

SHORT-FORM FINANCIAL ANNOUNCEMENT

Issued in terms of practice Note 13 of the Zimbabwe Stock Exchange (ZSE)

This Short-Form Financial Announcement is the responsibility of the Directors of ZHL and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors or shareholders should be based on consideration of the full announcement.

The full announcement is available on the Zimbabwe Stock Exchange Website: www.zse.co.zw and the Company website: www.zhl.co.zw

A copy of the full announcement will also be available for inspection at the Company's registered office at 2nd Floor, Block D, Smatsatsa Office Complex, Borrowdale, Harare or via email request to: zhl@zimre.co.zw or the office of its transfer secretaries, ZB Transfer Secretaries 21 Natal Road, Avondale or via email at: rmutakwa@zb.co.zw

| | INFLATION ADJUSTED | | HISTORICAL COST | |
|--------------------------------------|---|----------|--|----------|
| | 31 December 2021 Audited ZWL (ml) | % Change | 31 December 2021 Audited ZWL(ml) | % Change |
| Net Premium Written | 4 012 | 64 | 3 524 | 196 |
| Total Income | 10 556 | 137 | 13 333 | 205 |
| Profit for the period | 2 814 | 78 | 5 396 | 88 |
| Total Assets | 23 462 | 17 | 22 845 | 90 |
| Total Equity | 11 230 | 21 | 10 733 | 100 |
| Cash Generated from Operations | 335 | (96) | 1 002 | (78) |
| Basic Earnings per Share (ZWL cents) | 148 | 156 | 286 | 121 |

Dividend

In line with the Group's dividend policy and after careful consideration of the Group's level of profitability and reserves, economic downturn as a result of the Covid-19 Pandemic and associated risks to business growth, the Directors have found it prudent to declare a total dividend payable of ZWL102.6million or 5.64 Zimbabwe cents per share (2020: ZWL30 million). Although the dividend is below the Group's expected dividend policy of two and half times cover, the Directors recognize the need for frequent dividend distributions as a culture of mutual support and confidence between the Company and its shareholders.

Independent Auditor's Statement

This short-form financial announcement should be read in conjunction with the full set of the audited consolidated financial statements of Zimre Holdings Limited and its subsidiaries for the year ended 31 December 2021, which have been audited by Independent External Auditors, Messrs Grant Thornton Chartered Accountants (Zimbabwe). The audit opinion on the Group Financial Statements is an adverse opinion because of noncompliance with International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates, non-compliance with International Accounting Standard (IAS) 29 - Financial Reporting in Hyper-inflationary Economies and inclusion of the unaudited financial statements of Fidelity Life Assurance of Zimbabwe Limited. The Independent External Auditor's report on the Group Financial Statements is available for inspection at the company's registered office.



B. N. Kumalo
Independent Non-Executive Chairman
13 May 2022.

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*A vision with action
makes a powerful reality*

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CHAIRMAN’S STATEMENT FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2021



Dear Members

It is my pleasure to present the Zimre Holdings Limited (ZHL) Group Financial Results for the year ended 31 December 2021. In 2020 we spoke of the impact of the COVID-19 pandemic unaware of the depth and length of the resultant economic downturn. Although, ZHL successfully consolidated its heartland investments in 2020, it was not immune to the grim global outlook of 2021. Accordingly, ZHL took 2021 as a reflective year to ensure that its new consolidated Group structure could withstand and respond to the new normal being forged by the pandemic.

BUSINESS ENVIRONMENT

Following the easing of lockdown restrictions and the increase in vaccine uptake, especially in the 2nd Half of 2021, the operating environment in **Zimbabwe** was fairly stable, registering economic growth of 7.8% largely anchored by Agriculture, Mining, Manufacturing, Construction, Accommodation and Food Services. The growth was also supported by a sustained reduction in year-on-year inflation with consumer inflation closing the year at 60.7% compared to 348.6% as at 31 December 2020. Additionally, the Reserve Bank of Zimbabwe (RBZ) Foreign Exchange Auction Trading System recorded a 33% depreciation of the local currency, closing the year at USD1:ZWL108.7.

The **Botswana** economy grew by 9% in 2021 despite being faced with rising inflation like its regional neighbours. The country's economy remains heavily reliant on the sale diamonds which rebounded in 2021 whilst the tourism sector remained depressed due to travel restrictions.

The **Malawi** Government outlined that the economy remained depressed due to the COVID-19 pandemic and has put in place a 10 year plan in order to revive the economy with the main pillar being Agriculture. The economy grew by 3% in 2021.

The new government of **Zambia** which was ushered in 2021, projected a 3.3% GDP growth in 2021 due to favourable performance in the Agriculture, Energy, Construction, and Information and Communication Technology sectors. The country recorded reduced Copper earnings by the end of December 2021 which remains the country's main foreign exchange earner.

Following an economic contraction like its regional counterparts in 2020, **Mozambique** resumed its economic growth to 2.2% in 2021. The government's fight against jihadists in the gas-rich Cabo Delgado province posed as downside risk to exploration projects and prospects slowed down in 2021.

DIRECTORS RESPONSIBILITY

The Directors of ZHL are responsible for the preparation and presentation of the Group's Consolidated Financial Statements. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), except for non-compliance with International Accounting Standard ("IAS") 21, 'The Effects of changes in Foreign Exchange rates and consequently IAS 29, 'Financial Reporting In Hyper-Inflationary Economies'.

Notwithstanding, the ZHL Financial Statements are compliant with the Companies and Other Business Entities Act [Chapter 24:31] and the Zimbabwe Stock Exchange ("ZSE") Listing Requirements. There were no changes to the principal accounting policies of the Group compared to those applied in the previous years. The Board, therefore, advises users to exercise caution in the interpretation of these financial statements.

Inflation adjusted financial performance

As a result of the new Group structure, the ZHL Group was able to generate ZWL10.6 billion in total income, a 137% growth from the prior year. Gross Premium Written (GPW) increased from ZWL3.4 billion to ZWL5.2 billion, a 53% growth from prior year. Rental income contributed 3% of the Group's total income at ZWL294 million from ZWL144.1 million in the prior year. The increase was in spite of disparities in growth of investment property values and rental income as well as a direct consequence of the anticipated cost saving from de-listing the Group's property arm.

In its year of reflection, concerted effort was given to implementing appropriate responses to the pandemic. These responses included robust initiatives to investments, resulting in notable growth in investment income of 269% to ZWL171.6 million. Also among the key responses was prudent and tough decisions on costs given both the pandemic and inflation in Zimbabwe. Total Expenses were therefore ZWL6.44 billion being a 186% increase from prior year and the cost to income ratio dropped from 50% to 41%, a creditable performance given the circumstances.

The Group recorded a profit of ZWL2.8 billion (2020:ZWL1.6 billion) despite insurance benefits and claims increasing by 107% and operating and administrative expenses growing by 502%, a demonstration of the resilience of the Group's strategy and resourcefulness of its team.

Review of Operations

The year 2021 saw the ZHL Group begin the process of restructuring and repositioning itself to include wealth creation and management both for its shareholders and the communities within which it operates. This included the integration and reorganisation of Fidelity Life Assurance of Zimbabwe Limited to ensure the business focuses on core business, business acquisition and innovation. The Group also embarked on restructuring its property portfolio and initiating new strategies to ensure portfolio optimisation.

IMPACT OF COVID-19 PANDEMIC

2 years into the COVID-19 pandemic, the Group has maintained a zero fatality record through a comprehensive business continuity plan, adherence to safety protocols and practices as issued by the Ministry of Health and Child Welfare and World Health Organization ("WHO"). In addition, locally, through Fidelity Life Medical Aid Society (FLIMAS), the Group rolled out an effective vaccination programme. As at 31 December 2021, 90% of Group employees were vaccinated. Nevertheless the Group's thoughts and prayers were and continue to be with those that have suffered more significantly and/or personally as a result of the pandemic. Going forward, the Group intends to be more proactive as opposed to reactive to the effects of COVID-19, to ensure the Group's financial health for the benefit of all its stakeholders.

DIRECTORATE

During the year under review, there were no changes to the ZHL Board of Directors.

DIVIDEND

In line with the Group's dividend policy and after careful consideration of the Group's level of profitability and reserves, economic down turn as a result of the COVID-19 pandemic and associated risks to business growth, the Directors have found it prudent to declare a total dividend payable of ZWL102.6 million or ZWL5.64 cents per share (2020: ZWL30 million). Although the dividend of ZWL102.6 is below the Group's expected dividend policy of two and half times cover, the Directors' recognise the need for frequent dividend distributions as a culture of mutual support and confidence between the Company and its shareholders. A separate dividend notice was published on 1 June 2022 in accordance with the Company's Articles of Association and the ZSE Listing Requirements.

OUTLOOK AND STRATEGY

The Group acknowledges the difficult operating environment. Notwithstanding, the Group will continue to pursue its new DNA of being a Financial Services Group with core competencies in Insurance, Property and Wealth Management. The strategy will be anchored by robust investment initiatives, continued consolidation of operations to capitalise on economies of scale while eliminating duplication of costs, and exploring strategic partnerships both locally and regionally to enhance its market presence.

Following the consolidation of the Group's heartland investments, the Group will be developing an over arching and formalised policy to Environmental, Social Responsibility and Corporate Governance. The policy will encourage the sharing of ideas to ensure that best practices are implemented in a coordinated manner across all the operations to create sustainable economic value.

The new consolidated structure has also made culture a real focus of the Group. The Group, has therefore adopted a uniform culture that builds on the opportunities of 2020, to align the organisational purpose, strategic values and leadership behaviours. The culture transformation is expected to result in a positive effect on the Group employees and in turn its success.

APPRECIATION

Having reflected on the 2021 financial performance of ZHL, it is evident that the positive performance is as a result of the adaptability, effort and hard work of the ZHL teams across the Group, which I appreciate.

I wish to extend my thanks and gratitude to the Group's shareholders and investor community for their continued support and confidence evidenced by the accolades received by the various Group companies and employees.

Finally, I wish to thank my fellow Board Members for their invaluable contributions and commitment to the business.

B. N. Kumalo
CHAIRMAN
13 May, 2022

AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

| | | INFLATION ADJUSTED | | HISTORICAL COST | |
|--|-------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Notes | Group 2021 ZWL | Group 2020 ZWL | Group 2021 ZWL | Group 2020 ZWL |
| ASSETS | | | | | |
| Property and equipment | 4 | 1 329 301 365 | 1 191 741 863 | 1 234 202 897 | 664 736 728 |
| Right of use assets | | 35 796 654 | 74 378 837 | 35 655 046 | 40 192 019 |
| Investment properties | 5 | 13 296 162 925 | 9 961 829 594 | 13 296 162 925 | 6 197 588 803 |
| Intangible assets | 6 | 110 476 592 | 217 037 492 | 94 635 809 | 200 907 041 |
| Investment in associates | | 1 401 705 029 | 1 571 721 593 | 1 156 317 343 | 693 976 146 |
| Deferred tax assets | | 52 842 266 | 138 659 401 | 32 384 017 | 79 871 904 |
| Inventories | | 148 713 286 | 243 995 791 | 8 987 278 | 6 707 535 |
| Trade and other receivables | 7 | 2 263 741 001 | 2 008 719 017 | 2 228 652 160 | 1 245 214 247 |
| Life reinsurance contract asset | | 26 102 000 | 20 948 877 | 26 102 000 | 13 033 000 |
| Current income tax assets | | 74 265 157 | 75 822 053 | 74 265 157 | 47 171 446 |
| Deferred acquisition costs | | 242 747 213 | 167 325 455 | 176 792 016 | 85 927 557 |
| Financial assets: | | | | | |
| - at amortised cost | 8.1 | 874 160 186 | 712 122 276 | 874 160 186 | 443 035 188 |
| - at fair value through profit or loss | 8.2 | 1 319 718 775 | 1 184 303 083 | 1 319 718 775 | 736 794 728 |
| - at fair value through other comprehensive income | 8.3 | 655 347 019 | 581 334 514 | 655 347 019 | 361 667 728 |
| Cash and cash equivalents | | 1 631 281 977 | 1 902 615 895 | 1 631 281 977 | 1 183 681 256 |
| Total assets | | 23 462 361 445 | 20 052 555 741 | 22 844 664 605 | 12 000 505 326 |
| EQUITY AND LIABILITIES | | | | | |
| EQUITY | | | | | |
| Equity attributable to equity holders of the parent | | | | | |
| Share capital | | 821 991 552 | 821 991 552 | 18 175 447 | 18 175 447 |
| Share premium | | 1 857 057 001 | 1 857 057 001 | 787 722 112 | 787 722 112 |
| Treasury shares | | (3 023 289) | (2 504 488) | (1 412 619) | (1 023 081) |
| Revaluation reserve | | 841 258 052 | 757 610 666 | 903 666 649 | 465 230 460 |
| Financial assets at fair value through other comprehensive income reserve | | 230 897 029 | 186 895 596 | 147 739 785 | 88 304 391 |
| Foreign currency translation reserve | | 1 336 492 858 | 1 393 511 358 | 583 552 452 | 528 713 948 |
| Change in ownership reserve | | 720 381 606 | 720 381 606 | 334 501 014 | 334 501 014 |
| Retained earnings | | 4 606 429 134 | 2 425 203 471 | 7 105 586 920 | 2 351 969 692 |
| Total equity attributable to equity holders of the parent | | 10 411 483 943 | 8 160 146 762 | 9 879 531 760 | 4 573 593 983 |
| Non-controlling interest | | 818 310 466 | 1 084 893 294 | 853 922 597 | 803 620 028 |
| Total equity | | 11 229 794 409 | 9 245 040 056 | 10 733 454 357 | 5 377 214 011 |
| LIABILITIES | | | | | |
| Deferred tax liabilities | | 651 276 072 | 385 117 603 | 702 008 883 | 192 647 632 |
| Short term insurance contract liabilities | 12 | 1 383 486 621 | 1 143 379 350 | 1 211 397 022 | 657 854 452 |
| Insurance contract liabilities and investment contract liabilities with discretionary participation features | | 6 859 887 711 | 5 983 071 832 | 6 859 887 711 | 3 722 269 955 |
| Investment contracts without discretionary participation features | | 951 149 833 | 638 880 441 | 951 149 833 | 397 468 982 |
| Life reinsurance contract liabilities | | 139 890 000 | 57 831 631 | 139 890 000 | 35 979 000 |
| Borrowings | 9 | 125 733 818 | 119 692 444 | 125 733 818 | 74 464 690 |
| Lease liabilities | | 32 719 877 | 69 692 363 | 32 719 877 | 43 357 960 |
| Other provisions | | 63 758 624 | 83 127 818 | 63 758 624 | 51 716 608 |
| Trade and other payables | 11 | 1 867 872 170 | 2 275 747 198 | 1 867 872 170 | 1 415 818 773 |
| Current income tax payable | | 156 792 310 | 50 505 760 | 156 792 310 | 31 421 330 |
| Bank overdraft | | - | 469 245 | - | 291 933 |
| Total liabilities | | 12 232 567 036 | 10 807 515 685 | 12 111 210 248 | 6 623 291 315 |
| TOTAL EQUITY AND LIABILITIES | | 23 462 361 445 | 20 052 555 741 | 22 844 664 605 | 12 000 505 326 |

B. N. Kumalo
Chairman

S. Kudenga
Group Chief Executive



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AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

| | | INFLATION ADJUSTED | | HISTORICAL COST | |
|--|-------|------------------------|------------------------|------------------------|------------------------|
| | Notes | Group 2021 ZWL | Group 2020 ZWL | Group 2021 ZWL | Group 2020 ZWL |
| INCOME | | | | | |
| Gross written premium | | 5 236 731 307 | 3 423 112 425 | 4 636 790 891 | 1 767 071 823 |
| Retrocession premium | | (1 224 594 485) | (969 845 276) | (1 113 239 489) | (578 231 795) |
| Net premium written | | 4 012 136 822 | 2 453 267 149 | 3 523 551 402 | 1 188 840 028 |
| Change in unearned premium reserve | | (201 476 917) | (193 491 051) | (174 597 449) | (74 718 917) |
| Net premium earned | | 3 810 659 905 | 2 259 776 098 | 3 348 953 953 | 1 114 121 111 |
| Brokerage commission and fees | | 433 685 897 | 205 323 366 | 401 101 209 | 129 505 241 |
| Total insurance income | | 4 244 345 802 | 2 465 099 464 | 3 750 055 162 | 1 243 626 352 |
| Rental income from investment property | | 294 311 561 | 144 079 567 | 253 330 511 | 73 977 410 |
| Fair value adjustments on investment property | 5 | 3 797 934 830 | 1 307 014 578 | 7 352 760 127 | 2 671 608 387 |
| Net property income | | 37 615 642 | 47 109 633 | (295 216) | 36 088 998 |
| Bargain on purchase | | 467 904 412 | - | 409 565 344 | - |
| Investments income | | 171 639 673 | 46 348 872 | 169 606 527 | 26 660 775 |
| Other income | 14 | 1 525 337 887 | 448 657 716 | 1 398 476 467 | 313 865 556 |
| Total income | | 10 555 786 564 | 4 458 309 830 | 13 333 498 922 | 4 365 827 478 |
| EXPENDITURE | | | | | |
| Insurance benefits and claims | | | | | |
| Non-life insurance claims | | (1 351 503 626) | (1 302 098 136) | (1 008 995 955) | (602 672 890) |
| Life reinsurance benefits and claims | | (758 131 900) | (121 347 637) | (664 591 103) | (65 767 717) |
| Movement in life reinsurance contract liabilities | | (112 557 374) | (45 070 114) | (90 842 000) | (17 893 300) |
| Claims ceded to reinsurers | | 405 521 681 | 591 805 291 | 362 228 893 | 301 004 582 |
| Gross change in insurance and investment contract liabilities | | (1 816 671 219) | (876 710 596) | (1 402 200 165) | (385 329 325) |
| Net property operating costs | | (1 291 984 504) | (78 581 354) | (3 143 094 417) | (163 125 389) |
| Commission and acquisition expenses | | (95 544 180) | (16 344 491) | (37 086 916) | (18 226 772) |
| Operating and administrative expenses | 13 | (1 020 807 896) | (733 608 135) | (910 349 314) | (391 603 684) |
| Allowance for expected credit losses on receivables | | (1 944 493 116) | (323 144 177) | (1 836 031 749) | (403 859 485) |
| Finance costs | | (215 051 726) | (202 615 356) | (182 353 895) | (146 541 931) |
| Net monetary loss | | (56 681 540) | (19 271 517) | (48 042 338) | (9 509 571) |
| Total expenses | | (6 441 234 181) | (2 250 275 626) | (7 559 158 794) | (1 518 196 157) |
| Profit before share of profit of associates accounted for using the equity method | | 3 249 488 365 | 1 527 454 740 | 5 774 340 128 | 2 847 631 321 |
| Share of (loss)/profit of associates | | (146 210 823) | 157 605 755 | 92 517 053 | 121 600 187 |
| Profit before income tax | | 3 103 277 542 | 1 685 060 495 | 5 866 857 181 | 2 969 231 508 |
| Income tax expense | | (289 253 399) | (104 764 932) | (471 305 890) | (97 592 579) |
| Profit for the year | | 2 814 024 143 | 1 580 295 563 | 5 395 551 291 | 2 871 638 929 |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | |
| Property revaluation surplus/(loss) | 4 | 210 265 940 | (10 124 076) | 477 386 819 | 115 915 441 |
| Share of other comprehensive income of associates accounted for using the equity method | | 36 878 235 | 5 936 696 | 352 551 093 | 482 915 734 |
| Gross change in insurance liabilities through other comprehensive income | | (173 050 519) | (5 367 386) | (339 097 687) | (20 785 361) |
| Income tax relating to components of other comprehensive income | | (378 915) | (2 507 645) | (10 108 415) | (1 560 090) |
| | | 73 714 741 | (12 062 411) | 480 731 810 | 576 485 724 |
| Items that may be reclassified to profit or loss: | | | | | |
| Exchange gains on translation of foreign operations | | (41 480 844) | 716 071 273 | 70 376 161 | 455 178 868 |
| Changes in fair value of financial assets at FVOCI | | 44 445 892 | (101 751 907) | 60 035 752 | 36 659 604 |
| Income tax relating to components of other comprehensive income | | (444 459) | 4 350 188 | (600 358) | (5 613 328) |
| | | 2 520 590 | 618 669 554 | 129 811 555 | 486 225 144 |
| | | 76 235 332 | 606 607 143 | 610 543 365 | 1 062 710 868 |
| | | 2 890 259 475 | 2 186 902 706 | 6 006 094 657 | 3 934 349 797 |
| Other comprehensive income for the year net of tax | | | | | |
| Total comprehensive income for the year | | 2 814 024 143 | 1 580 295 563 | 5 395 551 292 | 2 871 638 929 |
| Profit attributable to: | | | | | |
| Equity holders of Zimre Holdings Limited | | 2 685 525 636 | 897 316 129 | 5 193 182 572 | 2 015 543 197 |
| Non-controlling interests | | 128 498 507 | 682 979 434 | 202 368 720 | 856 095 732 |
| | | 2 814 024 143 | 1 580 295 563 | 5 395 551 292 | 2 871 638 929 |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of Zimre Holdings Limited | | 2 756 155 954 | 1 452 450 802 | 5 745 892 659 | 2 888 641 224 |
| Non-controlling interests | | 134 103 521 | 734 451 904 | 260 201 998 | 1 045 708 573 |
| | | 2 890 259 475 | 2 186 902 706 | 6 006 094 657 | 3 934 349 797 |
| Earnings per share attributable to owners of Zimre Holdings Limited | | | | | |
| Basic and diluted earnings per share (ZWL cents): | | 147.70 | 57.63 | 285.62 | 129.44 |
| Headline earnings per share (ZWL cents): | | 115.26 | 50.29 | 257.07 | 123.21 |

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AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

| | INFLATION ADJUSTED | | | | | | | | | | |
|--|----------------------|----------------------|------------------------|----------------------------|--|---|------------------------------------|--------------------------|--|---------------------------------|---------------------|
| | Share capital ZWL | Share premium ZWL | Treasury shares ZWL | Revaluation reserve ZWL | Financial assets at fair value through other comprehensive income reserve ZWL | Foreign currency translation reserve ZWL | Change in ownership reserve ZWL | Retained earnings ZWL | Attributable equity holders of parent ZWL | Non-controlling interest ZWL | Total equity ZWL |
| Year ended 31 December 2020 | | | | | | | | | | | |
| Balance as at 1 January 2020 | 817 412 473 | 609 262 169 | (834 429) | 768 703 301 | 284 297 313 | 729 882 332 | 36 458 605 | 881 490 618 | 4 126 672 383 | 1 169 789 785 | 5 296 462 168 |
| Total comprehensive income for the year | - | - | - | (11 092 635) | (97 401 717) | 663 629 026 | - | 897 316 129 | 1 452 450 802 | 734 451 904 | 2 186 902 706 |
| Profit for the year | - | - | - | - | - | - | - | 897 316 129 | 897 316 129 | 682 979 434 | 1 580 295 563 |
| Other comprehensive income for the year net of tax | - | - | - | (11 092 635) | (97 401 717) | 663 629 026 | - | - | 555 134 673 | 51 472 470 | 606 607 143 |
| Write back of impairment associate | - | - | - | - | - | - | - | 654 928 433 | 654 928 433 | - | 654 928 433 |
| No-controlling interests on acquisition of subsidiary | - | - | - | - | - | - | - | - | - | 864 705 379 | 864 705 379 |
| Transactions with owners in their capacity as owners | 4 579 078 | 1247 794 832 | (1 670 059) | - | - | - | 683 923 001 | (8 531 708) | 1 926 095 144 | (1 684 053 774) | 242 041 370 |
| Dividend declared and paid | - | - | - | - | - | - | - | (8 531 708) | (8 531 708) | (2 350 885) | (10 882 593) |
| Issue of shares | 4 579 078 | 1 289 010 574 | - | - | - | - | - | - | 1 293 589 652 | - | 1 293 589 652 |
| Issue of shares transaction costs | - | (41 215 742) | - | - | - | - | - | - | (41 215 742) | - | (41 215 742) |
| Share buy-back | - | - | (1 670 059) | - | - | - | - | - | (1 670 059) | - | (1 670 059) |
| Change in ownership percentage | - | - | - | - | - | - | 683 923 001 | - | 683 923 001 | (1 681 702 889) | (997 779 888) |
| | | | | | | | | | | | |
| Balance as at 31 December 2020 | 821 991 552 | 1 857 057 001 | (2 504 488) | 757 610 666 | 186 895 596 | 1 393 511 358 | 720 381 606 | 2 425 203 471 | 8 160 146 762 | 1 084 893 294 | 9 245 040 056 |
| | | | | | | | | | | | |
| Year ended 31 December 2021 | | | | | | | | | | | |
| Balance as at 1 January 2021 | 821 991 552 | 1857 057 001 | (2 504 488) | 757 610 666 | 186 895 596 | 1 393 511 358 | 720 381 606 | 2 425 203 471 | 8 160 146 762 | 1 084 893 294 | 9 245 040 056 |
| Total comprehensive income for the year | - | - | - | 83 647 386 | 44 001 433 | (57 018 500) | - | 2 685 525 636 | 2 756 155 955 | 134 103 520 | 2 890 259 475 |
| Profit for the year | - | - | - | - | - | - | - | 2 685 525 636 | 2 685 525 636 | 128 498 507 | 2 814 024 143 |
| Other comprehensive income for the year net of tax | - | - | - | 83 647 386 | 44 001 433 | (57 018 500) | - | - | 70 630 319 | 5 605 013 | 76 235 332 |
| | | | | | | | | | | | |
| Bargain on purchase | - | - | - | - | - | - | - | (465 342 643) | (465 342 643) | - | (465 342 643) |
| Non-controlling interests on acquisition of subsidiary | - | - | - | - | - | - | - | - | - | (400 686 348) | (400 686 348) |
| Transactions with owners in their capacity as owners | - | - | (518 801) | - | - | - | - | (38 957 330) | (39 476 131) | - | (39 476 131) |
| Divident declared and paid | - | - | - | - | - | - | - | (38 957 330) | (38 957 330) | - | (38 957 330) |
| Share buy-back | - | - | (518 801) | - | - | - | - | - | (518 801) | - | (518 801) |
| | | | | | | | | | | | |
| Balance as at 31 December 2021 | 821 991 552 | 1 857 057 001 | (3 023 289) | 841 258 052 | 230 897 029 | 1 336 492 858 | 720 381 606 | 4 606 429 134 | 10 411 483 943 | 818 310 466 | 11 229 794 409 |
| | | | | | | | | | | | |
| | HISTORICAL COST | | | | | | | | | | |
| | Share capital ZWL | Share premium ZWL | Treasury shares ZWL | Revaluation reserve ZWL | Financial assets at fair value through other comprehensive income reserve ZWL | Foreign currency translation reserve ZWL | Change in ownership reserve ZWL | Retained earnings ZWL | Attributable equity holders of parent ZWL | Non-controlling interest ZWL | Total equity ZWL |
| Year ended 31 December 2020 | | | | | | | | | | | |
| Balance as at 1 January 2020 | 15 326 649 | 11 427 034 | (25 932) | 46 318 339 | 57 258 115 | 105 574 318 | 814 869 | 290 497 468 | 527 190 860 | 179 612 441 | 706 803 301 |
| Total comprehensive income for the year | - | - | - | 418 912 121 | 31 046 276 | 423 139 630 | - | 2 015 543 197 | 2 888 641 224 | 1 045 708 573 | 3 934 349 797 |
| Profit for the year | - | - | - | - | - | - | - | 2 015 543 197 | 2 015 543 197 | 856 095 732 | 2 871 638 929 |
| Other comprehensive income for the year net of tax | - | - | - | 418 912 121 | 31 046 276 | 423 139 630 | - | - | 873 098 027 | 189 612 841 | 1 062 710 868 |
| | | | | | | | | | | | |
| Write back of impairment associate | - | - | - | - | - | - | - | 49 029 027 | 49 029 027 | - | 49 029 027 |
| Non-controlling interests on acquisition of subsidiary | - | - | - | - | - | - | - | - | - | 533 591 839 | 533 591 839 |
| Transactions with owners in their capacity as owners | 2 848 798 | 776 295 078 | (997 149) | - | - | - | 333 686 145 | (3 100 000) | 1 108 732 873 | (955 292 825) | 153 440 047 |
| Dividend declared and paid | - | - | - | - | - | - | - | (3 100 000) | (3 100 000) | (854 296) | (3 954 296) |
| Issue of shares | 2 848 798 | 801 936 775 | - | - | - | - | - | - | 804 785 573 | - | 804 785 573 |
| Issue of shares transaction costs | - | (25 641 697) | - | - | - | - | - | - | (25 641 697) | - | (25 641 697) |
| Share buy-back | - | - | (997 149) | - | - | - | - | - | (997 149) | - | (997 149) |
| Change in ownership percentage | - | - | - | - | - | - | 333 686 145 | - | 333 686 145 | (954 438 529) | (620 752 384) |
| | | | | | | | | | | | |
| Balance as at 31 December 2020 | 18 175 447 | 787 722 112 | (1 023 081) | 465 230 460 | 88 304 391 | 528 713 948 | 334 501 014 | 2 351 969 692 | 4 573 593 983 | 803 620 028 | 5 377 214 011 |
| | | | | | | | | | | | |
| Year ended 31 December 2021 | | | | | | | | | | | |
| Balance as at 1 January 2021 | 18 175 447 | 787 722 112 | (1 023 081) | 465 230 460 | 88 304 391 | 528 713 948 | 334 501 014 | 2 351 969 692 | 4 573 593 983 | 803 620 028 | 5 377 214 011 |
| Total comprehensive income for the year | - | - | - | 438 436 189 | 59 435 394 | 54 838 504 | - | 5 193 182 572 | 5 745 892 659 | 260 201 998 | 6 006 094 657 |
| Profit for the year | - | - | - | - | - | - | - | 5 193 182 572 | 5 193 182 572 | 202 368 720 | 5 395 551 292 |
| Other comprehensive income for the year net of tax | - | - | - | 438 436 189 | 59 435 394 | 54 838 504 | - | - | 552 710 087 | 57 833 278 | 610 543 365 |
| | | | | | | | | | | | |
| Burgain on purchase | - | - | - | - | - | - | - | (409 565 344) | (409 565 344) | - | (409 565 344) |
| Non-controlling interests on acquisition of subsidiary | - | - | - | - | - | - | - | - | - | (209 899 429) | (209 899 429) |
| Transactions with owners in their capacity as owners | - | - | (389 538) | - | - | - | - | (30 000 000) | (30 389 538) | - | (30 389 538) |
| Dividend declared and paid | - | - | - | - | - | - | - | (30 000 000) | (30 000 000) | - | (30 000 000) |
| Share buy-back | - | - | (389 538) | - | - | - | - | - | (389 538) | - | (389 538) |
| | | | | | | | | | | | |
| Balance as at 31 December 2021 | 18 175 447 | 787 722 112 | (1 412 619) | 903 666 649 | 147 739 785 | 583 552 452 | 334 501 014 | 7 105 586 920 | 9 879 531 760 | 853 922 597 | 10 733 454 357 |

AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | | INFLATION ADJUSTED | | HISTORICAL COST | |
|---|-------|----------------------|----------------------|----------------------|----------------------|
| | Notes | Group 2021 ZWL | Group 2020 ZWL | Group 2021 ZWL | Group 2020 ZWL |
| Profit before income tax | | 3 103 277 542 | 1 685 060 495 | 5 866 857 181 | 2 969 231 508 |
| Adjustments for non-cash items: | | | | | |
| Net monetary loss | | 865 064 018 | 680 579 464 | - | - |
| Depreciation | 4 | 68 352 440 | 46 213 174 | 43 659 282 | 13 587 987 |
| Lease depreciation charge | | 23 357 476 | 41 903 941 | 7 470 307 | 6 123 309 |
| Fair value adjustments on investment property | 5 | (3 797 934 830) | (1 307 014 578) | (7 352 760 127) | (2 671 608 387) |
| Amortisation of intangible assets | | 4 849 801 | 3 180 039 | 503 785 | 819 336 |
| Goodwill impairment | | 98 720 203 | - | 144 955 157 | - |
| Share of profit/(loss) of associate | | 146 210 823 | (157 605 755) | (92 517 053) | (121 600 187) |
| Movement in life reassurance contract liabilities | | 112 557 374 | 45 070 114 | 90 842 000 | 17 893 300 |
| Movement in life assurance contract liabilities | | 1 189 085 271 | 6 621 952 273 | 3 691 298 607 | 4 119 738 937 |
| Movement in allowance for credit losses | | 215 051 726 | 202 615 356 | 182 353 895 | 146 541 931 |
| Movement in deferred acquisition costs | | (75 421 758) | (77 305 503) | (90 864 459) | (74 448 336) |
| Movement in short term insurance contract liabilities | | 245 955 303 | 505 591 163 | 284 835 251 | 215 302 423 |
| Movement in other provisions | | 15 534 200 | 99 541 551 | 12 042 015 | 39 517 672 |
| Bargain on purchase | | (467 904 412) | - | (409 565 344) | - |
| Profit from disposal of property and equipment | | (17 709 667) | (1 528 062) | (16 828 997) | (1 099 159) |
| Gain from disposal of investment property | | 67 790 386 | 1 684 138 | 61 366 348 | 160 379 |
| Fair value gains on financial assets at fair value through profit or loss | 14 | (533 582 644) | 46 214 208 | (526 463 404) | (57 171 162) |
| Unrealised exchange (gains)/losses | 14 | (245 534 031) | (158 222 701) | (239 463 484) | (98 435 657) |
| Fair value on remeasurement of associate | | - | (82 158 676) | - | (19 177 952) |
| Impairment reversal of investment in CFI | | - | (577 201 118) | - | (10 824 334) |
| Adjustments for separately disclosed items: | | | | | |
| Finance costs | | 56 681 540 | 19 271 517 | 48 042 338 | 9 509 571 |
| Dividend received | | (22 736 872) | (9 311 761) | (26 791 460) | (3 844 106) |
| Interest received | | (148 902 801) | (37 037 111) | (142 815 067) | (22 816 669) |
| Working capital changes: | | | | | |
| Increase in trade and other receivables | | (255 021 984) | (720 596 953) | (983 437 913) | (1 066 567 392) |
| Decrease/(increase) in inventory | | 95 282 505 | (108 099 031) | (2 279 743) | (3 792 575) |
| (Decrease)/Increase in trade and other payables | | (407 875 028) | 926 839 434 | 452 053 397 | 1 228 741 680 |
| Cash flows from operations | | 335 146 581 | 7 689 635 620 | 1 002 492 513 | 4 615 782 117 |
| Finance costs | | (56 681 540) | (19 271 517) | (48 042 338) | (9 509 571) |
| Income tax paid | | (66 476 056) | (22 304 518) | (61 336 597) | (13 129 865) |
| Net cash flows from operating activities | | 211 988 985 | 7 648 059 585 | 893 113 578 | 4 593 142 681 |
| Cash flows from investing activities | | | | | |
| Purchase of property and equipment | 4 | (62 875 470) | (92 564 303) | (63 699 910) | (45 106 737) |
| Purchase of intangible assets - software | 6 | (7 727 929) | (41 778 141) | (9 344 983) | (25 308 651) |
| Acquisition and development of investment property | 5 | (293 541 289) | (5 111 641 080) | (265 339 458) | (2 829 204 655) |
| Acquisition of an associate | | (759 253 916) | (21 581 730) | (507 018 367) | (7 727 058) |
| Purchase of financial assets at amortised cost | 8.1 | (10 484 618) | (248 439 306) | (11 129 119) | (31 164 429) |
| Purchase of financial assets at fair value through profit or loss | 8.2 | (45 152 933) | (834 299 390) | (34 309 018) | (592 487 627) |
| Purchase of financial assets at FVOCI | 8.3 | (30 884 704) | - | (25 488 295) | - |
| Proceeds from disposal of financial assets at amortised cost | | 1 824 814 | 164 084 376 | 1 824 814 | 10 134 513 |
| Proceeds from disposal of financial assets through profit or loss | | 158 972 321 | 589 962 126 | 174 150 394 | 176 700 496 |
| Proceeds from disposal of financial assets at FVOCI | | - | 540 641 | - | 336 351 |
| Dividends received | | 22 736 872 | 9 311 761 | 26 791 460 | 3 844 106 |
| Interest received | | 148 902 801 | 37 037 111 | 142 815 067 | 22 816 669 |
| Proceeds from sale of property and equipment | | - | 3 388 575 | - | 2 325 505 |
| Cash flows (utilised in)/generated from investing activities | | (877 484 051) | (5 545 979 360) | (570 747 415) | (3 314 841 517) |
| Financing activities | | | | | |
| Dividends paid to Company shareholders | | (38 957 330) | (8 531 708) | (30 000 000) | (3 100 000) |
| Dividends paid to non-controlling interests in subsidiaries | | - | (2 350 884) | - | (854 296) |
| Share issue transaction costs | | - | (41 215 742) | - | (25 641 697) |
| Loan drawdown | | 164 659 936 | 14 707 915 | 10 667 041 | 9 150 288 |
| Loan repayment | | (88 331 153) | (16 109 305) | 17 444 642 | (7 112 332) |
| Lease payments | | (10 160 705) | (10 818 042) | (10 733 854) | (5 536 138) |
| Share buy-back | | (518 801) | (1 670 059) | (389 538) | (997 149) |
| Cash generated from/(utilised in) financing activities | | 26 691 947 | (65 987 825) | (13 011 709) | (34 091 324) |
| Inflation effect | | 229 400 247 | (548 531 444) | - | - |
| Net increase/ (decrease) in cash and cash equivalents | | (638 803 119) | 2 036 092 398 | 309 354 455 | 1 244 209 841 |
| Cash and cash equivalents at the beginning of the year | | 1 902 146 650 | 659 325 680 | 1 183 389 323 | 91 440 449 |
| Effects of exchange rate changes on cash and cash equivalents | | 138 538 199 | (244 739 986) | 138 538 199 | (152 260 967) |
| Cash and cash equivalents at the end of the year | | 1 631 281 977 | 1 902 146 650 | 1 631 281 977 | 1 183 389 323 |



AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors' Responsibility Statement
The Directors are required by the Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the Group's abridged financial statements and related financial information included in this report.

Independent Auditor's statement
The Abridged Group Financial Statements should be read in conjunction with the full set of the audited consolidated financial statements of Zimre Holdings Limited and its subsidiaries for the year ended 31 December 2021, which have been audited by Independent External Auditors, Messrs Grant Thornton Chartered Accountants (Zimbabwe).

1 CORPORATE INFORMATION
The principal activity of Zimre Holdings Limited (the "Company") and its subsidiaries and associates (together "the Group") is the provision of life assurance, non-life insurance (general insurance, reinsurance, healthcare, funeral assurance), property management and development services, asset management and micro-lending.

Zimre Holdings Limited is a public company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange ("ZSE").

The registered office is located at 2nd Floor, Block D, Smatsatsa Office Park, Borrowdale, Harare, Zimbabwe.

The financial statements of the Group for the year ended 31 December 2021 were authorised for issue by a resolution of the Board of Directors on 12 May, 2022.

2 BASIS OF PREPARATION
2.1 The abridged Group Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Zimbabwe Stock Exchange listing requirements, except for non-compliance with IAS 21 and 29.

The abridged Group Financial Statements have been prepared on a going concern basis. The inflation adjusted financial statements are the primary financial statements of the Group. Adjustments and reclassifications including the restatements to the changes in the general purchasing power of the Zimbabwe dollar for the purpose of fair presentation in accordance with IAS 29 have been made to the historical information.

Historical Financial Statements have been presented as supplementary information. The abridged Group Financial Statements do not include all the notes of the type normally included in an Annual Financial Report. Accordingly, these abridged Group Financial Statements are to be read in conjunction with the Annual Report for the year ended 31 December 2021 and any public announcements made by the Company during the reporting period.

2.2 Functional and reporting currency
The abridged Group Financial Statements are presented in ZWL which is both the functional and presentation currency of the Group.

2.3 Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)
These financial results have been prepared in accordance with IAS 29 which requires that the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

The restatement has been calculated by means of conversion factors derived from the Consumer Price Index (CPI) reported on the Reserve Bank of Zimbabwe website. The indices and adjustment factors used to restate the financial statements at 31 December 2021 are as given below:

Table with 3 columns: Dates, Index, Conversion factor. Rows for 31 December 2021, 31 December 2020, and 31 December 2019.

The abridged Group Financial Statements of the regional foreign subsidiaries which do not report in the currencies of hyper-inflationary economies were dealt with in accordance with IAS 21. The items included in statement of profit or loss and comprehensive income were translated using average exchange rates and statement of financial position items were translated at the closing rates.

2.4 Accounting policies
The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period, unless otherwise stated.

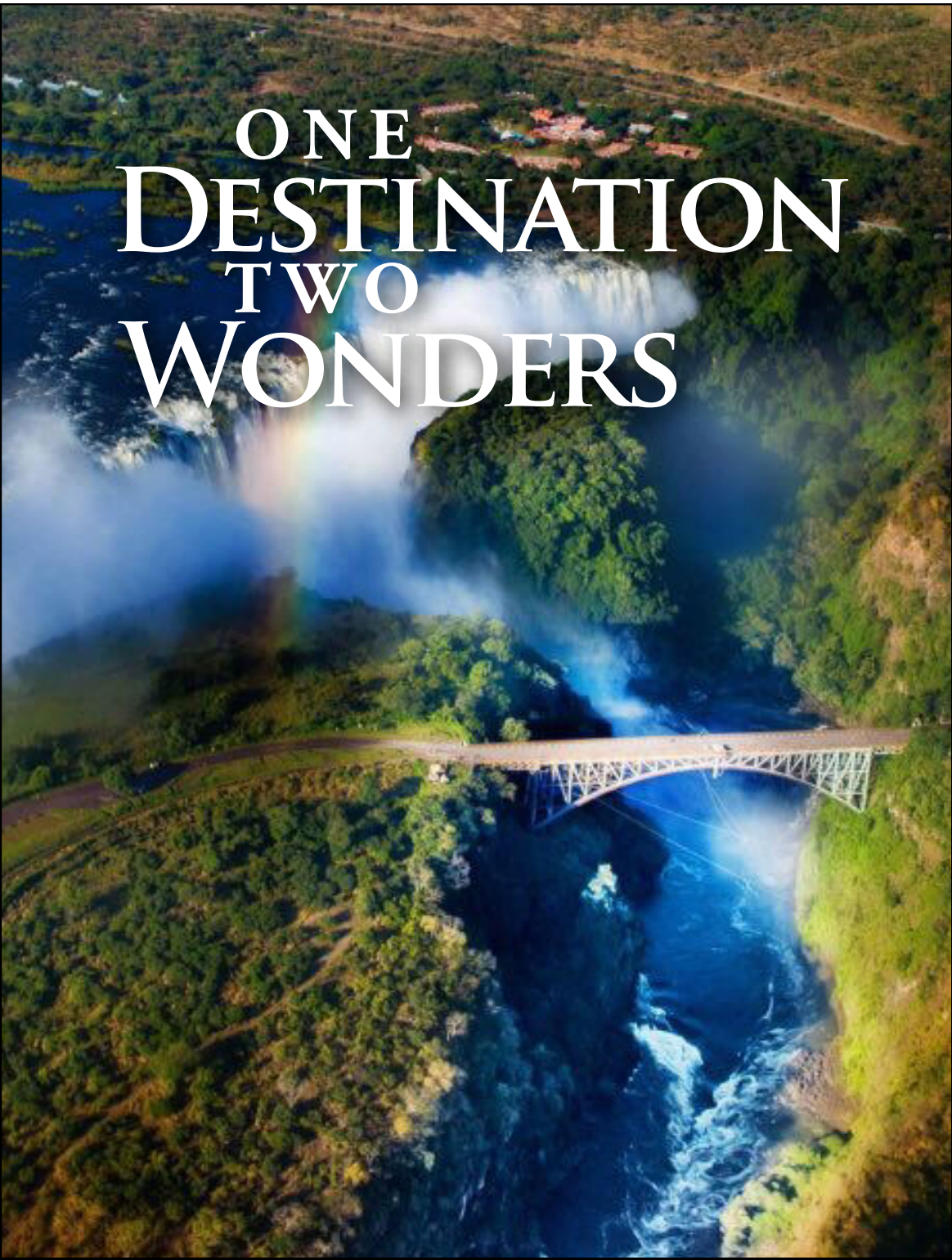
2.5 SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD
Acquisition of WDFR
On 6 September 2021, the Board of Directors of Zimre Holdings Limited ("ZHL") approved the acquisition by ZHL of 60% share holding of WDFR Risk Services.

The financial position and performance of the group was particularly affected by the following events during the period to 31 December 2021
* Hyperinflation in Zimbabwe which has resulted in an increase in operating costs as well as the need to continuously increase premiums and rentals;
* The COVID-19 pandemic outbreak which continues to affect global economic activities; and
* Challenges in accessing foreign currency in both the domestic and regional markets.

The Group ensured compliance with COVID-19 WHO and Zimbabwean Government protocols and/or guidelines that created a safe operating business environment to minimise infections on its customers, staff, and all stakeholders. The globally recommended WHO and Government responses to COVID-19 included vaccination, physical distancing, restrictions on physical movement wearing of masks and use of sanitizers.

For a detailed discussion about the Group's performance and financial position please refer to the Chairman's Statement.

3 INVESTMENT IN CFI
The reporting date of the associate, CFI is 30 September. The financial statements taken into account for the associate are for the year ended 30 September 2021. Management has determined that there were no significant transactions to take into account for the period 1 October to 31 December 2021. CFI Holdings Limited was suspended from trading on the Zimbabwe Stock Exchange ("ZSE") in January 2018 due to non-compliance with the ZSE listing requirements and started trading on 11 October 2021 after ZSE announced the lifting of the suspension.



SAWANGA SHOPPING MALL
IN VICTORIA FALLS



PROPERTY DEVELOPMENT
Turning Dreams into Reality!
Includes an image of construction workers on a site.

AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

4 PROPERTY AND EQUIPMENT

GROUP

At 31 December 2020

| | | | | | |
|--------------------------|--------------|---------------|---------------|--------------|---------------|
| Cost or fair value | 978 092 959 | 348 525 653 | 196 721 654 | 89 328 342 | 1 612 668 608 |
| Accumulated depreciation | (42 303 196) | (210 520 403) | (129 343 218) | (38 759 928) | (420 926 745) |
| Net book amount | 935 789 763 | 138 005 250 | 67 378 436 | 50 568 414 | 1 191 741 863 |

Year ended 31 December 2021

| | | | | | |
|----------------------------|---------------|--------------|--------------|-------------|---------------|
| Opening net book amount | 935 789 763 | 138 005 250 | 67 378 436 | 50 568 414 | 1 191 741 863 |
| Additions | 2 673 187 | 44 044 514 | 12 299 320 | 3 858 449 | 62 875 470 |
| Depreciation charge | (18 993 755) | (22 685 097) | (20 103 824) | (6 569 764) | (68 352 440) |
| Revaluation surplus | 210 265 940 | - | - | - | 210 265 940 |
| Disposals | (3 533 263) | (22 846 104) | (4 001 658) | (1 648 951) | (32 029 976) |
| Foreign exchange movements | (44 821 795) | 4 972 444 | 1 434 699 | 3 215 160 | (35 199 492) |
| Closing net book amount | 1 081 380 077 | 141 491 007 | 57 006 973 | 49 423 308 | 1 329 301 365 |

Year ended 31 December 2021

| | | | | | |
|--------------------------|---------------|---------------|---------------|--------------|---------------|
| Cost or fair value | 1 081 380 077 | 347 740 020 | 208 103 807 | 94 561 700 | 1 731 785 604 |
| Accumulated depreciation | - | (206 249 013) | (151 096 834) | (45 138 392) | (402 484 239) |
| Net book amount | 1 081 380 077 | 141 491 007 | 57 006 973 | 49 423 308 | 1 329 301 365 |

GROUP

At 31 December 2020

| | | | | | |
|--------------------------|-------------|--------------|--------------|-------------|--------------|
| Cost or fair value | 590 531 195 | 73 086 754 | 42 796 963 | 13 088 713 | 719 503 625 |
| Accumulated depreciation | (2 293 447) | (32 019 025) | (17 525 990) | (2 928 435) | (54 766 897) |
| Net book amount | 588 237 748 | 41 067 729 | 25 270 973 | 10 160 278 | 664 736 728 |

At 31 December 2021

| | | | | | |
|----------------------------|---------------|--------------|--------------|-------------|---------------|
| Opening net book amount | 588 237 748 | 41 067 729 | 25 270 973 | 10 160 278 | 664 736 728 |
| Additions | 2 293 526 | 44 044 514 | 14 539 518 | 2 822 352 | 63 699 910 |
| Depreciation charge | (14 587 201) | (15 005 626) | (11 590 105) | (2 476 350) | (43 659 282) |
| Revaluation surplus | 469 793 768 | 7 593 051 | - | - | 477 386 819 |
| Disposals | (11 810 724) | (4 229 467) | 49 936 | (354 925) | (16 345 180) |
| Foreign exchange movements | 39 170 948 | 25 257 384 | 11 415 404 | 4 258 155 | 80 101 891 |
| Closing net book amount | 1 081 380 077 | 98 727 584 | 39 685 726 | 14 409 510 | 1 234 202 897 |

At 31 December 2021

| | | | | | |
|--------------------------|---------------|--------------|--------------|-------------|---------------|
| Cost or fair value | 1 081 380 077 | 132 940 220 | 62 042 337 | 19 442 769 | 1 295 805 403 |
| Accumulated depreciation | - | (35 436 992) | (21 193 140) | (4 972 374) | (61 602 506) |
| Net book amount | 1 081 380 077 | 97 503 228 | 40 849 197 | 14 470 395 | 1 234 202 897 |

Land and buildings are carried at fair value determined on an open market value basis by independent professional valuers. The latest fair value was estimated as at 31 December 2021. There were no buildings pledged as collateral as at 31 December 2021. The value of land and buildings is categorised as a level 3 recurring fair value measurement.

5 INVESTMENT PROPERTY

| | |
|--|--|
| As at 1 January | |
| Improvements, acquisition, development and capitalised borrowing costs | |
| Improvements to existing properties | |
| Acquisition and development | |
| Additions through business combinations | |
| Disposals | |
| Fair value (loss)/gain recognised in profit or loss | |
| Reclassified from property and equipment | |
| Exchange rate movement on foreign operations | |
| Closing carrying amount | |

| INFLATION ADJUSTED | | HISTORICAL COST | |
|--------------------|----------------|-----------------|----------------|
| Group 2021 ZWL | Group 2020 ZWL | Group 2021 ZWL | Group 2020 ZWL |
| 9 961 829 594 | 3 659 802 982 | 6 197 588 803 | 507 570 140 |
| 293 541 289 | 5 111 641 080 | 265 339 458 | 2 829 204 655 |
| 13 491 687 | 9 296 137 | 9 542 410 | 5 008 206 |
| 5 723 661 | 24 414 623 | 5 723 661 | 13 153 147 |
| 274 325 941 | 5 077 930 320 | 250 073 386 | 2 811 043 302 |
| (637 788 944) | (143 805 624) | (606 877 527) | (79 268 773) |
| 3 797 934 830 | 1 307 014 578 | 7 352 760 127 | 2 671 608 387 |
| - | 32 326 423 | - | 20 111 353 |
| (119 353 844) | (5 149 845) | 87 352 064 | 248 363 041 |
| 13 296 162 925 | 9 961 829 594 | 13 296 162 925 | 6 197 588 803 |

Investment properties, principally freehold office buildings, are held for long term rental yields and are not occupied by the Group. They are carried at fair value. The Group's fair values of investment properties are based on property valuations performed by an independent professional property valuer. Gains and losses arising from a change in fair value of investment properties are recognised in the profit or loss statement. As at 31 December 2021, the fair values of the properties are based on valuations performed by accredited independent property valuers. In Zimbabwe, properties were valued by Knight Frank Zimbabwe and Bard Real Estate, industry specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. In Malawi and Mozambique the valuations were performed by SMN Property Professionals and Zambujo and Asociados Consultores respectively. Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied. There were no transfers between Levels 1 or 2 to Level 3 during the year. Investment properties are at Level 3. Significant judgements and assumptions were applied for the Group's Investment property portfolio. Land banks and residential properties were valued in Zimbabwean dollars using the comparison method and/or market evidence.

AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

6 INTANGIBLE ASSETS

At 31 December 2020
Cost
Accumulated amortisation and impairment
Carrying amount

Year ended 31 December 2021

Opening net book amount
Additions
Additions through business combinations
Revaluation
Amortisation charge
Impairment charge
Foreign exchange movements
Carrying amount

At 31 December 2021
Cost
Accumulated amortisation and impairment
Carrying amount

Table with 3 columns: Inflation Adjusted, Goodwill ZWL, Software ZWL, Total ZWL. Rows include 2020 and 2021 data for intangible assets.

At 31 December 2020
Cost
Accumulated amortisation and impairment
Carrying amount

Year ended 31 December 2021

Opening net book amount
Additions
Amortisation charge
Impairment charge
Foreign exchange movements
Carrying amount
At 31 December 2021
Cost
Accumulated amortisation and impairment
Carrying amount

Table with 3 columns: Historical Cost, Goodwill ZWL, Software ZWL, Total ZWL. Rows include 2020 and 2021 data for intangible assets.

7 TRADE AND OTHER RECEIVABLES

Reinsurance receivables
Rental and stand sales receivables
Other receivables and prepayments
Less: allowance for expected credit losses

The reconciliation of the allowance for expected credit losses for trade and other receivables is as follows:

As at 1 January
Charge for the period
Amounts written off
Effects of inflation
Closing balance

Table with 4 columns: Inflation Adjusted, Group 2021 ZWL, Group 2020 ZWL, Historical Cost, Group 2021 ZWL, Group 2020 ZWL. Rows include 2020 and 2021 data for trade and other receivables.

8 FINANCIAL ASSETS

8.1 At amortised cost

Financial assets at amortised cost include the following debt investments:

Group

Debentures
Mortgage loan
Bonds and treasury bills
Deposits with financial institutions

Table with 6 columns: Inflation Adjusted, 2021, 2020, Current ZWL, Non-current ZWL, Total ZWL. Rows include 2020 and 2021 data for financial assets.

Group

Debentures
Mortgage loan
Bonds and treasury bills
Deposits with financial institutions

Table with 6 columns: Historical Cost, 2021, 2020, Current ZWL, Non-current ZWL, Total ZWL. Rows include 2020 and 2021 data for financial assets.

SEEING IS BELIEVING

We believe in you and the future you see in your mind's eye. That is why we have designed our unique products and services to make sure you realise your dreams and achieve your goals.

Take the first step towards your future today and let us get you there.

SEE YOUR FUTURE TODAY!

A member of the ZHL Group





NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

| | | INFLATION ADJUSTED | | HISTORICAL COST | |
|--|--|----------------------|----------------------|----------------------|----------------------|
| | | Group 2021 ZWL | Group 2020 ZWL | Group 2021 ZWL | Group 2020 ZWL |
| 8 FINANCIAL ASSETS (continued) | | | | | |
| 8.1.1 Analysis of movements | | | | | |
| 8.1 At amortised cost (continued) | | | | | |
| As at 1 January | | 712 122 276 | 222 597 763 | 443 035 188 | 30 871 601 |
| Additions - business combinations | | - | 509 413 934 | - | 316 923 519 |
| Purchases | | 10 484 618 | 248 439 306 | 11 129 119 | 31 164 429 |
| Disposals | | (1 824 814) | (164 084 376) | (1 824 814) | (10 134 513) |
| Foreign exchange movement | | 421 820 693 | (543 216 828) | 421 820 693 | 74 210 152 |
| Effects of IAS 29 | | (268 442 587) | 438 972 477 | - | - |
| Closing balance | | 874 160 186 | 712 122 276 | 874 160 186 | 443 035 188 |

8.1.1 Analysis of movements
The debentures mature in 2023 and accrue interest at a rate of 5% (2020: 5%) per annum.
Bonds and treasury bills mature between 1-2 years and accrue interest of between 5%-15% (2020: 5%-15%) per annum depending on jurisdiction.
Mortgage loans mature in 2025 and accrue interest of 10% (2020:10%) per annum.

| | | INFLATION ADJUSTED | | HISTORICAL COST | |
|---|--|----------------------|----------------------|----------------------|----------------------|
| | | Group 2021 ZWL | Group 2020 ZWL | Group 2021 ZWL | Group 2020 ZWL |
| 8.2 At fair value through profit or loss | | | | | |
| As at 1 January | | 1 184 303 083 | 175 044 988 | 736 794 728 | 24 276 611 |
| Additions - business combinations | | - | 1 332 641 256 | - | 795 485 574 |
| Purchases | | 45 152 933 | 834 299 390 | 34 309 018 | 592 487 627 |
| Disposals | | (158 972 321) | (589 962 126) | (174 150 394) | (176 700 496) |
| Fair value gain/(loss) | | 526 463 404 | (46 214 208) | 526 463 404 | 57 171 162 |
| Effects of IAS 29 | | (473 530 343) | 372 073 167 | - | - |
| Foreign exchange movement | | 196 302 019 | (893 579 384) | 196 302 019 | (555 925 750) |
| Closing balance | | 1 319 718 775 | 1 184 303 083 | 1 319 718 775 | 736 794 728 |

All financial assets at fair value through profit or loss are classified as current assets.
At fair value through profit or loss financial assets are equity securities listed either on the Zimbabwe Stock Exchange or other stock exchanges in the region.

| | | INFLATION ADJUSTED | | HISTORICAL COST | |
|---|--|----------------------|----------------------|----------------------|----------------------|
| | | Group 2021 ZWL | Group 2020 ZWL | Group 2021 ZWL | Group 2020 ZWL |
| 8.3 At fair value through other comprehensive income | | | | | |
| As at 1 January | | 581 334 514 | 562 746 487 | 361 667 728 | 78 046 090 |
| Additions - business combinations | | - | 1 132 704 368 | - | 676 138 443 |
| Additions | | 30 884 704 | - | 25 488 295 | - |
| Disposals | | - | (540 641) | - | (336 351) |
| Fair value gain/(loss) | | 44 445 892 | (101 751 907) | 60 035 752 | 36 659 604 |
| Effects of IAS 29 | | (209 473 335) | (322 518 369) | - | - |
| Foreign exchange movement | | 208 155 244 | (689 305 424) | 208 155 244 | (428 840 058) |
| Closing balance | | 655 347 019 | 581 334 514 | 655 347 019 | 361 667 728 |

| | | | | | |
|--|-------------|-------------|-------------|-------------|--|
| Equity investments at Fair Value through Other Comprehensive Income (FVOCI) comprise the following individual investments: | | | | | |
| Unlisted securities | | | | | |
| Cell Insurance Company (Private) Limited | 70 341 189 | 33 056 831 | 70 341 189 | 20 565 765 | |
| Guardian Reinsurance Brokers Limited | 15 362 300 | 8 200 766 | 15 362 300 | 5 101 972 | |
| ZEP-RE (PTA Reinsurance Company) | 372 329 990 | 384 665 903 | 372 329 990 | 239 313 579 | |
| Lidwala Insurance Company | 187 902 916 | 149 577 982 | 187 902 916 | 93 057 487 | |
| Vanguard Life Assurance Company | 9 410 624 | 5 833 032 | 9 410 624 | 3 628 925 | |
| | 655 347 019 | 581 334 514 | 655 347 019 | 361 667 728 | |

8.4 Fair value hierarchy
The following table shows an analysis of financial instruments recorded at fair value of the fair value hierarchy:

| | Level 1 ZWL | Level 2 ZWL | Level 3 ZWL | Total ZWL |
|---|----------------|----------------|----------------|---------------|
| As at 31 December 2021 | | | | |
| Financial assets at fair value through profit or loss | 1 319 718 775 | - | - | 1 319 718 775 |
| Financial assets at fair value through other comprehensive income | - | - | 655 347 019 | 655 347 019 |
| Total | 1 319 718 775 | - | 655 347 019 | 1 975 065 794 |
| As at 31 December 2020 | | | | |
| Financial assets at fair value through profit or loss | 1 184 303 083 | - | - | 1 184 303 083 |
| Financial assets at fair value through other comprehensive income | - | - | 581 334 514 | 581 334 514 |
| Total | 1 184 303 083 | - | 581 334 514 | 1 765 637 597 |

Level 1
On quoted market prices at the end of the reporting period. The quoted market price for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2:
Determined using valuation techniques which maximise use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3:
For unlisted equity securities.

Valuation techniques used to determine fair values
Specific valuation techniques used to value financial instruments include:
-the use of quoted market prices.

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9 BORROWINGS

| | INFLATION ADJUSTED | | HISTORICAL COST | |
|--|--------------------|----------------|-----------------|----------------|
| | Group 2021 ZWL | Group 2020 ZWL | Group 2021 ZWL | Group 2020 ZWL |
| As at 1 January | 119 692 444 | 104 226 036 | 74 464 690 | 14 454 883 |
| Drawn down during the period | 164 659 936 | 14 707 915 | 99 524 053 | 9 150 288 |
| Assumed borrowings through business combinations | - | 54 630 365 | - | 33 442 638 |
| Interest for the year | 54 521 821 | 13 867 541 | 43 155 109 | 7 507 700 |
| Capital repayments | (88 331 153) | (16 109 305) | (69 888 576) | (7 112 332) |
| Interest repayment | (54 521 821) | (14 552 037) | (43 155 109) | (7 388 801) |
| Effects of IAS 29 | (91 921 059) | (76 314 521) | - | - |
| Foreign exchange movement | 21 633 650 | 39 236 451 | 21 633 650 | 24 410 314 |
| Closing balance | 125 733 818 | 119 692 444 | 125 733 818 | 74 464 690 |
| Non-current | 114 969 612 | 59 118 222 | 114 969 612 | 36 779 432 |
| Current | 10 764 206 | 60 574 222 | 10 764 206 | 37 685 258 |
| | 125 733 818 | 119 692 444 | 125 733 818 | 74 464 690 |

Bank borrowings comprise loans from institutions listed below :-

ZB Bank Limited

ZPI acquired a loan facility of ZWL2 853 959 which accrues interest at 31.11% (2020: 31.11%) per annum and is secured by first mortgage bonds over stands 353 Bulawayo Township, 771 Salisbury Township and 326 Fort Victoria Township. The loan is repayable over 3 years. Currently the outstanding amount is ZWL238 485. Fidelity Life Assurance of Zimbabwe micro- finance business acquired an overdraft facility with ZB as a line-of-credit to increase the unit’s lending capacity. The loan had an outstanding amount of ZWL51 160 275 and accrues interest at 49% per annum. The loan facility is available for one year, expiring on 28 February 2022.

Ecobank Zimbabwe Limited

Fidelity Life Assurance of Zimbabwe micro-finance business acquired a loan facility with Ecobank Zimbabwe Limited to increase its lending capacity. The facility amount is drawn down in tranches in line with the business’ needs. Drawdowns on the facility accrue interest at varying interest rates depending on the prevailing interest rate on each drawdown date. Currently the outstanding amount is ZWL15 374 577 and accrues interest at 45% per annum. The facility is available for one year, expiring on 31 July 2022. The loan facilities are secured by the loan book and guarantee by Fidelity Life Assurance Company of Zimbabwe.

African Banking Corporation (Mozambique) SA

Emeritus Re Mozambique acquired a loan facility to purchase the new office premises, The loan accrues interest at 20.75% per annum and is repayable over 7 years.Currently the outstanding amount is ZWL46 594 660. There were no changes to the terms and conditions of these borrowings during the reporting period.

10 LIQUIDITY GAP ANALYSIS

The table below summarises the maturity profile of the Group’s financial assets and financial liabilities based on contractual and undiscounted payments on a worst case scenario. The assets and liabilities disclosed are on a contractual undiscounted basis. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

| GROUP | INFLATION ADJUSTED | | | |
|---|---------------------------|-----------------------|-------------------------|----------------------------------|
| | On demand to 3 months ZWL | 3 months to 1year ZWL | Greater than 1 year ZWL | Total contractual cash flows ZWL |
| As at 31 December 2021 | | | | |
| Assets | | | | |
| Financial assets: | | | | |
| - at fair value through profit or loss | - | 1 319 718 775 | - | 1 319 718 775 |
| - at amortised cost | - | 874 160 186 | - | 874 160 186 |
| - at fair value through other comprehensive income | - | - | 655 347 019 | 655 347 019 |
| Trade and other receivables (excluding prepayments and statutory receivables) | 936 799 945 | 1 326 941 056 | - | 2 263 741 001 |
| Cash and cash equivalents | 1 631 281 977 | - | - | 1 631 281 977 |
| Total assets | 2 568 081 922 | 3 528 820 017 | 655 347 019 | 6 744 248 958 |
| Liabilities | | | | - |
| Outstanding claims | 46 130 059 | 89 950 136 | 173 823 922 | 309 904 117 |
| Lease liabilities | 1 137 416 | 9 794 492 | 21 787 969 | 32 719 877 |
| Borrowings | 5 489 745 | 5 274 461 | 114 969 612 | 125 733 818 |
| Trade and other payables (excluding statutory liabilities) | 1 866 970 833 | - | - | 1 866 970 833 |
| Total liabilities | 1 919 728 053 | 105 019 089 | 310 581 503 | 2 335 328 645 |
| Liquidity gap | 648 353 869 | 3 415 800 928 | 344 765 516 | 4 408 920 313 |
| Cumulative liquidity gap | 648 353 869 | 4 054 154 797 | 4 408 920 313 | - |
| As at 31 December 2020 | | | | |
| Assets | | | | |
| Financial assets: | | | | |
| - at fair value through profit or loss | - | 1 184 303 083 | - | 1 184 303 083 |
| - at amortised cost | - | 712 122 276 | - | 712 122 276 |
| Trade and other receivables (excluding prepayments and statutory receivables) | 841 327 330 | 1 167 391 687 | - | 2 008 719 017 |
| Cash and cash equivalents | 1 902 615 895 | - | - | 1 902 615 895 |
| Total assets | 2 743 943 225 | 3 063 817 046 | - | 5 807 760 271 |
| Liabilities | | | | |
| Outstanding claims | 42 086 358 | 82 065 223 | 158 586 742 | 282 738 323 |
| Lease liabilities | 2 422 662 | 20 861 977 | 46 407 724 | 69 692 363 |
| Borrowings | 30 892 853 | 29 681 370 | 59 118 221 | 119 692 444 |
| Trade and other payables (excluding statutory liabilities) | 2 269 447 160 | - | - | 2 269 447 160 |
| Total liabilities | 2 344 849 033 | 132 608 570 | 264 112 687 | 2 741 570 290 |
| Liquidity gap | 399 094 192 | 2 931 208 476 | (264 112 687) | 3 066 189 981 |
| Cumulative liquidity gap | 399 094 192 | 3 330 302 668 | 3 066 189 981 | - |

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10 LIQUIDITY GAP ANALYSIS (continued)

| Group | HISTORICAL COST | | | |
|---|---------------------------------|------------------------------|-------------------------------|--|
| | On demand to 3 months ZWL | 3 months to 1 year ZWL | Greater than 1 year ZWL | Total contractual cash flows ZWL |
| As at 31 December 2021 | | | | |
| Assets | | | | |
| Financial assets: | | | | |
| - at fair value through profit or loss | - | 1 319 718 775 | - | 1 319 718 775 |
| - at amortised cost | - | 874 160 186 | - | 874 160 186 |
| - at fair value through other comprehensive income | - | - | 655 347 019 | 655 347 019 |
| Trade and other receivables (excluding prepayments and statutory receivables) | 936 799 945 | 1 291 852 215 | - | 2 228 652 160 |
| Cash and cash equivalents | 1 631 281 977 | - | - | 1 631 281 977 |
| Total assets | 2 578 053 632 | 3 499 482 216 | 655 347 019 | 6 732 882 877 |
| Liabilities | | | | |
| Outstanding claims | 46 130 059 | 89 950 136 | 173 823 922 | 309 904 117 |
| Lease liabilities | 981 596 | 9 815 963 | 21 922 318 | 32 719 877 |
| Borrowings | 5 489 745 | 5 274 461 | 114 969 612 | 125 733 818 |
| Trade and other payables (excluding statutory liabilities) | 1 867 872 170 | - | - | 1 867 872 170 |
| Total liabilities | 1 920 473 570 | 105 040 560 | 310 715 852 | 2 336 229 982 |
| Liquidity gap | 647 608 352 | 3 380 690 616 | 344 631 167 | 4 372 930 |
| Cumulative liquidity gap | 647 608 352 | 4 028 298 968 | 4 372 930 | - |
| As at 31 December 2020 | | | | |
| Assets | | | | |
| Financial assets: | | | | |
| - at fair value through profit or loss | - | 736 794 728 | - | 736 794 728 |
| - at amortised cost | - | 443 035 188 | - | 443 035 188 |
| - at fair value through other comprehensive income | - | - | 361 667 728 | 361 667 728 |
| Trade and other receivables (excluding prepayments and statutory receivables) | 523 417 992 | 721 796 255 | - | 1 245 214 247 |
| Cash and cash equivalents | 1 183 681 256 | - | - | 1 183 681 256 |
| Total assets | 1 707 099 248 | 1 901 626 171 | 361 667 728 | 3 970 393 147 |
| Liabilities | | | | |
| Outstanding claims | 26 183 337 | 51 055 532 | 98 662 139 | 175 901 008 |
| Lease liabilities | 1 300 739 | 12 140 228 | 29 916 993 | 43 357 960 |
| Borrowings | 19 219 482 | 18 465 777 | 36 779 431 | 74 464 690 |
| Trade and other payables (excluding statutory liabilities) | 1 415 818 773 | - | - | 1 415 818 773 |
| Total liabilities | 1 462 522 331 | 81 661 537 | 165 358 563 | 1 709 542 431 |
| Liquidity gap | 244 576 917 | 1 819 964 634 | 196 309 165 | 2 260 850 716 |
| Cumulative liquidity gap | 244 576 917 | 2 064 541 551 | 2 260 850 716 | - |
| | | | | |
| Group | INFLATION ADJUSTED | | HISTORICAL COST | |
| | Group 2021 ZWL | Group 2020 ZWL | Group 2021 ZWL | Group 2020 ZWL |
| 11 TRADE AND OTHER PAYABLES | | | | |
| Due to retrocessionaires | 1 350 905 238 | 1 849 676 871 | 1 350 905 238 | 1 150 746 111 |
| Accruals and other | 516 966 932 | 426 070 327 | 516 966 932 | 265 072 662 |
| | 1 867 872 170 | 2 275 747 198 | 1 867 872 170 | 1 415 818 773 |
| 12 SHORT TERM INSURANCE CONTRACT LIABILITIES | | | | |
| Outstanding claims | 309 904 117 | 282 738 322 | 309 904 117 | 175 901 007 |
| Provision for incurred but not reported claims | 258 935 296 | 227 453 604 | 258 935 296 | 141 506 527 |
| Unearned premium provision | 814 647 208 | 633 187 424 | 642 557 609 | 340 446 918 |
| | 1 383 486 621 | 1 143 379 350 | 1 211 397 022 | 657 854 452 |
| 13 OPERATING AND ADMINISTRATION EXPENSES | | | | |
| Operating and administration expenses include the following disclosable expenses: | | | | |
| Audit fees | 68 952 880 | 38 215 984 | 62 588 763 | 21 943 779 |
| Directors’ fees | 62 437 448 | 37 683 791 | 55 726 941 | 18 577 200 |
| Staff costs | 968 245 860 | 412 914 137 | 838 922 195 | 228 407 422 |
| Depreciation | 68 352 440 | 46 213 174 | 43 659 282 | 13 587 987 |



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14 OTHER INCOME

| | INFLATION ADJUSTED | | HISTORICAL COST | |
|---|--------------------|------------------|-----------------|----------------|
| | Group 2021 ZWL | Group 2020 2 021 | Group 2021 ZWL | Group 2020 ZWL |
| Profit from disposal of property and equipment | 17 709 667 | 1 528 062 | 16 828 997 | 1 099 159 |
| Gains from disposal of investment property | 67 790 386 | 1 684 138 | 61 366 348 | 160 379 |
| Amounts received in share split | - | 27 370 740 | - | 17 028 257 |
| Realised exchange differences | 101 452 167 | 62 489 484 | 67 247 280 | 24 698 238 |
| Recoveries from debtors previously written off | 872 103 | 17 937 467 | 872 103 | 10 808 197 |
| Fair value adjustments on financial assets through profit or loss | 533 582 644 | (46 214 208) | 526 463 404 | 57 171 162 |
| Unrealised exchange gains | 245 534 031 | 158 222 701 | 239 463 484 | 98 435 657 |
| Fair value on remeasurement of associate | - | 82 158 676 | - | 19 177 952 |
| Interest income from micro-lending | 124 854 695 | 4 553 130 | 102 314 597 | 1 578 365 |
| Fair value adjustments on unquoted equity | (2 403 682) | 77 045 977 | (6 438 804) | 47 932 890 |
| Actuarial fees | 30 600 921 | - | 23 675 219 | - |
| Other gains | 405 344 955 | 61 881 549 | 366 683 838 | 35 775 300 |
| | 1 525 337 887 | 448 657 716 | 1 398 476 467 | 313 865 556 |

15 SEGMENT INFORMATION

Description of segments and principal activities
The Group's Executive Committee, consisting of the Group Chief Executive Officer, Group Chief Finance Officer, Group Chief Operating Officer and Managing Directors of subsidiaries, examines the Group's performance both from a product and geographical perspective and has identified reportable segments of its business as detailed below. Management evaluates segment performance based on operating profit/(loss) consistent with the Group Financial Statements.

Reinsurance
The segment offers short-term reinsurance products and services to general insurance companies locally, regionally and internationally. These products offer protection of policyholders' assets and indemnification of other parties that have suffered damage as a result of the policyholders' accidents. Revenue in this segment is derived primarily from insurance premiums, investment income and fair value gains and losses on financial assets.

Life reassurance
The Life Reassurance segment offers its services to life assurance companies and medical aid societies locally and regionally. The products are savings, protection products and other long-term contracts (both with and without insurance risk and with and without discretionary participating features). It comprises a wide range of whole life, term assurance, unitised pensions, guaranteed pensions, pure endowment pensions and mortgage endowment products. Revenue from this segment is derived primarily from reinsurance premium, fees and commission income, investment income and fair value gains and losses on investments.

General insurance
The segment offers short-term insurance products and services directly to policy holders locally. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of the policyholder's accident e.g. motor accident, domestic credit insurance, export credit. Revenue in this segment is derived primarily from insurance premiums, investment income and fair value gains and losses on financial assets.

Life and pensions
The segment offers life assurance, funeral assurance, asset management, actuarial consultancy and micro-financing services. The products offered are life assurance and pensions and also is involved in consumer loans, business loans and loans to farmers.

Property
This segment is engaged in leasing, developing, managing, selling and buying properties. It also offers consultancy services related to property development. It derives its revenue primarily from rentals, sales of properties, investment income and estate agency.

Other and eliminations
This segment comprises the holding company and consolidation eliminations.

15.1 Information about products and services

| For the year ended 31 December 2021 | INFLATION ADJUSTED | | | | | | | |
|---|--------------------------|----------------------|-----------------------|-----------------------|---------------|-----------------------|----------------------------|-----------------|
| | Non-life reinsurance ZWL | Life reassurance ZWL | Life and pensions ZWL | General insurance ZWL | Property ZWL | Insurance broking ZWL | Other and eliminations ZWL | Total ZWL |
| Total insurance revenue | 2 500 241 159 | 411 787 687 | 1 186 293 562 | 164 019 314 | - | 33 050 012 | (51 045 932) | 4 244 345 802 |
| Total income | 3 034 260 122 | 980 488 673 | 2 004 976 117 | 210 997 887 | 278 742 305 | 33 895 076 | 214 491 554 | 6 757 851 734 |
| Claims and expenses | (2 406 730 130) | (462 168 104) | (1 577 363 159) | (200 762 628) | (259 306 849) | (26 184 351) | (148 104 652) | (5 092 568 137) |
| Net benefits and claims | (758 999 661) | (284 418 076) | (754 624 704) | (27 019 281) | - | - | - | (1 816 671 219) |
| Commission and acquisition expenses | (865 449 283) | (103 116 400) | (58 864 283) | (42 829 260) | - | (1 594 602) | 51 045 932 | (1 020 807 896) |
| Net property operating costs | (6 245 284) | (6 472 079) | (43 792 820) | - | (39 033 997) | - | - | (95 544 180) |
| Operating and administrative expenses | (776 035 902) | (68 161 549) | (720 081 352) | (130 914 087) | (220 272 852) | (24 589 749) | (199 150 584) | (2 159 544 842) |
| Operating profit/(loss) | 627 529 992 | 526 711 072 | 359 187 117 | 10 235 259 | 19 435 456 | 7 710 725 | 66 386 902 | 1 665 283 597 |
| Gross change in insurance and investment contract liabilities | | - | (1 367 096 025) | - | - | - | - | (1 291 984 504) |
| Finance costs | (10 276 587) | - | (45 134 274) | - | (1 103 623) | 73 302 | (240 357) | (56 681 540) |
| Fair value adjustment on investment property | 402 897 172 | 413 481 228 | 1 294 294 263 | - | 1 687 262 167 | - | - | 3 797 934 830 |
| Loss on monetary position | (119 136 608) | (534 343 207) | 79 553 912 | (14 812 229) | (108 369 880) | (13 448 722) | (68 729 188) | (865 064 018) |
| Share of profit of associates | - | - | - | - | - | - | (146 210 823) | (146 210 823) |
| Profit/(loss) before income tax | 901 013 969 | 397 458 590 | 318 618 025 | (4 576 970) | 1 597 224 120 | (5 664 695) | (148 793 466) | 3 103 277 542 |
| Income tax (expense)/credit | (149 247 096) | (123 782) | (59 010 971) | - | (61 278 066) | (2 645 384) | (1 398 003) | (289 253 399) |
| Total assets | 6 650 450 291 | 1 116 040 673 | 9 915 004 546 | 325 820 828 | 6 786 294 349 | 158 179 755 | (1 490 770 354) | 23 462 361 445 |
| Total liabilities | 3157 768 396 | 155 143 032 | 8 662 821 272 | 151 967 687 | 467 876 998 | 129 546 978 | (497 563 983) | 12 232 567 036 |

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15 SEGMENT RESULTS (continued)
15.1 Information about products and services (continued)

| For the year ended 31 December 2021 | HISTORICAL COST | | | | | | | Total ZWL |
|---|--------------------------------|----------------------------|-----------------------------|-----------------------------|-----------------|-----------------------------|----------------------------------|-----------------|
| | Non-life reinsurance ZWL | Life reassurance ZWL | Life and pensions ZWL | General insurance ZWL | Property ZWL | Insurance broking ZWL | Other and eliminations ZWL | |
| Total insurance revenue | 2 238 582 770 | 332 406 007 | 1 088 665 994 | 115 483 394 | - | 25 962 930 | (51 045 933) | 3 750 055 162 |
| Total income | 2 739 352 408 | 921 493 308 | 1 942 776 388 | 161 033 892 | 226 555 493 | 27 314 094 | (37 786 789) | 5 980 738 794 |
| Claims and expenses | (2 258 532 902) | (362 861 224) | (1 136 796 372) | (162 243 682) | (171 045 486) | (21 572 132) | (254 970 241) | (4 368 022 039) |
| Net benefits and claims | (745 646 648) | (216 396 538) | (416 669 470) | (23 487 509) | - | - | - | (1 402 200 165) |
| Commission and acquisition expenses | (789 900 992) | (83 959 308) | (54 084 459) | (32 221 158) | - | (1 229 329) | 51 045 932 | (910 349 314) |
| Net property operating costs | (4 922 839) | (5 101 610) | - | - | (27 062 467) | - | - | (37 086 916) |
| Operating and administrative expenses | (718 062 423) | (57 403 768) | (666 042 443) | (106 535 015) | (143 983 019) | (20 342 803) | (306 016 173) | (2 018 385 644) |
| Operating profit/(loss) | 480 819 506 | 558 632 084 | 805 980 016 | (1 047 215) | 55 510 007 | 5 741 962 | (292 757 030) | 1 612 716 755 |
| Gross change in insurance and investment contract liabilities | - | - | (3 143 094 416) | - | - | - | - | (3 143 094 416) |
| Finance costs | (10 276 587) | - | (38 063 023) | - | 463 203 | 9 670 | (175 601) | (48 042 338) |
| Fair value adjustment on investment property | 529 617 116 | 311 049 910 | 3 005 523 574 | - | 3 506 569 527 | - | - | 7 352 760 127 |
| Share of profit of associates | - | - | - | - | - | - | 92 517 053 | 92 517 053 |
| Profit/(loss) before income tax | 1 000 160 035 | 862 910 247 | 630 346 151 | (1 209 790) | 3 562 542 737 | 5 751 632 | (200 415 578) | 5 866 857 181 |
| Income tax credit/(expense) | (126 533 844) | (10 226) | (54 838 227) | 916 091 | (153 375 304) | (2 645 384) | 1 221 853 | (471 305 890) |
| Total assets | 4 991 388 835 | 1 115 971 904 | 9 754 067 006 | 306 649 445 | 6 688 152 740 | 156 159 936 | (167 725 261) | 22 844 664 605 |
| Total liabilities | 2 990 179 709 | 148 371 285 | 8 516 037 088 | 172 102 323 | 456 175 100 | 129 520 002 | (301 175 259) | 12 111 210 248 |

| For the year ended 31 December 2020 | INFLATION ADJUSTED | | | | | | |
|---|--------------------------------|----------------------------|-----------------------------|-----------------------------|-----------------|----------------------------------|-----------------|
| | Non-life reinsurance ZWL | Life reassurance ZWL | Life and pensions ZWL | General insurance ZWL | Property ZWL | Other and eliminations ZWL | Total ZWL |
| Total insurance revenue | 2 196 338 092 | 187 449 331 | 56 857 996 | 110 086 258 | - | (85 632 213) | 2 465 099 464 |
| Total income | 2 445 855 846 | 306 864 378 | 101 740 937 | 165 840 106 | 228 907 068 | (97 913 083) | 3 151 295 251 |
| Claims and expenses | (2 163 478 847) | (197 637 306) | (60 544 051) | (148 640 312) | (131 565 600) | 549 443 362 | (2 152 422 755) |
| Net benefits and claims | (758 746 596) | (86 030 375) | (13 570 529) | (18 363 096) | - | - | (876 710 596) |
| Commission and acquisition expenses | (708 530 832) | (54 869 740) | (2 294 891) | (53 544 884) | - | 85 632 213 | (733 608 135) |
| Net property operating costs | 13 531 515 | - | (10 681 976) | - | (19 194 030) | - | (16 344 491) |
| Operating and administrative expenses | (709 732 934) | (56 737 192) | (33 996 655) | (76 732 332) | (112 371 570) | 463 811 149 | (525 759 533) |
| Operating profit/(loss) | 282 376 999 | 109 227 072 | 41 196 885 | 17 199 793 | 97 341 468 | 451 530 279 | 998 872 496 |
| Gross change in insurance and investment contract liabilities | - | - | (78 581 354) | - | - | - | (78 581 354) |
| Finance costs | (8 883 140) | - | (2 448 178) | - | (5 108 075) | (2 832 124) | (19 271 517) |
| Fair value adjustment on investment property | 10 362 342 | - | 53 695 008 | - | 1 242 957 228 | - | 1 307 014 578 |
| Loss on monetary position | 33 728 571 | (12 369 612) | (4 588 943) | (21 194 415) | 32 562 069 | (708 717 133) | (680 579 464) |
| Share of profit of associates | - | - | - | - | - | 157 605 755 | 157 605 755 |
| Profit before income tax | 317 584 772 | 96 857 460 | 9 273 418 | (3 994 622) | 1 367 752 691 | (102 413 224) | 1 685 060 495 |
| Income tax (expense)/credit | (14 227 726) | 131 416 | (2 015 464) | (8 793 192) | (67 265 801) | (12 594 165) | (104 764 932) |
| Total assets | 5 718 796 606 | 637 727 263 | 8 798 116 449 | 332 872 300 | 5 107 766 404 | (542 723 281) | 20 052 555 741 |
| Total liabilities | 2 895 757 137 | 74 164 432 | 7 629 431 509 | 135 544 125 | 297 768 822 | (225 150 339) | 10 807 515 685 |

| For the year ended 31 December 2020 | HISTORICAL COST | | | | | | |
|---|--------------------------------|----------------------------|-----------------------------|-----------------------------|-----------------|----------------------------------|-----------------|
| | Non-life reinsurance ZWL | Life reassurance ZWL | Life and pensions ZWL | General insurance ZWL | Property ZWL | Other and eliminations ZWL | Total ZWL |
| Total insurance revenue | 1 128 031 350 | 80 385 440 | 30 584 922 | 38 621 827 | - | (33 997 187) | 1 243 626 352 |
| Total income | 1 291 659 150 | 168 556 827 | 64 436 519 | 69 288 117 | 125 158 993 | (24 880 515) | 1 694 219 091 |
| Claims and expenses | (1 116 457 745) | (85 096 660) | (53 087 373) | (59 629 313) | (62 798 856) | 31 508 750 | (1 345 561 197) |
| Net benefits and claims | (334 691 750) | (34 396 446) | (7 851 666) | (8 389 463) | - | - | (385 329 325) |
| Commission and acquisition expenses | (381 488 239) | (24 336 782) | (1 270 863) | (18 504 987) | - | 33 997 187 | (391 603 684) |
| Net property operating costs | 8 418 410 | - | (25 057 525) | - | (1 587 657) | - | (18 226 772) |
| Operating and administrative expenses | (408 696 166) | (26 363 432) | (18 907 319) | (32 734 863) | (61 211 199) | (2 488 437) | (550 401 416) |
| Operating profit/(loss) | 175 201 405 | 83 460 167 | 11 349 146 | 9 658 804 | 62 360 137 | 6 628 235 | 348 657 894 |
| Gross change in insurance and investment contract liabilities | - | - | (163 125 389) | - | - | - | (163 125 389) |
| Finance costs | (5 526 500) | - | (978 347) | - | (1 513 395) | (1 491 329) | (9 509 571) |
| Fair value adjustment on investment property | 6 446 760 | - | 183 775 580 | - | 2 481 386 047 | - | 2 671 608 387 |
| Share of profit of associates | - | - | - | - | - | - | - |
| (Loss)/profit before income tax | 176 121 665 | 83 460 167 | 31 020 990 | 9 658 804 | 2 542 232 789 | 126 737 093 | 2 969 231 508 |
| Income tax credit/(expense) | 33 556 124 | 17 726 | (1 807 997) | 534 056 | (130 587 343) | 694 855 | (97 592 579) |
| Total assets | 2 586 366 920 | 144 069 035 | 5 384 398 996 | 198 339 945 | 3 051 974 067 | 635 356 363 | 12 000 505 326 |
| Total liabilities | 1 753 291 438 | 46 140 184 | 4 745 229 261 | 72 674 263 | 176 153 027 | (170 196 858) | 6 623 291 315 |

AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

- 15 SEGMENT RESULTS (continued)
15.1 Information about products and services
15.2 Geographical information

Information below shows operating results in the countries in which the Group operates.

| For the year ended | INFLATION ADJUSTED | | | | | | |
|---|--------------------|---------------|-------------------|---------------|-----------------|---------------------|-----------------|
| | Botswana ZWL | Malawi ZWL | Mozambique ZWL | Zambia ZWL | Zimbabwe ZWL | Eliminations ZWL | Total ZWL |
| 31 December 2021 | | | | | | | |
| Total insurance revenue | 290 818 818 | 483 643 997 | 398 878 356 | 212 865 698 | 2 909 184 865 | (51 045 932) | 4 244 345 802 |
| Total income | 301 787 150 | 526 373 195 | 420 247 358 | 193 234 935 | 5 101 717 545 | 214 491 551 | 6 757 851 731 |
| Claims and expenses | (247 404 634) | (470 643 710) | (375 959 428) | (168 196 575) | (3 682 360 607) | (148 003 182) | (5 092 568 134) |
| Net benefits and claims | (41 206 640) | (177 308 038) | (70 796 795) | (38 992 752) | (1 496 757 497) | - | (1 816 671 219) |
| Commission and acquisition expenses | (124 837 085) | (161 936 461) | (167 371 330) | (85 095 337) | (532 613 616) | 51 045 933 | (1 020 807 896) |
| Net property operating costs | - | - | - | - | (95 544 180) | - | (95 544 180) |
| Operating and administrative expenses | (81 360 909) | (131 399 211) | (137 791 303) | (44 108 486) | (1 545 497 049) | (199 049 115) | (2 159 544 839) |
| Operating profit/(loss) | 54 382 516 | 55 729 485 | 44 287 930 | 25 038 360 | 1 360 692 394 | 66 488 369 | 1 665 283 597 |
| Gross change in insurance and investment contract liabilities | - | - | - | - | (1 361 845 872) | - | (1 291 984 504) |
| Finance costs | (292 556) | - | (8 144 734) | (1 839 297) | (46 404 952) | - | (56 681 540) |
| Fair value adjustment on investment property | - | 6 777 793 | - | - | 3 791 157 037 | - | 3 797 934 830 |
| Loss on monetary position | - | - | - | - | - | (779 285 922) | (865 064 018) |
| Share of profit of associates | - | - | - | - | 80 685 931 | (226 896 754) | (146 210 823) |
| Profit before income tax | 54 089 960 | 62 507 278 | 36 143 196 | 23 199 063 | 3 819 034 385 | (939 694 307) | 3 103 277 542 |
| Income tax (expense)/credit | (11 899 787) | (38 107 969) | (488 464) | (9 222 088) | (228 137 091) | (1 398 001) | (289 253 399) |
| Total assets | 1 617 054 492 | 1 260 678 145 | 763 080 168 | 369 022 516 | 27 771 580 387 | (8 319 054 263) | 23 462 361 445 |
| Total liabilities | 374 494 785 | 890 497 156 | 463 344 959 | 233 716 897 | 11 747 351 753 | (1 476 838 514) | 12 232 567 036 |

| For the year ended | HISTORICAL COST | | | | | | |
|---|-----------------|---------------|-------------------|---------------|-----------------|---------------------|-----------------|
| | Botswana ZWL | Malawi ZWL | Mozambique ZWL | Zambia ZWL | Zimbabwe ZWL | Eliminations ZWL | Total ZWL |
| 31 December 2021 | | | | | | | |
| Total insurance revenue | 290 818 818 | 483 643 997 | 398 878 356 | 212 865 698 | 2 414 894 225 | (51 045 930) | 3 750 055 162 |
| Total income | 301 787 150 | 526 373 195 | 420 247 358 | 193 234 935 | 4 570 770 185 | (37 786 788) | 5 980 738 793 |
| Claims and expenses | (247 404 634) | (470 643 710) | (375 959 428) | (168 196 575) | (2 837 453 066) | (254 890 256) | (4 368 022 039) |
| Net benefits and claims | (41 206 640) | (177 308 038) | (70 796 795) | (38 992 752) | (1 080 667 687) | - | (1 402 200 165) |
| Commission and acquisition expenses | (124 837 085) | (161 936 461) | (167 371 330) | (85 095 337) | (422 155 033) | 51 045 932 | (910 349 314) |
| Net property operating costs | - | - | - | - | (37 086 916) | - | (37 086 916) |
| Operating and administrative expenses | (81 360 909) | (131 399 211) | (137 791 303) | (44 108 486) | (1 297 543 430) | (305 936 188) | (2 018 385 644) |
| Operating (loss)/profit | 54 382 516 | 55 729 485 | 44 287 930 | 25 038 360 | 1 733 317 119 | (292 677 043) | 1 612 716 754 |
| Gross change in insurance and investment contract liabilities | - | - | - | - | (3 143 094 416) | - | (3 143 094 416) |
| Finance costs | (292 556) | - | (8 144 734) | (1 839 297) | (37 590 149) | (175 602) | (48 042 338) |
| Fair value adjustment on investment property | - | 6 777 793 | - | - | 7 345 982 334 | - | 7 352 760 127 |
| Share of profit of associates | - | - | - | - | 80 685 931 | 11 831 122 | 92 517 053 |
| Profit/(loss) before income tax | 54 089 960 | 62 507 278 | 36 143 196 | 23 199 063 | 5 873 505 577 | (281 021 523) | 5 866 857 181 |
| Income tax credit/(expense) | (11 899 787) | (38 107 969) | (488 464) | (9 222 088) | (276 768 587) | 1 221 854 | (471 305 890) |
| Total assets | 1 617 054 492 | 1 260 678 145 | 763 080 168 | 369 022 516 | 22 771 434 051 | (3 936 604 767) | 22 844 664 605 |
| Total liabilities | 374 494 785 | 890 497 144 | 463 344 959 | 216 027 849 | 11 382 129 769 | (1 215 284 258) | 12 111 210 248 |

| For the year ended | INFLATION ADJUSTED | | | | | | |
|---|--------------------|---------------|-------------------|---------------|-----------------|---------------------|-----------------|
| 31 December 2020 | Botswana ZWL | Malawi ZWL | Mozambique ZWL | Zambia ZWL | Zimbabwe ZWL | Eliminations ZWL | Total ZWL |
| Total insurance revenue | 201 147 002 | 392 047 785 | 317 116 850 | 160 309 606 | 1 480 110 433 | (85 632 212) | 2 465 099 464 |
| Total income | 203 838 315 | 395 621 077 | 428 733 323 | 184 657 365 | 2 036 358 250 | (97 913 079) | 3 151 295 252 |
| Claims and expenses | (178 916 578) | (367 413 883) | (323 985 622) | (157 363 328) | (1 098 481 157) | (26 262 186) | (2 152 422 754) |
| Net benefits and claims | (48 897 927) | (93 859 089) | (74 078 468) | (21 877 649) | (637 997 463) | - | (876 710 596) |
| Commission and acquisition expenses | (73 460 213) | (128 428 767) | (131 783 032) | (58 053 609) | (427 514 726) | 85 632 213 | (733 608 135) |
| Net property operating costs | - | 13 531 515 | - | - | (29 876 006) | - | (16 344 491) |
| Operating and administrative expenses | (56 558 438) | (158 657 542) | (118 124 122) | (77 432 071) | (3 092 962) | (111 894 399) | (525 759 533) |
| Operating (loss)/profit | 24 921 737 | 28 207 194 | 104 747 701 | 27 294 037 | 937 877 093 | (124 175 265) | 998 872 497 |
| Gross change in insurance and investment contract liabilities | - | - | - | - | (78 581 354) | - | (78 581 354) |
| Finance costs | - | - | (6 737 784) | (2 145 356) | (7 556 253) | (2 832 124) | (19 271 517) |
| Fair value adjustment on investment property | - | 10 400 186 | (37 846) | - | 1 296 652 238 | - | 1 307 014 578 |
| Loss on monetary position | - | - | - | - | 30 022 896 | (710 602 360) | (680 579 464) |
| Share of profit of associates | - | - | - | - | - | 157 605 755 | 157 605 755 |
| Profit/(loss) before income tax | 24 921 737 | 38 607 380 | 97 972 071 | 25 148 681 | 2 178 414 620 | (680 003 995) | 1 685 060 495 |
| Income tax (expense)/credit | (6 688 724) | (17 343 757) | (3 407 199) | 3 568 308 | (68 299 394) | (12 594 165) | (104 764 932) |
| Total assets | 2 012 227 885 | 1 348 849 375 | 829 736 011 | 305 785 049 | 22 727 867 522 | (7 171 910 101) | 20 052 555 741 |
| Total liabilities | 434 501 796 | 911 290 211 | 564 358 107 | 199 039 840 | 9 221 853 996 | (523 528 265) | 10 807 515 685 |

AUDITED ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

15 SEGMENT RESULTS (continued)
15.2 Geographical information (continued)
For the year ended

31 December 2020

| |
|---|
| Total insurance revenue |
| Total income |
| Claims and expenses |
| Net benefits and claims |
| Commission and acquisition expenses |
| Net property operating costs |
| Operating and administrative expenses |
| Operating profit/(loss) |
| Gross change in insurance and investment contract liabilities |
| Finance costs |
| Fair value adjustment on investment property |
| Share of profit of associates |
| Profit/(loss) before income tax |
| Income tax credit/(expense) |
| Total assets |
| Total liabilities |

| HISTORICAL COST | | | | | | |
|-----------------|---------------|-------------------|---------------|-----------------|---------------------|-----------------|
| Botswana ZWL | Malawi ZWL | Mozambique ZWL | Zambia ZWL | Zimbabwe ZWL | Eliminations ZWL | Total ZWL |
| 125 140 306 | 243 906 096 | 197 289 044 | 99 733 991 | 611 554 103 | (33 997 188) | 1 243 626 352 |
| 126 814 662 | 246 129 161 | 266 729 406 | 114 881 550 | 964 544 827 | (24 880 515) | 1 694 219 090 |
| (111 310 013) | (228 580 518) | (201 562 338) | (97 901 012) | (727 731 485) | 21 524 169 | (1 345 561 197) |
| (30 421 043) | (58 392 892) | (46 086 703) | (13 610 820) | (236 817 867) | - | (385 329 325) |
| (45 702 066) | (79 899 850) | (81 986 651) | (36 117 100) | (181 895 205) | 33 997 188 | (391 603 684) |
| - | 8 418 410 | - | - | (26 645 182) | - | (18 226 772) |
| (35 186 904) | (98 706 186) | (73 488 984) | (48 173 092) | (282 373 231) | (12 473 019) | (550 401 416) |
| 15 504 649 | 17 548 643 | 65 167 068 | 16 980 538 | 236 813 342 | (3 356 346) | 348 657 893 |
| - | - | - | - | (163 125 389) | - | (163 125 389) |
| - | - | (4 191 807) | (1 334 698) | (2 491 741) | (1 491 324) | (9 509 570) |
| - | 6 470 305 | (23 545) | - | 2 665 161 627 | - | 2 671 608 387 |
| - | - | - | - | 113 183 323 | 8 416 864 | 121 600 187 |
| 15 504 649 | 24 018 948 | 60 951 716 | 15 645 840 | 2 849 541 162 | 3 569 195 | 2 969 231 508 |
| (4 161 280) | (10 790 134) | (2 119 733) | 2 219 964 | (83 436 251) | 694 855 | (97 592 579) |
| 1 251 874 557 | 839 164 503 | 516 206 643 | 190 239 150 | 11 087 873 117 | (1 884 852 644) | 12 000 505 326 |
| 270 318 162 | 566 944 250 | 351 106 135 | 123 829 370 | 5 664 286 216 | (353 192 818) | 6 623 291 315 |

16 DIVIDENDS

| |
|--------------------|
| As at 1 January |
| Dividends declared |
| Dividends paid |

| INFLATION ADJUSTED | | HISTORICAL COST | |
|----------------------|----------------------|----------------------|----------------------|
| Group 2021 ZWL | Group 2020 ZWL | Group 2021 ZWL | Group 2020 ZWL |
| - | - | - | - |
| - | - | - | - |
| 38 957 330 | 5 307 862 | 30 000 000 | 3 100 000 |
| (38 957 330) | (5 307 862) | (30 000 000) | (3 100 000) |

During the year ended 31 December 2021, the Board of directors declared a dividend for ZWL30 000 000 in respect of the 2020 financial year which was subsequently paid in July 2021.

17 GOING CONCERN

The Directors consider that the Group has adequate resources to continue operating for the foreseeable future and therefore have continued to adopt the going concern basis in preparing these interim financial statements. The Directors are satisfied that the Group is in a sound financial position and has access to facilities and resources which enable it to meet its foreseeable cash requirements.

18 IMPACT OF COVID-19

The COVID-19 pandemic had a major impact on the economy and the business with the resultant lockdowns and movement restrictions affecting trading activity. As for most businesses, the ZHL Group was not immune to the effects of the COVID-19 pandemic and the emergence of COVID-19 in early March 2020 diverted the Group’s focus to navigating through the impact on its business and prepare for growth in a new normal. The Group implemented the appropriate regulatory measures and guidelines to ensure that the business operates in a safe environment for its customers, staff, and all stakeholders. The COVID-19 pandemic continues to cause disruption and its impact on the business in the short to medium term is uncertain. Nonetheless, there is hope in the long term with the introduction of vaccines. Notwithstanding this, the COVID-19 situation is still an evolving issue whose full financial implications can not be determined with certainty as of the date of signing of these financial statements. The Group will continue to monitor developments in each jurisdiction and business operation and take appropriate measures to mitigate any emerging risks. The Group has put in place adequate mitigatory measures to minimise the impact of COVID-19 on business which in the opinion of the directors will safeguard its going concern status.

19 CONTINGENCIES

19.1 Contingent asset

The Group has had a 49% shareholding in the Zimbabwe United Passenger Company (Private) Limited ("ZUPCO") since 1993. In 2004, the Group expressed intention to exit ZUPCO through disposal of its shareholding to the majority shareholder, Government of Zimbabwe. A settlement agreement was concluded in January 2022.

19.2 Contingent liabilities

19.2.1 Fidelity Life Assurance of Zimbabwe agreed to unconditionally guarantee ZWL37.5 million of the full debt owing to ZB Bank Limited on behalf of Fidelity Life Financial Services (Private) Limited in terms of the overdraft facility that was signed between Fidelity Life Financial Services (Private) Limited and ZB Bank Limited. The guarantee covers part of the overdraft with the amount borrowed plus interest and any other charges and shall remain in place until the overdraft is fully paid. Fidelity Life Assurance of Zimbabwe as the Guarantor will duly pay to the Lender ZB Bank Limited the debt and liabilities in terms of the ZB Bank Limited overdraft facility agreement in the event of default by Fidelity Life Financial Services (Private) Limited up to the guaranteed amount.

19.2.2 Malawi Revenue Authority (MRA) tax audit

The tax authorities conducted an audit exercise for the four year period ended 31 December 2020 whose scope was on Pay-As-You-Earn (PAYE), Fringe Benefit Tax (FBT), Withholding Tax (WHT MKW1.48 billion), Non-resident Tax (NRT), Corporate tax and Value Added Tax (VAT). The assessment exercise resulted in additional taxes and penalties amounting to K2.416 billion of which MKW1.48 billion is being contested as captured below.

| | Additional taxes | Penalties | Total |
|--------------------------|------------------|-----------|-----------|
| Taxes being disputed | | | |
| Withholding Taxes (WHT) | 737 149 | 510 270 | 1 247 419 |
| Non-resident Taxes (NRT) | 135 029 | 100 317 | 235 346 |
| Total | 872 178 | 610 587 | 1 482 765 |

Reinsurance is a highly specialised business field by its nature and it was the first time that the tax authorities had undertaken such a tax audit on a reinsurance company. The assessment of Value Added tax, Withholding tax and Non-resident on reinsurance commissions had been done without proper understanding of the nature, operations of the reinsurance industry and the industry’s definition of commission. This resulted in different interpretation and application of the tax law and inappropriate definition of reinsurance terminology such as commissions. A tax consultant has been engaged to review and respond to the tax audit findings and apply for the discharge and waiver of tax penalties.

19.3 Litigations

19.3.1 CFI Holdings Limited ("CFI") filed Summons in the High Court challenging the disposal of its 80.77% shareholding in Langford Estates to Fidelity Life Assurance of Zimbabwe Limited which was concluded through a Debt Assumption and Compromise Agreement in 2015. The matter is pending resolution in the High Court. The directors have engaged external legal counsel to defend the interests of Fidelity Life Assurance of Zimbabwe Limited.

19.3.2 On 17 January 2022 the company received a writ of summons from Madison General Insurance Zambia claiming USD67 250.86 and USD268 127.15 against Emeritus Re- Zimbabwe and South Africa (together Emeritus Re) respectively for breach of insurance contract. The total amount is USD375 378.01. The matter is pending in the High Court of Zambia.

NOTES TO THE ABRIDGED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 *(continued)*

20 EVENTS AFTER THE REPORTING DATE

On 7 May 2022, the Government announced measures to restore confidence, preserve value and restore macro-economic stability. These measures seek to stabilise the foreign exchange rate, inflation and macro-economic stability through confidence building, clearance of foreign auction backlogs, continuation of partial dollarisation.

The Group will monitor the developments from the announcement and take appropriate action to mitigate any emerging risks.

Approval of the Group Financial Statements

The Group financial statements were approved by the Board of Directors for issue on 12 May 2022 and the directors have power to amend and/or reissue the financial statements should circumstances requiring that arise.

Declaration of Dividend

In line with the Group’s dividend policy and after careful consideration of the Group’s level of profitability and reserves, economic down turn as a result of the COVID-19 pandemic and associated risks to business growth, the Directors have found it prudent to declare a total dividend payable of ZWL102.6million or 5.64 Zimbabwe cents per share (2020: ZWL30 million). Although the dividend is below the Group’s expected dividend policy of two and half times cover, the Directors’ recognise the need for frequent dividend distributions as a culture of mutual support and confidence between the Company and its shareholders.



INDEPENDENT AUDITOR'S REPORT

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To the members of Zimre Holdings Limited

Report on the Audit of the Inflation Adjusted Consolidated Financial Statements

Adverse Opinion

We have audited the inflation adjusted consolidated financial statements of Zimre Holdings Limited ("the Group") set out on pages 16 to 92, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant Group accounting policies.

In our opinion, because of the significance of the matters described in the *Basis for Adverse Opinion* section of our report, the inflation adjusted consolidated financial statements do not present fairly, in all material respects, the financial position of Zimre Holdings Limited as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance with International Accounting Standard 21 -The Effects of Changes in Foreign Exchange Rates

During the current and prior financial years, the foreign currency denominated transactions and balances of the Zimbabwe operations and the Group's foreign operations were translated into ZWL using the interbank exchange rates/foreign currency auction rates which were not considered appropriate spot rates for translations as required by IAS 21. The opinion on the prior year consolidated financial statements was modified in respect of this matter and the misstatements have not been corrected in the consolidated financial statements for the year ended 31 December 2021.

Had the consolidated financial statements been prepared in accordance with the requirements of IAS 21, many elements would have been materially different. The effects of the non-compliance with the requirements of IAS 21 have been considered to be material and pervasive to the consolidated financial statements as a whole.

Non-compliance with International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies

The Directors have applied the IAS 29 – Financial Reporting in Hyperinflationary Economies with effect from 1 January 2019 to 31 December 2021. However, its application was based on prior and current year's financial statements which was not in compliance with IAS 21 as described above. Had the correct base numbers been used, most elements of the consolidated financial statements would have been materially different. The impact of the departure from the requirements of these standards is considered material and pervasive to the consolidated financial statements.

Inclusion of the unaudited financial statements of Fidelity Life Assurance of Zimbabwe Limited in the Group financial statements of Zimre Holdings Limited

The Group financial statements include unaudited financial statements of Fidelity Life Assurance of Zimbabwe Limited, a significant component of Zimre Holdings Limited. As a result, we were unable to satisfy ourselves that all necessary adjustments and disclosures have been made to the unaudited financial statements of Fidelity Life Assurance of Zimbabwe Limited for the year ended 31 December 2021. Accordingly, we were unable to determine the effect this might have on the Group financial statements of Zimre Holdings Limited for the year ended 31 December 2021.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Emphasis of matter

We draw attention to **Note 39** to these inflations adjusted annual financial statements which describes the uncertainties related to the possible effects of the COVID-19 outbreak on the Group. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

| Areas of focus | How our audit addressed the key audit matter |
|---|---|
| Gross premiums recognition | <p data-bbox="276 472 823 831"> <ul style="list-style-type: none"> There is a presumed fraud risk with regards revenue recognition as guided by International Standard on Auditing (ISA 240: Revised). There is a risk that gross premiums are presented at amounts higher than what has been actually generated by the Group. This is a significant risk and accordingly a key audit matter. </p> <p data-bbox="842 465 1503 741"> Our audit procedures incorporated a combination of tests of the Group's controls relating to gross premiums recognition and the appropriateness of premiums recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but were not limited to the following: </p> <ul data-bbox="853 763 1503 1637" style="list-style-type: none"> Reviewed that gross premiums recognition criteria is appropriate and in line with the requirements of IFRS 4. Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. Tested the design and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of premiums transactions. The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which mainly consisted of testing individual transactions by reconciling them to external sources (supporting documentation). Performed cut-off tests on year end balances to ensure premiums are recognised in the correct period. Analytical procedures and assessed the reasonableness of explanations provided by management. <p data-bbox="842 1671 1503 1749"> We satisfied ourselves that the recognition of gross premiums is appropriate. </p> |
| Adequacy of allowance for credit losses on trade and other receivables | <p data-bbox="842 1800 1503 1872"> Assessed management's allowance for credit losses, which included the following: </p> <ul data-bbox="842 1883 1503 1995" style="list-style-type: none"> We performed an assessment of the modelling techniques and methodology used against the requirements of IFRS 9; |

| Areas of focus | How our audit addressed the key audit matter |
|--|---|
| <p>The Group has trade and other receivables amounting to ZWL 2 263 741 001 (2020: ZWL 2 008 719 017).</p> <p>This was considered an area of focus as IFRS 9 requires management to exercise significant judgement using subjective assumptions when determining both timing and amounts of the impairment provision for trade and other receivables.</p> <p>Key areas of judgement included:</p> <ul style="list-style-type: none"> • The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Group's expected credit loss model; and • Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward looking macroeconomic factors (e.g. exchange rates, interest rates, gross domestic product growth, inflation). | <ul style="list-style-type: none"> • We assessed and tested the modelling assumptions with a focus on the: <ul style="list-style-type: none"> i. Key modelling assumptions adopted by the Group; ii. Reliability of the historical data collected; and iii. appropriateness of macroeconomic factors used. • We examined a sample of exposures and performed procedures to evaluate the: <ul style="list-style-type: none"> i. Timely identification of exposures with a significant deterioration in credit quality; and ii. Expected loss calculation for exposures assessed on an individual basis. • We assessed the adequacy of the disclosures in the financial statements. <p>Based on our audit work performed, the assumptions used by management were appropriate.</p> |
| <p>Valuation of insurance/reassurance contract liabilities</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Data is a key input into the valuation process. The calculation of insurance contract liabilities has a number of inputs, which are reliant on various processes and systems for accurate and complete data. A breakdown of these processes and systems could result in a misstatement of the value of insurance contracts. • The valuation of the Group insurance contract liabilities involves complex calculations, significant judgements, • Assessed the design and operating effectiveness of the key aspects of the control environment over data integrity, including an evaluation of the effectiveness of the information technology (IT) environment over the policy administration systems and the actuarial valuation systems, together with the data extraction and conversion processes. • Assessed the design and operating effectiveness of the key controls of the actuarial valuation process for the setting and updating of actuarial assumptions and the process for model and methodology changes. |

| Areas of focus | How our audit addressed the key audit matter |
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| <p>and long and short term estimates and assumptions.</p> <ul style="list-style-type: none"> • The methodology involves judgements about future events, both internal and external to the Group; and the value of the Group insurance contract liabilities is significant to the Consolidated financial statements. • The main valuation assumptions include mortality, expenses, expense inflation, discount rates and lapses, previous experience in claim patterns, claim settlement patterns, trends in claims frequency. | <ul style="list-style-type: none"> • Reviewed management's key assumptions around mortality, longevity, disability, morbidity, persistency and expenses and assess the results of management's experience analyses. • Compared the mortality tables against the standard actuarial mortality tables to assess the reasonableness of the assumptions. • Assessed whether discount rates used reflect the nature of the assets backing the insurance contract liabilities and also whether they reflect the conditions of the market in which these assets are held. • Compared the actual emerging claims for prior years against the provision for the same period to assess the reasonableness of management's previous provisions. <p>We satisfied ourselves that the valuation of insurance/reassurance contract liabilities is appropriate.</p> |

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' responsibility for financial reporting', 'historical cost information' and 'Company statements', which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated 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 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 Directors for the consolidated financial statements

Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Directors are responsible for assessing the Group'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 Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 business activities within the group to express an opinion on the 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 those charged with governance 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.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matters described in the *Basis for Adverse Opinion*, the consolidated financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this independent auditor's report is Edmore Chimhowa.



Edmore Chimhowa
Partner

Registered Public Auditor (PAAB No: 0470)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

HARARE

02 June.....2022