



OLDMUTUAL



# OLD MUTUAL ZIMBABWE LIMITED

**Consolidated Unaudited Interim Abridged Financial Results**  
For the Six Months Ended 30 June 2022



DO GREAT THINGS EVERY DAY



## Chairman's Statement



K. C. Katsande

### Economic Environment

The adverse externalities around geopolitical tensions in Europe, recession risks in the United States and sustained COVID-19 disruptions in China weighed on global output. In Zimbabwe, erratic rain patterns weighed negatively on the agriculture and gross earnings outlook for 2022, with the first six months of the year also seeing significant currency depreciation and accelerating inflation.

A weaker than anticipated agriculture out-turn necessitated downward revisions for GDP growth estimates. Growth in the Mining and Consumer related sectors is expected to offset the agriculture deficit. Consequently, 2022 GDP growth forecasts remain positive, with the IMF projecting 3.5%, against Treasury's 5.5%. Gold output for the half year to 30 June 2022 reached 16 tons, up 60% from 10 tons in the same period last year. Further support for economic output is expected from increased public spending as government continues to prioritise infrastructure and the cushioning of civil servants' remuneration.

Monetary policy vulnerability drove policy risks during the period under review. The ZWL\$ depreciated by 70% during the half year to 30 June 2022, while the year on year consumer inflation closed June 2022 at 191.6%, the highest since April 2021. To rein in inflation, monetary authorities expanded measures aimed broadly at tightening money supply and curtailing speculative activities, including increasing market interest rates. By the end of the period under review, the bank policy rate had been increased from 60% at the beginning of the year to 200% effective 1 July 2022.

The Zimbabwe Stock Exchange (ZSE) All Share Index registered gains of 82.9% during the period under review, despite a late sell-off in the later part of the period under review. In the corresponding period last year, the ZSE All Share Index was up 135%. Inflation hedging demand as well as limited alternative investment assets sustained support for local equities. Property market activity remained sub-optimal, weighed down by compromised income quality and with exchange rate impacts negatively affecting valuations. However, some improvement in occupancy levels was registered as the economy reopened from earlier COVID-19 induced lockdowns. Activity on the local fixed income space remained subdued, due to high inflation generating negative real returns.

Old Mutual Zimbabwe welcomes efforts by the authorities aimed at stabilising the economy. In the period to the date of this report, such measures include fiscal budget allocation towards capital and infrastructure projects, confirming the currency policy as well as the introduction of gold coins. Such measures, if kept consistent into the medium to long term future, are likely to support improvement in key economic fundamentals.

### Financial results

The Group achieved an inflation adjusted loss after tax of ZWL9bn down from a profit after tax of ZWL31bn achieved in the prior period with the main driver being the resurgent inflation. The returns on our investment

**We still see sector-specific green shoots within the environment, and we maintain a positive longterm view on the outlook. It will remain critical to maintain consistency of key policies to foster predictability and stability in the economy.**

portfolio lagged inflation resulting in the reported loss. In historical cost terms, the Group had a profit after tax of ZWL50bn up from ZWL14bn achieved in the comparative period. Whilst the operating environment in the first half of 2022 remained difficult, the Group sustained adequate capital, solvency, and liquidity levels in excess of regulatory thresholds. The Group Chief Executive Officer's report provides more insights into the financial performance across the various lines of business.

### Responsible Business

Old Mutual continues to respond to sustainability through a Responsible Business Framework which guides the way the Group invests and conducts business. The thrust is to ensure that the Group makes a positive impact on its customers and the communities it serves by helping our customers grow, protect, and sustain their prosperity through the wide array of products we offer as well as by consistently making investments that enhance socio-economic development. Investments and financing activities in the first half of 2022 continued to be aligned to priorities enunciated in government policy as well as to efforts by the private sector to develop the economy. Old Mutual Zimbabwe's investment philosophy continued to be guided by Environment, Social and Governance (ESG) principles. The Group seeks to promote these principles amongst its business partners and across its value chain to support sustainable growth into the future.

The ethos of doing responsible business is embedded in the Old Mutual values. Old Mutual has established a policy on corporate social responsibility, which focuses on the following key areas: Financial education and financial inclusion; Responsible investing; Diversity and inclusion; Education; Skills development and Entrepreneurship. More detail is contained below:

### Responsible Investing

We continue to invest in green energy across the country. We are currently focusing on the development of a 25MW photovoltaic solar power plant in Nyabira as a major financing partner for the venture.

### Financial education and financial inclusion

To promote financial literacy and inclusion, we have established strategic partnerships with various organisations including the Zimbabwe Republic Police, the Ministry of Women Affairs, Community, Small and Medium Enterprises, and various corporates. In the first half of the year, we managed to reach over 12,000 people through face-to-face training and over 770,000 through digital programs. We also joined the rest of the world in commemorating Global Money Week with financial literacy training sessions being held across the country and these included the launch of a radio program.

### Education

Central Africa Building Society (CABS) donated and installed 8 solar boreholes at the following schools, Harare (Budiriro 2 High, Kambuzuma 2 High, Kuwadzana 2 High and Tafara High School), Chishawasha (St Peter Claver High School) and Bulawayo (Luveve High, Mzilikazi High, and Mpopoma High School). We plan to continue with this program into the second half of the year with additional boreholes to be drilled in various schools across the country.

We ran the first round of the Mathematics Olympiad where over 275 schools participated, and those who passed the first round will be proceeding to the second round in the third quarter of 2022.

### Entrepreneurship

Through the incubation program facilitated by the Eight2Five Hub we successfully launched four tech start-ups. These start-ups are in the e-commerce, construction, finance, and education sectors. The incubation program is targeted at start-ups or entrepreneurs that are ready to take their products or services to market.

We continue offering mentorship, coaching, and training to entrepreneurs that are developing their businesses. In the first half of the year, we engaged an Intellectual Property expert from a local law firm to facilitate a workshop on Intellectual property rights, as well as a facilitator from the Institute of Directors who delivered a corporate governance masterclass for small to medium enterprises (SMEs). In addition, we conducted a design thinking workshop. We also assisted some entrepreneurs to exhibit at the Zimbabwe International Trade Fair (ZITF).

### Other Sponsorships and Donations

The Group continued, through the Old Mutual Foundation Trust and other direct efforts by the business, to embark on Community Investment initiatives which included:

- Hosting the Old Mutual Harare marathon themed #run4love in February. We had more than 1,000 runners participate.
- We donated to the National Blood Service Zimbabwe (NBSZ). The donation will go towards equipping their centres with solar power to ensure there are no disruptions to blood supply due to power cuts.
- We supported Mater Dei Hospital in Bulawayo towards establishing a Wellness Centre where screening for breast, cervix and prostate cancer will take place.
- We donated 600 prisoner uniforms to Mutare Prisons under the Old Mutual Women's Network.
- Old Mutual Women's Network also donated sanitary wear to girls in under privileged communities in Harare and Bulawayo
- In sport we were one of the major sponsors of this year's Zimbabwe Open Golf tournament which saw players from right across the globe take part and put Zimbabwe on the global sporting map.

### Governance

Mrs Celiwe Ross stepped down from the Board with effect from 8 June 2022. Celiwe, was assigned a bigger responsibility within the Old Mutual Limited Group and as such decided to step down from the OMZIL Board to focus more on her extended role. Her contribution to the OMZIL Board will always be cherished.

### Appreciation

I would like to thank my fellow Directors for their ongoing engagement and guidance to the business. On behalf of the board, I would like to convey my appreciation to our valued customers for their continued support. To our management and staff, I thank you for your continued commitment to our customers and stakeholders. We look forward to a successful second half of 2022.

### Outlook

We believe that near-term environment points to a flat to negative outlook against a backdrop of weak global sentiment and underlying domestic economic fragilities. This notwithstanding, we still see sector-specific green shoots within the environment, and we maintain a positive long-term view on the outlook. It will remain critical to maintain consistency of key policies to foster predictability and stability in the economy.

**K. C. Katsande  
Chairman**

**30 August 2022**

## Chief Executive Officer's Review



Sam Matsekete

### Introduction

During the first half of the year, we prioritised efforts to:

- Adapt our offering to effectively meet the needs of our customers
- Pursue opportunities to grow the business; and
- Future proof the business.

These areas of focus continued to build on the priorities established from the prior year.

### Adapting our offering to customers

In the life assurance business, we reviewed the features of the Guaranteed Fund product to increase the vested bonus amounts. We increased the cover limits for the Flexi Funeral and Flexi Term plan in response to the effects of high inflation. We also started to scale up the funeral services offering that we started piloting from 2021. We concluded a partnership agreement with a funeral services operator in South Africa to manage repatriations from that market.

In the general insurance business, we also continued to build partnerships and agency arrangements to be able to serve certain retail segments more effectively.

In the asset management business, we launched a United States Dollar denominated Money Market Unit Trust Fund to cater for customers with free funds seeking formal foreign currency-based investment opportunities.

Retail loan products at both CABS and Old Mutual Finance were reviewed to allow easier access on digital platforms. During the period CABS established an additional correspondent banking relationship which enhanced further, the ability to handle international banking transactions for both Corporate and Retail customers. The bank also introduced a suite of products to support Global Development Organisations (GDOs) and non-governmental organisations (NGO) sector players.

### Pursuing growth opportunities

During the period, the African Development Bank (AfDB) approved a USD7.5 million trade finance transaction guarantee facility for CABS. This facility is a first of its kind under the AfDB's new transaction guarantee instrument, which was formally launched last year. We are excited to be the first institution to

have been granted such a facility by the AfDB. This demonstrates the growing confidence that regional and international funders are placing on CABS. The transaction guarantee facility covers the payment risk taken on trade finance transactions through the bank. This increases CABS' capacity to manage cross border transactions for customers, thus making notable contribution to regional and international trade. The initiatives to mobilise lines of credit are in line with our strategy to support customers grow their businesses whilst at the same time promoting growth in exports.

Within our investment and lending approaches, we continued to grow investments in renewable energy, agriculture, and other key economic sectors. An equivalent of USD16 million was deployed into alternative investment assets during the period, and the pipeline of new projects remains strong.

### Future proofing the business

In 2021 the Group launched the MyOldMutual digital platform allowing customers to transact on USSD and WhatsApp. During the first half of this year, the breadth of services and functionality that can be accessed on these platforms was expanded to include making insurance claims, buying retirement products, checking rental balances, and paying rentals. The expanded offering has allowed us to increase leads generated from the platforms. The program to automate key processes to enhance efficiency and customer experience continued during the first half of the year.

Old Mutual Insurance Company (OMICO), our general insurance business, was re-certified with ISO standard 9001 of 2015. ISO 9001-2015 certification is a business management tool that provides independent third-party attestation to a business meeting high levels of quality and excellence. OMICO's achievement of ISO 9001-2015 certification attests to our commitment to continuous improvement of the ways we serve customers and seek to deliver value to all stakeholders.

OMICO's financial strength rating was upgraded by Global Credit Rating (GCR) agency to an AA rating with a stable outlook. OMICO's international rating has been steadily improving over the past three years from A- of 2020 to AA- of 2021 to the current AA rating of 2022. We are delighted with this rating upgrade as it reflects financial strength and the ability to pay claims, as well as our strong risk, compliance, governance, and capital management frameworks.

Following the conclusion of the restructuring exercise at the end of 2021, during the first half we prioritised efforts to embed the new structures, and to improve our organisational culture. It also became critical, in the wake of a deteriorating economic environment, to explore ways to cushion staff. We maintained retention levels within our target benchmarks whilst also promoting high staff engagement levels.

All Group companies are adequately capitalised. Liquidity ratios and financial risks were kept within appetite. We believe that the business is well positioned to withstand the economic challenges being currently experienced. We continue to stay close to market developments, to our customers, and to regulators as we develop the business forward.

### Financial performance

#### Inflation Accounting

As a result of the difficult operating environment, the Group posted an inflation adjusted loss after tax of ZWL9bn compared to an inflation adjusted profit after tax of ZWL31bn achieved in the prior period. Whilst the Group witnessed

general growth in several key indicators of the business, the losses reported are largely attributable to lower investment returns on invested assets as the growth on the capital markets was trailing inflation. However, results from operations which reflect the core operating performance of the Group was up 73% to ZWL13.7bn on the back of growth in revenues across all business lines with key drivers being banking net interest income and non-interest revenue, premium income as well as asset based charges. Inflation adjusted total assets increased by 17% from ZWL565bn billion as at 31 December 2021 to ZWL659bn. The nominal growth of 156% was higher than inflation of 119% for the period.

### Performance on the historical cost basis

The Group recorded a profit after tax of ZWL50bn in historical terms, up from ZWL14bn achieved in the prior period. This growth was at the back of strong performance across all the business lines. The life and general insurance businesses net earned premiums (NEP) grew by 179%, achieving NEP of ZWL9bn for the half year ended 30 June 2022 up from ZWL3bn in the prior period. This growth was driven by new business inflows and price adjustments in response to inflation.

Investment returns continue to drive the Group profits, achieving ZWL248bn up from ZWL42bn achieved last year. This was driven by gains on listed equities, investment properties, and the exchange gains on foreign currency denominated investments.

Banking net interest income grew by 180% to ZWL6bn driven by growth in loans and advances. Net fee and commission income for the Group increased by 99% to ZWL6bn driven by an increase in the nominal values of transactions.

Operating and administration expenses were influenced by inflation and exchange rate pressures, increasing to ZWL9bn, an increase of 211% from prior period. The business also invested in inorganic business growth opportunities and digital initiatives.

### Looking ahead

Authorities have been implementing several measures aimed at promoting economic stability. If sustained, such measures would improve the use of formal channels for financial transactions and ultimately support a culture of savings. The case to promote both short and long term savings is a very strong one for the sustainable development of any economy.

Within the business, efforts underway to adapt our products and service channels to the evolving environment and customer preferences will continue. Significant effort will also be applied to ensuring that overall risks are kept within appetite given potential and emerging risks in both the global and the local market.

### Appreciation

We appreciate the support and confidence that we continue to receive from our valued customers. On behalf of management and all colleagues in Old Mutual Zimbabwe, I would like to extend sincere appreciation to our Boards for the guidance they continue to give us. Finally, I also thank our regulators for their continued support.

**Samuel Matsekete  
Group Chief Executive Officer**

**30 August 2022**



## Directors' Report

### Responsibility

The directors are responsible for the preparation and fair presentation of the Group's half year financial statements, comprising the statement of financial position as at 30 June 2022; and the statements of profit or loss; comprehensive income; changes in equity and cash flows for the period ended 30 June 2022; 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 assessed 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 foreseeable future.

### 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). The statements agree with the underlying books and records and have been 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 there under, 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 include standards adopted by the IASB and interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC). Complying with IFRSs achieves consistency with the financial reporting framework adopted by the ultimate parent company, Old Mutual Limited (OML), 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. The directors are not aware of areas of non-compliance with IFRS in the financial statements for the period ended 30 June 2022.

### Accounting judgements

The directors would like to draw the attention of users of 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 investments.

In the case of property valuations as at 30 June 2022, and similar to the approach adopted for the audited results for the year ended 31 December 2021, the business adopted valuations in ZWL. Market breadth, however, has been limited, thus increasing the level of reliance on level 3 valuation inputs, where significant management and professional judgement was required. Areas where significant judgement has been applied include capitalisation rates for industrial, commercial, retail and office buildings, adjustment factors are applied to rates implied from completed market transactions, depending on factors such as location, occupancy levels and tenant mix.

With regards to the spot exchange rate, the board considers the official exchange rate from the weekly auction overseen by the RBZ to be appropriate, as exchangeability has been demonstrated at that platform during the year in the settlement of various external obligations and other transactions done by the Group.

In addition, there are a wide range of views in the market concerning economic variables such as the exchange rate. While management believe that these factors have been sufficiently considered in the financial statements and that the accounting judgements made 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 2.2.1, 13.1 and note 18. The directors are of the view that the accounting treatments as adopted are appropriate to the extent which is practically possible given the peculiarities of Zimbabwe's economic and regulatory environment. Users of the financial statements are, however, encouraged to exercise due caution and judgement.

### Capital

The issued share capital is made up of 249,035,156 "A" class shares of ZWL0,0000032 each, 83,011,718 "B" class shares of ZWL0,0000032 each, 1 redeemable preference share of ZWL1.00 and 1 "A" redeemable preference share of ZWL1.00.

The shares are owned by Old Mutual Zimbabwe Holdco Limited (75%); as well as Indigenisation Trusts and various other institutional and individual 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.

### Directors

Mr. KC Katsande (Chairman)  
 Mr. S Matsekete\* (Group Chief Executive Officer)  
 Mr. IT Mashinya\* (Group Chief Customer and Operations Officer)  
 Mr. NTT Mudekunye\* (Group Chief Financial Officer)  
 Mr. C Chinaka  
 Mr. A Daka  
 Dr. CL Dhlwayo  
 Dr. K Mandevani  
 Mrs. N Samuriwo

Mrs. C. Ross resigned from the Board with effect from 08 June 2022.

\*Denotes Executive Director.

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

	Inflation Adjusted		Historical Cost	
	30-Jun-22 Group ZWLm	30-Jun-21 Group ZWLm	30-Jun-22 Group ZWLm	30-Jun-21 Group ZWLm
<b>Profit before tax</b>	<b>(7,464)</b>	<b>32,510</b>	<b>50,349</b>	<b>14,678</b>
<b>Adjusting entries</b>	<b>21,121</b>	<b>(24,608)</b>	<b>(33,877)</b>	<b>(12,306)</b>
Shareholder investment returns	(9,190)	(29,654)	(33,971)	(12,323)
Monetary loss - non-operating items	30,161	4,947	-	-
Policyholder tax	150	99	94	17
<b>Results from operations</b>	<b>13,657</b>	<b>7,902</b>	<b>16,472</b>	<b>2,372</b>

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 Six Months Ended 30 June 2022

Notes	Inflation Adjusted		Historical Cost	
	30-Jun-22 Group ZWLm	30-Jun-21 Group ZWLm	30-Jun-22 Group ZWLm	30-Jun-21 Group ZWLm
<b>Revenue</b>				
Gross earned premiums	16,086	11,445	10,443	3,694
Outward reinsurance	(1,797)	(1,234)	(1,236)	(596)
Net earned premiums	14,289	10,211	9,207	3,298
Investment income (non-banking)	24,953	84,600	247,970	41,688
Banking interest and similar income	10,197	6,631	6,753	2,156
Fee income, commissions and income from service contracts	8,765	8,639	5,561	2,791
Other income	26,575	1,267	24,822	423
<b>Total revenue</b>	<b>84,779</b>	<b>111,348</b>	<b>294,313</b>	<b>50,356</b>
<b>Expenses</b>				
Claims and benefits (including change in insurance contract provisions)	(30,870)	(56,025)	(214,180)	(29,399)
Reinsurance recoveries	1,554	395	1,079	124
Net claims incurred	(29,316)	(55,630)	(213,101)	(29,275)
Change in provision for investment contract liabilities	(3,396)	(2,289)	(16,346)	(1,878)
Fees, commissions and other acquisition costs	(2,850)	(2,686)	(1,890)	(864)
Banking interest expense and similar expenses	(1,406)	(355)	(1,019)	(112)
Impairment charges	(2,982)	(2,251)	(2,982)	(772)
Other operating and administration expenses	(13,469)	(8,947)	(8,626)	(2,777)
Net monetary adjustment	(38,824)	(6,680)	-	-
<b>Profit before tax</b>	<b>(7,464)</b>	<b>32,510</b>	<b>50,349</b>	<b>14,678</b>
Income tax expense	(1,138)	(1,127)	(796)	(364)
<b>Profit for the year</b>	<b>(8,602)</b>	<b>31,383</b>	<b>49,553</b>	<b>14,314</b>
Attributable to non-controlling interests	214	295	1,815	193
Attributable to owners of parent company	(8,816)	31,088	47,738	14,121
	<b>(8,602)</b>	<b>31,383</b>	<b>49,553</b>	<b>14,314</b>

## Group Statement of Comprehensive Income

For the Six Months Ended 30 June 2022

	Inflation Adjusted		Historical Cost	
	30-Jun-22 Group ZWLm	30-Jun-21 Group ZWLm	30-Jun-22 Group ZWLm	30-Jun-21 Group ZWLm
<b>Profit for the year</b>	<b>(8,602)</b>	<b>31,383</b>	<b>49,553</b>	<b>14,314</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss (net of tax)</b>				
Property revaluation	9,311	(1,006)	17,688	405
Shadow accounting	(3,444)	47	(6,570)	(260)
<b>Total comprehensive income for the year</b>	<b>(2,735)</b>	<b>30,424</b>	<b>60,671</b>	<b>14,459</b>
<b>Total comprehensive income attributable to:</b>				
Owners of parent company	(2,949)	30,129	58,856	14,266
Non-controlling interests	214	295	1,815	193
	<b>(2,735)</b>	<b>30,424</b>	<b>60,671</b>	<b>14,459</b>

## Group Statement of Financial Position

As at 30 June 2022

Notes	Inflation Adjusted		Historical Cost	
	30-Jun-22 Group ZWLm	31-Dec-21 Group ZWLm	30-Jun-22 Group ZWLm	31-Dec-21 Group ZWLm
<b>Assets</b>				
Investment property	159,718	106,610	159,718	48,699
Property and equipment	31,224	22,553	28,899	8,696
Intangible assets	1,644	1,957	199	208
Deferred acquisition costs	277	85	189	34
Reinsurer contracts	2,700	725	2,523	307
Investments and securities	281,085	308,114	281,085	140,745
Deferred tax assets	606	7	431	9
Current income tax assets	67	221	67	101
Loans and advances	78,460	60,452	78,460	27,614
Other assets	47,085	37,288	41,217	14,686
Cash and cash equivalents	55,947	27,273	55,947	12,458
<b>Total assets</b>	<b>658,813</b>	<b>565,285</b>	<b>648,735</b>	<b>253,557</b>
<b>Liabilities</b>				
Insurance contract liabilities	351,176	305,973	350,470	139,703
Investment contract liabilities	27,280	24,186	27,280	11,048
Provisions	3,589	1,351	3,589	617
Deferred tax liabilities	2,719	2,601	2,480	1,048
Current income tax liabilities	119	22	119	10
Amounts due to group companies	29,767	21,885	29,767	9,997
Amounts owed to bank depositors	77,327	54,250	77,327	24,781
Credit lines	41,185	21,301	41,185	9,730
Other liabilities	4,698	8,627	3,825	3,834
<b>Total liabilities</b>	<b>537,860</b>	<b>440,196</b>	<b>536,042</b>	<b>200,768</b>
<b>Net assets</b>	<b>120,953</b>	<b>125,089</b>	<b>112,693</b>	<b>52,789</b>
<b>Shareholders' equity</b>				
Share capital and premium	-	-	-	-
Non-distributable reserve	-	-	49	49
Revaluation reserve	12,596	6,729	15,496	4,378
Share based payment reserve	4,304	4,304	55	55
Retained earnings	101,308	111,525	94,102	47,131
<b>Equity holders of the parent</b>	<b>118,208</b>	<b>122,558</b>	<b>109,702</b>	<b>51,613</b>
Non-controlling interests	2,745	2,531	2,991	1,176
<b>Total equity</b>	<b>120,953</b>	<b>125,089</b>	<b>112,693</b>	<b>52,789</b>

## Group Statement of Cash Flows

For the Six Months Ended 30 June 2022

	Inflation Adjusted		Historical Cost	
	30-Jun-22 Group ZWLm	30-Jun-21 Group ZWLm	30-Jun-22 Group ZWLm	30-Jun-21 Group ZWLm
<b>Net cash from operating activities</b>	<b>30,783</b>	<b>(14,491)</b>	<b>46,036</b>	<b>(3,829)</b>
<b>Net cash used in investing activities</b>	<b>(8,567)</b>	<b>(3,375)</b>	<b>(9,012)</b>	<b>(732)</b>
<b>Net cash used in financing activities</b>	<b>(101)</b>	<b>-</b>	<b>(84)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>22,115</b>	<b>(17,866)</b>	<b>36,940</b>	<b>(4,561)</b>
<b>Net foreign exchange differences on cash and cash equivalents</b>	<b>6,559</b>	<b>574</b>	<b>6,549</b>	<b>159</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>27,273</b>	<b>25,991</b>	<b>12,458</b>	<b>7,386</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>55,947</b>	<b>8,699</b>	<b>55,947</b>	<b>2,984</b>



Group Statement of Changes In Equity

For the Six Months Ended 30 June 2022

	Share capital & premium ZWLm	Revaluation reserve ZWLm	Share based payment reserve ZWLm	Retained earnings ZWLm	Equity holders of the parent total ZWLm	Non-controlling interests ZWLm	Equity total ZWLm
<b>Inflation Adjusted 2022</b>							
<b>Shareholders' equity at beginning of year</b>	-	6,729	4,304	111,525	122,558	2,531	125,089
Profit for the period	-	-	-	(8,816)	(8,816)	214	(8,602)
Shadow accounting	-	(3,444)	-	-	(3,444)	-	(3,444)
Revaluation of property	-	9,311	-	-	9,311	-	9,311
<b>Total Comprehensive income for the period</b>	-	5,867	-	(8,816)	(2,949)	214	(2,735)
Dividend Declared	-	-	-	(1,401)	(1,401)	-	(1,401)
<b>Shareholders' equity at end of the period</b>	-	12,596	4,304	101,308	118,208	2,745	120,953
<b>2021</b>							
<b>Shareholders' equity at beginning of year</b>	-	5,417	4,303	49,885	59,605	1,160	60,765
Profit for the period	-	-	-	31,088	31,088	295	31,383
Shadow accounting	-	47	-	-	47	-	47
Revaluation of property	-	(1,006)	-	-	(1,006)	-	(1,006)
<b>Total Comprehensive income for the period</b>	-	(959)	-	31,088	30,129	295	30,424
<b>Shareholders' equity at the end of the period</b>	-	4,458	4,303	80,973	89,734	1,455	91,189

	Share capital & premium ZWLm	Non-distributable reserve ZWLm	Revaluation reserve ZWLm	Share based payment reserve ZWLm	Retained earnings ZWLm	Equity holders of the parent total ZWLm	Non-controlling interests ZWLm	Equity total ZWLm
<b>Historical Cost 2022</b>								
<b>Shareholders' equity at beginning of year</b>	-	49	4,378	55	47,131	51,613	1,176	52,789
Profit for the period	-	-	-	-	47,738	47,738	1,815	49,553
Shadow accounting	-	-	(6,570)	-	-	(6,570)	-	(6,570)
Revaluation of property	-	-	17,688	-	-	17,688	-	17,688
<b>Total Comprehensive income for the period</b>	-	-	11,118	-	47,738	58,856	1,815	60,671
Dividend paid	-	-	-	-	(767)	(767)	-	(767)
<b>Shareholders' equity at end of the period</b>	-	49	15,496	55	94,102	109,702	2,991	112,693
<b>2021</b>								
<b>Shareholders' equity at beginning of period</b>	-	55	2,358	72	12,360	14,845	342	15,187
Profit for the period	-	-	-	-	14,121	14,121	193	14,314
Shadow accounting	-	-	(260)	-	-	(260)	-	(260)
Revaluation of property	-	-	405	-	-	405	-	405
<b>Total Comprehensive income for the period</b>	-	-	145	-	14,121	14,266	193	14,459
<b>Shareholders' equity at the end of the period</b>	-	55	2,503	72	26,481	29,111	535	29,646

Notes to the Financial Statements

For the Six Months Ended 30 June 2022

1. General Information

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

- Central Africa Building Society (CABS) – mortgage, lending and banking;
- Old Mutual Finance (Private) Limited (OMFIN) – micro finance lending;
- Old Mutual Investment Group Zimbabwe (Private) Limited (OMIC) – asset management;
- Old Mutual Life Assurance Company Zimbabwe (OMLAC) – life assurance, pension and employee benefits services, which in turn wholly owns Old Mutual Funeral Services (Private) Limited; (OMFS);
- Old Mutual Securities (Private) Limited (OMSEC) – licenced 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 (OML), which is listed on the Johannesburg Stock Exchange.

2. Accounting policies

2.1. 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 symbols 'ZWL' denote 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'.

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

IAS 29, 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 National Statistics Agency (ZIMSTAT). We believe the CPI best represents average price movements in the economy during the reporting period and have thus applied it in preparation of the financial statements. The indices and conversion factors used to restate the accompanying financial statements as at 30 June 2022 are given below:

Dates	Indices	Conversion Factors
30/6/2022	8707.35	1.0000
31/12/2021	3977.46	2.1892
30/6/2021	2986.44	2.9156

2.2. 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, investment properties, provisions and the translation of foreign currency denominated assets and liabilities.

2.2.1. Functional currency and determination of exchange rate

The Zimbabwe government gazetted Statutory Instrument 185 (S.I. 185) of 2020 on 24 July 2020. The regulation requires sellers of goods and services to display, quote, and offer prices in both the Zimbabwean dollar and foreign currency at the ruling auction exchange rate. This was followed by Statutory Instrument 118A of 2022 on 27 July 2022 which amends the Exchange Control Act (Chapter 10:20) and states that settlement of any transaction or payment for goods and services in foreign currency shall be valid from January 2021 to December 2025, effectively reinforcing the multi-currency regime. Therefore, in accordance with International Accounting Standard (IAS) 21, Foreign Exchange Rates, entities need to assess whether the functional currency has changed. The Group's assessment was based on weighting the volume of the local currency business against the foreign currency business. Foreign currency transactions recorded for the whole Group constitute 2% of total transactions recorded for the financial periods ending 30 June 2022 and 30 June 2021. It is management's view that this does not constitute a significant proportion of the transactions recorded during the year. The general insurance subsidiary, OMICO, however, has a higher source of foreign currency business as compared to other subsidiaries. OMICO's source of funding is purely in ZWL, while other business expenses are driven by ZWL cost structures. It is management's view that for the subsidiary, foreign currency business is material but not yet significant enough to override the local currency business. Resultantly, the Group and its subsidiaries' functional currency remains the ZWL.

The weekly Reuters based foreign exchange auction system, overseen by the Reserve Bank of Zimbabwe (RBZ), has been in operation during the year. An interbank foreign exchange system was also established during the year and works on a willing buyer willing seller basis with exchange rates witnessed so far being closely linked to those coming from the auction system. The economy is still, however, witnessing alternative foreign currency exchange rates that are divergent from the auction determined exchange rate. For the period ended 30 June 2022, the exchange rate premium from these alternative rates reached between 60%-90%, compared to the auction determined exchange rate. Through the official foreign exchange market, the Group has managed to perform the following foreign currency transactions:

- Through CABS the banking subsidiary, settle credit lines
- Through all the Group's entities, settle foreign payments to third party suppliers of goods and services and
- Through all the Group's entities, settle foreign payments to related party service providers.

It is management's view that settle foreign currency transactions for the Group are being done using the auction determined exchange rate, resultantly, the Group's spot rate in accordance with IAS 21, is the Reuters auction foreign exchange system determined exchange rate.

2.2.2. Foreign currency denominated Legacy debts/Blocked funds

In June 2020, the RBZ invited all parties with Legacy Debts to apply for registration in order to guarantee settlement of these debts at a rate of 1:1. The Group made applications relating to amounts incurred in USD between 2020 and 2018, when the functional currency was USD and prior to the promulgation of SI 33 of February 2020, to providers of offshore lines of credit as well as related parties within the wider Old Mutual Limited Group. CABS got approval for USD26.4m owing mostly to loan repayments for offshore credit lines and foreign suppliers of goods and services. OMZIL also got approval for USD83.8m in respect of unremitted dividends (USD32.1m), obligations under the 2012 indigenisation transaction (USD50m) and management fees (USD1.7m). CABS got additional approval for USD1.3m whilst an additional USD0.5 million in respect of management fees was also approved for other group subsidiaries. Upon transferring local funds for the registration of legacy debt/blocked funds for the year ended 31 December 2020, a legitimate expectation to receive cashflow under the arrangement was created and an asset was recognised on the Group's statement of financial position, reflecting the value of the expected cashflows.

The asset 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 had provided liquidity to support cumulative obligations that CABS has settled of approximately USD18m. Finance Act No. 7 of 2022 which was promulgated on the 31st of December 2021 provides for the Government to take responsibility for discharging the outstanding registered blocked funds through the issuance of a foreign currency denominated - zero coupon financial instrument. The terms of discharge of the blocked funds will be determined by the Minister of Finance and Economic Development. Please refer to the additional disclosures in note 13.1 for the current financial year, the expected proceeds under the arrangement are classified as a statutory receivable.

2.3. Revenue

Revenue comprises premium income from insurance contracts and investment contracts with discretionary participating features, fee income from investment management contracts, commission income, banking interest income, fees 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 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) that adversely affects the policyholder are classified as insurance contracts. Insurance risk 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, 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 risk 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:

- the performance of a specified pool of contracts or a specified type of contract, and
- 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 discretionary participating feature

Insurance contract provisions are measured using the Financial Soundness Valuation (FSV) method 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 the prudence and deferral of profit emergence.

Provisions for investment contracts with discretionary participating features are also computed using the FSV method. Surplus allocated to the policyholders but not yet distributed, (i.e. bonus smoothing reserve) related to these contracts is included in the 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.

Derivatives 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 and described as 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.



**Notes to the Financial Statements**  
For the Six Months Ended 30 June 2022 (cont'd)

**2.4.3. Investment contract liabilities**

Liabilities for investment contracts without a discretionary participating feature are classified as financial liabilities at fair value through profit or loss and are recorded 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.

**2.5. 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 based on the income method are tested by comparing with values determined by three 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 and 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, commercial, 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. Additional disclosures are shown in note 10.

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 deficit is accounted for in profit or loss.

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

**2.6. Financial instruments**

**Recognition and derecognition**

**Initial recognition of financial assets**

Under IFRS 9: Financial instruments or 'IFRS 9', there are three measurement classifications as follows:

- Amortised cost;
- Fair Value through other Comprehensive Income (FVOCI) which may include debt or equity instruments; or
- 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 classification.

A debt instrument is classified as a financial asset at amortised cost if it meets both 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 cashflows; 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.

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). The 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 assets**

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

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
<b>Financial assets at amortised cost</b>	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 impairments are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairments are recognised in profit or loss. Other net gains and losses are recognised on OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
<b>Equity investments at FVOCI</b>	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 never reclassified to profit or loss.

**Subsequent measurement of financial liabilities**

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**

The Group derecognises a financial liability when the contractual obligations are discharged, 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 carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**3. Segment information - Inflation adjusted**

**A1 Statement of profit or loss - segment information for the six months ended 30 June 2022**

	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
<b>Revenue</b>							
Gross earned premiums	12,484	4,372	-	-	-	(770)	16,086
Outward reinsurance	(190)	(1,607)	-	-	-	-	(1,797)
Net earned premiums	12,294	2,765	-	-	-	(770)	14,289
Investment income (non-banking)	26,106	737	-	219	691	(2,800)	24,953
Banking interest and similar income	-	-	10,197	-	-	-	10,197
Fee income, commissions and income from service contracts	443	-	7,672	2,057	1,567	(2,974)	8,765
Other income	12,046	2,612	12,949	223	309	(1,564)	26,575
<b>Total revenue</b>	<b>50,889</b>	<b>6,114</b>	<b>30,818</b>	<b>2,499</b>	<b>2,567</b>	<b>(8,108)</b>	<b>84,779</b>
<b>Expenses</b>							
Claims and benefits (including change in insurance contract provisions)	(27,375)	(3,722)	-	-	-	227	(30,870)
Reinsurance recoveries	9	1,545	-	-	-	-	1,554
Net claims incurred	(27,366)	(2,177)	-	-	-	227	(29,316)
Change in provision for investment contract liabilities	(3,396)	-	-	-	-	-	(3,396)
Fees, commissions and other acquisition costs	(1,460)	(165)	(2,537)	(22)	-	1,334	(2,850)
Banking interest expense and similar expenses	-	-	(1,535)	-	-	129	(1,406)
Impairment charges	-	-	(2,982)	-	-	-	(2,982)
Other operating and administration expenses	(3,262)	(1,456)	(8,119)	(1,273)	(2,565)	3,206	(13,469)
Net monetary adjustment	(20,158)	(1,380)	(14,118)	(990)	(1,460)	(718)	(38,824)
<b>Profit before tax</b>	<b>(4,753)</b>	<b>936</b>	<b>1,527</b>	<b>214</b>	<b>(1,458)</b>	<b>(3,930)</b>	<b>(7,464)</b>
Income tax (expense)/credit	(462)	(427)	(376)	(252)	379	-	(1,138)
<b>Profit for the year</b>	<b>(5,215)</b>	<b>509</b>	<b>1,151</b>	<b>(38)</b>	<b>(1,079)</b>	<b>(3,930)</b>	<b>(8,602)</b>

**A2 Statement of profit or loss - segment information for the six months ended 30 June 2021**

	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
<b>Revenue</b>							
Gross earned premiums	8,596	3,499	-	-	-	(650)	11,445
Outward reinsurance	(127)	(1,107)	-	-	-	-	(1,234)
Net earned premiums	8,469	2,392	-	-	-	(650)	10,211
Investment income (non-banking)	78,291	1,125	-	420	5,597	(833)	84,600
Banking interest and similar income	-	-	6,637	-	-	(6)	6,631
Fee income, commissions and income from service contracts	396	-	7,801	1,295	606	(1,459)	8,639
Other income	187	79	875	13	1,361	(1,248)	1,267
<b>Total revenue</b>	<b>87,343</b>	<b>3,596</b>	<b>15,313</b>	<b>1,728</b>	<b>7,564</b>	<b>(4,196)</b>	<b>111,348</b>
<b>Expenses</b>							
Claims and benefits (including change in insurance contract provisions)	(54,741)	(1,437)	-	-	-	153	(56,025)
Reinsurance recoveries	112	283	-	-	-	-	395
Net claims incurred	(54,629)	(1,154)	-	-	-	153	(55,630)
Change in provision for investment contract liabilities	(2,289)	-	-	-	-	-	(2,289)
Fees, commissions and other acquisition costs	(811)	(269)	(2,471)	(6)	(38)	909	(2,686)
Banking interest expense and similar expenses	-	-	(498)	-	-	143	(355)
Impairment charges	-	-	(2,251)	-	-	-	(2,251)
Other operating and administration expenses	(2,601)	(1,135)	(4,776)	(981)	(1,234)	1,780	(8,947)
Net monetary adjustment	(7,820)	(373)	(2,082)	(165)	(4,257)	8,017	(6,880)
<b>Profit before tax</b>	<b>19,193</b>	<b>665</b>	<b>3,235</b>	<b>576</b>	<b>2,035</b>	<b>6,806</b>	<b>32,510</b>
Income tax (expense)/credit	(265)	(176)	(20)	(144)	(522)	-	(1,127)
<b>Profit for the year</b>	<b>18,928</b>	<b>489</b>	<b>3,215</b>	<b>432</b>	<b>1,513</b>	<b>6,806</b>	<b>31,383</b>

**3. Segment information - Historical Cost**

**B1 Statement of profit or loss - segment information for the six months ended 30 June 2022**

	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
<b>Revenue</b>							
Gross earned premiums	7,960	2,964	-	-	-	(481)	10,443
Outward reinsurance	(135)	(1,101)	-	-	-	-	(1,236)
Net earned premiums	7,825	1,863	-	-	-	(481)	9,207
Investment income (non-banking)	240,582	2,020	-	286	7,171	(2,089)	247,970
Banking interest and similar income	-	-	6,753	-	-	-	6,753
Fee income, commissions and income from service contracts	371	-	4,912	1,342	867	(1,931)	5,561
Other income	10,785	2,561	12,146	189	258	(1,117)	24,822
<b>Total revenue</b>	<b>259,563</b>	<b>6,444</b>	<b>23,811</b>	<b>1,817</b>	<b>8,296</b>	<b>(5,618)</b>	<b>294,313</b>
<b>Expenses</b>							
Claims and benefits (including change in insurance contract provisions)	(211,900)	(2,422)	-	-	-	142	(214,180)
Reinsurance recoveries	5	1,074	-	-	-	-	1,079
Net claims incurred	(211,895)	(1,348)	-	-	-	142	(213,101)
Change in provision for investment contract liabilities	(16,346)	-	-	-	-	-	(16,346)
Fees, commissions and other acquisition costs	(804)	(149)	(1,749)	(14)	-	826	(1,890)
Banking interest expense and similar expenses	-	-	(1,095)	-	-	76	(1,019)
Impairment charges	-	-	(2,982)	-	-	-	(2,982)
Other operating and administration expenses	(2,653)	(972)	(4,724)	(878)	(1,285)	1,886	(8,626)
<b>Profit before tax</b>	<b>27,865</b>	<b>3,975</b>	<b>13,261</b>	<b>925</b>	<b>7,011</b>	<b>(2,688)</b>	<b>50,349</b>
Income tax (expense)/credit	(266)	4,07	(519)	(228)	(590)	-	(796)
<b>Profit for the half year</b>	<b>27,599</b>	<b>4,382</b>	<b>12,942</b>	<b>697</b>	<b>6,621</b>	<b>(2,688)</b>	<b>49,553</b>

**B2 Statement of profit or loss - segment information for the six months ended 30 June 2021**

	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
<b>Revenue</b>							
Gross earned premiums	2,778	1,125	-	-	-	(209)	3,694
Outward reinsurance	(20)	(376)	-	-	-	-	(396)
Net earned premiums	2,758	749	-	-	-	(209)	3,298
Investment income (non-banking)	38,880	537	-	147	2,395	(271)	41,688
Banking interest and similar income	-	-	2,158	-	-	(2)	2,156
Fee income, commissions and income from service contracts	121	-	2,540	433	171	(474)	2,791
Other income	78	34	303	11	402	(405)	423
<b>Total revenue</b>	<b>41,837</b>	<b>1,320</b>	<b>5,001</b>	<b>591</b>	<b>2,968</b>	<b>(1,361)</b>	<b>50,356</b>
<b>Expenses</b>							
Claims and benefits (including change in insurance contract provisions)	(29,001)	(449)	-	-	-	51	(29,399)
Reinsurance recoveries	36	88	-	-	-	-	124
Net claims incurred	(28,965)	(361)	-	-	-	51	(29,275)
Change in provision for investment contract liabilities	(1,878)	-	-	-	-	-	(1,878)
Fees, commissions and other acquisition costs	(271)	(89)	(777)	(3)	(11)	287	(864)
Banking interest expense and similar expenses	-	-	(156)	-	-	44	(112)
Credit losses and impairment charges	-	-	(772)	-	-	-	(772)
Other operating and administration expenses	(704)	(350)	(1,567)	(314)	(260)	418	(2,777)
<b>Profit before tax</b>	<b>10,019</b>	<b>520</b>	<b>1,729</b>	<b>274</b>	<b>2,697</b>	<b>(561)</b>	<b>14,678</b>
Income tax (expense)/credit	(88)	(46)	(7)	(51)	(172)	-	(364)
<b>Profit for the half year</b>	<b>9,931</b>	<b>474</b>	<b>1,722</b>	<b>223</b>	<b>2,525</b>	<b>(561)</b>	<b>14,314</b>



3. Segment information - Inflation Adjusted

C1 Statement of financial position - segment information as at 30 June 2022

	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
<b>Assets</b>							
Investment property	151,483	194	7,892	-	149	-	159,718
Property and equipment	11,304	371	17,822	887	840	-	31,224
Intangible assets	-	-	1,570	-	74	-	1,644
Deferred acquisition costs	-	277	-	-	-	-	277
Reinsurer contracts	-	2,700	-	-	-	-	2,700
Investments and securities	255,298	5,286	8,583	1,032	24,814	(13,928)	281,085
Deferred tax assets	-	397	-	1	208	-	606
Current tax receivable	-	67	-	-	-	-	67
Loans and advances	-	-	78,460	-	-	-	78,460
Other assets	5,497	3,757	18,326	472	31,415	(12,382)	47,085
Cash and cash equivalents	8,183	909	50,910	157	473	(4,685)	55,947
<b>Total assets</b>	<b>431,765</b>	<b>13,958</b>	<b>183,563</b>	<b>2,549</b>	<b>57,973</b>	<b>(30,995)</b>	<b>658,813</b>
<b>Liabilities</b>							
Insurance contract liabilities	344,903	6,273	-	-	-	-	351,176
Investment contract liabilities	27,280	-	-	-	-	-	27,280
Provisions	97	-	1,032	18	2,442	-	3,589
Deferred tax liabilities	849	304	1,337	-	1,183	(954)	2,719
Current tax payables	-	-	-	38	81	-	119
Amounts due to group companies	454	15	77	5	29,767	(551)	29,767
Amounts owed to bank depositors	-	-	86,727	-	-	(9,400)	77,327
Credit lines	-	-	41,185	-	-	-	41,185
Other liabilities	78	678	8,782	341	2,072	(7,253)	4,698
<b>Total liabilities</b>	<b>373,661</b>	<b>7,270</b>	<b>139,140</b>	<b>402</b>	<b>35,545</b>	<b>(18,158)</b>	<b>537,860</b>
<b>Net assets</b>	<b>58,104</b>	<b>6,688</b>	<b>44,423</b>	<b>2,147</b>	<b>22,428</b>	<b>(12,837)</b>	<b>120,953</b>
<b>Shareholders' equity</b>							
Share capital and premium	4,196	2	4,940	497	-	(9,635)	-
Revaluation reserve	-	-	12,596	-	-	-	12,596
Share based payment reserve	530	291	809	887	8,455	(6,668)	4,304
Retained earnings	53,378	6,395	26,078	763	13,973	721	101,308
<b>Equity holders of the parent</b>	<b>58,104</b>	<b>6,688</b>	<b>44,423</b>	<b>2,147</b>	<b>22,428</b>	<b>(15,582)</b>	<b>118,208</b>
Non-controlling interests	-	-	-	-	-	2,745	2,745
<b>Total equity</b>	<b>58,104</b>	<b>6,688</b>	<b>44,423</b>	<b>2,147</b>	<b>22,428</b>	<b>(12,837)</b>	<b>120,953</b>

C2 Statement of financial position - segment information as at 31 December 2021

	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
<b>Assets</b>							
Investment property	101,174	123	5,215	-	98	-	106,610
Property and equipment	7,688	352	13,328	383	802	-	22,553
Intangible assets	-	-	1,894	59	4	-	1,957
Deferred acquisition costs	-	85	-	-	-	-	85
Reinsurer contracts	-	725	-	-	-	-	725
Investments and securities	284,370	5,431	8,089	1,025	30,716	(21,517)	308,114
Deferred tax assets	-	-	-	7	-	-	7
Current tax receivable	44	147	-	30	-	-	221
Loans and advances	-	-	60,452	-	-	-	60,452
Other assets	1,916	1,607	13,717	917	19,133	(2)	37,288
Cash and cash equivalents	4,910	574	25,173	289	1,178	(4,851)	27,273
<b>Total assets</b>	<b>400,102</b>	<b>9,044</b>	<b>127,868</b>	<b>2,710</b>	<b>51,931</b>	<b>(26,370)</b>	<b>565,285</b>
<b>Liabilities</b>							
Insurance contract liabilities	303,948	2,025	-	-	-	-	305,973
Investment contract liabilities	24,186	-	-	-	-	-	24,186
Provisions	392	20	13	221	690	15	1,351
Deferred tax liabilities	1,379	114	773	57	359	(81)	2,601
Current tax payables	-	-	4	-	18	-	22
Amounts due to group companies	1,162	140	26	2	20,555	-	21,885
Amounts owed to bank depositors	-	-	61,723	-	-	(7,473)	54,250
Credit lines	-	-	21,403	-	-	(102)	21,301
Other liabilities	1,570	462	6,367	768	4,923	(5,463)	8,627
<b>Total liabilities</b>	<b>332,637</b>	<b>2,761</b>	<b>90,309</b>	<b>1,048</b>	<b>26,545</b>	<b>(13,104)</b>	<b>440,196</b>
<b>Net assets</b>	<b>67,465</b>	<b>6,283</b>	<b>37,559</b>	<b>1,662</b>	<b>25,386</b>	<b>(13,266)</b>	<b>125,089</b>
<b>Shareholders' equity</b>							
Share capital and premium	4,197	2	5,676	738	-	(10,613)	-
Revaluation reserve	-	-	6,729	-	-	-	6,729
Share based payment reserve	1,355	291	810	887	8,455	(7,494)	4,304
Currency conversion reserve	530	-	-	-	944	(1,474)	-
Retained earnings	61,383	5,990	24,344	37	15,987	3,784	111,525
<b>Equity holders of the parent</b>	<b>67,465</b>	<b>6,283</b>	<b>37,559</b>	<b>1,662</b>	<b>25,386</b>	<b>(15,797)</b>	<b>122,558</b>
Non-controlling interests	-	-	-	-	-	2,531	2,531
<b>Total equity</b>	<b>67,465</b>	<b>6,283</b>	<b>37,559</b>	<b>1,662</b>	<b>25,386</b>	<b>(13,266)</b>	<b>125,089</b>

3. Segment information - Historical cost

D1 Statement of financial position - segment information as at 30 June 2022

	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
<b>Assets</b>							
Investment property	151,483	194	7,892	-	149	-	159,718
Property and equipment	10,949	101	17,593	59	197	-	28,899
Intangible assets	-	-	199	-	-	-	199
Deferred acquisition costs	-	189	-	-	-	-	189
Reinsurer contracts	-	2,523	-	-	-	-	2,523
Investments and securities	255,298	5,286	8,583	1,032	15,498	(4,612)	281,085
Deferred tax assets	-	386	-	1	44	-	431
Current tax receivable	-	67	-	-	-	-	67
Loans and advances	-	-	78,460	-	-	-	78,460
Other assets	5,497	3,757	12,458	472	31,415	(12,382)	41,217
Cash and cash equivalents	8,183	909	50,910	157	473	(4,685)	55,947
<b>Total assets</b>	<b>431,410</b>	<b>13,412</b>	<b>176,095</b>	<b>1,721</b>	<b>47,776</b>	<b>(21,679)</b>	<b>648,735</b>
<b>Liabilities</b>							
Insurance contract liabilities	344,903	5,567	-	-	-	-	350,470
Investment contract liabilities	27,280	-	-	-	-	-	27,280
Provisions	97	-	1,032	18	2,442	-	3,589
Deferred tax liabilities	849	-	2,232	-	2,53	(854)	2,480
Current tax payables	-	-	-	38	81	-	119
Amounts due to group companies	454	15	77	5	29,767	(551)	29,767
Amounts owed to bank depositors	-	-	86,727	-	-	(9,400)	77,327
Credit lines	-	-	41,185	-	-	-	41,185
Other liabilities	78	678	7,909	341	2,072	(7,253)	3,825
<b>Total liabilities</b>	<b>373,661</b>	<b>6,260</b>	<b>139,162</b>	<b>402</b>	<b>34,615</b>	<b>(18,058)</b>	<b>536,042</b>
<b>Net assets</b>	<b>57,749</b>	<b>7,152</b>	<b>36,933</b>	<b>1,319</b>	<b>13,161</b>	<b>(3,621)</b>	<b>112,693</b>
<b>Shareholders' equity</b>							
Share capital and premium	30	-	68	63	-	(161)	-
Non-distributable reserve	30	2	1	-	21	(5)	49
Revaluation reserve	-	-	15,496	-	-	-	15,496
Share based payment reserve	4	1	6	2	63	(21)	55
Retained earnings	57,685	7,149	21,362	1,254	13,077	(6,425)	94,102
<b>Equity holders of the parent</b>	<b>57,749</b>	<b>7,152</b>	<b>36,933</b>	<b>1,319</b>	<b>13,161</b>	<b>(6,612)</b>	<b>109,702</b>
Non-controlling interests	-	-	-	-	-	2,991	2,991
<b>Total equity</b>	<b>57,749</b>	<b>7,152</b>	<b>36,933</b>	<b>1,319</b>	<b>13,161</b>	<b>(3,621)</b>	<b>112,693</b>

D2 Statement of financial position - segment information as at 31 December 2021

	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
<b>Assets</b>							
Investment property	46,216	56	2,382	-	45	-	48,699
Property and equipment	3,374	81	5,114	37	90	-	8,696
Intangible assets	-	-	199	9	-	-	208
Deferred acquisition costs	-	34	-	-	-	-	34
Reinsurer contracts	-	307	-	-	-	-	307
Investments and securities	129,899	2,481	3,695	468	9,592	(5,390)	140,745
Deferred tax assets	-	-	2	7	-	-	9
Current tax receivable	20	67	-	14	-	-	101
Loans and advances	-	-	27,614	-	-	-	27,614
Other assets	820	734	3,982	411	8,740	(1)	14,686
Cash and cash equivalents	2,243	262	11,500	132	536	(2,215)	12,458
<b>Total assets</b>	<b>182,572</b>	<b>4,022</b>	<b>54,488</b>	<b>1,078</b>	<b>19,003</b>	<b>(7,606)</b>	<b>253,557</b>
<b>Liabilities</b>							
Insurance contract liabilities	138,842	861	-	-	-	-	139,703
Investment contract liabilities	11,048	-	-	-	-	-	11,048
Provisions	185	9	6	102	315	-	617
Deferred tax liabilities	624	20	353	-	88	(37)	1,048
Current income tax liabilities	-	-	2	-	8	-	10
Amounts due to group companies	531	64	12	1	9,389	-	9,997
Amounts owed to bank depositors	-	-	28,195	-	-	(3,414)	24,781
Credit lines	-	-	9,777	-	-	(47)	9,730
Other liabilities	716	213	2,768	348	2,249	(2,460)	3,834
<b>Total liabilities</b>	<b>151,946</b>	<b>1,167</b>	<b>41,113</b>	<b>451</b>	<b>12,049</b>	<b>(5,958)</b>	<b>200,768</b>
<b>Net assets</b>	<b>30,626</b>	<b>2,855</b>	<b>13,375</b>	<b>627</b>	<b>6,954</b>	<b>(1,648)</b>	<b>52,789</b>
<b>Shareholders' equity</b>							
Share capital and premium	30	-	87	63	-	(180)	-
Non-distributable reserve	30	2	1	-	21	(5)	49
Revaluation reserve	-	-	4,378	-	-	-	4,378
Share based payment reserve	4	1	6	2	63	(21)	55
Currency conversion reserve	15	-	-	(2)	10	(23)	-
Retained earnings	30,547	2,852	8,903	564	6,860	(2,595)	47,131
<b>Equity holders of the parent</b>	<b>30,626</b>	<b>2,855</b>	<b>13,375</b>	<b>627</b>	<b>6,954</b>	<b>(2,824)</b>	<b>51,613</b>
Non-controlling interests	-	-	-	-	-	1,176	1,176
<b>Total equity</b>	<b>30,626</b>	<b>2,855</b>	<b>13,375</b>	<b>627</b>	<b>6,954</b>	<b>(1,648)</b>	<b>52,789</b>

Notes to the Financial Statements

For the Six Months Ended 30 June 2022 (cont'd)

4. Gross earned premiums

	Inflation Adjusted		Historical Cost	



Notes to the Financial Statements

For the Six Months Ended 30 June 2022 (cont'd)

Key assumptions and considerations applied in the valuation process include:

- The underlying valuation has been prepared in ZWL, on account of increased market evidence of transactions in ZWL.
- 90% of our rentals were invoiced in ZWL.
- ZWL rentals have a low default risk as compared to US\$ rentals.
- Softer capitalisation rates were applied relative to previous USD valuations because of the valuation currency.
- The Group changed the application of its valuation technique through:
  - Reverting to the Direct Capitalisation Method (DCM) for income earning properties from the two stage Discounted Cash Flow Method.
- There has been an increase in observable market data in the form of valuation inputs that are now being obtained in the functional currency, although overall market transactions are still low.
- Rental collection rates and void rates in the property portfolio have held steady despite the inflationary environment.
- A USD valuation would require translation at the official exchange rate, while at the same time rental yields in ZWL have been driven by factors that are not just limited to exchange rate movements.
- Going forward USD cap rates may be unreliable for valuations due to limited evidence of USD transactions outside the residential market, which is a market where we have limited exposure. Most institutional investors transact in ZWL with rent mostly accruing in ZWL.
- Most available USD data is from over 5 years ago when underlying economic conditions and currency factors were very different from what prevails today.

Capitalisation rates were derived from the observed transactions and adjusted using building specific factors as well as subject property performance. 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 considered. Rentals are reviewed regularly in response to inflation.

	Inflation Adjusted		Historical Cost	
	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm
<b>11. Investments and securities</b>				
<b>11.1 Analysis of investments</b>				
Equity securities	- Listed - Unlisted			
	218,686 47,850	257,999 34,526	218,686 47,850	117,853 15,771
<b>Total Equities</b>	<b>266,536</b>	<b>292,525</b>	<b>266,536</b>	<b>133,624</b>
Unit trust investments	1,748	3,527	1,748	1,611
Treasury bills	7,537	8,417	7,537	3,845
Deposits and money market securities	5,264	3,645	5,264	1,665
	<b>281,085</b>	<b>308,114</b>	<b>281,085</b>	<b>140,745</b>
<b>11.2 Spread of equity securities by sector</b>				
Commodities	12,718	30,977	12,718	14,150
Communications	28,274	28,461	28,274	13,001
Consumer	10,742	132,155	10,742	60,368
Financial	1,496	59,508	1,496	27,183
Property	21,465	4,516	21,465	2,063
Manufacturing	191,841	36,908	191,841	16,859
	<b>266,536</b>	<b>292,525</b>	<b>266,536</b>	<b>133,624</b>
<b>11.3 Movements of investment and securities</b>				
Opening balance	308,114	138,585	140,745	39,384
Fair value movements through profit or loss	(31,654)	149,570	134,040	93,552
Additions	22,648	32,535	20,589	11,593
Disposals	(18,023)	(12,576)	(14,289)	(3,784)
<b>Closing balances</b>	<b>281,085</b>	<b>308,114</b>	<b>281,085</b>	<b>140,745</b>

	30-Jun-22		31-Dec-21	
	% holding	Value ZWLm	Inflation Adjusted ZWLm	Historical Cost ZWLm
<b>Investee</b>				
Takura Fund II (Limited Partner) "B Shares" (held by Shareholders and OMLAC Main Fund)	40%	13,281	8,740	3,992
Africa Takura Ventures-Fund 1 "M Shares" (held by Shareholders and OMLAC Main Fund)	26%	-	-	-
Nedbank Zimbabwe (held by Shareholders)	23%	2,056	918	419
Lake Harvest Aquaculture (held by Shareholders and OMLAC Main Fund)	26%	37	35	16
Lobels Holdings Limited (held by OMLAC Main Fund)	49%	2,948	5,249	2,398
Manica Board and Doors (MBD) (held by OMLAC Main Fund)	55%	2,404	1,376	629
Kupinga Renewable Energy (held by OMLAC Main Fund)	40%	593	428	196
Closefin (held by OMLAC Main Fund)	21%	2,411	3,628	1,657
Plaza Bakery (held by OMLAC Main Fund)	49%	8	16	7
Zimcampus preference shares (held by OMLAC Main Fund)	30%	2,554	1,383	632
Solgas ordinary shares (held by OMLAC Main Fund)	49%	5	10	5
Richaw Solar Tech ordinary shares (held by OMLAC Main Fund)	49%	3	7	3
Harava Solar Park (held by OMLAC Main Fund)	27%	245	155	71
Takura Fund III (Limited Partner) "D Shares" (held by Shareholders and OMLAC Main Fund)	74%	12,539	7,687	3,511
Tenpill (held by Shareholders and OMLAC Main Fund)	48%	4,174	3,772	1,723
Great Zimbabwe Hydro (held by OMLAC Main Fund)	23%	148	-	-
Southern Property (Private) Limited (held by OMLAC Main Fund)	20%	75	164	75
		<b>43,481</b>	<b>33,568</b>	<b>15,334</b>

All valuations were prepared in ZWL, which is the underlying functional currency for the investee companies. 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, not withstanding 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 trusts which are managed on a fair value basis. These funds back investment contracts with discretionary participating features and investment contracts.

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.

The Group has significant influence in MBD due to its shareholding and representation on the board, however, the Group applied the consolidation exemption per IAS 28 and measured the investment at fair value as the asset backs investment-linked insurance contracts.

	Inflation adjusted		Historical cost	
	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm
<b>11.5 Treasury bills maturity analysis</b>				
On demand to 3 months	452	7,927	452	3,621
3 months to 12 months	6,783	490	6,783	224
1 year to five years	302	-	302	-
<b>Total</b>	<b>7,537</b>	<b>8,417</b>	<b>7,537</b>	<b>3,845</b>
	<b>30 June 2022 USDm</b>	<b>+/- 20% stock movement ZWLm</b>	<b>+/- 50% stock movement ZWLm</b>	<b>+/- 75% stock movement ZWLm</b>
<b>11.6 Sensitivity Analysis - Stock market movements</b>				
Equities - after increase	218,686	262,423	328,029	382,701
Equities - after decrease	218,686	174,949	109,343	54,671
Increase or decrease in fair value movement	-	43,737	109,343	164,015
Impact on profit and Net Asset Value	-	12,659	31,648	47,472

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.

12. Loans and advances

Concentration - gross loans and advances

	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm
Housing	4,289	3,338	4,289	1,525
Unsecured personal loans	6,574	8,413	6,574	3,843
Commercial and industrial	71,697	51,973	71,697	23,741
<b>Gross loans and advances</b>	<b>82,560</b>	<b>63,724</b>	<b>82,560</b>	<b>29,109</b>
Less provision for impairment	(4,100)	(3,272)	(4,100)	(1,495)
<b>Net loans and advances</b>	<b>78,460</b>	<b>60,452</b>	<b>78,460</b>	<b>27,614</b>

Maturity analysis - gross and loans advances

	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm
On demand to 3 months	14,959	8,529	14,959	3,896
3 months to 12 months	22,756	17,702	22,756	8,086
1 year to 5 years	44,095	37,006	44,095	16,904
Over 5 years	750	487	750	223
	<b>82,560</b>	<b>63,724</b>	<b>82,560</b>	<b>29,109</b>

Non performing loans

	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm
	<b>171</b>	<b>142</b>	<b>171</b>	<b>65</b>

Analysis of past due but not impaired

	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm
30 to 60 days past due	255	9	255	4
61 to 90 days past due	954	438	954	200
	<b>1,209</b>	<b>447</b>	<b>1,209</b>	<b>204</b>

12.1 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 adjusted		Historical cost	
	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm
<b>Sector</b>				
Agriculture	36,661	20,528	36,661	9,377
Construction, transport and communication	5,659	810	5,659	370
Distribution	3,345	13,674	3,345	6,246
Financial service	5,220	32	5,220	15
Manufacturing and mining	7,397	13,899	7,397	6,349
Mortgages	14,723	3,976	14,723	1,816
Private/individuals	9,555	10,805	9,555	4,936
<b>Total gross loans</b>	<b>82,560</b>	<b>63,724</b>	<b>82,560</b>	<b>29,109</b>

13. Other assets

	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm
Accrued investment income	226	919	226	420
Agent debtors and prepayments	541	2,141	541	978
Inventory - Capitalised project costs	2,301	2,321	30	36
Banking settlement accounts and other assets	8,865	6,320	5,268	1,564
RBZ Legacy Debt Statutory Receivable (see note 13.1 below)	34,179	21,480	34,179	9,812
Trade debtors	973	4,107	973	1,876
	<b>47,085</b>	<b>37,288</b>	<b>41,217</b>	<b>14,686</b>

13.1 RBZ Legacy Debt

	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm
Principal Amount	93	210	93	96
Fair value gain	34,086	21,270	34,086	9,716
<b>Gross amount receivable</b>	<b>34,179</b>	<b>21,480</b>	<b>34,179</b>	<b>9,812</b>

On the 24th of June 2020, 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 2020 which directed authorised dealers to transfer to the RBZ, Zimbabwe Dollar balances at an exchange rate of ZWL1:USD1 in relation to foreign currency legacy debts to be registered with the RBZ.

Legacy Debts registration process

	30-Jun-22 Approved USD	31-Dec-21 Approved USD
External lines of credit	26	26
Amounts owing to related parties	84	84
Amounts owing to 3rd parties	1	1
Amounts settled	(18)	(15)
	<b>93</b>	<b>96</b>

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 and other service providers.

Registration of the associated amounts under the RBZ blocked funds arrangement was completed with the transfer in 2019 and 2020 of amounts of ZWL111m to the RBZ at an exchange rate of ZWL1:USD1. CABS and OMZIL recognised a foreign currency denominated financial instrument in the 2020 and 2021 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. For 2022 an asset also was recognised on the Group's statement of financial position for the statutory receivable. This asset 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 asset reflects management's assessment of the present value of the expected recoverable net cashflows to be received under this arrangement.

The RBZ has stated its intention to honour its commitment and has facilitated liquidity to support obligations that CABS has settled to the tune of USD18m since the debts were registered. We believe this supports the accounting treatment adopted in recognising this instrument as an asset both for 2022 and 2021.

Finance Act No. 7 of 2022 which was promulgated on the 31st of December 2021 provides for the Government to take responsibility for discharging the outstanding registered blocked funds. The terms of discharge of the blocked funds, and nature of the foreign currency denominated instrument to be issued as provided for under the Act, will be determined by the Minister of Finance and Economic Development.

	Inflation adjusted		Historical Cost	
	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm
<b>14. Insurance contract liabilities</b>				
Outstanding claims	2,614	197	2,614	90
Future policyholders' benefits (see analysis of movement in provision below)	348,562	305,776	347,856	139,613
	<b>351,176</b>	<b>305,973</b>	<b>350,470</b>	<b>139,703</b>
<b>14.1 Future policyholders' benefits</b>				
<b>Movement in provision for insurance contracts</b>				
Balance at beginning of year	305,776	167,136	139,613	47,389
Premium income	14,289	24,733	9,207	8,865
Investment income	23,953	133,467	193,372	90,471
Fee and other income	20,898	3,763	16,075	1,666
Claims and policy benefits	(11,788)	(13,557)	(6,981)	(5,052)
Operating expenses	(3,849)	(6,712)	(2,984)	(2,377)
<b>Taxation</b>				
Current tax	(77)	(103)	(57)	(58)
Deferred tax	(73)	(46)	(37)	(32)
Transfer to operating profit	(567)	(2,905)	(352)	(1,259)
<b>Balance at end of year</b>	<b>348,562</b>	<b>305,776</b>	<b>347,856</b>	<b>139,613</b>

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Notes to the Financial Statements

For the Six Months Ended 30 June 2022 (cont'd)

	Inflation adjusted		Historical cost	
	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm	Group 30-Jun-22 ZWLm	Group 31-Dec-21 ZWLm
<b>15. Investment contract liabilities</b>				
<b>Liabilities at fair value through profit or loss</b>	<b>27,280</b>	<b>24,186</b>	<b>27,280</b>	<b>11,048</b>
<b>Movement in liabilities fair valued through profit or loss</b>				
Balance at beginning of year	24,186	11,524	11,048	3,275
New contributions received	35	74	20	25
Withdrawals	(86)	(175)	(67)	(62)
Fair value movements	3,145	12,763	16,279	7,810
<b>Balance at end of year</b>	<b>27,280</b>	<b>24,186</b>	<b>27,280</b>	<b>11,048</b>
<b>16. Amounts due by or (to) group companies</b>				
Old Mutual Limited (South Africa) and its subsidiaries outside Zimbabwe	29,767	21,885	29,767	9,997
	<b>29,767</b>	<b>21,885</b>	<b>29,767</b>	<b>9,997</b>
The amounts due by or to group companies above are unsecured and are payable on demand.				
<b>17. Amounts owed to bank depositors</b>				
Money market deposits	9,865	2,666	9,865	1,218
Savings deposits	67,462	51,584	67,462	23,563
	<b>77,327</b>	<b>54,250</b>	<b>77,327</b>	<b>24,781</b>
<b>Maturity analysis</b>				
On demand to 3 months	69,182	51,583	69,182	23,563
3 months to a year	8,058	1,261	8,058	576
1 year to 5 year	57	1,333	57	609
Over 5 years	30	73	30	33
	<b>77,327</b>	<b>54,250</b>	<b>77,327</b>	<b>24,781</b>

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

	30-Jun-22		31-Dec-21	
	ZWLm	%	ZWLm	%
<b>Concentration - Restated</b>				
Financial institutions	22,134	29	12,610	23
Companies	42,104	54	31,572	58
Individuals	13,089	17	10,068	19
	<b>77,327</b>	<b>100</b>	<b>54,250</b>	<b>100</b>
<b>Concentration - Historical cost</b>				
Financial institutions	22,134	29	5,760	23
Companies	42,104	54	14,422	58
Individuals	13,089	17	4,599	19
	<b>77,327</b>	<b>100</b>	<b>24,781</b>	<b>100</b>

These are on-demand deposits.

18. 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 scenarios presented compare the impact of using the closing rate at 1:366; Depreciated at 50% and 75%.

Foreign currency denominated Assets/Liabilities	Group 30 June 2022	Group ZWL Translated @1:366	Group ZWL 50% depreciation	Group ZWL 75% depreciation
	<b>Assets</b>			
Investments and securities	96	35,162	52,743	61,534
Loans and advances	145	53,109	79,664	92,941
Other assets	112	41,022	61,533	71,789
Cash and cash equivalents	104	38,092	57,138	66,661
<b>Total assets</b>	<b>457</b>	<b>167,385</b>	<b>251,078</b>	<b>292,925</b>
<b>Liabilities</b>				
Policyholder liabilities	86	31,499	47,249	55,123
Credit lines	111	40,656	60,984	71,148
Amounts due to group companies	7	2,564	3,846	4,487
Amounts owed to bank depositors	110	40,290	60,435	70,508
Other liabilities	104	38,092	57,138	66,661
<b>Total liabilities</b>	<b>418</b>	<b>153,101</b>	<b>229,652</b>	<b>267,927</b>
<b>Net assets</b>	<b>39</b>	<b>14,284</b>	<b>21,426</b>	<b>24,998</b>

The Group and its subsidiaries remain solvent and sufficiently capitalised at the different exchange rate sensitivities.

19. Risk Management

In the six months to 30 June 2022, the main risks faced by the OMZIL Group were external risk characterised by government policy changes and environmental risk, the COVID-19 pandemic, with impacts on operations and strategy implementation. Year-on-year inflation and exchange rates were on a deteriorating trend, with an adverse effect on business expenses. Intense competition from market players continued to exert pressure on the market shares of some of the Group's businesses. There was, however, recovery of market shares in other business units.

Cybercrime and cybersecurity risk exposure is inherently high due to the increasing and evolving sophistication of attacks externally as well as the increased exposure due to remote connectivity as a result of remote working. The Group continued to enforce controls to proactively detect cyberattacks and respond timely to prevent extensive damage to the business.

The Group was mostly compliant with legal and regulatory requirements, with remedial actions being implemented for exceptions, and progress updates provided to regulators.

The Group will continue to respond with sound risk management practices to evolving macro-economic and environmental developments to defend and grow customer and shareholder values.

Overview of Top Risks

In the first six months of 2022, the risk landscape was significantly influenced by the external environment, in particular, macro-economic developments. An assessment of the top risks for the period is provided below:

External Risk

**Description & Impact:** These are risks outside the control of the Group which are difficult to predict or control.

**Macro-economic:** Local currency depreciation and an upsurge in inflation were the major macroeconomic risks for the first half of the year 2022. These applied significant pressure on the financial performance of the business as some financial key performance indicators fell behind plan.

**Emerging laws & regulations:** This is the risk that government policies and/or actions are passed resulting in an unexpected impact on the business' objectives or operations and/or customer values. This materialised during the quarter with the pronouncement of the measures to stabilise the economy on 7 May 2022.

**Environmental:** The COVID-19 pandemic has almost reached an endemic state in the country though a resurgence is not far-fetched. The risk remains of new, vaccine-resistant and virulent variants and new pandemics, in the future, which may have long lasting economic and business impacts. There is an outbreak of the monkeypox virus globally.

**Competition:** Competition remains strong within the industries that the Group operates; nevertheless, the major Group Business Units remain within the top five in their respective sectors.

**Climate Change Risk:** Climate change physical risk (extreme weather events) and transition risks (reducing carbon emissions and damages to the environment), remain inherently high, with impacts on the Group's short-term insurance and credit risk exposures.

**Mitigating Actions:** Management continues to defend key elements of the business and ensuring value preservation through investments in real assets for the customers and the shareholder. In response to the inflation risk, the Group is managing costs proactively and constantly reviewing supplier reliability in the face of supply chain disruptions.

The Group is also engaging the authorities in instances where policy pronouncements made are not favourable to the customers and the shareholder. The Group has robust internal processes to respond to external and environmental risks. Climate change risks are under constant monitoring and products and processes are being adapted to suit the climate change agenda. To defend the market share, the Group is pursuing various initiatives.

Market Risk

**Description & Impact:** These are 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.

**Equity & property volatility risk:** The All-Share Index witnessed some decline during the second quarter of 2022, with ZSE performance below inflation.

**Foreign Exchange Rate Risk:** The Group's open currency gap position was positive over the review period. The increase in the gap means that the business managed to generate more USD assets which is favourable given the trend of the local currency exchange rate versus major currencies.

**Interest rate risk:** The reviewed interest rates with effect from 1st July 2022 to align with inflation levels, could ease pressure on real returns. However, this also means an increase in the cost of funding which could adversely affect interest margins if the increased lending rates discourage borrowing.

**Mitigating Actions:** The strategy of diversifying equity risk through alternative investments which also preserve value, is continuing and the business is meeting the current set targets.

Property portfolio re-balancing is continuing through disposal of properties on a case-by-case basis from the overweight and non-performing sectors and redeploying the proceeds into resilient and robust property sectors. Minimum lending rates will be benchmarked to the bank policy rate, which is now aligned to inflation trends, to protect the net interest margins.

Forward-looking techniques (stress testing) are applied within the business to ensure that the business anticipates and plans adequately for possible market movements.

Liquidity Risk

**Description & Impact:** The risk that available liquid assets will be insufficient to meet changing market and business conditions, liabilities, funding of asset purchases, or an increase in client demands for cash.

The monetary authorities continued to pursue a mainly contractionary monetary policy, through a monetary targeting framework, and Open Market Operations. Foreign currency market liquidity and long-term local currency funding remain constrained.

Nevertheless, the Group managed to meet all its obligations during the half year-ended 30 June 2022 and has an adequate stock of liquid assets to support operations.

**Mitigating Actions:** Cash flow forecasting and management is being done. There is a liquidity framework embedment project planned for non-bank business units which will see refining of liquidity metrics. OMZIL liquidity stress testing is being done regularly as part of forward-looking management of the risk.

Legal & Regulatory Compliance Risk

**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.

Some of the key legal and regulatory developments during the period under review related to governance and risk management, regulatory reporting and the announcement of penalties for delayed submissions, sustainability & climate risk management, financial reporting under IFRS 17. For Anti Money Laundering (AML) risk, there is increased regulatory oversight over the risk within the financial services sector.

**Mitigating Actions:** Impact and compliance gap assessments of the new legal and regulatory developments are conducted, and compliance advice provided to the business on achieving compliance. There are also compliance engagements with the Regulator on behalf of the business to seek clarity on implementation of complex requirements.

Operational Risk

**Description & Impact:** Risks relating to failure of business operational processes, workplace safety, including loss and damage of the Group's physical assets, property and facilities. It includes risks relating to fraud, theft, bribery, corruption or internal irregularities.

The operational risk environment was fairly stable over the period as evidenced by audit key performance indicators that were within the Board approved appetites. The internal control environment is being managed effectively. Risk events that impacted customer experience and financial objectives of the business were within the required thresholds and received due attention. Supplier Risk Outsourcing is being managed in line with policy and regulatory requirements. Model Risk relating to decision-making or reporting based on inadequate or flawed models or applying such models inappropriately is tracked monthly. Exposures to fraud risk remained inherent within the Group but received adequate attention to keep the net exposures within appetite.

**Mitigating Actions:** There is continued implementation of the Control Environment Improvement Program (CEIP) which is aligned to the COSO Internal Control Framework. Proactive fraud detection capabilities (systems and processes) continue to be enhanced across the Group.

Information Technology Risk

**Description & Impact:** Risks of loss due to inadequate or inefficient information security, failure of systems and/or related processes. This includes the risk of failure to protect the confidentiality, integrity, or availability of information technology assets, whether electronic or otherwise, from unauthorised access, use, disclosure, disruption, modification, or destruction.

**Technology/System Risk:** The risk was under control during the period to 30 June. The number of system related risk events and their impacts, continue to be tracked with the Group. There was prompt resolution to minimise impacts on the customer. There is active management of technical debt, the accumulated costs and long-term consequences of obsolete technology to de-risk the business from undesirable system related threats.

**Information Security - Cybercrime:** Cybercrime: There were no reported cyber-attacks during the period under review therefore the risk was under control. The Group remains mindful that cyber-attacks are becoming more dynamic and sophisticated hence proactive mechanisms continue to be implemented.

**Mitigating Actions:** System related issues continue to receive attention. Measures are being pursued to enhance network connectivity, speed and stability. There are plans to replace legacy systems. Enhancement of security solutions is being pursued.

Embedded security has also been a core focus with all solutions rolled out required to have gone through risk assessments. Penetration tests are now a necessity for all public facing sites and interfaces. All projects within the Group are mandated to use the Group preferred authentication solution. Email scanning continues to be implemented.

Strategic Risk

**Description & Impact:** The risk that business decisions are made that adversely affect future earnings and/or the sustainability of the business.

**Innovation:** New products and services are being pursued, mainly under the digital initiatives. There are efforts to continue to add more of the Group offerings on the MyOM platform.

**Business Model/Concentration:** As part of the future-fit strategy, the Group launched two businesses over the period, in funeral and digital services.

**Mitigating Actions:** Group business units are continuing with strategies to increase the USD business and growing third party business. Enhanced tracking of the delivery of strategic initiatives is being done at executive management level.

People Risk

**Description & Impact:** Risks relating to the business workforce resourcing, utilisation and productivity, skills, competencies and behaviors to manage and operate the business, including engaging with customers.

**Talent Attrition & Capacity:** The Group turnover ratio remained within appetite. Talent attrition pressures are expected to increase over the medium to long term due to increasing competition for critical skills. The business is reviewing the employee value proposition to remain relevant.

**Mitigating Actions:** Continuous remuneration reviews to remain competitive and to reflect developments in the market are being done.

Market Conduct Risk

**Description & Impact:** Risks relating to decisions or behaviours that may adversely impact fair customer outcomes or market integrity. The Group continues to improve the process on customer complaints management to improve customer experience, data quality enhancements to improve on timeliness of customer communication and on accuracy of information submitted to regulators. More digital products and initiatives are being launched within the Group. Some of the products come with features and support services which may result in undesired outcomes to clients or compliance issues if not properly managed and positioned. The prominent risks being customer care and data privacy.

**Mitigating Actions:** Data quality issues continue to receive attention from the Data Team in collaboration with business units' Data Stewards with meetings being held on a monthly basis to track progress.

Insurance Risk

**Description & Impact:** The risk of adverse losses due to inadequate underwriting, pricing, reserving assumptions and/or volatile claims experience materially impacting earnings and capital. Insurance risk includes Life Insurance risks (Mortality, Disability, Longevity and Life).

The performance in the life business was positively bolstered by the effective claims' management processes. All claims ratios were within appetite. The performance in the general insurance business was fair although exchange rate discrepancies applied pressure on the underwriting ratio and claims ratio, which however improved towards the half year mark. This risk is heightened in an environment of rapidly increasing costs, with inflation potentially resulting in levels of cover for policyholders being inadequate if premiums do not keep up with inflation.

**Mitigating Actions:** Inclusion of data driven pricing models and continuous repricing to ensure that the claims experience is closer to targeted. Reserves and reinsurance arrangements are in place to mitigate against any likely increases in claims. Matching of currencies for claims and premiums is essential for the general insurance business.

Credit Risk

The risk of non-payment or settlement of an obligation by a counterparty under the terms of an agreement, or the change in value of a credit asset due to a deterioration in the credit quality of a counterparty.

The overall Non-Performing Loans ratio remained within appetite during the half year for the banking business whilst that for the microfinance business was outside the required threshold. There is continuing pressure on credit risk due to the persisting economic challenges, interest rate hikes, rising input costs due to geopolitical conflicts and climate change impacts on significant portfolios such as agriculture hence the risk is anticipated to increase. The credit risk exposures in the other business units remained low.

**Mitigating Actions:** Monitoring the quality of credit assets continues, for both local and hard currency loans, while diversification to reduce concentration to specific sectors is an ongoing priority. Reviewing counterparty limits on a regular basis is being done for the business whilst the insurance businesses regularly monitor exposures to reinsurers.

20. Contingent Liabilities

Commission of Inquiry

The Commission of Inquiry established by the Zimbabwean Government concluded its inquiry into the loss in value for certain policyholders and 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. On the 12th of July 2022, it was reported that the Cabinet had approved the Compensation Framework for value lost when insurance and pension values were converted from Zimbabwean dollars to United States dollars in 2009. It was reported that the government will contribute US\$175 million to partly cover for the loss of value suffered. The Insurance and Pensions Commission (IPEC) has communicated key features of a proposed Statutory Instrument (SI) which outlines how the compensation amounts are to be calculated for Pension Funds and Insurance products as well as suggesting sources of funding for the potential liability. Industry players have been invited to provide input before the final SI is promulgated.

Old Mutual has sought clarification and further guidance on certain provisions of the draft from IPEC particularly those pertaining to the methodology and formulas to be used in determining compensation amounts. These engagements are currently underway as at the time of reporting. Due to this, we are not able to quantify the expected liability for compensation and the impact it will have on profits and the net asset position until the engagements are complete.