



From Botswana to Malawi, Mozambique to Zimbabwe, no matter the challenge, the right partnerships never wear out.



## Preliminary Report - Unaudited Financial Results For the year ended 31 December 2022

With you, for you

### CHAIRMAN'S STATEMENT

#### ECONOMIC OVERVIEW

During the year, macroeconomic developments continued to be impacted by price and exchange rate volatility. A combination of high inflation, high transaction costs and the negative economic effects from the Russia-Ukraine conflict contributed to increased production costs. There was increased usage of the USD and cash transactions to mitigate the effects of the volatility. The economy experienced a limited recovery from the effects of COVID-19 with Gross Domestic Product ("GDP") growing at 3% according to the International Monetary Fund compared to the initially projected of 3.4%, while inflation closed the year at 243.8%, up from 60.6% in December 2021.

Despite the challenging economic environment, First Mutual Holdings ("FMHL" or "the Group") remained resilient and continued to implement its growth strategy. The Group benefited from increased business in the core insurance units, while rental yields from the property business improved as well as financial intermediation opportunities for the wealth and micro-leading units. There was a notable migration towards United States dollar ("USD") transactions in all local subsidiaries particularly for short term insurance policies, due to the volatility of the Zimbabwe dollar.

In an effort to increase confidence in the local currency, the Government implemented a variety of policy measures from 25 June 2022 which were intended to mop up excess local currency liquidity from the market and curb speculative behaviour. These interventions had an adverse effect on the performance of the local listed equities asset classes which had a negative impact on the Group's investment portfolio income in 2022. We will continue to adapt and remodel our investments framework in response to changes in the environment with the objective of creating real long term value for our stakeholders.

During the period a trend emerged of companies moving from the main stock exchange, the Zimbabwe Stock Exchange ("ZSE"), to the Victoria Falls Stock Exchange ("VFEX"). These movements partly reflect the diminished capacity to raise capital on the ZSE and increasing USD dollarisation of the economy. The year-on-year growth in the ZSE was 79.38% which was lower than inflation and depreciation of the local currency against the USD of 523.9%.

#### FIRST MUTUAL LIFE FORENSIC INVESTIGATION

On 6 April 2022, FMHL updated shareholders, through a cautionary announcement, about the forensic investigation instituted through the Insurance and Pensions Commission ("IPEC") on First Mutual Life Assurance Company ("FML"), a subsidiary of FMHL arising from the asset separation exercise initiated by IPEC. FML has, since demutualisation in 2003, separately maintained the assets of the policyholder and shareholder.

On 27 July 2022, IPEC issued a letter advising that through the Minister of Finance and Economic Development BDO Chartered Accountants Zimbabwe ("BDO") were the appointed 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. However, on 19 January 2023, a letter requesting an extension was received from BDO. The extension was requested up to 17 February 2023 after which the process was to be concluded. BDO advised that they had submitted their final report to IPEC on 20 February 2023 and the Group was yet to be informed on the outcome of the investigation at the time of this statement.

As at the date of issuing these results, the year-end audit of the Group financial statements is incomplete pending the finalisation of the forensic investigation and consequently, the Group will not be in a position to publish audited financial statements in line with the Zimbabwe Stock Exchange listings requirements and approved timelines. In the interim, the board of directors, in consultation with the ZSE, has decided to publish the financial information in the form of a preliminary report.

#### FINANCIAL HIGHLIGHTS

In October 2019 the Public Accountants and Auditors Board concluded that the conditions for applying International Accounting Standard IAS 29 - Financial Reporting in Hyperinflation Economies had been met in Zimbabwe. The historical cost financial results have been restated to take into account changes in the purchasing power of the local currency during the year. The inflation adjusted financial results therefore represent the main financial statements with historical cost financials provided as supplementary information. FMHL has continued to apply IAS 29 for the year ended 31 December 2022.

#### Comprehensive income highlights

	Inflation adjusted		Historical cost	
	31-Dec-2022 ZWL000	31-Dec-2021 ZWL000	31-Dec-2022 ZWL000	31-Dec-2021 ZWL000
Gross Premium Written	76 635 262	49 367 656	55 106 064	11 407 035
Net Premium Earned	59 391 403	37 669 280	39 790 226	8 538 628
Rental income	2 717 705	2 062 419	2 120 545	480 100
Net Investment income	(8 722 804)	8 634 069	8 692 297	3 852 705
Net fair value gains on investment property	34 116 870	24 465 239	89 043 619	12 942 135
Profit after tax	24 002 705	11 312 550	51 366 735	7 462 947

#### Financial position and Cashflow highlights

	Inflation adjusted		Historical cost	
	31-Dec-2022 ZWL000	31-Dec-2021 ZWL000	31-Dec-2022 ZWL000	31-Dec-2021 ZWL000
Total assets	167 522 402	123 594 693	164 633 246	35 211 342
Total equity	67 842 197	46 802 603	65 925 660	13 976 753
Insurance and Investment contract liabilities	52 653 656	43 407 292	52 653 656	12 618 398
Cash generated from operations	18 334 738	2 404 325	14 028 474	1 024 495

#### Share performance

	Inflation adjusted		Historical cost	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
Market price per share (cents)	25.60	20.00	25.60	20.00
Basic earnings per share (cents)	1 977.98	1 222.57	3 795.37	569.74

#### FINANCIAL PERFORMANCE

##### Statement of comprehensive income

During the period under review, Gross Premium Written ("GPW"), at \$76.6 billion, grew by 55% in inflation adjusted terms and amounted to \$55.2 billion in historical cost terms, reflecting a 384% increase. The growth compared to the same period in prior year arose from the revaluation of insurance policy values to match inflation and exchange rate movements to ensure adequate cover for clients. There was also an increase in the proportion of the USD business being written by the Group, which constituted 55% of the total premium written compared to 51% in the prior year.

The rental income grew by 32% to \$2.7 billion in inflation adjusted terms and 341% to \$2.1 billion in historical cost terms compared to the comparative period. The increase compared to the prior year is due to a combination of the migration to USD leases as well as indexing rentals to market exchange rates. The Group incurred an investment loss of \$8.7 billion loss which declined by 201% from an investment income position in the prior period in inflation adjusted terms. The decline in inflation adjusted terms was a result of the lower than inflation growth on the ZSE, particularly following the introduction of measures by the Government to support the local currency and curb speculative behaviour. These measures included a steep rise in interest rates and a 40% capital gains tax on share sales within 270 days from original purchase date.

The Group achieved an overall profit for the period of \$24.1 billion which was 112% higher than prior year in an inflation adjusted terms and grew by 588% to \$51.4 billion in historical cost terms.

The increase in both the inflation adjusted and historical cost terms is mainly attributable to the rise in gross premium income, rental income, fair value gains on investment properties and an increase in foreign exchange gains.

##### Statement of financial position

The Group's total assets grew by 36% to \$167.5 billion in inflation adjusted terms and 368% to \$164.6 billion in historical cost terms compared to 31 December 2021. The growth in both inflation adjusted and historical cost terms was mainly driven by increases in net fair value adjustments on investment properties and current assets including cash and balances with banks. The growth in cash and balances with banks was partly due to currency depreciation as 75% (2021 - 88%) was in United States dollars. These grew by 59% to \$16.7 billion in inflation adjusted terms and 446% in historical cost terms.

In recent periods, the investment properties have witnessed significant growth in Zimbabwe dollar values and this was the case for the period under review. The ZWL has seen continual decline in comparison to the USD which has had an impact in the forward-looking information utilised in the valuations by property experts, hence the net fair value gains of \$34.1 billion in inflation adjusted terms and \$89.1 billion in historical cost. The total value grew by 44% compared to last year in inflation adjusted terms and 395% in historical cost terms.

##### SUSTAINABILITY

The Group has ensured continual prioritisation of sustainability not only from a risk management perspective but also considering the various aspects in Group operations that include value creation and maximisation, potential growth and compliance with reporting requirements as well as fulfilling the good corporate citizenry mandate as a governance tool. The Group's objective to create sustainable economic value is a pillar of our corporate strategy and core values.

In order to achieve the above, the Group makes an allowance for environmental, social and governance ("ESG") aspects in its strategy. FMHL has also laid out processes to ensure that the impact of sustainability is not only limited to core operations but also stretches to other areas of the business.

##### FIRST MUTUAL IN THE COMMUNITY

First Mutual Holdings Limited (FMHL) actively contributes to the community in which we operate and continues to provide educational support through the First Mutual Foundation. During the reporting period, the foundation promoted educational access and retention for a total of 84 beneficiaries in 2 primary schools, 23 secondary schools and 2 tertiary institutions. Additionally, FMHL launched the First Mutual Scholarship Fund with Africa University offering support to 6 students, an expansion of the First Mutual Foundation whose main objective is to avail bursaries and ancillary support to school children with multiple vulnerabilities.

To further support the community relations programme and align to the corporate value of CARE, the Group, through its subsidiary First Mutual Health, initiated a maternity bag drive project as part of humanitarian support to 175 disadvantaged expectant mothers with various items in preparation for delivery.

##### OUTLOOK

Despite the volatile, uncertain and complex economic environment, the various businesses have developed strategies to adapt their operations to achieve real growth in the future. FMHL continues to provide a compelling value proposition to clients through maintaining the relevance in its products and delivering on its promise thus achieving sustainable operations. We will continue to pursue value enhancing initiatives such as investments in real assets in order to preserve and grow the balance sheet in the current hyperinflationary environment.

##### DIRECTORATE

There were no changes to the directorate during the period under review.

##### DIVIDEND

On 21 March 2023 the Board resolved that final dividend of \$280.2 million (which is made up of ZWL146.3 million and USD146,344) be declared from profits of the Company for the year ended 31 December 2022 in addition to the USD109,758 and ZWL73.2 million paid as an interim dividend. Further details on the payment of the dividend will be communicated in a separate dividend announcement.

##### APPRECIATION

On behalf of the Board, I would like to thank our clients and stakeholders for their continued support. I also extend my appreciation and gratitude to the FMHL's employees and management for their commitment to serve our clients and ensuring that the businesses continue to adapt to major environmental changes. I am grateful to my fellow board members for their support, including their continued and valuable contributions, their insight and guidance for management as we pursue the realisation of the Group's strategy.

  
Amos Manzai  
Chairman  
21 March 2023

### GROUP CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

The year under review consisted of quarters of relative stability intermingled with volatility, including significant depreciation of the local currency, high inflation and increasing use of the USD for transacting purposes. During the second quarter of 2022 the Government implemented policy interventions to enhance confidence in the local currency and curb speculative behaviour. The Group focused on maintaining the relevance of its products in the core pillars of risk management, wealth creation and wealth management. There was an increasing preference by clients for USD priced products in order to ensure that the value of the benefit was retained.

##### OPERATIONS REVIEW

The commentary below relates to the unconsolidated performance of each business unit in both inflation adjusted and historical cost terms for the period ended 31 December 2022.

##### LIFE AND HEALTH CLUSTER

###### First Mutual Life Assurance Company (Private) Limited

Gross Premium ("GPW") for the year to date amounted to \$7.9 billion in inflation adjusted terms which was 26% above the prior year and \$6.1 billion in historical terms, representing a 381% increase over the prior year. The year-on-year growth was largely driven by the regular revisions in sums assured with the objective of retaining value of policyholder benefits. Growth in premiums from the Retail segment was largely driven by significant growth in USD denominated premiums from the e-FML Gold Funeral Plan. In the Corporate Segment, growth in premiums was attributable to growth in the Group Life Assurance portfolio arising from two fronts: new business development and organic growth. The organic growth stemmed from the effect of employee salary increases, as employers sought to attain the target financial security benefits of this product.

In inflation adjusted terms, the business achieved a profit for the period of \$4.8 billion that reflected a decline of 22% compared to the prior year. In historical cost terms, there was an increase in the profit for the period of 1,350% compared to the prior year. The profit after tax growth in historical cost terms was driven by increases in premiums as noted above and fair value gains on investment property.

###### First Mutual Health Company (Private) Limited

The business achieved GPW of \$30.2 billion which represents a growth of 61% compared to prior year in inflation adjusted terms. In historical cost terms, the GPW amounting to \$21.9 billion grew

by 404% compared to prior year. The growth in premiums was driven by inflation linked reviews of both ZWL and USD premiums in response to increased medical benefits in order to cushion members from the negative impact of shortfalls driven by price increases effected by medical service providers. The business generated a profit for the period of \$2.1 billion in inflation adjusted terms, which was 24% below prior year. In historical cost terms, the profit was \$4.6 billion which was higher than prior year by 380%. The business implemented a framework that aligned members benefits with premiums in early 2022. The negative outturn in real terms in 2022 of the ZSE following Government policy pronouncements meant to contain speculative activity had a significant negative impact on profit for the period in 2022.

On a related note, the business continued the project to roll-out medical services (clinics, pharmacies, hospitals, dental, optometry, etc) as a long-term strategic priority. Our objective in this space is to complement Government efforts to provide greater access to Zimbabweans to quality healthcare at affordable prices.

##### GENERAL INSURANCE CLUSTER

###### NicozDiamond Insurance Limited

The business' GPW grew by 51% to \$21.1 billion in inflation adjusted terms and by 372% to \$15.5 billion in historical cost terms. The growth was largely as a result of an increase in foreign denominated business, organic growth as well as the review of statutory covers in line with movements in exchange rates and premium reviews for specific accounts mainly driven by unfavourable loss ratios. The business recorded a profit after tax of \$1.9 billion, 147% higher than the same period last year in inflation adjusted terms and, in historical cost terms, the profit for the period recorded amounted to \$3.3 billion, which was 578% above the prior year amount. The improved performance was mainly driven by a notable growth in net earned premium income which compared favourably to the lower growth on the main expense items, net fair value gains in equities and investment properties in nominal terms.

###### Diamond Seguros

The business recorded a GPW of \$1.9 billion which was 25% above the prior year amount in inflation adjusted terms. In historical terms the GPW recorded was \$679 million which was 166% higher in historical cost terms. The growth was a result of continued improvements in broker business following the recapitalisation of the business by the Group in 2021. In Mozambican Metical (MZN) terms, the GPW growth was 21% to MZN 232.6 million compared to MZN 192.5 million for the comparative prior year period.

##### REINSURANCE CLUSTER

###### First Mutual Reinsurance Company Limited - Zimbabwe

The GPW increased to \$7.8 billion, 128% above prior year in inflation adjusted terms and 686% to \$6.2 billion in historical cost terms. The growth was due to a significant part of the premium being written in foreign currency. The increased demand for USD policies led to more business for reinsurers as there was limited USD underwriting capacity at local direct insurers. However, the business incurred a loss for the period of \$675.8 million, 155% below the prior year inflation adjusted terms. There was a 1,333% uplift to \$757 million, in historical cost terms, due to the growth in revenue and investment income. The losses in inflation adjustments were driven by investment losses in real terms as the ZSE grew at a lower rate than inflation.

###### FMRE Property and Casualty (Proprietary) Limited - Botswana

GPW for the period went up by 39% to \$10.1 billion in inflation adjusted terms and 315% to \$6.7 billion in historical cost terms. The year-on-year growth was 19% in Botswana Pula ("BWP"), at BWP241.8 million compared to BWP 203.5 million in prior period. This continued double digit growth was partly attributable to increased in market confidence following the investment by our Botswana based partner, Aleyo Capital, following the conclusion of the capital raising project in December 2021. This led to improved local and international treaty participation and growth of specialist lines of business under the casualty segment. The BWP stood at 11.07:1 to the USD at the beginning of the year, closing at 12.79:1 by 31 December 2022, losing a value of 15.5% in the process. However, this movement in the rate was still lower than the growth in revenue in both BWP and ZWL terms.

##### INVESTMENTS CLUSTER

###### First Mutual Properties Limited

Rental income for the period grew by 41% to \$2.8 billion in inflation adjusted terms and by 338% to \$2.1 billion in historical cost terms. This was due to migration of a significant portion of the leases from the ZWL to the USD currency while those that were maintained in the local currency were indexed with the movement in the exchange rate. The growth in revenues occurred despite a decrease in the occupancy rate to 86.04% in 2022 compared to 89.33% in 2021. Independent investment property valuations as at 31 December 2022 resulted in fair value gains of \$33.5 billion.

###### First Mutual Microfinance (Private) Limited

Interest income grew by 88% to \$724.7 million in 2022 in inflation adjusted terms and by 442% to \$504.1 million in historical cost terms. The growth was propelled by increasing market share for the business. The corresponding interest costs amounted to \$273.6 million in inflation adjusted terms and \$187.1 million in historical cost terms which represented an increase of 51% and 322% respectively, resulting in a net interest income position in either term. However, business incurred an overall loss as it had not attained critical mass.

###### First Mutual Wealth Management (Private) Limited

In inflation adjusted terms, the business recorded investment management fees of \$494.2 million compared to the comparative period of \$356.6 million which represented a growth of 39% as a result of higher funds under management due to increased third party business. Growth of 251% to \$322.2 million was realised in historical cost terms mainly due to the increase in funds under management underpinned by the growth on the ZSE All Share Index performance for the year. Funds under management grew by 12% in inflation adjusted terms during the period under review partly as a result of increased support from third party contributions.

##### HUMAN CAPITAL

As a Group involved in the provision of services, we consider our employees a key success factor in our businesses in a volatile and complex operating environment. Amidst the challenges, our employees have maintained resilience, steadfastness and commitment to serving our clients and other stakeholders as well as implementing our consensus driven strategy. We will ensure that investment in human capital retention and development programs is prioritised on a group-wide scale in order to improve the skills of our staff to align towards future requirements.

##### LOOKING AHEAD

The existing multi-currency economic environment requires more engagement with customers to maintain the relevance of our products. The solid financial position of the Group, coupled with diversified revenue streams and the growing contribution of regional businesses is expected to contribute towards sustainable growth and value creation for our stakeholders. We will continue investing in technology to improve service delivery channels and product innovations as part of our strategy to meet evolving market requirements.

##### APPRECIATION

On behalf of First Mutual, I would like to thank all our stakeholders for their continued trust in the Group. We are a reliable partner and remain focused on our customers as we strive to exceed your expectations.

  
Douglas Hoto  
Group Chief Executive Officer  
21 March 2023

### CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		GROUP	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY	COMPANY
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
<b>ASSETS</b>									
Property, plant and equipment	5	2 347 995	1 649 427	708 321	140 853	21 396	23 313	2 861	2 210
Investment property	6	111 434 931	77 423 908	111 434 931	22 506 950	1 180 800	-	1 180 800	-
Right of use of assets - IFRS 16	7	47 789	48 046	47 789	13 967	347 904	200 518	102 449	23 124
Goodwill		151 362	83 604	151 362	24 304	-	-	-	-
Other intangible assets		43 880	57 396	6 756	3 668	-	-	-	-
Investment in subsidiaries	8	-	-	-	-	34 052 317	24 178 683	31 824 110	7 425 259
Investment in associates		1 613 387	1 214 591	1 061 625	213 844	23 589	20 526	7 207	4 144
Financial assets:									
- Equity securities at fair value through profit or loss	9	17 672 807	21 099 593	17 672 807	6 133 603	534 135	1 069 052	534 135	310 771
- Debt securities at amortised cost	10	2 514 366	642 096	2 514 366	186 656	53 922	81 304	53 922	23 635
Investment in Gold coins		276 612	-	276 612	-	-	-	-	-
Deferred acquisition costs		1 327 101	837 051	976 172	162 030	-	-	-	-
Deferred tax asset		736 564	370 007	702 885	103 318	-	-	-	-
Non current assets held for sale		38 400	-	38 400	-	-	-	-	-
Income tax asset		11 650	-	11 650	-	-	-	-	-
Inventory		334 558	150 617	170 618	30 365	12 377	9 203	1 970	455
Insurance, tenant and other receivables	11	12 298 352	9 513 153	12 186 300	2 637 946	246 097	404 585	246 097	117 612
Cash and cash equivalents	12	16 672 649	10 505 204	16 672 649	3 053 838	126 022	165 099	126 022	47 994
<b>TOTAL ASSETS</b>		<b>167 522 403</b>	<b>123 594 693</b>	<b>164 633 243</b>	<b>35 211 342</b>	<b>36 598 559</b>	<b>26 152 283</b>	<b>34 079 573</b>	<b>7 955 204</b>
<b>EQUITY AND LIABILITIES</b>									
<b>Equity attributable to equity holders of the parent</b>									
Share capital		414 347	414 347	54 878	54 878	414 347	414 348	54 878	54 878
Share premium		8 309 533	8 309 533	39 417	39 417	8 309 533	8 309 533	39 417	39 417
Non-distributable reserves		( 672 818)	2 572 469	2 589 975	489 882	147 573	147 573	345	345
Retained profits		28 734 153	14 900 761	34 273 566	7 408 909	27 144 309	16 695 242	33 402 136	7 690 335
<b>Total equity attributable to equity holders of the parent</b>		<b>36 785 215</b>	<b>26 197 110</b>	<b>36 957 836</b>	<b>7 993 086</b>	<b>36 015 762</b>	<b>25 566 696</b>	<b>33 496 776</b>	<b>7 784 975</b>
Non-controlling interests		31 056 982	20 605 493	28 967 824	5 983 667	-	-	-	-
<b>Total equity</b>		<b>67 842 197</b>	<b>46 802 603</b>	<b>65 925 660</b>	<b>13 976 753</b>	<b>36 015 762</b>	<b>25 566 696</b>	<b>33 496 776</b>	<b>7 784 975</b>
<b>Liabilities</b>									
Life insurance contracts with and without DPF and investment contracts with DPF liabilities	13	49 413 258	37 630 196	49 413 258	10 939 010	-	-	-	-
Investment contract liabilities without DPF	14	3 240 398	5 777 096	3 240 398	1 679 388	-	-	-	-
Shareholder risk reserves	15	304 754	-	304 754	-	-	-	-	-
Member assistance fund		9 041	31 100	9 041	9 041	-	-	-	-
Borrowings		1 680 523	573 522	1 680 523	166 721	-	-	-	-
Put option liability	19	3 221 553	1 954 261	3 221 553	568 099	-	-	-	-
Lease liability - IFRS 16	7	124 384	51 722	124 384	15 036	255 322	104 266	255 322	30 310
Insurance contract liabilities - short term	16	20 581 015	15 228 978	19 525 750	3 357 032	-	-	-	-
Insurance liabilities - life assurance		334 313	374 097	334 313	108 749	-	-	-	-
Share based payment liabilities		217 205	917 516	217 205	266 720	70 218	329 693	70 218	95 841
Other payables	17	5 376 975	2 653 896	5 262 258	770 251	257 257	151 628	257 257	44 078
Deferred tax	18	14 773 697	11 268 557	14 971 056	3 258 278	-	-	-	-
Current income tax liabilities		403 090	331 149	403 090	96 264	-	-	-	-
<b>Total liabilities</b>		<b>99 680 206</b>	<b>76 792 090</b>	<b>98 707 583</b>	<b>21 234 589</b>	<b>582 797</b>	<b>585 587</b>	<b>582 797</b>	<b>170 229</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>167 522 403</b>	<b>123 594 693</b>	<b>164 633 243</b>	<b>35 211 342</b>	<b>36 598 559</b>	<b>26 152 283</b>	<b>34 079 573</b>	<b>7 955 204</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

Note	INFLATION ADJUSTED		HISTORICAL COST		
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	
	ZWL000	ZWL000	ZWL000	ZWL000	
Gross premium written	20	76 635 262	49 367 656	55 106 064	11 407 035
Reinsurance	20	( 17 857 492)	( 10 748 886)	( 13 319 429)	( 2 489 181)
<b>Net premium written</b>		<b>58 777 770</b>	<b>38 618 770</b>	<b>41 786 635</b>	<b>8 917 854</b>
Unearned premium reserve		613 633	( 949 490)	( 1 996 409)	( 379 226)
<b>Net premium earned</b>		<b>59 391 403</b>	<b>37 669 280</b>	<b>39 790 226</b>	<b>8 538 628</b>
Rental income		2 717 705	2 062 419	2 120 545	480 100
Fair value adjustments - investment property		34 116 870	24 465 239	89 043 619	12 942 135
Net investment income	21	( 8 722 804)	8 634 069	8 692 297	3 852 705
Interest income from investments	21	1 427 712	219 683	704 915	57 556
Interest income from microfinance		724 767	386 377	504 012	92 960
Fee income:					
- Insurance contracts		1 037 366	1 550 646	827 974	324 142
- Investment contracts		67 796	46 168	66 530	10 968
Other income		1 739 021	814 396	1 141 899	158 690
Foreign currency exchange gain/(loss)		5 831 923	876 301	4 329 342	204 516
Monetary loss - IAS29		( 927 348)	( 2 970 171)	-	-
<b>Total income</b>		<b>97 404 411</b>	<b>73 754 407</b>	<b>147 221 359</b>	<b>26 662 400</b>
<b>EXPENDITURE</b>					
Pension benefits	22	( 1 463 562)	( 1 291 525)	( 1 202 530)	( 310 010)
Insurance claims and loss adjustment expenses	22	( 33 649 408)	( 23 558 279)	( 24 566 244)	( 5 458 563)
Insurance claims and loss adjustment expenses recovered from reinsurers	22	2 330 272	2 446 743	1 807 524	594 827
<b>Net insurance benefits and claims</b>		<b>( 32 782 698)</b>	<b>( 22 403 061)</b>	<b>( 23 961 250)</b>	<b>( 5 173 746)</b>
Movement in insurance contract liabilities		( 11 783 062)	( 12 741 323)	( 38 681 744)	( 6 445 136)
Movement in shareholder risk reserve		408 537	-	( 97 258)	-
Investment loss on investment contract liabilities		598 933	( 3 615 232)	( 1 561 010)	( 1 223 438)
Interest expenses from microfinance		( 273 622)	( 141 786)	( 187 086)	( 34 842)
Acquisition of insurance and investment contracts expenses		( 5 005 516)	( 3 313 674)	( 3 554 657)	( 777 361)
Administration expenses		( 19 612 036)	( 14 056 371)	( 14 917 425)	( 3 158 796)
Allowance for expected credit losses		( 759 557)	( 623 170)	( 759 557)	( 181 154)
Finance cost		( 18 025)	( 5 536)	( 11 731)	( 1 321)
<b>Total expenditure</b>		<b>( 69 227 046)</b>	<b>( 56 900 153)</b>	<b>( 83 731 718)</b>	<b>( 16 995 794)</b>
<b>Profit before share of (loss)/profit of associate</b>		<b>28 177 365</b>	<b>16 854 254</b>	<b>63 489 641</b>	<b>9 666 606</b>
Share of (loss)/profit of associate		( 96 646)	13 211	( 33 039)	33 647
<b>Profit before income tax</b>		<b>28 080 719</b>	<b>16 867 465</b>	<b>63 456 602</b>	<b>9 700 253</b>
Income tax expense		( 4 078 014)	( 5 416 379)	( 12 089 867)	( 2 237 306)
<b>Profit for the period</b>		<b>24 002 705</b>	<b>11 451 086</b>	<b>51 366 735</b>	<b>7 462 947</b>
<b>Other comprehensive income/(loss)</b>					
<b>Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period</b>					
Exchange gain/(loss) on translating foreign operations		( 1 070 279)	( 628 496)	3 512 167	( 44 246)
Share of other comprehensive income		283 191	49 224	134 992	14 309
<b>Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods</b>		<b>( 787 088)</b>	<b>( 579 272)</b>	<b>3 647 159</b>	<b>( 29 937)</b>
<b>Total comprehensive profit for the period</b>		<b>23 215 617</b>	<b>10 871 814</b>	<b>55 013 894</b>	<b>7 433 010</b>
<b>Profit attributable to:</b>					
Non-controlling interest		9 796 171	2 571 391	24 251 726	3 324 864
Equity holders of the parent		14 206 534	8 879 695	27 115 009	4 138 083
<b>Profit for the period</b>		<b>24 002 705</b>	<b>11 451 086</b>	<b>51 366 735</b>	<b>7 462 947</b>
<b>Comprehensive income attributable to:</b>					
Non-controlling interest		10 282 697	2 611 717	23 827 114	3 355 951
Equity holders of the parent		12 932 920	8 260 097	31 186 780	4 077 059
<b>Total comprehensive income for the period</b>		<b>23 215 617</b>	<b>10 871 814</b>	<b>55 013 894</b>	<b>7 433 010</b>
Basic earnings per share (cents)		1 956	1 223	3 733	570
Diluted earnings per share (cents)		1 956	1 221	3 733	569
Headline earnings per share (cents)		1 906	1 174	3 649	565
Diluted headline earnings per share (cents)		1 906	1 172	3 649	564

### CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST		
	AUDITED	AUDITED	UNAUDITED	UNAUDITED	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	
	ZWL000	ZWL000	ZWL000	ZWL000	
<b>Profit before income tax</b>		<b>28 080 719</b>	<b>16 867 465</b>	<b>63 456 602</b>	<b>9 700 253</b>
Total non- cash and separately disclosed items		( 14 095 225)	( 11 819 075)	( 53 715 042)	( 8 205 146)
<b>Operating cash flows before working capital changes</b>		<b>13 985 494</b>	<b>5 048 390</b>	<b>9 741 560</b>	<b>1 495 107</b>
Working capital changes		4 349 244	( 2 644 065)	4 286 914	( 470 612)
<b>Cash generated from operations</b>		<b>18 334 738</b>	<b>2 404 325</b>	<b>14 028 474</b>	<b>1 024 495</b>
Finance costs on lease liability		( 18 025)	( 5 536)	( 11 731)	( 1 321)
Cash settled share based payments		( 123 880)	( 509 457)	( 121 451)	( 136 224)
Interest received		1 427 712	219 683	704 915	57 556
Interest paid		( 194 757)	( 48 354)	( 126 373)	( 14 056)
Tax paid		( 1 319 783)	( 135 294)	( 727 153)	( 30 488)
<b>Net cash flows generated from operating activities</b>		<b>18 106 005</b>	<b>1 925 368</b>	<b>13 746 680</b>	<b>899 962</b>
<b>Net cash flow generated from/(used in) investing activities</b>		<b>( 9 120 435)</b>	<b>748 793</b>	<b>( 5 015 145)</b>	<b>156 902</b>
<b>Net cash flow used in financing activities</b>		<b>878 947</b> </			



### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE ENDED 30 DECEMBER 2022

#### INFLATION ADJUSTED

	Share capital	Share premium reserves	Non-distributable reserves	Retained earnings	Total equity for parent	Non-controlling interest	Total equity
	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
As at 1 January 2021	153 939	8 309 533	3 284 959	6 370 867	18 119 298	18 096 376	36 215 674
Restated as at 1 January 2021	153 939	8 309 533	3 284 959	6 370 867	18 119 298	18 096 376	36 215 674
Profit for the year	-	-	-	8 879 695	8 879 695	2 571 391	11 451 086
Other comprehensive (loss)/income	-	-	( 619 598)	-	( 619 598)	40 326	( 579 272)
<b>Total comprehensive (loss)/income</b>	-	-	( 619 598)	8 879 695	8 260 097	2 611 717	10 871 814
<b>Transactions with shareholders in their capacity as owners</b>							
Issue of shares	260 408	-	( 40 360)	739	220 787	-	220 787
- share options	39 621	-	( 40 360)	739	-	-	-
Issue of shares	220 787	-	-	-	220 787	-	220 787
Issue of Diamond Seguros shares to non-controlling interest	-	-	-	-	-	24 171	24 171
Acquisition of non-controlling interest in Diamond Seguros	-	-	50 623	17 207	67 830	( 67 830)	-
Acquisition of FMRE Holdings shares by non-controlling interest	-	-	( 103 155)	-	( 103 155)	-	( 103 155)
Dividend declared and paid	-	-	-	( 367 747)	( 367 747)	( 58 941)	( 426 688)
<b>As at 30 December 2021</b>	<b>414 347</b>	<b>8 309 533</b>	<b>2 572 469</b>	<b>14 900 761</b>	<b>26 197 110</b>	<b>20 605 493</b>	<b>46 802 603</b>
As at 1 January 2022	414 347	8 309 533	2 572 469	14 900 761	26 197 110	20 605 493	46 802 603
Profit for the year	-	-	-	14 206 534	14 206 534	9 796 171	24 002 705
Other comprehensive income	-	-	( 1 273 614)	-	( 1 273 614)	486 526	( 787 088)
<b>Total comprehensive income</b>	-	-	( 1 273 614)	14 206 534	12 932 920	10 282 697	23 215 617
<b>Transactions with shareholders in their capacity as owners</b>							
FMP redemption of shares	-	-	-	-	-	9 358	9 358
FMP treasury shares	-	-	57	16 508	16 565	( 16 565)	-
Remeasurement of Put option liability	-	-	( 1 971 730)	-	( 1 971 730)	-	( 1 971 730)
Reclassification of NCI to put option	-	-	-	-	-	362 506	362 506
Dividend declared and paid	-	-	-	( 389 650)	( 389 650)	( 186 507)	( 576 157)
<b>As at 31 December 2022</b>	<b>414 347</b>	<b>8 309 533</b>	<b>( 672 818)</b>	<b>28 734 153</b>	<b>36 785 215</b>	<b>31 056 982</b>	<b>67 842 197</b>

	Share capital	Share premium reserves	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 2021	727	39 417	569 159	3 352 409	3 961 712	2 653 035	6 614 747
Restated as at 1 January 2021	727	39 417	569 159	3 352 409	3 961 712	2 653 035	6 614 747
Profit for the year	-	-	-	4 138 083	4 138 083	3 324 864	7 462 947
Other comprehensive (loss)/income	-	-	( 61 024)	-	( 61 024)	31 087	( 29 937)
<b>Total comprehensive (loss)/income</b>	-	-	( 61 024)	4 138 083	4 077 059	3 355 951	7 433 010
<b>Transactions with shareholders in their capacity as owners</b>							
Issue of shares	54 151	-	( 223)	6	53 935	-	53 935
- share options	216	-	( 223)	6	-	-	-
- issue of shares	53 935	-	-	-	53 935	-	53 935
Issue of Diamond Seguros shares to non-controlling interest	-	-	-	-	-	5 092	5 092
Acquisition of non-controlling interest in Diamond Seguros	-	-	11 957	4 466	16 423	( 16 423)	-
Acquisition FMRE Holdings shares by non-controlling interest	-	-	( 29 987)	-	( 29 987)	-	( 29 987)
Dividend declared and paid	-	-	-	( 86 056)	( 86 056)	( 13 988)	( 100 044)
<b>As at 30 December 2021</b>	<b>54 878</b>	<b>39 417</b>	<b>489 882</b>	<b>7 408 908</b>	<b>7 993 086</b>	<b>5 983 667</b>	<b>13 976 753</b>
As at 1 January 2022	54 878	39 417	489 882	7 408 909	7 993 086	5 983 667	13 976 753
Profit for the year	-	-	-	27 115 009	27 115 009	24 251 726	51 366 735
Other comprehensive income	-	-	4 071 771	-	4 071 771	( 424 612)	3 647 159
<b>Total comprehensive income</b>	-	-	4 071 771	27 115 009	31 186 780	23 827 114	55 013 894
<b>Transactions with shareholders in their capacity as owners</b>							
FMP redemption of shares	-	-	52	15 528	15 580	5 153	5 153
FMP treasury shares	-	-	-	-	-	( 15 580)	-
Reclassification of NCI to put option liability	-	-	-	-	-	( 681 724)	( 681 724)
Remeasurement of Put option liability	-	-	( 1 971 730)	-	( 1 971 730)	-	( 1 971 730)
Dividend declared and paid	-	-	-	( 265 880)	( 265 880)	( 150 806)	( 416 686)
<b>As at 31 December 2022</b>	<b>54 878</b>	<b>39 417</b>	<b>2 589 975</b>	<b>34 273 566</b>	<b>36 957 836</b>	<b>28 967 824</b>	<b>65 925 660</b>

#### HISTORICAL COST

	Share capital	Share premium reserves	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 2021	727	39 417	569 159	3 352 409	3 961 712	2 653 035	6 614 747
Restated as at 1 January 2021	727	39 417	569 159	3 352 409	3 961 712	2 653 035	6 614 747
Profit for the year	-	-	-	4 138 083	4 138 083	3 324 864	7 462 947
Other comprehensive (loss)/income	-	-	( 61 024)	-	( 61 024)	31 087	( 29 937)
<b>Total comprehensive (loss)/income</b>	-	-	( 61 024)	4 138 083	4 077 059	3 355 951	7 433 010
<b>Transactions with shareholders in their capacity as owners</b>							
Issue of shares	54 151	-	( 223)	6	53 935	-	53 935
- share options	216	-	( 223)	6	-	-	-
- issue of shares	53 935	-	-	-	53 935	-	53 935
Issue of Diamond Seguros shares to non-controlling interest	-	-	-	-	-	5 092	5 092
Acquisition of non-controlling interest in Diamond Seguros	-	-	11 957	4 466	16 423	( 16 423)	-
Acquisition FMRE Holdings shares by non-controlling interest	-	-	( 29 987)	-	( 29 987)	-	( 29 987)
Dividend declared and paid	-	-	-	( 86 056)	( 86 056)	( 13 988)	( 100 044)
<b>As at 30 December 2021</b>	<b>54 878</b>	<b>39 417</b>	<b>489 882</b>	<b>7 408 908</b>	<b>7 993 086</b>	<b>5 983 667</b>	<b>13 976 753</b>
As at 1 January 2022	54 878	39 417	489 882	7 408 909	7 993 086	5 983 667	13 976 753
Profit for the year	-	-	-	27 115 009	27 115 009	24 251 726	51 366 735
Other comprehensive income	-	-	4 071 771	-	4 071 771	( 424 612)	3 647 159
<b>Total comprehensive income</b>	-	-	4 071 771	27 115 009	31 186 780	23 827 114	55 013 894
<b>Transactions with shareholders in their capacity as owners</b>							
FMP redemption of shares	-	-	52	15 528	15 580	5 153	5 153
FMP treasury shares	-	-	-	-	-	( 15 580)	-
Reclassification of NCI to put option liability	-	-	-	-	-	( 681 724)	( 681 724)
Remeasurement of Put option liability	-	-	( 1 971 730)	-	( 1 971 730)	-	( 1 971 730)
Dividend declared and paid	-	-	-	( 265 880)	( 265 880)	( 150 806)	( 416 686)
<b>As at 31 December 2022</b>	<b>54 878</b>	<b>39 417</b>	<b>2 589 975</b>	<b>34 273 566</b>	<b>36 957 836</b>	<b>28 967 824</b>	<b>65 925 660</b>

	Share capital	Share premium reserves	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 2021	727	39 417	569 159	3 352 409	3 961 712	2 653 035	6 614 747
Restated as at 1 January 2021	727	39 417	569 159	3 352 409	3 961 712	2 653 035	6 614 747
Profit for the year	-	-	-	4 138 083	4 138 083	3 324 864	7 462 947
Other comprehensive (loss)/income	-	-	( 61 024)	-	( 61 024)	31 087	( 29 937)
<b>Total comprehensive (loss)/income</b>	-	-	( 61 024)	4 138 083	4 077 059	3 355 951	7 433 010
<b>Transactions with shareholders in their capacity as owners</b>							
Issue of shares	54 151	-	( 223)	6	53 935	-	53 935
- share options	216	-	( 223)	6	-	-	-
- issue of shares	53 935	-	-	-	53 935	-	53 935
Issue of Diamond Seguros shares to non-controlling interest	-	-	-	-	-	5 092	5 092
Acquisition of non-controlling interest in Diamond Seguros	-	-	11 957	4 466	16 423	( 16 423)	-
Acquisition FMRE Holdings shares by non-controlling interest	-	-	( 29 987)	-	( 29 987)	-	( 29 987)
Dividend declared and paid	-	-	-	( 86 056)	( 86 056)	( 13 988)	( 100 044)
<b>As at 30 December 2021</b>	<b>54 878</b>	<b>39 417</b>	<b>489 882</b>	<b>7 408 908</b>	<b>7 993 086</b>	<b>5 983 667</b>	<b>13 976 753</b>
As at 1 January 2022	54 878	39 417	489 882	7 408 909	7 993 086	5 983 667	13 976 753
Profit for the year	-	-	-	27 115 009	27 115 009	24 251 726	51 366 735
Other comprehensive income	-	-	4 071 771	-	4 071 771	( 424 612)	3 647 159
<b>Total comprehensive income</b>	-	-	4 071 771	27 115 009	31 186 780	23 827 114	55 013 894
<b>Transactions with shareholders in their capacity as owners</b>							
FMP redemption of shares	-	-	52	15 528	15 580	5 153	5 153
FMP treasury shares	-	-	-	-	-	( 15 580)	-
Reclassification of NCI to put option liability	-	-	-	-	-	( 681 724)	( 681 724)
Remeasurement of Put option liability	-	-	( 1 971 730)	-	( 1 971 730)	-	( 1 971 730)
Dividend declared and paid	-	-	-	( 265 880)	( 265 880)	( 150 806)	( 416 686)
<b>As at 31 December 2022</b>	<b>54 878</b>	<b>39 417</b>	<b>2 589 975</b>	<b>34 273 566</b>	<b>36 957 836</b>	<b>28 967 824</b>	<b>65 925 660</b>

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Corporate information

The main business of First Mutual Holdings Limited ("the Company") and its subsidiaries (together the "Group") is that of provision of life and funeral assurance, health insurance, short term insurance, reinsurance, property management and development, wealth management, micro lending, funeral services and health services. First Mutual Holdings Limited is a public company, incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange.

The ultimate parent of the Company is National Social Security Authority ("NSSA") which owns 65.47% (2021: 65.53%) directly and an additional 7.10% (2021: 7.10%) indirectly through Capital Bank Limited (under liquidation). NSSA owns 84% (2021: 84%) of Capital Bank Limited. The registered office is located at Second Floor, First Mutual Park, 100 Borrowdale Road, Borrowdale, Harare, Zimbabwe.

The consolidated historical and inflation adjusted financial statements of the Company and the Group for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors at a meeting held on 21 March 2023.

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2.1 Statement of compliance

The Group's Abridged financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"), International Financial Reporting Committee Interpretations ("IFRIC") as issued by the International Financial Reporting Interpretations Committee ("IFRS IC") and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31). 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. Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Group and Company and historical information is supplementary.

#### 2.2 Accounting policies

The accounting policies applied in the reviewed abridged financial results are consistent with the accounting policies in the prior year financial statements.

#### 2.3 Inflation adjusted

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from the month-on-month consumer price index ("CPI") prepared by the Zimbabwe Statistical Agency. The conversion factors used to restate the financial statements at 31 December 2022 are as follows:

Date	CPI	Conversion factor
31 December 2021	3,977.50	3.44
31 December 2022	13,673.91	1

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

#### 3 Functional and presentation currency

##### a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in the ZWL which is the Company and the Group's functional and presentation currency.

##### b) Currency developments in Zimbabwe

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL		INFLATION ADJUSTED		HISTORICAL	
	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 31-Dec-21 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 31-Dec-21 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-21 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-21 ZWL000
<b>5 Property, vehicles and equipment</b>								
At 1 January	1 649 427	1 593 333	140 853	55 827	23 313	16 417	2 210	169
Additions	1 108 834	363 419	610 928	96 365	1 109	8 972	747	2 082
Disposals	(6 243)	(111 755)	(887)	(7 574)	-	-	-	(74)
Depreciation charge and disposal	(404 023)	(195 570)	(42 573)	(3 765)	(3 026)	(2 076)	(96)	33
<b>Closing balance</b>	<b>2 347 995</b>	<b>1 649 427</b>	<b>708 321</b>	<b>140 853</b>	<b>21 396</b>	<b>23 313</b>	<b>2 861</b>	<b>2 210</b>
<b>6 Investment property</b>								
At 1 January	77 423 908	52 886 479	22 506 950	9 549 054	-	-	-	-
Additions	150 263	72 190	82 790	15 761	1 686 397	-	1 074 138	-
Disposal or transfer to Subsidiaries	(217 710)	-	(160 028)	-	(293 760)	-	(272 000)	-
Transfer to Non-current asset held for sale	(38 400)	-	(38 400)	-	-	-	-	-
Fair value adjustments	34 116 870	24 465 239	89 043 619	12 942 135	(211 837)	-	378 662	-
<b>Closing balance</b>	<b>111 434 931</b>	<b>77 423 908</b>	<b>111 434 931</b>	<b>22 506 950</b>	<b>1 180 800</b>	<b>-</b>	<b>1 180 800</b>	<b>-</b>

The Group's fair values of its investment properties are based on valuations performed by Knight Frank Zimbabwe 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 applied as at 31 December 2022 as a result of the uncertainties resulting from the hyperinflationary economic environment, currency shifts, excessive market volatility and lack of recent transactions conducted in ZWL.

	INFLATION ADJUSTED		HISTORICAL		INFLATION ADJUSTED		HISTORICAL	
	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 31-Dec-21 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 31-Dec-21 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-21 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-21 ZWL000
<b>7 Leases</b>								
<b>Right of use assets</b>								
As at 1 January	48 046	98 426	13 967	17 772	200 517	131 289	23 124	2 809
Addition	70 708	-	38 957	-	-	-	-	-
Modification	-	-	-	-	226 050	123 889	102 490	26 619
Depreciation charge for the year	(30 886)	(27 971)	(17 017)	(5 050)	(78 663)	(54 660)	(23 165)	(6 304)
Exchange rate effects	(40 079)	(22 409)	11 882	1 245	-	-	-	-
<b>Closing balance</b>	<b>47 789</b>	<b>48 046</b>	<b>47 789</b>	<b>13 967</b>	<b>347 904</b>	<b>200 518</b>	<b>102 449</b>	<b>23 124</b>
Lease liability								
Current	1 713	9 147	1 713	1 654	4 295	9 307	4 295	1 683
Non-current	122 671	42 575	122 671	13 382	251 027	94 959	251 027	28 627
<b>Closing balance</b>	<b>124 384</b>	<b>51 722</b>	<b>124 384</b>	<b>15 036</b>	<b>255 322</b>	<b>104 266</b>	<b>255 322</b>	<b>30 310</b>
<b>8 Investment in subsidiaries</b>								
First Mutual Microfinance (Private) Limited	-	-	-	-	157 859	78 176	104 603	10 409
First Mutual Life Assurance Company (Private) Limited	-	-	-	-	19 033 206	13 072 213	18 206 148	3 464 343
First Mutual Health Company (Private) Limited	-	-	-	-	5 032 404	3 505 681	4 427 245	960 999
First Mutual Reinsurance Company (Private) Limited	-	-	-	-	868 373	2 020 828	927 000	595 114
FVIRE Property & Casualty (Proprietary) Limited	-	-	-	-	1 944 458	1 728 689	1 944 458	576 820
First Mutual Wealth Management (Private) Limited	-	-	-	-	231 509	224 088	213 764	58 563
NicozDiamond Insurance Limited	-	-	-	-	6 784 508	3 549 008	6 000 892	1 759 011
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34 052 317</b>	<b>24 178 683</b>	<b>31 824 110</b>	<b>7 425 259</b>
<b>9 Financial assets at fair value through profit or loss</b>								
At 1 January	21 099 593	11 792 310	6 133 603	2 129 191	1 069 054	625 976	310 771	113 025
Purchases	4 251 429	1 222 696	2 342 385	275 532	1 958	-	1 349	-
Disposals	(288 162)	(1 667 995)	(158 767)	(375 878)	(47 549)	(199 495)	(23 605)	(54 068)
Fair value gain on unquoted investments	305 712	485 506	2 066 947	312 376	-	-	-	-
Fair value gain on quoted equities	(7 695 765)	9 267 076	7 288 639	3 792 382	(489 328)	642 571	245 620	251 814
<b>Closing balance</b>	<b>17 672 807</b>	<b>21 099 593</b>	<b>17 672 807</b>	<b>6 133 603</b>	<b>534 135</b>	<b>1 069 052</b>	<b>534 135</b>	<b>310 771</b>
<b>10 Debt securities at amortised cost</b>								
At 1 January	642 096	456 707	186 656	82 462	81 304	-	23 635	-
Purchases	4 402 465	530 804	2 425 600	119 615	41 670	91 338	37 540	23 635
Maturities	(177 671)	(68 433)	(97 890)	(15 421)	(13 702)	-	(7 253)	-
Monetary loss adjustment	(2 352 524)	(276 982)	-	-	(55 350)	(10 034)	-	-
<b>Closing balance</b>	<b>2 514 366</b>	<b>642 096</b>	<b>2 514 366</b>	<b>186 656</b>	<b>53 922</b>	<b>81 304</b>	<b>53 922</b>	<b>23 635</b>
<b>11 Insurance, tenant and other receivables</b>								
Insurance receivables	7 898 519	4 422 052	7 898 519	1 285 480	-	-	-	-
Tenant receivables	493 841	309 978	493 841	90 110	-	-	-	-
Amounts due from Group companies	-	-	-	-	115 998	74 124	115 998	13 404
Other receivables	3 905 992	4 781 123	3 793 940	1 262 356	130 099	330 461	130 099	104 208
<b>Total</b>	<b>12 298 352</b>	<b>9 513 153</b>	<b>12 186 300</b>	<b>2 637 946</b>	<b>246 097</b>	<b>404 585</b>	<b>246 097</b>	<b>117 612</b>
<b>12 Cash and balances with banks</b>								
Money market investments with original maturities less than 90 days	8 733 508	3 655 202	8 733 508	1 062 559	106 708	835	106 708	151
Cash at bank and on hand	7 939 141	6 850 002	7 939 141	1 991 279	19 314	164 264	19 314	47 843
<b>Cash and balances with banks</b>	<b>16 672 649</b>	<b>10 505 204</b>	<b>16 672 649</b>	<b>3 053 838</b>	<b>126 022</b>	<b>165 099</b>	<b>126 022</b>	<b>47 994</b>
<b>13 Life insurance contracts and investment contracts with Discretionary Participating Features ("DPF") liabilities</b>								
At 1 January	37 630 196	24 888 873	10 939 010	4 493 874	-	-	-	-
Movement for the year	11 783 062	12 741 323	38 474 248	6 445 136	-	-	-	-
<b>Closing balance</b>	<b>49 413 258</b>	<b>37 630 196</b>	<b>49 413 258</b>	<b>10 939 010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL		INFLATION ADJUSTED		HISTORICAL	
	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 31-Dec-21 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 31-Dec-21 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-21 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-21 ZWL000
<b>14 Investment contract liabilities without DPF</b>								
At 1 January	5 777 096	2 585 982	1 679 388	466 919	-	-	-	-
Movement for the year	(2 536 698)	3 191 114	1 561 010	1 212 470	-	-	-	-
<b>Closing balance</b>	<b>3 240 398</b>	<b>5 777 096</b>	<b>3 240 398</b>	<b>1 679 388</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15 Shareholder risk reserve</b>								
At 1 January	-	-	-	-	-	-	-	-
Movement for the year	304 754	-	304 754	-	-	-	-	-
<b>Closing balance</b>	<b>304 754</b>	<b>-</b>	<b>304 754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>16 Insurance contract liabilities - short term</b>								
Outstanding claims	3 311 076	2 371 283	3 311 076	689 327	-	-	-	-
Reinsurance	4 876 316	2 074 747	4 876 316	603 124	-	-	-	-
Losses incurred but not reported	3 404 119	2 709 177	3 404 119	787 551	-	-	-	-
Members savings pot	1 273 748	819 558	1 273 748	238 244	-	-	-	-
Premium received in advance	1 154 976	742 200	1 154 976	215 756	-	-	-	-
Unearned premium reserve	6 005 438	6 372 141	4 950 173	782 370	-	-	-	-
Commissions	555 342	139 872	555 342	40 660	-	-	-	-
<b>Total</b>	<b>20 581 015</b>	<b>15 228 978</b>	<b>19 525 750</b>	<b>3 357 032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>17 Other payables</b>								
At 1 January	4 924 171	2 493 571	4 809 454	723 645	181 225	117 080	181 225	34 035
Other payables	1 451 214	1 112 163	1 336 497	322 074	14 050	14 503	14 050	4 216
Provisions	1 059 785	593 215	1 059 785	172 446	134 030	60 489	134 030	17 584
Payroll and statutory payables	864 807	489 741	864 807	142 366	32 776	41 069	32 776	11 939
Accrued expenses	1 253 956	1 715 561	1 253 956	49 872	48	156	48	45
Trade payables	268 034	126 891	268 034	36 887	321	863	321	251
Property/business related liabilities	479 178	160 325	479 178	46 606	-	-	-	-
Amounts due to group companies	-	-	-	-	76 032	34 548	76 032	10 043
<b>Total</b>	<b>5 376 975</b>	<b>2 653 896</b>	<b>5 262 258</b>	<b>770 251</b>	<b>257 257</b>	<b>151 628</b>	<b>257 257</b>	<b>44 078</b>
<b>18 Deferred income tax</b>								
At 1 January	10 898 550	5 674 105	3 154 960	973 449	-	-	-	-
Recognised through statement of comprehensive income	3 875 147	5 594 452	11 816 096	2 284 829	-	-	-	-
<b>Total</b>	<b>14 773 697</b>	<b>11 268 557</b>	<b>14 971 056</b>	<b>3 258 278</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19 Put option liability</b>								
At 1 January	1 954 261	-	568 099	-	-	-	-	-
Initial recognition	-	1 954 261	-	568 099	-	-	-	-
Reclassification from non-controlling interest	(362 506)	-	681 724	-	-	-	-	-
Remeasurement loss	1 971 730	-	1 971 730	-	-	-	-	-
Monetary gain adjustment	(341 932)	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>3 221 553</b>	<b>1 954 261</b>	<b>3 221 553</b>	<b>568 099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20 Net premium written</b>								
Pension and savings business	6 118 381	5 094 203	4 697 050	1 180 795	-	-	-	-
Life assurance	1 787 972	1 194 220	1 430 147	287 276	-	-	-	-
Health insurance	30 227 155	18 747 957	21 935 900	4 350 062	-	-	-	-
Property and casualty	38 501 754	24 331 276	27 042 967	5 588 902	-	-	-	-
<b>Gross premium written</b>	<b>76 635 262</b>	<b>49 367 656</b>	<b>55 106 064</b>	<b>11 407 035</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less: Reinsurance	(17 857 492)	(10 748 886)	(13 319 429)	(2 489 181)				



### SEGMENTAL RESULTS AND ANALYSIS FOR THE YEAR ENDED 31 DECEMBER 2022

INFLATION ADJUSTED	Property and Casualty and Health					Gross Figures ZWL000	Consolidation Entries ZWL000	Total Consolidated ZWL000
	Life ZWL000	Casualty ZWL000	Health ZWL000	Property ZWL000	Other ZWL000			
<b>As at 31 December 2022</b>								
Net Premium Earned	7 848 392	21 454 679	30 227 155	-	-	59 530 226	(138 823)	59 391 403
Rental income	-	161 898	-	2 852 757	-	3 014 655	(296 950)	2 717 705
Fair value adjustments on investment property	-	1 946 769	-	33 698 771	-	35 645 540	(1 528 670)	34 116 870
Investment income	13 741 508	799 727	(1 222 865)	399 559	6 646 708	20 364 637	(27 659 729)	(7 295 092)
Monetary gain/loss, fee and other income	3 025 787	761 199	5 332	687 121	3 389 605	7 869 044	604 481	8 473 525
<b>Total income</b>	<b>24 615 687</b>	<b>25 124 272</b>	<b>29 009 622</b>	<b>37 638 208</b>	<b>10 036 313</b>	<b>126 424 102</b>	<b>(29 019 691)</b>	<b>97 404 411</b>
Total expenses	(19 886 592)	(20 682 166)	(26 623 123)	(2 780 759)	(3 116 384)	(73 089 024)	3 861 978	(69 227 046)
Profit before income tax	5 155 881	2 049 255	2 144 652	34 927 756	7 186 832	23 589	28 057 130	28 080 719
Income tax expense	5 374	(1 291 532)	-	(2 974 791)	738	(4 260 211)	182 197	(4 078 014)
Deffered acquisition costs	-	1 327 101	-	-	-	1 327 101	-	1 327 101
Total assets	74 810 120	35 158 964	11 184 114	112 880 910	41 295 092	275 329 200	(107 806 797)	167 522 403
Movement in insurance contract liabilities	(11 783 474)	412	-	-	-	(11 783 062)	-	(11 783 062)
Movement in investment contract liabilities	598 933	-	-	-	-	598 933	-	598 933
Total liabilities	55 776 915	23 574 037	4 894 395	12 915 048	4 772 882	101 933 277	(2 253 071)	99 680 206
Cash flows from operating activities	4 373 255	13 186 294	2 247 417	(320 445)	970 030	20 456 552	(2 350 547)	18 106 005
Cash flows generated from/ (utilised in) investing activities	(305 559)	776 513	(173 068)	(308 957)	1 431 391	1 420 320	(10 540 755)	(9 120 435)
Cash generated from/ (utilised in) financing activities	-	(11 783 062)	(353 156)	(264 131)	(1 157 104)	(13 557 453)	14 436 400	878 947
<b>As at 31 December 2021</b>								
Net premium earned	1 965 645	4 379 722	6 338 813	-	-	12 684 180	24 985 100	37 669 280
Rental income	-	75 092	-	714 745	-	789 837	1 272 582	2 062 419
Fair value adjustments on investment property	-	(440 703)	-	(5 483 055)	-	(5 923 758)	30 388 997	24 465 239
Investment income	6 455 796	2 604 474	3 056 014	25 709	7 452 431	19 594 424	(10 740 672)	8 853 752
Monetary gain/loss, fee and other income	2 088 522	(141 149)	1 775 688	(119 061)	435 109	4 039 109	(3 335 392)	703 717
<b>Total income</b>	<b>10 509 963</b>	<b>6 477 436</b>	<b>11 170 515</b>	<b>(4 861 662)</b>	<b>7 887 540</b>	<b>31 183 792</b>	<b>42 570 615</b>	<b>73 754 407</b>
Total expenses	(8 777 027)	(3 370 474)	(6 730 799)	(556 258)	(1 126 776)	(20 561 334)	(36 338 819)	(56 900 153)
Profit/(loss) before income tax	2 172 691	2 055 662	4 439 715	(5 417 921)	6 763 527	10 013 673	6 715 256	16 728 929
Income tax expense	(29 320)	(245 818)	-	2 984 229	-	2 709 090	(8 125 469)	(5 416 379)
Deffered acquisitions costs	-	837 051	-	-	-	837 051	-	837 051
Total assets	72 201 298	28 259 542	7 429 507	72 739 479	78 785 812	259 415 639	(135 820 946)	123 594 693
Movement in insurance contract liabilities	(12 741 323)	-	-	-	-	(12 741 323)	-	(12 741 323)
Movement in investment contract liabilities	(3 615 232)	-	-	-	-	(3 615 232)	-	(3 615 232)
Total liabilities	47 564 299	19 354 698	4 980 545	3 244 238	3 737 357	78 881 136	(2 089 046)	76 792 090
Cash flows from operating activities	8 530 330	776 441	1 316 893	69 098	(683 110)	10 009 652	(8 084 283)	1 925 369
Cash flows generated from/ (utilised in) investing activities	82 850	268 607	34 549	(78 910)	626 743	933 839	(185 046)	748 793
Cash generated from/ (utilised in) financing activities	(2 676)	9 648 218	(505 082)	(76 708)	(41 175)	9 022 577	(8 568 010)	454 567

### SEGMENTAL RESULTS AND ANALYSIS (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

HISTORICAL COST	Property and Casualty and Health					Gross Figures ZWL000	Consolidation Entries ZWL000	Total Consolidated ZWL000
	Life ZWL000	Casualty ZWL000	Health ZWL000	Property ZWL000	Other ZWL000			
<b>As at 31 December 2022</b>								
Net premium earned	6 038 638	11 892 174	21 935 900	-	-	39 866 712	(76 486)	39 790 226
Rental income	-	266 725	-	2 066 034	-	2 332 759	(212 214)	2 120 545
Fair value adjustments on investment property	-	6 184 338	-	87 831 500	-	94 015 838	(4 972 219)	89 043 619
Investment income	54 498 373	1 891 371	1 275 461	66 600	22 744 346	80 476 151	(71 078 939)	9 397 212
Fee and other income	1 332 520	462 639	210 670	434 859	2 367 892	4 808 580	2 061 177	6 869 757
<b>Total income</b>	<b>61 869 531</b>	<b>20 697 247</b>	<b>23 422 031</b>	<b>90 398 993</b>	<b>25 112 238</b>	<b>221 500 040</b>	<b>(74 278 681)</b>	<b>147 221 359</b>
Total expenses	(47 195 965)	(14 991 017)	(18 773 162)	(2 138 461)	(2 195 930)	(85 294 534)	1 562 816	(83 731 718)
Profit before income tax	14 672 095	7 335 312	4 592 327	89 541 416	23 408 102	139 549 252	(76 092 650)	63 456 602
Income tax expense	(279 736)	(2 478 400)	-	(9 335 970)	-	(12 094 106)	4 239	(12 089 867)
Deffered acquisition costs	-	976 172	-	-	-	976 172	-	976 172
Total assets	73 966 076	33 779 661	10 359 980	112 481 286	78 378 293	308 965 295	(144 332 052)	164 633 243
Movement in insurance contract liabilities	(38 681 744)	-	-	-	-	(38 681 744)	-	(38 681 744)
Movement in investment contract liabilities	(1 561 010)	-	-	-	-	(1 561 010)	-	(1 561 010)
Total liabilities	55 759 927	22 634 799	4 894 395	12 631 105	4 772 671	100 692 897	(1 985 314)	98 707 583
Cash flows from operating activities	1 233 068	7 265 176	4 729 876	(329 178)	1 534 452	14 433 394	(686 714)	13 746 680
Cash flows generated from/ (utilised in) investing activities	30 968	427 831	30 048	(118 632)	788 645	1 158 860	(6 174 005)	(5 015 145)
Cash generated from/ (utilised in) financing activities	-	-	(288 132)	(211 619)	(637 523)	(1 137 274)	2 046 802	909 528
<b>As at 31 December 2021</b>								
Net premium earned	537 146	1 138 278	1 719 809	-	-	3 395 233	5 143 395	8 538 628
Rental income	-	20 777	-	190 173	-	210 950	269 150	480 100
Fair value adjustments on investment property	-	34 193	-	360 769	-	394 962	12 547 173	12 942 135
Investment income	1 969 985	838 614	1 033 131	5 392	2 385 447	6 232 569	(2 322 308)	3 910 261
Fee and other income	159 909	45 675	18 415	12 357	131 639	367 995	423 281	791 276
<b>Total income</b>	<b>2 667 040</b>	<b>2 077 537</b>	<b>2 771 355</b>	<b>568 691</b>	<b>2 517 086</b>	<b>10 601 709</b>	<b>16 060 691</b>	<b>26 662 400</b>
Total expenses	(2 354 723)	(905 881)	(1 834 723)	(151 743)	(311 162)	(5 558 232)	(11 437 562)	(16 995 794)
Profit before income tax	312 027	930 791	935 651	412 982	2 205 512	4 814 963	4 885 290	9 700 253
Income tax (expense)/credit	303 818	837 977	959 534	351 929	2 210 522	4 663 780	(6 901 086)	(2 237 306)
Deffered acquisitions costs	-	162 030	-	-	-	162 030	-	162 030
Total assets	9 249 054	6 164 009	2 107 827	21 008 972	6 675 479	45 205 341	(9 993 999)	35 211 342
Movement in insurance contract liabilities	(6 445 136)	-	-	-	-	(6 445 136)	-	(6 445 136)
Movement in investment contract liabilities	(1 223 438)	-	-	-	-	(1 223 438)	-	(1 223 438)
Total liabilities	12 714 078	5 838 670	1 830 216	981 254	503 965	21 868 183	(633 594)	21 234 589
Cash flows from operating activities	2 111 562	954 860	361 378	34 692	(160 650)	3 301 842	(2 401 880)	899 962
Cash flows generated from/ (utilised in) investing activities	20 012	51 710	9 848	(22 809)	172 019	230 780	(73 878)	156 902
Cash utilised in financing activities	(780)	735 398	(138 116)	(21 511)	(15 116)	559 875	(459 616)	100 259

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