



FIRST MUTUAL HOLDINGS LIMITED
FINANCIAL RESULTS PRESENTATION
FOR THE YEAR ENDED 30 JUNE 2022

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Presentation Outline

Economic Overview



- ☐ Zimbabwe Economy
- ☐ Botswana Economy

- ☐ Mozambique Economy
- ☐ Impact on FMHL Operations

Financial Highlights



- ☐ Consolidated – Inflation & Historical
- ☐ Unconsolidated – SBU Performance Highlights

Financial Statements, Dividend & Outlook

- ☐ Functional & Presentation Currency
- ☐ Consolidated Finstats
- ☐ Dividend & Going Concern
- ☐ Outlook & Priorities

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With the right partner, grinding down to the essentials means even the smallest of details are taken care of.
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With you, for you

Economic Overview

Economic Overview – Zimbabwe

Real GDP Growth (%)	2021	2022F	2023F	2022F Changes		2023F Changes	
World	6.1	3.6	3.6	(-1.3)	▼	0	◀▶
Advanced Economies	5.2	3.3	2.4	(-1.2)	▼	(+0.2)	▲
Africa	6.9	4.1	4.1	0	◀▶	0	◀▶
Sub Saharan Africa	4.2	2.5	2.4	(+0.1)	▲	(-1.8)	▼
Botswana	12.5	4.7	4.4	0	◀▶	0	◀▶
Mozambique	2.2	3.7	4.5	(-1.6)	▼	(-8.1)	▼
South Africa	4.9	1.9	1.4	(+0.3)	▲	0	◀▶
Zimbabwe	6.3	3.5	3	(+0.4)	▲	0	◀▶

Source: World Economic Outlook Report, April 2022, AFDB Economic Outlook Report May 2022

Less aggressive 2022 GDP growth forecast as result of:

- ✓ Erratic rains that negatively affected Agricultural Sector output for 2021/2022 season.
- ✓ Adverse exchange rate movements and resultant inflationary pressures.
- ✓ Notwithstanding the above, Mining, Financial Services, Tourism and Distribution sectors expected to support positive GDP growth for 2022.

Economic Overview - Zimbabwe

Inflation

- ❑ Year-on-year inflation was 191.6% as at 30 June 2022 mainly driven by high inflation expectations, imported inflation and broad money supply growth.
- ❑ YTD broad money supply of 135.5% was almost in line with YTD inflation of 118.9% by 30 June 2022.

Average Returns

- ❑ The average returns on plain money market investments in HY 2022 improved to between 25% to 36% compared to between 10.5% to 25% in H2 2021.
- ❑ Material post HY 2022 events saw a revision of the RBZ Main Policy Rate to 200% which has seen money market rates recover to a minimum of 80%p.a.

Reserve Money Supply

- ❑ Reserve Money Supply of ZWL33.5bn was 29.3% up in HY 2022. RBZ has tried to restrict the growth of Reserve Money Supply in order to stem inflationary pressures.

Exchange Rate

- ❑ The RBZ foreign currency auction exchange rate as at 30 June 2022 was USD1:ZWL366.2987, compared to USD1:ZWL108.6660 at 31 December 2021, representing a 237.09% movement of the exchange rate since the beginning of the year.

ZSE All Share Index

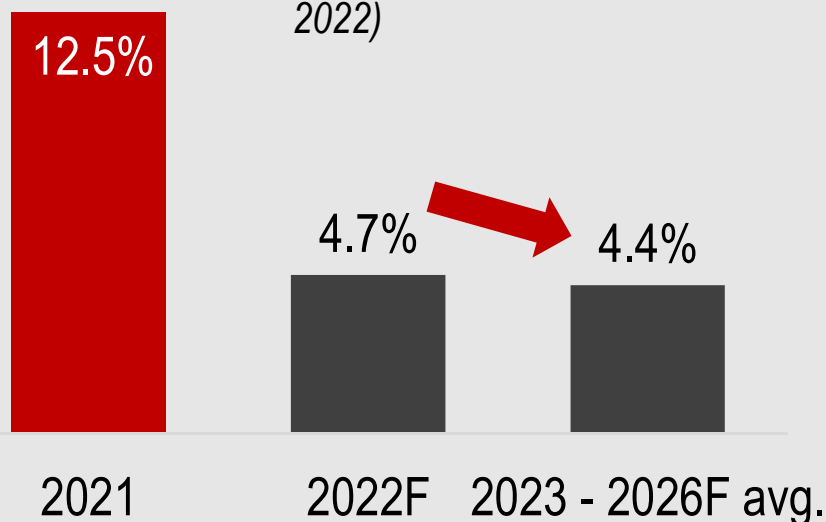
- ❑ ZSE All Share Index returned 82.88% in HY 2022 versus YTD inflation of 118.9%. The below inflationary returns which began post April 2022 were due to:
 - ✓ Significant policy measures tied to lending restrictions, Government payment suspensions and significantly higher minimum lending rates.
 - ✓ Punitive tax costs for deemed speculative trading on the ZSE.
 - ✓ The introduction of alternative assets (Gold Coins) that limited excess liquidity that would have otherwise been invested on the ZSE.

Economic Overview - Botswana



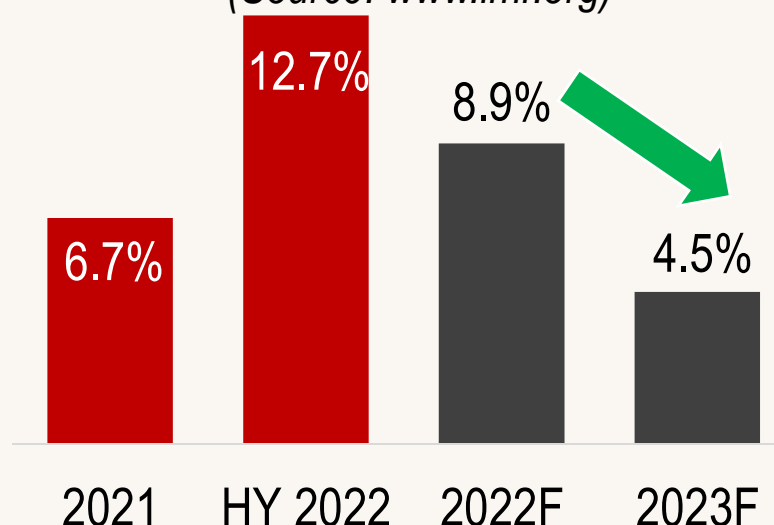
Botswana Real GDP Growth %

(Source: AFDB Econ Outlook Report May 2022)



Botswana YoY Inflation Rate

(Source: www.imf.org)



Economic Growth

- ❑ GDP growth for Botswana is expected to slow down but remain positive for 2022 at 4.7% and average 4.4% in the medium to long term.
- ❑ Growth in 2022 is being supported by higher economic activity following a relaxation of COVID-19 restrictions;
- ❑ Tourism sector recovery and the implementation of the Government's Economic Recovery and Transformation Plan.

Inflation Rate

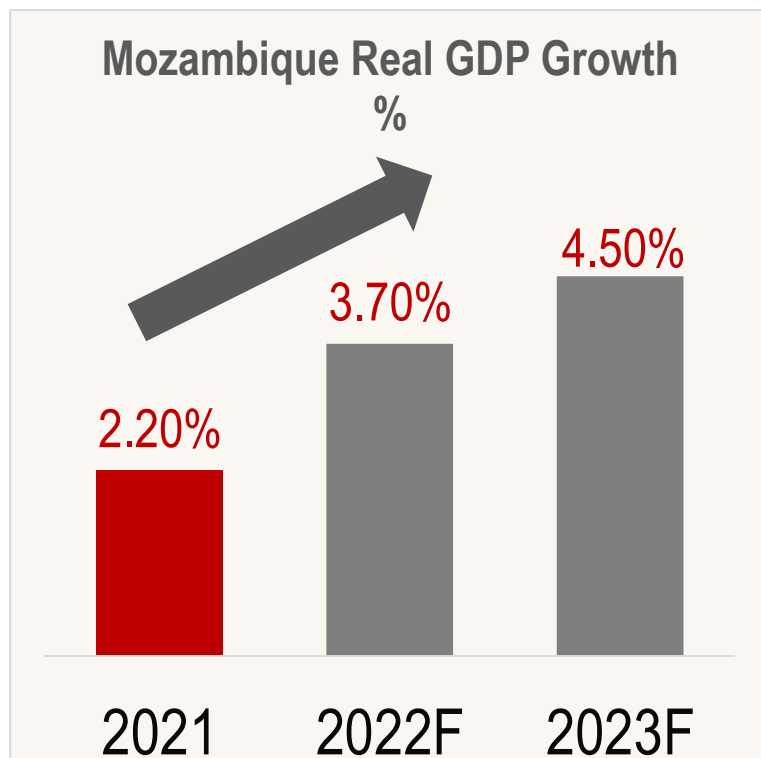
- ❑ Y-on-Y Inflation as at June 2022 was higher at 12.7%.
- ❑ The growth in inflation was mostly a reflection of higher transport costs due to increased global energy commodity prices.
- ❑ The group has a reinsurance operation in Botswana, First Mutual Reinsurance Property and Casualty- FMRE P&C Botswana

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Economic Overview - Mozambique



Economic Growth

- According to the IMF, Mozambique's GDP is expected to grow by 3.7% in 2022 (2021: 2.2%).

Inflation Rate

- Y-on-Y Inflation was 10.8% as at 30 June 2022 (Dec 2021: 6.7%).
- Significant financing is required to mitigate against insurgency, climate change and the lingering COVID-19 threat.
- The group has a general insurance operation in Mozambique- Diamond Seguros

	Dec-21	June 22	Trend
Y-on-Y Inflation	6.7%	10.8%	▲

Economic Overview – Impact on FMHL Operations

Consolidated GPW growth ahead of inflation

- ❑ Real growth by NicosDiamond, First Mutual Health and First Mutual Life.
- ❑ Growth in USD denominated business

Below inflation growth in investment income and lower foreign currency denominated gains

- ❑ Sub-optimal listed equity performance by increased listed equity values.
- ❑ Lower relative official exchange rate currency volatility

Mixed cost performance amongst the Group's SBUs

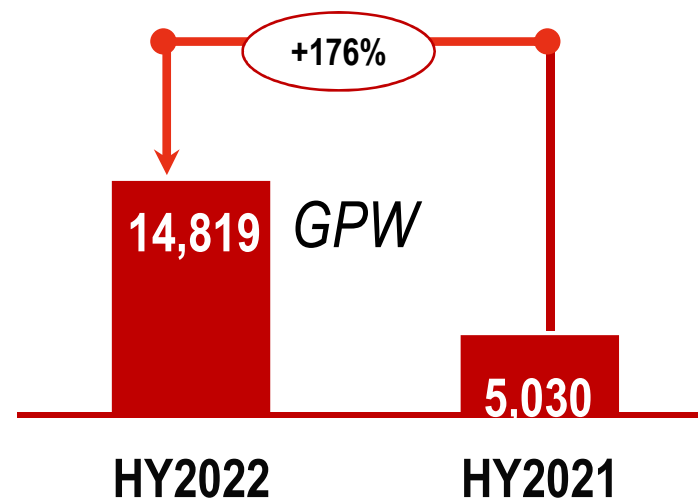
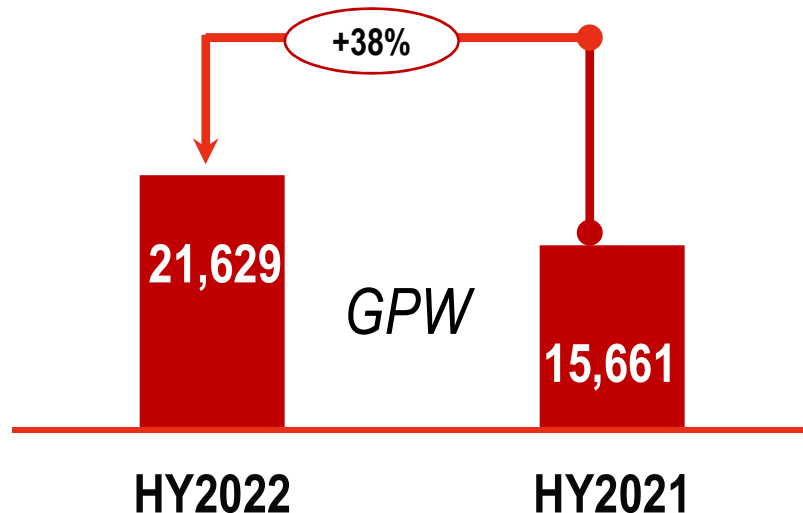
- ❑ Property and Life business expenses grew due to cost push alternative exchange rate related costs and higher claims respectively for the two SBUs during the year.
- ❑ Higher health services claims as the absorbed part of increases in health service costs for the benefit of clients.

Financial Highlights – Consolidated

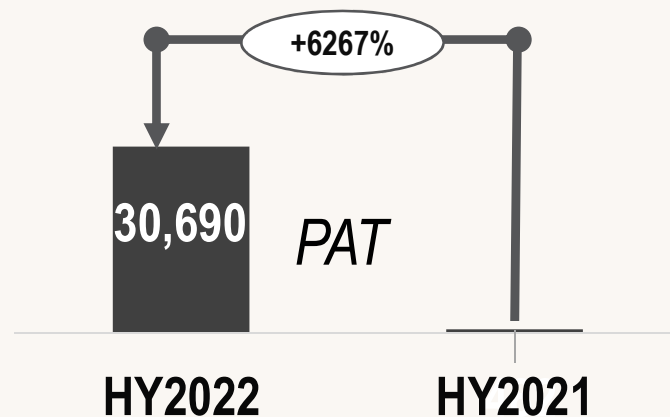
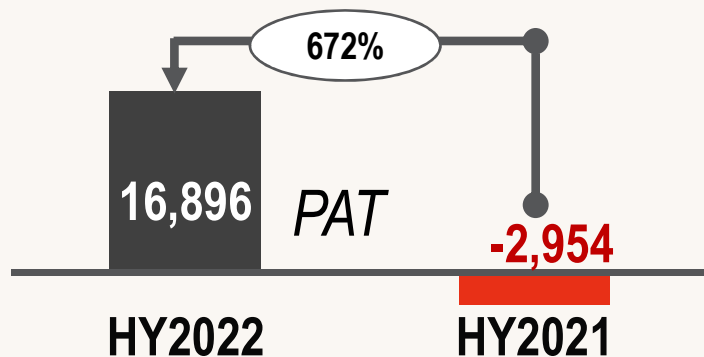
Inflation Adjusted – ZWL m

Historical in ZWL m

Revenues



Profit After Tax



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Gross Premium Written

Inflation Adjusted ZWL m

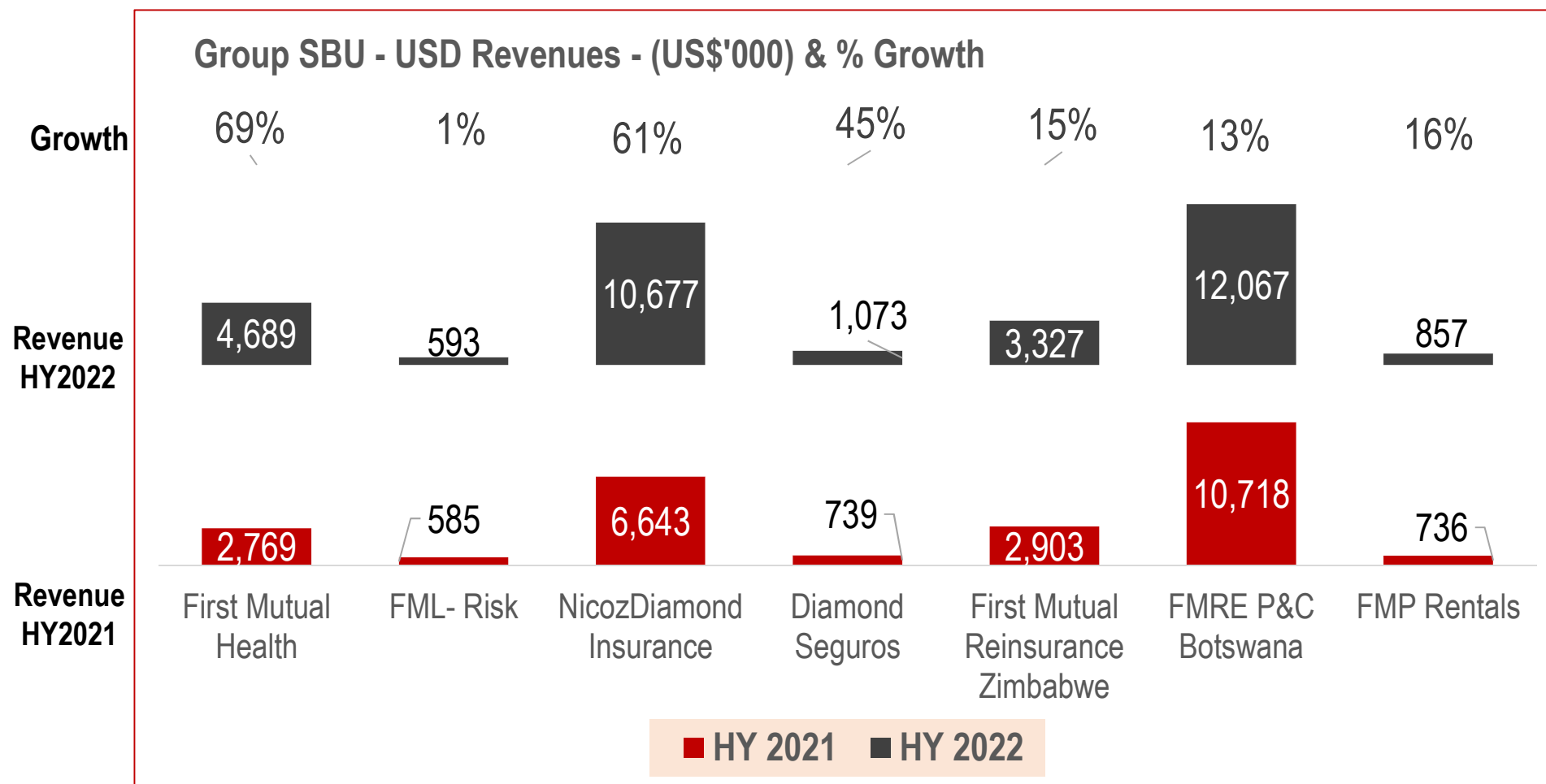
Inflation Adjusted ZWL\$'M	HY 2022	HY 2021	% Change	% Contr.
Life & Health Cluster	10,445	7,335	42%	48%
First Mutual Health	7,726	5,535	40%	
First Mutual Life	2,719	1,800	51%	
General Insurance Cluster	6,252	4,860	29%	29%
NicozDiamond Insurance	5,788	4,545	27%	
Diamond Seguros	464	315	47%	
Reinsurance Cluster	5,167	4,015	29%	24%
First Mutual Reinsurance	1,859	1,247	49%	
FMRE P&C Botswana	3,308	2,768	20%	
Consolidation Eliminations	(235)	(549)	-57%	-1%
Group GPW	21,629	15,661	38%	100%

Gross Premium Written

Historical ZWL m

Historical ZWL\$'M	HY 2022	HY 2021	% Change	% Contr.
Life & Health Cluster	6,722	2,355	185%	45%
First Mutual Health	4,955	1,773	179%	
First Mutual Life	1,767	582	204%	
General Insurance Cluster	4,561	1,556	193%	31%
NicozDiamond Insurance	4,234	1,435	195%	
Diamond Seguros	327	121	170%	
Reinsurance Cluster	3,735	1,300	187%	25%
First Mutual Reinsurance	1,469	409	259%	
FMRE P&C Botswana	2,266	891	154%	
Consolidation Elimination	(199)	(181)	10%	-1%
Group GPW	14,819	5,030	195%	100%

Consolidated Financial Highlights - USD Revenue



Group USD Revenues up by 33% to **USD\$33.3m** in HY2022 from **USD\$25.1m** in HY2021

Unconsolidated SBU Performance Highlights (Historical*)

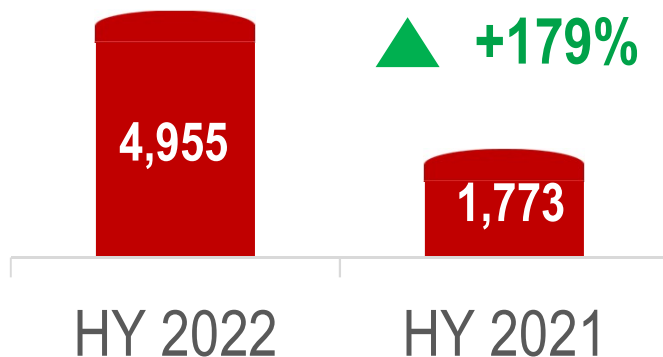


Creating value through **Risk Management, Wealth Creation** and **Wealth Management**

*Historical numbers used to avoid KPI analysis distortion.

First Mutual Health Highlights - Historical

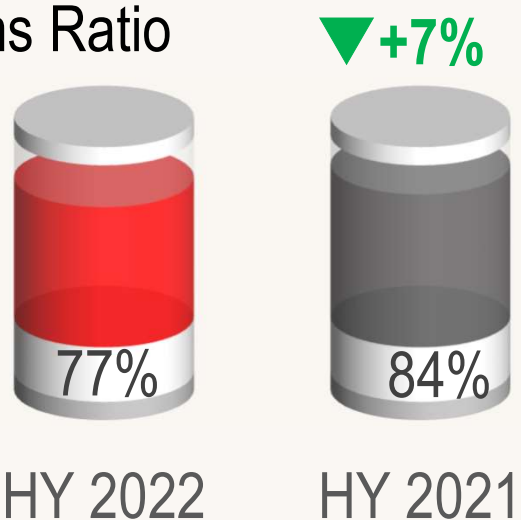
GPW-ZWL billion



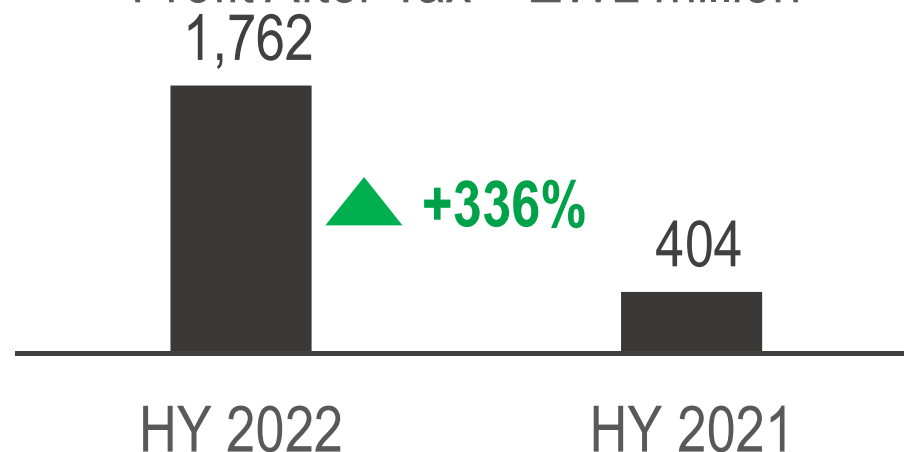
Operating Profit – ZWL million



Claims Ratio

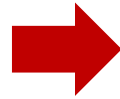


Profit After Tax – ZWL million



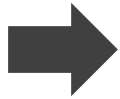
First Mutual Health Review

Gross Premium Written



- ❑ Inflation Adjusted – went up by 40% to ZWL7.7 billion
- ❑ Historical Terms – rose by 179% to ZWL5.0 billion
- ❑ USD Revenues - recorded GPW of US\$4.7 million compared to prior year US\$2.8 million
- ❑ Revenue growth driven by premium adjustments in line with medical costs inflation and increase in USD Gold product members

Claims Experience



- ❑ Claims Ratio – decreased to 77% in 2022 (2021: 84%)
- ❑ Business absorbed smaller proportion of claims cost increases relative to 2021

Profitability



- ❑ The major driver for the higher profit after tax was higher investment income in the listed equity investment portfolio mainly driven by the bull run on the ZSE mainly during the first quarter of the year

First Mutual Life Highlights - Historical

GPW – ZWL billion

1,767

▲ +204%

582

HY 2022

HY 2021

Profit After Tax – ZWL billion

8,593

▲ +3423%

244

HY 2022

HY 2021

Operating Profit – ZWL million

(16)

▼ -448%

(175)

HY 2022

HY 2021

Key Ratios

25% 20%

Claims Ratio

6% 6%

Commission Ratio

73%

55%

Admin
Costs/Income Ratio

■ HY 2022 ■ HY 2021

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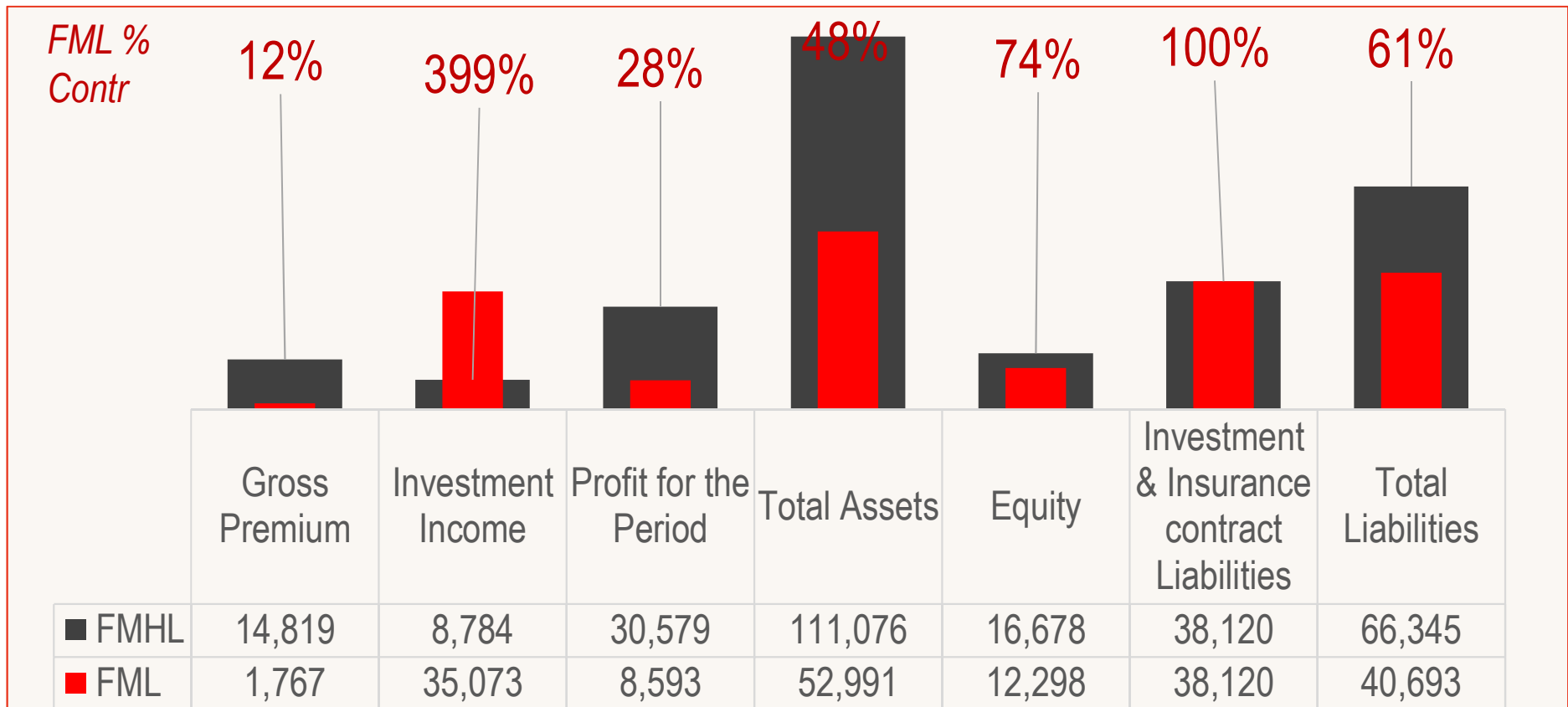
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First Mutual Life Review

Gross Premium Written	<ul style="list-style-type: none"> ❑ Inflation Adjusted - up by 51% to ZWL2.7b ❑ Historical Terms – increased by 204% to ZWL1.7b (HY:2021 – ZWL582m),
Pensions & Savings – Policyholder (PH)	<ul style="list-style-type: none"> ❑ GPW for H1 2022 – ZWL1,010 billion compared to ZWL335 million for H1 2021 ❑ GPW growth was underpinned by salary increments as employers endeavored to catch up to USD era earnings. ❑ There was also an increase in single premiums arising from new accounts
Life assurance/ Risk Business – Shareholder (SH)	<ul style="list-style-type: none"> ❑ GPW H1 – 2022 – ZWL757 million versus H1 2021 ZWL247 million ❑ Performance has been largely driven by increases on funeral product covers to maintain relevance and inflation related payroll adjustments on Group Life Assurance
Claims Experience	<ul style="list-style-type: none"> ❑ Overall, the claims ratio for the risk business was 25% against 20% for the same period in 2021 due to increased product relevance

First Mutual Life - Contribution to the Consolidated Financial Results – ZWL billion

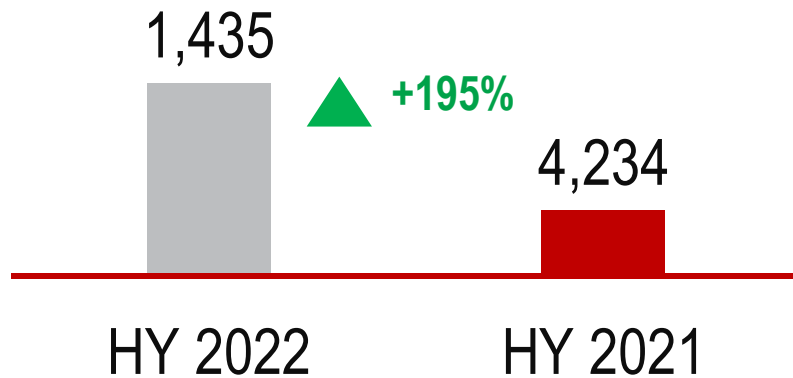


Note 1

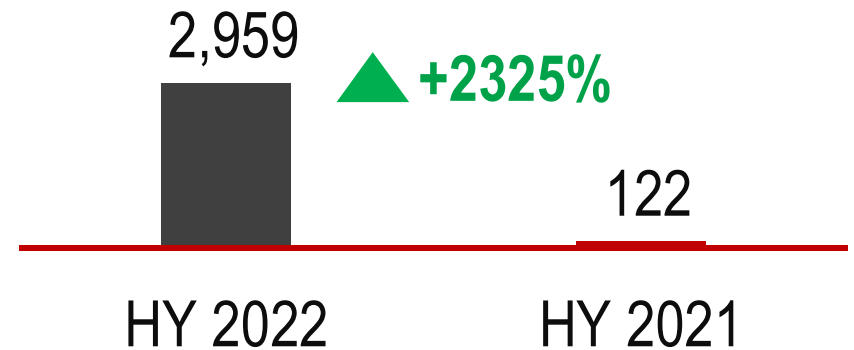
ZWL38.12 billion of the assets are registered in the name of the FML policyholders out of the total FML assets of ZWL53 billion with FMHL total assets amounting to ZWL111.1 billion.

NicozDiamond Highlights

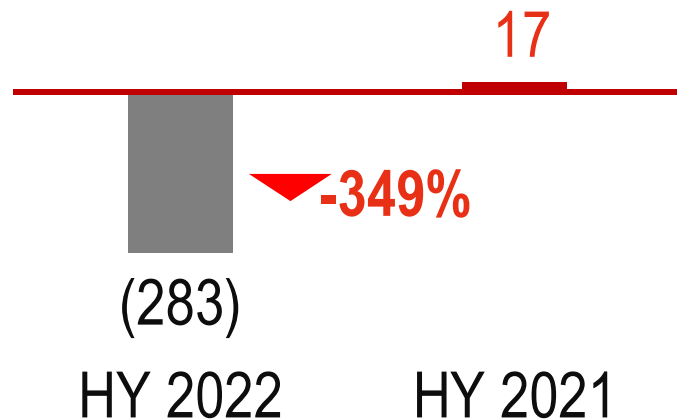
GPW – ZWL billion



Profit for the Year – ZWL million

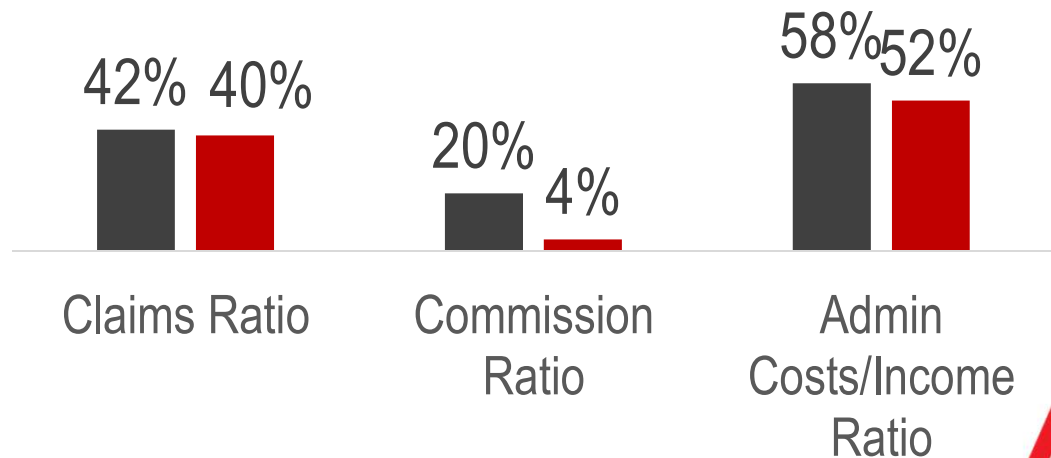


Operating Profit – ZWL million



Key Ratios

■ HY 2022 ■ HY 2021



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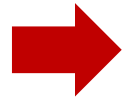
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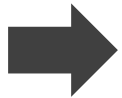
NicozDiamond Review

Revenues



- ❑ Inflation Adjusted – went up by 29% to ZWL5.9 billion
- ❑ Historical Terms – rose by 197% to ZWL4.2 billion
- ❑ USD Revenues - Grew to USD10.7 million from USD6.6 million due to a greater proportion of renewals in USD as clients sought to better protect their assets

Operating expenses



- ❑ The claims ratio of 42% (2021: 40%) increased slightly as a result of change in business mix
- ❑ Commission ratio rose owing to higher retention on USD business
- ❑ Admin expense ratio went up by virtue of mismatch in rates for USD revenue compared to ZWL expenses

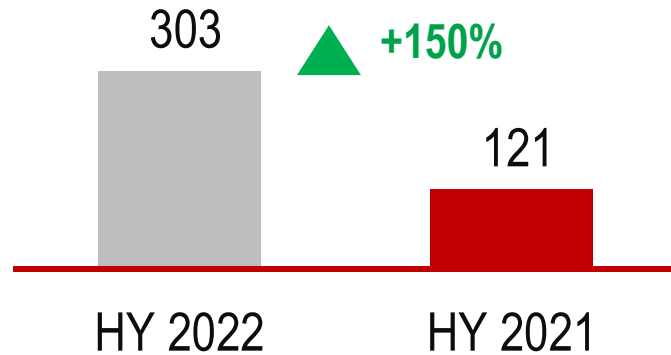
Profitability



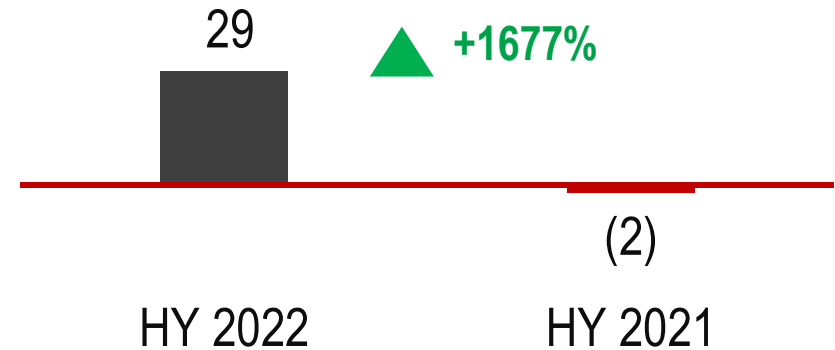
- ❑ The business benefitted from the fair value gains on investment property as well as fair value gains from ZSE quoted equities, which resulted in a profit for the period at ZWL2, 959 billion

Diamond Seguros Highlights

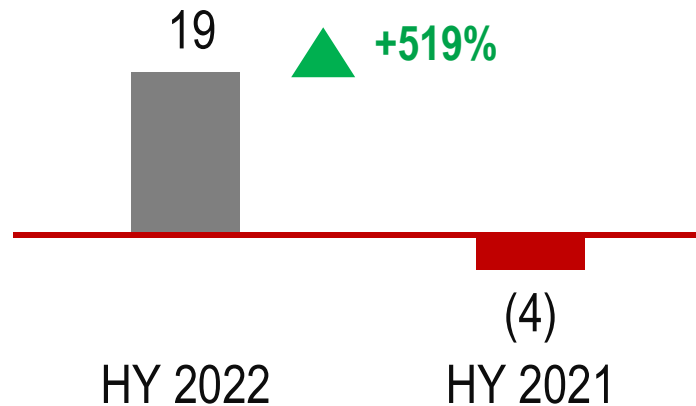
GPW – ZWL billion



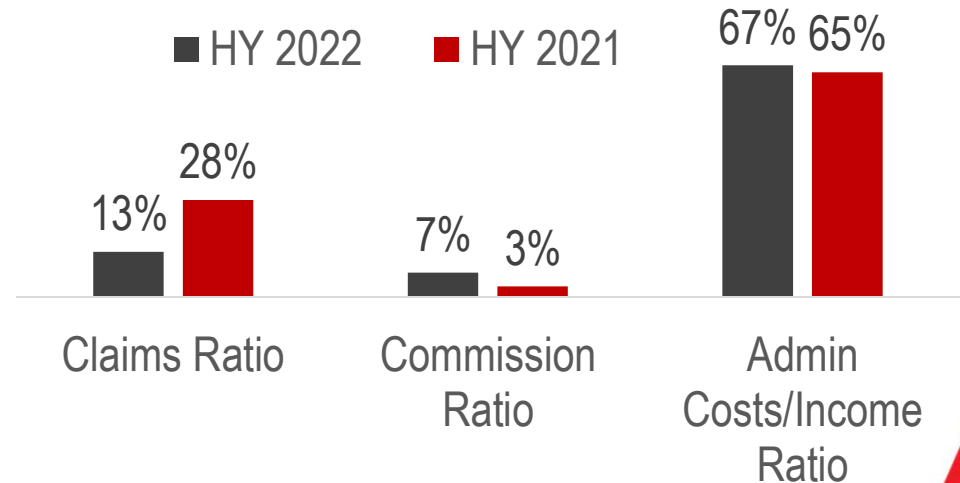
Profit After Tax – ZWL million



Operating Profit – ZWL million

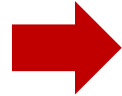


Key Ratios



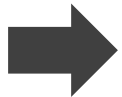
Diamond Seguros Review

Revenues



- ❑ Inflation Adjusted – went up by 47% to ZWL464 million
- ❑ Historical Terms – rose by 170% to ZWL327 million
- ❑ USD Revenues - Grew to USD1.1 million from USD739k due to increased market confidence following USD915k recapitalisation in 2021

Operating expenses



- ❑ The claims ratio of 13% (2021: 28%) decreased as a result of prior year adjustments relating to claims purification which were effected in the current period
- ❑ Commission ratio rose owing to higher business retention
- ❑ Admin expense ratio increased slightly as company sought to improve its profile in the market

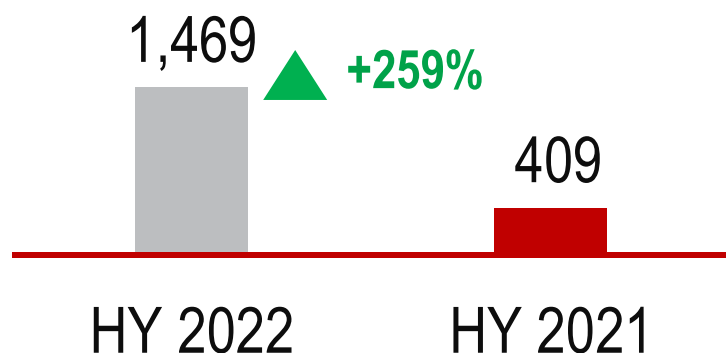
Profitability



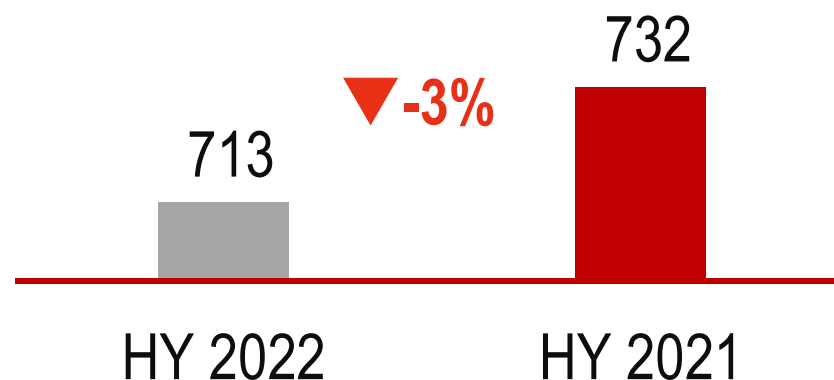
- ❑ The business benefitted from higher interest income after the recapitalisation which contributed to the profit for the period of ZWL29 million.

First Mutual Reinsurance Zimbabwe Highlights

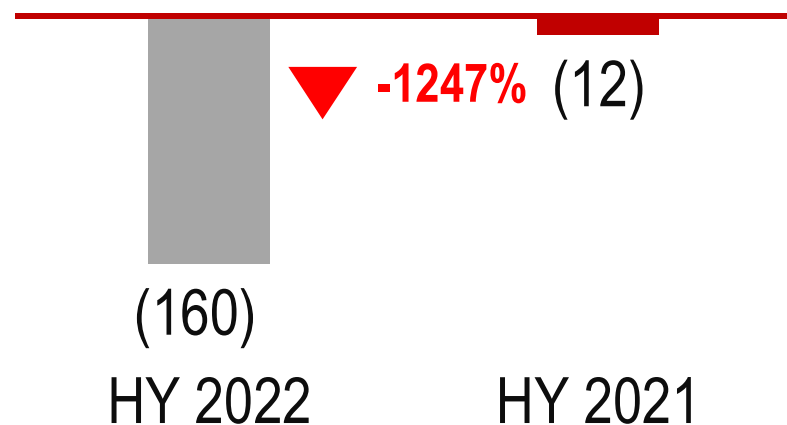
GPW – ZWL billion



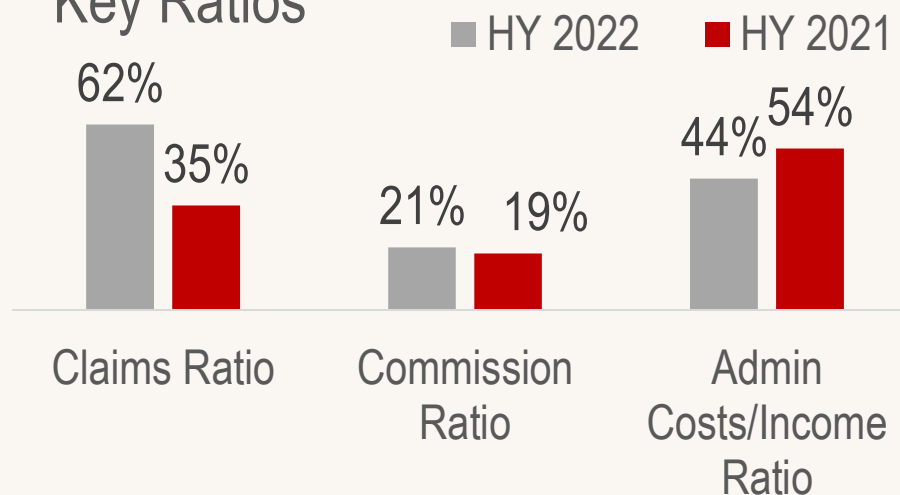
Profit After Tax – ZWL million



Operating Profit – ZWL million



Key Ratios

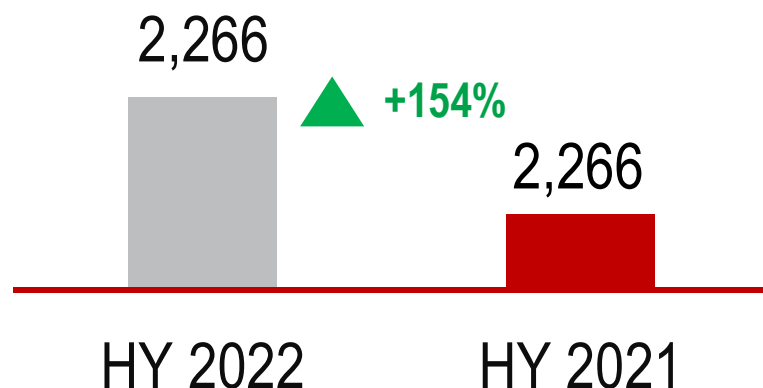


First Mutual Reinsurance Zimbabwe

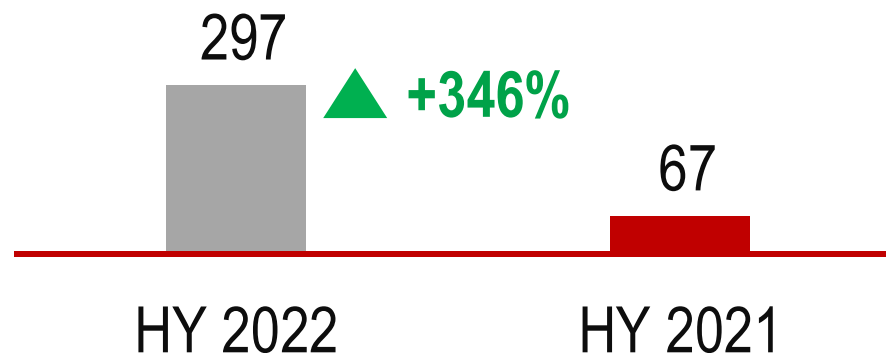
Revenues	<ul style="list-style-type: none"> ❑ GPW for the period was ZWL1.9b (HY2021: ZWL1.2b), in inflation adjusted terms, and ZWL1.5b (HY2021: ZWL409m), in historical terms ❑ The business received premiums amounting to ZWL154 million from companies within the Group which were eliminated on consolidation ❑ The USD dollar business also grew by 33% to USD3.9 million as a result of an increase in USD policy covers being taken up by insurers
Operating expenses	<ul style="list-style-type: none"> ❑ The claims ratio of 62%, which was higher than prior year of 35% due to the increases in the claims outturn for fire, agriculture and motor classes as economic activities improved as well as an increase in insurance technical reserves ❑ Net premium earned grew faster than revenue leading to an improvement in the admin expense ratio to 32% (H1 2021 – 42%)
Profitability	<ul style="list-style-type: none"> ❑ The profit after tax was ZWL713 million compared to ZWL732 million in 2021 due to lower gains in quoted equities held by the business compared to prior year

FMRE P&C Botswana Highlights

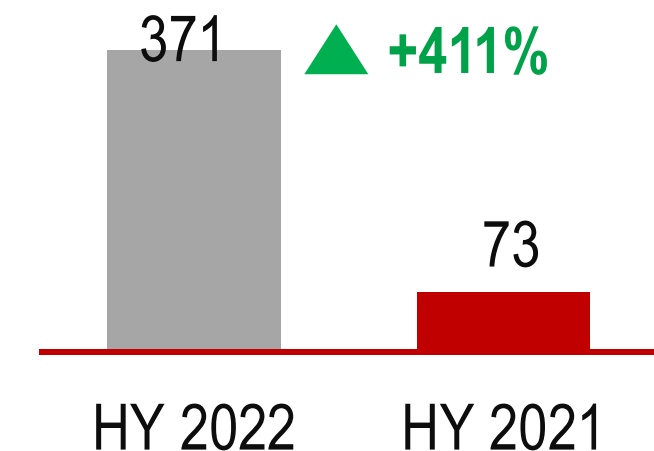
GPW –ZWL billion



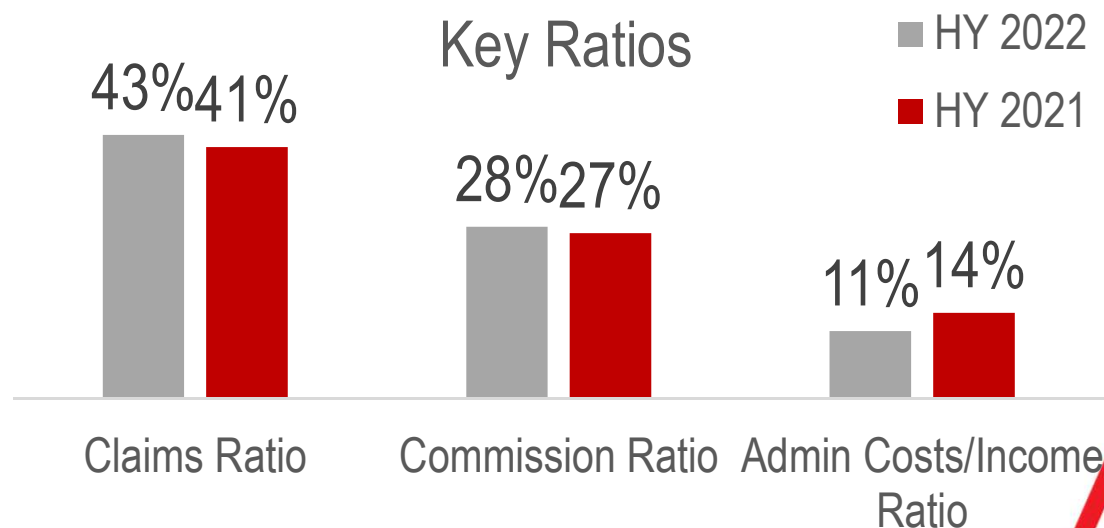
Profit After Tax – ZWL million



Operating Profit –ZWL million



Key Ratios



FMRE P&C Botswana Review

Revenues	<ul style="list-style-type: none"> □ GPW at ZWL3.3b was 20% above prior year, in inflation adjusted terms and at ZWL2.3b was 154% above prior year, in historical terms . The lower than inflation movement in the ZWL foreign exchange rate on the RBZ auction resulted in a below average year on year growth □ In BWP terms, the GPW was 23% above prior year at BWP141 million reflecting continued double digit growth in BWP terms. Growth was enhanced by the BWP40 million capital raise concluded in December 2021
Operating expenses	<ul style="list-style-type: none"> □ During the period under review, the claims and commission ratios were marginally higher same period in the prior year □ The admin expense ratio improved to 9% (HY 2021 – 12%) reflecting revenue growing faster than expenses



FMRe P&C Ratings	
Zim	AAA
Moz	AAA
Zambia	AAA
Eswatini	AA

GCR assigned FMRE P&C strong ratings in most of its regional markets backed by exceptional earnings performance over the years and strong liquidity metrics on the balance sheet

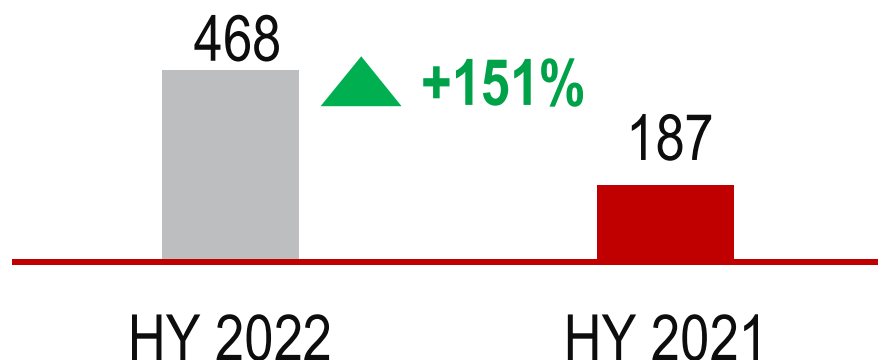
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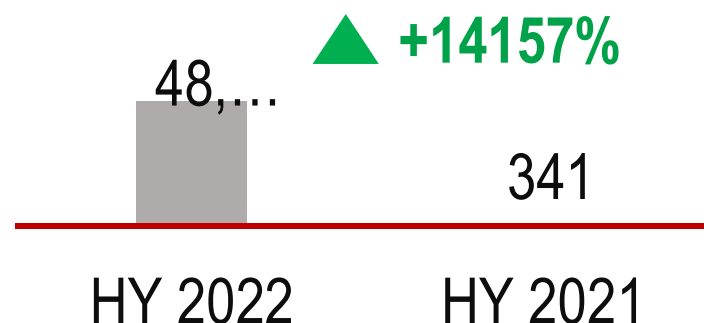
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First Mutual Properties Highlights – Historical

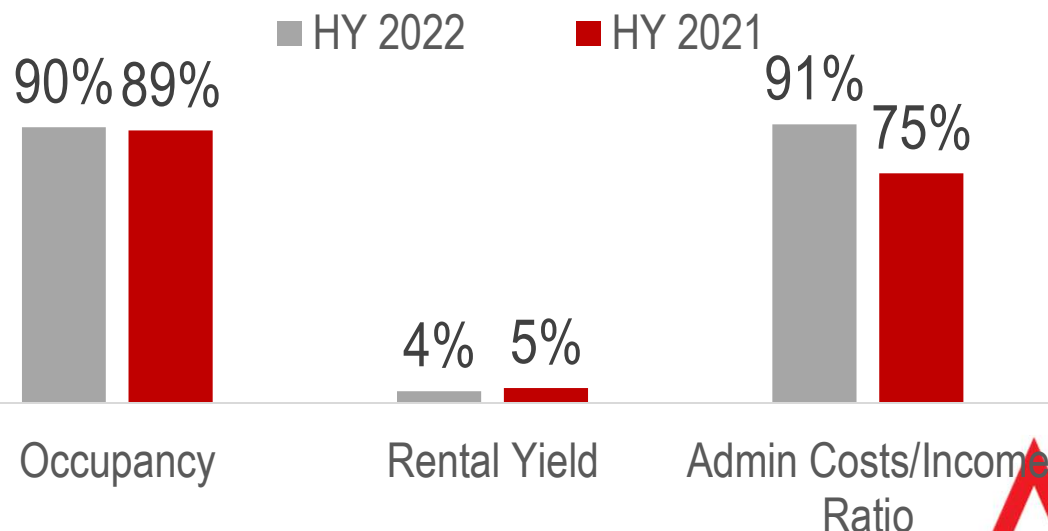
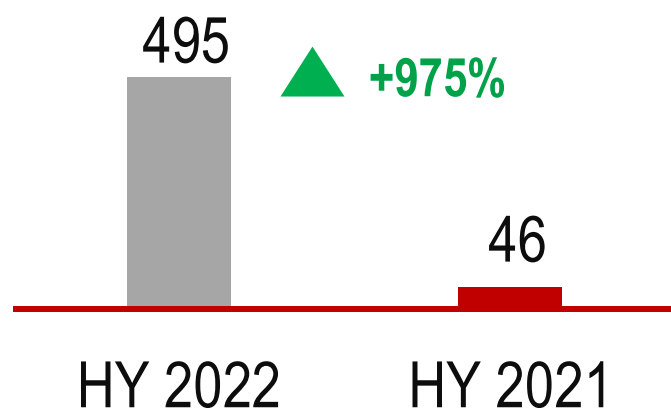
Rental Income –ZWL million



Profit After Tax – ZWL million



Operating Profit –ZWL million



First Mutual Properties Commentary

Revenues

- Revenue for the year increased by 151% to ZWL468m (HY2021: ZWL187m) due to:
 - ✓ Improved rental rates including higher turnover rentals
 - ✓ Occupancy ratio maintained notwithstanding inflationary rental rate adjustments.
 - ✓ Higher USD revenue

Profitability

- Profit for the period increased by 14157% to ZWL48.5b (HY 21 ZWL341m) mainly due to the fair value gains on investment property amounting to ZWL56b.

Consolidated Financial Results

for the half year ended 30 June 2022



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FML Forensic Investigation Update

- ❑ As shareholders were advised in a cautionary announcement issued on 6 April 2022, the Insurance and Pensions Commission (IPEC) intends to perform a forensic investigation on First Mutual Life Assurance Company (FML), a subsidiary of the Group arising from the asset separation exercise initiated by IPEC. FML has, since demutualisation in 2003, separately maintained the assets of the policyholder and shareholder.
- ❑ The regulator issued a letter dated 27 July 2022 advising that the Minister of Finance and Economic Development had appointed BDO Chartered Accountants Zimbabwe, as the forensic investigator in line with the provisions of the Insurance Act (Chapter 24:07). The letter further noted that the investigation was expected to be completed within four months from the commencement date. The investigation formally commenced on 26 August 2022.
- ❑ The audit review of the Group financial statements is incomplete pending the finalization of the forensic investigation of FML as we will not be able to publish audit reviewed IAS 34 financial statements within the Zimbabwe Stock Exchange approved timelines. In the interim, the board of directors, in consultation with the ZSE, has decided to publish unaudited financial information in the form of a preliminary report.

Basis of Presentation

- ❑ The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("the IASB") except for non-compliance with IAS 21 'The effects of changes in foreign exchange rates' and IAS 8 'Accounting policies.
- ❑ The financial statements are based on statutory records that are maintained under the historical cost convention except for investment properties, equity securities at fair value through profit or loss and insurance and investment contract liabilities that have been measured on a fair value basis.
- ❑ For the purpose of fair presentation in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies", this historical cost information has been restated for changes in the general purchasing power of the Zimbabwe Dollar and appropriate adjustments and reclassifications have been made.

Statement of Comprehensive Income for the half year ended 30 June 2022

	Inflation adjusted			Historical cost	
	HY 2022 ZWL000	HY 2021 ZWL000	Change %	HY 2022 ZWL000	HY 2021 ZWL000
Gross premium written	21,629,405	15,661,397	38% ▲	14,819,102	5,029,666
Reinsurance	(4,404,982)	(3,829,470)	(15%) ▲	(3,461,499)	(1,240,537)
Net premium written	17,224,423	11,831,927	46% ▲	11,357,603	3,789,129
Unearned premium reserve	1,276,541	(1,102,738)	216% ▲	(1,229,621)	(405,919)
Net premium earned	18,500,964	10,729,189	72% ▲	10,127,982	3,383,210
Rental income	751,510	609,512	23% ▲	489,923	191,427
Fair value adjustments - investment property	28,720,212	(4,795,983)	699% ▲	55,996,725	362,841
Net investment income	954,048	4,533,204	(79%) ▼	8,561,913	2,107,844
Interest income from investments	277,318	49,504	460% ▲	247,571	15,348
Net interest income	126,434	45,459	100% ▲	75,239	14,822
<i>Fee income:</i>					
- Insurance contracts	335,942	313,115	7% ▲	231,568	100,512
- Investment contracts	17,684	11,782	50% ▲	10,987	3,820
Other income	862,362	242,517	256% ▲	1,011,475	71,237
Foreign currency exchange gain/(loss)	1,012,203	139,747	624% ▲	1,012,203	44,507
Monetary gain- IAS29	438,096	2,795,474	(84%) ▼	-	-
TOTAL INCOME	51,996,774	14,673,518	254% ▲	77,765,585	6,295,567
EXPENDITURE					
Pension benefits	(408,695)	(329,580)	(24%) ▲	(258,790)	(105,994)
Insurance claims and loss adjustment expenses	(9,528,162)	(6,668,346)	(43%) ▲	(6,682,595)	(2,143,469)
Insurance claims and loss adjustment expenses recovered from reinsurers	453,935	428,081	(6%) ▲	424,420	136,835
Net insurance benefits and claims	(9,482,922)	(6,569,845)	(44%) ▲	(6,516,964)	(2,112,628)

Statement of Comprehensive Income continued...

	Inflation adjusted			Historical cost	
	HY 2022	HY 2021	Change	HY 2022	HY 2021
	ZWL000	ZWL000	%	ZWL000	ZWL000
Net insurance benefits and claims	(9,482,922)	(6,569,845)	(44%) ▲	(6,516,964)	(2,112,628)
Movement in insurance contract liabilities	(11,277,572)	386,453	(3,018%) ▲	(24,158,762)	(811,367)
Movement in investment contract liabilities without DPF	(659,324)	(6,202,597)	89% ▼	(1,704,047)	(1,012,956)
Net commissions	(1,186,949)	(689,219)	(72%) ▲	(735,716)	(215,690)
Acquisition expenses	(210,528)	(180,412)	(17%) ▲	(124,829)	(57,833)
Administration expenses	(5,437,082)	(4,402,680)	(23%) ▲	(3,534,430)	(1,394,149)
Movement in expected credit losses	(172,366)	(181,951)	5% ▲	(172,366)	(60,268)
Finance cost	(7,106)	(2,625)	(171%) ▲	(4,867)	(822)
TOTAL EXPENDITURE	(28,433,848)	(17,842,876)	(59%) ▲	(36,951,981)	(5,665,713)
Profit before share of (loss)/profit of associate	23,562,926	(3,169,358)	843% ▲	40,813,604	629,854
Share of profit of associate	(18,422)	90,561	(120%) ▲	(7,623)	31,620
Profit before income tax	23,544,504	(3,078,797)	865% ▲	40,805,981	661,474
Income tax expense	(6,648,023)	125,280	(5,407%) ▲	(10,226,535)	(179,488)
Profit for the period	16,896,481	(2,953,517)	672% ▲	30,579,446	481,986

Investment Income Analysis - Historical cost

ZW\$ 000s	Policyholder	Shareholder	HY 2022	HY 2021	Change	
Fair value gain/(loss) - equities	4,818,948	4,044,585	8,863,533	2,161,454	310%	▲
Dividend received	5,092	2,907	7,999	18,345	(56%)	▲
Investment expenses	(242,555)	(67,064)	(309,619)	(71,955)	330%	▲
Net Investment profit	4,581,485	3,980,428	8,561,913	2,107,844	306%	▲

Statement of Financial Position – HY June 2022

	HY 2022 ZWL000	FY 2021 ZWL000	Change %		HY 2022 ZWL000	FY 2021 ZWL000
ASSETS	INFLATION ADJUSTED				HISTORICAL COST	
Property, plant & equipment	1,194,938	1,117,197	7% ▲		258,121	158,488
Goodwill	78,756	53,225	48% ▲		78,756	24,304
Investment properties	79,254,480	49,290,221	61% ▲		79,254,480	22,506,950
Equity investments	12,630,263	11,701,618	8% ▲		12,630,263	5,343,205
Equity investments – Afrexim	2,560,779	1,730,972	48% ▲		2,560,779	790,398
Investment in associates	599,507	773,242	-22% ▲		261,641	213,844
Debt securities at amortised cost	508,203	408,776	24% ▲		508,203	186,656
Inventory	140,996	95,893	47% ▲		95,234	30,364
Non-current assets held for sale	28,000	-	100% ▲		28,000	-
Deferred acquisition costs	1,090,190	532,890	105% ▲		743,711	162,030
Deferred tax asset	369,475	235,556	57% ▲		332,686	103,318
Insurance & rental receivables	4,277,088	3,012,542	42% ▲		4,277,089	1,375,590
Other receivables	1,735,505	3,043,797	-43% ▲		1,060,885	1,262,356
Cash and balances with banks	8,986,003	6,687,906	34% ▲		8,986,003	3,053,838
TOTAL ASSETS	113,454,183	78,683,835	44% ▲		111,075,851	35,211,342

Statement of Financial Position – FY December 2021 continued...

	Inflation adjusted				Historical cost	
	HY 2022	FY 2021	Change		HY 2022	FY 2021
	ZWL000	ZWL000	%		ZWL000	ZWL000
EQUITY & LIABILITIES						
Equity						
Shareholders' equity	26,404,779	16,677,816	58%	▲	24,756,187	7,993,085
Non-controlling interests	20,091,420	13,118,030	53%	▲	19,974,439	5,983,668
Total Equity	46,496,199	29,795,846	56%	▲	44,730,626	13,976,753
Liabilities						
Life insurance contracts with and without DPF and investment contracts with DPF liabilities	34,779,757	23,956,433	45%	▲	34,779,757	10,939,010
Investment contract liabilities without DPF	3,340,493	3,677,861	-9%	▼	3,340,493	1,679,388
Shareholder risk reserve	318,016	-	100%	▲	318,016	-
Member assistance fund	9,041	19,800	-54%	▲	9,041	9,041
Borrowings	215,148	365,120	-41%	▼	215,148	166,721
Financial liability	1,750,371	1,244,137	41%	▲	1,750,371	568,099
Lease liability - IFRS 16	46,473	32,928	41%	▲	46,473	15,036
Insurance contract liabilities - short term	10,134,484	9,695,192	5%	▲	9777104	3357032
Insurance liabilities - life assurance	263,510	238,161	11%	▲	263,510	108,749
Share based payment liabilities	292,857	584,116	-50%	▼	292,857	266,720
Other payables	2,398,991	1,689,545	42%	▲	2,379,253	770,251
Deferred tax	12,942,999	7,173,877	80%	▲	12,707,358	3,258,278
Current income tax liabilities	465,844	210,819	121%	▲	465,844	96,264
Total liabilities	66,957,984	48,887,989	37%	▲	66,345,225	21,234,589
TOTAL EQUITY AND LIABILITIES	113,454,183	78,683,835	44%	▲	111,075,851	35,211,342

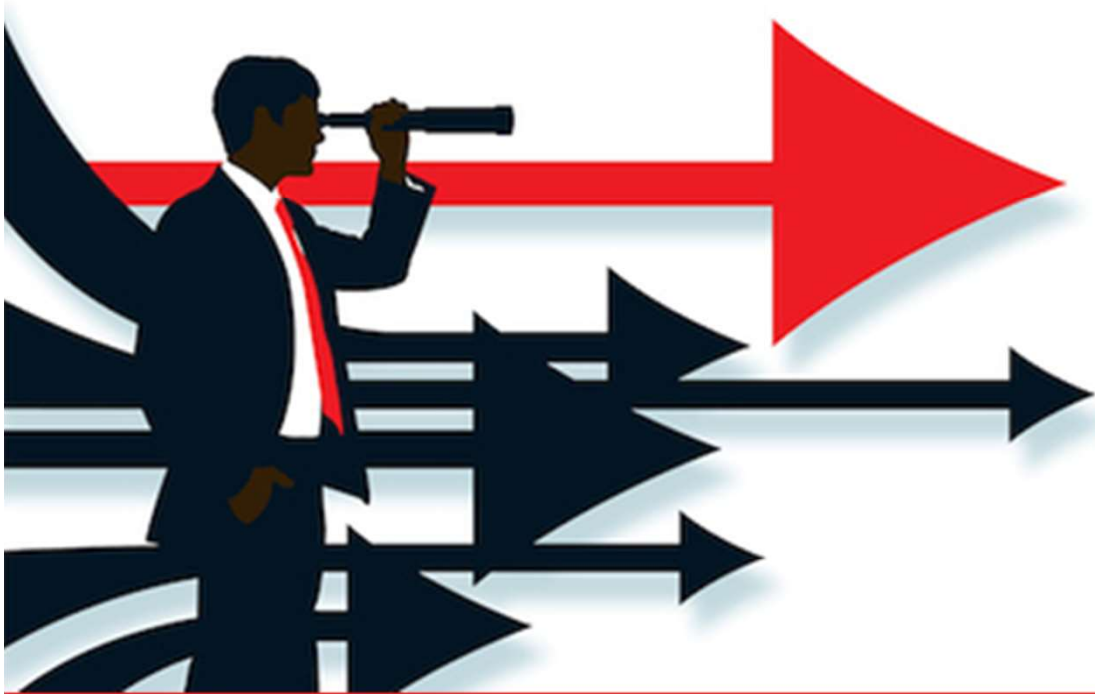
Consolidated Statement of Cash Flows for the Half Year ended 30 June 2022

Period ended:	Inflation adjusted				Historical cost	
	HY 2022	HY 2021	Change		HY 2022	HY 2021
	ZWL000	ZWL000	%		ZWL000	ZWL000
Profit before income tax	23,544,503	(3,078,797)	(865%)	▲	40,916,499	661,474
Total non- cash and separately disclosed items	(20,029,228)	3,483,120	675%	▼	(40,757,539)	(751,409)
Operating cash flows before working capital changes	3,515,275	404,323	769%	▼	158,960	(89,935)
Working capital changes	1,172,730	1,403,014	16%	▼	5,418,940	561,232
Cash (utilised in)/generated from operations	4,688,005	1,807,337	159%	▼	5,577,900	471,297
Finance costs on lease liability	(7,106)	(2,625)	(171%)	▲	(4,867)	(822)
Interest received	277,318	49,504	460%	▲	247,571	15,348
Tax paid	(1,073,397)	(28,376)	(3,683%)	▲	(661,230)	(9,082)
Net cash flows(utilised in)/ generated from operating activities	3,884,820	1,825,840	113%	▼	5,159,374	476,741
Net cash flow generated from/(used in) investing activities	(2,299,257)	(640,610)	(259%)	▲	(1,410,306)	(121,174)
Net cash flow used in financing activities	(108,048)	(175,926)	39%	▲	(90,138)	(60,007)
Net increase/(decrease) in cash and cash equivalents	1,477,515	1,009,304	46%	▼	3,658,930	295,561
Cash and cash equivalents at the beginning of the year	6,687,906	5,863,027	14%	▲	3,053,838	1,659,410
Effects of exchange rate changes on cash and cash equivalents	2,273,237	(641,480)	454%	▼	2,273,236	78,699
Effects of inflation on cash and cash equivalents	(1,452,655)	(292,530)	(397%)	▲		
Cash and cash equivalents at the end of the period	8,986,003	5,938,321	51%	▲	8,986,004	2,033,670
Balances in foreign currency:						
United States dollars	24,475	23,977	2%	▲	24,475	23,977

Dividend

On 12 September 2022 the Board resolved that an interim dividend of \$125 million (which is made up of ZWL 73.1 million and USD 110,000) be declared from the profits of the Company for the half year ended 30 June 2022. Further details on the payment of the dividend will be communicated in a separate dividend announcement.

Outlook & Priorities



FIRST MUTUAL

HOLDINGS LIMITED

Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

Outlook & Priorities

Technology	<ul style="list-style-type: none">●●	To expand and further harness the use of technology to improve our processes as well as maintain client contacts and enhance customer experience
Balance Sheet & Operating Margins	<ul style="list-style-type: none">●	To retain focus on the statement of financial position through enhancement of assets and maintenance of operating margins
Product Offering	<ul style="list-style-type: none">●	To invest in areas that complement our product offering including services
Innovation & Cost Optimization		To Go Beyond in delivering value to stakeholders through innovation, cost optimisation and focus on profitable product lines



FIRST MUTUAL

HOLDINGS LIMITED

Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY