

# OLD MUTUAL ZIMBABWE LIMITED

Consolidated Abridged Audited Financial Statements For the Year Ended 31 December 2020



DO GREAT THINGS EVERY DAY

### **Chairman's Statement**



#### **Economic Environment**

The underlying macro-economic frailties, adverse weather shocks and COVID-19 global pandemic shaped the broader business environment in 2020. Examples of prevailing macro-economic challenges include hyperinflation. currency instability and inability to access global capital markets. The Government estimates that the economy contracted by 4.1% in 2020, adding to the contraction of 6.5% in 2019.

The evolution of the currency and monetary policy remained a major theme during the year ended 31 December 2020. COVID-19 induced lockdowns weighed down aggregate demand, partly mitigating consumer inflation and exchange rate pressures for the greater part of 2020. Consequently, aided by notable fiscal consolidation measures, some relative monetary policy stability was registered, particularly in the second half of the year. Generalised concerns over the sustainability of monetary policy stability remained, based primarily on full year ZWL\$ depreciation of 80% as well as annual consumer inflation of 348.6% for 2020. Statutory Instrument (SI) 185 of 2020 eased pressure on the ZWL\$ as it effectively re-introduced a multi-currency or dual pricing and settlement currency regime.

Aggressive inflation in the first half of the year and inherent inflation expectations sustained portfolio shifts towards non-monetary assets. Concerns over speculative activity and distorted price discovery mechanisms in the economy culminated in regulatory interventions on the currency and capital markets such as the temporary suspension of trading on the Zimbabwe Stock Exchange (ZSE) during the third quarter of 2020. Dual listed securities remain suspended from trading on the ZSE whilst further consultations continue on the best way forward. The ZSE All Share Index closed the year up 1,045.8% Significant volatility has been witnessed on the ZSE over the last three years and there is a risk that this volatility may continue. The Victoria Falls Stock Exchange (VFEX) was also launched during the period.

Property market performance largely tracked exchange rate movements with underlying property valuations relying on inputs based in a stable currency. New investments in capital projects in the market were lower than expected reflecting the effect of both the economy's inability to foster enough confidence to attract long term capital at the right scale and COVID-19 induced limitations. Reflecting portfolio shifts from monetary assets, fixed income trades remained depressed, with returns lagging inflation.

The Group financial results have been prepared on an inflation adjusted accounting basis in line with the requirements of IAS 29 "Financial Reporting in Hyperinflation Economies' as the conditions for hyperinflation accounting reporting persisted into 2020. On an inflation adjusted basis, the Group had a profit before tax of ZWL\$5.9 billion for the year ended 31 December 2020 compared to a loss before tax of ZWL\$1.9 billion for the same period last year. Inflation adjusted total assets increased by 32.5% from ZWL\$71.7 billion to ZWL\$94.9 billion as the nominal growth of 499% was higher than inflation for the year to 31 December 2020 of 348.6%. Inflation adjusted equity was ZWL\$17.3 billion, up from the comparable ZWL\$10.4 billion in 2019

Key themes supporting a positive outlook are monetary policy stability, favourable commodity prices particularly for minerals, export competitiveness and improved local productivity, as well as hopes for a good agricultural season.

On the historical cost basis, profit before tax increased by 906% from ZWL\$1.1 billion in 2019 to ZWL\$11.5 billion in 2020 mainly driven by growth in total revenue. Total revenue went up by 603% from ZWL\$8.2 billion to ZWL\$57.7 billion on the back of growth in all revenue lines.

Net earned premiums (NEP) for the insurance businesses grew by 580% from ZWL\$371.4 million to ZWL\$2.5 billion mainly driven by increases in the nominal value of premiums due to the impact of inflation as well as growth in volumes. Investment returns increased by 582% to ZWL\$49.7 billion largely due to significant gains on listed equities, translation of investments denominated in foreign currencies and revaluation gains on investment property. Net interest income grew by 678% to ZWL\$928.8 million due to a combination of upward reviews of interest rates that were carried out over the course of the year and growth in the loan book which was buoyed by translation of loans denominated in foreign currency. Fees and commission income grew by 710% to ZWL\$2.1billion driven by growth in volume of transactions that we completed on digital and electronic banking platforms, in addition to an ncrease in nominal values of transactions due to high levels of inflation

Operating and administration expenses increased by 537% to ZWL\$2.3 billion from ZWL\$364.8 million in the comparable prior period. The increase was driven by inflationary pressures which necessitated regular adjustments to employee remuneration and the impact of local currency devaluation which resulted in costs of imported goods and services increasing significantly. Unbudgeted expenditure was also incurred towards measures implemented by the business in response to the impact of COVID-19. The measures implemented included enabling most employees to work from home and providing a safe working environment for members of staff that needed to be physically present at our offices and service centres as well as walk-in

Total assets increased by 499% from ZWL\$15.4 billion as at 31 December 2019 to ZWL\$92.1 billion driven largely by investment gains, increased lending in hard currency and exchange gains. Total net equity increased by 611% from ZWL\$2.1 billion to ZWL\$15.2 billion driven by growth in profit. The business is adequately capitalised, and the capital position was significantly above regulatory requirements as at 31 December 2020.

The Old Mutual Zimbabwe Group remains committed to high standards of corporate governance. New members joined the boards of the Company and it's subsidiary business units during the period following the expiry of terms of previous directors

**Investing in the community**Old Mutual upholds strict standards of responsible business within its ongoing business activities. During 2020, the Old Mutual Group celebrated 175 years of its existence. Over the period of its existence in Zimbabwe Old Mutual has participated in the development of the economy through its various business and investment activities. The Group continues to finance significant projects in the agriculture, mining, energy and other infrastructure sectors.

Old Mutual Zimbabwe Limited continues to support the communities in which it operates with a number of interventions being run under its Old Mutual Foundation Trust. During the year the Group sustained its efforts targeted at empowering the youths, for example, through financial education and mentorship programs aimed at promoting financial inclusion of the youths and small and upcoming businesses. The innovation hub, Eight2Five, was officially launched and has been open to the public since the 1st of November 2020. The hub focuses on driving innovation, incubating and accelerating new ideas as well as offering co-working spaces to budding entrepreneurs. In

addition to driving entrepreneurship programs, the hub will also allow us to get insights from the youth market and test products and concepts

In support of the national response to COVID-19, the business provided healthcare staff at a number of hospitals and health facilities in the country with protective gear and assisted two universities to ramp up production of sanitisers and face masks which were also earmarked for the most vulnerable members of the society. Free life cover for six months that was worth up to ZWL\$2.2 billion was also extended to frontline healthcare practitioners. Efforts in this area continue to be underway whilst the COVID-19 pandemic remains a significant threat.

#### Outlook

While economic downside risks remain, key themes supporting a positive outlook are monetary policy stability, favourable commodity prices particularly for minerals, export competitiveness and improved local productivity, as well as hopes for a good agricultural season. Efforts towards international re-engagement need to continue. We acknowledge positive policy direction towards near term stability and medium to long term sustainable growth and development and the Group will continue to support Government efforts in

**Appreciation**On behalf of the Board, I would like to thank our customers for the support and trust they continue to have in Old Mutual. My appreciation also goes to the Group's employees and management for their commitment in continuing to serve customers and navigating the business through the difficult environment which was exacerbated by the COVID-19 pandemic

I also thank my colleagues on the Board of Directors for their wise counsel and

This is my first report as Chairman of the Old Mutual Zimbabwe Limited Group. On behalf of the Board, and on my own behalf, I would like to extend our appreciation to my predecessor, Johannes !Gawaxab, for his stewardship as Chairman of the Board from 2006 to 2020.

### **K.C Katsande**

31 May 2021

#### **Auditor's Statement**

The condensed Group inflation adjusted financial results should be read in conjunction with the complete set of Group inflation adjusted financial statements as at and for the year ended 31 December 2020, which have been audited by KPMG Chartered Accountants (Zimbabwe) and an adverse opinion has been issued thereon. The auditors' report has an adverse opinion as a result of the following matters: valuation of receivable from the Reserve Bank of Zimbabwe related to legacy debt, non-compliance with International Accounting Standard 21. The Effects of Changes in Foreign Exchange Rates. (IAS 21) in the prior year and the impact of this non-compliance on the comparative financial information and the carrying value of equipment is misstated because the change of functional currency was effected on 23 February 2019 instead of 1 October 2018 as required in terms of IAS 21.

occupied property and investment property, valuation and classification of unlisted investments, insurance contract liabilities, impairment of loans and advances, and International Accounting Standard (IAS) 29 - Financial reporting in hyperinflationary economies.

The auditors' report has been made available to the directors of Old Mutual Zimbabwe Limited

31 May 2021

### **Director's Report**

The directors are responsible for the preparation and fair presentation of the Group's annual financial statements, comprising the statement of financial position as at 31 December 2020; and the statements of profit or loss; comprehensive income; changes in equity and cash flows for the year then ended; and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31). In addition, the directors are responsible for preparing the directors' report

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. The directors have made an assessment of the ability of the Group to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting

### Compliance with legislation

These financial statements which have been prepared on an inflation adjusted basis are based on the application of inflation indices on underlying accounting records which were maintained on the historical cost convention (except for fair value measurement where applicable), are in agreement with the underlying books and records, have been properly prepared in accordance with the accounting policies set out in note 2, and comply with the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the relevant regulations made thereunder, the Insurance Act (Chapter 24:07), the Pension and Provident Funds Act (Chapter 24:09), the Microfinance Act (Chapter 24:29), the Building Societies Act (Chapter 24:02), the Banking Act (Chapter 24:20), the Asset Management Act (Chapter 24:26), the Collective Investments Schemes Act (Chapter 24:19) and the Securities Act (Chapter 24:25)

### **Compliance with IFRSs**

The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs). IFRSs comprise interpretations adopted by the International Accounting Standards Board (IASB), which includes standards adopted by the IASB and interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee

Complying with IFRSs achieves consistency with the financial reporting framework adopted by the ultimate parent company, Old Mutual Limited which is incorporated in South Africa. Using a globally recognised reporting framework also allows comparability with similar businesses and consistency in the interpretation of the financial statements.

The IFRS Conceptual Framework, provides that in applying fair presentation to the financial statements, entities should go beyond consideration of the legal form of transactions and other factors impacting on the financial statements to also consider the underlying economic substance therein. International Accounting Standard 21 "The Effects of Changes in Foreign Exchange rates" (IAS21) requires an entity to apply certain parameters in determining the functional currency of a company, for use in preparing IAS 21 also requires an entity to make certain judgements around appropriate exchange rates to be applied between currencies where exchangeability through a legal exchange mechanism (such as a formal currency market) is not achievable. In February 2019, the Government of Zimbabwe issued Statutory Instrument 33 of 2019, which, based on our legal interpretation, for accounting and other purposes, prescribed parity between the US Dollar and local currency as at and up to the effective date of 22 February 2019, and also prescribed the manner in which certain balances in the financial statements may be treated as a consequence of the recognition of the RTGS Dollar as currency in Zimbabwe

For the 2019 financial year, the Presidential Powers (Temporary Measures) (Amendment of Reserve Bank of Zimbabwe Act and Issue of Real Time Gross Settlement Electronic Dollars (RTGS Dollars)) Regulations Statutory Instrument (SI) 33 of 2019 also applied up to 22 February 2019. In our opinion, the requirement to comply with SI33 of 2019 created inconsistencies with IAS 21, as well as with the principles embedded in the IFRS Conceptual Framework as also enunciated in the guidance issued by the Public Accountants and Auditors Board on 21 March 2019. This resulted in an accounting treatment being adopted in the part of the 2019 financial year covered by Sl33, as well as on opening balances in the 2019 financial statements, which is different from that which would have been adopted if the Group had been able to fully comply with IFRSs. In particular, the Group was compelled to use a functional currency and exchange rates during the relevant period via application of the law, that were different to what would have been obtained if the directors had been free to apply the results of their own assessment of economic and market reality on the ground as required by IFRS. As such, in 2019 directors and management were unable to produce financial statements which in their view would be true and fair. The matter described above impacts on the profit and loss statement as well as the statements of cash flows and changes in equity for the year ended 31 December 2019; which are presented as comparative financial information in these financial statements. In the Directors report for 2019, the directors advised users of the financial statements to exercise due caution in interpreting the financial statements, and this advice still stands with regards to the 2019 comparative financial information presented in the 2020 financia statements. Inability to apply IAS 21 fully at the beginning of 2019 also led to non-compliance with International Accounting Standard 8 "Accounting

For 2019, the emergence of hyperinflation resulted in the adoption of inflation adjusted financial statements prepared in terms of International Accounting Standard 29 (IAS 29) "Financial Reporting in Hyperinflationary Economies", as the primary basis of reporting. However, these inflation adjusted financial statements are to a great extent impacted by the inflation driven indexation of certain historical cost amounts in the prior period financial statements. In this regard, the factors carried over from 2019 as described above also impact on the comparative financial information for 2019 contained in the current year inflation-adjusted financial statements prepared under IAS 29. The impact of non compliance with IAS 21 described in the preceding paragraphs thus affects the 2020 financial statements only to the extent of the 2019 comparative financial information presented. For 2020 standalone numbers there was full compliance with IAS 21

There was a decision by the Directors to recognise a receivable under the 'legacy debt/blocked funds' arrangement announced by the RBZ in terms of Exchange Control Directive RU28 of 2019. While the arrangement does not represent a contractual obligation on the part of the RBZ, the directors believe that a constructive obligation exists, based on a legitimate expectation that cashflows will be realised by the Group under the arrangement. In the past two year period, the RBZ approved the registration of various debts owing to parties outside Zimbabwe as

legacy debts. A key requirement under IFRS, of the need for a contractual obligation to perform on the part of the other party for asset recognition criteria to be met is not present in this instance.

The directors are not aware of other areas of non-compliance with IFRS in the 2020 financial statements. However, the directors would like to draw the attention of users to the financial statements to the fact that prevailing market conditions in Zimbabwe have required the use of more judgement than would normally be the case around areas such as property valuations and valuation of unlisted instruments. While management believe that these factors have been sufficiently taken into account in the 2020 financial statements and that the required accounting judgements are appropriate, additional disclosures and sensitivities have been provided and readers of the financial statements should pay close attention to these. Details of key accounting judgements and sensitivities are provided in Notes 2.2, 11, 12 and 14. Notwithstanding the identified areas of non-compliance with IFRS, directors are of the view that the accounting treatments as adopted are appropriate to the extent which is practically possible given the peculiarities of the Zimbabwe economic and regulatory environment. Users of the financial statements are, however, encouraged to exercise due caution and judgement.

The issued share capital is made up of 249 035 156 "A" class shares of ZWL\$0,0000032 each, 83 011 718 "B" class shares of ZWL\$0,0000032 each, 1 redeemable preference share of ZWL\$1.00 and 1 "A" redeemable preference share of ZWL\$1.00. The shares are owned by Old Mutual Zimbabwe Holdco Limited (75%); as well as allocations to Indigenisation Trusts and various other shareholders (22.2%) and a strategic partner (2.8%). The 1 redeemable preference share issued is owned by Old Mutual (Zimbabwe) Dividend Access Trust and the 1 "A" redeemable preference share by OML (Zimbabwe) Dividend Access Trust.

Mr	KC	Katsande*	(Chairman)
Mr	S	Matsekete**	(Group Chief Executive Officer)
Mr	IT	Mashinya**	(Group Chief Operating Officer)
Mr	NTT	Mudekunye**	(Group Chief Financial Officer)
Mr	С	Chinaka	
Mr	A	Daka	
Dr	CL	Dhliwayo	
Dr	K	Mandevani*	
Mrs	Ν	Samuriwo	
Ms	С	Ross	
Mr	D	Benecke	retired on 31 May 2020
Mr	J	!Gawaxab*	resigned on 12 August 2020

\*Mr J !Gawaxab resigned from the Board on the 12th of August 2020. Dr K Mandevani was appointed the Acting Board Chairman for the remainder of the year and Mr K C Katsande was appointed the Board Chairman with effect from 28 January 2021.

\*Denotes Executive Director

These annual financial statements have been prepared under the supervision of the Group Chief Financial Officer: Takura Mudekunye (CA(Z)) and have been audited in terms of the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe

The annual financial statements for the year ended 31 December 2020 were approved by the Board of Directors on 31 May 2021.



### Reconciliation of IFRS Profit Before Tax to Result from Operations Before Tax

	Inflation Adjusted		Historical C	ost (Unaudited)
	31-Dec-20 ZWLm	31-Dec-19 ZWLm	31-Dec-20 ZWLm	31-Dec-19 ZWLm
Profit/(Loss) before tax	5,874.7	(11,894.9)	11,516.4	1,144.9
Adjusting entries	(1,996.1)	14,120.8	(7,965.1)	(713.3)
Shareholder investment returns	(2,100.2)	(2,644.4)	(7,839.1)	(529.6)
Monetary loss - non-operating items	774.8	15,870.0	-	-
Policyholder tax	(670.7)	713.1	(126.0)	(201.4)
Restructuring costs	-	182.1		17.7
Results from operations	3,878.6	2,225.9	3,551.3	431.6

Results from operations represents the view of the directors of Old Mutual Zimbabwe Limited of the core operating performance of the Group.

### Group Statement of Profit or Loss For the year ended 31 December 2020

	Inflation Adjusted		Historical C	Historical Cost (Unaudited)	
		31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	Notes	ZWLm	ZWLm	ZWLm	ZWLm
Revenue					
Gross earned premiums	4	5.000.3	5.045.7	3.109.3	473.1
Outward reinsurance		(910.6)	(996.3)	(584.4)	(101.7)
Net earned premiums		4,089.7	4,049.4	2,524.9	371.4
Investment income (non banking)	5	15.941.3	(41,969.6)	49.660.1	7.280.8
Banking interest and similar income	6	1,870.0	2,177.5	1,205.6	190.9
Fee income, commissions and income					
from service contracts	7	3,158.4	2,464.1	2,096.6	258.8
Other income		2,315.6	768.0	2,253.2	117.2
Total revenue		27,375.0	(32,510.6)	57,740.4	8,219.1
Expenses					
Claims and benefits (including change in					
insurance contract provisions)	8	(13,253.6)	16.535.5	(39,552.6)	(6,118.8)
Reinsurance recoveries	-	286.2	533.8	162.6	30.2
Net claims incurred		(12,967.4)	17,069.3	(39,390.0)	(6,088.6)
Change in provision for investment contract liabilities	9	(626.5)	2.944.1	(2,588.1)	(387.5)
Fees, commissions and other acquisition costs	9	(1,350.3)	(1,410.8)	(890.2)	(115.3)
Banking interest expense and similar expenses	6	(473.3)	(771.6)	(276.8)	(71.6)
Impairment charges		(775.2)	(476.0)	(755.3)	(46.4)
Other operating and administration expenses	10	(3,675.7)	(3,633,6)	(2,323.6)	(364.8)
Net monetary adjustment		(1,631.9)	6,894.3	-	-
Profit/(loss) before tax		5,874.7	(11,894.9)	11,516.4	1,144.9
Income tax		633.2	184.4	(380.3)	(220.3)
Profit/(loss) for the year		6,507.9	(11,710.5)	11,136.1	924.6
Attributable to non-controlling interests		112.6	(341.8)	280.3	44.7
Attributable to owners of parent company		6,395.3	(11,368.7)	10,855.8	879.9
		6,507.9	(11,710.5)	11,136.1	924.6

### Group Statement of Comprehensive Income For the year ended 31 December 2020

		Inflatio	n Adjusted	Historical Co	st (Unaudited)
		31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
· ·	Notes	ZWLm	ZWLm	ZWLm	ZWLm
Profit for the year		6,507.9	(11,710.5)	11,136.1	924.6
Other comprehensive income Items that will not be reclassified to profit or loss					
Property revaluation		381.4	1,506.4	2,929.7	662.1
Shadow accounting	9.1	(139.5)	(1,025.5)	(1,024.5)	(228.6)
Total comprehensive income for the year		6,749.8	(11,229.6)	13,041.3	1,358.1
Total comprehensive income attributable to:					
Equity holders of the parent company		6,637.2	(10,887.8)	12,761.0	1,313.4
Non-controlling interests		112.6	(341.8)	280.3	44.7
		6,749.8	(11,229.6)	13,041.3	1,358.1
Earnings per share					
Basic and diluted (cents)		1,926.0	(3,423.6)	3,269.4	265.0

### **Group Statement of Financial Position** As at 31 December 2020

	_	Inflat	ion Adjusted	Historical Cost (Unaudited)		
	_	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19	
	Notes	ZWLm	ZWLm	ZWLm	ZWLm	
Assets						
Investment property	11	22,841.2	19,838.0	22,841.2	4,422.3	
Property and equipment		5,266.2	4,729.9	4,235.6	846.3	
Intangible assets		542.4	291.1	93.5	9.4	
Deferred acquisition costs		25.3	41.7	17.2	1.7	
Reinsurer contracts		217.1	377.7	171.8	54.4	
Investments and securities	12	39,384.3	27,484.2	39,384.3	6,126.8	
Deferred tax assets		1.5	28.3	7.0	7.0	
Current tax assets		60.5	64.1	60.5	14.3	
Loans and advances	13	7,089.0	6,681.7	7,089.0	1,489.5	
Other assets	14	12,111.8	4,460.3	10,769.7	694.7	
Cash and cash equivalents		7,386.4	7,659.7	7,386.4	1,707.5	
Total assets		94,925.7	71,656.7	92,056.2	15,373.9	
Liabilities						
Insurance contract liabilities	15	47,539.6	37,909.0	47,431.0	8,301.8	
Investment contract liabilities	16	3.275.0	2,652.1	3.275.0	591.2	
Provisions	, ,	463.3	232.8	463.3	51.9	
Deferred tax liabilities		515.8	1.343.1	437.3	308.8	
Current tax payables		2.3	10.8	2.3	2.4	
Amounts due to group companies	17	7.297.6	731.7	7.297.6	163.1	
Amounts owed to bank depositors	18	13,037.2	11,491.1	13.037.2	2.561.6	
Credit lines		3.153.9	4.026.5	3.153.9	897.6	
Other liabilities		2,372.6	2,842.3	1,771.5	359.3	
Total liabilities		77,657.3	61,239.4	76,869.1	13,237.7	
Net assets	-	17.268.4	10.417.3	15.187.1	2.136.2	
	=	71,22211	12,1111	10,10111		
Shareholders' equity						
Share capital and premium		-	-	-	-	
Non-distributable reserve		-	-	54.9	54.9	
Revaluation reserve		1,539.4	1,297.5	2,358.3	453.1	
Share based payment reserve		1,222.7	1,121.4	71.7	62.1	
Regulatory provisions reserve		-	25.5	-	5.7	
Currency conversion reserve		-	(229.8)	-	(13.3)	
Retained earnings		14,176.6	7,985.6	12,359.5	1,511.3	
Equity holders of the parent		16,938.7	10,200.2	14,844.4	2,073.8	
Non-controlling interests		329.7	217.1	342.7	62.4	
Total equity		17,268.4	10,417.3	15,187.1	2,136.2	

### Group Statement of Cash Flows

For the year ended 31 December 2020				
	Infla	tion Adjusted	Historical Co	ost (Unaudited)
·	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	ZWLm	ZWLm	ZWLm	ZWLm
Cash flows from operating activities				
Profit before tax	5,874.7	(11,894.9)	11,516.4	1,144.9
Non-cash movements and adjustments to profit before tax	(3,550.4)	(1,181.1)	(5,671.9)	(219.2)
Changes in working capital	904.7	22,847.3	5,470.6	1,425.8
Taxation paid	(237.1)	417.6	(255.3)	(50.7)
Net cash from operating activities	2,991.9	10,188.9	11,059.8	2,300.8
Cash flows from investing activities	(20000 ()	(2000)	(0.000 FI)	(7.050.()
Acquisition of financial assets Proceeds from disposal/maturity of financial assets	(10,990.4)	(17,064.4)	(8,600.7)	(1,656.4)
Proceeds from disposal/maturity of financial assets  Proceeds from disposal/(acquisition) of investment properties	6.388.8 368.2	11,568.7 (733.9)	1,536.8 286.8	1,016.9 (103.5)
(Acquisition)/ Disposals of intangibles, property and equipment	(930.0)	(846.5)	(518.6)	(77.3)
(Acquisition)/ Disposais of Intarigibles, property and equipment	(930.0)	(040.3)	(510.0)	(77.5)
Net cash used in investing activities	(5,163.4)	(7,076.1)	(7,295.7)	(820.3)
Cash flows from financing activities				
Dividends paid	-	(459.9)	-	(40.5)
Net cash used in financing activities	-	(459.9)	-	(40.5)
Net increase/(decrease) in cash and cash equivalents	(2,171.5)	2,652.9	3,764.1	1,440.0
Net foreign exchange differences on cash and cash equivalents	1,898.2	500.7	1,914.8	106.5
Cash and cash equivalents at the beginning of the year	7,659.7	4,506.1	1,707.5	161.0
Cash and cash equivalents at the end of the year	7.386.4	7.659.7	7.386.4	1.707.5
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### **Group Statement of Changes In Equity**

For the year ended 31 December 2020

Inflation Adjusted 2020
Shareholders' equity at beginning of year
Profit for the financial year Shadow accounting Revaluation of property
Total Comprehensive income for the year Movement in share based payment reserve Transfer between reserves Transactions with shareholders Shareholders' equity at end of year
Shareholders' equity at beginning of year Impact of adopting new currency Transfer of regulatory impairment allowance Loss for the financial year Other comprehensive income Shadow accounting Revaluation of property
Total Comprehensive income for the year Transfer to reserve Movement in share based payment reserve Acquisition of interest in subsidiary Dividends declared Transactions with shareholders Shareholders' equity at end of year

tes	Share capital & premium ZWIm	Revaluation reserve ZWIm	Share based payment reserve ZWIm	Regulatory provisions reserve ZWIm	Currency Conversion ZWIm	Retained earnings ZWIm	Equity holders of the parent total ZWIm	Non-controlling interests ZWIm	Equity total ZWIm
	-	1,297.5	1,121.4	25.5	(229.8)	7,985.6	10,200.2	217.1	10,417.3
Г						6,395.3	6,395,3	112.6	6,507.9
9.1		(139.5)	_			0,555.5	(139.5)	112.0	(139.5)
J. 1	-	381.4	-	-	-	-	381.4	-	381.4
		241.9				6 705 7	6,637.2	112.6	6,749.8
-		241.9	101.3			6,395.3	101.3	112.0	101.3
	-	-	101.5	(25.5)	229.8	(204.3)	101.5	-	101.5
-			101.3	(25.5)	229.8	(204.3)	101.3		101.3
-		1.539.4	1,222.7	(25.5)	- 229.0	14,176.6	16,938.7	329.7	17,268.4
-	_	816.6	1,333.2	144.4		20,053.6	22,347.8	658.5	23,006.3
-	-	-	-	-	(229.8)	-	(229.8)	-	(229.8)
	-	-	-	(118.9)	· · · · · · · ·	118.9	-	-	-
	-	-	-	-	-	(11,368.7)	(11,368.7)	(341.8)	(11,710.5)
9.1	-	(1,025.5)	-	-	-	-	(1,025.5)	-	(1,025.5)
	-	1,506.4	-	-	-	-	1,506.4	-	1,506.4
-	-	480.9	-	-	-	(11,368.7)	(10,887.8)	(341.8)	(11,229.6)
	-	-	-	-	-	-	-	-	
	-	-	(211.8)	-	-	-	(211.8)	-	(211.8)
	-	-	-	-	-	1.3	1.3	(99.6)	(98.3)
_	-	-	-	-	-	(819.5)	(819.5)	-	(819.5)
_	-	-	(211.8)	-	-	(818.2)	(1,030.0)	(99.6)	(1,129.6)
	-	1,297.5	1,121.4	25.5	(229.8)	7,985.6	10,200.2	217.1	10,417.3

Historical Cost (Unaudited) 2020
Shareholders' equity at beginning of year
Profit for the financial year Shadow accounting Revaluation of property
Total Comprehensive income for the year Movement in share based payment reserve Transfer between reserves Transactions with shareholders Shareholders' equity at end of year
2019 Shareholders' equity at beginning of year
Impact of adopting new currency Profit for the financial year Shadow accounting Revaluation of property
Total Comprehensive income for the year Movement in share based payment reserve Transfer between reserves Acquisition of interest in subsidiary Dividends declared Transactions with shareholders Shareholders' equity at end of year

Notes	Share capital & premium ZWLm	Non- distributable reserve ZWLm	Revaluation reserve ZWLm	Share based payment reserve ZWLm	Regulatory provisions reserve ZWLm	Currency conversion reserve ZWLm	Retained earnings ZWLm	Equity holders of the parent total ZWLm	Non- controlling interests ZWLm	Equity total ZWLm
	-	54.9	453.1	62.1	5.7	(13.3)	1,511.3	2,073.8	62.4	2,136.2
	-	-	-	-	-		10,855.8	10,855.8	280.3	11,136.1
9.1	-	-	(1,024.5)	-	-	-	-	(1,024.5)	-	(1,024.5)
	-	-	2,929.7	-	-	-	-	2,929.7	-	2,929.7
	-	-	1,905.2	-	-	-	10,855.8	12,761.0	280.3	13,041.3
	-	-	-	9.6	-	-	-	9.6	-	9.6
	-	-	-	-	(5.7)	13.3	(7.6)	-	-	-
	-	-	-	9.6	(5.7)	13.3	(7.6)	9.6	-	9.6
	-	54.9	2,358.3	71.7	-	-	12,359.5	14,844.4	342.7	15,187.1
	-	51.3	19.6	33.7	5.2	-	690.9	800.7	24.7	825.4
	-	=	-	-	-	(13.3)	-	(13.3)	=	(13.3)
ĺ	-	-	-	-	-	-	879.9	879.9	44.7	924.6
9.1	-	-	(228.6)	-	-	-		(228.6)	-	(228.6)
	-	-	662.1	=	=	-		662.1	=	662.1
	-	-	433.5	-	-	-	879.9	1,313.4	44.7	1,358.1
	-	-	-	28.4				28.4	-	28.4
	-	3.6	-	-	0.5	-	(4.1)	-	-	-
	-	-	-	-	-	-		-	(7.0)	(7.0)
	-	-	-	-	-		(55.4)	(55.4)	-	(55.4)
	-	3.6		28.4	0.5		(59.5)	(27.0)	(7.0)	(34.0)
	-	54.9	453.1	62.1	5.7	(13.3)	1,511.3	2,073.8	62.4	2,136.2



For the year ended 31 December 2020

#### **General Information**

Old Mutual Zimbabwe Limited (OMZIL) and its subsidiaries are incorporated in Zimbabwe. These consolidated financial statements comprise the Group and its Subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group's Subsidiaries and main activities were as follows:

- Central Africa Building Society (CABS) mortgage lending and banking: Old Mutual Life Assurance Company Zimbabwe Limited (OMLAC) life assurance, pension and employee benefits
- Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG) asset management: Old Mutual Securities (Private) Limited (OMSEC) licensed securities dealing firm:
- RM Insurance Holdings Company Limited (RMI), with an operating subsidiary. Old Mutual Insurance Company (Private) Limited (OMICO) - short term insurer;

The holding company (OMZIL) is a 75% owned subsidiary of OM Zimbabwe Holdco Limited which is ultimately a wholly owned subsidiary of Old Mutual Limited, listed on the Johannesburg and Namibia Stock Exchanges

#### Accounting Policies 2.

#### **Basis of preparation**

The financial statements provide information about the financial position, results of operations, and changes in the financial position of the Group. The financial statements are prepared in Zimbabwe dollars. The symbol "\$" denotes Zimbabwe dollars unless explicitly indicated otherwise. They are based on the statutory records that are maintained under the historical cost convention and restated to take into account the effects of inflation in accordance with the International Accounting Standard 29 (IAS 29) "Financial Reporting in Hyperinflationary Economies.

In 2019 Zimbabwe met the key indicators of being a hyperinflationary economy as described under IAS 29. The inflation adjusted financial statements represent the principal financial statements of the Group. Historical cost financial statements have been presented as supplementary information to the restated financial statements.

IAS 29, "Financial Reporting in Hyperinflationary Economies" requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that corresponding figures for previous periods be restated in the same terms. The restatement of the historical cost numbers is based on the conversion factors derived from the consumer price index (CPI) issued by the Zimbabwe Central Statistical Office (C.S.O). We believe the CPI best represents average price movements in the economy during the reporting period and have thus applied it in preparation of these financial statements. The indices and conversion factors used to restate the accompanying financial statements as at 31December 2020 are given below.

Dates	Indices	Conversion Factors
31/12/2020	2,474.51	1.0000
31/12/2019	551.63	4.4859
31/12/2018	88.81	27.8639

#### Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected

Critical accounting estimates are those which involve the most complex or subjective judgement or assessments. The areas of the Group's business that typically require such estimates are life insurance contract provisions, determination of the fair value for financial assets and liabilities, investment properties and provisions. For the year ended 31 December 2020, the determination of functional currency has been a key judgement area.

The financial statements are prepared in compliance with measurement and recognition principles of International Financial Reporting Standards (IFRSs). IFRSs comprise interpretations adopted by the IASB, which includes standards adopted by the IASB and interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC).

In February 2019, the Government of Zimbabwe issued Statutory Instrument 33 of 2019, which, based on our legal interpretation, for accounting and other purposes, prescribed parity between the US Dollar and local currency as at and up to the effective date of 22 February 2019, and also prescribed the manner in which certain balances in the financial statements should have been treated as a consequence of the recognition of the RTGS Dollar as currency in Zimbabwe It is the Group's view that the prescribed parity in value between local currency and the USD did not accurately reflect underlying market economic conditions for 2018.

For the 2019 financial year, SI33 also applied up to 22 February 2019. The exchange differences that arose on translating foreign currency denominated assets and liabilities on the date of change in the Group's functional currency were accounted for through the Currency conversion reserve. In February 2019, the interbank market was introduced, for trading of currencies, for which the starting exchange rate was ZWL \$2.5 to USD1. Exchange rate closed the year, at 31 December 2019, at ZWL\$16.774 to USD1.

In March 2020 responding to financial vulnerabilities caused by COVID-19 the RBZ suspended the managed floating exchange rate system and adopted a fixed exchange rate system at the rate of ZWL25 to USD1. Foreign currency transactions recorded during this period constitute 3% of the total transactions recorded during the year and also 20% of the total foreign currency transactions recorded in the year. It is management's view that this does not constitute a significant proportion of the transactions recorded during the year and use of the prescribed fixed exchange rate during this period does not materially impact accuracy of the financial statements.

Statutory Instrument 142 of 2019 (SI142) was promulgated in June 2019 which effectively established the ZWL as the sole currency, restricting the use of the USD for domestic transactions. The RBZ then introduced a weekly Reuters based foreign exchange auction, with the first auction held on 23 June 2020, thereby replacing the interbank system. The trades are conducted weekly with the rate from the last auction being the official rate for the week. The auction determined rate has become the official exchange rate used in converting foreign denominated transactions and balances in these financial statements. The closing exchange rate as at 31 December 2020 was ZWL\$81.7866. The Group was able to access funds from the auction to make foreign payments during the year.

The Zimbabwean government gazetted Statutory Instrument (SI) 185 of 2020 on July 24, 2020. The regulation compelled sellers of various goods and services to display, quote and offer prices in both the Zimbabwean dollar and foreign currency at the ruling exchange rate (that is, the last established auction rate). Therefore, in accordance with International Accounting Standard("IAS") 21 The effects of changes in foreign exchange rates, entities need to assess what their functional currency is. The Group's assessment was that based on weighing the volume of the local currency business against the foreign currency business, the Group's functional currency was ZWL during 2020

### 2.2.2 Foreign denominated Legacy debts /Blocked funds

In June 2019, the Reserve bank of Zimbabwe (the "RBZ") directed/invited all parties with Legacy Debts to apply for registration in order to guarantee settlement of these debts at the rate of 1-1. The Group made applications relating to amounts incurred in USD between 2012 and 2018, when the functional currency was USD and prior to promulgation of SI 33 of February 2019, to providers of offshore lines of credit as well as related parties within the wider Old Mutual Limited Group. CABS got approval for US\$26.4m owing mostly to loan repayments for offshore lines of credit and foreign suppliers of goods and services. OMZIL also got approval for US\$83.8m in respect of unremitted dividends (US\$32.1m), obligations under the 2012 indigenisation transaction (US\$50m) and management fees (US\$1.7m). Upon transferring local funds for the registration of legacy debts/blocked funds a legitimate expectation to receive cashflows under the arrangement was created and a financial instrument was recognised on the Croup's statement of financial position. reflecting the value of expected cashflows.

the debt registered at a future date now exists. The carrying value of the financial instrument reflects management's assessment of the present value of the expected net cashflows to be received under this arrangement. The RBZ has stated its intention to honour its commitment and has provided liquidity to support obligations that CABS has settled to the tune of US\$8.65m. The arrangements for the settlement of the OMZIL obligation are still under discussion with the

Revenue comprises premium income from insurance contracts and investment contracts with a discretionary  $participating \ feature, fee income \ from \ investment \ management \ contracts, commission \ income, \ banking \ interest \ income, \ banking \ interest \ income \ investment \ investment \ income \ investment \ inve$ and commission, non-banking interest income, dividend income, investment income and fees for administration and  $management\ of\ policyholder\ funds.\ Fees\ charged\ for\ management\ services\ provided\ are\ recognised\ as\ revenue\ in\ profit$ or loss as the services are provided.

#### 2.4 Insurance and investment contracts

#### 2.4.1 Classification of contracts

Contracts under which the Group accepts significant insurance risk from another party (the policyholder), by agreeing to compensate the policyholder or other beneficiary of a specified uncertain future event (the insured event) which adversely affects the policyholder, are classified as insurance contracts. Insurance risk is risk which is distinct from financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price. commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided that in the case of a non-financial variable that the variable is not specific to a party to the contract.

Insurance risk is significant if, and only if, an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance. If significant additional benefits would be payable in scenarios that have commercial substance, then significant insurance risk exists even if the insured event is extremely unlikely or even if the expected present value of contingent cash flows is a small proportion of the expected present value of all remaining contractual cash flows.

A contract that is classified as an insurance contract remains an insurance contract, until all rights and obligations are extinguished or expire. Contracts under which the transfer of insurance crisk to the Group from the policyholder is not significant are classified as investment contracts. Contracts with a discretionary participating feature are those under which the policyholder holds a contractual right to receive additional payments as a supplement to guaranteed minimum payments. These additional payments, the amount or timing of which is at the Group's discretion, represent a significant portion of the total contractual payments and are contractually based on: (i) the performance of a specified pool of contracts or a specified type of contract, and

(ii) realised and/or unrealised investment returns on a specified pool of assets held by the Group

Contracts with a discretionary participating feature may be classified either as insurance contracts or investment contracts. In the case of the Group all contracts with a discretionary participating feature are accounted for in the same manner as insurance contracts.

2.4.2 Insurance contract liabilities and investment contracts with a discretionary participating feature
Insurance contract provisions are measured using the Financial Soundness Valuation (FSV) method as set out in the guidelines issued by the Actuarial Society of South Africa (ASSA) in Standard of Actuarial Practice (SAP) 104 (version 8). Under this guideline, provisions are valued using realistic expectations of future experience, with prescribed margins for prudence and deferral of profit emergence.

Provisions for investment contracts with a discretionary participating feature are also computed using FSV method. Surplus allocated to policyholders but not yet distributed (i.e. bonus smoothing reserve) related to these contracts is included as a carrying value of liabilities.

Investment options and guaranteed payments are computed on the prospective deposit method, which produces reserves equal to the present value of future benefit payments.

atives embedded in an insurance contract are not separated and measured at fair value if the embedded derivative itself qualifies for recognition as an insurance contract. The entire contract is measured as described above

The Group performs liability adequacy testing on its insurance liabilities (including investment contract liabilities with discretionary participating features) to ensure that the carrying amount of its liabilities is sufficient in view of estimated future cash flows. When performing the liability adequacy test, the Group discounts all contractual cash flows and compares this amount to the carrying value of the liability. Where a shortfall is identified, an additional provision is made.

The provision estimation techniques and assumptions are periodically reviewed, with any changes in estimates being reflected in profit or loss as they occur.

Whilst the directors consider that the gross insurance contract provisions and the related reinsurance recovery are fairly recognised on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events, and may result in significant adjustments to the amount provided. The Group applies shadow accounting in relation to certain insurance contract provisions, which are supported by owner occupied properties, on which unrealised gains and losses are recognised within other comprehensive income.

Liabilities for investment contracts without a discretionary participating feature are classified as financial liabilities at fair value through profit or loss and are measured at fair value. For unit linked and market linked contracts, this is calculated as the account balance, which is the value of the units allocated to the policyholder, based on the bid price value of the assets in the underlying fund (adjusted for tax). For other linked contracts, the fair value of the liability is determined by reference to the fair value of the underlying assets, and is in accordance with the FSV method, except that negative dollar reserves arising from the capitalisation of future margins are not permitted. The fair value of the liability is subject to the deposit floor" such that the liability established cannot be less than the amount repayable on demand.

### Investment property

Investment property is real estate held to earn rentals and/or for capital appreciation. It does not include owner occupied property.

Investment properties are initially measured at cost and subsequently at fair value through profit and loss. Recorded values are determined by internal professional valuers who perform valuations annually. The recorded values are tested by comparing with values determined by independent external valuers for a sample of properties accounting for at ast 65% of the total value of the property portfolio, or for at least the top twenty-five buildings by value and as well as properties being valued for the first time.

An investment property shall be derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal

The valuation methodology adopted is dependent upon the nature of the property. The investment method was applied on all income producing properties. This method was applied on industrial, retail and commercial properties and offices. The direct comparison method was applied to land holdings and residential properties. Property developments are valued in a similar manner to income generating assets except where information about future net income cannot be determined with sufficient confidence, in which case fair value is estimated with reference to the value of the land, and the cost of construction to date.

Surpluses and deficits arising from changes in fair value are reflected in profit or loss.

For properties reclassified during the year from property and equipment to investment properties up to the date of change any revaluation gain arising is initially recognised in profit or loss to the extent of previously charged impairment losses. Any residual excess is taken to the revaluation reserve.

Revaluation deficits are recognised in the revaluation reserve to the extent of previously recognised gains and any residual

Investment properties that are reclassified to owner occupied property should be revalued at date of transfer, with any difference recognised in profit or loss. Its fair value at date of reclassification becomes its fair value for subsequent accounting.

#### Financial instruments Recognition and derecognition

Initial recognition of financial assets

Under IFRS 9: Financial Instruments or 'IFRS 9', there are three measurement classification as following

- Amortised cost;
- Fair Value through Profit and Loss (FVTPL).

The classification of financial assets for the Group is based on whether the financial assets are equity instruments, debt instruments held or derivative assets and this is in line with the requirements of IFRS 9. Equity instruments held for trading purposes and derivative assets are mandatorily categorised as financial assets at FVTPL. The classification and measurement of debt instruments is dependent on the business model in which the financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not accounted for separately. Instead, the hybrid financial instrument as a whole is assessed for

A debt instrument is classified as a financial asset at amortised cost if it meets both of the following conditions (and is not designated as at FVTPL):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the
- principal amount outstanding.
- A debt instrument is measured at FVOCI if it meets both of the following conditions (and is not designated as at FVTPL): it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Total



### **Notes to the Consolidated Abridged Audited Financial Statements**

For the year ended 31 December 2020 (cont'd)

On initial recognition of an equity instrument that is not held for trading, the instrument may be irrevocably designated at FVOCI. In such an instance, changes in the equity instrument's fair value are recorded in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All debt instrument financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Group may irrevocably designate a debt instrument financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL. if doing so, eliminates or significantly reduces an accounting mismatch that would otherwise arise. Transaction costs that are directly attributable to the acquisition of financial assets are expensed in profit or loss for financial assets initially classified at FVTPL. For financial assets not classified at FVTPL transaction costs are added to or deducted from the fair value at initial recognition.

#### Initial recognition of financial liabilities

On initial recognition, financial liabilities are measured at fair value plus, in the case of financial liabilities not classified at FVTPL, transaction costs that are incremental and directly attributable to the issue of the financial liability. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

#### Subsequent measurement of financial asset

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Subsequent to initial recognition all financial liabilities at FVOCI and FVTPL are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost. Fair value movements attributable to changes in the credit risk of a financial liability designated at FVTPL is recorded in other comprehensive income and not recycled to profit or loss. The balance of the fair value movement is recorded in profit or loss. Other financial liabilities are measured at amortised cost.

#### Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cashflows from the financial asset expire, or it transfers those rights in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

#### Derecognition of financial liabilities

Segment information Inflation adjusted

A1 Statement of profit or loss

Gross earned premiums

The Group derecognises a financial liability when the contractual obligations are discharged, or cancelled or expire. The Group also derecognises the financial liability when its terms are modified and the cashflows of the modified liability are substantially different, in which case a new financial liability based on the new terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss

olding Co & Other ZWLm

Adjustments

ZWLm

(302.7)

Total

ZWLm

5,000.3

Genera Insurance ZWLm

2,303.5

ZWLm

2,999.5

Gross earned premiums	2,999.5	(0000)				(502.7)	5,000.5
Outward reinsurance Net earned premiums	(50.0) 2,949.5	(860.6) 1,442.9				(302.7)	(910.6) 4.089.7
Net earned premiums	2,949.5	1,442.9	-	-	-	(302.7)	4,009.7
Investment income (non-banking)	14,439.0	312.6	373.7	9.1	1,658.5	(851.6)	15,941.3
Banking interest and similar income		512.0	1,873.5	5.1	1,050.5	(3.5)	1,870.0
Fee income, commissions and			1,075.5			(5.5)	1,070.0
income from service contracts	101.1	97.0	2,903.8	581.6	-	(525.1)	3,158.4
Other income	513.4		1,006.4	148.9	686.9	(40.0)	2,315.6
Total revenue	18,003.0	1,852.5	6,157.4	739.6	2,345.4	(1,722.9)	27,375.0
Expenses							
Claims and benefits (including							
change in insurance contract							
provisions)	(12,528.0)	(744.4)	-	-	-	18.8	(13,253.6)
Reinsurance recoveries	6.4	279.8	-	-	-	-	286.2
Net claims incurred	(12,521.6)	(464.6)	-	-	-	18.8	(12,967.4)
Change in annieles for investment							-
Change in provision for investment contract liabilities	(626.5)						(626.5)
Fees, commissions and other	(020.5)	_	-	_	_	_	(020.5)
acquisition costs	(248.9)	(129.9)	(965.8)	(5.7)	_	_	(1,350.3)
Banking interest expense and	(2 10.5)	(123.5)	(505.0)	(5.7)			(1,550.5)
similar expenses		_	(492.0)	-	_	18.7	(473.3)
Impairment charges	-	-	(775.2)	-	-	-	(775.2)
Other operating and							
administration expenses	(909.9)	(419.6)	(2,229.2)	(516.2)	(1,026.5)	1,425.7	(3,675.7)
Net monetary adjustment	(1,162.0)	(550.3)	(156.0)	(60.5)	(1,929.4)	2,226.3	(1,631.9)
Profit before tax	2,534.1	288.1	1,539.2	157.2	(610.5)	1,966.6	5,874.7
Income tax expense/(credit)	808.5	(16.0)	(4.8)	(28.7)	(130.9)	5.1	633.2
Profit for the year	3,342.6	272.1	1,534.4	128.5	(741.4)	1,971.7	6,507.9
segment information for the year ended 2019							
Revenue Gross earned premiums	3,616.5	1,739.2				(310.0)	5,045.7
Outward reinsurance	(69.1)	(927.2)		_	_	(310.0)	(996.3)
Net earned premiums	3.547.4	812.0					
				-	-	(310.0)	
			_	-	-	(310.0)	4,049.4
Investment income (non banking)	(29,783.0)	181.1	=	4.9	(10,576.4)	(310.0)	
Banking interest and similar income		181.1	- 2,177.5	4.9	(10,576.4)		4,049.4
Banking interest and similar income Fee income, commissions and incom	ne -	181.1		-	-	(1,796.2)	4,049.4 (41,969.6) 2,177.5
Banking interest and similar income Fee income, commissions and incom from service contracts	ne 118.0	-	1,947.8	- 719.1	397.0	(717.8)	4,049.4 (41,969.6) 2,177.5 2,464.1
Banking interest and similar income Fee income, commissions and income from service contracts Other income	ne 118.0 51.6	- - 232.8	1,947.8 515.9	719.1 5.8	397.0 16.6	(1,796.2) (717.8) (54.7)	4,049.4 (41,969.6) 2,177.5 2,464.1 768.0
Banking interest and similar income Fee income, commissions and incom from service contracts	ne 118.0	-	1,947.8	- 719.1	397.0	(717.8)	4,049.4 (41,969.6) 2,177.5 2,464.1
Banking interest and similar income Fee income, commissions and income from service contracts Other income	ne 118.0 51.6	- - 232.8	1,947.8 515.9	719.1 5.8	397.0 16.6	(1,796.2) (717.8) (54.7) (2,878.7)	4,049.4 (41,969.6) 2,177.5 2,464.1 768.0
Banking interest and similar income Fee income, commissions and incon from service contracts Other income Total revenue Expenses Claims and benefits (including	ne 118.0 51.6	- - 232.8	1,947.8 515.9	719.1 5.8	397.0 16.6	(1,796.2) (717.8) (54.7)	4,049.4 (41,969.6) 2,177.5 2,464.1 768.0
Banking interest and similar income Fee income, commissions and incon from service contracts Other income Total revenue  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries	118.0 51.6 (26,066.0) 20,480.9 17.5	232.8 1,225.9 (984.7) 516.3	1,947.8 515.9 <b>4,641.2</b>	719.1 5.8	397.0 16.6	(717.8) (54.7) (2,878.7)	4,049.4 (41.969.6) 2,177.5 2,464.1 768.0 ( <b>32,510.6</b> )
Banking interest and similar income Fee income, commissions and incon from service contracts Other income Total revenue  Expenses Claims and benefits (including change in insurance contract provisions)	118.0 51.6 (26,066.0)	232.8 1,225.9 (984.7)	1,947.8 515.9 <b>4,641.2</b>	719.1 5.8	397.0 16.6	(1,796.2) (717.8) (54.7) (2,878.7)	4,049.4 (41.969.6) 2,177.5 2,464.1 768.0 ( <b>32,510.6</b> )
Banking interest and similar income Fee income, commissions and incon from service contracts Other income Total revenue  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred	118.0 51.6 (26,066.0) 20,480.9 17.5	232.8 1,225.9 (984.7) 516.3	1,947.8 515.9 <b>4,641.2</b>	719.1 5.8	397.0 16.6	(717.8) (54.7) (2,878.7)	4,049.4 (41.969.6) 2,177.5 2,464.1 768.0 ( <b>32,510.6</b> )
Banking interest and similar income Fee income, commissions and incon from service contracts Other income  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred  Change in provision for investment	118.0 51.6 (26,066.0) 20,480.9 17.5 20,498.4	232.8 1,225.9 (984.7) 516.3	1,947.8 515.9 <b>4,641.2</b>	719.1 5.8	397.0 16.6	(717.8) (54.7) (2,878.7)	4,049.4 (41,969.6) 2,177.5 2,464.1 788.0 (32,510.6) - - 16,535.5 533.8 17,069.3
Banking interest and similar income Fee income, commissions and incon from service contracts Other income  Total revenue  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred Change in provision for investment contract liabilities	118.0 51.6 (26,066.0) 20,480.9 17.5	232.8 1,225.9 (984.7) 516.3	1,947.8 515.9 <b>4,641.2</b>	719.1 5.8	397.0 16.6	(717.8) (54.7) (2,878.7)	4,049.4 (41.969.6) 2,177.5 2,464.1 768.0 ( <b>32,510.6</b> )
Banking interest and similar income Fee income, commissions and incom from service contracts Other income  Total revenue  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred  Change in provision for investment contract liabilities Fees. commissions and other	118.0 51.6 (26,066.0) 20,480.9 17.5 20,498.4 2,944.1	232.8 1,225.9 (984.7) 516.3 (468.4)	1.947.8 515.9 4,641.2	719.1 5.8	397.0 16.6 (10,162.8)	(1.796.2) (717.8) (54.7) (2,878.7) (2,960.7)	4,049.4 (41,969.6) 2,177.5 2,464.1 768.0 (32,510.6) - 16,535.5 533.8 17,069.3
Banking interest and similar income Fee income, commissions and incon from service contracts Other income  Total revenue  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred  Change in provision for investment contract liabilities Fees, commissions and other acquisition costs	118.0 51.6 (26,066.0) 20,480.9 17.5 20,498.4	232.8 1,225.9 (984.7) 516.3	1,947.8 515.9 <b>4,641.2</b>	719.1 5.8	397.0 16.6	(717.8) (54.7) (2,878.7)	4,049.4 (41,969.6) 2,177.5 2,464.1 788.0 (32,510.6) - - 16,535.5 533.8 17,069.3
Banking interest and similar income Fee income, commissions and incom from service contracts Other income Total revenue  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred Change in provision for investment contract liabilities Fees. commissions and other acquisition costs Banking interest payable and	118.0 51.6 (26,066.0) 20,480.9 17.5 20,498.4 2,944.1	232.8 1,225.9 (984.7) 516.3 (468.4)	1,947.8 515.9 4,641.2	719.1 5.8	397.0 16.6 (10,162.8)	(1.796.2) (717.8) (54.7) (2,878.7) (2,960.7) (2,960.7)	4,049.4 (41,969.6) 2,177.5 2,464.1 768.0 (32,510.6) - - 16,535.5 533.8 17,069.3 - 2,944.1 (1,410.8)
Banking interest and similar income Fee income, commissions and incon from service contracts Other income  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred  Change in provision for investment contract liabilities Fees. commissions and other acquisition costs Banking interest payable and similar expenses	118.0 51.6 (26,066.0) 20,480.9 17.5 20,498.4 2,944.1	232.8 1,225.9 (984.7) 516.3 (468.4)	1,947.8 515.9 4,641.2	719.1 5.8	397.0 16.6 (10,162.8)	(1.796.2) (717.8) (54.7) (2,878.7) (2,960.7)	4,049.4 (41,969.6) 2,177.5 2,464.1 768.0 (32,510.6) - 16,535.5 533.8 17,069.3 - 2,944.1 (1,410.8) (771.6)
Banking interest and similar income Fee income, commissions and incon from service contracts Other income  Total revenue  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred  Change in provision for investment contract liabilities Fees, commissions and other acquisition costs Banking interest payable and similar expenses Impairment charges	118.0 51.6 (26,066.0) 20,480.9 17.5 20,498.4 2,944.1	232.8 1,225.9 (984.7) 516.3 (468.4)	1,947.8 515.9 4,641.2	719.1 5.8	397.0 16.6 (10,162.8)	(1.796.2) (717.8) (54.7) (2,878.7) (2,960.7) (2,960.7)	4,049.4 (41,969.6) 2,177.5 2,464.1 768.0 (32,510.6) - - 16,535.5 533.8 17,069.3 - 2,944.1 (1,410.8)
Banking interest and similar income Fee income, commissions and incom from service contracts Other income  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred  Change in provision for investment contract liabilities Fees. commissions and other acquisition costs Banking interest payable and similar expenses Impairment charges Other operating and	20,480.9 17.5 20,498.4 2,944.1 (331.5)	232.8 1,225.9 (984.7) 516.3 (468.4)	1,947.8 515.9 4,641.2	719.1 5.8 729.8	397.0 16.6 (10.162.8)	(1.796.2) (717.8) (54.7) (2.878.7) (2.960.7) (2.960.7)	4,049.4 (41,969.6) 2,177.5 2,464.1 768.0 (32,510.6) - 16,535.5 533.8 17,069.3 - 2,944.1 (1,410.8) (771.6) (476.0)
Banking interest and similar income Fee income, commissions and incon from service contracts Other income  Total revenue  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred  Change in provision for investment contract liabilities Fees, commissions and other acquisition costs Banking interest payable and similar expenses Impairment charges Other operating and administration expenses	118.0 151.6 (26,066.0) 20,480.9 17.5 20,498.4 2,944.1 (331.5)	232.8 1,225.9 (984.7) 516.3 (468.4)	1,947.8 515.9 4,641.2 (908.8) (893.6) (476.0) (2,069.3)	719.1 5.8 <b>729.8</b>	397.0 16.6 (10.162.8)	(1.796.2) (717.8) (54.7) (2.878.7) (2.960.7) (2.960.7) 	4,049.4 (41,969.6) 2,177.5 2,464.1 768.0 (32,510.6) 16,535.5 533.8 17,069.3 2,944.1 (1,410.8) (771.6) (476.0) (3,633.6)
Banking interest and similar income Fee income, commissions and incom from service contracts Other income  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred  Change in provision for investment contract liabilities Fees. commissions and other acquisition costs Banking interest payable and similar expenses Impairment charges Other operating and	20,480.9 17.5 20,498.4 2,944.1 (331.5)	232.8 1,225.9 (984.7) 516.3 (468.4)	1,947.8 515.9 4,641.2	719.1 5.8 729.8	397.0 16.6 (10.162.8)	(1.796.2) (717.8) (54.7) (2.878.7) (2.960.7) (2.960.7)	4,049.4 (41,969.6) 2,177.5 2,464.1 768.0 (32,510.6) - 16,535.5 533.8 17,069.3 - 2,944.1 (1,410.8) (771.6) (476.0)
Banking interest and similar income Fee income, commissions and incom from service contracts Other income  Total revenue  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred  Change in provision for investment contract liabilities Fees, commissions and other acquisition costs Banking interest payable and similar expenses Other operating and administration expenses Net monetary adjustment  Profit before tax	20,480,9 17,5 20,498,4 2,944,1 (331.5) (846.9) (3,789.4)	232.8 1,225.9 (984.7) 516.3 (468.4) - (232.4) - (167.3) (1,205.2)	1,947.8 515.9 4,641.2 - - (908.8) (908.8) (93.6) (476.0) (2,069.3) (1,065.5)	719.1 5.8 729.8	397.0 166 (10.162.8)	(1.796.2) (717.8) (54.7) (2.878.7) (2.960.7) (2.960.7) 74.9 122.0 2.061.6 5.270.9	4,049.4 (41,969.6) 2,177.5 2,464.1 768.0 (32,510.6) 16,535.5 533.8 17,069.3 - 2,944.1 (1,410.8) (771.6) (476.0) (3,633.6) (6,894.5 (11,894.9)
Banking interest and similar income Fee income, commissions and incon from service contracts Other income  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred  Change in provision for investment contract liabilities Fees, commissions and other acquisition costs Banking interest payable and similar expenses Impairment charges Other operating and administration expenses Net monetary adjustment  Profit before tax Income tax expenses/(credit)	20,480.9 17.5 20,498.4 2,944.1 (331.5) (846.9) (3,789.4) (7,591.3)	(984.7) 516.3 (468.4) (232.4) (167.3) (1.205.2)	1,947.8 515.9 4,641.2 	719.1 5.8 729.8 	397.0 16.6 (10.162.8)	(1.796.2) (717.8) (54.7) (2.878.7) (2.960.7) (2.960.7) 	(4,049.4 (41,969.6) 2,177.5 2,464.1 768.0 (32,510.6) - 16,535.5 533.8 17,069.3 - 2,944.1 (1,410.8) (771.6) (476.0) (3,633.6) 6,894.3 (11,894.9) 184.4
Banking interest and similar income Fee income, commissions and incom from service contracts Other income  Total revenue  Expenses Claims and benefits (including change in insurance contract provisions) Reinsurance recoveries Net claims incurred  Change in provision for investment contract liabilities Fees, commissions and other acquisition costs Banking interest payable and similar expenses Other operating and administration expenses Net monetary adjustment  Profit before tax	20,480,9 17,5 20,498,4 2,944,1 (331.5) (846.9) (3,789.4)	232.8 1,225.9 (984.7) 516.3 (468.4) - (232.4) - (167.3) (1,205.2)	1,947.8 515.9 4,641.2 - - (908.8) (908.8) (93.6) (476.0) (2,069.3) (1,065.5)	719.1 5.8 729.8	397.0 166 (10.162.8)	(1.796.2) (717.8) (54.7) (2.878.7) (2.960.7) (2.960.7) 74.9 122.0 2.061.6 5.270.9	4,049.4 (41,969.6) 2,177.5 2,464.1 768.0 (32,510.6) 16,535.5 533.8 17,069.3 - 2,944.1 (1,410.8) (771.6) (476.0) (3,633.6) (6,894.5 (11,894.9)

	Historical Cost (Unaudited)	Assurance ZWLm	Insurance ZWLm	& Lending ZWLm	Management ZWLm	& Other ZWLm	Adjustments ZWLm	Total ZWLm
В1	Statement of profit or loss for the year ended 2020							
	Revenue Gross earned premiums	2,056.4	1,216.1	-	-	-	(163.2)	3,109.3
	Outward reinsurance Net earned premiums	(31.0) 2,025.4	(553.4) 662.7	-	-	-	(163.2)	(584.4) 2,524.9
	Investment income (non-banking) Banking interest and similar income	46,887.2	638.2	1,205.8 1,205.6	15.3	1,739.1	(825.5)	49,660.1 1,205.6
	Fee income, commissions and income from service contracts	68.6	58.3	1,964.1	341.1	-	(335.5)	2,096.6
	Other income Total revenue	512.9 <b>49,494.1</b>	1,359.2	1,047.6 <b>5,423.1</b>	149.3 <b>505.7</b>	594.0 <b>2,333.1</b>	(50.6) (1,374.8)	2,253.2 <b>57,740.4</b>
	Expenses Claims and benefits (including change in insurance contract							
	provisions) Reinsurance recoveries	(39,116.0) 5.3	(450.9) 157.3	-		-	14.3	(39,552.6) 162.6
	Net claims incurred	(39,110.7)	(293.6)	-	-	-	14.3	(39,390.0)
	Change in provision for investment contract liabilities Fees, commissions and other	(2,588.1)	-	-	-	-	-	(2,588.1)
	acquisition costs Banking interest expense and	(152.1)	(110.5)	(624.3)	(3.3)	-	-	(890.2)
	similar expenses Impairment charges Other operating and	-	-	(289.6) (755.3)	-	-	12.8	(276.8) (755.3)
	administration expenses	(643.6)	(273.7)	(1,344.6)	(304.0)	(750.0)	992.3	(2,323.6)
	Profit before tax Income tax expense/(credit) Profit for the year	6,999.6 (274.5) 6,725.1	(3.8) <b>677.6</b>	2,409.3 0.7 2,410.0	198.4 (27.2) 171.2	1,583.1 (79.2) 1,503.9	(355.4) 3.7 (351.7)	11,516.4 (380.3) 11,136.1
В2	Statement of profit or							
	loss for the year ended 2019  Revenue							
	Gross earned premiums Outward reinsurance	331.3 (6.4)	161.2 (95.3)	-	-	-	(19.4)	473.1 (101.7)
	Net earned premiums  Investment income (non-banking)	324.9 6,887.8	65.9 113.9	-	0.3	509.2	(19.4)	371.4 - 7,280.8
	Banking interest and similar income Fee income, commissions and income from service contracts		-	190.9 226.6	61.6	23.6	(63.5)	190.9 258.8
	Other income Total revenue	7,234.2	179.8	213.0 <b>630.5</b>	(20.5) <b>41.4</b>	20.2 <b>553.0</b>	(106.5) <b>(419.8)</b>	8,219.1
	Expenses Claims and benefits (including							
	change in insurance contract provisions)	(6,055.0)	(66.0)	-	-	-	2.2	(6,118.8)
	Reinsurance recoveries Net claims incurred	(6,053.9)	29.1 (36.9)	-	-	-	2.2	(6,088.6)
	Change in provision for investment contract liabilities	(387.5)	÷			-		(387.5)
	Fees, commissions and other acquisition costs Banking interest expense and	(26.9)	-	(99.1)	(1.3)	-	12.0	(115.3)
	similar expenses Impairment charges		= =	(81.2) (46.4)	- -	-	9.6	(71.6) (46.4)
	Other operating and administration expenses	(84.9)	(34.6)	(187.5)	(45.3)	(302.7)	290.2	(364.8)
	Profit before tax Income tax expense/(credit)	<b>681.0</b> (212.8)	108.3 (0.6)	<b>216.3</b> (0.1)	<b>(5.2)</b> (1.4)	<b>250.3</b> (7.3)	(105.8) 1.9	1,144.9 (220.3)
	Profit for the year	468.2	107.7	216.2	(6.6)	243.0	(103.9)	924.6
3.	Segment information - Inflation Adjusted	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
C1	Statement of financial position as at 31 December 2020							
	Assets Investment property	21,496.0	35.2	1,285.5		24.5		22,841.2
	Property and equipment Intangible assets Deferred acquisition costs	1,531.8	89.5 - 25.3	3,391.1 534.6	90.8 6.1	259.5 1.7	(96.5)	5,266.2 542.4 25.3
	Reinsurer contracts Investments and securities	33,433.5	217.1 722.9	3,447.8	159.6	5,700.2	(4,079.7)	217.1 39,384.3
	Deferred tax assets Current tax assets Loans and advances	40.1	18.7	7,099.4	1.5 1.7	-	(10.4)	1.5 60.5 7,089.0
	Other assets Cash and cash equivalents	614.6 1,649.0	414.4 269.3	4,194.2 5,491.1	132.3 17.1	6,756.3 139.7	(179.8)	7,089.0 12,111.8 7,386.4
	Total assets Liabilities	58,765.0	1,792.4	25,443.7	409.1	12,881.9	(4,366.4)	94,925.7
	Insurance contract liabilities Investment contract liabilities	47,024.7 3,275.0	514.9 -	-	-	-	-	47,539.6 3,275.0
	Provisions Deferred tax liabilities	102.4 218.2	33.7 30.7	231.6 198.3	46.6 2.6	49.0 86.0	(20.0)	463.3 515.8
	Current tax payables Amounts due to group companies Amounts owed to bank depositors	267.3	3.7	0.7 12.1 13,270.7	(1.0)	1.6 7,015.5 -	(233.5)	2.3 7,297.6 13,037.2
	Credit lines Other liabilities Total liabilities	158.9 <b>51,046.5</b>	363.2 <b>946.2</b>	3,178.1 1,644.4	92.8 141.0	855.4 <b>8,007.5</b>	(24.2) (742.1)	3,153.9 2,372.6
	Net assets	7,718.5	846.2	18,535.9 6,907.8	268.1	4,874.4	(3,346.6)	77,657.3 17,268.4
	Shareholders' equity Share capital and premium	1,192.6	0.4	1,586.1	354.6	-	(3,133.7)	1.570.4
	Revaluation reserve Share based payment reserve Regulatory provisions reserve	150.4	52.3 -	1,539.4 230.1	58.1	790.0	(58.2)	1,539.4 1,222.7
	Currency conversion reserve Retained earnings Equity holders of the parent	333.0 6,042.5 <b>7,718.5</b>	793.5 <b>846.2</b>	(844.3) 4,396.5 <b>6,907.8</b>	(1.4) (143.2) <b>268.1</b>	201.9 3,882.5 <b>4,874.4</b>	310.8 (795.2) <b>(3,676.3)</b>	14,176.6 <b>16,938.7</b>
	Non-controlling interests  Total equity	7,718.5	846.2	6,907.8	268.1	4,874.4	(3,676.5) 329.7 (3,346.6)	329.7 <b>17,268.4</b>
C2	Statement of financial position as at 31 December 2019							
	Assets Investment property	18,738.5	32.3	1,022.3		44.9		19,838.0
	Property and equipment Intangible assets	1,292.8	78.5 -	3,269.3 262.4	73.6 26.0	35.9 2.7	(20.2)	4,729.9 291.1
	Deferred acquisition costs Reinsurer contracts Investments and securities	24,047.1	41.7 377.7 583.6	1,733.8	- - 184.8	7.832.4	(6,897.5)	41.7 377.7 27,484.2
	Deferred tax assets Current tax assets	-	55.4	-	26.9 1.8	1.4 6.9	-	28.3 64.1
	Loans and advances Other assets Cash and cash equivalents	485.4 1,126.9	105.4 228.3	6,696.6 3,643.9 6,324.7	96.4 45.8	368.7 240.9	(14.9) (239.5) (306.9)	6,681.7 4,460.3 7,659.7
	Total assets	45,690.7	1,502.9	22,953.0	455.3	8,533.8	(7,479.0)	71,656.7
	Liabilities Insurance contract liabilities Investment contract liabilities	37,220.9 2,652.1	688.1	-	-	-	-	37,909.0 2,652.1
	Provisions Deferred tax liabilities	37.2 1,163.6	4.0 14.8	110.8 171.8	25.1 3.1	55.7 38.1	(48.3)	232.8 1,343.1
	Current tax payables Amounts due to group companies Amounts owed to bank depositors	9.9 245.4	8.1	1.8 12,295.0	0.4 17.0	0.5 698.0	(238.6) (803.9)	10.8 731.7 11,491.1
	Credit lines Other liabilities	153.4	212.5	4,050.3 1,097.7	160.3	1,837.3	(23.8) (618.9)	4,026.5 2,842.3
	Total liabilities  Net assets	41,482.5	927.5 575.4	17,727.4 5,225.6	205.9	2,629.6 5,904.2	(1,733.5)	61,239.4 10,417.3
	Shareholders' equity Share capital and premium Revaluation reserve	1,192.6	0.4	1,575.4	246.3	470.1	(3,484.8)	-
	Share based payment reserve Regulatory provisions reserve	150.4	52.3	1,297.5 230.1 25.5	89.3	1,010.2	(410.9)	1,297.5 1,121.4 25.5
	Currency conversion reserve Retained earnings Equity holders of the parent	333.0 2,532.2 <b>4,208.2</b>	53.8 468.9	(844.1) 2,941.2	1.3 (87.5)	226.2 4,197.7 <b>5,904.2</b>	(2,066.9) (5,962.6)	(229.8) 7,985.6 <b>10,200.2</b>
	Non-controlling interests  Total equity	4,208.2	575.4 575.4	5,225.6 5,225.6	249.4	5,904.2	(5,962.6) 217.1 (5,745.5)	10,200.2 217.1 10,417.3
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Historical Cost (Unaudited)



For the year ended 31 December 2020 (cont'd)

Segment information -	Life	General	Banking	Asset	Holding Co	Consolidation	
Historical cost (Unaudited)	Assurance ZWLm	Insurance ZWLm	Banking & Lending ZWLm	Management ZWLm	& Other ZWLm	Adjustments ZWLm	Tota ZWLn
1 Statement of financial position as at 31 December 2020							
Assets							
Investment property Property and equipment	21,496.0 1,464.3	35.2 32.2	1,285.6 2,708.1	42.3	24.4 53.0	(64.3)	22,841.2 4,235.6
Intangible assets		-	92.8	0.4	0.3	-	93.
Deferred acquisition costs Reinsurer contracts		17.2 171.8	-			1	17.: 171.:
Investments and securities	33,433.5	722.9	3,447.8	159.6	2,999.9	(1,379.4)	39,384.
Deferred tax assets Current tax assets	40.1	18.7	1.7	5.3 1.7	-	-	7.i 60.i
Loans and advances		-	7,099.4			(10.4)	7,089.
Other assets Cash and cash equivalents	614.6 1.649.0	391.4 269.3	2,890.2 5 491 1	117.2 17.1	6,756.3 139.7	(179.8)	10,769. 7,386.
Total assets	58,697.5	1,658.7	23,016.7	343.6	9,973.6	(1,633.9)	92,056.
Liabilities	(500) 5	1057					(5 (5)
Insurance contract liabilities Investment contract liabilities	47,024.7 3,275.0	406.3	-	_	-	1	47,431. 3,275.
Provisions	102.4	33.7	231.6	46.7	48.9		463.
Deferred tax liabilities Current tax payables	218.2	13.5	191.6 0.7	-	21.1 1.6	(7.1)	437. 2.
Amounts due to group companies	267.3	3.8	11.9	(1.0)	7,015.6	-	7,297.
Amounts owed to bank depositors Credit lines		1	13,270.7 3,178.1	1		(233.5) (24.2)	13,037. 3,153.
Other liabilities	158.9	363.2	1,089.1	92.4	855.3	(787.4)	1,771.
Total liabilities	51,046.5	820.5	17,973.7	138.1	7,942.5	(1,052.2)	76,869.
Net assets Shareholders' equity	7,651.0	838.2	5,043.0	205.5	2,031.1	(581.7)	15,187.
Share capital and premium	30.1	- 21	57.0	54.4	21.4	(141.5)	54.
Non-distributable reserve Revaluation reserve	29.8	2.1	1.5 2,358.3	0.4	21.4	(0.3)	2,358.
Share based payment reserve	3.8	1.3	5.8	1.6	62.6	(3.4)	71.
Regulatory provisions reserve Currency conversion reserve	15.6	1.7	(37.6)	(2.5)	9.6	13.2	
Retained earnings	7,571.7	833.1	2,658.0	151.6	1,937.5	(792.4)	12,359.
Equity holders of the parent Non-controlling interests	7,651.0	838.2	5,043.0	205.5	2,031.1	<b>(924.4)</b> 342.7	<b>14,844.</b> 342.
Total equity	7,651.0	838.2	5,043.0	205.5	2,031.1	(581.7)	15,187.
2 Statement of financial position as at 31 December 2019							
Assets							
Investment property	4,177.2	7.2	227.9 574.5	5.1	10.0	(7 G)	4,422. 846.
Property and equipment Intangible assets	264.0	4.9	574.5 8.1	1.0	0.3	(3.6)	846.
Deferred acquisition costs							
		1.7	-	-	-	-	1.
Reinsurer contracts	5 360 6	54.4	- - 386.5	- - 41.2	1 048 9	- - (840.5)	1. 54.
Reinsurer contracts Investments and securities Deferred tax assets	5,360.6 -	54.4 130.1	386.5 -	41.2 6.9	1,048.9 0.1	(840.5)	1. 54. 6,126. 7.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets	5,360.6 - -	54.4	-			-	1. 54. 6,126. 7. 14.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets	54.6	54.4 130.1 - 12.4 - 23.4	1,492.8 574.1	6.9 0.4 19.4	0.1 1.5 - 75.0	(3.3) (51.8)	1. 54. 6,126. 7. 14. 1,489. 694.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents	-	54.4 130.1 - 12.4 - 23.4 50.9	1,492.8 574.1 1,409.9	6.9 0.4	0.1 1.5 - 75.0 53.7	(3.3) (51.8) (68.4)	1. 54. 6,126. 7. 14. 1,489. 694. 1,707.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets	54.6 251.2	54.4 130.1 - 12.4 - 23.4	1,492.8 574.1	6.9 0.4 19.4 10.2	0.1 1.5 - 75.0	(3.3) (51.8)	1. 54. 6,126. 7. 14. 1,489. 694. 1,707.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets Liabilities	54.6 251.2	54.4 130.1 12.4 23.4 50.9 285.0	1,492.8 574.1 1,409.9	6.9 0.4 19.4 10.2	0.1 1.5 - 75.0 53.7	(3.3) (51.8) (68.4)	1. 54. 6,126. 7. 14. 1,489. 694. 1,707.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets  Liabilities Insurance contract liabilities Investment contract liabilities	54.6 251.2 10,107.6 8,237.1 591.2	54.4 130.1 12.4 23.4 50.9 285.0	1,492.8 574.1 1,409.9 <b>4,673.8</b>	6.9 0.4 19.4 10.2 84.2	0.1 1.5 - 75.0 53.7 1,190.9	(3.3) (51.8) (68.4)	1. 54. 6,126. 7. 14. 1,489. 694. 1,707. 15,373.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets  Liabilities Insurance contract liabilities Investment contract liabilities Provisions	54.6 251.2 10,107.6	54.4 130.1 - 12.4 - 23.4 50.9 <b>285.0</b> 64.7 - 0.9	1,492.8 574.1 1,409.9 <b>4,673.8</b>	6.9 0.4 19.4 10.2 <b>84.2</b>	0.1 1.5 - 75.0 53.7 1,190.9	(3.3) (51.8) (68.4) (967.6)	1. 54. 6.126. 7. 14. 1,489. 694. 1,707. <b>15,373.</b> 8.301. 591.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets Liabilities Insurance contract liabilities Provisions Deferred tax liabilities Current tax payables	54.6 251.2 10,107.6 8.237.1 591.2 8.3 256.5 2.3	54.4 130.1 12.4 - 23.4 50.9 <b>285.0</b> 64.7 - 0.9 9.7	1,492.8 574.1 1,409.9 4,673.8	6.9 0.4 19.4 10.2 84.2	0.1 1.5 75.0 53.7 1,190.9	(3.3) (51.8) (68.4) (967.6)	1. 54. 6.126. 7. 14. 1.489. 694. 1.707. <b>15,373.</b> 8,301. 591. 51. 308. 2.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets Liabilities Insurance contract liabilities Investment contract liabilities Provisions Deferred tax liabilities Current tax payables Amounts due to group companies	54.6 251.2 10,107.6 8,237.1 591.2 8,3 256.5	54.4 130.1 - 12.4 - 23.4 50.9 <b>285.0</b> 64.7 - 0.9	1,492.8 574.1 1,409.9 <b>4,673.8</b> 	6.9 0.4 19.4 10.2 <b>84.2</b> 5.6 0.1	0.1 1.5 - 75.0 53.7 1,190.9	(3.3) (51.8) (68.4) (967.6)	1. 54. 6.126. 7. 14. 1.489. 1.707. 15.373. 8.301. 591. 308. 2. 163.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets Liabilities Insurance contract liabilities Investment contract liabilities Provisions Deferred tax liabilities Current tax payables Amounts due to group companies Amounts owed to bank depositors Credit lines	54.6 251.2 10,107.6 8.237.1 591.2 8.3 256.5 2.3 53.2	54.4 130.1 12.4 23.4 50.9 285.0 64.7 	1,492.8 574.1 1,409.9 <b>4,673.8</b> 24.7 37.7 0.4 2,740.8 902.9	6.9 0.4 19.4 10.2 84.2 5.6 0.1 0.1 3.8	0.1 1.5 75.0 53.7 1,190.9	(3.3) (51.8) (68.4) (967.6) (3.3) (51.6) (179.2) (5.3)	1.7 54.4 6.126.6 7.7 14.4 1.489.1 1.707.7 15.373.1 8.301.1 591.1 308.1 2.5 1.6 3.2 561.1 897.1
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets Liabilities Insurance contract liabilities Investment contract liabilities Provisions Deferred tax liabilities Current tax payables Amounts due to group companies Amounts owed to bank depositors Credit lines Other liabilities	54.6 251.2 10,107.6 8.237.1 591.2 8.3 256.5 2.3 53.2	54.4 130.1 12.4 23.4 50.9 285.0 64.7 0.9 9.7 1.7	1,492.8 574.1 1,409.9 <b>4,673.8</b> 24.7 37.7 0,4 2,740.8 902.9 149.4	6.9 0.4 19.4 10.2 84.2 5.6 0.1 0.1 3.8	0.1 1.5 75.0 53.7 1,190.9	(3.3) (51.8) (68.4) (967.6) (3.3) (51.6) (179.2) (5.3) (314.4)	1. 54. 6.126. 7. 14. 1.489. 694. 1.707. 15,373.  8.301. 591. 308. 2. 163. 2.561. 897.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets Liabilities Insurance contract liabilities Investment contract liabilities Provisions Deferred tax liabilities Current tax payables Amounts due to group companies Amounts due to group companies Amounts owed to bank depositors Credit lines	54.6 251.2 10,107.6 8.237.1 591.2 8.3 256.5 2.3 53.2 9,181.8	54.4 130.1 12.4 23.4 50.9 285.0 64.7 0.9 9.7 1.7 47.4	1,492.8 574.1 1,409.9 <b>4,673.8</b> 24.7 37.7 0.4 2,740.8 902.9 149.4 <b>3,855.9</b>	6.9 0.4 19.4 10.2 84.2 5.6 0.1 0.1 3.8 34.1	0.1 1.5 75.0 53.7 1.190.9	(3.5) (51.8) (68.4) (967.6) (3.3) (51.6) (179.2) (5.3) (314.4) (553.8)	1. 54. 6.126. 7. 14. 1.489. 694. 1.707. 15.373. 8.301. 591. 308. 2.561. 897. 359. 13.237.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets Liabilities Insurance contract liabilities Investment contract liabilities Provisions Deferred tax liabilities Current tax payables Amounts due to group companies Amounts owed to bank depositors Credit lines Other liabilities Total liabilities Net assets Shareholders' equity	54.6 251.2 10,107.6 8.237.1 591.2 8.3 256.5 2.3 53.2 9,181.8 925.8	54.4 130.1 12.4 23.4 50.9 285.0 64.7 0.9 9.7 1.7	1,492.8 574.1 1,409.9 4,673.8 24.7 37.7 0,4 2,740.8 902.9 149.4 3,855.9	6.9 0.4 19.4 10.2 84.2 5.6 0.1 0.1 0.1 3.8 34.1 43.7	0.1 1.5 75.0 53.7 1.190.9 12.4 8.1 155.6 585.7 605.2	(3.5) (51.8) (68.4) (967.6) (53.5) (51.6) (179.2) (5.3) (314.4) (553.8)	1. 54. 6.126. 7. 14. 1.489. 694. 1.707. 15.373. 8.301. 591. 308. 2.561. 897. 359. 13.237.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets  Liabilities Insurance contract liabilities Investment contract liabilities Provisions Deferred tax liabilities Current tax payables Amounts due to group companies Amounts owed to bank depositors Credit lines Other liabilities Total liabilities Net assets Shareholders' equity Share capital and premium	54.6 251.2 10,107.6 8,237.1 591.2 8.3 256.5 2.3 53.2 9,181.8 925.8	54.4 130.1 12.4 - 23.4 50.9 <b>285.0</b> 64.7 - 0.9 9.7 - 1.7 - 47.4 <b>124.4</b>	1,492.8 574.1 1,409.9 <b>4,673.8</b> 24.7 37.7 0.4 2,740.8 902.9 149.4 <b>3,855.9</b>	6.9 0.4 19.4 10.2 84.2 5.6 0.1 0.1 3.8 34.1 43.7	0.1 1.5 75.0 53.7 1,190.9 12.4 8.1 155.6 409.6 585.7	(3.3) (51.8) (68.4) (967.6) (3.3) (51.6) (179.2) (5.3) (314.4) (553.8) (413.8)	1. 54. 6.126. 7. 14. 1,489. 694. 1,707. 15,373.  8,301. 591. 51. 308. 2. 163. 2,561. 897. 359. 13,237.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets  Liabilities Insurance contract liabilities Investment contract liabilities Provisions Deferred tax liabilities Current tax payables Amounts due to group companies Amounts due to group companies Cother liabilities Total liabilities Net assets Shareholders' equity Share capital and premium Non-distributable reserve Revaluation reserve	54.6 251.2 10,107.6 8.237.1 591.2 8.3 256.5 2.3 53.2 9,181.8 925.8	54.4 130.1 12.4 23.4 50.9 285.0 64.7 0.9 9.7 1.7 124.4 160.6	1,492.8 574.1 1,409.9 4,673.8 4,673.8 24.7 37.7 0.4 2,740.8 902.9 149.4 3,855.9 47.0 1.5 453.1	6.9 0.4 19.4 10.2 84.2 84.2 5.6 0.1 0.1 3.8 43.7 40.5	0.1 1.5 75.0 53.7 1.190.9 12.4 8.1 155.6 585.7 605.2	(3.3) (51.8) (68.4) (967.6) (3.3) (51.6) (179.2) (5.3) (314.4) (553.8) (413.8)	1. 54. 6.126. 7. 14. 1.489. 6.94. 1.707. 15.373.  8.301. 591. 51. 308. 2. 163. 2.561. 897. 359. 13,237.  2,136.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets  Liabilities Insurance contract liabilities Investment contract liabilities Provisions Deferred tax liabilities Current tax payables Amounts due to group companies Amounts owed to bank depositors Credit lines Other liabilities Total liabilities  Net assets Shareholders' equity Share capital and premium Non-distributable reserve Revaluation reserve Share based payment reserve	54.6 251.2 10,107.6 8,237.1 591.2 8.3 256.5 2.3 53.2 9,181.8 925.8	54.4 130.1 12.4 - 23.4 50.9 <b>285.0</b> 64.7 - 0.9 9.7 - 1.7 - 47.4 <b>124.4</b>	1,492.8 574.1 1,409.9 4,673.8 4,673.8 24.7 37.7 0,4 2,740.8 902.9 149.4 3,855.9 47.0 1.5 453.1 5.8	6.9 0.4 19.4 10.2 84.2 5.6 0.1 0.1 3.8 34.1 43.7	0.1 1.5 75.0 53.7 1,190.9 12.4 8.1 155.6 409.6 585.7	(3.3) (51.8) (68.4) (967.6) (3.3) (51.6) (179.2) (5.3) (314.4) (553.8) (413.8)	1. 54. 6.126. 7. 14. 1.489. 6.94. 1.707. 15.373.  8.301. 5.91. 308. 2.561. 897. 359. 13.237. 2.136.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets  Liabilities Insurance contract liabilities Investment contract liabilities Provisions Deferred tax liabilities Current tax payables Amounts due to group companies Amounts owed to bank depositors Credit lines Other liabilities Total liabilities Net assets Shareholders' equity Share capital and premium Non-distributable reserve Revaluation reserve Reyalatory provisions reserve Regulatory provisions reserve Currency conversion reserve	54.6 251.2 10,107.6 8.237.1 591.2 8.3 256.5 2.3 53.2 9,181.8 925.8	54.4 130.1 12.4 23.4 50.9 285.0 64.7 0.9 9.7 1.7 1.7 47.4 124.4 160.6	1,492.8 574.1 1,409.9 4,673.8 24.7 37.7 0,4 2,740.8 902.9 149.4 3,855.9 47.0 1.5 453.1 5.8 5.7 (37.5)	6.9 0.4 19.4 10.2 84.2 84.2 5.6 0.1 0.1 3.8 43.7 40.5	0.1 1.5 75.0 53.7 1.190.9 12.4 8.1 155.6 409.6 588.7 605.2	(3.3) (51.8) (68.4) (967.6) (3.3) (51.6) (179.2) (5.3) (314.4) (553.8) (413.8) (176.5) (0.6)	1. 54. 6.126. 7. 14. 1.489. 6.94. 1.707. 15.373.  8.301. 591. 308. 2. 163. 2.561. 897. 359. 2.136.
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets Liabilities Insurance contract liabilities Investment contract liabilities Provisions Deferred tax liabilities Current tax payables Amounts due to group companies Amounts due to group companies Amounts owed to bank depositors Credit lines Other liabilities Total liabilities Net assets Shareholders' equity Share capital and premium Non-distributable reserve Revaluation reserve Revaluation reserve Regulatory provisions reserve Currency conversion reserve Retained earnings	54.6 251.2 10.107.6 8.237.1 591.2 8.3 256.5 2.3 53.2 9.181.8 925.8 30.1 29.8 3.8 1.5 1.5 1.5 1.5 1.5	54.4 130.1 12.4 23.4 50.9 285.0 64.7 0.9 9.7 - 1.7 - 2.1 124.4 160.6	1,492.8 574.1 1,409.9 4,673.8 24.7 37.7 0,4 2,740.8 817.9 47.0 1.5 453.1 5.8 5.7 (37.5)	6.9 0.4 19.4 10.2 84.2 5.6 0.1 0.1 3.8 34.1 43.7 40.5 41.3 0.7 - 2.3 (2.6) (1.2)	0.1 1.5 75.0 53.7 1.190.9 12.4 8.1 155.6 585.7 605.2 58.1 21.4 9.1 9.1 444.8	(3.5) (51.8) (68.4) (967.6) (53.3) (51.6) (179.2) (5.3) (314.4) (553.8) (413.8) (176.5) (0.6) (22.9)	1.7 54.4 6.126.6 7.7 14.4 1.489.1 6.94.1 1.707.1 15.373.3 8.301.8 591.1 51.3 308.1 2.1 63.2,561.1 8.977.3 59.2 1.337.2 54.4 55.3 62.5 62.5 62.5 62.5 63.5 63.5 63.5 63.5 63.5 63.5 63.5 63
Reinsurer contracts Investments and securities Deferred tax assets Current tax assets Loans and advances Other assets Cash and cash equivalents Total assets  Liabilities Insurance contract liabilities Investment contract liabilities Provisions Deferred tax liabilities Current tax payables Amounts due to group companies Amounts owed to bank depositors Credit lines Other liabilities Total liabilities Net assets Shareholders' equity Share capital and premium Non-distributable reserve Revaluation reserve Reyalatory provisions reserve Regulatory provisions reserve Currency conversion reserve	54.6 251.2 10,107.6 8.237.1 591.2 8.3 256.5 2.3 53.2 9,181.8 925.8 30.1 29.8 3.8	54.4 130.1 12.4 23.4 50.9 285.0 64.7 0.9 9.7 1.7 1.7 47.4 124.4 160.6	1,492.8 574.1 1,409.9 4,673.8 24.7 37.7 0,4 2,740.8 902.9 149.4 3,855.9 47.0 1.5 453.1 5.8 5.7 (37.5)	6.9 0.4 19.4 10.2 84.2 84.2 5.6 0.1 0.1 3.8 34.1 43.7 40.5 41.3 0.7 2.3 (2.6)	0.1 1.5 75.0 53.7 1.190.9 12.4 8.1 155.6 409.6 588.7 605.2	(3.3) (51.8) (68.4) (967.6) (3.3) (51.6) (179.2) (5.3) (314.4) (553.8) (413.8) (176.5) (0.6)	1.7 54.4 6.126, 6.126, 7.7 14.4 1.489, 6.94, 1.707, 15.373, 15.373, 15.373, 15.373, 16.3 2.163, 2.561, 8.97, 3.59, 16.3 2.163, 2.561, 6.5, 16.3 2.136, 16.3 2.136, 16.3 13.237, 2.5, 16.3 13.237, 16.3 17.3 18.3 18.3 18.3 18.3 18.3 18.3 18.3 18

		Inflation 31-Dec-20	n Adjusted 31-Dec-19	Historical Co 30-Dec-20	st (Unaudited) 31-Dec-19
		ZWLm	ZWLm	ZWLm	ZWLm
4	Gross earned premiums				
	Gross premiums				
	Single	11.4	44.4	3.6	4.1
	Recurring	88.4	252.6	52.4	23.1
	Individual business	99.8	297.0	56.0	27.2
	Single	1,008.9	1,219.7	728.5	111.7
	Recurring	1,890.8	2,099.8	1,271.9 <b>2,000.4</b>	192.4 <b>304.1</b>
	Group business General insurance	2,899.7 2,000.8	3,319.5 1,429.2	2,000.4 1.052.9	304.1 141.8
	Total gross premiums	5,000.3	5,045.7	3,109.3	473.1
	Comprising:				
	Insurance contracts	584.6	935.8	380.2	78.8
	Investment contracts with discretionary				
	participating features	2,414.9	2,680.7	1,676.2	252.5
	General insurance Total gross earned premiums	2,000.8 <b>5.000.3</b>	1,429.2 <b>5.045.7</b>	1,052.9 <b>3.109.3</b>	141.8 <b>473.1</b>
		3,000.0	5,0 10.7	5,105.5	170.1
5	Investment income (non banking)				
	Dividend income				
	Financial assets at fair value through profit or loss	1,000.2	1,935.4	869.4	181.1
	Interest income Cash and cash equivalents	77.9	338.8	52.4	20.8
	casif and casif equivalents	77.5	330.0	52.4	20.0
	Net rental income	600.0	75//	(20.0	20.8
	Investment property Realised gains and losses	600.9	354.4	420.9	20.8
	Financial assets at fair value through profit or loss	2,633.3	2,784.1	2,553.3	305.6
	Unrealised gains and losses	7 770 7	7 502 3	107010	3 904 1
	Investment property Financial assets at fair value through profit or loss	3,330.3 8,298.7	(54.884.6)	18,701.0 27.063.1	2.848.4
	Thianelal assets at lan value through pront of loss	11,629.0	(47,382.3)	45,764.1	6,752.5
	Total investment returns included in income statement	15,941.3	(41.969.6)	49.660.1	7,280.8
	income statement	15,941.5	(41,969.6)	49,000.1	7,200.0
6	Banking interest and similar income				
	Interest and similar income				
	Loans and advances				
	Investments Loans and advances	138.5 1,731.5	267.2 1,910.3	97.7 1,107.9	19.6 171.3
	Total interest and similar income	1,870.0	2,177.5	1,205.6	190.9
	Comprising: Financial assets at amortised cost	1.870.0	2.177.5	1.205.6	190.9
	Thancial assets at amortised cost	1,070.0	2,177.5	1,203.0	130.5
	Interest Expense:	(77.4.0)	(======	(03.0.5)	//
	Credit lines Money market deposits	(334.8) (132.6)	(385.8)	(212.5) (61.2)	(42.5) (27.6)
	Savings deposits	(5.9)	(20.4)	(3.1)	(1.5)
	Total interest expense	(473.3)	(771.6)	(276.8)	(71.6)
	Comprising:				
	Financial liabilities at amortised cost	(473.3)	(771.6)	(276.8)	(71.6)
	Net interest income	1,396.7	1.405.9	928.8	119.3
	Net Interest Income	1,596.7	1,405.9	928.8	119.5

	_		n Adjusted	Historical Cos	
		31-Dec-20 ZWLm	31-Dec-19 ZWLm	31-Dec-20 ZWLm	31-Dec-19 ZWLm
	ee income, commissions and income				
f	rom service contracts				
	Banking operations: Commissions	1.175.1	897.1	774.4	101.0
	Service fees	1,175.1 798.5	419.0	582.2	101.8 43.5
	Administration fees	775.4	624.2	497.5	63.8
	otal fee income and commission from	775.4	024.2	457.5	05.0
	panking operations	2,749.0	1,940.3	1,854.1	209.
L	ong term business	58.8	118.5	38.6	10.6
A	Asset management business	350.6	405.3	203.9	39.
		3,158.4	2,464.1	2,096.6	258.8
C	Claims and benefits				
	Claims and benefits (including change				
	n insurance contract provisions):				
	ncrease in insurance contract provisions	10,451.1	(20,633.0)	36,845.5	5,674.
	Gross claims expenses refer to analysis in note 8.1 below)	2,672.8	3,143.9	1,754.3	232.1
	Shadow accounting to revaluation reserve	2,072.0	3,143.9	1,754.5	232.
	see note 9.1 below)	129.7	953.6	952.8	212.6
		13,253.6	(16,535.5)	39,552.6	6,118.8
,	Analysis of claims expenses				
	ndividual business	61.9	61.9	37.1	8.3
	Death and disability benefits	13.0	16.6	10.7	1.1
	Maturity benefits	12.2	22.0	5.9	3.
S	Gurrenders	36.7	23.3	20.5	3.5
c	Group business	1.885.2	2.097.2	1.280.6	160.0
	Death and disability benefits	147.7	766.1	112.9	18.9
	Pension commutations, maturities and				
	vithdrawal benefits	1,049.3	712.8	679.2	92.1
	Annuities	344.7	441.1	212.9	37.0
	Surrenders General insurance	343.5 725.7	177.2 984.8	275.6 436.6	12.0
	otal claims and benefits	2.672.8	3.143.9	1.754.3	232.1
ĺ		2,072.0	0,1 1010	1,70 110	
	Comprising:				
	nsurance contracts	160.8	223.1	123.7	19.9
	nvestment contracts with discretionary	1.786.3	1.936.0	1.194.0	148.4
	participating features General insurance	725.7	984.8	1,194.0 436.6	63.8
	otal claims and benefits payable	2,672.8	3,143.9	1,754.3	232.1
	Change in provision for investment contract liabilities		·		
	nvestment contracts ncrease in investment contract liabilities	616.7	(3.016.0)	2.516.4	371.5
	Shadow accounting to revaluation reserve	010.7	(5,010.0)	2,510.4	3/1.5
	see note 9.1 below)	9.8	71.9	71.7	16.0
1.		626.5	(2,944.1)	2,588.1	387.5
	Shadow accounting				
	nsurance contracts	129.7	953.6	952.8	212.6
	nvestment contracts	9.8	71.9	71.7	16.0
Т	otal	139.5	1,025.5	1,024.5	228.6

Shadow accounting is an adjustment, permitted by IFRS 4 'Insurance contracts', to allow for the impact of recognising unrealised gains or losses on insurance assets and liabilities in a consistent manner to the recognition of the unrealised gain or loss on property that have a direct effect on the measurement of the related insurance assets and liabilities.

		Inflatio	n Adjusted	Historical (	Cost (Unaudited)
		31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
		ZWLm	ZWLm	ZWLm	ZWLm
10	Other operating and administration expenses				
	Administrative expenses	233.6	730.8	144.9	73.3
	Office space costs	239.6	100.5	157.5	16.6
	Fees and levies	97.2	134.1	62.5	26.7
	Insurance	57.1	64.6	28.6	10.0
	Actuarial and consultancy fees	68.8	75.8	28.9	5.4
	Advertising and marketing	111.3	78.5	69.0	11.6
	Software licensing	287.6	179.4	190.6	28.8
	Depreciation and amortisation	411.7 <b>1.506.9</b>	648.2 <b>2.011.9</b>	77.8 <b>759.8</b>	17.2 189.6
	Auditors' remuneration	1,506.9	2,011.9	759.0	109.0
	Statutory audit services - current year	120.2	68.9	120.2	15.3
	Staff costs				
	Wages and salaries	1,308.5	1,100.4	840.4	81.2
	Retirement obligations	45.9	43.4	28.1	3.6
	Social security costs	9.9	15.7	7.5	1.2
	Bonus and incentive remuneration	280.7	131.9	280.7	29.4
	Share based payments Other staff costs	14.0 226.5	25.1 75.8	14.0 145.6	5.6 13.2
	Other stall costs	1.885.5	1.392.3	1.316.3	134.2
	Other	1,865.5	1,392.3	1,310.3	25.7
	o their	3,675.7	3,633.6	2,323.6	364.8
11	Investment property				
		10.070.0	11.555	/ / 22 7	/115
	Carrying amount at beginning of year Transfers in	19,838.0 41.1	11,565.5	4,422.3 4.7	411.5
	Additions	43.9	739.7	4.7 37.5	104.0
	Fair value of property under development	43.9	759.7 35.9	37.3	3.2
	Disposal	(412.1)	(5.4)	(324.3)	(0.5)
	Gain/(loss) from fair value adjustments	3,330,3	7.502.3	18.701.0	3.904.1
	San (1995) North Ian Value dajastinents	0,000.0	7,002.0	10,701.0	0,50
	Carrying amount at end of year	22,841.2	19,838.0	22,841.2	4,422.3
	Comprising:				
	Freehold property	22,841.2	19,838.0	22,841.2	4,422.3
	The fair value of freehold property leased to third				
	parties under operating leases	21,243.6	11,936.5	21,243.6	2,660.9
	parties under operating leases	21,243.0	11,930.5	21,243.6	2,000.9
	Rental income from investment property	1,170.7	935.3	824.1	79.6
	Direct operating expenses arising from rented-out				
	investment property	(569.8)	(580.9)	(403.2)	(58.8)
		600.9	354.4	420.9	20.8

The carrying amount of investment property as well as owner occupied property is the fair value of property as determined annually by internal professional valuers, having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The recorded values are tested by comparing with values determined by independent external valuers for a sample of properties accounting for at least 65% of the total value of the property portfolio, or for at least the top twenty-five buildings by value.

Kev assumptions applied in the valuation process include

- ey assumptions applied in the valuation process include:
  Rental yields, are benchmarked to USD rentals due to the difficulty in making forward looking assumptions in ZWL, on account of the current hyperinflationary environment.
  The underlying property valuation has been performed in USD as property valuation standards require valuations to be performed in a stable measuring unit.
  USD valuation is converted to ZWL at the prevailing interbank rate.
  It has been assumed that current economic conditions will endure for not more than 8 years.

The Property Market has remained subdued characterised by the following: Thin asset market transactions. In view of this, we have maintained the previous cap rates used during USD era

The Group's current lease arrangements, which are entered into on an arm's length basis and which are comparable to those for similar properties in the same location, are taken into account. Rentals are reviewed regularly in response to inflation.

Fair Value Hierarchy
The fair value of the Group's properties are categorised into Level 3 of the fair value hierarchy through their use of unobservable units. The following table shows the valuation techniques used in the determination of the fair values for investment properties, as well as the unobservable inputs used in the valuation models.

Historical Cost (Unaudit



### **Notes to the Consolidated Abridged Audited Financial Statements**

For the year ended 31 December 2020 (cont'd)

#### **Key Valuation inputs**

The table below sets out information about significant unobservable inputs used at year end in measuring investment properties categorised at level 3:

Type of Property	Key unobservable inputs	Interrelationship between unobservable inputs and key fair value measurement	Value ZWL
Commercial, retail and industrial properties  Owner occupied properties  Valuation approach: Income capitalisation	Office  - Capitalisation rates: 8% to 10%  - Market rentals per m2: US\$2.00 to US\$5.00  - Vacancy rates: 0.00% to 80.00%  Retail  - Capitalisation rates: 7.00% to 10.50%  - Market rentals per m2: US\$5.00 to US\$12.00  - Vacancy rates: 0.00% to 10.00%  Industrial  - Capitalisation rates: 10.00% to 12.00%  - Market rentals per m2: US\$0.40 to US\$4.00  - Vacancy rates: 0.00% to 5.00%	The estimated fair value would increase if net rental income increased - capitalisation rates decreased - vacancies decreased - transmitted fair value would decrease if unobservable inputs changed the other way.	\$17,589m
Residential  Valuation approach: Direct comparison/Market approach	Rentals per month: US\$200 to US\$2,000	The estimated fair value would increase if prices for comparable properties increased.	\$44m
Near vacant properties  Valuation approach: Direct comparison/Market approach*	Land value per m2: US\$46	The estimated fair value would increase if prices for comparable properties increased.	\$5,208m

1.1 Sensitivity Analysis - Exchange rates	At Valuation	Translated @	50%	75%
	31 Dec 2020	1:81.7866	Depreciation	Depreciation
	US\$m	ZWLm	ZWLm	ZWLm
Investment Property Fair value gains Impact on profit/(loss) and Net Asset Value	279.3 15.9	22,841.2 18,701.0 1,623.7	34,351.2 30,211.0 2,664.6	39,936.8 35,796.6 3,157.3

The US dollar value of the property portfolio grew by 6% from US\$263,4 million to US\$279,3 million, attributable to improved rental yields. On a comparative basis the 2019 values went down by 36% from \$411.5 million to \$263.4 million attributable to the adverse impact of change in currency on rental yields. The table below shows a sensitivity analysis of the property values.

#### 11.2 Sensitivity Analysis - Valuation inputs

	At Valuation	Translated @	Profit/Loss &
	31 Dec 2020	1:81.7866	Net Asset Value
	US\$m	ZWLm	ZWLm
A 1% increase in capitalisation rates would decrease the fair value by: A 1% decrease in capitalisation rates would increase the fair value by: A 10% increase in market rentals per m2 would increase the fair value by: A 10% decrease in market rentals per m2 would decrease the fair value by:	(25.1)	(2,055.7)	(181.3)
	30.7	2,512.5	221.6
	14.0	1,142.1	100.7
	(14.0)	(1,142.1)	(100.7)

A 10% decrease in market rentals per m2 v	ould decrease the fair value by:	(14.0)	(1,142.1)	(100.7)
	Inflatio	n Adjusted	Historical Cos	st (Unaudited)
	31-Dec-20 ZWLm	31-Dec-19 ZWLm	31-Dec-20 ZWLm	31-Dec-19 ZWLm
12 Investments and securities				
12.1 Analysis of investments				
Equity securities - listed	29,895.8	21,133.1	29,895.8	4,711.0
- unlisted	5.129.4	2.754.8	5.129.4	614.1
Total Equities	35,025,2	23.887.9	35,025.2	5,325.1
Unit trust investments	7.0	51.6	7.0	11.5
Public sector securities	-	52.8	-	11.8
Treasury bills	2,202.0	612.8	2,202.0	136.6
Deposits and money market securities	2,150.1	2,879.1	2,150.1	641.8
	39,384.3	27,484.2	39,384.3	6,126.8
12.2 Spread of equity securities by sector				
Commodities	9.020.2	1.545.8	9.020.2	344.6
Consumer	9.372.0	4.737.1	9.372.0	1.056.0
Financial	10.032.2	14.562.6	10.032.2	3.246.3
Property	468.5	196.9	468.5	43.9
Manufacturing	2.996.3	1.457.0	2.996.3	324.8
Mining	1,568.4	289.3	1,568.4	64.5
Communications	1,567.6	1,099.2	1,567.6	245.0
	35,025.2	23,887.9	35,025.2	5,325.1
12.3 Movements of investment and securitie				
Opening balance	27,484.2	77,391.6	6,126.8	2,795.3
Fair value movements through profit or I		(54,884.6)	29,668.8	2,848.4
Additions	7,279.0	17,064.4	5,125.6	1,656.3
Disposals	(2,003.2)	(7,113.7)	(445.3)	(690.5)
Maturities	(4,385.6) <b>39,384.3</b>	(4,973.5)	(1,091.6)	(482.7)
Closing balances	39,384.3	27,484.2	39,384.3	6,126.8

### 12.4 Investment in unlisted equities above 20% shareholding

	31-Dec-20		31-D	ec-19
Investee	% holding	Value ZWLm	Inflation Adjusted ZWLm	Historical Cost (Unaudited) ZWLm
Takura Fund II (Limited Partner) "B Shares"				
(held by Shareholders and OMLAC Main Fund) Africa Takura Ventures-Fund 1 "M Shares"	40%	1,624.3	1,447.6	322.7
(held by Shareholders and OMLAC Main Fund)	26%	_	0.4	0.1
Nedbank Zimbabwe (held by Shareholders) Lake Harvest	20%	59.4	120.7	26.9
(held by Shareholders and OMLAC Main Fund)	26%	3.6	16.1	3.6
Lobels Holdings Limited (held by OMLAC Main Fund) Manica Board and Doors (MBD)	49%	961.5	643.7	143.5
(held by OMLAC Main Fund) Kupinga Renewable Energy	56%	107.3	51.6	11.5
(held by OMLAC Main Fund)	40%	149.0	139.5	31.1
Closefin (held by OMLAC Main Fund)	21%	173.6	81.2	18.1
Plaza Bakery (held by OMLAC Main Fund)	49%	6.3	18.4	4.1
Zimcampus preference shares	28%	340.9	99.6	22.2
Solgas ordinary shares (held by OMLAC Main Fund)	49%	4.6	17.9	4.0
Solgas preference shares (held by OMLAC Main fund) Richaw Solar Tech ordinary shares	100%	52.9	14.4	3.2
(held by OMLAC Main Fund) Richaw Solar Tech preference shares	49%	3.3	14.8	3.3
(held by OMLAC Main Fund)	64%	-	0.4	0.1
Harava Solar Park (held by OMLAC Main Fund) Takura Fund III (Limited Partner) "D Shares"	27%	2.5	11.2	2.5
(held by Shareholders and OMLAC Main Fund)	74%	430.7	77.2	17.2
Tenpill (held by Shareholders and OMLAC Main Fund)	26%	604.2	-	-
		4,524.1	2,754.7	614.1

Underlying private equity valuations are performed in USD. The absence of an active market in ZWL impacts on price discovery mechanisms. There is also an inherent difficulty in making forward looking valuation assumptions in ZWL on account of present inflationary conditions. In addition, the multi-currency environment has meant that many investee companies generate cashflows in more than one currency with pricing referenced to a USD value. This makes underlying valuations in USD appropriate. The valuations are converted to ZWL at the prevailing interbank exchange rate.

The Group has accounted for unlisted investments of this nature on the basis of IFRS 9, as Financial Assets at Fair Value through Profit or Loss, notwithstanding of the percentage holding in each entity. The above investments which originate from the investments of policyholder funds, with the exception of the investment in Nedbank Zimbabwe, are invested into investment linked insurance funds and funds which operate like unit trust which are managed on a fair value basis. These funds back investment contracts with discretionary participating features.

The Group has not consolidated the investment in MBD as management concurred that the investment in MBD is not material. Nedbank Zimbabwe has not been equity accounted, but has been fair valued as per IFRS 9. The Group is not represented on the Nedbank Zimbabwe Board, does not have significant transactions with Nedbank Zimbabwe and as such, the directors do not believe that OMZIL is in a position to exercise significant influence over Nedbank Zimbabwe, notwithstanding the size of the shareholding.

		minute	IIIIIddioii Adjusted		cost (oridadited)
		31-Dec-20 ZWLm	31-Dec-19 ZWLm	31-Dec-20 ZWLm	31-Dec-19 ZWLm
		ZVVLIII	ZVVLIII		ZVVLIII
12.5	Treasury bills maturity analysis				
	On demand to 3 months	1,240.7	36.8	1,240.7	8.2
	3 months to 12 months	952.7	551.5	952.7	122.9
	1 year to five years	8.6	24.5	8.6	5.5
	Total	2,202.0	612.8	2,202.0	136.6
		· · · · · · · · · · · · · · · · · · ·			

Inflation Adjusted

The table below shows the investments and securities sensitivity analysis

#### 12.6 Sensitivity Analysis - Listed equities

Equities - after decrease 29.895.8 23.916.6 14.947.9 7.474.0		31 Dec 2020 reported value	+/- 20% stock movement	+/- 50% stock movement	+/- 75% stock movement
Impact on profit and Net Asset Value 5,055.2 1,405.1 3,512.8 5,269.1	Equities - after decrease Increase/Decrease in fair value movement	29,895.8 29,616.0	23,916.6 5,979.2	14,947.9 14,947.9	52,317.7 7,474.0 22,421.9 5,269.1

The Group has significant holdings in equities, consequently any movement in the market index will have a significant impact on reported profits for the year

13

Impact on

Movement of fair value of listed shares

Subsequent to year end, the value of the Zimbabwe Stock Exchange (ZSE) all share index had increased by about 76%. This subsequent increase in ZSE price resulted in Croup's listed equities increasing by ZWL22.7bn as at 30 April 2021, while profits for that period have been positively impacted by ZWL6.8bn on a historical cost basis. The Group's subsidiaries remain well capitalised.

	Inflatio	on Adjusted	Historical C	ost (Unaudited)
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	ZWLm	ZWLm	ZWLm	ZWLm
Loans and advances				
Concentration - gross loans and advances				
Housing	428.7	1,045.2	428.7	233.0
Unsecured personal loans	628.9	981.5	628.9	218.8
Commercial and industrial	6,587.8	4,915.2	6,587.8	1,095.7
Gross loans and advances	7,645.4	6,941.9	7,645.4	1,547.5
Less provision for impairment	(556.4)	(260.2)	(556.4)	(58.0)
Net loans and advances	7,089.0	6,681.7	7,089.0	1,489.5
Maturity analysis - gross and loans advances				
On demand to 3 months	1,285.8	889.1	1,285.8	198.2
3 months to 12 months	2,120.7	1,832.0	2,120.7	408.4
1 year to 5 years	4,152.6	4,023.4	4,152.6	896.9
Over 5 years	86.3	197.4	86.3	44.0
	7,645.4	6,941.9	7,645.4	1,547.5
Non performing loans	31.5	141.3	31.5	31.5
Analysis of past due but not impaired				
30 to 60 days past due	122.0	19.7	122.0	4.4
61 to 90 days past due	776.0	206.8	776.0	46.1
	898.0	226.5	898.0	50.5

#### 13.1 Sectoral analysis of loans and advances

The business monitors concentrations of credit risk on loans and advances by sector. An analysis of concentrations of credit risk from loans and advances at the balance sheet date is shown below

	Inflation	n Adjusted	Historical Co	st (Unaudited)
	31-Dec-20 ZWLm	31-Dec-19 ZWLm	31-Dec-20 ZWLm	31-Dec-19 ZWLm
Sector				
Agriculture	3,802.2	2,159.8	3,802.2	481.5
Construction, Transport & Communication	144.8	5.8	144.8	1.3
Distribution	838.4	697.6	838.4	155.5
Financial Service	9.0	16.6	9.0	3.7
Manufacturing	1,614.6	1,821.8	1,614.6	406.1
Mortgages	452.0	1,047.0	452.0	233.4
Private/Individuals	710.4	1,020.5	710.4	227.5
Services	74.0	172.8	74.0	38.5
	7,645.4	6,941.9	7,645.4	1,547.5

### 13.2 Impairment and credit quality analysis

### Inflation adjusted 2020

	Cubinessa	12 month	Subject to lifetime ECL					
		CL	Not credit	impaired	Credit i	mpaired	То	tal
	Gross carrying amount	Allowance for ECL						
As at 1 January 2020	6,351.6	(120.0)	356.0	(7.2)	234.3	(133.0)	6,941.9	(260.2)
	9,959.7	(788.3)	2,250.3	(224.1)	259.2	6.9	12,469.2	(1,005.5)
Originations, purchases and interest accruals	12,204.2	(850.4)	-	-	-	-	12,204.2	(850.4)
Repayments & other derecognitions, excl write-offs	(517.1)	25.4	813.3	0.6	(31.3)	15.0	264.9	41.0
Transfer to 12 month ECL	36.0	(1.9)	(30.3)	1.6	(5.5)	1.2	0.2	0.9
Transfer to lifetime ECL (not credit impaired)	(1,475.3)	222.4	1,475.3	(222.7)	(0.2)	0.1	(0.2)	(0.2)
Transfer to lifetime ECL (credit impaired)	(288.1)	10.3	(8.0)	4.5	296.2	(16.4)	0.1	(1.6)
Changes to model & risk parameters used for ECL calculation	-	(194.1)	-	(8.1)	-	7.0	-	(195.2)
Inflation adjustment	(10.015.6)	484.2	(1.420.4)	117.8	(329.7)	107.3	(11,765,7)	709,3
As at 31 December 2020	6.295.7	(424.1)	1,185.9	(113.5)	163.8	(18.8)	7.645.4	(556.4)
As at 31 December 2020	6,295.7	(424.1)	1,185.9	(113.5)	163.8	(18.8)	7,645.4	(556.4)

### Inflation adjusted 2019

	Inflation adjusted 2019							
	Subject to lifetime ECL							
		ECL		impaired	Credit i	mpaired	То	tal
	Gross carrying amount	Allowance for ECL						
As at 1 January 2019	18,912.1	(242.7)	2,434.9	(196.0)	1,435.0	(565.7)	22,782.0	(1,004.4)
	10,974.8	(382.0)	(117.0)	79.6	(167.7)	15.8	10,690.1	(286.6)
Originations, purchases and interest accruals	14,828.9	(519.2)	-	-	-	-	14,828.9	(519.2)
Repayments & other derecognitions, excl write-offs	(3,685.2)	99.7	(250.5)	28.9	(203.2)	63.3	(4,138.9)	191.9
Transfer to 12 month ECL	747.4	(5.5)	(682.9)	79.7	(64.3)	11.7	0.2	85.9
Transfer to lifetime ECL (not credit impaired)	(822.8)	16.6	845.6	(27.9)	(22.8)	6.5	-	(4.8)
Transfer to lifetime ECL (credit impaired)	(93.5)	14.0	(29.2)	1.5	122.6	(62.0)	(0.1)	(46.5)
Changes to model & risk parameters used for ECL calculation	-	12.4	-	(2.6)	-	(3.7)	-	6.1
Inflation adjustment	(23,535.3)	504.7	(1,961.9)	109.2	(1,033.0)	416.9	(26,530.2)	1,030.8
As at 31 December 2019	6,351.6	(120.0)	356.0	(7.2)	234.3	(133.0)	6,941.9	(260.2)



For the year ended 31 December 2020 (cont'd)

Historical Cost (Unaudited) 202				
	Historical	Cost	(Unaudited)	2020

	Subject to	12 month		Subject to I	lifetime ECL			
		CL	Not credit	impaired	Credit impaired		Total	
	Gross carrying amount	Allowance for ECL	Gross carrying amount	carrying Allowance ca		Allowance for ECL	Gross carrying amount	Allowance for ECL
As at 1 January 2020	1,432.5	(41.9)	79.4	(1.5)	35.6	(14.6)	1,547.5	(58.0)
	4,863.2	(382.2)	1,106.5	(112.0)	128.2	(4.2)	6,097.9	(498.4)
Originations, purchases and interest accruals	5,968.3	(412.2)	-	-	-	-	5,968.3	(412.2)
Repayments & other derecognitions, excl write-offs	(260.3)	12.4	397.7	0.3	(15.3)	7.4	122.1	20.1
Transfer to 12 month ECL	17.6	(0.9)	(14.9)	(3.7)	(2.7)	0.9	-	(3.7)
Transfer to lifetime ECL (not credit impaired)	(721.5)	108.8	727.7	(108.8)	(0.1)	-	6.1	-
Transfer to lifetime ECL (credit impaired)	(140.9)	4.7	(4.0)	2.2	146.3	(7.6)	1.4	(0.7)
Changes to model & risk parameters used for ECL calculation	-	(95.0)	-	(2.0)	-	(4.9)	-	(101.9)
As at 31 December 2020	6,295.7	(424.1)	1,185.9	(113.5)	163.8	(18.8)	7,645.4	(556.4)

#### Historical Cost (Unaudited) 2019

	Cultinat to	12	Subject to lifetime E			fetime ECL			
		12 month CL	Not credit impaired		Credit impaired		Total		
	Gross carrying amount	Allowance for ECL							
As at 1 January 2019	677.6	(9.5)	87.4	(7.0)	52.3	(20.3)	817.3	(36.8)	
	754.9	(32.4)	(8.0)	5.5	(11.4)	1.1	735.5	(25.8)	
Originations, purchases and interest accruals	1,016.5	(41.6)	-	-	-	-	1,016.5	(41.6)	
Repayments & other derecognitions, excl write-offs	(250.2)	6.7	(17.0)	2.0	(13.8)	4.3	(281.0)	13.0	
Transfer to 12 month ECL	50.8	(0.4)	(46.4)	5.4	(4.4)	0.8	-	5.8	
Transfer to lifetime ECL (not credit impaired)	(55.9)	1.1	57.4	(1.8)	(1.5)	0.4	-	(0.3)	
Transfer to lifetime ECL (credit impaired)	(6.3)	1.0	(2.0)	0.1	8.3	(4.2)	-	(3.1)	
Changes to model & risk parameters used for ECL calculation	-	0.8	-	(0.2)	-	(0.2)	-	0.4	
Write-Offs	-	-	-	-	(5.3)	4.6	(5.3)	4.6	
As at 31 December 2019	1,432.5	(41.9)	79.4	(1.5)	35.6	(14.6)	1,547.5	(58.0)	

75.4 (1.5	, 55.0	(14.0) 1,547.	.5 (56.6)
Inflatio	n Adjusted	Historical Cos	st (Unaudited)
31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
ZWLm	ZWLm	ZWLm	ZWLm
495.1	35.0	495.1	7.8
1,410.2	1,007.5	882.5	58.4
652.8	720.0	21.6	61.3
816.4	1,110.3	816.4	247.5
8,142.3	1,165.0	8,142.3	259.7
160.0	239.5	160.0	53.4
435.0	183.0	251.8	6.6
12,111.8	4,460.3	10,769.7	694.7
			,
101.5	131.1	101.5	29.2
8,210.6	2,067.3	8,210.6	460.9
8,312.1	2,198.4	8,312.1	490.1
(169.8)	(1,033.4)	(169.8)	(230.4)
8,142.3	1,165.0	8,142.3	259.7
	Inflatio   31-Dec-20   2WLm   495.1   1.410.2   652.8   816.4   8.142.3   160.0   435.0   12,111.8   101.5   8.210.6   8,312.1   (169.8)	Inflation Adjusted   31-Dec-20   31-Dec-20   ZWLm   ZWLm	Inflation Adjusted   31-Dec-20   31-Dec-29   31-Dec-20   31-Dec-20   2WLm   2WLm   31-Dec-20   31-De

On the 24th of June 2019, the Government issued Statutory Instrument 142 (SI 142) which was followed up by the Reserve Bank of Zimbabwe ("RBZ")'s Exchange Control Directive RU/102 of 2019 which directed authorised dealers to transfer to the RBZ, Zimbabwe Dollar balances at an exchange rate of ZWL1:US\$1 in relation to foreign currency legacy debts to be stered with the RBZ.

Legacy Debts registration process	20	20	2019		
	Approved USD	Application outcome pending USD	Approved USD	Application outcome pending USD	
External lines of credit Amounts owing to related parties Amounts owing to 3rd parties Amounts utilised during the year	26.4 83.8 - (8.7)	5.1 3.9 -	25.2 - - -	89.3 4.0	
	101.5	9.0	25.2	93.3	

The Group made applications relating to amounts incurred in USD between 2012 and 2018, when the functional currency was USD and prior to promulgation of SI 33 of February 2019, to providers of offshore lines of credit as well as related parties within the wider Old Mutual Limited Group.

CABS obtained approval for US\$26.4m during 2020 (US\$25.2m in 2019). During 2020, OMZIL, also got approval for US\$83.8m in respect of unremitted dividends (US\$32.1m), payables for the indigenisation transaction (US\$50m) and management fees (US\$1.7m). Following the approval for OMZIL, ZWL\$32.1m was then transferred to the RBZ in April 2020. ZWL50m relating to the indigenisation transaction was transferred in May 2020 and the remaining ZWL1.7m was transferred in June 2020. CABS recognised a foreign currency denominated financial instrument in the 2019 financial results in respect of the funds transferred to the RBZ as a legitimate expectation to receive foreign currency had been created, with exchange gains and losses as well as credit losses being recognised in the statement of profit or loss.

The OMZIL legacy debt was only registered in 2020, so in the 2019 financial statements the financial treatment was Ine OMZIL legacy dept was only registered in 2020, so in the 2019 financial statements the financial treatment was different to that adopted for CABS. These amounts were accounted for as amounts due to group companies at the value of the corresponding amount of the matching portfolio of assets where the funds had been invested pending legacy debt registration. Upon transferring local funds for the registration of legacy debts/blocked funds a legitimate expectation to receive a cashflow to allow for settlement of the registered obligation was created and a financial instrument was recognised on the Group's statement of financial position. This financial instrument has been fair valued on the assumption that a right to acquire an amount equivalent to the debt registered at a future date now exists. The carrying value of the financial instrument reflects management's assessment of the present value of the expected net cashflows to be received under this arrangement. The RBZ has stated its intention to honour its commitment and has provided liquidity to support obligations that CABS has settled to the tune of US\$8.65m since the debts were registered. Discussions with RBZ are underway to finalise settlement modalities for the debts owed by OMZIL which amount to US\$83.8m.

legacy debt financial instrument is subject to expected credit losses as required by IFRS 9 and has consequently been put into the Stage 1 of the ECL model as the credit rating. Stage 1 has been considered as appropriate due to indications by Government of the intention to support the orderly discharge of the obligation. CABS applied a lower provision of 2.5% as further approvals were obtained and also to be in line with the coverage ratios in the local market, which are between 0-3% OMZIL applied a provision of 7.9% after considering anticipated changes in macro-econom

The table below shows the impact on profit and net assets at various levels of provisioning the legacy debt instrument

### 14.2 Sans

nsitivity Analysis				
	Carrying Amount 31 Dec 2020 ZWLm	10%	Additional provisioning @ 20% ZWLm	Additional provisioning @ 50% ZWLm
gacy debt pact on profit and net assets	8,142.3 -	7,480.9 (661.4)	6,649.7 (1,492.6)	4,156.1 (3,986.2)

While the auditors have concluded that asset recognition criteria is not met in terms of IFRSs, the directors believe that the risk of non-realisation of cashflows under the arrangement is remote due to the fact that the RBZ has supported repayments under the legacy debt registered for CABS as they have fallen due, with indications having been provided that support will continue to be provided for the remaining amounts in CABS and OMZIL.

		Inflatio	n Adjusted	Historical Cost (Unaudited)		
		31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19	
		ZWLm	ZWLm	ZWLm	ZWLm	
15	Insurance contract liabilities					
	Outstanding claims Future policyholders' benefits (see analysis of	41.9	31.6	41.9	7.1	
	movement in provision below)	47,497.7	37.877.4	47.389.1	8.294.7	
		47,539.6	37,909.0	47,431.0	8,301.8	
15.1	Future policyholders' benefits					
	Movement in provision for insurance contracts					
	Balance at beginning of year Inflows	37,877.4	57,272.4	8,294.7	2,047.1	
	Premium income	4,089.7	4,049.4	2.524.9	371.4	
	Investment income	9,107.9	(18,469.0)	39,725.7	6,231.2	
	Fee and other income	338.5	153.0	67.0	9.8	
	Outflows		-			
	Claims and policy benefits	(2,386.6)	(3,143.7)	(1,591.7)	(232.1)	
	Operating expenses	(1,870.2)	(1,186.1)	(1,175.8)	(106.2)	
	Taxation					
	Current tax	(127.3)	(40.4)	(107.5)	(7.5)	
	Deferred tax	798.0	(673.0)	(18.5)	-	
	Transfer to operating profit	(329.7)	(85.2)	(329.7)	(19.0)	
	Balance at end of year	47,497.7	37,877.4	47,389.1	8,294.7	
16	Investment contract liabilities					
	Liabilities at fair value through profit or loss	3,275.0	2,652.1	3,275.0	591.2	
	Movement in liabilities fair valued					
	through profit or loss					
	Balance at beginning of year	2,652.1	5,822.7	591.2	208.9	
	New contributions received	38.8	43.5	38.8	3.6	
	Withdrawals	(13.0)	(300.1)	(13.0)	(24.8)	
	Fair value movements	597.1	(2,914.0)	2,658.0	403.5	
	Balance at end of year	3,275.0	2,652.1	3,275.0	591.2	

#### 17 Amounts due by or (to) group companies

Inflation Adjusted	2020 ZWLm Amounts due by	2020 ZWLm Amounts due (to)	2020 ZWLm Net Balance	2019 ZWLm Amounts due by	2019 ZWLm Amounts due (to)	2019 ZWLm Net balance
Old Mutual Limited (South Africa) and its subsidiaries outside Zimbabwe	-	(7,297.6)	(7,297.6)	-	(731.7)	(731.7)
(See Note 14.1)	-	(7,297.6)	(7,297.6)	-	(731.7)	(731.7)
Historical Cost (Unaudited)						
Old Mutual Limited (South Africa) and its subsidiaries outside Zimbabwe (See Note 14.1)	-	(7,297.6)	(7,297.6)	-	(163.1)	(163.1)
	-	(7,297.6)	(7,297.6)	-	(163.1)	(163.1)

The amounts due by or to group companies above are unsecured and are payable on demand.

#### 18 Amounts owed to bank depositors

In the Group's banking business the Group receives cash from bank depositors. The depositors receive interest on the nounts owed depending on the value of the amount borrowed and the terms of the deposit

	Inflation	Inflation Adjusted		Historical Cost (Unaudited)	
	31-Dec-20 ZWLm	31-Dec-19 ZWLm	31-Dec-20 ZWLm	31-Dec-19 ZWLm	
Money market deposits	216.2	1,990,4	216.2	443.7	
Term deposits	0.1	1.0	0.1	0.2	
Savings deposits	12,820.9	9,499.7	12,820.9	2,117.7	
	13,037.2	11,491.1	13,037.2	2,561.6	
Maturity analysis					
On demand to 3 months	12,918.5	9,976.6	12,918.5	2,224.0	
3 months to a year	7.7	1,034.1	7.7	230.5	
1 year to 5 year	42.1	171.4	42.1	38.2	
Over 5 years	68.9	309.0	68.9	68.9	
	13,037.2	11,491.1	13,037.2	2,561.6	
	2020		2019		
Concentration - Inflation Adjusted	ZWLm	%	ZWLm	%	
Financial institutions	1.123.8	8.6	3,139,7	27.3	
Companies	9,847.0	75.5	6,173.9	53.8	
Individuals	2,066.4	15.9	2,177.5	18.9	
	13,037.2	100.0	11,491.1	100.0	
Concentration - Historical Cost (Unaudited)					
Financial institutions	1,123.8	8.6	699.9	27.3	
Companies	9,847.0	75.5	1,376.3	53.8	
Individuals	2,066.4	15.9	485.4	18.9	
	13,037.2	100.0	2,561.6	100.0	
These are on-demand deposits.					

In the year under review, the main risks faced by the Group were macro-economic, climate change, the COVID-19 pandemic and competition. Macroeconomic risk was characterised by high inflation rates and a depreciated local currency versus major currencies. While there was stability in these variables in the second half of the year, the effects of the deterioration experienced in the first half of the year was felt through the remainder of the year, resulting in increased business expenses. In addition, economic performance remained subdued due to the restricted economic activity during the COVID-19 induced lockdowns, with some effects on the demand for the Group's products. This was exacerbated by intense competition, which resulted in the market shares of some of the Group's businesses, mainly general insurance and banking, declining, While there were COVID-19 business disruptions and increased exposure to cybercrime and frauds under the work-from-home (WFH) arrangements, these were effectively managed through measures that were taken by the Group to ensure continuity of operations and enhanced cyber security and fraud control systems. The extreme weather conditions that were experienced in the last quarter of the year, created fears of possible adverse impacts on agricultural outputs which would have resulted in a knock-on effect on the Group's businesses with exposures to the agricultural sector.

In the regulatory and compliance environment, there was a high number of policy pronouncements in the form of statutory instruments, exchange control, and other regulatory directives. The Group was mostly compliant with legal and regulatory requirements, with exceptions escalated internally to oversight functions and with respective regulators kept informed of the progress on the remedial actions.

The outlook for 2021 is that macro-economic and environmental developments could continue to change the profile of some inherent Group risks. In response, the risk management function will facilitate risk culture shifts to ensure a customer-led business that wins in its chosen markets. The Group aims to mature the risk culture within OMZIL to the Risk Enabled state, using the Grant Thornton Luxembourg Risk Maturity Model, where the risk management and internal control framework is fully embedded in operations

Description & Impact: The risks arising from the external environment, e.g. Government policy changes and/or actions, macroeconomic developments, environmental changes, climate changes, competitor activities or socio-political events adversely impacting on the business. In the year 2020, macroeconomic challenges of high inflation rates and a weak currency resulted in high business expenses for the Group. There were also additional expenses in response to the COVID-19 pandemic in order to ensure continuity of operations under the new ways of servicing customers. Consequently, non-commission expenses were off-plan for the year 2020. Competitors' activities also threatened the Group businesses' market shares mainly in the short term insurance and banking business. For the period to December 2020, CABS, market position in terms of deposi-OMICO's market position declined from 2 to 3 in terms of gross written premium. OMIAC & OMIC, however, retained their number one positions in the life and asset management businesses, respectively. The market shares remain under threat from intense competition.

There were threats from climate change events in the form of extreme weather conditions, such as floods due to the above normal rainfalls, tropical depressions, storms and cyclones experienced in the last quarter of the year and spilling over into 2021. There rainfalls, tropical depressions, storms and cyclones experienced in the last quarter of the year and spilling over into 2021. There were fears that these events would negatively impact agricultural outputs and consequently economic and business performance. especially the lending and general insurance businesses which had exposures to the agricultural sector. However, the businesses remained resilient as the agricultural portfolios continued to perform positively. There was tranquility in the socio-political area, with no impacts on business resilience, and on the safety and security of staff members. On emerging laws, regulations and directives the main risk was the possibility that some would negatively impact customers and business operations. This was the case with some new laws especially tax laws, compliance was required as soon as the changes were announced but before they were passed into law, adversely impacting customers, and increasing the risk of non-compliance, tax liability and the cost of compliance for the Group. Examples were the Intermediated Transfer Tax on all Cross Border Transactions, which increased the cost of transactions for customers and the Statutory Instrument on paying interest on call/demand, savings and mobile money trust accounts which presented operational implementation challenges for the banking business.

Mitigating Actions: To preserve customer and shareholder values, the Group continued with the strategy of investing in inflationhedging real assets such as equities, property, and alternative investments. Business continuity plans were invoked during the COVID-19 induced business restrictions, and measures were taken to facilitate critical staff to continue operating from their homes. As a result of these measures, the going concern status of the Group was not impacted. To regain lost market shares, efforts were made to enhance the product offerings which included digital products and self-service platforms. Engagements with the authorities were done mainly through industry bodies on the emerging laws and regulations that negatively impacted customers



For the year ended 31 December 2020 (cont'd)

Description & Impact: Risks relating to adverse changes to the balance sheet or future earnings resulting, directly and indirectly from fluctuations in the market prices of financial instruments. The Croup is exposed to equity and property volatility risk, foreign exchange rate risk and interest rate risk. The Group's strategy is to maintain a high level of listed equity investments for shareholder funds held mainly through the life and the holding company, with such investments constituting over 50% of the shareholder asset portfolio. This is a deliberate strategy in line with Board approved asset allocations, for value preservation, and is ideal as equity and property prices track inflation rates better than monetary assets, resulting in minimisation of loss of value. This strategy, however, exposes the capital position to fluctuations on the ZSE. In the year under review, the stock market experienced a rebound following the suspension in ZSE trading that occurred in the third quarter of 2020 and property prices remained stable. This impacted positively the Group's financial performance, which was above plan.

The Group's exposure to changes in the exchange rates or currency risk is due to a foreign currency net open position. This was, however, positive for both the banking business and on a consolidated Group basis, mainly due to the legacy debt arrangement with RBZ in place for the Group's foreign obligations.

The Group's exposure to interest rate risk is mainly through the lending businesses, CABS and Old Mutual Finance, and in 2020 the risk was of rising cost of funds and net interest margin shrinkage. The impact was not felt given that the bank's deposit book was skewed towards inexpensive demand deposits. The lending rates, however, continued to trail inflation rates, resulting in negative real returns and increasing the risk of loss of value of the local currency book. In addition, there was pressure from customers to keep lending rates low, especially in the last part of the year, further squeezing the net interest margin.

Mitigation Actions: Diversifying the investment portfolio through increasing exposure to alternative assets and growing the hard currency portfolios to manage the foreign currency net open positions within internal and regulatory limits. Reviewing lending rates in line with market trends and RBZ guidelines. Stress testing and sensitivity analyses were conducted to determine the resilience of the earnings and capital to stock market price and exchange rate shocks. The results informed management actions, business. liquidity and capital management plans.

Description & Impact: The risk that available liquid assets will be insufficient to meet changing market and business conditions, Description & Impact: The risk that available liquid assets will be insufficient to meet changing market and business conditions, liabilities, finding of asset purchases, or an increase in client demands for cash. The Group's strategy of maintaining high levels of stock and property investments, while prudent for value preservation, may negatively impact the liquidity position of the businesses as equity and property markets are inherently illiquid. In 2020, there was added pressure on the Group businesses' liquidity positions due to the unplanned for COVID-19 expenses as well as the suspension of trading on the ZSE which made it difficult to liquidate any holdings for that period. For the banking business, the deposit structure was largely skewed towards short-term demand deposits (averaging 88% of total deposits during 2020), which could not be used for long term lending and made it imperative for the bank to maintain high liquid asset ratios above both the internal and regulatory minima throughout the year. The Group, however, maintained sufficient liquidity for meeting customer obligations, operating and capital expenditure requirements. The introduction of the foreign currency auction system around mid-year contributed positive to the foreign currency liquidity for the introduction of the foreign currency auction system around mid-year, contributed positively to the foreign currency liquidity for the business and within the country

Mitigating Actions: Enhanced liquidity/cash flow management strategies i.e. cash flow forecasting and utilising funds allocated for non-essential expenses to cover critical requirements; and reducing the hard currency mismatch through growing the export book introduction of USD products, and purchasing USD on the interbank market for expunging the legacy debt. Liquidity contingency arrangements are in place and are reviewed annually for the Group's businesses

Description & Impact: The risk of not applying or conforming to the laws, or breaching laws, regulations or directives, resulting in fines, sanctions, reputational damage and/or financial loss. The regulatory environment that the Group operates in is dynamic and in 2020 there was heightened exposure to legal and regulatory compliance risk as there was an influx of new legislative and regulatory requirements which included various Exchange Control Regulations, Monetary Policy Statements, Regulatory Directives, Circulars and Statutory Instruments. These requirements also increased the cost of compliance as changes to processes and systems, and in some instances additional resources were required to ensure compliance with the legal and regulatory requirements. The Group maintained its zero tolerance for deliberate regulatory non-compliance. However, there were cases of non-compliance in areas of, governance requirements (for some business unit boards and board committee compositions), prescribed asset ratio requirements, investment thresholds, net open position limits and with Europay, Mastercard and VISA (EMV) technology requirements for local transactional cards.

Mitigating Actions: Regulators were engaged on the cases of non-compliance and remedial actions are in place, with progress updates reported to oversight committees and the regulators. Affected boards and committees were regularised during the year. Ongoing actions include vigilant monitoring of regulatory developments across all Croup entities and conducting impact assessments on processes, procedures and Business Plans as well as training on new legal and regulatory developments. All Projects and New Business Initiatives including Digitisation of products and services are designed to comply with the relevant laws regulations and internal policies

**Description & Impact:** Risk of loss due to an inadequate or inefficient workforce failure of processes or systems and/or the occurrence of external events. The COVID-19 pandemic impacted continuity of business operations, staff health and welfare status. Some branches were forced to close as some staff tested positive or came into contact with positive cases and therefore there was a need to observe the mandatory requirements on disinfection of exposed branches and the self-isolation or quarantine of the concerned staff members. With the working from home arrangements, there was heightened exposure to cybercrime and frauds (internal and external). Attempted cyber attacks were promptly detected by the Group's cyber security systems, and measures implemented to further strengthen the internal defenses. There was a reduction of card cloning cases affecting the bank's customers in 2020 due to the proactive detection and interception measures instituted by management. On he whole, the Group did not experience operational risk losses in excess of the risk appetite limits during the year. The Group's systems were available as the target of 98% availability was largely exceeded during the year. The Group's internal control environment as measured by audit key performance indicators improved significantly over the year and this was driven by a Control Environment Improvement Program.

Mitigating Actions: Rotating teams were set up for the bank's retail operations to ensure continuity of operations in the event of a team being incapacitated by COVID-19. Arrangements were put in place to support staff affected by the pandemic. A control environment program was initiated during 2020, and its objectives include strengthening practises of management of audit issues process re-engineering and enhanced adoption of international best practices on the control environment.

Description & Impact: The risk that discretionary decisions are made that adversely affect future earnings and/or the sustainability of the business. The main strategic risks for the Group during the year 2020 were of failing to introduce new products and services on time as well as failing to change/adapt the business model in an environment where customer preferences were rapidly changing, and competition was cutthroat. The Group also faced the risk that the strategy for recruiting, developing, deploying and retaining key employees and teams was inefficient or inadequate. The Group remained on top of these risks as all key metrics monitored under each of these risks remained within the approved risk appetite.

Mitigating Actions: Projects were initiated to adapt the business models where necessary to changes in the environment and in customer preferences. Digital innovative solutions were developed during the year as evidenced by the various products that were released into the market to improve customer convenience, and a number of internal processes were automated to ensure the business remained future fit and agile. Actions were taken to recruit and retain critical skills for driving the Group's strategic initiatives.

Description & Impact: The risk of failing: to treat customers fairly, to offer solutions that meet their needs and expectations and to Description & Impact: The risk of failing; to treat customers fairly, to offer solutions that meet their needs and expectations and to communicate with various stakeholders adequately and timeously on developments affecting them. The main exposure for the Croup's businesses continues to be from the unresolved legacy (2008/9) and the 2019 loss value issues due to currency reforms. There is also continued inflation induced loss of value on local currency savings products, mainly in the life business. For the year under review, most of the customer complaints received were on the loss of value issues and there were various litigations against the Group's businesses on the same issues. In addition, some policy pronouncements especially around tax impacted the risk profiles of the products and services offered to customers, and failing to promptly communicate such changes exposed the Group to conduct risk issues. There were also concerns around the guaranteed fund product at OMLAC, as the guaranteed fund portion had reduced significantly versus the unquaranteed notion. had reduced significantly versus the unguaranteed portion

Mitigating Actions: -Loss of value cases are defended in courts of law as these were the result of implementing legal and regulatory directives. Measures were put in place to facilitate prompt communication on changes and developments that impact customer outcomes across the Group. Products and services continue to be revised to meet customer requirements, and a review of the Guaranteed Fund product at OMLAC is underway, to increase the guaranteed portion. In addition, customer communication in particular at OMLAC, emphasises on how the business is investing in real assets and alternative investments for value preservation.

Description & Impact: The risk of adverse losses due to inadequate underwriting, pricing, reserving assumptions and/or volatile claims experience materially impacting earnings and capital. For the Group, this risk is inherent in the insurance businesses, the life and general insurance companies. In the year under review, exposure to the risk as measured by the claims ratios (non-motor and motor, for the general insurance company and the Group Life Assurance (CILA) and Credit Life for the life company), was within appetite limits. The motor-loss ratio breached the early warning thresholds in some months, but on the whole remained within the upper risk limits. The impact of the risk was therefore considered under control despite the turbulent external environment

ss was put in place of linking sums insured to the clair were implemented and there was continuous product repricing to ensure clients received adequate compensation from their claims. There was also the use of reinsurance arrangements, and strict underwriting standards especially for high value policies

Description & Impact: The risk of non-payment or settlement of an obligation by a counterparty under the terms of a loan agreement, or the change in value of a credit asset due to a deterioration in the credit quality of a counterparty. In the year unde review, the Group's exposure to this risk was within the regulatory and internal target ranges and appetite limits, as indicated by the Non Performing Loan (NPL) ratio at CABS and the Portfolio-at-Risk at Old Mutual Finance. Counterparty risk was also considered low, as exposures were with approved counterparities and within approved limits. CABS NPL ratio closed the year at 0.41% well within the regulatory limit of 5%. However, the credit loss ratio continued in breach of the internal limit of 2%, at 11.1% as at 31 December and was in breach throughout 2020. On the positive, all foreign currency denominated loans were performing as at year-end. OMFIN's Portfolio-At-Risk (loans in arrears by more than 30 days) was 9.4% within the maximum limit of 10% There is, however, pressure for the risk exposure to increase, due to the persisting macro-economic challenges, compounded by the COVID-19 pandemic, which has negatively impacted businesses in hospitality, travel and tourism. The asset quality of some borrowers may consequently deteriorate in future, resulting in increased IFRS 9 loan impairments. The capitalisation of reinsurers is being monitored and was fully compliant as at 31 December 2020.

Mitigating Actions: The Group businesses continuously monitor the quality of credit assets, both local and foreign currency, with credit scoring being done at on-boarding. Reviews of counterparty limits and monitoring of exposures to reinsurers are conducted.

The consolidated and seperate financial statements have been prepared on a going concern basis, which assumes that the Group will continue in operation for the foreseeable future. The Group has recognised a profit after tax of ZWL6.5 bn for the year ended 31 December 2020 (2019: Loss after tax of ZWL11.7 bn) and, as at that date, current assets exceed current liabilities by 25.1 bn ZWL (2019: ZWL954.1 m).

ssment of the possible effects of COVID-19 on the going concern of the Group is discussed in detail in Note 20.1

For the Group inflation adjusted total assets increased from ZWL71.7bn in 2019 to ZWL94.9 bn as the nominal growth in assets on the historical cost and fair value bases of accounting (499%) exceeded inflation for the 2020 full year of 348.6%. The inflation adjusted total equity of ZWL17.3 bn was higher than the prior year comparative of ZWL10.4 bn mainly due to investments growth, increased lending and foreign exchange gains. Funds under management (FUM) for the asset management business were up by 27% to ZWL80.1 billion mainly due to positive investment performance and foreign currency translation gains. The Group's core pillars and foundations remained in place, as evidenced by growth in total customer numbers from 1.2 million to 1.3 million, the diversified sources of revenue generated and positive operating margins in most business segments.

The financial position of the Group, cash flows, and liquidity position are described above. The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. The Group also has adequate financial resources to continue in operation for the foreseeable future.

We refer also to Note 14.1 on the Legacy debt receivable from the Reserve Bank of Zimbabwe in connection with certain obligations to related parties outside Zimbabwe. The directors consider it unlikely that the RBZ will not support the discharge of the obligations which have been registered as legacy debt. Old Mutual Zimbabwe Holdco Limited and Old Mutual Finance (USD) Limited, have undertaken not to trigger a demand for the repayment of the debt until such a time that the mechanism for the repayment of the legacy debt arrangement has been agreed with the RBZ. Old Mutual Limited (OML) as ultimate controlling Company of OMZIL as well as Old Mutual Zimbabwe Holdco Limited and Old Mutual Finance (USD) Limited, have also indicated that they will support an extent received it is not fit to partity in a very that deep not proceed the other floring of the filter of the formation. orderly resolution of the matter in a way that does not negatively impact on the financial stability of the group in Zimbabwe

The directors have thus assessed the ability of the Croup to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

#### 20.1 Impact of COVID-19 on the business

The Group's business includes banking services, asset management, micro-finance, stockbroking, life assurance as well as short term insurance. The measures adopted by the Government of Zimbabwe to help curb the spread of the virus included periods of lockdown which meant that some of our staff had to work from home.

The business has managed to enable most staff members to work from home whilst also ensuring that necessary safety measures were implemented at the workplace to protect staff that need to be physically present at the workplace as well as customers; this has been done to ensure continuity of business operations. A significant amount had to be spent on IT hardware and sanitary equipment, but some savings were realised in other areas of normal operations.

COVID-19 did not have a significant impact on the Group's ability to continue to operate as a going concern. The claims ratio in the life and short-term businesses remained broadly consistent with previous reporting periods. Rental yields as well as voids slightly improved during the period under review as the business managed to achieve rent escalations due to regular reviews effected during 2020. In 2019 there was a lag between inflation and the level of rental increases achieved which was not the case in 2020. We managed to record positive net client cashflows during the year, while the performance of the Zimbabwe Stock Exchange (ZSE) positively impacted Funds Under Management and management fees. While CABS exercised selective lending and provided more lenient terms to clients that were negatively impacted by the pandemic notwithstanding an increase in credit loss provisions, CABS remained profitable due to better than expected revenue performance, particularly on

The NPL ratio remained within acceptable levels of below 5%. Given the broad range of outcomes that can materialise from this pandemic, within the life company, actuaries are still assessing the implications and potential impact on long term mortality and per policy expenses. Assumption setting has a long term focus and changes in assumptions usually require more than a single event. No untoward changes in mortality patterns specifically attributable to COVID-19 were observed during the period under review. The following table tracks some of the Group's Key Performance Indicators over the past three

Key Performance Indicator	2020	2019	2018
Claims ratio - Short-term Insurance	45%	61%	66%
Claims ratio - Long term Insurance	58%	69%	58%
Voids	18%	17%	22%
Rental yield	93%	93%	96%
Cost to income ratio	72%	80%	57%
Non Performing Loans ratio	0.4%	2.1%	58%

The Group put in place the following measures amongst others in order to protect margins and reinforce the liquidity and capital adequacy position in the foreseeable future.

- management of client relations to maintain and grow the current portfolio

- continuing to introduce market relevant products in order to grow business volumes
- ensuring pricing levels remain sustainable and competitive with regular reviews in response to inflation proactive monitoring of facilities to mitigate migrations into a non-performing status critical credit assessment of new loan disbursement
- mobilisation of diverse deposits with staggered maturity profiles
- retention of earnings and suspension of dividends investing excess capital in real assets particularly the ZSE whose year on year growth in 2020 surpassed annual inflation taking advantage of opportunities available to generate more revenue in hard currency, especially USD

The Group managed to maintain a strong liquidity and capital position throughout the 31 December 2020 reporting period. The directors have assessed the ability of the Group and the Company to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

### **Currency Sensitivity Analysis**

The table below is a sensitivity analysis of the effect of using different exchange rates to convert foreign currency balances to local reporting currency. The scenairos presented compare the impact of using closing rate at 1:81.7866; 50% Depreciation and 75% Depreciation

Foreign currency denominated Assets/Liabilities	2020 Group US\$m 31 Dec 2020	2020 Group ZWLm Translated @ 1:81.7866	2020 Group ZWLm 50% Depreciation	2020 Group ZWLm 75% Depreciation
Investments and securities	84.7	6,927.3	10,418.1	12,112.1
Loans and advances	39.2	3,206.0	4,821.6	5,605.6
Other receivables	101.9	8,334.1	12,533.7	14,571.7
Cash and cash equivalents	61.6	5,038.1	7,576.8	8,808.8
Total assets	287.4	23,505.5	35,350.2	41,098.2
Liabilities				
Long-term business policyholder liabilities - third party	75.0	6,134.0	9,225.0	10,725.0
Borrowed funds	38.8	3,173.3	4,772.4	5,548.4
Amounts owed to group companies	91.9	7,516.2	11,303.7	13,141.7
Amounts owed to bank depositors	62.8	5,136.2	7,724.4	8,980.4
Other payables	3.4	278.1	418.2	486.2
Total liabilities	271.9	22,237.8	33,443.7	38,881.7
Net assets	15.5	1.267.7	1.906.5	2.216.5

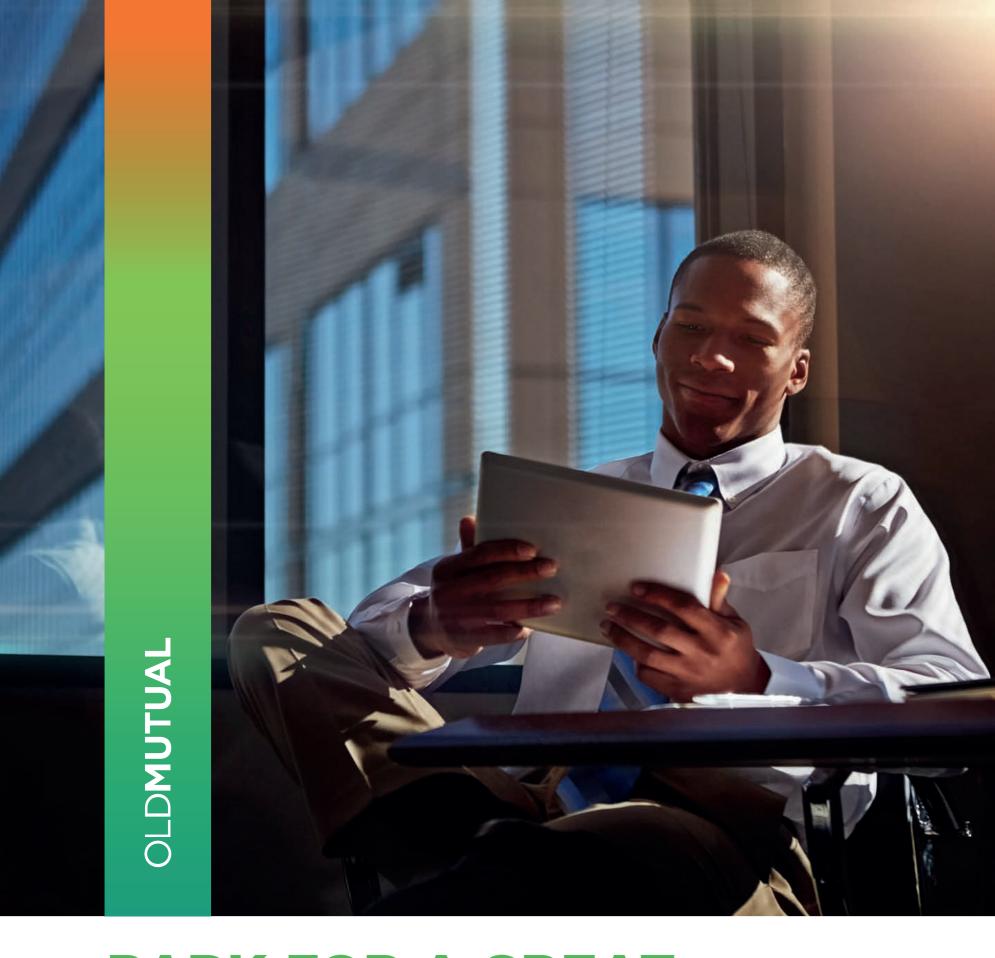
The Group and its subsidiaries remain solvent and sufficiently capitalised at the different exchange rate sensitivities Included in other receivables is Legacy Debt for US\$101.5m

### Contingent liabilities

Commission of Inquiry

established by the Zimbabwean Government concluded its inquiry into the loss in value for beneficiaries upon the conversion of pension and insurance benefits after the dollarisation of the economy in 2009. On 9 March 2018 the results of the Zimbabwean Government's inquiry were made public

Although the Commission believes that policyholders may have been prejudiced, and that government, regulators and the insurance industry played a role in the loss of value, this finding is subject to review by the President and Cabinet. Furthermore, the Commission is yet to determine a methodology for quantifying or allocating responsibility for this prejudice, and recommended that this be the subject of a further independent process to determine a criteria for assessing prejudice as well as a basis for compensation, which will also take into account the need to maintain stability and confidence in the industry. To date the process had not officially commenced, as such we are not currently able to establish what impact the commission's findings will have on Old Mutual Zimbabwe.



## **PARK FOR A GREAT** MOMENT WITH THE **MONEY MARKET FUND**

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**OLD MUTUAL INVESTMENT GROUP** DO GREAT THINGS EVERY DAY