

### CHAIRMAN'S STATEMENT

#### ECONOMIC OVERVIEW

According to the Ministry of Finance, the Gross Domestic Product was expected to grow by 7.8% driven by agriculture, mining and improved capacity utilisation within the manufacturing sector. The economy witnessed growth in reserve money supply by 38.3%(2020: 33.7%) while bank lending and deposit rates continued to rise. Businesses in general have adjusted to the limitations caused by the COVID-19 pandemic, while inflation continued to slow down during the year. The year on year inflation rate improved significantly when compared to the previous year closing the year at 60.7% (2020: 348.6%) largely due to improved control of money supply and other stabilisation measures by fiscal and monetary authorities. Cumulatively, the Zimbabwe Stock Exchange All Share Index returned 310.5% in 2021 (2020: 47.71%). This compared favourably against the inflation rate and currency exchange rate movements recorded over the same periods. The property market continued to experience supply demand imbalances limiting space absorption. Rental pricing models continue to evolve, with property owners seeking to hedge against inflation and currency depreciation risk. This is largely being achieved by shortening rent review periods, while the price movements reflect inflation and currency depreciation trends.

In Mozambique, economic activity was also negatively affected by the escalating conflict in the northern parts, causing severe delays to development of major liquefied natural gas projects. The projects were expected to drive the growth in GDP in 2021.

#### MONETARY DEVELOPMENTS

The country operated in multi-currency environment throughout the year.

#### HYPERINFLATIONARY REPORTING

The country continued to operate in a hyperinflationary environment and as a result the pronouncement issued by the Public Accountants and Auditors Board ("PAAB") in 2019 continued to apply. As a result, International Accounting Standard ("IAS") 29 - Financial Reporting in Hyperinflationary Economies has been "used in the preparation of the group and the company's financial statements. The financial statements prepared in line with this requirement are the primary" financial statements and the historical financial statements have been provided for information purposes.

#### SUSTAINABILITY

Operating in a sustainable manner is core to the strategic ambition of the Group. To this end, NicozDiamond Insurance Limited ("NicozDiamond") contributed to the implementation of a 150 Kilo Watts renewable energy solution at First Mutual Park the headquarters of the Group. The renewable energy project aims to significantly reduce the carbon footprint of the building in line with the Sustainable Reporting Framework, a major step towards achieving of green building status. The Group will continue taking constructive steps of aligning business values with sustainability while building shared value with stakeholders for long term business success.

#### DIAMOND COMPANHIA DE SEGUROS

In September 2021, NicozDiamond successfully injected additional capital of US\$915k into Diamond Companhia de Seguros ("Diamond Seguros"), a general insurance company that is registered and domiciled in Mozambique. The injection increased the company's shareholding from 51.4% to 71.4%.

#### NICOZDIAMOND IN THE COMMUNITY

In 2021, the company donated foodstuffs, detergents and sanitary wear to Bumhudzo Old People's home. The home houses more than 40 destitute and elderly people above 65 years of age. In addition, the company provided financial support to a number of organisations in their efforts to raise funds for charitable causes. These included the KidzCan fundraiser, whose aim was to gather aid for children living with cancer and the Marketers Association of Zimbabwe's (MAZ) golf tournament that focused on raising funds to provide blankets to one of the country's prison facilities, and Emerald Hill Children's Home to assist in their daily needs.

These donations resonate with business's passion of helping the underprivileged to live decently through reaching out with appropriate needs.

#### FINANCIAL PERFORMANCE

*\*The financial commentary below is based on inflation adjusted numbers.*

Cumulative gross premium at \$4.4 billion grew by 33% compared to the prior year of \$3.3 billion. The growth was driven by new business acquired, organic growth, revaluation of portfolio underwritten in ZWL and the consolidation of Diamond Seguros for 12 months. In 2020 Diamond Seguros was consolidated for only one month.

The Group had a fair value uplift on its listed equities portfolio of \$60.6 million in 2021 compared to \$24.4 million in 2020 while fair value gains on property investments were 790 million. Rental income on the Group's property portfolio grew by 172%, driven by the repricing of rentals and stable occupancy level during the period.

The Group achieved an overall profit after tax of \$190.3 million for the year.

#### LEGISLATIVE AND REGULATORY DEVELOPMENTS

A number of significant pieces of legislation have been enacted recently, not least of which is the Companies and Other Business Entities Act [Chapter 24:31]. In addition, various directives have been issued by the regulators, particularly the Zimbabwe Revenue Authority (ZIMRA) and Insurance and Pensions Commission ("IPEC"). The Group does not compromise on regulatory compliance and continues to put in place measures to ensure continued compliance as appropriate.

#### IMPACT OF COVID-19

Despite the development of effective vaccines against COVID-19 in 2020, the virus continued to spread and mutate throughout the year. The impact on the business included additional costs of doing business, suspension of channels that require physical interaction, changes in work routines and affordability challenges for clients as a result of restricted trading. Various measures as recommended by the Ministry of Health ("MoH") and World Health Organisation ("WHO") were implemented during the year to ensure continuity of business operations. We express our sympathy to the victims of the pandemic and their families.

#### DIRECTORATE

There were no changes to the Board in 2021

#### DIVIDEND

The Board resolved that a final dividend of ZWL262,580,000 for the year ended 31 December 2021, representing ZWL44 cents per share, be declared from the profits of the Group.

#### OUTLOOK

The macroeconomic environment is expected to continue improving driven by continued growth in manufacturing sector capacity utilisation, mining sector resurgence, continued growth in the service and distribution sectors and recovery from a low base in the tourism sector. The resumption of work on the multi-billion-dollar gas projects in Mozambique presents significant prospects in the Mozambican economy which the business will benefit from. Measures that have been put in place by WHO and MoH are expected to result in an increase in productivity as restrictions ease across all sectors of the economy. The Board is determined to continue creating value for stakeholders through further process efficiencies, robust cost management and continued innovation as we move from good to great.

#### APPRECIATION

On behalf of the Board of Directors, I would like to convey my profound gratitude to our clients, management and staff, the regulatory authorities and other stakeholders for their continued support and confidence in us to deliver sustainable value. I would like to thank my fellow Directors for their continued support.



Elisha K Moyo  
Chairman

### MANAGING DIRECTOR'S REVIEW OF OPERATIONS

The NicozDiamond Group continues to deliver value to its clients through provision of short-term insurance solutions in the region and provision of housing and office space through its property investments. Key to this is management's commitment to delivering value client centric products that have long term positive impact in the markets we operate. As such, our focus is to grow from good to great meeting the expectations of our diverse stakeholder universe through keeping our promises, fulfilling our obligations outlined in our strategic pillars, and remaining aligned to availing economic dignity.

#### OPERATIONS REVIEW

##### Zimbabwe operations

Against the backdrop of a local economy transitioning to stability and the uncertainty of a global pandemic, the focus remained to preserve value while taking advantage of unfolding opportunities in the environment. The strong financial position of the business anchored on real assets and a superior talent base enabled the business to navigate the economic terrain and produce the results below.

*\*The financial commentary below is based on inflation adjusted numbers.*

Gross Premium increased by 33% to \$4.4 billion compared to \$3.3 billion in 2020. The increase was a result of strong new business growth and organic growth on existing business driven by higher economic activity. The dominant classes continue to be motor, fire and accident which contributed 50%, 22% and 13% respectively. Over 50% of premium revenues were realised in foreign currency as more clients migrated to foreign currency denominated covers in the year under review.

Net Claims at \$693 million grew by 55% from \$448 million in 2020. The growth in claims was contained within growth in net premium earned and is attributable to risk management measures instituted to contain the claims expense despite parallel market driven increases in repair costs. In addition to

management efforts, the COVID-19 lockdown contributed to lower claims than anticipated due to movement restrictions and a sustained curfew during the year.

Administration expenses went up 54% driven mainly by the general increase in the price of goods and services due to inflation.

Overall, the business had a profit after tax of \$190.3 million compared to a loss of \$0.3 million.

##### Mozambique operations

The company managed to record gross premium amounting to MZN 192 million compared to MZN 149 million in 2020, a growth of 29%. The strong growth is evidence of increased confidence in the business in the Mozambique market. The growth trajectory is expected to continue in 2022 following the recapitalisation of the business.

Claims incurred during the year increased by 83% as a result of the business growth and significant claims reported in the year.

The company achieved an underwriting result of MZN 58 million compared to MZN 67 million in 2020 representing a decrease of 13% attributed to the higher claims outturn despite growth in premiums

Overall, the business posted a loss after tax of MZN 9 million.

#### REGULATORY CAPITAL ADEQUACY AND SOLVENCY ASSESSMENT

##### CAPITAL ADEQUACY

###### IFRS Basis

The Group had a historic IFRS capital of \$1.8 billion (2020: \$946 million) as at 31 December 2020 compared to the required \$37.5 million (2020: \$37.5 million) representing 46.9 times cover (2020: 25.2 times cover).

###### SI 95 Basis

The company had a regulatory capital of \$529 million (2020: \$329 million) as at 31 December 2021 compared to the required \$37.5 million (2020: \$37.5 million) representing 14.1 times cover (2020: 8.8 times cover).

##### SOLVENCY POSITION

As at 31 December 2021, the Company had a solvency ratio of 33% (2020: 58%) based on the requirements of Statutory Instrument 95 of 2017 ("SI95"). This is above Insurance and Pensions Commission's ("IPEC") minimum solvency ratio requirement of 25%.

##### GLOBAL CREDIT RATING

The business maintained its national scale financial strength rating of A+(ZW) with a positive outlook.

##### OUTLOOK

Notwithstanding the challenges arising from the COVID-19 pandemic, the Group remains in a strong position to service its chosen markets. The business will remain focused on generating cash backed operating profits through a disciplined underwriting approach and will seek to strengthen the statement of financial position though diversification into regional operations.

##### Appreciation

I would like to express my gratitude to our clients for their custom and their continued confidence in the business. Gratitude also goes to my fellow employees for their commitment in steering the Group during these challenging times. In addition, my appreciation goes to our Regulators and Board of directors for their continued guidance as well as our diverse partners for their continued support.



David Nyabadza  
Managing Director.

### DECLARATION BY GENERAL MANAGER FINANCE

The audited financial statements which should be read in conjunction with a complete set of financial statements for the year ended 31 December 2021 were prepared under the supervision of the General Manager, Tendai D Madziwa, a member of the Institute of Chartered Accountants of Zimbabwe and registered with the Public Accountants and Auditors Board, as a public accountant, member number 0934.



Tendai D Madziwa  
General Manager Finance

### COMPREHENSIVE INCOME HIGHLIGHTS

Group				Company			
Inflation adjusted		Historic		Inflation adjusted		Historic	
2021	2020	2021	2020	2021	2020	2021	2020
ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
4 437 780	3 330 858	3 538 387	1 453 384	4 110 351	3 316 171	3 281 963	1 444 247
2 229 419	1 499 977	1 747 470	563 873	2 065 060	1 495 697	1 618 898	561 211
(266 059)	(174 528)	(207 913)	(35 883)	(259 703)	(192 311)	(201 505)	(46 946)
1 963 360	1 325 449	1 539 557	527 990	1 805 357	1 303 386	1 417 393	514 265
(693 729)	(448 212)	(543 635)	(182 060)	(630 639)	(452 775)	(504 683)	(184 899)
(762 738)	(459 883)	(653 309)	(202 731)	(756 349)	(458 218)	(616 315)	(201 694)
60 603	24 390	52 955	11 924	30 126	12 125	24 939	4 734
504 681	58 512	1 321 009	888 178	394 429	(92 316)	827 109	562 265
190 337	(282)	841 104	723 143	171 997	(141 384)	550 394	436 304

### FINANCIAL POSITION HIGHLIGHTS

Group				Company			
Inflation adjusted		Historic		Inflation adjusted		Historic	
2021	2020	2021	2020	2021	2020	2021	2020
ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
4 202 660	3 714 182	3 905 065	2 144 448	2 854 699	2 668 990	2 542 403	1 444 992
355 175	1 042 129	(172 276)	378 962	355 921	1 006 464	154 189	371 253

	INFLATION ADJUSTED GROWTH 2020 - 2021	HISTORICAL GROWTH 2020 - 2021
GPW	33%	143%
NEP	49%	210%
PAT	67595%	16%
Assets	13%	82%

# A+ | Financial Strength Rating

GCR Ratings have affirmed the A+ Financial Strength Rating for NicozDiamond. It's what we mean when we say we are a cut above the best in the short-term insurance industry.

It also means peace of mind for our clients.

GCR  
RATINGS



CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

ASSETS	Note	Group				Company			
		Audited Inflation adjusted		Unaudited Historic		Audited Inflation adjusted		Unaudited Historic	
		2021	2020	2021	2020	2021	2020	2021	2020
		ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
<b>Non-current assets</b>									
Property and equipment	4	76 690	66 698	17 650	8 564	66 733	62 501	9 685	6 144
Right-of-use-assets		2 477	2 506	410	433	53 181	58 087	6 887	10 819
Investment properties	5	1 700 075	1 210 647	1 700 075	753 176	897 075	663 107	897 075	412 536
Intangible assets		16 685	36 324	3 668	669	16 685	36 324	3 668	669
Investment in subsidiaries		-	-	-	-	113 643	30 843	81 033	2 375
Investment in associates	6	347 556	391 872	210 864	167 963	137 666	137 666	1 416	1 416
Goodwill		24 304	25 292	24 304	15 735	-	-	-	-
Financial assets at fair value through profit or loss	7	292 421	220 898	292 421	137 427	292 421	220 898	292 421	137 427
		<b>2 460 207</b>	<b>1 954 237</b>	<b>2 249 392</b>	<b>1 083 967</b>	<b>1 577 404</b>	<b>1 209 426</b>	<b>1 292 185</b>	<b>571 386</b>
<b>Current assets</b>									
Inventories		7 153	8 789	5 632	2 726	6 389	7 809	4 606	2 117
Non-current asset held for distribution		184 138	50 432	184 138	31 375	184 138	50 432	184 138	31 375
Deferred acquisition costs		143 427	73 967	58 168	14 329	82 509	73 680	57 215	14 151
Insurance receivables	8	775 822	895 002	775 822	556 805	616 552	778 892	616 552	484 570
Amounts due from related parties		17 194	10 614	17 194	6 604	27 155	15 146	27 155	9 423
Current income tax assets		625	513	625	319	-	-	-	-
Other receivables and prepayments		159 341	148 849	159 341	92 603	143 008	133 294	143 008	82 926
Debt securities investments at amortised cost	9	185 250	221 933	185 250	138 071	51 600	72 079	51 600	44 842
Cash and cash equivalents	10	269 503	349 846	269 503	217 649	165 944	328 232	165 944	204 202
		<b>1 742 453</b>	<b>1 759 945</b>	<b>1 655 673</b>	<b>1 060 481</b>	<b>1 277 295</b>	<b>1 459 564</b>	<b>1 250 218</b>	<b>873 606</b>
<b>Total assets</b>		<b>4 202 660</b>	<b>3 714 182</b>	<b>3 905 065</b>	<b>2 144 448</b>	<b>2 854 699</b>	<b>2 668 990</b>	<b>2 542 403</b>	<b>1 444 992</b>
<b>EQUITY AND LIABILITIES</b>									
<b>EQUITY</b>									
Share capital		216 354	184 353	28 643	2 990	216 354	184 353	28 643	2 990
Share premium		371 740	371 740	4 962	4 962	371 740	371 740	4 962	4 962
Retained earnings/(accumulated losses)		146 015	57 677	1 533 689	766 430	(355 060)	(401 702)	881 553	425 764
Foreign currency translation reserve		297 579	275 929	191 717	171 663	-	-	-	-
		<b>1 031 688</b>	<b>889 699</b>	<b>1 759 011</b>	<b>946 045</b>	<b>233 034</b>	<b>154 391</b>	<b>915 158</b>	<b>433 716</b>
Non-controlling interest		51 875	56 978	51 875	35 448	-	-	-	-
		<b>1 083 563</b>	<b>946 677</b>	<b>1 810 886</b>	<b>981 493</b>	<b>233 034</b>	<b>154 391</b>	<b>915 158</b>	<b>433 716</b>
<b>LIABILITIES</b>									
<b>Non-current liabilities</b>									
Lease liabilities	11	480	562	480	350	11 758	18 470	11 758	11 491
Deferred tax liabilities		525 167	295 245	552 594	157 111	349 003	210 117	302 979	109 809
Share based payment liabilities		30 960	18 271	30 960	11 367	30 960	18 271	30 960	11 367
		<b>556 607</b>	<b>314 078</b>	<b>584 034</b>	<b>168 828</b>	<b>391 721</b>	<b>246 858</b>	<b>345 697</b>	<b>132 687</b>
<b>Current liabilities</b>									
Insurance liabilities	12	2 250 093	2 070 048	1 197 748	755 617	1 930 391	1 893 894	981 996	646 027
Amounts due to related parties		12 431	20 169	12 431	12 548	12 431	20 365	12 431	12 670
Other payables and accruals		220 482	297 371	220 482	185 002	203 863	281 721	203 862	175 267
Lease liabilities		160	141	160	88	3 919	6 063	3 919	3 772
Share based payment liabilities		15 480	9 136	15 480	5 683	15 480	9 136	15 480	5 683
Current income tax liabilities		63 844	56 562	63 844	35 189	63 860	56 562	63 860	35 189
		<b>2 562 490</b>	<b>2 453 427</b>	<b>1 510 145</b>	<b>894 127</b>	<b>2 229 944</b>	<b>2 267 741</b>	<b>1 281 548</b>	<b>878 609</b>
<b>Total liabilities</b>		<b>3 119 097</b>	<b>2 767 505</b>	<b>2 094 179</b>	<b>1 162 955</b>	<b>2 621 665</b>	<b>2 514 599</b>	<b>1 627 245</b>	<b>1 011 276</b>
<b>Total equity and liabilities</b>		<b>4 202 660</b>	<b>3 727 182</b>	<b>3 905 065</b>	<b>2 144 448</b>	<b>2 854 699</b>	<b>2 668 990</b>	<b>2 542 403</b>	<b>1 444 992</b>

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

Inflation adjusted Group						Foreign currency translation reserve ZWL000		Total equity for parent ZWL000		Non controlling interest ZWL000		Total equity ZWL000	
Year ended 31 December 2020		Share capital ZWL000	Share premium ZWL000	Retained earnings ZWL000									
Balance as at 1 January 2020		184 353	371 740	240 891	(88 362)			708 622		-		708 622	
Total comprehensive loss for the year		-	-	14 796	364 291			379 087		14 262		393 346	
Loss for the year		-	-	(13 876)				(13 876)		13 594		(282)	
Other comprehensive income / (loss) for the year		-	-	28 672	364 291			392 963		668		393 631	
Dividend declared		-	-	(198 007)	-			(198 007)		-		(198 007)	
Transactions with owners in their capacity as owners:													
Acquisition of subsidiary (note 31.2)		-	-	-	-			-		42 716		42 716	
Balance as at 31 December 2020		184 353	371 740	57 680	275 929			889 702		56 978		946 677	
Year ended 31 December 2021													
Balance as at 1 January 2021		184 353	371 740	57 680	275 929			889 702		56 978		946 677	
Total comprehensive loss for the year		-	-	208 874	6 752			215 626		7 587		223 213	
Profit/(Loss) for the year		-	-	194 565	-			194 565		(4 228)		190 337	
Other comprehensive income / (loss) for the year		-	-	14 309	6 752			210 061		11 815		32 876	
Dividend paid		-	-	(125 354)	-			(125 354)		-		(125 354)	
Issue of shares to Non-controlling interests in Diamond Seguros		-	-	-	-			-		7 027		7 027	
Acquisition of Non-controlling interests in Diamond Seguros		-	-	4 819	14 898			19 717		(19 717)		-	
Issue of shares		32 001	-	-	-			32 001		-		32 001	
Balance as at 31 December 2021		216 354	371 740	146 019	297 579			1 031 692		51 875		1 083 563	
Historical cost Group													
Year ended 31 December 2020		Share capital ZWL000	Share premium ZWL000	Retained earnings ZWL000	Foreign currency translation reserve ZWL000			Total equity for parent ZWL000		Non controlling interest ZWL000		Total equity ZWL000	
Balance as at 1 January 2020		2 990	4 962	147 300	(2 836)			152 416		-		152 416	
Total comprehensive income/(loss) for the year		-	-	732 525	174 499			907 024		8 872		915 896	
Profit for the year		-	-	714 687	-			714 687		8 457		723 144	
Other comprehensive income / (loss) for the year		-	-	17 838	174 499			192 337		415		192 752	
Dividend declared		-	-	(113 395)	-			(113 395)		-		(113 395)	
Acquisition of subsidiary		-	-	-	-			-		26 576		26 576	
Balance as at 31 December 2020		2 990	4 962	766 430	171 663			946 045		35 448		981 493	
Year ended 31 December 2020													
Balance as at 1 January 2021		2 990	4 962	766 430	171 663			946 045		35 448		981 493	
Total comprehensive income/(loss) for the year		-	-	858 742	6 752			865 494		27 760		893 254	
Profit for the year		-	-	844 433	-			844 433		(3 329)		841 104	
Other comprehensive income / (loss) for the year		-	-	14 309	6 752			21 061		31 089		52 150	
Dividend declared		-	-	(94 605)	-			(94 605)		-		(94 605)	
Issue of shares to Non-controlling interests in Diamond Seguros		-	-	-	-			-		5 092		5 092	
Acquisition of Non-controlling interests in Diamond Seguros		-	-	3 122	13 302			16 424		(16 424)		-	
Issue of shares		25 653	-	-	-			25 653		-		25 653	
Balance as at 31 December 2021		28 643	4 962	1 533 689	191 717			1 759 011		51 875		1 810 887	



HISTORICAL COST GROUP

As at 31 December 2021

Financial assets					
Financial assets at fair value through profit or loss	-	-	292 421	-	292 421
Other receivables (excluding prepayments and statutory receivables)	111 122	-	-	-	111 122
Insurance receivables	637 930	137 892	-	-	775 822
Amounts due from related parties	17 194	-	-	-	17 194
Debt securities investments at amortised cost	-	185 250	-	-	185 250
Cash and cash equivalents	269 503	-	-	-	269 503

Financial liabilities					
(undiscounted amounts)	79	79	312	169	639
Insurance liabilities (excluding insurance provisions)	830 199	-	-	-	830 199
Amounts due to related parties	12 431	-	-	-	12 431
Other payables and accruals (excluding statutory liabilities, provisions and deferred revenue)	150 915	-	-	-	150 915

Liquidity gap

Cumulative liquidity gap

As at 31 December 2020

Financial assets					
Financial assets at fair value through profit or loss	-	-	137 427	-	137 427
Other receivables (excluding prepayments and statutory receivables)	84 640	-	-	-	84 640
Insurance receivables	464 577	92 228	-	-	556 805
Amounts due from related parties	6 604	-	-	-	6 604
Debt securities investments at amortised cost	-	138 071	-	-	138 071
Cash and cash equivalents	217 649	-	-	-	217 649

Financial liabilities					
Lease liabilities (undiscounted amounts)	72	72	283	153	580
Insurance liabilities (excluding insurance provisions)	589 742	-	-	-	589 742
Amounts due to related parties	12 548	-	-	-	12 548
Other payables and accruals (excluding statutory liabilities, provisions and deferred revenue)	70 284	-	-	-	70 284

Liquidity gap

Cumulative liquidity gap

INFLATION ADJUSTED COMPANY

As at 31 December 2021

Financial assets					
Financial assets at fair value through profit or loss	-	-	292 421	-	292 421
Other receivables (excluding prepayments and statutory receivables)	95 093	-	-	-	95 093
Insurance receivables	478 659	137 892	-	-	616 552
Amounts due from related parties	27 155	-	-	-	27 155
Debt securities investments at amortised cost	-	51 600	-	-	51 600
Cash and cash equivalents	165 944	-	-	-	165 944

Financial liabilities					
Lease liabilities	3 919	3 919	4 799	3 040	15 263
Insurance liabilities (excluding insurance provisions)	568 540	-	-	-	568 540
Amounts due to related parties	12 431	-	-	-	12 431
Other payables and accruals (excluding statutory liabilities, provisions and deferred revenue)	141 589	-	-	-	141 589

Liquidity gap

Cumulative liquidity gap

As at 31 December 2020

Financial assets					
Financial assets at fair value through profit or loss	-	-	220 898	-	220 898
Other receivables (excluding prepayments and statutory receivables)	120 576	-	-	-	120 576
Insurance receivables	630 646	148 246	-	-	778 892
Amounts due from related parties	15 146	-	-	-	15 146
Debt securities investments at amortised cost	-	72 079	-	-	72 079
Cash and cash equivalents	328 232	-	-	-	328 232

Financial liabilities					
Lease liabilities	6 063	6 063	7 014	5 393	24 533
Insurance liabilities (excluding insurance provisions)	830 959	-	-	-	830 959
Amounts due to related parties	20 365	-	-	-	20 365
Other payables and accruals (excluding statutory liabilities, provisions and deferred revenue)	106 376	-	-	-	106 376

Liquidity gap

Cumulative liquidity gap

HISTORICAL COST COMPANY

As at 31 December 2021

Financial assets					
Financial assets at fair value through profit or loss	-	-	292 421	-	292 421
Other receivables (excluding prepayments and statutory receivables)	95 093	-	-	-	95 093
Insurance receivables	478 659	137 892	-	-	616 552
Amounts due from related parties	27 155	-	-	-	27 155
Debt securities investments at amortised cost	-	51 600	-	-	51 600
Cash and cash equivalents	165 944	-	-	-	165 944

Financial liabilities					
Lease liabilities	3 919	3 919	4 799	3 040	15 677
Insurance liabilities (excluding insurance provisions)	568 540	-	-	-	568 540
Amounts due to related parties	12 431	-	-	-	12 431
Other payables and accruals (excluding statutory liabilities, provisions and deferred revenue)	141 589	-	-	-	141 589

Liquidity gap

Cumulative liquidity gap

As at 31 December 2020

Financial assets					
Financial assets at fair value through profit or loss	-	-	137 427	-	137 427
Other receivables (excluding prepayments and statutory receivables)	75 014	-	-	-	75 014
Insurance receivables	392 342	92 228	-	-	484 570
Amounts due from related parties	9 423	-	-	-	9 423
Debt securities investments at amortised cost	-	44 842	-	-	44 842
Cash and cash equivalents	204 202	-	-	-	204 202

Financial liabilities					
Lease liabilities	2 704	2 704	6 498	3 355	15 261
Insurance liabilities (excluding insurance provisions)	516 962	-	-	-	516 962
Amounts due to related parties	12 670	-	-	-	12 670
Other payables and accruals (excluding statutory liabilities, provisions and deferred revenue)	66 180	-	-	-	66 180

Liquidity gap

Cumulative liquidity gap

On demand and up to 6 months ZWL000	6 months to 1 year ZWL000	1 year to 3 years ZWL000	Over 3 years ZWL000	Total ZWL000
-	-	292 421	-	292 421
111 122	-	-	-	111 122
637 930	137 892	-	-	775 822
17 194	-	-	-	17 194
-	185 250	-	-	185 250
269 503	-	-	-	269 503

79	79	312	169	639
830 199	-	-	-	830 199
12 431	-	-	-	12 431
150 915	-	-	-	150 915

993,624	79	312	169	994 184
378 896	204 030	292 109	(169)	874 866

378 896	582 926	875 035	874 866	-
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-	-	137 427	-	137 427
84 640	-	-	-	84 640
464 577	92 228	-	-	556 805
6 604	-	-	-	6 604
-	138 071	-	-	138 071
217 649	-	-	-	217 649

72	72	283	153	580
589 742	-	-	-	589 742
12 548	-	-	-	12 548
70 284	-	-	-	70 284
672 646	72	283	153	673 154

100 824	230 227	137 144	(153)	468 042
100 824	331 051	468 195	468 042	-

On demand and up to 6 months ZWL000	6 months to 1 year ZWL000	1 year to 3 years ZWL000	Over 3 years ZWL000	Total ZWL000
-	-	292 421	-	292 421
95 093	-	-	-	95 093
478 659	137 892	-	-	616 552
27 155	-	-	-	27 155
-	51 600	-	-	51 600
165 944	-	-	-	165 944

3 919	3 919	4 799	3 040	15 263
568 540	-	-	-	568 540
12 431	-	-	-	12 431
141 589	-	-	-	141 589

159 406	66 540	287 622	(3 040)	510 528
159 406	225 946	513 568	510 528	-

-	-	220 898	-	220 898
120 576	-	-	-	120 576
630 646	148 246	-	-	778 892
15 146	-	-	-	15 146
-	72 079	-	-	72 079
328 232	-	-	-	328 232

1 094 600	220 325	220 898	-	1 535 823
6 063	6 063	7 014	5 393	24 533
830 959	-	-	-	830 959
20 365	-	-	-	20 365
106 376	-	-	-	106 376

963 763	6 063	7 014	5 393	982 233
130 837	214 262	213 884	(5 393)	553 590

130 837	345 099	558 983	553 590	-
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On demand and up to 6 months ZWL000	6 months to 1 year ZWL000	1 year to 3 years ZWL000	Over 3 years ZWL000	Total ZWL000
-	-	292 421	-	292 421
95 093	-	-	-	95 093
478 659	137 892	-	-	616 552
27 155	-	-	-	27 155
-	51 600	-	-	51 600
165 944	-	-	-	165 944

766 852	189 492	292 421	-	1 248 765
3 919	3 919	4 799	3 040	15 677
568 540	-	-	-	568 540
12 431	-	-	-	12 431
141 589	-	-	-	141 589

726 479	3 919	4 799	3 040	738 237
159 406	66 540	287 622	(3 040)	510 528

159 406	225 946	513 568	510 528	-
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-	-	137 427	-	137 427
75 014	-	-	-	75 014
392 342	92 228	-	-	484 570
9 423	-	-	-	9 423
-	44 842	-	-	44 842
204 202	-	-	-	204 202

680 981	137 070	137 427	-	955 478
2 704	2 704	6 498	3 355	15 261
516 962	-	-	-	516 962
12 670	-	-	-	12 670
66 180	-	-	-	66 180

598 516	2 704	6 498	3 355	611 073
82 465	134 366	130 928	(3 355)	344 405

82 465	216 831	347 760	344 405	-
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NOTES TO THE FINANCIAL STATEMENTS

**1 Corporate information**  
The main business of NicosDiamond Insurance Limited (the "Company"), its associates and subsidiaries (together "the Group") is the provision of short-term insurance solutions and property investments.

NicosDiamond Insurance Limited is an insurance company incorporated and domiciled in Zimbabwe and is wholly owned by First Mutual Holdings Limited. The registered office is located at 30 Samora Machel Avenue Harare, Zimbabwe.

The consolidated financial statements are those of the Zimbabwean insurance operation NicosDiamond, the Mozambique short term insurance operation, Diamond Companhia De Seguros, and the property companies Thirty Samora Machel and Marabau.

The company has a 45% interest in Clover Leaf Panel Beaters and 34% in United General Insurance Company which are treated as associates. The contribution for the associates is reflected through the share of associate line items on the Statement of Comprehensive Income.

The consolidated financial statements for the year ended 31 December 2021 are for the Group consisting of the Company, its subsidiaries and associates. The consolidated financial statements of NicosDiamond Insurance Limited for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 3 March 2022.

**2. Statement of Compliance**  
"These financial results should be read in conjunction with the complete set of financial statements for the year ended 31 December" 2021, which have been audited by Ernst and Young Chartered Accountants (Zimbabwe). The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("the IASB"), International Financial Reporting Committee Interpretations ("IFRIC") as issued by the International Financial Reporting Standards Interpretations Committee ("IFRS IC") and in a manner required by the Companies and Other Business Entities Act (Chapter 24:31) except for IAS 21, Effects of changes in foreign exchange rates. The financial statements are based on statutory records that are maintained under the historical cost convention except for investment properties, equity securities at fair value through profit or loss, insurance receivables and insurance liabilities that have been measured on a fair value basis.

The accounting policies applied in the audited abridged financial results are consistent with the accounting policies in the prior year financial statements taking into account the following:

**2.1 Inflation adjustment**  
IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that corresponding figures for previous periods be restated in the same terms to the latest balance sheet date.

The restatement has been calculated by means of conversion factors derived from the month-on-month consumer price index ("CPI") prepared by the Zimbabwe Statistical Agency. The conversion factors used to restate the financial statements at 31 December 2021 are as follows:

Date	CPI	Conversion factor
31-Dec-20	348.6	1.61
31 Dec-21	2474.51	1

**3 Audit opinion**  
The abridged audited inflation adjusted financial results should be read in conjunction with the complete set of financial statements for the year ended 31 December 2021, which have been audited by Ernst & Young Chartered Accountants (Zimbabwe). A qualified opinion has been issued thereon in respect of non-compliance with the requirements of International Accounting Standard 21 (IAS 21) "The Effects of Changes in Foreign Exchange Rates" arising from the prior period. The auditors' report on the inflation adjusted consolidated financial statements is available for inspection at the Company's registered office. The engagement partner on the audit is Fungai Kuipa (PAAB Number 335).

	Note	Group				Company			
		Audited		Unaudited		Audited		Unaudited	
		Inflation adjusted		Inflation adjusted		Inflation adjusted		Inflation adjusted	
		2021	2020	2021	2020	2021	2020	2021	2020
		ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
4	Property, plant and equipment								
	Year ended 31 December								
	Opening net book amount	66 698	38 447	8 564	987	62 501	37 261	6 144	923
	Additions	12 011	27 970	10 750	6 171	6 283	27 970	5 205	6 172
	Acquisition of subsidiary	-	3 969	-	2 469	-	-	-	-
	Disposals	-	(224)	-	(2)	-	(13)	-	(2)
	Depreciation charge	(2 019)	(3 464)	(1 664)	(1 061)	(2 051)	(2 717)	(1 664)	(949)
	As at 31 December	76 690	66 698	17 650	8 564	66 733	62 501	9 685	6 144
5	Investment properties								
	As at 1 January	1 210 647	975 179	753 176	135 244	663 107	652 652	412 536	90 514
	Additions	-	-	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-	-	-
	Reclassification to NCAHFD	(152 894)	(53 990)	(152 894)	(31 244)	(152 895)	(53 990)	(152 894)	(31 244)
	Fair value adjustments	642 322	289 458	1 099 793	649 176	386 863	64 445	637 433	353 266
	As at 31 December	1 700 075	1 210 647	1 700 075	753 176	897 075	663 107	897 075	412 536
6	Investment in associates								
	As at 1 January	391 872	165 756	167 963	12 340	137 666	152 986	1 416	3 541
	Additions	-	-	-	-	-	-	-	-
	Impairment of investment in associate	-	-	-	-	-	(15 320)	-	(2 125)
	Share of profit for the year	22 748	(6 278)	18 067	(3 490)	-	-	-	-
	Share of other comprehensive income for the year	14 309	28 672	14 309	17 838	-	-	-	-
	Foreign exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-
	Transfer to investments in subsidiaries	(81 373)	221 170	10 525	152 130	-	-	-	-
		-	(17 448)	-	(10 855)	-	-	-	-
	As at 31 December	347 556	391 872	210 864	167 963	137 666	137 666	1 416	1 416
7	Financial assets at fair value through profit or loss								
	As at 1 January	220 898	210 843	137 427	29 108	220 898	210 843	137 427	29 108
	Additions	46 011	68 908	36 606	32 189	46 011	68 908	36 606	32 189
	Disposals	(16 394)	(274 516)	(13 142)	(76 498)	(16 394)	(274 516)	(13 142)	(76 498)
	Fair value adjustments realised in profit or loss (note 10)	41 906	215 663	131 530	152 628	41 906	215 663	131 530	152 628
	As at 31 December	292 421	220 898	292 421	137 427	292 421	220 898	292 421	137 427
8	Insurance receivables								
	Due from policyholders (direct clients)	39 583	41 572	39 583	25 863	11 541	22 917	11 541	14 257
	Due from reinsurers	221 796	210 753	221 796	131 115	78 535	104 081	78 535	64 752
	Due from brokers, agents and intermediaries	453 963	702 538	453 963	437 068	453 963	702 539	453 963	437 068
	Due from insurers	28	220	28	137	28	220	28	137
	Total insurance receivables	715 370	955 083	715 370	594 183	544 067	829 757	544 067	516 214
	Expected credit loss allowances	(110 747)	(60 081)	(110 747)	(37 378)	(98 174)	(50 865)	(98 714)	(31 644)
	Net insurance receivables	604 623	895 002	604 623	556 805	445 353	778 892	445 353	484 570
	Other insurance receivables	83 842	-	83 842	-	83 842	-	83 842	-
	Reclassification	87 357	-	87 357	-	87 357	-	87 357	-
	As at 31 December	775 822	895 002	775 822	556 805	616 552	778 892	616 552	484 570
9	Debt securities at amortised cost								
	As at 1 January	221 933	37 166	138 071	5 154	72 079	37 166	44 842	5 154
	Additions	80 753	498 727	64 735	138 977	30 330	173 636	24 313	48 386
	Acquired from subsidiary	-	117 331	-	72 995	-	-	-	-
	Interest income	(11 128)	(21 751)	(8 921)	(6 061)	(11 128)	(21 751)	(8 920)	(6 061)
	Accrued interest	521	668	3 227	416	521	668	521	416
	Realised on maturity of investments	(11 422)	(124 047)	(9 156)	(73 410)	(11 422)	(10 955)	(9 156)	(3 053)
	Effects of IAS 29	(95 407)	(286 161)	-	-	(28 780)	(106 685)	-	-
	As at 31 December	185 250	221 933	185 250	138 071	51 600	72 079	51 600	44 842
10	Cash and cash equivalents								
	Cash on hand and balances with banks	269 503	349 846	269 503	217 649	165 944	328 232	165 944	204 202
	Cash on hand	9 976	24 506	9 976	15 246	9 871	24 375	9 871	15 165
	Cash at bank	259 527	325 340	259 527	202 403	156 073	303 857	156 073	189 037
	Deposits with original maturity less than 3 months	-	-	-	-	-	-	-	-
	As at 31 December	269 503	349 846	269 503	217 649	165 944	328 232	165 944	204 202
11	Deferred income tax								
	As at 1 January	295 245	302 139	157 111	32 943	210 117	221 276	109 809	21 317
	Acquisition of subsidiary	-	(4 844)	-	(3 014)	-	-	-	-
	Deferred tax charge for the year in profit or loss	229 922	(2 841)	395 483	126 690	138 886	(11 159)	193 170	88 492
	Deferred tax charge for the year in other comprehensive income	-	791	-	492	-	-	-	-
	As at 31 December	525 167	295 245	552 594	157 111	349 003	210 117	302 979	109 809
12	Insurance liabilities								
	Amounts due to policyholders, reinsurers	577 219	646 818	577 219	402 403	432 988	620 618	432 988	386 103
	Outstanding claims liabilities	221 916	133 961	221 916	83 341	104 488	47 087	112 940	29 294
	Claims incurred but not reported	134 714	95 891	134 714	59 657	132 416	93 202	132 416	57 983
	Unearned premium reserve	1 285 180	1 026 212	232 836	106 219	1 229 435	969 734	272 588	71 082
	Commission payable	31 063	167 165	31 063	103 998	31 063	163 254	31 063	101 565
	As at 31 December	2 250 093	2 070 048	1 197 748	755 617	1 930 391	1 893 894	981 996	646 027
13	Net Premium Written								
	Direct client	639 865	187 112	498 132	99 722	312 436	167 596	241 708	99 722
	Brokers	2 557 078	2 695 504	2 065 552	1 014 929	2 557 078	2 663 536	2 065 552	1 005 792
	Agents	1 240 837	447 556	974 703	338 733	1 240 837	485 039	974 703	338 733
	Direct Christiansure	4 437 780	3 330 858	3 538 387	1 453 384	4 110 351	3 316 171	3 281 963	1 444 247
	Gross premium written	8 865 560	8 660 526	7 076 774	2 806 768	9 220 706	6 937 970	6 763 903	2 834 194
	Premium ceded	(2 208 361)	(1 830 881)	(1 790 917)	(869 511)	(2 045 291)	(1 820 474)	(1 663 065)	(883 036)
	Net Premium Written	2 229 419	1 499 977	1 747 470	563 873	2 065 060	1 495 697	1 618 898	561 211
14	Net benefits and claims								
	Gross benefits and claims paid	1 259 008	605 256	992 402	234 008	1 136 927	605 256	925 311	234 008
	Claims recovered from reinsurers	(710 151)	(275 180)	(593 715)	(125 443)	(633 496)	(270 617)	(547 836)	(122 604)
	Gross change in insurance contract liabilities	144 872	118 136	144 948	73 495	127 208	118 136	127 208	73 495
	Movement in outstanding claims liabilities	70 469	37 257	70 469	23 178	52 775	37 257	52 775	23 178
	Movement in claims incurred but not reported	74 403	80 879	74 403	50 317	74 433	80 879	74 433	50 317
	As at 31 December	693 730	448 212	543 635	182 060	630 639	452 775	504 683	184 899
15	Investment income								
	Other investment income								
	Net rental income from investment properties (note 13.1)	41 300	18 362	32 265	8 441	17 771	10 497	13 368	3 988
	Dividend income from financial assets at fair value through profit or loss	19 303	1 628	20 690	746	12 355	1 628	11 571	746
	Fair value adjustment at acquisition	-	4 400	-	2 737	-	-	-	-
	As at 31 December	60 603	24 390	52 955	11 924	30 126	12 125	24 939	4 734
16	Finance income								
	Interest income from money market investments	11 280	15 233	8 920	6 717	11 280	14 610	8 920	6 329
	Bank interest	134	120	118	69	134	120	118	69
	As at 31 December	11 414	15 353	9 038	6 786	11 414	14 730	9 038	6 398
17	Separately disclosed items								
	Staff costs	514 108	327 915	423 612	148 314	482 650	332 487	386 907	144 155
	Directors' fees and emoluments	18 398	9 376	15 659	4 787	14 982	9 557	11 289	4 787
	Depreciation of property, plant and equipment	2 019	3 464	1 664	1 061	2 075	2 770	1 664	1 061
	Audit fees	13 500	10 006	11 124	4 041	11 840	10 200	9 492	4 041