OLDMUTUAL

OLD MUTUAL ZIMBABWE LIMITED

2024 ANNUAL REPORT

DO GREAT THINGS EVERY DAY

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Certificate of Incorporation no.
5684/1998

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Performance

Chairman's Statement

K.C. KATSANDE
CHAIRMAN

Economic landscape

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

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

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

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

Old Mutual Zimbabwe 2024 Financial Year Highlights

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

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

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

Pre 2009 - Loss of Value

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

Sustainability

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

Financial Results

The Group registered profit for the year of USD28 million compared to profit for the year of USD77 million for the prior

Chairman's Statement (continued)

year. The performance compared to prior year is distorted by a change in the functional currency. Key topline drivers were net interest income, premium income, fee income, commissions and income from service contracts. Total assets decreased by 6% from USD1.6 billion in the prior year to USD1.5 billion as at 31 December 2024. A detailed analysis on the Group's performance is provided in the Group Chief Executive Officer's report.

Governance

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

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

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

Appreciation

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

K. C. KATSANDE
Chairman
27 March 2025

Chief Executive Officer's Review

SAMUEL MATSEKETE
GROUP CHIEF EXECUTIVE OFFICER

The Financial Result for 2024

The Group registered profit after tax of USD28 million (2023: USD77 million). The decline in profit was due to a change in the accounting basis from a ZWL functional currency in the comparative period to the USD as functional currency in 2024 reflecting an increase in USD inflows in the business. In the prior year, significant exchange gains and fair value gains were accounted for differently under hyperinflationary conditions in 2023. We continued to register strong growth across our operations in underlying performance as detailed below.

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

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

Funds under management in the investment management business line decreased by 6% year on year whilst net client cash flows of USD73.2 million were registered during the year, of which USD24 million was deployed in alternative assets. Occupancy ratios for the property portfolio averaged 80%.

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

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

During the 2024 Financial Year we continued to focus on:

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

Broadening our offerings and distribution networks

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

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

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

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

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

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

Adapting and strengthening our core propositions

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

Chief Executive Officer's Review (continued)

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

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

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

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

Investing for sustainable growth and development

As part of our ongoing commitment to responsible business practices, we continued to develop expertise in the Sustainability domain. Our focus remained on climate action and enabling the financing of green and renewable energy projects while supporting the development of new businesses that are focused on innovating solutions to reduce greenhouse gases and carbon footprints.

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

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

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

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

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

Transforming the customer experience through technology and innovation

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

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

Outlook

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

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

Appreciation

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

S. MATSEKETE
Group Chief Executive Officer
27 March 2025

Directors' Report

Responsibility
The Directors are responsible for the preparation and fair presentation of the Group's annual statements, comprising the statement of financial position as at 31 December 2024; and the statements of profit or loss; comprehensive income; changes in equity and cash flows for the period ended 31 December 2024; and the notes to the financial statements which include a summary of material accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Boards (IFRS Accounting Standards) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31). In addition, the Directors are responsible for preparing the Directors' report. The Directors are also responsible for such internal controls as 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 and industry regulation
These financial statements, which have been prepared on an inflation adjusted basis up to 30 June 2024 and on the historical basis for the rest of the period, subsequent to the change in functional currency from ZWG to USD, are based on the application of inflation indices, for the applicable period which was subject to hyperinflation, on underlying accounting records which were maintained on the historical cost convention (except for investment property, investments and securities, land and building, insurance contract liabilities and investment contract liabilities). The statements are based on the underlying books and records and have been prepared in accordance with the material 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).

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

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

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

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

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

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

Presentation currency
The financial statements were prepared and presented in USD.

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

Directors' Report (continued)

Complying with IFRS Accounting Standards achieves consistency with the financial reporting framework adopted by the ultimate parent company, Old Mutual Limited, which is incorporated in South Africa. Using a globally recognised reporting framework also allows comparability with similar businesses and consistency in the interpretation of the financial statements. The IFRS Conceptual Framework, provides that in applying fair presentation to the financial statements, entities should go beyond consideration of the legal form of transactions and other factors impacting on the financial statements to also consider the underlying economic substance therein. International Accounting Standard 29 (IAS 29), requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the 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 ZWL inflation indices based on price movements in local currency. More detail is provided below under Accounting Judgements (note 2.2). 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.

Accounting judgements

The Directors would like to draw the attention of users of the financial statements to the fact that prevailing market conditions in Zimbabwe have required the use of more judgement than would normally be the case around areas such as property valuations and valuation of unlisted investments.

In the case of property valuations as at 31 December 2024, valuations in USD have been adopted which is different to the approach taken for the audited results for the year ended 31 December 2023 where valuations were performed in ZWL. Market breadth, however, has been limited thus continuous 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 official market to be appropriate, as exchangeability has been demonstrated at that platform during the year in the settlement of various foreign currency denominated obligations by the Group. To comply with IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29), for the period before the change in functional currency, the Group estimated a ZWL CPI for the period January to March 2024 based on the monthly movement in the Total Consumption Poverty Line (TCPL) and for the period April to June 2024, the official ZWG CPI was used for hyperinflation reporting purposes.

In addition, there are a wide range of views in the market concerning economic variables such as inflation and exchange rates. Directors believe that these factors have been sufficiently considered in the financial statements and that the required accounting judgements are appropriate. Details of key accounting judgements are provided in notes 2.2 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

Issued share capital is made up of 249,035,156 “A” class shares, 83,011,718 “B” class shares, 1 redeemable preference share and 1 “A” redeemable preference share. 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	Mudekunye**	(Group Chief Financial Officer)
Mr	C	Chinaka	
Mr	A	Daka	
Dr	K	Mandevani	
Mrs	N	Samuriwo	
Mr	FC	Chikosi	

**Denotes Executive Director.

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Corporate Governance Report

CORPORATE GOVERNANCE REPORT

Board and Board Committees

The Board provides strategic oversight and direction for all business operations under Old Mutual Zimbabwe Limited (OMZIL), collectively referred to as the OMZIL Group. A key responsibility of the Board is to ensure that each subsidiary operates in full compliance with its respective regulatory framework. Certain entities within the Group are subject to oversight by the Reserve Bank of Zimbabwe (RBZ), the Insurance and Pensions Commission (IPEC), and/or the Securities and Exchange Commission of Zimbabwe (SECZ).

As the controlling company of the Central Africa Building Society (CABS), OMZIL itself is regulated by the RBZ. Additionally, OMZIL adheres to the rules of the Financial Securities Exchange (Finsec), where 25% of its shares are listed on the Alternative Trading Platform.

As at 31 December 2024, the main 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 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, in the furtherance of their fiduciary duties.

Board Composition and Board Committees

The Board consists of nine (9) directors, comprising four (4) independent non-executive directors, two (2) non-executive directors, and three (3) executive directors. To enhance governance and oversight, the Board operates through three key committees: 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 IFRS Accounting Standards. Detailed material 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.

CORPORATE GOVERNANCE REPORT (continued)

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.

Group Risk and Compliance Committee

The Committee oversees risk management and evaluates the effectiveness of compliance frameworks across the Group. It reviews policies and processes for identifying, assessing, and mitigating business risks, ensuring their impact on the Group is effectively managed. The Committee is chaired by an independent non-executive director.

During the year, the Committee expanded its mandate to include oversight of the Group's sustainability initiatives. Notably, the Group published its inaugural standalone Sustainability Report for the year ended 31 December 2023.

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, the directors of various OMZIL Group subsidiaries participated in training sessions on Corporate Governance, Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT), as well as Environmental, Social, and Governance (ESG) and sustainability principles.

Board and Committee Attendance

The Board and its three committees met at least four times each during the year ended 31 December 2024. The attendance register for these are set out below:

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	P	P
Chinaka C (*Non-Executive Director)*	P	P	P	P	P
Daka A (*Independent Non-Executive Director*)	P	P	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

CORPORATE GOVERNANCE REPORT (continued)

Remuneration and Nominations Committee

Member	Feb	May	Aug	Nov
K Katsande (*Chairman*)	P	P	P	P
C Chinaka	P	P	P	A
Dr K Mandevani	P	P	P	P
N Samuriwo	P	P	P	P

Group Audit Committee

Member	Mar	May	Aug	Oct	Nov
Daka A *(Chairman)*	P	P	P	P	P
Chikosi FC	P	P	P	P	P
Mandevani K (Dr)	P	P	P	P	P
Samuriwo N	P	P	P	P	P

Group Risk and Compliance Committee

Member	Mar	May	Aug	Nov
Chikosi FC *(Chairman)*	P	P	P	P
Daka A	P	P	P	P
Samuriwo N	P	P	P	P

Key
P : Present
A : Apology

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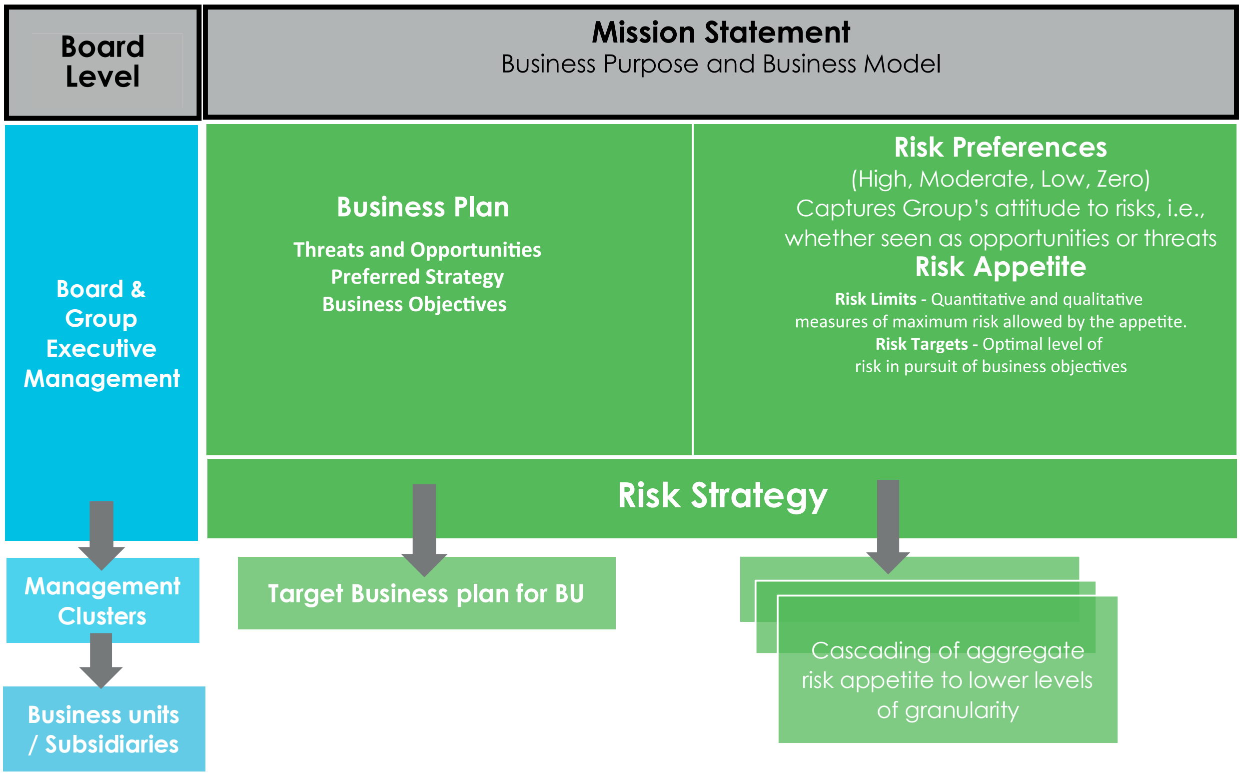
Risk Management

ENTERPRISE RISK MANAGEMENT

Continuously Maturing the Enterprise Risk Management Framework

Operating environment challenges persisted in 2024, characterised by currency volatility earlier in the year which culminated in a currency changeover on 5 April 2024 from the Zimbabwe dollar to the Zimbabwe Gold (ZWG). Inflationary pressures also persisted, although stability was achieved in the last quarter of the year following interventions by the RBZ to stabilise the value of the ZWG. The lingering effects of the El Niño induced drought threatened food security for a greater section of the population and contributed to crippling power supply challenges. While this presented elevated risk exposures, there were some upside opportunities to grow the customer and shareholder financial values, especially in the export business, mining sector, tourism, and informal sector. To navigate this complex environment, the Group continued with its integrated approach to risk management, aimed at maximising the risk-return trade-off, within the Board approved risk appetite framework. This framework is depicted below:



Stress testing and scenario analysis, incorporating newly identified scenarios and updated assumptions, continued to be used as one of the tools for proactive risk management.

Improvements in the risk culture were noted during the period under review as evidenced by enhanced risk identification, refined risk measurements through key risk indicators, and detailed risk reporting and escalations. Staff attended several training programs on risk and compliance themes, such as on the Risk & Control Methodology, AML, Sustainability, Financial Crime, Cybersecurity and Ethics.

Looking ahead into 2025, the narrative is likely to be dominated by inflation and exchange rate pressures, viability challenges affecting some sectors (notably the retail sector), recurring power supply issues, the challenge of increased informalisation in the economy, how to improve the ease of doing business, and the need for policy consistency. Global developments also compound the challenges, notably the freeze on foreign aid and funding by the Federal Government in the USA and US tariff increases and trade sanctions on various countries. The impacts may manifest through imported inflation, supply chain disruptions and constricted NGO cash flows with particularly severe impacts on service delivery in the healthcare sector, and the threat of general socio-economic upheaval.

With the country gearing up for the third round of the Financial Action Taskforce Mutual Evaluation in 2026, Old Mutual Zimbabwe Limited (or 'the Group'), is strengthening its AML/CFT/CPF Framework through a project on the embedment of the AML/CFT Risk & Compliance Management Program. Regulatory engagements are also being done on AML/CFT/CPF & Sanctions compliance. The Group will also embed its Privacy Framework for improved compliance with the requirements of the Cyber & Data Protection Act, Regulations and Guidelines.

ENTERPRISE RISK MANAGEMENT (continued)

Overview Of Key Risks

The risk profile of Old Mutual Zimbabwe Limited as at 2024 is as shown below:

Risk Category & Definition	Impact	Mitigating Actions
External Risk - Risks outside the control of the Group which are difficult to predict or manage.	• Developments locally on currency changes, impacts of the El Niño drought and geo-political tensions, resulted in inflationary concerns and consequently cost pressures for the Group. • Economic growth prospects were curtailed in agriculture, retail (due to viability challenges) and other sectors due to acute power cuts. • Performance of financial markets in real terms reflected underlying economic concerns. • Disposable incomes in the economy remained under pressure.	• The Group continued with an investment strategy which skewed asset allocation to real assets, for value preservation as well as asset classes that expose the Group to sectors and scalable opportunities with high long-term growth potential. • Focus was on growing deposits at the bank, and growing lending capacity to the productive sector. • There was intensified escalation of business development efforts, through leveraging on the Digital Transformation and the integrated financial services (IFS) initiatives to boost competitive advantages.
Market Risk - Risks relating to adverse changes to the balance sheet or future earnings resulting, directly and indirectly, from fluctuations in the market prices of financial instruments.	• **Equity & Property Price Volatility Risk:** There were impacts of government policy changes especially on currency and market liquidity, which led to sub-optimal investment returns during the year. Performance of the Zimbabwe Stock Exchange (ZSE) and Victoria Falls Stock Exchange (VFEX) was subdued in the last quarter of 2024, with returns trailing behind exchange rate movements. • **Foreign Exchange Rate Risk:** The Group continued with the strategy of seeking to optimise foreign currency asset and liability matching as a cushion against local currency exchange rate volatility. Some exchange losses were experienced due to the devaluation of the local currency. • **Interest Rate:** Margin compression continued for the bank due to the high cost of foreign and wholesale funding. Competition for blue-chip clients also presented a risk to loan pricing.	• The Group maintained exposure to value preserving assets – private equity and property. • There was effective asset and liability matching, particularly with respect to USD balances, as well as seeking to match USD denominated expenses with revenues and cashflows generated in USD. • There was growth of domestic retail foreign currency deposits during the year which supported improvements in the cost of funding.
Liquidity Risk - 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.	• **Market and internal liquidity pressures remained inherently high** in the year under review with the monetary authorities maintaining a tight monetary policy stance through increasing statutory reserves for both ZWG and USD deposits. • The Group's assets remained skewed towards the less liquid real assets, for value preservation against monetary losses. While this created the need for more focused liquidity management, customer obligations were not impacted. • The Group's and bank's liquidity ratios as of 31 December 2024, were largely within the risk appetite limits. The bank's deposits were transitory, which impacted creation of long-term assets.	• Liquidity stress testing was done as part of forward-looking management of the risk. • Slowing down on credit creation, disposal of non-strategic assets to fund strategic projects and alternative investments. • Implementation of cash-flow management strategies which included regular cashflow forecasting and deferring non-critical expenditure and projects to manage liquidity.

ENTERPRISE RISK MANAGEMENT (continued)

Risk Category & Definition	Impact	Mitigating Actions
Legal and Regulatory Compliance Risk - The risk of not applying or conforming to the laws, or breaching laws, regulations or directives; resulting in fines, sanctions, reputational damage and/or financial loss.	• Key compliance focus areas for the year were the remediation of recurring compliance breaches (with Prescribed Asset and other investment threshold requirements for the Insurance entities; net open position limit breaches and EMV compliance gaps for the bank) and enhancing the AML/CFT/CPF & Sanctions control environment. There was also heightened regulatory scrutiny, and a dynamic regulatory environment characterised by frequent regulatory changes with limited grace periods for implementation. • The notable regulatory changes for 2024 were on Cyber and Data Protection, introduction of a new currency which necessitated complex system and process changes, and developments in the Sustainability & Climate Risk space through the publication of a draft Climate Change Bill and enforcement of the requirements from RBZ Climate Risk Guideline. • Open legal cases continued to be on the pending legacy loss of value cases against the Group with actions to legally defend the Group on-going.	• The Group continued to uphold its zero appetite for deliberately contravening legal and regulatory requirements. This was achieved through tracking existing and new laws and regulations, remediation of any cases of non-compliance and engagements with the Group's regulators for cases that could not be resolved within set timelines. • The regulatory change process continued to be adhered to, enabling the Group to proactively address requirements from new and impending regulatory changes. • Money laundering and financing of terrorism risks were managed through implementation of a comprehensive end-to-end risk management and compliance program. • Annual regulatory compliance training programs were delivered, covering both general awareness and role-specific training. • Compliance conformance testing and oversight via audits, deep dives and regular assessment were conducted for improving the Group's compliance environment.
Operational Risk - Risks relating to failure of business operational processes, workplace safety, including loss and damage of the company's physical assets, property and facilities. It includes risks relating to fraud, theft, bribery, corruption or internal irregularities	• The main operational risk exposures for the Group in 2024 emanated from management of audit issues, policy compliance gaps, data quality issues, fraud risk management improvements required, and enhancing oversight of outsourcing risk management. • Operational loss events remained within the risk limit during the year. • Challenges from projects management included capacity constraints caused by resource attrition within key teams.	• Tracking and remediating below target key performance indicators. • Assurance reviews of high-risk areas for control improvements. • Implementing the fraud risk strategy, and fraud monitoring solution, for proactive fraud risk management. • Implementation of change management controls for impactful programmes.
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.	• **Technology/System Risk:** There were some challenges experienced with impacts on business operations and customer experience, around internet banking and network challenges. • There were pending technical debt resolution projects for some of the key systems within the Group. Aged technology coupled with scarcity of skills to remediate, exacerbated the risk exposure. • **Information Security – Cyber-attacks & Data breaches:** There were no cyber incidents reported in the year and the Group continued to implement controls in line with the Cyber & Data Protection Act, Regulations and Guidelines.	• Implementation of actions from the Group business continuity planning/ disaster recovery (BCP/DR) capability review to strengthen the resilience of the core systems. • Implementation of new internet banking platforms at the bank, with DR capabilities was done. • System upgrades to resolve technical debt with new risks being tracked for mitigation as part of project outcomes. • Continued software updates/patching as a protection against cyberattacks. • Continued phishing simulation exercises as part of cybersecurity staff awareness. 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.

ENTERPRISE RISK MANAGEMENT (continued)

Risk Category & Definition	Impact	Mitigating Actions
People Risk - Risks relating to the business workforce resourcing, utilisation and their productivity, skills, competencies and behaviours to manage and operate the business, including engaging with customers.	• **Talent Attrition, & Culture:** The economic challenges continued to impact the effectiveness of the employee value proposition. There was sustained pressure on talent attrition of critical skills to competitors and the diaspora. • Culture Survey results in the year indicated the need to improve the employee engagement dimension.	• There were regular reviews of the total Employee Value Proposition to ensure it remained competitive and to preserve value for staff. • The Group adopted a grassroots (departmental) approach to improve employee engagement, for more ownership of the actions and effective delivery. • There was a conscious effort to build a pipeline of critical skills to manage the impacts of attrition, through various technical, professional and management development programmes.
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).	• **Life Assurance:** All claims ratios were within target range during the year for the life business. • **General Insurance:** The underwriting margin above target during the year, while strong underwriting profits were achieved.	• **Life Assurance:** Reinsurance arrangements and correct risk pricing continued to be implemented. • **General Insurance:** Products review was done for correct risk pricing, and there was compulsory pre-cover inspection of vehicles across all channels and at the Motor Assessment Centers to enhance underwriting risk mitigation. • Engagements were done directly with suppliers of vehicle spare parts for reduction of claims costs.
Credit Risk - The risk of non-payment or settlement of an obligation by a counterparty under the terms of an agreement, or the change in value of a credit asset due to a deterioration in the credit quality of a counterparty.	• The banking Non-Performing Loan (NPL) ratio was within the regulatory benchmark and the internal target, during the year. • Local currency rental arrears were consistently in breach of the target during the year, with tenants' paying capacity constrained by the market liquidity challenges. USD rentals were largely within target. • The portfolio quality at the microfinance business was exposed to delayed payments by some clients compromising overall portfolio quality during the year. • For the short-term insurance company, premium debtors were under control, with the premium debtors' collection ratio remaining above the minimum threshold.	• The bank continued with lending of foreign currency denominated loans to reputable corporate borrowers, with capacity to repay in foreign currency. • The property business actively followed up on arrears, including taking stricter actions such as eviction orders for non-paying tenants. • The microfinance company used a debt collector to improve loan recoveries. Portfolio diversification was implemented to dilute credit concentration.

4

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 30) the Group also measures its performance based on results from operations.

A reconciliation between Profit before tax and results from operations before tax is shown below:

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

	Group 2024 USD 000	Group 2023 USD 000
Profit before tax	**39,093**	**84,691**
Adjusting entries	(5,339)	(61,561)
Shareholder investment returns	3,833	(87,455)
Net monetary adjustment	(6,969)	26,538
Policyholder tax	(2,203)	(644)
Results from operations	**33,754**	**23,130**

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

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To the Shareholders of Old Mutual Zimbabwe Limited

Report on the Audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Old Mutual Zimbabwe Limited (the "Company") and its subsidiaries (together the "Group"), set out on pages 30 to 134, which comprise the consolidated and separate statements of financial position as at 31 December 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Old Mutual Zimbabwe Limited as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), relevant sections of the Insurance Act (Chapter 24:07), the Pensions and Provident Funds Act (Chapter 24:32), the Microfinance Act (Chapter 24:29), the Building Society Act (Chapter 24:02), the Banking Act (Chapter 24:20), the Asset Management Act (Chapter 24:26), the Collective Investment Schemes Act (Chapter 24:19) and the Securities Act (Chapter 24:25).

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 Financial Statements section of our report. We are independent of the Group and the 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the 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.

Report on the Audit of the consolidated and separate financial statements (continued)

Key Audit Matter	How the matter was addressed in the audit
Valuation of insurance contract liabilities and assets	
Refer to the accounting policy note 2.6 and disclosure note 28. The Group carries significant insurance contract liabilities and assets on its statement of financial position. As at 31 December 2024, the value of insurance contract liabilities was USD$709 million (2023: USD$797 million.) The insurance contract liabilities and assets are measured in accordance with the IFRS 17 "Insurance contracts" standard. 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 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. Due to the significant judgement involved and estimation of key inputs described above, the consequential valuation of insurance contract liabilities and assets is considered a key audit matter, which includes the PVFCF and CSM for remaining coverage.	In evaluating the valuation of the insurance contract liabilities and assets our audit procedures incorporated the following: ▪ 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, being: - 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 audit tools to replicate management results including the amortisation of the CSM and evaluating if reasonable. - 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. - Confirming that the actuarial data model extracts provided are those used as an input to the actuarial model and to the experience analysis tool. - Utilising our analytic techniques to identify policyholder data anomalies and outliers and comparing trends in the movement of policyholder data from year ended 2023 to year ended 2024. We have considered the judgements, methodologies and assumptions approved by the directors to be appropriate and the disclosures in compliance with IFRS Accounting Standards.

INDEPENDENT AUDITORS' REPORT (Continued)

Report on the Audit of the consolidated and separate financial statements (continued)

Key Audit Matter	How the matter was addressed in the audit
Valuation of investment property and owner-occupied properties.	
Refer to the accounting policy and disclosure notes 2.9, 2.10, 20 and 21. 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 2024, the Group had properties amounting to USD427 million (2023: USD$530 million). Property valuations have been conducted and determined in United States Dollars (USD), using USD input data. The valuations also involve the use of valuation experts. The assumptions with the most significant impact on the property valuations were: ▪ 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 an all-risk yield rate and incorporate qualitative aspects, notably occupancy, tenancy mix, physical attributes and property locations risk adjustments. ▪ The land unit prices, which are adjusted based on professional judgement relating to location, town planning considerations, land area as well as environmental factors. All the above inputs are highly subjective and rely on the directors' judgements. 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.	In evaluating the valuation of investment properties, we reviewed the property valuations/computations 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: ▪ 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 experts 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 Accounting Standards; and ▪ 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. With respect to the inputs adopted in the USD valuations: ▪ 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; ▪ 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; and ▪ 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. We have considered the judgements, assumptions, and disclosures to be appropriate.

INDEPENDENT AUDITORS' REPORT (Continued)

Report on the Audit of the consolidated and separate financial statements (continued)

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><th colspan="2">Valuation and accounting treatment of unquoted investments</th></tr>
<tr><td>
Refer to the accounting policy and disclosure notes 2.14 and 25.
As at 31 December 2024, the Group holds unquoted investments of USD$231 million (2023: USD$237million).
The Group's unquoted investments relate to unlisted equities, public sector securities, corporate bonds and debentures, and fixed deposits in money market investments. For such investments a reliable third-party price may not be readily available and therefore the ultimate valuation involves the application of expert judgement.
A significant portion of the unquoted investments are held in USD securities and securities have been valued in USD, using USD input data.
The Group's accounting policy is to apply fair value measurement model to the unquoted investments. The valuation models therefore involve judgement related to;

adopting an appropriate valuation methodology; and
the observability of the input data and factors used in the valuation.

Furthermore, where the Group holds shareholding above the 20% threshold, the Directors are required to perform a control assessment and apply an appropriate accounting treatment in line with IFRS Accounting Standards requirements.
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.
</td><td>
In evaluating the valuation of the unquoted investments, our audit procedures incorporated the following:

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:

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:

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 to unquoted investments as well as the judgements and assumptions and estimation applied to these balances in terms of IFRS Accounting Standards.

We have considered the judgements, assumptions, and disclosures to be appropriate.
</td></tr>
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INDEPENDENT AUDITORS' REPORT (Continued)

Report on the Audit of the consolidated and separate financial statements (continued)

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><th colspan="2">Valuation of expected credit losses on financial assets</th></tr>
<tr><td>As detailed in notes 2.14 and 24, the Group reported expected credit losses of USD$5.8 million (2023 USD$6.5 million) on the statement of financial position.

This was considered a key audit matter as the determination of the expected credit losses (ECL) requires significant judgment. 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.

Due to the judgement applied in determining the ECL, we have determined this to be a key audit matter.

Note 24 to the financial statements provides detailed information with respect to the determination of the expected credit losses.</td><td>In evaluating the valuation of expected credit losses on financial assets, our audit procedures incorporated the following:

▪ 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 auditors' specialists, performed an independent assessment on the appropriateness of the model by performing the following:
- 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.
▪ 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;
▪ Performed an independent assessment on the appropriateness of the model; and
▪ Assessed whether the appropriate required disclosures have been included and presentation requirements have been properly reflected in the financial statements.

The valuation was found to be appropriate in terms of the relevant accounting standards, management's estimates and judgements were deemed to be prudent and we also consider the disclosures to be appropriate.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT (Continued)

Report on the Audit of the consolidated and separate financial statements (continued)

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Statement, Chief Executive Officer's Review, 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 and the Supplementary Information which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

INDEPENDENT AUDITORS' REPORT (Continued)

Report on the Audit of the consolidated and separate financial statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the 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 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 Directors 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 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.

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:

<u>Section 193 (1) (a)</u>
The 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 and Company's affairs at the date of the consolidated and separate financial statements for the financial year ended 31 December 2024

<u>Section 193(2)</u>
We have no matters to report in respect of the Section 193(2) requirements of the Act.

INDEPENDENT AUDITORS' REPORT (Continued)

Report on Other Legal and Regulatory Requirements (continued)

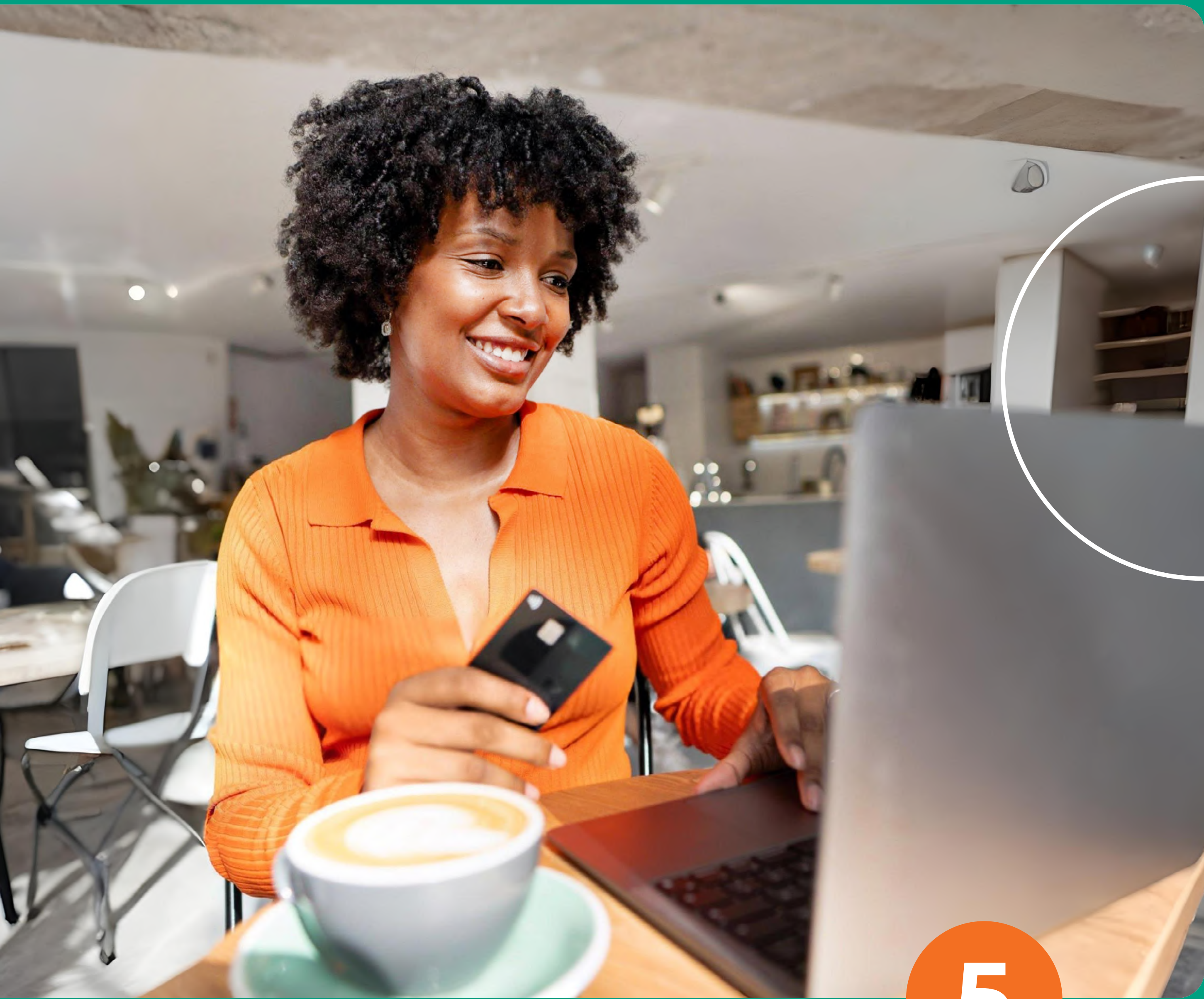
Compliance with the Insurance Act [Chapter 24:07]
We also report to the shareholders that the life assurance business and general insurance businesses have not complied with Statutory Instrument 206 of 2019 as read with the Insurance Act [Chapter 24:07], which stipulates that registered insurers shall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

Axcentium

Axcentium
Chartered Accountants (Zimbabwe)
Per: Charity Mtwazi
Partner
PAAB Practice Certificate Number 0585
Harare, Zimbabwe

Date: 27 March 2025



5

Financial Statements

GROUP STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Group 2024 USD 000	Group 2023 USD 000 Restated**
Revenue			
Insurance revenue	4	64,737	38,288
Insurance service expenses	5	(70,140)	(54,122)
Net expenses from reinsurance contracts		(7,803)	(2,065)
Insurance service result		**(13,206)**	**(17,899)**
Investment return (non-banking)	6	81,444	401,424
Finance expenses from insurance contracts	7	(25,994)	(320,182)
Net finance expenses from reinsurance contracts	8	-	(127)
Change in investment contract liabilities	29	(7,728)	(30,639)
Net investment result		**47,722**	**50,476**
Banking interest and similar income	9	40,559	42,886
Fee income, commissions and income from service contracts	10	64,752	58,713
Other income	11	11,253	134,673
Non-insurance revenue and income		**116,564**	**236,272**
Total revenue and other income		**151,080**	**268,849**
Expenses			
Impairment loss	26.2.1	(7,460)	(52,311)
Expected credit loss from lending activities		(4,171)	(6,212)
Banking interest expense and similar expenses	9	(10,702)	(15,505)
Fees, commissions and other acquisition costs		(17,275)	(14,744)
Other operating expenses	12	(79,455)	(69,735)
Net monetary adjustment*		6,969	(26,538)
Non-insurance expenses		**(112,094)**	**(185,045)**
Share of results from associates	22	107	887
Profit before tax		**39,093**	**84,691**
Income tax expense	13	(11,010)	(7,812)
Profit for the year* **		**28,083**	**76,879**
Attributable to non-controlling interests		474	7,036
Attributable to owners of parent company		27,609	69,843
		28,083	**76,879**

*The net monetary adjustment is a result of hyperinflation accounting, as the Group's functional currencies were ZWL and ZWG were currencies of a hyperinflationary economy up to 5 April 2024 and 30 June 2024. The Group changed its functional currency to USD on 1 July 2024. Refer to note 2.3.1 for further details.

**The 2023 financial statements were previously presented in ZWL prior to the change in the presentation currency. The numbers were restated by translating to USD, the new presentation currency. Refer to note 2.3.1.1 for further details.

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

GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Group 2024 USD 000	Group 2023 USD 000 Restated**
Profit for the year		**28,083**	**76,879**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss (net of tax)			
Property (devaluation)/revaluation		(10,971)	22,558
Share of other comprehensive income of associate	22	-	92
Effects of changes in presentation currency		(1,125)	(125,788)
Total other comprehensive loss		**(12,096)**	**(103,138)**
Total comprehensive income/(loss) for the year		**15,987**	**(26,259)**
Total comprehensive income attributable to:			
Owners of parent company		15,513	(30,979)
Non-controlling interests		474	4,720
		15,987	**(26,259)**

Earnings per share		2024 USDc	2023 USDc
Basic and diluted (cents)	14.1	**8.31**	**21.03**

**The 2023 financial statements were previously presented in ZWL prior to the change in the presentation currency. The numbers were restated by translating to USD, the new presentation currency. Refer to note 2.3.1.1 for further details.

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Company 2024 USD 000	Company 2023 USD 000 Restated**
Revenue and other income			
Investment income	15	129,630	91,071
Other (losses)/income	16	(1,448)	9,656
Total revenue and other income		**128,182**	**100,727**
Expenses			
Impairment loss	49.1	(7,460)	(51,300)
Operating expenses	17	(12,071)	(8,013)
Total expenses		**(19,531)**	**(59,313)**
Share of profit from associates	22	107	887
Net monetary adjustment		-	(359)
Profit before tax		**108,758**	**41,942**
Income tax expense	18	(5,975)	(3,932)
Profit for the year		**102,783**	**38,010**
Other comprehensive income for the year			
Effects of changes in presentation currency		-	126,501
Share of other comprehensive income of associate	22	-	92
Total comprehensive income for the year		**102,783**	**164,603**

**The 2023 financial statements were previously presented in ZWL prior to the change in the presentation currency. The numbers were restated by translating to USD, the new presentation currency. Refer to note 2.3.1.1 for further details.

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	Group 2024 USD 000	Group 2023 USD 000 Restated**	Group 1 January 2023* USD 000 Restated**
Assets				
Intangible assets	19	674	693	1,263
Property and equipment	20	65,758	80,769	81,668
Investment property	21	373,435	460,853	435,689
Investment in associate	22	3,707	3,746	-
Deferred tax assets	23	1,988	624	1,303
Loans and advances	24	195,122	171,092	187,797
Investments and securities	25	553,677	577,358	496,505
Reinsurer contract assets	28	6,979	3,275	6,922
Current tax assets		-	106	68
Other assets	26	123,641	123,450	131,269
Cash and cash equivalents	27	151,265	145,808	140,030
Total assets		**1,476,246**	**1,567,774**	**1,482,514**
Liabilities				
Insurance contract liabilities	28	709,312	797,061	747,278
Investment contract liabilities	29	87,131	69,411	58,878
Reinsurance contract liabilities	28	-	2	-
Deferred tax liabilities	23	8,338	7,427	5,752
Current tax payables		2,186	683	548
Amounts due to group companies	30	89,272	88,917	88,647
Other payables	31	50,885	52,832	32,043
Amounts owed to bank depositors	32	223,565	220,932	173,719
Credit lines	33	55,363	92,152	109,410
Total liabilities		**1,226,052**	**1,329,417**	**1,216,275**
Net assets		**250,194**	**238,357**	**266,239**
Shareholders' equity				
Share capital and premium		-	-	-
Revaluation reserve		31,099	42,070	36,051
Share based payment reserve		5,320	5,320	9,875
Regulatory provisions reserve		-	2,516	2,150
Currency translation reserve		1,728	2,853	-
Retained earnings		202,394	176,088	213,142
		240,541	**228,847**	**261,218**
Non-controlling interests		9,653	9,510	5,021
Total equity		**250,194**	**238,357**	**266,239**

*The Group is presenting a statement of financial position as at 1 January 2023 to reflect the change in the presentation currency from the ZWL to USD. Refer to Note 2.3.1 for further details.

**The 2023 financial statements were previously presented in ZWL prior to the change in the presentation currency. The numbers were restated by translating to USD, the new presentation currency. Refer to note 2.3.1.1 for further details.

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DIRECTOR
27 March 2025

....
DIRECTOR
27 March 2025

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	Company 2024 USD 000	Company 2023 USD 000 Restated**	Company 1 January 2023* USD 000 Restated**
Assets				
Intangible assets	43	94	121	3
Property and equipment	44	333	666	1,796
Investment property	45	300	403	395
Investments and securities	46	20,657	21,075	22,752
Investments in subsidiary companies	47	331,440	223,021	23,214
Investments in associates	22	3,707	3,746	-
Amounts due from group companies	48	660	1,230	1,368
Other assets	49	25,843	31,443	69,177
Cash and cash equivalents	50	6,221	2,252	1,207
Total assets		**389,255**	**283,957**	**119,912**
Liabilities				
Deferred tax liability	51	2,872	571	526
Amounts due to group companies	48	86,437	86,034	85,296
Current tax payable		159	285	189
Other payables	52	7,402	3,444	3,381
Total liabilities		**96,870**	**90,334**	**89,392**
Net assets		**292,385**	**193,623**	**30,520**
Shareholders' equity				
Share capital and premium	54	-	-	-
Share based payment reserve		10,450	10,450	19,400
Revaluation reserve		92	92	-
Retained earnings		281,843	183,081	11,120
Total equity		**292,385**	**193,623**	**30,520**

*The Company is presenting a statement of financial position as at 1 January 2023 to reflect the change in the presentation currency from the ZWL to USD. Refer to Note 2.3.1 for further details.

**The 2023 financial statements were previously presented in ZWL prior to the change in the presentation currency. The numbers were restated by translating to USD, the new presentation currency. Refer to note 2.3.1 for further details.

DIRECTOR
27 March 2025

DIRECTOR
27 March 2025

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

Year ended 31 December 2024	Share capital & premium USD 000	Revaluation reserve USD 000	Share based payment reserve USD 000	Regulatory provisions reserve USD 000	Currency translation reserve USD 000	Retained earnings USD 000	Equity holders of the parent total USD 000	Non-controlling interests USD 000	Equity total USD 000
Shareholders' equity at beginning of year	**-**	**42,070**	**5,320**	**2,516**	**2,853**	**176,088**	**228,847**	**9,510**	**238,357**
Profit for the financial year	-	-	-	-	-	27,609	27,609	474	28,083
Effects of changes in presentation currency	-		-		(1,125)	-	(1,125)	-	(1,125)
Devaluation of property	-	(10,971)	-	-	-	-	(10,971)	-	(10,971)
Total comprehensive (loss)/income for the year	**-**	**(10,971)**	**-**	**-**	**(1,125)**	**27,609**	**15,513**	**474**	**15,987**
Transfer between reserves	-	-	-	(2,516)	-	2,516	-	-	-
Dividends declared	-	-	-	-	-	(3,819)	(3,819)	(331)	(4,150)
Transactions with shareholders	**-**		**-**	**(2,516)**	**-**	**(1,303)**	**(3,819)**	**(331)**	**(4,150)**
Shareholders' equity at end of year	**-**	**31,099**	**5,320**	**-**	**1,728**	**202,394**	**240,541**	**9,653**	**250,194**
Year ended 31 December 2023 - Restated**									
Shareholders' equity at beginning of year	**-**	**36,051**	**9,875**	**2,150**	**-**	**213,142**	**261,218**	**5,021**	**266,239**
Profit for the financial year	-	-	-	-	-	69,843	69,843	7,036	76,879
Share of other comprehensive income of associate	-	92	-	-	-		92		92
Effects of changes in presentation currency	-	(16,631)	(4,555)	(992)	2,853	(104,147)	(123,472)	(2,316)	(125,788)
Revaluation of property	-	22,558	-	-	-	-	22,558	-	22,558
Total comprehensive income/(loss) for the year	**-**	**6,019**	**(4,555)**	**(992)**	**2,853**	**(34,304)**	**(30,979)**	**4,720**	**(26,259)**
Transfer between reserves	-	-	-	1,358	-	(1,358)	-	-	-
Dividends declared	-	-	-	-	-	(1,392)	(1,392)	(231)	(1,623)
Transactions with shareholders	**-**	**-**	**-**	**1,358**	**-**	**(2,750)**	**(1,392)**	**(231)**	**(1,623)**
Shareholders' equity at end of year	**-**	**42,070**	**5,320**	**2,516**	**2,853**	**176,088**	**228,847**	**9,510**	**238,357**

**The 2023 financial statements were previously presented in ZWL prior to the change in the presentation currency. The numbers were restated by translating to USD, the new presentation currency. Refer to note 2.3.1 for further details.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital and premium USD 000	Share based payment reserve USD 000	Revaluation reserve USD 000	Retained earnings USD 000	Equity total USD 000
Year ended 31 December 2024					
Shareholders' equity at beginning of year	**-**	**10,450**	**92**	**183,081**	**193,623**
Changes in equity arising in the year					
Profit for the year	-	-	-	102,783	102,783
Total comprehensive income	**-**	**-**	**-**	**102,783**	**102,783**
Dividends for the year	-	-	-	(4,021)	(4,021)
Shareholders' equity at end of year	**-**	**10,450**	**92**	**281,843**	**292,385**
Year ended 31 December 2023 - Restated**					
Shareholders' equity at beginning of year	**-**	**19,400**	**-**	**11,120**	**30,520**
Changes in equity arising in the year					
Profit for the year	-	-	-	38,010	38,010
Share of other comprehensive income from associate	-	-	92	-	92
Effects of changes in presentation currency	-	(8,950)	-	135,451	126,501
Total comprehensive (loss)/income	**-**	**(8,950)**	**92**	**173,461**	**164,603**
Dividends for the year	-	-	-	(1,500)	(1,500)
Shareholders' equity at end of year	**-**	**10,450**	**92**	**183,081**	**193,623**

**The 2023 financial statements were previously presented in ZWL prior to the change in the presentation currency. The numbers were restated by translating to USD, the new presentation currency. Refer to note 2.3.1 for further details.

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

		Group 2024 USD 000	Group 2023 USD 000 Restated**
Cash flows from operating activities			
Profit before tax		39,093	84,691
Non-cash movements and adjustments to profit before tax	60.1	15,051	(383)
Changes in working capital	60.2	(15,017)	151,232
Premiums received		74,141	72,847
Insurance acquisition cash flows paid		(4,675)	(4,596)
Insurance claims paid, including investment components		(31,425)	(29,304)
Other insurance service expenses paid		(30,903)	(38,286)
Reinsurance premiums paid		(1,397)	(1,163)
Taxation paid	60.3	(8,714)	(5,549)
Net cash from operating activities		**36,154**	**229,489**
Cash flows from investing activities			
Acquisition of financial assets		(90,568)	(180,402)
Disposal of financial assets		75,586	67,546
Acquisition of investment properties		(8,131)	(3,437)
Disposal of investment properties		8,959	-
Acquisition of intangible assets		(202)	(319)
Acquisition of property and equipment		(4,292)	(6,832)
Disposal of property and equipment		22	215
Acquisition of associate		-	(2,305)
Dividend from associate		145	65
Net cash used in investing activities		**(18,481)**	**(125,469)**
Cash flows from financing activities			
Dividends paid	60.4	(4,146)	(1,623)
Lease payments		(498)	(368)
Credit lines received		55,690	50,024
Credit lines paid		(92,710)	(111,841)
Net cash used in financing activities		**(41,664)**	**(63,808)**
Net (decrease)/increase in cash and cash equivalents		**(23,991)**	**40,212**
Net foreign exchange differences on cash and cash equivalents		**29,448**	**30,164**
Cash and cash equivalents at the beginning of the year		**145,808**	**75,432**
Cash and cash equivalents at the end of the year		**151,265**	**145,808**

**The 2023 financial statements were previously presented in ZWL prior to the change in the presentation currency. The numbers were restated by translating to USD, the new presentation currency. Refer to note 2.3.1 for further details.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Company 2024 USD 000	Company 2023 USD 000**
Cash flows from operating activities			
Profit before tax		108,758	41,942
Non-cash movements and adjustments to profit before tax	61.1	(96,636)	(27,316)
Changes in working capital	61.2	3,071	(4,264)
Taxation paid	61.3	(3,800)	(3,461)
Net cash from operating activities		**11,393**	**6,901**
Cash flows from investing activities			
Acquisition of financial assets		(24)	(1,748)
Disposal of financial assets		348	5,449
Acquisition of intangible assets		-	(127)
Capital injection in subsidiary		(3,113)	(4,979)
Acquisition of associate		-	(2,305)
Dividend received from associate		145	65
Disposal of property and equipment		-	134
Acquisition of property and equipment		(40)	(193)
Net cash used in from investing activities		**(2,684)**	**(3,704)**
Cashflows from financing activities			
Lease payments		(78)	(95)
Dividends paid	61.4	(4,021)	(1,500)
Net cash used in financing activities		**(4,099)**	**(1,595)**
Net increase in cash and cash equivalents		**4,610**	**1,602**
Net foreign exchange differences on cash and cash equivalents		**(641)**	**-**
Cash and cash equivalents at the beginning of the year		**2,252**	**650**
Cash and cash equivalents at the end of the year		**6,221**	**2,252**

**The 2023 financial statements were previously presented in ZWL prior to the change in the presentation currency. The numbers were restated by translating to USD, the new presentation currency. Refer to note 2.3.1 for further details.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. General Information

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

- Central Africa Building Society (CABS) - 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) – funeral services company;
- 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. Material Accounting Policy Information

2.1 Statement of compliance

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

The financial statements are prepared using the historical cost convention as the primary basis, but certain assets such as investment property, financial assets, and property and equipment are measured at fair value.

In preparing the consolidated financial statements, management makes critical accounting estimates and exercises judgement in applying the Group's accounting policies. Note 2.3 of the financial statements provides disclosure on areas that involve a higher degree of judgement or complexity, including assumptions and estimates that are significant to the financial statements.

The principal accounting policies adopted in the preparation of these financial statements are consistent with those adopted in the previous year except for the accounting policies that were adopted during the 2024 financial year, IFRS Accounting Standards revisions, refer to note 2.27 and the changes in presentation currency during the year.

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 and presented in United States of America dollars (USD).

These financial statements have been prepared on the inflation-adjusted basis up to 30 June 2024. This was before the change of the functional currency for the Group to USD effective 1 July 2024, refer to note 2.3.1 below. Comparative figures were translated to USD using the exchange rates as at 31 December 2023 (USD1:ZWL6,104) and 31 December 2022 (USD1:ZWL684).

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

Given that the functional currency of the Group was ZWL up to 5 April 2024, a blended inflation rate is not ideal in the preparation of restated financial statements under IAS 29 as it incorporates the inflation movements of the USD. In Zimbabwe, USD transactions currently are officially estimated to account for more than 80% of the transactions in the economy, 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.

2. Material Accounting Policy Information (continued)

2.2 Basis of preparation (continued)

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

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

Dates	Indices	Conversion Factors
30 June 2024	1.0000	1.0000
31 May 2024	1.0004	1.0004
05 April 2024	0.9762	0.9762
31 March 2024	0.9762	1.0000
29 February 2024	1.6182	1.6576
31 January 2024	4.4951	4.6046

The main procedures applied for the above-mentioned restatement up to 30 June 2024 are as follows:

i. 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.

ii. 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 30 June 2024.

iii. 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 translated amounts.

iv. Deferred tax is calculated on restated carrying amounts.

v. 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 30 June 2024.

vi. 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.

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.

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, changes in functional and presentation currency, 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 Changes in functional currency

The Government of Zimbabwe gazetted Statutory Instrument 60 of 2024 on 5 April 2024 with these regulations bringing into existence a new currency, namely the Zimbabwe Gold (ZWG). The introduction of the ZWG required a reassessment of the functional currency of the Old Mutual Zimbabwe subsidiaries that still had ZWL as the functional currency as at that date. It was concluded that a change in functional currency from the ZWL to the ZWG had occurred.

The changes in functional currency were applied prospectively.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Material Accounting Policy Information (continued)

2.3 Critical accounting estimates and judgements (continued)

2.3.1 Changes in functional currency (continued)
Both ZWL and ZWG were determined to be currencies of a hyperinflationary economy. For ease of implementation for purposes of accounting and financial reporting, the conversion ratio of 1:2,498 was applied to the January, February and March 2024 financial information for entities that still had ZWG as the functionalcurrency following the introduction of the ZWG as a the functional currency.

Due to the use of multiple currencies in the economy and in the Group, management is required to assess what the functional currency of the Group is in accordance with International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange Rates.

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

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

In accordance with the requirements of IAS 21, management assessed the currency that best reflected the underlying transactions, events, and conditions relevant to the Group. Management applied judgement and considered the following factors:

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

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

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

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

2.3.1.1 Presentation currency and foreign currency translation
As per IAS 21, Presentation currency is the currency in which the financial statements are presented. An entity may present its financial statements in any currency (or currencies). Management adopted USD as the presentation currency as the functional currency had changed to USD. Previously, the Group presented the financial statements in ZWL which was the functional currency. The change in the presentation currency was considered to be a change in accounting policy and this was applied retrospectively.

2. Material Accounting Policy Information (continued)

2.3 Critical accounting estimates and judgements (continued)

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 discretionary participation feature (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.

	2024 USD 000	2023 USD 000
Insurance contracts issued that are liabilities	709,312	797,061
Reinsurance contracts held that are assets	6,979	3,276
Reinsurance contracts held that are liabilities	-	2

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 non-participating 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Material Accounting Policy Information (continued)

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

Sensitivity analysis of carrying amounts to changes in assumptions

Insurance risk: Sensitivity analysis	2024 USD 000	2023 USD 000
5% increase in mortality rates	(23,425)	137,481
5% decrease in mortality rates	24,457	(144,835)
10% increase in discontinuance (lapse) rates	(288,582)	940,116
10% decrease in discontinuance (lapse) rates	302,874	(1,089,389)
10% increase in maintenance rates (expenses)	1,019,325	(12,441,080)
10% decrease in maintenance rates (expenses)	(1,039,318)	13,275,942
100bps increase in valuation rates	84,052	(92,296)
100bps decrease in valuation rates	85,058	(299,639)

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 (2023: 95%). The resulting risk adjustment corresponds to an 80% confidence level (2023: 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.

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 been paid by the policyholder.

2. Material Accounting Policy Information (continued)

2.3 Critical accounting estimates and judgements (continued)

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	2.3.5.1 and 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	2.3.5.2 and 25.5
Valuation of housing projects	2.3.5.3 and 26
Valuation of investment property	2.3.5.1 and 2.9
Legacy debts/Blocked funds	2.3.5.5
Determination of the general price index	2.2

2.3.5.1 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. We engaged external valuers to perform independent valuations for investment properties.

2.3.5.2 Investments where the Group holds 20% or more

The Group is required to make judgements on what constitutes an investment in associate. 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.

2.3.5.3 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 independent valuations performed by external valuers for confirmation of the determined net realisable value. Housing projects are disclosed in note 26.1.

2.3.5.4 Valuation of treasury bills

The valuation of treasury bills financial instruments 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.

2.3.5.5 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. The discount rate is determined using an estimation of the risk associated with the issuer, timing of expected cashflows and evidence on the market for similar instruments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
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2. Material Accounting Policy Information (continued)

2.3 Critical accounting estimates and judgements (continued)

2.3.5.5 Legacy debt/Blocked funds (continued)
This statutory receivable which is held on amortised cost 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 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 and 2024 financial years, 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.

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 administrates the loan accounts for our clients. In the lending business the administration fee income is realised through loan instalment collection process.

2. Material Accounting Policy Information (continued)

2.5 Revenue (continued)

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 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 at a point in time. The business also offers micro-insurance products which is another source of revenue.

2.6 Insurance and investment contracts

2.6.1 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.

2.6.2 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
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2. Material Accounting Policy Information (continued)

2.6.3 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.

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 stoploss 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.

2.6.4 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. Material Accounting Policy Information (continued)

2.6.5 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.

When an insurance contract accounted for under the PAA is derecognised, adjustments to the FCF to remove relatedrights andobligations 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.

2.6.6 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 2024

2. Material Accounting Policy Information (continued)

2.6.6 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.

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

The estimates of future cashflows 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 modeling 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. The Group has elected to denominate groups of insurance contracts, including the contractual service margin, in a single currency, that currency being the currency of the predominate cash flows for the group of contracts.

2. Material Accounting Policy Information (continued)

2.6.6 Insurance revenue and expenses (continued)

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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
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2. Material Accounting Policy Information (continued)

2.6.6 Insurance revenue and expenses (continued)
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.

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 2024	At 31 December 2023
Risk-free (based on bond curve)		
1 year	15.00%	100.00%
5 years	6.93%	10.85%
10 years	6.72%	6.73%
20 years	6.72%	6.72%
Expense inflation (based on bond curve)		
1 year	51.28%	298.72%
5 years	5.19%	6.11%
10 years	5.13%	5.13%
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 nonfinancial 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.

2. Material Accounting Policy Information (continued)

2.6.6 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 • 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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
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2. Material Accounting Policy Information (continued)

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 when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. 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.

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.

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. Fair 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.

2. Material Accounting Policy Information (continued)

2.9 Investment property (continued)

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 on capitalised property and equipment is capitalised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. 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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Material Accounting Policy Information (continued)

2.11 Taxation (continued)
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.

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.

2. Material Accounting Policy Information (continued)

2.14 Financial instruments (continued)

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

Subsequent 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Material Accounting Policy Information (continued)

2.14 Financial instruments (continued)

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.

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 assets, 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.

2. Material Accounting Policy Information (continued)

2.14 Financial instruments (continued)

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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Material Accounting Policy Information (continued)

2.14 Financial instruments (continued)

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.

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.

2. Material Accounting Policy Information (continued)

2.14 Financial instruments (continued)

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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

2. Material Accounting Policy Information (continued)

2.14 Financial instruments (continued)

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.

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.

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.

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 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.

2. Material Accounting Policy Information (continued)

2.17 Share-based payments

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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Material Accounting Policy Information (continued)

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 Gold coins
The Reserve Bank of Zimbabwe, on 25 July 2022, launched gold coins (Mosi-oa-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. Material Accounting Policy Information (continued)

2.27 Forthcoming requirements

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 2024.

Title	Key requirements	Effective date
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements	The amendments contain specific transition provisions for the first annual reporting period in which the Group applies the amendments. Under the transitional provisions an entity is not required to disclose: • comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments • information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments. There was no material impact on the financial statements	1 January 2024
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	The amendments 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. 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 was no material impact on the financial statements	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants	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 non-current). 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). 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 was no material impact on the financial statements.	1 January 2024
Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. There was no material impact on the financial statements.	1 January 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Material Accounting Policy Information (continued)

2.27 Forthcoming requirements (continued)

Future amendments not early adopted in the 2024 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 IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability	The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so. When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include: · a spot exchange rate for a purpose other than that for which an entity assesses exchangeability · the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate). An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented. In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability. The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments. There is expected impact on the financial statements in the future periods.	1 January 2027

2. Material Accounting Policy Information (continued)

2.27 Forthcoming requirements (continued)

Title	Key requirements	Effective date
IFRS 18 Presentation and Disclosures in Financial Statements	IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. IFRS 18 introduces new requirements to: • present specified categories and defined subtotals in the statement of profit or loss • provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements • improve aggregation and disaggregation. An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions. There is expected impact on the financial statements in the future periods.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it. An entity is only permitted to apply IFRS 19 if, at the end of the reporting period: • it is a subsidiary (this includes an intermediate parent) • it does not have public accountability, and • its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. A subsidiary has public accountability if: • its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or • it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion). Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements. The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability. There is no expected impact on the financial statements in the future periods.	1 January 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

3 Segment information

A1 Statement of profit or loss for the year ended 2024	Life Assurance USD 000	General Insurance USD 000	Banking & Lending USD 000	Asset Management USD 000	Holding Co & Other USD 000	Consolidation Adjustments USD 000	Total USD 000
Revenue							
Insurance revenue	20,656	44,081	-	-	-	-	64,737
Insurance service expenses	(37,152)	(32,988)	-	-	-	-	(70,140)
Net expenses from reinsurance contracts	(1,397)	(6,406)	-	-	-	-	(7,803)
Insurance service result	**(17,893)**	**4,687**	**-**	**-**	**-**	**-**	**(13,206)**
Investment return (non-banking)	70,382	838	-	87	131,106	(120,969)	81,444
Finance expenses from insurance contracts	(25,994)	-	-	-	-	-	(25,994)
Net finance expenses from reinsurance contracts	-	-	-	-	-	-	-
Change in investment contract liabilities	(7,728)	-	-	-	-	-	(7,728)
Net investment result	**36,660**	**838**	**-**	**87**	**131,106**	**(120,969)**	**47,722**
Banking interest and similar income	-	-	40,643	-	-	(84)	40,559
Fee income, commissions and income from service contracts	2,300	-	60,995	4,979	-	(3,522)	64,752
Other income	(9,630)	-	17,987	6,829	2,552	(6,485)	11,253
Non-insurance revenue and income	**(7,330)**	**-**	**119,625**	**11,808**	**2,552**	**(10,091)**	**116,564**
Total revenue and other income	**11,437**	**5,525**	**119,625**	**11,895**	**133,658**	**(131,060)**	**151,080**
Expenses							
Impairment loss	-	-	-	-	(7,460)	-	(7,460)
Expected credit loss from lending activities	-	-	(4,171)	-	-	-	(4,171)
Banking interest expense and similar expenses	-	-	(11,278)	-	(18)	594	(10,702)
Fees, commissions and other acquisition costs	(803)	-	(15,527)	-	(1,150)	205	(17,275)
Other operating and administration expenses	(5,574)	(3,381)	(54,488)	(8,052)	(20,501)	12,541	(79,455)
Net monetary adjustment	6,202	-	-	(2,480)	3,247	-	6,969
Non-insurance expenses	**(175)**	**(3,381)**	**(85,464)**	**(10,532)**	**(25,882)**	**13,340**	**(112,094)**
Share of results from associate	-	-	-	-	107	-	107
Profit/(loss) before tax	**11,262**	**2,144**	**34,161**	**1,363**	**107,883**	**(117,720)**	**39,093**
Income tax (expense)/credit	(2,850)	(998)	(708)	(1,420)	(4,959)	(75)	(11,010)
Profit/(loss) for the year	**8,412**	**1,146**	**33,453**	**(57)**	**102,924**	**(117,795)**	**28,083**
Depreciation and amortisation	1,009	52	3,408	182	448	-	5,099

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

3 Segment information

A2 Statement of profit or loss for the year ended 2023	Life Assurance USD 000	General Insurance USD 000	Banking & Lending USD 000	Asset Management USD 000	Holding Co & Other USD 000	Consolidation Adjustments USD 000	Total USD 000
Revenue							
Insurance revenue	16,275	22,013	-	-	-	-	38,288
Insurance service expenses	(32,124)	(21,998)	-	-	-	-	(54,122)
Net expenses from reinsurance contracts	(904)	(1,161)	-	-	-	-	(2,065)
Insurance service result	**(16,753)**	**(1,146)**	**-**	**-**	**-**	**-**	**(17,899)**
Investment return (non-banking)	382,678	7,446	-	(92)	186,646	(175,254)	401,424
Finance income from insurance contracts	(320,182)	-	-	-	-	-	(320,182)
Net finance expenses from reinsurance contracts	(127)	-	-	-	-	-	(127)
Change in investment contract liabilities	(30,639)	-	-	-	-	-	(30,639)
Net investment result	**31,730**	**7,446**	**-**	**(92)**	**186,646**	**(175,254)**	**50,476**
Banking interest and similar income	-	-	42,886	-	-	-	42,886
Fee income, commissions and income from service contracts	1,334	-	52,263	5,116	-	-	58,713
Other income	20,288	13,811	89,907	8,334	13,493	(11,160)	134,673
Non-insurance revenue and income	**21,622**	**13,811**	**185,056**	**13,450**	**13,493**	**(11,160)**	**236,272**
Total revenue and other income	**36,599**	**20,111**	**185,056**	**13,358**	**200,139**	**(186,414)**	**268,849**
Expenses							
Impairment loss	(311)	-	(700)	-	(51,300)	-	(52,311)
Expected credit loss from lending activities	-	-	(6,212)	-	-	-	(6,212)
Banking interest expense and similar expenses	-	-	(15,682)	-	-	177	(15,505)
Fees, commissions and other acquisition costs	(1,287)	-	(13,384)	-	(681)	608	(14,744)
Other operating and administration expenses	(3,890)	(2,708)	(52,966)	(9,108)	(16,389)	15,326	(69,735)
Net monetary adjustment	799	-	(25,088)	(1,748)	(2,671)	2,170	(26,538)
Non-insurance expenses	**(4,689)**	**(2,708)**	**(114,032)**	**(10,856)**	**(71,041)**	**18,281**	**(185,045)**
Share of results from associate	-	-	-	-	887	-	887
Profit/(loss) before tax	**31,910**	**17,403**	**71,024**	**2,502**	**129,985**	**(168,133)**	**84,691**
Income tax (expense)/credit	(1,832)	(2,420)	(54)	(1,205)	(4,518)	2,217	(7,812)
Profit/(loss) for the year	**30,078**	**14,983**	**70,970**	**1,297**	**125,467**	**(165,916)**	**76,879**
Depreciation and amortisation	505	593	2,859	156	452		4,565

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

3. Segment information

	Life Assurance USD 000	General Insurance USD 000	Banking & Lending USD 000	Asset Management USD 000	Holding Co & Other USD 000	Consolidation Adjustments USD 000	Total USD 000
B1 Statement of financial position as at 31 December 2024							
Assets							
Intangible assets	-	-	212	136	326	-	674
Property and equipment	16,717	1,474	41,782	519	696	4,570	65,758
Investment property	355,818	477	21,411	-	300	(4,571)	373,435
Investments in subsidiary companies	1,723	-	-	-	331,440	(333,163)	-
Investment in associate	-	-	-	-	3,707	-	3,707
Deferred tax assets	-	375	184	-	1,429	-	1,988
Loans and advances	-	-	197,722	-	-	(2,600)	195,122
Investments and securities	476,469	8,218	42,104	860	34,641	(8,615)	553,677
Reinsurer contracts	55	6,924	-	-	-	-	6,979
Current tax receivable	-	-	-	-	-	-	-
Amounts due by group companies	4,357	-	-	441	2,403	(7,201)	-
Other assets	24,033	6,580	62,919	1,986	28,123	-	123,641
Cash and cash equivalents	20,666	919	139,927	189	9,428	(19,864)	151,265
Total assets	**899,838**	**24,967**	**506,261**	**4,131**	**412,493**	**(371,444)**	**1,476,246**
Liabilities							
Insurance contract liabilities	699,781	9,531	-	-	-	-	709,312
Investment contract liabilities	87,131	-	-	-	-	-	87,131
Deferred tax liabilities	1,909	-	3,540	-	2,943	(54)	8,338
Current tax payables	1,547	194	-	263	182	-	2,186
Amounts due to group companies	7,978	-	93	118	88,282	(7,199)	89,272
Other payables	9,670	696	30,948	1,049	13,704	(5,182)	50,885
Amounts owed to bank depositors	-	-	241,133	-	2,297	(19,865)	223,565
Credit lines	-	-	60,312	-	1,000	(5,949)	55,363
Total liabilities	**808,016**	**10,421**	**336,026**	**1,430**	**108,408**	**(38,249)**	**1,226,052**
Net assets	**91,822**	**14,546**	**170,235**	**2,701**	**304,085**	**(333,195)**	**250,194**
Shareholders' equity							
Share capital and premium	5,725	96	7,876	1,038	9,616	(24,351)	-
Non-distributable reserve	5,138	412	250	-	3,437	(9,237)	-
Revaluation reserve	707	-	30,300	-	92	-	31,099
Share based payment reserve	655	422	1,004	212	10,511	(7,484)	5,320
Regulatory provisions reserve	-	-	-	-	-	-	-
Currency translation reserve	(6,469)	-	-	-	9,312	(1,115)	1,728
Retained earnings	86,066	13,616	130,805	1,451	271,117	(300,661)	202,394
	91,822	**14,546**	**170,235**	**2,701**	**304,085**	**(342,848)**	**240,541**
Non-controlling interests	-	-	-	-	-	9,653	9,653
Total equity	**91,822**	**14,546**	**170,235**	**2,701**	**304,085**	**(333,195)**	**250,194**

3. Segment information

B2 Statement of financial position as at 31 December 2023

	Life Assurance USD 000	General Insurance USD 000	Banking & Lending USD 000	Asset Management USD 000	Holding Co & Other USD 000	Consolidation Adjustments USD 000	Total USD 000
Assets							
Intangible assets	-	-	354	53	286	-	693
Property and equipment	18,649	1,232	53,714	385	978	5,811	80,769
Investment property	440,132	477	25,650	-	405	(5,811)	460,853
Investments in subsidiary companies	1,170	-	-	-	223,023	(224,193)	-
Investment in associate	-	-	-	-	3,746	-	3,746
Deferred tax assets	-	22	155	89	358	-	624
Loans and advances	-	-	171,092	-	-	-	171,092
Investments and securities	467,652	9,833	79,977	1,111	31,927	(13,142)	577,358
Reinsurer contracts	34	3,241	-	-	-	-	3,275
Current tax receivable	92	-	-	-	14	-	106
Amounts due by group companies	488	-	-	808	37,645	(38,941)	-
Other assets	16,722	17,818	54,690	1,950	32,270	-	123,450
Cash and cash equivalents	9,963	1,572	131,305	130	4,105	(1,267)	145,808
Total assets	**954,902**	**34,195**	**516,937**	**4,526**	**334,757**	**(277,543)**	**1,567,774**
Liabilities							
Insurance contract liabilities	780,354	14,915	-	-	-	1,792	797,061
Investment contract liabilities	69,411	-	-	-	-	-	69,411
Reinsurance contract liabilities	2	-	-	-	-	-	2
Deferred tax liabilities	2,359	-	4,467	-	690	(89)	7,427
Current tax payables	-	140	9	249	285	-	683
Amounts due to group companies	4,986	340	135	113	122,283	(38,940)	88,917
Other payables	11,937	610	34,509	1,296	10,175	(5,695)	52,832
Amounts owed to bank depositors	-	-	221,427	-	790	(1,285)	220,932
Credit lines	-	-	95,619	-	-	(3,467)	92,152
Total liabilities	**869,049**	**16,005**	**356,166**	**1,658**	**134,223**	**(47,684)**	**1,329,417**
Net assets	**85,853**	**18,190**	**160,771**	**2,868**	**200,534**	**(229,859)**	**238,357**
Shareholders' equity							
Share capital and premium	5,929	-	6,038	1,038	5,668	(18,673)	-
Non-distributable reserve	5,138	-	249	-	5,365	(10,752)	-
Revaluation reserve	911	-	41,067	-	92	-	42,070
Share based payment reserve	655	-	1,000	212	10,509	(7,056)	5,320
Regulatory provisions reserve	-	-	2,516	-	-	-	2,516
Currency conversion reserve	1,674	780	84	-	642	(327)	2,853
Retained earnings	71,546	17,410	109,817	1,618	178,258	(202,561)	176,088
	85,853	**18,190**	**160,771**	**2,868**	**200,534**	**(239,369)**	**228,847**
Non-controlling interests	-	-	-	-	-	9,510	9,510
Total equity	**85,853**	**18,190**	**160,771**	**2,868**	**200,534**	**(229,859)**	**238,357**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

4. Insurance revenue

	Life risk and annuities USD 000	Life Savings USD 000	General Insurance USD 000	Total USD 000
For the year ended 31 December 2024				
Contracts not measured under the PAA				
Amounts relating to changes in liabilities for remaining coverage:				
Expected incurred claims	11	54	-	65
Expected other insurance service expenses	155	5,009	-	5,164
Risk adjustment recognised for the risk expired	65	182	-	247
CSM recognised for services provided	5	275	-	280
Other	681	-	-	681
Recovery of insurance acquisition cash flows	202	1	-	203
	1,119	**5,521**	**-**	**6,640**
Contracts measured under the PAA	**14,016**	**-**	**44,081**	**58,097**
Total Insurance Revenue:	**15,135**	**5,521**	**44,081**	**64,737**
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	44	2	-	46
Expected other insurance service expenses	704	4,838	-	5,542
Risk adjustment recognised for the risk expired	(67)	13	-	(54)
Other	349	(1)	-	348
Recovery of insurance acquisition cash flows	50	-	-	50
	1,080	**4,852**	**-**	**5,932**
Contracts measured under the PAA	**10,343**	**-**	**22,013**	**32,356**
Total Insurance Revenue:	**11,423**	**4,852**	**22,013**	**38,288**

	Group 2024 USD 000	Group 2023 USD 000
5 Insurance service expenses		
Incurred claims	28,074	22,236
Other insurance service expenses	24,861	27,213
Amortisation of insurance acquisition cash flows	9,338	2,848
Losses and reversal of losses on onerous contracts	11,803	2,673
Adjustments to liabilities for incurred claims	(3,936)	(848)
Total insurance service expenses	**70,140**	**54,122**
6 Investment return (non-banking)		
Dividend income - investments and securities	31,401	17,968
Interest income - cash and cash equivalents	2,808	5,520
Rental income from investment property	20,992	15,743
Total fair value gains and losses recognised in profit or loss	26,243	362,193
Total investment returns included in income statement	**81,444**	**401,424**
7 Finance expenses from insurance contracts		
Changes in fair value of underlying items of DPC*	19,826	317,456
Interest accreted	7,252	1,443
Effect of changes in interest rates and other financial assumptions	556	331
Effect of measuring changes in EACR and adj CSM at ROIR*	(1,640)	952
Total finance expenses from insurance contracts	**25,994**	**320,182**

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

		Group 2024 USD 000	Group 2023 USD 000
8	**Finance expenses from reinsurance contracts**		
	Interest accreted	-	127
	Total finance expenses from reinsurance contracts	**-**	**127**
9	**Banking interest and similar income**		
	Interest and similar income		
	Investments	3,397	4,977
	Loans and advances	37,162	37,909
	Total interest and similar income	**40,559**	**42,886**
	Comprising:		
	Financial assets at amortised cost	40,559	42,886
	Interest expense:		
	Credit lines	(9,251)	(12,717)
	Money market deposits	(1,280)	(2,675)
	Savings and term deposits	(171)	(113)
	Total interest expense	**(10,702)**	**(15,505)**
	Comprising:		
	Financial liabilities at amortised cost	(10,702)	(15,505)
	Net interest income	**29,857**	**27,381**
10	**Fee income, commissions and income from service contracts**		
	Banking operations:		
	Commissions	7,901	7,813
	Service fees	46,614	36,468
	Adminstration fees	6,480	7,982
	Total fee income and commission from banking operations	60,995	52,263
	Long term insurance business	2,300	1,334
	Asset management business	1,457	5,116
		64,752	**58,713**

The fee and commission income presented includes income of USD61 million (2023: USD52 million) related to financial assets and financial liabilities not measured at FVTPL. These figures exclude amounts incorporated in determining the effective interest rate on such financial assets and financial liabilities.

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

		Group 2024 USD 000	Group 2023 USD 000
11	**Other income**		
	Exchange gains	7,537	110,581
	Other income*	3,716	24,092
		11,253	**134,673**

*Other income includes micro-finance administration fees, recovery income and funeral services income.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

12 Other operating expenses

	Group 2024 USD 000	Group 2023 SD 000
Banking operational costs	2,506	4,519
Travel and subsistence	2,463	3,077
Office space costs	5,346	5,916
Fees and levies	783	1,100
Directors fees	942	1,001
Insurance	2,338	1,911
Actuarial and consultancy fees	1,379	244
Advertising and marketing	6,399	5,463
Information Technology costs	9,690	10,205
Depreciation and amortisation	5,099	4,565
	36,945	**38,001**
Auditors' remuneration		
Statutory audit services	2,447	2,478
Non-assurance fees	22	19
	2,469	**2,497**
Staff costs		
Wages and salaries	31,669	29,334
Retirement defined contribution obligations	3,156	1,432
Social security costs	919	851
Bonus and incentive remuneration	5,620	4,492
Other staff costs	5,773	5,719
	47,137	**41,828**
Other expenses*	**11,265**	**11,336**
Attributable insurance expenses	**(18,361)**	**(23,927)**
	79,455	**69,735**

*Other expenses include motor vehicle repairs and maintenance, security, telephone, data and stationery.

13 Income tax expense

	Group 2024 USD 000	Group 2023 USD 000
Normal income tax - Current tax expense		
Shareholders	8,086	5,548
Policyholders	2,237	319
	10,323	**5,867**
Deferred tax		
Deferred tax expense relating to the origination and reversal of temporary difference	687	1,945
Total deferred tax	**687**	**1,945**
Deferred tax		
Shareholders	721	1,620
Policyholders	(34)	325
	687	**1,945**
Total income tax expense	**11,010**	**7,812**

	Group 2024 %	Group 2023 %
Reconciliation of the effective tax rate		
Standard rate of taxation	**26**	**25**
Adjusted for:		
	2	(16)
Exempt income: interest income, dividends	(28)	(33)
Income taxed at other than tax rate	(10)	(13)
Disallowable expenses: entertainment expenses, management fees, unrealised losses	40	30
Effective tax rate	**28**	**9**

13 Income tax expense (continued)

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. Effective 1 January 2025 as per Finance Act No 7 of 2024 which was gazetted on 31 December 2024, receipts from non-mortgage activities by building societies will now be taxed as corporate income tax and this applies to CABS.
- OMZIL income is mainly fair value gains which are exempt from current tax and give rise to deferred tax liability only at 1% for listed equities and 5% for unlisted equities. 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. The Group had no potentially dilutive ordinary shares.

	Group 2024	Group 2023
14.1 Basic and diluted (cents)		
Earnings per share	8.31	21.03
Basic and diluted earnings attributable to equity holders of the parent (USD 000)	27,609	69,843
Number of shares used in calculations (weighted)		
Number of shares	332,046,874	332,046,874

15 Investment income	Company 2023 USD 000	Company 2023 USD 000
Dividend income		
Financial assets at fair value through profit or loss	1,538	1,153
Investments in subsidiaries	14,069	11,054
Interest income		
Cash and cash equivalents	122	130
Realised gains and losses		
Financial assets at fair value through profit or loss	1,855	3,920
Unrealised gains and losses	**112,046**	**74,814**
Financial assets at fair value through profit or loss	111,943	74,623
Investment property	103	191
Total investment income included in profit or loss	**129,630**	**91,071**
16 Other (losses)/income		
Management fee income	6,099	6,123
Foreign exchange (losses)/gains	(7,734)	3,331
Other	187	202
	(1,448)	**9,656**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

17 Other operating expenses	Company 2024 USD 000	Company 2023 USD 000
Asset management expenses	233	144
Advertising and marketing	1,715	815
Travel and subsistence	178	240
Office space costs	254	260
Directors fees	200	236
Consultancy fees	489	610
Information Technology costs	263	382
Depreciation and amortisation	325	371
	3,657	**3,058**
Auditors' remuneration		
Statutory audit services	**434**	**595**
Staff costs		
Wages and salaries	1,635	1,660
Retirement obligations	116	59
Bonus and incentive remuneration	3,478	676
Social security costs	39	18
Other staff costs	1,606	626
	6,874	**3,039**
Other costs*	**1,106**	**1,321**
Total other operating expenses	**12,071**	**8,013**

*Other expenses include motor vehicle repairs and maintenance, security, telephone, data and stationery.

18 Income tax expense		
Normal income tax		
Deferred tax	2,301	288
Current taxation	3,674	3,644
Total taxation charge	**5,975**	**3,932**
Reconciliation of taxation rate on profit before tax		
	%	%
Standard rate of taxation	26	25
Adjusted for:		
	(20)	(16)
Exempt income: interest income, dividends, unrealised gains	(38)	(63)
Disallowable expenses: entertainment expenses, management fees, unrealised losses	18	47
Effective tax rate	**6**	**9**

19 Intangible assets	Group 2024 USD 000	Group 2023 USD 000
Carrying amount at beginning of year	693	1,263
Additions	202	319
Amortisation	(227)	(304)
Effects of changes in presentation currency	6	(585)
Carrying amount at end of year	**674**	**693**
Cost/Valuation	5,091	4,909
Accumulated amortisation	(4,417)	(4,216)
Carrying amount at end of year	**674**	**693**

Intangible assets comprise of software licences. There are no intangible assets whose title is restricted and none of the intangible assets have been pledged as security for liabilities.

20 Group property and equipment

		Owner-occupied USD 000	Motor vehicles USD 000	Computer equipment USD 000	Fixtures & fittings USD 000	Right of use asset USD 000	Total USD 000
20.1	**Carrying amount at beginning of year (1 January 2024)**	**69,273**	**3,873**	**5,806**	**881**	**936**	**80,769**
	Additions	-	2,009	1,785	419	79	4,292
	Devaluation	(13,058)	-	-	-	-	(13,058)
	Right of use modifications	-	-	-	-	430	430
	Reclassifications	(704)	-	-	-	-	(704)
	Disposals	-	-	(11)	(11)	-	(22)
	Depreciation	(520)	(1,342)	(2,032)	(362)	(616)	(4,872)
	Effects of changes in presentation currency	(1,133)	125	(50)	(19)		(1,077)
	Carrying amount at end of year	**53,858**	**4,665**	**5,498**	**908**	**829**	**65,758**
	Cost/Valuation	53,858	9,074	16,657	2,300	1,884	83,773
	Accumulated depreciation	-	(4,409)	(11,159)	(1,392)	(1,055)	(18,015)
	Carrying amount at end of year (31 December 2024)	**53,858**	**4,665**	**5,498**	**908**	**829**	**65,758**
20.2	**Carrying amount at beginning of year (1 January 2023)**	**67,403**	**5,354**	**6,098**	**1,393**	**1,420**	**81,668**
	Additions	6	2,073	4,331	255	165	6,830
	Revaluation surplus	33,734	-	-	-		33,734
	Right of use modifications	-	-	-	-	240	240
	Disposals	-	(178)	(38)	-	-	(216)
	Depreciation	(776)	(1,110)	(1,926)	(266)	(183)	(4,261)
	Effects of changes in presentation currency	(31,094)	(2,266)	(2,659)	(501)	(706)	(37,226)
	Carrying amount at end of year	**69,273**	**3,873**	**5,806**	**881**	**936**	**80,769**
	Cost/Valuation	69,340	7,229	15,039	1,903	1,380	94,891
	Accumulated depreciation	(67)	(3,356)	(9,233)	(1,022)	(444)	(14,122)
	Carrying amount at end of year (31 December 2023)	**69,273**	**3,873**	**5,806**	**881**	**936**	**80,769**

The carrying amount of 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. 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 USD8.5 million (2023: USD9 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

21 Investment property

	Group 2024 USD 000	Group 2023 USD 000
Carrying amount at beginning of year	460,853	435,689
Additions	1,358	474
Disposal	(58,417)	-
Improvements	6,773	2,963
(Loss)/gain from fair value adjustments	(32,451)	222,716
Effects of changes in presentation currency	(4,681)	(200,989)
Carrying amount at end of year	**373,435**	**460,853**
Comprising:		
Leasehold property	5,630	7,037
Freehold property	367,805	453,816
	373,435	**460,853**
The fair value of freehold property leased to third parties under operating leases	**285,261**	**363,969**
Rental income from investment property	22,363	54,957
Direct operating expenses arising from rented-out investment property	(1,371)	(39,214)
	20,992	**15,743**

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 fair values are tested by comparing with values determined by independent external valuers for a sample of properties accounting for at least 65% of the total value of the property portfolio, or for at least the top twenty five buildings by value. Key assumptions applied in the valuation process include:

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

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

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

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

Key valuation inputs

The table below sets out information about inputs used at 31 December 2024 in measuring investment properties and owner-occupied property 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.

21 Investment property (continued)

Type of Property	Value 2024 USD 000	Key unobservable inputs	Interrelationship between unobservable inputs and key fair value measurement
Office, Retail and Industrial Properties **Valuation approach:** Income capitalisation	297 393 (2023: 369 874)	Office - Capitalisation rates: 7.30% to 10.25% (2023: 6% to 10%) - Market rentals per m2: USD4 to USD10 (2023: USD3 to USD11) - Vacancy rates: 0% to 72% (2023: 0% to 71%) Retail - Capitalisation rates: 6.5% to 13% (5% to 10%) - Market rentals per m2: USD1.79 to USD13.65 (2023: USD1.8 to USD13.27) - Vacancy rates: 0% to 52% (0% to 40%) Industrial - Capitalisation rates: 6.25% to 13% (2023: 6.5% to 10%) - Market rentals per m2: USD1 to USD3.50 (2023: USD1.31 to USD3.11) - Vacancy rates: 0% to 48% (2023: 0% to 48%)	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	4,247 (2023: 3,272)	Residential rent from USD250 to USD500 (2023: USD262 to USD786)	· The estimated fair value would increase/(decrease) if prices for comparable properties increased/ (decreased).
Land **Valuation approach:** Direct comparison/ Market approach	71,795 (2023: 87,707)	Land value per m²: USD80 (2023: USD41).	· The estimated fair value would increase/(decrease) if prices for comparable properties increased/ (decreased).

	2024 USD 000 Fair Value movement	2023 USD 000 Fair Value movement
Sensitivity analysis - valuation inputs		
A 1% increase in capitalisation rates would decrease the fair value by:	(35,201)	(52,502)
A 1% decrease in capitalisation rates would increase the fair value by:	41,706	64,978
A 10% increase in market rentals per m^2 would increase the fair value by:	34,674	43,062
A 10% decrease in market rentals per m^2 would decrease the fair value by:	(34,674)	(43,062)
A 10% increase in average land values for land for land holdings per m^2 would increase the fair value by:	7,769	9,802
A 10% decrease in average land values for land for land holdings per m^2 would decrease the fair value by:	(7,769)	(9,802)

Landholdings constitute 19% (2023:19%) of overall property value.

22 Investment in associates

	Number of issued ordinary preference and shares	Interest %	2024 Carrying value of shares USD 000	2023 Carrying value of shares USD 000
Bright Zimbabwe Holdings (Private) Limited	**45,938**	**40%**	**3,707**	**3,746**

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

22 Investment in associates (continued)

	Group 2024 USD 000	Group 2023 USD 000
Current assets	2,208	1,833
Non-current assets	269	296
Current liabilities	(1,023)	(475)
Equity attributable to owners of the parent company	1,454	1,654
Revenue	3,537	2,931
Profit for the year	267	2,218
Other comprehensive income	-	230
Total comprehensive income	**267**	**2,448**
Share of profit for the year	**107**	**887**
Share of other comprehensive income	**-**	**92**
Dividends received from the associate during the year	**145**	**65**
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	**1,454**	**1,654**
Proportion of the Group's ownership interest in the associate	581	661
Goodwill	2,830	2,830
Other adjustments	296	255
Carrying amount of the Group's interest in the associate	**3,707**	**3,746**

23 Deferred tax assets and liabilities

Group

	At beginning USD 000	Charge to equity USD 000	Profit or loss USD 000	Effects of changes in presentation currency USD 000	At end USD 000
At 31 December 2024					
Deferred tax liability					
Shareholders	7,002	(867)	2,085	(204)	8,016
Policyholders	425	20	(34)	(89)	322
	7,427	**(847)**	**2,051**	**(293)**	**8,338**
Deferred tax asset					
Shareholders	(624)	-	(1,364)	-	(1,988)
	(624)	-	(1,364)	-	(1,988)
Aggregate deferred tax	**6,803**	**(847)**	**687**	**(293)**	**6,350**
At 31 December 2023					
Deferred tax liability					
Shareholders	5,525	2,285	1,542	(2,350)	7,002
Policyholders	226	-	325	(126)	425
	5,751	**2,285**	**1,867**	**(2,476)**	**7,427**
Deferred tax asset					
Shareholders	(1,303)	-	78	601	(624)
	(1,303)	-	78	601	(624)
Aggregate deferred tax	**4,448**	**2,285**	**1,945**	**(1,875)**	**6,803**

24 Loans and advances

	Group 2024 USD 000	Group 2023 USD 000
Concentration - gross loans and advances		
Housing	16,496	12,351
Unsecured personal loans	44,706	26,083
Commercial and industrial	139,732	139,179
Gross loans and advances	**200,934**	**177,613**
Less provision for impairment	(5,812)	(6,521)
Net loans and advances	**195,122**	**171,092**
Maturity analysis - gross and loans advances		
On demand to 3 months	26,554	25,891
3 months to 12 months	49,604	52,524
1 year to 5 years	121,948	94,929
Over 5 years	2,828	4,269
	200,934	**177,613**
Non performing loans	**2,980**	**173**
Analysis of past due but not impaired		
0 to 30 days past due	27,712	781
31 to 90 days past due	10,784	10,446
	38,496	**11,227**

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 statement of financial position date is shown below:

	Group 2024 USD 000	Group 2023 USD 000
Sector		
Agriculture	56,645	59,843
Construction, transport and communication	6,946	3,523
Distribution	20,612	7,631
Financial Services	3,872	814
Manufacturing and Mining	29,233	30,551
Mortgages	18,233	13,409
Private/Individuals	46,285	28,206
Energy	14,873	28,491
Services	4,235	5,145
Total gross loans	**200,934**	**177,613**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

24 Loans and advances (continued)

24.2 Impairment and credit quality analysis

	Subject to 12 month ECL		Subject to lifetime ECL				Total	
			Not credit impaired		Credit impaired (excluding purchased/originated)			
	Gross carrying amount USD 000	Allowance for ECL USD 000	Gross carrying amount USD 000	Allowance for ECL USD 000	Gross carrying amount USD 000	Allowance for ECL USD 000	Gross carrying amount USD 000	Allowance for ECL USD 000
As at 1 January 2024	**109,504**	**(962)**	**64,567**	**(3,407)**	**3,542**	**(2,152)**	**177,613**	**(6,521)**
	21,565	1,523	2,025	(228)	(269)	(586)	23,321	709
Originations, purchases and interest accruals	90,660	186	6,653	(1,445)	77	(74)	97,390	(1,333)
Repayments and other derecognitions excluding write-offs	(64,841)	309	(5,340)	1,169	(3,888)	787	(74,069)	2,265
Transfer to 12 month ECL	516	(6)	(508)	91	(8)	4	-	89
Transfer to lifetime ECL (not credit impaired)	(2,040)	191	2,189	(751)	(149)	107	-	(453)
Transfer to lifetime ECL (credit impaired)	(2,730)	(102)	(969)	301	3,699	(691)	-	(492)
Changes to model and risk parameters used for ECL calculation	-	945	-	407	-	(719)	-	633
As at 31 December 2024	**131,069**	**561**	**66,592**	**(3,635)**	**3,273**	**(2,738)**	**200,934**	**(5,812)**

	Subject to 12 month ECL		Subject to lifetime ECL				Total	
			Not credit impaired		Credit impaired (excluding purchased/originated)			
	Gross carrying amount USD 000	Allowance for ECL USD 000	Gross carrying amount USD 000	Allowance for ECL USD 000	Gross carrying amount USD 000	Allowance for ECL USD 000	Gross carrying amount USD 000	Allowance for ECL USD 000
As at 1 January 2023	**181,378**	**(630)**	**10,727**	**(3,973)**	**624**	**(329)**	**192,729**	**(4,932)**
	1,195,606	(6,921)	105,522	(22,438)	30,185	(18,564)	1,331,313	(47,923)
Originations, purchases and interest accruals	1,160,743	(5,769)	30,702	(3,824)	7,628	(12,097)	1,199,073	(21,690)
Transfer to 12 month ECL	44,708	(1,170)	68,199	(7,884)	19,333	(384)	132,240	(9,438)
Transfer to lifetime ECL (not credit impaired)	1,454	(50)	(1,443)	891	(11)	5	-	846
Transfer to lifetime ECL (credit impaired)	(8,556)	56	8,563	(11,325)	(7)	4	-	(11,265)
Changes to model and risk parameters used for ECL calculation	(2,743)	12	(499)	(296)	3,242	(6,092)	-	(6,376)
Inflation adjustment	(1,135,481)	6,298	(46,734)	21,171	(26,979)	16,589	(1,209,194)	44,058
Effects of changes in presentation currency	(131,999)	291	(4,948)	1,833	(288)	152	(137,235)	2,276
As at 31 December 2023	**109,504**	**(962)**	**64,567**	**(3,407)**	**3,542**	**(2,152)**	**177,613**	**(6,521)**

25 Investments and securities

		Group 2024 USD 000	Group 2023 USD 000
25.1 Analysis of investments			
Equity securities	- listed	321,960	340,168
	-unlisted	130,993	106,738
Total Equities (note 25.3)		**452,953**	**446,906**
Unit trust investments		621	831
Public sector securities		28,275	1,173
Debentures		14,675	33,333
Treasury bills (see note 25.6 below)		5,104	45,626
Deposits and money market securities		52,049	49,489
		553,677	**577,358**
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		(2,141)	(16)
New investment securities- purchased		-	(2,137)
Investment securities that have matured		1,985	-
Inflation adjustment		-	12
Balance as at 31 December		**(156)**	**(2,141)**

There were no investment and securities subject to Lifetime ECL.

	Group 2024 USD 000	Group 2023 USD 000
25.3 Spread of equity securities by sector		
Commodities	130,921	77,586
Communications	22,046	15,426
Consumer	125,932	182,829
Financial	82,872	111,404
Property	11,687	32,581
Manufacturing	79,456	22,178
Mining	39	4,902
	452,953	**446,906**
25.4 Movements of investment and securities		
Opening balance	577,358	496,505
Fair value movements through profit or loss	(14,266)	197,042
Additions	90,568	180,402
Disposals	(26,128)	(9,485)
Maturities	(53,284)	(58,061)
Effects of changes in presentation currency	(20,571)	(229,045)
Closing balances	**553,677**	**577,358**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

25 Investments and securities (continued)

25.5 Investment in unlisted equities 20% and above shareholding

Investee	% holding	2024 USD 000	2023 USD 000
Takura Fund II (Limited Partner) “B Shares” (held by Shareholders and OMLAC Main Fund)	40%	20,902	24,462
Great Zimbabwe Hydro (held by OMLAC Main Fund)	31%	1,032	789
Lobels Holdings Limited (held by OMLAC Main Fund)	49%	8,348	12,936
Manica Boards and Doors (MBD) (held by OMLAC Main Fund)	55%	4,499	4,002
Kupinga Renewable Energy (held by OMLAC Main Fund)	40%	1,011	892
Closefin (Held by OMLAC Main Fund)	21%	1,560	1,239
Plaza Bakery (held by OMLAC Main Fund)	49%	597	542
Zimcampus preference shares (held by OMLAC Main Fund and OMLAC Special Fund)	29%	5,074	6,850
Solgas ordinary shares (held by OMLAC Main Fund)	49%	26	37
Richaw Solar Tech ordinary shares (held by OMLAC Main Fund)	49%	651	583
Takura Fund III (Limited Partner) “D Shares” (held by Shareholders and OMLAC Main Fund)	74%	51,198	17,982
Southern Property (Private) Limited (held by OMLAC Main Fund)	20%	730	516
Tenpill (held by Shareholders and OMLAC Main Fund)	48%	11,648	10,561
Nedbank Zimbabwe (held by Shareholders)	23%	7,736	5,563
Centagrid (held by OMLAC Main Fund)	26%	2,590	2,319
Glytime Foods (held by OMLAC Main Fund)	45%	1,646	1,659
		119,248	**90,932**

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 personel or their appointment or influence key operational decision making and accordingly this fund has been recognised 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 venture capital consolidation exemption per IAS 28 and measured the investment at fair value through profit or loss in accordance with IFRS 9 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.

25 Investments and securities (continued)

25.5 Investment in unlisted equities 20% and above 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)
Lobels 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.

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25 Investments and securities (continued)

	Group 2024 USD 000	Group 2023 USD 000
25.6 Treasury bills maturity analysis		
On demand to 3 months	2,415	17,297
3 months to 12 months	1,035	25,432
1 year to five years	1,654	2,897
Total	**5,104**	**45,626**

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	· Interest rate · Money market rates	0% to 10.89% 4.5% to 5.5%

25.7 Sensitivity analysis - Listed Equities

	Actual reported 31 Dec 2024	+/- 20% stock movement	+/- 50% stock movement	+/- 75% stock movement
Equities - after increase	321,960	386,352	482,940	563,430
Equities - after decrease	321,960	257,568	160,980	80,490
Increase or decrease in fair value movement		64,392	160,980	241,470
Impact on profit and NAV		15,132	37,830	56,745

	Actual reported 31 Dec 2023	+/- 20% stock movement	+/- 50% stock movement	+/- 75% stock movement
Equities - after increase	340,168	408,202	510,252	595,294
Equities - after decrease	340,168	272,134	170,084	85,042
Increase or decrease in fair value movement	-	68,034	170,084	255,126
Impact on profit and NAV	-	15,988	39,970	59,955

The Group has significant holdings in equities, consequently movements in the market index, all other factors held constant, will have a significant impact on reported profits for the year.

26 Other assets

	Group 2024 USD 000	Group 2023 USD 000
Accrued investment income	743	810
Prepayments	6,258	21,843
Inventory - Capitalised project costs (see note 26.1 below)	1,938	2,243
Banking settlement and other clearing accounts.	24,460	35,111
RBZ legacy debt (see note 26.2 below)	25,337	32,924
Trade debtors	2,256	2,204
Tenant debtors	15,303	6,025
Other non-financial assets**	21,987	6,907
Gold coins	881	773
Other receivables*	24,478	14,610
	123,641	**123,450**

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

**Other non-financial assets include fuel stocks and assets in transit.

26 Other assets (continued)

	Group 2024 USD 000	Group 2023 USD 000
26.1 Inventory - Capitalised project costs		
Opening balance	2,243	2,602
Cost of Sales	(305)	(354)
Write down	-	(5)
	1,938	**2,243**
26.2 RBZ Legacy Debt		
Principal amount	89,499	89,499
Accumulated impairment loss	(64,162)	(55,575)
Net amount receivable	**25,337**	**32,924**

On the 24th of June 2019, the Government issued Statutory Instrument 142 (SI 142) which was followed up by the Reserve Bank of Zimbabwe (RBZ)'s Exchange Control Directive RU/102 of 2019 which directed authorised dealers to transfer to the RBZ, Zimbabwe Dollar balances at an exchange rate of ZWL1:USD1 in relation to foreign currency legacy debts to be registered with the RBZ. The value in use of the receivable has been determined after taking into account key assumptions of a 14.53% (2023: 10.64%) discount rate. The State through the Ministry of Finance and Economic Development, subsequently assumed responsibility for the discharge of the debt.

Legacy Debts registration process	2024 Approved USDm	2023 Approved USDm
External lines of credit	26	26
Amounts owing to related parties	84	84
Amounts owing to 3rd parties	1	1
Amounts settled to date	(22)	(22)
	89	**89**

26.2.1 Impairment of legacy debt	Group 2024 USD 000	Group 2023 USD 000
Impairment loss	**(7,460)**	**(52,311)**

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 receivable reflects management's assessment of the present value of the expected net cashflows to be received under this arrangement.

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

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26 Other assets (continued)

26.2.1 Impairment of legacy debt (continued)

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 assesses carrying value of the legacy debt receivable based on market indications around the expected maturity dates of debt instruments being issued by the Government to other counterparties in similar circumstances.

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.

27 Cash and cash equivalents

	Group 2024 USD 000	Group 2023 USD 000
Cash balances	39,416	38,394
Bank balances	111,849	107,414
	151,265	**145,808**

The Group tested cash and cash equivalents for impairment, 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 2024		31 Dec 2023	
	Assets USD 000	Liabilities USD 000	Assets USD 000	Liabilities USD 000
Insurance contracts				
Total life and guaranteed savings:	-	699,781	-	780,354
Life Risk and Annuities	-	9,540	-	11,133
Life Savings	-	690,241	-	769,221
Property and casualty		9,531		16,707
Total insurance contracts	**-**	**709,312**	**-**	**797,061**
Reinsurance contracts				
Total life and guranteed savings:	55	-	34	2
Life Risk and Annuities	55		34	2
Life Savings	-	-	-	-
Property and casualty	6,924	-	3,241	-
Total reinsurance contracts	**6,979**	**-**	**3,275**	**2**

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 statement of comprehensive income.

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

Year ended 31 December 2024	Liability for remaining coverage		Liabilities for incurred claims			
				Contracts under PAA		
	Excluding component loss USD 000	Loss component USD 000	Contracts not under PAA USD 000	Estimates of present value of future cash flows USD 000	Risk-adjustment for non-financial risk USD 000	Total USD 000
Net opening balance (insurance contracts)						
Opening insurance assets	-	-	-	-	-	-
Opening insurance liabilities	3,864	2,492	831	3,888	58	11,133
	3,864	**2,492**	**831**	**3,888**	**58**	**11,133**
Changes in profit or loss						
Insurance revenue:	**(15,135)**	**-**	**-**	**-**	**-**	**(15,135)**
Contracts under the modified retrospective approach	-	-	-	-	-	-
Contracts under the fair value approach	(1,118)	-	-	-	-	(1,118)
Other contracts	(14,017)	-	-	-	-	(14,017)
Insurance service expenses:	**271**	**4,478**	**-**	**5,990**	**22**	**10,761**
Incurred claims and other insurance service expenses	-	-	-	10,156	-	10,156
Amortisation of insurance acquisition cash flows	271	-	-	-	-	271
Losses and reversal of losses on onerous contracts	-	4,478	-	-	-	4,478
Adjustments to liabilities for incurred claims	-	-	-	(4,166)	22	(4,144)
Insurance service result	**(14,864)**	**4,478**	**-**	**5,990**	**22**	**(4,374)**
Insurance finance income	6,167	-	-	-	-	6,167
Total changes in profit or loss	**(8,697)**	**4,478**	**-**	**5,990**	**22**	**1,793**
Investment components						
Cash flows						
Premiums received	15,483	-	-	-	-	15,483
Insurance acquisition cash flows paid	(271)	-	-	-	-	(271)
Insurance claims paid, including investment components	-	-	(4)	(34,714)	-	(34,718)
Other expenses paid	-	-	(243)	(2,088)	-	(2,331)
Total cash flows (insurance contracts)	**15,212**	**-**	**(247)**	**(36,802)**	**-**	**(21,837)**
Effects of changes in presentation currency and other	**(7,777)**	**(5,568)**	**(572)**	**32,368**	**-**	**18,451**
Net closing balance (insurance contracts)	**2,602**	**1,402**	**12**	**5,444**	**80**	**9,540**
Closing insurance assets	-	-	-	-	-	-
Closing insurance liabilities	2,602	1,402	12	5,444	80	9,540
Net closing balance (insurance contracts)	**2,602**	**1,402**	**12**	**5,444**	**80**	**9,540**

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28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life Risk and Annuities (continued)

a (ii) Analysis by remaining coverage and incurred claims

Year ended 31 December 2024	Liability for remaining coverage		Liabilities for incurred claims			
				Contracts under PAA		
	Excluding component loss USD 000	Loss component USD 000	Contracts not under PAA USD 000	Estimates of present value of future cash flows USD 000	Risk-adjustment for non-financial risk USD 000	Total USD 000
Net opening balance (insurance contracts)						
Opening insurance assets	(5,189)	-	(7,897)	-	-	(13,086)
Opening insurance liabilities	-	17,260	-	4,377	51	21,688
	(5,189)	**17,260**	**(7,897)**	**4,377**	**51**	**8,602**
Changes in profit or loss						
Insurance revenue:	**(11,423)**	**-**	**-**	**-**	**-**	**(11,423)**
Contracts under the modified retrospective approach	-	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-	-
Other contracts	(11,423)	-	-	-	-	(11,423)
Insurance service expenses:	**50**	**4,552**	**1,448**	**6,868**	**30**	**12,948**
Incurred claims and other insurance service expenses	-	(88)	1,448	8,369	-	9,729
Amortisation of insurance acquisition cash flows	50	-	-	-	-	50
Losses and reversal of losses on onerous contracts	-	4,640	-	-	-	4,640
Adjustments to liabilities for incurred claims	-	-	-	(1,501)	30	(1,471)
Insurance service result	**(11,373)**	**4,552**	**1,448**	**6,868**	**30**	**1,525**
Insurance finance income	2,725	-	-	-	-	2,725
Total changes in profit or loss	**(8,648)**	**4,552**	**1,448**	**6,868**	**30**	**4,250**
Investment components						
Cash flows						
Premiums received	10,614	-	-	-	-	10,614
Insurance acquisition cash flows paid	(226)	-	-	-	-	(226)
Insurance claims paid, including investment components	-	-	250	(2,596)	-	(2,346)
Other expenses paid	-	-	(1,327)	(2,197)	-	(3,524)
Total cash flows (insurance contracts)	**10,388**	**-**	**(1,077)**	**(4,793)**	**-**	**4,518**
Effects of changes in presentation currency and other	**7,313**	**(19,320)**	**8,357**	**(2,564)**	**(23)**	**(6,237)**
Net closing balance (insurance contracts)	**3,864**	**2,492**	**831**	**3,888**	**58**	**11,133**
Closing insurance assets	-	-	-	-	-	-
Closing insurance liabilities	3,864	2,492	831	3,888	58	11,133
Net closing balance (insurance contracts)	**3,864**	**2,492**	**831**	**3,888**	**58**	**11,133**

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life Savings

b (i) Analysis by remaining coverage and incurred claims

Year ended 31 December 2024	Liability for remaining coverage		Liabilities for incurred claims			
				Contracts under PAA		
	Excluding component loss USD 000	Loss component USD 000	Contracts not under PAA USD 000	Estimates of present value of future cashflows USD 000	Risk-adjustment for non-financial risk USD 000	Total USD 000
Net opening balance (insurance contracts)						
Opening insurance liabilities	-	-	(11,941)	-	-	(11,941)
Opening insurance assets	773,869	7,293	-	-	-	781,162
	773,869	**7,293**	**(11,941)**	**-**	**-**	**769,221**
Changes in profit or loss						
Insurance revenue:	**(5,521)**	**-**	**-**	**-**	**-**	**(5,521)**
Contracts under the modified retrospective approach						-
Contracts under the fair value approach	(5,521)	-	-	-	-	(5,521)
Other contracts						-
Insurance service expenses:	**1**	**7,365**	**19,024**	**-**	**-**	**26,390**
Incurred claims and other insurance service expenses	-	-	19,024	-	-	19,024
Amortisation of insurance acquisition cash flows	1	-	-	-	-	1
Losses and reversal of losses on onerous contracts	-	7,365	-	-	-	7,365
Adjustments to liabilities for incurred claims	-	-	-	-	-	-
Insurance service result	**(5,520)**	**7,365**	**19,024**	**-**	**-**	**20,869**
Insurance finance income	19,826					19,826
Total changes in profit or loss	**14,306**	**7,365**	**19,024**	**-**	**-**	**40,695**
Investment components						
Cash flows						
Premiums received	45,725	-	-	-	-	45,725
Insurance acquisition cash flows paid	(1)	-	-	-	-	(1)
Insurance claims paid, including investment components	-	-	(25,042)	-	-	(25,042)
Other expenses paid	-	-	(19,035)	-	-	(19,035)
Total cash flows (insurance contracts)	**45,724**	**-**	**(44,077)**	**-**	**-**	**1,647**
Effects of changes in presentation currency and other	**(113,749)**	**(7,519)**	**(54)**			**(121,322)**
Net closing balance (insurance contracts)	**720,150**	**7,139**	**(37,048)**	**-**	**-**	**690,241**
Closing insurance assets	-	-	(37,048)	-	-	(37,048)
Closing insurance liabilities	720,150	7,139	-	-	-	727,289
Net closing balance (insurance contracts)	**720,150**	**7,139**	**(37,048)**	**-**	**-**	**690,241**

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28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Life Savings (continued)

b (ii) Analysis by remaining coverage and incurred claims (continued)

Year ended 31 December 2023	Liability for remaining coverage		Liabilities for incurred claims			
				Contracts under PAA		
	Excluding component loss USD 000	Loss component USD 000	Contracts not under PAA USD 000	Estimates of present value of future cashflows USD 000	Risk-adjustment for non-financial risk USD 000	Total USD 000
Net opening balance (insurance contracts)						
Opening insurance liabilities	-	-	(26,945)	-	-	(26,945)
Opening insurance assets	748,868	8,452	-	-	-	757,320
	748,868	**8,452**	**(26,945)**	**-**	**-**	**730,375**
Changes in profit or loss						
Insurance revenue:	**(4,852)**	**-**	**-**	**-**	**-**	**(4,852)**
Contracts under the modified retrospective approach	-	-	-	-	-	-
Contracts under the fair value approach	(4,755)	-	-	-	-	(4,755)
Other contracts	(97)	-	-	-	-	(97)
Insurance service expenses:	**-**	**(2,045)**	**21,221**	**-**	**-**	**19,176**
Incurred claims and other insurance service expenses	-	-	21,221	-	-	21,221
Amortisation of insurance acquisition cash flows	-	-	-	-	-	-
Losses and reversal of losses on onerous contracts	-	(2,045)	-	-	-	(2,045)
Adjustments to liabilities for incurred claims	-	-	-	-	-	-
Insurance service result	**(4,852)**	**(2,045)**	**21,221**	**-**	**-**	**14,324**
Insurance finance income	317,456	-	-	-	-	317,456
Total changes in profit or loss	**312,604**	**(2,045)**	**21,221**	**-**	**-**	**331,780**
Investment components						
Cash flowst						
Premiums received	38,264	-	-	-	-	38,264
Insurance acquisition cash flows paid	(11)	-	-	-	-	(11)
Insurance claims paid, including investment components	-	-	(28,408)	-	-	(28,408)
Other expenses paid	-	-	(21,220)	-	-	(21,220)
Total cash flows (insurance contracts)	**38,253**	**-**	**(49,628)**	**-**	**-**	**(11,375)**
Foreign currency translations movements and other	**(325,855)**	**885**	**43,411**	**-**	**-**	**(281,559)**
Net closing balance (insurance contracts)	**773,870**	**7,292**	**(11,941)**	**-**	**-**	**769,221**
Closing insurance assets	-	-	(11,941)	-	-	(11,941)
Closing insurance liabilities	773,870	7,292	-	-	-	781,162
Net closing balance (insurance contracts)	**773,870**	**7,292**	**(11,941)**	**-**	**-**	**769,221**

28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Property and Casualty

c (i) Analysis by remaining coverage and incurred claims

Year ended 31 December 2024	Liability for remaining coverage		Liabilities for incurred claims			
				Contracts under PAA		
	Excluding component loss USD 000	Loss component USD 000	Contracts not under PAA USD 000	Estimates of present value of future cashflows USD 000	Risk-adjustment for non-financial risk USD 000	Total USD 000
Net opening balance (insurance contracts)						
Opening insurance assets	-	-	-	-	-	-
Opening insurance liabilities	6,097	104	-	9,848	658	16,707
	6,097	**104**	**-**	**9,848**	**658**	**16,707**
Changes in profit or loss						
Insurance revenue:	**(44,081)**	**-**	**-**	**-**	**-**	**(44,081)**
Contracts under the modified retrospective approach	-	-	-	-	-	-
Contracts under the fair value approach	-	-	-	-	-	-
Other contracts	(44,081)	-	-	-	-	(44,081)
Insurance service expenses:	**12,813**	**40**	**-**	**19,927**	**208**	**32,988**
Incurred claims and other insurance service expenses	3,747	-	-	19,927	-	23,674
Amortisation of insurance acquisition cash flows	9,066	-	-	-	-	9,066
Losses and reversal of losses on onerous contracts	-	40	-	-	-	40
Adjustments to liabilities for incurred claims	-	-	-	-	208	208
Insurance service result	**(31,268)**	**40**	**-**	**19,927**	**208**	**(11,093)**
Insurance finance income	-	-	-	-	-	-
Total changes in profit or loss	**(31,268)**	**40**	**-**	**19,927**	**208**	**(11,093)**
Investment components						
Cash flows						
Premiums received	43,944	-	-	-	-	43,944
Insurance acquisition cash flows paid	(13,795)	-	-	-	-	(13,795)
Insurance claims paid, including investment components	-	-	-	(7,796)	-	(7,796)
Other expenses paid	-	-	-	(22,883)	-	(22,883)
Total cash flows (insurance contracts)	**30,149**	**-**	**-**	**(30,679)**	**-**	**(530)**
Effects of changes in presentation currency and other	**(902)**	**(145)**	**-**	**5,911**	**(417)**	**4,447**
Net closing balance (insurance contracts)	**4,076**	**(1)**	**-**	**5,007**	**449**	**9,531**
Closing insurance assets	-	(1)	-	-	-	(1)
Closing insurance liabilities	4,076	-	-	5,007	449	9,532
Net closing balance (insurance contracts)	**4,076**	**(1)**	**-**	**5,007**	**449**	**9,531**

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28 Insurance and reinsurance contracts (continued)

28.2 Insurance contracts: Property and Casualty (continued)

c (ii) Analysis by remaining coverage and incurred claims (continued)

Year ended 31 December 2023	Liability for remaining coverage		Liabilities for incurred claims			
				Contracts under PAA		
	Excluding component loss USD 000	Loss component USD 000	Contracts not under PAA USD 000	Estimates of present value of future cashflows USD 000	Risk-adjustment for non-financial risk USD 000	Total USD 000
Net opening balance (insurance contracts)						
Opening insurance assets	-	-	-	-	-	-
Opening insurance liabilities	1,222	246		6,530	303	8,300
	1,222	**246**	**-**	**6,530**	**303**	**8,301**
Changes in profit or loss						
Insurance revenue:	**(22,013)**	**-**	**-**	**-**	**-**	**(22,013)**
Contracts under the modified retrospective approach	-	-	-	-	-	-
Contracts under the fair value approach	–	-	-	-	-	-
Other contracts	(22,013)	-	-	-	-	(22,013)
Insurance service expenses:	**5,353**	**77**	**-**	**15,944**	**624**	**21,998**
Incurred claims and other insurance service expenses	2,556	-	–	15,944	-	18,500
Amortisation of insurance acquisition cash flows	2,797	-	-	-	-	2,797
Losses and reversal of losses on onerous contracts	-	77	-	-	-	77
Adjustments to liabilities for incurred claims	-	-	-	-	624	624
Total changes in profit or loss	**(16,660)**	**77**	**-**	**15,944**	**624**	**(15)**
Investment components						
Cash flows						
Premiums received	25,263	-	-	-	-	25,263
Insurance acquisition cash flows paid	(4,438)	-	-	-	-	(4,438)
Insurance claims paid, including investment components	-	-	–	(671)	-	(671)
Other expenses paid	-	-	–	(6,158)	-	(6,158)
Total cash flows (insurance contracts)	**20,825**	**-**	**-**	**(6,829)**	**-**	**13,996**
Effects of changes in presentation currency and other	**709**	**(219)**		**(5,797)**	**(268)**	**(5,575)**
Net closing balance (insurance contracts)	**6,096**	**104**	**-**	**9,848**	**659**	**16,707**
Closing insurance assets	-	-	-	-	-	-
Closing insurance liabilities	6,096	104	-	9,848	659	16,707
Net closing balance (insurance contracts)	**6,096**	**104**	**-**	**9,848**	**659**	**16,707**

28 Insurance and reinsurance contracts (continued)

28.2 Reinsurance contracts: Property and Casualty

d (i) Analysis by remaining coverage and incurred claims

Year ended 31 December 2024	Recovery coverage component			
	Excluding loss recovery component USD 000	Loss recovery component USD 000	Incurred claims component USD 000	Total USD 000
Net opening balance (reinsurance contracts)	**(12,341)**	**(5)**	**15,587**	**3,241**
Opening reinsurance assets	-	-	15,587	15,587
Opening reinsurance liabilities	(12,341)	(5)	-	(12,346)
Changes in profit or loss				
Allocation of reinsurance premiums paid	(14,207)	-	-	(14,207)
Amounts recoverable from reinsurers	-	(21)	7,821	7,800
Recoveries of incurred claims and other insurance service expenses	-	-	7,824	7,824
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(21)	-	(21)
Adjustments to assets for incurred claims	-	-	(3)	(3)
Net expenses from reinsurance contracts	(14,207)	(21)	7,821	(6,407)
Net finance income from reinsurance contracts				-
Effect of changes in non-performance risk of reinsurers				
Total changes in profit or loss	**(14,207)**	**(21)**	**7,821**	**(6,407)**
Investment components				
Cash flows				
Premiums paid net of ceding commission and other attributable expenses	20,020	-	(9,930)	10,090
Amounts received	-	-	-	-
Total cash flows (reinsurance contracts)	**20,020**	**-**	**(9,930)**	**10,090**
Effects of changes in presentation currency and other	**-**	**-**	**-**	**-**
Net closing balance (reinsurance contracts)	**(6,528)**	**(26)**	**13,478**	**6,924**
Closing reinsurance assets	-	-	13,478	13,478
Closing reinsurance liabilities	(6,528)	(26)	-	(6,554)
Net closing balance (reinsurance contracts)	**(6,528)**	**(26)**	**13,478**	**6,924**

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28 Insurance and reinsurance contracts (continued)

28.2 Reinsurance contracts: Property and Casualty (continued)

d (ii) Analysis by remaining coverage and incurred claims (continued)

Year ended 31 December 2023	Recovery coverage component			
	Excluding loss recovery component USD 000	Loss recovery component USD 000	Incurred claims component USD 000	Total USD 000
Net opening balance (reinsurance contracts)	**1,031**	**37**	**1,986**	**3,054**
Opening reinsurance assets	1,031	37	1,986	3,054
Opening reinsurance liabilities	-	-	-	-
Changes in profit or loss				
Allocation of reinsurance premiums paid	(13,018)	-	-	(13,018)
Amounts recoverable from reinsurers	2,556	(13)	9,315	11,858
Recoveries of incurred claims and other insurance service expenses	2,556	-	9,200	11,756
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(13)	-	(13)
Adjustments to assets for incurred claims	-	-	115	115
Net expenses from reinsurance contracts	(10,462)	(13)	9,315	(1,160)
Total changes in profit or loss	**(10,462)**	**(13)**	**9,315**	**(1,160)**
Investment components				
Cash flows				
Premiums paid net of ceding commission and other attributable expenses	(14,186)	(29)	11,764	(2,451)
Amounts received				
Total cash flows (reinsurance contracts)	**(14,186)**	**(29)**	**11,764**	**(2,451)**
Effects of changes in presentation currency and other	**11,276**	**-**	**(7,478)**	**3,798**
Net closing balance (reinsurance contracts)	**(12,341)**	**(5)**	**15,587**	**3,241**
Closing reinsurance assets	-	-	15,587	15,587
Closing reinsurance liabilities	(12,341)	(5)	-	(12,346)
Net closing balance (reinsurance contracts)	**(12,341)**	**(5)**	**15,587**	**3,241**

28 Insurance and reinsurance contracts (continued)

28.3 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:

e (i) Analysis by remaining coverage and incurred claims

Year ended 31 December 2024

	Profitable contracts USD 000	Onerous contracts issued USD 000	Total insurance contracts issued USD 000
Insurance contracts: Life risk and annuities			
Insurance acquisition cashflows	(16)	-	(16)
Claims and other insurance service expenses payable	(42)	-	(42)
Estimate of present value of cash outflows	**(58)**	**-**	**(58)**
Estimate of present value of cash inflows	88	-	89
Risk adjustment for non-financial risk	(1)	-	(1)
Contractual service margin	(29)	-	(29)
Losses recognised on initial recognition	**-**	**-**	**-**
Insurance contracts: Life savings			
Insurance acquisition cashflows	-	(985)	(985)
Claims and other insurance service expenses payable	1		1
Estimate of present value of cash outflows	1	(985)	(984)
Estimate of present value of cash inflows	1	1	2
Risk adjustment for non-financial risk	-	(51)	(51)
Contractual service margin	(2)	-	(2)
Losses recognised on initial recognition	**-**	**(1,035)**	**(1,035)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

28 Insurance and reinsurance contracts (continued)

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

e (ii) Analysis by remaining coverage and incurred claims (continued)

Year ended 31 December 2023

	Profitable contracts USD 000	Onerous contracts issued USD 000	insurance contracts issued USD 000
Insurance contracts: Life risk and annuities			
Insurance acquisition cashflows	(1)	1	-
Claims and other insurance service expenses payable	(2)	(5)	(7)
	(3)	**(4)**	**(7)**
Estimate of present value of cash inflows	6	1	7
Contractual service margin	(3)		(3)
Losses recognised on initial recognition	**-**	**(3)**	**(3)**
Insurance contracts: Life savings			
Insurance acquisition cashflows	(1)	-	(1)
Claims and other insurance service expenses payable	31	(4)	27
	30	**(4)**	**26**
Estimate of present value of cash inflows	9	4	13
Risk adjustment for non-financial risk	(3)	-	(3)
Contractual service margin	(36)	-	(36)
Losses recognised on initial recognition	**-**	**-**	**-**

29 Investment contract liabilities

	Group 2024 USD 000	Group 2023 USD 000
Liabilities at fair value through profit or loss	87,131	69,411
Movement in liabilities fair valued through profit or loss		
Balance at beginning of year	69,411	58,878
New contributions received	20,249	7,715
Withdrawals	(3,418)	(660)
Fair value movements	7,728	30,639
Effects of changes in presentation currency	(6,839)	(27,161)
Balance at end of year	**87,131**	**69,411**

30 Amounts due to group companies

Old Mutual Limited (South Africa) and its subsidiaries outside Zimbabwe	**89,272**	**88,917**

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

	Group 2024 USD 000	Group 2023 USD 000
Accruals and deferred income	2,541	2,515
Trade creditors	21,011	27,934
Foreign creditors	303	626
Dividend payable	-	4
Bonus and leave pay accruals	8,121	2,686
Audit fee provisions	511	697
Other financial liabilities*	13,350	9,068
Other liabilities	5,048	9,302
	50,885	**52,832**

*Other liabilities comprise of clearance accounts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

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.

	Group 2024 USD 000	Group 2023 USD 000
Money market deposits	9,894	36,589
Savings deposits	211,199	183,048
ZIG deposits	175	505
Other	2,297	790
	223,565	**220,932**
Maturity analysis		
On demand to 3 months	218,892	205,078
3 months to a year	3,384	14,361
1 year to 5 year	989	972
Over 5 years	300	521
	223,565	**220,932**
Concentration - value		
Financial institutions	55,875	59,610
Companies	138,349	97,717
Individuals	29,341	63,605
	223,565	**220,932**
Concentration - percentage	%	%
Financial institutions	25%	27%
Companies	62%	44%
Individuals	13%	29%
	100%	**100%**

33 Credit lines

	Group 2024 USD 000	Group 2023 USD 000
Trade and Development Bank (TDB)	10,000	37,362
Afrexim Bank	32,369	38,598
European Investment Bank (EIB)	12,994	16,192
Balance at end of the year	**55,363**	**92,152**
Maturity analysis		
On demand to 3 months	12,362	57,683
3 months to 1 year	28,431	6,653
1 year to 5 years	14,570	27,816
	55,363	**92,152**

33 Credit lines (continued)

	Currency	Nominal amount	Maturity date
Afreximbank 3 months SOFR +5.5%	US$	40 000 000	1 December 2025
Afreximbank 3 months SOFR +7.5%	US$	10 000 000	30 January 2026
Afreximbank 3 months SOFR +5.75%	US$	40 000 000	19 March 2027
Afreximbank Fixed rate 7.5%	US$	20 000 000	22 August 2027
EIB Fixed rate 4.1030% +5.00%	EUR	15 000 000	28 February 2028
TDB 6 months SOFR +5.00%	US$	50 000 000	13 July 2026

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 USD33.49 billion as at 31 December 2024 (both investment properties and owner occupied properties). 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.

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

The scheme operates for the benefit of all employees of the Group who meet the qualification criteria set by management.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

35 Contingent liabilities

Commission of inquiry and compensation for loss of pre-2009 pension values under SI 162
The Government of Zimbabwe set up the Commission of Inquiry in 2015 led by Justice Smith, to investigate the causes and extent of loss of value suffered by Insurance and pension schemes during the period 1 January 2000 to 28 February 2009. Following this report several actions were taken by the Insurance and Pensions Commission (IPEC) to strengthen the regulatory environment.

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

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

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 24:09), 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.

	Group 2024 USD 000	Group 2023 USD 000
Contributions recognised as an expense for the year		
- Old Mutual Staff Pension Fund	3,156	1,432
- National Social Security Authority Scheme	919	851

37 Capital commitments

	Group 2024 USD 000	Group 2023 USD 000
Authorised	29,184	32,064

The Group is committed to incur capital expenditure and the commitments are expected to be settled in the year 2025.

	Group 2024 USD 000	Group 2023 USD 000
For advances		
Aggregate commitments due under advances granted but not yet disbursed	29,184	32,064

38 Related party disclosures

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.

Balances with holding company and fellow subsidiaries

	Group 2024 USD 000	Group 2023 USD 000
Related parties		
Old Mutual Life Assurance Company (South Africa) Limited		
Amounts due to as at 31 December	(7,207)	(6,852)
Old Mutual Zimbabwe Holdco Limited		
Amounts due to as at 31 December	(32,065)	(32,065)
Old Mutual Finance (USD) Limited		
Amounts due to as at 31 December	(50,000)	(50,000)

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 notes 30, 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.

	Group 2024 USD 000	Group 2023 USD 000
Key management personnel remuneration and other compensation		
Short-term employee benefits	6,117	7,536
Post-employment benefits	512	99
	6,629	**7,635**

39 Unconsolidated structured entity

During 2012, Kurera-Ukondla Youth Fund was formed as part of conforming with the Indigenisation and Economic Empowermentc 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

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. 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.

At 31 December 2024	At fair value through profit or loss USD 000	At amortised cost USD 000	Non-financial assets/ liabilities USD 000	Total USD 000
Assets				
Intangible assets	-	-	674	674
Property and equipment	-	-	65,758	65,758
Investment property	-	-	373,435	373,435
Investment in associate	-	-	3,707	3,707
Deferred tax assets	-	-	1,988	1,988
Loans and advances	-	195,122	-	195,122
Investments and securities	453,574	100,103	-	553,677
Reinsurance contract assets	-	-	6,979	6,979
Other receivables	-	95,396	28,245	123,641
Cash and cash equivalents	-	151,265	-	151,265
	453,574	**541,886**	**480,786**	**1,476,246**
Liabilities				
Insurance contract liabilities	-	-	709,312	709,312
Investment contract liabilities	87,131	-	-	87,131
Deferred tax liabilities	-	-	8,338	8,338
Current tax payable	-	-	2,186	2,186
Amounts due to group companies	-	89,272	-	89,272
Other liabilities	-	50,885	-	50,885
Amounts owed to bank depositors	-	223,565	-	223,565
Credit lines	-	55,363	-	55,363
	87,131	**419,085**	**719,836**	**1,226,052**

40 Group statement of financial instruments (continued)

40.1 Categories of financial instruments

At 31 December 2023	At fair value through profit or loss USD 000	At amortised cost USD 000	Non-financial assets/ liabilities USD 000	Total USD 000
Assets				
Intangible assets	-	-	693	693
Property and equipment	-	-	80,769	80,769
Investment property	-	-	460,853	460,853
Investment in associate			3,746	3,746
Deferred tax assets	-	-	624	624
Loans and advances	-	171,092	-	171,092
Investments and securities	447,737	129,621	-	577,358
Reinsurance contract assets	-	-	3,275	3,275
Current tax assets	-	-	106	106
Other receivables	-	71,469	51,981	123,450
Cash and cash equivalents	-	145,808	-	145,808
	447,737	**517,990**	**602,047**	**1,567,774**
Liabilities				
Insurance contract liabilities	-	-	797,061	797,061
Investment contract liabilities	69,411	-	-	69,411
Reinsurance contract liabilities	-	-	2	2
Deferred tax liabilities	-	-	7,427	7,427
Current tax payable	-	-	683	683
Amounts due to group companies	-	88,917	-	88,917
Other liabilities	-	52,832	-	52,832
Amounts owed to bank depositors	-	220,932	-	220,932
Credit lines	-	92,152	-	92,152
	69,411	**454,833**	**805,173**	**1,329,417**

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 2024

40 Group statement of financial instruments (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.

40 Group statement of financial instruments (continued)

40.2 Fair values of financial assets and liabilities (continued)

Analysis of instruments at fair value	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
31 December 2024				
Financial assets measured at fair value				
Investment and securities	321,960	621	130,993	453,574
Total financial assets measured at fair value	**321,960**	**621**	**130,993**	**453,574**
Financial liabilities				
Investment contract liabilities	-	-	87,131	87,131
Total financial liabilities measured at fair value	**-**	**-**	**87,131**	**87,131**
31 December 2023				
Financial assets measured at fair value				
Investment and securities	340,168	831	106,738	447,737
Total financial assets measured at fair value	**340,168**	**831**	**106,738**	**447,737**
Financial liabilities				
Investment contract liabilities	-	-	69,411	69,411
Total financial liabilities measured at fair value	**-**	**-**	**69,411**	**69,411**

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

	Opening balance USD 000	Gains recognised in profit or loss USD 000	Effects of changes in presentation currency USD 000	Closing balance USD 000
31 December 2024				
Financial assets measured at fair value				
Designated (fair value through profit or loss)	106,738	24,255	-	130 993
Total financial assets measured at fair value	**106,738**	**24,255**	**-**	**130,993**
31 December 2023				
Designated (fair value through profit or loss)	93,034	56,622	(42,918)	106,738
Total financial assets measured at fair value	**93,034**	**56,622**	**(42,918)**	**106,738**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
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40 Group statement of financial instruments (continued)

40.2 Fair values of financial assets and liabilities (continued)

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	 4.12% 3.81% 3%
Price Earnings(PE)	PE ratio/multiple: Discount applied - Country risk discount - Marketability discount - Size discount	 3.2% to 11% 6.3% to 15.3% 0% to 27%

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.

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 Dec 2024 USD 000	31 Dec 2023 USD 000	Valuation Technique Used	Significant unobservable inputs	Sensitivity	
					31 Dec 2024 USD 000	31 Dec 2023 USD 000
Investments and securities	130,993	106,738	Market Approach	PE Multiple	**Favourable** 144,092	**Favourable** 117,412
			Discounted Cash Flows	Cost of equity Terminal Growth rate	**Unfavourable** 117,894	**Unfavourable** 96,064

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.

41 Group Financial risk management (continued)

Capital Adequacy	Group 2024 USD 000	Group 2023 USD 000
Old Mutual Life Assurance Company Zimbabwe Limited (OMLAC)		
Shareholders equity	90,136	84,354
Regulatory capital adequacy requirement	2,000	2,000
Central Africa Building Society (CABS)		
Shareholders equity	167,928	146,579
Regulatory Capital	130,627	147,271
Total risk weighted assets	445,258	392,841
Capital adequacy ratio	29%	37%
Regulatory capital adequacy ratio	12%	12%
Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG)		
Shareholders equity	1,867	2,486
Regulatory capital adequacy requirement	1,844	2,416
Old Mutual Securities (Private) Limited (OMSEC)		
Shareholders equity	151	96
Regulatory capital adequacy requirement	151	93
RM Insurance Holdings Limited (RMI)		
Shareholders equity	13,589	17,371
Regulatory capital adequacy requirement	1,500	1,500
Old Mutual Finance (Private) Limited (OMFIN)		
Shareholders equity	1,910	745
Regulatory capital adequacy requirement	25	25

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 2024, 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 2022 the required capital increased to a minimum of the equivalent of USD30 million. As at 31 December 2024, CABS had a capital adequacy ratio of 29%.

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.

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41 Group Financial risk management (continued)

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.

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.

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.

41 Group Financial risk management (continued)

Credit risk	Group 2024 USD 000	Group 2023 USD 000
Overall credit risk		
Short term funds and securities	100,103	129,621
Reinsurers' share of insurance contract provisions	6,979	3,275
Cash and cash equivalents	111,849	107,414
Other assets	**218,931**	**240,310**
Loans and advances		
Gross amount	200,934	177,613
Allowance for impairment	(5,812)	(6,521)
Carrying amount	**195,122**	**171,092**

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.

Loans and Advances Renegotiated
Restructuring of loans includes 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.

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41 Group Financial risk management (continued)

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 2024	31 December 2023	Principal type of collateral held
Percentage of exposure subject to collateral requirements			
Type of credit exposure			
Treasury Bills	0%	0%	None
Fixed deposits*	100%	100%	Treasury Bills
Mortgage loans	100%	100%	Property
Corporate loans	84%	86%	Property
Consumer loans	85%	85%	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:

Class	Type	Provisioning criteria	Gross loans USD 000	Allowance for impairment USD 000	Net Loans USD 000
31 December 2024					
Grade A,B,C	Pass	1-2% general provision	161,790	2,316	159,474
Grade D,E,F,G	Special mention	3-10% general provision	34,994	1,978	33,016
Grade H	Sub standard	20% specific provision on balance less security value	1,309	225	1,084
Grade I	Doubtful	50% of total outstanding balance less security value	1,747	831	916
Default	Loss	100% of total outstanding balance less security held	1,094	462	632
		Portfolio total	**200,934**	**5,812**	**195,122**

41 Group Financial risk management (continued)

Class	Type	Provisioning criteria	Gross loans USD 000	Allowance for impairment USD 000	Net Loans USD 000
31 December 2023					
Grade A,B,C	Pass	1-2% general provision	169,178	5,614	163,564
Grade D,E,F,G	Special mention	3-10% general provision	7,907	499	7,408
Grade H	Sub standard	20% specific provision on balance less security value	173	91	82
Grade I	Doubtful	50% of total outstanding balance less security value	157	119	38
Default	Loss	100% of total outstanding balance less security held	198	198	-
		Portfolio total	**177,613**	**6,521**	**171,092**

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.

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.

Currency	Exchange rate	Cash and cash equivalents 000	Net USD equivalent as at 31 December 2024 USD 000	Effects on profit of 10% depreciation 2024 USD 000	Effects on profit of 10% appreciation 2024 USD 000
ZWG	25.80	329,827	12,785	1,278	(1,278)
South African Rand	18.80	38,768	2,062	206	(206)
Great British Pound	1.26	187	235	24	(24)
Euro	1.04	232	241	24	(24)
Botswana Pula	0.07	1,534	110	11	(11)
Chinese Yuan	7.30	365	50	5	(5)

Currency	Exchange rate	Cash and cash equivalents 000	Net USD equivalent as at 31 December 2023 USD 000	Effects on profit of 10% depreciation 2023 USD 000	Effects on profit of 10% appreciation 2023 USD 000
ZWL	6,104.72	312,903,053	51,256	5,126	(5,126)
South African Rand	18.55	23	1	0	(0)
Great British Pound	1.28	-	-	-	-
Euro	1.11	364	403	40	(40)
Botswana Pula	0.07	2,910	217	22	(22)
Chinese Yuan	7.10	-	-	-	-

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

	USD	ZWG	ZAR	GBP	EURO	BWP
At 31 December 2024	n/a	25.80	18.80	1.23	1.04	1.26
At 31 December 2023	6,104.72	n/a	333.33	7,783.65	6,753.98	455.50

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

41 Group Financial risk management (continued)

Foreign liabilities	ZAR 000	EUR 000	GBP 000	BWP 000
2024				
Life Assurance	62,967	-	-	-
Banking	80,978	18	21	79
Holding Company and other	19,893	-	-	-
	163,838	**18**	**21**	**79**
2023				
Life Assurance	61,644	-	-	-
Banking	24,184	190	27	52
Holding Company and other	19,893	-	-	-
	105,721	**190**	**27**	**52**

	Group 2024 ZAR 000	Group 2024 USD 000	Group 2024 USD 000	Group 2024 USD 000
Foreign currency denominated liabilitie	**31 Dec 2024**	**Translated @ 18.80**	**10% depreciation**	**20% depreciation**
Foreign liabilties	163,838	8,714	7,922	7,262

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.

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

	0 to 3 months USD 000	3 to 12 months USD 000	Over a year USD 000	Total USD 000
31 December 2024				
Assets				
Treasury bills	2,415	1,035	1,654	5,104
Loans and advances	26,554	49,604	124,776	200,934
	28,969	**50,639**	**126,430**	**206,038**
Liabilities				
Deposits	218,892	3,384	1,289	223,565
Credit lines	12,362	43,001	-	55,363
	231,254	**46,385**	**1,289**	**278,928**
31 December 2023				
Assets				
Treasury bills	17,297	25,432	2,897	45,626
Loans and advances	25,891	52,524	99,198	177,613
	43,188	**77,956**	**102,095**	**223,239**
Liabilities				
Deposits	205,078	14,361	1,493	220,932
Credit lines	57,683	6,653	27,816	92,152
	262,761	**21,014**	**29,309**	**313,084**

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 USD 000	3 to 12 months USD 000	Over a year USD 000	Total USD 000
31 December 2024				
Cash and cash equivalents	151,265	-	-	151,265
Investments and securities	18,513	49,329	485,835	553,677
Loans and advances	26,554	49,604	124,776	200,934
Other assets	91,834	-	-	91,834
Insurance contract liabilities	(50,881)	(489,096)	(169,335)	(709,312)
Amounts owed to bank depositors	(218,892)	(3,384)	(1,289)	(223,565)
Credit lines	(12,362)	(28,431)	(14,570)	(55,363)
Other liabilities	-	(48,041)	(303)	(48,344)
	6,031	**(470,019)**	**425,114**	**(38,874)**
31 December 2023				
Cash and cash equivalents	145,808	-	-	145,808
Investments and securities	34,204	76,458	466,696	577,358
Loans and advances	25,891	52,524	99,197	177,612
Other assets	90,874	-	-	90,874
Insurance contract liabilities	(61,218)	(547,011)	(188,832)	(797,061)
Amounts owed to bank depositors	(205,078)	(14,361)	(1,493)	(220,932)
Credit lines	(57,683)	(6,653)	(27,817)	(92,152)
Other liabilities	-	(49,687)	(631)	(50,318)
	(27,202)	**(488,730)**	**347,122**	**(168,811)**

Investments and securities noted above also include listed equities as they are easily convertible to cash.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
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41 Group Financial risk management (continued)

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:

	2024	2023
Liquidity ratio (CABS)	63%	74%
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.

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.

42 Insurance risk management (continued)

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 to, 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 2024

42 Insurance risk management (continued)

Summary of key valuation assumptions (statutory basis)
Below are the key actuarial valuation assumptions per product

Product			2024	2023
Old Mutual Funeral Plan				
	Valuation interest rate		Yield Curve	Yield Curve
	Expense inflation		Yield Curve	Yield Curve
	Effective interest rate for assurance		Yield Curve	Yield Curve
	Mortality basis		Zim 92	Zim 92
	Renewal costs per annum		USD1	USD58
	Lapse rates			
		Year 1	15%	15%
		Year 2	40%	40%
		Year 3	30%	30%
		Year 4	8%	8%
		Year 5	8%	8%
		Year 6	8%	8%
		Year 7	8%	8%
		Year 8	8%	8%
		Year 9	8%	8%
		Year 10+	8%	8%
Old Mutual Life Plan				
	Valuation interest rate		Yield Curve	Yield Curve
	Expense inflation		Yield Curve	Yield Curve
	Effective interest rate for assurance		Yield Curve	Yield Curve
	Mortality basis		Zim 92	Zim 92
	Renewal costs per annum		USD3.06	USD29.30
	Lapse rates			
		Year 1	40%	40%
		Year 2	20%	20%
		Year 3	10%	10%
		Year 4+	2%	2%
Savings Plan				
	Valuation interest rate		Yield Curve	Yield Curve
	Expense inflation		Yield Curve	Yield Curve
	Mortality basis		Zim 92	Zim 92
	Renewal Costs per annum-premium paying			-
	Renewal Costs per annum-premium paid up		5.65% of Unit Fund	5.65% of Unit Fund
	Surrender rate:	Year 1	20%	20%
		Year 2	10%	10%
		Year 3	10%	10%
		Year 4+	10%	10%
Old Mutual Term Plan				
	Valuation interest rate		Yield Curve	Yield Curve
	Expense inflation		Yield Curve	Yield Curve
	Effective interest rate for assurance		Yield Curve	Yield Curve
	Mortality basis		Zim 92	Zim 92
	Renewal costs per month		USD3.06	USD41.90
	Lapse rates			
		Year 1	40%	40%
		Year 2	20%	20%
		Year 3	10%	10%
		Year 4+	4%	2%
	GLA IBNR reserves			
		2024	85% of premiums earned in the last 2.8 months	
		2023	85% of premiums earned in the last 2.8 months	

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:

	As at 31 December 2024			As at 31 December 2023		
	Insurance contracts issued USD 000	Reinsurance contracts held USD 000	Net USD 000	Insurance contracts issued USD 000	Reinsurance contracts held USD 000	Net USD 000
Life Insurance	(699,781)	55	(699,726)	(780,354)	32	(780,322)
Property and casualty	(9,531)	6,924	(2,607)	(16,707)	3,241	(13,466)
Total	**(709,312)**	**6,979**	**(702,333)**	**(797,061)**	**3,273**	**(793,788)**

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:

	Group 2024 USD 000	Group 2023 USD 000
Insurance contracts issued	(709,312)	(797,061)
Reinsurance contract held	6,979	3,273
Total	**(702,333)**	**(793,788)**

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 discounted cash flows.

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FOR THE YEAR ENDED 31 DECEMBER 2024

42 Insurance risk management (continued)

Year ended 31 December 2024

	0-3 months USD 000	3-12 months USD 000	1-5 years USD 000	Over 5 years USD 000	Total USD 000
Life insurance contract liabilities					
Insurance contracts	28	84	561	8,867	9,540
Unit-linked investment contracts and similar contracts	87,131	-	-	-	87,131
Investment contracts with discretionary participating features	41,650	486,110	162,481	-	690,241
Property and casualty	7,021	2,510	-	-	9,531
Total	**135,830**	**488,704**	**163,042**	**8,867**	**796,443**

Year ended 31 December 2023

	0-3 months USD 000	3-12 months USD 000	1-5 years USD 000	Over 5 years USD 000	Total USD 000
Life insurance contract liabilities					
Insurance contracts	2,464	531	1,455	6,683	11,133
Unit-linked investment contracts and similar contracts	69,411	-	-	-	69,411
Investment contracts with discretionary participating features	46,447	542,080	180,694	-	769,221
Property and casualty	12,307	4,400	-	-	16,707
Total	**130,629**	**547,011**	**182,149**	**6,683**	**866,472**

43 Intangible assets

	Company 2024 USD 000	Company 2023 USD 000
Carrying amount at beginning of year	121	3
Additions	-	127
Amortisation	(24)	(8)
Effects of changes in presentation currency	(3)	(1)
Carrying amount at end of year	**94**	**121**
Cost/Valuation	129	129
Accumulated amortisation	(35)	(8)
Carrying amount at end of year	**94**	**121**

Intangible assets comprise of software licences. There are no intangible assets whose title is restricted and none of the intangible assets have been pledged as security for obligations.

44 Property and equipment

Company	Right of Use Asset USD 000	Motor vehicles USD 000	Computer equipment USD 000	Fixtures and fittings USD 000	Total USD 000
31 December 2024					
Carrying amount at beginning of year	31	191	274	170	666
Additions	-	-	31	9	40
Depreciation charge for the year	(16)	(103)	(52)	(129)	(300)
Effects of changes in presentation currency	(9)	96	(172)	12	(73)
Carrying amount at end of year	**6**	**184**	**81**	**62**	**333**
Cost/Valuation	61	466	760	641	1,928
Accumulated depreciation	(55)	(282)	(679)	(579)	(1,595)
Carrying amount at end of year	**6**	**184**	**81**	**62**	**333**
31 December 2023					
Carrying amount at beginning of year	85	523	687	501	1,796
Additions	-	119	64	20	203
Disposals	-	(106)	(28)	-	(134)
Depreciation charge for the year	(15)	(104)	(132)	(120)	(371)
Effects of changes in presentation currency	(39)	(241)	(317)	(231)	(828)
Carrying amount at end of year	**31**	**191**	**274**	**170**	**666**
Cost/Valuation	61	466	729	632	1,888
Accumulated depreciation	(30)	(275)	(455)	(462)	(1,222)
Carrying amount at end of year	**31**	**191**	**274**	**170**	**666**

45 Investment property

	Company 2024 USD 000	Company 2023 USD 000
Carrying amount at beginning of year	403	395
Net (loss)/gain from fair value adjustments	(103)	191
Effects of changes in presentation currency	-	(183)
Carrying amount at end of year	**300**	**403**
Comprising:		
Freehold property	**300**	**403**

The fair value of freehold property leased to third parties under operating leases is USD300 thousand (2023: USD403 thousand).

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.

The direct market comparison approach was used to determine the fair value of the residential property. No sensitivity analysis is done on residential properties as the valuation method does not include capitalisation rates and rental income. Sensitivities are only done on income generating properties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

45 Investment property (continued)

Type of Property	Value USD 000	Key unobservable inputs	Interrelationship between unobservable inputs and key fair value measurement
Residential **Valuation approach:** Direct comparison/ Market approach	300 (2023: 403)	Residential rent from USD250 to USD500 (2023: USD262 to USD786)	· The estimated fair value would increase/(decrease) if prices for comparable properties increased/ (decreased).

46 Investments and securities

	Company 2024 USD 000	Company 2023 USD 000
46.1 Analysis of investments		
At fair value through profit or loss		
Equity securities (see analysis in note 46.2 below)	20,081	20,302
Unit trusts	519	520
Deposits and money market securities	57	253
	20,657	**21,075**
46.2 Spread of equity securities by sector		
At fair value through profit or loss		
Commodities	493	1,397
Consumer	3,961	5,241
Financial	6,078	6,403
Properties	-	44
Manufacturing	272	256
Unlisted	9,277	6,961
	20,081	**20,302**
46.3 Movements of investment and securities		
Opening balance	21,075	22,752
Fair value movements through profit and loss	6,843	12,520
Additions	24	1,748
Disposals	(348)	(5,449)
Effects of changes in presentation currency	(6,937)	(10,496)
	20,657	**21,075**

Unquoted equities included in investments were valued at fair value.

47 Investment in subsidiary companies

	Number of issued ordinary 2024	% interest 2024	Number of issued ordinary 2023	% Interest 2023
Total				
Unlisted - subsidiaries				
Old Mutual Life Assurance Company Zimbabwe Limited	13,187,355	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	621	100%	595	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	1,916	100%	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.

47 Investment in subsidiary companies (continued)

The Company launched Old Mutual Digital Services Company (OMDS) in 2023, 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.

	Company 2024 USD 000	Company 2023 USD 000
Carrying value of shares		
Unlisted - subsidiaries		
Old Mutual Life Assurance Company Zimbabwe Limited	105 653	85,316
Central Africa Building Society	198,149	120,957
Old Mutual Investment Group Zimbabwe (Private) Limited	8,990	7,897
Old Mutual Securities (Private) Limited	278	136
Old Mutual Finance (Private) Limited	3,051	983
RM Insurance Holdings Limited	9,419	6,815
Old Mutual Digital Services (Private) Limited	5,900	917
	331,440	**223,021**
Carrying amount at the beginning of the year	223,021	23,214
Net gain from fair value adjustments	105,306	64,957
Additions	3,113	4,979
Effects of changes in presentation currency	-	129,871
Carrying amount at the end of the year	**331,440**	**223,021**

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.

At 31 December 2024	Opening balance USD 000	Gains/losses recognised in profit or loss USD 000	Additions USD 000	Effects of changes in presentation currency USD 000	Closing balance USD 000
Financial assets measured at fair value				-	
Designated (fair value through profit or loss)	223,021	105,306	3,113	-	331,440
Total financial assets measured at fair value	**223,021**	**105,306**	**3,113**	**-**	**331,440**
At 31 December 2023					
Financial assets measured at fair value					
Designated (fair value through profit or loss)	23,214	64,957	4,979	129,871	223,021
Total financial assets measured at fair value	**23,214**	**64,957**	**4,979**	**129,871**	**223,021**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

48 Amounts due from or (to) group companies

Company	2024 USD 000 Due from	2024 USD 000 Due to	2023 USD 000 Due from	2023 USD 000 Due to
Old Mutual Life Assurance Company Zimbabwe Limited	-	(65)	302	-
Old Mutual Zimbabwe Holdco Limited	-	(32,065)	-	(32,065)
Old Mutual Investment Group Zimbabwe (Private) Limited	91	-	105	-
Old Mutual (Zimbabwe) Foundation Trust	-	(68)	188	-
Old Mutual Securities (Private) Limited	42	-	-	(81)
Old Mutual Funeral Services (Private) Limited	107	-	39	-
Frittlewell Investments (Private) Limited	-	(230)	-	(230)
Old Mutual Insurance Company (Private) Limited	-	(47)	279	-
Central Africa Building Society	-	(155)	218	-
Old Mutual Finance (USD) Limited	-	(50,000)	-	(50,000)
The OMZIL Client Pension Exgratia Trust	-	(9)	-	(11)
The OMZIL Indigenisation Employee Share Trust	-	(16)	-	(13)
The OMZIL Management Incentive Share Trust	-	(12)	-	(12)
Old Mutual Finance (Private) Limited	41	-	99	-
Old Mutual Life Assurance Company SA Limited	-	-	-	(2,990)
Old Mutual Africa Holdings (Private) Limited	-	(3,770)	-	(600)
Old Mutual Digital Services (Private) Limited	379	-	-	(32)
	660	**(86,437)**	**1,230**	**(86,034)**

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

Amounts due to Old Mutual Limited (South Africa) and its subsidiaries outside Zimbabwe amount to USD89 240 thousand (2023: USD88 917 thousand). 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 assets

	Company 2024 USD 000	Company 2023 USD 000
Legacy debt receivable	23,547	31,005
Dividend receivable	-	3
Gold coins	68	60
Other assets*	2,228	375
	25,843	**31,443**

*Other assets include fuel stocks and assets in transit.

49.1 Impairment of legacy debt

Impairment provision	**(7,460)**	**(51,300)**

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.

49.2 RBZ Legacy Debt

	Company 2024 USD 000	Company 2023 USD 00
Principal Amount	83,815	83,815
Accumulated impairment loss	(60,268)	(52,810)
Net amount receivable	**23,547**	**31,005**

50 Cash and cash equivalents

	Company 2024 USD 000	Company 2023 USD 000
Cash at bank and on hand	6,221	2,252

51 Deferred tax liability Company

	At beginning USD 000	Profit or loss USD 000	Effects of changes in presentation currency USD 000	At end USD 000
Deferred tax liability - 2024				
Capital gains	571	2,301	-	2,872
	571	**2,301**	**-**	**2,872**
Deferred tax liability - 2023				
Capital gains	526	288	(243)	571
	526	**288**	**(243)**	**571**

52 Other payables

	Company 2024 USD 000	Company 2023 USD 000
Dividend payable	-	4
Payroll settlement control accounts	-	366
Bonus and leave pay accruals	4,861	713
Audit fees accrual	259	471
Sundry creditors	2,282	1,990
	7,402	**3,444**

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

	2024 USD	2023 USD
Authorised share capital		
292 953 125 shares	161	161
249 035 156 'A' class ordinary shares	137	137
83 011 718 'B' class ordinary shares	46	46
1 preference share	-	-
1 A preference share	-	-
	344	**344**
Issued share capital		
249 035 156 'A' class ordinary shares	138	138
83 011 718 'B' class ordinary shares	46	46
1 preference share	-	-
1 A preference share	-	-
	184	**184**

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 USD0.02;
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 USD0.02;
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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
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54 Share capital and premium (continued)

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 transferrable 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 policyholder funds is 37,959,299 (2023: 40,242,408) shares.

	No of shares 2024	No of shares 2023
Opening balance	40,242,408	41,597,634
Disposed off	(2,283,109)	(1,355,226)
Closing balance	**37,959,299**	**40,242,408**

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 24:09) 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.

	2024 USD 000	2023 USD 000
Contributions recognised as an expense for the year		
- Old Mutual Staff Pension Fund	116	360
- National Social Security Authority Scheme	39	18
56 Capital commitments		
Authorised	2,363	7,936

57 Related party disclosures

The Company's immediate holding company is OM Zimbabwe Holdco Limited (UK) 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 subsidiaries, associates as well as other subsidiaries of Old Mutual Limited.

Transactions and balances with holding company and other Group companies.

57 Related party disclosures (continued)

Subsidiaries

	Company 2024 USD 000	Company 2023 USD 000
Old Mutual Zimbabwe Holdco Limited		
Amounts due to at end of year	(32,065)	(32,065)
Old Mutual Investment Group Zimbabwe (Pvt) Ltd		
Nature of transactions: Asset Management Fees	(233)	(123)
Management Fee Income	980	977
Dividend Income	-	62
Amounts due to at end of year	91	105
Central Africa Building Society		
Nature of transactions: Bank charges:	(31)	(32)
Management Fee Income	1,892	1,780
Management Fee Expense	(27)	(12)
Dividend received	13,500	10,446
Interest earned on Investments	2	240
Amounts due at end of year	(155)	218
Old Mutual Finance (Private) Limited		
Nature of transactions: Management Fee Income	183	123
Dividend received	100	-
Amounts due to at end of year	41	99
Old Mutual (Zimbabwe) Foundation Trust		
Nature of transactions: Management Fee Income	96	99
Amounts due at end of year	(68)	188
Old Mutual Finance (USD) Limited		
Nature of transactions		
Amounts due at end of year	(50,000)	(50,000)
Old Mutual Life Assurance Company Zimbabwe Limited		
Nature of transactions: Management Fee Income	1,837	2,060
Management Fee Expense	(44)	(42)
Pension contributions	(116)	(59)
Amounts due at end of year	(65)	302
Old Mutual Securities (Pvt) Ltd		
Nature of transactions: Management Fee Income	22	28
Amounts due at end of year	42	(81)
Old Mutual Insurance Company (Pvt) Ltd		
Nature of transactions: Management Fee Income	908	932
Amounts due at end of year	(47)	279
Old Mutual Funeral Services Company (Pvt) Ltd		
Nature of transactions: Management Fee Income	42	32
Amounts due at end of year	107	39
The OMZIL Client Pension Exgratia Trust		
Amounts due at end of year	(9)	(11)
The OMZIL Indigenisation Employee Share Trust		
Amounts due at end of year	(16)	(13)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
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57 Related party disclosures (continued)

Subsidiaries	Company 2024 USD 000	Company 2023 USD 000
The OMZIL Management Incentive Share Trust		
Amounts due at end of year	(12)	(12)
Old Mutual Digital Services (Pvt) Ltd		
Nature of transactions: Management Fee Income	139	91
Management Fee Expense	(58)	(37)
Amounts due at end of year	379	(32)

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 all at arms length.

All the Company's principal subsidiaries together with loans due by or to them are listed in notes 30, 47 and 48.

Capital advances and amounts due by or to group companies are disclosed in note 47.

58 Company statement of financial instruments

58.1 Categories of financial instrument

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.

At 31 December 2024	At fair value through profit or loss USD 000	At amortised cost USD 000	Non-financial assets/ liabilities USD 000	Total USD 000
Assets				
Intangible assets	-	-	94	94
Property and equipment	-	-	333	333
Investment property		-	300	300
Investments and securities	20,600	57	-	20,657
Investments in subsidiary companies	331,440	-	-	331,440
Investments in associates	-	-	3,707	3,707
Amounts due by group companies	-	660	-	660
Other receivables	-	2,296	23,547	25,843
Cash and cash equivalents	-	6,221	-	6,221
	352,040	**9,234**	**27,981**	**389,255**
Liabilities				
Deferred tax liabilities	-	-	2,872	2,872
Amounts due to group companies	-	86,437	-	86,437
Current tax payable	-	-	159	159
Other payables	-	7,402	-	7,402
	-	**93,839**	**3,031**	**96,870**

58 Company statement of financial instruments (continued)

58.1 Categories of financial instrument

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.

At 31 December 2023	At fair value through profit or loss USD 000	At amortised cost USD 000	Non-financial assets/ liabilities USD 000	Total USD 000
Assets				
Intangible assets	-	-	121	121
Property and equipment	-	-	666	666
Investment property	-	-	403	403
Investments and securities	20,822	253	-	21,075
Investments in subsidiary companies	223,921	-	-	223,021
Investments in associates	-	-	3,746	3,746
Amounts due by group companies	-	1,230	-	1,230
Other receivables	-	439	31,004	31,443
Cash and cash equivalents	-	2,252	-	2,252
	243,843	**4,173**	**35,940**	**283,956**
Liabilities				
Deferred tax liabilities	-	-	571	571
Amounts due to group companies	-	86,034	-	86,034
Current tax payable	-	-	285	285
Other payables	-	3,444	-	3,444
	-	**89,478**	**856**	**90,334**

58.2 Fair values of financial assets and liabilities

Analysis of instruments at fair value

At 31 December 2024	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
Financial assets measured at fair value				
Investment and securities	10,804	519	9,277	20,600
Total financial assets measured at fair value	**10,804**	**519**	**9,277**	**20,600**

At 31 December 2023	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
Financial assets measured at fair value				
Investment and securities	13,341	520	6,961	20,822
Total financial assets measured at fair value	**13,341**	**520**	**6,961**	**20,822**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
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58 Company statement of financial instruments (continued)

58.2 Fair values of financial assets and liabilities (continued)

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

At 31 December 2024	Opening balance USD 000	Gains/losses recognised in profit or loss USD 000	Closing balance USD 000
Financial assets measured at fair value			
Designated (fair value through profit or loss)	6,961	2,316	9,277
Total financial assets measured at fair value	**6,961**	**2,316**	**9,277**
At 31 December 2023			
Financial assets measured at fair value			
Designated (fair value through profit or loss)	3,418	3,543	6,961
Total financial assets measured at fair value	**3,418**	**3,543**	**6,961**

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.

Overall credit risk

	2024 USD 000	2023 USD 000
Short term funds and securities	576	773
Other assets	25,843	31,443
Cash and cash equivalents	6,221	2,252
	32,640	**34,468**

Management of credit risk
The Company 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.

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.

59 Company Financial risk management (continued)

Maturity profile of assets and liabilities exposed to liquidity risk:

	0 to 3 months USD 000	3 to 12 months USD 000	Over a year USD 000	Total USD 000
At 31 December 2024				
Cash and cash equivalents	6,221	-	-	6,221
Investments and securities	4,120	16,537	-	20,657
Other assets	2,297	-	23,546	25,843
Other payables	(1,477)	-	(5,925)	(7,402)
	11,161	**16,537**	**17,621**	**45,319**
At 31 December 2023				
Cash and cash equivalents	2,252	-	-	2,252
Investments and securities	4,165	16,910	-	21,075
Other assets	438	-	31,005	31,443
Other payables	(1,890)	-	(1,553)	(3,443)
	4,965	**16,910**	**29,452**	**51,327**

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.

	Group 2024 ZAR 000	Group 2024 USD 000	Group 2024 USD 000	Group 2024 USD 000
Foreign currency denominated liabilitie	**31 Dec 2024**	**Translated @ 18.80**	**10% depreciation**	**20% depreciation**
Foreign liabilties	19,893	1,058	962	882

	2024 ZAR 000	2023 ZAR 000
Foreign exposures		
Amounts owed to group companies	19,893	19,893

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
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60 Notes to the group statement of cash flows

		Group 2024 USD 000	Group 2023 USD 000
60.1	**Non-cash movements and adjustments to profit before tax**		
	Depreciation and amortisation	5,099	4,565
	Changes in investment contract liabilities	7,728	30,639
	Net fair value gains for the year included in profit before tax	(26,243)	(362,193)
	Share of profit from associates	(107)	(887)
	Acquisition of associate	-	(1,203)
	Impairment loss	7,460	52,311
	Expected credit loss from lending activities	4,171	6,212
	Net accrued interest income	448	2,366
	Finance expenses from insurance contracts	25,994	320,182
	Insurance service expense	70,140	54,122
	Insurance revenue	(64,737)	(38,288)
	Unrealised exchange gains	(7,006)	(72,854)
	Other	(7,896)	4,645
		15,051	**(383)**
60.2	**Changes in working capital**		
	Increase in other assets	(47,949)	(5,955)
	(Decrease)/increase other payables and amounts due to group companies	(1,592)	76,736
	Decrease in reinsurance insurance contract liabilities	(2)	(3)
	(Increase)/decrease reinsurance insurance contract assets	(66,993)	35
	Increase in deposits	125,549	56,867
	(Increase)/decrease in loans and advances	(24,030)	23,552
		(15,017)	**151,232**
60.3	**Taxation paid**		
	Taxation payable at beginning of year	(577)	(481)
	Income tax charge for the year	(10,323)	(5,867)
	Taxation payable at end of year	2,186	577
	Effects of changes in presentation currency	-	222
		(8,714)	**(5,549)**
60.4	**Dividends paid**		
	Dividends payable at beginning of year	4	(57)
	Dividends declared during the year	(4,150)	(1,623)
	Dividends payable at end of year	-	(4)
	Inflation adjustment	-	61
		(4,146)	**(1,623)**
60.5	**Accrued interest income**		
	Interest income received	40 779	63 204
	Interest expense paid	(10 475)	(16 914)

61 Notes to the company statement of cash flows

	Company 2024 USD 000	Company 2023 USD 000
61.1 Non-cash movements and adjustments to profit before tax		
Depreciation and amortisation	324	379
Net fair value gains for the year included in profit before tax	(104,313)	(77,667)
Share of profit from associates	(107)	(887)
Acquisition of associate	-	(1,203)
Impairment loss	7,460	51,300
Inflation adjustment	-	762
	(96,636)	**(27,316)**
61.2 Changes in working capital		
Other receivables and amounts due by group companies	(1,291)	(45,972)
Other payables and amounts due to group companies	4,362	41,708
	3,071	**(4,264)**
61.3 Taxation paid		
Taxation payable at beginning of year	(285)	(102)
Income tax charge for the year	(3,674)	(3,644)
Taxation payable at end of year	159	285
	(3,800)	**(3,461)**
61.4 Dividends paid		
Dividends payable at beginning of year	4	57
Dividends declared during the year	(4,150)	(1,623)
Dividends payable at end of year	-	(4)
Inflation adjustment	-	(53)
	(4,146)	**(1,623)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
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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, total assets decreased from USD1.6 billion in 2024 to USD1.5 billion. The total equity of USD250 million was higher than the comparable of USD238 million mainly due to positive operational earnings generated in the year. As for the Company, total assets grew from USD284 million in 2023 to USD389 million. The total equity of USD292 million was higher than the comparable of USD194 million. The Group recognised a profit after tax of USD28 million for the year ended 31 December 2024 and profit after tax of USD77 million in the prior year. The Company recognised a profit after tax of USD103 million for the year ended 31 December 2024 and a profit of USD38 million in the prior year.

Funds under management (FUM) for the asset management business were down 6% to USD 1.2 billion mainly due to negative real returns on ZWG denominated investments. The business core pillars and foundations remained in place, as evidenced by growth in total customer numbers from 1.7 million to 2.7 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 RBZ 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 RBZ 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.

63 Assets held under fiduciary capacity

	Group 2024 USD 000	Group 2023 USD 000
Managed third party funds	310,936	140,794

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 2024 were USD1.2 billion (2023: USD1.3 billion).

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 1:25.80 depreciated at 10% and 20%.

Foreign currency denominated Assets/Liabilities	2024 Group ZWLm 31 Dec 2024	2024 Group USDm Translated @25.80	2024 Group USDm 10% Depreciation	2024 Group USDm 20% Depreciation
Assets				
Investments and securities	7,357,979	285,210	313,731	342,252
Loans and advances	245,850	9,530	10,483	11,436
Other receivables	927,643	35,957	39,553	43,148
Cash and cash equivalents	417,560	16,185	17,804	19,422
Total assets	**8,949,032**	**346,882**	**381,571**	**416,258**
Liabilities				
Insurance contract liabilities	4,574,796	177,328	195,061	212,794
Investment contract liabilities	561,962	21,783	23,961	26,140
Amounts owed to bank depositors	604,833	23,445	25,790	28,134
Other payables	596,176	23,109	34,664	40,441
	6,337,767	**245,665**	**279,476**	**307,509**
Net assets	**2,611,265**	**101,217**	**102,095**	**108,749**

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

65 Subsequent events

There were no significant subsequent events affecting the financial statements for the year ended 31 December 2024.

SUPPLEMENTARY INFORMATION

Profit after tax reconciliation: 2023 to 2024	Group 2024 USD 000
Profit after tax 2023	76,879
Legacy debt impairment	46,892
Net monetary adjustment	33,507
Change in valuation basis	(9,460)
Translation and fair value gains	(115,227)
Other	(4,508)
Profit after tax 2024	**28,083**

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

NOTES

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