Insurance and Pensions Commission

2025 Annual Report

Protecting the Interests of Insurance and Pension Consumers

Insurance & Pensions Commission
ipec
Beyond Compliance:
Regulating for Sustainability
20 Years
Insurance and Pensions Commission

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About the Insurance and Pensions Commission

The Insurance and Pensions Commission (IPEC) is a statutory body established in terms of the Insurance and Pensions Commission Act [Chapter 24:21] to regulate the insurance and pensions industry and protect policyholders and pension scheme members.

The Commission reports to the Ministry of Finance, Economic Development, and Investment Promotion.

OUR VISION

A trusted, inclusive and sustainable insurance and pensions industry by 2030.

OUR MISSION

To regulate, supervise and develop the insurance and pensions business for the protection of policyholders and pension scheme members through regulatory excellence.

OUR CORE VALUES

Values are critical in guiding behaviours, and these are defined to ensure a common understanding. The following are the IPEC values and their supporting definitions:

Professionalism	We conduct ourselves with competence, diligence, respect, and ethical integrity in all our engagements with the public and stakeholders.
Accountability	We uphold independence and objectivity, taking responsibility for our actions and maintaining transparency in evaluating our performance.
Fairness	We apply rules, regulations, and procedures equitably, ensuring that all clients and stakeholders are treated with impartiality and justice.
Integrity	We embody honesty, ethical conduct, and moral uprightness, always maintaining the highest personal and professional standards.
Collaboration	We promote teamwork, partnership, and open communication, recognising that collective effort strengthens our impact and effectiveness.
Excellence	We strive to surpass expectations by upholding the highest standards of quality, professionalism, and sound decision-making.

CORPORATE INFORMATION

- **Head Office Address:** 160 Rhodesville Avenue, Greendale, Harare
- **Telephone Numbers:** 0242- 443358/61/443422 or 0772 154 281-4
- **Website:** www.ipec.co.zw
- **Email:** enquiry@ipec.co.zw

	Name	Physical Address
External Auditors	Integra Chartered Accountants	3 Fal Road, Vainona, Borrowdale, Harare
Banks	FBC Bank Limited	2 Lanark Road, Belgravia, Harare
	Commercial Bank of Zimbabwe	62 Mutare Road, Msasa Harare
Lawyers	Messrs Muvingi & Mugadza	Level 7, Pegasus House, 52-54 Samora Machel Ave, Harare
	Messrs Kantor & Immerman	MacDonald House, 10 J.L Nkomo Avenue, Harare

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Insurance & Pensions Commission

31 March 2026

Honourable Prof. M. Ncube

Minister of Finance, Economic Development and Investment Promotion

Mgandane Dlodlo Building, 6th Floor, B. Block,

Cnr. Samora Machel Avenue/Simon. V. Muzenda Street,

Harare

Dear Honourable Minister

INSURANCE AND PENSIONS COMMISSION ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

In accordance with Section 49 (1)(d) of the Public Finance Management Act, [Chapter 22:19], I have the pleasure of presenting to you the Insurance and Pensions Commission (IPEC) Annual Report and Financial Statements for the year ended 31 December 2025.

Yours sincerely,

Mr. A.J. Nduna
Board Chairperson
INSURANCE AND PENSIONS COMMISSION

Board of Directors

Mr. Albert Nduna
Board Chairperson

Mrs. Judith Rusike
Board Vice Chairperson

Mr. Godwin Nyengedza
Board Member

Mr. Clemence Muzondo
Board Member

Mr. David Mureriwa
Board Member

Dr. Grace Muradzikwa
Ex-Officio Board Member and Commissioner

Dr. Gilford Hapanyengwi
Committee Member

Mrs. Duduzile Shinya
Committee Member

Mr. Mirirai Chiremba
Committee Member

Mrs. Mildred Chiri
Committee Member

Management

Dr. Grace Muradzikwa
Commissioner

Mr. Cuthbert Munjoma
Director Pensions and Life

Mrs. Sibongile Siwela
Director Insurance

Mr. Robson Mtangadura
Director Actuarial & AML/CFT

Mr. Blessmore Kazengura
Director Finance & Administration

Ms. Samantha Nhende
Director Corporate Services

CHAIRPERSON'S STATEMENT

It is my honour to present the Board Chairperson's Statement for the Insurance and Pensions Commission (IPEC) for the year ended 31 December 2025. This Statement accompanies the Commission's Annual Report and Audited Financial Statements and marks the conclusion of the 2021–2025 Strategic Plan, a period defined by deliberate regulatory reform, institutional consolidation, and a repositioning of IPEC as a forward-looking, policy-responsive regulator.

Macroeconomic Environment: A Year of Stabilisation and Recovery

The operating environment in 2025 was characterised by a complex interplay of global uncertainty and domestic stabilisation. At a global level, structural shifts, ranging from climate-related risks and geopolitical tensions to rapid digitalisation of financial services, continue to redefine the regulatory landscape. These developments require regulatory systems that are adaptive, forward-looking, and aligned with evolving international standards.

The domestic economy recorded a notable recovery, supported by improved exchange rate stability and moderated inflationary pressures. This stability is particularly significant for the insurance and pensions sector, whose sustainability is anchored on long-term financial commitments and preservation of value. A more predictable macroeconomic environment has strengthened actuarial assumptions, improved pricing accuracy, and enhanced asset-liability management across the industry.

However, emerging risks, including global energy price volatility and geopolitical tensions, underscore the importance of continued policy coordination to safeguard macroeconomic gains and protect long-term savings, which continue to demonstrate structural resilience.

Looking ahead into 2026, Zimbabwe's inflation outlook initially appeared favourable, supported by exchange rate stability and a narrowing alternative-market premium. However, emerging downside risks, particularly geopolitical tensions in the Middle East and associated fuel-price increases,pose potential contagion effect for the domestic economy. Nonetheless, we remain confident in the ability of fiscal and monetary authorities to manage these external shocks effectively.

Governance Legacy and Institutional Transformation

As four of the five Board Members conclude their tenure in 2026, the Board leaves behind a transformed Commission defined by strengthened governance, enhanced regulatory credibility, and sustained institutional reform.

During the Board's tenure, IPEC evolved from a compliance-focused institution into a benchmark regulator within Zimbabwe's public sector. This is reflected in consistent statutory compliance, the entrenchment of a strong integrity culture, and the modernisation of supervisory and operational capabilities through enhanced technical and risk-based capacity.

The Board's legacy is a resilient, well-governed, and future-ready regulatory authority. Financial independence was significantly strengthened over the 2021–2025 period, with revenue increasing by 269% to ZWG337.8 million in 2025, accompanied by a 144% increase in total assets over the same period. Strategic investments, including the acquisition of the new IPEC Office Building in the Central Business District and land for a future permanent headquarters, have reinforced long-term institutional stability. The introduction of new revenue streams further diversified income and reduced reliance on levies, enhancing financial resilience.

The Board also led the most comprehensive legislative reform programme in the Commission's history during its tenure. Key milestones include the enactment of the Pensions and Provident Funds Act (2022), adoption of IFRS 17 (2024), introduction of USD-indexed Minimum Capital Requirements, development of Zimbabwe-specific Mortality Tables, and the progression of the Insurance and Pensions Commission Amendment Act (2026) that was gazetted in April 2026.

Technical capacity was significantly enhanced through the establishment of a fully-fledged Actuarial Department, targeted recruitment of specialised skills, strengthening of regulatory competencies, and the deployment of digital supervisory systems. These investments have repositioned IPEC as a technically advanced and globally credible regulator.

The Board maintained a strong focus on consumer protection, including the implementation of the recommendations of the Justice Smith-led Commission of Inquiry into the loss of insurance and pension values following the currency conversion of 2009. Notable progress has been achieved in addressing the pre-2009 compensation exercise, which is now nearing completion. While pension benefit payouts have improved, it still does not meet reasonable expectations of pension scheme members and hence this remains a key policy priority requiring sustained focus.

Market development and financial inclusion also advanced considerably, supported by the growth of microinsurance, expansion of agriculture index-based insurance, the establishment of a Regulatory Sandbox, issuance of the micropensions framework, and the integration of insurance literacy into the national education curriculum.

At a strategic level, the Board elevated Zimbabwe's regulatory profile through active participation and leadership in international and regional bodies, including the International Association of Insurance Supervisors (IAIS), International Organisation of Pension Supervisors (IOPS), Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA), and the Organisation of African Insurance Supervisory Authorities (OAISA), while strengthening partnerships with key global institutions.

The incoming Board therefore inherits a financially strong, technically capable, and strategically positioned institution. The foundations are firmly established, the systems are modernised, and the pathway for the next phase of regulatory excellence is clearly defined.

2021–2025 Strategy Execution: Board Assessment

The Board conducted an end-of-cycle evaluation of the Commission's performance against the five strategic outcomes of the 2021–2025 Strategic Plan. Overall performance was strong, with four of the five outcomes exceeded, reflecting effective execution and sustained delivery across the strategic cycle.

The only outcome that fell marginally below target was "Improved Pension Benefits," primarily due to the incomplete resolution of the pre-2009 compensation exercise. Despite coordinated efforts by the Board, Management, and industry stakeholders, this long-standing national issue remains at an advanced stage, pending final closure.

Governance

The Board, comprising six Board Members and four Committee Members in 2025, operated with full independence and continued to uphold high standards of corporate governance. During the year, the Board reviewed and updated Committee Terms of Reference to align with emerging best practices and strengthen oversight effectiveness.

A comprehensive Board evaluation was undertaken, covering the performance of the Board, its Committees, the Chairperson, and individual members. In addition, the assessment framework was expanded to include the performance of the Corporate Secretary, recognising the critical role of the function in supporting effective governance. The Board also underwent two independent external evaluations, further reinforcing its commitment to continuous improvement.

The Commission maintained a high level of statutory compliance, including the successful convening of the Annual General Meeting and bi-annual statutory engagements with the line Ministry, ensuring continued alignment with its mandate and oversight expectations.

The tenure of four Board Members will conclude in June 2026. The process for the appointment of successor members was underway and was expected to be finalised ahead of the expiry of their terms, ensuring continuity of governance. The Board extends its sincere appreciation to the outgoing members for their dedicated service and contribution to the Commission.

Financial Performance

The Commission delivered strong financial results for the year ended 31 December 2025. Total restated revenue amounted to ZWG 337.8 million. Total expenditure was ZWG 266.7 million, yielding a surplus of ZWG 71.9 million. The Commission continues to operate as a going concern, underpinned by sound governance and prudent financial management. Notably, the Commission acquired strategic land in Borrowdale for a future permanent head office, funded entirely from its own resources without recourse to the fiscus.

Appreciation

On behalf of the Board, I extend sincere gratitude to the Ministry of Finance, Economic Development and Investment Promotion, the Parliamentary Portfolio Committee on Budget, Finance and Investment Promotion, and the Corporate Governance Unit for their continued guidance and support throughout the year.

I also wish to acknowledge my fellow Board members, the Commissioner, Management and Staff of IPEC, as well as industry associations and regulated entities, for their commitment and collaboration in advancing the Commission's mandate.

The Board further expresses its appreciation to fellow financial sector regulators and development partners, including the International Finance Corporation (IFC), World Bank Group, the Access to Insurance Initiative, the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), FSD Africa, and Cenfri for their sustained technical support and partnership over the last five years.

We are equally grateful to international standard-setting bodies whose guidance has been instrumental in strengthening the Commission's regulatory framework.

Mr. Albert J. Nduna

Board Chairperson
INSURANCE AND PENSIONS COMMISSION

COMMISSIONER'S FOREWORD:

A Year of Purposeful Progress

The year 2025 marked a period of notable regulatory advancement, sectoral resilience, and renewed focus on protecting the interests of policyholders and pension scheme members. This report highlights the Commission's key achievements during the reporting period and outlines its priorities going forward.

During the year under review, the Commission achieved meaningful progress across all five strategic outcomes, driven by a supervisory focus on legislative reforms, risk-based supervision, and enhanced compliance monitoring to support long-term sustainability.

2025 Strategic Priorities

The Commission's work in 2025 was anchored on five strategic priorities, delivered through two core programmes: Governance and Administration, and Industry Regulation, Supervision and Protection.

01 Regulatory Frameworks & Legal Reforms

Strengthened oversight through risk-based inspections, improved capital and reserving controls, and firm enforcement of compliance on pension contributions.

02 Market Conduct & Financial Reporting

Enhanced industry standards in disclosures, claims, and complaints resolution, with notable recovery in funeral assurance driven by IFRS 17 compliance.

03 Innovation & Market Development

Promoted innovation through the Regulatory Sandbox, expansion of index-based insurance, and initiatives supporting financial inclusion.

04 Digital Transformation & Supervision

Advanced automation, system integration, and use of data analytics and AI to improve efficiency and evidence-based supervision.

05 Governance & Financial Resilience

Focused on modernising the IPEC Act, implementing ZICARP for risk-based supervision, and introducing US$-indexed capital requirements to strengthen financial stability.

Outcome 1 — Improved Governance and Administration

The Commission maintained a high-performing workforce and strong internal governance, reinforcing that institutional discipline is fundamental to credible and effective regulation.

100%
Statutory Compliance
Maintained at 100%

75%
Client Satisfaction
Regulated entities
(up from 60%)

ZWG42.6 m
Land Acquired
Future IPEC HQ, Borrowdale

73.1%
Staff Satisfaction
End-of-year survey 2025

The Commission achieved 100% statutory compliance, reinforcing a strong culture of accountability and setting an industry benchmark. Client satisfaction among regulated entities, our direct clients, rose to 75% (from 60%), reflecting improved service delivery. However, the most meaningful measure of effectiveness remains pensioners' satisfaction with the value of benefits received, making the enhancement of pension benefit adequacy a key priority for the next strategic phase.

The Commission remained a going concern, supported by diversified revenue streams. During the period, land for the IPEC Head Office in Borrowdale was acquired at a cost of ZWG 42.6 million, funded entirely from internal resources without recourse to the fiscus.

Employee satisfaction increased from 62% to 73.1%, reflecting stronger confidence in organisational culture, enhanced mentorship opportunities, and sustained investment in employee wellbeing. At the same time, staff turnover rose from 2.1% to 4.51%, mainly due to employees pursuing international opportunities. In response, proactive retention strategies have been incorporated into the 2026 organisational restructuring programme.

Outcome 2 — Improved Pension Benefits

The Commission made substantial, measurable progress in restoring the real value of pension benefits during 2025. Ninety-five percent of pension funds are now paying benefits in line with asset performance, driven by enforcement of the Expenses Framework, timely remittance of employer contributions, and other targeted regulatory measures.

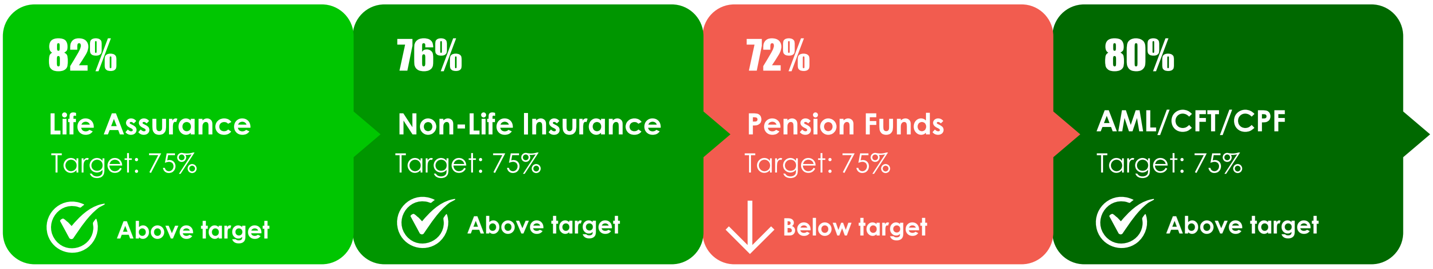
To track the purchasing power of pension benefits in real terms, the Commission used the IPEC Bread Index, which measures how many loaves of bread the average pensioner can purchase from their monthly pension benefits.

The IPEC Bread Index rose from 22 loaves in 2022 to 91 loaves in 2025 — a 314% improvement in pension purchasing power, reflecting the tangible impact of supervisory enforcement on member outcomes.

The pre-2009 compensation programme remains the Commission's most pressing legacy issue and a key priority for the 2026–2030 stragegic Plan, with all processes at an advanced stage, awaiting the gazetting of amendments to Statutory Instrument (S.1) 162 of 2023, the exercise is nearing completion, with a firm commitment to deliver long-overdue compensation to eligible pensioners.

Outcome 3 — Improved Industry Compliance

The Commission's supervisory efforts continued to strengthen overall industry compliance in 2025. Life assurers recorded a compliance level of 82%, the non-life insurance sector stood at 76%, and pension fund compliance was recorded at 72%.

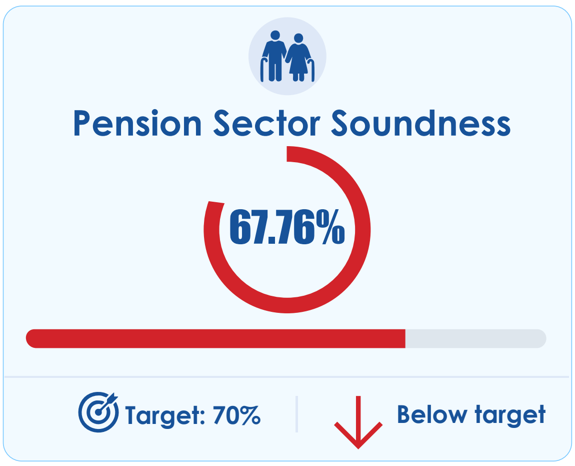


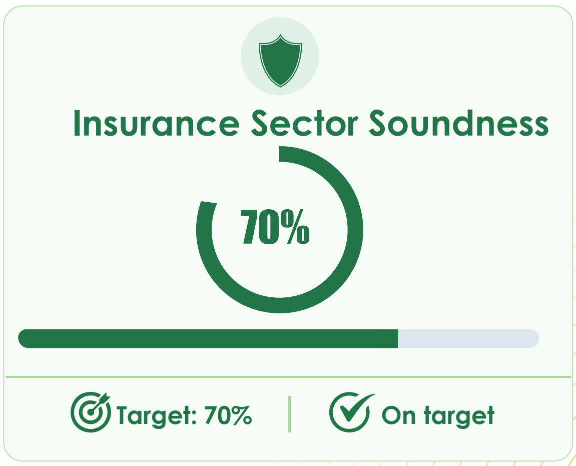
The relatively lower compliance level in the pension fund sector primarily reflects persistent non-compliance with contribution remittances. The Commission intensified recovery efforts, pursuing arrears through targeted engagements, publishing lists of defaulting employers, and exercising garnishee powers under the Pensions and Provident Funds Act [Chapter 24:32].

The AML/CFT/CPF supervisory framework recorded strong performance at 80%, above the 75% target, reflecting deliberate capacity investment in preparation for the 3rd Round ESAAMLG Mutual Evaluation scheduled in 2026. The Commission is confident that Zimbabwe's financial sector is well positioned for a credible and comprehensive assessment.

Outcome 4 — Increased Industry Soundness and Resilience

The Commission continued to strengthen the financial soundness and resilience of both the insurance and pensions industry in 2025. The insurance sector closed the year at 70% on its soundness indicator, meeting the set target, while the pensions sector closed at 67.7%, slightly below the 70% target.





The introduction of US Dollar-indexed minimum capital requirements Statutory Instrument (S.I.) 67 of 2025 placed pressure on some insurers, particularly in the non-life sector, with non-compliant firms now under structured capital recovery plans.

Outcome 5 — Increased Industry Growth

The insurance sector delivered strong top-line performance in 2025, with revenue increasing by 36% to ZWG16.28 billion (from ZWG12.0 billion in 2024) and profit after tax rising 13% year-on-year.

Growth was primarily driven by life assurers, whose revenue surged 63% to ZWG7.57 billion, while short-term insurers recorded a solid 20% increase to ZWG8.15 billion. Notably, microinsurers demonstrated the most dynamic growth trajectory with 81% profit growth, validating the Commission's inclusive insurance strategy and the enabling regulatory framework it has built over the strategic period.

ZWG36.79 Billion	ZWG16.28 Billion	ZWG4.78 Billion	+63%
Total Industry Assets	Insurance Revenue	Profit After Tax	Life Assurer Revenue Growth
+18%	+36%	+13%	

Total industry assets grew by 18% to ZWG34.98 billion (from ZWG29.57 billion in 2024), reflecting continued sector expansion. Insurance penetration remained around 2%, largely reflecting the impact of GDP rebasing, which moderated the ratio despite underlying sector growth.

Furthermore, the Commission delivered a Regulatory Sandbox, developed in partnership with FSD Africa and Cenfri, reflecting the Commission's strengthened focus on innovation by providing a controlled environment to test new products, encourage market development, and enhance financial inclusion while safeguarding consumers.

The pensions sector recorded strong, broad-based growth in 2025, with assets, benefits, contributions and membership all recording significant increases while total contributions rose by 96% to ZWG7.84 billion. The Commission remains committed to ensuring that investment returns, particularly foreign currency earnings, are fairly distributed to members.

Enforcement efforts against contribution arrears yielded tangible results, with 11 employers clearing outstanding obligations and a further 25 entering structured payment arrangements under active supervision.

971	+38.7%	+96%	+137%
Pension Funds Registered	**Asset Growth**	**Contributions Growth**	**Benefit Increase**
As at 31 December 2025	***ZW80.86 bn*** *total assets*	***ZWG7.84bn*** *contributed*	*Average member payments*

Outlook for 2026

As the Commission transitions into the 2026–2030 strategic cycle, we are energised by the progress achieved and fully aware of the work that still lies ahead. We enter 2026 with strengthened institutional foundations, a modernised regulatory framework, enhanced technical capabilities, and a robust monitoring and evaluation system. The following priorities will anchor the 2026 work programme:

01. Pre-2009 Compensation:
Finalise amendments to S.I 162 of 2023 and begin disbursement of compensation to eligible members, the Commission's most urgent obligation to pensioners.

02. ZICARP Full Implementation:
Execute the full rollout of the Zimbabwe Integrated Capital and Risk Programme(ZICARP) across the insurance sector.

03. ESAAMLG Mutual Evaluation:
Participate in Zimbabwe's 3rd Round Mutual Evaluation.

04. Sustainability Framework:
Guide the industry in implementing the Sustainability Guideline, integrating ESG risk considerations into supervisory assessments and reporting.

05. IPEC Amendment Act:
Implementation and operationalisation of the expanded mandate, including regulation of the National Social Security Authority (NSSA) and Medical Aid Societies.

06. Risk-Based Supervision:
Advance the implementation of risk-based supervision across all entities, supported by stronger enforcement of governance, liquidity, and capital standards.

07. Insurance Bill:
Replace the existing Insurance Act with a modern, fit-for-purpose legal framework that closes gaps identified by the Justice Smith-led Commission of Inquiry and enhances regulatory effectiveness and oversight.

Appreciation

The Commission extends its sincere appreciation to the Ministry of Finance, Economic Development and Investment Promotion; the Corporate Governance Unit; the Attorney General's Office; the Parliament of Zimbabwe; and fellow financial sector regulators. Their guidance, coordination, and collaboration have been indispensable to the Commission's ability to discharge its mandate with integrity.

To our development partners and the international and regional standard-setting bodies including the World Bank, FSD Africa, Cenfri, Toronto Centre, IAIS, IOPS, OAISA, CISNA, and OECD whose sustained technical support has advanced the Commission's supervisory capacity, we thank you for your confidence in IPEC's ability to lead best practice in our jurisdiction.

To the Board, whose steadfast oversight, wisdom, and strategic guidance have been the foundation of the Commission's performance; thank you for your exceptional stewardship.

To Management and Staff; whose professionalism, expertise, and dedication have driven our achievements; we extend our deepest appreciation.

To regulated entities, pension fund members, and policyholders; your engagement, trust, and patience are what gives the Commission's work its purpose.

Dr Grace Muradzikwa
COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS

Strategic Fit & Alignment

The Commission's 2021–2025 Strategic Plan was deliberately structured to ensure coherent alignment with both national development priorities and global policy frameworks. Its regulatory agenda, supervisory focus, and institutional initiatives cannot be pursued in isolation; rather, they are systematically integrated into a broader development architecture that spans from Zimbabwe's Vision 2030 through to continental and global commitments, including the African Union's Agenda 2063 and the United Nations Sustainable Development Goals (SDGs).

Strategic Alignment Hierarchy

IPEC's mandate does not exist in isolation. The Commission's 2021-2025 vision: "A safe, vibrant, and sustainable insurance and pensions industry by 2025" was embedded within a nested hierarchy of national and continental frameworks, ensuring that regulatory action at sector level translates into measurable contribution to Zimbabwe's development trajectory.

Contribution to National Development Strategy 1 (NDS1)

The Commission's activities in 2025 made a direct and measurable contribution to Zimbabwe's NDS1 priorities. Across the three NDS1 pillars most relevant to the sector, IPEC's regulatory and developmental interventions generated tangible outcomes.

The Commission contributed meaningfully to NDS1 through its role in strengthening insurance and pensions supervision under the national priorities of Economic Growth & Stability (NPA 1) and Social Protection (NPA 12). In support of economic growth, the Commission facilitated long-term investment by insurance entities and pension funds into nationally significant infrastructure such as shopping malls in major cities and towns, hospitals, renewable energy projects and other productive assets, through enforcement of prescribed asset requirements.

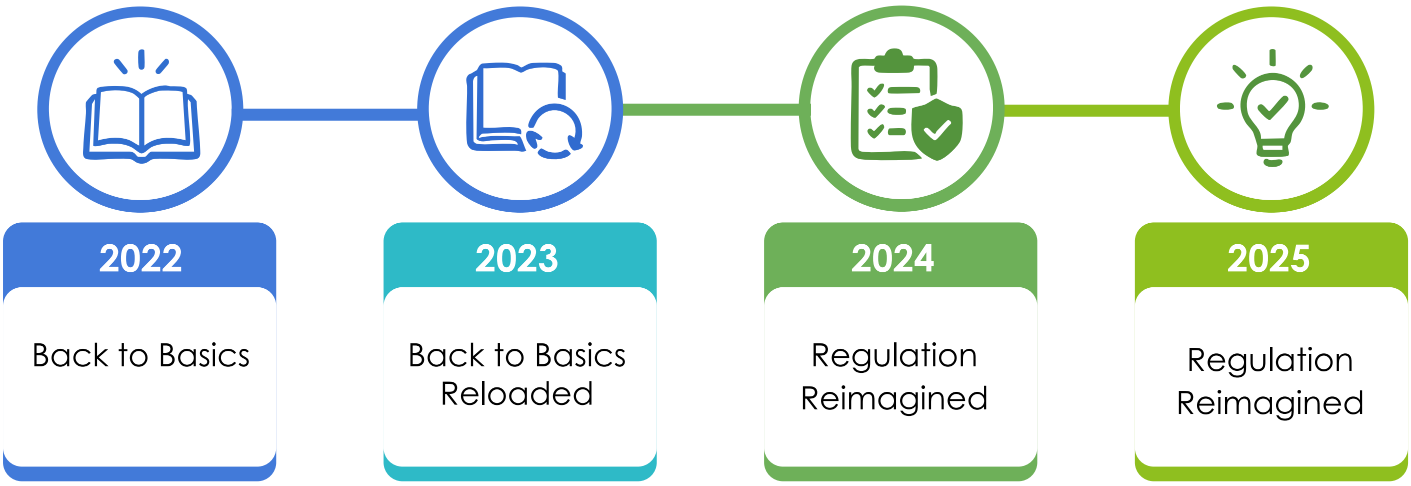
These investments have advanced capital formation, supported job creation, and strengthened the country's economic resilience. In advancing financial inclusion, the Commission operationalised a comprehensive Microinsurance Framework, expanding the number of registered microinsurers from five in 2021 to sixteen in 2025 and broadening access to affordable, inclusive insurance products. To further extend long-term savings to low-income and informal-sector workers, the Commission issued the Micropensions Framework, enabling flexible and voluntary retirement contributions for individuals with low and irregular incomes. Going forward, the Commission will continue to leverage microinsurance and micropension products as catalytic tools for deepening financial inclusion and strengthening social protection for vulnerable and underserved communities.

STRATEGIC FOCUS

To maintain strategic momentum while remaining responsive to shifting operational realities, the Commission adopted an annual theme that reflected its current regulatory stance and institutional priorities. These themes have evolved progressively over the plan period from building regulatory foundations to reimagining what modern regulation should look like in a dynamic, inclusive financial sector.

Annual Strategic Theme: Regulation Reimagined

Building on the strong foundations of Back-to-Basics theme, the Commission pivoted to a forward-looking agenda under the "Regulation Reimagined" theme. This marked a deliberate shift from reactive to innovation embracing agility, pivoting towards data analytics, and technology enabled supervision. The objective was to ensure that IPEC's regulatory approach kept pace with an increasingly complex and dynamic operating environment, while maintaining a protective stance towards policyholders and pension scheme members.



Strategic Programmes & Outcomes Framework

The 2025 Strategic Plan was implemented under the Integrated Results Based Management with two programmes encompassing five strategic outcomes as reflected in the diagram below:

PROGRAMME	WEIGHT	STRATEGIC OUTCOMES	WEIGHT
Programme 1: Governance and Administration	**40%**	Improved Governance and Administration	40%
Programme 2: Industry Regulation, Supervision & Protection	**60%**	Improved Pension & Insurance Benefits	10%
		Improved Industry Compliance	20%
		Improved Industry Soundness & Resilience	20%
		Increased Industry Growth	10%

PROGRAMME 1:

GOVERNANCE AND ADMINISTRATION

OPERATIONAL PERFORMANCE:

Delivering on Our Regulatory Mandate

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION

Strategic Outcome: Improved Governance and Administration

Programme 1 encompasses the institutional backbone for the Commission, comprising all departments and units responsible for governance, strategic management, financial stewardship, human resource management, legal and company secretarial, consumer education, research, procurement, and Information Communication Technology. This programme ensures that the Commission operates with integrity, accountability, and efficiency, providing the necessary platform for effective execution of the regulatory mandate under Programme 2.

PART A

GOVERNANCE REPORT

GOVERNANCE REPORT:

Accountability, Integrity and Transparent Oversight

Governance Framework

IPEC's strategic objectives are achieved through management and staff who report to the Executive Committee, which in turn reports to the Board. The Executive Committee is chaired by the Commissioner, and the Board is chaired by an Independent Chairperson.

Board Mandate

The Board derives its mandate from the Insurance and Pensions Commission Act [Chapter 24:21]. In ensuring good governance, and providing strategic oversight, the Board remained committed to solid ethical conduct based on accountability, integrity, transparency and professionalism. The Board considers stakeholder interests such as pension fund members, policyholders, regulated entities, and the Government of Zimbabwe. This is done by formulating a strategy that is underpinned by adequate resource allocation, risk management, good governance and a commitment to generating social value for its stakeholders.

Board Composition and Structure

Diverse membership: The Board was fully constituted with five non-executive members, one ex-officio member and four committee members, representing various stakeholders. The committee members were coopted to augment the board numbers and skills and to provide independence pending the promulgation of the Insurance and Pensions Commission Bill 7 of 2024 that will increase the board membership to a maximum of nine non- executive board members.

The Board had a 60% male and 40% female gender mix. It was fairly represented geographically in line with sections 18 of the Constitution and 11(7) (b) of the Public Entities Corporate Governance Act [Chapter 10:31], which enjoins the State and agencies of government to ensure fair representation of all Zimbabwe`s regions in all institutions.

Expertise mix: Members of the Board possessed a diversity of qualifications, skills and experience at both local and regional level for governing the Commission.

Board Tenure: The tenure of Mr. A. J. Nduna, Mrs. J. Rusike, Mr. G. Nyengedza, and Mr. D. T. Mureriwa expires on the 23rd of June 2026. The Board Members who have served two terms on the IPEC Board are no longer eligible for reappointment. A request for the replacement of the outgoing Board members was submitted in Q4, 2025, for consideration to avoid a governance vacuum. The Commission has a Succession Plan in place to mitigate the succession risk. Some of the mitigatory measures include:

- Recommending existing Board Committee Members for Board appointments,
- Inducting new Board Members and
- Robust knowledge management, i.e. documenting critical knowledge and sharing it among members.

Committee Structure: The Board operated with six Committees established under section 14 (1) of the Insurance and Pensions Commission Act and Part V of the Public Entities Corporate Governance Regulations, 2018. The Commission committees include mandatory committees as required by the Public Entities Corporate Governance Act [Chapter 10:31, which are Risk Management Committee; Integrity Committee; Audit Committee; Finance and ICT Committee; Human Resources, Governance and Procurement Committee; and Operations Committee. The Committees were all chaired by non-executive directors and have different roles and responsibilities to ensure the efficient and effective discharge of the Board's mandate. The functions of each Committee are reviewed from time to time, in line with best practice. The overall goal of running the Commission, however, remains within the purview of the Board.

Analysis of Board and Committees Attendance Register: The overall average board attendance for the year 2025 was 96% compared to the 95% for the year 2024 and was significantly above the minimum prescribed 75%. In instances where there was non-attendance at scheduled meetings, apologies were received and approved by the Chairperson. The cumulative year 2025 Board attendance is as outlined in the table below:

Director	Remco (6)	Ops (8)	Finance & ICT (5)	Audit (4)	Risk (4)	Integrit y (4)	Combine d F&ICT & Audit Committ ee (1)	Special Committee Meeting (1)	Statutor y (2)	AGM Dry Run (1)	AGM	Board (4)	Appraisal (3)	Total	% Attendance
A. Nduna	6	N/A	N/A	N/A	N/A	4	N/A	N/A	2	1	1	4	3	21/21	**100%**
J. Rusike	5	N/A	N/A	4	N/A	N/A	1	N/A	1	N/A	1	4	2	18/21	**86 %**
G. Nyengedza	6	N/A	N/A	N/A	4	N/A	N/A	N/A	1	N/A	1	3	3	18/19	**95%**
D. Mureriwa	N/A	8	N/A	4	N/A	N/A	1	1	2	N/A	Apology	4	3	23/24	**96%**
G. Muradzikwa	6	8	5	N/A	4	4	1	1	2	1	1	4	3	44/44	**100%**
C. Muzondo	N/A	8	5	N/A	N/A	N/A	1	1	2	N/A	1	4	3	25/25	**100%**
D. Shinya	N/A	N/A	4	N/A	4	N/A	1	N/A	1	N/A	1	3	3	17/20	**85%**
M. Chiri	N/A	N/A	N/A	4	N/A	4	1	1	2	N/A	1	4	3	22/22	**100%**
G.Hapanyengwi	N/A	N/A	4	N/A	N/A	4	1	N/A	1	N/A	1	4	2	10/12	**83 %**
M. Chiremba	N/A	8	N/A	N/A	4	N/A	N/A	N/A	1	N/A	1	4	3	16/16	**100%**
B. Kazengura	N/A	N/A	N/A	N/A	N/A	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3/3	**100%**
Overall Attendance	**96%**	**100%**	**90%**	**100%**	**100%**	**100%**	**100%**	**100%**	**75%**	**100%**	**90%**	**95%**	**93%**		**96%**

Board Remuneration

Board remuneration was conducted in line with the approved remuneration structure, where IPEC was placed under category 8. The payment of the board fees was per the 40/60 ratio where 40% was paid in US$ and 60% ZWG in compliance with the guidance received from the Corporate Governance Unit.

Board Evaluation

An externally facilitated evaluation of the Board and its Committees was conducted in the fourth quarter of 2025. The Board Members evaluated themselves, their peers, the committees, the Commissioner, the Chairperson, and overall Board performance. The report was submitted to the Ministry of Finance, Economic Development, and Investment Promotion and the Office of the President and Cabinet's Corporate Governance Unit.

Declaration of Assets

The Commission's Board and Senior Management submitted their annual asset declarations to the Office of the President and Cabinet's Corporate Governance Unit. This complied with section 37 of the Public Entities Corporate Governance Act.

Performance Management

Quarterly reviews of the Commissioner and senior management performance were conducted by the Board. The Commissioner was appraised by both the Board and the external consultant appointed by OPC, every quarter. The Board's performance was reviewed every six months through the appraisal of the Board Chairperson's performance by the external consultant.

Disclosure and Transparency

The Commission adheres to key aspects of transparency and disclosure as part of a comprehensive corporate governance framework. Resolutions made by the Board for the period January 2025 to December 2025 were submitted to the Ministry of Finance, Economic Development, and Investment Promotion and the Office of the President and Cabinet's Corporate Governance Unit in line with the requirements of the Public Entities Corporate Governance Act.

In line with the Public Entities Corporate Governance Act and Freedom of Information Act [Chapter10:33], the Commission made available the following documents on the IPEC website:

- Financial Statements and Annual Report (2024)
- Approved IPEC Strategy (2021-2025)
- Board Charter
- Board Committee Terms of Reference
- Code of Ethics
- IPEC Gifts and Benefits Policy
- A description of the Commission's roles and responsibilities, its departments, office locations and operating times.

Compliance Rating

The Commission is committed to maintaining its good corporate citizenry and regularly tracks its compliance with regulatory obligations. The compliance monitoring report is submitted for Board consideration at all Board quarterly meetings. The compliance rating for 2025 was 100% compared to 96% in 2024.

Statement of Compliance

Based on the information set out in the Legal and Governance report, the Commission made headway in complying with the legislative and corporate governance requirements throughout the accounting period.

……………………………………..
S. NHENDE
DIRECTOR, CORPORATE SERVICES

Internal Checks, Control, and Auditing

The Internal Audit function continued to serve as a cornerstone of the Commission's governance framework in 2025. Operating under the functional oversight of the Audit Committee and the administrative authority of the Commissioner, the department delivered a comprehensive program of risk-based audits that directly supported the Commission's strategic outcome of Improved Organisational Performance.

During the year, Internal Audit conducted both routine and non-routine audits, with a focus on Governance, Risk, and Control (GRC) gaps across key operational areas. Audit observations were accompanied by actionable recommendations that enabled management to strengthen internal controls, enhance policy compliance, and improve the efficiency of business processes. Follow-up audits were systematically carried out to verify the adequacy and timeliness of corrective actions, ensuring that identified weaknesses were resolved in a comprehensive and sustainable manner. This led to the cure rate of audit issues improving to 85% from 72.7% in the previous year.

A notable achievement in 2025 was the deepening of collaboration between Internal Audit, management, and the Audit Committee, which reinforced a culture of accountability and continuous improvement throughout the Commission. The department's advisory engagements further support management decision-making by providing independent insight into emerging risks and control considerations.

Looking ahead into the 2026 – 20230 strategic period, Internal Audit will continue to align its work program with the Commission's evolving strategic priorities. Key focus areas for the strategic period include further embedding a risk-based audit methodology, strengthening the department's use of technology-driven audit tools, and expanding advisory engagements to proactively support management in navigating regulatory and operational risks. Internal Audit remains committed to delivering independent, objective assurance and advisory services that safeguard the Commission's assets and advance its mandate.

RISK MANAGEMENT:

Protecting Institutional Integrity in a Changing Landscape

Overall Risk Profile of the Commission

The Commission's overall risk profile is rated as Moderate, reflecting a satisfactory and effective risk control environment, supported by an 85% audit closure rate on all observations. While operations remain within acceptable risk tolerance levels, the acceleration of technological and cyber threats, even amid a stable macroeconomic backdrop, requires continued vigilance and proactive risk management.

Key Risk Management Interventions by the Commission

To enhance its enterprise risk management, the Commission executed a number of initiatives, aimed at transforming risk management from a compliance requirement into a strategic enabler. Implemented across governance, technology, operations, culture, and industry supervision, these interventions have strengthened institutional resilience as the Commission concludes its 2021–2025 strategic cycle. The key initiatives are outlined below:

Strategic Alignment and Risk Integration

The Commission undertook a comprehensive integration of Enterprise Risk Management (ERM) into its strategic architecture, embedding risk considerations across planning, decision-making, and performance management processes. This initiative ensured the alignment of the Commission's vision with a clearly defined risk appetite, enabling the pursuit of strategic objectives within a structured, risk-informed governance framework, with robust oversight by the Risk Management Committee.

Cybersecurity and Technological Governance

The Commission reviewed and enhanced the Cybersecurity and Data Protection Framework for the industry. Internally, Vulnerability Assessment and Penetration Testing (VAPT) exercise was conducted to identify and remediate system weaknesses. The Commission also introduced its pioneering Artificial Intelligence Usage Policy, positioning IPEC as a forward-thinking regulator that leverages innovation while enforcing rigorous ethical, operational, and data-integrity safeguards.

Operational Resilience and Business Continuity Management

The Commission operationalised a comprehensive Business Continuity Management (BCM) Framework and Plan, together with a robust Disaster Recovery (DR) Plan, to strengthen organisational resilience. The effective implementation of these frameworks ensured continuity of the Commission's regulatory mandate and the sustained delivery of critical services, even in the face of significant systemic disruptions.

Risk-Aware Culture and Capacity Building

The Commission embedded a risk- aware culture through structured risk awareness training, AML/CFT awareness programmes, cyber security risks and data protection awarenesses trainings. Collectively, these interventions have enhanced risk ownership, improved early risk identification and escalation, and fostered a proactive, accountability-driven culture where risk management is integrated into day-to-day operations and decision-making.

Top Risks 2025

The following table presents the Commission's Top 5 Risks,

Risk	Inherent Risk	Risk Description	Mitigation	Residual Rating
Reputational Risk	Critical	Prolonged closure of pre-2009 compensation and low pension benefits have eroded public trust, reflected in a low client satisfaction index.	The Commission is actively advocating for expeditious gazetting of SI 162 of 2023, supported by the Treasury commitment including an initial disbursement of US$500,000. The industry also committed 7.5% of the shareholders' funds to compensation	Critical
Legal Risk	High	Protracted delays in gazetting the Insurance Bill constrain the Commission's regulatory reform agenda, heightening the risk of misalignment with emerging industry risks and limiting responsiveness to the evolving regulatory landscape.	Intensified engagement with relevant regulatory stakeholders to expedite legislative processes, complemented by the issuance of guidelines and supervisory directives to bridge regulatory gaps.	Moderate

Risk	Inherent Risk	Risk Description	Mitigation	Residual Rating
Business Earnings Risk	**High**	Revenue sustainability risk due to a high concentration of revenue on levy income, and increasing levies arrears	The Commission has committed to revenue diversification initiatives and a digitalisation agenda, is expected to enhance efficiency and support cost optimisation.	**Moderate**
Cybersecurity & IT Risk	**High**	Digitalisation exposes the Commission to ransomware, data breaches, AI-powered attacks, and phishing. Vulnerabilities identified in 2025 included expired firewall licences and undeployed patches, creating exploitable attack surfaces that could disrupt regulatory operations.	Cybersecurity and Data Protection Frameworks were enhanced, with internal VAPT conducted, an AI Usage Policy adopted, and DR frameworks implemented to ensure operational continuity.	**High**
Industry Risk	**High**	Despite strong mac-roeconomic stability in 2025, residual systemic risks persist, including market disruptions from the sus-pension of Old Mutual and delisting of count-ers where the industry has significant exposure. Claims Settlements Risks and Contribution Arrears	Enforcement of investment guidelines and review of limits. Conduct industry-wide exposure assessment and promote portfolio diversification. Strengthened claims oversight monitoring and exercising regulatory powers on defaulting employers.	**High**

Risk Outlook 2026 and Beyond

As the Commission transitions into the transformative 2026-2030 Strategic Plan, the risk landscape will continue to be shaped by both internal and external forces. Emerging risks including AI governance, climate change and ESG transition, geopolitical disruptions, and demographic pressures, require proactive monitoring. Strategic risk priorities will focus on digital transformation and cyber resilience, confidence restoration through resolution of legacy compensation matters,and sustainability-focused regulatory oversight. In addition, the Commission will prioritise navigating the transition towards a mono-currency environment, with a strong emphasis on preserving value across the insurance and pensions sector. The Commission remains committed to operating within its defined risk appetite, safeguarding policyholder interests, and ensuring the stability and growth of Zimbabwe's insurance and pensions sector.

IPEC Sustainability Commitment

The year 2025 marked a defining milestone as IPEC presented its inaugural Sustainability Report, reflecting the Commission'scommitment to embedding environmental, social and governance (ESG) principles into both the regulatory operations and industry oversight aligned with National Development Strategy 2 (NDS2) 2026-2030.

IPEC's Dual Sustainability Mandate

AS PUBLIC SECTOR ENTITY (Operator role)	AS INDUSTRY REGULATOR (Policy maker role)
Standard: IPSASB SRS 1 Reports own climate risks, governance, and environmental footprint (Effective: January 2028)	**Standards: IFRS S1 & S2** Guides regulated entities toward sustainability disclosure via PAAB (Target: 2028-2030)

2025 Highlights

INTERNAL OPERATIONS	INDUSTRY LEADERSHIP
Sustainability Committee with Board oversight established	4,000+ smallholder farmers protected via Agriculture Index Insurance
Head Office transitioned to solar power	Circular 11 of 2025 issued encouraging voluntary sustainability adoption
68% digitisation of regulatory processes achieved	Nairobi Declaration implementation guidelines developed

Sustainability Governance

IPEC's commitment to sustainability governance includes establishment of a comprehensive four-tier governance structure, anchoring sustainability within our risk governance framework and ensuring accountability from Board to operational levels.

1	**MAIN BOARD** Ultimate Accountability	• Quarterly Reports
2	**RISK COMMITTEE** Sustainability Anchored in Risk	• Quarterly Reports from Sustainability Committee
3	**EXECUTIVE COMMITTEE (EXCO)** Operational Execution	• Monthly Updates
4	**SUSTAINABILITY COMMITTEE** Technical Leadership	• Dual Reporting (Monthly to Exco, Quarterly to Risk Committee)

SUSTAINABILITY CHAMPIONS (Departmental) Embedding Sustainability into Daily Operations

Our Sustainability Thinking

At IPEC, sustainability thinking means incorporating environmental, social, and governance considerations into every decision, action, and practice. We recognise that climate change, environmental degradation, and social inequality directly threaten the financial stability of regulated entities and the security of benefits owed to policyholders and pension members. By embedding sustainability into our regulatory framework, supervisory practices, and organisational culture, we aim to build an insurance and pension sector that remains viable, trustworthy, and valuable for current and future generations of Zimbabweans.

Materiality Approach

IPEC applies a three-dimensional materiality lens to assess sustainability issues:

FINANCIAL MATERIALITY	Issues affecting sector stability: climate physical risks (droughts, floods), transition risks (policy changes), social vulnerabilities, governance weaknesses, investment portfolio risks
IMPACT MATERIALITY	Sector's impact on environment and society: contribution to climate change through investments, influence on vulnerable populations, employment effects, capital allocation impacts
SYSTEMIC MATERIALITY	Alignment with national priorities: NDS2, Vision 2030, SDGs ,Nairobi Declaration, systemic financial stability

Climate-Related Risks

Risk type	Key impacts
Physical Risks	Droughts affecting agricultural insurance, floods damaging property portfolios, cyclones disrupting business continuity, heat stress reducing productivity
Transition Risks	Climate policy changes, carbon pricing mechanisms, technological shifts, market sentiment changes affecting investment portfolios, stranded asset risks

IPEC's commitment on Sustainability includes systematically identifying and managing ESG risks within its Enterprise Risk Management (ERM) framework.

Risk Category	Inherent Risk	Mitigation Action	Residual Risk
Physical Risk	High	Piloting Agriculture Index Insurance; developing stress testing.	Moderate
Transition Risk	High	Promoting green assets and adopted Principles for Responsible Investment.	Moderate
ESG Awareness	High	Establishing a Sustainability Committee, departmental champions and capacitation.	Moderate
Capacity & Data	High	Initiating GHG emissions baseline and data collection systems.	High

Metrics And Targets

Internal Environmental Footprint

IPEC is committed to quantifiable targets to ensure transparency and accountability.

Key environmental initiatives include:

Category	Actions
Energy	Head Office solar installation; LED lighting throughout offices. Targeting a 50% reduction in grid energy usage and 0% generator usage by 2028
Digitisation	68% of regulatory processes digitised; e-approvals implemented
Office Consolidation	Merged locations to reduce inter-office travel and commuting emissions
Water	Achieving 100% compliance with Environmental Management Agency (EMA) practices.
Human Capital	Integrating geographic diversity criteria and gender equity targets into recruitment and succession planning

Industry Transformation and Future Resilience initiatives

Regulatory Frameworks

- **Circular 44 of 2022:** Nairobi Declaration — regional climate commitment and voluntary sustainability adoption, recognising the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI) which provides a dual approach that addresses both the insurance and pension fund dimensions of Zimbabwe's financial sector.This comprehensive integration ensures that regulated entities can systematically embed environmental, social, and governance (ESG) considerations across all aspects of their business operations.,
- **Circular 11 of 2025:** Encouraged voluntary sustainability reporting adoption by regulated entities.
- **IFRS S1/S2 Trajectory:** Phased mandatory adoption roadmap for 2028-2030 in collaboration with PAAB.

In collaboration with the insurance sector through the Insurance Council of Zimbabwe championing innovative, climate-responsive solutions to address national development challenges:

- **The Farmer's Basket:** The flagship agriculture-indexed insurance has protected over 4,000 smallholder farmers from climate shocks.
- **Pipeline Resilience Projects:**
    - **ADRiFi:** Partnership for sovereign climate risk insurance solutions.
    - **MSME Insurance:** Collaboration with the World Bank for small business resilience.
    - **Artisanal Mining Insurance:** Tailored solutions for the informal mining sector.
    - **Regulatory Sandbox:** Testing innovative Insurtech and sustainable products.

Agriculture Index Insurance

The flagship climate resilience initiative providing parametric agriculture indexed coverage to smallholder farmers:

4,000+	RAPID	GAZETTING
Farmers Covered	Parametric Payouts	Regulations In Progress

Key priorities for 2026

- Finalise guidance on adoption of sustainability principles in the insurance and pension industry
- Develop formal IPEC Sustainability Strategy and Policy
- Implement SAP Financial Reporting Module for sustainability data
- Set quantitative emissions reduction targets aligned with national commitments
- Expand Agriculture Index Insurance and advance pipeline projects (ADRiFi, MSME Insurance, Artisanal Mining)
- Launch industry capacity building programmes on ESG principles and sustainability reporting

The year 2025 has established a solid foundation for IPEC's sustainability transformation. The innovative climate insurance products are reaching vulnerable communities. Beyond internal operations, the Commission has started to actively guide the insurance and pension industry toward sustainable practices through regulatory frameworks, capacity building and strategic partnerships.

This inaugural report reflects IPEC's commitment to transparency and accountability. The Commission recognises this is the beginning of a long-term journey. IPEC's sustainability reporting will mature progressively, deepening in scope and sophistication as data systems, technical capabilities, and industry readiness advance.

Climate change and sustainability are not peripheral concerns—they are fundamental to the financial stability of the insurance and pensions industry and the security of benefits belonging to millions of Zimbabweans. IPEC is committed to building an insurance and pension industry that remains viable, trustworthy, and valuable for current and future generations, fully aligned with Zimbabwe's Vision 2030 and national development objectives.

FINANCE AND ADMINISTRATION DEPARTMENT

FINANCE AND ADMINISTRATION DEPARTMENT

Responsibilities

The department consists of four units, which are: Finance, Human Resources, Administration, and Information Communication and Technology (ICT). The responsibilities of each unit are as follows:
Finance is responsible for mobilising, allocating, and managing financial resources and financial reports.
Human Resources is responsible for attracting, training, and retaining competent and motivated staff to achieve the Commission's mandate.
Administration is responsible for Transport, Assets and Facilities Management
ICT is responsible for developing and administering ICT systems.

The Finance Unit's performance information is covered under the Annual Financial Statement.

HUMAN RESOURCES MANAGEMENT

The year 2025 was characterised by stable industrial relations, moderate workforce contraction, and meaningful investment in capacity building to close competency gaps and ensure that the Commission has the right skills across all departments. The employee satisfaction index stood at 73.1%, up from 62% in 2024, indicating strong employee engagement. The Commission operated with 135 staff against an establishment of 147, resulting in a 9.5% vacancy rate, largely due to six resignations.

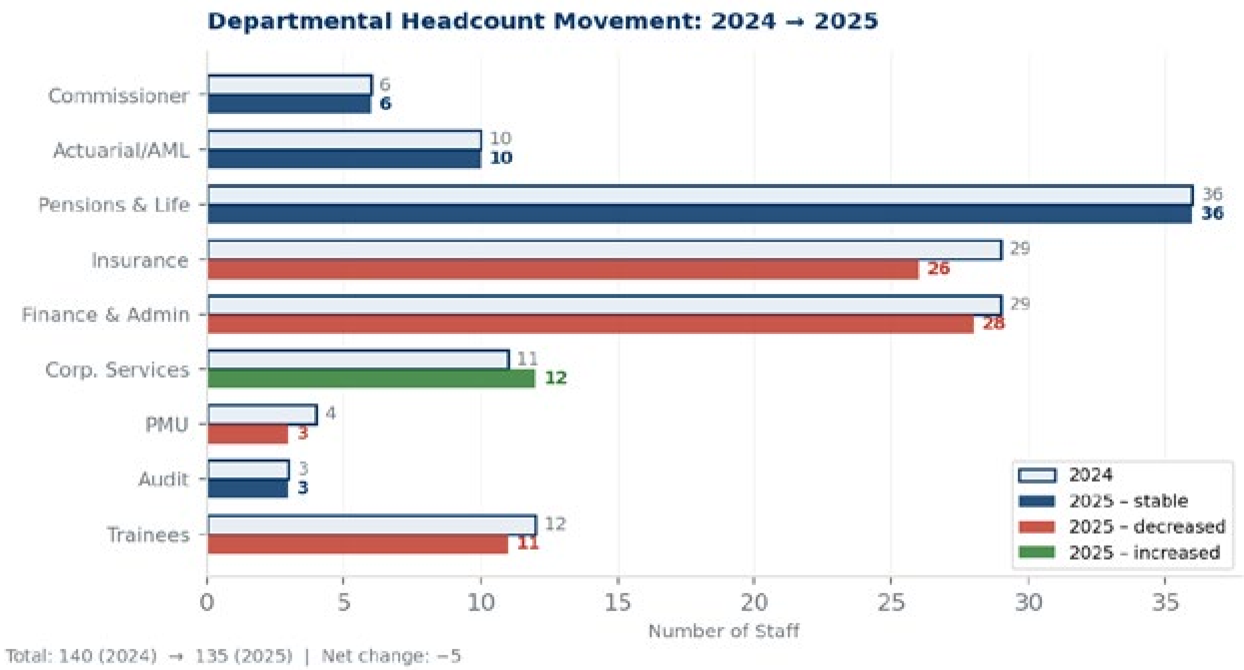
Turnover rose to 4.51%, still within the 5% threshold, with 66% of exits driven by international opportunities. The Commission continues to monitor this closely as it enhances its talent retention strategy and strengthens technical supervisory excellence, digital capability, and collaborative competencies. The Commission will continue focusing on closing existing gaps and building a future ready workforce that supports its regulatory excellence agenda.

Overall, the 2025 HR landscape reflects solid institutional stability, strong learning investment, and improving cultural indicators, but also highlights persistent pressure points around retention, succession planning, digital capability, and representational equity.

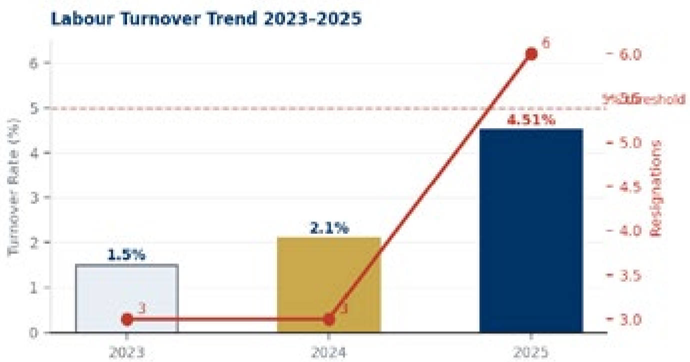
EXECUTIVE SNAPSHOT

135	**73.1%**	**4.51%**	**96**
STAFF COMPLEMENT vs 147 establishment	EMPLOYEE SATISFACTION End-of-year survey	TURNOVER RATE ↑ from 2.1% in 2024	TRAINING PROGRAMMES 271 staff participations

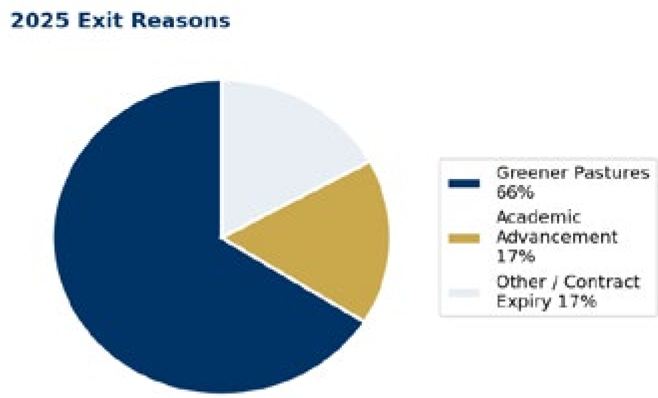
WORKFORCE STRENGTH & TURNOVER ANALYSIS



TURNOVER TREND 2023–2025



2025 EXIT REASONS

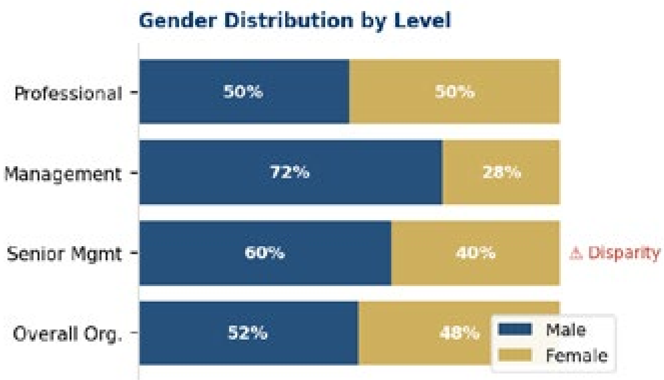


Key Finding: 66% of departures were attributed to international opportunities (predominantly the Caribbean). Turnover of 4.51% remains within the 5% threshold but the upward trajectory requires active monitoring and targeted retention strategies in 2026.

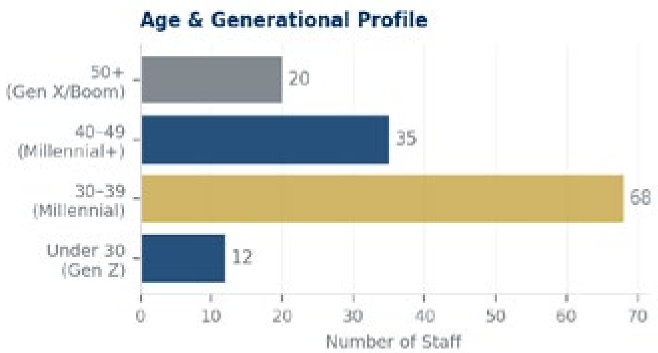
PEOPLE PROFILE –

GENDER, AGE & EMPLOYEE SATISFACTION

GENDER & LEADERSHIP EQUITY



AGE & GENERATIONAL PROFILE



Overall gender distribution: 52% male and 48% female, reflecting steady progress toward institutional gender balance. While near-parity is achieved at professional and general staff levels, a pronounced disparity persists at management level, requiring deliberate equity pipelines and structured leadership development pathways for women in 2026.

EMPLOYEE SATISFACTION — 73.1%

73.1%
Overall Satisfaction Score
End-of-year survey 2025

The end-of-year employee satisfaction survey recorded an overall score of 73.1%, a notable improvement from 62% in 2024. This uplift reflects positive momentum in employee engagement, underpinned by wellness initiatives, structured learning interventions, and a stable industrial relations climate sustained by an active and functional Works Council throughout the year.

Notwithstanding the positive headline score, the survey identified persistent gaps requiring strategic attention. The 4–7 year tenure cohort showed signs of disengagement, posing a risk to the leadership pipeline and institutional memory. A negative Net Promoter Score (NPS) of -15 signals reputational exposure in an increasingly competitive talent market, while rising turnover at 4.51% underscores the urgency of a proactive retention strategy.

Four Strategic Priorities Identified:

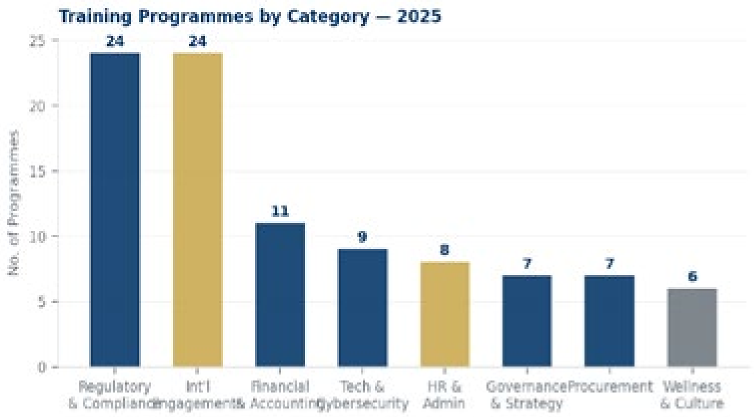
1. Career development & recognition pathways
2. Leadership communication & supervisory feedback
3. Inter-departmental collaboration & efficiency
4. Digital tools availability & access

Wellness: Marathon, soccer, sporting weekend & First Mutual Health Wellness Day conducted in 2025.

LEARNING & DEVELOPMENT - GEOGRAPHIC REPRESENTATION

LEARNING & DEVELOPMENT — 2025 INVESTMENT

96	271	64%	36%
Programmes	Participations	In-Person	Virtual

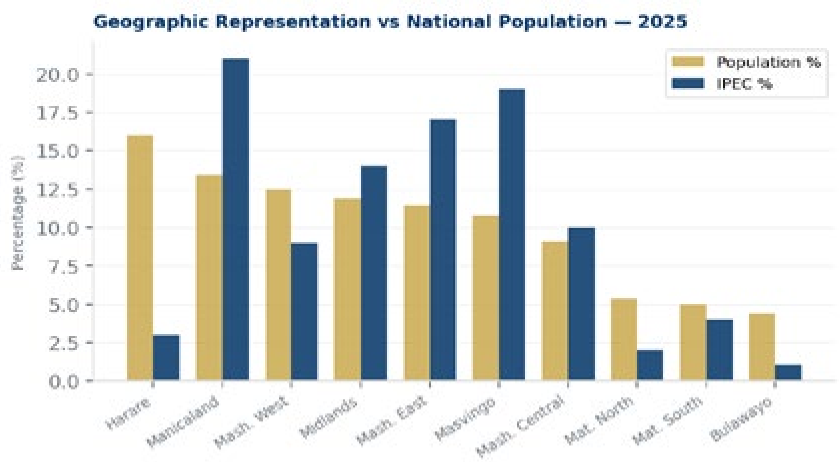


Q3 Peak: 36 events — international engagements & specialised technical training

International Reach: IAIS, IOPS, CISNA, OAISA, OECD, Toronto Centre

GEOGRAPHIC REPRESENTATION — CONSTITUTIONAL COMPLIANCE

Section 18(1) of Zimbabwe's Constitution requires equitable provincial representation in state institutions.



Harare, Bulawayo and Matabeleland provinces remain underrepresented. Strategic recruitment realignment is planned for 2026 to improve provincial balance and strengthen national compliance.

INFORMATION COMMUNICATION TECHNOLOGY

Overview

In 2025, the ICT Unit remained a strategic enabler of the Commission's regulatory mandate. The year was characterised by a deliberate transition toward full digitalisation, centred on the acquisition of a robust integrated supervisory system, the modernisation of core infrastructure, and the hardening of the Commission's cybersecurity defences.

Strategic Pillars

IPEC's technology roadmap is anchored on five key objectives designed to support IPEC's overarching mission:

- **Digital Transformation:** Automating manual workflows to enhance regulatory agility and the stakeholder experience.
- **Infrastructure Resilience:** Maintaining a high-availability environment for mission-critical applications.
- **ICT Asset Optimisation**: Maximizing the Return on Investment of existing technology through full feature utilisation.
- **Cybersecurity & Data Privacy:** Proactively defending the Commission's information assets against an evolving threat landscape.
- **Governance & Compliance:** Aligning ICT operations with statutory requirements and international best practices.

Key Achievements in 2025

Infrastructure Performance & Reliability

The Commission achieved a 98% average system uptime throughout the year. Reliability was significantly bolstered by the implementation of Starlink as a secondary Internet Service Provider (ISP), providing critical internet redundancy. Additionally, 44% of the Commission's hardware reached its end-of-life and was successfully refreshed, eliminating performance bottlenecks and improving staff productivity.

Digitalisation & System Integration

- **Electronic Supervisory System (ESS):** Progressed from the production of a detailed Statement of User Requirements (SOUR) through a successful Expression of Interest (EOI). Implementation of the ESS is scheduled for 2026.
- **Reinsurance Portal:** Launched a dedicated accreditation application portal for foreign companies. This self-service tool allows for real-time tracking, significantly improving the "Ease of Doing Business" metric.
- **ERP Integration:** Initiated the automation of financial and payroll workflows. By year-end, the integration between the SAP ERP and the Belina payroll system reached the testing phase, moving the Commission closer to a touchless financial environment.

Cybersecurity & Risk Management

A formal Vulnerability Assessment and Penetration Test (VAPT) was conducted, resulting in a **medium** risk rating. By the close of 2025, **80% of identified vulnerabilities** were remediated. The Commission also achieved:

- **Zero reported security incidents** for the duration of the year.
- A reduction in the **phishing-prone rate from 8% to 4%**, driven by targeted security awareness campaigns.

Governance & Regulatory Compliance

IPEC achieved full compliance with the **Cyber & Data Protection Act [Chapter 12:07]**. The Commission successfully licensed as a Data Controller and now boasts of four certified Data Protection Officers (DPOs), positioning IPEC as a leader in statutory data privacy compliance.

2026 Strategic Outlook

The upcoming period will focus on the final execution of the digital roadmap:

- **ESS Implementation:** Prioritising the rollout of the Electronic Supervisory System to transform regulatory oversight.
- **Automation Completion:** Finalising bank-to-ERP and payroll integrations to eliminate manual intervention.
- **Advanced Security Defense:** Implementing the **ISO/IEC 27035 Information Security Incident Management framework** and formalising Business Continuity (BCP) and Disaster Recovery (DR) procedures.
- **Digital Proficiency:** Driving the adoption of AI-augmented tools and Microsoft 365 features to transition toward a truly paperless office.
- **Predictive Analytics:** Developing data analytics capabilities to derive actionable insights from regulatory data for informed decision-making.

CORPORATE SERVICES DEPARTMENT

CORPORATE SERVICES DEPARTMENT

Responsibilities

The department consists of three units, that is, the Legal and Company Secretarial, Public Relations and Registry. The responsibilities of the units are as follows:

Legal and Company Secretarial - is mainly responsible for providing secretarial services and legal advice to the Commission and reviewing existing legislation and drafting new laws.
Public Relations - is responsible for spearheading consumer education, the Commission's visibility initiatives, stakeholder engagement, and corporate social responsibility programmes.
Registry - is responsible for record-keeping.

Legal and Company Secretarial Unit performance information is covered under the Governance Report under Part A.

Consumer Education and Awareness

Overview

Consumer education and awareness remain a cornerstone of the Insurance and Pensions Commission's mandate to promote a fair, transparent and inclusive insurance and pensions sector in Zimbabwe. In terms of the Insurance and Pensions Commission Act [Chapter 24:21], the Commission is mandated to provide information to the public on matters relating to insurance and pensions, thereby promoting public understanding of the sector and empowering consumers to make informed financial decisions.

Financial literacy remains a key determinant of participation in the insurance and pensions sector. Limited understanding of financial protection mechanisms continues to constrain uptake of insurance products and retirement savings.

During the year under review, the Commission promoted awareness of the role of insurance and pensions in protecting households from financial shocks, supporting MSMEs, managing agricultural risks and promoting long-term financial security as well as promoting informed financial decision-making and enhancing consumer protection.

Leveraging traditional media, digital platforms, public outreach programmes, and stakeholder partnerships, the Commission continued to demystify insurance and retirement planning concepts for the public while encouraging greater participation in the insurance and pensions sector.

Strategic Objectives

Consumer education initiatives were guided by the following objectives:

- To improve public understanding of insurance and pensions.
- To enhance awareness of policyholder and pension scheme member's rights and obligations.
- To strengthen consumer confidence in regulated insurance and pension entities.
- To encourage uptake of insurance products and retirement savings.
- To support national financial inclusion objectives.

Consumer Education Initiatives

To maximise reach and impact, the Commission utilised a diversified communication strategy combining print media, radio engagements, digital platforms and public outreach initiatives.

Print Publications

The Commission continued to utilise print media as an important channel for consumer education. During the year under review, the Commission published educational articles in national newspapers and on its digital platforms, explaining insurance and pensions concepts in simple and accessible language.

The articles were developed using storytelling approaches and relatable real-life scenarios to demystify complex insurance and pensions issues and enhance public understanding. Topics covered included, retirement planning, policyholder and pension scheme members rights and responsibility, pension contributions, unclaimed pension benefits, inclusive insurance and pensions and the importance of insurance as a risk management tool.

Through these publications, the Commission sought to improve insurance and pensions literacy while encouraging individuals and businesses to make informed financial decisions.

Radio and Broadcast Media

Radio continued to be one of the most effective platforms for reaching a wide audience across Zimbabwe, particularly in rural and peri-urban communities where access to digital platforms may be limited. The Commission utilised radio to disseminate consumer education messages aimed at improving public understanding of insurance and pensions.

Digital Platforms and Social Media

Digital platforms and social media continued to play an important role in expanding the Commission's consumer education outreach during the year under review. The Commission utilised these platforms to disseminate educational content on insurance and pensions, including articles, infographics, videos and public awareness messages.

Social media platforms collectively generated over 3 million impressions, with strong content interaction and audience growth across platforms while the Commission's website recorded over 39,000 users and about 94,000 views, providing an important channel for accessing information on insurance and pensions.

These platforms enhanced the Commission's ability to reach wider audiences while providing an accessible channel for public engagement.

Public Outreach and Awareness Initiatives

The Commission continued to implement public outreach and awareness initiatives aimed at improving understanding of insurance and pensions, promoting financial literacy and enhancing its visibility. During the year under review, the Commission conducted 27 outreach activities, comprising four (4) roadshows, twelve (12) exhibitions, four (4) consumer education activations, two (2) workshops, three (3) university and public lectures, and two (2) career guidance programmes, in addition to Global Money Week seminars and commemorative awareness campaigns.

The roadshows, conducted in partnership with Radio Zimbabwe and National FM, were broadcast live and reached millions of listeners nationwide, with physical attendance of approximately 10,000 people. These were held in Harare South, Tsholotsho, Marange and Nyanga, providing an interactive platform for educating the public on insurance and pensions, including retirement planning, insurance protection and consumer rights.

The Commission also participated in major national exhibitions such as the Zimbabwe International Trade Fair (ZITF), the Zimbabwe Agricultural Show and provincial agricultural shows, reaching approximately 2,500 exhibitors and showgoers, while consumer education activations in high-traffic areas such as shopping malls and MSME centres reached approximately 150 individuals. Workshops and stakeholder engagement sessions reached approximately 500 participants, while university lectures and career guidance initiatives reached approximately 300 participants and 100 learners, respectively.

As part of the Global Money Week campaign, outreach activities conducted in Matabeleland North, Midlands and Harare Provinces reached approximately 16,500 learners and teachers, promoting financial literacy among young people. In addition, the Commission commemorated Insurance Awareness Day (28 June) and Pensions Awareness Day (15 September) through the publication of consumer education messages in the mainstream media, reinforcing awareness of insurance protection and retirement planning.

The Commission also organised key stakeholder engagement events, including the Insurance Awareness Run, the Charity Golf Day and the Insurance and Pensions Media Awards, which promoted insurance literacy, strengthened stakeholder collaboration and enhanced public awareness of the sector.

Through these initiatives, the Commission strengthened public engagement, enhanced financial literacy and promoted greater awareness of insurance and pensions across the country.

Corporate Social Responsibility

Community Water Projects

The Commission facilitated the drilling and installation of two solar-powered boreholes in Gwanda and Zaka improving access to clean water for surrounding communities.

Medical Outreach Programmes

Medical outreach programmes conducted in Manicaland and Mashonaland Central Provinces reached over 2,500 beneficiaries through consultations, health screenings and treatment services. The medical outreach was conducted in collaboration with various stakeholders including the Zimbabwe Association of Pension Funds, Insurance Council of Zimbabwe, Old Mutual, Nyaradzo, Doves, Fidelity Life, ZB, Minerva, Econet Life, National Railways of Zimbabwe Contributory Pension Fund, Ministry of Health and Child Care, and the Ministry of Public Service, Labour and Social Welfare.

RESEARCH AND INNOVATION UNIT

Responsibilities

During the reporting period, the Research and Innovation Unit continued to play a central role in strengthening evidence-based regulation and policy development within the insurance and pensions sector. The Unit's work was strategically aligned with national development priorities and focused on generating actionable insights to support regulatory effectiveness, sector stability, and innovation.

The Unit undertook a series of targeted research initiatives aimed at addressing emerging policy and structural issues within the sector. Key outputs included policy and advisory papers covering critical thematic areas such as pension reform, healthcare financing, sustainability, monetary transitions, and innovation frameworks. Notably, research on the Two-Pot Pension System in Zimbabwe provided analytical groundwork for potential reforms to improve pension accessibility while safeguarding long-term savings. In addition, the Advisory Paper on the Regulation of Medical Aid Societies in Zimbabwe contributed to discussions on bringing Medical Aid Societies under IPEC regulation to strengthen oversight of the sector.

In line with global trends and national sustainability priorities, the Unit also produced a paper on Sustainable Insurance Practices, which explored the role of insurance in climate risk mitigation and long-term economic resilience. Furthermore, the Advisory Paper on Mono-currency Transition assessed the implications of currency reforms on the insurance and pensions industry, providing guidance on maintaining value preservation and policyholder confidence in a volatile macroeconomic environment.

A major milestone during the period was the development of a Regulatory Sandbox Framework, designed to facilitate controlled experimentation of innovative insurance products and services. This initiative is expected to promote insurtech development, enhance financial inclusion, particularly for underserved and informal sectors, and position the Commission as a forward-looking regulator responsive to technological advancements.

Overall, the Unit's research outputs have significantly contributed to informing supervisory strategies, shaping policy discourse, and enhancing stakeholder engagement. The integration of research findings into regulatory processes continues to strengthen the Commission's capacity to proactively respond to sector challenges while fostering innovation and sustainable growth.

PROCUREMENT MANAGEMENT UNIT

Responsibilities

The Procurement Management Unit (PMU) strengthened its role as a strategic enabler of the Commission's mandate by ensuring compliant, transparent, and value-driven procurement in line with the provisions of *Public Procurement and Disposal of Public Assets Act [Chapter 22:23]*.

2025 Performance Highlights

The Unit's performance was anchored on three core pillars: **Execution, Compliance, and value for money.**

	2025 Achievement	Impact/Notes
Procurement Plan Execution	**97%**	High alignment between departmental needs and budget.
PRAZ Compliance Rating	**100%**	Significantly exceeds the entity category average of 93%.
Savings Realised from value for money processes against planned budgets	**9.17% (USD 204.3k)**	Realized from ICT and Infrastructure projects.
e-GP Adoption Rate	**75%**	Increased from 40% in Q1; driving digital efficiency.

2021-2025 Key Strategic Milestones

The Procurement Management Unit facilitated the Commission's long-term infrastructure expansion strategy through two significant property acquisitions:

i. IPEC 90 Speke Avenue Building
ii. The Strand Office Park Commercial stand-Borrowdale

Infrastructure and Modernisation Support

Beyond property acquisitions, the Commission has modernised the 90 Speke Offices with renovations. The Unit is further advancing the procurement of the **Electronic Supervisory System (ESS)**, alongside additional ICT tools, vehicles, and operational equipment required to enhance regulatory effectiveness.

1. **Contract Oversight and Performance Management**
   The Commission managed a total of 36 active contracts during the year, with strengthened oversight and monitoring mechanisms that enhanced supplier performance evaluation and safeguarded the integrity of service delivery
2. **2026–2030 Strategic Outlook**
   Procurement Management Unit remains committed to delivering transparent, accountable and value centred procurement services that enable the commission to fulfil its mandate effectively by aligning of the commission's strategy and procurement management mandate. PMU will prioritise digitisation of procurement systems and adaptation of sustainable and affirmative procurement practices to ensure the Commission remains at the forefront of public sector excellence through
   value -centred and future ready procurement activities

PROGRAMME 2:

INDUSTRY REGULATION, SUPERVISION & PROTECTION

PROGRAMME 2: INDUSTRY REGULATION, SUPERVISION & PROTECTION

Programme 2 constitutes the core regulatory mandate of the Insurance and Pensions Commission, encompassing industry supervision, prudential oversight, market development, consumer protection, and anti-money laundering enforcement. The programme is delivered through three specialist departments: Insurance; Pensions and Life; and Actuarial and AML/CFT. Together, these departments work to ensure a sound, compliant, and inclusive insurance and pensions sector in Zimbabwe.

INSURANCE DEPARTMENT

Responsibilities

The Department is charged with the registration, regulation, supervision, and monitoring of insurance companies, mutual insurance societies, insurance intermediaries, and loss assessors, as enshrined in the Insurance Act [Chapter 24:07]. Below are the highlights of the Department`s performance during the review period in fulfilling its primary duties.

OUTCOME 1: Improved Organisational Performance

Capacity Building

During the period under review, the department carried out the following workshops and conferences for continuous professional development.

i. IFRS and Sustainability Standards 2025 Technical Update
ii. R3 Lab on the development of a Regulatory Sandbox

OUTCOME 2: Improved Industry Compliance

Inspections

In 2025, the Commission conducted 13 inspections on insurance entities, which included six (6) full scope onsite, three (3) pre-opening, one (1) offsite inspection, and three (3) capital verification exercises. The inspections were carried out in accordance with the 2025 Risk-Based Inspection Plan, largely guided by financial soundness risk assessments. Additionally, the Commission monitors compliance with governance requirements and is actively engaging non-compliant entities on flagged areas.

Compliance with Minimum Capital Requirements

Class of Business	MCR (US$)	Number of Compliant Entities 31-Dec-25	Compliance Status 31-Dec-25
Short Term Insurers (21)	1,500,000	15	71%
Life Assurers (12)	2,000,000	11	92%
Life Reinsurers (5)	2,000,000	3	60%
Non-life Reinsurers (10)	2,000,000	10	100%
Micro Insurers (9)	100,000	8	89%
Insurance Brokers (28)	100,000	27	96%
Reinsurance Brokers (8)	100,000	6	75%
Funeral Assurers (7)	500,000	5	83%

The insurance industry's average compliance level with the US$-indexed Minimum Capital Requirements (MCR) was 85%. The table above shows MCR compliance by business class. The Commission continues to conduct capital verification inspections and is working with non-compliant entities to ensure compliance with their road maps.

Compliance with Prescribed Assets Requirements

Insurance industry players are required to invest part of their assets in prescribed assets. To this end, insurance entities are required to comply with the minimum thresholds set in Statutory Instrument 206 of 2019. The table below shows the compliance levels for each sub-sector.

Compliance Status with Prescribed Assets as at 31 December 2025

Class of Business	Average Prescribed Assets Compliance Ratio	Minimum Prescribed Asset Threshold
Short Term Insurers	10%	10%
Life Assurers	8%	15%
Life Reinsurers	25%	15%
Non-life Reinsurers	15%	10%
Direct Funeral Assurers	0%	10%

Compliance with Shareholding Requirements

Statutory Instrument 49 of 1989, as amended by Statutory Instrument 59 of 2005, stipulates that every insurer or insurance broker must have at least three (3) shareholders as a way of promoting good corporate governance.

The table below shows the levels of compliance with shareholding requirements.

Shareholding compliance status

Class of Business	Compliant Entities 2025	Compliance 2025	Compliant Entities 2024	Compliance 2024
Short Term Insurers	15	71%	13	65%
Life Assurers	9	75%	4	33%
Reinsurers	5	50%	4	40%
Micro Insurers	16	100%	16	100%
Insurance Brokers	22	79%	23	85%
Reinsurance Brokers	7	71%	7	88%
Direct Funeral Assurers	6	85%	6	75%

Engagements with the non-compliant entities have culminated in some entities submitting requisite documents to facilitate fit and proper tests for the proposed new shareholders, while others have provided their compliance roadmaps, which will be continuously monitored for adherence.

Legal and Regulatory Developments in 2025

The Commission issued one Statutory Instrument and sixteen (16) Circulars to the insurance sector, which support risk-based supervision and enhance the supervisory framework. The table below lists the regulatory statutory instruments and circulars, which were issued to improve supervisory efficiency.

Summary of Statutory Instruments and Circulars Issued During the Year 2025

Statutory Instrument	Date of Issue	Purpose
S.I. 67 Of 2025	23/6/2025	Insurance (Amendment) Regulations, 2025 (no 28): US$-Indexed Minimum Capital Requirements for insurers, brokers, and agents.
Circular	**Date of Issue**	**Purpose**
Circular 36 of 2025	1/1/2026	Amendment to Circular 14 of 2025 – reissue of the Minimum Reinsurance Standards Framework.
Circular 29 of 2025	28/10/2025	Regulatory Sandbox application window for cohort one.
Circular 28 of 2025	1/10/2025	Issuance of the Regulatory Sandbox Guidelines for the industry.
Circular 18 of 2025	27/6/2025	Reminder on the 2024 annual reporting submission due date.
Circular 17 of 2025	25/6/2025	Issuance of Statutory Instrument 67 of 2025 on minimum capital requirements for insurance entities.
Circular 16 of 2025	5/6/2025	Request for comments on the draft provisions for marine insurance.
Circular 15 of 2025	20/5/2025	IFRS 17 industry feedback session.
Circular 14 of 2025	8/4/2025	Minimum Reinsurance Framework for the insurance industry.
Circular 13 of 2025	11/4/2025	Insurance Product Approval Framework.
Circular 11 of 2025	29/4/2025	2024 Annual Reporting.
Circular 10 of 2025	28/3/2025	Market Conduct Framework for the Insurance and Pensions Industry.

Statutory Instrument	Date of Issue	Purpose
Circular 9 of 2025	28/3/2025	Directive on revised statutory reporting deadlines.
Circular 8 of 2025	27/3/2025	2024 Financial Reporting.
Circular 5 of 2025	11/2/2025	Amendments to the Directive on System of Governance and Risk Management for Insurance Companies.
Circular 3 of 2025	14/2/2025	Investment Guidelines for Shortterm Insurers.
Circular 2 of 2025	15/2/2025	Submission of quarterly levy computations and due dates.

OUTCOME 3: Improved Industry Soundness & Resilience

Earnings

For the period under review, the insurance sector reported profit after tax amounting to ZWG 4.7 billion, which is a 13% increase from the ZWG4.2 billion (restated) reported the same period in December 2024.

Class of Business	Dec 2025 (ZWG Millions)	Dec 2024 Restated (ZWG Millions)	Change
Short Term Insurers	447.50	1,406.43	-68%
Life Assurers	3,554.69	5,218.44	-32%
Life Reassurers	52.78	53.74	-2%
Non-Life Reinsurers	400.31	375.72	7%
Micro Insurers	39.46	21.81	81%
Insurance Brokers	250.47	207.49	21%
Reinsurance Brokers	2.46	11.17	-78%
Direct Funeral Assurers	0.75	(3,085.79)	-100%
Total	**4,748.42**	**4,209.01**	**13%**

The table shows that profit after tax increased in 2024 and 2025 for some classes of business except for direct funeral assurers, reinsurance brokers, short-term insurers, life assurers and life reassurers, which declined by 100%, 78%, 68%, 32%and 2%, respectively.

Insurance Revenue

During the reporting period, direct underwriters reported total insurance revenue amounting to ZWG16.28 billion, an increase of 36% from ZWG12.01 billion (restated) reported in 2024. The breakdown of the insurance revenue by class of business is highlighted in the table below.

Breakdown of Insurance Revenue Written by Direct Underwriters

Class of Business	Dec 2025 (ZWG Millions)	Dec 2024 Restated (ZWG Millions)	Change
Short-term Insurers	8,153.69	6,798.30	20%
Life Assurers	7,565.45	4,655.28	63%
Microinsurers	279.22	342.10	-18%
Funeral Assurers	286.36	215.47	33%
Total	**16,284.72**	**12,011.15**	36%

Insurance Sector Assets

As at 31 December 2025, total industry assets were valued at ZWG34.98 billion, with life insurance at ZWG19.06 billion, constituting 54% of the sector's total assets, followed by short-term insurers with ZWG8.04 billion taking 23% of the sector's total assets. The assets increased by 18% to ZWG34.98 billion, as at 31 December 2025 from ZWG29.6 billion (restated) reported in 2024.

The table below shows the breakdown of total assets by class of business.

Class of Business	31 Dec 2025 (ZWG Million)	31 Dec 2024 Restated (ZWG Million)	Change
Short Term Insurers	8,041.91	6,220.04	29%
Life Assurers	19,061.56	16,742.74	14%
Life Reassurers	446.60	426.34	5%
Non-Life Reinsurers	5,527.49	4,651.84	19%
Micro Insurers	286.06	181.39	58%
Insurance Brokers	625.00	474.15	32%
Reinsurance Brokers	114.63	84.44	36%
Direct Funeral Assurers	874.16	789.81	11%
Total	**34,977.41**	**29,570.75**	18%

OUTCOME 4: Increased Industry Growth

One of the key mandates of the Commission is to develop the insurance and pensions industry. Below are some of the initiatives that the Commission implemented to enhance industry growth.

Insurance and Pensions Regulatory Sandbox

The Commission developed the Insurance and Pensions Regulatory Sandbox with technical assistance from FSD Africa and Cenfri. The Commission worked with FSD Africa and Cenfri to increase awareness of the Regulatory Sandbox ahead of the Sandbox launch in May 2026.

Licensed Entities

The insurance sector has seen an increase in the number of registered entities/persons, rising from 2,158 in 2024 to 2,686 in 2025. This growth is largely due to license renewals resulting from the license verification exercise conducted in 2024. Meanwhile, the Commission registered new entities/persons as indicated below:

Entities/Persons Registered in 2025

Class of Business	Number of Registered Entities/Persons
Insurance Companies	1
Insurance Brokers	1
Loss Assessors	10
Corporate Agents	101
Multiple Agents	24
Nonlife Individual Agents	139
Life Assurance Agents	251
Life Reinsurers	1
Total	**528**

The table below shows the architecture of the insurance sector as at 31 December 2025:

Architecture of the Insurance Industry as at 31 December 2025

Type of Institution	Number of Registered Entities/ Persons as at		Change
	31-Dec-25	31-Dec-24	
Shortterm Insurance Companies	21	20	5%
Microinsurance Companies	16	16	0%
Reinsurance Companies	10	10	0%
Insurance Brokers	29	28	4%
Reinsurance Brokers	8	8	0%
Underwriting Management Agencies	4	4	0%
Loss Assessors	73	63	16%
Corporate Agents	228	127	80%
Aggregators	1	1	0%
Multiple Agents	90	66	36%
Sole Agents	425	286	49%
Funeral Assurers	7	7	0%
Life Assurers	12	12	0%
Life Reinsurers	5	4	25%
Life Assurance Agents	1757	1506	17%
Total	**2686**	**2158**	**24%**

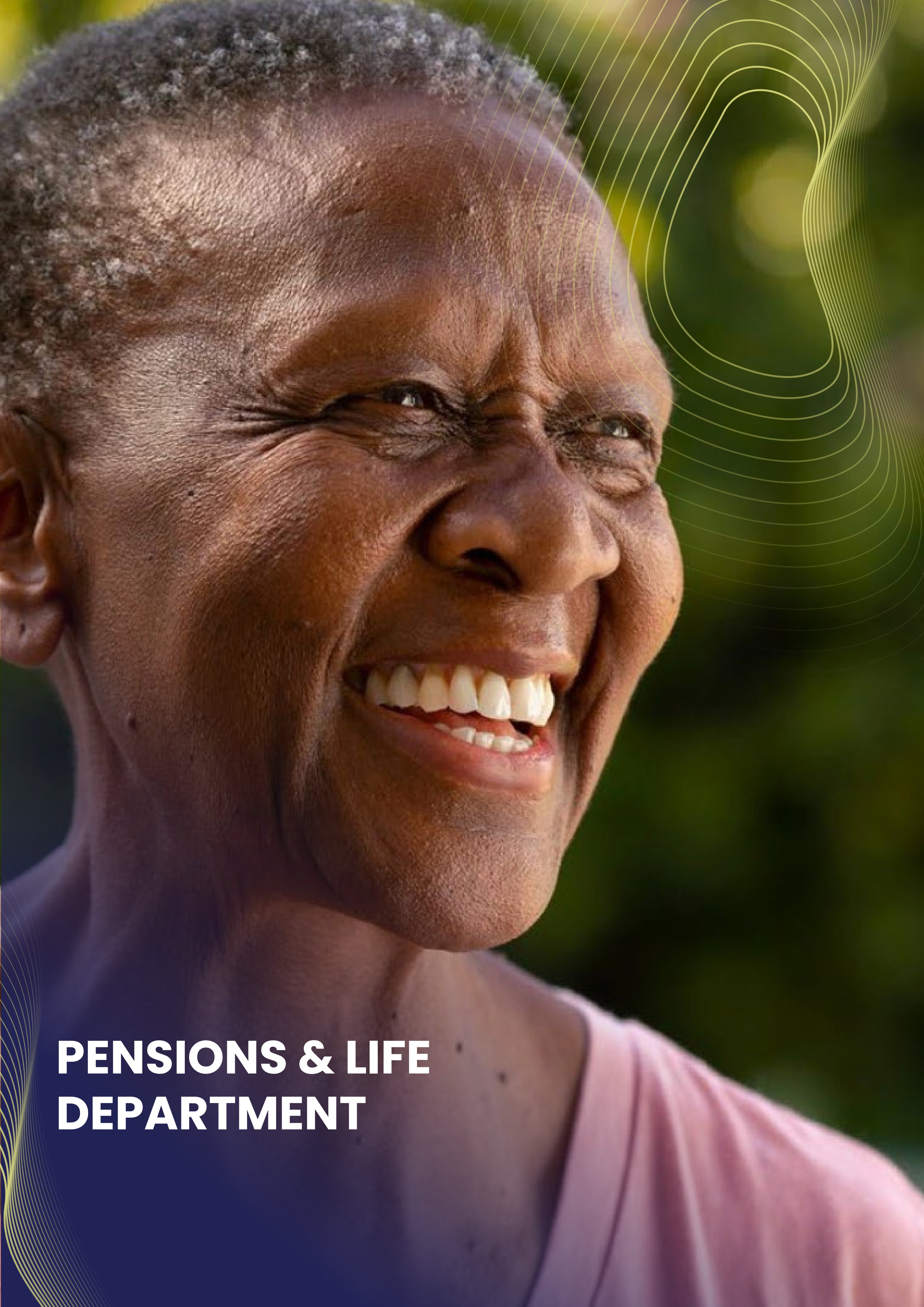
**Five reinsurers, namely Emeritus Reinsurance Company, FBC Reinsurance Company, First Mutual Reinsurance Company, WAICA Reinsurance Company and Zep Re, are composite reinsurers who write short-term and life business.*

New Product Applications

The Commission received 26 product applications from the short-term sector in 2025, of which 21 were approved, 2 were rejected, 1 was withdrawn, whilst 2 were brought forward to 2026. Under life assurance, the Commission approved 9 products, rejected 2 and brought forward 2 into 2026.

Complaints Handling

In 2025, the Commission received 318 complaints in addition to 23 unresolved complaints brought forward from 2024. The complaints are distributed as follows: 151 (47%) against short-term insurers, 108 (34%) against life assurers, 54 (17%) against funeral assurers, 3 (1%) against insurance brokers and 2(1%) against the Insurance Council of Zimbabwe. Out of the 341 complaints handled during the year, 311 complaints were resolved. The unresolved complaints, 14 against short-term insurers, 14 from life assurance and 2 from funeral assurers were brought forward to 2026.



PENSIONS & LIFE DEPARTMENT

PENSIONS & LIFE DEPARTMENT

Responsibilities

The Pensions and Life Supervision function is responsible for registering pension and provident funds, fund administrators, and life assurers. It also oversees the regulation, supervision, and monitoring of the affairs of the regulated entities, namely pension funds, life assurers, and pension fund administrators. Below are the main highlights of the Pensions and Life department's strategic initiatives and activities.

Overview of the Pensions Sector

As at 31 December 2025, there were 971 registered occupational pension funds, a slight increase from 967 as at 31 December 2024.

Of the 971 funds registered, 490 (50.5%) were active, and 481 (49.5%) were inactive. The main reasons for the inactive funds were company closures, operational challenges, and affordability problems faced by the sponsoring employers. Of the 481 inactive funds, 372 (77%) were marked for dissolution, and the process will be completed once the amendment to Statutory Instrument 162 of 2023 is enacted, thus concluding the pre-2009 compensation.

The industry's total membership, excluding beneficiaries, grew by 2.11% to reach 998,072 from 977,423 as reported on 31 December 2024.

Total assets in the sector rose by 38.69%, reaching ZWG80.86 billion from ZWG58.30 billion as at 31 December 2024. This increase was primarily driven by new investments and positive fair value adjustments on investment properties and equity instruments. The sector's main investments include investment properties (43.24%), quoted equity instruments (22.45%), pooled investments (9.21%), unquoted equities (6.56%), and money markets, along with other short-term investments (4.62%).
As at the reporting date, prescribed asset investments declined by 1.5%, ZWG 6.7 billion compared to ZWG6.8 billion reported on 31 December 2024.

During the review period, pension contributions reached ZWG7.84 billion, marking a 96% increase from ZWG3.99 billion in December 2024. The growth continues to be driven by employers adjusting their fund rules to contribute in both US$ and ZWG, in alignment with salary structures.

For the year ended 31 December 2025, total income was ZWG19.77 billion, reflecting a 57% decline from ZWG46.51 billion recorded during the comparative period. The decrease was primarily driven by lower fair value adjustments, consistent with the relatively stable operating environment during the period.

Total expenditure for the period amounted to ZWG 7.04 billion, of which 29% related to administrative expenses and 71% to member benefit payments. In the comparative period, total expenditure was ZWG2.9 billion, with 64% allocated to benefit payments.

Outcome 1: Improved Organisational Performance & Image

Statutory Compliance Rating

During the year, the Commission published four quarterly reports on the activities of the pensions sector for stakeholders' information.

Furthermore, the 2024 pensions annual report was produced, albeit a little late, as the regulated entities submitted the audited financial statements late. In 2024, the Commission observed an improved submission rate of 96% and continues to urge the industry to do their submission on time, in line with the Pensions and Provident Funds Act [Chapter 24:32].

Data quality issues and the resulting back-and-forth constantly cause delays in producing the reports as quickly as possible.

To guarantee the quality of financial reports submitted to the Commission, it is now mandatory for Heads of Finance departments to register with the Public Accountants and Auditors Board. This measure promotes accountability and maintains the ethical standards of members responsible for preparing pension fund financial statements and conducting audits.

The Commission imposed penalties for late and incomplete submissions of audited financial statements and other supporting reports to enforce compliance.

Capacity Development

The department has the required expertise for regulation and supervision. However, ongoing training and staying informed about sector developments at both local and international levels is crucial. Throughout the year, staff participated in various capacity-building workshops and training sessions to improve their regulatory and supervisory skills.

Outcome 2: Improved Pension & Insurance Benefits

Benefits Tracking as Part of Outcome-Based Supervision

One of the Commission's strategic priorities is to ensure that pensioners are paid benefits in line with the performance of the assets supporting liabilities.

Despite a 137% rise in average benefits payments for principal members by 31 December 2025 compared to the previous year, the benefits do not meet pensioners' reasonable expectations. The increase resulted from pension adjustments granted during this period, as pension funds increased payouts based on the performance of their underlying assets.

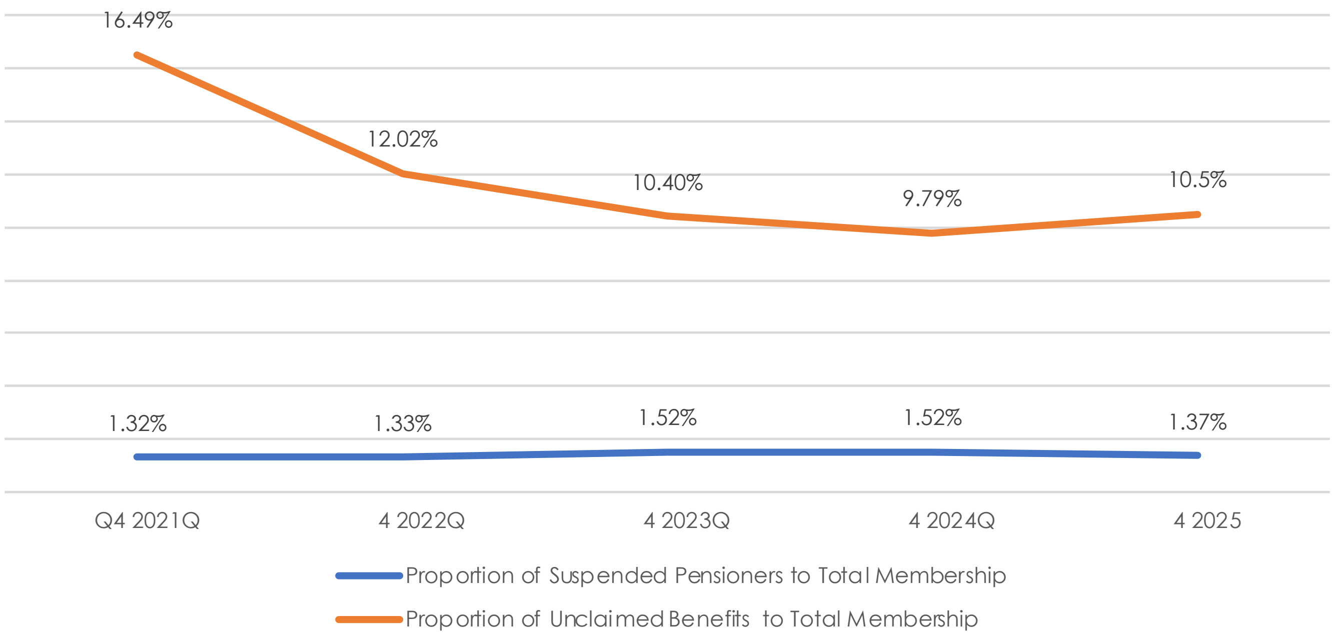
Most pension funds have continued to pay benefits in both US$ and ZWG. The Commission still urges the industry to fairly allocate forex earnings among pensioners, since most regulated entities hold foreign-currency investments both locally and offshore.

Proportion of Unclaimed Benefits & Suspended Pensioners to Total Membership

Unclaimed benefits membership increased from 97,822 to 104,846 as a result of a data sanitisation exercise done by one pension fund. The proportion of unclaimed membership among total membership, excluding beneficiaries, was 10.50%, up from 9.79% reported in December 2024.

The membership of suspended pensioners declined by 7% to 13,624 from 14,719 reported in December 2024. The proportion of suspended pensioners to total membership, excluding beneficiaries, was 1.37%.

The figure below shows the proportion of Unclaimed Benefits and suspended pensioners to total membership, excluding beneficiaries.



Notwithstanding data integrity issues that affect the proper categorisation of various membership classes by the industry, the Commission will continue to urge pension funds and administrators to improve KYC so that, once benefits become due, members can be contacted to receive their benefits. In circumstances where members have not been located for 5 years, funds are required to transfer the benefits to the Guardian Fund, in line with the Administration of Estates Act (Chapter 6:01).

Resolution of Complaints

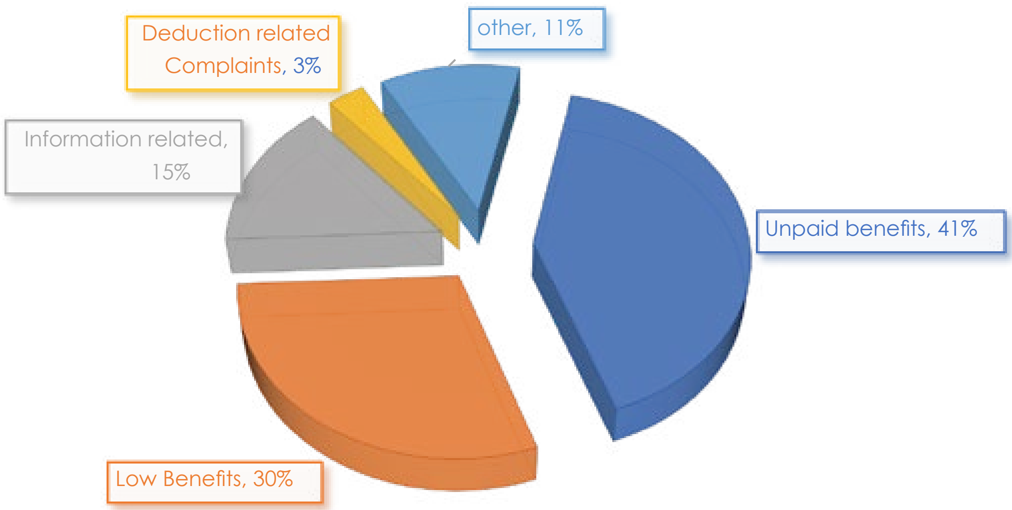
The Department received a total of 326 complaints during 2025, with 219 relating to pension business and 107 to life companies, a decrease of 5.78% from 346 reported in 2024.

Of the 326 complaints received, 274 were non-complex, whilst 52 were classified as complex complaints.

Of the 274 non-complex received, 260 have already been resolved, translating into a resolution rate of 95%.

The 52 complex complaints remain unresolved, as they relate to members who lost value during the pre-2009 hyperinflation, which is awaiting the finalisation of the Amendment to SI 162 of 2023.

The nature of the complaints was classified as shown in the figure below.



Regulatory Interventions

In response to the challenge of high pension contributions arrears, the Commission engaged with top defaulting employers in terms of provisions of section 16 of the Pension and Provident Funds Act [Chapter 24:32] to pave the way for garnish powers.

Of the engaged defaulting employers, 11 have since cleared what was due to pension funds, and 25 submitted their payment plans, which the Commission is now monitoring. However, some defaulting employers did not respond to the Commission's garnishing warning letters, and the Commission proceeded to garnish their bank accounts in favor of their respective pension funds.
The department has also targeted to conduct inspections on the institutions which are taking a longer time to pay benefits.

Outcome 3: Improved Industry Compliance

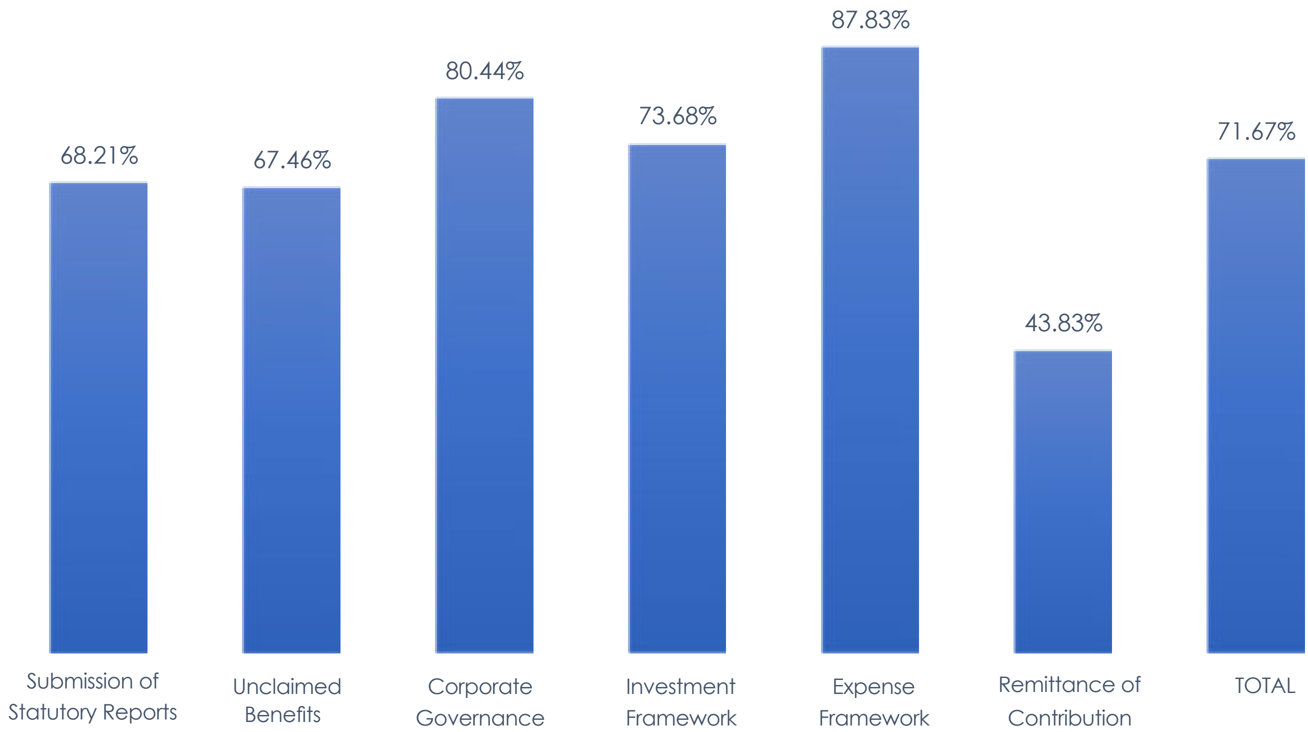
Pensions Compliance Dashboard

The Commission maintains, on a quarterly basis, a Pension Compliance dashboard that monitors whether pension funds adhere to legal and regulatory standards. This dashboard's main indicators include timely submission of statutory reports, unclaimed benefits, corporate governance practices, investment guidelines, expense management, and contribution remittances.
The average compliance rating for the pensions sector as at 31 December 2025 stood at 71.67%, an

increase from 68.52%, which was recorded in December 2024.

Compliance with the expense framework, with 87.83%, was the highest indicator, followed by corporate governance with 80.84%.

The figure below shows the compliance levels of the various metrics.



To improve compliance on indicators with low levels, such as compliance with remittance of contributions, management has started the process of garnishing accounts of employers with contribution arrears to enforce payment of contributions. Furthermore, the Commission has issued fines on entities for late submissions of quarterly and annual returns to improve compliance with the indicator.

Review of Regulatory Standards

During the year ended 31 December 2025, the Commission issued 24 circulars to the pensions sector, aimed at disseminating key information and providing regulatory guidance.

The table below outlines the circulars issued to the pensions sector during the 2025 calendar year.

Circular	Issue date	Content
Circular 1 of 2025	1 February 2025	Pension Funds Reporting Requirements.
Circular 2 of 2025	15 February 2025	Submission of Quarterly Levy Computations and Due Dates.
Circular 4 of 2025	7 February 2025	2025 IPEC AML/CFT/CPF Industry Training Calendar.
Circular 6 of 2025	24 February 2025	Engagement with the Consultant on Financial Sector Development Policy.
Circular 7 of 2025	07 March 2025	Invitation to Participate in Digital Transformation Assessment.
Circular 8 of 2025	27 March 2025	2024 Financial Reporting.
Circular 9 of 2025	28 March 2025	Directive on Revised Statutory Reporting Deadlines.
Circular 10 of 2025	28 March 2025	Market Conduct Framework for The Insurance and Pensions Industry.
Circular 19 of 2025	27 August 2025	Revised Quarterly Return for Pension and Provident Funds.
Circular 20 of 2025	15 August 2025	Registration of Financial Statements Preparers with the Public Accountants and Auditors Board.
Circular 21 of 2025	15 August 2025	Urgent Request for Comprehensive Annuitants Data.
Circular 22 of 2025	4 September 2025	Guideline on Administrative Framework for Offshore Investments.
Circular 23 of 2025	10 September 2025	Request for Comments and Input into the Guideline on Preservation Funds.
Circular 24 of 2025	10 September 2025	Guideline on Revised Reporting Requirements for Pension Funds.
Circular 25 of 2025	16 September 2025	Board of Fund Members (Trustee) Toolkit.
Circular 26 of 2025	15 September 2025	Guideline on Selfinsurance and Underwriting of Annuities by DC Funds.
Circular 27 of 2025	07 October 2025	Request for inputs into the 2026 National Annual Budget.
Circular 29 of 2025	28 October 2025	Regulatory Sandbox Application Window for Cohort One.
Circular 32 of 2025	18 November 2025	Client Satisfaction Survey.
Circular 33 of 2025	25 November 2025	Registration of Financial Statement Preparers with the Public Accountants and Auditors Board (PAAB).
Circular 34 of 2025	23 December 2025	Guideline on Governance and Reporting Requirements for Preservation Funds.
Circular 35 of 2025	31 December 2025	Review Insurance and Pensions Cybersecurity and Data Protection Framework.

Risk-Based Inspections

The pensions and life department conducted five on-site inspections. These inspections were conducted to determine the safety, soundness, and compliance of the regulated entities. The following cross-cutting issues were noted:

- Governance failures, including boards not being properly constituted and a lack of critical required skills such as risk management, legal and Investments.
- Undiversified investment portfolios, which are not compliant with the Investment Guidelines.

- Fragmented and outdated ICT systems.
- Non-compliance with the Expense Framework and other regulatory requirements, such as investments in prescribed assets.

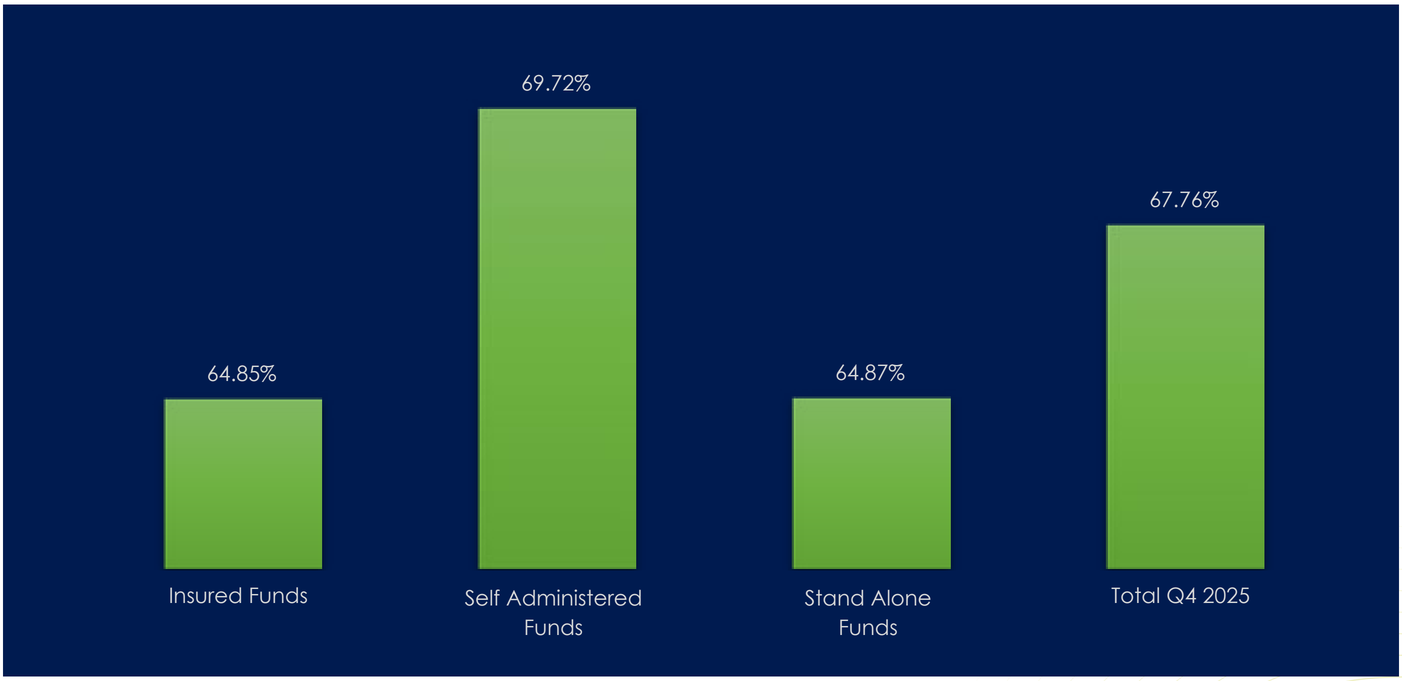
Outcome 4: Increased Industry Soundness & Resilience

Pensions Soundness Dashboard

The Commission monitors the robustness of the pensions sector through ongoing supervision and surveillance, employing a risk-based approach on a quarterly basis. The main soundness indicators evaluated for pension funds include asset quality, corporate governance, return on investment and liquidity. The sector had low score on governance which pulled down the overall score. The Commission has engaged pension funds to rectify governance issues.

The Pensions sector soundness fell from 81% in December 2024 to 67.76% in December 2025. The decline in soundness is due to increasing contribution arrears, which resulted in increasing non-performing receivables in the financial statements of pension funds.

Insured and stand-alone funds scored similarly, with scores of 64.85% and 64.87%, respectively. The primary reason for these low scores was the low inflation-adjusted investment returns for both models.



Outcome 5: Increased Industry Growth

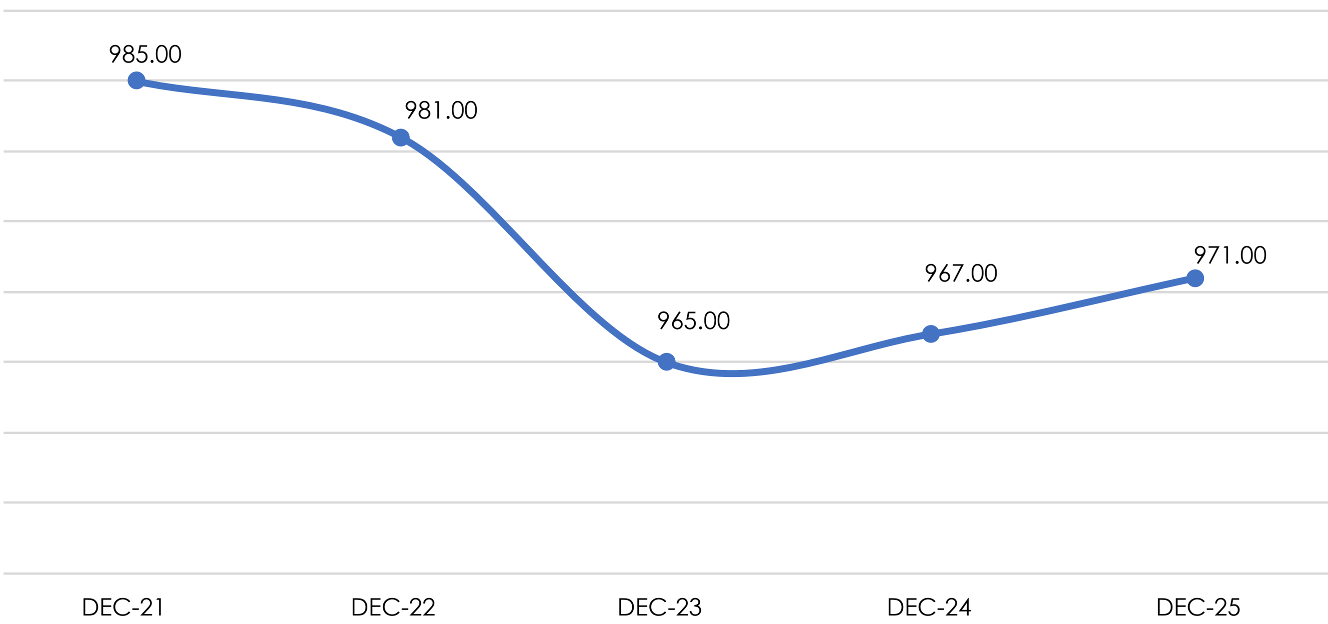
Growth Trends

The Commission assesses growth outcomes using four indicators: asset size, number of active funds, membership, and contributions.

Total assets in the sector grew by 38.69%, reaching ZWG80.86 billion from 58.30 billion as at 31 December 2024.

As at 31 December 2025, there were 971 registered occupational pension funds, a marginal increase from 967 as at 31 December 2024.

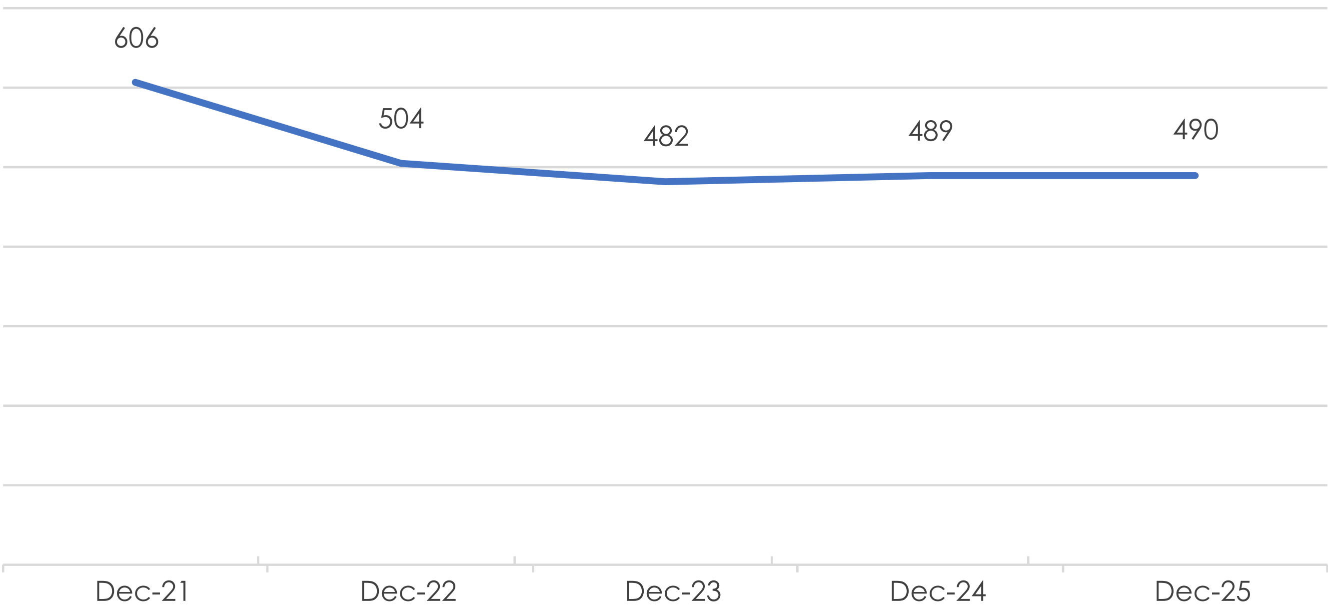
The figure below illustrates the trend in the number of registered pension funds.



A total of 490 pension funds were active as of 31 December 2025. This marks a slight increase of 0.20% from 489 in the previous year, with the dissolution of pension funds deferred until the Pre2009 compensation is resolved.

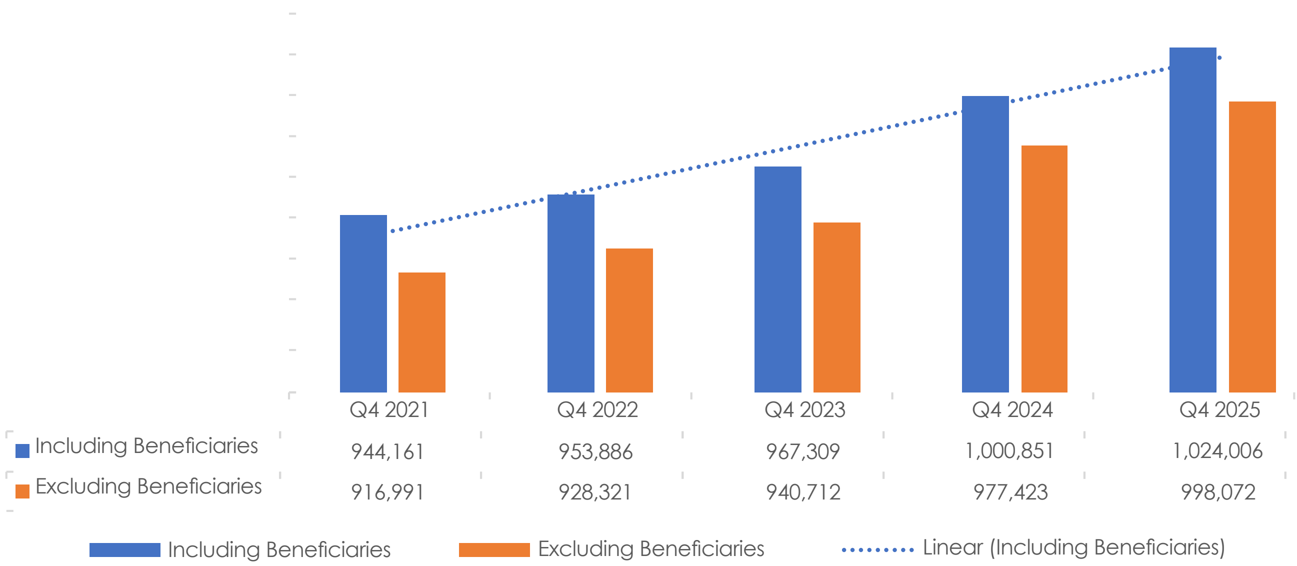
The figure below shows the trend in active pension funds over the years.

The figure below shows the ratio of inactive pension funds compared to total pension funds.

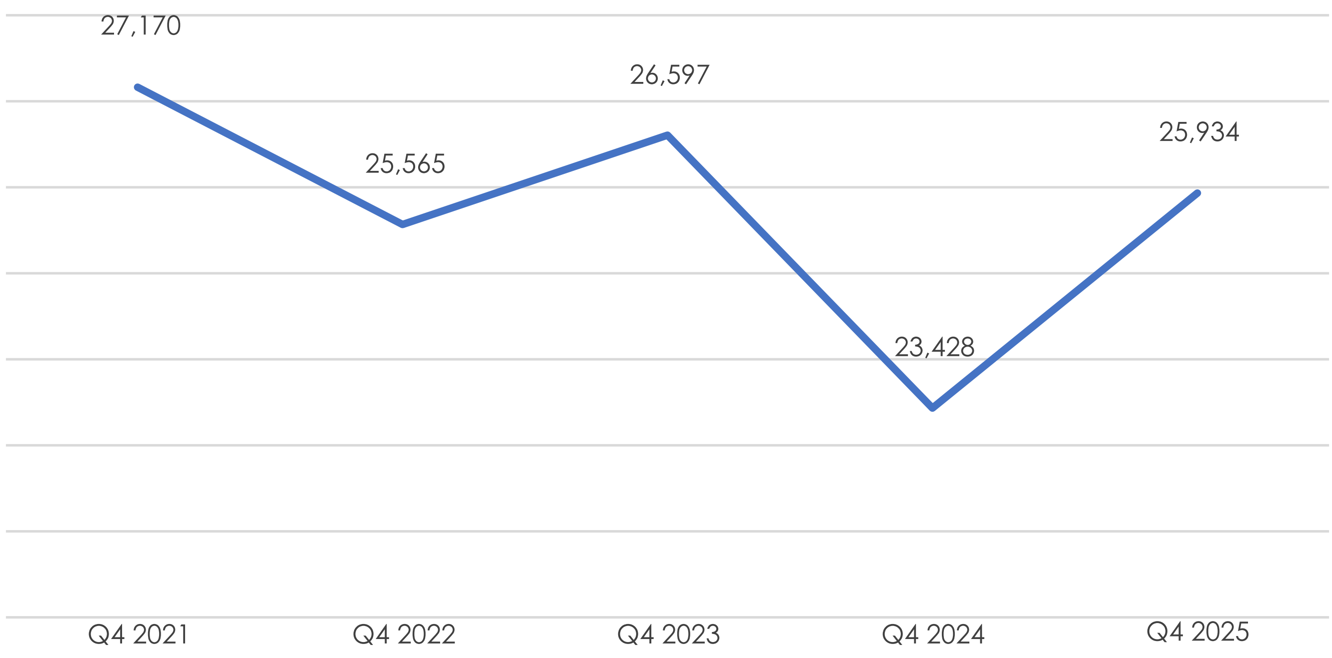


The industry's total membership, excluding beneficiaries, increased by 2.11% to 998,072 from 977,423 reported on 31 December 2024. This marginal increase was driven by new entrants.

The trend in the membership is depicted in the figure below.



The membership has been steadily increasing during the review period, whilst the number of beneficiaries has been fluctuating, as shown below.



During the review period, pension contributions amounted to ZWG7.84 billion, representing a 96% increase from the ZWG3.99 billion reported in December 2024

Conclusion

The pension sector maintained its growth trajectory in 2025. Despite this apparent resilience, the sector continues to face structural challenges. Although it has shown flexibility by adjusting payouts based on asset performance and adopting dual-currency contribution models, benefit payments still often fall short of pensioner expectations. To ensure long-term sustainability and protect member outcomes, the Commission is moving towards more proactive regulatory interventions. Key priorities for 2026 include:

Exercising garnish powers against defaulting employers to resolve the non-remittance of contributions. Concluding the pre-2009 compensation framework and the dissolution of 372 inactive funds once the amendment to Statutory Instrument 162 of 2023 is enacted.

Enhancing data integrity and reporting standards by enforcing the registration of Heads of Finance with the Public Accountants and Auditors Board.

The Commission remains committed to proactive stakeholder engagements and robust supervision. By moving beyond mere regulation toward long-term sustainability, the aim is to bolster consumer confidence and foster a transparent, stable, and member-centric pension industry.

ACTUARIAL & AML/CFT/CPF DEPARTMENT

ACTUARIAL & AML/CFT/CPF DEPARTMENT

The Actuarial Unit is responsible for providing actuarial assurance to the Commission while the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Unit is responsible for supervising, monitoring, and enforcing industry compliance with AML/CFT obligations.

Overview

During 2025, the Actuarial and AML/CFT/CPF Department focused on strengthening the resilience, transparency and prudential soundness of the insurance and pensions industry. Key priorities included implementation of risk based regulation, enhancement of actuarial standards, acceleration of IFRS 17 adoption, and deepening the national AML/CFT/CPF compliance and effectiveness ahead of Zimbabwe's 2026–2027 ESAAMLG Mutual Evaluation.

The Department's work directly supported four strategic outcomes of the Commission:

- Improved pension and insurance benefits
- Improved compliance
- Improved financial soundness and resilience
- Improved industry growth.

Strengthening Benefits and Protecting Policyholders

Guidance Paper Implementation

The Commission continued to enforce the Guidance Paper to ensure fair treatment of policyholders and accuracy of currency conversion processes for pension funds. While compliance remained strong over 2019–2023, approval rates declined to 85% in 2024, largely due to inconsistencies between actuarial submissions and audited financial statements as at 5 April 2024 (currency conversion date).

Table 1: Guidance paper compliance

	2019	2020	2021	2022	2023	2024
Submitted	134	151	152	145	134	125
Assessed	134	151	152	145	134	125
Approved	134	149	148	143	131	106

A remediation window for 2024 submission was extended to March 2026, after which administrative penalties would apply. This approach balances consumer protection with industry stability.

Strategic Significance

- Ensures credible benefit values, reducing disputes and legacy risks.
- Aligns pension fund governance practices with statutory requirements.

Life Assurance Product Line Reviews

Progress was achieved under the product line evaluation framework, with approvals granted for several insurers, while engagements continued with others to resolve legacy issues in guaranteed products.

Strategic Significance

- Protects policyholders by ensuring sustainable product promises.
- Encourages sound pricing and reserving discipline in the life industry.

2009 Compensation Framework

The Commission worked with the Attorney General's Office to finalise amendments to SI 162 of 2023, intended to streamline implementation of the 2009 Compensation Framework. Government funding disbursement processes are underway, and amendments are expected to be gazetted in the first half of 2026.

Strategic Significance

- Supports closure of long standing compensation matters.
- Reinforces public trust and market stability.

Advancing Risk Based Supervision and Industry Soundness

ZICARP Implementation

Significant progress was made toward implementation of the Zimbabwe Integrated Capital and Risk Programme (ZICARP) pending gazetting of the statutory instrument. Parallel submission completeness improved from 27% to 52% by yearend. Statutory Instrument 44 of 2026 was gazetted in February 2026, and the industry is now expected to fully migrate from SI 95 to ZICARP.

Key supervisory observations

- The flat 10% risk margin across all entities has created distortions reducing comparability and contributing to volatility and sector wide insolvency signals.
- A more risk sensitive, cost of capital risk margin model is being designed in consultation with various stakeholders - Actuarial Society of Zimbabwe and Institute of Chartered Accountants Zimbabwe.
- Own Risk and Solvency Assessment (ORSA) submissions showed limited forward looking assessment and weak integration with capital planning.

Strategic Significance

- Strengthens Zimbabwe's transition toward modern risk based regulation.
- Supports early identification of vulnerabilities, enabling proactive interventions.
- Enhances comparability and supervisory credibility.

IFRS 17 Progress

IFRS 17 adoption continued to improve. By yearend, 40 of 47 entities had submitted IFRS 17 compliant financial statements, with material improvement in timeliness and reporting quality. The funeral assurance sector remains the weakest segment. Key recurring challenges include liability reconciliation variances, variability in discount rate methodologies, and inconsistencies in Contractual Service Margin (CSM) amortisation.

Strategic Significance

- Enhance market transparency, comparability and investor confidence.
- Aligns the industry with global financial reporting standards.

Asset Separation Oversight

The Commission continued to enforce asset separation requirements to safeguard policyholder assets and minimize conflicts of interest. As part of their year-end statutory submissions, statutory actuaries and auditors across all regulated entities were required to confirm compliance with Asset Separation provisions outlined in the Insurance Act and the Pensions and Provident Fund Act. Notwithstanding this progress, compliance gaps persist in the funeral assurance sector. Targeted engagements remain underway, supported by enhanced cross-Commission oversight.

Strategic Significance

- Protects policyholder value and mitigates governance risks.
- Reinforces ethical and transparent management of insurance funds.

AML/CFT/CPF UNIT

Preparation for ESAAMLG Mutual Evaluation

Zimbabwe is scheduled to undergo its 3rd Round Mutual Evaluation from April 2026 to August 2027. During the year, IPEC actively participated in national capacity building initiatives and contributed to the development of the national Mutual Evaluation Roadmap. Key strategic actions undertaken included:

- Participation in ESAAMLG training workshops.
- Updating the Q4 2025 National Task Force Self Evaluation Tool.
- Undertaking extensive preparatory work on questionnaires, effectiveness assessments and sector specific risk analysis.

Strategic Significance

- Positions Zimbabwe for a credible, well prepared evaluation.
- Enhances international confidence in the integrity of the insurance and pensions sector.
- Reduces exposure to financial crime and reputational risk.

Supervisory Activities and Compliance Enforcement

The Commission intensified risk based AML/CFT/CPF supervision through quarterly returns analysis, Institutional Risk Assessment reviews, onsite inspections and enforcement actions. Key outputs included:

- Completion of thematic inspections for brokers
- Follow up inspections for life insurers
- Administrative enforcement actions where serious deficiencies were identified
- Sector-wide technical guidance and training

Strategic Significance

- Strengthens the sector's defences against money laundering, terrorist financing and proliferation financing.
- Reinforces regulatory credibility through consistent, risk based enforcement.

Innovation, Automation and Digital Transformation

Workflow Automation

Operational efficiency improved through real time dashboards tracking actuarial submissions, progress indicators and supervisory activities. A consolidated platform was rolled out to automate quantitative analysis for IFRS 17, ZICARP and AML/CFT/CPF returns. The platform enables automated validation, standardised analytics, dashboards and generation of supervisory reports.

Strategic Significance

- Enhances supervisory efficiency and data driven oversight.
- Reduces manual processing risks and strengthens regulatory agility.
- Supports long term digital transformation.

Strengthening Collaboration and International Alignment

Domestic and Regional Partnerships

The Commission worked closely with the Actuarial Society of Zimbabwe to enhance actuarial standards, particularly on risk margins and discount rate methodologies. Engagements with the regional regulators on knowledge exchange progressed well.

Global Standard Setting

The Commission continued to contribute to International Association of Insurance Supervisors (IAIS) work on various benchmarking assignments including ORSA practices under risk based solvency regimes, reinforcing the Commission's commitment to international best practice.

Strategic Significance

- Builds regional leadership in actuarial and prudential regulation.
- Promotes harmonisation with international supervisory standards.
- Supports capacity building within the domestic insurance market.

Conclusion

The year under review marked significant progress in strengthening regulatory frameworks, improving market transparency, and enhancing Zimbabwe's preparedness for ESAAMLG AML/CFT/CPF Mutual Evaluation. The Department remains committed to advancing risk based supervision, promoting fair and sustainable benefits for policyholders, and leveraging data driven technologies to support a stable, well regulated insurance and pensions sector.

FINANCIAL STATEMENTS

for the year ended 31 December 2025

FINANCIAL STATEMENTS

for the year ended 31 December 2025

Contents

integra
Chartered Accountants

General Information

Country of Incorporation	Zimbabwe

NATURE OF BUSINESS

The Insurance and Pensions Commission (IPEC) is a statutory body established in terms of the Insurance and Pensions Commission Act [Chapter 24:21], to regulate the insurance and pensions industry with the objective of developing the industry for the protection of insurance policyholders and pension fund members' interests.

DIRECTORS

Mr Albert Nduna	Chairperson
Mrs Judith Rusike	Vice - Chairperson
Dr Grace Muradzikwa	EX-Officio Member and Commissioner
Mr David Mureriwa	Board Member
Mr Godwin Nyengedza	Board Member
Mr Clemence Muzondo	Board Member
Mrs Duduzile Shinya	Committee Member
Mrs Milldred Chiri	Committee Member
Dr Gilford Hapanyengwi	Committee Member
Mr Mirirai Chiremba	Committee Member

REGISTERED OFFICE

160 Rhodesville Avenue
Greendale
Harare

BANKERS

Commercial Bank of Zimbabwe Limited
62 Mutare Road
Msasa
Harare

FBC Bank Limited
2 Lanark Road
Belgravia
Harare

LAWYERS

Muvingi and Mugadza
7th Floor, Pegasus House
54 Samora Machel Avenue
Kopje
Harare

Kantor and Immerman Legal Practitioners
10 John Landa Nkomo Avenue
Harare

INDEPENDENT AUDITORS

Integra Chartered Accountants
3 Fal Road, Vainona
Borrowdale, Harare
Contacts : +263 (242) 8612284688
Email : info@integra-ca.africa
Website : www.integra-ca.africa

Directors' Report

The Directors are required in terms of the Insurance and Pensions Commission Act [Chapter 24:21] (IPEC Act) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Commission as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Public Sector Accounting Standards (IPSAS) and manner required by IPEC Act [Chapter 24:21] The independent auditors are engaged to express an independent opinion on the financial statements.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Commission and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Commission and all employees are required to maintain the highest ethical standards in ensuring the Commission's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Commission is on identifying, assessing, managing and monitoring all known forms of risk across the Commission. While operating risk cannot be fully eliminated, the Commission endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Commission's cash flow forecast for the year to 31 December 2026 and, in light of this review and the current financial position, they are satisfied that the Commission has or had access to adequate resources to continue in operational existence for the foreseeable future.

Preparer of the financial statements
The financial statements were prepared under the supervision of the Finance Director, Mr. B. Kazengura, who is a registered Accountant with the Public Accountants and Auditors Board (06072). The Finance Director has the following qualifications: Bachelor of Technology Honors in Accounting (UZ) and is a member of the Association of Chartered Certified Accountants (ACCA).

The independent auditors are responsible for independently auditing and reporting on the Commission's financial statements. The financial statements have been examined by the Commission's independent auditors and their report is presented on pages 89 to 92. The financial statements set out on pages 93 to 114, which have been prepared on the going concern basis, were approved by the Board of Directors on 31 March 2026 and were signed on their behalf as per below.

Finance Director

Commissioner

Chairperson

integra
Chartered Accountants

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Borrowdale Harare
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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF THE INSURANCE AND PENSIONS COMMISSION

Opinion

We have audited the inflation adjusted financial statements of the Insurance and Pensions Commission (IPEC or "the Commission") set out on pages 93 to 114, which comprise:

Inflation adjusted statement of financial position as at 31 December 2025;
Inflation adjusted statement of financial performance;
Inflation adjusted statement of changes in reserves;
Inflation adjusted statement of cash flows;
A summary of significant accounting policies applied by the Commission during the year; and
Notes to the inflation-adjusted financial statements.

In our opinion, the inflation adjusted financial statements give a true and fair view of the financial position of IPEC as at 31 December 2025, and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

In our opinion, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Below, we describe the Key Audit Matters that we determined to be of most significance in our audit.

Independent Auditor’s Report (continued)

<table>
<tr><th colspan="2">How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Valuation of expected credit losses</td></tr>
<tr><td>The allowance for credit losses reflected in the statement of financial position as at 31 December 2025 and determined in accordance with the International Public Sector Accounting Standard 41 (IPSAS 41) amounts to ZWG 16 483 289
(2024: ZWG 7 348 766).

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

The key areas where we identified greater levels of judgement and therefore increased levels of audit focus in the Commission's implementation of IPSAS 41 included:

• The measurement of modelled provisions, which is dependent on key assumptions relating to the probability of default (the chance that the debtors will fail to meet their contractual obligations in the future);
• Loss given default (an estimate of the loss from a transaction given that default has occurred);
• The expected recoveries discounted to present value;
• The identification of exposures with a significant deterioration in credit quality; and
• Assumptions used in the expected credit loss model including forward-looking information.

The disclosure pertaining to allowance for credit loses is set out in the inflation-adjusted financial statements in Note 9 - Accounts Receivables</td>
<td>We evaluated the computations and assumptions relating to the IPSAS 41 accounting standard. Our evaluation included the following procedures:

• Obtained an understanding of the process followed in the impairment of accounts receivable and evaluated the design and implementation of the relevant controls within that process, as well as tested the operating effectiveness of those controls;
• Performed substantive tests on a sample of the receivables' balances to determine the accuracy of their ageing;
• Reviewed the Commission's ECL methodology to determine that this was in line with IPSAS 41;
• Performed completeness and accuracy tests on the balances of financial assets being subjected to the model to compute ECL as well as those whose ECL was following the simplified approach;
• Performed assessment of the methods used to determine the probability of default, exposure at default and loss given default rates; and
• Inspected the ECL model to evaluate whether the ECL amount was being computed following the established methods and using the appropriate parameters as assessed above.

We conclude that the significant judgements and estimates made by management in relation to the expected credit losses of accounts receivables were supported by evidence obtained and procedures performed.</td></tr>
<tr><td colspan="2">Valuation of Property, Plant and Equipment</td></tr>
<tr><td>As of 31 December 2025, property, plant and equipment were recognised at revalued amounts in the inflation-adjusted annual financial statements. A revaluation of PPE was performed during the year, resulting in adjustments to the carrying values of these assets amounts to ZWG 132 427 033 (2024: ZWG 79 938 102)

The determination of fair values in a revaluation exercise involves significant judgement and the use of estimates, including assumptions relating to market conditions, replacement costs, useful lives, and depreciation methods. In addition, the revaluation process requires the use of appropriate valuation techniques and, where applicable, inputs from external valuation experts.

There is a risk that property, plant and equipment have not been measured correctly due to the complexity of the valuation process and the level of judgement involved. Given the significance of these estimates and assumptions, which could result in a material misstatement, this matter has been considered a key audit matter.

The disclosure associated with property, plant and equipment, including the revaluation, is set out in the inflation-adjusted financial statements in Note 4 – Property, plant and equipment.</td>
<td>We evaluated the computations and assumptions relating to the IPSAS 45 accounting standard. Our evaluation included the following procedures:

• Evaluated the assumptions and valuation methodologies applied by management to determine whether they are appropriate and consistent with financial reporting requirements.
• Assessed the reasonableness of the valuation by considering the qualifications, competence, and experience of the independent valuer engaged.
• Evaluated the completeness, accuracy, and relevance of both internal and external data used by management in determining the values of property, plant and equipment.
• Recalculated the revaluation surplus disclosed in the consolidated financial statements to verify mathematical accuracy and consistency with underlying records.
• Compared the revalued amounts to observable market data and industry benchmarks to assess overall reasonableness.
• Confirmed that the revaluation exercise was applied consistently to all relevant asset classes to ensure compliance with applicable standards.

Based on the procedures performed, we are satisfied that the property, plant and equipment have been fairly and appropriately valued, and that the revaluation is in accordance with the requirements of IPSAS 45.</td></tr>
</table>

Independent Auditor’s Report (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with International Public Sector Accounting Standards and the requirements of the Insurance and Pensions Commission Act [Chapter 24:21], and the Public Finance Management Act [Chapter 22:19]. This responsibility includes, but is not limited to the following:

- Designing, implementing and maintaining internal controls that ensure proper preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- Formulating and applying appropriate accounting policies; and making accounting estimates that are reasonable in the Commission’s circumstances.

In preparing the financial statements, the Directors are responsible for assessing the Commission’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our responsibility is 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 based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 controls;
- Obtain an understanding of internal controls 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 Commission’s internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commission;
- Conclude on the appropriateness of the Commission’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 Commission’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 auditors’ report. However, future events or conditions may cause the Commission to cease to continue as a going concern; and
- 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.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit. We also provided the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Independent Auditor’s Report (continued)

Report on Legal and Regulatory Requirements

In our opinion, the inflation adjusted financial statements have been properly prepared in accordance with the disclosure requirements of the Commission’s accounting policies set out on pages 97 to 106 of these inflation adjusted financial statements and comply, in all material respects, with the requirements of the Public Finance Management Act [Chapter 22:19] and the Insurance and Pensions Commission Act [Chapter 24:21].

The engagement partner on the audit resulting in this independent auditor’s report is Philemon Mawire.

Integra CA.

Integra Chartered Accountants
Per: Philemon Mawire, CA(Z)
PAAB Practice Number:0604

Harare

31 March 2026

Statement of Financial Position

for the year ended 31 December 2025

	Note	Inflation Adjusted		Historical Cost	
		2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
ASSETS					
Current assets					
Cash and cash equivalents	16	8 203 368	13 645 500	8 203 368	11 861 621
Short-term investments	16	47 395 411	3 167 090	47 395 411	2 753 056
Prepayments	10	3 530 648	22 887 820	3 530 655	13 629 149
Loans receivables	8	3 921 722	2 500 059	3 921 722	2 173 226
Accounts receivables	9	18 503 723	3 965 931	18 503 723	3 447 464
Inventories	7	1 777 607	224 079	1 777 607	194 785
		83 332 479	**46 390 479**	**83 332 486**	**34 059 301**
Non-current assets					
Property and equipment	4	132 427 033	79 938 102	116 152 428	27 113 727
Right-of-use assets	5	252 716	526 492	216 079	450 165
Intangible assets	6	2 506 101	2 506 101	1 309 969	1 309 969
Other financial assets	15	30 509 568	27 494 662	30 509 568	23 900 278
		165 695 418	**110 465 357**	**148 188 044**	**52 774 139**
Total assets		**249 027 897**	**156 855 836**	**231 520 530**	**86 833 440**
LIABILITIES					
Current liabilities					
Accounts payables	13	19 651 359	11 601 382	19 651 359	10 084 731
Provisions	14	6 354 274	7 583 621	6 354 274	6 592 211
Lease liabilities	11	410 904	617 826	410 904	537 057
		26 416 537	**19 802 829**	**26 416 537**	**17 213 999**
Non-current liabilities					
Lease liabilities	11	372 857	756 502	372 857	657 605
Deferred revenue	12	202 223	212 593	172 906	181 773
		575 080	**969 095**	**545 763**	**839 378**
Total liabilities		**26 991 617**	**20 771 924**	**26 962 300**	**18 053 377**
Net assets		**222 036 280**	**136 083 912**	**204 558 230**	**68 780 063**
Reserves					
Accumulated funds		188 837 277	116 962 193	143 504 447	59 388 829
Non-distributable reserves		972 742	972 742	361 887	361 887
Revaluation reserve		32 226 261	18 148 977	60 691 896	9 029 347
Total net assets/equity		**222 036 280**	**136 083 912**	**204 558 230**	**68 780 063**

Finance Director

Commissioner

Chairperson

31 March 2026

Statement of Financial Performance

for the year ended 31 December 2025

	Note	Inflation Adjusted 2025 ZWG	Inflation Adjusted 2024 ZWG	Historical Cost 2025 ZWG	Historical Cost 2024 ZWG
REVENUE					
Revenue from transactions without binding arrangements					
Levies	17	315 812 219	308 420 791	310 273 312	182 016 036
Grants	12	10 370	10 370	8 867	8 867
Revenue from transactions with binding arragements					
Interest income	18	1 817 041	4 512 144	1 790 647	1 219 311
Investment income	21	5 276 220	6 008 136	5 222 691	3 152 988
Other income	19	14 903 494	18 129 094	14 830 892	10 311 575
Total revenue		**337 819 344**	**337 080 535**	**332 126 409**	**196 708 777**
EXPENDITURE					
Employment costs	20.2	(184 524 947)	(152 549 463)	(181 596 087)	(97 664 783)
Operational expenses	20	(70 610 414)	(88 577 913)	(69 644 840)	(107 837 299)
Depreciation, amortisation and impairment	20.1	(11 575 628)	(1 962 872)	(3 379 154)	(788 231)
Total expenses		**(266 710 989)**	**(243 090 248)**	**(254 620 081)**	**(206 290 313)**
Other Gains and Losses					
Net monetary (loss)		(5 842 561)	(118 952 162)	-	-
Fair value adjustments	19.1	6 609 290	39 636 507	6 609 290	20 399 440
Total comprehensive surplus for the year		**71 875 084**	**14 674 632**	**84 115 618**	**10 817 904**

Statement of Changes in Reserves

for the year ended 31 December 2025

	Revaluation Reserve ZWG	Other Non-Distributable Reserves ZWG	Accumulated Fund ZWG	Total ZWG
INFLATION ADJUSTED				
Balance as at 31 December 2024	**18 148 977**	**972 742**	**116 962 193**	**136 083 912**
Surplus for the year	-	-	71 875 084	71 875 084
Revaluation surplus	14 077 284	-	-	14 077 284
Balances as at 31 December 2025	**32 226 261**	**972 742**	**188 837 277**	**222 036 280**
HISTORICAL COST				
Balance as at 31 December 2024	**9 029 347**	**361 887**	**59 388 829**	**68 780 063**
Surplus for the year	-		84 115 618	84 115 618
Revaluation surplus	51 662 549		-	51 662 549
Balances as at 31 December 2025	**60 691 896**	**361 887**	**143 504 447**	**204 558 230**

Statement of Cash Flows

for the year ended 31 December 2025

	Note	Inflation Adjusted 2025 ZWG	Inflation Adjusted 2024 ZWG	Historical Cost 2025 ZWG	Historical Cost 2024 ZWG
Surplus/ (deficit) before adjustments for:		**66 032 523**	**(104 277 530)**	**84 115 618**	**10 817 904**
Depreciation and amortisation	20.1	11 575 628	1 962 872	3 379 154	788 231
Profit on asset disposal	19	(412 998)	-	(416 986)	-
Exchange gain or loss on lease	11	(46 123)	5 684 559	49 225	603 209
Net monetary loss		5 842 561	118 952 162	-	-
Interest income	21	(1 817 041)	(5 133 063)	(1 790 647)	(2 903 172)
Finance costs	22	148 836	87 286	48 403	42 506
Leave provision	20.2	(1 229 347)	1 911 219	(237 937)	1 742 151
Deferred revenue movement	12	(10 370)	(10 370)	(8 867)	(8 867)
Changes in working capital:					
Accounts payables	13	8 049 977	2 464 322	9 566 628	2 272 291
Accounts receivables	9	(14 537 792)	3 740 681	(15 056 259)	3 141 904
Inventories	7	(1 553 528)	(107 438)	(1 582 819)	(95 054)
Loans receivables	8	(1 421 663)	(1 664 143)	(1 748 496)	(1 458 494)
Prepayments	10	19 357 172	(22 803 093)	10 098 498	(13 556 700)
Cash generated from operating activities		**89 977 835**	**807 464**	**86 415 515**	**1 385 909**
Cash generated from operating activities					
Interest income	21	1 817 041	5 133 063	1 790 647	2 903 172
Net cash from operating activities		**91 794 876**	**5 940 527**	**88 206 162**	**4 289 081**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(50 224 495)	(3 096 198)	(41 067 003)	(2 266 056)
Net cash movement in investment in financial assets	15	(3 014 902)	(6 483 217)	(6 609 297)	(5 934 909)
Proceeds from sale of property and equipment		923 995	-	962 770	-
Cash utilised in investing activities		**(52 315 403)**	**(9 579 415)**	**(46 713 530)**	**(8 200 965)**
Cash flows from financing activities					
Cash payments for the capital portion of lease liabilities	11	(364 779)	(924 295)	(361 168)	(430 908)
Cash payments for interest portion of lease liabilities	11	(148 836)	(87 286)	(147 362)	(42 506)
		(513 615)	**(1 011 581)**	**(508 530)**	**(473 414)**
Total cash and cash equivalents movement for the year		**38 965 858**	**(4 650 469)**	**40 984 102**	**(4 385 298)**
Effects of inflation		(179 669)	(655 511)	-	-
Cash and cash equivalents at beginning of the year		16 812 590	22 118 570	14 614 677	18 999 975
Total cash and cash equivalents at end of the year	16	**55 598 779**	**16 812 590**	**55 598 779**	**14 614 677**

Statement of Budget versus Actual Expenditure

for the year ended 31 December 2025

Notes	Budgeted Amounts		Historical Cost		
	ZWG Original	ZWG Final	2025 ZWG ActualAmounts on Comparable Basis	2025 ZWG DifferenceBe-tween Final Bud-get and Actual	Comment Ref
Revenue	**457 592 449**	**457 592 449**	**332 126 409**	**125 466 040**	A higher exchange rate of $1:ZwG35 was assumed at budgeting. Actual for 2025 averaged $1:ZwG26.
Revenue from transactions without binding arrangements					
Taxes (Levies)	429 218 224	429 218 224	310 273 312	118 944 912	A higher exchange rate of $1:ZwG35 was assumed at budgeting. Actual for 2025 averaged $1:ZwG26.The Grant amortization was not accounted for for budgeting purposes, but for financial reporting its being amortized over the useful life of the related grant asset,
Grants			8 867	(8 867)	
Revenue from transactions with binding arrangements					
Intrest IncomeIn-		-21 296	1 790 647	(1 790 647)	
vestment Income	21 296 515	515 7 077	5 222 691	16 073 824	There was an anticipated disposal of shares that was delayed.
Other income	7 077 710	710	14 830 892	(7 753 182)	
Expenses	**(342 185 733)**	**(342 185 733)**	**(254 620 081)**	**87 565 652**	
Employee costs Operational expenses	(213 199 320)	(213 199 320)	(181 596 087)	31 603 233	Employment costs were lower budgeted due to differences between budgeted and realized exchange rate. Operational
Depreciation, amortisation and impair-	(124 388 508)	(124 388 508)	(69 644 840)	54 743 668	costs were lower budgeted due to differences between budgeted and realized exchange rate. Changes due to re computation of depreciation in line with the Zimbabwe Financial Reporting Manual Requirements
ment	(4 597 905)	(4 597 905)	(3 379 154)	1 218 751	
Surplus for the year	**115 406 716**	**115 406 716**	**67 506 328**	**37 900 388**	

Accounting Policies

for the year ended 31 December 2025

1 NATURE OF THE BUSINESS

The Insurance and Pensions Commission (IPEC) is a statutory body established in terms of the Insurance and Pensions Commission Act [Chapter 24:21], to regulate the insurance and pensions industry with the objective of developing the industry for the protection of insurance policyholders and pension fund members' interests.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Public Sector Accounting Standards (IPSAS) and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Insurance and Pensions Commission Act [Chapter 24:21]. The financial results have been restated to take account of inflation in accordance with IPSAS 10, Financial Reporting in Hyperinflationary Economies.

The financial statements have been prepared on historical cost convention except for the revaluation of property and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied by the Commission.

2.1 Functional and presentation currency

The Commission operates in a dynamic environment which has been subjected to considerable changes to monetary and exchange control policies in recent years. In the year under review, the economy has witnessed a substantial increase in volumes of foreign currency transactions, mainly the United States Dollars (USD). Given this multi-currency environment, the Directors have assessed in terms of International Public Sector Accounting Standards (IPSAS) 4, if there has been a change in the functional currency used by the Commission during the year. In their assessment, the Directors included considerations of whether the various modes of settlement may represent different forms of currency.

The following was considered:

a. The currency that mainly influences the sales prices for goods and services.
b. The currency of the competitive forces and regulations that mainly determines the sales prices of goods and services.
c. The currency that mainly influences labour, material and other costs of providing goods and services (normally the currency in which such costs are denoted and settled).
d. The currency in which funds from financing activities are generated; and the currency in which receipts from operating activities are usually retained.

In view of the aforementioned assessments outlined in IPSAS 4 guidelines, the directors concluded that the Commission's functional currency remains the Zimbabwe Gold (ZWG), consistent with the presentations made in the prior year financial statements.

Items included in the financial statements of the Commission are measured using the currency of primary economic environment in which the entity operates(the functional currency). The financial statements are presented in Zimbabwe Gold (ZWG), which is the Commission's functional and presentation currency.

Under IPSAS 1.61(e): We justify our rounding to the nearest dollar ($1) to enhance the understandability of the reports, acknowledging that the underlying SAP records remain at two decimal places.

2.2 Translation of Foreign Currency Transactions

Foreign currency transactions are recorded by applying the spot exchange rate at the transaction date. At each reporting date:

- Monetary items denominated in foreign currency are translated at the closing rate;
- Non-monetary items measured at historical cost are translated using the rate at the transaction date;
- Non-monetary items measured at fair value are translated using the rate at the date the fair value was determined.

Exchange differences on the settlement of monetary items or on translating monetary items at different rates are recognised in surplus or deficit for the period.

Accounting Policies (continued)

for the year ended 31 December 2025

2.3 IPSAS 10 Hyperinflationary economies

The Public Accountants and Auditors Board through its pronouncement 01/2019 provided guidance to all entities that report based on the International Public Sector Accounting Standards (IPSAS) on the application of Financial Reporting in Hyperinflationary Economies Standard (IPSAS10) in Zimbabwe. The pronouncement requires that companies that prepare and present financial statements for financial period ended on or after 1 July 2019 apply the requirements of IPSAS 10 "Financial Reporting in Hyperinflationary economies ." The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWG). Professional judgement was and appropriate adjustments were made to historical financial statements in preparing financial statements which are IPSAS 10 compliant.

IPSAS10 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the statement of financial position date, and that corresponding figures for previous periods be stated in the same terms to the latest statement of financial position date. To comply with IPSAS 10 requirements the Commission estimated the inflation rate for February 2025 to December 2025 by adjusting the last published consumer price index (January 2025) based on the monthly movement using the Total Consumption Poverty Line (TCPL). The resultant CPI sand their corresponding conversion factors are as follows:

Period	Indices	Conversion Factor
31 December 2024	166.30	1.150
31 December 2025	191.31	1.000

2.4 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IPSAS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Trade Receivables, Loans and Other Receivables

The Commission assesses its trade receivables, loans and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the Commission makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, loans and other receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Useful Lives of Property and Equipment

In line with the Zimbabwe Financial Reporting Manual(ZFRM), the government, through the Accountant General's office, assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on Commission replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

Expected Credit Losses

Expected credit loss allowance on accounts receivable was estimated using a provision matrix taking into account past default rates, debtor specific circumstances, and general industry conditions and forecast conditions as at the reporting date. The Commission advances relief short term loans to staff members and these are recovered from payroll. No write offs are therefore expected from such short term loans.

Impairment Testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The Commission reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as exchange rates, inflation and interest.

2.5 Fair Value Estimation

The fair value of financial instruments and other assets and liabilities measured at fair value, is based on their market price at the reporting date. If a market price is not available, the fair value of an instrument is estimated using discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is market related at the reporting date for an instrument with similar terms and conditions.

The Commission revalued its property and equipment during the under review. The valuation was conducted by external valuers using appropriate valuation techniques and inputs for each valuation which involves significant judgement. Observable market data is used as inputs to the extent that it is available. If prices are not readily determinable, fair value is based either on internal valuation models or management estimates of amounts that could be realised under current market conditions. The translation of the foreign currency denominated assets and liabilities to local currency is based on the year-end exchange rate while transactions are translated at the average exchange rate for the reporting period.

2.6 Property and Equipment

Property and Equipment refers to non current assets that are expected to be used in more than one accounting period. PPE is recognised when the Commission expects to derive future economic benefits or service potential from the assets and when the cost can be reliably measured. Property and equipment is initially measured at cost. Cost include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, replace part of, or service it.

Property and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value except for land which is not depreciated. Subsequent to initial recognition,

Land and buildings are carried at revalued amounts, being their fair value at the date of revaluation less any subsequent accumulated depreciation (for buildings) and accumulated impairment losses. Revaluations are performed after 5 years to ensure that the carrying amounts do not differ materially from fair values at the reporting date.

Other classes of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. These classes are considered distinct from land and buildings for the purposes of applying the measurement model.

Impairment Testing
The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The Commission reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are Commissioned at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each Commission assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as exchange rates, inflation and interest.

Accounting Policies (continued)

for the year ended 31 December 2025

2.7 Depreciation and Amortisation

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Commission. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property and equipment have been assessed as follows:

Item	Subsequent Measurement	Revaluation Frequency	Depreciation Method	Average Useful Life
Land	Revaluation	5 years	N/A	Indefinite
Buildings	Revaluation	5 years	Straight line	60 years
Furniture and fixtures	Cost	N/A	Straight line	10 years
Transport equipment	Cost	N/A	Straight line	3 years
Other assets	Cost	N/A	Straight line	3 years
Office equipment	Cost	N/A	Straight line	5 years
ICT equipment	Cost	N/A	Straight line	3 years
Leasehold improvements			Straight line	1 year

2.8 Intangible Assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably. Intangible assets are initially recognised at cost.

Intangible assets are initially recognised at cost

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it. there is an ability to use or sell it.
- it will generate probable future economic benefits. there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each year is recognised in surplus or deficit unless it is included in the carrying amount of another asset. Impairment tests are performed on property and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property and equipment is derecognised upon disposal or when no future economic benefits or service potential are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses
An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.:

Accounting Policies (continued)

for the year ended 31 December 2025

The amortisation period and the amortisation method for intangible assets are reviewed every period-end. Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.
Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Amortisation	Average Useful Life
SAP Software	N/A	Indefinite

2.9 Financial Instruments

Financial instruments held by the Commission are classified in accordance with the provisions of IPSAS 41 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Commission ,as applicable, are as follows:

Financial Assets Which are Equity Instruments:

- Mandatorily at fair value through surplus or deficit; or
- Designated as at fair value through net assets. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).
- Mandatorily at fair value through surplus or deficit. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through surplus or deficit. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through surplus or deficit.

Financial Liabilities:

- Amortised cost; or
- Mandatorily at fair value through surplus or deficit. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through surplus or deficit. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or
- It forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through surplus or deficit).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through surplus or deficit.

2.9.1 Accounts Receivable

Classification

Accounts receivable, excluding, when applicable, Statutory payments and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Commission's business model is to collect the contractual cash flows on Accounts receivables.

Recognition and Measurement

Accounts receivables are recognised when the Commission becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are Subsequently Measured at Amortised Cost

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Accounting Policies (continued)

for the year ended 31 December 2025

Impairment

The Commission recognises a loss allowance for expected credit losses on Accounts receivables, excluding Statutory payments and prepayments. The amount of expected credit losses is updated at each reporting date.

The Commission measures the loss allowance for Accounts receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and Recognition of Expected Credit Losses

The Commission makes use of a provision matrix as a practical expedient to the determination of expected credit losses on Accounts receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate. An impairment gain or loss is recognised in surplus or deficit with a corresponding adjustment to the carrying amount of Accounts receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in surplus or deficit as a movement in credit loss allowance.

Write Off Policy

The Commission writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Commission recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in surplus or deficit.

2.9.2 Inventory

Classification

Inventory comprises assets held in the form of materials or supplies to be consumed in the Commission's operations or distributed in the rendering of services. This specifically includes fuel coupons, stationery, and other general consumables.

Recognition Criteria

The Commission recognizes inventory as a current asset only when:

- It is probable that future service potential or economic benefits will flow to the entity;
- The Commission exercises effective control over the assets; and
- The cost or fair value can be measured with probative reliability.
-

Measurement Framework

Initial Measurement: Inventories are initially recorded at historical cost. Cost encompasses the purchase price and all expenditure directly attributable to bringing the inventory to its present location and condition (e.g., non-refundable taxes, transport, and handling). In instances where inventory is acquired via a non-exchange transaction, its cost is measured at fair value as at the date of acquisition. Subsequently, inventory is carried at the lower of cost and net realizable value (NRV). In accordance with IPSAS 12, the Commission applies either the Weighted Average Cost method consistently in determining cost. This approach ensures prudence and avoids overstating assets.

Impairment

Inventory is reviewed at each reporting date to assess whether it is impaired. Where items are damaged, obsolete, or where the cost exceeds the expected service potential, they are written down to NRV. Any reversals of previous write-downs are recognized when circumstances change and the NRV increases. Impairment losses and reversals are recognized in surplus or deficit, with corresponding adjustments made to the carrying amount of inventory.

Write-off Policy

The Commission writes off inventory when it is no longer usable, obsolete, or lost. Such write-offs require approval by the Finance Committee and are disclosed in accordance with IPSAS 12 and the ZFRM. Any recoveries, such as proceeds from scrap sales, are recognized in surplus or deficit. This ensures accountability and transparency in the management of public resources.

Disclosure

The financial statements disclose the accounting policies adopted in measuring inventory, the carrying amounts by category, the amount of inventory recognized as expense during the period, and any write-downs, reversals, or write-offs. This disclosure is consistent with IPSAS 12 requirements and the ZFRM, ensuring comparability and reliability of financial information.

Accounting Policies (continued)

for the year ended 31 December 2025

2.9.3 Accounts Payable

Classification
Accounts payable, excluding Statutory payments and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and Measurement
Accounts payable represent the Commission's obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These obligations are recognized when the goods are received or the services are performed, and they are measured at the fair value of the consideration to be paid in the future for goods and services received.

2.9.4 Cash and Cash Equivalents
Cash and cash equivalents include cash in hand; deposits held at call with banks and other short- term highly liquid investments with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Commission in the management of its short-term commitments.

Restricted Funds
Restricted funds comprise compensation funds established to facilitate payments to pensioners. These funds represent amounts received from the Government, insurance entities, and pension funds specifically designated for compensation purposes. Contributions to the funds are recognized as restricted funds upon receipt. Expenditure incurred in respect of these funds is recognized in the Statement of Financial Performance in the period in which the costs are incurred.

2.9.5 Derecognition Financial Asset
The Commission derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Commission neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Commission recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Commission retains substantially all the risks and rewards of ownership of a transferred financial asset, the Commission continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.10 Leases

The Commission assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Commission has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset. In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

2.10.1 Leases Commission as Lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Commission is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Commission recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease Liability
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Commission uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Commission under residual value guarantees;
- the exercise price of purchase options,
- if the Commission is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Commission is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Accounting Policies (continued)

for the year ended 31 December 2025

Right of Use Assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position. Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Commission incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

2.11 Employee Benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The Commission operates a Defined Contribution Scheme for its employees. Under this scheme, the Commission pays fixed contributions into a separate fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

In accordance with IPSAS 39, contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Financial Performance in the periods during which services are rendered by employees. Any unpaid contributions at the reporting date are recognized as a liability (accrual) in the Statement of Financial Position.

The Commission contributes to the Old Mutual Pension Fund, and the National Social Security Authority (NSSA) statutory defined contribution scheme.

The standard rates of contribution during the year were as follows:

- Staff Pension Fund: 12% of basic salary contributed by the Commission and 7.5% by the employee.
- NSSA: 4.5% of the insurable earnings contributed by both the Commission and the employee, subject to the statutory ceiling.

	Pension Contributions	
	Inflation Adjusted - ZWG	Historical - ZWG
Old Mutual Pension	11,503,911	11,688,890
NSSA	2,288,726	2,262,602
Total	13,792,637	13,951,492

2.12 Provisions and Contingencies

Provisions are recognised when:

- the Commission has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation.

Accounting Policies (continued)

for the year ended 31 December 2025

2.13 Revenue

The Commission recognises revenue from the following 2 major sources:

2.13.1 Revenue from non binding transactions

- Levies form Pension funds and Insurance companies
- Annual fees from members
- Application fees
- Registration fees
- Externalisation fees
- Fines and penalties

2.13.2 Revenue from binding transactions

The Commission recognises an inflow or a right to an inflow as an asset for revenue transaction when the definition of an asset is satisfied. The Commission will immediately recognise revenue if it has no obligation associated with an inflow of resources.

Revenue is measured based on the consideration specified in a binding arrangement and excludes amounts collected on behalf of third parties. The Commission recognises revenue when it provides goods or services under binding arrangement.

Revenue from Pension funds and Insurance companies

Revenue from levies is recognised at the beginning of every quarter and this is the point in time when the Commission transfers the regulatory services to Insurance and Pensions companies intending to do business in that quarter.

Annual fees from members

Revenue from annual fees is recognised at the beginning of the year as this is the point in time when the Commission is unconditionally entitled to receive the annual fees.

Application fees

Revenue from application fees is recognised at the point in time when a prospective client makes an application to the Commission. This is the point in time when the Commission is unconditionally entitled to receive the application fees income.

Registration fees

Revenue from registration fees is recognised at the point in time when the Commission registers a new member and this is the point in time when the Commission becomes unconditionally entitled to receiving registration fee income.

Externalisation fees

Revenue from externalisation fees is recognised at the point in time when the Commission approves any insurer or broker to place business outside Zimbabwe and this is the point in time when the Commission becomes unconditionally entitled to receiving externalisation fees income.

Fines and Penalties

Revenue from fines and penalties is recognised at the point in time when the Commission issues a formal notice or ruling confirming the breach and the associated charge. This is the point at which the Commission becomes unconditionally entitled to receive the fines and penalties income.

3. NEW STANDARDS AND INTERPRETATIONS

Standards and interpretations effective and adopted in the current year

The Commission has chosen to early adopt the following standards and interpretations issued by International Public Sector Accounting Standards Board (IPSASB) in May 2024, which have been published and are mandatory for the Commission's accounting periods beginning on or after 01 January 2025 or later periods:

3.1 International Public Sector Accounting Standards (IPSAS) 43 – Leases

The standard has similar principles to IFRS 16 - "Leases". The new standard introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13, Leases to lessees. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13.

The standard is effective for the period beginning on or after January 01, 2025. The Entity has adopted and applied the new standard from the effective date.

3.2 International Public Sector Accounting Standards (IPSAS) 45 – Property, Plant and Equipment

The standard replaces IPSAS 17- Property, Plant, and Equipment. The new standard adds current operational value as a measurement basis in the updated current value model for assets within its scope. It further identifies the characteristics of heritage and infrastructure assets, and provides guidance on how these important types of public sector assets should be recognized and measured.

The standard is effective for the period beginning on or after January 01, 2025. The Entity has early adopted and applied the new standard from 1 January 2024 in line with requirements from the ZFRM.

3.3 International Public Sector Accounting Standards (IPSAS) 46 – Measurement

The standard provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. It brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets.

The standard is effective for the period beginning on or after January 01, 2025. The Commission has early adopted and applied the new standard from 1 January 2024 in line with requirements from the ZFRM.

Notes to the Financial Statements

for the year ended 31 December 2025

4 PROPERTY AND EQUIPMENT

INFLATION ADJUSTED

		Land	Buildings	Lease Improvements	Furniture and Fixtures	Transport Equipment	Office Equipment	ICT Equipment	Other Assets	Total
4.1	**Cost/valuation**									
	Balance as at 31 December 2024	8 828 009	49 218 927	41 724	4 347 671	21 079 607	693 813	5 934 024	715 403	90 859 178
	Revaluation	21 423 418	(9 724 065)	-	-	-	-	-	-	11 699 353
	Disposals	-	-	-	-	(878 887)	-	(260 101)	-	(1 138 988)
	Additions	29 533 574	10 465 138	-	62 073	-	14 239	1 453 353	8 696 118	50 244 495
	Balance as at 31 December 2025	**59 785 001**	**49 960 000**	**41 724**	**4 409 744**	**20 200 720**	**708 052**	**7 127 276**	**9 411 521**	**151 644 038**
4.2	**Depreciation**									
	Balance as at 31 December 2024	-	(2 058 425)	(41 724)	(677 153)	(5 605 521)	(278 231)	(1 570 795)	(689 227)	(10 921 076)
	Revaluation	-	2 377 931	-	-	-	-	-	-	2 377 931
	Disposals	-	-	-	-	486 028	-	141 963	-	627 991
	Charge for the year	-	(319 506)	-	(427 844)	(8 425 900)	(132 490)	(1 633 371)	(362 740)	(11 301 851)
	Balance as at 31 December 2024	**-**	**-**	**(41 724)**	**(1 104 997)**	**(13 545 393)**	**(410 721)**	**(3 062 203)**	**(1 051 967)**	**(19 217 005)**
4.3	**Net book amounts**									
	Balance as at 31 December 2025	**59 785 001**	**49 960 000**	**-**	**3 304 747**	**6 655 327**	**297 331**	**4 065 073**	**8 359 554**	**132 427 033**
	Balance as at 31 December 2024	8 828 009	47 160 502	-	3 670 518	15 474 086	415 582	4 363 229	26 176	79 938 102

HISTORICAL COST

		Land	Buildings	Lease Improvements	Furniture and Fixtures	Transport Equipment	Office Equipment	ICT Equipment	Other Assets	Total
4.1	**Cost/valuation**									
	Balance as at 31 December 2024	1 570 782	19 363 984	7 424	1 777 939	4 653 860	200 516	2 427 962	237 563	30 240 030
	Disposal	-	-	-	-	(907 193)	-	(255 519)	-	(1 162 712)
	Revaluation	30 320 761	20 234 493	-	-	-	-	-	-	50 555 254
	Additions	27 893 458	10 361 523	-	54 915	-	14 155	2 739 354	3 599	41 067 004
	Balance as at 31 December 2025	**59 785 001**	**49 960 000**	**7 424**	**1 832 854**	**3 746 667**	**214 671**	**4 911 797**	**241 162**	**120 699 576**
4.2	**Depreciation**									
	Balance as at 31 December 2024	-	(787 789)	(7 424)	(272 241)	(1 237 563)	(41 592)	(552 812)	(226 882)	(3 126 303)
	Disposal	-	-	-	-	477 466	-	139 462	-	616 928
	Revaluation	-	1 107 295	-	-	-	-	-	-	1 107 295
	Charge for the year	-	(319 506)		(177 828)	(1 472 624)	(40 169)	(1 125 646)	(9 295)	(3 145 068)
	Balance as at 31 December 2025	**-**	**-**	**(7 424)**	**(450 069)**	**(2 232 721)**	**(81 761)**	**(1 538 996)**	**(236 177)**	**(4 547 148)**
4.3	**Net book amounts**									
	Balance as at 31 December 2025	**59 785 001**	**49 960 000**	**-**	**1 382 785**	**1 513 946**	**132 910**	**3 372 801**	**4 985**	**116 152 428**
	Balance as at 31 December 2024	1 570 782	18 576 195	-	1 505 698	3 416 297	158 924	1 875 150	10 681	27 113 727

Notes to the Financial Statements (continued)

for the year ended 31 December 2025

5 RIGHT-OF-USE ASSETS

The Commission leases an office buildings, one located at Shop 18, Bulawayo Centre in Bulawayo and the one at Shop number 5 Kingstones House along Leopard Takawira Street in Harare. The lease term is for 3 years for Shop 18 Bulawayo Centre while the Commission was in the process of finalising the lease renewal for Kingstones House at the end of the financial year. Refer to Note 11 for lease liabilities.

Details pertaining to leasing arrangements, where the Commission is lessee are presented below:

Net carrying amounts of right-of-use assets

	Inflation Adjusted		Historical Cost	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
Carrying amount at the start of the period	526 492	821 649	450 165	702 532
Amortisation	(273 776)	(295 157)	(234 086)	(252 367)
Total	**252 716**	**526 492**	**216 079**	**450 165**
6 INTANGIBLE ASSETS				
ERP System				
Opening carrying amount	2 506 101	6 036 266	1 309 969	248 162
Additions	-	(3 530 165)	-	1 061 807
Closing carrying amount	**2 506 101**	**2 506 101**	**1 309 969**	**1 309 969**
7 INVENTORIES				
Consumables	141 704	-	141 704	-
Stationery	994 648	-	994 648	-
Fuel coupons	641 255	224 079	641 255	194 785
	1 777 607	**224 079**	**1 777 607**	**194 785**
8 LOANS TO EXECUTIVE DIRECTORS, MANAGERS AND EMPLOYEES				
Schedule of loans to executive directors, managers and employees				
At beginning of the year	2 500 059	835 916	2 173 226	714 732
Advances	7 825 555	1 677 839	7 825 555	1 458 494
Repayments	(6 077 059)	-	(6 077 059)	-
Effects of IPSAS 10	(326 833)	(13 696)	-	-
	3 921 722	**2 500 059**	**3 921 722**	**2 173 226**
9 ACCOUNTS RECEIVABLE				
Financial instruments:				
Trade receivables	34 987 012	11 314 697	34 987 012	9 785 400
Allowance for credit losses	(16 483 289)	(7 348 766)	(16 483 289)	(6 337 936)
Total trade receivables at amortised cost	**18 503 723**	**3 965 931**	**18 503 723**	**3 447 464**
9.1 Analysis for credit losses				
Opening balance	7 348 766	480 792	6 337 936	360 967
Additional	10 145 353	6 867 974	10 145 353	5 976 969
IPSAS 10 Adjustment	(1 010 830)	-	-	-
Closing Balance	**16 483 289**	**7 348 766**	**16 483 289**	**6 337 936**

The allowance for credit losses of 2025: ZWG 16 483 289 (2024: ZWG 7 348 766) was based on a recovery rate based on historical experience and applied on balances receivable from customers over 365 days without payment.

	Inflation Adjusted 2025 ZWG	Inflation Adjusted 2024 ZWG	Historical Cost 2025 ZWG	Historical Cost 2024 ZWG
10 PREPAYMENTS				
Non-financial instruments:				
Prepayments	**3 530 648**	**22 887 820**	**3 530 655**	**13 629 149**

Notes to the Financial Statements (continued)

for the year ended 31 December 2025

		Inflation Adjusted		Historical Cost	
		2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
11	**LEASE LIABILITIES**				
	Opening balance	1 374 328	902 642	1 194 662	1 022 362
	Adjustments for reassessments	-	-	-	-
	Exchange differences	(46 123)	2 154 385	49 226	603 208
	Repayments of capital				
	Finance costs	148 836	87 286	48 403	42 506
	Payments made	(513 615)	(1 011 581)	(508 530)	(473 414)
		963 426	**2 132 732**	**783 761**	**1 194 662**
	Effects of IPSAS 10	(179 665)	(758 404)	-	-
	Closing balance	**783 761**	**1 374 328**	**783 761**	**1 194 662**
	Disclosed as follows:				
	Current portion of lease liabilities	410 904	617 826	410 904	537 057
	Non-current portion of lease liabilities	372 857	756 502	372 857	657 605
		783 761	**1 374 328**	**783 761**	**1 194 662**
12	**Binding Obligation Liability**				
	Opening balance	**212 593**	**222 963**	**181 773**	**190 640**
	Amortisation	(10 370)	(10 370)	(8 867)	(8 867)
	Closing balance	**202 223**	**212 593**	**172 906**	**181 773**

Binding obligation liability represents partial assistance by the Zimbabwe Government for the purchase of a building used by the Commission. The building is included in property and equipment as disclosed in Note 4. The income is amortised to income over the useful life of the building.

		Inflation Adjusted 2025 ZWG	Inflation Adjusted 2024 ZWG	Historical Cost 2025 ZWG	Historical Cost 2024 ZWG
13	**ACCOUNTS PAYABLES**				
	Financial instruments:				
	Trade payables	421 151	5 525 774	421 151	4 803 388
	Other payables	454 803	-	454 803	-
	Statutory obligations	4 042 890	5 975 404	4 042 890	5 194 238
	Pensioner's compensation liability MOFD	14 732 515	100 204	14 732 515	87 105
		19 651 359	**11 601 382**	**19 651 359**	**10 084 731**
	Financial instrument and non-financial instrument components of trade and other payables				
	At amortised cost	19 651 359	11 601 382	19 651 359	10 084 731
		19 651 359	**11 601 382**	**19 651 359**	**10 084 731**

In line with Cabinet Authority on the implementation of the Justice Smith Commission of Inquiry into pensioners' and policyholders' loss of value in 2009, the Government of Zimbabwe has committed to provide funding to compensate affected parties. Funding is being released to the Insurance and Pensions Commission (IPEC) in tranches and is ring-fenced pending disbursement. Disbursement of the funds will commence once the amended Statutory Instrument 162 of 2023 is gazetted. At reporting date, the gazetting had not yet occurred and, accordingly, no present obligation to disburse the funds existed. Government has disbursed ZWG 13,5 million in part fulfillment of its commitment towards 2009 compensation. No provision has been recognised as the obligation remains contingent upon the occurrence of future regulatory events not wholly within the control of the entity

		Inflation Adjusted 2025 ZWG	Inflation Adjusted 2024 ZWG	Historical Cost 2025 ZWG	Historical Cost 2024 ZWG
14	**PROVISIONS**				
	Provision for leave pay	6 354 274	7 583 621	6 354 274	6 592 211
		6 354 274	**7 583 621**	**6 354 274**	**6 592 211**

The provision for leave pay relates to uncertainty regarding the timing of when the expense will be incurred by the Commission

Notes to the Financial Statements (continued)

for the year ended 31 December 2025

	Inflation Adjusted		Historical Cost	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
15 OTHER FINANCIAL ASSETS				
Held at fair value - listed shares				
Investments held by the Commission which are measured at fair value, are as follows:				
Mandatorily at fair value through surplus or deficit:				
Listed shares	17 309 377	12 597 550	17 309 377	10 950 670
The Commission holds investments in listed shares at the Zimbabwe Stock exchange				
Held at fair value - unlisted shares				
Investments held by the Commission which are measured at fair value are as follows:				
Unlisted shares	13 200 191	14 897 112	13 200 191	12 949 608
The Commission holds investments in ZEPRE International, incorporated in Kenya.				
	30 509 568	**27 494 662**	**30 509 568**	**23 900 278**
16 CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consist of:				
Bank balances	8 203 368	13 645 500	8 203 368	11 861 621
Short-term deposits	47 395 411	3 167 090	47 395 411	2 753 056
	55 598 779	**16 812 590**	**55 598 779**	**14 614 677**
17 INCOME				
Revenue from Transactions without binding arrangements				
Levies	279 172 406	264 369 048	274 268 455	154 411 683
Registration fees	2 833 922	2 641 934	2 795 332	1 620 488
Application fees	344 514	495 106	337 615	312 996
Annual fees	8 504 267	8 851 564	8 187 144	4 655 609
Agent fees	3 983 978	3 882 882	3 895 117	2 221 939
Externalisation fees	12 474 863	22 823 149	12 320 526	15 081 123
Accreditation fees	4 918 165	-	4 901 437	-
Fines and penalties	3 580 104	5 357 108	3 567 686	3 712 198
	315 812 219	**308 420 791**	**310 273 312**	**182 016 036**
18 INTEREST INCOME				
Interest on staff loans	220 613	799 632	217 540	90 427
Interest on receivables	1 596 428	3 712 512	1 573 107	1 128 884
	1 817 041	**4 512 144**	**1 790 647**	**1 219 311**
19 OTHER INCOME				
Profit or loss on disposal	412 998	-	416 486	-
Net foreign exchange gains	11 310 360	14 416 582	11 293 669	8 118 596
Workshop and seminars	3 180 136	3 712 512	3 120 737	2 192 979
	14 903 494	**18 129 094**	**14 830 892**	**10 311 575**
19.1 OTHER OPERATING GAINS (LOSSES)				
Fair value gains	**6 609 290**	**39 636 507**	**6 609 290**	**20 399 440**

Notes to the Financial Statements (continued)

for the year ended 31 December 2025

		Inflation Adjusted		Historical Cost	
		2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
20	**OPERATIONAL EXPENSES**				
	Advertising and communications	1 103 884	957 419	1 082 717	520 573
	Audit fees	261 338	284 197	254 913	184 281
	Bank charges	901 408	944 135	889 513	572 733
	Board fees	3 027 585	3 478 723	2 979 713	2 169 382
	Cleaning	590 330	808 482	581 953	473 414
	Conferences	11 711 479	8 152 801	11 644 255	4 987 720
	Consultancy fees	1 172 294	5 208 675	1 165 852	3 925 531
	Consumer awareness	3 157 657	5 601 724	3 084 470	3 247 147
	Corporate social responsibility	342 371	174 973	337 353	128 957
	Data and airtime	1 935 482	4 422 679	1 890 000	2 676 444
	Inspection costs	1 061 943	1 164 870	1 047 684	718 546
	Insurance	592 629	665 898	584 228	414 015
	Intermediary tax	4 181 618	2 925 330	4 104 392	1 895 263
	IT expenses	4 765 477	6 260 580	4 705 475	3 517 134
	Legal fees	926 519	968 513	907 265	547 790
	Licensing operating	4 351 244	3 384 109	4 290 372	2 357 387
	Motor vehicle expenses	2 402 580	2 719 173	2 366 236	1 697 939
	Municipal expenses	1 891 133	2 163 333	1 865 373	1 336 199
	Operational fuel	471 854	9 973 401	459 765	3 677 639
	Parking fees	1 002 149	690 970	988 001	401 430
	Postage	10 577	9 691	10 466	6 441
	Printing and stationery	278 187	1 433 477	268 744	871 532
	Receivables written off	1 820 120	-	1 771 846	-
	Provision for credit losses	10 145 353	6 867 974	10 145 353	5 976 969
	Repairs and maintenance	1 044 816	1 209 106	1 033 853	672 105
	Security	1 766 251	1 423 194	1 734 626	825 378
	Staff welfare	2 735 470	9 484 762	2 708 570	5 634 978
	Operating lease expense	180 927	-	170 366	-
	Effects of conversion from ZWL to ZWG	-	-	-	53 673 165
	Subscriptions	1 861 491	1 717 614	1 814 449	1 120 076
	Telephone and fax	211 740	308 361	206 516	195 320
	Training	4 555 672	5 086 436	4 502 120	3 369 390
	Finance costs lease	148 836	87 286	48 403	42 506
		70 610 414	**88 577 913**	**69 644 840**	**107 837 299**
20.1	**Depreciation and amortisation**				
	Property and equipment **(Note 4)**	11 301 852	1 667 715	3 145 068	535 864
	Right-of-use assets **(Note 5)**	273 776	295 157	234 086	252 367
		11 575 628	**1 962 872**	**3 379 154**	**788 231**
20.2	**Employee costs**				
	Basic salary	139 753 138	116 824 487	136 747 100	71 874 356
	(Decrease)/increase in leave pay provision	(1 229 347)	3 938 433	(237 937)	3 475 476
	Medical aid	13 735 619	16 174 259	13 440 171	10 091 903
	NSSA	4 141 088	2 769 735	4 052 014	1 728 171
	ZIMDEF	1 650 000	1 744 102	1 614 509	1 088 229
	Pension contributions	11 785 961	4 886 065	11 532 449	3 048 652
	Recruitment costs	502	18 002	482	9 496
	Management fuel allowances	14 687 986	6 194 380	14 447 299	6 348 500
		184 524 947	**152 549 463**	**181 596 087**	**97 664 783**

Notes to the Financial Statements (continued)

for the year ended 31 December 2025

	Inflation Adjusted		Historical Cost	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
21 INVESTMENT INCOME				
Interest income				
Investments in financial assets:				
Bank and money market instruments	4 506 911	5 133 063	4 462 016	2 924 498
	4 506 911	**5 133 063**	**4 462 016**	**2 924 498**
Dividends received	769 309	875 073	760 675	228 490
	5 276 220	**6 008 136**	**5 222 691**	**3 152 988**
22 FINANCE COSTS				
Interest expense on leasing arrangements	**148 836**	**87 286**	**48 403**	**42 506**

23 RELATED PARTIES

In accordance with IPSAS 20, the Commission has identified the following related parties and transactions during the reporting period:

Entity	Description
Ministry of Finance, Economic Development and Investment Promotion	The parent ministry that provided part funding of ZWG 13.5 million towards the 2009 compensation payment.
Employees of the Commission	Render labour services in fulfillment of the Commission's mandate. Compensation to employees is disclosed under Employment Costs in the Statement of Financial Performance.

Transactions with Related parties included in the statement of financial position are as follows:

Schedule of loans to executive directors, managers and employees

	Inflation Adjusted		Historical Cost	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
At beginning of the year	2 500 059	835 916	2 173 226	714 732
Advances	7 825 555	1 677 839	7 825 555	1 458 494
Repayments	(6 077 059)	-	(6 077 059)	-
Effects of IPSAS 10	(326 833)	(13 696)	-	-
	3 921 722	**2 500 059**	**3 921 722**	**2 173 226**

Balance Due to Management and Staff in respect of loans advanced to management at interest rate, ZWG 22% and US$ 6%.

Transactions with Related parties included in the statement of financial performance are as follows:

Salaries of senior management	36 904 989	1 238 876	36 319 217	1 269 700
Benefits of other employees	147 619 957	30 509 893	145 276 870	19 532 957
	184 524 946	**31 748 769**	**181 596 087**	**20 802 657**

Notes to the Financial Statements (continued)

for the year ended 31 December 2025

	Inflation Adjusted		Historical Cost	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
Transactions with Related parties included in the statement of financial performance are as follows:				
Board fees				
Board Retainer	2 181 435	1 773 999	2 145 453	1 011 425
Benefits of other employees	-	-	-	-
	2 181 435	**1 7773 999**	**2 145 453**	**1 011 425**

24 TREASURY AND FINANCIAL RISK MANAGEMENT

The main risks arising from the Commission's operations are currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk.

24.1 Currency risk

Currency risk is a risk that arises from the change in price of one currency against another.

Exchange rates used to translate foreign currency transactions and balances are pegged at the official RBZ interbank exchange rates.

24.2 Interest rate risk

This is the risk arising from the adverse movement in the value of future interest receipts or commitments resulting from movements in interest rates.

The interest rates for both interest receivable and payable from/to local financial institutions are generally pegged against the Reserve Bank of Zimbabwe bank interest rate.

24.3 Credit risk

This is the risk that a counter part to a deal will default. The Commission's cash resources are principally invested with financial institutions which are considered reputable.

24.4 Liquidity risk

This is the risk that a counter part to a deal will default.
This is the risk of insufficient liquid funds being available to cover the commitments.

24.5 Cash flow risk

The cash resources available to the Commission as at 31 December 2025 are considered adequate to meet its short-term liquidity and cash flow requirements.

25 GOING CONCERN ASSUMPTION

The Directors have assessed the ability of the Commission to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate.

26 SUBSEQUENT EVENTS

The Directors performed a review of events subsequent to 31 December 2025 through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 8th Annual General Meeting of the Insurance and Pensions Commission (IPEC) will be held on Wednesday, 17 June 2026 at 1000 hours at Hyatt Regency The Miekles, to transact the following business:

1. Ordinary Business

To attend to the following ordinary business:

i. The Chairperson's Welcome and Opening Remarks.
ii. Quorum of the Meeting.
iii. Adoption of the Notice and Agenda Convening the Annual General Meeting.
iv. Confirmation of Minutes of the 7th Annual General Meeting held on Monday, 30 June 2025.
v. Matters Arising from Minutes of the 7th Annual General Meeting held on Monday, 30 June 2025.

2. Corporate Reports

To receive the following Corporate Reports for the year under review:

i. To receive and consider for adoption the Chairperson's Report.
ii. To receive and consider for adoption the Operations Report from the Commissioner.
iii. To receive and consider for adoption the Financial Report from the Director Finance and Administration.
iv. To receive and consider for adoption the Compliance Report from the Corporate Secretary.

3. Audit Report

i. To receive and consider for adoption the Audit Report from Integra Chartered Accountants, the External Auditors, for the year ended 31 December 2025.
ii. To consider and confirm payment of audit fees to Integra Chartered Accountants, the External Auditors for the year ended 31 December 2025.
iii. To consider and confirm the appointment of Integra Chartered Accountants as the External Auditors of the Insurance and Pensions Commission for the year 2026.

3. Directors' Fees

To confirm the board fees and sitting fees payable to Non-Executive Directors for the year ended 31 December 2025.

4. Statement by the Minister of Finance, Economic Development and Investment Promotion

To receive a statement by the Honourable Minister of Finance, Economic Development and Investment Promotion, or his appointed representative, on the year under review and their expectations for the ensuing year(s).

5. Closing Remarks

Closing Remarks and end of Meeting.

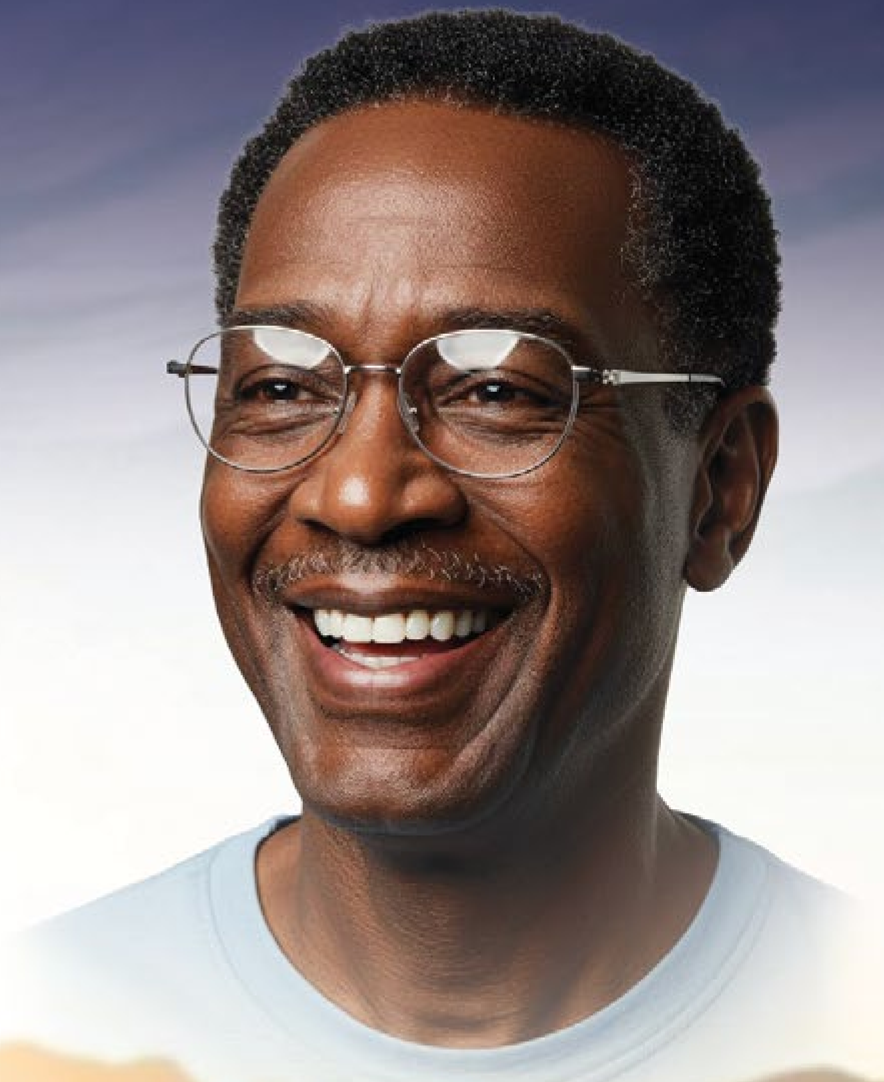
BY ORDER OF THE BOARD

Samantha Nhende
Corporate Secretary

20 Years

Beyond Compliance:
Regulating for Sustainability.

Protecting the Interests of Insurance and Pension Consumers



Insurance and Pensions Commission

2025 Annual Report