

OLD MUTUAL ZIMBABWE LIMITED

Audited Special Purpose Consolidated Financial Report For the Year Ended 31 December 2024



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Chairman's Statement

Economic landscape

In 2024, the Zimbabwean economy was characterised by the effects of an El Niño-induced drought, persistent power shortages, as well as inflationary pressures and currency weakness. Additionally, global economic activity remained subdued amid geopolitical tensions, fluctuating commodity prices, and adverse weather shocks. As broadly expected, in line with adverse drought effects, the country's 2024 GDP growth forecast was revised from 3.5% to 2%. The 2024 GDP estimate is aligned with the World Bank's projections at 2%.

During the period under review, the economy experienced rising levels of informalisation. An earlier International Monetary Fund (IMF) report estimated the country's informal sector to account for an average of 61% of GDP over a 25-year span. The highest level recorded was 69% in 2009, while the lowest was 52% during the period covered by the study. The trend of informalisation has reportedly been cited as one of the factors consistently undermining policy effectiveness, especially regarding domestic tax collection efforts and the need for greater financial intermediation and currency reforms. The elevated level of informalisation has also disrupted the formal value chain, leading to viability challenges for companies in the formal sector.

The authorities introduced a new local currency in April 2024, the Zimbabwe Gold (ZWG), in response to the steep depreciation of its predecessor, the Zimbabwean dollar (ZWL), in Q1 2024. The ZWG was trading at ZWG13.56 per USD upon introduction and maintained relative stability on the official interbank market through the second quarter and most of the third quarter. However, pricing distortions and a widening exchange rate premium on the unofficial market surfaced in the latter part of the third quarter. In response, on 27 September 2024, monetary authorities devalued the ZWG by 43% (73% movement), from ZWG13.99 per USD to ZWG24.39 on the official exchange rate. Additionally, the central bank policy rate was raised from 20% to 35% while statutory reserves on bank deposits were increased for both USD and ZWG. The policy measures led to significantly constrained market liquidity. The exchange rate closed the year at ZWG25.80: USD1, while ZWG inflation stood at 66.3% on a year-to-date basis from 5 April 2024, with USD inflation on a year-on-year basis recorded at 2.48%.

The 2025 National Budget, announced on November 28, 2024, aimed to widen the tax net by introducing measures that are envisioned to extend the tax net to the informal sector. Measures included requiring players in the sector to register for personal and income tax. The budget notably projects the country's GDP growth to rise to 6% in 2025, up from 2% in 2024. The projections are based on expectations of fewer adverse external factors, and a better agriculture season.

Old Mutual Zimbabwe 2024 Financial Year Highlights

We continued to focus on strengthening our propositions in the market, through the enhancement of digital platforms, and providing our retail customers with relevant products and services tailored to meet their evolving needs. Our customer base grew by 56% during the year compared to 15.3% growth in the previous year.

Investment activities continued to be skewed towards alternative investments and infrastructure. Notable projects during the period, include investment in a 25 MW plant near Harare, and a 5 MW hydro plant in Masvingo, both of which were completed and are now generating power for the national grid.

In the banking business, we sustained lines of credit, with new facilities of USD60 million negotiated during the period under review. The credit lines have been availed to clients in key sectors of the economy, including agriculture, manufacturing, distribution, energy, and mining.

Pre 2009 – Loss of Value

The life company, Old Mutual Life Assurance Company, made submissions in respect of the compensation framework, and awaits feedback from the authorities. The submission was in response to Statutory Instrument (SI) 162 of 2023 – "the Compensation Framework" promulgated in 2023. The SI required Pension Funds and Life offices to propose compensation plans for all policies affected by the loss of pre-2009 values.

Sustainability

As part of our ongoing commitment to responsible business practices, the Group continued to integrate sustainability best practices into its strategic priorities, risk management frameworks and operations. Additionally, the Group continued to promote Environmental, Social, and Governance (ESG) practices in investee companies.

Financial Results

The Group registered profit for the year of ZWG724 million compared to profit for the year of ZWG2 billion for the prior year. The performance in ZWG currency compared to prior year is distorted by change in functional currency. Key topline drivers were net interest income, premium income, fee income and commissions. Total assets decreased by 6% from ZWG40.4 billion in the prior year to ZWG38.1 billion as at 31 December 2024. A detailed analysis on the Group's performance is provided in the Group Chief Executive Officer's report.

Governance

Old Mutual Zimbabwe remains dedicated to upholding best practices in governance, guided primarily by King IV, The Zimbabwe National Code on Corporate Governance, formal best practice policies and the Old Mutual Code of Conduct. Our Board remains committed to ensuring effective oversight of the Group's operations, while fostering a culture of ethical decision-making and conduct of business as well as responsible risk management.

During the reporting period, there were no changes to the composition of the Board of Directors. In 2024, our Board of Directors participated in various training sessions, including Anti Money Laundering (AML) and Sustainability training, to ensure they remain up to speed with current local and international regulatory requirements and business trends. We also continued to assess the effectiveness of the board throughout the period.

I would like to extend my gratitude to all board members for their contribution to the Group's growth and success.

Appreciation

On behalf of the Board, I extend our heartfelt appreciation to our customers, business partners, and stakeholders for their continued trust and confidence in our business. We are deeply grateful to our staff and executive team for their unwavering commitment to serving our customers and stakeholders and for achieving the results we are reporting for 2024. We would also like to express our gratitude to our regulators and the Government for their ongoing support and for constructive engagements undertaken. We value these important relationships and look forward to continuing to work together.

K. C. KATSANDE

Chairman

27 March 2025

Auditor's Statement

The Audited Special Purpose financial report should be read in conjunction with the full set of financial statements of Old Mutual Zimbabwe Limited for the financial year ended 31 December 2024, which have been audited by Axcantium. An unmodified opinion was issued thereon. The report on the special purpose financial report also includes the communication of key audit matters as reported in the auditor's report of the audited consolidated financial statements. The audit reports on both the audited special purpose financial report as well as on the full set of the consolidated financial statements are available for inspection at the Company's registered office.

The engagement partner responsible for this audit is Charity Mtwazi, PAAB number 0585.



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AUDITED SPECIAL PURPOSE CONSOLIDATED FINANCIAL REPORT



Chief Executive Officer's Review

The Financial Results for 2024

The Group registered profit after tax of ZWG724 million (2023: ZWG2 billion). The decline in profit was due to a change in the accounting basis from a ZWL functional currency in the comparative period to the USD as functional currency in 2024 reflecting an increase in USD inflows in the business. In the prior year, significant exchange gains and fair value gains were accounted for differently under hyperinflationary conditions in 2023. The financial statements were prepared in USD and are presented in ZWG to ensure compliance with the regulatory requirements as prescribed by the Reserve Bank of Zimbabwe (RBZ) in the Monetary Policy statement presented on the 6th of February 2025. We continued to register strong growth across our operations in underlying performance as detailed below.

In the life business, insurance revenue grew by 26% owing to higher business underwritten. The pension administration business, however sustained an expense ratio of 126% reflecting the impact of capped fees on certain fee lines. The general insurance business registered an underwriting margin of 14%, anchored by a strong underwriting discipline and favourable claims outcome for the year.

In the banking and lending businesses, the mix of loans were skewed towards US Dollar loans. Increased volumes of US Dollar transactions supported a growth of 17% in non-funded income. The quality of the loan book reflected a non-performing loan ratio of 1.5% for CABS, which is better than prior year's 2.1%, and a portfolio at risk ratio of less than 10% for the micro-lending book.

Funds under management in the investment management business line decreased by 6% year on year impacted mainly by trend of performance on the equity markets, whilst net client cash flows of ZWG1.9 billion were registered during the year, of which ZWG619 million was deployed into alternative assets (private equity). Occupancy ratios for the property portfolio averaged 80%.

The business closed the year well capitalised to surpass regulatory benchmarks and to support the economic capital demands of the existing business as well as planned growth. Liquidity ratios, similarly, were above both regulatory and internal benchmarks.

The structure of our investment portfolios reflects a strategy to skew towards real assets as well as a thrust to increase the weight of alternative assets and direct exposures in cash generating projects for the benefit of both our customers and shareholders.

During the 2024 Financial Year we continued to focus on:

1. Broadening our offerings and distribution networks.
2. Adapting and strengthening our core propositions.
3. Investing for sustainable growth and development; and
4. Transforming the customer experience through technology and innovation.

Broadening our offerings and distribution networks

We continued to optimise existing partnerships and establish new strategic ones. Under this thrust, we sustained a sturdy base of lines of credit and established new propositions to support the growth of funds under management. We continued to reconfigure our distribution network to support our desired levels of productivity.

The Group invested in enhancements to our digital platforms, and added new products and services that our customers can access digitally. This saw sustained growth in our customer base, and increased usage of digital channels. Total transactions on the O'mari platform, for example, increased by 4 784% from the prior year, with a corresponding increase in customers by 113%. The products we strengthened on digital platforms include cross border money transfer services, home insurance and medical aid. The home insurance product is underwritten by the Group's general insurance business, whilst the medical insurance propositions include offerings co-created with partners to extend affordable access to private and public healthcare for our customers. The fintech propositions are designed to support financial inclusion and contribute to efforts to grow insurance penetration in the Zimbabwean market.

In the microfinance business, expanding merchant partnerships and increasing access to loans for small and medium enterprises (SMEs) resulted in a 65% growth in the loan book. Furthermore, loan book quality remained strong.

We expanded the funeral services distribution network and grew strategic partnerships within the diaspora community, significantly enhancing our repatriation services.

To support the unique needs of Global and Development Organisations (GDO) and Non-Governmental Organisations (NGO) customers, we launched the NGO branch during the year, offering tailored products and services. We achieved growth in inflows from our customer base, of 46% compared to the prior year.

We introduced the mobile office, branches on wheels, designed to enhance customer convenience and streamline the onboarding process for retail clients in locations where we are not represented. Additionally, efficiency in the underwriting and claims management services saw the general insurance business register profitable growth across all major insurance lines.

Adapting and strengthening our core propositions

Pension savings are essential not only for ensuring long-term financial security of the pensioners, but also for driving economic stability and growth through the harnessing of long term savings and strategic investment of funds in infrastructure, and key sectors and value chains of the economy.

Globally, many countries are gradually increasing statutory retirement ages and encouraging extended work lives due to increased life expectancy and economic pressures. Locally, authorities have raised the civil service retirement age from 65 to 70, in line with the increased life expectancy. This trend underscores the critical need for robust retirement planning and reinforces the importance of strengthening confidence in the long-term savings and pensions industry.

We continued to invest in efforts towards rebuilding confidence in the long-term savings industry through regular engagements with stakeholders, including customers, regulators, industry players, and with both the public and private sectors. Additionally, we offered financial education programs to employees of corporate customers as well as players in the SME sector. These initiatives emphasised the importance of long-term savings and retirement planning.

Our investment decision process is guided by well-established investment practices, with a diverse portfolio allocation mix that seeks to optimise risk-return relationships sustainably over the chosen investment horizons. Asset classes included USD denominated assets, a diverse property portfolio, listed equities and a wide range of alternative investments. Our flagship product, the Guaranteed Fund, demonstrated robust performance, surpassing both inflation and the Zimbabwe Stock Exchange All Share Index, which enabled us to declare substantial and consistent bonuses during the period under review.

Through the Group's Advisory Services capabilities, we developed a significant pipeline, offering corporate finance services, capital raising, financial structuring and risk management services. These services support our customers in optimising financing structures and to navigate complex financial transactions.

Investing for sustainable growth and development

As part of our ongoing commitment to responsible business practices, we continued to develop expertise in the Sustainability domain. Our focus remained on climate action and enabling the financing of green and renewable energy projects while supporting the development of

new businesses that are focused on innovating solutions to reduce greenhouse gases and carbon footprints.

We continued to invest in ventures that support the transition towards the green economy. In September 2024, we launched a USD100 million Renewable Energy Fund (REF) in collaboration with the Government of Zimbabwe, the United Nations Development Programme (UNDP) and private sector investors. The REF aims to advance local renewable energy projects, initiatives, and technologies, aligning with Zimbabwe's objectives to achieve its Sustainable Development Goals (SDGs). Additionally, during this period, we concluded investments into a 25 MW solar plant, in Zvimba district, close to Harare and a 5 MW hydro-power plant in Masvingo. Both projects came on stream and are now generating power for the national grid. These projects contribute to the national goal of enhancing energy supply.

Our financing activities through the bank include significant allocations to agriculture value chains with significant social impacts and contribution to food security. Most projects supported also contribute to export growth.

Within the business, we have consistently taken steps to reduce our carbon footprint. This includes installing solar power in our buildings and monitoring the usage of electricity and other sources of energy.

Our flagship financial literacy program, "On the Money" provided financial education to 36,991 individuals through face-to-face engagements. Beneficiaries of the financial literacy program include the youth, war veterans, students, startup businesses and already established small to medium size enterprises. The financial literacy program reached a further two million beneficiaries based locally and, in the diaspora, through the digital channels.

In education, we sponsored sporting and academic programs as well as university students through the Old Mutual Scholarship Fund. In health and wellness, the Harare and Vumba marathons remained headline events with over 3,300 participants. We also partnered with health institutions, to raise awareness on health issues and provide access to vulnerable community members. During the period we partnered eye doctors to conduct cataract surgery on elderly people in Manicaland.

Transforming the customer experience through technology and innovation

Investing in the business' core technologies remained a priority. During the year, our focus shifted to integrating user-friendly features, advanced security measures, and personalised services. We enhanced the MyOldMutual Secure Web, to offer more end-to-end transaction capabilities. We also expanded the portfolio of products available on the MyOldMutual platforms.

Upgraded internet banking solutions were launched for both Retail and Corporate customers. The new platforms offer an enhanced user experience and simplified single and bulk transaction payment processing and control functionalities.

Outlook

Our efforts continue to be shaped by the needs and demands of our customers. We remain committed to responding with innovative new products and services leveraging the collective capabilities of the Group and our partners.

The conclusion of major technology projects that we commenced in 2024 will support the focus on profitable growth anchored primarily by the bouquet of products and services already developed and in place.

Appreciation

Effective collaboration with all stakeholders defines how we do business. We are appreciative of the fruitful and mutually beneficial relationships we have sustained with our customers, our public and private sector partners, and regulators. I would also like to extend my heartfelt thanks to all my colleagues from across the Old Mutual Zimbabwe Group for their commitment to serving our customers.

S. MATSEKETE

Group Chief Executive Officer

27 March 2025



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AUDITED SPECIAL PURPOSE CONSOLIDATED FINANCIAL REPORT

Directors' Report

Responsibility

The Directors are responsible for the preparation and fair presentation of the Group's underlying general purpose annual financial statements, comprising the statement of financial position as at 31 December 2024; and the statements of profit or loss; comprehensive income; changes in equity and cash flows for the year ended 31 December 2024 and the notes to the financial statements which include a summary of material accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Boards (IFRS Accounting 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 controls as they determine as 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 and industry regulation

The underlying general purpose financial statements, which have been prepared on an inflation adjusted basis up to 30 June 2024 and on the historical cost basis for the rest of the period subsequent to the change in the functional currency from ZWG to USD, are based on the application of inflation indices, for the applicable period which was subject to hyperinflation, on underlying accounting records which were maintained on the historical cost convention (except for fair value measurement where applicable). The statements are based on 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 thereunder, the Asset Management Act (Chapter 24:26), the Banking Act (Chapter 24:20), the Building Societies Act (Chapter 24:02), the Collective Investments Schemes Act (Chapter 24:19), the Insurance Act (Chapter 24:07), the Microfinance Act (Chapter 24:29), the Pensions and Provident Funds Act (Chapter 24:32), and the Securities Act (Chapter 24:25).

The Monetary Policy Statement (MPS) issued by the Reserve Bank of Zimbabwe on 6 February 2025 prescribed the need for all entities to adopt a common presentation currency, ZWG, for public reporting purposes. These financial statements presented in ZWG, are special purpose financial statements prepared to comply with the MPS. The Company and Group general purpose financial statements have been prepared in USD, and those general purpose financial statements will be available on the Company's website, refer to note 2.2.2.

Reporting obligations of subsidiaries

Certain of Old Mutual Zimbabwe Limited's (OMZIL's) subsidiaries are required, in terms of the regulations governing their respective lines of business to prepare financial statements for publication. These are separately published within the timelines prescribed by the respective regulators. The regulators of OMZIL's subsidiaries may often require additional financial disclosures and information specific to those businesses, which are not included within this set of financial statements.

The Directors of OMZIL, however believe that the disclosures within these consolidated financial statements, with due consideration to materiality and fair presentation, are appropriate and adequate for the presentation of the Group Financial Statements of OMZIL, comply with the regulations and financial disclosure requirements applicable to OMZIL, and allow shareholders, investors and other users of the financial statements to gain an understanding of the performance of the Group as a whole.

Functional currency assessment and associated impacts

The prevailing multi-currency environment, and the fact that significant local transactions take place and are denominated in USD, has required the Group and its subsidiaries to regularly make assessments of the appropriate functional currency for accounting and financial reporting purposes.

During the 2023 financial year, the functional currency for two subsidiaries was assessed to have changed from ZWL to USD. These subsidiaries are Old Mutual Insurance Company (OMICO) and Old Mutual Finance (OMFIN).

For the financial year under review, CABS, Old Mutual Funeral Services (OMFS) and OMZIL holding company changed their functional currencies to USD effective 1 January 2024. Old Mutual Investments Group (OMIG) and Old Mutual Life Assurance Company (OMLAC) changed their functional currencies on 1 July 2024 whilst Old Mutual Digital Services (OMDS) changed to USD effective 1 April 2024. All these changes led to the Group adopting USD as its functional currency effective 1 July 2024. In line with the requirements of IAS 21, the change in functional currency is applied prospectively, meaning that prior year comparatives are not restated to reflect the changed functional currency in the stated companies. However, given the extent of inflation and exchange rate movements from the prior year to date, this has affected the year on year comparability of certain financial statements line items most impacted by the change, particularly in the accounting for foreign currency exchange gains and in carrying value of assets where the underlying currency of valuation has changed or which are denominated in an underlying functional currency which is different from the prior year.

The underlying currency of valuation of investment properties and owner occupied properties changed from ZWL as at 31 December 2023 to USD as at 31 December 2024. The carrying values of properties, as presented in ZWG, between the two periods are not directly comparable as valuations in ZWL were based on ZWL valuation inputs which do not directly translate to USD valuation inputs at official exchange rates given inflation differentials that existed between the two currencies.

Presentation currency

The general purpose financial statements were prepared in USD (the underlying functional currency of the Group). These special purpose financial statements are presented in ZWG to ensure compliance with the regulatory requirements as prescribed by the RBZ in the Monetary Policy statement presented on the 6th of February 2025 (refer to note 2.2.2). These special purpose financial statements should be read together with the audited general purpose financial statements which will be available on the Company's website.

Compliance with IFRSs

The underlying general purpose financial statements are prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board. IFRS Accounting Standards comprise interpretations adopted by the International Accounting Standards Board (IASB), which includes standards adopted by the IASB and interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC).

Complying with IFRS Accounting Standards achieves consistency with the financial reporting framework adopted by the ultimate parent company, Old Mutual Limited, which is incorporated in South Africa. Using a globally recognised reporting framework also allows comparability with similar businesses and consistency in the interpretation of the financial statements. The IFRS Conceptual Framework, provides that in applying fair presentation to the financial statements, entities should go beyond consideration of the legal form of transactions and other factors impacting on the financial statements to also consider the underlying economic substance therein. International Accounting Standard 29 (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 end of the financial period or up to the date when the entity ceased to be affected by hyperinflation and that corresponding figures for previous periods be restated in the same terms. During part of the period under review the business has faced practical challenges in complying with IAS 29 owing to the non-availability of an inflation index based on price movements in local currency. More detail is provided below under Accounting Judgements. The Directors believe that the approach taken in preparing the financial statements is the best possible approach given the limited range of alternatives.

The Group in line with trends observed in the rest of the economy for the last few years, has seen an increasing proportion of transactions denominated in United States Dollars, a currency which is not subject to hyperinflation. It is the view of the Directors that IAS 29 did not fully envisage a situation where a Hyperinflationary Economy effectively has other currencies besides the local currency in official circulation as mediums of exchange and also in use in determining the price of goods and services. Users of the financial statements are advised to consider the implications of the multicurrency environment on the business.

In addition, there are instances where regulatory guidance may be given around how businesses may interpret IFRSs. In these financial statements, the Group has followed regulatory guidance to adopt ZWG as the presentation currency in these special purpose financial statements even though underlying functional currency considerations may lend themselves to financial statements presented in USD. The Directors further draw the attention of users of financial statements to the subsequent two sections in this report, which provide further context around considerations of fair presentation in the financial statements.

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 31 December 2024, valuations in USD have been adopted which is different to the approach taken for the audited results for the year ended 31 December 2023. 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. Private equity valuations were also performed in USD as at 31 December 2024. Private equity valuations were previously valued in Zimbabwe Dollars (ZWL) as at 31 December 2023.

With regards to the spot foreign exchange rate, the Board considers the official exchange rate from the interbank market to be appropriate, as exchangeability has been demonstrated at that platform during the year in the settlement of various foreign currency denominated obligations by the Group. To comply with IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29), for the period before the change in functional currency, the Group estimated a ZWL CPI for the period January to March 2024 based on the monthly movement in the Total Consumption Poverty Line (TCPL) and for the period April to June 2024, the official ZWG CPI was used for hyperinflation reporting purposes.

In addition, there are a wide range of views in the market concerning economic variables such as inflation and exchange rates. The Directors believe that these factors have been sufficiently considered in the financial statements and that the required accounting judgements are appropriate. Details of key accounting judgements are provided in notes 2.1 and 2.2. 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 the Zimbabwe 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 ZWG0.0000000013 each, 83,011,718 "B" class shares of ZWG0.0000000013 each, 1 redeemable preference share of ZWG0.0004 and 1 "A" redeemable preference share of ZWG0.0004. The shares are owned by Old Mutual Zimbabwe Holdco Limited (75%); as well as Indigenisation Trusts and various other shareholders (22.2%) and a strategic partner (2.8%). The 1 redeemable preference share issued is owned by Old Mutual (Zimbabwe) Dividend Access Trust and the 1 "A" redeemable preference share by OML (Zimbabwe) Dividend Access Trust.

Directors

Mr	KC	Katsande	(Chairman)
Mr	S	Matsekete**	(Group Chief Executive Officer)
Mr	IT	Mashinya**	(Group Chief Customer and Operations Officer)
Mr	NTT	Mudekunyne**	(Group Chief Financial Officer)
Mr	C	Chinaka	
Mr	A	Daka	
Dr	K	Mandevani	
Mrs	N	Samuriwo	
Mr	FC	Chikosi	

**Denotes Executive Director.

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Reconciliation of IFRS Profit Before Tax to Result from Operations

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000 *Restated
Profit before tax	1,008,503	2,184,898
Adjusted for	(137,740)	(1,588,181)
Shareholder investment return (including translation movements)	98,847	(2,256,208)
Policyholder tax	(56,834)	(16,614)
Net monetary adjustment	(179,753)	684,641
Result from operations	870,763	596,717

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

Group Statement of Profit or Loss For The Year Ended 31 December 2024

	Notes	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000 *Restated
Revenue			
Insurance revenue	4	1,670,119	987,773
Insurance service expenses	5	(1,809,507)	(1,396,266)
Net expenses from reinsurance contracts		(201,306)	(53,274)
Insurance service result		(340,694)	(461,767)
Investment return (non-banking)	6	2,101,133	10,356,137
Finance expenses from insurance contracts	7	(670,606)	(8,260,215)
Net finance expenses from reinsurance contracts	8	-	(3,276)
Change in investment contract liabilities		(199,371)	(790,440)
Net investment result		1,231,156	1,302,206
Banking interest and similar income	9	1,046,362	1,106,394
Fee income, commissions and income from service contracts	10	1,670,504	1,514,708
Other income	11	290,311	3,474,362
Non-insurance revenue and income		3,007,177	6,095,464
Total revenue and other income		3,897,639	6,935,903
Expenses			
Impairment loss	16.21	(192,457)	(1,349,545)
Expected credit loss from lending activities		(107,606)	(160,260)
Banking interest expense and similar expenses	9	(276,096)	(400,006)
Fees, commissions and other acquisition costs		(445,669)	(380,373)
Other operating expenses	12	(2,049,821)	(1,799,058)
Net monetary adjustment*		179,753	(684,646)
Non-insurance expenses		(2,891,896)	(4,773,888)
Share of results from associates		2,760	22,883
Profit before tax		1,008,503	2,184,898
Income tax expense		(284,041)	(201,544)
Profit for the year***		724,462	1,983,354
Attributable to non-controlling interests		12,228	181,518
Attributable to owners of parent company		712,234	1,801,836
		724,462	1,983,354

*The net monetary gain/loss is a result of hyperinflation accounting, as the Group's functional currencies were ZWL and ZWG, which are currencies of a hyperinflationary economy up to 5 April 2024 and 30 June 2024 respectively. The Group changed its functional currency to USD on 1 July 2024. Refer to note 2.21 for further details.

***The major reasons for the decline in profit after tax as presented are shown in the supplementary information.

Group Statement of Other Comprehensive Income For The Year Ended 31 December 2024

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000 *Restated
Profit for the year	724,462	1,983,354
Other comprehensive income		
Items that will not be reclassified to profit or loss (net of tax)		
Property (impairment)/revaluation	(283,035)	581,963
Share of other comprehensive income of associate	-	2,373
Effects of changes in presentation currency	(28,956)	(3,245,145)
Total other comprehensive loss	(311,991)	(2,660,809)
Total comprehensive income/(loss) for the year	412,471	(677,455)
Total comprehensive income attributable to:		
Owners of parent company	400,243	(799,220)
Non-controlling interests	12,228	121,765
	412,471	(677,455)
Earnings per share	ZWGc	ZWGc
Basic and diluted (cents)	214.50	542.65

Group Statement of Changes In Equity For The Year Ended 31 December 2024

	Share capital & premium ZWG 000	Revaluation reserve ZWG 000	Share based payment reserve ZWG 000	Regulatory provisions reserve ZWG 000	Currency translation reserve ZWG 000	Retained earnings ZWG 000	Equity holders of the parent total ZWG 000	Non-controlling interests ZWG 000	Equity total ZWG 000
31 December 2024									
Shareholders' equity at beginning of year	-	1,085,346	137,263	64,906	73,603	4,542,799	5,903,917	245,339	6,149,256
Profit for the financial year	-	-	-	-	-	712,234	712,234	12,228	724,462
Effects of changes in presentation currency	-	-	-	-	(28,956)	-	(28,956)	-	(28,956)
Impairment of property	-	(283,035)	-	-	-	(283,035)	(283,035)	-	(283,035)
Total comprehensive (loss)/income for the year	-	(283,035)	-	-	(28,956)	712,234	400,243	12,228	412,471
Transfer between reserves	-	-	-	(64,906)	-	64,906	-	-	-
Dividends declared	-	-	-	-	-	(98,529)	(98,529)	(8,538)	(107,067)
Transactions with shareholders	-	-	-	(64,906)	-	(33,623)	(98,529)	(8,538)	(107,067)
Shareholders' equity at end of year	-	802,311	137,263	-	44,647	5,221,410	6,205,631	249,029	6,454,660
31 December 2023 - Restated*									
Shareholders' equity at beginning of year	-	930,065	254,776	55,464	-	5,498,744	6,739,049	129,533	6,868,582
Profit for the financial year	-	-	-	-	-	1,801,836	1,801,836	181,518	1,983,354
Share of other comprehensive income of associate	-	2,373	-	-	-	-	2,373	-	2,373
Effects of changes in presentation currency	-	(429,055)	(117,513)	(25,592)	73,603	(2,686,835)	(3,185,392)	(59,753)	(3,245,145)
Revaluation of property	-	581,963	-	-	-	-	581,963	-	581,963
Total comprehensive income/(loss) for the year	-	155,281	(117,513)	(25,592)	73,603	(884,999)	(799,220)	121,765	(677,455)
Transfer between reserves	-	-	-	35,034	-	(35,034)	-	-	-
Dividends declared	-	-	-	-	-	(35,912)	(35,912)	(5,959)	(41,871)
Transactions with shareholders	-	-	-	35,034	-	(70,946)	(35,912)	(5,959)	(41,871)
Shareholders' equity at end of year	-	1,085,346	137,263	64,906	73,603	4,542,799	5,903,917	245,339	6,149,256

*The 2023 financial statements were previously presented in ZWL prior to the change in the presentation currency. The numbers were restated by translating to ZWG, the new presentation currency. Refer to note 2.22 for further details.

Directors: K.C. Katsande (Chairman), S. Matsekete (Group Chief Executive Officer), I.T. Mashinya (Group Chief Customer and Operations Officer), N.T.T. Mudekunya (Group Chief Financial Officer), Dr. K. Mandevani, C. Chinaka, A. Daka, N. Samuriwo, F.C. Chikosi



NOTES TO THE AUDITED SPECIAL PURPOSE CONSOLIDATED FINANCIAL REPORT For The Year Ended 31 December 2024

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 main subsidiaries and main activities are as follows:

- Central Africa Building Society (CABS) - lending and banking;
- Old Mutual Finance (Private) Limited (OMFIN) - micro finance lending;
- Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG) - asset management;
- Old Mutual Life Assurance Company Zimbabwe Limited (OMLAC) - life assurance, pension and employee benefits services, which in turn wholly owns Old Mutual Funeral Services (Private) Limited (OMFNS), the funeral services entity;
- Old Mutual Securities (Private) Limited (OMSEC) - licensed securities dealing firm;
- Old Mutual Digital Services (Private) Limited (OMDS) - financial technology and mobile money; and
- 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), listed on the Johannesburg Stock Exchange.

2. Accounting Policies

2.1 Basis of preparation and accounting policies

2.1.1 Basis of preparation for special purpose financial statements

As per IAS 21, Presentation currency is the currency in which the financial statements are presented. An entity may present its financial statements in any currency (or currencies). The Monetary Policy Statement issued by the Reserve Bank of Zimbabwe on the 6th of February 2025 prescribed that all entities adopt a common presentation currency, ZWG, for reporting purposes. These financial statements are therefore special purpose financial statements to meet the regulatory requirements as pronounced by the RBZ. The directors have complied with the pronouncement and adopted ZWG as the presentation currency for these special purpose financial statements even though the functional currency for the Group had changed to USD.

The special purpose consolidated financial statements have therefore been prepared in accordance with Monetary Policy statement (MPS) of 6 February 2025. These are based on Old Mutual Zimbabwe and its subsidiaries' (the Group) consolidated audited financial statements for the year ended 31 December 2024. These underlying financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards (refer to accounting policy notes 2.2 – 2.6 for an extract of material accounting policies applied therein). The translation process is detailed in note 2.2.2.

2.1.2 Basis of preparation of the underlying general purpose financial statements

The underlying general purpose 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 United States of America dollars (USD). They are based on the statutory records that are maintained under the historical cost convention.

The underlying financial statements have been prepared on the inflation-adjusted basis up to 30 June 2024 as the ZWG currency is considered a hyperinflationary currency. This was before the change of the functional currency for the Group to USD effective 1 July 2024, refer to note 2.2.1 below. Comparative figures were translated to USD using the exchange rate as at 31 December 2023.

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. Publication of the ZWL CPI was stopped in January 2023 upon the introduction of Statutory Instrument (SI) 27 of 2023 on the 3rd of March 2023 and is, therefore, no longer available for use in restating financial statements under IAS 29. SI 27 announced that the official inflation rate would be a blended rate which measures inflation based on a weighted average of price movements in Zimbabwean dollars and United States dollars over a given period of time. This instrument served to recalibrate inflation reports to reflect the dual currency nature of incomes and prices in the Zimbabwe economy.

Given that the functional currency of the Group was ZWL up to 5 April 2024, a blended inflation rate is not ideal in the preparation of restated financial statements under IAS 29 as it incorporates the inflation movements of the USD. In Zimbabwe, USD transactions currently are officially estimated to account for more than 80% of the transactions in the economy. It is also the Group's assessment that the use of conversion factors based on a blended CPI would not achieve compliance with IAS 29.

For restated financial statements to be prepared after 1 February 2023 up to 5 April 2024 when ZWL was still the functional currency, the Group is using the movements in the Poverty Datum Line (PDL) (alternatively called the Total Consumption Poverty Line (TCPL)) which is also published by ZIMSTAT, which measures the amount required to purchase both non-food and food items for a family at the poverty line. By analysing the correlation between the movement in PDL and the officially published ZWL CPI from January 2021 to December 2022, the Group observed a strong relationship with a correlation coefficient of 0.99. While IAS 29 provides for the use of exchange rate movements as a proxy for inflation where a general price index is not available, we did not observe a strong relationship between ZWL CPI and the exchange rate movements over the previous two financial reporting periods. Consequently, the estimated CPI after February 2023 has been derived by adjusting the last published ZWL CPI (published in January 2023) by the monthly movement of the PDL.

Effective 5 April 2024, ZIMSTAT started publishing the ZWG CPI which we have used in the preparation of inflation adjusted financial statements up to 30 June 2024 before the change in the Group's function currency to USD.

Dates	Indices	Conversion Factors
30/06/2024	97.62	1.0000
05/04/2024	100.00	0.9762
31/03/2024	429,224.24	1.000

Both the ZWL and the ZWG were assessed to be hyperinflationary in terms of IAS 29. Monetary losses were recognised in the statement of comprehensive income up to 30 June 2024.

2.2 Critical accounting estimates and judgements

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

Critical accounting estimates are those which involve the most complex or subjective judgement or assessments. The areas of the Group's business that typically require such estimates are life insurance contract provisions, determination of the fair value for financial assets and liabilities and investment properties. Judgements have also been required in the determination of inflation indices and appropriate exchange rates. Insurance contract accounting and key assumptions made in determining insurance contract provisions are discussed in more detail in note 2.4.

2.2.1 Changes in functional currency

The Government of Zimbabwe gazetted Statutory Instrument 60 of 2024 on 5 April 2024 with these regulations bringing into existence a new currency, namely the

Zimbabwe Gold (ZWG). The introduction of the ZWG required a reassessment of the functional currency of Old Mutual Zimbabwe's subsidiaries. It was concluded that a change in functional currency from the ZWL to the ZWG had occurred. The changes in functional currency were applied prospectively.

The ZWG was determined to be a currency of a hyperinflationary economy. For ease of implementation for purposes of accounting and financial reporting, the conversion ratio of 1:2,498 was applied to the January, February and March 2024 financial information for entities that still has ZWG as the functional currency.

Due to the use of multiple currencies in the economy and in the Group, management is required to assess what the functional currency of the Group is in accordance with International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange Rates. The Group's assessment was based on weighting the volume of the local currency business against the foreign currency business.

As of 1 July 2024, the Group made a change in its functional currency from Zimbabwe Gold (ZWG) to United States Dollars (USD). This change was driven by several factors, including the steady increase in the use of foreign currency, particularly USD, across the Group's businesses following the promulgation of Statutory Instrument (SI) 185 of 2020 on 24 July 2020.

The Reserve Bank of Zimbabwe Governor reported in the 2024 monetary policy statement presentation, that 80% of the economy's transactions, 80% of customer deposits and 89% of the loans were in USD. This trend is reflected in the Group's revenue and expenditure transactions.

In accordance with the requirements of IAS 21, "The Effects of Changes in Foreign Exchange Rates," management assessed the currency that best reflected the underlying transactions, events, and conditions relevant to the Group. The assessment considered the following factors:

- USD became the primary currency used in settling transactions accounting for over 50% of the Group's total revenue during the 2024 financial year. The proportions of USD transactions were more significant than was the case previously, with the Group's subsidiaries having changed their functional currencies on the following dates

Subsidiary	Functional currency date change
OMICO	1 January 2023
OMFIN	1 January 2023
CABS	1 January 2024
OMZIL (holding company)	1 January 2024
OMFS	1 January 2024
OMDS	1 April 2024
OMLAC	1 July 2024
OMIG	1 July 2024
OMZIL (Group)	1 July 2024

- Due to hyperinflation of the ZWG currency, prices for services were indexed against the USD. The Group's pricing policies were mainly influenced by USD inputs.
- The Group experienced a rise in USD expenditures for materials, labour, and other costs associated with providing goods and services, driven by increased USD receipts and demand from suppliers.
- Due to ZWL/ZWG currency devaluation, the Group preferred to retain USD receipts generated from its operating activities while utilising the ZWL/ZWG currency as soon as it was generated.
- The Group's asset base was skewed towards the USD due to USD denominated valuations of private equities and investment properties

Based on these factors, the Group concluded that there was a change in its functional currency from ZWL to USD, effective from 1 July 2024. The change in functional currency was applied prospectively.

2.2.2 Translation process to a ZWG presentation currency

In accordance with the financial reporting provisions established by the Monetary Policy Statement (MPS) of 6 February 2025 and with guidance issued by the Public Accountants and Auditors board on 10 March 2025, the Group translated the USD based consolidated financial statements to ZWG based on the prevailing Reserve Bank of Zimbabwe interbank rate as at 31 December 2024. This is in accordance with the requirements of the Exposure Draft "Translation to a Hyperinflationary Presentation Currency" issued by the International Accounting Standards Board (IASB) which states that when an entity's presentation currency is the currency of a hyperinflationary economy but its functional currency is the currency of a non-hyperinflationary economy, the results and financial position of the entity shall be translated into the presentation currency by translating all amounts (ie assets, liabilities, equity items, income and expenses, including comparatives) at the closing rate at the date of the most recent statement of financial position.

2.3 Revenue

Revenue comprises income from insurance contracts and investment contracts with a discretionary participating feature, fee income from investment management contracts, commission income, banking interest income, non-banking interest income, dividend income, investment income, and fees for administration and management of policyholder funds.

The Group recognises revenue from contracts with customers based on the amount expected to be received from customers when the performance obligations agreed to by the Group have been satisfied. Performance obligations are satisfied through the transfer of the promised services to the customer. The Group transfers the promised service over time or at a point in time depending on the nature of the promised services. In the majority of instances, the performance obligations are satisfied as the Group renders the agreed financial services to our customers over time.

Banking and lending

The Group provides banking and lending services to retail and corporate customers. These services include, but are not limited to account management, transaction support, provision of overdraft facilities and issuing of loans. Revenue from account management and provision of overdraft facilities are recognised over time as the Group renders these services. Revenue derived from specific transactions are recognised when the transaction takes place. Loan origination fees are included in the yield on the loan provided and are recognised as part of interest income through the effective interest method. Fee and commission income on lending activities relates primarily to administration fees. These fees are recognised as revenue over time as the Group administers the loan accounts for our clients. In the lending business the administration fee income is realised through loan instalment collection process.

Asset management

Revenue from asset management consists of asset management fees and commission income. Asset management fees are recognised as revenue over time as the Group provides the services. When the Group receives up-front payments for services to be rendered in the future, the payments are accounted for as contract liabilities. Fee and commission income is earned through providing asset management and related investment administration services to our clients. Fee and commission income is primarily based on funds-under-management. Investment commitment values or amounts drawn from investors. Fee and commission income is generally recognised over time, on a monthly basis, as the services are rendered.

Insurance

Insurance revenue recognition is detailed in note 2.4.

Investment return (non-banking)

This consists of interest and similar income that is recognised under IFRS 9. This includes interest income from investment and securities and cash and cash equivalents. Also included are estimates and judgements around credit risk, the risk of default and the time value of money. There are no judgements made around dividends receivable as they only become receivable when declared.

2.4 Insurance contracts

Classification of contracts

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9. Some investment contracts without discretionary participation features issued by the Group fall under this category.

Some investment contracts issued by the Group contain discretionary participation features (DPF), whereby the investor has the right and is expected to receive, as a supplement to the amount not subject to the Group's discretion, potentially significant additional benefits based on the return of specified pools of investment assets. The Group accounts for these contracts under IFRS 17.

The Group issues insurance contracts with direct participation features that are substantially investment-related service contracts where the return on the underlying items is shared with policyholders. Underlying items comprise specified portfolios of investment assets that determine amounts payable to policyholders.

An insurance contract with direct participation features is defined by the Group as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholders participate in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

All other insurance contracts originated by the Group are insurance contracts without direct participation features.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

Separation of components of insurance contracts

Before the Group accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct non-insurance services.

The Group applies IFRS 17 to all remaining components of the contract.

Level of aggregation of insurance contracts

The Group manages insurance contracts issued by product lines. Insurance contracts within a product line that are subject to similar risks and are managed together are aggregated into a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

Recognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

Insurance contracts acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer. Investment contracts with DPF are initially recognised at the date the Group becomes a party to the contract. The Group becomes party to a contract when the Group accepts the first payment, which is the date from which the Group has an obligation to provide investment-return or investment-related service.

The Group recognises a group of proportionate reinsurance contracts held from the later of:

- the beginning of the coverage period of the group of reinsurance contracts held; or
- the date of initial recognition of any underlying contract.

If the Group recognises an onerous group of underlying contracts before the beginning of the coverage period of the group of reinsurance contracts held, then the group of proportionate reinsurance contracts held is recognised at the same time as the onerous group of underlying contracts.

The Group recognises a group of non-proportionate reinsurance contracts held (such as Group-wide catastrophe stop-loss reinsurance) from the beginning of the coverage period of the group of reinsurance contracts; this is typically the first period in which premiums are paid or reinsurance recoveries are received.

Reinsurance contracts are to be recognised in full for all underlying insurance contracts expected to be issued that fall within the boundary of the reinsurance contracts held. An insurance contract is derecognised when it is:

- extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria are met.

Modification

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the fulfilment cash flows (FCF), unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
 - is not in scope of IFRS 17;
 - results in different separable components;
 - results in a different contract boundary; or
 - belongs to a different group of contracts;
- the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
- the original contract was accounted for under the premium allocation approach (PAA), but the modification means that the contract no longer meets the eligibility criteria for that approach.

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OLDMUTUAL

NOTES TO THE AUDITED SPECIAL PURPOSE CONSOLIDATED FINANCIAL REPORT (CONTINUED)

For The Year Ended 31 December 2024

Derecognition

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

- Adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group.
- Adjusts the contractual service margin (CSM) (unless the decrease in the FCF is allocated to the loss component of the liability for remaining coverage (LFRC) of the group) in the following manner, depending on the reason for the derecognition:
 - If the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service.
 - If the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party.
 - If the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received.
- Adjusts the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognised, adjustments to the FCF to remove related rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- if the contract is extinguished, any net difference between the derecognised part of the LFRC of the original contract and any other cash flows arising from extinguishment;
- if the contract is transferred to the third party, any net difference between the derecognised part of the LFRC of the original contract and the premium charged by the third party;
- if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LFRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

Insurance revenue and expenses

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows:

Measurement

Insurance revenue – Contracts not measured under the PAA

The Group recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Group expects to receive consideration, and comprises the following items:

- A release of the CSM, measured based on coverage units provided.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the period, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts, including experience adjustments for premium receipts for current or past services for the life risk segment and amounts related to incurred policyholder tax expenses for the participating segment.

In addition, the Group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Group recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

Insurance revenue – Contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Group allocates expected premiums equally to each period of related insurance contract services, unless the expected pattern of the release of risk during the coverage period differs significantly from an even basis. In the latter case, expected premium receipts are allocated to the period based on the expected timing of incurred claims and other incurred insurance service expenses.

Loss components

For contracts not measured under the PAA, the Group establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.

Changes in fulfilment cash flows relating to future services and changes in the amount of the Group's share of the fair value of the underlying items for direct participating contracts are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred.

They exclude repayments of investment components and comprise the following items:

- Incurred claims and other insurance service expenses: For some life risk contracts, incurred claims also include premiums waived on death or detection of critical illness.

- Amortisation of insurance acquisition cash flows: For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the period that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Group amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Group recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Group establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Group expects to recover from the reinsurance contracts.

Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

The Group has chosen not to disaggregate insurance finance income and expenses between profit or loss and OCI. All insurance finance income and expenses for the period is presented in profit or loss. The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

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 bi-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 as well as properties being valued for the first time. An investment property shall be derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal.

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

For properties reclassified during the period 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 profit or loss. Its fair value at 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 of the following conditions (and is not designated as at FVTPL):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions (and is not designated as at FVTPL):

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Initial recognition of financial liabilities

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

Subsequent measurement of financial assets

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

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

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

Derecognition of financial assets

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

Derecognition of financial liabilities

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 the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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NOTES TO THE AUDITED SPECIAL PURPOSE CONSOLIDATED FINANCIAL REPORT (CONTINUED)

For The Year Ended 31 December 2024

3. SEGMENT INFORMATION

	Life Assurance ZWG 000	General Insurance ZWG 000	Banking & Lending ZWG 000	Asset Management ZWG 000	Holding Co & Other ZWG 000	Consolidation Adjustments ZWG 000	Total ZWG 000
A1 Statement of profit or loss for the year ended 31 December 2024							
Revenue							
Insurance revenue	532,895	1,137,224	-	-	-	-	1,670,119
Insurance service expenses	(958,466)	(851,041)	-	-	-	-	(1,809,507)
Net expenses from reinsurance contracts	(36,041)	(165,265)	-	-	-	-	(201,306)
Insurance service result	(461,612)	120,918	-	-	-	-	(340,694)
Investment return (non-banking)	1,815,750	21,619	-	2,244	3,382,340	(3,120,820)	2,101,133
Finance expenses from insurance contracts	(670,606)	-	-	-	-	-	(670,606)
Change in investment contract liabilities	(199,371)	-	-	-	-	-	(199,371)
Net investment result	945,773	21,619	-	2,244	3,382,340	(3,120,820)	1,231,156
Banking interest and similar income	-	-	1,048,519	-	-	(2,157)	1,046,362
Fee income, commissions and income from service contracts	59,337	-	1,573,580	128,455	-	(90,868)	1,670,504
Other income	(248,440)	-	464,039	176,169	65,835	(167,292)	290,311
Non-insurance revenue and income	(189,103)	-	3,086,138	304,624	65,835	(260,317)	3,007,177
Total revenue and other income	295,058	142,537	3,086,138	306,868	3,448,175	(3,381,137)	3,897,639
Expenses							
Impairment loss	-	-	-	-	(192,457)	-	(192,457)
Banking interest expense and similar expenses	-	-	(290,955)	-	(453)	15,312	(276,096)
Fees, commissions and other acquisition costs	(20,716)	-	(400,573)	-	(29,679)	5,299	(445,669)
Expected credit loss	-	-	(107,606)	-	-	-	(107,606)
Other operating and administration expenses	(143,801)	(87,225)	(1,405,709)	(207,723)	(528,894)	323,531	(2,049,821)
Net monetary adjustment	160,002	-	-	(63,989)	83,740	-	179,753
Non-insurance expenses	(4,515)	(87,225)	(2,204,843)	(271,712)	(667,743)	344,142	(2,891,896)
Share of results from associate	-	-	-	-	2,760	-	2,760
Profit/(loss) before tax	290,543	55,312	881,295	35,156	2,783,192	(3,036,995)	1,008,503
Income tax expense/(credit)	(73,526)	(25,747)	(18,265)	(36,634)	(127,935)	(1,934)	(284,041)
Profit/(loss) for the year	217,017	29,565	863,030	(1,478)	2,655,257	(3,038,929)	724,462
Depreciation and amortisation	26,019	1,354	87,918	4,697	11,569	-	131,547

A2 Statement of profit or loss for the year ended 31 December 2023

Revenue							
Insurance revenue	419,871	567,902	-	-	-	-	987,773
Insurance service expenses	(828,750)	(567,516)	-	-	-	-	(1,396,266)
Net expenses from reinsurance contracts	(23,321)	(29,953)	-	-	-	-	(53,274)
Insurance service result	(432,200)	(29,567)	-	-	-	-	(461,767)
Investment return (non-banking)	9,872,518	192,101	-	(2,367)	4,815,184	(4,521,299)	10,356,137
Finance income from insurance contracts	(8,260,215)	-	-	-	-	-	(8,260,215)
Net finance expenses from reinsurance contracts	(3,276)	-	-	-	-	-	(3,276)
Change in investment contract liabilities	(790,440)	-	-	-	-	-	(790,440)
Net investment result	818,587	192,101	-	(2,367)	4,815,184	(4,521,299)	1,302,206
Banking interest and similar income	-	-	1,106,394	-	-	-	1,106,394
Fee income, commissions and income from service contracts	34,408	-	1,348,330	131,970	-	-	1,514,708
Other income	523,389	356,293	2,319,461	214,976	348,103	(287,860)	3,474,362
Non-insurance revenue and income	557,797	356,293	4,774,185	346,946	348,103	(287,860)	6,095,464
Total revenue and other income	944,184	518,827	4,774,185	344,579	5,163,287	(4,809,159)	6,935,903
Expenses							
Impairment loss	(8,033)	-	(18,059)	-	(1,323,453)	-	(1,349,545)
Banking interest expense and similar expenses	-	-	(404,567)	-	-	4,561	(400,006)
Fees, commissions and other acquisition costs	(33,204)	-	(345,285)	-	(17,572)	15,688	(380,373)
Expected credit loss	-	-	(160,260)	-	-	-	(160,260)
Other operating and administration expenses	(100,367)	(69,856)	(1,366,445)	(234,961)	(422,811)	395,382	(1,799,058)
Net monetary adjustment	20,614	-	(647,245)	(45,087)	(68,896)	55,968	(684,646)
Non-insurance expenses	(120,990)	(69,856)	(2,941,861)	(280,048)	1,832,732	471,599	(4,773,888)
Share of results from associate	-	-	-	-	22,883	-	22,883
Profit/(loss) before tax	823,194	448,971	1,832,324	64,531	3,353,438	(4,337,560)	2,184,898
Income tax expense/(credit)	(47,263)	(62,432)	(1,382)	(31,095)	(116,566)	57,194	(201,544)
Profit/(loss) for the year	775,931	386,539	1,830,942	33,436	3,236,872	(4,280,366)	1,983,354
Depreciation and amortisation	13,034	15,299	73,764	4,013	11,664	-	117,774

B1 Statement of financial position as at 31 December 2024

Assets							
Intangible assets	-	-	5,469	3,522	8,410	-	17,401
Property and equipment	431,274	38,027	1,077,913	13,389	17,956	117,899	1,696,458
Investment property	9,179,578	12,306	552,372	-	7,714	(117,899)	9,634,071
Investments in subsidiary companies	44,451	-	-	-	8,550,655	(8,595,106)	-
Investment in associate	-	-	-	-	95,635	-	95,635
Deferred tax assets	-	9,674	4,747	-	36,866	-	51,287
Loans and advances	-	-	5,100,931	-	-	(67,076)	5,033,855
Investments and securities	12,292,185	212,012	1,086,220	22,187	893,686	(222,253)	14,284,037
Reinsurer contracts	1,419	178,629	-	-	-	-	180,048
Current tax receivable	-	-	-	-	-	-	-
Amounts due by group companies	112,404	-	-	11,377	61,994	(185,775)	-
Other receivables	620,015	169,754	1,623,190	51,236	725,559	-	3,189,754
Cash and cash equivalents	533,152	23,709	3,609,907	4,876	243,227	(512,461)	3,902,410
Total assets	23,214,478	644,111	13,060,749	106,587	10,641,702	(9,582,671)	38,084,956
Liabilities							
Insurance contract liabilities	18,053,300	245,886	-	-	-	-	18,299,186
Investment contract liabilities	2,247,841	-	-	-	-	-	2,247,841
Deferred tax liabilities	49,249	-	91,327	-	75,925	(1,393)	215,108
Current tax payables	39,910	5,005	-	6,786	4,695	-	56,396
Amounts due to group companies	205,820	-	2,399	3,055	2,277,543	(185,733)	2,303,084
Other payables	249,478	17,956	798,413	27,065	353,528	(133,683)	1,312,757
Amounts owed to bank depositors	-	-	6,220,870	-	59,259	(512,487)	5,767,642
Credit lines	-	-	1,555,959	-	25,799	(153,476)	1,428,282
Total liabilities	20,845,598	268,847	8,668,968	36,906	2,796,749	(986,772)	31,630,296
Net assets	2,368,880	375,264	4,391,781	69,681	7,844,953	(8,595,899)	6,454,660
Shareholders' equity							
Share capital and premium	147,696	2,477	203,189	26,784	248,078	(628,224)	-
Non-distributable reserve	132,553	10,629	6,447	-	88,669	(238,298)	-
Revaluation reserve	18,240	-	781,695	-	2,376	-	802,311
Share based payment reserve	16,898	10,887	25,902	5,461	271,168	(193,053)	137,263
Regulatory provisions reserve	-	-	-	-	-	-	-
Currency translation reserve	(166,890)	-	-	-	240,235	(28,698)	44,647
Retained earnings	2,220,383	351,271	3,374,548	37,436	6,994,427	(7,756,655)	5,221,410
Total equity	2,368,880	375,264	4,391,781	69,681	7,844,953	(8,844,928)	6,205,631
Non-controlling interests	-	-	-	-	-	249,029	249,029
Total equity	2,368,880	375,264	4,391,781	69,681	7,844,953	(8,595,899)	6,454,660

B2 Statement of financial position as at 31 December 2023

	Life Assurance ZWG 000	General Insurance ZWG 000	Banking & Lending ZWG 000	Asset Management ZWG 000	Holding Co & Other ZWG 000	Consolidation Adjustments ZWG 000	Total ZWG 000
Assets							
Intangible assets	-	-	9,133	1,367	7,367	-	17,867
Property and equipment	481,116	31,784	1,385,741	9,932	25,231	149,915	2,083,719
Investment property	11,354,745	12,306	661,732	-	10,457	(149,915)	11,889,325
Investments in subsidiary companies	30,184	-	-	-	5,753,659	(5,783,843)	-
Investment in associate	-	-	-	-	96,641	-	96,641
Deferred tax assets	-	568	3,999	2,295	9,236	-	16,098
Loans and advances	-	-	4,413,916	-	-	-	4,413,916
Investments and securities	12,064,720	253,677	2,063,287	28,662	823,669	(339,045)	14,894,970
Reinsurer contracts	877	83,613	-	-	-	-	84,490
Current tax receivable	2,373	-	-	-	387	(25)	2,735
Amounts due by group companies	12,590	-	-	-	971,185	(1,004,620)	-
Other receivables	431,403	459,678	1,410,920	50,307	832,517	-	3,184,825
Cash and cash equivalents	257,030	40,555	3,387,472	3,354	105,903	(32,686)	3,761,628
Total assets	24,635,038	882,181	13,336,200	116,762	8,636,252	(7,160,219)	40,446,214
Liabilities							
Insurance contract liabilities	20,131,963	384,785	-	-	-	46,231	20,562,979
Investment contract liabilities	1,790,691	-	-	-	-	-	1,790,691
Reinsurance contract liabilities	55	-	-	-	-	-	55
Deferred tax liabilities	60,859	-	115,242	-	17,801	(2,297)	191,605
Current tax payables	-	3,612	232	6,424	7,352	-	17,620
Amounts due to group companies	128,631	8,771	3,483	2,915	3,154,718	(1,004,593)	2,293,925
Other payables	307,955	15,737	890,282	33,434	262,512	(146,934)	1,362,986
Amounts owed to bank depositors	-	-	5,712,484	-	20,381	(33,151)	5,699,714
Credit lines	-	-	2,466,853	-	-	(89,470)	2,377,383
Total liabilities	22,420,154	412,905	9,188,576	42,773	3,462,764	(1,230,214)	34,296,958
Net assets	2,214,884						

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NOTES TO THE AUDITED SPECIAL PURPOSE CONSOLIDATED FINANCIAL REPORT (CONTINUED)

For The Year Ended 31 December 2024

10 FEE INCOME, COMMISSIONS AND INCOME FROM SERVICE CONTRACTS

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Banking operations:		
Commissions	203,834	201,564
Service fees	1,202,571	940,820
Administration fees	167,174	205,924
Total fee income and commission from banking operations	1,573,579	1,348,308
Long term insurance business	59,337	34,415
Asset management business	37,588	131,985
	1,670,504	1,514,708

The fee and commission income presented includes income of ZWG1.6 billion (2023: ZWG1.3 million), related to financial assets and financial liabilities not measured at FVTPL. These figures exclude amounts incorporated in determining the effective interest rate on such financial assets and financial liabilities.

Asset management fees include fees earned by the Group on trust and fiduciary activities in which the Group holds or invests assets on behalf of its customers.

11 OTHER INCOME

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Exchange gains	194,447	2,852,850
Other income	95,864	621,512
	290,311	3,474,362

12 OTHER OPERATING EXPENSES

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Banking operational costs	64,625	116,609
Travel and subsistence	63,542	79,382
Office space costs	137,919	152,624
Fees and levies	20,200	28,378
Directors fees	24,302	25,824
Insurance	60,317	49,301
Actuarial and consultancy fees	35,576	6,295
Advertising and marketing	165,085	140,937
Information Technology costs	250,013	263,274
Depreciation and amortisation	131,547	117,744
	953,126	980,368
Auditors' remuneration		
Statutory audit services - current year	63,696	64,419
Staff costs		
Wages and salaries	817,013	756,773
Retirement defined contribution obligations	81,420	36,943
Social security costs	23,702	21,955
Bonus and incentive remuneration	144,988	115,887
Other staff costs	148,942	147,542
	1,216,065	1,079,100
Other expenses	290,620	292,452
Attributable insurance expenses	(473,686)	(617,281)
	2,049,821	1,799,058

13 INVESTMENT PROPERTY

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Carrying amount at beginning of year	11,889,325	11,240,132
Additions	35,034	12,228
Disposal	(1,507,071)	-
Improvements	174,733	76,441
(Loss)/gain from fair value adjustments	(837,187)	5,745,739
Effects of changes in presentation currency	(120,763)	(5,185,215)
Carrying amount at end of year	9,634,071	11,889,325

Comprising:	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Leasehold property	145,246	181,544
Freehold property	9,488,825	11,707,781
	9,634,071	11,889,325

The fair value of freehold property leased to third parties under operating leases

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Rental income from investment property	576,932	1,417,808
Direct operating expenses arising from rented-out investment property	(35,370)	(1,011,662)
	541,562	406,146

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

- The underlying valuation has been prepared in USD as rentals are predominantly received in USD. This is a change from 2023 when property valuation was in ZWL and rentals received mostly in ZWL.
- Rentals are benchmarked in USD but payable in both ZWG and USD.
- Moderate levels of inflation to persist.

The Group properties were valued in accordance with the International Valuation Standards with income generating properties valued using the Direct Capitalisation Method (DCM) while landholdings and residential properties were valued using the market approach.

Valuation inputs used were based on observed market transactions during the period. The period witnessed continued rent reviews to curb impact of inflation on ZWG rentals in the market, the Group leases were constantly reviewed to match market rentals.

Capitalisation rates applied in the valuation were based on prior transactions as well as the few observed current market transactions, with adjustments done to consider building specific factors and subject property performance. Despite the various macro-economic pressures in the market collections and void rates within the portfolio remained steady with some pockets of improvement in sub-sectors such as industrial, retail and office parks.

Key valuation inputs

The table below sets out information about inputs used at 31 December 2024 in measuring investment properties categorised under level 3 of the IFRS 13 fair value hierarchy. Level 3 is when unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Type of Property	Key unobservable inputs	Interrelationship between unobservable inputs and key fair value measurement
Office, Retail and Industrial Properties	<p>Office</p> <ul style="list-style-type: none"> Capitalisation rates: 7.30% to 10.25% (2023: 6% to 10%) Market rentals per m2: ZWG103 to ZWG258 (2023: ZWG77 to ZWG284) Vacancy rates: 0% to 72% (2023: 0% to 71%) <p>Retail</p> <ul style="list-style-type: none"> Capitalisation rates: 6.5% to 13% (5% to 10%) Market rentals per m2: ZWG46 to ZWG352 (2023: ZWG46 to ZWG342) Vacancy rates: 0% to 52% (0% to 40%) <p>Industrial</p> <ul style="list-style-type: none"> Capitalisation rates: 6.25% to 13% (2023: 6.5% to 10%) Market rentals per m2: ZWG26 to ZWG90 (2023: ZWG34 to ZWG80) Vacancy rates: 0% to 48% (2023: 0% to 48%) 	<ul style="list-style-type: none"> The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none"> > net rental income increased/(decreased) > capitalisation rates were lower/(higher). > vacancies decreased/(increased) The estimated fair value would decrease if the unobservable inputs changed the other way.
Residential	Residential rent from ZWG6,450 to ZWG12,899 (2023: ZWG6,759 to ZWG20,278)	<ul style="list-style-type: none"> The estimated fair value would increase/(decrease) if prices for comparable properties increased/(decreased).
Land	Land value per m2: ZWG2,064 (2023: ZWG1,058).	<ul style="list-style-type: none"> The estimated fair value would increase/(decrease) if prices for comparable properties increased/(decreased).

Sensitivity analysis - valuation inputs

	2024 ZWG 000 Fair Value movement	2023 ZWG 000 Fair Value movement
A 1% increase in capitalisation rates would decrease the fair value by:	(908,133)	(1,354,473)
A 1% decrease in capitalisation rates would increase the fair value by:	1,075,952	1,676,333
A 10% increase in market rentals per m ² would increase the fair value by:	894,537	1,110,937
A 10% decrease in market rentals per m ² would decrease the fair value by:	(894,537)	(1,110,937)
A 10% increase in average land values for land for land holdings per m ² would increase the fair value by:	200,429	252,883
A 10% decrease in average land values for land for land holdings per m ² would decrease the fair value by:	(200,429)	(252,883)

14 LOANS AND ADVANCES

Concentration - gross loans and advances	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Housing	425,572	318,637
Unsecured personal loans	1,153,348	672,902
Commercial and industrial	3,604,876	3,590,609
Gross loans and advances	5,183,796	4,582,148
Less provision for impairment	(149,941)	(168,232)
Net loans and advances	5,033,855	4,413,916

Maturity analysis - gross loans and advances

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
On demand to 3 months	685,053	667,949
3 months to 12 months	1,279,709	1,355,040
1 year to 5 years	3,146,075	2,449,026
Over 5 years	72,959	110,133
	5,183,796	4,582,148

Non performing loans

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Analysis of past due but not impaired		
0 to 30 days past due	714,917	20,154
31 to 90 days past due	278,200	269,492
	993,117	289,646

14.1 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:

Sector	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Agriculture	1,461,356	1,543,860
Construction, transport and communication	179,196	90,888
Distribution	531,759	196,868
Financial Service	55,054	21,000
Manufacturing and Mining	754,168	788,170
Mortgages	470,384	345,932
Private/Individuals	1,238,896	727,672
Energy	383,701	735,025
Services	109,282	132,733
Total gross loans	5,183,796	4,582,148

14.2 Impairment and credit quality analysis

	Subject to 12 month ECL		Subject to lifetime ECL				Total	
	Gross carrying amount ZWG 000	Allowance for ECL ZWG 000	Not credit impaired		Credit impaired (excluding purchased/originated)		Gross carrying amount ZWG 000	Allowance for ECL ZWG 000
			Gross carrying amount ZWG 000	Allowance for ECL ZWG 000	Gross carrying amount ZWG 000	Allowance for ECL ZWG 000		
As at 1 Jan 2024	2,825,038	(24,816)	1,665,733	(87,895)	91,377	(55,521)	4,582,148	(168,232)
Originations, purchases and interest accruals	556,325	39,320	52,257	(5,884)	(6,934)	(15,145)	601,648	18,291
Repayments and other derecognitions excluding write-offs	(1,672,788)	7,970	(137,767)	30,155	(100,312)	20,299	(1,910,867)	58,424
Transfer to 12 month ECL	13,300	(164)	(13,100)	2,349	(200)	96	-	2,281
Transfer to lifetime ECL (not credit impaired)	(52,631)	4,921	56,465	(19,373)	(3,834)	2,753	-	(11,699)
Transfer to lifetime ECL (credit impaired)	(70,447)	(2,642)	(24,990)	7,764	95,437	(17,817)	-	(12,695)
Changes to model and risk parameters used for ECL calculation	-	24,389	-	10,503	-	(18,558)	-	16,334
As at 31 Dec 2024	3,381,363	14,504	1,717,990	(93,779)	84,443	(70,666)	5,183,796	(149,941)

	Subject to 12 month ECL		Subject to lifetime ECL				Total	
	Gross carrying amount ZWG 000	Allowance for ECL ZWG 000	Not credit impaired		Credit impaired (excluding purchased/originated)		Gross carrying amount ZWG 000	Allowance for ECL ZWG 000
			Gross carrying amount ZWG 000	Allowance for ECL ZWG 000	Gross carrying amount ZWG 000	Allowance for ECL ZWG 000		
As at 1 Jan 2023	4,679,276	(16,248)	276,746	(102,503)	16,097	(8,482)	4,972,119	(127,233)
Originations, purchases and interest accruals	29,945,476	(148,851)	792,066	(98,653)	196,791	(312,084)	30,934,333	(559,588)
Repayments & other derecognitions, excl write-offs	(1,153,399)	(30,184)	(1,759,432)	(203,395)	498,762	(9,907)	(3,411,593)	(243,486)
Transfer to 12 month ECL	37,511	(1,290)	(37,227)	22,986	(284)	129	-	21,825
Transfer to lifetime ECL (not credit impaired)	(220,732)	1,445	220,913	(292,168)	(181)	103	-	(290,620)
Transfer to lifetime ECL (credit impaired)	(70,766)	310	(12,873)	(7,636)	83,639	(157,167)	-	(164,493)
Changes to model & risk parameters used for ECL calculation	-	-	-	-	-	-	-	-
Inflation adjustment	(29,293,754)	162,500	(1,205,667)	546,180	(696,018)	427,971	(31,195,439)	1,136,651
Effects of changes in presentation currency	(3,405,372)	7,502	(127,657)	47,294	(7,429)	3,916	(3,540,458)	58,712
As at 31 Dec 2023	2,825,038	(24,816)	1,665,733	(87,895)	91,377	(55,521)	4,582,148	(168,232)

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NOTES TO THE AUDITED SPECIAL PURPOSE CONSOLIDATED FINANCIAL REPORT (CONTINUED) For The Year Ended 31 December 2024

15 INVESTMENTS AND SECURITIES

		31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
15.1 Analysis of investments			
Equity securities	- listed	8,306,085	8,775,824
	-unlisted	3,379,423	2,753,680
Total Equities (note 15.2)		11,685,508	11,529,504
Unit trust investments		16,021	21,439
Public sector securities		729,453	30,262
Debentures		378,593	859,941
Treasury bills (see note 15.6 below)		131,676	1,177,082
Deposits and money market securities		1,342,786	1,276,742
		14,284,037	14,894,970

15.2 Spread of equity securities by sector

		31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Commodities		3,377,565	2,001,602
Communications		568,754	397,968
Consumer		3,248,857	4,716,714
Financial		2,137,973	2,874,056
Property		301,507	840,541
Manufacturing		2,049,846	572,159
Mining		1,006	126,464
		11,685,508	11,529,504

15.3 Movements of investment and securities

		31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Opening balance		14,894,970	12,809,077
Fair value movements through profit or loss		(368,056)	5,083,395
Additions		2,336,526	4,654,104
Disposals		(674,061)	(244,711)
Maturities		(1,374,636)	(1,497,878)
Effects of changes in presentation currency		(530,706)	(5,909,017)
Closing balances		14,284,037	14,894,970

15.4 Investment in unlisted equities 20% and above shareholding

Investee	% holding	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Takura Fund II (Limited Partner) "B Shares" (held by Shareholders and OMLAC Main Fund)	40%	539,253	631,070
Great Zimbabwe Hydro (held by OMLAC Main Fund)	31%	26,632	20,354
Lobels Holdings Limited (held by OMLAC Main Fund)	49%	215,373	333,732
Manica Boards and Doors (MBD) (held by OMLAC Main Fund)	55%	116,063	103,235
Kupinga Renewable Energy (held by OMLAC Main Fund)	40%	26,080	23,000
Closefin (Held by OMLAC Main Fund)	21%	40,258	31,952
Plaza Bakery (held by OMLAC Main Fund)	49%	15,398	13,992
Zimcampus preference shares (held by OMLAC Main Fund and OMLAC Special Fund)	29%	130,911	176,722
Solgas ordinary shares (held by OMLAC Main Fund)	49%	659	961
Richaw Solar Tech ordinary shares (held by OMLAC Main Fund)	49%	16,795	15,040
Takura Fund III (Limited Partner) "D Shares" (held by Shareholders and OMLAC Main Fund)	74%	1,320,827	463,919
Southern Property (Private) Limited (held by OMLAC Main Fund)	20%	18,833	13,300
Tenpill (held by Shareholders and OMLAC Main Fund)	48%	300,510	272,462
Nedbank Zimbabwe (held by Shareholders)	23%	199,579	143,529
Centagrid (held by OMLAC Main Fund)	26%	66,816	59,834
Glytime Foods (held by OMLAC Main Fund)	45%	42,452	42,793
		3,076,439	2,345,895

The Group has accounted for unlisted investments of this nature on the basis of IFRS 9, as Financial Assets at Fair Value through Profit or Loss, notwithstanding 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, and 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.

Although the Group holds 74.3% in Takura Fund III, this fund has not been consolidated as directors have assessed that they do not exercise control over this fund which would necessitate consolidation. The fund is a pooled investment and the Group does not have power to exercise decisions over how the fund is managed, over key management personnel or their appointment or influence key operational decision making and hence a decision has been taken to recognise this fund at fair value in accordance with IFRS 9.

The Group has significant influence in Manica Boards and Doors 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.

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.

15.5 Sensitivity Analysis - Listed equities

ZWG 000	31-Dec-24 reported value	+/- 20% stock movement	+/- 50% stock movement	+/- 75% stock movement
Equities - after increase	8,306,085	9,967,302	12,459,128	14,535,649
Equities - after decrease	8,306,085	6,644,868	4,153,043	2,076,521
Increase or decrease in fair value movement	-	1,661,217	4,153,043	6,229,564
Impact on profit and NAV	-	390,383	975,957	1,463,936

ZWG 000	31-Dec-23 reported value	+/- 20% stock movement	+/- 50% stock movement	+/- 75% stock movement
Equities - after increase	8,775,824	10,530,999	13,163,736	15,357,692
Equities - after decrease	8,775,824	7,020,649	4,387,912	2,193,956
Increase or decrease in fair value movement	-	1,755,175	4,387,912	6,581,868
Impact on profit and NAV	-	412,466	1,031,166	1,546,749

The Group has significant holdings in equities, consequently movements in the market index will have a significant impact on reported profits for the period.

15.6 Treasury bills maturity analysis

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
On demand to 3 months	62,292	446,237
3 months to 12 months	26,706	656,107
1 year to five years	42,678	74,738
Total	131,676	1,177,082

16 OTHER RECEIVABLES

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Accrued investment income	19,168	20,897
Agent debtors and prepayments	161,447	563,517
Inventory - Capitalised project costs (see note 16.1 below)	49,997	57,866
Banking settlement and other clearing accounts	631,031	905,811
RBZ legacy debt (see note 16.2 below)	653,657	849,390
Trade debtors	58,201	56,860
Tenant debtors	394,794	155,436
Other non-fincial assets	567,232	178,190
Gold coins	22,728	19,942
Other	631,499	376,916
	3,189,754	3,184,825

16.1 Inventory - Capitalised project costs

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Opening balance	57,866	67,128
Cost of Sales	(7,869)	(9,133)
Write down	-	(129)
	49,997	57,866

16.2 RBZ Legacy Debt

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Principal amount	2,308,940	2,308,940
Fair value loss	(1,655,283)	(1,459,550)
Net amount receivable	653,657	849,390

16.2 RBZ Legacy Debt (continued)

On the 24th of June 2019, the Government issued Statutory Instrument 142 (SI 142) which was followed up by the Reserve Bank of Zimbabwe (RBZ)'s Exchange Control Directive RU/02 of 2019 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. The value in use of the receivable has been determined after taking into account key assumptions of a 14.53% (2023: 10.64%) discount rate. The State through the Ministry of Finance and Economic Development, subsequently assumed responsibility for the discharge of the debt.

The Group believes that the risk of non-realisation of cashflows under the arrangement is remote given the passing of Finance Act No 7 of 2021 and due to the fact that the RBZ has previously supported repayments under the legacy debt registered for CABS as they have fallen due, with indications having been provided that support will continue to be provided for the remaining amounts in CABS and OMZIL. The impairment represents a remeasurement of timing of expected cashflows based on management's assessment of the projected settlement horizon.

Legacy Debts registration process

	31-Dec-24 Approved USDm	31-Dec-23 Approved USDm
External lines of credit	26	26
Amounts owing to related parties	84	84
Amounts owing to 3rd parties	1	1
Amounts settled to date	(22)	(22)
	89	89

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Impairment loss	(192,457)	(1,349,545)

16.2.1 Impairment of legacy debt

The Group made applications relating to amounts incurred in USD between 2012 and 2018, when the official 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.

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 USD1:ZWL1. CABS and OMZIL recognised a foreign currency denominated financial instrument in the financial statements 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.

Upon transferring local funds for the registration of legacy debts/blocked funds a legitimate expectation to receive a cashflow to allow for settlement of the registered obligation was created and an asset continues to be recognised on the Group's statement of financial position for the statutory receivable. This asset has been 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 receivable reflects management's assessment of the present value of the expected net cashflows to be received under this arrangement.

In 2022 Parliament passed the Finance Act No 7 2021. The Act provides for the Government to take responsibility for discharging the outstanding registered blocked funds on the RBZ's balance sheet. The mode of discharge of the blocked funds, was to be through the issuance of zero-coupon USD denominated bonds with a provision for other detailed terms and conditions to be determined by the Minister of Finance and Economic Development.

17 INSURANCE AND REINSURANCE CONTRACTS

	31-Dec-24		31-Dec-23	
	Assets ZWG 000	Liabilities ZWG 000	Assets ZWG 000	Liabilities ZWG 000
Insurance contracts				
Total life and guaranteed savings:	-	18,053,300	-	20,131,963
Life Risk and Annuities	-	246,118	-	287,215
Life Savings	-	17,807,182	-	19,844,748
Property and casualty	-	245,886	-	431,016
Total insurance contracts	-	18,299,186	-	20,562,979
Reinsurance contracts				
Total life and guaranteed savings:	1,419	-	877	55
Life Risk and Annuities	1,419	-	877	55
Life Savings	-	-	-	-
Property and casualty	178,629	-	83,613	-
Total reinsurance contracts	180,048	-	84,490	55

17.1 Insurance contracts

Analysis by remaining coverage and incurred claims

31 December 2024	Liability for remaining coverage		Liabilities for incurred claims			Total ZWG 000
	Excluding component loss ZWG 000	Loss component ZWG 000	Contracts not under PAA ZWG 000	Estimates of present value of future cash flows ZWG 000	Risk-adjustment for non-financial risk ZWG 000	
Net opening balance (insurance contracts)						
Opening insurance assets	-	-	(286,631)	-	-	(286,631)
Opening insurance liabilities	20,221,718	255,105	-	354,328	18,459	20,849,610
	20,221,718	255,105	(286,631)	354,328	18,459	20,562,979
Changes in profit or loss						
Insurance revenue:	(1,670,119)	-	-	-	-	(1,670,119)
Contracts under the modified retrospective approach	-	-	-	-	-	-
Contracts under the fair value approach	(171,275)	-	-	-	-	(171,275)
Other contracts	(1,498,844)	-	-	-	-	(1,498,844)
Insurance service expenses:	337,603	306,576	490,785	668,606	5,937	1,809,507
Incurrd claims and other insurance service expenses	96,695	-	490,785	776,089	-	1,363,569
Amortisation of insurance acquisition cash flows	240,908	-	-	-	-	240,908
Losses and reversal of losses on onerous contracts	-	306,576	-	-	-	306,576
Adjustments to liabilities for incurred claims	-	-	-	(107,483)	5,937	(101,546)
Insurance service result	(1,332,516)	306,576	490,785	668,606	5,937	139,388
Insurance finance income	670,606	-	-	-	-	670,606
Total changes in profit or loss	(661,910)	306,576	490,785	668,606	5,937	809,994
Investment components						
Cash flows						
Premiums received	2,712,767	-	-	-	-	2,712,767
Insurance acquisition cash flows paid	(362,909)	-	-	-	-	(362,909)
Insurance claims paid, including investment components	-	-	(646,152)	(1,096,684)	-	(1,742,836)
Other expenses paid	-	-	(497,338)	(644,222)	-	(1,141,560)
Total cash flows (insurance contracts)	2,349,858	-	(1,143,490)	(1,740,906)	-	(534,538)
Effects of changes in presentation currency and other	(3,158,496)	(341,382)	(16,159)	987,546	(10,759)	(2,539,249)
Net closing balance (insurance contracts)	18,751,170	220,299	(955,495)	269,574	13,638	18,299,186
Closing insurance assets	18,751,170	220,299	(955,495)	269,574	13,638	18,299,186
Closing insurance liabilities	-	-	-	-	-	-
Net closing balance (insurance contracts)	18,751,170	220,299	(955,495)	269,574	13,638	18,299,186

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NOTES TO THE AUDITED SPECIAL PURPOSE CONSOLIDATED FINANCIAL REPORT (CONTINUED) For The Year Ended 31 December 2024

17 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

17.1 Insurance contracts

Analysis by remaining coverage and incurred claims (continued)

31 December 2023	Liability for remaining coverage		Liabilities for incurred claims			Total ZWG 000
	Excluding component loss ZWG 000	Loss component ZWG 000	Contracts not under PAA ZWG 000	Estimates of present value of future cash flows ZWG 000	Risk-adjustment for non-financial risk ZWG 000	
Net opening balance (insurance contracts)						
Opening insurance assets	(133,860)	-	(898,864)	-	-	(1,032,724)
Opening insurance liabilities	19,351,199	669,672	-	281,382	9,123	20,311,376
	19,217,339	669,672	(898,864)	281,382	9,123	19,278,652
Changes in profit or loss						
Insurance revenue:						
Contracts under the modified retrospective approach	-	-	-	-	-	-
Contracts under the fair value approach	(122,679)	-	-	-	-	(122,679)
Other contracts	(865,094)	-	-	-	-	(865,094)
Insurance service expenses:						
Incurred claims and other insurance service expenses	139,409	66,668	584,831	588,503	16,855	1,396,266
Amortisation of insurance acquisition cash flows	65,978	(2,274)	584,831	627,230	-	1,275,765
Losses and reversal of losses on onerous contracts	73,431	-	-	-	-	73,431
Adjustments to liabilities for incurred claims	-	68,942	-	(38,727)	16,855	68,942
	(848,364)	66,668	584,831	588,503	16,855	408,493
Insurance service result	8,260,215	-	-	-	-	8,260,215
Total changes in profit or loss	7,411,851	66,668	584,831	588,503	16,855	8,668,708
Investment components						
Cash flows						
Premiums received	1,912,730	-	-	-	-	1,912,730
Insurance acquisition cash flows paid	(120,597)	-	-	-	-	(120,597)
Insurance claims paid, including investment components	-	-	(726,435)	(84,292)	-	(810,727)
Other expenses paid	-	-	(581,704)	(215,551)	-	(797,255)
Total cash flows (insurance contracts)	1,792,133	-	(1,308,139)	(299,843)	-	184,151
Effects of changes in presentation currency and other	(8,199,605)	(481,235)	1,335,541	(215,714)	(7,519)	(7,568,532)
Net closing balance (insurance contracts)	20,221,718	255,105	(286,631)	354,328	18,459	20,562,979
Represented by:						
Closing insurance assets	20,221,718	255,105	(286,631)	354,328	18,459	20,562,979
Closing insurance liabilities						
Net closing balance (insurance contracts)	20,221,718	255,105	(286,631)	354,328	18,459	20,562,979

18 INVESTMENT CONTRACT LIABILITIES

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Liabilities at fair value through profit or loss	2,247,841	1,790,691
Movement in liabilities fair valued through profit or loss		
Balance at beginning of year	1,790,691	1,518,956
New contributions received	522,394	199,035
Withdrawals	(88,179)	(17,027)
Fair value movements	199,371	790,440
Effects of changes in presentation currency	(176,436)	(700,713)
Balance at end of year	2,247,841	1,790,691

19 AMOUNTS DUE TO GROUP COMPANIES

Old Mutual Limited (South Africa) and its subsidiaries outside Zimbabwe

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
	2,303,084	2,293,925

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

20 AMOUNTS OWED TO BANK DEPOSITORS

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.

	31-Dec-24 ZWG 000	31-Dec-23 ZWG 000
Money market deposits	255,250	943,941
Savings deposits	5,448,617	4,722,364
ZIG deposits	4,515	13,028
Other	59,260	20,381
	5,767,642	5,699,714
Maturity analysis		
On demand to 3 months	5,647,085	5,290,705
3 months to a year	87,302	370,492
1 year to 5 year	25,515	25,076
Over 5 years	7,740	13,441
	5,767,642	5,699,714
Concentration - value		
Financial institutions	1,441,491	1,537,849
Companies	3,569,197	2,520,952
Individuals	756,954	1,640,913
	5,767,642	5,699,714
Concentration - percentage		
Financial institutions	25	27
Companies	62	53
Individuals	13	20
	100	100

21 RISK MANAGEMENT

Our Approach to Risk Management

The Group continued with an integrated approach to risk management, aimed at maximising the risk-return trade-off, within the Board approved risk appetite framework.

An overview of the Group's top risks as at end of 2024 is given below.

External Risk

Developments locally on currency changes, impacts of the El nino drought and geo-political tensions, resulted in inflationary concerns and consequently cost pressures for the Group. Economic growth prospects were curtailed in agriculture, retail (due to viability challenges) and other sectors due to acute power shortages. Performance of financial markets in real terms reflected underlying economic concerns. Disposable incomes in the economy remained under pressure.

Mitigating Actions:

The Group continued with an investment strategy which skewed asset allocation to real assets, for value preservation as well as asset classes that expose the Group to sectors and scalable opportunities with high long term growth potential. Focus was on growing deposits at the bank, and growing lending capacity to the productive sector. There was intensified escalation of business development efforts, through leveraging on the Digital Transformation and the integrated financial services (IFS) initiatives to boost competitive advantages.

Market Risk

There were impacts of government policy changes especially on currency and market liquidity, which led to sub-optimal investment returns during the year. Performance of the ZSE & VFEX was subdued in the last quarter of 2024, with returns trailing behind exchange rate movements. The Group continued with the strategy of seeking to optimise foreign currency asset and liability matching as a cushion against local currency exchange rate volatility. Some exchange losses were experienced due to the devaluation of the local currency. Margin compression continued for the bank due to the high cost of foreign and wholesale funding. Competition for blue-chip clients also presented a risk to loan pricing.

Mitigation Actions:

The Group maintained exposure to value preserving assets – private equity and property. There was effective asset and liability matching, particularly with respect to USD balances, as well as seeking to match USD denominated expenses with revenues and cashflows generated in USD. There was growth of domestic retail foreign currency deposits during the year which supported improvements in the cost of funding.

Liquidity Risk

Market and internal liquidity pressures remained inherently high in the year under review with the monetary authorities maintaining a tight monetary policy stance through increasing statutory reserves for both ZWG and USD deposits. The Group's assets remained skewed towards the less liquid real assets, for value preservation against monetary losses. While this created the need for more focused liquidity management, customer obligations were not impacted. The Group's and bank's liquidity ratios as of 31 December 2024, were largely within the risk appetite limits. The bank's deposits were transitory, which impacted creation of long-term assets.

Mitigating Actions:

Liquidity stress testing was done as part of forward-looking management of the risk. Slowing down on credit creation, disposal of non-strategic assets to fund strategic projects and alternative investments. Implementation of cash-flow management strategies which included regular cashflow forecasting and deferring non-critical expenditure and projects to manage liquidity.

Insurance Risk

All claims ratios were within target range during the year. The underwriting margin was above target during the year, while strong underwriting profits were achieved.

Mitigating Actions:

Reinsurance arrangements and correct risk pricing continued to be implemented. Products review was done for correct risk pricing, and there was compulsory pre-cover inspection of vehicles across all channels and at the Motor Assessment Centers to enhance underwriting risk mitigation. Engagements were done directly with suppliers of vehicle spare parts for reduction of claims costs.

Credit Risk

Key asset quality indicators at the two lending entities (CABS and OMFIN) remained largely within target range as at end of 2024, though there was exposure to delayed repayments by some counterparties. Rental arrears in local currency were outside target range during the year. Premium debtors were under control, with the premium debtors' collection ratio remaining above the minimum threshold.

Mitigating Actions:

A prudent lending approach continued to be taken at CABS and OMFIN, with loans advanced only to credit-worthy customers. The microfinance company used a debt collector to improve loan recoveries. Portfolio diversification was implemented to dilute credit concentration. The property business actively followed up on arrears, including taking stricter actions such as eviction orders for non-paying tenants.

Outlook

For the year 2025, the narrative is likely to be dominated by inflation and exchange rate pressures, viability challenges affecting some sectors (notably the retail sector), recurring power supply issues, the challenge of increased informalisation in the economy, how to improve the ease of doing business, and the need for policy consistency.

Global developments also compound the challenges, notably the freeze on foreign aid and funding by the Federal Government in the USA and US tariff increases and trade sanctions on various countries. The impacts may manifest through imported inflation, supply chain disruptions and constricted NGO cash flows with particularly severe impacts on service delivery in the healthcare sector, and the threat of general socio-economic upheaval.

With the country gearing up for the third round of the Financial Action Taskforce Mutual Evaluation in 2026, the Group is strengthening its AML/CFT/CPF Framework through a project on the embedment of the AML/CFT Risk & Compliance Management Program.

22 CONTINGENT LIABILITIES

Commission of inquiry

The Government of Zimbabwe set up the Commission of Inquiry in 2015 led by Justice Smith, to investigate the causes and extent of loss of value suffered by Insurance and pension schemes during the period 1 January 2000 to 28 February 2009. Following this report several actions were taken by the Insurance and Pensions Commission (IPEC) to strengthen the regulatory environment.

IPEC issued Statutory Instrument (SI) 162 of 2023 'Pensions and Provident Funds (Compensation for Loss of Pre-2009 Value of Pension Benefits) Regulations, 2023' on 1 October 2023 as a follow up step, with the statutory instrument aimed at determining and providing compensation for loss of value of pre-2009 pensions benefits. SI 162 is in respect of Pension Funds only with the SI for Insurance Funds still pending. The statutory instrument provided guidelines to be followed in coming up with individual compensation schemes and prescribed certain parameters.

Old Mutual Life Assurance Company (OMLAC) made its submissions to IPEC, prepared in line with the stipulated guidelines, on 29 December 2023. IPEC issued a public notice on 15 March 2024 which stated that none of the assessed compensation schemes were approved and IPEC was to actively engage each pension fund to enforce compliance within the confines of the law. IPEC requested for additional information in May 2024 and submissions were made by the business in May 2024. OMLAC is yet to obtain feedback from IPEC. This issue therefore remains treated as a contingent liability.

SUPPLEMENTARY INFORMATION

Profit after tax reconciliation: 2023 to 2024

	ZWG 000
Profit after tax 2023	1,983,354
Legacy debt impairment	1,209,743
Net monetary adjustment	864,427
Translation and fair value gains	(3,216,734)
Other	(116,328)
Profit after tax 2024	724,462

- The prior year functional currency for the Group was ZWL which was subject to hyper inflation resulting in significant monetary losses, refer to note 2.2.1.
- The functional currency subsequently changed to USD which eliminated most of the monetary losses, exchange gains and inflation driven nominal fair value gains Whilst translation gains were previously recognised on translation of USD assets to the functional currency of ZWL, the gains for the current year are on the ZWG open position which is significantly lower.
- A significant legacy debt impairment was recognised in 2023 on the basis that recovery would be on a long term basis. The discount rate was the only change in the calculation of the 2024 impairment resulting in lower impairment in the current year.