

# OLD MUTUAL ZIMBABWE LIMITED

## Unaudited Interim Results

### For the six months ended 30 June 2017



## CHAIRMAN'S STATEMENT

### Business performance summary

- Total revenue growth of 175% to US\$384.9 million (H1 2016: US\$139.8 million)
- Adjusted operating profit before tax growth of 11% to US\$36.8 million (H1 2016: US\$33.1 million)
- Gross loans and advances of US\$615.9 million (H1 2016: US\$602.7 million)
- Total assets grew 10% in the six months ended 30 June 2017
- Net client cash flow of US\$33.2 million (H1 2016: US\$32.9 million)
- Asset management sales of US\$153.4 million (H1 2016: US\$148.7 million)

### Environment

The IMF estimates that GDP grew by 0.6% in 2016 and projects growth of 2% in 2017. Government revised its 2017 GDP growth forecast up from 1.7% to 3.7%. The 2017 growth projection is primarily premised on an agriculture sector rebound following two consecutive drought years and firm commodity prices in the mining sector. Going forward, growth prospects are threatened by slow implementation of policy reforms and the widening budget deficit.

General monetary concerns persisted, with signs of inflationary pressures re-emerging in the economy. Also supporting inflationary pressures are supply side constraints arising from foreign currency shortages. Inflation turned positive in February 2017, before reaching a 43 month peak of 0.75% in May 2017.

The emerging inflationary pressures, concerns over the sustainability of the budget deficit, coupled with low interest rates, are discouraging investors from holding monetary assets. As a result, portfolio shifting from monetary assets to real assets has supported the performance of Zimbabwe Stock Exchange (ZSE) listed stocks, despite notable downward pressure on corporate earnings. The ZSE industrial index firmed 36% between December 2016 and June 2017, with overall market capitalization gaining 41% to US\$5.9 billion over the same period.

### Financial performance

Adjusted operating profit (AOP), which highlights the performance of the core business operations, was US\$36.8 million, which is a growth of 11% on 2016, buoyed by life assurance and asset management profits. Life profits were driven significantly by improved risk profits as a result of an improved claims ratio. In addition, capital charges on funds administered, increased on the back of a higher asset base following the performance of the ZSE. The asset management business experienced higher fee income in the period under review than in the prior year due to the recovery of the stock market. The banking business however was negatively affected by decreased net interest income on loans and advances due to factors including margin pressure and the implementation of a maximum cap on lending rates. The first six months of 2016 also saw the substantial recovery of non-performing loans sold to the Zimbabwe Asset Management Corporation (Private) Limited (ZAMCO), which was not repeated during the first half of 2017. These factors contributed to the Central Africa Building Society (CABS), recording net a surplus of US\$16.5 million compared to US\$20.8 million in June 2016. In the general insurance business, underwriting margins remained robust despite higher claims than in the prior period.

The Group's operating expenses growth was contained at 11% despite significant investment in IT systems, additional staff recruitment and the rise in costs associated with enabling the use of plastic money and other digital payment channels.

IFRS Profit after tax grew by 614% from US\$12.5 million in 2016 to US\$89.4 million in 2017. This was driven by a good operating performance as already reported, as well as the strong performance of the stock market currently being experienced in 2017, which has led to a significant increase in unrealised investment gains compared to the same period in 2016. Total assets increased by 10% to US\$2.4 billion mainly due to the growth in investments and securities while total liabilities grew by 8% which was largely attributable to the growth in policyholder liabilities, in line with the growth in matching assets. Total actual claims paid in the life business are 10% below prior year with total wholesale benefits at US\$48.8 million in 2017 compared to US\$55.8 million in 2016. In the general insurance business however, total claims expenses were 17% above prior year with the main contributor being motor class claims as a result of the heavy rains experienced in the first half of the year.

Old Mutual Zimbabwe Limited (OMZIL) and its subsidiaries were adequately capitalised as at 30 June 2017.

### Operations

In the first half of the year, the business focused on identifying opportunities for growth, improving customer service and preserving value for customers.

Progress was made in diversifying our investment portfolio and supporting economic growth across various sectors in the economy, with the Kupinga Hydroelectric project in Chipinge, which was funded by Old Mutual, having been completed during the six months under review. The conversion of additional housing units is progressing under the Budiriro low cost housing project to suit customer requirements. The construction of the SME business centre opposite Eastgate in Harare is also progressing well and is due for completion in 2018.

The operations of our microfinance company started in May 2017. This business will be integral to our Financial Inclusion strategy going forward.

In line with trends supporting increased use of plastic money and digital banking channels in the economy, CABS continued with the deployment of more point of sale devices into the market. The CABS Mobile App was also upgraded in 2017 to improve customer experience.

A new retail life assurance administration system was implemented, while in the general insurance business, we partnered with the Zimbabwe National Roads Administration (ZINARA) to issue motor vehicle licences along with car insurance, thus improving customer convenience. We see Information Technology as key in unlocking further operating efficiencies in our business, as well as for improved service delivery.

### Corporate Governance

The Board of Directors and Board sub-committees of OMZIL, as well as those of its subsidiary companies, met regularly during the period under review and have continued to exercise effective oversight over the Group's operations.

### Responsible business

The Group maintained its emphasis on being a Responsible Business guided by our 5 pillars namely: Responsible Investment, Responsibility to Customers, Responsible Environmental Management, Responsibility to Employees, and Responsibility to Communities. In line with our customer-centric focus, the Group has begun rolling out three more Green Zones, our one-stop financial services shop concept, at Mutual Gardens in Harare, as well as in Chiredzi and Masvingo.

### Outlook

The macro-economic environment is expected to continue facing challenges in the short and medium term. We however believe that Zimbabwe offers good prospects for economic recovery and growth in the long term. We continue to focus on building a competitive business that will be best positioned to continue to deliver sustainable value to customers and shareholders into the future.

**J!Gawaxab**  
Chairman

**9 August 2017**



RECONCILIATION OF ADJUSTED OPERATING PROFIT BEFORE TAX TO PROFIT BEFORE TAX  
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Unaudited Group 30 June 2017 US\$000	Unaudited Group 30 June 2016 US\$000
Profit before tax	101,769	15,941
<b>Adjusting items</b>	(64,961)	17,180
Short-term fluctuations in shareholder investment return	(58,951)	17,040
Policyholder tax	(6,010)	140
<b>Adjusted operating profit before tax</b>	<b>36,808</b>	<b>33,121</b>

SUMMARISED GROUP STATEMENT OF PROFIT OR LOSS  
FOR THE SIX MONTHS ENDED 30 JUNE 2017

Notes	Unaudited Group 30 June 2017 US\$000	Unaudited Group 30 June 2016 US\$000
<b>Revenue</b>		
Gross earned premiums	4 95,251	96,716
Outward reinsurance	(4,199)	(4,886)
Net earned premiums	91,052	91,830
Investment returns	5 216,483	(24,465)
Banking interest and similar income	6 46,510	44,931
Fee, commission and income from service contracts	7 28,902	26,474
Other income	1,989	1,029
<b>Total</b>	<b>384,936</b>	<b>139,799</b>
<b>Expenses</b>		
Claims and benefits (Including change in insurance contract liabilities)	(192,725)	(65,274)
Reinsurance recoveries	1,791	542
Net claims incurred	(190,934)	(64,732)
Change in provision for investment contract liabilities	(15,096)	4,103
Banking interest and similar expenses	6 (17,097)	(17,498)
Credit loss and other impairment charges	(2,895)	1,660
Fees, commission and other acquisition expenses	(8,460)	(3,700)
Other operating and administration expenses	(48,685)	(43,691)
<b>Profit before tax</b>	<b>101,769</b>	<b>15,941</b>
Income tax expense	(12,412)	(3,424)
<b>Profit for the half year</b>	<b>89,357</b>	<b>12,517</b>
Attributable to minority interests	2,699	980
Attributable to equity holders of parent company	86,658	11,537
<b>Earnings per share</b>		
Basic and diluted (cents)	8 26.1	3.5

SUMMARISED GROUP STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Unaudited Group 30 June 2017 US\$000	Unaudited Group 30 June 2016 US\$000
<b>Profit after tax for the half year</b>	<b>89,357</b>	<b>12,517</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Property revaluation	793	(1,445)
Shadow accounting	(612)	(135)
Regulatory impairment allowance	583	(8,101)
<b>Total comprehensive income for the half year</b>	<b>90,121</b>	<b>2,836</b>
Total comprehensive income attributable to:		
Owners of parent company	87,422	1,856
Non-controlling interests	2,699	980
	<b>90,121</b>	<b>2,836</b>

SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2017

Notes	Unaudited Group 30 June 2017 US\$000	Audited Group 31 December 2016 US\$000
<b>Assets</b>		
Property and equipment	90,741	92,466
Investment property	391,713	392,555
Investments and securities	9 1,072,927	801,700
Loans and advances	10 594,326	583,252
Other assets	103,935	132,713
Cash and cash equivalents	11 137,162	161,851
<b>Total assets</b>	<b>2,390,804</b>	<b>2,164,537</b>
<b>Liabilities</b>		
Policyholder liabilities	12 1,113,491	977,119
Deferred tax liabilities	41,244	30,298
Credit lines	22,043	28,654
Amounts owed to bank depositors	13 626,691	624,587
Other liabilities	129,660	124,931
<b>Total liabilities</b>	<b>1,933,129</b>	<b>1,785,589</b>
<b>Net assets</b>	<b>457,675</b>	<b>378,948</b>
<b>Shareholders' equity</b>		
Share capital and premium	1	1
Other reserves	119,340	119,468
Retained earnings	324,799	247,192
<b>Net shareholders' equity</b>	<b>444,140</b>	<b>366,661</b>
Minority interests	13,535	12,287
<b>Total equity</b>	<b>457,675</b>	<b>378,948</b>

SUMMARISED GROUP STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2017

Unaudited 30 June 2017	Share capital & premium US\$000	Other reserves US\$000	Retained earnings US\$000	Net equity total US\$000	Non- controlling interests US\$000	Total equity US\$000
<b>Shareholders' equity at beginning of the period</b>						
Profit for the half year	-	-	86,658	86,658	2,699	89,357
Other comprehensive income	-	793	-	793	-	793
Property revaluation	-	(612)	-	(612)	-	(612)
Shadow accounting	-	(583)	583	-	-	-
Regulatory impairment allowance	-	(402)	87,241	86,839	2,699	89,538
Total comprehensive income	-	274	-	274	-	274
Other movements	-	-	(9,634)	(9,634)	(1,451)	(11,085)
Dividends paid	-	-	-	-	-	-
<b>Shareholders' equity at end of the period</b>	<b>1</b>	<b>119,340</b>	<b>324,799</b>	<b>444,140</b>	<b>13,535</b>	<b>457,675</b>
<b>Unaudited 30 June 2016</b>						
<b>Shareholders' equity at beginning of the period</b>						
Profit for the half year	-	-	11,537	11,537	980	12,517
Other comprehensive income	-	(1,445)	-	(1,445)	-	(1,445)
Property revaluation	-	(135)	-	(135)	-	(135)
Shadow accounting	-	8,100	(8,100)	-	-	-
Regulatory impairment allowance	-	6,520	3,437	9,957	980	10,937
Total comprehensive income	-	3,003	-	3,003	-	3,003
Other movements	-	-	(11,231)	(11,231)	(1,983)	(13,214)
Dividends paid	-	-	-	-	-	-
<b>Shareholders' equity at end of the period</b>	<b>1</b>	<b>137,911</b>	<b>171,437</b>	<b>309,349</b>	<b>9,511</b>	<b>318,860</b>

SUMMARISED GROUP STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Unaudited Group 30 June 2017 US\$000	Unaudited Group 30 June 2016 US\$000
Net cash flow from operating activities	50,266	56,776
Net cash flow from investing activities	(63,788)	(65,750)
Net cash flow from financing activities	(11,085)	(13,214)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(24,607)</b>	<b>(22,188)</b>
Effects of exchange rate changes on cash and cash equivalents	(82)	59
Cash and cash equivalents at beginning of the period	161,851	137,006
<b>Cash and cash equivalents at the end of the period</b>	<b>137,162</b>	<b>114,877</b>

NOTES TO THE INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2017

**1 General information**  
Old Mutual Zimbabwe Limited (OMZIL) and its subsidiaries are incorporated in Zimbabwe. These summarised consolidated interim results as at and for the six months ended 30 June 2017 comprise the Company and its subsidiaries (together referred to as the 'Group'). The group's main activities include life assurance, short term insurance, property investments, asset management and conducting building society activities which include mortgage lending, deposit acceptance and investing. OMZIL is a 75% owned subsidiary of OM Zimbabwe Holdco Limited which is ultimately a wholly owned subsidiary of Old Mutual plc.

**2 Basis of preparation**  
The financial statements provide information about the financial position, results of operations and changes in the financial position of the Group. They are based on the statutory records that are maintained under the historical cost convention with the exception of investments (which are included at fair valuation), insurance contract provisions and provision for investment contracts with discretionary participating features (which are calculated on a Financial Soundness Valuation Basis). The accounting policies have been consistently applied to all periods presented. The Groups' functional and presentation currency is the United States Dollar (US\$).

**3 Segment information**  
**A Summarised group statement of profit or loss**

30 June 2017	Life Assurance \$000	Banking \$000	General Insurance \$000	Asset Management \$000	Holding Company & Other \$000	Consolidation Adjustments \$000	Total \$000
<b>Revenue</b>							
Net earned premiums	76,830	-	14,222	-	-	-	91,052
Investment returns	182,689	-	5,020	218	50,747	(22,191)	216,483
Banking interest and similar income	-	46,510	-	-	-	-	46,510
Fee, commission and other income	2,843	23,762	46	8,670	7,939	(12,369)	30,891
	<b>262,362</b>	<b>70,272</b>	<b>19,288</b>	<b>8,888</b>	<b>58,686</b>	<b>(34,560)</b>	<b>384,936</b>
<b>Expenses</b>							
Net claims and benefits incurred (including change in investment contract liabilities)	(198,936)	-	(7,094)	-	-	-	(206,030)
Banking interest and similar expenses	-	(17,097)	-	-	-	-	(17,097)
Credit loss and other impairment charges	-	(2,895)	-	-	-	-	(2,895)
Fees, commission and other acquisition expenses	(3,724)	(5,831)	(1,674)	(1,111)	(290)	3,170	(8,460)
Other operating and administrative expenses	(9,276)	(27,933)	(3,252)	(5,063)	(12,360)	9,199	(48,685)
<b>Profit before tax</b>	<b>50,426</b>	<b>16,516</b>	<b>7,268</b>	<b>3,714</b>	<b>46,036</b>	<b>(22,191)</b>	<b>101,769</b>
<b>Income tax expense</b>	<b>(6,818)</b>	<b>-</b>	<b>(1,706)</b>	<b>(1,300)</b>	<b>(3,671)</b>	<b>1,083</b>	<b>(12,412)</b>
<b>Profit for the half year</b>	<b>43,608</b>	<b>16,516</b>	<b>5,562</b>	<b>2,414</b>	<b>42,365</b>	<b>(21,108)</b>	<b>89,357</b>

30 June 2016	Life Assurance \$000	Banking \$000	General Insurance \$000	Asset Management \$000	Holding Company & Other \$000	Consolidation Adjustments \$000	Total \$000
<b>Revenue</b>							
Net earned premiums	78,247	-	13,583	-	-	-	91,830
Investment returns	(21,746)	355	340	102	12,745	(16,261)	(24,465)
Banking interest and similar income	-	44,931	-	-	-	-	44,931
Fee, commission and other income	3,933	21,666	23	7,659	7,244	(13,022)	27,503
	<b>60,434</b>	<b>66,952</b>	<b>13,946</b>	<b>7,761</b>	<b>19,989</b>	<b>(29,283)</b>	<b>139,799</b>
<b>Expenses</b>							
Net claims and benefits incurred (including change in investment contract liabilities)	(49,865)	-	(6,064)	-	-	(4,700)	(60,629)
Banking interest and similar expenses	-	(17,498)	-	-	-	-	(17,498)
Credit loss and other impairment charges	-	1,660	-	-	-	-	1,660
Fees, commission and other acquisition expenses	(3,191)	-	(1,224)	(109)	(237)	1,061	(3,700)
Other operating and administrative expenses	(8,609)	(30,363)	(3,507)	(5,537)	(6,761)	11,086	(43,691)
<b>Profit before tax</b>	<b>(1,231)</b>	<b>20,751</b>	<b>3,151</b>	<b>2,115</b>	<b>12,991</b>	<b>(21,836)</b>	<b>15,941</b>
<b>Income tax expense</b>	<b>221</b>	<b>-</b>	<b>(1,000)</b>	<b>(879)</b>	<b>(2,248)</b>	<b>482</b>	<b>(3,424)</b>
<b>Profit for the half year</b>	<b>(1,010)</b>	<b>20,751</b>	<b>2,151</b>	<b>1,236</b>	<b>10,743</b>	<b>(21,354)</b>	<b>12,517</b>

**B Summarised group statement of financial position**

30 June 2017	Life Assurance \$000	Banking \$000	General Insurance \$000	Asset Management \$000	Holding Company & Other \$000	Consolidation Adjustments \$000	Total \$000
Property and equipment	26,764	60,130	249	1,576	2,022	-	90,741
Investment property	369,162	22,071	-	-	480	-	391,713
Investments and securities	901,610	217,294	32,710	5,588	239,039	(323,314)	1,072,927
Loans and advances	-	594,326	-	-	-	-	594,326
Other assets	24,804	84,482	11,016	4,172	(470)	(20,069)	103,935
Cash and cash equivalents	34,970	97,745	1,361	1,483	4,935	(3,332)	137,162
<b>Total assets</b>	<b>1,357,310</b>	<b>1,076,048</b>	<b>45,336</b>	<b>12,819</b>	<b>246,006</b>	<b>(346,715)</b>	<b>2,390,804</b>
Policyholder liabilities	1,099,059	-	14,432	-	-	-	1,113,491
Deferred tax liabilities	38,169	-	669	104	2,302	-	41,244
Credit lines	-	22,043	-	-	-	-	22,043
Amounts owed to bank depositors	-	855,686	-	-	-	(228,995)	626,691
Other liabilities	15,195	25,381	1,746	3,258	98,285	(14,205)	129,660
<b>Total liabilities</b>	<b>1,152,423</b>	<b>903,110</b>	<b>16,847</b>	<b>3,362</b>	<b>100,587</b>	<b>(243,200)</b>	<b>1,933,129</b>
<b>Net assets</b>	<b>204,887</b>	<b>172,938</b>	<b>28,489</b>	<b>9,457</b>	<b>145,419</b>	<b>(103,515)</b>	<b>457,675</b>

31 December 2016	Life Assurance \$000	Banking \$000	General Insurance \$000	Asset Management \$000	Holding Company & Other \$000	Consolidation Adjustments \$000	Total \$000
Property and equipment	27,503	60,687	341	1,699	2,236	-	92,466
Investment property	369,475	22,251	349	-	480	-	392,555
Investments and securities	725,616	205,940	15,887	3,709	217,439	(366,891)	801,700
Loans and advances	-	583,252	-	-	-	-	583,252
Other assets	33,874	79,114	7,442	4,865	43,453	(36,035)	132,713
Cash and cash equivalents	15,985	121,851	15,351	1,498	7,166	-	161,851
<b>Total assets</b>	<b>1,172,453</b>	<b>1,073,095</b>	<b>39,370</b>	<b>11,771</b>	<b>270,774</b>	<b>(402,926)</b>	<b>2,164,537</b>
Policyholder liabilities	964,676	-	12,443	-	-	-	977,119
Deferred tax liabilities	29,020	-	669	3	2,360	(1,085)	30,298
Credit lines	-	28,654	-	-	-	-	28,654
Amounts owed to bank depositors	-	845,047	-	-	-	(220,460)	624,587
Other liabilities	17,562	23,312	1,126	4,105	140,488	(61,662)	124,931
<b>Total liabilities</b>	<b>1,011,258</b>	<b>897,013</b>	<b>13,569</b>	<b>4,108</b>	<b>142,848</b>	<b>(283,207)</b>	<b>1,785,589</b>
<b>Net assets</b>	<b>161,195</b>	<b>176,082</b>	<b>25,801</b>	<b>7,663</b>	<b>127,926</b>	<b>(119,719)</b>	<b>378,948</b>



	Unaudited Group 30 June 2017 US\$000	Unaudited Group 30 June 2016 US\$000
<b>4 Gross earned premiums</b>		
<b>Gross premiums and investment contract deposits written</b>		
Short term insurance	17,621	18,263
Life assurance	77,630	78,453
	<b>95,251</b>	<b>96,716</b>
<b>Comprising</b>		
Insurance contracts	20,555	21,176
Investment contracts with discretionary participating features	57,075	57,277
General insurance	17,621	18,263
<b>Total gross earned premiums</b>	<b>95,251</b>	<b>96,716</b>
<b>5 Investment returns</b>		
Dividend income	13,812	10,898
Interest income	11,618	10,795
Net rental income	11,016	3,102
Fair value gains and losses	180,037	(49,260)
<b>Total investment returns</b>	<b>216,483</b>	<b>(24,465)</b>
<b>6 Banking interest and similar income</b>		
<b>Interest income</b>		
Fixed deposits	9,382	7,799
Loans and advances	37,128	37,132
<b>Total income</b>	<b>46,510</b>	<b>44,931</b>
<b>Interest Expense:</b>		
Credit lines	(1,265)	(1,887)
Savings certificates	(15,611)	(14,795)
Term deposits	(4)	(21)
Savings deposits	(217)	(795)
<b>Total interest expense</b>	<b>(17,097)</b>	<b>(17,498)</b>
<b>Net Interest Income</b>	<b>29,413</b>	<b>27,433</b>
<b>7 Fee, commission and income from service contracts</b>		
Commission	6,528	1,927
Service fees	13,522	13,818
Administration fees	4,171	5,051
Total fee income and commission from banking operations	24,221	20,796
Asset management and long term business	4,681	5,678
	<b>28,902</b>	<b>26,474</b>

**8 Earnings per share**  
The calculation of basic earnings per share at 30 June 2017 was based on the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares adjusted for the effects of all potentially dilutive ordinary shares. The Group had no potentially dilutive ordinary shares.

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

	30 June 2017	30 June 2016
<b>8.1 Basic and diluted earnings per share (US cents)</b>		
<b>Earnings</b>		
Basic and diluted earnings attributable to equity holders of the parent (\$000)	26.1	3.5
<b>Number of shares used in calculations (weighted) (000)</b>	86,658	11,537
	332,047	332,047

	Unaudited Group 30 June 2017 US\$000	Audited Group 31 December 2016 US\$000
<b>9 Investments and securities</b>		
Equities	636,206	480,255
Deposits and money market	175,205	105,903
Treasury bills	143,352	88,931
Other	118,164	126,611
	<b>1,072,927</b>	<b>801,700</b>
<b>10 Loans and advances</b>		
Gross amount owing	615,916	602,700
Impairment	(21,590)	(19,448)
	<b>594,326</b>	<b>583,252</b>
<b>Concentration - gross loans and advances</b>		
Housing	242,880	194,020
Individuals	110,531	124,610
Commercial and industrial	262,505	284,070
	<b>615,916</b>	<b>602,700</b>
<b>Maturity analysis - gross loans and advances</b>		
On demand to 3 months	87,174	86,429
3 months to 12 months	190,760	188,873
1 year to five years	291,787	281,948
Over 5 years	46,195	45,450
	<b>615,916</b>	<b>602,700</b>
<b>11 Cash and cash equivalents</b>		
Cash at bank and on hand	137,162	161,851
	<b>137,162</b>	<b>161,851</b>
<b>12 Long-term business policyholder liabilities</b>		
Opening balance	977,119	857,174
Change in technical provisions	136,372	119,945
Closing balance	1,113,491	977,119
<b>13 Amounts owed to bank depositors</b>		
Savings certificates	316,157	422,061
Term deposits	727	715
Savings deposits	309,807	201,811
	<b>626,691</b>	<b>624,587</b>
<b>Maturity analysis</b>		
On demand to 3 months	225,232	457,198
3 months to 6 months	76,160	2,498
6 months to 1 year	28,105	52,465
1 year to five years	251,353	62,459
Over 5 years	45,841	49,967
	<b>626,691</b>	<b>624,587</b>
<b>14 Risk Management Overview</b>		

Included in cash and cash equivalents are bond notes which the Reserve Bank Of Zimbabwe began issuing gradually into the economy in November 2016 to help ease the shortage of physical cash in the country. The bond notes have been included under cash and cash equivalents and are pegged at an exchange rate of 1:1 with the US\$.

	Unaudited Group 30 June 2017 US\$000	Audited Group 31 December 2016 US\$000
<b>12 Long-term business policyholder liabilities</b>		
Opening balance	977,119	857,174
Change in technical provisions	136,372	119,945
Closing balance	1,113,491	977,119
<b>13 Amounts owed to bank depositors</b>		
Savings certificates	316,157	422,061
Term deposits	727	715
Savings deposits	309,807	201,811
	<b>626,691</b>	<b>624,587</b>
<b>Maturity analysis</b>		
On demand to 3 months	225,232	457,198
3 months to 6 months	76,160	2,498
6 months to 1 year	28,105	52,465
1 year to five years	251,353	62,459
Over 5 years	45,841	49,967
	<b>626,691</b>	<b>624,587</b>

**14 Risk Management Overview**  
OMZIL's principal risks have been determined by assessing the possible effects on its reputation, its stakeholders, its earnings, capital and liquidity, and the future sustainability of its business. The risk landscape is changing rapidly, particularly in the context of the persistent volatile, uncertain, complex and ambiguous global and local macro-economic environment. OMZIL's business is also affected by a number of risks inherent to the products it offers and the industry it operates in, such as exposure to market levels, interest rates and insurance liability risk. The risks are closely monitored by OMZIL Group management and reported to the Board on a regular basis. OMZIL has a comprehensive set of policies and procedures governing the mitigation of the following risks:

- Liability Risk
- Market Risk
- Credit and Counterparty Risk
- Liquidity Risk
- Compliance and Regulatory Risk
- Operational Risk
- Strategic Risk



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