

OLDMUTUAL



**OLD MUTUAL
ZIMBABWE LIMITED
ANNUAL REPORT
2023**



DO GREAT THINGS EVERY DAY

CONTENTS

PERFORMANCE

- 4 Chairman's Statement
- 6 CEO's Review
- 8 Directors' Report

CORPORATE GOVERNANCE REPORT

- 11 Corporate Governance Report

ENTERPRISE RISK MANAGEMENT

- 15 Continuously Maturing the Enterprise Risk Management Framework
- 16 Overview of Key Risks

RESULTS FROM OPERATIONS

- 21 Results from Operations

INDEPENDENT AUDITORS' REPORT

- 22 Independent Auditors' Report

FINANCIAL STATEMENTS

- 32 Group Statement of Profit or Loss
- 33 Group Statement of Comprehensive Income
- 34 Company Statement of Profit or Loss and Other Comprehensive Income
- 35 Group Statement of Financial Position
- 37 Company Statement of Financial Position
- 38 Group Statement of Changes in Equity
- 40 Company Statement of Changes in Equity
- 42 Group Statement of Cash Flows
- 43 Company Statement of Cash Flows
- 44 Notes to the Annual Financial Statements
- 182 Supplementary Information

NOTICE OF THE AGM

- 184 Notice of the Annual General Meeting (AGM)



CONTACTS

Auditors:

Deloitte & Touche
West Block, Borrowdale Office Park, Borrowdale Road,
Borrowdale
Harare
Zimbabwe

Postal address:

P.O. Box 70
Harare
Zimbabwe

Registered office:

Mutual Gardens
100 The Chase (West)
Emerald Hill
Harare

Website

www.oldmutual.co.zw

Company Secretary

hardlifem@oldmutual.co.zw

Certificate of Incorporation no.

5684/1998



Performance

- 4 CHAIRMAN'S STATEMENT
- 6 CEO'S REVIEW
- 8 DIRECTORS' REPORT

CHAIRMAN'S STATEMENT



K.C. KATSANDE
Chairman

Operating environment

In 2023, the business environment presented some opportunities mainly in subsectors of the real estate sector and the construction industry. Treasury revised the gross domestic product (GDP) growth rate upward from 5.3% to 5.5% due to better-than-anticipated agricultural output. However, the economy still faced significant risks, including the effects of declining commodity prices, high inflation, currency volatility, erratic electricity supply, and adverse weather conditions. These factors posed ongoing challenges to the overall economic stability.

In March 2023, the authorities adopted a weighted consumer price index, factoring both the Zimbabwe dollar (ZWL) and United States dollar (USD) prices. They further revised the weights in August 2023 intending to reflect the increased use of the USD for transactional purposes. There was a reduction in year-on-year blended inflation from 55.9% in 2022 to 26.5% at the end of 2023. The annual poverty datum line (PDL), however, rose to 380% in 2023, compared to 264.9% in 2022.

The central bank implemented various measures, such as maintaining interest rates above 130% and introducing gold-backed digital tokens. Despite these efforts, the ZWL which opened the year at ZWL684.33: USD1 closed the year at ZWL6,104.72: USD1. This continuous depreciation, coupled with high inflation, significantly eroded the value of real income.

The government issued Statutory Instrument 218 of 2023 in October 2023, extending the multicurrency regime to 2030. This is a welcome policy that creates opportunity for the development of longer term USD financial products and enables clearer business contracts for a longer period. This

policy should be strengthened by government clarifying the roadmap between now and 2030.

The Zimbabwe Stock Exchange (ZSE) All Share index witnessed a significant advance of 981.5% during the period under review compared to an increase of 80.1% in the previous period. The USD denominated Victoria Falls Stock Exchange (VFEX) All Share Index retreated by 28.9% over the same period compared to a loss of 10% in the prior year.

In the property sector, demand for retail, industrial, and office park spaces continued to be high while Central Business District (CBD) properties, particularly in Harare, continued to record high void levels.

Pre 2009 – Loss of Value

During the second half of the year Statutory Instrument (SI) 162 of 2023 – “the Compensation Framework” was promulgated. The SI requires Pension Funds and life offices to propose compensation plans for all policies affected by the loss of pre-2009 value and submit the proposal to the regulators.

Old Mutual Life Assurance Company (OMLAC), a subsidiary of OMZIL, submitted its proposed plans, based on the requirements of the SI and feedback from the regulator is awaited.

Performance overview of the Group

The Group registered an inflation adjusted profit for the year of ZWL469 billion up from a loss for the year of ZWL154 billion registered in the prior year.

In historical cost terms, the Group registered a historic profit for the year of ZWL911 billion up from ZWL92 billion achieved in the comparative period. The main driver was recoveries in listed investment securities. A detailed analysis on the Group's performance is provided in the Group Chief Executive Officer's report.

Sustainability

At Old Mutual Zimbabwe Limited, we understand the impact of economic, social, and environmental factors on our business, its customers and the wider society. We recognise the urgent need for global transformation towards low carbon emissions, resource efficiency, and responsibility for future generations. Our approach to sustainability is shaped by our core business activities, our competencies, and the material Environmental, Social and Governance (ESG) issues that affect our stakeholders and our business. We also prioritise key initiatives led by the various authorities and remain deeply committed to treating all stakeholders fairly and acting responsibly. Our Sustainability agenda is aligned with our vision of becoming our customers' first choice to sustain, grow, and protect their prosperity.

Environment and Responsible Investment

During the year the Group increased investments in renewable clean energy (hydro and solar power) through our investee companies. Our partnership with Save Valley Mountain Bike Challenge during the year raised funds to be used to support wildlife and environmental campaigns in the Save Valley as

CHAIRMAN'S STATEMENT (continued)

well as protect 750,000 acres in the Save Valley Conservancy of diverse wildlife habitat. The Save Valley Conservancy is one of the largest private game reserves in Africa, home to various animals including elephants, buffaloes, lions, leopards, rhinos, wild dogs, pangolins, and other species. We continued to collaborate with some of our key partners, the Zimbabwe Climate Change Adaptation Conference and the Renewable Energy Conference.

Social Investment

Our flagship financial literacy program, "On the Money," remained a key focus, providing financial education to individuals from diverse backgrounds, including women and youth, through collaborations with government ministries, industry regulators, NGOs, and private sector entities. Additionally, we actively engaged in outreach initiatives to enhance healthcare services for children, women, and disadvantaged individuals in the community. In 2023, we witnessed the participation of 213 schools and 3,211 students in the Mathematics Olympiad competition. Furthermore, we took part in the Pan African Maths Olympiad in Rwanda, where one of our students received a bronze medal. We continue to provide scholarships through the Old Mutual Scholarship Fund (OMSF), which was launched in 2022. Currently, we support scholarships to students studying at various universities. The Old Mutual National High School Quiz, which has been successfully running for over nine years, since its relaunch, has seen an increase in participating schools from 126 in 2022 to 220 in 2023. Additionally, we support the development of cricket and rugby through programs and sponsorships targeting primary and secondary school students.

Governance

The Group recognises the importance of good corporate governance in ensuring consistent long-term performance and positive outcomes for our customers and shareholders. Old Mutual Zimbabwe remains dedicated to upholding best practices in governance as guided mainly by King IV and The Zimbabwe National Code on Corporate Governance. As a member of the broader Old Mutual Group, which is a signatory to the United Nations Sustainable Development Goals (SDGs), we align ourselves with similar sustainability principles in our governance and business decisions.

Old Mutual Zimbabwe achieved industry recognition by several bodies focusing on ESG. Notable awards received include:

- *National Blood Service Corporate Social Responsibility (CSR) Awards*
- *Marketers Association of Zimbabwe's Exceptional Marketers Award*
- *Corporate Social Responsibility awards, from the ESG Network of Zimbabwe.*

Board Changes

During the year Dr Charity Dhlwayo retired from the Board. At the sametime Mr Fungai Constantine Chikosi joined the Board. May I extend my hearty appreciation to Dr Dhlwayo for her dedication and contribution during her tenure on the Board. I also welcome Fungai Constantine Chikosi onto the Board.

Outlook

Experts project significant risks to crop and animal production across the country due to the El Nino weather phenomenon during the 2023/2024 farming season. The Treasury forecasts a growth rate of 3.5% for 2024, lower than the 5.5% growth in 2023. The International Monetary Fund (IMF) also projects a positive GDP growth of 3.25% in 2024.

We commend the authorities for their efforts to stabilise the economy through tight monetary and fiscal policies, as well as their international re-engagement efforts. We also support initiatives aimed at boosting confidence in the financial services sector, as market confidence is crucial for minimising overall country risk and optimising financing costs for both the public and private sectors.

Looking ahead, several crucial factors are expected to have a significant influence on shaping monetary and fiscal policies. These factors include maintaining price stability, addressing currency concerns, and the promotion of investment into key sectors of the economy. The Old Mutual Group will continue efforts to strengthen its core offering whilst also developing new propositions- to adapt to the environment and the changing needs of our customers. Our investment and financing activities will remain guided by the need to support sustainable and profitable growth into the future.

Appreciation

On behalf of the Board, I wish to extend heartfelt appreciation to our valued customers and business partners for their continued confidence in us. As a group, we take pride in the strong relationships we have cultivated and seek to grow into the long term. May I also thank the executive team for their leadership and commend all colleagues at Old Mutual Zimbabwe for their unwavering dedication and exceptional commitment to serving all our stakeholders.



K. C. KATSANDE
Chairman
27 March 2024

CEO'S REVIEW



SAMUEL MATSEKETE
Group Chief Executive Officer

Introduction

The result for 2023 reflects Old Mutual Zimbabwe's commitment to continue to serve its growing book of customers and to play its part in the development of the Zimbabwean economy. We remain resolute on and about our purpose to be our customers' first choice to sustain, grow, and protect their prosperity. We sustained focus on the key priorities to:

- Continue to adapt the business and our offering to effectively serve the evolving needs of our customers;
- Strengthen the core propositions;
- Invest for sustainable growth and returns for the benefit of our customers; and
- Leveraging technology and innovation to enhance productivity.

In May 2023 we launched Old Mutual Digital Services trading as O'mari. This is a fintech business through which we are extending our customer reach offering solutions from the breadth of our business lines. We established strong strategic partnerships which we are confident will anchor the growth of this business into the future. The performance of this new line in 2023 was ahead of the targets we set for its first year of operation.

We continued to grow the network of service centres for Old Mutual Funeral Services whilst the customer base for this business and the market share for the funeral policy business continued to grow. The human capital capabilities were enhanced to ensure full services, amongst them special services such as repatriations and cremations, could be done at world class service standards.

A special product designed for women, Womensure was launched in our General Insurance business. This product addresses bespoke requirements of the lady drivers in our society. We started to offer a Hospital Cash Plan designed to offer relief to customers in the event of them being hospitalised.

Our proposition for non-governmental organisations (NGOs) led from the Group's banking business, continued to grow in terms of uptake of the range of products we offer as well as transaction volumes and value. Similarly, we enhanced the remittances business through a wider range of Money Transfer Agency partnerships at the bank and the offering at O'mari.

Strengthening the core

The Guaranteed Fund under our life business consistently declared regular monthly bonuses ensuring that under the present hyperinflationary conditions, value was regularly transferred on to customers. The return from our Guaranteed Fund was 833%, surpassing inflation indicators like the poverty datum line (PDL) year on year increase of 380%. Through special funds, we continued to offer flexibility to pension funds preferring to design bespoke investment mandates for their funds.

We continued to ramp up our general insurance distribution through new and existing partnerships, increasing our distribution and client servicing centres. During the period business retention rate was 92% whilst new customers contributed a significant 20% of the total business for the year. We also continued to strengthen our relationships with providers of credit lines and successfully negotiated new credit lines to provide lending and financing solution to key sectors in the economy and support the growth of exporting businesses. In November 2023, we signed a USD40 million facility with the African Export Import Bank (Afreximbank) to support the local industry.

Financial Inclusion remained a priority in the banking and lending business line, with more resources being allocated to servicing the Small and Medium Enterprises (SMEs). The Microfinance business continued to increase its outreach through partnerships and digital enablement's targeting individuals, groups, and micro businesses. The loan book grew by 166% in real terms from December 2022 to December 2023. In recognition of the growth in customers and areas reached the business was named the 2023 Fastest Growing Microfinance Institution (MFI) and the 2023 Most Resilient MFI by the Zimbabwe Association of Microfinance Institutions (ZAMFI).

Investing for sustainable growth and returns

We continued to increase emphasis on Alternative Investments, within our investment strategies. In 2023, we invested USD26 million into Alternative Investments, supporting projects in sectors such as Agriculture, Tourism, and Renewable Energy. Small and Medium business and some startups amongst our clients, also benefitted from this thrust. These investments aim to generate sustainable returns while contributing to the growth of these key sectors.

CEO'S REVIEW (continued)

Within the real estate sector, new investments were mainly in the Mining and Distribution value chains and in Student Accommodation.

Leveraging technology and innovation

We continued to deploy more offerings on the MyOldMutual platform from across all our lines of business. During the year, we completed the upgrade of our short-term insurance policy administration systems to support improved customer experience within our underwriting and claims processes. The motor assessment centres we opened in Harare and Bulawayo in January 2023, have been popular with our customers and contributed to a seamless underwriting and claims experience while enhancing efficiencies, whose benefits have been passed on to customers. Work is underway to increase the footprint of the assessment centres for added customer convenience in other areas of the country.

In the Banking business we completed the upgrade of our Internet banking platform for retail customers whilst work is in progress to complete the upgrade of the internet banking solution for our Corporate

Banking clients

Regulatory compliance

In respect of the life and general insurance businesses, we successfully implemented the Insurance Contracts financial reporting standard, commonly referred to as "IFRS"), into our reporting processes, meeting both our internal and the regulatory timelines. Financial risk was managed effectively as reflected by capital adequacy, liquidity, and credit loss performance indicators that satisfied or surpassed regulatory requirements and support planned growth into the future.

Financial performance

Performance on the inflation adjusted basis

The Group posted an inflation adjusted profit for the year of ZWL469 billion compared to loss for the year of ZWL154 billion for the prior year largely attributable to above inflation returns on invested assets as well as the performance of the banking and lending business. The result from operations which reflects the core operating performance of the Group was up 177% to ZWL842 billion on the back of growth in revenues across all business lines. Key topline drivers were net interest income, non-interest banking revenue, premium income, and asset-based charges. Inflation adjusted total assets increased by 98% from ZWL4.8 trillion in the prior year to ZWL9.6 trillion as at 31 December 2023.

Performance on the historical cost basis

The Group recorded a profit for the year of ZWL911 billion in historical cost terms, up from ZWL92 billion achieved in the prior year. The General Insurance and Life Insurance revenues grew by 1048%, achieving ZWL184 billion for the year ended 31 December 2023 up from ZWL16 billion in the prior period. This growth was driven by both new business inflows and premium adjustments in response to inflation. Insurance service expenses, however, grew significantly due to the effect of inflation and the need for prudent reserving to cater for increased costs of meeting policyholder obligations. This adversely affected the insurance service result.

Investment returns were ZWL5.1 trillion up from ZWL423 billion achieved in the prior year. This was largely due to the performance of ZSE listed equities, translation gains of investments denominated in foreign currencies and gains on investment property.

Interest income grew by 218% to ZWL146 billion driven by growth in loans and advances despite tightening lending margins as the profile of the loan book became skewed to USD loans. Fee and commission income for the Group increased to ZWL209 billion, an increase of 833% driven by higher nominal values of transactions in response to inflation.

Total assets increased by 849% from ZWL1 trillion as at 31 December 2022 to ZWL9.4 trillion, in nominal terms, driven by investment and exchange gains. Total net equity increased by 703% from ZWL167 billion to ZWL1.3 trillion.

Looking ahead in 2024

We will continue to invest in technology and process improvement efforts, while focusing on growing our customer base for both Retail and Corporate segments, supported by our integrated omni-channel configuration.

To support growth of our lending and transactional banking offering, we will continue to engage regional and international lenders and correspondent banks to maintain and access new facilities. This will be in addition to sustaining growth in core deposits.

Appreciation

I would like to express my heartfelt appreciation to all our customers for their confidence and trust in us. I am immensely proud of my colleagues across the Old Mutual Zimbabwe Group for their dedication and commitment. I also extend my sincere gratitude to the Board for their support and direction, and to our regulators for their valued guidance



SAMUEL MATSEKETE
Group Chief Executive Officer

27 March 2024

DIRECTORS' REPORT

Responsibility

The directors are responsible for the preparation and fair presentation of the Group's annual inflation adjusted statements, comprising the statement of financial position as at 31 December 2023; and the statements of profit or loss; comprehensive income; changes in equity and cash flows for the period ended 31 December 2023; 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 and the requirements of the Companies and Other Business Entities Act (Chapter 24:31). In addition, the directors are responsible for preparing the Directors' report. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. The directors have assessed the ability of the Group to continue as a going concern and have no reason to believe that the business will not be a going concern in the foreseeable future.

Compliance with legislation

These financial statements, which have been prepared on an inflation adjusted basis, are based on the application of inflation indices on underlying accounting records which were maintained on the historical cost convention (except for fair value measurement where applicable). The statements 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 Insurance Act (Chapter 24:07), the Pensions and Provident Funds Act (Chapter 24:32), the Microfinance Act (Chapter 24:29), the Building Societies Act (Chapter 24:02), the Banking Act (Chapter 24:20), the Asset Management Act (Chapter 24:26), the Collective Investments Schemes Act (Chapter 24:19), and the Securities Act (Chapter 24:25).

Compliance with IFRSs

The financial statements are prepared based on International Financial Reporting Standards (IFRSs). IFRSs comprise interpretations adopted by the International Accounting Standards Board (IASB), which include standards adopted by the IASB and interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC).

Complying with IFRSs achieves consistency with the financial reporting framework adopted by the ultimate parent company, Old Mutual Limited, 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 statement of financial position date, and that corresponding figures for previous periods be restated in the same terms. During 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 (Note 2.3). Users of the financial statements are encouraged to further take this into account when considering the financial statements given the possible impact of this on full compliance with IAS 29. 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, 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.

These results have also been prepared based on the requirements of International Financial Reporting Standards (IFRS) 17 "Insurance Contracts" (IFRS 17) which came into effect on 1 January 2023. The business is fully compliant with IFRS 17 (refer to Note 2.6).

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 2023, valuations in ZWL have been adopted similar to the approach taken for the audited results for the year ended 31 December 2022. Market breadth, however, has been limited thus increasing the level of reliance on level 3 valuation inputs, where significant management expert and professional judgement was required. Areas where significant judgement has been applied include capitalisation rates for industrial, commercial, retail and office buildings. Adjustment factors are applied to rates implied from completed market transactions, depending on factors such as location, occupancy levels and tenant mix.

With regards to the spot 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.

DIRECTORS' REPORT (continued)

The Group has made use of an estimated inflation index in the preparation of inflation adjusted financial statements due to the unavailability of an official ZWL based Consumer Price Index (CPI) since 1 February 2023. The official consumer price index is now a blended inflation rate calculated using a weighted average of ZWL and USD price movements. A blended inflation rate is not appropriate in the preparation of inflation adjusted financial statements under IAS 29 as it includes impact of a currency, the USD, that is not subject to hyperinflation. The index has been estimated using movements in the Poverty Datum Line (PDL) and more detail is provided under note 2.2.

In addition, there are a wide range of views in the market concerning economic variables such as inflation and exchange rates. While management believe that these factors have been sufficiently considered in the financial statements and that the required accounting judgements are appropriate, additional disclosures and sensitivities have been provided and readers of the financial statements should pay close attention to these. Details of key accounting judgements are provided in Notes 2.2 and 2.3. 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 ZWL0,0000032 each, 83,011,718 "B" class shares of ZWL0,0000032 each, 1 redeemable preference share of ZWL1.00 and 1 "A" redeemable preference share of ZWL1.00. The shares are owned by Old Mutual Zimbabwe Holdco Limited (75%); as well as Indigenisation Trusts and various other 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	Mudekunya**	(Group Chief Financial Officer)
Mr	C	Chinaka	
Mr	A	Daka	
Dr	CL	Dhliwayo	(retired 17 August 2023)
Dr	K	Mandevani	
Mrs	N	Samuriwo	
Mr	FC	Chikosi	(appointed 1 May 2023)

**Denotes Executive Director.



Corporate Governance Report

11. CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

Board and Board Committees

The Board provides oversight and strategic direction for all the business operations that form part of Old Mutual Zimbabwe Limited (OMZIL), collectively referred to as the OMZIL Group or “the Group”. Part of its role is to ensure that each subsidiary company complies with its regulatory landscape, as some of the entities are separately regulated by the Reserve Bank of Zimbabwe (RBZ), the Insurance and Pensions Commission (IPEC) and/or the Securities and Exchange Commission of Zimbabwe. Being the controlling company of the Central Africa Building Society, OMZIL is also regulated by the RBZ. OMZIL also subscribes to the rules of the Financial Securities Exchange (Finsec) as 25% of its shares are listed on the platform operated by Finsec.

As at 31 December 2023, the operating subsidiaries of OMZIL were as follows:

1. Central Africa Building Society (CABS);
2. Old Mutual Digital Services (Private) Limited (OMDS);
3. Old Mutual Finance (Private) Limited (OMFIN);
4. Old Mutual Funeral Services (Private) Limited (OMFS);
5. Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG);
6. Old Mutual Life Assurance Company Zimbabwe Limited (OMLAC);
7. Old Mutual Securities (Private) Limited (OMSEC); and
8. RM Insurance Holdings Limited (RMIH), the holding company of Old Mutual Insurance Company (Private) Limited (OMICO).

The Board adheres to the principles of corporate governance derived from the following:

- a. The Banking Act [Chapter 24:20] and the Reserve Bank of Zimbabwe Corporate Governance Guideline;
- b. The Companies and Other Business Entities Act [Chapter 24:31];
- c. The 2016 Insurance and Pensions Commission (IPEC) Directive on Governance and Risk Management for Insurance Companies;
- d. The King IV Report on Corporate Governance;
- e. The Old Mutual Group Governance framework; and
- f. The Zimbabwe National Code on Corporate Governance.

The directors are aware that they may take independent professional advice at the Group's expense, if necessary, for the furtherance of their duties.

Board Composition and Board Committees

The Board has nine (9) directors comprising three (3) executive directors, two (2) non-executive directors and four (4) independent non-executive directors. The Board has three committees in place, that is, the Group Audit Committee, the Group Risk and Compliance Committee, and the Group Remuneration and Nominations Committee.

Group Audit Committee

The Group Audit Committee is responsible for reviewing the principles, policies and practices adopted in the preparation of the OMZIL Group accounts and for ensuring that the annual financial statements of the Group comply with all statutory, regulatory and internal governance requirements. The Chairman of this Committee is an independent non-executive director.

The Significant Matters relating to the annual financial statements are covered in the Directors' Report which details OMZIL's compliance with the International Financial Reporting Standards (IFRS). Detailed accounting policies which have been applied in preparation of the annual financial statements are included in this annual report.

The Audit Committee was satisfied with the performance of the Group Chief Financial Officer and the Finance function and effectiveness of the Chief Audit Executive and the arrangements for Internal audit. The Committee was also happy with the effectiveness of the design and implementation of internal financial controls as OMZIL did not suffer any material financial loss, fraud, corruption or error due to significant weakness in the design, implementation or execution of internal financial controls during the year.

The arrangement in place for Combined Assurance is covered under the Risk section of this report. The Audit Committee was satisfied with the level of effectiveness of Combined Assurance within OMZIL. All three lines of assurance meet regularly and coordinate their assurance activities to avoid duplication and to ensure focus is directed to areas that present material risk exposures to the Group. Combined Assurance reports and minutes are tabled to the Group Risk & Compliance Committee, covering progress updates on the delivery of the combined assurance plan and findings and recommendations from the combined assurance activities.

CORPORATE GOVERNANCE REPORT (continued)

Group Risk and Compliance Committee

The Committee reviews the management of risk and the monitoring of compliance effectiveness within the Group. The Committee reviews the policies and overall process for identifying and assessing business risks and managing their impact on the Group. The Chairman of this Committee is an independent non-executive director.

Group Remuneration and Nominations Committee

The role of the Group Remuneration and Nominations Committee is to oversee the appointment of directors to the OMZIL Board and the Boards of its subsidiary entities as well as ensuring that appropriate remuneration is applied for management and staff in the Group. The Committee is chaired by an independent non-executive director.

Director Training

During the year 2023, corporate governance; Anti-money Laundering and Counter-terrorism Financing (AML/CFT) and Environmental, Social, and Governance (ESG) training sessions were conducted for the directors in the various OMZIL Group subsidiaries.

Board and Committee Attendance

During the year ended 31 December 2023, the Board and its three committees met at least four times each.

OMZIL Board of Directors

	Mar	May	Aug	Oct	Nov
Katsande KC (Chairman)	P	P	P	P	P
Matsekete S (Group Chief Executive Officer)	P	P	P	P	P
Mashinya IT (Group Chief Operating Officer)	P	P	P	P	P
Mudekunye NTT (Group Chief Finance Officer)	P	P	P	P	P
Chikosi FC# (Independent Non-Executive Director)	-	-	P	P	P
Chinaka C (Non-Executive Director)	P	A	P	A	P
Daka A (Independent Non-Executive Director)	P	P	P	P	P
Dhliwayo C (Dr)* (Independent Non-Executive Director)	P	P	P	-	-
Mandevani K (Dr) (Non-Executive Director)	P	P	P	P	P
Samuriwo N (Independent Non-Executive Director)	P	P	P	P	P

Mr Fungai Constantine Chikosi joined the Board with effect from 01 May 2023.

*Dr Charity Dhliwayo retired by age from the Board with effect from 17 August 2023.

CORPORATE GOVERNANCE REPORT (continued)

Remuneration and Nominations Committee

Member	Feb	May	July	Nov
K Katsande (<i>Chairman</i>)	P	P	P	P
C Chinaka	P	A	P	A
Dr K Mandevani	P	P	P	P
N Samuriwo	P	P	P	A

Group Audit Committee

Member	Mar	May	Aug	Nov
Daka A (<i>Chairman</i>)	P	P	P	P
Chikosi FC#	-	-	P	P
Dhliwayo C (Dr) [^]	P	P	P	-
Mandevani K (Dr)	P	P	P	P
Samuriwo N	A	P	P	P

Group Risk and Compliance Committee

Member	Feb	May	Aug	Nov
Chikosi FC# (<i>Chairman</i>)	-	-	P	P
Dhliwayo C (Dr) [^]	P	P	P	-
Daka A	P	P	P	P
Samuriwo N	A	P	P	P

Key

P : Present

A : Apology

- : Not a member

[^]: Dr C Dhliwayo ceased being a member of the Committee with effect from 17 August 2023.

[#]: Mr FC Chikosi joined the Audit Committee and the Risk & Compliance Committee on 17 August 2023 and assumed the chairmanship of the Board Risk and Compliance Committee with effect from 17 August 2023.



Risk Management

15
16

CONTINUOUSLY MATURING THE ENTERPRISE RISK MANAGEMENT FRAMEWORK
OVERVIEW OF KEY RISKS

ENTERPRISE RISK MANAGEMENT

Continuously Maturing the Enterprise Risk Management Framework

The dynamic operating environment in 2023, characterised by currency volatility, rising inflation, policy uncertainty, El Nino adverse weather impacts and persisting power challenges, presented both new and heightened policy uncertainty risk exposures for Old Mutual Zimbabwe Limited Group ('OMZIL' or 'the Group'). There were, however, pockets of opportunity to grow customer and shareholder value. To effectively mitigate the risks and achieve optimum exploitation of the opportunities, the Group continued with the integrated approach to risk management, which interlinks the risk management framework, including compliance, to the financial management framework, stress testing and scenario analysis, business planning and combined assurance processes.

This approach, is as described in further detail below.



Stress testing and scenario analysis, incorporating newly identified scenarios, continued to be used as one of the tools for proactive risk management. The Group also continued embedding the regulatory change process through keeping track of all new and impending legal and regulatory changes and conducting the impact and readiness-to-comply assessments to reduce regulatory exposures and breaches.

Looking ahead into 2024, focus will be on timely identification, and effective management, of emerging risks and opportunities, including developments in the regulatory environment tensions and wars inability issues, digital transformation and technological advancement (artificial intelligence, machine learning), privacy & data, and consumer protection. Emerging global risks to be closely monitored include: heightening geo-political tensions and wars persisting in Europe and the Middle East and possible new conflicts emerging. In-country, emerging risks include: policy changes on currency, increased social impacts from the deepening macro-economic challenges and the impacts of the El Nino weather phenomenon on the economy and livelihoods.

ENTERPRISE RISK MANAGEMENT (continued)

Overview Of Key Risks

The risk profile of OMZIL as at 31 December 2023 is as shown below:

Risk Category & Definition	Impact	Mitigating Actions
<p>External Risk - Risks outside the control of the Group which are difficult to predict or manage.</p>	<ul style="list-style-type: none"> ▪ Exposures for the Group emanated from the uncertain operating environment which compressed the consumer spending and business viability of some of the Group's customers, limiting growth prospects. ▪ Competition remained cutthroat, with persistent trends of consolidation of players through mergers and acquisitions and increased involvement of Government in Business. There are plans by Government to take up a portion of the 3rd party motor insurance business, which will likely result in a loss of income for the private short term insurance businesses. The Group's market shares remained under threat, although the major businesses remained within the top 5 in their respective sectors. ▪ Climate Change Physical events such as the El Nino, characterised by below normal rainfall, heatwaves and drought affected the 2023-24 agricultural season and will likely result in food and water insecurities in 2024. Increased government spending for supplementary grain imports, will have pass through effects on inflation. Costs of grains are anticipated to skyrocket, resulting in increased cost of living particularly for the medium to low income households. Customer demand for non-basic products and services (including financial) will be depressed, and this will impact the Group's objective of growing the topline. Further impacts will be increased agricultural insurance claims and possible asset quality strain on the lending entities' agricultural loans. 	<ul style="list-style-type: none"> ▪ Value preservation through an asset allocation that is skewed towards real assets, aggressively growing the top line by revamping existing products and development of new products to meet customers' changing needs. ▪ Boosting the Group's competitiveness through escalating business development efforts, and Increased focus on establishing strategic partnerships/alliances for market leverage. ▪ Reviewing the risk pricing of insurance products, enhancing due diligence of borrowers in the agricultural sector, to cover an assessment of the adequacy of water sources for irrigation systems.
<p>Market Risk - Risks relating to adverse changes to the balance sheet or future earnings resulting, directly and indirectly, from fluctuations in the market prices of financial instruments.</p>	<ul style="list-style-type: none"> ▪ Equity & Property Price Volatility Risk: The risk exposure was due to the Group's investment portfolio mix which is significantly weighted to equity and property investments but largely underperforming, during the year. Equity price volatility remains a concern going forward as a sustained upward trend in prices is not guaranteed. Property market activity remained depressed on the back of compromised macroeconomic environment. ▪ Foreign Exchange Rate Risk: The Group's net open position, including and excluding the legacy debt remained positive, providing a cushion against the impacts of a depreciating local currency. ▪ Interest rate risk: Interest margins remained squeezed given the high cost of foreign funding, for the bank. The loan book has largely dollarised, and United States Dollar (USD) interest margins are lower than those in ZWL. 	<ul style="list-style-type: none"> ▪ Continuing with the investment strategy of diversifying equity risk through alternative investments which also preserve value. ▪ Engagements are continuing on resolving the legacy debt issue. ▪ There is work on growing corporate and retail USD deposits to manage the cost of USD funding and to defend margins.

ENTERPRISE RISK MANAGEMENT (continued)

Risk Category & Definition	Impact	Mitigating Actions
<p>Liquidity Risk - The risk that available liquid assets will be insufficient to meet changing market and business conditions, liabilities, funding of asset purchases, or an increase in client demands for cash. Liquidity stress testing being done as part of forward-looking management of the risk</p>	<ul style="list-style-type: none"> Market and internal liquidity pressures remained inherently high in the year under review. The Group's assets remained skewed towards the less liquid real assets, for value preservation against monetary losses. However, customer obligations were not impacted. The Group's and bank's liquidity ratios as of 31 December 2023, were largely within the risk appetite limits. 	<ul style="list-style-type: none"> Restructuring part of the investment portfolio in line with liquidity requirements while continuing to preserve value. Embedment of the Group Treasury Framework, for effective intra-group cash flow management strategies. Regular cash flow forecasting, and deferring non-critical obligations and projects to manage liquidity.
<p>Legal and Regulatory Compliance Risk - The risk of not applying or conforming to laws, or breaching laws, regulations or directives, resulting in fines, sanctions, reputational damage and/or financial loss.</p>	<ul style="list-style-type: none"> The risk of regulatory non-compliance continued to be heightened by the numerous and frequent regulatory changes with short periods for implementation. OMLAC had to meet strict deadlines to comply with the Compensation framework regulatory requirements in addition to other high impact circulars. The Budget Statement of 2024 and the Finance Act, 2023 also introduced numerous tax reforms, making the implementation process more onerous. There was increased regulatory focus on Economic, Social and Governance considerations & Climate Change, Consumer Protection as well as Cyber and Data Protection issues. Sustainability disclosures became effective 1 January 2024 for listed entities. Full adoption and embedment of AML, CFT, CPF & Sanctions compliance processes remained an area requiring improvement, especially for the non-bank Business Units. Compliance breaches where immediate compliance is not achievable continue to be remediated with regular progress updates submitted to the regulators. Open legal cases continued to be on the largely loss of value cases against the Group and actions to defend these are on-going. 	<ul style="list-style-type: none"> The Group continues to maintain its zero appetite for deliberately contravening legal and regulatory requirements. A regulatory change process is persistently observed for managing new and impending legal and regulatory changes. Compliance programs have been initiated to address the emerging themes on ESG & Sustainability, Privacy and Data Protection. The Group continues to drive market conduct, privacy and data protection and AML/CFT/CPF procedures, as part of the compliance program. Ongoing actions to address the compliance breaches are underway and tracking is done monthly and reported to oversight committees. Regulatory engagements are done for requirements and deadlines that cannot be met. Annual mandatory compliance training programs are conducted, covering both general awareness and role-based training on key themes.
<p>Operational Risk - Risks relating to failure of business operational processes, workplace safety, including loss and damage of the Group's physical assets, property and facilities. It includes risks relating to fraud, theft, bribery, corruption or internal irregularities.</p>	<ul style="list-style-type: none"> The main operational risk exposures for the Group in 2023 emanated from process inefficiencies, occasional lapses in the management of audit issues, partially effective controls on clearing long outstanding reconciling items and card fraud. Operational risk losses, however, remained within the approved risk appetite limit. Remediation of gaps on model risk management (documentation and validation of some of the models in use), continued in the year. The Group continued to address the outstanding issues on management of third party/outsourcing risks around contingency arrangements in the event of failure of material outsource arrangements. The main fraud type for the Group was card fraud, at the bank, with cases increasing in the year under review, on the magnetic stripe cards. 	<ul style="list-style-type: none"> Process reengineering through robotics process automation is being pursued to address the identified inefficiencies. Reconciliation processes are also being automated to improve resolution of the long outstanding items. The management of audit issues process in being revamped to grant more accountability to the line managers for managing the control environment in their respective areas. This will also include the provisions for consequence management to be taken against repeat non-action by the responsible parties. The remediation of the model risk issues is tracked at the Model Risk Committee, on a quarterly basis, with progress reported to the Group Risk & Compliance Committee. There is a plan in place to convert all outstanding magnetic stripe cards to chip and pin by 30 June 2024.

ENTERPRISE RISK MANAGEMENT (continued)

Risk Category & Definition	Impact	Mitigating Actions
<p>Information Technology Risk - Risks of loss due to an inadequate or inefficient information security, failure of systems and/or related processes. This includes the risk of failure to protect the confidentiality, integrity, or availability of information technology assets, whether electronic or otherwise, from unauthorised access, use, disclosure, disruption, modification, or destruction.</p>	<ul style="list-style-type: none"> ▪ Technology/System Risk: System availability was largely above target during the year. System challenges, however, continued to be experienced (e.g. core banking system and internet banking at CABS) impacting service delivery, customer experience, and timely regulatory reporting. These were largely due to the technical debt with some systems and infrastructure requiring upgrades or replacements. ▪ The Group is exposed to new IT risks arising from the planned system upgrades/replacements in 2024. These are likely to take the form of system performance issues, data breaches, and exposure to frauds and cyber-attacks. ▪ Information Security – Cyber attacks & Data breaches: While there were no cyber-attacks nor data breaches over the period under review, exposure to cyber risk remains high, due to the increased digitalisation and technological advancements. 	<ul style="list-style-type: none"> ▪ There are projects already in flight for refreshing the aged IT estate (upgrading the T24 system and replacing the Internet Banking system at the bank). ▪ The Group is also undertaking information security management systems implementation, to mitigate the risk of data breaches. ▪ Regarding phishing simulations, repeat victims are assigned mandatory training and subjected to consequence management. ▪ There is a change management process for the ICT projects under the oversight of the change advisory board, use of separate environments for development & production, and penetration tests conducted to protect systems during upgrades/replacements. ▪ There are firewalls in place to protect the estate and there is multi-factor authentication for all virtual private network (VPN) connections. ▪ Cyber risk awareness campaigns for all staff, training and upskilling of ICT personnel on information security, are conducted regularly.
<p>People Risk - Risks relating to the business workforce resourcing, utilisation and their productivity, skills, competencies and behaviors to manage and operate the business, including engaging with customers.</p>	<ul style="list-style-type: none"> ▪ Talent Attrition, & Culture: Although the staff turnover ratio remained within the risk limit, the main challenges were the need to continuously offer competitive employee value proposition to cushion staff from the volatility in the economic environment and the business from the ever-present threat of loss of key resources to competitors locally and abroad. ▪ Culture survey results for the year revealed the need to improve on employee engagement and psychological safety. ▪ Health, safety, wellbeing, and morale: Economic challenges and a general increase in societal problems continued to impact staff mental health, safety, and wellbeing. This threatened employee performance and productivity levels and general staff morale and engagement levels. 	<ul style="list-style-type: none"> ▪ Reviews of the employee value proposition are continuing in response to changes in the macro-economic environment and demands of the talent market. ▪ Management actions are being implemented to improve staff engagement and psychological safety. ▪ Wellness initiatives, including those covering mental health, continue to be offered to all staff, in conjunction with health service providers.
<p>Insurance Risk - The risk of adverse losses due to inadequate underwriting, pricing, reserving assumptions and/or volatile claims experience materially impacting earnings and capital. Insurance risk includes Life Insurance risks (Mortality, Disability, Longevity and Life).</p>	<ul style="list-style-type: none"> ▪ For the General Insurance business, there was an improvement in the underwriting ratio and overall claims ratio, and business plan targets were exceeded throughout the year. ▪ For the life business, the risk remained within target range with both the claims ratios for Group Life Assurance (GLA) and the credit life products remaining well within risk limits. ▪ The challenge of ensuring that insured risks are adequately priced to support the settlement of claims as they fall due continued to be heightened in an inflationary environment. There was also the risk of offering inadequate insurance policy covers, if premiums were not reviewed frequently to keep up with inflation trends. 	<ul style="list-style-type: none"> ▪ Reinsurance and correct risk pricing measures have been put in place to manage insurance risk in both the general insurance and life assurance companies. ▪ Compulsory pre-cover inspection of vehicles across all channels has been enhanced, through the Motor Assessment Centres at OMICO. ▪ There is focus on growing the top line and rolling out claims management initiatives to improve underwriting margins. ▪ Automatic premium escalation was implemented for applicable insurance products (e.g. funeral).

ENTERPRISE RISK MANAGEMENT (continued)

Risk Category & Definition	Impact	Mitigating Actions
<p>Credit Risk - The risk of non-payment or settlement of an obligation by a counterparty under the terms of an agreement, or the change in value of a credit asset due to a deterioration in the credit quality of a counterparty.</p>	<ul style="list-style-type: none"> ▪ The main credit risk indicators within the Group, that is, the NPL and Credit Loss Ratios at CABS, were within target ranges during the year. The Portfolio-at-Risk at OMFIN breaching the risk limit as at year-end. This was largely due to the persisting economic challenges, impacting the ability to repay of customers. ▪ There is still a need to improve on the recovery efforts of the loans in arrears, at the micro-finance entity. ▪ At OMICO, premium debtors were under control, with the premium debtors' collection ratio improving during the year and remaining above the minimum threshold. ▪ In OMIG, collection ratios were within risk appetite during the year, with tenants' paying capacity constrained by the market liquidity challenges. ▪ Climate change events, high lending rates and the macroeconomic challenges influence the direction of the risk, and may result in breaches of the risk limits, in the future if not adequately mitigated. 	<ul style="list-style-type: none"> ▪ A cautious lending approach is continuing at the lending entities, with extension of foreign currency denominated loans only to reputable and financially reliable prospects. ▪ The lending businesses continue to monitor the quality of credit assets, through reviews of the borrower's business performance and monitoring adherence to agreed covenants. ▪ OMICO has operationalised the no premium no cover regulation and enhanced the debtors' ageing analysis. ▪ OMFIN engaged a debt collector to improve collections.

Results from Operations

21 RESULTS FROM OPERATIONS



RESULTS FROM OPERATIONS

In line with the rest of Old Mutual Limited Group, in addition to net profit after tax as per the Group statement of profit or loss, (page 32) the Group also measures its performance based on results from operations.

A reconciliation between Profit/(loss) before tax and results from operations before tax is shown below:

Reconciliation of IFRS Profit/(loss) Before Tax to Results from Operations Before Tax

	Inflation adjusted audited		Historical cost unaudited	
	2023 Group ZWLm	2022 Group ZWLm	2023 Group ZWLm	2022 Group ZWLm
Profit/(loss) before tax	517,005	(151,103)	947,521	93,388
Adjusting entries	324,520	454,591	(237,571)	(35,222)
Shareholder investment returns	(308,146)	(182,589)	(590,653)	(51,397)
Non recurring items	367,685	78,843	367,685	16,407
Monetary loss - non-operating items	291,201	558,630	-	-
Policyholder tax	(26,220)	(293)	(14,603)	(232)
Results from operations	841,525	303,488	709,950	58,166

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

INDEPENDENT AUDITORS' REPORT



PO Box 267
Harare
Zimbabwe

Deloitte & Touche
Registered Auditors
West Block
Borrowdale Office Park
Borrowdale Road
Borrowdale
Harare
Zimbabwe

Tel: +263 (0) 8677 000261
+263 (0) 8644 041005
Fax: +263 (0) 4 852130
www.deloitte.com

To the Shareholders of Old Mutual Zimbabwe Limited

Report on the Audit of the inflation adjusted consolidated and separate financial statements

Opinion

We have audited the inflation adjusted consolidated and separate financial statements of Old Mutual Zimbabwe Limited (the "Company") and its subsidiaries (together the "Group"), set out on pages 32 to 181 which comprise the inflation adjusted consolidated and separate statements of financial position as at 31 December 2023, and the inflation adjusted consolidated and separate statement of profit or loss and other comprehensive income, the inflation adjusted consolidated and separate statement of changes in equity and the inflation adjusted consolidated and separate statement of cash flows for the year then ended, and the notes to the inflation adjusted consolidated and separate financial statements, including material accounting policy information.

In our opinion, the inflation adjusted consolidated and separate financial statements present fairly, in all material respects, the inflation adjusted consolidated and separate financial position of Old Mutual Zimbabwe Limited as at 31 December 2023, and its inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), relevant sections of the Banking Act (Chapter 24:20), Building Societies Act (Chapter 24:02) and the Insurance Act (Chapter 24:07).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the inflation adjusted Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 35 of the financial statements, which relates to the Commission of Inquiry and Statutory Instrument (SI) 162 of 2023 'Pensions and Provident Funds (Compensation for Loss of Pre-2009 Value of Pension Benefits) Regulations, 2023' that was issued by the Insurance and Pensions Commission resultantly.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



A full list of partners and directors is available on request

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITORS' REPORT (Continued)

Key Audit Matter	How the matter was addressed in the audit
First time adoption of IFRS 17 and valuation of insurance contract liabilities and assets	
<p>Refer to the accounting policy notes 2.6, 2.28 and disclosure note 28.</p> <p>First time adoption of IFRS 17</p> <p>On 1 January 2023, the Group adopted IFRS 17: Insurance Contracts ('IFRS 17') which replaced IFRS 4: Insurance Contracts. The Group applied IFRS 17 to insurance contracts issued and reinsurance contracts held as at 1 January 2022, as described in note 2.28. This standard requires the use of complex valuation models and assumptions to measure groups of insurance contracts as the total of estimates of present value of future cashflows ('PVFCF'), plus a risk adjustment for non-financial risk ('RA') and a contractual service margin ('CSM'). The CSM component is only relevant for groups of insurance contracts measured using the general measurement approach ('GMM') and the variable fee approach ('VFA').</p> <p>As a result, certain 2022 comparative amounts as presented in these inflation adjusted consolidated financial statements have been restated for the adoption of IFRS 17.</p> <p>The impact of initial application of IFRS 17 on the annual financial statements was a decrease of ZWL 2.6 billion to the Group's total equity as at 1 January 2022.</p> <p>We assessed the impact of the initial application of IFRS 17 to be an area of focus due to the judgement to be applied and complexity on initial application as it related to the measurement of the Group's insurance contract liabilities, including the CSM at the transition date.</p> <p>This required the application of significant auditor judgment and involved specialised actuarial skills and knowledge to assist in evaluating the audit evidence obtained.</p> <p>Key areas of focus and judgement include:</p> <ul style="list-style-type: none"> - the assessment of management's judgements in selecting transition approaches - the application of simplifications applied in the fair value approach and intended application going forward and determination of key assumptions as they pertain to the measurement of insurance contract assets and liabilities. <p>Accordingly, we have identified the initial application of IFRS 17 as a key audit matter.</p>	<p>In evaluating the transition to IFRS 17 adoption, we performed the following procedures:</p> <ul style="list-style-type: none"> • Gaining an understanding and testing the governance and controls surrounding methodology selection, model development & validation, and data migrations & data quality assessment procedures; • Challenging the appropriateness of key technical accounting decisions, judgements, assumptions and elections made in determining measurement models and relevant estimates against the requirements of the standard; • Involving our actuarial audit specialists in performing procedures to challenge the Group's IFRS 17 calculation models, including those related to the testing of premium allocation approach (PAA) eligibility, the estimate of the fulfilment cash flows, the risk adjustment and discounting; • Evaluating and testing of new contract classification and measurement models; • Testing the model migration process; • Identifying and assessing changes made to the actuarial models since our audit of the 31 December 2022 IFRS 17 "comparatives", including performing a comparison analysis of the new models to previously signed off models; • Testing of the contracts and relevant reserving attributes to verify whether the data has been appropriately interpreted concerning contractual terms; • Evaluating and testing the aggregation level on new onerous, non-onerous and other groups of contracts; • Assessing whether any facts and circumstances indicate a change in the profitability of groups of contracts between the transition and closing balance sheet date or whether any new business issued could be onerous; and • Tested the IAS 8 disclosures related to the transition impact and reconciled the disclosed impact to underlying accounting records. <p>Based on the procedures described above, we consider the assumptions, methodologies and models applied in preparing the IFRS 17 transition disclosure to be reasonable.</p>

INDEPENDENT AUDITORS' REPORT (Continued)

Key Audit Matter	How the matter was addressed in the audit
First time adoption of IFRS 17 and valuation of insurance contract liabilities and assets (continued)	
<p><u>The valuation of life insurance contract assets and liabilities as at 31 December 2023</u></p> <p>The Group carries significant insurance contract liabilities and assets on its statement of financial position. As at 31 December 2023, the value of insurance contract liabilities was ZWL4.9 trillion.</p> <p>The insurance contract liabilities and assets are measured in accordance with the newly adopted IFRS 17 "Insurance contracts" standard.</p> <p>The valuation of insurance contract liabilities and assets involves significant judgements over uncertain future outcomes, which includes estimates in the determination of the present value of future cash flows ("PVFCF"). The PVFCF contained in the insurance contract assets and liabilities are associated with significant uncertainties requiring the use of expert judgment embedded within complex actuarial models relying on subjective assumptions relating to future events. The use of complex models that may be incorrectly designed or configured, and for which incomplete or inaccurate data may be used. Key assumptions include mortality, persistency and economic assumptions. As a result of the long duration of life insurance products, relatively small changes in key assumptions may have a significant impact on the valuation of the present value of future cash flows.</p> <p>Accordingly, given the complexity and judgment involved we have identified life insurance contract assets and liabilities as a key audit matter, which includes the PVFCF and CSM for remaining coverage.</p>	<p>In evaluating the valuation of the insurance contract liabilities and assets our audit procedures incorporated the following:</p> <ul style="list-style-type: none"> ▪ Testing the design and implementation of key controls over the valuation processes, including the assessment and approval of the methods and assumptions adopted over the calculation of insurance contract liabilities and assets, as well as appropriate data access and management controls over the actuarial models; ▪ Engaging our actuarial audit specialists to assist with the audit of insurance contract liabilities and assets, with the focus being: <ul style="list-style-type: none"> - Identifying significant assumption changes through the engagement with management and challenging management's assumption changes as well as assessing their impact on the financial statements. - Considering whether the proposed valuation assumptions are appropriate in light of Group experience and the requirements of relevant accounting, regulatory and actuarial standards. - Performing retrospective tests on key assumptions, reviewing management's experience investigations and analysis of surplus results to evaluate key actuarial inputs such as mortality, morbidity and persistency. - Considering consistency of approach to setting assumptions across segments. - Utilising our independent audit tool to replicate management results including the amortisation of the CSM and evaluating if reasonable. - Confirming that the actuarial data model extracts provided are those used as an input to the actuarial model and to the experience analysis tool. - Testing the adequacy and effectiveness of controls regarding the completeness and accurate transfer of policyholder data from policy administration systems to the actuarial systems, leveraging on management's key reconciliation controls. ▪ Utilising our analytic techniques to identify policyholder data anomalies and outliers and comparing trends in the movement of policyholder data from year-end 2022 to year-end 2023. <p>We have considered the judgements, methodologies and assumptions approved by the directors to be appropriate and the disclosures in compliance with IFRS.</p>

INDEPENDENT AUDITORS' REPORT (Continued)

Key audit matter	How the matter was addressed in the audit
Valuation of investment properties and owner-occupied properties	
<p>Refer to the accounting policies 2.9 and 2.10 and disclosure notes 20 and 21.</p> <p>The Group measures investment properties and owner-occupied properties at fair value at each reporting date, which is determined using international valuation techniques which include the income approach or the direct comparison market approach. As at 31 December 2023, the Group had properties amounting to ZWL3.2 trillion on (2022: ZWL 1.7 trillion).</p> <p>Given the minimal market data arising from a subdued and depressed property market, largely due to the current economic constraints in Zimbabwe the ZWL valuations involve significant judgements and resultantly have high estimation uncertainty.</p> <p>These valuations also involve the use of valuation experts. The assumptions with the most significant impact on the property valuations were:</p> <ul style="list-style-type: none"> ▪ The market rental yields, which are based on unobservable market data. The rental yields are estimated for each individual property; ▪ The exit capitalisation rates, which are considered to be an all-risk yield rate and incorporate qualitative aspects, notably occupancy, tenancy mix, physical attributes and property locations risk adjustments; and ▪ The land unit prices, which are adjusted based on professional judgement relating to location, town planning considerations, land area as well as environmental factors. <p>All the above inputs are highly subjective and rely on the directors judgements.</p> <p>The valuation of investment property is considered to be a key audit matter due to the greater degree of subjectivity and judgement included in the determination of the fair value as a result of the economic consequences and ongoing uncertainty in the property market.</p>	<p>In evaluating the valuation of investment properties, we reviewed the property valuations/calculations prepared by the internal and independent valuers, with a particular focus on the market rental yields, exit capitalisation rates and land unit prices. Our procedures included the following:</p> <ul style="list-style-type: none"> ▪ Testing the Group's controls relating to the determination of the fair values of the investment properties including controls related to the appropriate review and approval of the property valuations; ▪ Assessing the competence, capabilities, and objectivity of the independent valuers; ▪ Assessing the scope of the independent valuers' work, terms of the engagement and their independence and objectivity; ▪ Conducting meetings with the internal and independent valuation specialists to obtain an understanding of the assumptions employed in the valuation of investment properties; ▪ Evaluating the appropriateness of the valuation methods used to assess whether they were in line with acceptable industry practice and the requirements of IFRS; ▪ Engaging our audit property valuation specialists to independently assess the reasonability and appropriateness of the valuation models, methodologies and inputs used by the independent valuers on a sample basis; <p>With respect to the inputs adopted in the ZWL valuations:</p> <ul style="list-style-type: none"> - Obtaining an understanding of the build-up of the capitalisation rate including validating the base rate against observable transactions and evaluating adjustments made to the capitalisation rate; - Verifying rental assumptions using independently obtained market research; - Assessing the lettable areas for reasonableness by comparing to prior year. For current year property additions, verifying the lettable area against the external valuers' confirmations; and - Comparing the internal valuation outcomes to those of the independent valuers for a sample of properties. Differences noted were assessed against acceptable pre-determined thresholds for reasonableness. <ul style="list-style-type: none"> ▪ Assessing whether the disclosures in the financial statements are appropriate and in accordance with IFRS 13: Fair Value Measurement ("IFRS 13") and IAS 40: Investment property. <p>The valuation methodology was deemed to be appropriate and in line with both International Valuation standards as well as IFRS 13. We consider the inputs to be highly subjective and judgemental, however the judgements made were acceptable in the current economic climate as and disclosed in the sensitivity analysis in note 21.</p> <p>The disclosures are in terms of IFRS and appropriate.</p>

INDEPENDENT AUDITORS' REPORT (Continued)

Key audit matter	How the matter was addressed in the audit
Valuation of unlisted equities	
<p>Refer to the accounting policy and disclosure notes 2.14 and 25 respectively.</p> <p>As at 31 December 2023, the Group holds unquoted investments of ZWL1.2 trillion (2022: ZWL332 billion).</p> <p>The Group's unquoted investments relate to unlisted equities, public sector securities, debentures, and deposits and money market securities. For such investments a reliable third-party price may not be readily available and therefore the ultimate valuation involves the application of expert judgement.</p> <p>The Group's accounting policy is to apply fair value measurement model to the unquoted investments. The valuation models therefore involve judgement related to;</p> <ul style="list-style-type: none"> - adopting an appropriate valuation methodology; and - the observability of the input data and factors used in the valuation. <p>Furthermore, where the Group holds shareholding above the 20% threshold, the directors are required to perform a control assessment and an appropriate accounting treatment in line with IFRS requirements.</p> <p>The valuation and accounting treatment of the unquoted investments is considered to be a key audit matter due to the greater degree of subjectivity and judgement included in the determination of the fair value and accounting treatment.</p>	<p>In evaluating the valuation of the unquoted investments, our audit procedures incorporated the following:</p> <ul style="list-style-type: none"> ▪ Testing the design and implementation of key controls over the valuation process, including the Group's review and approval of the estimates and assumptions used in the valuations, including the authorisation and data input controls and benchmarking assumptions; ▪ Assessing a sample of the valuation assumptions with reference to the Group's own valuation guidelines as well as industry practice where this was available; ▪ Performing an evaluation of the methodology choice used and assessed the appropriateness of the selected pricing methodologies with reference to IFRS and the Group's own valuation guidelines and industry practice; ▪ Engaging our internal valuation specialists to test the inputs and assumptions on a sample of unlisted entities by: <ul style="list-style-type: none"> ▪ Evaluating and challenging the appropriateness of the methodologies applied, assumptions and inputs used in the valuation by establishing our own range of the assumptions and inputs, based on externally available metrics and wider economic and commercial factors and using knowledge and industry experience; and - Evaluating the reasonableness of the directors' inputs by comparing the inputs to historical trends. ▪ Our procedures in respect of the classification and accounting treatment of investments included among others: <ul style="list-style-type: none"> - Evaluating the directors' assessment of whether the Group exerts significant influence or control over the investees in which the Group's shareholding exceeds 20%, against the criteria in IAS 28 and IFRS 10; and - Evaluating whether unlisted investments are presented in accordance with the relevant financial reporting standard in the financial statements. ▪ Assessing the disclosures in relation unquoted investments as well as the judgements and assumptions and estimation applied to these balances and in terms of IFRS. <p>We have considered the judgements, assumptions, and disclosures to be appropriate.</p>

INDEPENDENT AUDITORS' REPORT (Continued)

Key audit matter	How the matter was addressed in the audit
Valuation of expected credit losses on financial assets	
<p>As detailed in notes 2.14 and 24, the Group reported expected credit losses of ZWL39.8 billion (2022: ZWL16.2 billion) on the inflation adjusted statement of financial position.</p> <p>This was considered a key audit matter as the determination of the expected credit losses (ECL) requires significant judgement. The models used to determine provisions are complex and might not have taken into account all relevant factors such as macroeconomic data for forecasts and the data used for historical analysis might not be accurate.</p> <p>Due to the judgement applied in determining the complex ECL, we have determined this to be a key audit matter.</p>	<p>In evaluating the valuation of expected credit losses on financial assets, our audit procedures incorporated the following;</p> <ul style="list-style-type: none"> ▪ Reviewed the Group's IFRS 9 based impairment provisioning policy and compared it with the requirements of IFRS 9. ▪ Obtained an understanding of the robustness of internal controls over financial reporting including critical inputs and the model used which support the Group's assertions with respect to completeness, compliance and consistent application of the methodology. ▪ Tested the design and implementation of relevant controls with respect to the determination of the expected credit losses. ▪ Involved our internal information technology experts to test design and implementation of relevant controls with respect to the general information controls (GITCs). ▪ Tested the completeness and accuracy of loans and advances, treasury bills, off balance sheet items, and other financial assets included in the ECL calculations. ▪ With the assistance of an auditors' specialists, performed an independent assessment on the appropriateness of the model by performing the following: <ul style="list-style-type: none"> ▪ Obtaining an understanding of the Group's internal rating models for financial assets to assess whether the rating model was appropriate; ▪ Reviewing the appropriateness of the Group's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages; ▪ For a sample of exposures, testing the appropriateness of the staging; ▪ Testing assumptions used in the ECL calculations and assessing them for reasonableness; ▪ For a sample of exposures, testing the appropriateness of determining exposure at default, and probability of default.

INDEPENDENT AUDITORS' REPORT (Continued)

Key audit matter	How the matter was addressed in the audit
Valuation of expected credit losses on financial assets (continued)	
	<ul style="list-style-type: none"> ▪ Assessed the completeness of collateral recognised during the period under review; ▪ Assessed the consistency of inputs and assumptions used by management to determine expected credit losses; and ▪ Performed an independent assessment on the appropriateness of the model. ▪ Assessed whether the appropriate required disclosures have been included and presentation requirements have been properly reflected in the financial statements. <p>The valuation was found to be appropriate in terms of the relevant accounting standards and management's estimates and judgements were deemed to be prudent and we also consider the disclosures to be appropriate.</p>

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Statement, CEO's review, the Directors' Report, as required by the Companies and Other Business Entities Act (Chapter 24:31), the Corporate Governance Report, the Enterprise Risk Management reports, the Results from Operations, Foreign currency denominated transactions and balances, and the historical cost financial information which we obtained prior to the date of this auditor's report as well as the Notice to the Annual General Meeting, which is expected to be made available to us after that date. The other information does not include the inflation adjusted consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the inflation adjusted consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the inflation adjusted Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the relevant sections of the Banking Act (Chapter 24:20), the Building Societies Act (Chapter 24:02) the Securities and Exchange Act (Chapter 24:25), the Microfinance Act (Chapter 24:29) and Insurance Act (Chapter 24:07) and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated and separate financial statements, the directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT (Continued)

Auditor's Responsibilities for the Audit of the inflation adjusted Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these inflation adjusted consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/ or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated and separate financial statements, including the disclosures, and whether the inflation adjusted consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (Continued)

Report on Other Legal and Regulatory Requirements

In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1) (a)

The inflation-adjusted consolidated and separate financial statements of the Group are properly drawn up in accordance with this Act so as to give a true and fair view of the state of the Group's affairs at the date of the inflation adjusted consolidated and separate financial statements for the financial year ended 31 December 2023.

Section 193(2)

We have no matters to report in respect of the Section 193(2) of the Act.

Compliance with the Insurance Act [Chapter 24:07]

We also report to the shareholders that the life assurance business and general insurance businesses have not complied with Statutory Instrument 206 of 2019 as read with the Insurance Act [Chapter 24:07], which stipulates that registered insurers shall have a minimum prescribed assets ratio of:

- fifteen per centum of the market value of total adjusted assets in the case of an insurer which carries on life assurance business; and
- ten per centum of the market value to total adjusted assets in the case of an insurer which carries on short term (non-life) insurance business.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: Charity Mtwazi
PAAB Practice Certificate Number 0585
Harare
Zimbabwe

29 March 2024



Financial Statements

32	Group Statement of Profit or Loss
33	Group Statement of Comprehensive Income
34	Company Statement of Profit or Loss and Other Comprehensive Income
35	Group Statement of Financial Position
37	Company Statement of Financial Position
38	Group Statement of Changes in Equity
40	Company Statement of Changes in Equity
42	Group Statement of Cash Flows
43	Company Statement of Cash Flows
44	Notes to the Annual Financial Statements
182	Supplementary Information
184	Notice of the Annual General Meeting (AGM)

GROUP STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Inflation adjusted audited		*Historical cost unaudited	
		2023 Group ZWLm	2022 Group ZWLm Restated**	2023 Group ZWLm	2022 Group ZWLm Restated**
Revenue					
Insurance revenue	4	233,739	115,722	183,955	16,029
Insurance service expenses	5	(330,398)	(222,439)	(320,873)	(38,420)
Net expenses from reinsurance contracts		(12,608)	(9,397)	(10,828)	(2,222)
Insurance service result		(109,267)	(116,114)	(147,746)	(24,613)
Investment return (non-banking)	6	2,450,579	157,537	5,094,207	423,434
Finance (expenses)/income from insurance contracts	7	(1,954,615)	26,434	(4,152,862)	(345,682)
Net finance expenses from reinsurance contracts	8	(774)	(3,517)	(163)	(224)
Change in investment contract liabilities		(187,044)	2,135	(350,529)	(26,131)
Net investment result		308,146	182,589	590,653	51,397
Banking interest and similar income	9	261,807	231,762	146,110	45,917
Fee income, commissions and income from service contracts	10	358,416	151,561	209,219	22,424
Other income	11	822,140	256,135	875,514	52,093
Non-insurance revenue and income		1,442,363	639,458	1,230,843	120,434
Total revenue and other income		1,641,242	705,933	1,673,750	147,218
Expenses					
Impairment loss	26.2.1	(319,345)	(43,273)	(319,345)	(9,005)
Banking interest expense and similar expenses	9	(94,654)	(33,240)	(54,021)	(5,154)
Fees, commissions and other acquisition costs		(90,010)	(57,622)	(50,462)	(6,592)
Expected credit loss		(37,923)	(16,809)	(36,320)	(3,457)
Other operating and administration expenses	12	(425,715)	(184,383)	(269,445)	(29,622)
Net monetary adjustment		(162,006)	(521,709)	-	-
Non-insurance expenses		(1,129,653)	(857,036)	(729,593)	(53,830)
Share of results from associate	22	5,416	-	3,364	-
Profit/(loss) before tax		517,005	(151,103)	947,521	93,388
Income tax expense	13	(47,686)	(3,148)	(36,492)	(1,801)
Profit/(loss) for the year		469,319	(154,251)	911,029	91,587
Attributable to non-controlling interests		42,951	187	42,951	2,568
Attributable to owners of parent company		426,368	(154,438)	868,078	89,019
		469,319	(154,251)	911,029	91,587

*The historical amounts are shown as supplementary information. As a result, the independent auditors have not expressed an opinion on the historical financial information..

**The Group is presenting a restated statement of profit or loss to reflect the initial application of IFRS 17, Insurance contracts. Refer to note 2.28 for further details.

GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

Notes	Inflation adjusted audited		*Historical cost unaudited		
	2023 Group ZWLm	2022 Group ZWLm Restated**	2023 Group ZWLm	2022 Group ZWLm Restated**	
Profit/(loss) for the year	469,319	(154,251)	911,029	91,587	
Other comprehensive income					
Items that will not be reclassified to profit or loss (net of tax)					
Property revaluation gain	137,710	67,776	251,550	24,918	
Translation of foreign subsidiaries	17,418	-	17,418	-	
Share of other comprehensive income of associate	562	-	562	-	
Total other comprehensive income	155,690	67,776	269,530	24,918	
Total other comprehensive income/(loss) for the year	625,009	(86,475)	1,180,559	116,505	
Total other comprehensive income/(loss) attributable to:					
Owners of parent company	582,058	(86,662)	1,137,608	113,937	
Non-controlling interests	42,951	187	42,951	2,568	
	625,009	(86,475)	1,180,559	116,505	
Earning/(loss) per share	ZWLc	ZWLc	ZWLc	ZWLc	
Basic and diluted (cents)	14.1	128,406	(46,511)	261,432	26,809

*The historical amounts are shown as supplementary information. As a result, the independent auditors have not expressed an opinion on the historical financial information.

**The Group is presenting a restated statement of other comprehensive income to reflect the initial application of IFRS 17, Insurance contracts. Refer to note 2.28 for further details.

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Inflation adjusted audited		*Historical cost unaudited	
		2023 Company ZWLm	2022 Company ZWLm Restated**	2023 Company ZWLm	2022 Company ZWLm Restated**
Revenue and other income					
Investment income	15	555,960	850,752	1,281,920	203,839
Other income	16	58,951	25,146	43,252	3,921
Total revenue and other income		614,911	875,898	1,325,172	207,760
Expenses					
Impairment loss	49,1	(313,172)	(41,533)	(313,172)	(8,643)
Other operating expenses	17	(48,913)	(27,541)	(30,618)	(4,116)
Total expenses		(362,085)	(69,074)	(343,790)	(12,759)
Share of profit from associates	22	5,416	-	3,364	-
Net monetary adjustment		(2,192)	(7,001)	-	-
Profit before tax		256,050	799,823	984,746	195,001
Income tax expense	18	(24,006)	(6,151)	(14,963)	(1,020)
Profit for the year		232,044	793,672	969,783	193,981
Other comprehensive income for the year					
Share of other comprehensive income of associate		562	-	562	-
Total comprehensive income for the year		232,606	793,672	970,345	193,981

*The historical amounts are shown as supplementary information. As a result, the independent auditors have not expressed an opinion on the historical financial information.

**The Company is presenting a restated statement of profit or loss and other comprehensive income to reflect the change of accounting of investments in subsidiary companies. Refer to note 2.29 for further details.

GROUP STATEMENT OF FINANCIAL POSITION

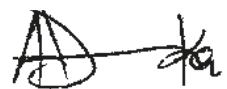
AS AT 31 DECEMBER 2023

	Notes	Inflation adjusted audited		
		2023 Group ZWLm	2022 Group ZWLm Restated**	1 January 2022 Group ZWLm Restated**
Assets				
Intangible assets	19	4,235	4,152	14,767
Property and equipment	20	493,056	268,567	170,180
Investment property	21	2,813,382	1,432,777	804,465
Investment in associate	22	22,869	-	-
Deferred tax assets	23	3,811	4,286	48
Loans and advances	24	1,044,465	617,577	456,157
Investments and securities	25	3,524,615	1,632,770	2,324,980
Reinsurance contract assets	28	19,988	20,199	5,343
Current tax assets		640	221	1,672
Other receivables	26	753,634	397,934	278,620
Cash and cash equivalents	27	890,119	460,491	205,793
Total assets		9,570,814	4,838,974	4,262,025
Liabilities				
Insurance contract liabilities	28	4,865,835	2,455,558	2,311,346
Investment contract liabilities	29	423,734	193,621	182,502
Reinsurance contract liabilities	28	13	34	5
Provisions		-	-	10,182
Deferred tax liabilities	23	45,334	19,991	19,625
Current tax payables		4,168	1,802	163
Amounts due to group companies	30	542,814	291,518	165,139
Credit lines	33	562,564	359,798	160,733
Other payables	31	322,531	105,374	61,702
Amounts owed to bank depositors	32	1,348,723	571,281	409,361
Total liabilities		8,115,716	3,998,977	3,320,758
Net assets		1,455,098	839,997	941,267
Shareholders' equity				
Share capital and premium	54	1	1	1
Revaluation reserve		256,827	118,555	50,779
Share based payment reserve		32,475	32,475	32,475
Regulatory provisions reserve		15,362	7,069	-
Foreign currency translation reserve		17,418	-	-
Retained earnings		1,074,962	665,385	838,915
		1,397,045	823,485	922,170
Non-controlling interests		58,053	16,512	19,097
Total equity		1,455,098	839,997	941,267

**The Group is presenting a statement of financial position as at 1 January 2022 to reflect the initial application of IFRS 17, Insurance contracts. Refer to note 2.28 for further details.



DIRECTOR
28 March 2024



DIRECTOR
28 March 2024

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

*Historical unaudited

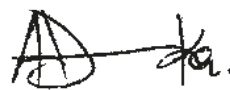
	Notes	2023 Group ZWLm	2022 Group ZWLm Restated**	1 January 2022 Group ZWLm Restated
Assets				
Intangible assets	19	929	169	208
Property and equipment	20	446,634	49,131	8,696
Investment property	21	2,813,382	298,157	48,699
Investment in associate	22	9,727	-	-
Deferred tax assets	23	4,744	838	9
Loans and advances	24	1,044,465	128,516	27,614
Investments and securities	25	3,524,615	339,775	140,745
Reinsurance contract assets	28	19,988	3,161	895
Current tax assets		640	46	101
Other receivables	26	691,007	79,570	14,114
Cash and cash equivalents	27	890,119	95,827	12,458
Total assets		9,446,250	995,190	253,539
Liabilities				
Insurance contract liabilities	28	4,865,835	510,995	140,426
Investment contract liabilities	29	423,734	40,292	11,048
Reinsurance contract liabilities	28	13	7	2
Provisions		-	-	617
Deferred tax liabilities	23	42,309	4,160	1,048
Current tax payables		4,168	375	10
Amounts due to group companies	30	542,814	60,664	9,997
Credit lines	33	562,564	74,873	9,730
Other payables	31	311,482	17,468	3,124
Amounts owed to bank depositors	32	1,348,723	118,882	24,781
Total liabilities		8,101,642	827,716	200,783
Net assets		1,344,608	167,474	52,756
Shareholders' equity				
Share capital and premium	54	-	-	-
Non-distributable reserve		49	49	49
Revaluation reserve		281,408	29,296	4,378
Share based payment reserve		55	55	55
Regulatory provisions reserve		15,360	1,471	-
Foreign currency translation reserve		17,418	-	-
Retained earnings		985,430	133,256	47,098
		1,299,720	164,127	51,580
Non-controlling interests		44,888	3,347	1,176
Total equity		1,344,608	167,474	52,756

*The historical amounts are shown as supplementary information. As a result, the independent auditors have not expressed an opinion on the historical financial information.

**The Group is presenting a statement of financial position as at 1 January 2022 to reflect the initial application of IFRS 17, Insurance contracts. Refer to note 2.28 for further details.



DIRECTOR
28 March 2024



DIRECTOR
28 March 2024


COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	Inflation adjusted audited		*Historical cost unaudited	
		2023 Company ZWLm	2022 Company ZWLm Restated**	2023 Company ZWLm	2022 Company ZWLm Restated**
Assets					
Intangible assets	43	734	10	493	-
Property and equipment	44	4,066	5,906	858	237
Investment property	45	2,460	1,297	2,460	270
Investments in subsidiary companies	47	1,361,485	934,544	1,361,485	194,476
Investments and securities	46	128,655	74,821	128,655	15,570
Investments in associates	22	22,869	-	9,727	-
Amounts due by group companies	48	7,508	4,498	7,508	936
Other receivables	49	191,954	227,490	191,954	47,340
Cash and cash equivalents	50	13,749	3,969	13,749	826
Total assets		1,733,480	1,252,535	1,716,889	259,655
Liabilities					
Deferred tax liability	51	3,488	1,730	2,005	115
Current tax payable		1,738	618	1,738	129
Amounts due to group companies	48	525,210	280,499	525,210	58,371
Other payables	52	21,021	11,115	21,021	2,313
Total liabilities		551,457	293,962	549,974	60,928
Net assets		1,182,023	958,573	1,166,915	198,727
Shareholders' equity					
Share capital and premium	54	1	1	-	-
Non-distributable reserve		-	-	20	20
Share based payment reserve		63,797	63,797	63	63
Revaluation reserve		562	-	562	-
Retained earnings		1,117,663	894,775	1,166,270	198,644
Total equity		1,182,023	958,573	1,166,915	198,727

*The historical amounts are shown as supplementary information. As a result, the independent auditors have not expressed an opinion on the historical financial information.

**The Company is presenting a statement of financial position as at 31 December 2022 to reflect the change of accounting of investments in subsidiary companies. Refer to note 2.29 for further details.



DIRECTOR
28 March 2024



DIRECTOR
28 March 2024

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital & premium ZWLm	Revaluation reserve ZWLm	Share based payment reserve ZWLm	Regulatory provisions reserve ZWLm	Foreign currency translation reserve ZWLm	Retained earnings ZWLm	Equity holders of the parent total ZWLm	Non-controlling interests ZWLm	Equity total ZWLm
Inflation adjusted audited 2023									
Shareholders' equity at beginning of year	1	118,555	32,475	7,069	-	665,385	823,485	16,512	839,997
Profit for the financial year	-	-	-	-	-	426,368	426,368	42,951	469,319
Share of other comprehensive income of associate	-	562	-	-	-	-	562	-	562
Translation of foreign subsidiaries	-	137,710	-	-	17,418	-	17,418	-	17,418
Revaluation of property	-	-	-	-	-	-	137,710	-	137,710
Total Comprehensive income for the year	-	138,272	-	-	17,418	426,368	582,058	42,951	625,009
Movement in share based payment reserve	-	-	-	-	-	-	-	-	-
Transfer between reserves	-	-	-	8,293	-	(8,293)	-	-	-
Dividends declared	-	-	-	-	-	(8,498)	(8,498)	(1,410)	(9,908)
Transactions with shareholders	-	-	-	8,293	-	(16,791)	(8,498)	(1,410)	(9,908)
Shareholders' equity at end of year	1	256,827	32,475	15,362	17,418	1,074,962	1,397,045	58,053	1,455,098
Year ended 31 December 2022 Restated									
Shareholders' equity at beginning of year	1	50,779	32,475	-	-	838,915	922,170	19,097	941,267
Profit for the financial year	-	-	-	-	-	(154,438)	(154,438)	187	(154,251)
Revaluation of property	-	67,776	-	-	-	-	67,776	-	67,776
Total Comprehensive income for the year	-	67,776	-	-	-	(154,438)	(86,662)	187	(86,475)
Movement in share based payment reserve	-	-	-	7,069	-	(7,069)	-	-	-
Transfer between reserves	-	-	-	-	-	(12,023)	(12,023)	(2,772)	(14,795)
Dividends declared	-	-	-	7,069	-	(19,092)	(12,023)	(2,772)	(14,795)
Transactions with shareholders	-	-	-	7,069	-	(19,092)	(12,023)	(2,772)	(14,795)
Shareholders' equity at end of year	1	118,555	32,475	7,069	-	665,385	823,485	16,512	839,997

*The historical amounts are shown as supplementary information. As a result, the independent auditors have not expressed an opinion on the historical financial information.

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital & premium ZWLm	Share & distributable reserve ZWLm	Non-distributable reserve ZWLm	Revaluation reserve ZWLm	Share based payment reserve ZWLm	Regulatory provisions reserve ZWLm	Foreign currency translation reserve ZWLm	Retained earnings ZWLm	Equity holders of the parent total ZWLm	Non-controlling interests ZWLm	Equity total ZWLm
Shareholders' equity at beginning of year	-	49	29,296	55	1,471	-	133,256	164,127	3,347	167,474	
Profit for the financial year	-	-	-	-	-	-	868,078	868,078	42,951	911,029	
Revaluation of property	-	-	251,550	-	-	-	-	251,550	-	251,550	
Share of other comprehensive income of associate	-	-	562	-	-	-	-	562	-	562	
Translation of foreign subsidiaries	-	-	-	-	-	17,418	-	17,418	-	17,418	
Total Comprehensive income for the year	-	-	252,112	-	-	17,418	868,078	1,137,608	42,951	1,180,559	
Transfers between reserves	-	-	-	-	13,889	-	(13,889)	-	-	-	
Dividend paid	-	-	-	-	-	-	(2,015)	(2,015)	(1,410)	(3,425)	
Transactions with shareholders	-	-	-	-	13,889	-	(15,904)	(2,015)	(1,410)	(3,425)	
Shareholders' equity at end of year	-	49	281,408	55	15,360	17,418	985,430	1,299,720	44,888	1,344,608	
Year ended 31 December 2022											
Restated											
Shareholders' equity at beginning of year	-	49	4,378	55	-	-	47,098	51,580	1,176	52,756	
Profit for the financial year	-	-	-	-	-	-	89,019	89,019	2,568	91,587	
Revaluation of property	-	-	24,918	-	-	-	-	24,918	-	24,918	
Total Comprehensive income for the year	-	-	24,918	-	-	-	89,019	113,937	2,568	116,505	
Transfers between reserves	-	-	-	-	1,471	-	(1,471)	-	-	-	
Dividend paid	-	-	-	-	-	-	(1,390)	(1,390)	(397)	(1,787)	
Transactions with shareholders	-	-	-	-	1,471	-	(2,861)	(1,390)	(397)	(1,787)	
Shareholders' equity at end of year	-	49	29,296	55	1,471	-	133,256	164,127	3,347	167,474	

*The historical amounts are shown as supplementary information. As a result, the independent auditors have not expressed an opinion on the historical financial information.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital and premium ZWLm	Share based payment reserve ZWLm	Revaluation reserve ZWLm	Retained earnings ZWLm	Equity total ZWLm
Inflation Adjusted Audited 2023					
Shareholders' equity at beginning of year	1	63,797	-	894,775	958,573
Profit for the year	-	-	-	232,044	232,044
Other comprehensive income	-	-	562	-	562
Total comprehensive income for the year	-	-	562	232,044	232,606
Dividends for the year	-	-	-	(9,156)	(9,156)
Shareholders' equity at end of year	1	63,797	562	1,117,663	1,182,023
2022 Restated					
Shareholders' equity at beginning of year	1	63,797	-	115,894	179,692
Profit for the year	-	-	-	793,672	793,672
Total comprehensive income for the year	-	-	-	793,672	793,672
Dividends for the year	-	-	-	(14,791)	(14,791)
Shareholders' equity at end of year	1	63,797	-	894,775	958,573

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital and premium ZWLm	Non-distributable reserve ZWLm	Share based payment reserve ZWLm	Revaluation reserve ZWLm	Retained earnings ZWLm	Equity total ZWLm
*Historical Cost Unaudited 2023						
Shareholders' equity at beginning of year	-	20	63	-	198,644	198,727
Profit for the year	-	-	-	-	969,783	969,783
Other comprehensive income	-	-	-	562	-	562
Total comprehensive income for the year	-	-	-	562	969,783	970,345
Dividends for the year	-	-	-	-	(2,157)	(2,157)
Shareholders' equity at end of year	-	20	63	562	1,166,270	1,166,915
2022						
Shareholders' equity at beginning of year	-	20	63	-	6,155	6,238
Profit for the year	-	-	-	-	193,981	193,981
Total comprehensive income for the year	-	-	-	-	193,981	193,981
Dividends for the year	-	-	-	-	(1,492)	(1,492)
Shareholders' equity at end of year	-	20	63	-	198,644	198,727

*The historical amounts are shown as supplementary information. As a result, the independent auditors have not expressed an opinion on the historical financial information.

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

Notes	Inflation adjusted audited		*Historical cost unaudited	
	2023 Group ZWLm	2022 Group ZWLm Restated	2023 Group ZWLm	2022 Group ZWLm Restated
Cash flows from operating activities				
	517,005	(151,103)	947,521	93,388
Profit before tax				
Non-cash movements and adjustments to profit before tax	60.1	(2,333)	(377,561)	(47,561)
Changes in working capital	60.2	432,288	467,251	6,299
Premiums received		444,713	321,127	42,425
Insurance acquisition cash flows paid		(28,055)	(27,490)	(7,327)
Insurance claims paid, including investment components		(178,893)	(106,824)	(31,567)
Other insurance service expenses paid		(233,727)	(172,255)	(15,275)
Reinsurance premiums paid		(7,097)	(3,778)	(639)
Taxation paid	60.3	(33,871)	(23,836)	(1,462)
Net cash generated from/(used in) operating activities	910,030	(116,288)	1,024,155	38,281
Cash flows from investing activities				
Acquisition of financial assets	(1,101,305)	(173,485)	(999,923)	(58,179)
Disposal of financial assets	412,350	354,906	227,736	35,803
Acquisition of investment properties	(20,983)	(12,345)	(11,441)	(1,420)
Disposal of investment properties	-	500	-	34
Acquisition of intangible assets	(1,936)	-	(861)	-
Acquisition of property and equipment	(41,709)	(31,500)	(22,616)	(3,169)
Disposal of property and equipment	1,315	7,102	1,618	17
Acquisition of associate	(14,069)	-	(4,005)	-
Dividend from associate	396	-	296	-
Net cash (used in)/generated from investing activities	(765,941)	145,178	(809,196)	(26,914)
Cash flows from financing activities				
Dividends paid	60.4	(9,908)	(3,522)	(1,787)
Lease payments		(2,246)	(2,246)	(2)
Credit lines received		305,381	305,381	26,604
Credit lines paid		(682,758)	(395,350)	(4,150)
Net cash (used in)/generated from financing activities	(389,531)	(20,889)	(95,737)	20,665
Net (decrease)/increase in cash and cash equivalents	(245,442)	8,001	119,222	32,032
Net foreign exchange differences on cash and cash equivalents	675,070	246,697	675,070	51,337
Cash and cash equivalents at the beginning of the year	460,491	205,793	95,827	12,458
Cash and cash equivalents at the end of the year	890,119	460,491	890,119	95,827

*The historical amounts are shown as supplementary information. As a result, the independent auditors have not expressed an opinion on the historical financial information.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Inflation adjusted audited		*Historical cost unaudited	
		2023 Company ZWLm	2022 Company ZWLm Restated	2023 Company ZWLm	2022 Company ZWLm Restated
Cash flows from operating activities					
Profit before tax		256,050	799,823	984,746	195,001
Non-cash movements and adjustments to profit before tax	61.1	(166,757)	(786,786)	(955,434)	(193,249)
Changes in working capital	61.2	(26,029)	11,365	21,189	3,384
Taxation paid	61.3	(21,129)	(5,791)	(11,464)	(821)
Net cash from operating activities		42,135	18,611	39,037	4,315
Cash flows from investing activities					
Acquisition of financial assets		(10,669)	(17,847)	(2,324)	(3,082)
Disposal of financial assets		33,262	12,470	23	869
Proceeds from disposal of property and equipment		-	10	-	2
Acquisition of intangible assets		(775)	-	(528)	-
Establishment of subsidiary		(29,305)	-	(15,515)	-
Capital injection in subsidiary		(1,091)	-	(829)	-
Acquisition of associate		(14,069)	-	(4,005)	-
Dividend received from associate		396	-	296	-
Acquisition of gold coins		-	(130)	-	(25)
Disposal of property and equipment		819	-	103	-
Acquisition of property and equipment		(1,179)	(1,923)	(819)	(201)
Net cash used in investing activities		(22,611)	(7,420)	(23,598)	(2,437)
Cashflows from financing activities					
Lease payments		(588)	(163)	(359)	(27)
Dividends paid	61.4	(9,156)	(14,791)	(2,157)	(1,493)
Net cash used in financing activities		(9,744)	(14,954)	(2,516)	(1,520)
Net increase/(decrease) in cash and cash equivalents		9,780	(3,763)	12,923	358
Cash and cash equivalents at the beginning of the year		3,969	7,732	826	468
Cash and cash equivalents at the end of the year		13,749	3,969	13,749	826

*The historical amounts are shown as supplementary information. As a result, the independent auditors have not expressed an opinion on the historical financial information.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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) - mortgage 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 (OMFS);
- Old Mutual Securities (Private) Limited (OMSEC) - licensed securities dealing firm;
- Old Mutual Digital Services (Private) Limited (OMDS) - financial technology; 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 Statement of compliance

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRSs). IFRSs comprise interpretations adopted by the International 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).

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 statement of financial position date, and that corresponding figures for previous periods be restated in the same terms. These financial statements comply with IAS 29 in all material respects. The Group, in line with trends observed in the rest of the economy, has seen an increasing proportion of transactions denominated in United States Dollars, a currency which is not subject to hyperinflation. This has presented some practical challenges in the preparation of the financial statements and 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 and are also referred to the supplementary information for further disclosure.

2.1.1 Material Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are consistent with those adopted in the previous year with the exception of IFRS 17 which was introduced this year.

2.1.2 Comparative information

Unless otherwise indicated, comparative information presented at and for the years ended 31 December 2022 and 31 December 2021 within these financial statements has been correctly extracted from the Group's audited financial statements for the year ended 31 December 2022.

IFRS 17 Insurance Contracts is effective for annual reporting periods starting 1 January 2023 and has been adopted by the Group. The impact of IFRS 17 has been included in note 2.28 and comparative information has been restated accordingly. The Company financial statements have also been restated as a result of the change in the measurement of investments in subsidiaries. This has been disclosed in note 2.29.

2.2 Basis of preparation

The financial statements provide information about the financial position, results of operations, and changes in the financial position of the Group. The financial statements are prepared in Zimbabwe dollars. The symbols "ZWL" denote Zimbabwe dollars unless explicitly indicated otherwise. They are based on the statutory records that are maintained under the historical cost convention and restated to take into account the effects of inflation in accordance with the International Accounting Standard 29 (IAS 29) "Financial Reporting in Hyperinflationary Economies" with the exception of items carried at fair value which include investments and securities, investment property and land and buildings.

Since 2019 Zimbabwe has met the key indicators of being a hyperinflationary economy as described under IAS 29. The inflation adjusted financial statements represent the principal financial statements of the Group. Historical cost financial statements have been presented as supplementary information to the inflation adjusted financial statements. Consequently the auditors have not expressed an opinion on them.

IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that corresponding figures for previous periods be restated in the same terms. Whilst in previous years the restatement of the historical cost numbers was based on the conversion factors derived from the ZWL consumer price index (CPI) issued by the Zimbabwe National Statistics Agency (ZIMSTAT), 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 serves to recalibrate inflation reports to reflect the dual currency nature of incomes and prices in the Zimbabwe economy.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.2 Basis of preparation (continued)

Given that the functional currency of the Group is the ZWL, 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, which is not subject to hyperinflation. 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 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. The indices and conversion factors used to restate the accompanying financial statements as at 31 December 2023 are given below:

Dates	Indices	Conversion Factors
31 December 2023	65,704.40	1.0000
31 December 2022	13,672.91	4.8054
31 December 2021	3,977.48	16.5191

The main procedures applied for the above-mentioned restatement are as follows:

- i. All corresponding figures as of and for the year ended 31 December 2022 are restated by applying the change in the index from 31 December 2022 to 31 December 2023.
- ii. Monetary assets and liabilities that are carried at amounts current at statement of financial position date are not re-stated because they are already expressed in terms of the monetary unit current at the statement of financial position date.
- iii. Non-monetary assets and liabilities that are not carried at amounts current at the statement of financial position date and components of shareholders equity are restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 December 2023. An impairment loss is recognised in profit or loss if the remeasured amount of a non-monetary item exceeds its estimated recoverable amount.
- iv. Property and equipment that is not current at the statement of financial position date is restated from the date of initial application of hyperinflation conditions, that is, 1 January 2018 or from the transaction date if purchased after 1 January 2018. Depreciation and amortisation amounts are based on restated costs. Owner occupied buildings are revalued annually at the statement of financial position date, and therefore are being carried at amounts current at the statement of financial position date, are not restated. The depreciation amounts are based on the opening restated amounts.
- v. Deferred tax is calculated on restated carrying amounts.
- vi. Profit or loss items/transactions, except the depreciation and amortisation charges explained above and fair value gains or losses, are restated by applying the change in the index from the date of the transaction to 31 December 2023.
- vii. The effect of inflation on the net monetary position of the entity is included in the income statement as loss or gain on monetary position.
- viii. All items in the cash flow statement are expressed in terms of the measuring unit current at the statement of financial position date.

To provide reliable and more relevant information about the effects of inflation on the fair value adjustments, management adopted the methodology to consider the effects of inflation on the opening balance of assets and liabilities which are measured at fair value. The change has no impact on the value of the assets and liabilities and net result of the Group.

2.3 Critical accounting estimates and judgements

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.3 Critical accounting estimates and judgements (continued)

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 2.6.

2.3.1 Functional currency and determination of exchange rate

The Zimbabwe government gazetted Statutory Instrument 185 (S.I. 185) of 2021 on 24 July 2020. The regulation requires sellers of goods and services to display, quote, and offer prices in both the Zimbabwean (ZWL) and foreign currency at the ruling official exchange rate. 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. Foreign currency transactions recorded for the whole Group constitute 38% by value of total transactions by value recorded for the year to 31 December 2023 and 27% for the year ended 31 December 2022. Foreign currency balances recorded for the whole Group constitute 32% of total assets and 26% of total liabilities as at 31 December 2023 and 32% of total assets and 33% of total liabilities as at 31 December 2022. It is management's view that this does not constitute a significant proportion of the transactions recorded during the year. While the proportions are more significant than was the case previously, with some of the Group's subsidiaries having over 50% of revenues in USD, it is management's view that considering the Group as a whole, the functional currency remains ZWL.

Two of the Group's subsidiaries, OMICO and OMFIN, changed functional currency to USD on 1 January 2023 and their respective financial statements have been prepared in USD. The results of two subsidiaries have been translated to ZWL for the purpose of consolidating them into the Group financial statements in line with the requirements of IAS 21 as detailed below:

- Assets and liabilities for each statement of financial position presented (ie including comparatives) shall be translated at the closing rate at the date of that statement of financial position.
- Income and expenses for each statement presenting profit or loss and other comprehensive income (ie including comparatives) shall be translated at exchange rates at the dates of the transactions.
- All resulting exchange differences shall be recognised in other comprehensive income and will eventually be reserved in the foreign currency translation reserve under the statement of changes in equity.

During the course of the year foreign exchange trading shifted to the interbank market (Willing Buyer Willing Seller) which is a more market driven exchange rate discovery system. The Group has been active on the interbank bank market during the period with the Group's foreign currency transactions being settled on this platform. It is management's view that foreign currency transactions for the Group are being done using the interbank rate.

2.3.2 Insurance contract assets and liabilities and reinsurance contract assets and liabilities

By applying IFRS 17 to measurement of insurance contracts issued (including investment contracts with DPF) and reinsurance contracts held, the Group has made estimations in the following key areas. They form part of the overall balances of insurance contract assets and liabilities and reinsurance contract assets and liabilities:

- Future cash flows
- Discount rates
- Allocation rate for insurance finance income or expenses
- Risk adjustment for non-financial risk
- Allocation of asset for insurance acquisition cash flows to current and future groups of contracts.

	At 31 December 2023 Group ZWLm	At 31 December 2022 Group ZWLm Restated	At 1 January 2022 Group ZWLm Restated
Inflation adjusted audited			
Insurance contracts issued that are liabilities	(4,865,835)	(2,455,558)	(2,311,346)
Reinsurance contracts held that are assets	19,988	20,199	5,343
Reinsurance contracts held that are liabilities	(13)	(34)	(5)
Historical cost unaudited			
Insurance contracts issued that are liabilities	(4,865,835)	(510,995)	(140,426)
Reinsurance contracts held that are assets	19,988	3,161	895
Reinsurance contracts held that are liabilities	(13)	(7)	(2)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.3 Critical accounting estimates and judgements (continued)

2.3.2 Insurance contract assets and liabilities and reinsurance contract assets and liabilities (continued)

Technique for estimation of future cash flows

In estimating fulfilment cash flows included in the contract boundary, the Group considers the range of all possible outcomes in an unbiased way specifying the amount of cash flows, timing and probability of each scenario reflecting conditions existing at the measurement date, using a probability-weighted average expectation. The probability weighted average represents the probability-weighted mean of all possible scenarios. In determining possible scenarios, the Group uses all the reasonable and supportable information available to them without undue cost and effort, which includes information about past events, current conditions and future forecasts.

Cash flow estimates include both market variables directly observed in the market or derived directly from markets and non-market variables such as mortality rates, accident rates, average claim costs, probabilities of severe claims, policy surrender rates. The Group maximises the use of observable inputs for market variables and utilises internally generated group-specific data. For life insurance contracts, the Group uses national statistical data for estimating the mortality rates as the national statistical data is more current than internal mortality statistics.

In measuring investment-linked life insurance contracts' cash flows or a portion of those cash flows, the Group uses a fair value of a 'replicating asset' or a 'replicating portfolio of assets' where cash flows exactly match the cash flows (or some of the cash flows) of a group of insurance contracts in all scenarios in terms of timing, amount and uncertainty. The fair value of the asset reflects both the expected present value of the cash flows and their associated risk, and this matches the characteristics of the group of insurance contracts in all scenarios (see note 2.6) for more details.

Method of estimating discount rates

In determining discount rates for different products, the Group uses the top-down approach for cash flows of nonparticipating contracts that do not depend on underlying items. Applying this approach, the Group uses the yield curve created by market rates of return implied in the fair value of a reference portfolio of assets and adjusts it to exclude the effects of risks present in the assets, but not in the insurance cash flows, except for the differences in liquidity, which need not be eliminated. One of the key sources of estimation uncertainty is estimating the market risk premiums for credit risk of the underlying items that are only relevant to assets included in the reference portfolio, but not to the non-participating contracts (and are accordingly excluded).

The Group looks to the market price of credit derivatives as a reference point. The key source of estimation uncertainty is determining discount rates beyond the last observable period for which credit derivatives are available. The other key source of estimation uncertainty is estimating the effect of the differences in timing, amount, and uncertainty of the cash flows of items in the reference portfolio and the cash flows of the group of insurance contracts.

To derive the yield curve from the reference portfolio of items, the Group uses observable market inputs such as market prices in an active market. The Group exercises judgement to assess similarities between the characteristics of a reference portfolio of assets for which observable market information is available and the characteristics of the insurance contracts being measured.

Sensitivity analysis of carrying amounts to changes in assumptions

Insurance risk: Sensitivity analysis

	Inflation adjusted audited/ Historical cost unaudited 2023 ZWLm	Inflation adjusted audited 2022 ZWLm	Historical cost unaudited 2022 ZWLm
Insurance contract liabilities			
5% increase in mortality rates	839,280	629,806	131,061
5% decrease in mortality rates	(884,177)	(800,171)	(166,513)
10% increase in discontinuance (lapse) rates	5,739,142	1,348,163	280,549
10% decrease in discontinuance (lapse) rates	(6,650,414)	(1,463,310)	(304,511)
10% increase in maintenance rates (expenses)	(75,949,312)	(1,103,492)	(229,634)
10% decrease in maintenance rates (expenses)	81,045,910	1,101,724	229,266
100bps increase in valuation rates	(563,444)	(280,629)	(58,398)
100bps decrease in valuation rates	(1,829,213)	280,686	58,410

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.3 Critical accounting estimates and judgements (continued)

2.3.2 Insurance contract assets and liabilities and reinsurance contract assets and liabilities (continued)

Estimation of allocation rate for insurance finance income or expenses

The Group uses either the constant or crediting rate in the systematic allocation of insurance finance income or expenses.

The constant rate used in a period is calculated applying the formula which uses three variables: the estimate of future cash flows at the end of the reporting period (not discounted), the present value of future cash flows brought forward discounted by the constant rate used in the previous period, and the expected duration of the group contracts. In determining the constant rate, the Group estimates the expected insurance finance income or expenses over the remaining duration of the group that is partly implicit in the estimated cash flows.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as lapse risk and expense risk. It measures the degree of variability of expected future cash flows and the Group-specific price for bearing that risk and reflects the degree of the Group's risk aversion. The Group determines the risk adjustment for non-financial risk at the entity level and then allocates it to all the groups of insurance contracts. In estimating the risk adjustment, the Group uses the cost of capital method. The method looks at estimating the additional amount of capital required for the amount of uncertainty, and then estimating the expected cost of that capital over the period of the risk. The expected cost of capital is determined at 8% per annum applied to the present value amount of projected capital relating to non-financial risk, which is calculated at 95% confidence level (2022: 95%). The resulting risk adjustment corresponds to an 80% confidence level (2022: 80%).

Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

The Group allocates the asset for insurance acquisition cash flows to an associated group of contracts and to any future groups that include the contracts that are expected to arise from the renewals of the contracts in that group using a systematic and rational method. In doing so, the Group estimates the expected contracts to be included within a future group or the number of renewals that may arise from an original group when allocating the asset.

Non-financial risk factors, also referred to as underwriting variables, are the key sources of estimation uncertainty, as they impact estimates of future cash flows and their associated probabilities, and affect the amount of projected capital required at 95% confidence level, which in turn impacts the overall amount of risk adjustment for non-financial risk. See note 2.6 for further detail on the underwriting variables.

2.3.3 Assessment of significance of insurance risk:

The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely. The assessment of whether additional amounts payable on the occurrence of an insured event are significant and whether there is any scenario with commercial substance in which the issuer has a possibility of a loss on a present value basis involves significant judgement and is performed at initial recognition on a contract-by-contract basis. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.3 Critical accounting estimates and judgements (continued)

2.3.4 Consideration whether there are investment components:

The Group considers all terms of contracts it issues to determine whether there are amounts payable to the policyholder in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event. Some amounts, once paid by the policyholder, are repayable to the policyholder in all circumstances. The Group considers such payments to meet the definition of an investment component, irrespective of whether the amount repayable varies over the term of the contract as the amount is repayable only after it has first been paid by the policyholder

2.3.5 Other critical estimates and judgements

	Note reference
Critical accounting estimates	
Measurement of policyholder liabilities	2.6
Fair value measurement of financial assets and liabilities	2.14
Investments in subsidiaries, associated undertakings and joint ventures	2.8
Impairment of loans and advances	2.14
Valuation of investments where the Group holds 20% or more	25.5
Valuation of investment property	2.9
Foreign currency denominated Legacy debts /Blocked funds	26.2
Determination of the general price index	2.2

Valuation of investment properties, financial assets, and liabilities

The fair values of investment properties, financial assets, and liabilities are classified and accounted for in accordance with the policies set out in section 2.9 and 2.14 below. They are valued on the basis of listed market prices in so far as this is possible. If prices are not readily determinable, fair value is based either on internal valuation models or management estimates of amounts that could be realised under current market conditions. The translation of the foreign currency denominated assets and liabilities to local currency is based on the year-end exchange rate while transactions are translated at the average exchange rate for the reporting period. We engaged external valuers to perform independent valuations for investment properties.

Investments where the Group holds 20% or more

The Group is required to make judgements on what constitutes an investment in associate. IAS 28 "Investments in Associates and Joint Ventures" defines an associate as an entity in which the investor has significant influence. The standard states that if an entity holds 20%, directly or indirectly of the voting power of the investee, it is presumed that the entity has significant influence unless it can clearly be demonstrated that it is not the case. In determining significant influence factors such as board representation, level of transactions and ability to exercise significant influence are also considered. The Standard provides an exemption for venture capital organisations, mutual funds, unit trusts and similar entities including investment linked insurance funds to measure investments in those entities at fair value through profit or loss in accordance with IFRS 9 "Financial Instruments: Recognition and measurement".

The Group has investment linked insurance funds which include investments in which the Group has more than 20% disclosed on note 25.5. These funds are backed by investment contracts with discretionary participating features and meet the following characteristics:

- The policyholder has a clear understanding of the type of investments the Group invests in;
- There is a link between the investments and what the policyholders are entitled to;
- The valuation of the liability is based on the value of the assets; and
- The assets backing these liabilities are ring-fenced.

The Group has funds which operate like unit trusts and they also include investments in which the Group has more than 20%. These funds where the Group holds 20% or more, which back policyholder liabilities, are accounted for in terms of IFRS 9, at fair value.

Valuations of housing projects

Inventory comprises housing units/housing projects which are valued at the lower of cost or net realisable value of the completed housing units. The significant judgement is the estimate of cost to completion used in determination of the net realisable value. Management makes use of external valuations performed by external valuers for confirmation of the determined net realisable value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.3 Critical accounting estimates and judgements (continued)

2.3.4 Other critical estimates and judgements (continued)

Valuation of treasury bills

Financial instruments comprise treasury bills. The valuation of treasury bills on initial recognition, and the subsequent measurement thereof, has been identified as a complex area due to the fact that there are varying views in the banking sector on the correct accounting treatment of these treasury bills, and due to the absence of an active market with sufficient trades to inform the fair value of the treasury bills. The treasury bills are disclosed in note 25.6 and are recorded at amortised cost.

Foreign denominated Legacy debts /Blocked funds

In June 2019, the RBZ invited all parties with Legacy Debts to apply for registration in order to guarantee settlement of these debts at the rate of 1:1. The Group made applications relating to amounts incurred in USD between 2012 and 2018, when the functional currency was USD and prior to the promulgation of SI 33 of February 2019, to providers of offshore lines of credit as well as related parties within the wider Old Mutual Limited Group. CABS received approval for USD26.4m owing mostly to loan repayments for offshore lines of credit and foreign suppliers of goods and services. OMZIL also obtained approval for USD83.4million in respect of unremitted dividends (USD32.1 million), obligations under the 2012 indigenisation transaction (USD50 million) and management fees (USD 1.3 million). CABS got additional approval for USD1.3 million whilst an additional USD0.5 million in respect of management fees was also approved for other Group subsidiaries. Upon transferring local funds for the registration of legacy debts/blocked funds, a legitimate expectation to receive cash flows under the arrangement was created and an asset was recognised on the Group's statement of financial position, reflecting the value of expected cash flows.

This statutory receivable has been fair valued on the assumption that a right to acquire an amount equivalent to the debt registered at a future date now exists. The carrying value of the statutory receivable reflects management's assessment of the present value of the expected net cash flows to be received under this arrangement. The RBZ had stated its intention to honour its commitment and has provided liquidity to support obligations that CABS has settled to the tune of USD25.5m. In January 2022, Parliament passed the Finance Act No 7 of 2021. The Act provided for the Government to take responsibility for discharging the outstanding registered blocked funds on the RBZ's statement of financial position. The terms of discharge of the blocked funds will be determined by the Minister of Finance and Economic Development whose Ministry would directly assume responsibility for the debt. Please refer to additional disclosures in note 26.2. For the 2023 financial year, the expected proceeds under the arrangement are classified as a statutory receivable.

2.4 Scope of consolidation

2.4.1 Subsidiary undertakings

Subsidiary undertakings are those entities controlled by the Group. The financial statements of subsidiaries are included in the Group financial statements from the date that control commences until the date that control ceases. Subsidiary undertakings include structured entities that are created and designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. The results of subsidiary undertakings acquired and disposed of during the year are included in profit or loss from the date of acquisition, up to the date of disposal or control ceasing. Intra- Group balances and transactions, and all profits and losses arising from intra-Group transactions, are eliminated in preparing the Group financial statements. Unrealised losses are not eliminated to the extent that they provide evidence of impairment.

Non-controlling interests (NCI) are measured at their proportionate share of the values of the assets and liabilities recognised at initial recognition in business combination. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the Group). The parent company financial statements present information about the Company as a separate entity and not about the Group.

2.4.2 Structured Entities

Control exists when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group remains exposed to the variability of returns from the performance of the other entity. The Group considers evidence from its holding of debt or equity instruments as well as other forms of involvement such as provision of funding, liquidity support, credit enhancement and guarantees to the other entity. The Group financial statements include the assets, liabilities, and results of the Group together with subsidiary undertakings controlled by the Group.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.3 Critical accounting estimates and judgements (continued)

2.4.3 Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured as a financial asset at fair value when control is lost, or in terms of IAS 28 if it is an associate.

2.5 Revenue

Revenue comprises insurance revenue from insurance contracts and investment contracts with a discretionary participating feature, fee income from investment management contracts, commission income, banking interest income, fees and commission 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 service revenue is recognised using IFRS 17. The Group recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. Refer to note 2.6 for the detailed accounting policies applied.

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.

Digital services

Revenue from digital services consists mainly of transactional fees from the wallet services which include cash-in and cash-out services and is recognised under IFRS 15. The business also offers micro-insurance products which is another source of revenue.

2.6 Insurance and investment contracts

The Group has adopted IFRS 17 'Insurance Contracts' (IFRS 17) for the recognition, measurement, presentation and disclosure of its insurance contracts. IFRS 17 has replaced IFRS 4 'Insurance Contracts' (IFRS 4). The changes brought about by IFRS 17 did not change the underlying economics of our business or our strategy. While IFRS 17 does result in changes to the timing of profit recognition from insurance contracts, it does not change the overall level of profit nor does it have any impact on our non-insurance businesses.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.6 Insurance and investment contracts (continued)

Transition to IFRS 17

2.6.1 Selection of transition approach

The Group has adopted IFRS 17 by applying the full retrospective approach wherever practicable to do so for groups of contracts in force as at 1 January 2022, as required by IFRS 17.

The Group considers a retrospective calculation to be impracticable if historical contract data (including data on past assumptions and actual cash flows) or calculation models do not exist, cannot be obtained or approximated without applying hindsight, or cannot be obtained, built or suitably modified by applying every reasonable effort to do so. The Group applied judgement in assessing these criteria.

2.6.2 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.

2.6.3 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.

2.6.4 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.6 Insurance and investment contracts (continued)

2.6.4 Level of aggregation of insurance contracts (continued)

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.

2.6.6 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:

- a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
 - i. is not in scope of IFRS 17;
 - ii. results in different separable components;
 - iii. results in a different contract boundary; or
 - iv. belongs to a different group of contracts;
- b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
- c) 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.

2.6.7 Derecognition

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

- a) 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
- b) 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:
 - i. If the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service.
 - ii. 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.
 - iii. 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.
- c) Adjusts the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.6 Insurance and investment contracts (continued)

2.6.7 Derecognition (continued)

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:

- a) 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;
- b) 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;
- c) 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.

2.6.8 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 year, 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.6 Insurance and investment contracts (continued)

2.6.8 Insurance revenue and expenses (continued)

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 year 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.6 Insurance and investment contracts (continued)

2.6.8 Insurance revenue and expenses (continued)

Significant judgements and estimates

Fulfilment cash flows

The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Group uses stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns.

Estimates of future cash flows

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices. Investment guarantees embedded in insurance contracts and investment contracts with discretionary participation features are measured using stochastic modelling techniques because the guarantee does not move symmetrically with different investment return scenarios. The Group's measurement of the investment guarantee reserves incorporates a full range of scenarios representing possible future investment return (or interest rate) environments.

Contract boundaries

The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Group's substantive rights and obligations under the contract.

Insurance contracts

Some term assurance and critical illness contracts issued by the Group have annual terms that are guaranteed to be renewable each year. The Group determines that the cash flows related to future renewals (i.e. the guaranteed renewable terms) of these contracts are outside the contract boundary. This is because the premium charged for each year reflects the Group's expectation of its exposure to risk for that year and, on renewal, the Group can reprice the premium to reflect the reassessed risks for the next year based on claims experience and expectations for the respective portfolio. Any renewal of the contract is treated as a new contract and is recognised, separately from the initial contract, when the recognition criteria are met.

Some universal life contracts contain a guaranteed annuity option, which allows the policyholder to convert, on maturity of the stated term, the maturity benefit into an immediately starting life-contingent annuity at a predetermined rate. The Group has assessed the contract boundary for the entire contract, including the option, and concluded that the cash flows related to the guaranteed annuity option fall within the boundary of the contract. This is because the Group does not have the practical ability to reprice the contract on maturity of the stated term.

Reinsurance contracts

Each of the Group's quota share reinsurance contracts has an annual term, covers underlying contracts issued within the term on a risk-attaching basis and provides unilateral rights to both the Group and the reinsurer to terminate the cession of new business at any time by giving three months' notice to the other party. On initial recognition, the cash flows within the reinsurance contract boundary are determined to be those arising from underlying contracts that the Group expects to issue and cede under the reinsurance contract within the next three months. Subsequently, expected cash flows beyond the end of this initial notice period are considered cash flows of new reinsurance contracts and are recognised, separately from the initial contract, as they fall within the rolling three-month notice period.

Each of the Group's excess of loss and stop loss reinsurance contracts has an annual term and covers claims from underlying contracts incurred within the year (i.e. loss occurring). Cash flows within the contract boundary are those arising from underlying claims incurred during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.6 Insurance and investment contracts (continued)

2.6.8 Insurance revenue and expenses (continued)

Life and savings

Assumptions about mortality/longevity, morbidity and policyholder behaviour that are used in estimating future cash flows are developed by product type at local entity level, reflecting recent experience and the profiles of policyholders within a group of insurance contracts.

Mortality/longevity and morbidity assumptions are generally developed using a blend of national mortality data, industry trends and the local entity's recent experience. Experience is monitored through regular studies, the results of which are reflected both in the pricing of new products and in the measurement of existing contracts.

Policyholder behaviour is a key assumption in the measurement of life savings and participating insurance contracts. Each type of policyholder behaviour is estimated by product type, based on trends in recent experience.

Property and casualty

The Group estimates the ultimate cost of settling claims incurred but unpaid at the reporting date and the value of salvage and other expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques. These techniques assume that the Group's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for each geographic area and line of business, except for large claims, which are assessed separately from other claims.

The assumptions used, including loss ratios and future claims inflation, are implicitly derived from the historical claims development data on which the projections are based, although judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

Discount rates

All cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. The Group generally determines the risk-free rates using the observed mid-price swap yield curves for AA-rated banks (adjusted for the bank's credit risk). The yield curve is interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. For markets in which there is no reliable swap yield curve, government bond yields are used. Although the ultimate forward rate is subject to revision, it is expected to be stable and would change only on significant changes to long-term expectations. To reflect the liquidity characteristics of the insurance contracts, the risk-free yield curves are adjusted by an illiquidity premium as appropriate. Illiquidity premiums are generally determined by comparing the spreads on corporate bonds with the costs of CDSs with matching critical terms for the same issuer.

Cash flows that vary based on the returns on any financial underlying items are adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the risk-free rates as adjusted for illiquidity. When the present value of future cash flows is estimated by stochastic modelling, the cash flows are discounted at scenario-specific rates calibrated, on average, to be the risk-free rates as adjusted for illiquidity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.6 Insurance and investment contracts (continued)

2.6.8 Insurance revenue and expenses (continued)

The table below set out the yield curves used to discount the cash flows of insurance contracts for major currencies.

Risk-free reference spot yields and expense inflation	At 31 December 2023	At 31 December 2022
Risk-free (based on bond curve)		
1 year	100.00%	120.00%
5 years	10.85%	72.18%
10 years	6.73%	9.07%
20 years	6.72%	6.72%
Expense inflation (based on bond curve)		
1 year	298.72%	235.00%
5 years	6.11%	26.69%
10 years	5.13%	5.18%
20 years	5.13%	5.13%

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk, separately for the non-life and other contracts, and are allocated to groups of contracts based on an analysis of the risk profiles of the groups. Risk adjustments for non-financial risk reflect the diversification benefits from contracts issued by the entity, in a way that is consistent with the compensation that it would require and that reflects its degree of risk aversion, and the effects of the diversification benefits are determined using a correlation matrix technique.

The risk adjustment for non-financial risk is determined using a confidence level technique. To determine the risk adjustments for non-financial risk for reinsurance contracts, the Group applies these techniques both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results.

Applying a confidence level technique, the Group estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

Contractual service margin

Determination of coverage units

The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year based on the number of coverage units provided in the year, which is determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.6 Insurance and investment contracts (continued)

2.6.8 Insurance revenue and expenses (continued)

The Group determines the quantity of the benefits provided under each contract as follows.

Benefit type	Coverage unit
Lump sum pure risk benefits	Projected total sum assured in-force
Income protection benefits (where the insured event is defined as the policyholder becoming sick or disabled)	Present value of regular payments on claim inception
Income protection benefits (where the insured event is defined as the policyholder continuing to be sick or disabled)	Projected regular payment in-force
Waiver of premium benefits (payable on death or where the insured event is defined as the policyholder becoming sick or disabled)	Present value of waived premiums on claim inception
Waiver of premium benefits (where the insured event is defined as the policyholder continuing to be sick or disabled)	Projected waived premium in-force
Guaranteed and inflation-linked annuities	Insurance Service: Projected annuity in-force (outside of the guaranteed period)
	Investment Service
	<ul style="list-style-type: none"> • Option 1: Present value of annuity payments remaining within the guaranteed period • Option 2: Projected annuity in-force (within the guaranteed period)
Reinsurance benefits	Projected total reinsurance sum assured in-force
Investment contracts with discretionary participation features	Underlying item (unit fund and bonus smoothing account)
Universal life contracts with direct participation features	Higher of projected total sum assured in-force (excluding accelerated benefits) and underlying item (unit fund and bonus smoothing account)
Conventional reversionary bonus contracts	Projected total sum assured in-force (including projected bonuses)

For insurance contracts that provide both insurance coverage and investment services, the assessment of the quantity of benefits entails determining the relative weighting of the benefits provided to the policyholder by these services, determining how the benefits provided by each service change over the coverage period and aggregating those different benefits.

To determine the relative weighting of the benefits provided by insurance coverage and investment services, the Group generally considers the selling prices for the services had they been offered on a stand-alone basis and adjusts the quantity of benefits for each service in proportion to those stand-alone selling prices. The stand-alone selling price for a service may be evidenced by observable prices when the Group sells that service separately to policyholders with similar characteristics.

Risk mitigation option

The Group uses derivatives and other instruments to mitigate the financial risk arising from financial guarantees in certain participating contracts in accordance with its documented risk management objective and strategy for mitigating financial risk. An economic offset exists between the insurance contracts and the risk-mitigating items, and credit risk does not dominate the economic offset.

The Group has chosen to recognise changes in the amount of its share of the fair value of the underlying items and changes in fulfilment cash flows due to changes in the effect of financial risk not arising from underlying items that are mitigated by the use of derivatives or reinsurance contracts in profit or loss and not to adjust the CSM.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.6 Insurance and investment contracts (continued)

2.6.8 Insurance revenue and expenses (continued)

Investment components

The Group identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

Some participating contracts have explicit surrender values. The investment component excluded from insurance revenue and insurance service expenses is determined as the surrender value specified in the contractual terms less any accrued fees and surrender charges.

2.7 Intangible assets

Intangible assets are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses.

Intangible assets are amortised over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method is reviewed at least each financial year-end. Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. Intangible assets are amortised over a period of 5 years using the straight-line method. The carrying value of capitalised development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. On derecognition of intangible assets the remaining carrying amount of the asset is written down in profit or loss in the period of derecognition.

2.8 Investments in subsidiaries and associates

2.8.1 Investment in subsidiary companies

Investments in subsidiary companies are recognised and subsequently measured at fair value through profit or loss in accordance with IFRS 9. These are subsequently measured at fair value as outlined in note 2.14. Previously, investments in subsidiaries have been measured at cost and the Company changed the accounting policy in the current year (see note 2.29).

2.8.2 Investments in associates

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Measurement

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired. Dividends received from the investee reduce the carrying amount of the investment.

Impairment

If there is objective evidence that the group's net investment in an associate is impaired, the requirements of IAS 36 Impairment of Assets are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment.

Derecognition

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.9 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 or loss. Recorded values are determined by internal professional valuers who perform valuations bi-annually. The recorded values 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 on the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal.

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

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

2.10 Property and equipment

Owned assets

Owner-occupied property is recognised at revalued amounts, being the fair value at the date of the revaluation less subsequent accumulated depreciation and accumulated impairment losses. Equipment, principally computer equipment, motor vehicles, fixtures and furniture, are recognised at cost less accumulated depreciation and impairment losses. Property under development is valued at cost.

Subsequent expenditure

Subsequent expenditure is capitalised when it can be reliably measured and will result in probable future economic benefits. Expenditure incurred to replace a separate component of an item of owner-occupied property or equipment is capitalised to the cost of the item and the component replaced is derecognised. All other expenditure is recognised in profit or loss as an expense when incurred.

Revaluation of owner-occupied property

Owner-occupied property is recognised at fair value. Internal professional valuers perform valuations annually. The procedures followed are as per note 2.9 and 21.

When an individual owner-occupied property is revalued, any increase or decrease in its carrying amount (as a result of the revaluation) is recognised in other comprehensive income in a revaluation reserve, except to the extent that it represents an increase that reverses a revaluation decrease previously recognised in profit or loss, or a decrease that exceeds the revaluation surplus in which case the increase or decrease is recognised in profit or loss.

Derecognition

The carrying amount of an item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. On derecognition of equipment, any gain or loss on disposal, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss in the period of derecognition. In the case of owner-occupied property, any surplus in the revaluation reserve in respect of the individual property is transferred directly to retained earnings.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of items of owner-occupied property and equipment that are accounted for separately.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.10 Property and equipment (continued)

Depreciation (continued)

In the case of owner-occupied property, on revaluation, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the property concerned and the net amount restated to the revalued amount. Subsequent depreciation charges are adjusted based on the revalued amount for each property. Land is not depreciated.

Owner-occupied property is depreciated over a period of 50 years using the straight-line method. Leasehold property is depreciated over a period of 20 years using the straight-line method. Motor vehicles, computer equipment, fixtures and furniture are depreciated over 5 years using the straight-line method. Residual values, useful lives and depreciation methods are re-assessed at each reporting date.

2.11 Taxation

The tax charge for the current year comprises current and deferred tax. Included within the tax charge are charges relating to normal income tax, and taxes payable on behalf of policyholders. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date. Deferred taxation is charged to profit or loss except to the extent that it relates to a transaction that is recognised directly in equity or other comprehensive income. The effect on deferred taxation of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to equity or other comprehensive income.

Deferred-tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable income will be available, against which the unutilised tax losses and deductible temporary differences can be used. Deferred-tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefits will be realised and such reductions are reversed when the probability of future taxable profits improves.

2.12 Reinsurance

Reinsurance assets comprise contracts with reinsurers under which the Group is compensated for losses on one or more contracts which are classified as insurance contracts. Reinsurance on contracts that do not meet this classification is classified as financial assets. Anticipated reinsurance recoveries are disclosed separately as assets. Reinsurance and other recoveries are assessed in a manner similar to the assessment of claims outstanding.

A reinsurance asset principally includes the reinsurers' share of liabilities in respect of contracts with policyholders. Amounts recoverable under reinsurance contracts are recognised in a manner consistent with the reinsured risks and in accordance with the terms of the reinsurance contract. Reinsurance is presented in the statement of financial position on a gross basis.

Reinsurance assets are assessed for impairment at each reporting date. An asset is deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due, and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

2.13 Cash and cash equivalents.

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the group's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.14 Financial instruments

Recognition and derecognition

Initial recognition of financial assets

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

- Amortised cost;
- Fair Value through 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. On initial recognition, financial assets are measured at fair value.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.14 Financial instruments (continued)

Subsequent measurement of financial liabilities

Subsequent to initial recognition all financial liabilities at 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.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS Standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

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. On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received and any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

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.

Business model assessment

The Group makes an assessment of the objective of a business model across its various business units in order to determine the appropriate classification basis of financial instruments. The Information considered includes:

Banking business

The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

Indicators of what the business model is:

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the business's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.14 Financial instruments (continued)

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. yearical reset of interest rates.

The business holds a portfolio of long-term fixed rate loans for which the entity has the option to propose to revise the interest rate at yearly reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Group has determined that the contractual cash flows of these loans are solely payments of principal and interest because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Insurance business

The business holds a portfolio of long-term fixed rate public sector securities, debentures and short term fixed deposits in money market. Assessment determined that the contractual terms of these interest bearing securities give rise to cashflows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

The business elected to irrevocably designate interest bearing securities to be measured at fair value through profit or loss in order to reduce the recognition inconsistency that would otherwise arise from measuring financial assets with policyholder liabilities or recognising the gains and losses on them on different bases.

The business did not elect to measure equity instruments in other comprehensive income because they are underlying assets that are held to back policyholder liabilities. The business did not hold financial assets at fair value through other comprehensive income at the reporting date.

Impairment of financial assets

The Group adopted the Expected Credit Loss (ECL) model and this applies to financial assets measured at amortised cost (for example mandatory reserve deposits with central banks, reinsurers' share of policyholder liabilities, loans and advances, trade and other receivables, cash and cash equivalents, and corporate debt securities held by the Group) as well as financial assets measured at FVOCI, but not to investments in equity instruments.

The ECL impairment loss allowance is an unbiased, probability-weighted amount determined by evaluating a range of possible outcomes that reflects reasonable and supportable information that is available without undue cost or effort of past events, current conditions and forecasts of forward-looking economic conditions. The ECL model is dependent on the availability of relevant and accurate data to determine whether a significant increase in credit risk occurred since initial recognition, the probability of default (PD), the loss given default (LGD), and the possible exposure at default (EAD). Of equal importance is sound correlation between these parameters and forward-looking economic conditions.

ECL reflects the Group's own expectations of credit losses. However, when considering all reasonable and supportable information that is available without undue cost or effort in estimating ECL, the Group should also consider observable market information about the credit risk of the financial instrument or similar financial instruments. In the absence of sufficient data, management apply expert judgement within an established governance framework to determine the required parameters. The expert judgement process is based on available internal and external information.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.14 Financial instruments (continued)

Financial assets measured amortised cost

In determining the ECL allowances for financial assets, the following significant judgements and estimates were considered.

- In the absence of sufficient depth of data and the sophistication of credit risk management systems and protocols, management applies expert judgement within a governance framework to determine the required parameters. The expert judgement process is based on available internal and external information. Due to differences in availability of data and maturity of credit risk management across the Group, different approaches are used to determine the key parameters.
- Judgement is applied in identifying the qualitative and quantitative triggers and thresholds used to identify significant increases in credit risk since initial recognition of the financial assets. Depending on the availability of reasonable and supportable information without undue cost or effort, significant increases in credit risk is identified through, amongst others, increases in behaviour scores, arrears aging, and portfolio assessments.
- In some instances the 12-month PDs are calculated by a behaviour scoring model that takes into account internal and external information, where available. The 'behaviour PDs' are linked to empirical default rates. A specific change in the behaviour score (and associated PD) indicates that the credit risk has increased significantly since initial recognition. Identifying the specific change in the PD that would trigger a significant increase in credit risk includes a degree of judgement. The behaviour scorecard is monitored and is recalibrated if necessary. Translating 12-months PDs into lifetime PDs requires management judgement and is based on the timing of defaults observed historically. In low default, commercial and corporate portfolios PDs are calculated using a combination of internal ratings, default experience and PD floors based on sovereign credit ratings for the jurisdiction.
- Various arrear aging thresholds are also used to determine whether a significant increase in credit risk took place since initial recognition. Judgement is applied to determine the appropriate arrears threshold for different financial assets. The Group also makes use of the rebuttable presumption that a significant increase in credit risk has taken place when a financial asset is 30 days past due or one payment in arrears.
- The Group applies judgement in identifying default and credit-impaired financial assets. In making this judgement, the Group considers the arrears category where the balance has been allocated to, whether the balance is in legal review, debt review or under administration or expert judgement. Financial assets are credit impaired when one or more events with a detrimental impact on the expected cash flows have taken place.
- A key judgement in determining the LGDs is the time period that the cash flows must be estimated for. The time period is estimated based on historical data that can be volatile. When the cash flows are too volatile the time period is capped to limit volatility. LGDs are influenced by estimates of the amounts to be recovered from the realisation of collateral and the estimated costs to realise the collateral.
- The Group applies judgement in selecting the following macroeconomic factors: CPI inflation and unemployment rate. Management applied judgement in determining the number of scenarios to be used, the probability assigned to each scenario, and the time period used to estimate the impact of forward-looking information of the ECL losses. By nature, the estimation of the values of macroeconomic factors in the near future is judgemental and subject to uncertainty.
- In the absence of a reliable correlation between macroeconomic factors and ECL losses, the Group applies expert judgement to decide whether a management overlay provision should be included in the measurement of ECL losses.

Estimates regarding credit risk parameters and the impact of forward-looking information used in the calculation of the ECL loss amount should be reviewed at each reporting date and updated if necessary.

The ECL loss amount depends on the specific stage where the financial instrument has been allocated to within the ECL model:

- Stage 1: At initial recognition a financial instrument is allocated into stage 1, except for purchased or originated credit impaired financial instruments.
- Stage 2: A financial instrument is allocated to stage 2 if there has been a significant increase in credit risk since initial recognition of the financial instrument.
- Stage 3: A financial instrument is allocated to stage 3 if the financial instrument is in default or is considered to be credit impaired.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.14 Financial instruments (continued)

Financial assets measured amortised cost (continued)

Under IFRS 9, impairment loss allowances are measured on either of the following bases:

- 12-month ECLs: This is the portion of the lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date (stage 1); and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument (stage 2 and 3).

The Reserve Bank of Zimbabwe (RBZ) also requires the Group to provide for provisions for loan losses rather than impairment losses as determined in accordance with IFRS 9. Where the provision as per RBZ guidelines is higher than the IFRS 9 impairment losses, the excess is treated as an appropriation of equity. The excess is transferred between the Regulatory provision reserve and retained earnings and unwinds when the IFRS impairment is higher than the regulatory provision as in accordance with the provisions of the Banking Regulations, 2000, Statutory Instrument 205 of 2000.

Group's assessment

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as twelve-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Financial assets where credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has elected to apply the IFRS 9 simplified approach in measuring expected credit losses for non-banking business. This uses a provision matrix when determining the lifetime expected loss allowance for all trade receivables, contract assets, and lease receivables and cash and cash equivalents.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers quantitative and qualitative information, based on the Group's historical experience, credit assessment, and including forward-looking information. The Group's assessment of a significant increase in credit risk from initial recognition consists of a primary and secondary risk driver as follows:

- The primary risk driver aligns to the quantitative credit risk assessments performed, such as the credit score, credit rating, probability of default or arrears aging of a financial instrument.
- The secondary risk assessment considers a broad range of qualitative risk factors based on a forward looking view such as economic and sector outlooks. The secondary risk assessment can be performed on a portfolio basis as opposed to a quantitative assessment which is done at a financial instrument level.

These primary and secondary risk drivers are included by the Group as part of the ongoing credit risk management.

When making a quantitative assessment, the Group uses the change in the probability of default occurring over the expected life of the financial instrument. This requires a measurement of the probability of default at initial recognition and at the reporting date. A rebuttable assumption is that the credit risk, since initial recognition, has increased significantly if a financial instrument is 30 days past due on any payments or is one payment in arrears. It is not anticipated that this assumption will be rebutted.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. The ECL calculation of a financial instrument takes into account both the contractual and available behavioural repayment patterns over the relevant estimation period.

A financial asset is in default when the financial asset is credit-impaired or if the Basel definition of default is met. Where applicable, the rebuttable presumption that default does not occur later than when a financial asset is 90 days past due, is applied.

Measurement of expected credit losses

ECLs are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

For presentation the ECL allowances are deducted from the gross carrying amount of the assets. ECLs are presented separately in the income statement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.14 Financial instruments (continued)

Significant judgments and estimates

In determining the ECL allowances for loans and advances the following significant judgements and estimates were considered. The availability of information and the sophistication of credit risk management systems and protocols will influence the judgements made and estimates considered.

- The Group applies judgement in determining whether a significant increase in credit risk took place since initial recognition of financial assets at amortised cost. Judgement was applied in identifying the qualitative and quantitative triggers and thresholds used to identify significant increases in credit risk since initial recognition of the financial assets. Depending on the availability of reasonable and supportable information without undue cost or effort, significant increases in credit risk is identified through increases in behaviour risk, arrears aging, and portfolio assessments. The Group makes use of the rebuttable presumption that a significant increase in credit risk has taken place when a financial asset is 30 days past due or one payment in arrears. The assessments are carried out on a regular basis as part of the credit risk management activities of the Group.
- The Group applies judgement in identifying default and credit-impaired financial assets. The Group considers the arrears category where the balance has been allocated to or whether the balance is in legal review, debt review or under administration. Balances are considered to be in default when the balances have been past due for 90 days or more or have been identified to be in default after applying expert judgement. Financial assets are credit impaired when one or more events with a detrimental impact on the expected cash flows have taken place.
- The calculation of the ECL balance is primarily influenced by the stage allocation of the balance and the risk parameters. The Group makes use of estimates of PDs, LGDs and EADs to calculate the ECL balance for financial assets at amortised cost. Depending on the relevant information available, PDs are based on a behavioural scoring model and historic default rate curves or are determined through internally developed statistical models. LGDs are derived from a default recovery time series model that takes recency of payments into account or through internally developed statistical models. EADs are determined with reference to expected amortisation schedules and taking into account credit conversion factors as applicable for undrawn or revolving facilities.
- The ability to include forward-looking information in the measurement of ECL balances is dependent on the existence of reliable and quantifiable correlation between forward-looking factors and changes in the ECL balance. When such correlations do not exist and where applicable, management applies expert judgement to determine an overlay provision to incorporate best estimates of the impact of forward-looking information. Any overlay provision is based on available information and qualitative risk factors within a governed process.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision; and
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Foreign currency transactions

Foreign currency transactions are translated at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at rates of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are recognised at fair value are translated into the functional currency at foreign exchange rates ruling at the dates the fair values were determined.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.14 Financial instruments (continued)

Foreign currency transactions (continued)

Non-monetary assets and liabilities denominated in foreign currencies that are recognised at historical cost are translated into the functional currency at the rate of exchange ruling at the date of the initial recognition of the asset and liability and are not subsequently translated. Exchange gains and losses on the translation and settlement during the period of foreign monetary assets and liabilities are recognised in profit or loss as other income. Exchange differences for non-monetary items are recognised in other comprehensive income when the changes in the fair value of the non-monetary item are recognised in other comprehensive income and in profit or loss if the changes in fair value of the non-monetary item are recognised in profit or loss.

Where the exchange rate is officially fixed by government, the Group will assess the extent to which immediate value can be obtained at the official exchange rate. Where the lack of exchangeability is not significant in extent, assets and liabilities will be translated at the official exchange rate. Where there is a significant lack of exchangeability which is temporary in nature, the Group will use the first subsequent exchange rate at which exchangeability can be realised. In instances where there is lack of exchangeability, in the Group's judgement which is long term in nature, the Group will estimate a premium or discount on the official exchange rate which faithfully presents the prevailing economic circumstances taking into account observable market variables (Note 2.3.1).

Sensitivities on the exchange rate are disclosed under note 64.

2.15 Employee benefits

Employee benefits are all forms of consideration given by the Group in exchange for services rendered by employees.

(i) Post-employment benefits

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund is available or a reduction in future payments is probable.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer to those benefits and when the Group recognises costs for restructuring. If the benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted. Termination benefits for voluntary redundancies are recognised as an expense at the earlier of when the employee accepts the offer; and when a restriction on the Group's ability to withdraw the offer takes effect.

(iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods determined using the projected unit credit method. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss net of any reimbursement. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Future operating costs or losses are not provided for.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.17 Share-based payments

Equity-settled share-based payment transactions

The services received from employees in terms of the Share Based Payment transactions, are equity settled and are measured at the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date and are not subsequently re-measured. If the equity instruments granted vest immediately and the employee is not required to complete a specified period of service before becoming unconditionally entitled to those instruments, the services received are recognised in full on grant date in profit or loss, with a corresponding increase in share based payment reserve.

Where the equity instruments do not vest until the employee has completed a specified period of service, it is assumed that the services rendered by the employee, as consideration for those equity instruments, will be received in the future, during the vesting period. These services are accounted for in profit or loss as they are rendered during the vesting period, with a corresponding increase in share based payment reserve.

Cash-settled share-based payment transactions

The services received in cash-settled share-based payment transactions with employees and the liability to pay for those services, are recognised at fair value as the employee renders services. Until the liability is settled, the fair value of the liability is remeasured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

The fair value of the liability is measured at the fair value of the awards or options, by applying standard option pricing models, taking into account terms and conditions on which the share awards or options were granted, and the extent to which the employees have rendered services to date.

2.18 Leases

The Group assesses whether a contract is a lease in scope of IFRS 16: Leases, by determining whether the contract gives it the right to use a specified underlying physical asset for a lease term greater than twelve months, unless the underlying asset is of low value. Where the Group is a lessee and the lease is deemed in scope, it recognises a liability equal to the present value of lease payments over the lease term, discounted using the incremental borrowing rate applicable in the economic environment of the lease. The lease liability is recognised in 'Other payables'. A corresponding right-of-use asset equal to the liability, adjusted for any lease payments made at or before the commencement date, is recognised in 'Property, plant and equipment' and 'Intangible assets'. The lease term includes any extension options contained in the contract that the Group is reasonably certain it will exercise.

The Group subsequently depreciates the right-of-use asset using the straight-line method over the lease term and measures the lease liability using the effective interest method. Depreciation on the asset is recognised in 'Depreciation and amortisation', and interest on the lease liability is recognised in 'Interest expense'.

2.19 Impairment of non-financial assets

The carrying amounts of the Group's other assets, other than financial assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount is the greater of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and of the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation if no impairment loss had been recognised. Impairment losses are recognised in profit or loss.

2.20 Sale and repurchase agreements

The Group enters into purchases (sales) of the investments under agreements to resell (repurchase) identical investments at a certain date in the future at a fixed price. Investments sold under repurchase agreements continue to be recognised in the statement of financial position and are measured in accordance with the appropriate and applicable accounting policy. The proceeds from the sale of the investments are reported under deposits. The difference between the sale and repurchase agreement is treated as interest and accrued over the life of the agreement using the effective interest method. Securities lent to counterparties are also retained in the financial statements. Securities borrowed are not recognised in the financial statements, unless they are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in investment income. The obligation to return them is recorded at fair value as a trading liability.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.21 Dividends

Dividends payable to holders of equity instruments are recognised in the period in which they are declared.

2.22 Inventory

Inventory comprises largely of costs for the construction of houses for sale under housing projects. Inventory is measured at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses. The cost of inventories is based on the first in first out principle and includes borrowing costs capitalised in accordance with the Group's accounting policies and expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Additional disclosure in respect of inventory are included in note 26.1.

2.23 Segment reporting

The Group's results are analysed and reported consistently with the way that the chief operating decision maker (management and the executive directors) consider information when making operating decisions and also with the basis on which resources are allocated and performance assessed by management and directors. The operating segments are Life Assurance, General Insurance, Banking and Lending, Asset Management, and other (being the Holding Company and other less significant Group entities).

There are four principal business activities from which the Group generates revenues. These are insurance revenue (Life assurance and General insurance), fee and commission income (Asset management) and banking interest and fee income (Banking and Lending). In addition to this, investment returns are also earned on funds invested. The revenues generated in each reported segment can be seen in the analysis of Profits and Losses in note 3.

Life business

This segment operates in life assurance, pension and employee benefits services. There are two businesses in this segment, Old Mutual Life Assurance and Old Mutual Funeral Services.

General insurance

Provides non-life insurance products through Old Mutual Insurance.

Banking

The two components in this segment are Old Mutual Finance and CABS and their main line of business is lending and banking.

Asset management

This segment offers asset management and stock broking services through Old Mutual Investment Group and Old Mutual Securities respectively.

Holding Co and other

Comprises the activities related to the management of the Group's capital structure. This includes the management of shareholder investment assets including the associated shareholder investment. The main business entity in this segment is Old Mutual Zimbabwe Limited (the Company) and its Trusts. The other business unit in this segment is Old Mutual Digital Services Company (Private) Limited which provides digital services through wallet and two micro-insurance products. All reported segments meet the required criteria prescribed under IFRS 8 'Operating Segments'.

2.24 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions. The Group has related party relationships with its subsidiaries, fellow subsidiaries of Old Mutual Limited, company directors, other key shareholders and key management personnel. Transactions and balances are reflected in note 38.

2.25 Share capital

Ordinary and preference share capital is classified as equity if they are non-redeemable by the holder, and if dividends are discretionary. Coupon payments on preference share instruments are recognised as distributions within equity. Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the holder or if dividend payments are not discretionary. If the preference shares are non-redeemable by the holder and the entity has an obligation to deliver cash (or other financial assets) which the entity cannot defer until liquidation then the preference shares would be classified as a liability. Coupon payments thereon are recognised in profit or loss as an interest expense.

2.26 Non-distributable reserve

When the Zimbabwean economy dollarised in 2009, a Financial Reporting Guidance was used to determine a foreign currency opening statement of financial position on the date of change in functional currency from ZWL to USD. The Group used the Guidance to translate the financial statements at the normalisation date to USD to be used as the deemed costs in the opening statements of financial position at 1 January 2009. The surplus on the restatement of the assets and liabilities was credited to non-distributable reserves in equity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.27 Gold coins

The Reserve Bank of Zimbabwe, on 25 July 2022, launched gold coins (Mosi-oo-Tunya) into the market to provide a store of value alternative to the USD in a bid to reduce demand for US dollars and help stabilise the local currency. The gold coins are sold at the prevailing international price of gold plus 5 percent to cover the cost of production and distribution of the coin. The bank publishes the gold coin price everyday which is based on the previous day's London Bullion Market Association (LBMA) PM Fix plus the cost of producing the coin. Gold coins are initially recognised at cost plus transaction costs. Subsequently, the investment in gold coins is measured at fair value.

2.28 Implementation of IFRS 17 Insurance Contracts (IFRS 17)

2.28.1 Summary

IFRS 17 Insurance Contracts (IFRS 17) is a comprehensive new accounting standard for insurance contracts that governs recognition, measurement, presentation and disclosure.

Whereas IFRS 4 allowed insurers to use existing local practice for the measurement of policyholder liabilities, IFRS 17 provides for a comprehensive and consistent approach to insurance contracts. The new standard affected the financial statements and key performance indicators of all entities in the Group that issue insurance contracts (such as term and life insurance, life annuities, disability insurance, and property & casualty insurance) as well as investment contracts with discretionary participation features (such as with-profit annuities and smooth bonus investments). The most significantly impacted subsidiary was Old Mutual Life Assurance Company Limited (OMLAC). However, all other Group entities with life and property & casualty insurance licences were also impacted.

IFRS 17 introduces a measurement model for insurance contracts based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk (together these represent the fulfilment cash flows) and a contractual service margin (CSM). Estimates of the present value of future cash flows under IFRS 17 are calculated similarly to the local practice applied in Zimbabwe under IFRS 4. The main difference between IFRS 4 and IFRS 17 measurement relates to how margins are calculated and released over time (i.e. compulsory and discretionary margins for prudence applied under IFRS 4, versus the risk adjustment for non-financial risk and CSM required under IFRS 17).

Contracts where components of the contract are currently separated between IFRS 4 and IFRS 9 'Financial Instruments' (IFRS 9) based on investment fund choice are no longer separated under IFRS 17. Investment contracts with smoothed bonus investment options meet the definition of an investment contract with discretionary participation features and are therefore accounted for under IFRS 17 as a whole, resulting in a reclassification from IFRS 9 to IFRS 17.

The default model is the General Measurement Model (GMM), which is mainly used for measuring life risk (including reinsurance) and annuity contracts. The GMM is supplemented by a specific modification called the Variable Fee Approach (VFA) for measurement of contracts where policyholders participate in underlying items (life savings contracts and other with- profits contracts). IFRS 17 also makes provision for a simplified approach, the Premium Allocation Approach (PAA), mainly for short-duration contracts. The majority of these are within the property & casualty businesses.

Regardless of the measurement model used, the basic revenue recognition principle of IFRS 17 is that profit is recognised over the lifetime of a group of insurance contracts, as services are provided, but losses are recognised immediately if the group of insurance contracts is onerous. No profit is recognised on initial recognition. Under IFRS 17, the discount rate used to reflect the time value of money in the fulfilment cash flows is based on the characteristics of the liability.

2.28.2 Impact of the adoption of IFRS 17

The impact of initial application of IFRS 17 on the inflation adjusted annual financial statements was a decrease of ZWL2.6 billion (historical cost: ZWL33 million) to the Group's total equity at 1 January 2022, net of adjustments relating to consequential amendments to other IFRS standards. Total equity as at 31 December 2021 under IFRS 4 was ZWL944 billion (historical cost: ZWL58 billion).

The impact on Group equity as a result of transition to IFRS 17 arises because of the different requirements of IFRS 17 compared to the accounting policies and actuarial methodologies used under IFRS 4. The differences include the removal of compulsory and discretionary margins that were required or allowed under IFRS 4 but not under IFRS 17, offset by the requirement to set up a CSM and risk adjustment under IFRS 17. The CSM and risk adjustment will be released into profit over time as service is provided and as risk expires, respectively.

The various portfolios of business in the Group are impacted in different ways by the transition to IFRS 17. The majority of the Group impact arises from OMLAC. The impacts for the other Group entities are less material. IFRS 4 required the set-up of material lapse margins associated with expected higher levels of lapses at early durations for this portfolio – these margins were then released into profit at early durations under IFRS 4 as the high early lapse risk expired. Under IFRS 17 the CSM is released more slowly. As service is provided the measure of service provided for this portfolio is based on the sum assured for the contracts rather than the level of lapses.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.28 Implementation of IFRS 17 Insurance Contracts (IFRS 17) (continued)

2.28.2 Impact of the adoption of IFRS 17 (continued)

This, together with a history of favourable basis changes following management and other interventions that increase the CSM under IFRS 17 rather than directly impacting profit as was the case under IFRS 4, result in an increase in liabilities which will be released over time into profit.

As noted above, the Group has provided the restated comparative information for 2022 in these annual financial statements.

Included below is the reconciliation of the statement of financial position from IFRS 4 to IFRS 17 at transition:

	Inflation adjusted audited		
	At 31 December 2021 As Reported ZWLm	IFRS 17 Transitional adjustments ZWLm	At 1 January 2022 Restated ZWLm
Assets			
Intangible assets	14,767	-	14,767
Property and equipment	170,180	-	170,180
Investment property	804,465	-	804,465
Deferred tax assets	48	-	48
Deferred acquisition costs	644	(644)	-
Loans and advances	456,157	-	456,157
Investments and securities	2,324,980	-	2,324,980
Reinsurance contract assets	5,469	(126)	5,343
Current tax assets	1,672	-	1,672
Other receivables	281,368	(2,748)	278,620
Cash and cash equivalents	205,793	-	205,793
Total assets	4,265,543	(3,518)	4,262,025
Liabilities			
Insurance contract liabilities	2,308,824	2,522	2,311,346
Investment contract liabilities	182,502	-	182,502
Reinsurance contract liabilities	-	5	5
Provisions	10,182	-	10,182
Deferred tax liabilities	19,625	-	19,625
Current tax payables	163	-	163
Amounts due to group companies	165,139	-	165,139
Credit lines	160,733	-	160,733
Other payables	65,104	(3,402)	61,702
Amounts owed to bank depositors	409,361	-	409,361
Total liabilities	3,321,633	(875)	3,320,758
Net assets	943,910	(2,643)	941,267
Shareholders' equity			
Equity holders of the parent	924,813	(2,643)	922,170
Non-controlling interests	19,097	-	19,097
Total equity	943,910	(2,643)	941,267

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

- 2.28 Implementation of IFRS 17 Insurance Contracts (IFRS 17) (continued)
 2.28.2 Impact of the adoption of IFRS 17 (continued)

	Historical cost unaudited		
	At 31 December 2021 As Reported ZWLm	IFRS 17 Transitional adjustments ZWLm	At 1 January 2022 Restated ZWLm
Assets			
Intangible assets	208	-	208
Property and equipment	8,696	-	8,696
Investment property	48,699	-	48,699
Deferred tax assets	9	-	9
Deferred acquisition costs	34	(34)	-
Loans and advances	27,614	-	27,614
Investments and securities	140,745	-	140,745
Reinsurance contract assets	307	588	895
Current tax receivable	101	-	101
Other receivables	14,686	(572)	14,114
Cash and cash equivalents	12,458	-	12,458
Total assets	253,557	(18)	253,539
Liabilities			
Insurance contract liabilities	139,703	723	140,426
Investment contract liabilities	11,048	-	11,048
Reinsurance contract liabilities	-	2	2
Provisions	617	-	617
Deferred tax liabilities	1,048	-	1,048
Current tax payable	10	-	10
Amounts due to group companies	9,997	-	9,997
Credit lines	9,730	-	9,730
Other payables	3,834	(710)	3,124
Amounts owed to bank depositors	24,781	-	24,781
Total liabilities	200,768	15	200,783
Net assets	52,789	(33)	52,756
Shareholders' equity			
Equity attributable to the equity holders of the parent	51,613	(33)	51,580
Non-controlling interests	1,176	-	1,176
Total equity	52,789	(33)	52,756

The changes brought about by IFRS 17 did not change the underlying economics of our business or our strategy. IFRS 17 does result in changes to the timing of profit recognition from insurance contracts nor does it have any impact on our non-insurance, for example asset management business.

2.28.3 Transition to IFRS 17

Selection of transition approach

The Group has adopted IFRS 17 by applying the full retrospective approach wherever practicable to do so for groups of contracts in force as at 1 January 2022, as required by IFRS 17.

The Group considers a retrospective calculation to be impracticable if historical contract data (including data on past assumptions and actual cash flows) or calculation models do not exist, cannot be obtained or approximated without applying hindsight, or cannot be obtained, built or suitably modified by applying every reasonable effort to do so. The Group applied judgement in assessing these criteria.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.28 Implementation of IFRS 17 Insurance Contracts (IFRS 17) (continued)

2.28.3 Transition to IFRS 17 (continued)

Application of IFRS 17 at 1 January 2022, required the Group to:

- De-recognise any existing balances that would not exist had IFRS 17 been applied and recognise the IFRS 17 balances that replace these
- Recognise a net deferred tax asset based on the net impact of de-recognising such balances and the IFRS 17 balances that would replace these, in accordance with tax regulations concerning the implementation of IFRS 17 as issued for jurisdictions where the Group operates
- Recognised any resulting net difference in equity.

Full retrospective approach

Under the full retrospective approach, the Group identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied. The full retrospective approach was used for the PAA contracts only.

Fair value approach

Under the fair value approach, the CSM at the transition date is calculated as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date. The Group has applied the requirements of IFRS 13 Fair Value Measurement to determine the fair value of groups of contracts, with the exception of the demand deposit floor requirement which IFRS 17 specifies should not be applied.

The fair value is effectively the consideration that would be paid or received for a group of insurance contracts to enable a market participant to earn their required rate of return in a notional transaction involving the group of contracts. The Group used the income approach (as defined by IFRS 13) to determine this amount.

The fair value was calculated by discounting the expected funds becoming available for distribution to a market participant (referred to as distributable income, under the income approach), at the required rate of return. This calculation allows for a market participants' view of capital requirements and expectations of future real-world returns. The Group applied judgement to determine the method and assumptions used to calculate the fair value.

The Group has applied the fair value approach on transition for certain groups in portfolios.

The Group has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition, as permitted by the standard. The Group has also used reasonable and supportable information available at the transition date in order to:

- Identify groups of insurance contracts
- Determine whether contracts are eligible for the VFA
- Identify any discretionary cash flows for insurance contracts measured under the GMM

The discount rates for the group of contracts applying the fair value approach were determined using the prevailing yield curve as at the transition date.

2.28.4 Significant judgements and estimates and accounting policies

The Group's significant judgements and estimates relating to IFRS 17 have been included in notes 2.3, 2.6 and 2.28. Detailed accounting policies are included in note 2.6.

2.28.5 Consequential amendments to other IFRS standards and resulting accounting policy elections

The International Accounting Standards Board made amendments to several other Standards when it issued IFRS 17. The Group elected to apply the following consequential amendments on transition to IFRS 17:

IAS 16 Property, Plant and Equipment

The Group holds owner-occupied property as the underlying item for groups of insurance contracts measured under the VFA. As permitted by paragraph 29A, the Group elected to measure such properties using the fair value model in accordance with IAS 40 'Investment Property'. As such, the Group now measures owner-occupied properties at FVTPL to reduce accounting mismatches with the measurement of related contracts. In addition, the Group no longer applies shadow accounting to owner-occupied properties. Previously, revaluation gains and losses on owner-occupied property were recognised in the statement of comprehensive income. Losses that offset previous gains in respect of the same asset were charged against the property revaluation reserve, and all other losses are charged to the income statement as an impairment. In addition, on revaluation, any accumulated depreciation at the date of the revaluation was eliminated against the gross carrying amount of the property concerned and the net amount restated to the revalued amount.

There is no equity impact on hyper inflation as these properties were always held at fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.29 Change in accounting policy for investments in subsidiary companies

Effective 1 January 2023, the Company voluntarily changed its accounting policy to measure the value of its investments in subsidiary companies. Previously, the Company measured investments in subsidiary companies at cost and has now changed to fair value through profit or loss in accordance with IFRS 9. The change in policy has been made as it is management's opinion that the measurement at fair value through profit and loss will provide more useful information to the users of OMZIL's financial statements given the hyperinflationary economy and significant currency depreciation experienced over the last few years. The Company restated the statement of financial position as at 31 December 2022 as the earliest comparative period instead of 1 January 2022 as this impracticable to determine the fair values as at that period. Below is a summary of the impact of the change in policy for the previous year.

	31 December 2022 As previously reported ZWLm	Adjustment	31 December 2022 Restated amount ZWLm
Inflation adjusted audited			
Investment in subsidiary companies	54,609	849,934	934,543
Retained earnings	7,610	849,934	894,774
Other income – net gain of financial assets measured at FVTPL	-	849,934	849,934
Historical cost unaudited			
Investment in subsidiary companies	183	194,293	194,476
Retained earnings	4,351	194,293	198,644
Other income – net gain of financial assets measured at FVTPL	-	194,293	194,293

2.30 Change in legacy debts receivable accounting estimate

Previously, the Group calculated legacy debt impairment based using the key assumption of a 9.5% discount rate with yearly estimated cashflows equally divided over 3 years which was the estimated period over which the market was to be realised. The Group performed an analysis on the legacy debt impairment based on the 31 December 2023 legacy debt position and observed settlement trends in the market between the State and other market players, primarily through the issuance of zero-coupon USD denominated bonds with tenures of up to twenty years. The recoverable amount of the legacy debt receivable was determined by discounting expected cashflows at 10.64% based on expected cashflows spread evenly over 20 years. This resulted in additional impairment of ZWL319 billion recognised for the year ended 31 December 2023.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.31 Forthcoming requirements

Future amendments not early adopted in the 2023 annual financial statements.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Title	Key requirements	Effective date
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in unhyphenate and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. There is no expected material impact on the financial statements in the future periods.	Yet to be set
Amendments to IAS 1 Presentation of Unhyphenate Statements Unhyphenate of Liabilities as Current or Non-current	<p>The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p> <p>The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. There is no expected material impact on the financial statements in the future periods.</p>	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants	<p>The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).</p> <p>The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants. There may be an impact on the financial statements in future periods.</p>	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements	<p>The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.</p> <p>The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.</p> <p>To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:</p> <ul style="list-style-type: none"> • The terms and conditions of the arrangements. • The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements. • The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers. • Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement. • Liquidity risk information. <p>There is no expected impact on the financial statements in the future periods.</p>	1 January 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting Policies (continued)

2.31 Forthcoming requirements (continued)

New and amended IFRS Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023.

Title	Key requirements	Effective date
IFRS 17 Insurance Contracts	<p>The Group has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.</p> <p>IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.</p> <p>The Group has contracts that meet the definition of insurance contracts under IFRS 17. Refer to notes 2.6, 2.28 and 28.</p>	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies	<p>The Group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.</p> <p>The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.</p> <p>The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. There was no impact on the financial statements.</p>	1 January 2023
Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	<p>The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.</p> <p>Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. There was no impact on the financial statements.</p>	1 January 2023
Amendments to IAS 12 Income Taxes - International Tax Reform - Pillar Two Model Rules	<p>The Group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules.</p> <p>The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.</p> <p>Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes. There was no impact on the financial statements.</p>	1 January 2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	<p>The Group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. There was no material impact on the financial statements.</p>	1 January 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Segment information - Inflation adjusted audited

A1 Statement of profit or loss for the year ended 2023

	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
Revenue							
Insurance revenue	99,356	134,383	-	-	-	-	233,739
Insurance service expenses	(196,105)	(134,293)	-	-	-	-	(330,398)
Net expenses from reinsurance contracts	(5,521)	(7,087)	-	-	-	-	(12,608)
Insurance service result	(102,270)	(6,997)	-	-	-	-	(109,267)
Investment return (non-banking)	2,336,142	45,457	-	(560)	1,139,421	(1,069,881)	2,450,579
Finance expenses from insurance contracts	(1,954,615)	-	-	-	-	-	(1,954,615)
Net finance expenses from reinsurance contracts	(774)	-	-	-	-	-	(774)
Change in investment contract liabilities	(187,044)	-	-	-	-	-	(187,044)
Net investment result	193,709	45,457	-	(560)	1,139,421	(1,069,881)	308,146
Banking interest and similar income	-	-	261,807	-	-	-	261,807
Fee income, commissions and income from service contracts	8,142	-	319,045	31,229	-	-	358,416
Other income	121,574	84,310	548,856	50,870	82,372	(65,842)	822,140
Non-insurance revenue and income	129,716	84,310	1,129,708	82,099	82,372	(65,842)	1,442,363
Total revenue and other income	221,155	122,770	1,129,708	81,539	1,221,793	(1,135,723)	1,641,242
Expenses							
Impairment loss	(1,901)	-	(4,272)	-	(313,172)	-	(319,345)
Banking interest expense and similar expenses	-	-	(95,733)	-	-	1,079	(94,654)
Fees, commissions and other acquisition costs	(7,857)	-	(81,705)	-	(4,159)	3,711	(90,010)
Expected credit loss	-	-	(37,923)	-	-	-	(37,923)
Other operating and administration expenses	(16,267)	(16,530)	(323,343)	(55,599)	(100,049)	86,073	(425,715)
Net monetary adjustment	1,387	-	(153,158)	(10,669)	(16,303)	16,737	(162,006)
Non-insurance expenses	(24,638)	(16,530)	(696,134)	(66,268)	(433,683)	107,600	(1,129,653)
Share of results from associate	-	-	-	-	5,416	-	5,416
Profit before tax	196,517	106,240	433,574	15,271	793,526	(1,028,133)	517,005
Income tax expense/(credit)	(10,065)	(2,420)	(327)	(7,358)	(27,584)	68	(47,686)
Profit for the year	186,452	103,820	433,247	7,913	765,942	(1,028,055)	469,319

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

**3 Segment information -
Inflation adjusted audited**

**A2 Statement of profit or loss
for the year ended 2022**

Revenue

	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
Insurance revenue	42,268	73,454	-	-	-	-	115,722
Insurance service expenses	(135,566)	(86,873)	-	-	-	-	(222,439)
Net expenses from reinsurance contracts	(3,471)	(5,926)	-	-	-	-	(9,397)
Insurance service result	(96,769)	(19,345)	-	-	-	-	(116,114)
Investment return (non-banking)	(1,662,404)	(10,514)	-	(2,758)	(34,037)	1,867,250	157,537
Finance income from insurance contracts	1,405,288	-	-	-	-	(1,378,854)	26,434
Net finance expenses from reinsurance contracts	(3,517)	-	-	-	-	-	(3,517)
Change in investment contract liabilities	2,135	-	-	-	-	-	2,135
Net investment result	(258,498)	(10,514)	-	(2,758)	(34,037)	488,396	182,589
Banking interest and similar income	-	-	231,762	-	-	-	231,762
Fee income, commissions and income from service contracts	6,258	6,098	125,504	31,653	20,341	(38,293)	151,561
Other income	82,226	29,385	125,379	7,549	14,493	(2,897)	256,135
Non-insurance revenue and income	88,484	35,483	482,645	39,202	34,834	(41,190)	639,458
Total revenue and other income	(266,783)	5,624	482,645	36,444	797	447,206	705,933
Expenses							
Impairment loss	-	-	(1,740)	-	(41,533)	-	(43,273)
Banking interest expense and similar expenses	-	-	(34,662)	-	-	1,422	(33,240)
Fees, commissions and other acquisition costs	-	(14,454)	(42,913)	(255)	-	-	(57,622)
Expected credit loss	-	-	(16,799)	(10)	-	-	(16,809)
Other operating and administration expenses	(2,405)	(6,156)	(139,291)	(23,854)	(6,271)	(6,406)	(184,383)
Net monetary adjustment	(224,831)	(4,426)	(105,931)	(11,826)	(7,256)	(167,439)	(521,709)
Non-insurance expenses	(227,236)	(25,036)	(341,336)	(35,945)	(55,060)	(172,423)	(857,036)
(Loss)/profit before tax	(494,019)	(19,412)	141,309	499	(54,263)	274,783	(151,103)
Income tax expense/(credit)	1,917	4,133	(269)	(2,489)	(6,348)	(92)	(3,148)
(Loss)/profit for the year	(492,102)	(15,279)	141,040	(1,990)	(60,611)	274,691	(154,251)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. Segment information - Historical cost unaudited

B1 Statement of profit or loss for the year ended 2023

Revenue

	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
Insurance revenue	49,572	134,383	-	-	-	-	183,955
Insurance service expenses	(186,582)	(134,291)	-	-	-	-	(320,873)
Net income expenses from reinsurance contracts	(3,740)	(7,088)	-	-	-	-	(10,828)
Insurance service result	(140,750)	(6,996)	-	-	-	-	(147,746)

Investment return (non-banking)	4,994,411	45,457	-	849	1,182,802	(1,129,312)	5,094,207
Finance expenses from insurance contracts	(4,152,862)	-	-	-	-	-	(4,152,862)
Net finance income expenses from reinsurance contracts	(163)	-	-	-	-	-	(163)
Change in investment contract liabilities	(350,529)	-	-	-	-	-	(350,529)
Net investment result	490,857	45,457	-	849	1,182,802	(1,129,312)	590,653

Banking interest and similar income	-	-	146,110	-	-	-	146,110
Fee income, commissions and income from service contracts	4,636	-	186,382	18,201	-	-	209,219
Other income	120,799	84,310	605,396	35,573	67,765	(38,329)	875,514
Non-insurance revenue and income	125,435	84,310	937,888	53,774	67,765	(38,329)	1,230,843

Total revenue and other income	475,542	122,771	937,888	54,623	1,250,567	(1,167,641)	1,673,750
---------------------------------------	----------------	----------------	----------------	---------------	------------------	--------------------	------------------

Expenses

Impairment loss	(1,900)	-	(4,272)	-	(313,173)	-	(319,345)
Banking interest expense and similar expenses	-	-	(55,099)	-	-	1,078	(54,021)
Fees, commissions and other acquisition costs	(3,155)	-	(47,934)	-	(3,082)	3,709	(50,462)
Expected credit loss	-	-	(36,320)	-	-	-	(36,320)
Other operating and administration expenses	(11,190)	(16,530)	(197,430)	(34,808)	(81,277)	71,790	(269,445)
Non-insurance expenses	(16,245)	(16,530)	(341,055)	(34,808)	(397,532)	76,577	(729,593)

Share of results from associate	-	-	-	-	3,364	-	3,364
---------------------------------	---	---	---	---	-------	---	-------

Profit before tax	459,297	106,241	596,833	19,815	856,399	(1,091,064)	947,521
--------------------------	----------------	----------------	----------------	---------------	----------------	--------------------	----------------

Income tax expense/(credit)	(14,994)	(2,420)	(327)	(6,306)	(12,944)	499	(36,492)
-----------------------------	----------	---------	-------	---------	----------	-----	----------

Profit for the year	444,303	103,821	596,506	13,509	843,455	(1,090,565)	911,029
----------------------------	----------------	----------------	----------------	---------------	----------------	--------------------	----------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

3. Segment information - Historical cost unaudited	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
B2 Statement of profit or loss for the year ended 2022							
Revenue							
Insurance revenue	3,820	12,209	-	-	-	-	16,029
Insurance service expenses	(25,905)	(12,515)	-	-	-	-	(38,420)
Net expenses from reinsurance contracts	(325)	(1,897)	-	-	-	-	(2,222)
	(22,410)	(2,203)	-	-	-	-	(24,613)
Investment return (non-banking)	407,226	-	-	(145)	11,695	4,658	423,434
Finance expenses from insurance contracts	(345,682)	-	-	-	-	-	(345,682)
Net finance expenses from reinsurance contracts	(224)	-	-	-	-	-	(224)
Change in investment contract liabilities	(26,131)	-	-	-	-	-	(26,131)
Net investment result	35,189	-	-	(145)	11,695	4,658	51,397
Banking interest and similar income	-	-	45,917	-	-	-	45,917
Fee income, commissions and income from service contracts	3,129	-	18,289	4,461	2,933	(6,388)	22,424
Other income	19,029	-	25,219	1,223	2,822	3,800	52,093
Non-insurance revenue and income	22,158	-	89,425	5,684	5,755	(2,588)	120,434
Total revenue and other income	34,937	(2,203)	89,425	5,539	17,450	2,070	147,218
Expenses							
Impairment loss	-	-	(362)	-	(8,643)	-	(9,005)
Banking interest expense and similar expenses	-	-	(5,571)	-	-	417	(5,154)
Fees, commissions and other acquisition costs	(253)	-	(6,308)	(31)	-	-	(6,592)
Expected credit loss	-	-	(3,455)	(2)	-	-	(3,457)
Other operating and administration expenses	(996)	(1,295)	(20,182)	(3,667)	(5,476)	1,994	(29,622)
Non-insurance expenses	(1,249)	(1,295)	(35,878)	(3,700)	(14,119)	2,411	(53,830)
Profit/(loss) before tax	33,688	(3,498)	53,547	1,839	3,331	4,481	93,388
Income tax expense/(credit)	(582)	441	(20)	(557)	(1,093)	10	(1,801)
Profit/(loss) for the year	33,106	(3,057)	53,527	1,282	2,238	4,491	91,587

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. Segment information - Inflation adjusted audited

C1 Statement of financial position as at 31 December 2023

Assets

	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
Intangible assets	-	-	2,161	324	1,750	-	4,235
Property and equipment	113,846	7,521	327,908	2,348	5,974	35,459	493,056
Investment property	2,686,880	2,911	156,589	-	2,460	(35,458)	2,813,382
Investments in subsidiary companies	7,141	-	-	-	1,361,485	(1,368,626)	-
Investment in associate	-	-	-	-	22,869	-	22,869
Deferred tax assets	-	133	944	546	2,188	-	3,811
Loans and advances	-	-	1,044,465	-	-	-	1,044,465
Investments and securities	2,854,882	60,028	488,238	6,785	194,904	(80,222)	3,524,615
Reinsurer contracts	205	19,783	-	-	-	-	19,988
Current tax receivable	564	-	-	-	76	-	640
Amounts due by group companies	2,979	-	-	4,934	229,810	(237,723)	-
Other receivables	102,087	108,773	333,865	11,903	197,006	-	753,634
Cash and cash equivalents	60,824	9,599	801,582	791	25,062	(7,739)	890,119

Total assets

Liabilities

Insurance contract liabilities	4,763,842	91,053	-	-	-	10,940	4,865,835
Investment contract liabilities	423,734	-	-	-	-	-	423,734
Reinsurance contract liabilities	13	-	-	-	-	-	13
Deferred tax liabilities	14,398	-	27,270	-	4,211	(545)	45,334
Current tax payables	-	852	55	1,523	1,738	-	4,168
Amounts due to group companies	30,441	2,074	824	692	746,505	(237,722)	542,814
Credit lines	-	-	583,729	-	-	(21,165)	562,564
Other payables	72,869	3,724	210,668	7,911	62,118	(34,759)	322,531
Amounts owed to bank depositors	-	-	1,351,747	-	4,821	(7,845)	1,348,723

Total liabilities

Net assets

Shareholders' equity

Share capital and premium	36,197	-	36,859	6,338	34,603	(113,997)	1
Non-distributable reserve	31,368	2	1,521	-	32,754	(65,645)	-
Revaluation reserve	5,562	-	250,702	-	563	-	256,827
Share based payment reserve	3,997	1	6,104	1,292	64,153	(43,072)	32,475
Regulatory provisions reserve	-	-	15,360	-	-	2	15,362
Currency translation reserve	10,219	4,761	515	-	3,917	(1,994)	17,418
Retained earnings	436,768	106,281	670,398	9,875	1,088,201	(1,236,561)	1,074,962
Equity holders of the parent	524,111	111,045	981,459	17,505	1,224,191	(1,461,266)	1,397,045
Non-controlling interests	-	-	-	-	-	58,053	58,053

Total equity

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

3 Segment information - Inflation adjusted audited	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
C2 Statement of financial position as at 31 December 2022							
Assets							
Intangible assets	-	-	3,748	384	20	-	4,152
Property and equipment	61,500	2,556	172,823	1,624	5,906	24,158	268,567
Investment property	1,382,638	1,548	71,452	-	1,297	(24,158)	1,432,777
Deferred tax assets	-	3,763	62	461	-	-	4,286
Loans and advances	-	-	617,577	-	-	-	617,577
Investments and securities	1,444,051	25,579	146,042	5,243	180,925	(169,070)	1,632,770
Reinsurer contracts	34	20,165	-	-	-	-	20,199
Current tax assets	-	221	-	-	-	-	221
Other receivables	21,410	3,790	136,287	8,876	227,571	-	397,934
Cash and cash equivalents	45,070	2,725	435,594	428	5,055	(28,381)	460,491
Total assets	2,954,703	60,347	1,583,585	17,016	420,774	(197,451)	4,838,974
Liabilities							
Insurance contract liabilities	2,428,283	27,275	-	-	-	-	2,455,558
Investment contract liabilities	193,621	-	-	-	-	-	193,621
Reinsurance contract liabilities	34	-	-	-	-	-	34
Deferred tax liabilities	7,455	-	11,672	-	2,047	(1,183)	19,991
Current tax payables	111	5	19	1,048	619	-	1,802
Amounts due to group companies	5,502	2,869	490	115	276,871	5,671	291,518
Credit lines	-	-	362,826	-	-	(3,028)	359,798
Other payables	15,257	8,741	64,326	5,267	25,171	(13,388)	105,374
Amounts owed to bank depositors	-	-	665,131	-	-	(93,850)	571,281
Total liabilities	2,650,263	38,890	1,104,464	6,430	304,708	(105,778)	3,998,977
Net assets	304,440	21,457	479,121	10,586	116,066	(91,673)	839,997
Shareholders' equity							
Share capital and premium	31,663	10	42,836	5,565	-	(80,073)	1
Revaluation reserve	1,985	-	116,570	-	-	-	118,555
Share based payment reserve	3,998	1,389	5,930	6,694	63,797	(49,333)	32,475
Regulatory provisions reserve	-	-	7,069	-	-	-	7,069
Currency conversion reserve	10,226	-	-	-	7,112	(17,338)	-
Retained earnings	256,568	20,058	306,716	(1,673)	45,157	38,559	665,385
Equity holders of the parent	304,440	21,457	479,121	10,586	116,066	(108,185)	823,485
Non-controlling interests	-	-	-	-	-	16,512	16,512
Total equity	304,440	21,457	479,121	10,586	116,066	(91,673)	839,997

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Segment information - Historical unaudited

D1 Statement of financial position as at 31 December 2023

Assets

	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
Intangible assets	-	-	124	5	800	-	929
Property and equipment	103,188	7,521	298,067	819	1,581	35,458	446,634
Investment property	2,686,880	2,911	156,589	-	2,460	(35,458)	2,813,382
Investments in subsidiary companies	7,141	-	-	-	1,361,485	(1,368,626)	-
Investment in associate	-	-	-	-	9,727	-	9,727
Deferred tax assets	-	133	944	965	2,702	-	4,744
Loans and advances	-	-	1,044,465	-	-	-	1,044,465
Investments and securities	2,854,882	60,028	488,238	6,785	194,904	(80,222)	3,524,615
Reinsurer contracts	205	19,783	-	-	-	-	19,988
Current tax receivable	564	-	-	-	76	-	640
Amounts due by group companies	2,979	-	-	4,935	229,810	(237,724)	-
Other receivables	101,888	108,773	272,603	10,848	196,895	-	691,007
Cash and cash equivalents	60,824	9,599	801,582	791	25,063	(7,740)	890,119

Total assets **5,818,551** **208,748** **3,062,612** **25,148** **2,025,503** **(1,694,312)** **9,446,250**

Liabilities

Insurance contract liabilities	4,763,842	91,053	-	-	-	10,940	4,865,835
Investment contract liabilities	423,734	-	-	-	-	-	423,734
Reinsurers contract liabilities	13	-	-	-	-	-	13
Deferred tax liabilities	12,840	-	27,270	-	2,743	(544)	42,309
Current tax payables	-	852	55	1,523	1,738	-	4,168
Amounts due to group companies	30,441	2,074	824	692	746,506	(237,723)	542,814
Credit lines	-	-	583,729	-	-	(21,165)	562,564
Other payables	72,870	3,724	199,619	7,913	62,122	(34,766)	311,482
Amounts owed to bank depositors	-	-	1,351,747	-	4,821	(7,845)	1,348,723

Total liabilities **5,303,740** **97,703** **2,163,244** **10,128** **817,930** **(291,103)** **8,101,642**

Net assets **514,811** **111,045** **899,368** **15,020** **1,207,573** **(1,403,209)** **1,344,608**

Shareholders' equity

Share capital and premium	3,114	-	87	39	16,369	(19,609)	-
Non-distributable reserve	30	2	1	-	22	(6)	49
Revaluation reserve	5,562	-	275,283	-	563	-	281,408
Share based payment reserve	4	1	6	1	63	(20)	55
Regulatory provisions reserve	-	-	15,360	-	-	-	15,360
Foreign currency translation reserve	16	4,761	515	(2)	9	12,119	17,418
Retained earnings	506,085	106,281	608,116	14,983	1,190,547	(1,440,582)	985,430
Equity holders of the parent	514,811	111,045	899,368	15,021	1,207,573	(1,448,098)	1,299,720
Non-controlling interests	-	-	-	-	-	44,888	44,888

Total equity **514,811** **111,045** **899,368** **15,021** **1,207,573** **(1,403,210)** **1,344,608**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

3 Segment information - Historical unaudited	Life Assurance ZWLm	General Insurance ZWLm	Banking & Lending ZWLm	Asset Management ZWLm	Holding Co & Other ZWLm	Consolidation Adjustments ZWLm	Total ZWLm
D2 Statement of financial position as at 31 December 2022							
Assets							
Intangible assets	-	-	162	7	-	-	169
Property and equipment	11,287	149	32,275	153	240	5,027	49,131
Investment property	287,723	322	14,869	-	270	(5,027)	298,157
Deferred tax assets	-	657	40	141	-	-	838
Loans and advances	-	-	128,516	-	-	-	128,516
Investments and securities	300,503	5,323	30,391	1,091	21,946	(19,479)	339,775
Reinsurer contracts	323	2,838	-	-	-	-	3,161
Current tax assets	-	46	-	-	-	-	46
Other receivables	3,899	4,254	22,297	1,764	47,356	-	79,570
Cash and cash equivalents	9,379	567	90,646	89	1,050	(5,904)	95,827
Total assets	613,114	14,156	319,196	3,245	70,862	(25,383)	995,190
Liabilities							
Insurance contract liabilities	505,319	5,676	-	-	-	-	510,995
Investment contract liabilities	40,292	-	-	-	-	-	40,292
Reinsurance contract liabilities	7	-	-	-	-	-	7
Deferred tax liabilities	1,596	-	2,429	-	182	(47)	4,160
Current tax payables	23	-	4	218	129	1	375
Amounts due to group companies	2,674	597	102	24	57,616	(349)	60,664
Credit lines	-	-	75,503	-	-	(630)	74,873
Other payables	886	194	12,842	1,094	5,236	(2,784)	17,468
Amounts owed to bank depositors	-	-	138,412	-	-	(19,530)	118,882
Total liabilities	550,797	6,467	229,292	1,336	63,163	(23,339)	827,716
Net assets	62,317	7,689	89,904	1,909	7,699	(2,044)	167,474
Shareholders' equity							
Share capital and premium	30	-	87	63	-	(180)	-
Non-distributable reserve	30	1	1	-	21	(4)	49
Revaluation reserve	413	-	28,883	-	-	-	29,296
Share option reserve	4	2	6	2	63	(22)	55
Regulatory provisions reserve	-	-	-	-	-	1,471	1,471
Currency conversion reserve	16	-	-	(2)	10	(24)	-
Retained earnings	61,824	7,686	60,927	1,846	7,605	(6,632)	133,256
Equity holders of the parent	62,317	7,689	89,904	1,909	7,699	(5,391)	164,127
Non-controlling interests	-	-	-	-	-	3,347	3,347
Total equity	62,317	7,689	89,904	1,909	7,699	(2,044)	167,474

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

4. Insurance revenue

Inflation adjusted audited

For the year ended 31 December 2023
Contracts not measured under the PAA

Amounts relating to changes in liabilities for remaining coverage:

	Life risk and annuities ZWLm	Life Savings ZWLm	General Insurance ZWLm	Total ZWLm
Expected incurred claims	270	13	-	283
Expected other insurance service expenses	4,296	29,537	-	33,833
Risk adjustment recognised for the risk expired	(406)	81	-	(325)
Other	2,128	(8)	-	2,120
Recovery of insurance acquisition cash flows	304	-	-	304
	6,592	29,623	-	36,215
Contracts measured under the PAA	63,141	-	134,383	197,524
Total Insurance Revenue:	69,733	29,623	134,383	233,739

For the year ended 31 December 2022
Contracts not measured under the PAA

Amounts relating to changes in liabilities for remaining coverage:

Expected incurred claims	(3,699)	21	-	(3,678)
Expected other insurance service expenses	(14,766)	29,905	-	15,139
Risk adjustment recognised for the risk expired	(709)	127	-	(582)
Other	1,128	11	-	1,139
	(18,046)	30,064	-	12,018
Contracts measured under the PAA	30,250	-	73,454	103,704
Total Insurance Revenue:	12,204	30,064	73,454	115,722

*Historical unaudited

For the year ended 31 December 2023
Contracts not measured under the PAA

Amounts relating to changes in liabilities for remaining coverage:

Expected incurred claims	102	5	-	107
Expected other insurance service expenses	1,638	11,261	-	12,899
Risk adjustment recognised for the risk expired	(510)	17	-	(493)
Other	792	(2)	-	790
Recovery of insurance acquisition cash flows	116	-	-	116
	2,138	11,281	-	13,419
Contracts measured under the PAA	36,153	-	134,383	170,536
Total Insurance Revenue:	38,291	11,281	134,383	183,955

For the year ended 31 December 2022
Contracts not measured under the PAA

Amounts relating to changes in liabilities for remaining coverage:

Expected incurred claims	(808)	2	-	(806)
Expected other insurance service expenses	(3,148)	3,427	-	279
Risk adjustment recognised for the risk expired	(167)	8	-	(159)
Other	91	1	-	92
Recovery of insurance acquisition cash flows	1	-	-	1
	(4,031)	3,438	-	(593)
Contracts measured under the PAA	4,413	-	12,209	16,622
Total Insurance Revenue:	382	3,438	12,209	16,029

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
5 Insurance service expenses				
Incurred claims	135,743	66,296	128,982	9,903
Other insurance service expenses	166,128	64,378	104,656	7,456
Amortisation of insurance acquisition cash flows	17,384	23,031	17,196	3,327
Losses and reversal of losses on onerous contracts	16,319	78,732	67,074	18,055
Adjustments to liabilities for incurred claims	(5,176)	(9,998)	2,965	(321)
Total insurance service expenses	330,398	222,439	320,873	38,420
6 Net investment result				
Interest income - cash and cash equivalents	33,697	8,698	20,896	923
Dividend income - investments and securities	109,687	51,365	75,106	8,271
Rental income from investment property	96,108	31,418	59,400	4,386
Total fair value gains and losses recognised in income	2,211,087	66,056	4,938,805	409,854
Total investment returns included in profit or loss	2,450,579	157,537	5,094,207	423,434
7 Finance expenses/(income) from insurance contracts				
Changes in fair value of underlying items of DPC*	1,937,978	7,635	4,143,179	353,504
Interest accreted	8,807	5,075	1,852	323
Effect of changes in interest rates and other financial assumptions	2,019	152	2,019	32
Effect of measuring changes in EACR and adj CSM at ROIR*	5,811	(39,296)	5,812	(8,177)
Total finance expenses/(income) from insurance contracts	1,954,615	(26,434)	4,152,862	345,682
8 Net finance expenses from reinsurance contracts				
Interest accreted				
Other finance expenses from reinsurance contracts	774	3,517	163	224
Net finance expenses from reinsurance contracts	774	3,517	163	224
Effect of changes of non-performing risk of reinsurers	-	-	-	-
Total net finance expenses from reinsurance contracts	774	3,517	163	224

*EACR: Estimated at Current Rates
ROIR: Rate of Initial Recognition
DPC: Discretionary Participating Contracts

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
9 Banking interest and similar income				
Interest and similar income				
Investments	30,384	5,464	14,025	814
Loans and advances	231,423	226,298	132,085	45,103
Total banking interest and similar income	261,807	231,762	146,110	45,917
Comprising:				
Financial assets at amortised cost	261,807	231,762	146,110	45,917
Interest expense:				
Credit lines	(77,635)	(23,287)	(45,846)	(3,731)
Money market deposits	(16,328)	(9,126)	(7,812)	(1,286)
Savings and term deposits	(691)	(827)	(363)	(137)
Total banking interest and similar expenses	(94,654)	(33,240)	(54,021)	(5,154)
Comprising:				
Financial liabilities at amortised cost	(94,654)	(33,240)	(54,021)	(5,154)
Net interest income	167,153	198,522	92,089	40,763
10 Fee income, commissions and income from service contracts				
Banking operations:				
Commissions	47,694	28,640	26,762	3,997
Service fees	222,625	81,039	132,975	12,099
Administration fees	48,727	15,339	26,645	2,117
Total fee income, commission and income from service contracts	319,046	125,018	186,382	18,213
Long term insurance business	8,141	6,091	4,636	1,247
Asset management business	31,229	20,452	18,201	2,964
	358,416	151,561	209,219	22,424

The fee and commission income presented includes income of ZWL319 billion (2022: ZWL125 billion) 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.

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
11 Other income				
Exchange gains	675,070	246,697	675,070	51,337
Other	147,070	9,438	200,444	756
	822,140	256,135	875,514	52,093

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
12 Other operating and administration expenses				
Banking operational costs	27,594	9,399	24,685	1,810
Travel and subsistence	18,784	7,022	11,035	1,086
Office space costs	36,114	12,816	23,203	1,985
Fees and levies	6,717	14	4,657	2
Directors fees	6,112	1,999	3,983	317
Insurance	11,666	5,589	7,005	804
Actuarial and consultancy fees	1,490	14,075	1,490	2,174
Advertising and marketing	33,353	16,930	20,101	2,573
Information Technology costs	62,298	6,194	38,117	961
Depreciation and amortisation	27,861	18,693	9,317	589
	231,989	92,731	143,593	12,301
Auditors' remuneration				
Statutory audit services	15,243	8,784	15,243	1,828
Staff costs				
Wages and salaries	179,074	73,048	118,574	10,760
Retirement defined contribution obligations	8,742	1,797	5,112	245
Social security costs	5,196	1,072	1,240	165
Bonus and incentive remuneration	27,420	17,694	16,326	3,672
Other staff costs	34,913	23,417	15,745	3,047
	255,345	117,028	156,997	17,889
Other expenses	69,205	31,612	47,301	7,243
Attributable insurance expenses	(146,067)	(65,772)	(93,689)	(9,639)
	425,715	184,383	269,445	29,622

In the 2022 financial statements, Banking operational costs (ZWL9,399 million), Travel and subsistence (ZWL7,022 million), Information Technology costs (ZWL13,502 million) and Other expenses (ZWL15,603 million) were aggregated in the line "Administrative expenses". In the current year, this has been amended for by disaggregating the "Administrative expenses" to the various natures being Banking operational costs, Travel and subsistence and Other expenses. In addition, the previously disclosed line item "Software licencing" was aggregated together with "Information Technology costs" due to the nature of these items being similar.

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
13 Income tax expense				
Normal income tax - Current tax expense				
Shareholders	33,868	12,462	24,489	1,741
Policyholders	1,950	619	2,546	141
	35,818	13,081	27,035	1,882
Deferred tax				
Deferred tax expense/(income) relating to the origination and reversal of temporary difference	11,868	(9,933)	9,457	(81)
Total deferred tax	11,868	(9,933)	9,457	(81)
Deferred tax				
Shareholders	9,887	(9,621)	6,871	(172)
Policyholders	1,981	(312)	2,586	91
	11,868	(9,933)	9,457	(81)
Total income tax expense	47,686	3,148	36,492	1,801

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Income tax expense (continued)

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 %	Group 2022 %	Group 2023 %	Group 2022 %
Reconciliation of the effective tax rate				
Standard rate of taxation	25	25	25	25
Adjusted for:				
	(18)	(34)	(22)	(23)
Exempt income: interest income, dividends	(35)	(28)	(22)	(13)
Income taxed at other than tax rate	(13)	(25)	(11)	(13)
Disallowable expenses: entertainment expenses, management fees, unrealised losses	30	19	11	3
Effective tax rate	7	(9)	3	2

The overall effective tax rate for the group is influenced by:

- OMLAC is taxed favourably in terms of a special formula as per the 8th schedule. Total expenses are disallowed and only realised gains are taxed.
- CABS is exempt from income tax in terms of the 3rd schedule of the Income tax act. The expenses are also disallowed as they are incurred to earn exempt income.
- OMZIL income is mainly fair value gains which are exempt from current tax and give rise to deferred tax liability only at 1.5%. Most of the expenses are disallowed because they are incurred to earn exempt income.

14 Earnings and dividends per share

The calculation of basic earnings per share was based on the profit attributable to ordinary equity holders of the parent divided by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares adjusted for the effects of all potentially dilutive ordinary shares. The Group had no potentially dilutive ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023	Group 2022	Group 2023	Group 2022
14.1 Basic and diluted (cents)				
Earnings per share				
Basic and diluted earnings attributable to equity holders of the parent (ZWLm)	128,406	(46,511)	261,432	26,809
	426,368	(154,438)	868,078	89,019
Number of shares used in calculations (weighted)				
Number of shares	332,046,874	332,046,874	332,046,874	332,046,874

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted audited		Historical cost unaudited	
	Company 2023 ZWLm	Company 2022 ZWLm	Company 2023 ZWLm	Company 2022 ZWLm
15 Investment income				
Dividend income				
Financial assets at fair value through profit or loss	7,039	5,026	5,702	530
Investments in subsidiaries	67,479	23,994	36,244	2,563
Interest income				
Cash and cash equivalents	793	692	200	95
Realised gains and losses				
Financial assets at fair value through profit or loss	23,928	7,809	9,369	1,503
Unrealised gains and losses				
Financial assets at fair value through profit or loss	456,721	813,231	1,230,405	199,148
Investment property	455,558 1,163	812,678 553	1,228,215 2,190	198,923 225
Total investment income included in profit or loss	555,960	850,752	1,281,920	203,839
16 Other income				
Management fee income	37,381	20,341	22,054	2,933
Foreign exchange gains	20,337	4,656	20,337	969
Other	1,233	149	861	19
	58,951	25,146	43,252	3,921
17 Other operating expenses				
Asset management expenses	880	654	477	80
Advertising and marketing	4,974	2,408	2,972	375
Travel and subsistence	1,465	562	872	84
Office space costs	1,586	440	1,029	86
Directors fees	1,442	452	865	62
Consultancy fees	3,724	2,701	2,235	433
Information Technology costs	2,329	1,296	1,229	212
Depreciation of property, plant and equipment	2,265	2,066	132	51
	18,665	10,579	9,811	1,383
Auditors' remuneration				
Statutory audit services	3,634	1,475	3,634	307
Staff costs				
Wages and salaries	10,133	6,141	5,591	942
Retirement obligations	360	144	210	19
Bonus and incentive remuneration	4,128	2,720	4,128	566
Social security costs	110	53	67	9
Other staff costs	3,822	2,244	2,369	352
	18,553	11,302	12,365	1,888
Other costs	8,061	4,185	4,808	538
Total other operating expenses	48,913	27,541	30,618	4,116

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted audited		Historical cost unaudited	
	Company 2023 ZWLm	Company 2022 ZWLm	Company 2023 ZWLm	Company 2022 ZWLm
18 Income tax expense				
Normal income tax				
Deferred tax	1,759	(293)	1,890	69
Current taxation	22,247	6,444	13,073	951
Total taxation charge	24,006	6,151	14,963	1,020
Reconciliation of taxation rate on profit before tax				
	%	%	%	%
Standard rate of taxation	25	25	25	25
Adjusted for:				
	(16)	(24)	(23)	(24)
Exempt income: interest income, dividends, unrealised gains	(63)	(245)	(28)	(25)
Disallowable expenses: entertainment expenses, management fees, unrealised losses	47	221	5	1
Effective tax rate	9	1	2	1

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
19 Intangible assets				
Carrying amount at beginning of year	4,152	14,767	169	208
Additions	1,936	-	861	-
Amortisation	(1,853)	(1,754)	(101)	(39)
Reclassification	-	(8,861)	-	-
Carrying amount at end of year	4,235	4,152	929	169
Cost/Valuation	29,969	27,800	1,104	242
Accumulated amortisation	(25,734)	(23,648)	(175)	(73)
Carrying amount at end of year	4,235	4,152	929	169

Intangible assets comprise of right of use of software licences.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

20 Group property and equipment

	Land & buildings ZWLm	Motor vehicles ZWLm	Computer space ZWLm	Fixtures & fittings ZWLm	Right of use asset ZWLm	Total 2023 ZWLm
20.1 Inflation Adjusted audited						
Carrying amount at beginning of year (1 January 2023)	221,656	17,607	20,053	4,580	4,671	268,567
Additions	38	12,657	26,438	1,556	1,008	41,697
Revaluation	205,938	-	-	-	-	205,938
Right of use modifications	-	-	-	-	1,465	1,465
Disposals	-	(1,084)	(231)	-	-	(1,315)
Depreciation	(4,739)	(6,775)	(11,755)	(1,622)	(1,117)	(26,008)
Foreign exchange translation	-	1,234	931	858	(311)	2,712
Carrying amount at end of year	422,893	23,639	35,436	5,372	5,716	493,056
Cost/Valuation	423,300	44,128	91,809	11,618	8,426	579,281
Accumulated depreciation	(407)	(20,489)	(56,373)	(6,246)	(2,710)	(86,225)
Carrying amount at end of year (31 December 2023)	422,893	23,639	35,436	5,372	5,716	493,056
Carrying amount at beginning of year (1 January 2022)	127,032	12,158	17,343	9,793	3,854	170,180
Additions	3,695	10,312	11,778	1,740	3,974	31,499
Revaluation surplus	107,359	-	-	-	-	107,359
Transfers to investment property	(16,430)	-	-	-	-	(16,430)
Disposals	-	-	(29)	(5,747)	(1,326)	(7,102)
Depreciation	-	(4,863)	(9,039)	(1,206)	(1,831)	(16,939)
Carrying amount at end of year	221,656	17,607	20,053	4,580	4,671	268,567
Cost/Valuation	221,656	28,804	45,267	8,088	6,497	310,312
Accumulated depreciation	-	(11,197)	(25,214)	(3,508)	(1,826)	(41,745)
Carrying amount at end of year (31 December 2022)	221,656	17,607	20,053	4,580	4,671	268,567
20.2 Historical cost Unaudited						
Carrying amount at beginning of year (1 January 2023)	46,126	1,203	1,269	232	301	49,131
Additions	22	6,091	14,506	1,164	821	22,604
Revaluation	379,493	-	-	-	-	379,493
Disposals	-	(1,188)	(287)	(143)	-	(1,618)
Right of use modifications	-	-	-	-	291	291
Depreciation	(2,834)	(1,878)	(3,248)	(698)	(558)	(9,216)
Foreign exchange differences	-	2,580	1,850	1,290	229	5,949
Carrying amount at end of year	422,807	6,808	14,090	1,845	1,084	446,634
Cost/Valuation	422,962	12,882	17,656	2,604	1,778	457,882
Accumulated depreciation	(155)	(6,074)	(3,566)	(759)	(694)	(11,238)
Carrying amount at end of year (31 December 2023)	422,807	6,808	14,090	1,845	1,084	446,634
Carrying amount at beginning of year (1 January 2022)	7,690	424	379	107	96	8,696
Additions	603	992	1,092	172	310	3,169
Revaluation surplus	41,252	-	-	-	-	41,252
Transfer to investment property	(3,419)	-	-	-	-	(3,419)
Disposals	-	(5)	(2)	(7)	(3)	(17)
Depreciation	-	(208)	(200)	(40)	(102)	(550)
Carrying amount at end of year	46,126	1,203	1,269	232	301	49,131
Cost/Valuation	46,126	1,463	1,587	293	438	49,907
Accumulated depreciation	-	(260)	(318)	(61)	(137)	(776)
Carrying amount at end of year (31 December 2022)	46,126	1,203	1,269	232	301	49,131

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Group property and equipment (continued)

The carrying amount of owner-occupied property is the fair value of property as determined annually by internal professional valuers, having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. Fair values are determined by having regard to recent market transactions for similar properties in the same location as the Group's owner-occupied property (see note 21 for owner-occupied property sensitivities).

The valuation techniques and significant unobservable inputs used in measuring the fair values of owner-occupied properties are consistent with those applied to investment properties at the reporting date.

If the revalued land and buildings had been measured under the cost model the carrying amount in the current year would have been ZWL55 million (2022: ZWL58 million).

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
21 Investment property				
Carrying amount at beginning of year	1,432,777	804,465	298,157	48,699
Additions	2,893	259	1,881	54
Disposal	-	(500)	-	(34)
Transfers in	-	16,430	-	3,419
Improvements	18,090	12,086	9,561	1,366
Gains from fair value adjustments	1,359,622	600,037	2,503,783	244,653
Carrying amount at end of year	2,813,382	1,432,777	2,813,382	298,157
Comprising:				
Leasehold property	42,957	22,230	42,957	4,626
Freehold property	2,770,425	1,410,547	2,770,425	293,531
	2,813,382	1,432,777	2,813,382	298,157
The fair value of freehold property leased to third parties under operating leases	2,221,929	1,131,283	2,221,929	235,417
Rental income from investment property	335,499	62,134	127,907	10,898
Direct operating expenses arising from rented-out investment property	(239,391)	(30,716)	(68,507)	(6,512)
	96,108	31,418	59,400	4,386

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 ZWL, on account of a stabilising local currency.
- Rentals are benchmarked in US\$ but payable in ZWL.
- ZWL rentals have a low default risk as compared to US\$ rentals.
- Softer cap rates were applied because of the valuation currency.
- 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. The approach was the same as previously adopted in December 2022.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Investment property (continued)

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 year end in measuring owner-occupied property and 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	Value ZWL	Key unobservable inputs	Interrelationship between unobservable inputs and key fair value measurement
Office, Retail and Industrial Properties Valuation approach: Income capitalisation	2,257,981	Office -Capitalisation rates: 6% to 10% (2022: 6.3% to 9.5%) -Market rentals per m ² : ZWL20,000 to ZWL65,000 (2022: ZWL3,200 to ZWL7,900) -Vacancy rates: 0% to 71%(2022: 0% to 73%) Retail -Capitalisation rates: 5% to 10%(2022: 5.2% to 10.7%) -Market rentals per m ² : ZWL11,000 to ZWL81,000(2022: ZWL1,300 to ZWL9,200) -Vacancy rates: 0% to 40%(2022: 0% to 32%) Industrial -Capitalisation rates: 6.5% to 10%(2022: 6.9% to 10.50%) -Market rentals per m ² : ZWL8,000 to ZWL19,000 (2022: ZWL800 to ZWL3,200) -Vacancy rates: 0% to 48% (2022: 0% to 62%)	The estimated fair value would increase/(decrease) if: > 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 Valuation approach: Direct comparison/ Market approach	19,975	Residential rent from ZWL1,600,000 to ZWL4,800,000 (2022: ZWL135,000 to ZWL500,000)	· The estimated fair value would increase/(decrease) if prices for comparable properties increased/ (decreased).
Land Valuation approach: Direct comparison/ Market approach	535,426	Land value per m ² : ZWL253,000 (2022: ZWL10,200)	· The estimated fair value would increase/(decrease) if prices for comparable properties increased/ (decreased).

	Inflation adjusted audited/ Historical cost unaudited 2023 ZWLm	Inflation adjusted audited 2022 ZWLm	Historical cost unaudited 2022 ZWLm
Sensitivity analysis - valuation inputs			
A 1% increase in capitalisation rates would decrease the fair value by:	(320,510)	(158,666)	(33,018)
A 1% decrease in capitalisation rates would increase the fair value by:	396,672	208,840	43,459
A 10% increase in market rentals per m ² would increase the fair value by:	262,882	138,969	28,919
A 10% decrease in market rentals per m ² would decrease the fair value by:	(262,882)	(138,969)	(28,919)
A 10% increase in average land values for land for land holdings per m ² would increase/(decrease) the fair value by:	59,840	(27,506)	(5,724)
A 10% decrease in average land values for land for land holdings per m ² would (decrease)/increase the fair value by:	(59,840)	27,506	5,724

Landholdings constitute 19% of overall property value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

22 Investment in associate

	Inflation adjusted audited	Historical cost unaudited
Number of issued ordinary preference and shares	% interest	Carrying value of shares ZWLm
		Carrying value of shares ZWL
Bright Zimbabwe Holdings (Private) Limited	45,938 40%	22,869 9,727

Old Mutual Zimbabwe Limited acquired 40% shareholding in Bright Zimbabwe Holdings (Private) Limited (Bright Zimbabwe) on 1 May 2023 and the associate is accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies in note 2. OMZIL has the right to cast 40% of the votes at the shareholder meetings of Bright Zimbabwe.

Dividends received from the associate below represent the actual amounts attributable and hence received by the Group. The other summary information that precedes the reconciliation to the Group's carrying amount represents amounts included in the IFRS financial statements of the associate, not the entity's share of these amounts, although they are adjusted to reflect fair value adjustments upon acquisition or accounting policy alignments.

The summarised financial information below represents amounts in Bright Zimbabwe's financial statements prepared in accordance with IFRS Accounting Standards.

	Inflation audited adjusted ZWLm	Historical cost unaudited ZWL
2023		
Current assets	11,189	11,189
Non-current assets	1,806	1,806
Current liabilities	(2,901)	(2,901)
Equity attributable to owners of the parent company	10,094	10,094
Revenue	17,894	12,410
Profit for the year	13,540	8,410
Other comprehensive income	1,405	1,405
Total comprehensive income	14,945	9,815
Dividends received from the associate during the year	396	296
Reconciliation of the above summarised financial information to the carrying amount of the interest in Bright Zimbabwe recognised in the consolidated financial statements:		
Net assets	10,095	10,095
Proportion of the group's ownership interest in the associate	4,038	4,038
Goodwill	17,278	4,920
Other adjustments	1,553	769
Carrying amount of the Group's interest in the associate	22,869	9,727

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

23 Deferred tax assets and liabilities

Group

Inflation adjusted - audited

2023

Deferred tax liability

Shareholders

Policyholders

Deferred tax asset

Shareholders

Aggregate deferred tax

Analysis of deferred tax

Wear and tear

Capital gains

2022

Deferred tax liability

Shareholders

Policyholders

Deferred tax asset

Shareholders

Aggregate deferred tax

Analysis of deferred tax

Wear and tear

Capital gains

Historical Cost Unaudited 2023

Deferred tax liability

Shareholders

Policyholders

Deferred tax asset

Shareholders

Aggregate deferred tax

Analysis of deferred tax

Wear and tear

Capital gains

2022

Deferred tax liability

Shareholders

Policyholders

Deferred tax asset

Shareholders

Aggregate deferred tax

Analysis of deferred tax

Wear and tear

Capital gains

	At beginning ZWLm	Charge to equity ZWLm	Income statement charge ZWLm	At end ZWLm
Deferred tax liability				
Shareholders	19,381	13,950	9,412	42,743
Policyholders	610	-	1,981	2,591
	19,991	13,950	11,393	45,334
Deferred tax asset				
Shareholders	(4,286)	-	475	(3,811)
	(4,286)	-	475	(3,811)
Aggregate deferred tax	15,705	13,950	11,868	41,523
Analysis of deferred tax				11,244
				30,279
				41,523
2022				
Deferred tax liability				
Shareholders	18,695	6,060	(5,374)	19,381
Policyholders	931	-	(321)	610
	19,626	6,060	(5,695)	19,991
Deferred tax asset				
Shareholders	(48)	-	(4,238)	(4,286)
	(48)	-	(4,238)	(4,286)
Aggregate deferred tax	19,578	6,060	(9,933)	15,705
Analysis of deferred tax				2,105
				13,600
				15,705
Historical Cost Unaudited 2023				
Deferred tax liability				
Shareholders	3,400	24,786	10,777	38,963
Policyholders	760	-	2,586	3,346
	4,160	24,786	13,363	42,309
Deferred tax asset				
Shareholders	(838)	-	(3,906)	(4,744)
	(838)	-	(3,906)	(4,744)
Aggregate deferred tax	3,322	24,786	9,457	37,565
Analysis of deferred tax				10,173
				27,392
				37,565
2022				
Deferred tax liability				
Shareholders	379	2,364	657	3,400
Policyholders	669	-	91	760
	1,048	2,364	748	4,160
Deferred tax asset				
Shareholders	(9)	-	(829)	(838)
	(9)	-	(829)	(838)
Aggregate deferred tax	1,039	2,364	(81)	3,322
Analysis of deferred tax				405
				2,917
				3,322

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
24 Loans and advances				
Concentration - gross loans and advances				
Housing	75,397	46,997	75,397	9,780
Unsecured personal loans	159,227	78,646	159,227	16,366
Commercial and industrial	849,648	508,152	849,648	105,745
Gross loans and advances	1,084,272	633,795	1,084,272	131,891
Less provision for impairment	(39,807)	(16,218)	(39,807)	(3,375)
Net loans and advances	1,044,465	617,577	1,044,465	128,516
Maturity analysis - gross and loans advances				
On demand to 3 months	158,059	83,639	158,059	17,405
3 months to 12 months	320,643	182,727	320,643	38,025
1 year to 5 years	579,516	355,151	579,516	73,906
Over 5 years	26,054	12,278	26,054	2,555
	1,084,272	633,795	1,084,272	131,891
Non performing loans	1,054	1,956	1,054	407
Analysis of past due but not impaired				
30 to 60 days past due	4,769	125	4,769	26
61 to 90 days past due	63,770	6,199	63,770	1,290
	68,539	6,324	68,539	1,316

24.1 Sectoral analysis of loans and advances

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

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
Sector				
Agriculture	365,325	243,799	365,325	50,734
Construction, transport and communication	21,508	19,842	21,508	4,129
Distribution	46,585	42,514	46,585	8,847
Financial Service	4,970	-	4,970	-
Manufacturing and Mining	186,506	89,713	186,506	18,669
Mortgages	81,857	61,577	81,857	12,814
Private/Individuals	172,192	59,607	172,192	12,404
Energy	173,930	101,135	173,930	21,046
Services	31,399	15,608	31,399	3,248
Total gross loans	1,084,272	633,795	1,084,272	131,891

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

24 Loans and advances (continued)

24.2 Impairment and credit quality analysis

2023 Inflation adjusted audited

	Subject to 12 month ECL		Subject to lifetime ECL				Total	
			Not credit impaired		Credit impaired (excluding purchased/originated)			
	Gross carrying amount ZWLm	Allowance for ECL ZWLm	Gross carrying amount ZWLm	Allowance for ECL ZWLm	Gross carrying amount ZWLm	Allowance for ECL ZWLm	Gross carrying amount ZWLm	Allowance for ECL ZWLm
As at 1 Jan 2023	301,446	(2,071)	35,277	(13,066)	2,052	(1,081)	338,775	(16,218)
	7,298,840	(42,250)	644,187	(136,978)	184,264	(113,329)	8,127,291	(292,557)
Originations, purchases and interest accruals	7,086,011	(35,218)	187,430	(23,343)	46,567	(73,848)	7,320,008	(132,409)
Transfer to 12 month ECL	272,929	(7,144)	416,334	(48,131)	118,020	(2,347)	807,283	(57,622)
Transfer to lifetime ECL (not credit impaired)	8,875	(305)	(8,806)	5,441	(69)	34	-	5,170
Transfer to lifetime ECL (credit impaired)	(52,231)	340	52,275	(69,137)	(44)	21	-	(68,776)
Changes to model & risk parameters used for ECL calculation	(16,744)	77	(3,046)	(1,808)	19,790	(37,189)	-	(38,920)
Inflation adjustment	(6,931,794)	38,449	(285,298)	129,246	(164,702)	101,273	(7,381,794)	268,968
As at 31 Dec 2023	668,492	(5,872)	394,166	(20,798)	21,614	(13,137)	1,084,272	(39,807)

2022 Inflation adjusted audited

	Subject to 12 month ECL		Subject to lifetime ECL				Total	
			Not credit impaired		Credit impaired (excluding purchased/originated)			
	Gross carrying amount ZWLm	Allowance for ECL ZWLm	Gross carrying amount ZWLm	Allowance for ECL ZWLm	Gross carrying amount ZWLm	Allowance for ECL ZWLm	Gross carrying amount ZWLm	Allowance for ECL ZWLm
As at 1 Jan 2022	462,190	(21,211)	17,592	(2,955)	1,072	(529)	480,854	(24,695)
	462,012	4,099	30,158	(12,206)	1,739	(927)	493,909	(9,034)
Originations, purchases and interest accruals	464,571	1,859	23,959	(1,509)	976	(135)	489,506	215
Repayments & other derecognitions, excl write-offs	721	(19)	(706)	283	(15)	11	-	275
Transfer to 12 month ECL	(6,934)	644	6,972	(5,795)	(38)	19	-	(5,132)
Transfer to lifetime ECL (not credit impaired)	(749)	(34)	(67)	29	816	(649)	-	(654)
Transfer to lifetime ECL (credit impaired)	4,403	1,649	-	(5,214)	-	(173)	4,403	(3,738)
Inflation adjustment	(327,736)	15,041	(12,473)	2,095	(759)	375	(340,968)	17,511
As at 31 Dec 2022	596,466	(2,071)	35,277	(13,066)	2,052	(1,081)	633,795	(16,218)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Loans and advances (continued)

24.2 Impairment and credit quality analysis (continued)

2023 Historical cost unaudited

	Subject to 12 month ECL		Subject to lifetime ECL				Total	
			Not credit impaired		Credit impaired (excluding purchased/originated)			
	Gross carrying amount ZWLm	Allowance for ECL ZWLm	Gross carrying amount ZWLm	Allowance for ECL ZWLm	Gross carrying amount ZWLm	Allowance for ECL ZWLm	Gross carrying amount ZWLm	Allowance for ECL ZWLm
As at 1 January 2023	124,123	(431)	7,341	(2,719)	427	(225)	131,891	(3,375)
	836,403	(4,432)	94,864	(18,978)	21,114	(13,022)	952,381	(36,432)
Originations, purchases and interest accruals	812,016	(4,035)	42,526	(2,675)	5,336	(8,462)	859,878	(15,172)
Repayments & other derecognitions, excl write-offs	31,274	(819)	47,706	(5,515)	13,523	(269)	92,503	(6,603)
Transfer to 12 month ECL	1,017	(35)	(1,009)	623	(8)	4	-	592
Transfer to lifetime ECL (not credit impaired)	(5,985)	39	5,990	(7,922)	(5)	2	-	(7,881)
Transfer to lifetime ECL (credit impaired)	(1,919)	9	(349)	77	2,268	(4,261)	-	(4,175)
Changes to model & risk parameters used for ECL calculation	-	409	-	(3,566)	-	(36)	-	(3,193)
As at 31 Dec 2023	960,526	(4,863)	102,205	(21,697)	21,541	(13,247)	1,084,272	(39,807)

2022 Historical cost unaudited

	Subject to 12 month ECL		Subject to lifetime ECL				Total	
			Not credit impaired		Credit impaired (excluding purchased/originated)			
	Gross carrying amount ZWLm	Allowance for ECL ZWLm	Gross carrying amount ZWLm	Allowance for ECL ZWLm	Gross carrying amount ZWLm	Allowance for ECL ZWLm	Gross carrying amount ZWLm	Allowance for ECL ZWLm
As at 1 Jan 2022	27,979	(1,284)	1,065	(179)	65	(32)	29,109	(1,495)
	96,144	853	6,276	(2,540)	362	(193)	102,782	(1,880)
Originations, purchases and interest accruals	96,676	387	4,986	(314)	204	(28)	101,866	45
Repayments & other derecognitions, excl write-offs	150	(4)	(147)	59	(3)	2	-	57
Transfer to 12 month ECL	(1,443)	134	1,451	(1,206)	(8)	4	-	(1,068)
Transfer to lifetime ECL (not credit impaired)	(155)	(7)	(14)	6	169	(135)	-	(136)
Transfer to lifetime ECL (credit impaired)	916	343	-	(1,085)	-	(36)	916	(778)
As at 31 Dec 2022	124,123	(431)	7,341	(2,719)	427	(225)	131,891	(3,375)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
25 Investments and securities				
25.1 Analysis of investments				
Equity securities				
- listed	2,076,632	1,113,734	2,076,632	231,765
-unlisted	651,607	305,943	651,607	63,666
Total equities (note 25.3)	2,728,239	1,419,677	2,728,239	295,431
Unit trust investments	5,071	49,371	5,071	10,274
Public sector securities	7,163	-	7,163	-
Debentures	203,491	-	203,491	-
Treasury bills (see note 25.6 below)	278,532	137,806	278,532	28,677
Deposits and money market securities	302,119	25,916	302,119	5,393
	3,524,615	1,632,770	3,524,615	339,775
25.2 Impairment on Treasury bills, Deposits and money market securities				
12-month ECL not credit impaired				
Loss allowance analysis				
Loss allowance on 1 January	(96)	(399)	(24)	(24)
New investment securities- purchased	(13,045)	(115)	(13,045)	(24)
Investment securities that have matured	-	115	-	24
Inflation adjustment	72	303	-	-
Balance as at 31 December	(13,069)	(96)	(13,069)	(24)

There were no investment and securities subject to Lifetime ECL.

	Inflation adjusted audited		Historical cost unaudited	
	2023 ZWLm	Group 2022 ZWLm	2023 ZWLm	Group 2022 ZWLm
25.3 Spread of equity securities by sector				
Commodities	473,643	75,397	473,643	15,690
Communications	94,170	57,598	94,170	11,986
Consumer	1,116,119	798,187	1,116,119	166,101
Financial	680,092	307,906	680,092	64,074
Property	198,901	48,254	198,901	10,042
Manufacturing	135,393	124,780	135,393	25,966
Mining	29,921	7,555	29,921	1,572
	2,728,239	1,419,677	2,728,239	295,431
25.4 Movements of investment and securities				
Opening balance	1,632,770	2,324,980	339,775	140,745
Fair value movements through profit or loss	1,202,890	(510,790)	2,412,653	176,654
Additions	1,101,305	173,485	999,923	58,179
Disposals	(57,906)	(45,166)	(19,930)	(4,308)
Maturities	(354,445)	(309,739)	(207,806)	(31,495)
Closing balances	3,524,615	1,632,770	3,524,615	339,775

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

25 Investments and securities (continued)

25.5 Investment in unlisted equities above 20% shareholding

Investee	2023		2022	2022
	Inflation adjusted/ Historical % holding	Value ZWLm	Inflation adjusted ZWLm	Historical Cost ZWLm
Takura Fund II (Limited Partner) "B Shares" (held by Shareholders and OMLAC Main Fund)	40%	149,331	77,483	16,124
Great Zimbabwe Hydro (held by OMLAC Main Fund)	31%	4,816	3,393	706
Lobel's Holdings Limited (held by OMLAC Main Fund)	49%	78,971	17,549	3,652
Manica Boards and Doors (MBD) (held by OMLAC Main Fund)	55%	24,428	18,371	3,823
Kupinga Renewable Energy (held by OMLAC Main Fund)	40%	5,443	3,921	816
Closefin (Held by OMLAC Main Fund)	21%	7,561	3,964	825
Plaza Bakery (held by OMLAC Main Fund)	49%	3,311	62	13
Zimcampus preference shares (held by OMLAC Main Fund and OMLAC Special Fund)	29%	41,818	22,249	4,630
Solgas ordinary shares (held by OMLAC Main Fund)	49%	227	4,397	915
Richaw Solar Tech ordinary shares (held by OMLAC Main Fund)	49%	3,559	14	3
Takura Fund III (Limited Partner) "D Shares" (held by Shareholders and OMLAC Main Fund)	74%	109,777	79,818	16,610
Southern Property (Private) Limited (held by OMLAC Main Fund)	20%	3,147	3,042	633
Tenpill (held by Shareholders and OMLAC Main Fund)	48%	64,473	32,898	6,846
Nedbank Zimbabwe (held by Shareholders)	23%	33,963	12,047	2,507
Centagrid (held by OMLAC Main Fund)	26%	14,158	9,851	2,050
East and Southern Africa Trade (held by OMLAC Multimanager Fund, OMLAC Market Linked Fund and OMLAC Main Fund)	23%	-	12,581	2,618
Glytime Foods (held by OMLAC Main Fund)	45%	10,126	-	-
		555,109	301,640	62,771

The above investments in which the Group holds more than 20% have been accounted for at fair value under IFRS 9 rather than as investment in associates under IAS 28 as these investments, with the exception of the investment in Nedbank Zimbabwe, back investment contracts with discretionary participating features and investment contracts.

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 management 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

25 Investments and securities (continued)

25.5 Investment in unlisted equities above 20% shareholding (continued)

Investee	Nature of business activities
Takura Fund II (Limited Partner)	Private equity funds with diversified investments
Great Zimbabwe Hydro	5MW grid tied hydro power plant located in Masvingo (under construction)
Lobel's Holdings	Bread and confectionary manufacturer
Manica Boards and Doors (MBD)	Manufactures fibreboard and doors for local and export market
Kupinga Renewable Energy	1.6MW runoff river grid tied hydro power plant located in Chipinge
Closefin	A special purpose vehicle invested in TSL, an agriculture conglomerate
Plaza Bakery	Bread and confectionary manufacturer located in Kwekwe.
Zimcampus	Mixed use students' accommodation complex
Solgas	5MW grid connected PV solar plant located in Hwange (operating)
Richaw Solar Tech	5MW grid connected PV solar plant located in Gwanda (under construction)
Takura Fund III (Limited Partner)	Private equity funds with diversified investments
Southern Property	A multi-purpose warehouse facility for the handling and storage of tobacco
Tenpill	5 star tourism facility located on the banks of the Zambezi River- Victoria Falls
Nedbank Zimbabwe	Banking services and products
Centagrid	25MW grid connected PV solar plant located in Nyabira
Glytime Foods	Foods manufacturing company which focus on manufacturing and distributing health-oriented cereals and snack products for both local and export markets

The above investees are all domiciled and operate in Zimbabwe. The Group has invested in these entities for the purpose of earning returns in the form of capital appreciation and dividends.

All the above investments, with the exception of Nedbank Zimbabwe were made out of policyholder funds.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
25 Investments and securities (continued)				
25.6 Treasury bills maturity analysis				
On demand to 3 months	105,594	125,384	105,594	26,092
3 months to 12 months	155,258	12,422	155,258	2,585
1 year to five years	17,680	-	17,680	-
Total	278,532	137,806	278,532	28,677

In the absence of an active bond market and formal auction for government securities, treasury bills fair value computations have become a matter of significant judgement in the Zimbabwean market. Treasury bills which in other markets provide guidance to fixed income investors through a yield curve are currently being issued through private placements while in the secondary market the same paper is trading at heterogeneous yields. Given the challenges mentioned above, a number of factors had to be considered in coming up with what would be considered fair discount rates for the treasury bills designated at fair value as disclosed in the table below:

Type of asset	Key inputs	Range
Treasury bills	<ul style="list-style-type: none"> Interest/coupon rates of recent bond issues Money market rates and direction Inflation expectations (especially for instruments above 5 years) Bonds of similar characteristics (coupon rate and maturity date) were treated as the same security and a single discount rate was applied 	80% - 110% 80% - 120% 5.5% - > 100%

	Actual reported 31 Dec 2023	+/- 20% stock movement	+/- 50% stock movement	+/- 75% stock movement
25.7 Sensitivity analysis - Listed Equities				
Equities - after increase	2,076,632	2,491,958	3,114,948	3,634,106
Equities - after decrease	2,076,632	1,661,306	1,038,316	519,158
Increase or decrease in fair value movement	-	415,326	1,038,316	1,557,474
Impact on profit and net asset value	-	97,602	244,004	366,006

The Group has significant holdings in equities, consequently movements in the market index will have a significant impact on reported profits for the year. Refer to the subsequent events note 65.

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
26 Other receivables				
Accrued investment income	4,947	9,702	4,947	2,019
Agent debtors and prepayments	133,345	41,260	127,914	8,278
Inventory - Capitalised project costs (see note 26.1 below)	13,698	15,887	368	375
Banking settlement and other clearing accounts	214,340	39,558	214,340	8,232
RBZ legacy debt (see note 26.2 below)	200,992	242,882	200,992	50,543
Trade debtors	13,454	18,280	13,454	3,804
Tenant debtors	36,779	2,255	36,779	470
Other non-financial assets	42,168	21,149	42,168	4,401
Gold coins	4,718	1,543	4,718	321
Other*	89,193	5,418	45,327	1,127
	753,634	397,934	691,007	79,570
26.1 Inventory - Capitalised project costs				
Opening balance	15,887	17,511	375	36
Additions	-	(1,610)	-	341
Cost of Sales	(2,161)	(14)	(1)	(2)
Write down	(28)	-	(6)	-
	13,698	15,887	368	375
26.2 RBZ Legacy Debt				
Principal Amount	89	428	89	89
Fair value gain	200,903	242,454	200,903	50,454
Gross amount receivable	200,992	242,882	200,992	50,543

*Other receivables comprise of non-trading receivables which include staff loans and penalties on late payments receivables for the lending business.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

26 Other receivables (continued)

26.2 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/102 of 2019 which directed authorised dealers to transfer to the RBZ, Zimbabwe Dollar balances at an exchange rate of ZWL: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 10.64% discount rate. The State through the Ministry of Finance and Economic Development, subsequently assumed responsibility for the discharge of the debt.

Legacy Debts registration process

	2023	2022
	Approved USDm	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	(25)	(22)
	86	89

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

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 financial instrument 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.

As reported in the previous financial year, the Group is in discussions with the Ministry of Finance and Economic Development around the final resolution of the issue regarding the outstanding amounts. As at the time of reporting no settlement had been finalised with the Ministry of Finance and Economic Development. The Group revised the carrying value of the legacy debt receivable in 2023 based on market indications around the expected maturity dates of debt instruments being issued by the Government to other counterparties in similar circumstances.

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
26.2.1 Impairment of legacy debt receivable				
Impairment	(319,345)	(43,273)	(319,345)	(9,005)

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
27 Cash and cash equivalents				
Cash at bank and on hand	890,119	460,491	890,119	95,827

The Group tested for impairment on cash and cash equivalents, considering forward looking information and credit risk of counterparties, and concluded that the risk was low and impairment was not material.

28 Insurance and reinsurance contracts

	31 Dec 2023		31 Dec 2022		31 Dec 2021	
	Assets ZWLm	Liabilities ZWLm	Assets ZWLm	Liabilities ZWLm	Assets ZWLm	Liabilities ZWLm
Inflation Adjusted Audited						
Insurance contracts						
Total life and guaranteed savings:	-	4,763,842	-	2,428,284	-	2,307,922
Life Risk and Annuities	-	67,964	-	28,267	-	35,796
Life Savings	-	4,695,878	-	2,400,017	-	2,272,126
Property and casualty	-	101,993	-	27,274	-	3,424
Total insurance contracts	-	4,865,835	-	2,455,558	-	2,311,346
Reinsurance contracts						
Total life and guaranteed savings:	205	13	1,554	34	3,764	5
Life Risk and Annuities	205	13	1,554	34	3,764	5
Life Savings	-	-	-	-	-	-
Property and casualty	19,783	-	18,645	-	1,579	-
Total reinsurance contracts	19,988	13	20,199	34	5,343	5
Historical Cost Unaudited						
Insurance contracts						
Total life and guaranteed savings:	-	4,763,842	-	505,307	-	139,713
Life Risk and Annuities	-	67,964	-	5,882	-	2,167
Life Savings	-	4,695,878	-	499,425	-	137,546
Property and casualty	-	101,993	-	5,688	-	713
Total insurance contracts	-	4,865,835	-	510,995	-	140,426
Reinsurance contracts						
Total life and guaranteed savings:	205	13	323	7	228	2
Life Risk and Annuities	205	13	323	7	228	2
Life Savings	-	-	-	-	-	-
Property and casualty	19,783	-	2,838	-	667	-
Total reinsurance contracts	19,988	13	3,161	7	895	2

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.1 Movements in the carrying amounts of Insurance and reinsurance contracts

The following reconciliations show how the net carrying amounts of insurance and reinsurance in each line of business changed during the year as a result of cash flows and amounts recognised in the income statement.

For each line of business, the Group presents a table that separately analyses movements in the liability for remaining coverage and movement in the liability for incurred claims and reconciles these movements to the line items in the income statement.

A second reconciliation is presented for contracts not measured under the PAA, which separately analyses changes in the estimates for the present value of future cash flows, the risk adjustment for non-financial risk and the CSM.

The estimates of the present value of the future cash flows from insurance and reinsurance assets represents the Group's maximum exposure to credit risk from these assets.

28.2 Insurance contracts: Life risk and annuities

a (i) Analysis by remaining coverage and incurred claims

2023 Inflation Adjusted Audited

	Liability for remaining coverage		Liabilities for incurred claims			Total ZWLm
	Excluding component loss ZWLm	Loss component ZWLm	Contracts not under PAA ZWLm	Contracts under PAA		
				Estimates of present value of future cash flows ZWLm	Risk-adjustment for non-financial risk ZWLm	
Net opening balance (insurance contracts)						
Opening insurance assets	(17,050)	-	(25,950)	-	-	(43,000)
Opening insurance liabilities	-	56,716	-	14,384	167	71,267
	(17,050)	56,716	(25,950)	14,384	167	28,267
Changes in profit or loss						
Insurance revenue:	(69,733)	-	-	-	-	(69,733)
Contracts under the modified retrospective approach	-	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-	-
Other contracts	(69,733)	-	-	-	-	(69,733)
Insurance service expenses:	304	27,789	8,838	41,924	182	79,037
Incurred claims and other insurance service expenses	-	(538)	8,838	51,088	-	59,388
Amortisation of insurance acquisition cash flows	304	-	-	-	-	304
Losses and reversal of losses on onerous contracts	-	28,327	-	-	-	28,327
Adjustments to liabilities for incurred claims	-	-	-	(9,164)	182	(8,982)
Insurance service result	(69,429)	27,789	8,838	41,924	182	9,304
Insurance finance income	16,638	-	-	-	-	16,638
Total changes in profit or loss	(52,791)	27,789	8,838	41,924	182	25,942
Cash flows						
Premiums received	64,797	-	-	-	-	64,797
Insurance acquisition cash flows paid	(1,379)	-	-	-	-	(1,379)
Insurance claims paid, including investment components	-	-	1,527	(15,848)	-	(14,321)
Other expenses paid	-	-	(8,104)	(13,413)	-	(21,517)
Total cash flows (insurance contracts)	63,418	-	(6,577)	(29,261)	-	27,580
Foreign currency exchange differences and other	9,613	(45,813)	25,292	(2,916)	(1)	(13,825)
Net closing balance (insurance contracts)	3,190	38,692	1,603	24,131	348	67,964
Closing insurance assets	-	-	-	-	-	-
Closing insurance liabilities	3,190	38,692	1,603	24,131	348	67,964
Net closing balance (insurance contracts)	3,190	38,692	1,603	24,131	348	67,964

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life risk and annuities (continued)

a (i) Analysis by remaining coverage and incurred claims

	2022 Inflation Adjusted Audited					
	Liability for remaining coverage		Liabilities for incurred claims			Total ZWLm
	Excluding component loss ZWLm	Loss component ZWLm	Contracts not under PAA ZWLm	Contracts under PAA		
Estimates of present value of future cash flows ZWLm				Risk-adjustment for non-financial risk ZWLm		
Net opening balance (insurance contracts)						
Opening insurance assets	-	(24,613)	-	-	-	(24,613)
Opening insurance liabilities	48,628	-	-	11,561	220	60,409
	48,628	(24,613)	-	11,561	220	35,796
Changes in profit or loss						
Insurance revenue:	(12,204)	-	-	-	-	(12,204)
Contracts under the modified retrospective approach	-	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-	-
Other contracts	(12,204)	-	-	-	-	(12,204)
Insurance service expenses:	1,024	78,519	(17,337)	(8,266)	-	53,940
Incurred claims and other insurance service expenses	-	26,028	(17,337)	-	-	8,691
Amortisation of insurance acquisition cash flows	1,024	-	-	-	-	1,024
Losses and reversal of losses on onerous contracts	-	52,491	-	-	-	52,491
Adjustments to liabilities for incurred claims	-	-	-	(8,266)	-	(8,266)
Insurance service result	(11,180)	78,519	(17,337)	(8,266)	-	41,736
Insurance finance income	(34,069)	-	-	-	-	(34,069)
Total changes in profit or loss	(45,249)	78,519	(17,337)	(8,266)	-	7,667
Cash flows						
Premiums received	29,138	-	-	-	-	29,138
Insurance acquisition cash flows paid	(998)	-	-	-	-	(998)
Insurance claims paid, including investment components	-	-	(558)	(8,619)	-	(9,177)
Other expenses paid	-	-	(2,435)	(8,861)	-	(11,296)
Total cash flows (insurance contracts)	28,140	-	(2,993)	(17,480)	-	7,667
Foreign currency exchange differences and other	(48,569)	2,810	(5,620)	28,569	(53)	(22,863)
Net closing balance (insurance contracts)	(17,050)	56,716	(25,950)	14,384	167	28,267
Closing insurance assets	(17,050)	-	(25,950)	-	-	(43,000)
Closing insurance liabilities	-	56,716	-	14,384	167	71,267
Net closing balance (insurance contracts)	(17,050)	56,716	(25,950)	14,384	167	28,267

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life risk and annuities (continued)

a (ii) Analysis by measurement component – contracts not measured under the PAA

2023 Inflation Adjusted Audited

	Estimates of present value of future cash flows ZWLm	Risk adjustment for non-financial risk ZWLm	Contracts under modified retrospective approach ZWLm	Contractual service margin		Total ZWLm
				Contracts under fair value approach ZWLm	Other contracts ZWLm	
Net opening balance (insurance contracts)						
Opening insurance assets	-	-	-	-	-	-
Opening insurance liabilities	48,265	1,147	-	-	-	49,412
	48,265	1,147	-	-	-	49,412
Changes in profit or loss						
Changes that relate to current services	13,520	(133)	-	-	-	13,387
CSM recognised for services provided	-	-	-	-	-	-
Release of risk adjustment for the risk expired	-	406	-	-	-	406
Experience adjustments	13,520	(539)	-	-	-	12,981
	117,004	5,589	-	-	-	122,593
Changes that relate to future services						
Contracts initially recognised in the year	6	4	-	-	-	10
Changes in estimates that adjust the CSM	16	-	-	-	-	16
Changes in estimates that result in losses and reversal of losses on onerous contracts	116,982	5,585	-	-	-	122,567
	130,524	5,456	-	-	-	135,980
Insurance service result						
Insurance finance (expense)/income	(17,832)	1,195	-	-	-	(16,637)
	112,692	6,651	-	-	-	119,343
Cash flows						
Premiums received	4,556	-	-	-	-	4,556
Insurance acquisition cash flows paid	(364)	-	-	-	-	(364)
Insurance claims paid, including investment components	(1,527)	-	-	-	-	(1,527)
Other expenses paid	(8,101)	-	-	-	-	(8,101)
	(5,436)	-	-	-	-	(5,436)
Foreign currency exchange differences and other	(115,689)	(6,345)	-	-	-	(122,034)
Net closing balance (insurance contracts)	39,832	1,453	-	-	-	41,285
Closing insurance assets	-	-	-	-	-	-
Closing insurance liabilities	39,832	1,453	-	-	-	41,285
Net closing balance (insurance contracts)	39,832	1,453	-	-	-	41,285

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life risk and annuities (continued)

a (ii) Analysis by measurement component – contracts not measured under the PAA

2022 Inflation Adjusted Audited

	Estimates of present value of future cash flows ZWLm	Risk adjustment for non-financial risk ZWLm	Contracts under modified retrospective approach ZWLm	Contractual service margin		Total ZWLm
				Contracts under fair value approach ZWLm	Other contracts ZWLm	
Net opening balance (insurance contracts)						
Opening insurance assets	-	-	-	-	-	-
Opening insurance liabilities	5,734	270	-	3,076	-	9,080
	5,734	270	-	3,076	-	9,080
Changes in profit or loss						
Changes that relate to current services	1,348	(138)	-	-	-	1,210
CSM recognised for services provided	-	-	-	-	-	-
Release of risk adjustment for the risk expired	-	803	-	-	-	803
Experience adjustments	1,348	(941)	-	-	-	407
	47,932	2,439	-	(1,669)	(14)	48,688
Changes that relate to future services						
Contracts initially recognised in the year	(77)	5	-	-	82	10
Changes in estimates that adjust the CSM	1,679	87	-	(1,669)	(96)	1
Changes in estimates that result in losses and reversal of losses on onerous contracts	46,330	2,347	-	-	-	48,677
Changes that relate to past services						
Adjustment to liabilities for incurred claims	164,612	8,379	-	(5,736)	(56)	167,199
	213,892	10,680	-	(7,405)	(70)	217,097
Insurance service result						
Insurance finance income/(expense)	38,717	(7,364)	-	2,660	56	34,069
	252,609	3,316	-	(4,745)	(14)	251,166
Cash flows						
Premiums received	(3,021)	-	-	-	-	(3,021)
Insurance acquisition cash flows paid	(14)	-	-	-	-	(14)
Insurance claims paid, including investment components	(558)	-	-	-	-	(558)
Other expenses paid	(2,435)	-	-	-	-	(2,435)
	(6,028)	-	-	-	-	(6,028)
Total cash flows (insurance contracts)						
Foreign currency exchange differences and other	(204,050)	(2,439)	-	1,669	14	(204,806)
	48,265	1,147	-	-	-	49,412
Net closing balance (insurance contracts)						
Closing insurance assets	-	-	-	-	-	-
Closing insurance liabilities	48,265	1,147	-	-	-	49,412
	48,265	1,147	-	-	-	49,412

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life risk and annuities (continued)

a (i) Analysis by remaining coverage and incurred claims

2023 Historical Cost Unaudited

	Liability for remaining coverage		Liabilities for incurred claims			Total ZWLm
	Excluding component loss ZWLm	Loss component ZWLm	Contracts not under PAA ZWLm	Contracts under PAA		
				Estimates of present value of future cashflows ZWLm	Risk-adjustment for non-financial risk ZWLm	
Net opening balance (insurance contracts)						
Opening insurance assets	(2,940)	-	-	-	-	(2,940)
Opening insurance liabilities	-	6,386	15	2,387	34	8,822
	(2,940)	6,386	15	2,387	34	5,882
Changes in profit or loss						
Insurance revenue:	(38,291)	-	-	-	-	(38,291)
Contracts under the modified retrospective approach	-	-	-	-	-	-
Contracts under the fair value approach	(1,471)	-	-	-	-	(1,471)
Other contracts	(36,820)	-	-	-	-	(36,820)
Insurance service expenses:	116	27,312	5,347	37,407	314	70,496
Incurred claims and other insurance service expenses	-	(538)	5,347	38,561	-	43,370
Amortisation of insurance acquisition cash flows	116	-	-	-	-	116
Losses and reversal of losses on onerous contracts	-	27,850	-	-	-	27,850
Adjustments to liabilities for incurred claims	-	-	-	(1,154)	314	(840)
Insurance service result	(38,175)	27,312	5,347	37,407	314	32,205
Insurance finance income/(expense)	4,689	4,994	-	-	-	9,683
Total changes in profit or loss	(33,486)	32,306	5,347	37,407	314	41,888
Cash flows						
Premiums received	40,450	-	-	-	-	40,450
Insurance acquisition cash flows paid	(834)	-	-	-	-	(834)
Insurance claims paid, including investment components	-	-	1,580	(8,744)	-	(7,164)
Other expenses paid	-	-	(5,339)	(6,919)	-	(12,258)
Total cash flows (insurance contracts)	39,616	-	(3,759)	(15,663)	-	20,194
Net closing balance (insurance contracts)	3,190	38,692	1,603	24,131	348	67,964
Closing insurance assets	-	-	-	-	-	-
Closing insurance liabilities	3,190	38,692	1,603	24,131	348	67,964
Net closing balance (insurance contracts)	3,190	38,692	1,603	24,131	348	67,964

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life risk and annuities (continued)

a (i) Analysis by remaining coverage and incurred claims

2022 Historical Cost Unaudited

	Liability for remaining coverage		Liabilities for incurred claims			Total ZWLm
	Excluding component loss ZWLm	Loss component ZWLm	Contracts not under PAA ZWLm	Contracts under PAA		
				Estimates of present value of future cashflows ZWLm	Risk-adjustment for non-financial risk ZWLm	
Net opening balance (insurance contracts)						
Opening insurance assets	-	(1,490)	-	-	-	(1,490)
Opening insurance liabilities	2,944	-	-	700	13	3,657
	2,944	(1,490)	-	700	13	2,167
Changes in profit or loss						
Insurance revenue:	(382)	-	-	-	-	(382)
Contracts under the modified retrospective approach	-	-	-	-	-	-
Contracts under the fair value approach	3,771	-	-	-	-	3,771
Other contracts	(4,153)	-	-	-	-	(4,153)
Insurance service expenses:	156	7,876	311	3,943	21	12,307
Incurred claims and other insurance service expenses	-	(4,270)	311	4,456	-	497
Amortisation of insurance acquisition cash flows	157	-	-	-	-	157
Losses and reversal of losses on onerous contracts	(1)	12,146	-	-	-	12,145
Adjustments to liabilities for incurred claims	-	-	-	(513)	21	(492)
Insurance service result	(226)	7,876	311	3,943	21	11,925
Insurance finance income/(expense)	(7,822)	-	-	-	-	(7,822)
Total changes in profit or loss	(8,048)	7,876	311	3,943	21	4,103
Cash flows						
Premiums received	2,321	-	-	-	-	2,321
Insurance acquisition cash flows paid	(157)	-	-	-	-	(157)
Insurance claims paid, including investment components	-	-	(36)	(955)	-	(991)
Other expenses paid	-	-	(260)	(1,301)	-	(1,561)
Total cash flows (insurance contracts)	2,164	-	(296)	(2,256)	-	(388)
Net closing balance (insurance contracts)	(2,940)	6,386	15	2,387	34	5,882
Closing insurance assets	(2,940)	-	-	-	-	(2,940)
Closing insurance liabilities	-	6,386	15	2,387	34	8,822
Net closing balance (insurance contracts)	(2,940)	6,386	15	2,387	34	5,882

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life risk and annuities (continued)

a (ii) Analysis by measurement component – contracts not measured under the PAA

2023 Historical Cost Unaudited

	Estimates of present value of future cash flows ZWLm	Risk adjustment for non-financial risk ZWLm	Contracts under modified retrospective approach ZWLm	Contracts under PAA		Total ZWLm
				Contracts under fair value approach ZWLm	Other contracts ZWLm	
Net opening balance (insurance contracts)						
Opening insurance assets	-	-	-	-	-	-
Opening insurance liabilities	2,921	69	-	-	-	2,990
	2,921	69	-	-	-	2,990
Changes in profit or loss						
Changes that relate to current services	2,813	(28)	-	-	-	2,785
CSM recognised for services provided	-	-	-	-	-	-
Release of risk adjustment for the risk expired	-	510	-	-	-	510
Experience adjustments	2,813	(538)	-	-	-	2,275
	24,349	1,163	-	-	-	25,512
Changes that relate to future services						
Contracts initially recognised in the year	6	4	-	-	16	26
Changes in estimates that adjust the CSM	16	-	-	-	(16)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	24,327	1,159	-	-	-	25,486
	27,162	1,135	-	-	-	28,297
Insurance service result						
Insurance finance income/(expense)	9,434	249	-	-	-	9,683
	36,596	1,384	-	-	-	37,980
Cash flows						
Premiums received	4,351	-	-	-	-	4,351
Insurance acquisition cash flows paid	(279)	-	-	-	-	(279)
Insurance claims paid, including investment components	1,580	-	-	-	-	1,580
Other expenses paid	(5,337)	-	-	-	-	(5,337)
	315	-	-	-	-	315
Net closing balance (insurance contracts)	39,832	1,453	-	-	-	41,285
Closing insurance assets	-	-	-	-	-	-
Closing insurance liabilities	39,832	1,453	-	-	-	41,285
Net closing balance (insurance contracts)	39,832	1,453	-	-	-	41,285

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life risk and annuities (continued)

a (ii) Analysis by measurement component – contracts not measured under the PAA

2022 Historical Cost Unaudited

	Estimates of present value of future cash flows ZWLm	Risk adjustment for non-financial risk ZWLm	Contracts under modified retrospective approach ZWLm	Contracts under PAA		Total ZWLm
				Contracts under fair value approach ZWLm	Other contracts ZWLm	
Net opening balance (insurance contracts)						
Opening insurance assets	-	-	-	-	-	-
Opening insurance liabilities	347	16	-	186	-	549
	347	16	-	186	-	549
Changes in profit or loss						
Changes that relate to current services	82	(8)	-	-	-	74
CSM recognised for services provided	-	-	-	-	-	-
Release of risk adjustment for the risk expired	-	167	-	-	-	167
Experience adjustments	82	(175)	-	-	-	(93)
Changes that relate to future services	9,965	507	-	(347)	(3)	10,122
Contracts initially recognised in the year	(16)	1	-	-	17	2
Changes in estimates that adjust the CSM	349	18	-	(347)	(20)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	9,632	488	-	-	-	10,120
Insurance service result	10,047	499	-	(347)	(3)	10,196
Insurance finance income/(expense)	(7,541)	(446)	-	161	3	(7,823)
Total changes in profit or loss	2,506	53	-	(186)	-	2,373
Cash flows						
Premiums received	366	-	-	-	-	366
Insurance acquisition cash flows paid	(2)	-	-	-	-	(2)
Insurance claims paid, including investment components	(36)	-	-	-	-	(36)
Other expenses paid	(260)	-	-	-	-	(260)
Total cash flows (insurance contracts)	68	-	-	-	-	68
Net closing balance (insurance contracts)	2,921	69	-	-	-	2,990
Closing insurance assets	-	-	-	-	-	-
Closing insurance liabilities	2,921	69	-	-	-	2,990
Net closing balance (insurance contracts)	2,921	69	-	-	-	2,990

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life savings (continued)

b (i) Analysis by remaining coverage and incurred claims

2023 Inflation Adjusted Audited

	Liability for remaining coverage		Liabilities for incurred claims	Total ZWLm
	Excluding component loss ZWLm	Loss component ZWLm	Contracts not under PAA ZWLm	
Net opening balance (insurance contracts)				
Opening insurance assets	-	-	(88,540)	(88,540)
Opening insurance liabilities	2,460,783	27,774	-	2,488,557
	2,460,783	27,774	(88,540)	2,400,017
Changes in profit or loss				
Insurance revenue:	(29,623)	-	-	(29,623)
Contracts under the modified retrospective approach	-	-	-	-
Contracts under the fair value approach	(29,031)	-	-	(29,031)
Other contracts	(592)	-	-	(592)
	-	(12,476)	129,545	117,069
Insurance service expenses:				
Incurred claims and other insurance service expenses	-	-	129,545	129,545
Amortisation of insurance acquisition cash flows	-	-	-	-
Losses and reversal of losses on onerous contracts	-	(12,476)	-	(12,476)
Adjustments to liabilities for incurred claims	-	-	-	-
	(29,623)	(12,476)	129,545	87,446
Insurance service result	(29,623)	(12,476)	129,545	87,446
Insurance finance income/(expense)	1,937,978	-	-	1,937,978
	1,908,355	(12,476)	129,545	2,025,424
Total changes in profit or loss	1,908,355	(12,476)	129,545	2,025,424
Investment components	172,740	-	(172,740)	-
Cash flows				
Premiums received	233,588	-	-	233,588
Insurance acquisition cash flows paid	(68)	-	-	(68)
Insurance claims paid, including investment components	-	-	(173,424)	(173,424)
Other expenses paid	-	-	(129,545)	(129,545)
	233,520	-	(302,969)	(69,449)
Total cash flows (insurance contracts)	233,520	-	(302,969)	(69,449)
Foreign currency exchange differences and other	121,596	29,224	189,066	339,886
	4,896,994	44,522	(245,638)	4,695,878
Net closing balance (insurance contracts)	4,896,994	44,522	(245,638)	4,695,878
Closing insurance assets	-	-	(245,638)	(245,638)
Closing insurance liabilities	4,896,994	44,522	-	4,941,516
Net closing balance (insurance contracts)	4,896,994	44,522	(245,638)	4,695,878

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life savings (continued)

b (i) Analysis by remaining coverage and incurred claims

2022 Inflation Adjusted Audited

	Liability for remaining coverage		Liabilities for incurred claims	Total ZWLm
	Excluding component loss ZWLm	Loss component ZWLm	Contracts not under PAA ZWLm	
Net opening balance (insurance contracts)				
Opening insurance assets	-	-	-	-
Opening insurance liabilities	2,272,126	-	-	2,272,126
	2,272,126	-	-	2,272,126
Changes in profit or loss				
Insurance revenue:	(30,064)	-	-	(30,064)
Contracts under the modified retrospective approach	-	-	-	-
Contracts under the fair value approach	(29,463)	-	-	(29,463)
Other contracts	(601)	-	-	(601)
Insurance service expenses:	-	25,248	52,758	78,006
Incurred claims and other insurance service expenses	-	-	52,758	52,758
Amortisation of insurance acquisition cash flows	-	-	-	-
Losses and reversal of losses on onerous contracts	-	25,248	-	25,248
Adjustments to liabilities for incurred claims	-	-	-	-
	(30,064)	25,248	52,758	47,942
Insurance finance income/(expense)	7,635	-	-	7,635
Total changes in profit or loss	(22,429)	25,248	52,758	55,577
Investment components	19,780	-	(19,780)	-
Cash flows				
Premiums received	158,256	-	-	158,256
Insurance acquisition cash flows paid	(13)	-	-	(13)
Insurance claims paid, including investment components	-	-	(19,274)	(19,274)
Other expenses paid	-	-	(52,256)	(52,256)
Total cash flows (insurance contracts)	158,243	-	(71,530)	86,713
Foreign currency exchange differences and other	33,062	2,527	(49,988)	(14,399)
Net closing balance (insurance contracts)	2,460,782	27,775	(88,540)	2,400,017
Closing insurance assets	-	-	(88,540)	(88,540)
Closing insurance liabilities	2,460,782	27,775	-	2,488,557
Net closing balance (insurance contracts)	2,460,782	27,775	(88,540)	2,400,017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life savings (continued)

b (ii) Analysis by measurement component - contracts not measured under PAA

	2023 Inflation Adjusted Audited					Total ZWLm
	Estimates of present value of future cash flows ZWLm	Risk adjustment for non- financial risk ZWLm	Contracts under modified retrospective approach ZWLm	Contractual service margin		
				Contracts under fair value approach ZWLm	Other contracts ZWLm	
Net opening balance (insurance contracts)						
Opening insurance assets	-	-	-	-	-	-
Opening insurance liabilities	2,397,027	1,837	-	1,153	-	2,400,017
	2,397,027	1,837	-	1,153	-	2,400,017
Changes in profit or loss						
Changes that relate to current services						
CSM recognised for services provided	-	(81)	-	-	-	(81)
Release of risk adjustment for the risk expired	-	(81)	-	-	-	(81)
Experience adjustments	-	-	-	-	-	-
	92,593	(1,045)	-	(4,021)	-	87,527
Changes that relate to future services						
Contracts initially recognised in the year	-	-	-	-	-	-
Changes in estimates that adjust the CSM	(7,203)	(1,045)	-	(4,021)	-	(12,269)
Changes in estimates that result in losses and reversal of losses on onerous contracts	99,796	-	-	-	-	99,796
	92,593	(1,126)	-	(4,021)	-	87,446
Insurance service result						
Insurance finance income/(expense)	1,937,978	-	-	-	-	1,937,978
	2,030,571	(1,126)	-	(4,021)	-	2,025,424
Cash flows						
Premiums received	233,588	-	-	-	-	233,588
Insurance acquisition cash flows paid	(68)	-	-	-	-	(68)
Insurance claims paid, including investment components	(173,424)	-	-	-	-	(173,424)
Other expenses paid	(129,545)	-	-	-	-	(129,545)
	(69,449)	-	-	-	-	(69,449)
Foreign currency exchange differences and other	320,752	2,890	-	15,600	644	339,886
	4,678,901	3,601	-	12,732	644	4,695,878
Net closing balance (insurance contracts)						
Closing insurance assets	4,678,901	3,601	-	12,732	644	4,695,878
Closing insurance liabilities	-	-	-	-	-	-
Net closing balance (insurance contracts)	4,678,901	3,601	-	12,732	644	4,695,878

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life savings (continued)

b (ii) Analysis by measurement component - contracts not measured under PAA

	2022 Inflation Adjusted Audited					Total ZWLm
	Estimates of present value of future cash flows ZWLm	Risk adjustment for non- financial risk ZWLm	Contracts under modified retrospective approach ZWLm	Contractual service margin		
				Contracts under fair value approach ZWLm	Other contracts ZWLm	
Net opening balance (insurance contracts)						
Opening insurance assets	-	-	-	-	-	-
Opening insurance liabilities	2,240,306	4,496	-	27,324	-	2,272,126
	2,240,306	4,496	-	27,324	-	2,272,126
Changes in profit or loss						
Changes that relate to current services	-	(127)	-	-	-	(127)
CSM recognised for services provided	-	-	-	-	-	-
Release of risk adjustment for the risk expired	-	(127)	-	-	-	(127)
Experience adjustments	-	-	-	-	-	-
Changes that relate to future services	53,798	462	-	(6,191)	-	48,069
Contracts initially recognised in the year	(306)	-	-	-	-	(306)
Changes in estimates that adjust the CSM	6,357	136	-	(6,191)	-	302
Changes in estimates that result in losses and reversal of losses on onerous contracts	47,747	326	-	-	-	48,073
Insurance service result	53,798	335	-	(6,191)	-	47,942
Insurance finance income/(expense)	7,635	-	-	-	-	7,635
Total changes in profit or loss	61,433	335	-	(6,191)	-	55,577
Cash flows						
Premiums received	158,256	-	-	-	-	158,256
Insurance acquisition cash flows paid	(13)	-	-	-	-	(13)
Insurance claims paid, including investment components	(19,274)	-	-	-	-	(19,274)
Other expenses paid	(52,256)	-	-	-	-	(52,256)
Total cash flows (insurance contracts)	86,713	-	-	-	-	86,713
Net monetary adjustment	8,575	(2,994)	-	(19,980)	-	(14,399)
Net closing balance (insurance contracts)	2,397,027	1,837	-	1,153	-	2,400,017
Closing insurance assets	-	-	-	-	-	-
Closing insurance liabilities	2,397,027	1,837	-	1,153	-	2,400,017
Net closing balance (insurance contracts)	2,397,027	1,837	-	1,153	-	2,400,017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life savings (continued)

b (i) Analysis by remaining coverage and incurred claims

2023 Historical Cost Unaudited

	Liability for remaining coverage		Liabilities for incurred claims	Total ZWLm
	Excluding component loss ZWLm	Loss component ZWLm	Contracts not under PAA ZWLm	
Net opening balance (insurance contracts)				
Net opening balance (insurance contracts)				
Opening insurance assets	-	-	(29,056)	(29,056)
Opening insurance liabilities	522,713	5,768	-	528,481
	522,713	5,768	(29,056)	499,425
Changes in profit or loss				
Insurance revenue:	(11,281)	-	-	(11,281)
Contracts under the modified retrospective approach	-	-	-	-
Contracts under the fair value approach	(11,108)	-	-	(11,108)
Other contracts	(173)	-	-	(173)
Insurance service expenses:	-	38,754	77,331	116,085
Incurred claims and other insurance service expenses	-	-	77,331	77,331
Amortisation of insurance acquisition cash flows	-	-	-	-
Losses and reversal of losses on onerous contracts	-	38,754	-	38,754
Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service result	(11,281)	38,754	77,331	104,804
Insurance finance income/(expense)	4,143,179	-	-	4,143,179
Total changes in profit or loss	4,131,898	38,754	77,331	4,247,983
Investment components	108,083		(108,083)	-
Cash flows				
Premiums received	134,348	-	-	134,348
Insurance acquisition cash flows paid	(48)	-	-	(48)
Insurance claims paid, including investment components	-	-	(108,499)	(108,499)
Other expenses paid	-	-	(77,331)	(77,331)
Total cash flows (insurance contracts)	134,300	-	(185,830)	(51,530)
Net closing balance (insurance contracts)	4,896,994	44,522	(245,638)	4,695,878
Closing insurance assets	-	-	(245,638)	(245,638)
Closing insurance liabilities	4,896,994	44,522	-	4,941,516
Net closing balance (insurance contracts)	4,896,994	44,522	(245,638)	4,695,878

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life savings (continued)

b (i) Analysis by remaining coverage and incurred claims

	2022 Historical Cost Unaudited			
	Liability for remaining coverage		Liabilities for incurred claims	Total ZWLm
	Excluding component loss ZWLm	Loss component ZWLm	Contracts not under PAA ZWLm	
Net opening balance (insurance contracts)				
Opening insurance assets	-	-	-	-
Opening insurance liabilities	137,545	1	-	137,546
	137,545	1	-	137,546
Changes in profit or loss				
Insurance revenue:	(3,438)	-	-	(3,438)
Contracts under the modified retrospective approach	-	-	-	-
Contracts under the fair value approach	(3,351)	-	-	(3,351)
Other contracts	(87)	-	-	(87)
Insurance service expenses:	-	5,767	7,832	13,599
Incurred claims and other insurance service expenses	-	-	7,832	7,832
Amortisation of insurance acquisition cash flows	-	-	-	-
Losses and reversal of losses on onerous contracts	-	5,767	-	5,767
Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service result	(3,438)	5,767	7,832	10,161
Insurance finance income/(expense)	353,504	-	-	353,504
Total changes in profit or loss	350,066	5,767	7,832	363,665
Investment components	14,748	-	(14,748)	-
Cash flows				
Premiums received	20,357	-	-	20,357
Insurance acquisition cash flows paid	(3)	-	-	(3)
Insurance claims paid, including investment components	-	-	(14,371)	(14,371)
Other expenses paid	-	-	(7,769)	(7,769)
Total cash flows (insurance contracts)	20,354	-	(22,140)	(1,786)
Net closing balance (insurance contracts)	522,713	5,768	(29,056)	499,425
Closing insurance assets	-	-	(29,056)	(29,056)
Closing insurance liabilities	522,713	5,768	-	528,481
Net closing balance (insurance contracts)	522,713	5,768	(29,056)	499,425

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life savings (continued)

b (ii) Analysis by measurement component – contracts not measured under the PAA

2023 Historical Cost Unaudited

	Estimates of present value of future cash flows ZWLm	Risk adjustment for non-financial risk ZWLm	Contracts under modified retrospective approach ZWLm	Contractual service margin		Total ZWLm
				Contracts under fair value approach ZWLm	Other contracts ZWLm	
Net opening balance (insurance contracts)						
Opening insurance assets	-	-	-	-	-	-
Opening insurance liabilities	498,814	370	-	240	1	499,425
	498,814	370	-	240	1	499,425
Changes in profit or loss						
Changes that relate to current services	66,067	(17)	-	-	-	66,050
CSM recognised for services provided	-	-	-	-	-	-
Release of risk adjustment for the risk expired	-	(17)	-	-	-	(17)
Experience adjustments	66,067	-	-	-	-	66,067
Changes that relate to future services	22,371	3,248	-	12,492	643	38,754
Contracts initially recognised in the year	(242)	17	-	1	223	(1)
Changes in estimates that adjust the CSM	(13,093)	183	-	12,491	420	1
Changes in estimates that result in losses and reversal of losses on onerous contracts	35,706	3,048	-	-	-	38,754
Insurance service result	88,438	3,231	-	12,492	643	104,804
Insurance finance income/(expense)	4,143,179	-	-	-	-	4,143,179
Total changes in profit or loss	4,231,617	3,231	-	12,492	643	4,247,983
Cash flows						
Premiums received	134,351	-	-	-	-	134,351
Insurance acquisition cash flows paid	(51)	-	-	-	-	(51)
Insurance claims paid, including investment components	(108,511)	-	-	-	-	(108,511)
Other expenses paid	(77,319)	-	-	-	-	(77,331)
Total cash flows (insurance contracts)	(51,530)	-	-	-	-	(51,530)
Net closing balance (insurance contracts)	4,678,901	3,601	-	12,732	644	4,695,878
Closing insurance assets	-	-	-	-	-	-
Closing insurance liabilities	4,678,901	3,601	-	12,732	644	4,695,878
Net closing balance (insurance contracts)	4,678,901	3,601	-	12,732	644	4,695,878

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life savings (continued)

b (ii) Analysis by measurement component – contracts not measured under the PAA

2022 Historical Cost Unaudited

	Estimates of present value of future cash flows ZWLm	Risk adjustment for non-financial risk ZWLm	Contracts under modified retrospective approach ZWLm	Contractual service margin		Total ZWLm
				Contracts under fair value approach ZWLm	Other contracts ZWLm	
Net opening balance (insurance contracts)						
Opening insurance assets	-	-	-	-	-	-
Opening insurance liabilities	135,619	273	-	1,654	-	137,546
	135,619	273	-	1,654	-	137,546
Changes in profit or loss						
Changes that relate to current services	4,402	(8)	-	-	-	4,394
CSM recognised for services provided	-	-	-	-	-	-
Release of risk adjustment for the risk expired	-	(8)	-	-	-	(8)
Experience adjustments	4,402	-	-	-	-	4,402
Changes that relate to future services	7,074	105	-	(1,414)	1	5,766
Contracts initially recognised in the year	(70)	-	-	-	70	-
Changes in estimates that adjust the CSM	1,452	31	-	(1,414)	(69)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	5,692	74	-	-	-	5,766
Insurance service result	11,476	97	-	(1,414)	1	10,160
Insurance finance income/(expense)	353,504	-	-	-	-	353,504
Total changes in profit or loss	364,980	97	-	(1,414)	1	363,664
Cash flows						
Premiums received	20,356	-	-	-	-	20,356
Insurance acquisition cash flows paid	(1)	-	-	-	-	(1)
Insurance claims paid, including investment components	(14,371)	-	-	-	-	(14,371)
Other expenses paid	(7,769)	-	-	-	-	(7,769)
Total cash flows (insurance contracts)	(1,785)	-	-	-	-	(1,785)
Net closing balance (insurance contracts)	498,814	370	-	240	1	499,425
Closing insurance assets	-	-	-	-	-	-
Closing insurance liabilities	498,814	370	-	240	1	499,425
Net closing balance (insurance contracts)	498,814	370	-	240	1	499,425

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Property and casualty (continued)

c (i) Analysis by remaining coverage and incurred claims

2023 Inflation Adjusted Audited

Inflation adjusted audited	Liability for remaining coverage		Liabilities for incurred claims		Total ZWLm
	Excluding component loss ZWLm	Loss component ZWLm	Contracts under PAA		
			Estimates of present value of future cashflows ZWLm	Risk- adjustment for non-financial risk ZWLm	
Net opening balance (insurance contracts)					
Opening insurance assets	-	-	-	-	-
Opening insurance liabilities	4,016	807	21,456	995	27,274
	4,016	807	21,456	995	27,274
Changes in profit or loss					
Insurance revenue:	(134,383)	-	-	-	(134,383)
Contracts under the modified retrospective approach	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-
Other contracts	(134,383)	-	-	-	(134,383)
Insurance service expenses:	32,682	469	97,334	3,806	134,291
Incurred claims and other insurance service expenses	15,610	-	97,334	-	112,944
Amortisation of insurance acquisition cash flows	17,072	-	-	-	17,072
Losses and reversal of losses on onerous contracts	-	469	-	-	469
Adjustments to liabilities for incurred claims	-	-	-	3,806	3,806
Total changes in profit or loss	(101,701)	469	97,334	3,806	(92)
Cash flows					
Premiums received	154,232	-	-	-	154,232
Insurance acquisition cash flows paid	(27,090)	-	-	-	(27,090)
Insurance claims paid, including investment components	-	-	(4,098)	-	(4,098)
Other expenses paid	-	-	(37,593)	-	(37,593)
Total cash flows (insurance contracts)	127,142	-	(41,691)	-	85,451
Foreign currency exchange differences and other	7,765	(639)	(16,979)	(787)	(10,640)
Net closing balance (insurance contracts)	37,222	637	60,120	4,014	101,993
Closing insurance assets	-	-	-	-	-
Closing insurance liabilities	37,222	637	60,120	4,014	101,993
Net closing balance (insurance contracts)	37,222	637	60,120	4,014	101,993

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Property and casualty (continued)

c (i) Analysis by remaining coverage and incurred claims

Inflation adjusted audited	2022 Inflation Adjusted Audited				Total ZWLm
	Liability for remaining coverage		Liabilities for incurred claims		
	Excluding component loss ZWLm	Loss component ZWLm	Contracts not under PAA ZWLm	Risk-adjustment for non-financial risk ZWLm	
Net opening balance (insurance contracts)					
Opening insurance assets	-	-	-	-	-
Opening insurance liabilities	2,155	393	310	566	3,424
	2,155	393	310	566	3,424
Changes in profit or loss					
Insurance revenue:					
Insurance revenue:	(73,454)	-	-	-	(73,454)
Contracts under the modified retrospective approach	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-
Other contracts	(73,454)	-	-	-	(73,454)
Insurance service expenses:	73,994	997	10,701	1,185	86,877
Incurred claims and other insurance service expenses	51,987	-	10,701	-	62,688
Amortisation of insurance acquisition cash flows	22,007	-	-	-	22,007
Losses and reversal of losses on onerous contracts	-	997	-	-	997
Adjustments to liabilities for incurred claims	-	-	-	1,185	1,185
Total changes in profit or loss	540	997	10,701	1,185	13,423
Cash flows					
Premiums received	-	-	-	-	-
Insurance acquisition cash flows paid	(1,457)	-	-	-	(1,457)
Insurance claims paid, including investment components	-	-	-	-	-
Other expenses paid	-	-	20,290	(566)	19,724
Total cash flows (insurance contracts)	(1,457)	-	20,290	(566)	18,267
Foreign currency exchange differences and other	2,779	(583)	(9,845)	(191)	(7,840)
Net closing balance (insurance contracts)	4,017	807	21,456	994	27,274
Closing insurance assets	-	-	-	-	-
Closing insurance liabilities	4,017	807	21,456	994	27,274
Net closing balance (insurance contracts)	4,017	807	21,456	994	27,274

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Property and casualty (continued)

c (i) Analysis by remaining coverage and incurred claims

2023 Historical Cost Unaudited					
Liability for remaining coverage		Liabilities for incurred claims			Total ZWLm
Excluding component loss ZWLm	Loss component ZWLm	Contracts under PAA			
		Estimates of present value of future cashflows ZWLm	Risk-adjustment for non-financial risk ZWLm		
Net opening balance (insurance contracts)					
Opening insurance assets					
-	-	-	-	-	-
Opening insurance liabilities					
836	168	4,477	207	-	5,688
836	168	4,477	207	-	5,688
Changes in profit or loss					
Insurance revenue:					
(134,383)	-	-	-	-	(134,383)
Contracts under the modified retrospective approach					
-	-	-	-	-	-
Contracts under the fair value approach					
-	-	-	-	-	-
Other contracts					
(134,383)	-	-	-	-	(134,383)
32,682	469	97,334	3,807	-	134,292
Insurance service expenses:					
Incurred claims and other insurance service expenses					
15,610	-	97,334	-	-	112,944
Amortisation of insurance acquisition cash flows					
17,072	-	-	-	-	17,072
Losses and reversal of losses on onerous contracts					
-	469	-	-	-	469
Adjustments to liabilities for incurred claims					
-	-	-	3,807	-	3,807
(101,701)	469	97,334	3,807	-	(91)
Total changes in profit or loss					
Cash flows					
Premiums received					
154,232	-	-	-	-	154,232
Insurance acquisition cash flows paid					
(27,092)	-	-	-	-	(27,092)
Insurance claims paid, including investment components					
-	-	(4,098)	-	-	(4,098)
Other expenses paid					
-	-	(37,593)	-	-	(37,593)
127,140	-	(41,691)	-	-	85,449
Total cash flows (insurance contracts)					
Foreign currency exchange differences and other					
10,947	-	-	-	-	10,947
37,222	637	60,120	4,014	-	101,993
Net closing balance (insurance contracts)					
Closing insurance assets					
-	-	-	-	-	-
Closing insurance liabilities					
37,222	637	60,120	4,014	-	101,993
37,222	637	60,120	4,014	-	101,993
Net closing balance (insurance contracts)					

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Property and casualty (continued)

c (i) Analysis by remaining coverage and incurred claims

2022 Historical Cost Unaudited					
Liability for remaining coverage		Contracts under PAA			Total ZWLm
Excluding component loss ZWLm	Loss component ZWLm	Estimates of present value of future cashflows ZWLm	Risk-adjustment for non-financial risk ZWLm		
Net opening balance (insurance contracts)					
Opening insurance assets	-	-	-	-	-
Opening insurance liabilities	138	25	514	36	713
	138	25	514	36	713
Changes in profit or loss					
Insurance revenue:					
Contracts under the modified retrospective approach	(12,209)	-	-	-	(12,209)
Contracts under the fair value approach	-	-	-	-	-
Other contracts	(12,209)	-	-	-	(12,209)
Insurance service expenses:					
Incurring claims and other insurance service expenses	4,712	143	7,489	171	12,515
Amortisation of insurance acquisition cash flows	1,542	-	7,489	-	9,031
Losses and reversal of losses on onerous contracts	3,170	-	-	-	3,170
Adjustments to liabilities for incurred claims	-	143	-	-	143
	-	-	-	171	171
Total changes in profit or loss	(7,497)	143	7,489	171	306
Cash flows					
Premiums received	14,018	-	-	-	14,018
Insurance acquisition cash flows paid	(5,823)	-	-	-	(5,823)
Insurance claims paid, including investment components	-	-	(3,837)	-	(3,837)
Other expenses paid	-	-	311	-	311
Total cash flows (insurance contracts)	8,195	-	(3,526)	-	4,669
Net closing balance (insurance contracts)					
Closing insurance assets	836	168	4,477	207	5,688
Closing insurance liabilities	-	-	-	-	-
Net closing balance (insurance contracts)	836	168	4,477	207	5,688

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.3 Reinsurance contracts: Life risk and annuities

c (ii) Analysis by remaining coverage and incurred claims

2023 Inflation Adjusted Audited

	Remaining coverage component		Incurred claims component		Total ZWLm
	Excluding component loss ZWLm	Loss component ZWLm	Estimates of present value of future cashflows ZWLm	Risk-adjustment for non-financial risk ZWLm	
Net opening balance (reinsurance contracts)					
Opening reinsurance assets	-	812	793	11	1,616
Opening reinsurance liabilities	(62)	-	-	-	(62)
	(62)	812	793	11	1,554
Changes in the income statement					
Allocation of reinsurance premiums paid	(7,093)	-	-	-	(7,093)
Amounts recoverable from reinsurers	-	-	1,581	(10)	1,571
Recoveries of incurred claims and other insurance service expenses	-	-	2,158	-	2,158
Adjustments to assets for incurred claims	-	-	(577)	(10)	(587)
Net expenses from reinsurance contracts	(7,093)	-	1,581	(10)	(5,522)
Net finance income from reinsurance contracts	-	(774)	-	-	(774)
Total changes in the income statement	(7,093)	(774)	1,581	(10)	(6,296)
Cash flows					
Premiums paid net of ceding commission and other attributable expenses	7,105	-	-	-	7,105
Amounts received	-	-	2,125	-	2,125
Total cash flows (reinsurance contracts)	7,105	-	2,125	-	9,230
Net monetary adjustment	49	(38)	(4,296)	2	(4,283)
Net closing balance	(1)	-	203	3	205
Closing reinsurance assets	-	-	203	3	206
Closing reinsurance liabilities	(1)	-	-	-	(1)
Net closing balance (reinsurance contracts)	(1)	-	203	3	205

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.3 Reinsurance contracts: Life risk and annuities (continued)

c (ii) Analysis by remaining coverage and incurred claims

	2022 Inflation Adjusted Audited				
	Remaining coverage component		Incurred claims component		Total ZWLm
	Excluding component loss ZWLm	Loss component ZWLm	Estimates of present value of future cashflows ZWLm	Risk-adjustment for non-financial risk ZWLm	
Net opening balance (reinsurance contracts)					
Opening reinsurance assets	-	3,706	167	4	3,877
Opening reinsurance liabilities	(113)	-	-	-	(113)
	(113)	3,706	167	4	3,764
Allocation of reinsurance premiums paid	(3,644)	-	-	-	(3,644)
Amounts recoverable from reinsurers	-	163	10	-	173
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	163	-	-	163
Adjustments to assets for incurred claims	-	-	10	-	10
Net expenses from reinsurance contracts	(3,644)	163	10	-	(3,471)
Net finance income from reinsurance contracts	-	(3,517)	-	-	(3,517)
Total changes in the income statement	(3,644)	(3,354)	10	-	(6,988)
Cash flows					
Premiums paid net of ceding commission and other attributable expenses	3,643	-	-	-	3,643
Amounts received	-	-	75	-	75
Total cash flows (reinsurance contracts)	3,643	-	75	-	3,718
Net monetary adjustment	52	460	541	7	1,060
Net closing balance	(62)	812	793	11	1,554
Closing reinsurance assets	-	812	793	11	1,616
Closing Opening reinsurance liabilities	(62)	-	-	-	(62)
Net closing balance (reinsurance contracts)	(62)	812	793	11	1,554

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.3 Reinsurance contracts: Life risk and annuities (continued)

c (ii) Analysis by remaining coverage and incurred claims

	2023 Historical Cost Unaudited				Total ZWLm
	Remaining coverage component		Incurred claims component		
	Excluding component loss ZWLm	Loss component ZWLm	Estimates of present value of future cashflows ZWLm	Risk- adjustment for non- financial risk ZWLm	
Net opening balance (reinsurance contracts)					
Opening reinsurance assets	-	163	165	2	330
Opening reinsurance liabilities	(7)	-	-	-	(7)
	(7)	163	165	2	323
Changes in the income statement					
Allocation of reinsurance premiums paid	(4,730)	-	-	-	(4,730)
Amounts recoverable from reinsurers	-	-	988	1	989
Recoveries of incurred claims and other insurance service expenses	-	-	823	-	823
Adjustments to assets for incurred claims	-	-	165	1	166
Net expenses from reinsurance contracts	(4,730)	-	988	1	(3,741)
Net finance income from reinsurance contracts	-	(163)	-	-	(163)
Total changes in the income statement	(4,730)	(163)	988	1	(3,904)
Cash flows					
Premiums paid net of ceding commission and other attributable expenses	4,736	-	-	-	4,736
Amounts received	-	-	(950)	-	(950)
Total cash flows (reinsurance contracts)	4,736	-	(950)	-	3,786
Net closing balance	(1)	-	203	3	205
Closing reinsurance assets	-	-	203	3	204
Closing reinsurance liabilities	(1)	-	-	-	(1)
Net closing balance (reinsurance contracts)	(1)	-	203	3	205

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.3 Reinsurance contracts: Life risk and annuities (continued)

c (ii) Analysis by remaining coverage and incurred claims

	2022 Historical Cost Unaudited				Total ZWLm
	Remaining coverage component		Incurred claims component		
	Excluding component loss ZWLm	Loss component ZWLm	Estimates of present value of future cashflows ZWLm	Risk- adjustment for non- financial risk ZWLm	
Net opening balance (reinsurance contracts)					
Opening reinsurance assets	-	224	11	-	235
Opening reinsurance liabilities	(7)	-	-	-	(7)
	(7)	224	11	-	228
Allocation of reinsurance premiums paid	(569)	-	-	-	(569)
Amounts recoverable from reinsurers	-	163	79	2	244
Recoveries of incurred claims and other insurance service expenses	-	-	69	-	69
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	163	-	-	163
Adjustments to assets for incurred claims	-	-	10	2	12
Net expenses from reinsurance contracts	(569)	163	79	2	(325)
Net finance income from reinsurance contracts	-	(224)	-	-	(224)
Total changes in the income statement	(569)	(61)	79	2	(549)
Cash flows					
Premiums paid net of ceding commission and other attributable expenses	569	-	-	-	569
Amounts received	-	-	75	-	75
Total cash flows (reinsurance contracts)	569	-	75	-	644
Net closing balance	(7)	163	165	2	323
Closing reinsurance assets	-	163	165	2	330
Closing reinsurance liabilities	(7)	-	-	-	(7)
Net closing balance (reinsurance contracts)	(7)	163	165	2	323

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.3 Reinsurance contracts: Property and casualty

c (ii) Analysis by remaining coverage and incurred claims

2023 Inflation adjusted audited

	Recovery coverage component		Incurred claims component ZWLm	Total ZWLm
	Excluding loss recovery component ZWLm	Loss recovery component ZWLm		
Net opening balance (reinsurance contracts)				
Opening reinsurance assets	6,297	224	12,124	18,645
Opening reinsurance liabilities	-	-	-	-
	6,297	224	12,124	18,645
Changes in profit or loss				
Allocation of reinsurance premiums paid	(79,472)	-	-	(79,472)
Amounts recoverable from reinsurers	15,602	(82)	56,866	72,386
Recoveries of incurred claims and other insurance service expenses	15,602	-	56,162	71,764
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(82)	-	(82)
Adjustments to assets for incurred claims	-	-	704	704
	(63,870)	(82)	56,866	(7,086)
Net expenses from reinsurance contracts				
	(63,870)	(82)	56,866	(7,086)
Total changes in profit or loss				
	(63,870)	(82)	56,866	(7,086)
Cash flows				
Premiums paid net of ceding commission and other attributable expenses	(86,604)	(177)	71,817	(14,964)
	(86,604)	(177)	71,817	(14,964)
Total cash flows (reinsurance contracts)				
Foreign currency exchange differences and other	68,842	-	(45,654)	23,188
	(75,335)	(35)	95,153	19,783
Net closing balance (reinsurance contracts)				
Closing reinsurance assets	-	-	95,153	95,153
Closing reinsurance liabilities	(75,335)	(35)	-	(75,370)
Net closing balance (reinsurance contracts)	(75,335)	(35)	95,153	19,783

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.3 Reinsurance contracts: Property and casualty (continued)

c (ii) Analysis by remaining coverage and incurred claims

2022 Inflation adjusted audited

	Recovery coverage component		Incurred claims component ZWLm	Total ZWLm
	Excluding loss recovery component ZWLm	Loss recovery component ZWLm		
Net opening balance (reinsurance contracts)				
Opening reinsurance assets	2,068	132	(620)	1,580
Opening reinsurance liabilities	-	-	(620)	(620)
	2,068	132	(620)	1,580
Changes in profit or loss				
Allocation of reinsurance premiums paid	(9,701)	-	-	(9,701)
Amounts recoverable from reinsurers	-	(394)	4,169	3,775
Recoveries of incurred claims and other insurance service expenses	-	-	787	787
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(394)	-	(394)
Adjustments to assets for incurred claims	-	-	3,382	3,382
	(9,701)	(394)	4,169	(5,926)
Net expenses from reinsurance contracts				
	(9,701)	(394)	4,169	(5,926)
Total changes in profit or loss				
	(9,701)	(394)	4,169	(5,926)
Cash flows				
Premiums paid net of ceding commission and other attributable expenses	4,229	(302)	12,833	16,760
	4,229	(302)	12,833	16,760
Total cash flows (reinsurance contracts)				
Foreign currency exchange differences and other	6,231	-	-	6,231
	2,827	(564)	16,382	18,645
Net closing balance (reinsurance contracts)				
Closing reinsurance assets	2,827	-	16,382	19,209
Closing reinsurance liabilities	-	(564)	-	(564)
Net closing balance (reinsurance contracts)	2,827	(564)	16,382	18,645

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.3 Reinsurance contracts: Property and casualty (continued)

c (ii) Analysis by remaining coverage and incurred claims

2023 Historical cost unaudited

	Recovery coverage component		Incurred claims component ZWLm	Total ZWLm
	Excluding loss recovery component ZWLm	Loss recovery component ZWLm		
Net opening balance (reinsurance contracts)				
Opening reinsurance assets	1,310	47	1,481	2,838
Opening reinsurance liabilities	-	-	-	-
	1,310	47	1,481	2,838
Changes in profit or loss				
Allocation of reinsurance premiums paid	(32,741)	-	-	(32,741)
Amounts recoverable from reinsurers	5,872	(82)	34,039	39,829
Recoveries of incurred claims and other insurance service expenses	5,872	-	33,335	39,207
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(82)	-	(82)
Adjustments to assets for incurred claims	-	-	704	704
	(26,870)	(82)	34,039	7,087
Net expenses from reinsurance contracts				
	(26,870)	(82)	34,039	7,087
Total changes in profit or loss				
	(26,870)	(82)	34,039	7,087
Cash flows				
Premiums paid net of ceding commission and other attributable expenses	(52,642)	-	59,633	6,991
	(52,642)	-	59,633	6,991
Total cash flows (reinsurance contracts)				
Foreign currency exchange differences and other	2,866	-	-	2,866
	(75,335)	(35)	95,153	19,783
Net closing balance (reinsurance contracts)				
Closing reinsurance assets	-	-	95,153	95,153
Closing reinsurance liabilities	(75,335)	(35)	-	(75,370)
Net closing balance (reinsurance contracts)	(75,335)	(35)	95,153	19,783

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.3 Reinsurance contracts: Property and casualty (continued)

c (ii) Analysis by remaining coverage and incurred claims

2022 Historical cost unaudited

	Recovery coverage component		Incurred claims component ZWLm	Total ZWLm
	Excluding loss recovery component ZWLm	Loss recovery component ZWLm		
Net opening balance (reinsurance contracts)				
Opening reinsurance assets	343	8	316	667
Opening reinsurance liabilities	-	-	-	-
	343	8	316	667
Changes in profit or loss				
Allocation of reinsurance premiums paid	(5,392)	-	-	(5,392)
Amounts recoverable from reinsurers	806	(38)	2,728	3,495
Recoveries of incurred claims and other insurance service expenses	806	-	2,669	3,475
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(38)	-	(38)
Adjustments to assets for incurred claims	-	-	59	59
	(4,587)	(38)	2,728	(1,897)
Net expenses from reinsurance contracts				
	(4,587)	(38)	2,728	(1,897)
Total changes in profit or loss				
	(4,587)	(38)	2,728	(1,897)
Cash flows				
Premiums paid net of ceding commission and other attributable expenses	(3,485)	-	3,683	197
	(3,485)	-	3,683	197
Total cash flows (reinsurance contracts)				
Foreign currency exchange differences and other	3,871	-	-	3,871
	(3,858)	(30)	6,726	2,838
Net closing balance (reinsurance contracts)				
Closing reinsurance assets	-	-	6,726	6,726
Closing reinsurance liabilities	(3,858)	(30)	-	(3,889)
Net closing balance (reinsurance contracts)	(3,858)	(30)	6,726	2,838

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.4 Effect of contracts initially recognised in the year

The following table summarises the effect on the measurement components of insurance and reinsurance contracts arising from the initial recognition of contracts not measured under the PAA that were initially recognised during the year:

c (i) Analysis by remaining coverage and incurred claims

Year ended 31 December 2023

	Profitable contracts ZWLm	Onerous contracts issued ZWLm	Total insurance contracts issued ZWLm
Insurance contracts: Life risk and annuities			
Insurance acquisition cashflows	(6)	7	1
Claims and other insurance service expenses payable	(10)	(32)	(42)
	(16)	(25)	(41)
Estimate of present value of cash outflows			
Estimate of present value of cash inflows	32	4	36
Risk adjustment for non-financial risk		(3)	(3)
Contractual service margin	(16)		(16)
Losses recognised on initial recognition	-	(24)	(24)
Insurance contracts: Life savings			
Insurance acquisition cashflows	(7)	-	(7)
Claims and other insurance service expenses payable	192	(25)	167
	185	(25)	160
Estimate of present value of cash outflows			
Estimate of present value of cash inflows	55	24	79
Risk adjustment for non-financial risk	(16)	-	(16)
Contractual service margin	(224)	-	(224)
Losses recognised on initial recognition	-	(1)	(1)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Insurance and reinsurance contracts (continued)

28.4 Effect of contracts initially recognised in the year (continued)

c (i) Analysis by remaining coverage and incurred claims

Year ended 31 December 2022

	Profitable contracts ZWLm	Onerous contracts issued ZWLm	Total insurance contracts issued ZWLm
Insurance contracts: Life risk and annuities			
Insurance acquisition cashflows	(15,321)	(8,925)	(24,246)
Claims and other insurance service expenses payable	(26,493)	(5,470)	(31,963)
	(41,814)	(14,395)	(56,209)
Estimate of present value of cash inflows	72,282	12,497	84,779
Risk adjustment for non-financial risk	(1,915)	(564)	(2,479)
Contractual service margin	(28,553)	-	(28,553)
Losses recognised on initial recognition	-	(2,462)	(2,462)
Insurance contracts: Life savings			
Insurance acquisition cashflows	(846)	(1,613)	(2,459)
Claims and other insurance service expenses payable	(16,661)	(9,080)	(25,741)
	(17,507)	(10,693)	(28,200)
Estimate of present value of cash inflows	19,771	9,049	28,820
Risk adjustment for non-financial risk	(53)	(61)	(114)
Contractual service margin	(2,211)	-	(2,211)
Losses recognised on initial recognition	-	(1,705)	(1,705)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

29 Investment contract liabilities

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
Liabilities at fair value through profit or loss	423,734	193,621	423,734	40,292
Movement in liabilities fair valued through profit or loss				
Balance at beginning of year	193,621	182,501	40,292	11,048
New contributions received	47,098	27,771	35,794	3,278
Withdrawals	(4,029)	(1,442)	(2,881)	(165)
Fair value movements	187,044	(15,209)	350,529	26,131
Balance at end of year	423,734	193,621	423,734	40,292
30 Amounts due to group companies				
Old Mutual Limited (South Africa) and its subsidiaries outside Zimbabwe	542,814	291,518	542,814	60,664

OML has been aware of discussions between the Group in Zimbabwe and the Ministry of Finance and Economic Development around the settlement of legacy debt which covers historic obligations incurred to foreign entities under the OML group. The realisation of cashflows from the State under the arrangement is a key dependency on the ability of OMZIL to discharge its obligation to the wider OML group. OML has undertaken to support options pursuant to the orderly discharge of legacy debt obligations due to them in a manner that does not negatively impact the financial soundness and stability of the Group in Zimbabwe.

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

31 Other payables

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
Accruals and deferred income	15,355	4,805	15,355	1,000
Trade creditors	170,529	45,719	170,529	9,514
Foreign creditors	3,824	1,091	3,824	227
Dividend payable	25	120	25	25
Bonus and leave pay provisions	16,399	17,386	16,399	3,618
Audit fee provisions	4,256	6,718	4,256	1,398
Other financial liabilities	55,358	2,307	55,358	480
Other payables (including settlement control accounts)	56,785	27,228	45,736	1,206
	322,531	105,374	311,482	17,468

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

32 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.

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
Money market deposits	223,367	55,455	223,367	11,540
Savings deposits	1,117,455	515,826	1,117,455	107,342
ZIG deposits	3,080	-	3,080	-
Other	4,821	-	4,821	-
	1,348,723	571,281	1,348,723	118,882
Maturity analysis				
On demand to 3 months	1,251,944	515,826	1,251,944	107,342
3 months to a year	87,667	6,281	87,667	1,307
1 year to 5 year	5,936	49,040	5,936	10,205
Over 5 years	3,176	134	3,176	28
	1,348,723	571,281	1,348,723	118,882
Concentration - value				
Financial institutions	363,904	155,341	363,904	32,326
Companies	596,533	302,777	596,533	63,007
Individuals	388,286	113,163	388,286	23,549
	1,348,723	571,281	1,348,723	118,882
Concentration - percentage				
	%	%	%	%
Financial institutions	27	27	27	27
Companies	44	53	44	53
Individuals	29	20	29	20
	100	100	100	100

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
33 Credit lines				
Trade and Development Bank (TDB)	228,087	84,018	228,087	17,484
Shelter Afrique	-	3,854	-	802
Norsad Capital Limited	-	33,182	-	6,905
African Export-Import Bank (Afreximbank)	235,632	177,681	235,632	36,975
European Investment Bank (EIB)	98,845	61,063	98,845	12,707
Balance at end of the year	562,564	359,798	562,564	74,873
Maturity analysis				
On demand to 3 months	352,140	58,487	352,140	12,171
3 months to 1 year	40,612	95,758	40,612	19,927
1 year to 5 years	169,812	205,553	169,812	42,775
	562,564	359,798	562,564	74,873

	Currency	Nominal amount	Maturity date
Afreximbank 3 months LIBOR + 5.5%	US\$	40,000,000	1 December 2025
Afreximbank 3 months LIBOR + 5.5%	US\$	40,000,000	31 December 2025
Afreximbank 3 months LIBOR + 7.5%	US\$	10,000,000	31 January 2026
EIB Fixed rate 4.1030%	EUR	15,000,000	28 February 2028
TDB 12 months LIBOR + 5%	US\$	25,000,000	14 July 2024
TDB- 6 months LIBOR + 6.75%	US\$	25,000,000	26 October 2024

As security for the TDB loan the Group registered bonds and issued powers of attorney to register bonds (in the event of default) over properties with a total value of ZWL24.94bn as at 31 December 2023 (both investment properties and owner occupied properties). The Group repaid the TDB working capital tranche of US\$18.30m on 6 October 2023. The Shelter Afrique loan was repaid in full on 6 December 2023. The Afreximbank facility is secured by a first-ranking fixed charge over the balance from time to time on the collection account; promissory notes to a value equivalent to 100% of the relevant utilisation; an assignment agreement relating to an assignment provided by the Group in favour of Afreximbank in respect of all CABS security. The Norsad Capital facility of US\$10.00m was repaid on 11 December 2023.

34 Share-based payments

34.1 Indigenisation Transactions

In 2012 the Group entered into an Indigenisation transaction under the Indigenisation & Economic Empowerment Act of 2008 (Chapter 14:33). OMZIL donated USD60 million to qualifying indigenous groups through trusts to acquire OMZIL shares from the main shareholder Old Mutual Netherlands B.V. The shares were transferred to the various trusts on 1 June 2012. The grants represent a share-based payment transaction as defined in IFRS 2, Share-based payments transactions.

OMZIL may be called upon from time to time, to provide such funds as may be required by the Trustees of the various trusts in their capacities as such, to defray the costs and expenses arising out of and in connection with the administration of the trusts.

OMZIL Indigenisation Employee Share Scheme

This scheme operates for the benefit of all employees of the Group who meet the qualification criteria set by management. There are currently no shares outstanding to staff.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

34 Share-based payments (continued)

34.1 Indigenisation Transactions (continued)

OMZIL Management Incentive Share Scheme

This scheme operates for the benefit of management and its primary purpose is to attract, reward, and retain senior and middle management. Awards will be made annually on agreed terms and conditions with a vesting period of three years. Participants receive dividends from the date of the award. There are currently no shares outstanding to staff.

OMZIL Clients Pension Ex-gratia Trust

This scheme operates for the benefit of client pensioners. Once off share awards were allocated to participants. These vested immediately and were not subject to any conditions.

Youth Fund Trust

This scheme operates for the benefit of the youth population of Zimbabwe. It is administered in collaboration with the Ministry of Youth, Sport, Arts and Recreation through the Zimbabwe Youth Council. The shares act as collateral to loans accessed from CABS by young people as defined. These share awards vested immediately and were not subject to any conditions.

34.2 Share-based payments reserve

The equity share-based payment reserve is maintained in the Group from the date of issue of the share awards. On exercise of the share awards, settlement will be made through the structured entities controlled by Old Mutual Zimbabwe Limited which are listed above in Note 34.1.

35 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 is yet to approve the proposal which according to management assessment also demonstrated the separation of assets between shareholder and policyholders as at the time of reporting and over the period under review.

Due to this, the Group is not able to quantify the expected liability for compensation, the manner in which it is to be settled and the impact it will have on profits and the net asset position of the Group until the approvals are received.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

36 Post employment benefits obligations

The Group provides pension benefits to permanent employees and post-retirement benefits to qualifying employees. Pension benefits have been designed, and are administered in accordance with the Pension and Provident Funds Act (Chapter 24:32), and are defined contribution schemes.

The Old Mutual Staff Pension Fund

The Fund is a defined contribution plan registered to provide retirement benefits for the Group's full-time employees.

National Social Security Authority Scheme

This scheme was promulgated under the National Social Security Authority Act 1989. The Group's obligation under the scheme is limited to specific contributions as legislated from time to time and is presently a maximum of 9% of the insured amount provided by the National Social Security Authority. The employee and the employer contribute 50% each per month.

Old Mutual Post Retirement Medical Aid Subsidy Fund

The fund is a defined contribution plan for the Group's full-time employees. The subsidy is based on the applicable contribution per member at the date of retirement.

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
Contributions recognised as an expense for the year				
- Old Mutual Staff Pension Fund	8,742	1,797	5,112	245
- National Social Security Authority Scheme	5,196	1,072	1,240	165

37 Capital commitments

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
Authorised	172,153	130,924	172,153	27,245

The Group is committed to incur capital expenditure and the commitments are expected to be settled in the year 2024.

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
For advances				
Aggregate commitments due under advances granted but not yet disbursed	172,153	51,635	172,153	10,745

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

38 Related party disclosures

Holding company and fellow subsidiaries and associates.

The Group's immediate holding company is OM Zimbabwe Holdco Limited which holds 75% of the Group's ordinary shares. The ultimate holding company is Old Mutual Limited, incorporated in South Africa.

Other Group companies consist of fellow subsidiaries and associates.

Transactions and balances with holding company and fellow subsidiaries

	Group Inflation adjusted/ Historical 2023 ZWLm	Inflation adjusted 2022 ZWLm	Historical cost 2022 ZWLm
Fellow related parties			
Old Mutual Life Assurance Company (South Africa) Limited			
Amounts due to as at 31 December	(41,832)	(26,686)	(5,553)
Old Mutual Zimbabwe Holdco Limited			
Amounts due to as at 31 December	(195 746)	(103,504)	(21,539)
Old Mutual Finance (USD) Limited			
Amounts due to as at 31 December	(305 236)	(161,328)	(33,572)

Loans due by or to subsidiaries and other Group companies

Old Mutual Finance (USD) Limited took over the amount previously owing to Old Mutual Netherlands. Loans due by or to subsidiaries or other Group companies within Zimbabwe accrue interest at market related interest rates, and the amounts are repayable on demand.

All the Group's principal subsidiaries together with loans due by or to them are listed in note 47 and 48.

Capital advances and amounts due by or to group companies are disclosed in note 48.

Key management personnel

Key management personnel and their close family members and entities which they control, jointly control or over which they exercise significant influence are considered related parties to the Group.

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
Key management personnel remuneration and other compensation				
Short-term employee benefits	40,461	12,119	20,162	2,120
Post-employment benefits	531	159	199	21
	40,992	12,278	20,361	2,141

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

39 Unconsolidated structured entity

During 2012, Kurera-Ukondla Youth Fund was formed as part of conforming with the Indigenisation and Economic Empowerment Act, for the sole benefit of the Youth of Zimbabwe. OMZIL appointed Trustees who were responsible for overseeing the trust's activities. In 2022, the Kurera-Ukondla Youth fund was wound down and a new fund was created to replace it. OMZIL has no interest in the profits or losses of the fund, all income and assets belongs to the Youth Fund and there is no exposure.

40 Group statement of financial instruments

40.1 Categories of financial instruments

The analysis of assets and liabilities into their categories as defined in IFRS 9 'Financial Instruments: Recognition and Measurement' (IFRS 9) is set out in the following table. For completeness, assets and liabilities of a non-financial nature or financial assets and liabilities that are specifically excluded from the scope of IFRS 9, are reflected in the non-financial assets and liabilities category.

Inflation adjusted audited At 31 December 2023	At fair value through profit or loss ZWLm	At amortised cost ZWLm	Non-financial assets/ liabilities ZWLm	Total ZWLm
Assets				
Intangible assets	-	-	4,235	4,235
Property and equipment	-	-	493,056	493,056
Investment property	-	-	2,813,382	2,813,382
Investment in associate	-	-	22,869	22,869
Deferred tax assets	-	-	3,811	3,811
Loans and advances	-	1,044,465	-	1,044,465
Investments and securities	3,049,397	475,218	-	3,524,615
Reinsurance contract assets	-	-	19,988	19,988
Current tax assets	-	-	640	640
Other receivables	-	302,952	450,682	753,634
Cash and cash equivalents	-	890,119	-	890,119
	3,049,397	2,712,754	3,808,663	9,570,814
Liabilities				
Insurance contract liabilities	-	-	4,865,835	4,865,835
Investment contract liabilities	423,734	-	-	423,734
Reinsurance contract liabilities	-	-	13	13
Deferred tax liabilities	-	-	45,334	45,334
Current tax payable	-	-	4,168	4,168
Amounts due to group companies	-	542,814	-	542,814
Other payables	-	322,521	-	322,521
Amounts owed to bank depositors	-	1,348,723	-	1,348,723
Credit lines	-	562,564	-	562,564
	423,734	2,776,632	4,915,350	8,115,716

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

40 Group statement of financial instruments (continued)

40.1 Categories of financial instruments (continued)

Inflation adjusted audited At 31 December 2022	At fair value through profit or loss ZWLm	At amortised cost ZWLm	Non-financial assets/ liabilities ZWLm	Total ZWLm
Assets				
Intangible assets	-	-	4,152	4,152
Property and equipment	-	-	268,567	268,567
Investment property	-	-	1,432,777	1,432,777
Deferred tax assets	-	-	4,286	4,286
Loans and advances	-	617,577	-	617,577
Investments and securities	1,469,048	163,722	-	1,632,770
Reinsurance contract assets	-	-	20,199	20,199
Current tax assets	-	-	221	221
Other receivables	-	115,467	282,467	397,934
Cash and cash equivalents	-	460,491	-	460,491
	1,469,048	1,357,257	2,012,669	4,838,974
Insurance contract liabilities	-	-	2,455,558	2,455,558
Investment contract liabilities	193,621	-	-	193,621
Reinsurance contract liabilities	-	-	34	34
Deferred tax liabilities	-	-	19,991	19,991
Current tax payable	-	-	1,802	1,802
Amounts due to group companies	-	291,518	-	291,518
Other payables	-	105,374	-	105,374
Amounts owed to bank depositors	-	571,281	-	571,281
Credit lines	-	359,798	-	359,798
	193,621	1,327,971	2,477,385	3,998,977
Historical cost unaudited At 31 December 2023				
Assets				
Intangible assets	-	-	929	929
Property and equipment	-	-	446,634	446,634
Investment property	-	-	2,813,382	2,813,382
Investment in associate	-	-	9,727	9,727
Deferred tax assets	-	-	4,744	4,744
Loans and advances	-	1,044,465	-	1,044,465
Investments and securities	3,049,397	475,218	-	3,524,615
Reinsurance contract assets	-	-	19,988	19,988
Current tax assets	-	-	640	640
Other receivables	-	430,866	260,141	691,007
Cash and cash equivalents	-	890,119	-	890,119
	3,049,397	2,840,668	3,556,184	9,446,250
Liabilities				
Insurance contract liabilities	-	-	4,865,935	4,865,935
Investment contract liabilities	423,734	-	-	423,734
Reinsurance contract liabilities	-	-	13	13
Deferred tax liabilities	-	-	42,309	42,309
Current tax payable	-	-	4,168	4,168
Amounts due to group companies	-	542,814	-	542,814
Other payable	-	311,482	-	311,482
Amounts owed to bank depositors	-	1,348,723	-	1,348,723
Credit lines	-	562,564	-	562,564
	423,734	2,765,583	4,912,325	8,101,642

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

40 Group statement of financial position (continued)

40.1 Categories of financial instruments (continued)

Historical cost unaudited At 31 December 2022	At fair value through profit or loss ZWLm	At amortised cost ZWLm	Non-financial assets/ liabilities ZWLm	Total ZWLm
Assets				
Intangible assets	-	-	169	169
Property and equipment	-	-	49,131	49,131
Investment property	-	-	298,157	298,157
Deferred tax assets	-	-	838	838
Loans and advances	-	128,516	-	128,516
Investments and securities	305,705	34,070	-	339,775
Reinsurance contract assets	-	-	3,161	3,161
Current tax assets	-	-	46	46
Other receivables	-	23,721	55,849	79,570
Cash and cash equivalents	-	95,827	-	95,827
	305,705	282,134	407,351	995,190
Liabilities				
Insurance contract liabilities	-	-	510,995	510,995
Investment contract liabilities	40,292	-	-	40,292
Reinsurance contract liabilities	-	-	7	7
Deferred tax liabilities	-	-	4,160	4,160
Current tax payable	-	-	375	375
Amounts due to group companies	-	60,664	-	60,664
Other payable	-	17,468	-	17,468
Amounts owed to bank depositors	-	118,882	-	118,882
Credit lines	-	74,873	-	74,873
	40,292	271,887	515,537	827,716

40.2 Fair values of financial assets and liabilities

Determination of fair value

The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active or quoted prices cannot be obtained without undue effort, another valuation technique is used. This is after:

- Assessing whether instruments are trading with sufficient frequency and volume such that they can be considered liquid.
- The inclusion of a measure of the counterparties' non-performance risk in the fair value measurement of loans and advances, which involves the modelling of dynamic credit spreads.
- The inclusion of own credit risk in the calculation of the fair value of financial liabilities.

There have been no significant changes in the valuation techniques applied when valuing financial instruments. The general principles applied to those instruments measured at fair value are outlined below:

Loans and advances

Loans and advances include mortgage loans, other asset-based loans, including collateralised debt obligations and other secured and unsecured loans

In the absence of an observable market for these instruments, the fair value is determined by using internally developed models that are specific to the instrument and that incorporate all available observable inputs. These models involve discounting the contractual cash flows by using a credit-adjusted rate.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

40 Group statement of financial position (continued)

40.2 Fair values of financial assets and liabilities (continued)

Investments and securities

Investments and securities include listed and unlisted equity securities, pooled investments, and short term funds. Pooled investments represent the Group's holdings of shares/units in open-ended investment companies, unit trusts, mutual funds, and similar investment vehicles. Pooled investments are recognised at fair value. The fair values of pooled investments are based on widely published prices that are regularly updated or models based on the market prices of investments held in the underlying pooled investment funds.

Other investment and securities that are measured at fair value are measured at observable market prices where available. In the absence of observable market prices, these investments and securities are fair valued utilising one or more of the following techniques: discounted cash flows, the applicable of an EBITDA multiple or any other relevant technique.

Investment contract liabilities

The fair value of investment contract liabilities is determined with reference to the underlying funds that are held by the Group.

Other financial assets and liabilities

The fair values of other financial assets and liabilities are reasonably approximated by the carrying amounts reflected in the statement of financial position as they are short-term in nature or re-price to current market rates frequently.

Fair value hierarchy

Level 1 – quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets

Level 2 – valuation techniques using observable inputs: financial assets and liabilities with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable

Level 3 – valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable.

The judgement as to whether a market is active may include, for example, consideration of factors such as the magnitude and frequency of trading activity, the availability of prices, and the size of bid / offer spreads. In inactive markets, obtaining assurance that the transaction price provides evidence of fair value or determining the adjustments to transaction prices that are necessary to measure the fair value of the asset or liability requires additional work during the valuation process.

The majority of valuation techniques employ only observable market data, and so the reliability of the fair value measurement is high. However, certain financial assets and liabilities are valued on the basis of valuation techniques that feature one or more significant market inputs that are unobservable and, for them, the derivation of fair value is more judgemental. A financial asset or liability in its entirety is classified as valued using significant unobservable inputs if a significant proportion of that asset or liability's carrying amount is driven by unobservable inputs. In this context, 'unobservable' means that there is little or no current market data available for which to determine the price at which an arm's length transaction would likely to occur. It generally does not mean that there is no market data available at all upon which to base a determination of fair value (for example, consensus pricing data may be used). Furthermore, in some cases the majority of the fair value derived from a valuation technique with significant unobservable inputs may be attributable to observable inputs.

Financial assets and liabilities not measured at fair value

For items not measured at fair value the amounts presented in the financial statements closely approximate fair value. This is largely due to unavailability of consistent assumptions in the market that can be used to determine fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

40 Group statement of financial position (continued)

40.2 Fair values of financial assets and liabilities (continued)

Analysis of instruments at fair value

At 31 December 2023

	Level 1 ZWLm	Level 2 ZWLm	Level 3 ZWLm	Total ZWLm
Inflation adjusted/Historical cost				
Financial assets measured at fair value				
Investment and securities	2,076,632	5,071	967,694	3,049,397
Total financial assets measured at fair value	2,076,632	5,071	967,694	3,049,397
Financial liabilities				
Investment contract liabilities	-	-	423,734	423,734
Total financial liabilities measured at fair value	-	-	423,734	423,734

Inflation Adjusted Audited - 2022

Financial assets measured at fair value

Investment and securities	1,113,734	49,372	305,943	1,469,049
Total financial assets measured at fair value	1,113,734	49,372	305,943	1,469,049
Financial liabilities				
Investment Contract liabilities	-	-	193,621	193,621
Total financial liabilities measured at fair value	-	-	193,621	193,621

Historical Cost Unaudited - 2022

Financial assets measured at fair value

Investment and securities	231,765	10,274	63,666	305,705
Total financial assets measured at fair value	231,765	10,274	63,666	305,705
Financial liabilities				
Investment Contract liabilities	-	-	402,292	402,292
Total financial liabilities measured at fair value	-	-	402,292	402,292

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

40 Group statement of financial position (continued)

40.2 Fair values of financial assets and liabilities (continued)

The movement in level 3 instruments for the year can be analysed as follows:

	Opening balance ZWLm	Gains/losses recognised in profit or loss ZWLm	Purchases and issues ZWLm	Sales and settlements ZWLm	Transfers into level 3 from other categories ZWLm	Transfers out of level 3 to other categories ZWLm	Closing balance ZWLm
Inflation adjusted audited - 2023							
Financial assets measured at fair value							
Designated (fair value through profit or loss)	305,943	661,751	-	-	-	-	967,694
Total financial assets measured at fair value	305,943	661,751	-	-	-	-	967,694
Inflation Adjusted Audited - 2022							
Designated (fair value through profit or loss)	260,522	45,421	-	-	-	-	305,943
Total financial assets measured at fair value	260,522	45,421	-	-	-	-	305,943
Historical cost unaudited - 2023							
Financial assets measured at fair value							
Designated (fair value through profit or loss)	63,666	904,028	-	-	-	-	967,694
Total financial assets measured at fair value	63,666	904,028	-	-	-	-	967,694
Historical cost Unaudited - 2022							
Designated (fair value through profit or loss)	15,571	48,095	-	-	-	-	63,666
Total financial assets measured at fair value	15,571	48,095	-	-	-	-	63,666

Key inputs and assumptions used in the valuation models include discount rates and price earnings ratio. The table below sets out information about significant unobservable inputs used at year end in measuring financial instruments categorised as level 3:

Valuation Technique	Significant unobservable Inputs	Average range of unobservable inputs
Discounted Cash Flow (DCF)	Risk adjusted discount rate: -Equity risk premium -Nominal free risk rate -Terminal growth rate	10.79% - 16.49% 10.1% - 11.5% 3%
Price Earnings(PE)	PE ratio/multiple: Discount applied -Country risk discount -Marketability discount -Size discount	23% 5.5% - 16.5% 26%

Effect of changes in significant unobservable assumptions to reasonable possible alternatives

Favourable and unfavourable changes are determined on the basis of changes in the value of the financial asset or liability as a result of varying the levels of the unobservable parameters using statistical techniques. When parameters are not amenable to statistical analysis, quantification of uncertainty is judgemental. When the fair value of a financial asset or liability is affected by more than one unobservable assumption, the figures shown reflect the most favourable or most unfavourable change from varying the assumptions individually.

The valuations of the private equity investments are performed on an asset-by-asset basis using a valuation methodology appropriate to the specific investment and in line with industry guidelines. In determining the valuation of the investment the principal assumption used is the valuation multiples applied to the main financial indicators (such as adjusted earnings). The source of these multiples may include multiples for comparable listed companies which have been adjusted for discounts for non-tradability and valuation multiples earned on transactions in comparable sectors.

The valuations of asset-backed securities are determined by discounted cash flow models that generate the expected value of the asset, incorporating benchmark information on factors such as prepayment patterns, default rates, loss severities, and the historical performance of the underlying assets. The outputs from the models used are calibrated with reference to similar securities for which external market information is available.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

40 Group statement of financial position (continued)

40.2 Fair values of financial assets and liabilities (continued)

The following table summarises the significant inputs to value instruments categorised as Level 3 hierarchy in the Group's continuing businesses and their sensitivity to changes in the inputs used.

Types of financial instruments	31 December 2023 ZWLm	31 December 2022 ZWLm	Valuation Technique Used	Significant unobservable inputs	Sensitivity	
					31 December 2023 ZWLm	31 December 2022 ZWLm
Investments and securities	651,607	63,666	Market Approach Discounted Cash Flows	PE Multiple Cost of equity Terminal Growth rate	Favourable 621,574 Unfavourable (523,216)	Favourable 63,667 Unfavourable (63,667)

41 Group Financial risk management

The Group is exposed to financial risk through its financial assets, financial liabilities, reinsurance assets, investment contracts with discretionary participating features, and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets may not be sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of financial risk are interest rate risk, liquidity risk, equity price risk, currency risk, and credit risk. These risks arise from open positions in interest rate (both fair value and cash flow interest rate risk) and equity products, all of which are exposed to general and specific market movements.

Financial risk management strategy and policy

The principal technique of the Group is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders as well as seeking to maximise the return on shareholders' funds, all within an acceptable risk framework.

The insurance contracts retain substantial exposures to the extent that the benefits payable to policyholders are not linked to the performance of the underlying assets. These exposures include duration risk, credit risk, and market risk. The notes below explain how financial risks are mitigated by the maintenance of sufficient capital.

Capital Adequacy

Old Mutual Life Assurance Company Zimbabwe Limited (OMLAC)

Shareholders equity
Regulatory capital adequacy requirement

Central Africa Building Society (CABS)

Shareholders equity
Regulatory Capital
Total risk weighted assets
Capital adequacy ratio
Regulatory capital adequacy ratio

Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG)

Shareholders equity
Regulatory capital adequacy requirement

Old Mutual Securities (Private) Limited (OMSEC)

Shareholders equity
Regulatory capital adequacy requirement

RM Insurance Holdings Limited (RMI)

Shareholders equity
Regulatory capital adequacy requirement

Old Mutual Finance (Private) Limited (OMFIN)

Shareholders equity
Regulatory capital adequacy requirement

	2023 ZWLm	2022 ZWLm
Shareholders equity	514,959	64,923
Regulatory capital adequacy requirement	12,209	75
Shareholders equity	894,823	99,581
Regulatory Capital	899,048	88,194
Total risk weighted assets	2,398,183	251,784
Capital adequacy ratio	37%	35%
Regulatory capital adequacy ratio	12%	12%
Shareholders equity	15,173	1,796
Regulatory capital adequacy requirement	14,747	1,448
Shareholders equity	587	110
Regulatory capital adequacy requirement	566	87
Shareholders equity	106,043	8,315
Regulatory capital adequacy requirement	11,599	38
Shareholders equity	4,549	50
Regulatory capital adequacy requirement	153	17

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

41 Group Financial risk management (continued)

Capital Adequacy (continued)

OMLAC

OMLAC is regulated by the Insurance and Pensions Commission (IPEC). The internal capital adequacy requirement (CAR) has been calculated based on the Prudential Authority of South Africa's Financial Soundness Standards for Insurers Solvency Assessment and Management (SAM) framework. This provides a buffer against future experience being worse than assumed, of which adverse investment experience is the most significant. For the Guaranteed Fund product into which the majority of policyholder funds are invested, the shareholder's support will only be called upon if the Bonus Smoothing Reserve falls below negative 15% of the liabilities after reducing surrender values in accordance with underlying asset values, reducing interim bonuses (if necessary to zero), declaring low or if necessary zero bonuses, and if the circumstances warrant it, removing part or all of previously declared non-vested bonuses to the extent consistent with the Principles and Practices of Financial Management. The nature and extent of the action that would be taken will depend on the severity of the decline in asset values and the circumstances at that time. OMLAC was adequately capitalised on the SAM Framework.

The investment resilience CAR is the single most significant component of OMLAC's CAR. The calculation of this component is based on the asset profile and the proportion of vested and non-vested liabilities.

CABS

The Society's lead regulator (Reserve Bank of Zimbabwe) sets and monitors capital requirements for the Society on a quarterly basis through quarterly BSD1 Returns. As at 31 December 2023, RBZ required the Society to maintain a minimum capital adequacy ratio of 12% as measured by the ratio of total capital to risk weighed assets, with effect from 31 December 2021, the required capital increased to a minimum of the equivalent of USD30 million. As at 31 December 2023, CABS had a capital adequacy ratio of 37% and USD equivalent capital of USD147 million.

OMIG

Securities and Exchange Commission (SEC) sets and monitors capital requirements for the company. The company met the regulatory requirements regarding capitalisation. The amount of the surplus available to be distributed to the shareholder, Old Mutual Zimbabwe Limited, is subject to available distributable reserves within the shareholders' equity and maintaining the minimum internal capital adequacy requirement.

OMSEC

The Securities Exchange Commission sets and monitors capital requirements for the company. The company met the regulatory requirements regarding capitalisation.

RMI

Old Mutual Insurance Company (OMICO), RMI's principal subsidiary, is regulated by the Insurance and Pensions Commission (IPEC) which sets and monitors capital requirements for the company. The company met the regulatory requirements regarding capitalisation.

OMFIN

The RBZ sets and monitors capital requirements for the company. The company met the regulatory requirements regarding capitalisation.

Capital management policies

Capital is actively managed to ensure that the Group is properly capitalised and funded at all times, having regard to its regulatory needs, with appropriate risk adjusted margins to allow prudent management of capital levels under stress scenarios. The Group has a business planning process that runs on an annual cycle with regular updates to projections. It is through this process, which includes risk and sensitivity analysis of forecasts, that the Group's capital is managed.

Specifically, the Group has adopted the following capital management policies:

- Maintenance, as a minimum, of capital sufficient to meet the statutory requirements and such additional capital as management believes is necessary to ensure that obligations to policyholders and depositors can be met on a timely basis, including under stress scenarios.
- Maintenance of an appropriate level of liquidity at all times. The Group further ensures that it can meet its expected capital and financing needs at all times, having regard to the business plans, forecasts, and any strategic initiatives.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

41 Group Financial risk management (continued)

Insurance risks

The Group controls its exposures through underwriting and re-pricing procedures to determine whether cover can be provided and the pricing of such risk. Underwriting practice relies on regular review procedures to analyse actual loss and expense experience.

Equity price risk

Equity price risk is the potential loss arising from changes in the value of equity securities. The Group's investment portfolio consists of equity securities, fixed income assets, and property. A substantial part of the equity portfolio consists of listed counters. Non-listed investments are subjected to regular financial analysis and review, while exposure levels to listed counters are regularly reviewed.

Sensitivity analysis

A 20 percent movement of the listed equities as at 31 December 2023 would have changed equities by ZWL415 billion and profit by ZWL98 billion on the historical cost basis. The movement would represent a 10% impact on profit and 7% impact on equity. This analysis assumes that all other variables remain constant.

Credit risk

Credit risk is the risk that an asset, in the form of a monetary claim against a counterparty, may not result in a cash receipt (or equivalent) in accordance with the terms of a contract.

The Group is exposed to credit risk through its money market investments, cash and cash equivalents and loans and advances. Credit risk is managed by placing limits on exposure to a single counterparty or Groups of counterparties. These limits are based on credit ratings of the counterparties conducted within the various operating companies. Credit risk is monitored with reference to credit ratings with limits placed on exposure where credit risk is below acceptable levels and through holding security from the counterparty.

Credit risk associated with property rentals is managed through a credit vetting process, the requirement for rental deposits, and close monitoring of the tenants' book.

	Inflation adjusted audited		Historical cost unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
Overall credit risk				
Short term funds and securities	791,305	163,722	791,305	34,070
Reinsurance contract assets	19,988	20,199	19,988	3,161
Cash and cash equivalents	890,119	460,491	890,119	95,827
Other assets	1,701,412	644,412	1,701,412	133,058
Loans and advances				
Gross amount	1,084,272	633,795	1,084,272	131,891
Allowance for impairment	(39,807)	(16,218)	(39,807)	(3,375)
Carrying amount	1,044,465	617,577	1,044,465	128,516

Impaired loans and securities

Impaired loans and securities are loans and securities for which the Group determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan / securities agreement(s).

Past due but not impaired loans

Loans and securities where contractual interest or principal payments are past due, but the Group believes that impairment is not appropriate on the basis of the level of security/collateral available and/or the stage of collection of amounts owed to the Group.

Exposure to counterparties

The Group is also exposed to counterparties arising from money market trading.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

41 Group Financial risk management (continued)

Loans and Advances Renegotiated

Restructuring of loans include extended repayment arrangements, modifications, and deferral of repayments. Restructuring policies and practices are based on indicators and criteria that in the judgement of management, indicate that repayments will most likely continue. These policies are kept under continuous review.

Allowances for impairment

The Group establishes an allowance for impairment based on the class of each loan and in line with IFRS 9 and the Reserve Bank of Zimbabwe guideline on provisions.

Write off policy

The Group writes off a loan when the Credit Committee determines that the loans/securities are uncollectible. The determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation or that proceeds from collateral will not be sufficient to pay back the entire exposure.

Collateral

The Group holds collateral against loans and advances to customers in the form of mortgage interest over property. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

The Group holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

Collateral held and other credit enhancements	31 December 2023	31 December 2022	Principal type of collateral held
Percentage of exposure subject to collateral requirements			
Type of credit exposure			
Treasury Bills	-	-	None
Fixed deposits*	100%	100%	Treasury Bills
Mortgage loans	100%	100%	Property
Corporate loans	86%	86%	Property
Consumer loans	85%	86%	Insurance

*Relates to CABS. Other Group subsidiaries' exposure is managed through setting and regular review of limits on counterparties.

The Group's policy is to pursue timely realisation of the collateral in an orderly manner. The Group does not generally use the non-cash collateral for its own operations.

Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a counterparty to honour its obligations to deliver cash, securities or other assets as contractually agreed. The Group charges the maximum lending rate for all parties who fail to honour their obligations on time. Settlement risk is also monitored through risk assessment of counterparties and capping of trading limits in line with the risk profile of each institution.

Regulatory Loan Loss Provisioning

Provisioning is determined on the basis of account classification whereby provisions are uniformly determined for specific grades. CABS establishes an allowance for impairment based on the class of each loan and in line with the RBZ guidelines on provisions. The provisioning methodology is summarised below:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

41 Group Financial risk management (continued)

Regulatory Loan Loss Provisioning (continued)

Class	Type	Provisioning criteria	ZWLm	Allowance for Gross loans ZWLm	Net loans ZWLm
31 December 2023 - Inflation adjusted/Historical					
Grade A,B,C	Pass	1-2% general provision	1,032,781	34,270	998,512
Grade D,E,F,G	Special mention	3-10% general provision	48,271	3,045	45,226
Grade H	Sub standard	20% specific provision on balance less security value	1,056	558	498
Grade I	Doubtful	50% of total outstanding balance less security value	956	727	228
Default	Loss	100% of total outstanding balance less security held	1,208	1,207	1
Portfolio total			1,084,272	39,807	1,044,465
31 December 2022 - Inflation adjusted					
Grade A,B,C	Pass	1-2% general provision	415,733	3,273	412,460
Grade D,E,F,G	Special mention	3-10% general provision	216,101	11,461	204,640
Grade H	Sub standard	20% specific provision on balance less security value	1,081	682	399
Grade I	Doubtful	50% of total outstanding balance less security value	485	413	72
Default	Loss	100% of total outstanding balance less security held	395	389	6
Portfolio total			633,795	16,218	617,577
31 December 2022 - Historical cost unaudited					
Grade A,B,C	Pass	1-2% general provision	86,513	681	85,832
Grade D,E,F,G	Special mention	3-10% general provision	44,970	2,385	42,585
Grade H	Sub standard	20% specific provision on balance less security value	225	142	83
Grade I	Doubtful	50% of total outstanding balance less security value	101	86	15
Default	Loss	100% of total outstanding balance less security held	82	81	1
Portfolio total			131,891	3,375	128,516

The Group also takes into account provisions requirement of IFRS 9 (Financial Instruments) and makes the most prudent provisions for its loans and advances based on the two methods. Where the regulatory provisions are higher than the IFRS 9 impairment, the excess is treated as an appropriation from retained earnings.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

41 Group Financial risk management (continued)

Currency risk

The Group has exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. To the extent possible, exchange rate risk on foreign payables is mitigated by generating business which earns foreign currency.

The table below shows the Group's exposure to foreign currency exchange risk.

	USDm	ZARm	GBPm	EUROm	BWPm	Total - ZWLm
At 31 December 2023						
Cash and cash equivalents	94	23	-	-	2	577,216
At 31 December 2022						
Cash and cash equivalents	69	52	-	1	3	4,810

The table below shows the Group's closing exchange rates which were used in the financial statements.

	USD	ZAR	GBP	EURO	BWP
At 31 December 2023	6,104.7200	333.3333	7,783.6500	6,753.9800	455.5000
At 31 December 2022	671.4466	39.6825	809.2625	715.4955	52.6444

Foreign currency risk

The Group has settlement exposure to foreign suppliers and creditors as well as related parties who require payments to be made in foreign currency. Ability to settle is constrained by exchange control restrictions as well as the unavailability of nostro funding.

	Inflation adjusted audited/ Historical cost unaudited 2023 ZWLm	Inflation adjusted audited 2022 ZWLm	Historical cost unaudited 2022 ZWLm
Foreign liabilities			
Life Assurance	897,324	14,580	3,034
General Insurance	69,548	26,223	5,457
Banking	1,427,396	722,840	150,421
Holding Company and other	533,048	286,097	59,536
	2,927,316	1,049,740	218,448
Of the amount disclosed above, the exposure to fellow Group companies was:	542,814	291,518	60,664

Interest rate risk

Interest rate risk is the risk that fluctuating interest rates will unfavourably affect the Group's earnings and the value of its assets, liabilities, and capital.

The individual life and employee benefits businesses have due regard to the nature of the liabilities. The interest rate risk of such liabilities is managed by investing in available assets to ensure matching of current liabilities. Derivative instruments are not used to manage the interest rate risk of these long term assets and liabilities.

Interest rate risk represents the price sensitivity of a fixed income security or interest-carrying asset to changes in interest rates. This risk is controlled by careful monitoring of the level of interest-bearing investments.

The tables below set out the carrying amounts, by maturity, of the Group's financial instruments that are exposed to interest rate risk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

41 Group Financial risk management (continued)

The tables below set out the carrying amounts, by maturity, of the Group's financial instruments that are exposed to interest rate risk.

Repricing profile of financial assets and liabilities (including insurance) exposed to interest rate risk:

	0 to 3 months ZWLm	3 to 12 months ZWLm	Over a year ZWLm	Total ZWLm
Inflation adjusted/historical cost- 2023				
Assets				
Money market investments	104,979	155,258	17,681	277,918
Loans and advances	158,059	320,643	605,570	1,084,272
	263,068	475,901	623,251	1,362,190
Liabilities				
Deposits	1,252,038	87,667	9,018	1,348,723
Credit lines	352,140	210,424	-	562,564
	1,604,178	298,091	9,018	1,911,288
Inflation Adjusted Audited - 2022				
Assets				
Money market investments	38,814	98,992	-	137,806
Loans and advances	83,639	182,727	367,429	633,795
	122,453	281,719	367,429	771,601
Liabilities				
Deposits	658,490	6,281	360	665,131
Credit lines	58,487	95,758	205,558	359,803
	716,977	102,039	205,918	1,024,934
Historical Cost Unaudited - 2022				
Assets				
Money market investments	8,077	20,600	-	28,677
Loans and advances	17,405	38,025	76,461	131,891
	25,482	58,625	76,461	160,568
Liabilities				
Deposits	137,030	1,307	75	138,412
Credit lines	12,171	19,927	42,776	74,874
	149,201	21,234	42,851	213,286

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

41 Group Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that cash may not be available at a reasonable cost to pay obligations when due. The tables below set out the carrying amounts, by maturity, of the Group's financial instruments that are exposed to liquidity risk.

Maturity profile of assets and liabilities exposed to liquidity risk:

	0 to 3 months ZWLm	3 to 12 months ZWLm	Over a year ZWLm	Total ZWLm
Inflation Adjusted Audited - 2023				
Cash and cash equivalents	890,119			890,119
Investments and securities	208,811	466,753	2,849,051	3,524,615
Loans and advances	150,387	290,588	603,490	1,044,465
Insurance contract liabilities	(373,718)	(3,339,352)	(1,152,765)	(4,865,835)
Amounts owed to bank depositors	(1,251,944)	(87,667)	(9,112)	(1,348,723)
Credit lines	(352,139)	(40,612)	(169,813)	(562,564)
Other payables	-	(318,680)	(3,850)	(322,530)
	(728,484)	(3,028,970)	2,117,002	(1,640,453)
Historical cost Unaudited - 2023				
Cash and cash equivalents	890,119	-	-	890,119
Investments and securities	208,811	466,753	2,849,051	3,524,615
Loans and advances	150,387	290,588	603,490	1,044,465
Insurance contract liabilities	(373,718)	(3,339,352)	(1,152,765)	(4,865,835)
Amounts owed to bank depositors	(1,251,944)	(87,667)	(9,112)	(1,348,723)
Credit lines	(352,139)	(40,612)	(169,813)	(562,564)
Other payables	-	(307,632)	(3,850)	(311,482)
	(728,484)	(3,017,922)	2,117,002	(1,629,405)
Inflation Adjusted Audited - 2022				
Cash and cash equivalents	460,491	-	-	460,491
Investments and securities	181,069	179,483	1,272,218	1,632,770
Loans and advances	81,501	178,051	358,025	617,577
Insurance contract liabilities	(1,658,341)	(597,440)	(199,777)	(2,455,558)
Amounts owed to bank depositors	(515,826)	(6,281)	(49,174)	(571,281)
Credit lines	(58,487)	(95,758)	(205,553)	(359,798)
Other payables	-	(104,168)	(1,206)	(105,374)
	(1,509,593)	(446,113)	1,174,533	(781,173)
Historical cost Unaudited - 2022				
Cash and cash equivalents	95,827	-	-	95,827
Investments and securities	37,680	37,350	264,745	339,775
Loans and advances	16,960	37,052	74,504	128,516
Insurance contract liabilities	(345,096)	(124,326)	(41,573)	(510,995)
Amounts owed to bank depositors	(107,342)	(1,307)	(10,233)	(118,882)
Credit lines	(12,171)	(19,927)	(42,775)	(74,873)
Other payables	-	(17,217)	(251)	(17,468)
	(314,142)	(88,375)	244,417	(158,100)

Amounts due to group companies have been excluded in the maturity profile of assets and liabilities as they are not exposed to the liquidity risk (see notes 30 and 62).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

41 Group Financial risk management (continued)

Management of liquidity risk

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation. The daily liquidity position of the Group is managed by the treasury department in liaison with the relevant management. All liquidity policies and procedures are subject to review and approval by Assets and Liabilities Committee.

Liquidity gap

The Liquidity gap is the difference between assets and liabilities in a given maturity period.

The banking business manages its contractual liquidity gap through treasury operations to acquire deposits of suitable tenor and price from the market. As a contingency the Group has also entered into liquidity support arrangements with suitable counter parties, to which it has ready access, in need.

Exposure to liquidity risk

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and short term dealing and investment securities for which there is an active and liquid market less any deposits from banks, other borrowing, and liabilities maturing within the same short term period. Details of this ratio are given below:

	2023	2022
Liquidity ratio (CABS)	74%	78%
Regulatory Minimum (CABS)	30%	30%

The banking business monitors liquidity risk by compliance with liquidity regulations of the Building Societies Act (Chapter 24:02) as well as submission of monthly liquidity returns to the RBZ. In addition, the Group matches long term lending to inflows into long term investments, and this is monitored through the Risk Management Committee.

42 Insurance risk management

The Group assumes insurance risk by issuing insurance contracts, under which the Group agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affecting the policyholder occurs. Insurance risk includes mortality risk.

For accounting purposes, insurance risk is defined as risk other than financial risk. Contracts issued by the Group may include both insurance and financial risk; contracts with significant insurance risk are classified as insurance contracts, while contracts with no or insignificant insurance risk are classified as investment contracts. The Group's approach to financial risk management has been described in Note 41.

Risk management objectives and policies for mitigating insurance risk

The Group effectively manages its insurance risks through the following mechanisms:

- Actuarial models, which use past experience and statistical models to calculate premiums and monitor claim patterns.
- Guidelines for concluding insurance contracts and assuming insurance risks. These include underwriting principles and product pricing procedures.
- The mix of assets, which is driven by the economic environment. The management of assets and liabilities is closely monitored to ensure that there are sufficient interest bearing assets to settle liabilities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

42 Insurance risk management (continued)

Terms and conditions of insurance contracts

The terms and conditions attached to insurance contracts determine the level of insurance risk accepted by the Group. The following tables outline the general form of terms and conditions that apply to contracts sold in each category of business and the nature of the risk incurred.

Category	Essential terms	Main risks	Policyholders guarantees	Policyholder participation investment returns
Employee Benefits Group life assurance	Rates are annually renewable	Mortality	Sum insured	None
With-profit annuity	Regular benefit payments participating in profits in return for consideration	Longevity Investment	Underlying pricing interest rate is guaranteed. Declared bonuses cannot be reduced	Yes, see below
Retail Life Plan	Premium rates are guaranteed but reviewable for new business	Mortality	Sum assured is guaranteed	None
Funeral Plan	Premium rates are guaranteed but reviewable for new business	Mortality	Sum assured is guaranteed	None
General Insurance Property insurance	Rates are reviewed at renewal depending on loss ratio	Accidental damage or loss of the insured property	Sum insured	None
Liability policies	Rates are reviewed at renewal	Legal liability accidentally arising from normal operations	Limit of liability / sum insured	None

The extent of the Group's discretion as to the allocation of investment return to policyholders varies based on the type of contract. Where the contracts are pure risk type, there is no sharing of investment returns. For other contracts, investment return is attributed to the policyholder. Declared bonuses may be either vesting and/or non-vesting (in which case they can be reversed).

Smoothed bonus products constitute a significant proportion of the business. Particular attention is paid by ensuring that the declaration of bonuses is done in a responsible manner, such that sufficient reserves are retained for bonus smoothing purposes. Investment returns not distributed after deducting charges are credited to bonus stabilisation reserves, which are used to support subsequent bonus declarations.

In addition to the specified risks identified above, the Group is subject to the risk that policyholders discontinue the insurance policy through lapse or surrender.

Management of insurance risks

The table below summarises the variety of risks to which the Group is exposed and the methods by which it seeks to mitigate these risks.

Risks	Definition	Risk management
Underwriting	Misalignment of policyholders to the appropriate pricing basis or impact of anti-selection, resulting in a loss.	Experience is closely monitored. Underwriting limits, health requirements, spread of risks, and training of underwriters all mitigate the risk.
Catastrophe	Natural and non-natural disasters could result in increased mortality risk and payouts on policies.	Catastrophe excess of loss re-insurance treaty covers all claims from one incident occurring within a specified period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

42 Insurance risk management (continued)

Summary of key valuation assumptions (statutory basis)

Below are the key actuarial valuation assumptions per product

Product	2023	2022
Old Mutual Funeral Plan		
Valuation interest rate	Yield Curve	6.50%
Expense inflation	Yield Curve	4.00%
Effective interest rate for assurance	Yield Curve	6.50%
Mortality basis	Zim 92	Zim 92
Renewal costs per annum	ZWL354	ZWL106
Lapse rates		
	Year 1	80.00%
	Year 2	40.00%
	Year 3	80.00%
	Year 4	-
	Year 5	-
	Year 6	-
	Year 7	-
	Year 8	-
	Year 9	-
	Year 10+	-
Old Mutual Life Plan		
Valuation interest rate	Yield Curve	6.50%
Expense inflation	Yield Curve	4.00%
Effective interest rate for assurance	Yield Curve	6.50%
Mortality basis	Zim 92	Zim 92
Renewal costs per annum	ZWL182,712	ZWL15,694
Lapse rates		
Late rate:		
	Year 1	40.00%
	Year 2	20.00%
	Year 3	10.00%
	Year 4+	2.00%
Savings Plan		
Valuation interest rate	Yield Curve	5.90%
Expense inflation	Yield Curve	4.00%
Mortality basis	Zim 92	Zim 92
Renewal Costs per annum-premium paying	-	ZWL16,674
Renewal Costs per annum-premium paid up	5.65% of Unit Fund	ZWL16,674
Late rate:		
	Year 1	20.00%
Surrender rate:		
	Year 2	10.00%
	Year 3	10.00%
	Year 4+	10.00%
Old Mutual Term Plan		
Valuation interest rate	Yield Curve	6.50%
Expense inflation	Yield Curve	4.00%
Effective interest rate for assurance	Yield Curve	6.50%
Mortality basis	Zim 92	Zim 92
Renewal costs per month	ZWL255,761	ZWL16,674
Lapse rates		
	Year 1	40.00%
	Year 2	20.00%
	Year 3	10.00%
	Year 4+	2.00%
GLA IBNR reserves		
	2023	85% of premiums earned in the last 2.8 months
	2022	85% of premiums earned in the last 2.8 months

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

42 Insurance risk management (continued)

Underwriting risk management

Concentration risk of insurance risk

The Group manages concentration risk through various mechanisms and monitors the opportunities for mitigating actions. Such mechanisms include: underwriting principles and product pricing procedures, reinsurance and the diversification of business over several classes of insurance and large numbers of uncorrelated individual risks.

The Group monitors insurance risk per class of business. An analysis of the Group's insurance risk concentration (both before and after reinsurance) per class of business is provided below:

	Inflation adjusted audited 31 December 2023			Inflation adjusted audited 31 December 2022		
	Insurance contracts issued ZWLm	Reinsurance contracts held ZWLm	Net ZWLm	Insurance contracts issued ZWLm	Reinsurance contracts held ZWLm	Net ZWLm
Life Insurance	(4,763,842)	192	(4,763,650)	(2,428,284)	1,520	(2,426,764)
Property and casualty	(101,993)	19,783	(82,210)	(27,274)	18,645	(8,629)
Total	(4,865,835)	19,975	(4,845,860)	(2,455,558)	20,165	(2,435,393)

	Historical cost audited 31 December 2023			Historical cost unaudited 31 December 2022		
	Insurance contracts issued ZWLm	Reinsurance contracts held ZWLm	Net ZWLm	Insurance contracts issued ZWLm	Reinsurance contracts held ZWLm	Net ZWLm
Life Insurance	(4,763,842)	192	(4,763,650)	(505,307)	316	(504,991)
Property and casualty	(101,993)	19,783	(82,210)	(5,688)	2,838	(2,850)
Total	(4,865,835)	19,975	(4,845,860)	(510,995)	3,154	(507,841)

The directors do not believe that there are significant concentrations of insurance or reinsurance risks.

Credit risk

Insurance contracts issued and reinsurance contracts held

The following table provides the amounts representing the maximum exposure to credit risk at the end of the reporting period:

	Inflation Adjusted Audited/ Historical Cost Unaudited 2023 ZWLm	Inflation Adjusted Audited 2022 ZWLm	Historical Cost Unaudited 2022 ZWLm
Insurance contracts issued	(4,865,835)	(2,455,558)	(510,995)
Reinsurance contracts held	19,975	20,165	3,154
Total	(4,845,860)	(2,435,393)	(507,841)

Liquidity risk

Maturity analysis for portfolios of insurance contracts issued and reinsurance contracts held that are liabilities

The table below presents a maturity analysis of the portfolios of insurance contracts and reinsurance contracts held that are in a liability position based on the estimated timing of the remaining contractual undiscounted cash flows.

The amounts presented below do not include those relating to LRC of insurance and reinsurance contracts that are measured under the PAA.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

42 Insurance risk management (continued)

Year ended 31 December 2023

Inflation Adjusted Audited/ Historical Cost Unaudited

	0-3 months ZWLm	3-12 months ZWLm	1-5 years ZWLm	Over 5 years ZWLm	Total ZWLm
Life insurance contract liabilities					
Insurance contracts	15,038	3,244	8,883	40,799	67,964
Investment contracts with discretionary participating features	283,546	3,309,249	1,103,083	-	4,695,878
Property and casualty	75,134	26,859	-	-	101,993
Total	373,718	3,339,352	1,111,966	40,799	4,865,835

Year ended 31 December 2022

Inflation Adjusted Audited

	0-3 months ZWLm	3-12 months ZWLm	1-5 years ZWLm	Over 5 years ZWLm	Total ZWLm
Life insurance contract liabilities					
Insurance contracts	7,998	2,316	5,464	12,489	28,267
Investment contracts with discretionary participating features	1,630,160	588,033	181,824	-	2,400,017
Property and casualty	20,183	7,091	-	-	27,274
Total	1,658,341	597,440	187,288	12,489	2,455,558

Historical Cost Unaudited

	0-3 months ZWLm	3-12 months ZWLm	1-5 years ZWLm	Over 5 years ZWLm	Total ZWLm
Life insurance contract liabilities					
Insurance contracts	1,664	482	1,137	2,599	5,882
Investment contracts with discretionary participating features	339,232	122,356	37,837	-	499,425
Property and casualty	4,200	1,488	-	-	5,688
Total	345,096	124,326	38,974	2,599	510,995

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

42 Insurance risk management (continued)

Market risk

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies resulting in exposures to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Group's foreign currency denominated insurance contracts issued and reinsurance contracts held are as follows:

Insurance contracts liabilities	2023 USDm	2022 USDm
Currency		
USD	142	84

The Group is mainly exposed to United States of America dollars.

The Group's sensitivities to changes in the rate of exchange of ZWL against the USD are detailed on note 64.

43 Intangible assets

	Inflation adjusted audited		Historical cost unaudited	
	Company 2023 ZWLm	Company 2022 ZWLm	Company 2023 ZWLm	Company 2022 ZWLm
Carrying amount at beginning of year	10	30	-	-
Additions	775	-	528	-
Amortisation	(51)	(20)	(35)	-
Carrying amount at end of year	734	10	493	-
Cost/Valuation	785	30	528	-
Accumulated amortisation	(51)	(20)	(35)	-
Carrying amount at end of year	734	10	493	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

44 Property and equipment Company	Right of Use Asset ZWLm	Motor vehicles ZWLm	Computer equipment ZWLm	Fixtures and fittings ZWLm	Total ZWLm
Inflation adjusted 2023					
Carrying amount at beginning of year	279	1,720	2,258	1,649	5,906
Additions	-	729	393	121	1,243
Disposals	-	(648)	(171)	-	(819)
Depreciation charge for the year	(92)	(637)	(804)	(731)	(2,264)
Carrying amount at end of year	187	1,164	1,676	1,039	4,066
Cost/Valuation	375	2,842	4,449	3,860	11,526
Accumulated depreciation	(188)	(1,678)	(2,773)	(2,821)	(7,460)
Carrying amount at end of year	187	1,164	1,676	1,039	4,066
Inflation Adjusted Audited 2022					
Carrying amount at beginning of year	67	1,042	2,560	2,373	6,042
Additions	293	1,149	476	5	1,923
Depreciation charge for the year	(81)	(471)	(778)	(729)	(2,059)
Carrying amount at end of year	279	1,720	2,258	1,649	5,906
Cost/Valuation	375	2,739	4,214	3,715	11,043
Accumulated depreciation	(96)	(1,019)	(1,956)	(2,066)	(5,137)
Carrying amount at end of year	279	1,720	2,258	1,649	5,906
Historical Cost Unaudited 2023					
Carrying amount at beginning of year	22	128	63	24	237
Additions	-	458	254	107	819
Disposals	-	(50)	(53)	-	(103)
Depreciation charge for the year	(9)	(42)	(32)	(12)	(95)
Carrying amount at end of year	13	494	232	119	858
Cost/Valuation	32	573	274	156	1,035
Accumulated depreciation	(19)	(79)	(42)	(37)	(177)
Carrying amount at end of year	13	494	232	119	858
Historical Cost Unaudited 2022					
Carrying amount at beginning of year	1	46	8	33	88
Additions	30	108	63	-	201
Depreciation charge for the year	(9)	(26)	(8)	(9)	(52)
Carrying amount at end of year	22	128	63	24	237
Cost/Valuation	32	165	73	49	319
Accumulated depreciation	(10)	(37)	(10)	(25)	(82)
Carrying amount at end of year	22	128	63	24	237

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

45 Investment property

	Inflation adjusted Audited		Historical cost Unaudited	
	Company 2023 ZWLm	Company 2022 ZWLm	Company 2023 ZWLm	Company 2022 ZWLm
Carrying amount at beginning of year	1,297	744	270	45
Net gain from fair value adjustments	1,163	553	2,190	225
Carrying amount at end of year	2,460	1,297	2,460	270
Comprising:				
Freehold property	2,460	1,297	2,460	270

The fair value of freehold property leased to third parties under operating leases is ZWL2,460 million (2022: ZWL1,297 million).

The carrying amount of investment 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. Fair values are determined by having regard to recent market transactions for similar properties in the same location as the investment property. The Company's current lease arrangements, which are entered into on an arm's length basis and which are comparable to those for similar properties in the same location, are taken into account. Investment properties, being residential, were fair valued using the Comparison Approach. The fair value of the Company's properties are categorised into Level 3 of the fair value hierarchy (quoted prices of similar assets).

46 Investments and securities

	Inflation adjusted Audited		Historical cost Unaudited	
	Company 2023 ZWLm	Company 2022 ZWLm	Company 2023 ZWLm	Company 2022 ZWLm
46.1 Analysis of investments				
At fair value through profit or loss				
Equity securities (see analysis in note 46.2 below)	123,935	74,297	123,935	15,461
Unit trusts	3,176	111	3,176	23
At amortised cost				
Deposits and money market securities	1,544	413	1,544	86
	128,655	74,821	128,655	15,570
46.2 Spread of equity securities by sector				
At fair value through profit or loss				
Commodities	8,531	7,304	8,531	1,520
Consumer	31,992	26,094	31,992	5,430
Financial	39,090	19,520	39,090	4,062
Properties	271	231	271	48
Manufacturing	1,561	3,292	1,561	685
Unlisted	42,490	17,856	42,490	3,761
	123,935	74,297	123,935	15,461
46.3 Movements of investment and securities				
Opening balance	74,821	102,995	15,570	6,235
Fair value movements through profit and loss	76,427	(33,565)	110,815	7,122
Additions	10,669	17,847	2,293	3,082
Disposals	(33,262)	(12,456)	(23)	(869)
	128,655	74,821	128,655	15,570

Unlisted equities included in investments were measured at fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

47 Investment in subsidiary companies

	Number of issued ordinary and preference shares 2023	% interest 2023	Number of issued ordinary and preference shares 2022	% Interest 2022
Total				
Unlisted - subsidiaries				
Old Mutual Life Assurance Company Zimbabwe Limited	13,184,355	100%	13,184,355	100%
Central Africa Building Society	15,000,000	100%	15,000,000	100%
Old Mutual Investment Group Zimbabwe (Private) Limited	10,000	100%	10,000	100%
Old Mutual Securities (Private) Limited	167	100%	167	100%
Old Mutual Finance (Private) Limited	10,000	100%	10,000	100%
RM Insurance Holdings Limited	940,520	58.63%	940,520	58.63%
Old Mutual Digital Services (Private) Limited	1 911	100%	-	-

All the above companies have a year end of 31 December and their financial results have been incorporated and are included in the Group financial statements from the effective date that the Group controls the entity.

The non-controlling interests share of profit for the financial year has been calculated on the basis of the Group's effective ownership in RM Insurance Holdings Limited, being the principal subsidiary where a non-controlling interest exists.

The Company launched Old Mutual Digital Services Company (OMDS), a fintech company with three flagship products, the Omari wallet and the two microinsurance products, O'mari Foodcare and O'mari Schoolcare and OMDS is wholly owned by the Company.

Effective 1 January 2023, the Company voluntarily changed its accounting policy to measure the value of its investments in subsidiary companies from cost to fair value through profit or loss in accordance with IFRS 9 (see note 2.29).

	Inflation adjusted Audited		Historical Cost Unaudited	
	2023 ZWLm	2022 ZWLm Restated	2023 ZWLm	2022 ZWLm Restated
Fair value of shares				
Unlisted - subsidiaries				
Old Mutual Life Assurance Company Zimbabwe Limited	520,830	292,954	520,830	60,963
Central Africa Building Society	738,411	326,962	738,411	68,040
Old Mutual Investment Group Zimbabwe (Private) Limited	48,211	23,681	48,211	4,928
Old Mutual Securities (Private) Limited	830	303	830	63
Old Mutual Finance (Private) Limited	6,000	269,634	6,000	56,110
RM Insurance Holdings Limited	41,603	21,010	41,603	4,372
Old Mutual Digital Services (Private) Limited	5,600	-	5,600	-
	1,361,485	934,544	1,361,485	194,476
Carrying amount at the beginning of the year	934,543	54,610	194,476	183
Net gain from fair value adjustments	396,546	879,934	1,150,665	194,293
Additions	30,396	-	16,344	
Carrying amount at the end of the year	1,361,485	934,544	1,361,485	194,476

Key valuation inputs

Investment in subsidiaries are 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

48 Amounts due from or (to) Group companies

Company	Inflation adjusted/ Historical cost		Inflation adjusted		Historical cost	
	2023	2023	2022	2022	2022	2022
	ZWLm	ZWLm	ZWLm	ZWLm	ZWLm	ZWLm
	Due from	Due to	Due from	Due to	Due from	Due to
Old Mutual Life Assurance Company Zimbabwe Limited	1,843	-	1,965	-	409	-
Old Mutual Zimbabwe Holdco Limited	-	(195,746)	-	(103,504)	-	(21,539)
Old Mutual Investment Group Zimbabwe (Private) Limited	643	-	240	-	50	-
Old Mutual (Zimbabwe) Foundation Trust	1,145	-	96	-	20	-
Old Mutual Securities (Private) Limited	-	(493)	62	-	13	-
Old Mutual Funeral Services (Private) Limited	241	-	255	-	53	-
Frittlewell Investments (Private) Limited	-	(1,404)	-	(702)	-	(146)
Old Mutual Insurance Company (Private) Limited	1,704	-	495	-	103	-
Central Africa Building Society	1,330	-	961	-	200	-
Old Mutual Finance (USD) Limited	-	(305,236)	-	(161,328)	-	(33,572)
The OMZIL Client Pension Exgratia Trust	-	(68)	-	(48)	-	(10)
The OMZIL Indigenisation Employee Share Trust	-	(81)	-	(101)	-	(21)
The OMZIL Management Incentive Share Trust	-	(71)	-	(96)	-	(20)
Old Mutual Finance (Private) Limited	602	-	424	-	88	-
Old Mutual Life Assurance Company SA Limited	-	(18,254)	-	(11,567)	-	(2,407)
Old Mutual Africa Holdings (Private) Limited	-	(3,663)	-	(3,153)	-	(656)
Old Mutual Digital Services (Private) Limited	-	(194)	-	-	-	-
	7,508	(525,210)	4,498	(280,499)	936	(58,371)

The amounts due from or to Group companies above are payable on demand.

Amounts due to Old Mutual Limited (South Africa) and its subsidiaries outside Zimbabwe amount to ZWL542,814 million (2022: ZWL291,518 million). OML has been aware of discussions between the group in Zimbabwe and the Ministry of Finance and Economic Development around the settlement of legacy debt which covers historic obligations incurred to foreign entities under the OML group. The realisation of cashflows from the State under the arrangement has been a key dependency of the ability of OMZIL to discharge its obligation to the wider OML group. OML has undertaken to support options pursuant to the orderly discharge of legacy debt obligations due to them in a manner that does not negatively impact the financial soundness and stability of the group in Zimbabwe.

49 Other receivables

	Inflation adjusted/ Historical cost 2023 ZWLm	Company Inflation adjusted 2022 ZWLm	Historical cost 2022 ZWLm
Legacy debt receivable (see note 49.1)	189,277	226,168	47,065
Dividend receivable	21	43	9
Gold coins	366	163	34
Other	2,290	1,116	232
	191,954	227,490	47,340

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

49 Other receivables (continued)

	Inflation adjusted/ Historical cost 2023 ZWLm	Inflation adjusted 2022 ZWLm	Historical cost 2022 ZWLm
49.1 Impairment of legacy debt			
Impairment	(313,172)	(41,533)	(8,643)

The Company 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.

	Inflation adjusted/ Historical cost 2023 ZWLm	Company Inflation adjusted 2022 ZWLm	Historical cost 2022 ZWL
50 Cash and cash equivalents			
Cash at bank and on hand	13,749	3,969	826
	13,749	3,969	826

	Income At beginning ZWLm	Income statement charge ZWLm	At end ZWLm
51 Deferred tax liabilities			
Inflation Adjusted Audited - Company			
Deferred tax liability - 2023	1,730	1,758	3,488
Capital gains	1,730	1,758	3,488
Deferred tax liability - 2022	2,015	(285)	1,730
Capital gains	2,015	(285)	1,730
Historical Cost Unaudited - Company			
Deferred tax liability - 2023	115	1,890	2,005
Capital gains	115	1,890	2,005
Deferred tax liability - 2022	47	68	115
Capital gains	47	68	115

	Inflation adjusted Audited		Historical Cost Unaudited	
	2023 ZWLm	2022 ZWLm	2023 ZWLm	2022 ZWLm
52 Other payables				
Bonus and leave pay accruals	4,353	3,551	4,353	739
Audit fees accrual	2,877	1,297	2,877	270
Sundry creditors	11,530	3,489	11,530	726
Other payables	2,261	2,778	2,261	578
	21,021	11,115	21,021	2,313

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

53 Share-based payments

53.1 Share based payments reserve

The equity share-based payment reserve is maintained in the Company from the date of issue of the share awards. On exercise of the share awards, settlement will be made through the structured entities controlled by Old Mutual Zimbabwe Limited.

54 Share capital and premium

	Inflation adjusted Audited		Historical Cost Unaudited	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Authorised share capital				
292 953 125 ordinary shares of ZWL0.0000032 each	985,014	985,014	937	937
249 035 156 'A' class ordinary shares of ZWL0.0000032 each	837,840	837,840	797	797
83 011 718 'B' class ordinary shares of ZWL0.0000032 each	280,682	280,682	267	267
1 preference share of ZWL1 each	1,051	1,051	1	1
1 A preference share of ZWL1 each	1,051	1,051	1	1
Issued share capital				
249 035 156 'A' class ordinary shares of ZWL0.0000032 each	837,840	837,840	797	797
83 011 718 'B' class ordinary shares of ZWL0.0000032 each	280,682	280,682	267	267
1 preference share of ZWL1 each	1,051	1,051	1	1
1 A preference share of ZWL1 each	1,051	1,051	1	1
	1,120,624	1,120,624	1,066	1,066

Subject to the limitations imposed by the Companies Act, the Articles of Association permit the directors to allot the unissued share capital at their discretion without restriction.

These class 'A' and 'B' shares carry the same rights as the ordinary shares.

The redeemable preference share issued to Old Mutual (Zimbabwe) Dividend Access Trust is not transferable and carries the following rights:

1. It would be entitled to a non-cumulative preferential annual dividend of ZWL100 (one hundred Zimbabwe dollars);
2. It shall be redeemable at any time at the discretion of Old Mutual Zimbabwe Limited;
3. It shall participate in Surplus Assets on liquidation, subject to a limit of ZWL1.00.
4. Subject to certain conditions, the directors of the company shall be entitled to declare such additional dividends in respect of the Share as they may from time to time, in their discretion, determine, subject to the provisions of the Scheme.

Subject to the requirements of any legislation that may from time to time compel the trustees of the Dividend Access Trust to withhold any amounts (whether in respect of taxation or otherwise) they shall be obliged to pay any dividends received by them as the shareholders of the preference share to the shareholders of Old Mutual Limited registered on its Zimbabwe share register, pro-rata to their shareholding in that company.

The 'A' redeemable preference share was issued to the OML (Zimbabwe) Dividend Access Trust (OML DAT) is not transferable and confers no rights to share in the assets of the Company during its continuation or on winding up other than through dividend participation or redemption in terms of the articles.

Shares held by the entity

The number of shares held by the entity and its subsidiaries, including within policyholder funds is 40,242,408 shares.

	No of shares 2023	No of shares 2022
Opening balance	41,597,634	43 588 177
Disposed of	(1,355,226)	(1 990 543)
Closing balance	40,242,408	41,597,634

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

55 Post employment benefits obligation

The Company provides pension benefits to permanent employees and post-retirement benefits to qualifying employees. Pension benefits have been designed and are administered in accordance with the Pension and Provident Funds Act (Chapter 24:32) and are defined contribution schemes.

The Old Mutual Staff Pension Fund

The Fund is a defined contribution plan registered to provide retirement benefits for the Company's full-time employees.

National Social Security Authority Scheme

This scheme was promulgated under the National Social Security Authority Act 1989. The Company's obligation under the scheme is limited to specific contributions as legislated from time to time and is presently a maximum of 9% of the insured amount provided by the National Social Security Authority. The employee and the employer contribute 50% each per month.

Old Mutual Post Retirement Medical Aid Subsidy Fund

The fund is a defined contribution plan for the Company's full-time employees.

Contributions recognised as an expense for the year

	Inflation adjusted Audited		Historical Cost Unaudited	
	2023 ZWLm	2022 ZWLm	2023 ZWLm	2022 ZWLm
Old Mutual Staff Pension Fund	360	144	210	19
National Social Security Authority Scheme	110	53	67	9

56 Capital commitments

	2023 ZWLm	2022 ZWLm
Authorised	7,936	3,250
Authorised and contracted for	-	-

57 Related party disclosures

Holding company and fellow subsidiaries.

The Company's immediate holding company is OM Zimbabwe Holdco Limited (UK) which holds 75% of the Company's ordinary shares. The ultimate holding company is Old Mutual Limited, incorporated in South Africa.

Other Group companies consist of subsidiaries, associates as well as other subsidiaries of Old Mutual Limited.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

57 Related party disclosures (continued)

Transactions and balances with the holding company and other Group companies:

	Inflation adjusted Audited		Historical Cost Unaudited	
	2023 ZWLm	2022 ZWLm	2023 ZWLm	2022 ZWLm
Subsidiaries				
Old Mutual Zimbabwe Holdco Limited				
Nature of transactions:				
Amounts due to at end of year	(195,746)	(103,504)	(195,746)	(21,539)
Old Mutual Investment Group Zimbabwe (Pvt) Ltd				
Nature of transactions:				
Asset Management Fees	(751)	(384)	(406)	(80)
Management Fee Income	5,965	1,898	3,572	395
Dividend Income	380	-	285	-
Amounts due to at end of year	643	240	643	50
Central Africa Building Society				
Nature of transactions;				
Bank charges	(195)	(10)	(119)	(2)
Management Fee Income	10,867	3,888	6,464	809
Management Fee Expense	76	(48)	66	(10)
Dividend received	63,770	7,208	33,960	1,500
Interest earned on Investments	1,466	5	1,466	1
Amounts due at end of year	1,330	961	1,330	200
Old Mutual Finance (Private) Limited				
Nature of transactions:				
Management Fee Income	750	72	530	15
Amounts due to at end of year	602	423	602	88
Old Mutual (Zimbabwe) Foundation Trust				
Nature of transactions:				
Management Fee Income	607	293	354	61
Amounts due at end of year	1,145	96	1,145	20
Old Mutual Finance (USD) Limited				
Nature of transactions:				
Amounts due at end of year	(305,236)	(161,328)	(305,236)	(33,572)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

57 Related party disclosures (continued)

	Inflation adjusted Audited		Historical Cost Unaudited	
	2023 ZWLm	2022 ZWLm	2023 ZWLm	2022 ZWLm
Subsidiaries				
Old Mutual Life Assurance Company Zimbabwe Limited				
Nature of transactions: Management Fee Income	12,575	7,732	7,283	1,138
Management Fee Expense	(258)	(163)	(149)	(22)
Pension contributions	(360)	(144)	(210)	(20)
Dividend received	-	5,964	-	500
Amounts due at end of year	1,843	1,965	1,843	409
Old Mutual Securities (Pvt) Ltd				
Nature of transactions:				
Management Fee Income	173	77	105	11
Amounts due at end of year	(493)	62	(493)	13
Old Mutual Insurance Company (Pvt) Ltd				
Nature of transactions: Management Fee Income	5,690	2,830	3,253	416
Amounts due at end of year	1,704	495	1,704	103
Old Mutual Funeral Services Company (Pvt) Ltd				
Nature of transactions: Management Fee Income	198	668	103	88
Amounts due at end of year	241	255	241	53
The OMZIL Client Pension Exgratia Trust				
Amounts due at end of year	(68)	(48)	(68)	(10)
The OMZIL Indigenisation Employee Share Trust				
Amounts due at end of year	(81)	(101)	(81)	(21)
The OMZIL Management Incentive Share Trust				
Amounts due at end of year	(71)	(96)	(71)	(20)
Old Mutual Digital Services (Pvt) Ltd				
Nature of transactions: Management Fee Income	558	-	389	-
Management Fee Expense	(225)	-	(196)	-
Amounts due at end of year	(194)	-	(194)	-

Loans due by or to subsidiaries or other group companies accrue interest at market related interest rates and are repayable on demand. Transactions with related parties are also made at arm's length.

All the Company's principal subsidiaries together with loans due by or to them are listed in note 47 and 48.

Capital advances and amounts due by or to group companies are disclosed in note 48.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

58 Company statement of financial position

58.1 Categories of financial instruments

The analysis of assets and liabilities into their categories as defined in IFRS 9 'Financial Instruments: Recognition and Measurement' (IFRS 9) is set out in the following table. For completeness, assets and liabilities of a non-financial nature or financial assets and liabilities that are specifically excluded from the scope of IFRS 9 are reflected in the non-financial assets and liabilities category.

Inflation Adjusted Audited	At fair value through profit or loss ZWLm	At amortised cost ZWLm	Non-financial assets/ liabilities ZWLm	Total ZWLm
At 31 December 2023				
Assets				
Intangible assets	-	-	734	734
Property and equipment	-	-	4,066	4,066
Investment property	-	-	2,460	2,460
Investments and securities	127,111	1,544	-	128,655
Investments in subsidiary companies	1,361,485	-	-	1,361,485
Investments in associates	-	-	22,869	22,869
Amounts due by group companies	-	7,508	-	7,508
Other receivables	-	2,677	189,277	191,954
Cash and cash equivalents	-	13,749	-	13,749
	1,488,596	25,478	219,342	1,733,480
Liabilities				
Deferred tax liabilities	-	-	3,488	3,488
Amounts due to group companies	-	525,210	-	525,210
Current tax payable	-	-	1,738	1,738
Other payables	-	21,021	-	21,021
	546,231	5,226	5,226	551,457
At 31 December 2022				
Assets				
Intangible assets	-	-	10	10
Property and equipment	-	-	5,906	5,906
Investment property	-	-	1,297	1,297
Investments and securities	74,408	413	-	74,821
Investments in subsidiary companies	934,544	-	-	934,544
Amounts due by group companies	-	4,498	-	4,498
Other receivables	-	1,322	226,168	227,490
Cash and cash equivalents	-	3,969	-	3,969
	1,008,952	10,202	233,381	1,252,535
Liabilities				
Deferred tax liabilities	-	-	1,730	1,730
Amounts due to group companies	-	280,499	-	280,499
Current tax payable	-	-	618	618
Other payables	-	11,115	-	11,115
	291,614	2,348	2,348	293,962

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

58 Company statement of financial position (continued)

58.1 Categories of financial instruments (continued)

Historical cost - Unaudited	At fair value through profit or loss ZWLm	At amortised cost ZWLm	Non-financial assets/ liabilities ZWLm	Total ZWLm
At 31 December 2023				
Assets				
Intangible assets	-	-	493	493
Property and equipment	-	-	858	858
Investment property	-	-	2,460	2,460
Investments and securities	127,111	1,544	-	128,655
Investments in subsidiary companies	1,361,485	-	-	1,361,485
Investments in associates	-	-	9,727	9,727
Amounts due by group companies	-	7,508	-	7,508
Other receivables	-	2,677	189,277	191,954
Cash and cash equivalents	-	13,749	-	13,749
	1,488,596	25,478	202,815	1,716,889
Liabilities				
Deferred tax liabilities	-	-	2,005	2,005
Amounts due to group companies	-	525,210	-	525,210
Current tax payable	-	-	1,738	1,738
Other payables	-	21,021	-	21,021
	-	546,231	3,743	549,974
At 31 December 2022				
Assets				
Property and equipment	-	-	237	237
Investment property	-	-	270	270
Investments and securities	15,484	86	-	15,570
Investments in subsidiary companies	194,476	-	-	194,476
Amounts due by group companies	-	936	-	936
Other receivables	-	275	47,065	47,340
Cash and cash equivalents	-	826	-	826
	209,960	2,123	47,572	259,655
Liabilities				
Deferred tax liabilities	-	-	115	115
Amounts due to group companies	-	58,371	-	58,371
Current tax payable	-	-	129	129
Other payables	-	2,313	-	2,313
	-	60,684	244	60,928

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

58 Company statement of financial position (continued)

58.2 Fair values of financial assets and liabilities

Analysis of instruments at fair value

	Inflation adjusted/Historical cost			Total ZWLm
	Level 1 ZWLm	Level 2 ZWLm	Level 3 ZWLm	
At 31 December 2023				
Financial assets measured at fair value				
Investment and securities	84,621	-	42,490	127,111
Total financial assets measured at fair value	84,621	-	42,490	127,111

	Inflation adjusted - Audited			Total ZWLm
	Level 1 ZWLm	Level 2 ZWLm	Level 3 ZWLm	
At 31 December 2022				
Financial assets measured at fair value				
Investment and securities	53,547	-	20,861	74,408
Total financial assets measured at fair value	53,547	-	20,861	74,408

	Historical cost - Unaudited			Total ZWLm
	Level 1 ZWLm	Level 2 ZWLm	Level 3 ZWLm	
At 31 December 2022				
Financial assets measured at fair value				
Investment and securities	11,813	-	3,671	15,484
Total financial assets measured at fair value	11,813	-	3,671	15,484

The movement in level 3 instruments for the year can be analysed as follows:

Inflation adjusted audited	Opening balance ZWLm	Gains/losses recognised in profit or loss ZWLm	Purchases and issues ZWLm	Sales and settlements ZWLm	Transfers into level 3 from other categories ZWLm	Transfers out of level 3 to other categories ZWLm	Closing balance ZWLm
At 31 December 2023							
Financial assets measured at fair value							
Designated (fair value through profit or loss)	20,861	21,629	-	-	-	-	42,490
Total financial assets measured at fair value	20,861	21,629	-	-	-	-	42,490
At 31 December 2022							
Financial assets measured at fair value							
Designated (fair value through profit or loss)	11,677	5,964	3,220	-	-	-	20,861
Total financial assets measured at fair value	11,677	5,964	3,220	-	-	-	20,861

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

58 Company statement of financial position (continued)

58.2 Fair values of financial assets and liabilities (continued)

Historical cost unaudited	Opening balance ZWLm	Gains/losses recognised in profit or loss ZWLm	Purchases and issues ZWLm	Sales and settlements ZWLm	Transfers into level 3 from other categories ZWLm	Transfers out of level 3 to other categories ZWLm	Closing balance ZWLm
At 31 December 2023							
Financial assets measured at fair value							
Designated (fair value through profit or loss)	3,671	38,819	-	-	-	-	42,490
Total financial assets measured at fair value	3,671	38,819	-	-	-	-	42,490
At 31 December 2022							
Financial assets measured at fair value							
Designated (fair value through profit or loss)	707	2,758	206	-	-	-	3,671
Total financial assets measured at fair value	707	2,758	206	-	-	-	3,671

The level 3 investments consist of minority interests in Nedbank Zimbabwe and Tenpill.

59 Company Financial risk management

Credit risk

Credit risk is the risk that an asset, in the form of a monetary claim against a counterparty, may not result in a cash receipt (or equivalent) in accordance with the terms of a contract.

The Company is exposed to credit risk through its investment holdings (i.e. money markets, cash and cash equivalents) and accounts receivable. Credit risk is managed by placing limits on exposure to a single counterparty, or Groups of counterparties. Credit risk associated with property rentals is managed through a credit vetting process, the requirement for rental deposits and close monitoring of the tenants' book.

	Inflation adjusted		Historical cost	
	Audited		Unaudited	
	Company 2023 ZWLm	Company 2022 ZWLm	Company 2023 ZWLm	Company 2022 ZWLm
Overall credit risk				
Short term funds and securities	4,720	524	4,720	109
Other receivables	191,954	227,490	191,954	47,340
Cash and cash equivalents	13,749	3,969	13,749	826
	210,423	231,983	210,423	48,275

Management of credit risk

The Group has delegated the responsibility for the management of credit risk to the Credit Committee which is responsible for oversight of the Group's credit risk, including that of the Company.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

59 Company Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that cash may not be available at a reasonable cost to pay obligations when due. The tables below set out the carrying amounts, by maturity, of the Company's financial instruments that are exposed to liquidity risk.

Maturity profile of assets and liabilities exposed to liquidity risk:

	0 to 3 months ZWLm	3 to 12 months ZWLm	Over a year ZWLm	Total ZWLm
Inflation adjusted/Historical cost - 2023				
Cash and cash equivalents	13,749	-	-	13,749
Investments and securities	25,422	103,233	-	128,655
Other receivables	2,677	-	189,277	191,954
Other payables	(11,530)	-	(9,481)	(21,012)
	30,318	103,233	179,786	313,337
Inflation Adjusted Audited - 2022				
Cash and cash equivalents	3,969	-	-	3,969
Investments and securities	14,882	59,939	-	74,821
Other receivables	1,159	163	226,168	227,490
Other payables	(3,450)	-	(7,665)	(11,115)
	16,560	60,102	218,803	295,165
Historical Cost Unaudited - 2022				
Cash and cash equivalents	826	-	-	826
Investments and securities	3,097	12,473	-	15,570
Other receivables	241	34	47,065	47,340
Other payables	(718)	-	(1,595)	(2,313)
	3,446	12,507	45,470	61,423

Management of liquidity risk

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation. The daily liquidity position of the Company is managed by the treasury department in liaison with the relevant management.

Liquidity gap

The Liquidity gap is the difference between assets and liabilities in a given maturity period.

Foreign currency risk

The Company has settlement exposure to foreign suppliers and creditors, as well as related parties who require payments to be made in foreign currency. Ability to settle is constrained by exchange control restrictions as well as the unavailability of nostro funding.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

59 Company Financial risk management (continued)

	2023 USDm	2022 USDm
Foreign exposures		
Investments and securities	6	5
Other receivables	84	84
Cash & cash equivalents	2	1
Amounts owed to group companies	(87)	(87)
	5	3

60 Notes to the Group statement of cash flows

	Inflation adjusted Audited		Historical cost Unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
60.1 Non-cash movements and adjustments to profit before tax				
Depreciation and amortisation	27,861	18,693	9,317	589
Changes in investment contract liabilities	187,044	(2,134)	350,529	26,131
Net fair value gains for the year included in profit before tax	(2,211,086)	(66,056)	(4,938,805)	(409,854)
Charges to provisions and post employment benefits obligation	-	(10,192)	-	(617)
Share of profit from associates	(5,416)	-	(3,364)	-
Acquisition of associate	(7,342)	-	(2,090)	-
ECL movement	37,923	16,809	36,320	3,457
Impairment loss	319,345	43,273	319,345	9,005
Net accrued interest income	14,443	(23,124)	14,281	(4,813)
Finance expenses/(income) from insurance contracts	1,954,615	(26,434)	4,152,862	345,682
Insurance service expenses	330,398	222,439	320,873	38,420
Insurance revenue	(233,739)	(115,722)	(183,955)	(16,029)
Unrealised exchange gains	(444,752)	(189,969)	(444,752)	(39,532)
Other	28,373	-	(8,122)	-
	(2,333)	(132,417)	(377,561)	(47,561)
60.2 Changes in working capital				
Increase in other assets	(36,355)	(76,041)	(292,092)	(56,451)
Increase other payables and amounts due to group companies	468,452	170,050	776,164	65,011
(Decrease)/increase in reinsurance contract liabilities	(21)	29	6	5
Decrease/(increase) reinsurance contracts assets	212	(14,856)	(16,827)	(2,266)
Inflation adjustment	-	9,116	-	-
	432,288	88,298	467,251	6,299

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

60 Notes to the Group statement of cash flows (continued)

Group	Inflation adjusted Audited		Historical cost Unaudited	
	2023 ZWLm	2022 ZWLm	2023 ZWLm	2022 ZWLm
60.3 Taxation paid				
Taxation payable at beginning of year	(1,581)	1,499	(329)	91
Income tax charge for the year	(35,818)	(13,080)	(27,035)	(1,882)
Taxation payable at end of year	3,528	1,581	3,528	329
	(33,871)	(10,000)	(23,836)	(1,462)
60.4 Dividends paid				
Dividends payable at beginning of year	(346)	(1,192)	(72)	(72)
Dividends declared during the year	(9,908)	(14,796)	(3,425)	(1,787)
Dividends payable at end of year	(25)	346	(25)	72
Inflation adjustment	371	846	-	-
	(9,908)	(14,796)	(3,522)	(1,787)
60.5 Interest				
Interest income received	385 840	181 471	183,738	26,378
Interest expense paid	(103 256)	(37 335)	(65,169)	(6,163)

Interest income received and interest expense paid have been presented separately in the 2023 financial statements with comparative information also presented. In the prior year, these amounts were not presented separately

61 Notes to the company statement of cash flows	Inflation adjusted Audited		Historical cost Unaudited	
	2023 ZWLm	2022 ZWLm	2023 ZWLm	2022 ZWLm
61.1 Non-cash movements and adjustments to profit before tax				
Depreciation and amortisation	2,315	2,062	130	52
Net fair value gains for the year included in profit before tax	(474,135)	(825,194)	(1,263,277)	(201,630)
Charges to provisions and post employment benefits obligation	-	(5,186)	-	(314)
Share of profit from associates	(5,416)	-	(3,364)	-
Bargain on acquisition associate	(7,342)	-	(2,090)	-
Impairment loss	313,172	41,533	313,172	8,643
Inflation adjustment	4,649	-	-	-
	(166,757)	(786,785)	(955,429)	(193,249)
61.2 Changes in working capital				
Other receivables and amounts due by Group companies	(280,646)	(122,851)	(464,358)	(47,775)
Other payables and amounts due to Group companies	254,617	134,216	485,547	51,159
	(26,029)	11,365	21,189	3,384
61.3 Taxation paid				
Taxation payable at beginning of year	(620)	33	(129)	1
Income tax charge for the year	(22,247)	(6,444)	(13,073)	(951)
Taxation payable at end of year	1,738	620	1,738	129
	(21,129)	(5,791)	(11,464)	(821)
61.4 Dividends paid				
Dividends payable at beginning of year	(120)	(1,192)	(25)	(25)
Dividends declared during the year	(9,156)	(14,791)	(2,157)	(1,493)
Dividends payable at end of year	25	120	25	25
Inflation adjustment	95	1,072	-	-
	(9,156)	(14,791)	(2,157)	(1,493)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

62 Going concern

The consolidated and separate financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will continue in operation for the foreseeable future. For the Group, inflation adjusted total assets increased from ZWL4.8 trillion in 2022 to ZWL9.6 trillion. The restated total equity of ZWL1.5 trillion was higher than the restated comparable of ZWL840 billion mainly due increase in returns in the equities portfolio during the year. As for the Company, inflation adjusted total assets grew from ZWL1.3 trillion in 2022 to ZWL1.7 trillion. The restated total equity of ZWL1.2 trillion was higher than the restated comparable of ZWL1 trillion. The Group realised a profit for the year of ZWL469 billion for the year ended 31 December 2023 and a loss of 154 billion in the prior year. The Company recognised a profit for the year of ZWL233 billion for the year ended 31 December 2023 and a profit of ZWL794 billion in the prior year.

On the historical cost basis, the Group recognised a profit for the year of ZWL911 billion for the year ended 31 December 2023 (2022: ZWL92 billion) and, as at that date, total assets exceed total liabilities by ZWL1.3 trillion (2022: ZWL167 billion). The Company recognised a profit after tax of ZWL970 billion for the year ended 31 December 2023 (2022: ZWL194 billion) and, as at that date, total assets exceed total liabilities by ZWL1.2 trillion (2022: ZWL199 billion).

Funds under management (FUM) for the asset management business were up by 94% to ZWL7.7 trillion mainly due to positive investment performance and foreign currency translation gains. The business core pillars and foundations remained in place, as evidenced by growth in total customer numbers from 1.5 million to 1.7 million, the diversified sources of revenue generated and positive operating margins in most business segments.

The financial position of the Group and the Company, their cash flows, liquidity position and borrowing facilities are described above. In addition, Notes 2, 40, 41, 58 & 59 to the financial statements include the Group and Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk. The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. The Company also has adequate financial resources to continue in operation for the foreseeable future.

We refer also to Note 26.2 on the Legacy debt receivable from the Reserve Bank of Zimbabwe in connection with certain obligations to related parties outside Zimbabwe. The directors have no reason to believe that the Government will not support the discharge of the external obligations. This assertion is also supported by Finance Act No 7 of 2021 which provides for the discharge of legacy debts on the RBZ's statement of financial position by the Government of Zimbabwe. The parent company, OML, has indicated that they will also support an orderly resolution of the matter in a way that does not negatively impact on the financial stability of the Group in Zimbabwe. This is in the event that support from the Government fails to materialise - something considered unlikely at this point.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation adjusted		Historical cost	
	Audited		Unaudited	
	Group 2023 ZWLm	Group 2022 ZWLm	Group 2023 ZWLm	Group 2022 ZWLm
63 Assets held under fiduciary capacity				
Managed third party funds	859,511	710,129	859,511	147,776

Managed funds

The Group holds a custodianship responsibility in respect of assets owned by certain pension funds and private clients. Funds under management represent assets being managed on behalf of investors and these are kept off statement of financial position. Total funds management (including Group funds) as at 31 December 2023 were ZWL7.7 trillion (2022: ZWL4 trillion).

64 Currency Sensitivity Analysis

The table below is a sensitivity analysis of the effect of using different exchange rates to convert foreign currency balances to local reporting currency. The scenarios presented compare the impact of using the closing rate at 1:6104.72; depreciated at 50% and 75%.

	2023 Group USDm 31 Dec 2023	2023 Group ZWLm Translated at 1:6104.72	2023 Group ZWLm 50% Depreciation	2023 Group ZWLm 75% Depreciation
Foreign currency denominated Assets/Liabilities				
Assets				
Investments and securities	157	959,605	1,439,408	1,679,309
Loans and advances	155	944,500	1,416,750	1,652,875
Other receivables	94	573,745	860,618	1,004,054
Cash and cash equivalents	125	763,226	1,144,839	1,335,646
Total assets	531	3,241,076	4,861,615	5,671,884
Liabilities				
Insurance contract liabilities	112	683,729	1,025,594	1,196,526
Investment contract liabilities	30	183,142	274,713	320,499
Amounts due to group companies	91	554,882	832,323	971,044
Amounts owed to bank depositors	139	846,173	1,269,260	1,480,803
Credit lines	92	563,974	845,961	986,955
Other payables	16	98,414	147,621	172,225
	480	2,930,314	4,395,472	5,128,052
Net assets	51	310,762	466,143	543,832

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

65 Subsequent Events

65.1 Movement of fair value of listed shares

Subsequent to year end, the value of the Zimbabwe Stock Exchange (ZSE) all share index had increased by about 149%. This had significant impact on the Group's profits given the level of the investment in listed equities. This subsequent increase in the ZSE index resulted in Group's listed equities increasing by ZWL3.1 trillion as at 29 February 2024, while profits for that period have been positively impacted by ZWL686 billion on a historical cost basis. The Group's subsidiaries remain well capitalised.

SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2023

Foreign currency denominated transactions and balances

Following the gazetting of Statutory Instrument 185 (S.I. 185) of 2020 on 24 July 2020 which requires sellers of goods and services to display, quote, and offer prices in both the Zimbabwean (ZWL) and foreign currency at the ruling auction exchange rate, the Zimbabwean economy effectively became a multi-currency environment with the ZWL and USD being the dominant currencies. In the Monetary Policy Statement of 2 February 2023, the Governor of the Reserve Bank of Zimbabwe stated that “ZWL inflation is no longer a true representative of the cost of living in Zimbabwe as the country is in a dual currency system where prices and household incomes are also in both USD and local currency.

In this context, Zimbabwe's inflation needs to be recalibrated to reflect the dual currency nature of incomes and prices in the economy to provide a true reflection of the cost of living in the country. USD transactions currently account for more than 80% of the transactions in the economy, according to the Zimbabwe National Statistical Agency, which is not subject to hyperinflation. In line with the requirements of IAS 21, The Effects of Changes in Foreign Exchange Rates, we have assessed our functional currency and determined it to be the ZWL and have thus presented our financial statements in ZWL on an inflation adjusted basis. However, from the time that S.I. 185 was promulgated there has been a gradual increase in the proportion of foreign currency business generated, with the USD being the dominant foreign currency within the business. Foreign currency denominated transactions and balances are included in our financial statements at applicable exchange rates in line with the requirements of IAS 21. (See note 2.3.1)

A summary of foreign currency transactions and balances included in our financial statements and the respective financial statement lines that they have been reported in is shown below presented USD.

SUPPLEMENTARY INFORMATION (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Foreign currency transactions balances (continued)

Balances denominated in foreign currency	2023 USD'm	2022 USDm
Assets		
Investments and securities	157	105
Loans and advances	155	144
Other assets	94	111
Cash and cash equivalents	125	115
Total assets	531	475
Liabilities		
Insurance and investment contract liabilities	142	84
Amounts due to group companies	91	93
Amounts owed to bank depositors	139	104
Credit lines	92	108
Other payables	16	17
Total liabilities	480	406
Transactions denominated in foreign currency		
Revenue		
Insurance revenue	23	22
Insurance service expenses	(14)	(17)
Insurance service result	9	5
Investment return (non-banking)	4	1
Net investment result	4	1
Banking interest and similar income	25	16
Fee income, commissions and income from service contracts	24	15
Non-insurance revenue and income	49	31
Expenses		
Banking interest expense and similar expenses	(14)	(10)
Fees, commissions and other acquisition costs	(3)	(4)
Other operating and administration expenses	(35)	(9)
Non-insurance expenses	(52)	(23)
Cash flows denominated in foreign currency		
Cash flows from operating activities	(50)	(48)
Cash flows from investing activities	(30)	(22)
Cash flows from financing activities	90	20
Net (decrease)/increase in cash and cash equivalents	10	(50)
Cash and cash equivalents at the beginning of the year	115	165
Cash and cash equivalents at the end of the year	125	115

NOTICE OF THE ANNUAL GENERAL MEETING (AGM)

NOTICE is hereby given that the 26th Annual General Meeting of members of Old Mutual Zimbabwe Limited (the Company) will be held virtually at <https://escrowagm.com/eagmZim/Login.aspx> on Wednesday 22 May 2024 at 1500 hours for the purposes of transacting the following business:

AS ORDINARY BUSINESS

Minutes of the last Annual General Meeting

1. To approve the minutes of the 25th Annual General Meeting (AGM) that was held on 18 May 2023.

Financial Statements and Statutory Reports

2. To receive, consider and adopt the Corporate Governance Report, inclusive of the Report by the Audit Committee, for the financial year ended 31 December 2023.
3. To receive, consider and adopt the Financial Statements and Directors' and Auditors' Reports for the financial year ended 31 December 2023.

Directorate

4. In terms of Article 106 of the Articles of Association, one-third of the Directors shall retire from office and are eligible for re-election. Mr C Chinaka and Mr A Daka retire by rotation and being eligible, offer themselves for re-election.
5. Mr Fungai Constantine Chikosi was appointed after the last AGM and accordingly retires from the Board in terms of Article 113. Being eligible, he offers himself for re-election.
6. To confirm the remuneration of Directors amounting to ZWL864,712,652 for the year ended 31 December 2023.

External Auditors

7. To approve the External Auditors' remuneration amounting to ZWL3,633,741,848 for the year ended 31 December 2023.
8. To appoint the Company's auditors for the ensuing year.

Dividend for the Year Ended 31 December 2023

9. To confirm the payment of USD2,297,937 for the year ended 31 December 2023.

AS SPECIAL BUSINESS

Appointment of Proxy

In terms of section 171 of the Companies and Other Business Entities Act [Chapter 24:31] and Article 78 of the Articles of Association of the Company, a member entitled to attend and vote at a meeting is entitled to appoint a proxy to speak

and vote in his stead. A proxy need not be a member of the Company, provided that a director or officer of the Company may not be a proxy for a shareholder. Article 80 of the Articles of Association of the Company requires that Forms of Proxy reach the Company's registered office or the office of the Transfer Secretaries (Corpserve Transfer Secretaries Registrars (Private) Limited, 2nd Floor, ZB Centre, Kwame Nkrumah Ave, P. O. Box 2208, Harare, Zimbabwe) not less than forty-eight (48) hours before the date set for the Meeting. Alternatively, Electronic Proxy forms, duly completed, signed and stamped (in the case of a corporate shareholder) may also be emailed to corpserve@escrowgroup.org. Article 81 of the Articles of Association of the Company provides that an instrument appointing a proxy shall be executed in any usual or common form.

Registration for the AGM

Please contact Patricia Bingu or Robert Mazvanara for assistance with registration for the Annual General Meeting: Email: patricia@escrowgroup.org / robert@escrowgroup.org.
Landline: +263 242 758 193
Cell phone: Patricia: +263 772 493 606
Cell phone: Robert: +263 772 289 768

2023 Annual Report

Electronic copies of the Company's 2023 Annual Report have been emailed to those shareholders whose emails are on record.

The Annual Report will also be available on the company's website at the following link <https://www.oldmutual.co.zw/about-us/financial-results> from 7 May 2024.

By Order of the Board

Hardlife R. Nharingo

GROUP COMPANY SECRETARY

Registered Office
Mutual Gardens
100 The Chase (West)
Emerald Hill
Harare

30 April 2024



OLDMUTUAL