
Revaluation reserve	49 657 313	31 408 389
	218 531 861	200 282 937
Tier 3		
Foreign exchange exposures	18 076 806	34 637 833
Commodity exposures	7 093 258	451 882
Capital allocated for operational risk	163 096 736	74 606 750
	188 266 800	109 696 465
Core capital		
Tier 1 ratio	46%	31%
Tier 2 ratio	7%	6%
Tier 3 ratio	6%	3%
Capital adequacy ratio	59%	40%

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

27 Ratings Reserve Bank of Zimbabwe ratings

The Reserve Bank of Zimbabwe conducted a risk based on-site examination of National Building Society from 14 March to 28 April 2023, utilising data as at 31 December 2022. The examination report was dated 31 March 2023.

The examination was conducted in line with CAMELS and Risk Assessment System (RAS) methodologies and primarily focused on the adequacy of strategic management capabilities, business operating systems and processes and the effectiveness of risk management and internal control systems.

The composite CAMELS rating assigned to National Building Society is '3' i.e. 'fair'

The table below shows ratings assigned to each of the CAMELS components.

CAMELS Components	Rating
Capital	3 – Fair
Asset Quality	3 – Fair
Management	3 – Fair
Earnings	4 – Weak
Liquidity	3 – Fair
Sensitivity to Market Risk	2 – Satisfactory
Composite Rating	3 – Fair

In terms of the Risk Assessment System (RAS) the level of overall composite risk of NBS was considered moderate and the direction stable. The level of overall aggregate inherent risk was rated moderate and the quality of overall aggregate risk management systems was considered acceptable.

Type of Risk	Level of Aggregate Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit	Moderate	Weak	High	Increasing
Liquidity	Moderate	Acceptable	Moderate	Stable
Interest Rate	Moderate	Acceptable	Moderate	Stable
Foreign Exchange	Moderate	Acceptable	Moderate	Stable
Operational	Moderate	Acceptable	Moderate	Stable
Legal	Low	Acceptable	Moderate	Stable
Compliance	High	Acceptable	High	Increasing
Reputation	Moderate	Acceptable	Moderate	Stable
Strategic	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Interpretation of risk matrix

Level of inherent risk

Low - reflects a 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 institution.

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 control 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 recognized 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 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 organization.

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

27.1 External credit ratings

The Society subscribes to a global credit rating agency, Global Credit Rating Company and the long term rating for the year is BB (2024: B). The rating expires on 30 November 2026.

28 Going Concern

The Group has reported on a going concern basis on the back of positive financial performance which saw it improve its profitability and post a profit, overturning the loss previously recorded. The balance sheet grew from ZWG3.98 billion to ZWG5.59 billion underpinned by growth in deposits and loans and advances. The Society also upgraded its core banking system and ICT infrastructure providing it with a solid base for its digitisation plans.

The Society received additional capitalisation of USD 14million from its shareholder NBSA to support its strategic activities. The Society maintained capital above the minimum level of USD20million and continues to explore opportunities to develop its land banks and increase its delivery of housing units.

Solar Loans

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1-10 KW

SOLAR SYSTEM

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