

CHAIRMAN'S STATEMENT

It is my pleasure to present the Chairman's Statement on the performance of the FMHL Group for the half year ended 30 June, 2020.

ECONOMIC OVERVIEW

Covid-19 has had a huge and unanticipated impact on the political, social and economic structure of society across the globe. The severity of the pandemic is unprecedented in recent times and the Group has not been spared from its vagaries. When Government implemented the lockdown, the Group had to find new ways of doing business, mainly through technology, with its attendant costs and benefits.

Gross Domestic Product initially projected to grow at 3% was revised to contract by 4.5%. Negative performance is now also projected in the key industries of Mining, Agriculture, Manufacturing and Tourism. However, growth is anticipated in the Information and Communication technology, Health, and Foodstuff industries. There has been an upside on Diaspora remittances reflecting more funds finding their way into the country through formal channels as international borders remain closed to most human and vehicular traffic. Foreign currency availability remained a constraint for doing business. The Reserve Bank of Zimbabwe (RBZ) has moved from the interbank market, to a fixed exchange rate for the second quarter of 2020 to the current Dutch auction system which appears to be finding favour with industry, if the recent stability between the auction and alternative market rate is taken as a measure.

Inflation rate remained elevated due to the pass-through effect of alternative market exchange rates and forward pricing on most goods and services with the June year-on-year rate at 737.3% (June 2019: 175.66%).

The Zimbabwe Stock Exchange (ZSE) All Share Index gained 677.45% since the beginning of the year while the ZSE Top 10 Index was up 508.24% as of 28 June 2020. When trading on the local bourse was suspended by the Ministry of Finance on 28 June 2020, the market had experienced a 'bull run' on the back of investors seeking to hedge assets against hyperinflation. The markets reopened on 3 August 2020. The Group, however, believes that quoted equities remain a viable long-term asset class and will continue to diversify its real assets portfolio.

FINANCIAL HIGHLIGHTS

In October 2019 the Public Accountants and Auditors Board concluded that conditions for applying Financial Reporting in Hyperinflation Economies (International Accounting Standard (IAS) 29) had been met in Zimbabwe. The historical cost financial results have been restated to take account of changes in the purchasing power of the local currency during the year. Inflation adjusted financial results therefore represent the main financial statements with historical cost financials providing supplementary information.

Comprehensive income highlights

| | Inflation adjusted | | Historical cost | |
|-----------------------------|--------------------|-------------|-----------------|-------------|
| | 30 Jun 2020 | 30 Jun 2019 | 30 Jun 2020 | 30 Jun 2019 |
| | ZWL000 | ZWL000 | ZWL000 | ZWL000 |
| Gross Premium Written (GPW) | 1,514,788 | 1,637,962 | 983,836 | 157,597 |
| Net Premium Earned | 1,014,921 | 1,365,367 | 631,018 | 111,135 |
| Rental income | 65,751 | 45,932 | 38,755 | 6,638 |
| Investment income | 406,871 | 346,014 | 1,080,382 | 92,217 |
| Profit before income tax | 3,243,517 | 1,944,607 | 4,833,459 | 247,815 |
| Profit for the period | 2,315,274 | 1,615,698 | 3,406,054 | 201,689 |

Financial position highlights

| | Inflation adjusted | | Historical | |
|--------------------------------|--------------------|-------------|-------------|-------------|
| | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2020 | 31 Dec 2019 |
| | ZWL000 | ZWL000 | ZWL000 | ZWL000 |
| Total assets | 11,209,890 | 6,300,641 | 10,962,644 | 2,307,908 |
| | | | | |
| | 30-Jun-20 | 30-Jun-19 | 30-Jun-20 | 30-Jun-19 |
| | ZWL000 | ZWL000 | ZWL000 | ZWL000 |
| Cash generated from operations | 779,100 | (269,597) | 835,436 | 57,460 |

Share performance

| | Inflation adjusted | | Historical | |
|--------------------------------------|--------------------|-------------|-------------|-------------|
| | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2020 | 31 Dec 2019 |
| | ZWL cents | ZWL cents | ZWL cents | ZWL cents |
| Market price per share (ZWL cents) * | 370 | 81 | 370 | 31 |
| Basic earnings per share (ZWL cents) | 206 | 243 | 280 | 18 |

*Trading on the ZSE was suspended on 28 June 2020, hence the price is as at that date.

FINANCIAL PERFORMANCE

Statement of comprehensive income

Gross Premium Written ("GPW") at \$1.5 billion declined by 8% in inflation adjusted terms as the continuous revaluation of insurance policies to ensure clients have adequate cover fell below the growth in inflation.

Rental income for the period amounted to \$65.8 million and was ahead of prior year by 45%. The real growth, relative to prior year, was due to quarterly rental reviews and increases in occupancy rates in retail and residential properties.

The Group achieved investment income of \$407 million for the period under review compared to investment income of \$346 million in 2019. The growth was driven by fair value gains on listed equities.

Statement of financial position

The Group's total assets appreciated in value by 78% at 30 June 2020 compared to 31 December 2019. The increase is mainly attributable to the fair value adjustment on investment properties and listed equities as well as revaluation of net foreign currency denominated assets.

SUSTAINABILITY

Sustainability is a core value of the First Mutual Group. Sustainability provides considerable integrated thinking on how to manage economic, environmental and social impact through shared values with stakeholders. The Group will include a sustainability report in the current year annual report as for the year ended 31 December 2019. The report will be prepared in line with the Global Reporting Initiatives ("GRI") standards. The Group will continue to take constructive steps of aligning business values with sustainability while building shared values with stakeholders for long term business success.

FIRST MUTUAL IN THE COMMUNITY

First Mutual continues to contribute to the community in which it operates in various ways including offering educational assistance to selected children in need from primary school to tertiary level through the First Mutual Foundation and the First Mutual Reformed Church University Scholarship based on humanitarian need and academic merit. In addition, the Group is playing a key role in equipping university students with financial literacy education through its Future First programme. First Mutual also provides support to cancer awareness programmes and has contributed to the national effort to mitigate the impact of COVID-19 on vulnerable members of the community. Donations of non-perishables goods and clothing have been made through our Employee Corporate Social Responsibility initiative.

OUTLOOK

The Ministry of Finance and Economic Development is projecting that the economy will contract by 4.5% in 2020 on account of the adverse effects of COVID-19 and negative impact of the 2019/20 drought on agricultural production. The Group intends to continue leveraging on its diverse business portfolio as well as regional footprint to sustain a positive growth trajectory into the future. Plans are well advanced to enhance the capital positions of the Group's businesses, in need, at home and in the region. Concerted efforts by both Monetary and Fiscal authorities should bring about price and exchange rate stability which support key growth industries as well as the economy at large. This should lay a foundation for business recovery and success.

DIRECTORATE

In line with the principles of good governance that require periodic rotation of directors and board revitalisation, Mr Oliver Mtasa stepped down as a director and Chairman of the Board with effect from 7 August 2020. Mrs Daphne Tomana, a non-executive member of the board resigned with effect from 1 August 2020. Mrs Tomana had served the Board since July 2018.

Mr Mtasa had been a board member since 2012 and Chairman of the FMHL Group since 2014. He oversaw significant growth in the Group both organic and through acquisition of a key SBU, including consolidation thereof. The Group will miss his wise and professional leadership. I would like to convey the Board's heartfelt appreciation and best regards to Mr Mtasa and Mrs Tomana for their dedication, professionalism, hard work and invaluable contribution to the Group.

I was appointed as Chairman of the FMHL Group Board with effect from 7 August 2020.

DIVIDEND

The Board resolved that an interim dividend of ZWL20 million, being ZWL2.76 cents (two point seven six Zimbabwe cents) per share be declared from the profits of the Group for the half year ended 30 June 2020. The dividend will be payable on or about 30 October 2020 to all shareholders of the Company registered on close of business on 16 October 2020. The shares of the company will be traded cum-dividend on the ZSE up to 13 October 2020 and ex-dividend as from 14 October 2020.

APPRECIATION

On behalf of the Board, I would like to extend my gratitude to our customers, regulators and other stakeholders for their support during the period under review. We especially appreciate the commendable efforts by employees in the current difficult COVID-19 environment. Finally, I wish to thank my fellow board members for their support, open and honest contributions.



Amos Manzai
Chairman
28 August, 2020

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

The economic environment has remained turbulent, characterised by the COVID-19 pandemic. The health and safety of our customers and staff remains at the top of our minds. Notwithstanding the difficult circumstances, the Group has remained focused on delivering its promise on the core pillars of risk management, wealth creation and wealth management. Economic developments and policy pronouncements during the year, as highlighted in the Chairman's statement, had an impact on the operations of the Group but, through initiatives such as product innovation, service excellence and strategic partnerships, we were able to mitigate against the loss of value for our customers.

OPERATIONS REVIEW

The commentary below relates to the unconsolidated performance of each subsidiary, unless stated otherwise.

HEALTH INSURANCE

First Mutual Health Company (Private) Limited

On an inflation adjusted basis, the GPW decreased by 23% to \$435.9 million in the period to June 2020 due to sub-inflationary increases in premium rates as most clients were not in a position to sustain full increases aligned to inflation. The claims ratio declined from 71.36% to 66.55%, reflecting lower usage by members due to the COVID-19 induced national lockdown which has led to member reduction in procuring medical services. Membership increased marginally from 144,215 in December 2019 to 145,380 in June 2020.

LIFE AND PENSIONS BUSINESS

First Mutual Life Assurance Company (Private) Limited

GPW decreased by 55% to \$147.4 million in the period to June 2020 reflecting the below inflation adjustments to basic salaries that drive the Employee Benefits (pensions and group life assurance) division. Revenue growth was also negatively affected by the slow pace in increasing life cover amounts in the individual life division. Fee income on insurance and investment contracts increased by 73% to \$72.7 million due to the inflation driven growth in the value of non-monetary assets.

INSURANCE

NicozDiamond Insurance Company Limited

GPW declined by 22% to \$498.6 million in the period to June 2020. The decrease was mainly due to the decline in USD denominated business after promulgation of Statutory Instruments 141 and 142 of 2019 in June 2019 which resulted in all business being written in ZWL which could not fully match the inflation trends. Efforts are continuously made to ensure clients are adequately covered through the quarterly review of the sums insured. The claims ratio was 48% (2019: 51%) due to a lower claims' growth relative to income.

REINSURANCE

First Mutual Reinsurance Company Limited - Zimbabwe

GPW decreased by 56% to \$104.6 million at 30 June 2020. The decrease was due to clients' limited capacity to match the growth in the USD: ZWL exchange rate in revision of sums insured and hence revision of premiums. The claims ratio deteriorated to 48% in 2020 from 39% in 2019.

FMRE Property and Casualty (Proprietary) Limited Botswana

GPW grew by 41% to \$357 million in 2020. The growth was 51% in Botswana Pula terms, at BWP97.6 million, driven by improved local and international treaty participation and growth of specialist lines of business under the casualty segment. The claims ratio increased to 40% in 2020 from 29% in 2019, aligning with long term industry trends.

PROPERTY AND WEALTH MANAGEMENT

First Mutual Properties Limited

Revenue declined by 15% to \$68.3 million in 2020. The decrease was due to below inflation rental review rates. There was, however, an improvement in occupancy rates from 76.64% in June 2019 to 88.52% at the end of June 2020. Independent investment property valuations as at 30 June 2020 resulted in significant increases in the portfolio value.

First Mutual Wealth Management (Private) Limited

Investment fees decreased by 39% to \$9 million in inflation adjusted terms mainly due to the below inflation performance in quarter one of 2020 of some components of funds under management such as quoted equities. This had a negative impact on monthly fee income at the beginning of the year. During the period, the business made significant strides in attracting third-party funds and this trend is expected to continue.

SUSTAINABILITY

The Group took constructive steps of implementing sustainability reporting using GRI standards as a strategy for identifying, managing and being transparent on our impact on society, the economy and the environment.

The integration of sustainability in our operations is expected to continue with setting measurable targets, improving systems and developing capacity across the Group. During the current year, the Group will be rolling out sustainable renewable energy to power our offices at First Mutual Park and other offices across the country thereafter.

HUMAN CAPITAL

We believe that investment in human capital is essential to achieve our business strategy. We therefore continue to invest in talent and human capital retention and development through various programmes which will migrate towards online platforms in response to current physical distancing measures.

CORONAVIRUS PANDEMIC

The COVID-19 pandemic is still unfolding and therefore requires continuous monitoring and assessment. There has been global disruption in supply chains and increase in cost of doing business due to the pandemic. Group will retain resources to respond as necessary to the impact of the pandemic.

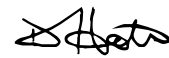
We express our sympathy for the victims of the pandemic and their families. First Mutual is doing everything it can to protect the health of its clients, staff members and their families by adhering to the safety measures as detailed by the World Health Organisation (WHO).

LOOKING AHEAD

In the short term, the economy is expected to continue adversely impacted by high inflation, shortages of foreign currency and fuel as well as the global impact of the COVID-19 pandemic. The Group is confident in the country's medium-term economic prospects and will thus continue to invest in its core businesses and complementary areas. We will retain our focus on balance sheet preservation and strive to ensure that our businesses achieve operating profits in a volatile environment. Continued efforts are being made to enhance our regional footprint with a view to increasing our foreign currency earning potential.

APPRECIATION

I would like to thank all our stakeholders for the continued trust you have placed in our Group. We remain a reliable partner to you - even in these challenging times, therefore your support is critical, and we will continue to work to exceed your expectations.



Douglas Hoto
Group Chief Executive Officer
28 August, 2020

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

| Note | INFLATION ADJUSTED | | HISTORICAL | | INFLATION ADJUSTED | | HISTORICAL | |
|---|--------------------------|-------------------------|---------------------------|-------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| | REVIEWED GROUP 30-Jun-20 | AUDITED GROUP 31-Dec-19 | UNAUDITED GROUP 30-Jun-20 | AUDITED GROUP 31-Dec-19 | UNAUDITED COMPANY 30-Jun-20 | AUDITED COMPANY 31-Dec-19 | UNAUDITED COMPANY 30-Jun-20 | AUDITED COMPANY 31-Dec-19 |
| ASSETS | | | | | | | | |
| Property, plant and equipment | 148,398 | 133,709 | 26,372 | 18,499 | 1,503 | 1,654 | 219 | 131 |
| Investment property | 7,679,597 | 3,702,403 | 7,679,597 | 1,413,176 | | | | |
| Right of use of assets - IFRS 16 | 47,295 | 49,663 | 1,802 | 3,068 | 10,878 | 9,511 | 2,860 | 1,030 |
| Intangible assets | 7,150 | 22,228 | 895 | 2,693 | | | | |
| Investment in subsidiaries | - | - | - | - | 2,159,927 | 1,483,953 | 2,413,890 | 505,609 |
| Investment in associates | 104,970 | 77,954 | 66,916 | 10,352 | | | | |
| Financial assets: | | | | | | | | |
| - Equity securities at fair value through profit or loss | 1,576,740 | 913,740 | 1,576,740 | 348,767 | 119,091 | 39,922 | 119,091 | 15,238 |
| - Debt securities at amortised cost | 20,199 | 24,669 | 20,199 | 9,416 | | | | |
| Deferred acquisition costs | 79,919 | 63,760 | 57,803 | 7,648 | | | | |
| Income tax asset | (298) | 306 | (298) | 117 | | | | |
| Inventory | 22,153 | 34,047 | 8,853 | 6,309 | 343 | 343 | 343 | 131 |
| Insurance, tenant and other receivables | 642,425 | 545,853 | 642,425 | 208,348 | 4,863 | 14,137 | 4,283 | 5,396 |
| Cash and balances with banks | 881,340 | 732,308 | 881,340 | 279,516 | 12,277 | 12,630 | 12,277 | 4,821 |
| TOTAL ASSETS | 11,209,890 | 6,300,641 | 10,962,644 | 2,307,908 | 2,308,883 | 1,562,150 | 2,552,963 | 532,356 |
| EQUITY AND LIABILITIES | | | | | | | | |
| Equity attributable to equity holders of the parent | | | | | | | | |
| Share capital | 16,229 | 16,229 | 723 | 723 | 16,229 | 16,229 | 723 | 723 |
| Share premium | 875,820 | 875,820 | 39,045 | 39,045 | 875,820 | 875,820 | 39,045 | 39,045 |
| Non-distributable reserves | 457,451 | 319,060 | 302,772 | 68,229 | 20,270 | 20,103 | 922 | 806 |
| Retained profits | 1,284,823 | (199,747) | 2,410,673 | 389,819 | 1,380,733 | 633,730 | 2,496,441 | 485,572 |
| Total equity attributable to equity holders of the parent | 2,634,323 | 1,011,361 | 2,753,214 | 497,817 | 2,293,051 | 1,545,882 | 2,537,132 | 526,147 |
| Non-controlling interests | 2,091,671 | 1,263,500 | 1,733,167 | 350,636 | - | - | - | - |
| Total equity | 4,725,994 | 2,274,861 | 4,486,381 | 848,453 | 2,293,051 | 1,545,882 | 2,537,132 | 526,147 |
| Liabilities | | | | | | | | |
| Life insurance contracts with and without DPF and investment contracts with DPF liabilities | 3,173,321 | 1,844,050 | 3,173,321 | 703,858 | - | - | - | - |
| Investment contract liabilities without DPF | 321,369 | 119,572 | 321,369 | 45,639 | - | - | - | - |
| Shareholder risk reserves | 31,359 | 69,812 | 31,359 | 26,647 | - | - | - | - |
| Lease liability - IFRS 16 | 9,404 | 8,656 | 9,404 | 3,304 | 3,107 | 2,781 | 3,107 | 1,062 |
| Share based payment liability | 28,664 | 13,147 | 28,664 | 5,018 | 9,928 | 3,457 | 9,928 | 1,320 |
| Insurance contract liabilities - short term | 950,618 | 984,274 | 950,618 | 307,555 | - | - | - | - |
| Insurance liabilities - life assurance | 4,986 | 10,686 | 4,986 | 4,079 | - | - | - | - |
| Other payables | 252,192 | 211,687 | 252,192 | 80,799 | 2,796 | 10,029 | 2,796 | 3,828 |
| Deferred income tax | 1,689,760 | 761,636 | 1,682,128 | 281,692 | - | - | - | - |
| Current income tax liabilities | 22,222 | 2,261 | 22,222 | 863 | - | - | - | - |
| Total liabilities | 6,483,896 | 4,025,780 | 6,476,264 | 1,459,455 | 15,831 | 16,268 | 15,831 | 6,209 |
| TOTAL EQUITY AND LIABILITIES | 11,209,890 | 6,300,641 | 10,962,644 | 2,307,908 | 2,308,883 | 1,562,150 | 2,552,963 | 532,356 |

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2020

| Note | INFLATION ADJUSTED | | HISTORICAL | |
|--|---------------------------|----------------------------|----------------------------|----------------------------|
| | REVIEWED 30-Jun-20 ZWL000 | UNAUDITED 30-Jun-19 ZWL000 | UNAUDITED 30-Jun-20 ZWL000 | UNAUDITED 30-Jun-19 ZWL000 |
| INCOME | | | | |
| Gross premium written | 1,514,788 | 1,637,962 | 983,836 | 157,597 |
| Reinsurance | (377,131) | (192,465) | (269,676) | (40,465) |
| Net premium written | 1,137,657 | 1,445,497 | 714,160 | 117,131 |
| Unearned premium reserve | (122,736) | (80,130) | (83,142) | (5,996) |
| Net premium earned | 1,014,921 | 1,365,367 | 631,018 | 111,135 |
| Rental income | 65,751 | 45,932 | 38,755 | 6,638 |
| Fair value adjustments - investment property | 3,977,159 | 1,269,904 | 6,266,402 | 302,702 |
| Investment income | 406,871 | 346,017 | 1,080,382 | 92,217 |
| Interest income | 60,283 | 2,247 | 5,987 | 1,712 |
| Fee income: | | | | |
| - Insurance contracts | 71,747 | 39,639 | 54,503 | 1,089 |
| - Investment contracts | 996 | 2,327 | 654 | 2,332 |
| Other income | 62,874 | 57,881 | 14,867 | 1,022 |
| Foreign currency exchange gain | 82,620 | (26,758) | 135,900 | (821) |
| Monetary gain - IAS29 | 118,028 | 2,100,742 | - | - |
| Total income | 5,861,248 | 5,203,300 | 8,228,469 | 518,025 |
| EXPENDITURE | | | | |
| Pension benefits | (16,524) | (58,567) | (10,217) | (6,611) |
| Insurance claims and loss adjustment expenses | (521,216) | (707,407) | (310,755) | (54,035) |
| Insurance claims and loss adjustment expenses recovered from reinsurers | 43,936 | 65,965 | 28,512 | 4,646 |
| Net insurance benefits and claims | (493,804) | (700,010) | (292,461) | (56,000) |
| Movement in insurance contract liabilities | (1,329,271) | (1,864,835) | (2,478,529) | (150,704) |
| Movement in shareholder risk reserve | 38,453 | (30,261) | (4,712) | (3,817) |
| Investment gain on investment contract liabilities | (384,239) | (126,330) | (278,849) | (15,087) |
| Acquisition of insurance and investment contracts expenses | (85,410) | (80,704) | (50,882) | (6,800) |
| Administration expenses | (350,585) | (445,776) | (272,473) | (35,757) |
| Impairment allowances | (14,099) | (8,156) | (18,263) | (1,731) |
| Finance cost | (540) | - | (540) | - |
| Total expenditure | (2,619,494) | (3,256,073) | (3,396,711) | (269,897) |
| Profit before share of (loss)/profit of associate | 3,241,754 | 1,947,228 | 4,831,758 | 248,128 |
| Share of profit of associate | 1,762 | (2,621) | 1,701 | (313) |
| Profit before income tax | 3,243,517 | 1,944,607 | 4,833,459 | 247,815 |
| Income tax expense | (928,243) | (328,909) | (1,427,542) | (46,127) |
| Profit for the period | 2,315,274 | 1,615,698 | 3,406,916 | 201,689 |
| Other comprehensive income/(loss) | | | | |
| Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period | | | | |
| Exchange gain/(loss) on translating foreign operations | 138,224 | 264,682 | 234,427 | 31,613 |
| Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods | 138,224 | 264,682 | 234,427 | 31,613 |
| Total comprehensive profit for the period | 2,453,498 | 1,880,381 | 3,640,343 | 233,302 |
| Profit attributable to: | | | | |
| Non-controlling interest | 828,171 | 273,047 | 1,382,531 | 72,469 |
| Equity holders of the parent | 1,487,103 | 1,342,652 | 2,023,386 | 129,220 |
| Profit for the period | 2,315,274 | 1,615,698 | 3,406,916 | 201,689 |
| Comprehensive income attributable to: | | | | |
| Non-controlling interest | 828,171 | 273,047 | 1,382,531 | 72,469 |
| Equity holders of the parent | 1,625,327 | 1,607,234 | 2,257,813 | 160,833 |
| Total comprehensive income for the period | 2,453,498 | 1,880,381 | 3,640,343 | 233,302 |
| Basic earnings per share (ZWL cents) | 205.56 | 186.14 | 279.69 | 17.91 |
| Diluted earnings per share (ZWL cents) | 205.36 | 185.87 | 279.42 | 17.89 |
| Headline earnings per share (ZWL cents) | 201.90 | 176.01 | 277.73 | 16.55 |
| Diluted headline earnings per share (ZWL cents) | 201.71 | 175.76 | 277.46 | 16.53 |

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2020

| INFLATION ADJUSTED | Share | | Non-distributable reserves | Retained Earnings | Total equity for parent | Non-controlling interest | Total equity |
|---|---------------|----------------|----------------------------|-------------------|-------------------------|--------------------------|------------------|
| | capital | premium | | | | | |
| | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 |
| As at 1 January 2019 | 16,212 | 874,711 | 151,350 | 25,154 | 1,067,427 | 353,530 | 1,420,957 |
| Reclassification of revaluation reserve* | - | - | (51,468) | 51,468 | - | - | - |
| Profit for the period | - | - | - | 1,487,103 | 1,487,103 | 828,171 | 2,315,274 |
| Other comprehensive (loss)/income | - | - | 138,224 | (138,224) | - | - | 138,224 |
| Total comprehensive (loss)/income | - | - | 86,756 | 1,538,571 | 1,625,327 | 828,171 | 2,453,498 |
| Transactions with shareholders in their capacity as owners | | | | | | | |
| Acquisition of non-controlling interest | - | - | - | 2,378 | 2,378 | (4,856) | (2,478) |
| Dividend declared and paid | - | - | - | (17,700) | (17,700) | (1,793) | (19,493) |
| As at 30 June 2019 | 16,212 | 874,711 | 238,106 | 1,548,403 | 2,677,432 | 1,175,052 | 3,852,484 |
| As at 1 January 2020 | 16,229 | 875,820 | 319,060 | (199,747) | 1,011,361 | 1,263,500 | 2,274,861 |
| Profit for the period | - | - | - | 1,487,103 | 1,487,103 | 828,171 | 2,315,274 |
| Other comprehensive income | - | - | 138,224 | (138,224) | - | - | 138,224 |
| Total comprehensive income | - | - | 138,224 | 1,487,103 | 1,625,327 | 828,171 | 2,453,498 |
| Transactions with shareholders in their capacity as owners | | | | | | | |
| Share based payments | - | - | 167 | - | 167 | - | 167 |
| Dividend declared and paid | - | - | - | (2,532) | (2,532) | - | (2,532) |
| As at 30 June 2020 | 16,229 | 875,820 | 457,451 | 1,284,823 | 2,634,323 | 2,091,671 | 4,725,994 |
| HISTORICAL | | | | | | | |
| | Share capital | Share premium | Non-distributable reserves | Retained profits | Total equity for parent | Non-controlling interest | Total equity |
| | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 |
| As at 1 January 2019 | 721 | 38,844 | 6,673 | 44,191 | 90,429 | 42,225 | 132,654 |
| Profit for the year | - | - | - | 129,221 | 129,221 | 72,469 | 201,690 |
| Other comprehensive (loss)/income | - | - | 31,613 | (31,613) | - | - | 31,613 |
| Total comprehensive (loss)/income | - | - | 31,613 | 129,221 | 160,834 | 72,469 | 233,303 |
| Transactions with shareholders in their capacity as owners | | | | | | | |
| Acquisition of non-controlling interest | - | - | - | 284 | 284 | (580) | (296) |
| Dividend declared and paid | - | - | - | (2,114) | (2,114) | (214) | (2,328) |
| As at 30 June 2019 | 721 | 38,844 | 38,286 | 171,582 | 249,433 | 113,900 | 363,333 |
| As at 1 January 2020 | 723 | 39,045 | 68,229 | 389,819 | 497,817 | 350,636 | 848,453 |
| Profit for the period | - | - | - | 2,023,386 | 2,023,386 | 1,382,531 | 3,406,916 |
| Other comprehensive income | - | - | 234,427 | (234,427) | - | - | 234,427 |
| Total comprehensive income | - | - | 234,427 | 2,023,386 | 2,257,813 | 1,382,531 | 3,640,343 |
| Transactions with shareholders in their capacity as owners | | | | | | | |
| Share based payments | - | - | 116 | - | 116 | - | 116 |
| Dividend declared and paid | - | - | - | (2,532) | (2,532) | - | (2,532) |
| As at 30 June 2020 | 723 | 39,045 | 302,772 | 2,410,672 | 2,753,214 | 1,733,167 | 4,486,381 |

*Revaluation reserve reclassified as a result of adoption of IAS 29.

STATEMENT OF C

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2019 (continued)

2.3 Inflation adjusted (continued)

| Date | CPI | Conversion factor |
|------------------|----------|-------------------|
| 30 June 2019 | 172.61 | 8.37 |
| 31 December 2019 | 551.63 | 2.62 |
| 30 June 2020 | 1,445.21 | 1 |

All items in the income statements are restated by applying the relevant monthly conversion factors.

3 Functional and presentation currency

These financial statements are prepared using the Zimbabwe Dollar ("ZWL") which is the Group and Company's functional and presentation currency.

4 Independent auditor's review conclusion

The Group's inflation adjusted interim financial statements from which these abridged results have been extracted have been reviewed by the Group's external auditors, Ernst & Young Chartered Accountants (Zimbabwe), who have issued an adverse review conclusion as a result of non-compliance with International Accounting Standard 21, "The Effects of Changes in Foreign Exchange Rates" in prior and current year and International Accounting Standard 8, "Accounting Policies, Changes in Accounting Estimates and Errors"; and valuation of investment property, due to lack of market evidence to support property valuation inputs. The auditor's review conclusion on the Group's inflation adjusted interim financial statements is available for inspection at the Company's registered office. The engagement partner for this review is Mr Fungai Kuipa (PAAB Practising Certificate Number 335).

| | INFLATION ADJUSTED | | HISTORICAL | | INFLATION ADJUSTED | | HISTORICAL | |
|--|--------------------|---------------|----------------|---------------|--------------------|-----------------|-------------------|-----------------|
| | REVIEWED GROUP | AUDITED GROUP | REVIEWED GROUP | AUDITED GROUP | UNAUDITED COMPANY | AUDITED COMPANY | UNAUDITED COMPANY | AUDITED COMPANY |
| | 30-Jun-20 | 31-Dec-19 | 30-Jun-20 | 31-Dec-19 | 30-Jun-20 | 31-Dec-19 | 30-Jun-19 | 31-Dec-19 |
| | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 |

5 Property, vehicles and equipment

| | | | | | | | | |
|-----------------------------------|----------------|----------------|---------------|---------------|--------------|--------------|------------|------------|
| At 1 January | 133,709 | 76,628 | 18,499 | 10,541 | 1,654 | 1,664 | 131 | 74 |
| Additions | 26,444 | 73,091 | 14,159 | 9,811 | 125 | 614 | 103 | 89 |
| Disposals | (11,891) | (1,650) | (6,359) | (192) | - | - | - | - |
| Depreciation charge and disposal | 136 | (14,360) | 73 | (1,661) | (276) | (624) | (16) | (31) |
| At 30 June and 31 December | 148,398 | 133,709 | 26,372 | 18,499 | 1,503 | 1,654 | 219 | 131 |

6 Investment property

| | | | | | | | | |
|-----------------------------------|------------------|------------------|------------------|------------------|---|---|---|---|
| At 1 January | 3,702,403 | 2,361,869 | 1,413,176 | 145,170 | - | - | - | - |
| Additions | 36 | 24,355 | 19 | 1,809 | - | - | - | - |
| Disposals | - | (11,050) | - | (1,320) | - | - | - | - |
| Transfer to associate | - | - | - | - | - | - | - | - |
| Fair value adjustments | 3,977,159 | 1,327,230 | 6,266,402 | 1,267,517 | - | - | - | - |
| At 30 June and 31 December | 7,679,597 | 3,702,403 | 7,679,597 | 1,413,176 | - | - | - | - |

The Group's fair values of its investment properties are based on valuations performed by Knight Frank an accredited independent valuer. Knight Frank is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. The valuations are based upon assumptions on future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. Where the market information is available, the valuers make use of market information from transactions of similar properties. Significant judgements were and applied in the current year as a result of the uncertainties resulting from the hyperinflationary economic environment, currency shifts, excessive market volatility lack of recent transactions conducted in ZWL.

7 Leases

| | | | | | | | | |
|-----------------------------------|---------------|---------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Right of use of assets | | | | | | | | |
| As at 1 January | 49,663 | 58,873 | 3,068 | 3,618 | 9,511 | 6,414 | 1,030 | 394 |
| Modification | (619) | - | (331) | - | 2,362 | 6,170 | 2,362 | 969 |
| Depreciation charge for the year | (1,748) | (9,211) | (935) | (550) | (995) | (3,073) | (532) | (333) |
| At 30 June and 31 December | 47,295 | 49,663 | 1,802 | 3,068 | 10,878 | 9,511 | 2,860 | 1,030 |

Lease liability

| | | | | | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Current | 1,903 | 1,055 | 1,123 | 403 | 1,998 | 1,789 | 1,998 | 683 |
| Non-current | 7,301 | 7,600 | 8,257 | 2,901 | 1,108 | 992 | 1,109 | 379 |
| At 30 June and 31 December | 9,404 | 8,656 | 9,404 | 3,304 | 3,107 | 2,781 | 3,107 | 1,062 |

8 Investment in subsidiaries

| | | | | | | | | |
|---|---|---|---|---|------------------|------------------|------------------|----------------|
| First Mutual Microfinance (Private) Limited | - | - | - | - | 1,171 | 7,488 | - | 350 |
| First Mutual Life Assurance Company (Private) Limited | - | - | - | - | 767,462 | 530,113 | 1,091,015 | 195,507 |
| First Mutual Health Company (Private) Limited | - | - | - | - | 267,076 | 151,125 | 235,083 | 47,864 |
| First Mutual Reinsurance Company (Private) Limited | - | - | - | - | 179,406 | 74,376 | 179,267 | 26,704 |
| FMRE Property & Casualty (Proprietary) Limited | - | - | - | - | 295,479 | 212,710 | 289,131 | 74,516 |
| First Mutual Wealth Management (Private) Limited | - | - | - | - | 10,555 | 7,954 | 6,958 | 1,976 |
| NicozDiamond Insurance Limited | - | - | - | - | 638,778 | 500,186 | 702,298 | 158,692 |
| Total | - | - | - | - | 2,159,927 | 1,483,953 | 2,413,890 | 505,609 |

9 Financial assets at fair value through profit or loss

| | | | | | | | | |
|---|------------------|----------------|------------------|----------------|----------------|---------------|----------------|---------------|
| At 1 January | 913,740 | 1,703,591 | 348,767 | 104,710 | 39,922 | 81,085 | 15,238 | 4,983 |
| Purchases | 473,924 | 712,589 | 253,435 | 84,732 | 263 | 13,649 | 147 | 5,210 |
| Disposals | (217,795) | (412,870) | (109,808) | (49,093) | (3,512) | - | (3,512) | - |
| Fair value gain on unquoted investments | 6,572 | 2,251 | 3,515 | 859 | - | - | - | - |
| Fair value gain on quoted equities | 400,299 | (1,091,821) | 1,080,832 | 207,559 | 82,418 | (54,811) | 107,218 | 5,046 |
| At 30 June and 31 December | 1,576,740 | 913,740 | 1,576,740 | 348,767 | 119,091 | 39,922 | 119,091 | 15,238 |

10 Debt securities at amortised cost

| | | | | | | | | |
|-----------------------------------|---------------|---------------|---------------|--------------|---|---|---|---|
| At 1 January | 24,669 | 817,291 | 9,416 | 29,799 | - | - | - | - |
| Purchases | 23,748 | 346,448 | 12,700 | 41,195 | - | - | - | - |
| Maturities | (28,219) | (1,139,069) | (1,917) | (61,578) | - | - | - | - |
| At 30 June and 31 December | 20,199 | 24,669 | 20,199 | 9,416 | - | - | - | - |

11 Insurance, tenant and other receivables

| | | | | | | | | |
|----------------------------------|----------------|----------------|----------------|----------------|--------------|---------------|--------------|--------------|
| Insurance receivables | 516,819 | 434,875 | 516,819 | 165,988 | - | - | - | - |
| Tenant receivables | 33,252 | 12,005 | 33,252 | 4,582 | - | - | - | - |
| Amounts due from Group companies | - | - | - | - | 2,346 | 9,642 | 2,346 | 3,680 |
| Other receivables | 92,354 | 98,973 | 92,354 | 37,778 | 2,517 | 4,495 | 1,937 | 1,716 |
| Total | 642,425 | 545,853 | 642,425 | 208,348 | 4,863 | 14,137 | 4,283 | 5,396 |

12 Cash and balances with banks

| | | | | | | | | |
|---|----------------|----------------|----------------|----------------|---------------|---------------|---------------|--------------|
| Money market investments with original maturities less than 90 days | 264,544 | 176,357 | 264,544 | 67,314 | - | - | - | - |
| Cash at bank and on hand | 616,796 | 555,951 | 616,796 | 212,202 | 12,277 | 12,630 | 12,277 | 4,821 |
| Cash and balances with banks | 881,340 | 732,308 | 881,340 | 279,516 | 12,277 | 12,630 | 12,277 | 4,821 |

13 Life insurance contracts and investment contracts with Discretionary Participating Features ("DPF") liabilities

| | | | | | | | | |
|-----------------------------------|------------------|------------------|------------------|----------------|---|---|---|---|
| At 1 January | 1,844,050 | 34,745 | 703,858 | 13,262 | - | - | - | - |
| Movement | 1,329,271 | 1,809,305 | 2,469,462 | 690,597 | - | - | - | - |
| At 30 June and 31 December | 3,173,321 | 1,844,050 | 3,173,321 | 703,858 | - | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2019 (continued)

| | INFLATION ADJUSTED | | HISTORICAL | | INFLATION ADJUSTED | | HISTORICAL | |
|--|--------------------|---------------|----------------|---------------|--------------------|-----------------|-------------------|-----------------|
| | REVIEWED GROUP | AUDITED GROUP | REVIEWED GROUP | AUDITED GROUP | UNAUDITED COMPANY | AUDITED COMPANY | UNAUDITED COMPANY | AUDITED COMPANY |
| | 30-Jun-20 | 31-Dec-19 | 30-Jun-20 | 31-Dec-19 | 30-Jun-20 | 31-Dec-19 | 30-Jun-19 | 31-Dec-19 |
| | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 |

14 Investment contract liabilities without DPF

| | | | | | | | | |
|-----------------------------------|----------------|----------------|----------------|---------------|---|---|---|---|
| At 1 January | 119,572 | 455,814 | 45,639 | 28,010 | - | - | - | - |
| Movement | 201,796 | (336,242) | 275,729 | 17,629 | - | - | - | - |
| At 30 June and 31 December | 321,369 | 119,572 | 321,369 | 45,639 | - | - | - | - |

15 Shareholder risk reserve

| | | | | | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|---|---|---|---|
| At 1 January | 69,812 | 39,551 | 26,647 | 22,830 | - | - | - | - |
| Movement | (38,453) | 30,261 | 4,712 | 3,817 | - | - | - | - |
| At 30 June and 31 December | 31,359 | 69,812 | 31,359 | 26,647 | - | - | - | - |

16 Insurance contract liabilities - short term

| | | | | | | | | |
|----------------------------------|----------------|----------------|----------------|----------------|---|---|---|---|
| Outstanding claims | 97,766 | 108,946 | 97,766 | 41,584 | - | - | - | - |
| Reinsurance | 460,081 | 369,902 | 460,081 | 141,189 | - | - | - | - |
| Losses incurred but not reported | 129,258 | 113,065 | 129,258 | 43,156 | - | - | - | - |
| Members savings pot | 19,793 | 20,011 | 19,793 | 7,638 | - | - | - | - |
| Premium received in advance | 4,631 | 26,716 | 4,631 | 10,197 | - | - | - | - |
| Unearned premium reserve | 205,826 | 312,582 | 205,826 | 51,176 | - | - | - | - |
| Commissions | 33,263 | 33,051 | 33,263 | 12,615 | - | - | - | - |
| Total | 950,618 | 984,274 | 950,618 | 307,555 | - | - | - | - |

17 Other payables

| | | | | | | | | |
|---------------------------------------|----------------|----------------|----------------|---------------|--------------|---------------|--------------|--------------|
| Other payables | 246,624 | 198,355 | 246,624 | 75,710 | 1,510 | 9,154 | 1,510 | 3,494 |
| Provisions | 55,527 | 72,421 | 55,527 | 27,643 | - | - | - | - |
| Payroll and statutory payables | 34,676 | 66,531 | 34,676 | 25,394 | 574 | 4,939 | 574 | 1,885 |
| Accrued expenses | 17,464 | 21,704 | 17,464 | 8,284 | 535 | 804 | 535 | 307 |
| Trade payables | 6,800 | 15,062 | 6,800 | 5,749 | 45 | 1,313 | 45 | 501 |
| Property business related liabilities | 132,156 | 22,636 | 132,156 | 8,640 | 356 | 2,099 | 356 | 801 |
| Amounts due to group companies | 5,569 | 13,333 | 5,569 | 5,089 | - | - | - | - |
| Total | 252,192 | 211,687 | 252,192 | 80,799 | 2,796 | 10,029 | 2,796 | 3,828 |

18 Deferred income tax

| | | | | | | | | |
|--|------------------|----------------|------------------|----------------|---|---|---|---|
| At 1 January | 761,636 | 44,439 | 281,692 | 16,436 | - | - | - | - |
| Recognised through statement of comprehensive income | 928,124 | 717,197 | 1,400,435 | 265,256 | - | - | - | - |
| Total | 1,689,760 | 761,636 | 1,682,128 | 281,692 | - | - | - | - |

| | INFLATION ADJUSTED | | HISTORICAL | | INFLATION ADJUSTED | | HISTORICAL | |
|--|--------------------|-----------------|-----------------|-----------------|--------------------|-------------------|-------------------|-------------------|
| | REVIEWED GROUP | UNAUDITED GROUP | UNAUDITED GROUP | UNAUDITED GROUP | UNAUDITED COMPANY | UNAUDITED COMPANY | UNAUDITED COMPANY | UNAUDITED COMPANY |
| | 30-Jun-20 | 30-Jun-19 | 30-Jun-20 | 30-Jun-19 | 30-Jun-20 | 30-Jun-19 | 30-Jun-20 | 30-Jun-19 |
| | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 |

19 Net premium written

| | | | | | | | | |
|------------------------------|------------------|------------------|----------------|----------------|---|---|---|---|
| Pension and savings business | 95,239 | 194,824 | 58,394 | 18,745 | - | - | - | - |
| Life assurance | 52,128 | 81,131 | 31,961 | 7,806 | - | - | - | - |
| Health insurance | 435,196 | 479,248 | 277,426 | 46,111 | - | - | - | - |
| Property and casualty | 931,505 | 882,760 | 616,055 | 84,935 | - | - | - | - |
| Gross premium written | 1,514,788 | 1,637,962 | 983,836 | 157,597 | - | - | - | - |
| Less: Reinsurance | (377,194) | (192,465) | (269,676) | (40,465) | - | - | - | - |
| Net premium written | 1,137,595 | 1,445,497 | 714,160 | 117,132 | - | - | - | - |

20 Investment income

| | | | | | | | | |
|---|--------|--------|-------|-------|---|---|---|---|
| Dividend received | 643 | 13,549 | 1,708 | 3,611 | - | - | - | - |
| Fair value gain on unquoted equities at fair value through profit or loss | 6,572 | (90) | 3,515 | (24) | - | - | - | - |
| Gain from disposal of quoted investments at fair value through profit or loss | 14,408 | | | | | | | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2019 (continued)

24. Going concern (continued)

The lock-down has resulted in disruption of normal operations of the Group and its customers with impact varying from segment to segment which has resulted in the Directors re-assessing the ability of the Group to continue as a going concern. The Directors are confident that the Group will continue to operate as a going concern into the foreseeable future with major segments of insurance, life assurance, health insurance afforded essential services status, hence no significant impact from the lock-down on the operating and financial performance of the Group. The property subsidiaries' major tenants are also within the essential services category. The Group has adequate liquid resources to continue to sustain its operations.

SEGMENTAL RESULTS AND ANALYSIS

FOR THE HALF YEAR ENDED 30 JUNE 2020

INFLATION ADJUSTED

| | Life | Property and Casualty | Health | Property | Other | Gross Figures | Consolidation Entries | Total Consolidated |
|---|------------------|-----------------------|----------------|------------------|------------------|------------------|-----------------------|--------------------|
| As at 30 June 2020 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 |
| Net Premium Earned | 145,976 | 436,794 | 435,916 | - | - | 1,018,686 | (3,765) | 1,014,921 |
| Rental income | - | 4,867 | - | 69,313 | - | 74,180 | (8,429) | 65,751 |
| Fair value adjustments on investment property | - | 257,057 | - | 3,501,063 | - | 3,758,120 | 219,038 | 3,977,159 |
| Investment income | 2,150,643 | 144,613 | 161,903 | (779) | 751,455 | 3,207,834 | (2,704,681) | 467,154 |
| Other income and fee income | 1,551,995 | 67,408 | 76,936 | 15,392 | 45,007 | 1,756,738 | (1,402,473) | 336,265 |
| Total income | 3,848,614 | 910,738 | 674,755 | 3,584,988 | 796,462 | 9,815,558 | (3,954,310) | 5,861,248 |
| Total expenses | (3,277,510) | (403,779) | (375,805) | (49,731) | (56,704) | (4,163,529) | 1,544,035 | (2,619,494) |
| Deferred acquisition costs | - | 79,919 | - | - | - | 79,919 | - | 79,919 |
| Total assets | 4,790,783 | 2,373,162 | 466,927 | 7,302,605 | 2,375,700 | 17,309,177 | (6,099,287) | 11,209,890 |
| Movement in insurance contract liabilities | (1,329,271) | - | - | - | - | (1,329,271) | - | (1,329,271) |
| Movement in investment contract liabilities | (384,239) | - | - | - | - | (384,239) | - | (384,239) |
| Total liabilities | 3,554,932 | 1,258,833 | 633,499 | 1,514,208 | 478,267 | 7,439,739 | (955,843) | 6,483,896 |
| Cash flows from operating activities | 58,919 | 131,935 | 78,602 | 37,543 | 44,810 | 351,809 | (394,132) | (42,323) |
| Cash flows generated from/ (utilised in) investing activities | (103,657) | (266,841) | (60,029) | (20,047) | 55,347 | (395,227) | 129,262 | (265,965) |
| Cash generated from/ (utilised in) financing activities | 3,709 | 118,450 | (1,407) | - | (33,098) | 87,653 | (92,452) | (4,799) |
| Profit before income tax | 498,361 | 503,315 | 304,016 | 3,576,823 | 734,284 | 5,616,799 | (2,373,283) | 3,243,517 |
| Income tax expense | (3,558) | (205,967) | (12,409) | (827,162) | (176,228) | (1,225,325) | 297,082 | (928,243) |
| As at 30 June 2019 | | | | | | | | |
| Net premium earned | 220,726 | 326,363 | 386,068 | - | - | 933,157 | 432,210 | 1,365,367 |
| Rental income | - | - | - | 56,180 | - | 56,180 | (10,248) | 45,932 |
| Fair value adjustments on investment property | - | 338,587 | - | 2,195,809 | - | 2,534,396 | (1,264,492) | 1,269,904 |
| Investment income | 1,700,295 | 119,083 | 156,634 | 90,549 | 1,175,552 | 3,242,113 | (2,893,848) | 348,264 |
| Other income and fee income | 54,639 | (28,082) | 22,187 | 12,015 | 33,080 | 93,840 | 2,079,993 | 2,173,832 |
| Total income | 1,975,660 | 755,952 | 564,889 | 2,354,553 | 1,208,632 | 6,859,686 | (1,656,385) | 5,203,300 |
| Total expenses | (1,596,793) | (307,106) | (331,110) | (31,983) | (26,466) | (2,293,458) | (962,614) | (3,256,073) |
| Deferred acquisitions costs | - | 63,760 | - | - | - | 63,760 | - | 63,760 |
| Total assets | 3,592,756 | 2,076,927 | 638,141 | 3,572,152 | 1,909,550 | 11,789,526 | (5,488,885) | 6,300,641 |
| Movement in insurance contract liabilities | (1,864,835) | - | - | - | - | (1,864,835) | - | (1,864,835) |
| Movement in investment contract liabilities | (126,330) | - | - | - | - | (126,330) | - | (126,330) |
| Total liabilities | 3,049,954 | 1,217,842 | 183,066 | 447,590 | 12,450 | 4,910,901 | (885,122) | 4,025,780 |
| Cash flows from operating activities | 116,864 | 33,901 | 114,587 | 20,370 | (23,962) | 261,760 | (535,210) | (273,450) |
| Cash flows generated from/ (utilised in) investing activities | (90,256) | (31,849) | (56,833) | (1,072) | 29,597 | (150,413) | 964,205 | 813,792 |
| Cash generated from/ (utilised in) financing activities | 5,601 | - | - | (770) | (17,700) | (12,869) | (4,594) | (17,462) |
| Profit/(loss) before income tax | 362,809 | 452,454 | 233,779 | 2,322,570 | 1,182,174 | 4,553,786 | (2,609,179) | 1,944,607 |
| Income tax expense | (4,237) | (87,175) | - | (288,536) | (201) | (380,148) | 51,240 | (328,909) |

SEGMENTAL RESULTS AND ANALYSIS

FOR THE HALF YEAR ENDED 30 JUNE 2020 (continued)

HISTORICAL

| | Life | Property and Casualty | Health | Property | Other | Gross Figures | Consolidation Entries | Total Consolidated |
|---|------------------|-----------------------|----------------|------------------|------------------|-------------------|-----------------------|--------------------|
| As at 30 June 2020 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 | ZWL000 |
| Net premium earned | 92,707 | 264,726 | 277,426 | - | - | 634,858 | (3,840) | 631,018 |
| Rental income | - | 3,035 | - | 41,410 | - | 44,445 | (5,690) | 38,755 |
| Fair value adjustments on investment property | - | 476,126 | - | 5,806,271 | - | 6,282,397 | (15,995) | 6,266,402 |
| Investment income | 3,639,627 | 245,488 | 188,632 | (19) | 2,018,047 | 6,091,776 | (5,005,407) | 1,086,369 |
| Other income and fee income | 60,567 | 27,984 | 65,628 | 56,243 | 33,957 | 244,379 | (38,454) | 205,925 |
| Total income | 3,792,901 | 1,017,358 | 531,686 | 5,903,905 | 2,052,004 | 13,297,856 | (5,069,385) | 8,228,469 |
| Total expenses | (3,425,048) | (671,873) | (308,790) | (46,016) | (53,953) | (4,505,681) | 1,108,970 | (3,396,711) |
| Deferred acquisition costs | - | 57,803 | - | - | - | 57,803 | - | 57,803 |
| Total assets | 4,710,075 | 2,298,408 | 424,013 | 7,299,539 | 2,608,797 | 17,340,832 | (6,378,188) | 10,962,644 |
| Movement in insurance contract liabilities | (2,439,252) | - | - | - | - | (2,439,252) | (39,278) | (2,478,529) |
| Movement in investment contract liabilities | (278,849) | - | - | - | - | (278,849) | - | (278,849) |
| Total liabilities | 3,619,060 | 1,636,891 | 733,499 | 1,512,513 | 115,315 | 7,617,277 | (1,141,014) | 6,476,264 |
| Cash flows from operating activities | 1,165 | 498,361 | 126,517 | 2,834 | 10,876 | 639,752 | (355,245) | 284,507 |
| Cash flows generated from/ (utilised in) investing activities | (19,189) | (99,915) | (7,943) | (31,234) | (52,345) | (210,626) | 48,547 | (162,079) |
| Cash generated from/ (utilised in) financing activities | 123 | 63,342 | (1,407) | - | (66,543) | (4,485) | 741 | (3,744) |
| Profit before income tax | 936,285 | 773,390 | 276,691 | 5,869,889 | 2,005,872 | 9,862,129 | (5,028,671) | 4,833,459 |
| Income tax expense | (40,777) | (142,090) | (67,789) | (1,248,292) | (481,409) | (1,980,358) | 552,861 | (1,427,542) |
| As at 30 June 2019 | | | | | | | | |
| Net premium earned | 26,363 | 38,981 | 46,111 | - | - | 111,455 | (320) | 111,135 |
| Rental income | - | - | - | 6,828 | - | 6,828 | (191) | 6,638 |
| Fair value adjustments on investment property | - | 36,000 | - | 273,062 | - | 309,062 | (6,360) | 302,702 |
| Investment income | 203,079 | 54,751 | 18,714 | 1 | 9,032 | 285,578 | (191,649) | 93,929 |
| Other income and fee income | 5,380 | (3,356) | 2,899 | 1,446 | 4,234 | 10,602 | (6,980) | 3,622 |
| Total income | 234,822 | 126,377 | 67,723 | 281,337 | 13,266 | 723,525 | (205,499) | 518,025 |
| Total expenses | (190,717) | (37,516) | (39,802) | (3,873) | (7,463) | (279,372) | 9,475 | (269,897) |
| Deferred acquisitions costs | - | 7,648 | - | - | - | 7,648 | - | 7,648 |
| Total assets | 429,110 | 584,860 | 276,218 | 850,376 | 240,134 | 2,380,700 | (72,791) | 2,307,908 |
| Movement in insurance contract liabilities | (148,919) | - | - | - | - | (148,919) | (1,785) | (150,704) |
| Movement in investment contract liabilities | (15,087) | - | - | - | - | (15,087) | - | (15,087) |
| Total liabilities | 364,279 | 693,775 | 151,865 | 138,154 | 119,203 | 1,467,275 | (7,820) | 1,459,455 |
| Cash flows from operating activities | 53,958 | (277,139) | 37,438 | 42,613 | (4,834) | (147,964) | 204,964 | 56,999 |
| Cash flows generated from/ (utilised in) investing activities | (10,780) | (3,804) | (6,788) | (128) | 3,535 | (17,965) | 31,556 | 13,591 |
| Cash utilised in financing activities | 669 | - | - | (92) | (2,114) | (1,537) | (549) | (2,086) |
| Profit before income tax | 43,333 | 52,976 | 27,921 | 277,464 | 5,688 | 407,382 | (159,567) | 247,815 |
| Income tax (expense)/credit | (506) | 10,412 | - | (34,471) | (1,365) | (336,072) | 289,945 | (46,127) |

