FIRST MUTUAL
HOLDINGS LIMITED

Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

Annual Report 2021

Plan ahead, prepare for the unexpected

Vision

To be a leader in our chosen markets by providing superior returns to all our stakeholders, ensuring stability, security and growth.

Mission

To be an investment and financial services group that provides accessible solutions which offer peace of mind and enrich the lives of all households, communities and businesses in our chosen markets by managing risk, creating and managing wealth.

Values

- **Integrity -** We are true to self and true to others.
- **Accountability -** We take responsibility for our actions.
- **Professionalism -** We display expert competence in the way we do business.
- **Sustainability -** We believe in continuance and preservation of future generations.
- **Care -** We show concern and seek the well-being of all our stakeholders.
- **Innovation -** We strive for creativity and relevance in our market.

ABOUT THIS REPORT

First Mutual Holdings Limited, a Zimbabwean company listed on the Zimbabwe Stock Exchange since 2003 presents the annual report for the year ended 31 December 2021. This report integrates both financial and sustainability information demonstrating our commitment to transparency and accountability.

Reporting Scope
This report contains information for First Mutual Holdings Limited (the "Company") and its subsidiaries (together "the Group"). First Mutual Holdings Limited incorporated and domiciled in Zimbabwe, is an investment holding company. In this document, unless otherwise noted references to ''our", ''we", ''us", ''the Group", ''First Mutual" refer to First Mutual Holdings Limited and its subsidiaries.

Reporting Frameworks
This report was prepared with due consideration of:

- Companies and Other Business Entities Act [Chapter 24:31] (Zimbabwe).
- Statutory Instrument 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules.
- International Financial Reporting Standards (IFRS).
- Global Reporting Initiative (GRI) Standards.

Sustainability Data
Quantitative and qualitative sustainability data was extracted from management, policy documents, company records and personnel responsible for various key result areas of the business. In some instances, estimations were made and confirmed for consistency with business operations.

External Assurance
The financial statements were audited by Ernst and Young (Zimbabwe) in accordance with the International Auditing Standards (ISAs). The independent auditor's report is contained on pages 63 to 68. Non-financial disclosures were validated for compliance with GRI Standards disclosure requirements by The Institute for Sustainability Africa (INSAF), as independent subject matter experts. A GRI Content Index is contained on pages 200 to 201. Non-financial data provided in this report was not externally assured.

Reinstatements
There were no restatements of data previously reported.

Report Declaration
The Board of Directors takes the responsibility to confirm that this report has been prepared in accordance with the GRI Standards - Core option.

Forward-looking Statements
This report contains certain forward-looking statements. Terms such as 'anticipates', 'intends', 'looks', 'believes', 'will', 'aim', or other similar expressions of future performance are used to identify forward looking statements. These statements and forecasts involve risk and uncertainty, as they relate to events and depend on circumstances that may occur or not occur in the future. Various factors could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Readers are cautioned not to put undue reliance on forward looking statements.

Feedback on the Report
We value your feedback on our report, please feel free to send your comments to Sheila Lorimer (Mrs), Company Secretary, e-mail: Slorimer@firstmutual.co.zw.

A.R.T. Manzai
(Chairman)
5 June 2025

D. Hoto
(Chief Executive)
5 June 2025

CONTENT

GROUP STRUCTURE

FIRST MUTUAL
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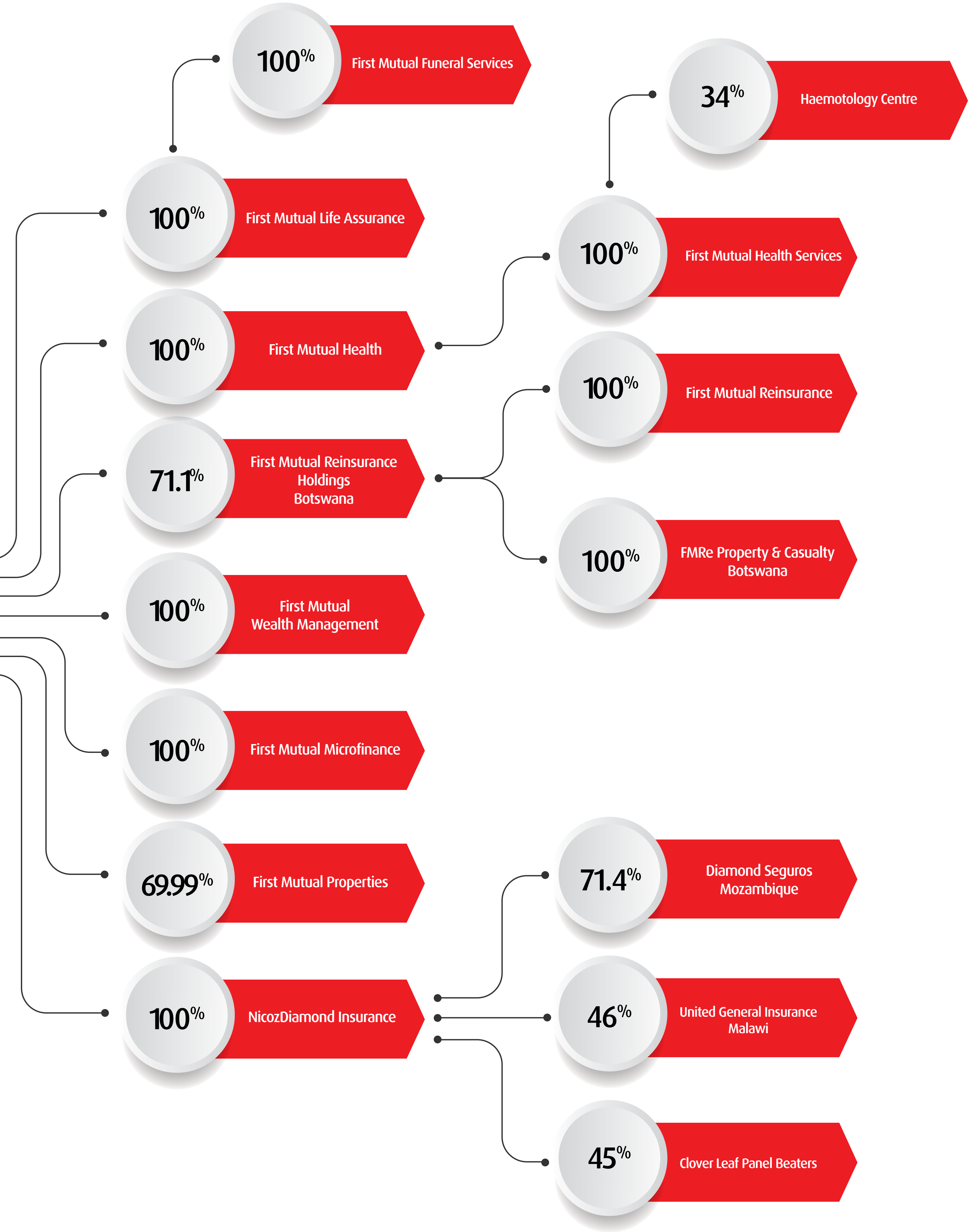
First Mutual Holdings at a Glance

First Mutual Holdings Limited is a leading financial services group that is committed to creating value through risk management, wealth creation, and wealth management predominantly in the insurance sector.

Our brand is the financial ally that plays an integral role in preparation for a better tomorrow for individuals and institutions, by availing them the economic dignity of being prepared for lifetime obligations through our subsidiaries.

Our professional and client-centric team is solution-driven, and provides tools that create sustainable value for our customers. We have diverse interests in life assurance, health insurance, short term insurance, reinsurance, savings, wealth management, as well as property, microfinance, funeral services and health services through our vast business portfolio.



All Companies are domiciled in Zimbabwe except for those highlighted.

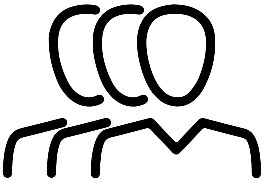
WHAT WE OFFER

Product Category	Product Summary	Subsidiary
Life Assurance	• Individual life assurance services • Employee benefits	First Mutual Life Assurance Company Creating Wealth For Life A Member Of First Mutual Holdings Limited
Health Insurance	• Health insurance/Medical Aid • 1st Care wellness • Health services	First Mutual Health Go Beyond
General Insurance	• Personal insurance • Corporate insurance	NicozDiamond Insurance Limited You never know what will happen a member of First Mutual Holdings Limited UGI United General Insurance Company Limited Diamond Seguros
Reinsurance	• Property and casualty reinsurance	First Mutual Reinsurance Go Beyond FMRE Property & Casualty Botswana Insuring the insurers A member of First Mutual Holdings Limited
Wealth Management	• Segregated portfolios • High net worth client portfolios • Unit trusts	First Mutual Wealth Go Beyond
Property Management	• Office parks • Retail • CBD office space • Industrial	First Mutual Properties Go Beyond
Microfinance	• Individual products • SME & Corporate Lending	First Mutual Microfinance Go Beyond
Funeral Services	• Repatriation • Events and Services • Transport • Caskets	First Mutual Funeral Services Go Beyond
Health Services	• Pharmacies • Hospitals and Clinics • Dental services	First Mutual Health Services Go Beyond

WHERE WE OPERATE

	Zimbabwe	Botswana	Mozambique	Malawi
Employees (Count)	536	10	17	17

580
Employees



48%
Female

STANDARDS AND MEMBERSHIP

Business Memberships

First Mutual Holdings Limited is a member of the following:

- Zimbabwe Association of Pension Funds (ZAPF).
- Actuarial Society of Zimbabwe (ASZ).
- Life Offices Association (LOA).
- Insurance Council of Zimbabwe (ICZ).
- Association of Health Funders.
- Medicines Control Authority of Zimbabwe (MCAZ).
- Pharmacist Council of Zimbabwe (PCZ).
- Health Professions Authority (HPA).
- Medical Dental Practitioners of Zimbabwe (MDPZ) .
- Real Estate Institute of Zimbabwe (REIZ).
- Zimbabwe Association of Funeral Assurers (ZAFA).
- Funeral Undertakers Directors Association of Zimbabwe.

Standards and Certifications

- First Mutual Life Assurance Company: ISO 9001:2015 Certification.
- First Mutual Health Company: ISO 9001:2015 Certification.

RECOGNITIONS AND AWARDS

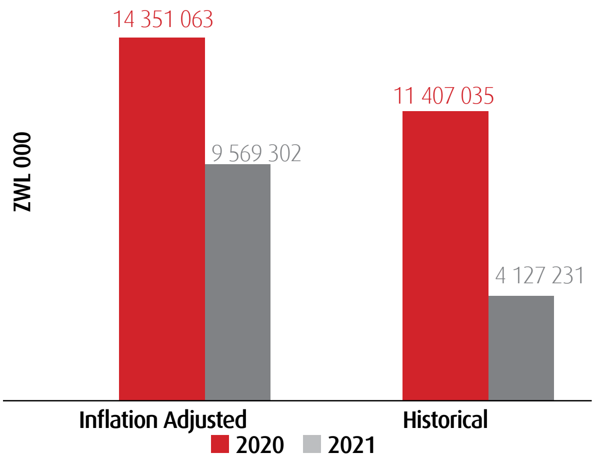
- First Mutual Life 2nd Runner Up Life Assurance Company of the Year Zimbabwe Independent Insurance Survey 2021 Awards
- First Mutual Life Most Innovative Insurance Company of the Year Zimbabwe Independent Insurance Survey 2021 Awards
- First Mutual Health 1st Runner up in the Health Insurance Sector Marketers Association of Zimbabwe (MAZ) Superbrand Awards 2021
- First Mutual Health 1st runner up in the Health Insurance sector Contact Centre Association of Zimbabwe (CCAZ) Awards 2021
- First Mutual Health 11th position in the Business to Business Category Marketers Association Superbrand Awards 2021
- NicozDiamond Insurance 1st Runner Up Short Term Insurance Company of the Year Marketers Association Superbrand Awards 2021
- Best Life Insurance Sector Winner Fingaz Top Companies Survey 2015, 2016
- ISO re-certification
- Megafest Awards - Insurance Company of the Year Southern Region Megafest Business Awards 2015
- Most Consistent Organisation of the year 2015 Northern Region Megafest Business Awards 2015
- Customer Service Excellence 1st runner up award in the Service of the year category at the National Annual Quality Awards hosted by Standards Association of Zimbabwe (SAZ)
- Zimbabwe Business Awards Company of the year national award 2018
- First runner-up in the Life Assurance category by Marketers Association of Zimbabwe 2020
- Life Assurance Company of the year: 2nd Runner Up Zimbabwe Independent Insurance Survey 2021
- Most Innovative Insurance Company Zimbabwe Independent Insurance Survey 2021

PERFORMANCE HIGHLIGHTS

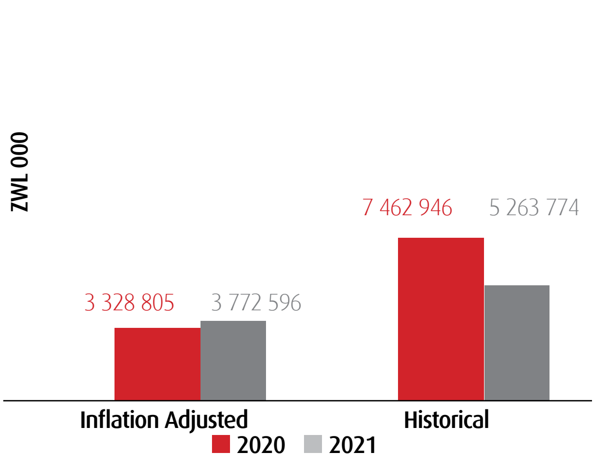
FINANCIAL HIGHLIGHTS

	Hyper Inflated ZWL 000		Historical Unaudited ZWL 000	
	2021	2020	2021	2020
Total Gross Premium Written	14,351,063	9,569,302	11,407,035	4,127,231
Net Premium Earned	10,950,373	6,720,506	8,538,628	2,916,579
Investment Income	2,509,904	557,471	3,852,705	1,464,678
Rental Income	599,540	414,424	480,100	174,758
Profit before Income Tax	4 746 038	3,440,445	9,542,958	6,042,924
Total Assets	35,928,690	25,010,580	35,211,342	14,990,970
Share Performance				
Basic earnings per share	354	280	548	413
Market price per share (ZWL cents)	2,000	1,544	2,000	959

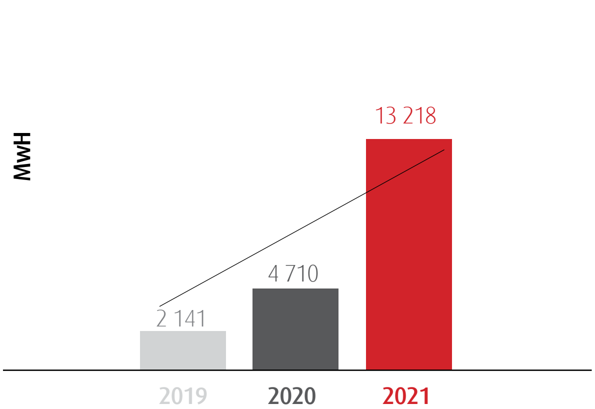
Total Premiums Written



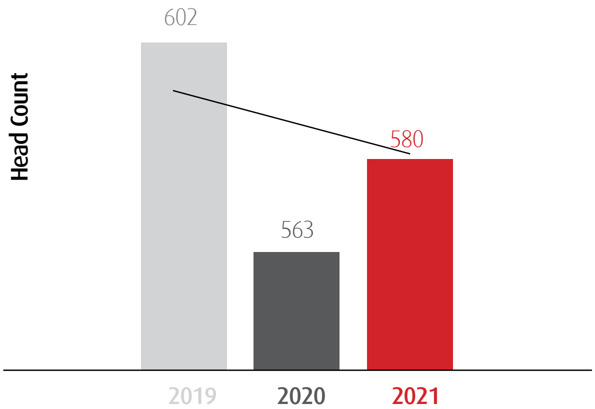
Profit



Electricity Consumption



Total Employees



CHAIRMAN'S STATEMENT

ECONOMIC OVERVIEW

Throughout 2021 COVID-19 continued to negatively impact the global economy, while nations made significant strides towards a return to normal economic activity by way of vaccinating a significant portion of their population. Worldwide the more deadly Delta variant was overtaken by the more infectious Omicron variant. Governments predictably responded with travel bans, increased testing, vaccinations and lockdowns, some of which measures negatively impacted on economic activity and social interaction. In Zimbabwe, the Government announced that 41.3% of the adult population had been vaccinated by 31 December 2021, a commendable achievement compared to the rest of the continent.

The initial Ministry of Finance and Economic Development GDP growth projection of 7.4% for 2021 was subsequently revised upwards to 7.8%. Underpinning the growth was a significant improvement in agricultural and mining production in the second half of the year. In addition, significant infrastructural disbursements in road construction, irrigation expansion and power projects were made during the year thus contributing to GDP growth. Manufacturing industry capacity utilisation is estimated to have increased to approximately 60-65% compared to 47% in the prior year spurred on by increased agricultural and mining output for the year. A combination of diaspora remittances, grant aided institution as well as capital inflows of over US$300 million resulted in a surplus for the year amounting to USD926.8 million.

The economy benefited significantly from the fall in inflation from a year-on-year high of 362.6% in January 2021 to 60.7% by December 2021. This positive trend could be reversed if there is volatility in the value of the Zimbabwe dollar or reserve money growth exceeds the targets set by the authorities. The widening gap of the premium between the Reserve Bank of Zimbabwe (RBZ) Dutch Foreign Currency Auction system and the alternative market exchange rates as well as availability timelines for funds allocated at the auction may impact on business confidence. Volatile exchange rate movements have a negative impact on business operations and certain investment asset classes.

The Zimbabwe Stock Exchange (ZSE) All Share Index gained 310.5% during 2021, outpacing both inflation and exchange rate movements, resulting in real value gains for listed equity asset class holders. Given the obtaining environment, the Group maintains that real assets remain a viable long-term asset class especially in the light of volatile exchange rate movements which result in heightened currency risk. The Group will continue to invest in real asset portfolios diversifying investments into private equity, property, foreign investments as well as stable currency denominated equities. The Group CEO will adequately cover the performance of our business units. Suffice it to say that the Group benefited much from its policy of investing in real assets with returns exceeding inflation year on year.

GROUP REGIONAL DEVELOPMENTS

The reinsurance cluster completed a BWP61 million capital raise in Botswana through its partnership with the Aleyo Growth Fund 1 GP (Proprietary) Limited. The Group, through NicozDiamond, also followed its rights in the recapitalisation of Diamond Companhia de Seguros ("Diamond Seguros") with capital injection of US$915,000 in August 2021. The capitalisation resulted in the Company exceeding the minimum regulatory capital to operate in Mozambique.

CHAIRMAN'S STATEMENT (continued)

*"Inflation adjusted Net investment income of **$2.5 billion** reflected an increase of 350% against the same period in 2020."*

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. Inflation adjusted financial results therefore represent the main financial statements with historical cost financials provided as supplementary information. The Group has continued to apply IAS 29 for the year ended 31 December 2021.

Comprehensive income highlights

	Inflation adjusted-Audited		Historical cost-Unaudited	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Gross Premium Written	14,351,063	9,569,302	11,407,035	4,127,231
Net Premium Earned	10,950,373	6,720,506	8,538,628	2,916,579
Rental income	599,540	414,424	480,100	174,758
Investment income	2,509,904	557,471	3,852,705	1,464,678
Fair value gains on investment property	7,111,988	5,246,177	12,942,135	8,184,676
Profit before income tax	4 746 038	3,440,445	9,542,958	6,042,924
Profit for the period	3,171,510	3,772,594	7,305,652	5,263,773

Financial position highlights

	Inflation adjusted-Audited		Historical cost-Unaudited	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Total assets	35,928,690	25,010,577	35,211,342	14,990,970
Insurance and Investment contract liabilities	12,618,398	7,986,877	12,618,398	4,960,793
Cash generated from operations	540,192	2,484,110	911,734	875,779

Share performance

	Inflation adjusted-Audited		Historical cost-Unaudited	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Market price per share (cents)	2000	1544	2000	959
Basic earnings per share (cents)	334	280	548	413

FINANCIAL PERFORMANCE

Statement of comprehensive income

Gross Premium Written ("GPW"), at $14.3 billion, increased by 50% in inflation adjusted terms as a result of organic growth on the existing portfolio and the continuous revaluation of insurance policy values in line with inflation to ensure clients have adequate cover.

Net investment income of $2.5 billion reflected an increase of 350% against the same period in 2020. The investment gains were driven by fair value adjustments on listed and unlisted equities in line with the general performance of the ZSE Industrial Index.

Overall, the Group incurred an inflation adjusted profit for the period of $3.2 billion mainly due to the increase in the top line as well as fair value gains on investment property and equity instruments.

Statement of financial position

The Group's total assets appreciated in value by 44% from 31 December 2020 to 31 December 2021. The growth is mainly attributable to the fair value adjustment on investment properties and listed equities.

Investment property witnessed significant growth in Zimbabwe dollar values determined as at 31 December 2021. The ZWL significantly depreciated in value against the United States Dollar which also impacted the forward-looking information utilised in the valuation hence the fair value gain of $7.1 billion to 31 December 2021.

SUSTAINABILITY

Our understanding of sustainability is one of managing risks and creating opportunities for both the Group and external stakeholders. The objective of sustainable economic value creation is anchored in the core principles of our corporate strategy and values.

In our insurance business, we make systematic allowance for environmental, social and governance ("ESG") aspects. This holds true in our internal underwriting processes and also applies to our products and services. Sustainability is not only embedded in our core insurance operations but also in our investment philosophy as exemplified by the investment into the First Mutual Park solar plant for clean energy.

The Group remains optimistic of opportunities for business growth in the foreseeable future.

FIRST MUTUAL IN THE COMMUNITY

First Mutual continues to actively contribute to the community in which we operate. We contributed to the national effort to mitigate the impact of COVID-19 through the First Mutual Health vaccination programme which has assisted in resourcing local government clinics. The Group is also playing a key role in equipping university students with financial literacy education through its Future First programme and providing support to cancer awareness programs.

OUTLOOK

The Ministry of Finance and Economic Development is projecting that the economy will recover, with growth projections of 5.5% in 2022 led by infrastructural development as well as increases in the output of the major sectors of the economy including mining and agriculture. The International Monetary Fund's allocation of Special Drawing Rights to mitigate against the impact of COVID-19 will enhance recovery prospects for the country.

The Group will take advantage of its diverse business portfolio, existing and new strategic partnerships, as well as its regional footprint to galvanise a sustained growth trajectory in the future.

DIRECTORATE

Mr Mathew Mangoma, Mrs Agnes Masiiwa and Mr Fredson Mangoma were appointed as non-executive directors with effect from 1 January 2021. Mr Israel Ndlovu was appointed as an independent director with effect from 9 September 2021. On behalf of the Board, I welcome them and look forward to their positive contributions..

DIVIDEND

On 28 March 2022 the Board resolved that a final dividend of $115 million, being 15.73 Zimbabwe cents per share, be declared from the profits of the Company for the year ended 31 December 2021. This brings the total dividend for the year to $0.21 or 20.55 cents per share. The dividend will be payable on or about 27 May 2022 to all shareholders of the Company registered on the close of business on 13 May 2022. The shares of the company will be traded cum-dividend on the ZSE up to 10 May 2022 and ex-dividend as from 11 May 2022.

APPRECIATION

On behalf of the Board and myself personally, I would like to extend my heartfelt gratitude to our customers, regulators and wider stakeholders for their support during an unprecedented year overshadowed by the challenges of COVID-19 to which we all had to adapt. We acknowledge the commitment displayed by all staff in executing their duties in such a challenging environment. Finally, I wish to thank my fellow board members for their open and honest contributions in our deliberations, their guidance and support for management, above all, their wisdom. I thank you.

A. R. T. Manzai
Chairman

5 June 2025

GCEO REVIEW OF OPERATIONS

During the year ended 31 December 2021 there was a gradual relaxation of lockdown measures associated with the COVID-19 pandemic as measures to mitigate the impact of the pandemic, particularly vaccination roll out programs, yielded positive results. The easing of COVID-19 restrictions facilitated the recovery of economic activity globally and locally though the tourism sector was adversely affected by the advent of the Omicron variant in the fourth quarter of the year.

The Group remained focused on fulfilling its promise on the core pillars of risk management, wealth creation and wealth management by enhancing access to our products and services through digital platforms to reduce the impact of COVID-19 lockdown measures.

OPERATIONS REVIEW

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

LIFE AND PENSIONS BUSINESS

First Mutual Life Assurance Company (Private) Limited
GPW increased by 119% to $1.83 billion in inflation adjusted terms mainly due to inflation related adjustments by employers to basic salaries that drive pension contributions and group life assurance covers in the Employee Benefits division. The underwriting of foreign currency denominated products as well as higher Zimbabwe dollar assurance covers contributed to higher revenue in the retail division. The company adjusted its operating structure to align to changing market preferences and continued to invest in the funeral services unit.

HEALTH BUSINESS

First Mutual Health Company (Private) Limited
The GPW grew by 70% to $5.4 billion in inflation adjusted terms mainly due to revision of contributions to maintain the ability to continue meeting the expectations of members as health service costs increased in real terms. In addition, the company experienced growth in foreign currency denominated premiums which tend to have lower shortfalls relative to ZWL premiums. The claims ratio increased to 81.17% from 73.21% in the same period owing to increased access to services by members and charges by service providers rising faster than the premiums paid by members. Membership declined from 131,196 members in December 2020 to 117,880 members by December 2021, reflecting the challenging economic environment which limited the capacity of some clients to pay contributions. The Group continued with initiatives to invest in facilities for improved affordable services for members with additional pharmacies and clinics being opened.

*"Revenue increased by **38% to $582 million** in inflation adjusted terms in 2021 due to rental reviews in line with inflationary trends"*

SHORT-TERM INSURANCE BUSINESS

NicozDiamond Insurance Limited
GPW grew by 34% to $4.43 billion in inflation adjusted terms due to continuous asset value revisions to protect clients against insurance value erosion through inflation and organic growth within the existing portfolios. There was an increased preference for USD denominated policies by clients as a hedge against insurance value erosion in local currency. The claims ratio at 35% was in line with the prior year ratio of 36% mainly as a result to continued lockdowns.

Diamond Seguros
Diamond Seguros migrated from an associate to a subsidiary with effect from 1 December 2020, however performance analysis is on full year's financial statements. GPW grew by 75% in 2021 as a result of improved broker business due to improved confidence after recapitalisation of the business in the third quarter of 2020. In Mozambican Metical (MZN), the GPW growth was 29% to MZN193 million. The claims ratio at 32% was higher than the comparative period of 18% due to the stricter lockdowns in 2020. In August 2021, the Group concluded a further capital injection of USD0.9 million through a rights offer to ensure that the company exceeded the revised minimum regulatory capital level, thus increasing its shareholding from 50.4% to 71.4%.

REINSURANCE BUSINESS

First Mutual Reinsurance Company Limited - Zimbabwe
The GPW increased by 70% to $588.3 million in inflation adjusted terms principally due to improved business written in foreign currency. The reintroduction by the authorities in July 2020 of the policy permitting the payment for goods and services in local and foreign currency led to an increase in USD policies which led to more business for reinsurers as there was limited USD underwriting capacity locally. The claims ratio further increased to 55% from 49% in 2020 as a result of the change in the business mix.

FMRE Property and Casualty (Proprietary) Limited - Botswana
GPW grew by 4% to $2.1 billion in 2021. The annual growth was 14% in Botswana Pula terms, at BWP179.1 million, arising from improved local and international treaty participation and growth of specialist lines of business under the casualty segment. The claims ratio, at 39%, was marginally lower than the prior period level of 41%.

PROPERTY AND WEALTH MANAGEMENT BUSINESSES

First Mutual Properties Limited
Revenue increased by 38% to $582 million in inflation adjusted terms in 2021 due to rental reviews in line with inflationary trends and an increase in the occupancy rate to 89.33% in 2021 compared to 88.22% in 2020. Independent investment property valuations as at 31 December 2021 resulted in increased fair value gains in the investment property portfolio value, due to the significant movement in the exchange rate and inflationary pressures which impacted expected rentals in the future from a capitalisation perspective.

First Mutual Wealth Management (Private) Limited
Investment management fees grew by 21% to $83 million in inflation adjusted terms mainly due to the increase in funds under management underpinned by the growth on the ZSE All Index performance. Funds under management grew by 128% during the period under review. The company also saw an improvement in the third party funds under management during the year.

SUSTAINABILITY

Our objective is to create sustainable economic value through the adoption of a long-term approach to environmental stewardship, social responsibility and corporate governance. This is critical to our business success, as we are committed to delivering on our promises to our stakeholders, in particular our customers, investors and society as a whole.

"We remained focused on the safety and wellbeing of our employees in the COVID-19 era."

HUMAN CAPITAL

The exceptional quality and resilience of our employees is the core pillar to our success. In spite of the adverse environment, our team remained steadfast in its commitment to serve our clients and implement our strategy. We remained focused on the safety and wellbeing of our employees in the COVID era. Although the remote working concept was in force, the team remained cohesive with a strong sense of togetherness and unity of purpose across the Group. We will continue to invest in human capital retention and development through various programmes which include migrating towards online training platforms.

CORONAVIRUS PANDEMIC

It is difficult to comment on our operational and financial performance without mention of the pandemic which has been in our midst during the last two financial years. First Mutual Health was actively involved in the government driven vaccination exercise by providing human and financial resources. As a Group, we lost two colleagues due to the pandemic and we express our sympathy to their families. We have continued to take measures to ensure the safety and wellbeing of our employees, customers and other stakeholders.

LOOKING AHEAD

While there are uncertainties, the Group's solid financial position, coupled with a diversified business model, are expected to deliver sustainable growth and value creation for all our stakeholders. We remain confident in the country's medium-term economic prospects and will thus continue to invest in core businesses and complementary areas.

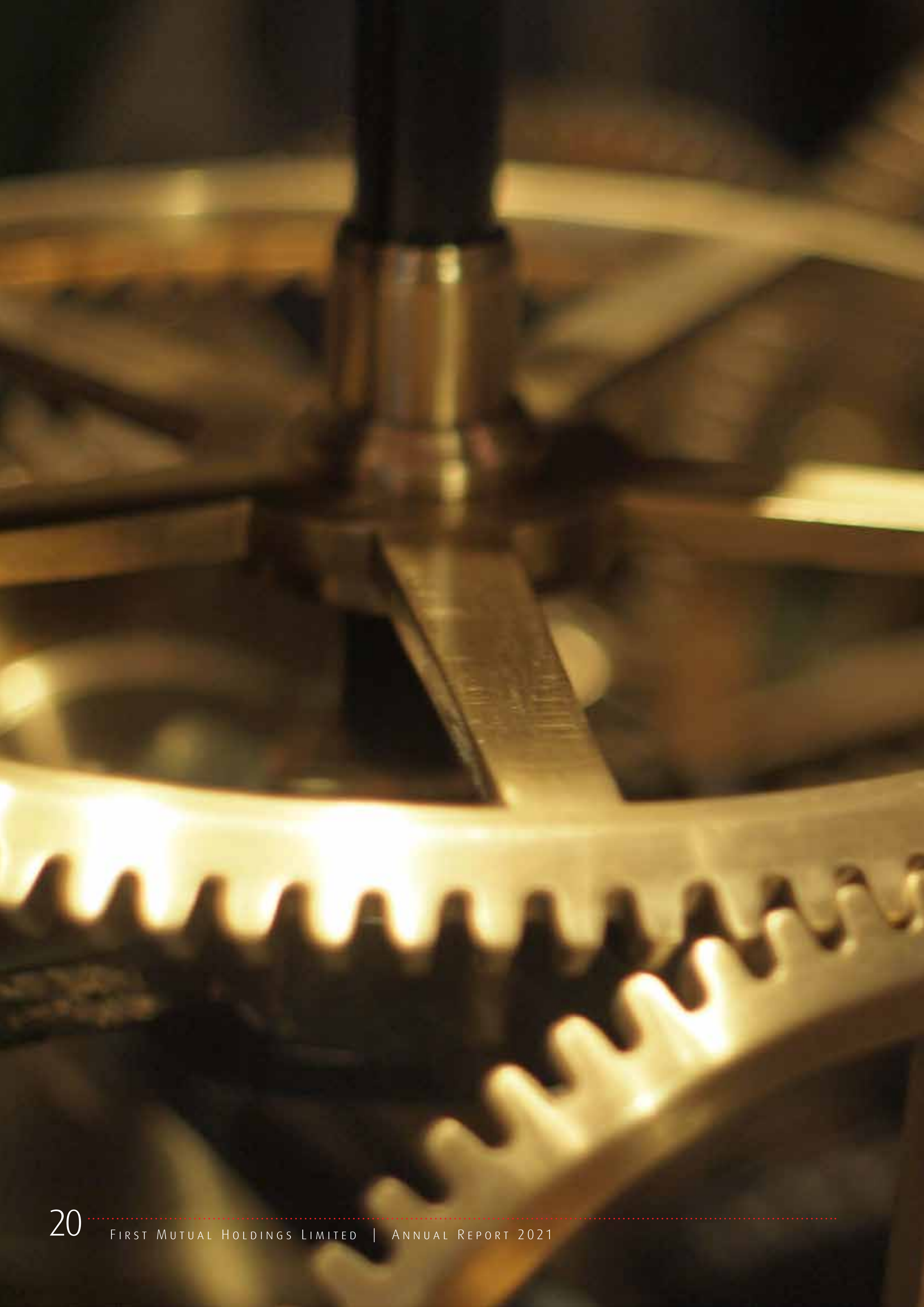
During 2021, this approach included the recapitalisation of our insurance subsidiary in Mozambique, Diamond Seguros, to meet regulatory capital requirements and capacitating the unit to underwrite health insurance business. At the close of the year, the Group finalised the capital raise for the reinsurance cluster with BWP61 million raised through a Botswana based financial partner, Aleyo Growth Fund 1 GP (Proprietary) Limited. These two projects and other initiatives created a platform for further growth in the future

APPRECIATION

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

D. Hoto
Group Chief Executive Officer

5 June 2025



GOVERNANCE

DIRECTORATE

Amos R. T. Manzai
Independent Non-Executive Chairman
Tenure on the Board: 4 years
Key Skills: Economics and Finance

Qualifications
BA Hons Economics (Dunelim, UK), CA (Z)

Other Commitments
Director at Deposit Protection Corporation (DPC), Perrenialform Investments (Pvt) Ltd, Evergid Services (Pvt) Ltd, Lidle Trading Services (Pvt) Ltd.

Douglas Hoto
Group Chief Executive Officer (Executive)
Tenure on the Board: 10 years
Key skill: Actuary

Qualifications
Fellow of the Institute of Actuaries (UK & SA)
BSc Hons Mathematics (UZ)

Other Commitments
Various First Mutual subsidiaries, Rainbow Tourism Group, Trustee – SV Muzenda Scholarship Foundation, University of Zimbabwe Council

William M. Marere
Group Finance Director (Executive)
Tenure on the Board: 9.5 years
Key Skills: Accounting and Finance

Qualifications:
B.Compt Hons (UNISA), CA(Z), CA(SA)

Other Commitments
Director of various First Mutual subsidiaries as well as Tasbrew Investments (Pvt) Ltd and associated family owned companies, BridgeFort Capital Ltd, Dairyhill Investments (Pvt) Ltd.

Samuel V. Rushwaya
Independent Non-Executive Director
Tenure: 7.5 years
Key Skills: Human Resources Management

Qualifications
BSc (Hons) Sociology (London), Dipl.

Other Commitments
First Mutual Life Assurance

Evlyn Mkondo
Independent Non -Executive Director
Tenure: 6 years
Key Skills: Accounting and Finance

Qualifications
B. Acc (UZ), CA (Z)

Other Commitments
Director Schweppes, Standard Chartered Bank Limited, Padenga Holdings Limited

Elisha K. Moyo
Independent Non -Executive Director
Tenure: 9.5 years
Key Skills: Law

Qualifications
LLB Hons. (UZ), MBA (UZ)

Other Commitments
Chairman of First Mutual Properties Limited and NicozDiamond Insurance, Director of Eazstar Investments (Pvt) Ltd and Complete Corporate Solutions (Pvt) Ltd; Councillor on National Manpower Advisory Council and University of Zimbabwe; vice Chairman of National Biotechnology Authority

Memory Mukondomi
Independent Non-Executive Director
Tenure: 6.5 years
Key Skills: Accounting and Finance

Qualifications
Executive MBA (NUST), B.Sc. – Acc. and Finance (CUT)

Other Commitments
Deputy Accountant General in the Treasury, Ministry of Finance & Economic Development, director of Allied Timbers

Gareth Baines
Independent Non -Executive Director
Tenure: 5.5 years
Key Skills: Insurance and Risk Management

Qualifications
B.Bus.Sc. (Finance, UCT), MBA (UCT)

Other Commitments
Director of Partner Risk Holdings (Pty) Ltd and First Mutual Life Assurance Company.

Mathew Mangoma
Non-Independent Non -Executive Director
Tenure: 1 year
Key Skills: Accounting and Finance

Qualifications
ACCA, CIMA, ACIS, HND

Agnes Masiiwa
Non-Independent Non -Executive Director
Tenure: 1 year
Key Skills: Law and Finance

Qualifications
B.Com. (Banking & Finance, UCT), LLB, MBA

Other Commitments
Senior Manager at NSSA

Israel Ndlovu
Independent Non -Executive Director
Tenure: 0.5 years
Key Skills: Accounting and Finance

Qualifications
B.Acc.

Other Commitments
Director of POSB, Opengates (Pvt) Ltd, Zimbabwe Crocodiles (Pvt) Ltd.

Fredson Mabhena
Non-Independent Non -Executive Director
Tenure: 1 year
Key Skills: Law

Qualifications
LLB, LLM, AIISA

Other Commitments
Sits on Lotteries and Gaming Board

GROUP SENIOR MANAGEMENT

Douglas Hoto
Group Chief Executive Officer

William M. Marere
Group Finance Director

Reuben Java
Chief Executive Officer, Life and Health Insurance Cluster

Bongai Muhau
Chief Executive Officer, Reinsurance Cluster

Farayi Mangwende
Group Marketing & Strategy Executive

Stanford Sisya
Managing Director, First Mutual Health

Williefaston Chibaya
Managing Director, First Mutual Life

Joseph Mhlabi
Group Risk Officer

David Nyabadza
Chief Executive Officer, Short-term Insurance Cluster

Christopher K Manyowa
Managing Director, First Mutual Properties

Sheila Lorimer
Group Company Secretary

Pfungwa Dhliwayo
Group Human Resources Executive

Thomas Mutswiti
General Manager, First Mutual Wealth

Max Ncube
General Manager, First Mutual Microfinance

Bianca Pasipanodya
Group ICT Executive

Jabulani Mbengo
Group Internal Audit Executive

Fanuel Tirihumwe
Group Business Development Manager

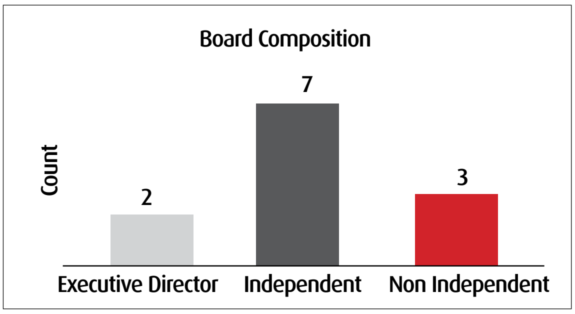
CORPORATE GOVERNANCE

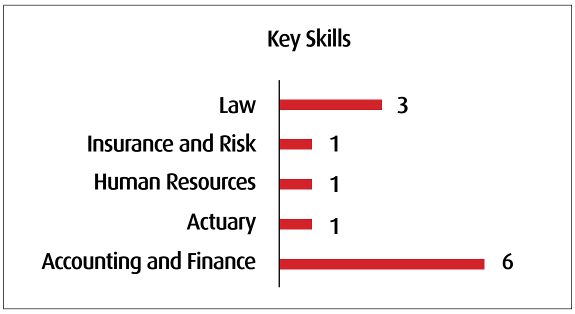
The Group remains committed to the principles of good corporate governance based on best global practices. The directors recognise the need to conduct the business of the Group with integrity and following generally accepted corporate practices. The Board and management believe the governance systems and practices in place are appropriate for the Group and are essentially in line with the National Code on Corporate Governance Zimbabwe (ZIMCODE). The Group continues to align with SI134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules, the Companies and Other Business Entities Act (24:31) and other internationally recognised codes of corporate governance.

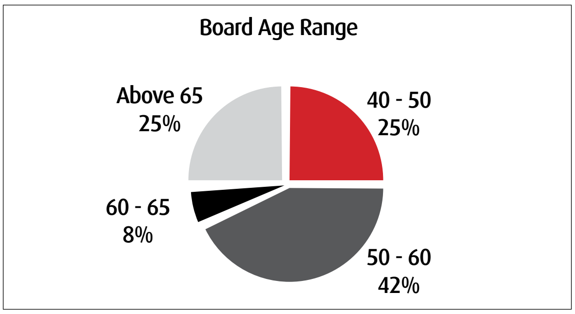
Board Structure

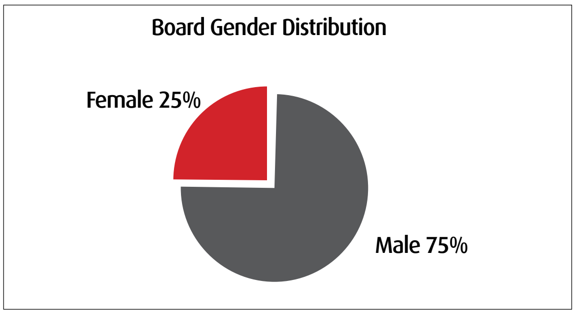
Board composition

The Board of Directors is chaired by an independent non-executive director and comprises ten (10) other non-executive and two (2) executive directors. The Board enjoys a strong mix of skills and experience.









CORPORATE GOVERNANCE (continued)

Board Responsibility
The Board is responsible for determining and approving policies, plans and strategies of the Group and ensure that these are implemented ethically and professionally. In addition, the Board ensures integrity of the Group's accounting and financial reporting systems including independent audits, and that appropriate systems of control, risk management and compliance with laws are in place. Board members have unfettered access to information through board meetings, and board committees as well as strategic planning workshops. Directors may, at the Group's expense, seek independent professional advice on matters.

Board Appointments
The Board appointments are made to ensure a variety of skills and expertise representation on the Board. A third of the Directors are required to retire on a rotational basis each year along with any Directors appointed to the Board during the year. Executive directors are employed under performance-driven service contracts setting out the responsibilities of their particular office.

Board Committees
The Board is supported by various Committees in executing its responsibilities. The main Committees meet at least quarterly to review performance and provide guidance to management on both operational and policy issues.

Each Committee acts within written terms of reference under which certain functions of the Board are delegated with clearly defined purposes. The Board monitors the effectiveness of controls through reviews by the Combined Audit and Actuarial Committee and an independent assessment by independent external auditors. The Group from time to time reviews the number of Committees as necessitated by the prevailing environment.

Summarised below are the committees and their responsibilities:

Committee	Members	Summary of Roles & Responsibilities
Combined Audit and Actuarial Committee	E.Mkondo (Chairperson) A. Makonese N. Dube I.P.Z. Ndlovu	The Combined Audit and Actuarial Committee is tasked with ensuring financial discipline within the Group, sound corporate values and financial procedures. This Committee is further tasked with reviewing and recommending for adoption by the Board the interim and annual financial statements of the Group. The Committee also recommends the appointment and reviews the fees of the independent auditors. In respect of actuarial work, the Committee is tasked with protecting policyholders' interests by: • ensuring separate accounting for the assets of policyholders and shareholders of the insurance companies in the Group; • devising and ensuring adherence to profit participation rules; and • reviewing actuarial valuation reports and monitoring implementation of the recommendations.
Group Human Resources And Governance Committee	S.V.Rushwaya (Chairperson), A.R.T Manzai E. K. Moyo	This Committee comprises three (3) non-executive directors of First Mutual, one of whom is the Chairperson. This Committee is mandated to deal with staff development and formulate remuneration policies as well as approve remuneration packages for executive directors and senior executives. The Committee is responsible for reviewing and assessing organisational structure in line with the Strategy and make recommendations to the Board. The Committee reviews recruitment procedures and strives to ensure that remuneration packages remain competitive. The Committee acts as a Nominations Committee for Directors to Boards in the Group of Companies and, also, the Committee considers wider corporate governance issues and related- party transactions. The Committee has responsibility for drafting the remuneration policy. This draws on local and regional survey data from independent advisors to ensure that the remuneration policy is appropriate and relevant to the prevailing times.
Group Investments Committee	A.R.T. Manzai (Chairperson), M.Mukondomi A.Masiiwa A. Chidakwa	This Committee comprises four (4) non-executive directors (one of whom is the Chairperson). The Group Chief Executive Officer and Group Finance Director attend in ex officio capacities. The Committee formulates investments strategy and policy, reviews the performance of investments within the Group and recommends new investments for approval by the Board. The Committee assists the Board in reviewing the implementation of its investment policies and ensures that portfolio management is conducted following the Group's policies

CORPORATE GOVERNANCE (continued)

Committee	Members	Summary of Roles & Responsibilities
Group Risk Committee	G.Baines (Chair), E. K. Moyo J. Katurura M. Mukonoweshuro	This Committee comprises four (4) Non-Executive Directors of First Mutual Holdings Limited. The Committee reviews the Group's overall risk strategy, current risk exposures, and risk governance. The Committee considers and approves the remit of the risk management function and reviews reports on material breaches of risk limits, as well as the adequacy of remedial action. The Committee also advises the Board on the risk aspects of proposed strategic transactions. The Committee liaises with other Board Committees as necessary.
Strategic Direction Committee	A.R.T. Manzai (Chair) G. Baines	This is an ad hoc Committee which advises the Board on matters which are of strategic importance to the Group. Without limiting the generality of the foregoing, the Committee is established to: a. Consider and assess proposed strategic transactions including acquisitions, disposals or other significant corporate actions; b. Ensure that due diligence appraisal of propositions is undertaken; c. Seek independent external advice where appropriate and available; d. Make recommendations on the appointment of transaction advisors; e. Work with and liaise as necessary with other Board Committees; f. Ensure that the Board is kept apprised of material developments in relation to all projects under the purview of the Committee. In so doing, the Committee exercises independent judgment with a view to promoting the success of the company for the benefit of its shareholders as a whole, having regard to, among other things, the long-term consequences of any decision, the interests of the company's stakeholders, the impact on the community and the environment and the need to act fairly as between shareholders of the company.

Board Meetings

The Board meets regularly, at least four times a year, and guides corporate strategy, risk management practices, annual budgets and business plans. Special Board meetings may be convened on an ad-hoc basis when necessary to consider issues requiring urgent attention or decision. The Company Secretary maintains an attendance register of Directors on all scheduled meetings.

Director	Main Board (6 meetings)	Risk Committee (4meetings)	Investments Committee (4 meetings)	Human Resources & Governance committee (8 meetings)	Combined Audit & Actuarial Committee (5 meetings)	Strategic direction Committee (1 Meeting)
A.R.T Manzai	6	-	4	8	-	1
D. Hoto*	6	4	4	8	5	1
W.M. Marere*	6	4	4	8	5	1
G. Baines	5	4	-	-	-	1
S.V. Rushwaya	6	-	-	8	-	-
E. Mkondo	6	-	-	-	5	-
M. Mukondomi	6	-	1	-	4	-
E. K. Moyo	5	4	-	8	-	-
M. Mangoma	5	-	-	-	-	-
A. Masiiwa	6	-	1	-	-	-
I. Ndlovu	2	-	-	-	1	-
F. Mabhena	5	-	-	-	-	-

*Executive directors attend committee meetings by invitation

Directors' Declaration and Conflict of Interest
In line with Zimbabwe Stock Exchange Listing requirements, the Group operates a "closed period" before the publication of interim and year-end financial results during which executives, non-executive directors and staff are not authorised to deal in shares of the Group.

During the year under review, no directors had any material interests which could cause a significant conflict of interest with the Groups objectives. The beneficial interests of Directors and their families in shares of First Mutual Holdings Limited are presented on Page 36.

Share dealing
Directors, management and all Group staff are not permitted to deal directly or indirectly in the shares of the Group during:

- The period from the end of the interim or annual reporting periods to the announcement of the interim and annual report results,
- Any period when they are aware of any negotiations or details which may affect the share price or,
- Any period when they have information, the impact of which might affect the share price.

Executive Directors' Remuneration
In a rapidly evolving remuneration landscape, we pay great attention to the concerns of stakeholders on executive pay. We continuously assess existing and emerging views on remuneration and ensure these are reflected in our remuneration design. The remuneration structures at First Mutual Holdings Limited are designed to attract and retain talent at all levels.

The remuneration packages are structured to the employee's level of influence and role complexity. Currently, our remuneration policies are not linked to any sustainability criteria, but we intend to change this as we progress in our sustainability journey. The remuneration packages for our Executive Directors are determined by the Group Human Resources and Governance Committee.

Active ownership
The Group has shares in various companies and therefore takes an active responsibility of being a responsible investor. We participate in annual general meetings and vote in a way that is reflective of being a responsible investor and active owner. Our voting patterns are guided by the Investment Committee.

Stakeholders' direct communication with the board
The Group avails various platforms of communication between our Board of Directors and stakeholders. The channels of communication include annual general meetings, notices to stakeholders, press announcements of interim and annual reports, investor briefings, annual reporting to shareholders, and the exercise of shareholders' rights through proxy forms. We have online platforms where we make operational, financial and sustainability information easily accessible to our stakeholders.

Ethical Conduct
All employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Furthermore, all employees are required to observe the Group's Code of Ethics. The Group subscribes to an independently managed fraud hotline system.

COMPLIANCE MATTERS & DECLARATIONS

The Group is committed to complying with applicable legal, regulatory and industry standards and will always seek to do what is lawful and right. Whenever the Group joins organisations or adopts best practices that bring mandatory or voluntary obligations, constructive effort is made to ensure the Group complies with such commitments.

During the year, the Group made great effort to comply with, and adhere to the rules of the following:

- Zimbabwe Companies and Other Business Entities Act (24:03)
- SI134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange listing requirements) rules
- Insurance and Pension Commission ("IPEC")
- Real Estate Institute of Zimbabwe ("REIZ")
- Institute of Actuaries Zimbabwe ("IAZ")
- Public Accountants and Auditors Board Zimbabwe ("PAABZ") - Pronouncements
- Securities and Exchange Commission of Zimbabwe ("SECZIM")
- Malawi Companies Act (40:03)
- Botswana Companies Act (20030)
- Mozambique Companies Act (commercial code10/2006 4th edition)
- All other applicable laws, regulations and directives

The following reports are presented for compliance with legal, regulatory provisions and industry standards.

DIRECTORS' REPORT

First Mutual Holdings Limited is the parent of subsidiaries that provide life and funeral assurance, non-life insurance (comprising general insurance, healthcare insurance, reinsurance), microfinance and funeral services, property management and development and asset management services:

Subsidiary and the services provided

1. **First Mutual Life Assurance Company (Private) Limited**
   Life assurance, funeral assurance, employee benefits

2. **First Mutual Health Company (Private) Limited**
   Health insurance

3. **NicozDiamond Insurance Limited**
   Short-term insurance

4. **Diamond Companhia de Seguros**
   Short-term insurance

5. **First Mutual Reinsurance Company Limited**
   Short-term general reinsurance and life and health reinsurance

6. **FMRE Property & Casualty (Proprietary) Limited**
   Short-term reinsurance

7. **First Mutual Wealth Management (Private) Limited**
   Fund management

8. **First Mutual Properties Limited**
   Property ownership, management and development

9. **First Mutual Wealth Property Fund One (Private) Limited**
   Property ownership

10. **First Mutual Microfinance (Private) Limited**
    Micro lending

11. **First Mutual Funeral Services (Private) Limited**
    Funeral services

12. **First mutual Health Services (Private) limited**
    Health Services (Pharmacies and Clinics)

Share capital
As at 31 December 2021, the authorised and issued share capital of the Company is as follows:
- Authorised - 1,000,000,000 (2020: 1,000,000,000) ordinary shares with a nominal value of ZWL0.001 each; and
- Issued and fully paid – 731,003,421 (2020– 726,836,430) ordinary shares with a nominal value of ZWL0.001 each

Group results
The financial statements of the Group for the year are set out on pages 69 to 177.

Directors
No directors resigned in the current year.

Mr A.R.T. Manzai, Ms E Mkondo and Mrs M Mukondomi retire as directors of the Company in terms of the Articles of Association and, being eligible, offer themselves for re-election.

Mr I.P.Z Ndlovu, who was appointed during the year, also retires and, being eligible, offers himself for re-election.

Capital commitments
Details of the Group's capital commitments are set out in note 30.1.2 of the financial statements.

DIRECTORS' REPORT (continued)

Dividend

The directors at the meeting held on 28 March 2022 declared a final dividend of ZWL115 million be paid from the profit of the Group for the year ended 31 December 2021. This brings the total dividend for the year to ZWL150 million.

Director's shareholding in the Company as at 31 December 2021

Director	Designation	Direct interest	Share options
A.R.T. Manzai	Chairman		
D Hoto	Group Chief Executive Officer	280 096	540 490
W.M. Marere	Group Finance Director	100 015	-
E.K. Moyo	Independent Non-Executive	924	-
E Mkondo (Ms)	Independent Non-Executive	-	-
M Mukondomi (Mrs)	Independent Non-Executive	258	-
G Baines	Independent Non-Executive	-	-
S.V. Rushwaya	Independent Non-Executive	-	-
F Mabhena	Non-Independent Non-Executive	3,078	-
A Masiiwa	Non-Independent Non-Executive	-	-
M Mangoma	Non-Independent Non-Executive	-	-
I.P.Z. Ndlovu	Independent Non-Executive	684	-

Remuneration

Non-executive directors' remuneration is subject to shareholder approval.

Independent auditors

At the forthcoming Annual General Meeting, shareholders will be asked to fix the remuneration of the independent auditors for the past year and appoint independent auditors for the Group for the ensuring year.

By Order Of The Board

Mr A.R.T. Manzai
Group Chairman
Harare

5 June 2025

Mrs S. F. Lorimer
Group Company Secretary
Harare

5 June 2025

DIRECTORS' STATEMENT OF RESPONSIBILITY

The Group's independent auditors, Ernst and Young (EY) Chartered Accountants (Zimbabwe), have audited the financial statements and their report is set out on pages 63 to 68.

The Directors of the Company are responsible for maintaining adequate accounting records and for the preparation of financial statements that present fair and accurate information.

In discharging this responsibility, the Group maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that transactions are executed and recorded following Group policies.

The Directors have satisfied themselves that all the subsidiary companies in the Group are in a sound financial position and have adequate resources to continue in operational existence for the foreseeable future.

The Directors have assessed the ability of the Group, the Company and its subsidiaries to continue operating as going concern and believe that the preparation of these financial statements on a going concern basis is appropriate.

A.R.T. Manzai (Mr)
Chairman
Harare

5 June 2025

CERTIFICATE OF COMPLIANCE BY GROUP COMPANY SECRETARY

In my capacity as Group Company Secretary of First Mutual Holdings Limited and its subsidiary companies, I confirm that in terms of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), the Company lodged with the Registrar of Companies all such returns as are required of a public quoted company in terms of this Act, and all such returns are true, correct and up to date.

S. F. Lorimer (Mrs)
Group Company Secretary Harare

5 June 2025

SUSTAINABILITY

SUSTAINABILITY STRATEGY

First Mutual Holdings Limited play a key role in offering the protection that stimulates innovation, risk taking and borrowing. This recognition drives our sustainability approach to "Go Beyond" hedging financial risks but also the associated social, economic and environmental impacts. Some of our subsidiaries are certified to ISO9001: 2015 Quality Management Systems (QMS). The Global Reporting Initiative (GRI) Standards serves as our overarching framework for identifying, measuring, and disclosing our impacts across the Group. Our sustainability strategy emphasises long-term wealth, customer centricity, staff involvement, and operational efficiency.

The levers for sustainability at First Mutual Holdings

Stakeholder Engagement
Our business activities converge with interests of many people, which is why engaging with various stakeholders is particularly important to us. Through this dialogue, we communicate our decisions and actions transparently to build shared values and vision. We unite divergent interests as far as possible to build and sustain trust. The engagement process gives us a broad appreciation of the sustainability context in our operating environment. This enables us to identify material risks and business opportunities.

Stakeholder Profiling
The business identifies individuals and groups that are directly impacted by the products and services offered by the Group. We assess the level of impact created by stakeholders now and into the future. This provides us with critical information on which stakeholders are a priority to engage.

Key stakeholder groups
The company's attitude is to regard stakeholders as strategic business partners who provide insight into potential business risks and opportunities. These stakeholders aid in the identification of internal and external risk, allowing us to classify them into:

- Internal (Employees and Investors) and
- External Stakeholders (Customers, government, regulators, suppliers, and communities).

Our Approach
Management engagement with stakeholders is informed by structured profiling and understanding of our stakeholders' legitimate interests in our business, products and services. Stakeholder profiling provides critical information on engagement strategies, the frequency of engagement and the response mechanism to each stakeholder group. The process enables management to design strategies on how to best respond to any material concerns and improve the way the business operates.

SUSTAINABILITY STRATEGY (continued)

Our stakeholder engagement activities for the year are presented below:

Stakeholder	Key issues and concerns raised	FMH Response to issue	Engagement method	Frequency of engagement
Employees	Erosion of salaries and the increase in the cost of living. COVID-19 Illness and Changes in work set up.	Alignment of salaries to 75% of the 2016 recruitment levels. Regular updates.	Staff briefing circular, CEO address. Emails, newsletters.	Quarterly, half-year, full-year, Ad hoc. Monthly.
Customers	Service accessibility.	Enhance digital platforms to make transacting easier.	Online platforms, mobile applications, emails newsletters and notices.	Monthly.
Government & Regulators	Capital raising. Solvency and capital requirements. Settlement of foreign operations. Asset Split for the life assurance company. COVID-19 Impact on Business.	Obtain all regulatory approvals. Regular capital assessments, and awareness of balance sheet structure. Regular engagement with bankers and creditors on settlements. Engagement of regulators and cooperation. Extension of reporting timelines by regulators.	Applications Lobbying through industry boards. Weekly follow-ups on foreign payments. Report submission and meetings. Written communication through press releases, uploads on websites and regulator data portals, emails and memos.	Ad hoc, Monthly, Quarterly, Weekly.
Suppliers	Quotation erosion of value before order issuance. High specifications that are not available within the Zimbabwean market.	Advance payments, invoicing after delivery. Adjustments of product specifications to the local market.	Supplier meetings, supplier visits and emails.	Monthly, Ad hoc.
Shareholders and Potential Investors	Consistent dividend payment. Level of dividend payment. Increasing market presence.	Declaration of a semi-annual and annual dividend. Improving indicators used to take into account prior year profits and investments income. Organic growth and capital raising from third parties.	Quarterly trading updates. Annual report. Annual General Meetings. Analyst briefings, shareholder roadshows. Cautionary statements.	Quarterly, Semi-annually and Annually Ad hoc.
Local communities	Need for more sponsorship and funding for local communities.	Increased support through CSR activities.	Emails, Newsletters and Notices.	Annually.
Credit Rating Companies	Delay in remittances of foreign currency outside the country.	Extensive follow-up with the banks to track progress.	Online engagement meetings.	Biannually.

MATERIALITY

First Mutual Holdings conducts a materiality assessment every reporting year to identify environmental, social, economic and governance issues that matter most to the business and stakeholders. Our materiality process is guided by GRI Standards. This process enables us to determine key information needs and strategic areas of focus.

Materiality process

In determining significant issues for our business, we conduct assessments that take into account the business operating environment, similar companies in our sector and key stakeholder concerns. Material issues often represent key issues in the insurance, financial services and real estate sector where our business activities are concentrated. Senior management then ranks the identified topics based on their importance to the business and stakeholders. These topics are then validated for consistency with business activities.

SUSTAINABILITY STRATEGY (continued)

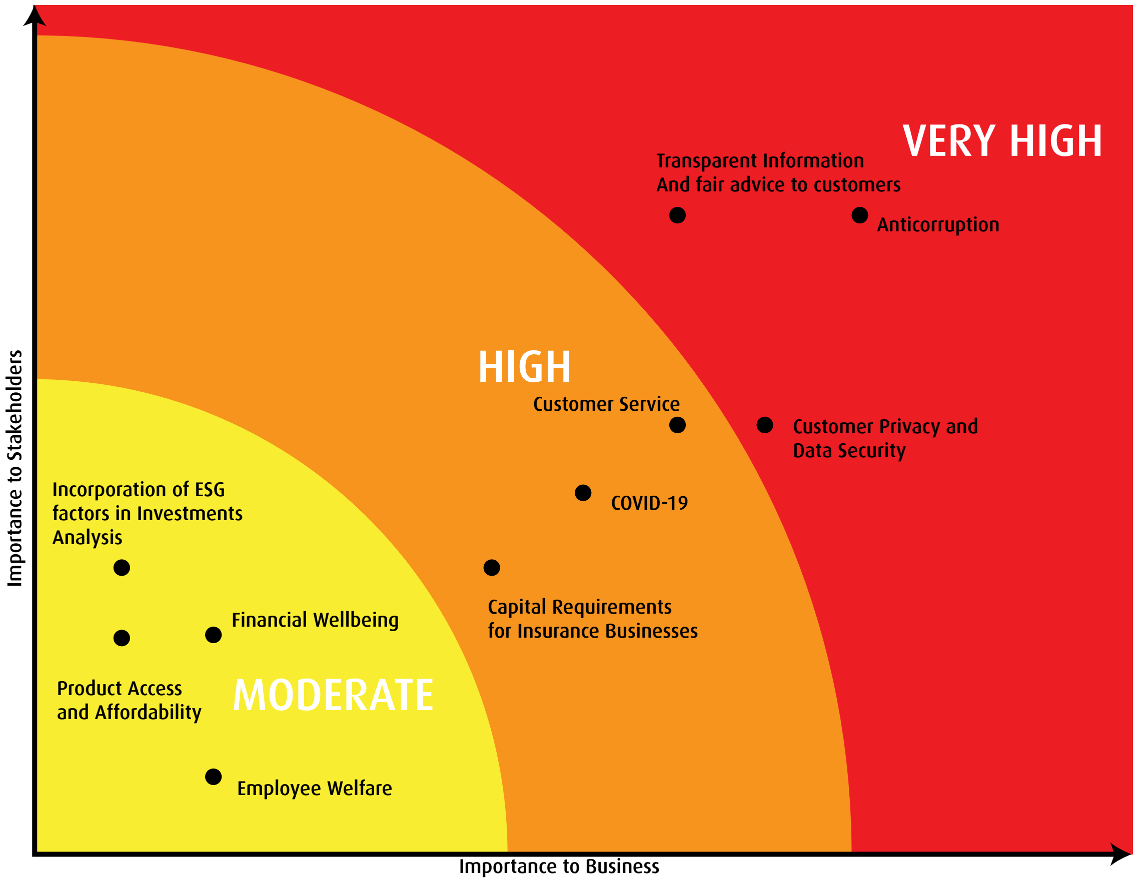
Material issues

Material issues identified were categorised into customer and community centricity, sustainable wealth employee engagement and operational efficiency depending on their relevance to the business, operations and stakeholders. Senior management then ranked the topics based on impacts and how they were managed during the reporting period.

Customer and Community Centricity	Sustainable Wealth
Customer Privacy and Data Security. Transparent information and fair advice to customers. Customer Service. Products Access and Affordability. Corporate Social Investments. Incentivising Responsible Behaviour from Customers.	Incorporation of ESG Factors In Investment Analysis. Financial Wellbeing. Financial Literacy. Capital Requirements for Insurance Business.
Employee Engagement	**Operational Efficiency**
Employee engagement. Employee diversity and inclusion. Employee welfare. Occupational Health and Safety.	COVID-19. Environmental Stewardship. Climate Change. Anticorruption.

The above issues were narrowed down to the top 10 material issues presented in the matrix below:

Materiality Matrix



The matrix above illustrates that topics considered 'Very High' indicates those with significant impacts and opportunities to warrant management attention. Those considered 'High' reflects those under management and monitoring while 'Moderate' reflect those least material to both the business and stakeholders.

During the reporting period, customer privacy, data security, anti-corruption and transparent and fair advice to customers were the most significant issues for the business and our stakeholders.

SUSTAINABILITY STRATEGY (continued)

DELIVERING SUSTAINABLE SERVICES

First Mutual Holdings Limited strives to build and deliver sustainable services by ensuring accessibility, customer care, responsible marketing, integrating ESG issues in our investment practices and client data security. We tailor make our products and services to meet clients' needs and circumstances.

Product Accessibility and Affordability

The business ensure products are accessible and affordable by finding ways to eliminate any barriers relating to pricing and distance from our offices. We use digital and physical platforms to engage our clients. There is continuous scaling up of digital service to promote accessibility and affordability. The business regularly introduces new products aligned with customer needs and expectations and priced in accordance with industry guidelines and regulations. During the year, we received positive feedback on our products' accessibility and affordability. Engaging with stakeholders provided opportunities to further align practices with clients' needs and expectations, helping to drive long-term sustainability.

Customer Service

Customer service plays a key role in driving our business by strengthening client confidence and loyalty. During the reporting period, quality analysis and customer surveys provided relevant insights into how we can best serve our customers. We provided training to employees on how to attain superior customer service. Ethical and fair treatment of customers was reinforced as a non-negotiable element of our business conduct. We drive customer convenience through innovative use of technology and broad distribution channels. We target to attain a customer satisfaction index rating of above 70%. Our plans are to ensure customer satisfaction is maintained at the highest level.

Responsible Marketing

We adopt ethical marketing practices that do not abuse clients' trust or exploit their lack of experience or knowledge. We evaluate marketing and communication information before publishing to ensure that they do not mislead clients concerning our products and services. We want our clients to trust that the information we provide on our products and services is accurate and does not violate ethical and legal standards.

Integrating ESG in investments

Integrating environmental, social, and governance issues (ESG) in investments has become an increasingly essential approach. The company began investing in renewable energy businesses and Rural Development Council (RDC) projects that promote rural economies and livelihoods. The company has made the strategic decision to include solar energy in infrastructure and property (real estate) investments. We set up a renewable and clean energy infrastructure fund (Infrastructure Fund Zimbabwe) to invest in renewable and clean energy projects. In the next five years, the company plans to invest in 25 megawatts of PV solar power. At First Mutual Park, we invested in a 150-kilowatt grid-tied carport PV solar system.

We are working with Rural Development Councils in terms of co-investing in their development priorities to influence and uplift rural standards of living. During the year, we focused on horticulture products. We insist on compliance and regulatory requirements in projects; for instance, the Convention on International Trade in Endangered Species (CITES) and International Crocodile Farmers Association. We confirm compliance with Sedex Members Ethical Trade Audit (SMETA) and Global Good Agricultural Practices (GAP) on investment projects. SMETA requires social audits to assess suppliers for health and safety of workers, human rights, child and forced labour and Global GAP standards.

ESG Investments	Unit	2021	2020	2019
Agribusiness				
Export Horticulture	**ZWL**	292,146,000	130,357,901	15,000,000
Crocodile Farming	**ZWL**	15,314,438	95,965,190	14,062,579
Infrastructure				
Clean and Renewable Energy	**ZWL**	41,102,245	-	-
Housing and Student Accommodation	**ZWL**	97,705,448	11,450,448	3,200,000
Total	**ZWL**	**446,268,131**	**237,773,539**	**32,262,579**

Customer data security and privacy

We take responsibility to secure customer data security. The Group has a Data Security Policy managed by IT the Department that ensures the security of sensitive and personally identifiable data. The company conducts risk assessments on a regular basis to determine the vulnerability of our IT systems. The IT Department conducts audits through network scans, vulnerability and penetration tests. Our measures have been effective in protecting our data security systems and we strive for a zero data breaches.

SUSTAINABILITY PERFORMANCE

RESPONSIBLE OPERATIONS

First Mutual Holdings remains committed to averting adverse environmental impacts from our business operations. We strive to ensure our offices and properties are managed in a responsible manner. As such, the Group monitors contractors to minimise negative environmental impacts during construction and management of our properties.

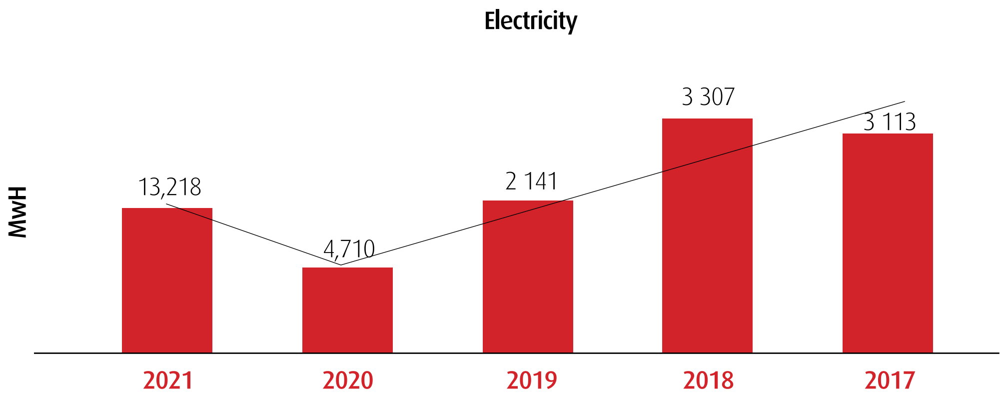
Energy

The Group continues to improve energy conservation and reduce reliance on non-renewable energy. We recognise that our energy consumption contributes to climate change, hence we take measures to manage the potential risk and opportunities. The business completed its solar project at the First Mutual Head Office. We had to monitor and manage electrical faults during changeovers from electrical energy to solar energy and vice versa. We plan to install an auto system to avoid disruptions during changeovers. The business encourages efficient use of the solar system to reduce overloads which result in faster discharge of batteries. To manage battery life, the business usually switches off the main water pumps and air conditioners during the night. Our offices migrated to full use of LED lights to conserve energy and reduce emissions.

Our energy consumption is presented below:

Electricity

Energy type	Unit	2021	2020	2019	2018	2017
Electricity	MWh	13,218	4,710	2141	3307	3113

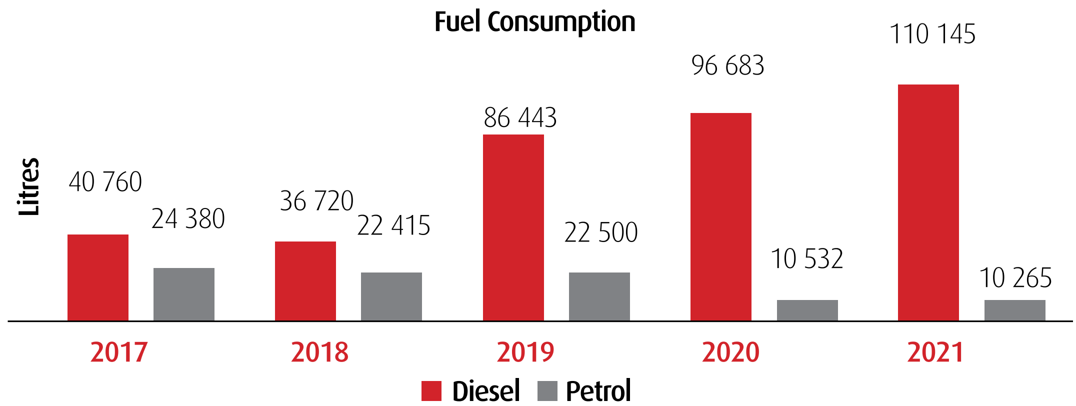


There was a 41% increase in electricity consumption mostly attributed to relaxation of lockdown measures resulting in more people working from the offices. The business now rarely uses third party generated electricity from grid except in situations where the solar batteries are completely drained out.

Bio-Liquid Fuels Consumption

Fuel type	Unit	2021	2020	2019	2018	2017
Diesel	Litres	110 145	96 683	86 443	36 720	40 760
Petrol	Litres	10 265	10 532	22 500	22 415	24 380
Total	**Litres**	**129 410**	**107 215**	**108 943**	**59 135**	**65 140**

There was an increase in the fuel consumption due to the increased use of company buses to ferry staff to and from their residential areas in 2021 during the COVID-19 induced lockdowns.



SUSTAINABILITY PERFORMANCE (continued)

Water Management
Borehole and municipal water are our main sources of water to maintain our premises and facilities. We strive to ensure water is managed efficiently. During the year, our consumption was as follows:

Source	Unit	2021	2020	2019
Municipal	(ML)	3,099	649	93
Borehole	(ML)	345	40	712
Total water consumption	**(ML)**	**3,444**	**689**	**1,645**

There were no borehole water consumption measurements in the year 2018 and 2017 due to absence of flow meters.

Waste Management
Our operations and properties generate significant waste which is often organic, and considerable paper and plastic. The business has little control over the amount of waste generated by tenants but has a greater responsibility of ensuring collection and legal disposal of the waste. The delays in waste collection by City Council has potential to create air pollution and expose our cleaners to airborne diseases. Similarly, construction waste sometimes causes pollution during construction and renovation projects.
To manage challenges caused by waste, we implemented the following measures:

- Scheduled waste collection.
- Assessment of building dumping areas for cleanliness.
- Contracting a waste collection truck for Arundel Office Park.
- Introduced waste segregation at Arundel Office Park.
- Clearing construction sites during or after construction or renovations at all properties owned or managed by First Mutual.
- Recycling water through ponds to water garden at First Mutual and Arundel Park Offices.

During the year, waste generated was as follows:

Waste Generated	Unit	2021	2020	2019
Solid waste	Tons	336	1 416	1 434

There was a 76% reduction in waste generated as a result of paperless operating procedures implemented in the company. The company also operated on skeleton staff for the greater part of the year due to remote working arrangements.

Greenhouse Gas Emissions
First Mutual Holdings calculates its carbon footprint by converting its energy consumption into carbon dioxide (CO2e) emission equivalency using internationally accepted conversion factors due to the unavailability of nationally adopted conversion factors for Zimbabwe.

Scope 1: Direct Emissions
These are direct Greenhouse Gas (GHG) emissions from operations that are primarily owned or controlled by First Mutual Holdings. These are emissions from fuel consumed by generators and vehicles. We applied emission factors obtained from the United Kingdom (UK) Government GHG Conversion Factors to convert liquid bio-fuel usage as presented below:

Scope 1 Emissions	2021	2020	2019	2018	2017
Diesel (Kg CO2e litres)	276,721	242,900	217,173	92,253	102,403
Petrol (Kg CO2e Litres)	22,516	23,102	49,354	49,168	53,478
Total Scope 1 Emissions (Kg CO2e)	**299,237**	**266,002**	**266,528**	**141,421**	**155,881**

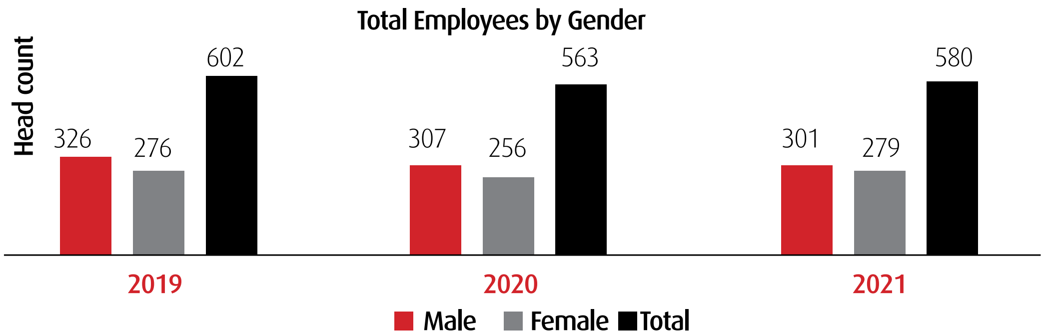
Scope 2: Indirect Emissions
These are emissions from the consumption of energy generated and supplied by a third party in which First Mutual Holdings has no direct control. Our Scope 2 emissions were calculated using emission factors obtained from the Southern African Power Pool 2015 using Operating Margin factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change (IPCC) as presented below:

Scope 2 Emissions	2021	2020	2019	2018	2017
Electricity (Kg CO2e MwH)	4,646	4,833	2,197	3,394	3,195

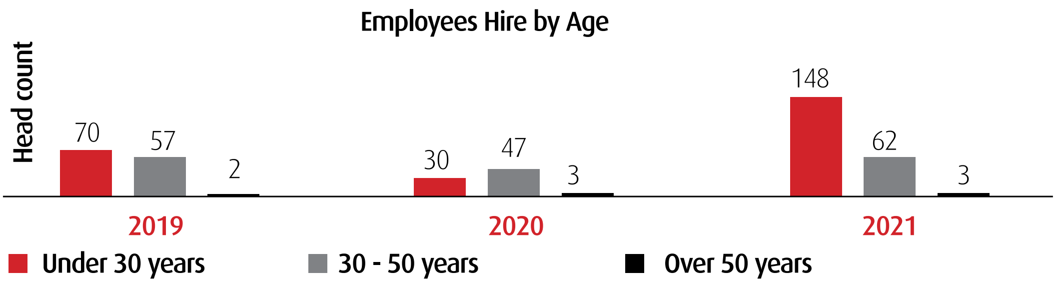
SUSTAINABILITY PERFORMANCE (continued)

EMPLOYEES

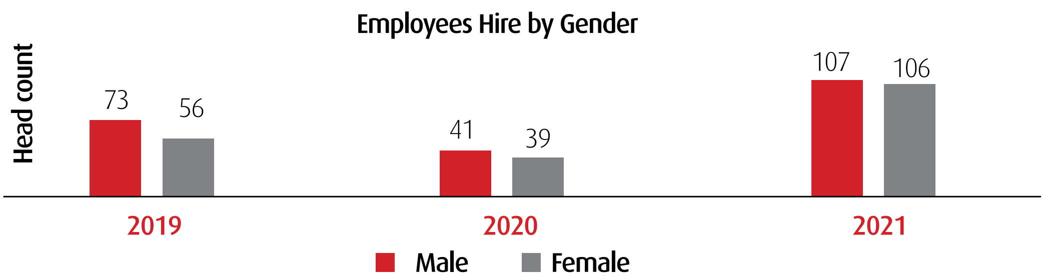
Our employees are a critical capital in how we deliver value to our stakeholders and sustain our corporate brands. In light of the radical economy and technological advancement, our employees remain critical to our service delivery. First Mutual Holdings Limited recognises that its competitive advantage hinges largely on its human capital and talent, hence ensuring holistic wellbeing and developing employees. Company management provides a conducive working environment supported by prospects for professional development and opportunities. During the year, our employee base was as follows:



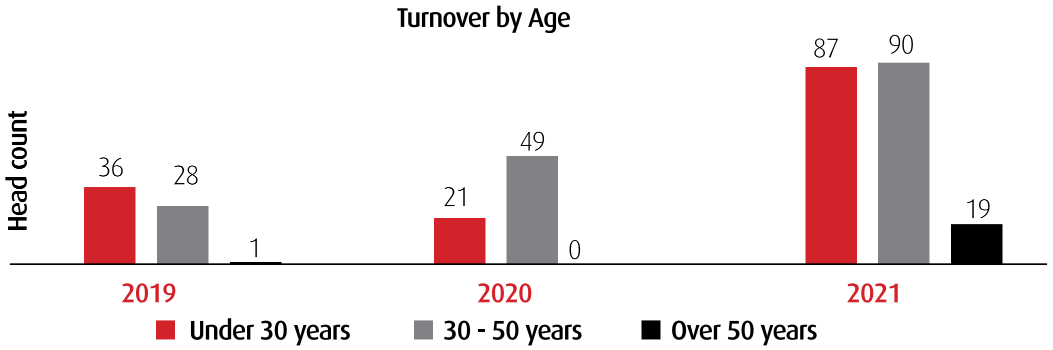
Total Employees by Gender	2021	2020	2019
Male	301	307	326
Female	279	256	276
Total	**580**	**563**	**602**



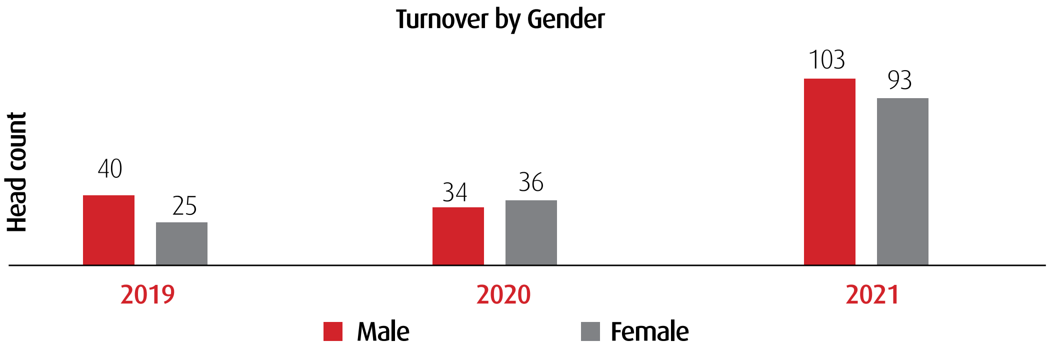
Employee Hire by Age Group	2021	2020	2019
Under 30years old	148	30	70
30-50 years old	62	47	57
Over 50 years old	3	3	2
Total Employees	**213**	**80**	**129**



Employee Hire by Gender	2021	2020	2019
Male	107	41	73
Female	106	39	56
Total Employees	**213**	**80**	**129**



Employee Turnover by Age Group	2021	2020	2019
Under 30years old	87	21	36
30-50 years old	90	49	28
Over 50 years old	19	-	1
Total Employee	**196**	**70**	**65**



Employee Turnover by Gender	2021	2020	2019
Male	103	34	40
Female	93	36	25
Total Employees	**196**	**70**	**65**

During the reporting period, there was a 180% increase in turnover attributed mostly to end of contracts, retirement and resignations. The business retrenched employees due to technological advancements and reorganising of NicozDiamond and First Mutual Health Services.

Employee Welfare
We operate in an environment characterised by high inflation and economic challenges for our employees. As such, this sometimes contributes to low staff engagement, absenteeism and high staff mobility. The Group provides physical, emotional and financial wellness programs to support our employees.

Management Approach
The business has a Wellness Policy in place which drives employee welfare management in the company. We have a dedicated Human Resources Manager who is responsible for the wellness programs. Through the wellness policy, the business is committed to running at least two major wellness activities or employee health assessments every year. For employees who require specialised treatment and rehabilitation, access to specialists is provided. The business provides medical aid cover for all permanent employees.

We provided grocery vouchers at the end of the year for all staff members.

Assessment of Employee Welfare
On an annual basis, we measure the level of employee engagement such as emotional, rational and cerebral engagement (engagement of the mind). Through these assessments, we receive feedback on issues affecting staff members. We incorporate the feedback into the following year's human capital strategy.

Goals
- Health - maintain a healthy workforce and mentally engaged workforce.
- Financial wellness – Aim to remunerate among the upper quartile of companies in our industry.
- To provide secondary free financial counselling for staff members who need it.

Our remuneration policies are guided by industry collective bargaining agreements. During the year, 73% of our employees were covered by these agreements. The business has received positive feedback from staff members regarding its staff welfare processes. We give credit to the stakeholder engagement processes within the business which enabled us to meet employee welfare needs.

Occupational health and safety
First Mutual Holdings Limited attaches great value to the health and safety of employees in the workplace. Employee well-being at the workplace is not only a foundation for the smooth functioning of First Mutual Holdings but also an indicator of how we protect the rights and interests of our employees. Management ensures that there is great awareness of workplace safety, work-life balance, and protection of the physical and mental health of employees at all times.

The Group is committed to the provision of a safe and healthy environment for all employees. The business conducts scheduled maintenance of elevators and fire suppression systems to assess risks. On an ad-hoc basis, we conduct emergency drills to assess our preparedness for emergencies. The overall goal is to achieve zero fatalities and work-related injuries. We provide adequate controls and systems for prompt and effective response in cases of fire, robbery, and other emergencies.

SUSTAINABILITY PERFORMANCE (continued)

During the year, they were no safety incidents.

Training and Education

Training is a significant pillar of our business enabling First Mutual Holdings to remain competitive, productive, and effective in its operations. We recognise that we are operating in a fast-changing business environment, so remaining relevant upskilling and reskilling remains a top priority.

Management Approach

Our training needs are often assessed from our company strategy. The strategy gives us foresight into the changes required in the company and the associated skills required to reach our long-term goals and targets. The business has a Training and Development Policy in place directing the business in the identification and management of skills needs. Our training programs for management and supervisory staff include the following:

- Graduate Development Programme – the business has programs for recent university graduates which run for two years.
- Leadership Development Programme – senior and executive management undergo leadership training based on identified training needs.
- Management Development Programme – based on company or individual needs. Senior management and executives can have their training funded by the business.
- Supervisory Development Programme –supervisory training is provided to supervisors on a case-by-case basis.

For general staff members, training and development programs implemented on an annual basis foster continuous learning. We target to have an average of two training courses per employee every year. These programs are based on training needs.
Our training initiatives at First Mutual Holdings are informed and assessed through employee engagement surveys and performance evaluation. These surveys inform our training and development strategies.

Training hours

Below are the average training hours per employee:

Average hours of training per employee	2021	2020	2019	2018	2017
Male	18	13	15	37	54
Female	22	15	12	43	67

Defined Contribution Plan Obligations and Other Retirement Plans

Preparing for life after work is often a daunting task for many employees. To ensure our employees have a dignified send-off and are better prepared for post-retirement financial demands we have invested in retirement plans. We want our employees and their families to know that we care for them even after they are no longer working for us. We ensure that employees have access to voluntary and statutory pension schemes.

The Group operates an employee pension scheme and contributes to a mandatory national social security fund. During the year, our pension contributions were as follows:

Pension	2021	2020	2019	2018	2017
	ZWL	ZWL	ZWL	ZWL	ZWL
Contributions	310,010,000	14,369,003	1,596,553	1,143,228	1,064,464

COVID-19 RESPONSE IN THE WORKPLACE

The COVID-19 pandemic disrupted the normal way of doing business challenging us to be innovative and responsive to our stakeholder needs. As a responsible business, First Mutual Holdings made an effort to comply with all local and international COVID-19 regulations and guidelines to protect the health of our staff members, customers, and society.

The COVID-19 pandemic created the need for employees to work from home or remotely, justifying the need for strengthening our information technology infrastructure and skills. This led the business to go on an innovation drive rolling out the digitalization program to equip staff with the necessary technical competencies and skills to make remote working secure and efficient.

Management Approach

First Mutual Holdings Limited was guided by its Wellness Policy in the management of COVID-19 impacts. The policy provides for a 20% working from home on a bi-weekly rotation. This practice was instituted to ensure business continuity while eliminating business closure due to the virus. There were also positive sentiments from employees regarding its management of COVID-19 and the support provided.

SUSTAINABILITY PERFORMANCE (continued)

COVID-19 Testing

Indicator	Unit	2021	2020
Test conducted	Count	127	131
Positive Cases	Count	37	30
Negative Cases	Count	90	101
Deaths due to COVID-19	Count	2	0

Mitigation Measures

In line with our Wellness Policy, the Group provided the following:

- Counselling,
- Masks,
- Sanitisers,
- Gloves, and
- Face shields.

COMMUNITY INVESTMENTS

First Mutual Holdings Limited contributes to sustainable development and empowerment of communities through the First Mutual Foundation which administers the Corporate Social Responsibility (CSR) Policy. The Foundation's main objective is to enhance children and youth's access to education through school fees and ancillary assistance through a corporate social responsibility programme. Our corporate social responsibility programmes continue to support disadvantaged families struggling with tuition fees and education-related costs for their children.

During the year, First Mutual Health Company complimented Government's COVID-19 Vaccination programme through financial support. We donated to the Cancer Association Zimbabwe for cancer awareness programme. Our subsidiary, NicozDiamond Insurance donated various goods to Bumhudzo Old People's Home, Chitungwiza.

Our education CSR initiatives focused on supporting:

1. 90 students who migrated from primary to high school and the remaining 14 primary school students.
2. Six (6) university students at different stages of their studies up to 2024, and two (2) new university students on humanitarian grounds by way of exception as their parents were retrenched rendering them unable to continue paying tuition fees for the last leg of their university studies.

The business set up a Crisis Management Committee to manage any potential negative impacts from our CSR activities.

During the year, our CSR activities were as follows:

Category	Purpose	Support Provided	Beneficiaries	Value ZWL
Education	Humanitarian support.	School fees and ancillary support.	First Mutual Foundation	963,800
Health	Cancer Awareness and promotion. COVID-19 Vaccination.	Cash	Cancer Association of Zimbabwe. Government of Zimbabwe.	500,000 1,354, 597
Support for the disadvantaged.	Enhancing quality of life for the disadvantaged.	Cash	Bumhudzo Old People's Home.	450,000
			Total	**3,268,397**

SUSTAINABILITY PERFORMANCE (continued)

ECONOMIC VALUE CREATION

Our ability to create sustainable economic value to our stakeholders and the nation at large is an imperative for us at First Mutual Holdings Limited. We believe that our ability to continue operating depends on our capacity to create value for both internal and external stakeholders. It is this recognition of external stakeholders that inspires First Mutual Holdings Limited to generate value and distribute it in a sustainable manner. All monetary figures provided in this section are based on historical amounts spent by the company during the reporting period.

Management Approach

Our approach to insurance and investments is driven by capital deployment to generate long-term value, that uplifts society and the stakeholders upon whom our success is hinged. We do this by optimising value creation for distribution to various stakeholders in a sustainable manner, taking cognisance of the capital requirements for insurance businesses, systemic risks and product design. Our performance responds actively and promptly to fiscal and monetary policies in the countries we operate. We are observing increased interest from stakeholders in long term wealth, compliance, growth and payments of dividends. The business remains committed to driving growth while improving performance innovation, service excellence, relevant products and capacitating our access channels to stakeholders. Sustainable Wealth Pillars at First Mutual Holdings Limited:

- Capital requirements for Insurance business
- Systemic Risk Management
- Product Design
- Wealth Distribution

Capital requirements for Insurance business

The Group seeks to maintain a balance between higher returns for shareholders on equity held, and the security that a sound capital position provides. We achieve this by managing capital in a way that maximizes long-term shareholder value while maintaining financial strength within competitive range, and meeting regulatory, solvency and rating agency requirements.

SUSTAINABILITY PERFORMANCE (continued)

What our capital position means to our stakeholders:

Clients	Rating Agencies	Shareholders
Clients use this information to assess viability and sustainability of the insurance products on offer.	Capital is used to measure the ability of the Company to settle claims and hence used in assigning a rating to it.	The Holding Company uses the Capital Management framework to assess declaration of dividends and need for additional capital by subsidiaries.

To manage capital, we stand guided by the Capital Management Framework and Group Finance Policy. The policies and strategies are approved by the main board upon the recommendation of the Combined Audit and Actuarial Committee.

First Mutual Holdings Limited has several business units competing for capital. As such, we expect each unit to continue to exceed the Return on Equity (ROE) thresholds to retain its capital. However, we ensure that each business unit is adequately capitalised based on its regulatory and risk-based capital.

Systemic Risk Management
As a financial services business, it is imperative to anticipate and manage systemic risks in the business operating environment. As such, the ability to minimise risks is vital for our fiduciary responsibilities on behalf of stakeholders.

CONTRIBUTING TO ECONOMIC DEVELOPMENT
The Group made significant economic contributions for economic growth and development in the countries we operate. We generate direct economic value through our financial services products. We leverage on our expertise and experience to offer sustainable finance services designed to promote dignity and inclusion in countries we operate in Southern Africa. We distribute economic value generated according to our strategic plans and priorities for the year.

Tax Payments and Strategy
The Group makes significant payments to government through corporate taxes as well as the income taxes paid by employees on their remuneration. These payments help government sustain and support national infrastructure, service delivery and economic development. We believe that being transparent about our tax management and payment is an ethical and business practice.

Management Approach
The Group strategy is to ensure compliance with all applicable tax laws and requirements. It is the Audit Committee's responsibility to ensure such compliance has been achieved through regular tax compliance reviews and engagement with tax authorities in the countries we operate.

Engaging with Tax Authorities
Engaging with tax authorities allows the business to keep up to date with tax developments in the countries in which we operate. We engage tax consultants to help us update our systems whenever there are tax changes. The Group encourages staff to undertake training to keep up to date with tax developments. However, we also hold regular meetings with tax officers assigned to us to ensure our tax affairs are within tax laws and requirements.

During the year, our tax payments were as follows:

Payment		2021	2020	2019	2018	2017
Corporate Tax		30,488,074	19,817,228	191,367	5,327,385	2,576,602
Net Value Added Tax		18,031,000	11,743,863	701,571	1,049,470	981,920
Other Taxes	Payee	355,869,054	111,274,923	3,092,195		
	Withholding tax	2,161,707	30,569,254	62,040	3,192,035	2,339,579
	Aids Levy	10,676,722	3,465,257	92,766		
Total		**417,226,557**	**196,291,925**	**4,139,939**	**9,568,890**	**5,898,101**

RISK MANAGEMENT

Our Strategy
The First Mutual Holdings Limited is an enterprise with operations in the financial services sector in Southern Africa, committed to providing superior returns to all its stakeholders, ensuring stability, security and growth. The Group faces a diverse range of risks and uncertainties in both insurance and non-insurance sectors as a result of the nature of our activities. Our risk management thrust seeks to enhance proactive risk management, facilitate risk-based decision making, improve governance and accountability, enhance credibility with key stakeholders and to create, protect and enhance stakeholder value. Our approach includes diversification through a varied range of products, distribution channels, and geographical spread all underpinned by a robust risk management framework and established risk governance structures.

SUSTAINABILITY PERFORMANCE (continued)

Risk Governance
The attainment of the Group's vision is supported by an evolving risk management framework. This sets out the requirements for detailed risk policies and board oversight, supported by clear roles and responsibilities for the board and executive management. The executive risk management follows the 'three lines of defence' model. The framework ensures that the Group has a system and dynamic processes for identifying, evaluating, prioritising, managing, and adapting to critical risks.

Boards of the subsidiary companies have established committees to oversee the management of company-specific risks. The holding company board established the Group Risk Committee to provide enterprise-level board risk management oversight. The board is ultimately responsible for the Group's risk management, ensuring that our risk-taking decisions are well-informed and remain within the risk appetite. We continue to review and enhance our risk governance, ensuring that the board committees have the appropriate mix of competences. To this end, the Group Risk Committee membership increased to four non-executive directors during the year.

Our Approach
The board is committed to increasing stakeholder value through the management of corporate risks. We have established a system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determining the nature and extent of the material risks which the board is willing to take in achieving the Group's strategic objectives. To this end, the board has set parameters to assess the effectiveness of risk management across First Mutual for continuous monitoring and improvement.

The Group Risk Management function is headed by the Group Chief Risk Officer and liaises with other internal control functions – the actuarial, compliance and internal audit functions – to ensure we optimise use of the resources deployed in risk management and assurance on the effects of controls.

The risk management team's responsibilities include the following:
- assisting the board and management strengthen the risk management framework and embed risk management across the Group operations,
- promoting a robust risk culture to support an inclusive, comprehensive and dynamic risk management processes,
- maintaining the risk management process to ensure we are efficient in identifying, measuring, managing, monitoring, and treating in a consistent,
- effective management of the key and emerging risks – financial and non-financial – that are covered in our risk universe,
- facilitating risk prioritisation, resourcing and implementation of approved risk treatment plans,
- informing the board of consolidated risks that may materially affect the attainment of the Group's objectives,
- ensuring that there is sufficient capital in place to operate sustainably within the risk appetite and trending risk profile.

The Group's risk management framework has been designed to improve business performance by optimising growth opportunities, increase the likelihood of achieving the Group's objectives, anticipate and communicate uncertainties, enhance proactive risk management, integrate risk management activities into decision making and all key processes, reduce operational losses and surprises, comply with relevant legal and regulatory requirements and international norms, and create, protect and enhance stakeholder value.
In pursuit of its risk management strategy, the Group is committed to:
- establishing, implementing and continually improving a comprehensive and integrated risk management framework aligned to internationally and locally recognized frameworks including ISO 31000 and COSO.
- evaluating the strategic alignment of the Group's risk management to its external operating environment to ensure that risk management activities remain dynamic and responsive to emerging and changing risks.
- ensuring that risk management is embedded into the ethos, policies and practices of the Group so that risk management is an integral part of decision making, strategic planning, capital and financial budgeting processes.
- ensuring that staff are aware of the risks which the Group is exposed to and understand their obligations to report in a timely manner any deviations, or other breaches of the code of conduct or control measures, regardless of where in the organisation, or by whom, they are committed.

Risk Universe and Inherent Risks

Our focus is concentrated on the following risk categories which define our risk universe:

Strategic Risk -	The risk that arises where the Group's strategy may be inappropriate to support its long-term corporate goals due to underlying inadequate strategic planning processes, weak decision-making processes as well as weak strategic implementation programs.
Financial Risk -	The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variables.
Insurance Risk -	The risk that inadequate or inappropriate underwriting, claims management, product design and pricing will expose the Group to financial loss and the consequent inability to meet its liabilities.
Credit Risk -	The risk of loss in the value of financial assets due to borrowers or counterparties failing to meet all or part of their obligations and the risk arising from changes in the value of an asset such as a government bond due to actual or perceived change in the creditworthiness of the issuer.
Investment Risk -	The risk of failing to meet the Group's investment objectives due to adverse or inadequate investment performance.
Property Management Risk -	The risk arising from failure to operate, control, maintain, and oversee residential, commercial and/or industrial real estate.
Operational Risk -	The risk of adverse change in the value of capital resources resulting from operational events such as inadequacy or failure of internal systems, personnel, procedures or controls, as well as external events.

The Group's business model is exposed to the following inherent risks:

Risks transferred by the customer
- life insurance risks driven by longevity, mortality, expenses, lapses and change in reserves
- general insurance risks arising from accident, fire, floods and related perils
- health insurance risks arising qualifying healthcare claims

Risks arising from investments and operations
- financial risks relating to interest rates, currency, credit, liquidity, equities, concentration, reinsurance and solvency
- property management risks arising from tenants, planning, locations, the environment and building structures
- operational risks

Financial Risk Management
The Group's internal financial controls are set out in the relevant procedure manuals which also state the required standards and key control activities. These are underpinned by adequate segregation of duties. The accounting policies are reviewed periodically by the Combined Audit and Actuarial Committee, internal control functions and the external auditors. The Group Investment Committee sets limits for investment risk exposures that various staff members can trade on.

Operational and Business Risk Management
The Group manages operational risk through formalised procedures and controls, well-trained personnel and, where necessary, back-up facilities. The risks are identified, assessed, treated, monitored and reported as mandated in the risk management framework.

FINANCIAL REPORTS

DECLARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared under the supervision of the Group Finance Director, William M Marere, a member of the Institute of Chartered Accountants of Zimbabwe, and registered with the Public Accountants and Auditors Board, as a registered public accountant, certificate number 02431.

W.M. Marere
Group Finance Director
Harare

5 June 2025

EY
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with confidence

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Independent Auditor's Report

To the Shareholders of First Mutual Holdings Limited

Report on the Audit of the Consolidated and Company Financial Statements

Opinion

We have audited the consolidated and separate financial statements of First Mutual Holdings Limited set out on pages 69 to 195, which comprise the consolidated and separate Inflation adjusted statements of financial position as at 31 December 2021, and the consolidated and separate inflation adjusted statements of profit or loss and inflation adjusted other comprehensive income, consolidated and separate Inflation adjusted statements of cash flows for the year then ended, and notes to the consolidated and separate inflation adjusted financial statements, including material accounting policy information.

In our opinion except for the possible effects of the matter(s) matters described in the Basis for qualified opinion section, the accompanying consolidated and separate Inflation Adjusted Financial Statements as at 31 December 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended have been prepared, in all material respects, in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Qualified Opinion

Valuation of Investment Properties (Group)

Our opinion in the prior year was also modified for the incorrect valuation of investment properties where the concern was on applying a conversion rate to a USD valuation to calculate ZWL property values which was not an accurate reflection of market dynamics. The prior year misstatement has not been corrected in terms of IAS 8 – Accounting Polices, Changes in Accounting Estimates and Errors. As opening balances enter into the determination of performance, the following amounts on the inflation adjusted group Statements of Profit or Loss are impacted:

Group inflation adjusted Statement of Profit or Loss

- Fair Value Adjustments ZWL 7 111 987 949 (2020: ZWL 5 246 177 291)

Consequently, Retained earnings on the inflation adjusted group Statements of Financial Position is impacted.

Further, corresponding amounts for Investment Properties and Deferred Tax on the inflation adjusted group and Statements of Financial Position remain impacted. Our opinion on the current period's inflation adjusted group financial statements is therefore modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Investment in Subsidiaries - Equity Accounted Amounts not correct owing to incorrect opening balances and use of incorrect exchange rates and incorrect application of hyperinflationary accounting (Company only)

The company equity accounts for its investment in subsidiaries. The statutory financial statements of the local subsidiaries are impacted by non-compliance with IAS21, valuation of investment properties and consequential impact on IAS29 application as described on this report. The prior year misstatement has not been corrected in terms of IAS 8 – Accounting Polices, Changes in Accounting Estimates and Errors. Opening balances enter into the determination of performance, however for the current period the auction rate has been adopted and is in line with the requirements of IAS21, therefore the impact is on the comparative numbers only.

Consolidation of a Foreign Subsidiary with incorrect exchange rates – (Group only)

Further to the issue noted above in respect of inappropriate spot rates, management used the interbank rate in 2020to translate the foreign subsidiary (FMRE Property and Casualty (Botswana)) to group reporting currency on consolidation, during the current year the auction rate was used which complies with IAS 21, this issue has no impact in the current year as it was corrected.

Application of IAS29 - Financial Reporting in Hyperinflationary Economies

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application on prior year corresponding numbers was based on financial information which was not in compliance with IAS 21/ IAS 8 as described above, therefore the inflation adjusted corresponding numbers for line items above also remains misstated. Consequently, the monetary (losses)/gains stated as follows are impacted:

Group Statement of Profit or Loss

- Monetary (loss)/gain ZWL 863 421 746 (2020: ZWL17 97 575 782)

The effects of the above departures from IFRS are material but not pervasive to the inflation adjusted financial statements.

Emphasis of Matter

We draw attention to Note 30.3.1 of the financial statements, which describes the forensic investigation by the Insurance and Pensions Commission and the resulting legal proceedings. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate inflation adjusted financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate inflation adjusted financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate inflation adjusted Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate inflation adjusted financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate inflation financial statements.

Key Audit Matter	How our audit addressed the matter
Valuation of Insurance Contract Liabilities (Consolidated)	
► Note 19.2 – Insurance Liabilities-life insurance As included in the above notes to the inflation adjusted Group financial statements, Insurance Liabilities amounting to ZWL108 749 272 (2020: ZWL 28 749 089) has been considered to be an area where significant judgements were applied. In determining the value of the insurance liabilities, the Group made use of internal actuaries with additional reviews done by independent experts (African Actuarial Consultants). The process of determining policyholder liabilities is judgemental and relies on several subjective assumptions, for example the Incurred but Not Reported (IBNR) reserve, life expectancy, morbidity rates, mortality rates, lapse and surrender rates, investment returns, expenses and expenses inflation, IBNR utilisation experience and bonus declaration considerations. Due to the high level of estimation, significant judgement and complexity involved in determining the fair values of the actuarial liabilities, the valuation of policyholder liabilities was considered to be a Key Audit Matter.	We performed audit procedures to assess the adequacy of the valuation which included the following: ► We obtained an understanding of the controls, assumptions, methodology applied in arriving at the estimate including the treatment of the IPEC guidelines. ► Assessed the objectivity, competence, and capabilities of management's experts and obtained an understanding of their work. ► Inspected profiles of the individuals performing the valuation, in order to assess their experience and competence. ► We engaged our Internal EY Actuaries to review the principal assumptions, estimate and methodology and computations applied for reasonableness for the determination of policyholder liabilities. ► We performed procedures to assess the adequacy and reasonableness of reserves. We performed tests of completeness of the reserves as well. ► We performed a review on the credit risk CAR calculations in line with the requirements of SAP104 ► We assessed the reasonability of the bonus declared on the products on offer in relation to the real return on the assets backing up the respective liabilities. ► Our review of the annual financial statements will also focus on the disclosure guidelines as detailed in the relevant IPEC guidelines.

Key Audit Matter	How our audit addressed the matter
Valuation of Investment Properties (Consolidated)	
► Note 7 - Investment Property Current market conditions have continued to present challenges in the determination of the fair value of investment properties. The determination of the value of commercial property involves significant judgements on the future cash flow amounts, the timing of those cash flows and determination of the discount rates to be used. The following challenges affecting the valuation of investment property were identified: ► Absence of market capitalisation rates in ZWL for valuations performed applying the income capitalisation method. ► Uncertainties resulting from the hyperinflationary environment. ► Excessive market volatility. ► Lack of transactions conducted in ZWL$. Due to the high level of estimation, significant judgement and complexity involved in determining the fair values of the investment properties the valuation of the investment properties was considered to be a Key Audit Matter.	We performed audit procedures to assess the adequacy of the valuation which included the following: ► Assessed the competence, capabilities and objectivity of management's valuation expert and obtained an understanding of their work. ► Inspected profiles of the individuals performing the valuation, in order to assess their experience and competence. ► We involved the EY valuation experts to review the work done by management's expert. ► Assessed the appropriateness of the valuation methodologies adopted by management's specialist based on our knowledge of the industry. ► Compared the inputs used in the valuation by management's valuation expert with available market data. ► Identified, evaluated, and tested significant assumptions used by management's valuation expert by comparing them to those used by other valuers in the industry. ► Assessed completeness and appropriateness standards. Of the investment properties disclosures in accordance with the relevant financial reporting.

Other information

The directors are responsible for the other information. The other information comprises the Chairman's Statement and the Directors' Report and the Statement of Corporate Governance and Responsibility but does not include the inflation adjusted consolidated and company financial statements and our auditor's report thereon. Our opinion on the inflation adjusted consolidated and company financial statements does not cover the other information, and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated and company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated and company financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Inflation adjusted Consolidated and Company Financial Statements:

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated and company financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated and company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated and company financial statements, the directors are responsible for assessing the Group 's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Inflation adjusted Consolidated and Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated and company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these inflation adjusted consolidated ad company financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated and company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is enough and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated and company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated and company financial statements, including the disclosures, and whether the inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated and company financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Fungai Kuipa (PAAB Practicing Certificate Number 0335).

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

Date: 25 June 2025

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2021

		INFLATION ADJUSTED-AUDITED		HISTORICAL-UNAUDITED	
ASSETS	**Note**	**2021 ZWL**	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
Property, plant and equipment*	6	479 484 499	463 178 080	140 852 865	55 827 332
Investment property	7	22 506 950 000	15 373 976 594	22 506 950 000	9 549 053 785
Right of use of assets	6.1	13 966 807	28 612 158	13 966 807	17 771 527
Goodwill	8.2	24 303 526	25 333 076	24 303 526	15 734 830
Other intangible assets	8.1	16 684 742	36 382 832	3 667 899	668 731
Investment in associate	10	353 078 749	570 425 805	213 844 123	172 212 552
Financial assets:					
- debt securities at amortised cost	11.2	186 655 919	132 763 796	186 655 919	82 461 985
Deferred tax asset	21.1	107 560 265		103 317 638	
Deferred acquisition costs	12	243 328 844	158 229 256	162 029 578	56 782 638
Non-current assets held for sale	7.2	-	78 596 418	-	48 817 651
Current income tax asset	21.2	-	514 068	-	319 297
Inventory	13	43 783 964	42 021 165	30 366 379	14 545 247
- equity securities at fair value through profit or loss ("FVPL")	11.1	6 133 602 569	3 427 997 185	6 133 602 569	2 129 190 798
Insurance, tenant and other receivables	14	2 765 451 570	2 000 896 728	2 637 946 518	1 188 173 329
Cash and balances with banks	15	3 053 838 292	2 671 649 831	3 053 838 292	1 659 409 833
TOTAL ASSETS		**35 928 689 746**	**25 010 576 992**	**35 211 342 113**	**14 990 969 535**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	16	120 449 652	44 749 238	54 878 335	726 836
Share premium		2 415 561 871	2 415 561 871	39 416 526	39 416 526
Non-distributable reserves	16.5	747 810 748	954 930 411	489 882 338	569 159 634
Retained profits*		4 174 322 039	1 851 996 402	7 251 613 939	3 352 408 760
Total equity attributable to equity holders of the parent		**7 458 144 310**	**5 267 237 922**	**7 835 791 138**	**3 961 711 756**
Non-controlling interests	31.6	**5 989 968 812**	**5 260 574 211**	**5 983 667 059**	**2 653 035 139**
Total equity		**13 448 113 122**	**10 527 812 133**	**13 819 458 197**	**6 614 746 895**
Liabilities					
Deferred tax liability*	21.1	3 275 743 419	1 649 449 067	3 258 277 728	973 449 127
Life insurance contract liabilities:					
- with Discretionary Participating Features ("DPF")	17.3	1 728 884 339	765 877 961	1 728 884 339	475 700 597
- without DPF	17.3	207 496 949	301 454 953	207 496 949	187 239 101
Investment contract liabilities:			-		
- with DPF	17.2	9 002 629 121	6 167 804 505	9 002 629 121	3 830 934 475
- without DPF	17.2	1 679 388 424	751 738 933	1 679 388 424	466 918 592
Member Assistance Fund	18	9 040 581	14 555 335	9 040 581	9 040 581
Borrowings	19	166 721 472	-	166 721 472	-
Financial liability	31.6	568 099 100	-	568 099 100	-
Lease liability	6.1	15 035 520	23 495 915	15 035 520	14 593 736
Share based payment liability	16.4	266 719 835	146 448 075	266 719 835	90 961 537
Insurance contract liabilities - short term	19.1	4 427 028 433	3 823 472 109	3 357 032 260	1 806 597 313
Insurance liabilities - life assurance	19.2	108 749 272	28 749 089	108 749 272	17 856 577
Regulatory Provision	20.3	157 294 473	-	157 294 473	-
Other payables		771 481 515	704 056 808	770 250 671	437 302 365
Current income tax liabilities	21.2	96 264 171	105 662 109	96 264 171	65 628 639
Total liabilities		**22 480 576 624**	**14 482 764 859**	**21 391 883 916**	**8 376 222 640**
TOTAL EQUITY AND LIABILITIES		**35 928 689 746**	**25 010 576 992**	**35 211 342 113**	**14 990 969 535**

These financial statements were approved by the Board of Directors on 5 June 2025 and were duly signed on their behalf.

A. R. T. Manzai
Chairman

D. Hoto
Group Chief Executive Officer

** In 2020, the depreciation for property, plant and equipment in inflation adjusted terms was errenously overstated. .The restatement has no impact on the profit for the period, basic and diluted earnings per share. For more detail on the correction of the error kindly refer to Note 6a.*

The historical cost information has been shown as supplementary information for the benefit of users. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on this historic financial information.

Consolidated Statement of Comprehensive Income

FOR THE PERIOD ENDED 31 DECEMBER 2021

		INFLATION ADJUSTED-AUDITED		HISTORICAL-UNAUDITED	
		2021	**2020**	**2021**	**2020**
INCOME	**Note**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Gross premium written	22	14 351 062 525	9 569 301 618	11 407 034 783	4 127 230 516
Reinsurance	22	(3 124 675 706)	(2 476 200 048)	(2 489 180 551)	(1 183 180 521)
Net premium written	**22**	**11 226 386 819**	**7 093 101 570**	**8 917 854 232**	**2 944 049 995**
Unearned premium reserve		(276 014 471)	(372 595 852)	(379 226 383)	(27 471 257)
Net premium earned		**10 950 372 348**	**6 720 505 718**	**8 538 627 849**	**2 916 578 738**
Rental income	23	599 540 388	414 423 866	480 100 042	174 757 801
Fair value adjustment - investment property	7	7 111 987 949	5 246 177 291	12 942 134 743	8 184 676 009
Net investment income	24	2 509 903 702	557 470 590	3 852 705 039	1 464 677 797
Interest income from investments	24	63 861 440	18 175 388	57 556 305	9 824 897
Net interest income	25.3	71 102 009	-	58 118 140	-
Fee income:					
- insurance contracts	25.1	450 769 250	318 320 071	324 141 994	123 685 090
- investment contracts	25.1	13 420 831	2 701 332	10 968 085	601 540
Other income	25.2	491 481 731	864 041 852	363 205 649	493 584 728
Monetary gain/(loss)		(863 421 746)	(1 797 575 782)	-	-
Total income		**21 399 017 902**	**12 344 240 326**	**26 627 557 846**	**13 368 386 600**
EXPENDITURE					
Insurance benefits	26	(375 443 427)	(129 802 220)	(310 010 289)	(57 810 974)
Insurance claims and loss adjustment expenses	26	(6 848 336 952)	(3 628 078 425)	(5 458 563 120)	(1 731 146 253)
Insurance claims and loss adjustment expenses recovered from reinsurers	26	711 262 566	275 613 654	594 827 247	125 460 987
Net insurance benefits and claims	**26**	**(6 512 517 813)**	**(3 482 266 991)**	**(5 173 746 162)**	**(1 663 496 241)**
Movement in insurance contract liabilities	17.5	(3 703 872 990)	(1 857 036 074)	(6 445 136 237)	(3 602 820 063)
Movement in shareholder risk reserve	17.6	-	192 448 526	-	26 646 706
Investment profit on investment contract liabilities	17.7.1	(1 050 939 609)	(427 114 775)	(1 223 437 917)	(422 092 376)
Movement in member assistance fund	18	-	(22 943 757)	-	(8 322 777)
Acquisition of insurance and investment contracts expenses*	27	(963 277 273)	(446 649 488)	(777 360 663)	(260 323 093)
Administration expenses*	28	(4 086 154 437)	(2 499 550 652)	(3 158 795 808)	(1 179 116 528)
Allowances for credit losses	28.3	(181 154 119)	(355 736 465)	(181 154 119)	(212 732 557)
Regulatory Provision	20.3	157 294 473	-	157 294 473	-
Finance costs		(1 609 186)	(2,157,992)	(1 321 075)	(1 289 565)
Total expenditure		**(16 656 819 900)**	**(8 901 007 668)**	**(17 118 246 454)**	**(7 323 546 493)**
Profit before share of profit of associate		**4 742 198 002**	**3 443 232 658**	**9 509 311 391**	**6 044 840 106**
Share of profit/(loss) of associate	10	3 840 331	(2 787 456)	33 646 606	(1 915 650)
Profit before income tax		**4 746 038 333**	**3 440 445 202**	**9 542 957 997**	**6 042 924 456**
Income tax (expense)/ credit	21.3	(1 574 528 756)	332 149 221	(2 237 305 633)	(779 151 160)
Profit for the period		**3 171 509 577**	**3 772 594 423**	**7 305 652 364**	**5 263 773 296**
Other comprehensive income					
Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods:					
Exchange gain/(loss) on translating foreign operations:					
-Subsidiries		52 794 275	80 625 076	(54 771 972)	326 953 915
-Associates		(81 372 170)	301 202 138	10 525 617	152 129 938
Share of other comprehensive profit of associate		(139 815 217)	74 594 188	14 309 216	22 501 418
Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods		**(168 393 112)**	**456 421 402**	**(29 937 139)**	**501 585 271**
Total comprehensive income for the period		**3 003 116 465**	**4 229 015 825**	**7 275 715 225**	**5 765 358 567**
Profit attributable to:					
Non-controlling interest		747 497 369	1 744 861 557	3 324 863 684	2 278 684 897
Equity holders of the parent		2 424 012 208	2 027 732 866	3 980 788 680	2 985 088 399
Profit for the period		**3 171 509 577**	**3 772 594 423**	**7 305 652 364**	**5 263 773 296**
Comprehensive income attributable to:					
Non-controlling interest		759 220 038	1 745 530 296	3 355 950 964	2 279 100 262
Equity holders of the parent		2 243 896 428	2 483 485 529	3 919 764 261	3 486 258 305
Total comprehensive income for the period		**3 003 116 465**	**4 229 015 825**	**7 275 715 225**	**5 765 358 567**
Basic earnings per share (cents)	29.1	333.74	280,29	548.08	412,62
Diluted earnings per share (cents)	29.2	333.29	280,02	547.34	412,22

**Refer to note 21.3.1 for more detail on the reclassification.*

The historical cost information has been shown as supplementary information for the benefit of users. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on this historic financial information.

Consolidated Statement of Changes In Equity

FOR THE PERIOD ENDED 31 DECEMBER 2021

INFLATION ADJUSTED-AUDITED

For the year ended 31 December 2020	Share capital ZWL	Share premium ZWL	Non distributable reserve (note 16.6) ZWL	Retained profits ZWL	Total equity for parent ZWL	Non-controlling Interest ZWL	Total equity ZWL
As at 1 January 2020	44 738 070	2 414 340 222	499 962 671	(171 058 510)	2 787 982 453	3 483 043 624	6 271 026 077
Prior year adjustment*				69 218 074	69 218 074		69 218 074
Profit for the period	-	-	-	2 027 732 866	2 027 732 866	1 744 861 557	3 772 594 423
Other comprehensive income	-	-	455 752 663	-	455 752 663	668 739	456 421 402
Total comprehensive income/(loss)	**-**	**-**	**455 752 663**	**2 027 732 866**	**2 483 485 529**	**1 745 530 296**	**4 229 015 825**
Transactions with shareholders in their capacity as owners:							
Issue of shares - share options	11 168	1 221 649	(1 232 817)	-	-	-	-
Share based payments	-	-	447 894	-	447 894	-	447 894
Acquisition of controlling interest in subsidiary (note 9)	-	-	-	-	-	42 785 737	42 785 737
Dividend declared and paid	-	-	-	(73 896 028)	(73 896 028)	(10 785 446)	(84 681 474)
As at 31 December 2020	**44 749 238**	**2 415 561 871**	**954 930 411**	**1 851 996 402**	**5 267 237 922**	**5 260 574 211**	**10 527 812 133**
For the year ended 31 December 2021							
As at 1 January 2021	44 749 238	2 415 561 871	954 930 411	1 851 996 402	5 267 237 922	5 260 574 211	10 527 812 133
Profit for the period	-	-	-	2 424 012 208	2 581 306 681	747 497 369	3 171 509 577
Other comprehensive income	-	-	(180 115 781)	-	(180 115 781)	11 722 669	(168 393 112)
Total comprehensive income	**-**	**-**	**(180 115 781)**	**2 424 012 208**	**2 243 896 427**	**759 220 038**	**3 003 116 465**
Transactions with shareholders in their capacity as owners:							
Issue of shares - share options	11 517 728	-	(11 732 548)	214 820	-	-	-
Issue of shares	64 182 686	-	-	-	64 182 686	-	64 182 686
Issue of Diamond Seguros shares to Non-controlling interest						7 026 539	7 026 539
Rights issue by Diamond Seguros to non-controlling interest	-	-	14 716 004	5 001 897	19 717 901	(19 717 901)	-
Issue of shares in FMRE Holding Company**	-	-	135 393 557	-	135 393 557	-	135 393 557
Remeasurement of the financial liability	-	-	(165 380 895)	-	(165 380 895)	-	(165 380 895)
Dividend declared and paid	-	-	-	(106 903 288)	(106 903 288)	(17 134 075)	(124 037 363)
As at 31 December 2021	**120 449 652**	**2 415 561 871**	**747 810 748**	**4 174 322 039**	**7 458 144 310**	**5 989 968 812**	**13 605 407 595**

** In 2020, the depreciation for property, plant and equipment in inflation adjusted terms was errenously overstated. .The restatement has no impact on the profit for the period, basic and diluted earnings per share. For more detail on the correction of the error kindly refer to Note 6a*

*** This transaction has been recognised in line with the group's policy as explained in note 2.2. As a result of the NCI put option relating to the issue of FMRE Holding Company shares, the non-controlling interest had to be derecognised This has been disclosed in note 32.6*

The historical cost information has been shown as supplementary information for the benefit of users. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on this historic financial information.

Consolidated Statement of Changes In Equity
FOR THE PERIOD ENDED 31 DECEMBER 2021

HISTORICAL COST-UNAUDITED

For the year ended 31 December 2020	**Share capital ZWL**	**Share premium ZWL**	**Non distributable reserve (note 16.6) ZWL**	**Retained profits ZWL**	**Total equity for parent ZWL**	**Non-controlling Interest ZWL**	**Total equity ZWL**
As at 1 January 2020	723 443	39 045 426	68 228 713	389 819 456	497 817 038	350 636 177	848 453 215
Profit for the year	-	-	-	2 985 088 399	2 985 088 399	2 278 684 897	5 263 773 296
Other comprehensive income	-	-	501 169 906	-	501 169 906	415 365	501 585 271
Total comprehensive income/(loss)	**-**	**-**	**501 169 906**	**2 985 088 399**	**3 486 258 305**	**2 279 100 262**	**5 765 358 567**
Transactions with shareholders in their capacity as owners:							
Issue of shares - share options	3 393	371 100	(374 493)	-	-	-	-
Share based payments	-	-	135 508	-	135 508	-	135 508
Acquisition of controlling interest in subsidiary (note 9)	-	-	-	-	-	26 574 992	26 574 992
Dividend declared and paid	-	-	-	(22 499 095)	(22 499 095)	(3 276 292)	(25 775 387)
As at 31 December 2020	**726 836**	**39 416 526**	**569 159 634**	**3 352 408 760**	**3 961 711 756**	**2 653 035 139**	**6 614 746 895**
For the year ended 31 December 2021							
As at 1 January 2021	726 836	39 416 526	569 159 634	3 352 408 760	3 961 711 756	2 653 035 139	6 614 746 895
Profit for the period	-	-	-	3 980 788 680	3 980 788 680	3 324 863 684	7 305 652 364
Other comprehensive income	-	-	(61 024 419)	-	(61 024 419)	31 087 280	(29 937 139)
Total comprehensive income	**-**	**-**	**(61 024 419)**	**3 980 788 680**	**3 919 764 261**	**3 355 950 964**	**7 275 715 225**
Transactions with shareholders in their capacity as owners:							
Issue of shares - share options	216 469	-	(222 828)	6 360	-	-	-
Issue of shares	53 935 030	-	-	-	53 935 030	-	53 935 030
Issue of Diamond Seguros shares to Non-controlling interest	-	-	-	-	-	5 091 695	5 091 695
Rights issue by Diamond Seguros to non-controlling interest	-	-	11 957 289	4 465 979	16 423 268	(16 423 268)	-
Issue of shares in FMRE Holding Company	-	-	135 393 557	-	135 393 557	-	135 393 557
Remeasurent of the Financial liability	-	-	(165 380 895)	-	(165 380 895)	-	(165 380 895)
Dividend declared and paid	-	-	-	(86 055 839)	(86 055 839)	(13 987 471)	(100 043 310)
As at 31 December 2021	**54 878 335**	**39 416 526**	**489 882 338**	**7 251 613 939**	**7 835 791 138**	**5 983 667 059**	**13 819 458 197**

The historical cost information has been shown as supplementary information for the benefit of users. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on this historic financial information.

Consolidated Statement of Cash Flows

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	INFLATION ADJUSTED-AUDITED 2021 ZWL	INFLATION ADJUSTED-AUDITED 2020 ZWL	HISTORICAL-UNAUDITED 2021 ZWL	HISTORICAL-UNAUDITED 2020 ZWL
Profit before income tax		**4 746 038 333**	**3 440 445 202**	**9 542 957 997**	**6 042 924 456**
Adjustments for non-cash items:					
Depreciation	6 & 6.1	93 617 916	237 619 683	15 682 961	9 202 014
Fair value gains on investment properties	7	(7 111 987 949)	(5 246 177 291)	(12 942 134 743)	(8 184 676 009)
Amortisation of intangible assets	8	24 382 759	24 891 680	384 684	2 024 742
Fair value adjustment on equity securities at FVPL	11.1	(2 835 052 721)	(687 240 626)	(4 104 758 542)	(1 559 559 797)
(Profit)/loss from disposal of property and equipment	25.2	(28 790 592)	(925 241)	(20 059 645)	(202 447)
(Profit) on disposal of Non-current asset held for sale	7	(12 359 047)	-	(9 915 762)	-
Movement in allowance for credit losses	28.3	181 154 119	355 736 465	181 154 119	212 732 557
Movement in insurance contract liabilities	17.3	869 048 374	398 536 609	1 273 441 590	570 337 178
Movement in investment contract liabilities	17.1 & 17.7.1	3 885 764 225	2 175 298 384	6 395 132 563	3 640 957 918
Movement in incurred but not reported provisions		237 315 170	(264 843 569)	458 708 597	(318 726 989)
Movement in shareholder risk reserves		-	(192 448 526)	-	(26 646 706)
Change in unearned premium reserve movement		276 014 471	372 595 852	379 226 383	27 471 257
Cash settled share based payment		292 475 360	136 639 368	311 982 338	100 574 466
Share of loss/(profit) of associate		(3 840 331)	2 787 456	(33 646 606)	1 915 650
Movement in member asssistance fund	18	-	22 943 757	-	8 322 777
Deferred acquisition costs		85 099 588	(17 534 636)	105 246 940	49 135 127
Adjustments for separately disclosed items:					
Finance costs on lease liability		1 609 186	2 157 992	1 321 075	1 289 565
Dividend received	24	(250 512 376)	(53 044 071)	(194 195 640)	(31 828 602)
Interest received	24	(63 861 440)	(18 175 388)	(57 556 305)	(9 824 897)
Interest charged		41 216 845	-	34 842 177	-
Monetary gain or loss		863 421 746	1 797 575 782	-	-
Operating cash flows before working capital changes		**1 290 753 635**	**2 486 838 882**	**1 337 814 184**	**535 422 260**
Working capital changes					
(Increase)/decrease in inventory		(1 762 799)	51 834 336	(15 821 132)	(8 236 626)
(Increase)/decrease in other receivables		(793 433 353)	(323 261 762)	(946 523 869)	(278 257 714)
Increase in rental receivables		(19 060 747)	(37 955 703)	(45 979 983)	(39 547 732)
Regulatory provision		157 294 473	-	157 294 473	-
Increase in insurance receivables		47 939 258	(134 614 886)	(457 269 337)	(662 222 574)
Increase in other payables		67 424 707	120 506 846	332 948 306	356 503 179
Increase/(decrease in insurance contract liabilities - life assurance		57 509 537	(4 572 453)	63 960 867	7 585 220
Increase/(decrease) in insurance contract liabilities - short term		(127 240 100)	374 405 104	598 073 030	975 814 739
		(611 329 024)	**46 341 482**	**(313 317 644)**	**351 638 492**
Cash generated from operations		**679 424 611**	**2 533 180 364**	**1 024 496 540**	**887 060 752**
Finance costs on lease liability		(1 609 186)	(2 157 992)	(1 321 075)	(1 289 565)
Share Appreciation Rights paid during the year		(148 097 951)	-	(124 452 059)	-
Interest received	24	63 861 440	18 175 388	57 556 305	9 824 897
Interest paid		(14 056 325)	-	(14 056 325)	-
Income tax paid	21.2	(39 329 616)	(65 087 705)	(30 488 074)	(19 817 228)
Net cash flows from operating activities		**540 192 974**	**2 484 110 055**	**911 735 311**	**875 778 856**
Investing activities					
Dividends received	24	250 512 376	53 044 071	194 195 640	31 828 602
Additions to property, plant and equipment	6	(54 308 105)	(98 413 815)	(60 714 293)	(40 377 317)
Additions to investment property	7	(20 985 457)	(118 804)	(15 761 472)	(19 090)
Additions to intangible assets	8.1	(4 684 667)	-	(3 383 852)	-
Investment in Builstate	11.1	(24 476 860)	-	(24 476 860)	-
Proceeds from disposal of Non-current asset held for sale		79 390 484	-	61 135 762	-
Proceeds from disposal of property and equipment		24 247 744	405 188	20 928 305	235 692
Purchase of Solar project	6	(51 337 078)	-	(35 650 749)	-
Purchase of equity securities at fair value through profit or loss	11.1	(330 958 086)	(829 093 606)	(251 054 106)	(296 983 739)
Purchase of debt securities at amortised cost	11.2	(154 303 502)	(156 416 879)	(119 615 118)	(47 624 187)
Proceeds from sale of equity securities at fair value through profit or loss		484 882 280	607 210 542	375 877 737	76 119 667
Proceeds from sale of debt securities at amortised cost		19 893 327	222 704 686	15 421 184	67 806 810
Cash generated from/(utilised in) investing activities		**217 672 456**	**(200 678 617)**	**156 902 177**	**(209 013 562)**
Financing activities					
Issue of shares		64 182 686	-	53 935 030	-
Lease liability repayment	6.1	(6 011 507)	(23 422 586)	(4 660 083)	(7 131 466)
Dividends paid controlling interest		(106 903 288)	(73 896 028)	(86 055 839)	(22 499 095)
Borrowings received	19	316 538 602	-	271 492 894	-
Loan repayments		(125 557 275)	-	(125 557 275)	-
Receipt of funds from non-controlling interest for issue of shares in Diamond Seguros		7 026 539	-	5 091 695	-
Dividends paid to non-controlling interest		(17 134 075)	(10 785 446)	(13 987 471)	(3 276 292)
Cash flows generated from/ (utilised in) financing activities		**132 141 682**	**(108 104 060)**	**100 258 951**	**(32 906 853)**
Net increase in cash and cash equivalents for the year		**890 007 112**	**2 175 327 378**	**1 168 896 439**	**633 858 441**
Cash and cash equivalents at the beginning of the year		2 671 649 831	2 018 726 794	1 659 409 833	279 515 881
Effects of exchange rate changes on cash and cash equivalents		(623 020 160)	(402 948 826)	225 532 020	746 035 511
Effects of inflation on cash and cash equivalents		115 201 509	(1 119 455 515)	-	-
Cash and cash equivalents at the end of the year	**15**	**3 053 838 292**	**2 671 649 831**	**3 053 838 292**	**1 659 409 833**

The historical cost information has been shown as supplementary information for the benefit of users. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on this historic financial information.

Notes to the Consolidated Financial Statement
FOR THE PERIOD ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION

The main business of First Mutual Holdings Limited (the "Company") and its subsidiaries and associates (together "the Group") is that of provision of life assurance, non-life insurance (comprising general insurance, reinsurance, healthcare and funeral assurance), property management and development, wealth management services and micro-lending.

First Mutual Holdings Limited is a public company, incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange ("ZSE").

As at the reporting period, the National Social Security Authority ("NSSA") was the ultimate parent company of First Mutual Holdings Limited with a total holding of 66.22% (2020: 68.81%) directly in First Mutual Holdings Limited and 7.1% (2020: 7.1%) indirectly through Capital Bank. The shares held as at the reporting period were pending an authorisation of the partial disposal of the 31.22% of its total holding to CBZ Holdings which will result in First Mutual Holdings becoming an associate of both NSSA and CBZ Holdings. This transaction is at shareholder level and has no impact on the financial statements of the Group and Company.

The registered office is located at Second Floor, First Mutual Park, 100 Borrowdale Road, Borrowdale, Harare, Zimbabwe.

The inflation adjusted and historical financial statements of the Group and Company for the year ended 31 December 2021 were authorised for issue in accordance by a resolution of the Directors' at a meeting held on 5 June 2025.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and presentation

2.1.1 Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards, ("IFRS") as issued by the International Accounting Standards Board ("IASB"), International Financial Reporting Interpretations Committee ("IFRIC") as issued by the International Financial Reporting Interpretations Committee ("IFRS IC") and in a manner required by the Companies and`other Business Entities Act (Chapter 24:31) , except for non-compliance with International Accounting Standards ("IAS") 21 'The effects of changes in foreign exchange rates' and IAS 8 'Accounting policies - Changes in accounting policies, estimates and errors' . The financial statements are based on statutory records that are maintained under the historical cost convention except for investment property, equity securities at fair value through profit or loss and insurance and investment contract liabilities that have been measured at fair value basis. For fair presentation in accordance with International Accounting Standard ("IAS") 29, 'Financial Reporting in Hyperinflationary Economies', the historical cost information has been restated for changes in the general purchasing power of the Zimbabwe dollar ("ZWL " or "$") and appropriate adjustments and reclassifications have been made. Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Group and Company. The historical cost financial statements have been provided by way of supplementary information.

The financial statements comprise the statement of financial position of the Company and the financial statements of the Company and its subsidiaries (together the "Group") as at 31 December 2021.

2.1.2 Inflation adjustment

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that corresponding figures for previous periods be 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 National Statistics Agency. The conversion factors used to restate the financial statements as at 31 December 2021 are as follows:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1.2 Inflation adjustment (continued)

Date	CPI	Conversion factor
31 December 2021	3 977.50	1.00
30 November 2021	3 760.90	1.06
31 October 2021	3 555.90	1.12
30 September 2021	3 342.00	1.19
31 August 2021	3 191.05	1.25
31 July 2021	3 062.93	1.30
30 June 2021	2 986.44	1.33
31 May 2021	2 874.85	1.38
30 April 2021	2 803.57	1.42
31 March 2021	2 759.83	1.44
28 February 2021	2 698.89	1.47
31 January 2021	2 608.79	1.52
31 December 2020	2 474.51	1.61
31 December 2019	551.63	7.21

All other items on the statement of comprehensive income are restated by applying the relevant monthly conversion factors.

The application of the IAS 29 restatement procedures has the effect of amending some of the accounting policies for non-monetary assets and liabilities used when preparing financial statements under the historical cost convention.

The main considerations and procedures applied for the above-mentioned restatement are as follows:

- financial statements are stated in terms of a measuring unit current at the balance sheet date;
- the corresponding figures for the previous period are restated to the measuring unit current at the balance sheet date;
- monetary assets and liabilities that are carried at amounts current at the balance sheet date are not restated because they are already expressed, in the monetary unit current at the balance sheet date;
- the non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date and component of shareholders' equity are restated by applying the relevant conversion factors from the date of the transaction to the balance sheet date;
- additions to property and equipment acquired are restated using the relevant conversion factors from the date of the transaction to the balance sheet date;
- comparative financial statements are restated using general inflation indices in terms of the measuring unit current at the balance sheet date;
- all items in the statement of comprehensive income are restated by applying the relevant monthly conversion factors;
- the effect of inflation on the net monetary position of the Group is included in the Group's statement of comprehensive income as a gain or loss on net monetary position;
- items in the cashflow statement are expressed in terms of the measuring unit current at the balance sheet date;
- impact of monetary gains or losses on the statement of cashflows are shown as a single line item; and
- for foreign subsidiaries, the financial information is converted in line with IAS 21 on a monthly basis and relevant conversion factors applied for inflation adjustment.

2.1.3 Foreign currency translation

(a) Functional and presentation currency

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

Currency developments in Zimbabwe

The Group and Company had in previous financial periods (prior to 2019) used the United States of America dollar ("USD") as its presentation currency and functional currency. However, on 20 February 2019, the Reserve Bank of Zimbabwe (the "RBZ") Governor announced a new Monetary Policy Statement ("MPS") whose highlights were:

- denomination of Real Time Gross Settlement ("RTGS") balances, bond notes and coins collectively as RTGS dollars ("RTGS$").
- RTGS$ become part of the multi-currency system;
- RTGS$ to be used by all entities (including government) and individuals in Zimbabwe for purposes of pricing of goods and services, recording debts, accounting and settlement of domestic transactions; and
- establishment of an inter-bank foreign exchange market where the exchange rate will be determined by market forces. The interbank market opened trading at a rate of USD1 to RTGS$ 2.5

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1.3 Foreign currency translation (continued)

(a) Functional and presentation currency (continued)

The MPS announcement was followed by the publication of Statutory Instrument ("SI") 33 of 2019 on 22 February 2019. The SI gave effect to the introduction of the RTGS$ as legal tender and prescribed that "for accounting and other purposes" certain assets and liabilities on the effective date would be deemed to be RTGS$ at a rate of 1:1 to the US$ and would become opening RTGS$ values from the effective date.

On 24 June 2019 another SI 142 was issued resulting in the abolishment of the the multicurrency regime and introducing the ZWL as a monocurrency or sole tender.The ZWL was introduced at par with the RTGS$. At the time the ZWL was trading and exchange rate of US$1:ZWL6.2. Due to the weakening of the ZWL against foreign currencies, there were frequent general price increases resulting in hyperinflation as highlighted on note 2.1.2 above.

The Group and Company adopted the ZWL or RGTS$ as the functional and presentation currency as at 1 October 2018, with an initial exchange rate of US$1:ZWL1 from 1 October 2018 to 31 December 2018 and US$1:ZWL2.5 from 1 January 2019 to 22 February 2019. For inflation adjusted information, month-on-moth indicies were applied from 1 October 2018.

On 26 March 2020, in response to the COVID-19 induced national lockdown, the RBZ announced the authorisation of the use of free funds in payment of goods or services. In the same announcement, the interbank foreign exchange was fixed at USD1:ZWL25.

On 23 June 2020, the RBZ introduced Dutch foreign exchange auction system, resulting in the free float of the exchange rate. The quoted exchange rates is determined as a weighted average of the bids on the auction.

On 24 July 2020, SI 185 of 2020 was issued allowing businesses to display dual prices in ZWL and in foreign currency using the RBZ auction rate.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transaction or valuation where items are re-measured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment is repaid, the associated exchange differences are reclassified to statement of comprehensive income, as part of the gain or loss from disposal arising on repayment.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in statement of comprehensive income as part of the fair value gain or loss.

Transactions in currencies other than ZWL are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in currencies other than ZWL are re-translated at the functional currency spot rate of exchange ruling at the reporting date.

All differences arising from settlement or translation of monetary items are taken to statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
2.1.4 Changes in accounting policies and disclosures

a) New standards, amendments and interpretations effective for the first time for 31 December 2021 year ends that are relevant to the Group:

Standard/interpretation	Effective date	Executive summary
Covid-19-related Rent Concessions – Amendments to IFRS 16	1 April 2021	As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions. * The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to 30 June 2022. If a lessee already applied the original practical expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment. However, if a lessee has not yet established an accounting policy on applying (or not) the practical expedient to eligible lease concessions, it can still decide to do so. The amendment does not have an impact on the financial statements of the Company.
Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	1 January 2021	In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide the following reliefs: • When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. • The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded. Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition. Given the nature of the instruments held by the group, this standard is not applicable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1.4 Changes in accounting policies and disclosures (continued)

b) New standards, amendments and interpretations issued but not effective for 31 December 2021 year ends that are relevant to the Group but have not been early adopted:

Standard/interpretation	Effective date	Executive summary
IFRS 17 Insurance contracts	1 January 2023	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance contracts. It requires a current measurement model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of: • discounted probability-weighted cash flows; • an explicit risk adjustment, and • a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. The standard will have significant impact on the financial statements of the Group. The Group has treated the implementation of the standard as a project and the following have been done: • key project team members have been identified from finance, actuarial, underwriting and information technology departments; • a project charter has been drafted; • project timetable determined; and • project team has attended preliminary training. The project team will ensure data governance, lineage and transparency across the entire reporting chain. This includes a wide spectrum of data that will be used, from historical or current data (e.g. policy and premium data or data to produce the risk adjustment) to forward-looking data (e.g. data used to produce cash flow projections). The project team is working with internal and external stakeholders to assess the current data flows and identify potential gaps. In doing so, it is critical to have the future state in mind to identify data requirements across the existing data and systems landscape. In addition to data flow and system analysis, the project team will also review data management capabilities at the enterprise level. This includes the end-to-end data architecture and flow (e.g. source, master and reference data once for multiple uses), data governance process and policies (e.g. access controls and ownership). Effective mid December 2021, the group engaged consultant to assist with the adoption and implementation of IFRS 17. The various measurement methods to be adopted by insurance subsidiaries are still being assessed. The Group expects to be substantially done by 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1.4 Changes in accounting policies and disclosures (continued)

b) New standards, amendments and interpretations issued but not effective for 31 December 2021 year ends that are relevant to the Group but have not been early adopted: (continued)

Standard/interpretation	Effective date	Executive summary
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023	In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: · What is meant by a right to defer settlement · That a right to defer must exist at the end of the reporting period · That classification is unaffected by the likelihood that an entity will exercise its deferral right · That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently not impacted by this amendment but will be taken into consideration in the future.
Reference to the Conceptual Framework – Amendments to IFRS 3	1 January 2022	In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	1 January 2022	In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1.4 Changes in accounting policies and disclosures (continued)

b) New standards, amendments and interpretations issued but not effective for 31 December 2021 year ends that are relevant to the Group but have not been early adopted: (continued)

Standard/interpretation	Effective date	Executive summary
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1 January 2022	In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary "as a first-time adopter"	1 January 2022	As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022	As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023	The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1.4 Changes in accounting policies and disclosures (continued)

b) New standards, amendments and interpretations issued but not effective for 31 December 2021 year ends that are relevant to the Group but have not been early adopted: (continued)

Standard/interpretation	Effective date	Executive summary
Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023	The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023	The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: • right-of-use assets and lease liabilities, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. Upon adoption this will result in deferred tax being recognised for leases.

The Group and Company are assessing the impact of the new standards on the financial statements of the Group and Company and the timing of their adoption. There are no other standards, amendments and interpretations that are not yet effective that are likely to have a material impact on the financial statements of the Group and Company.

2.1.5 Going concern assumption

The Directors have assessed the ability of the Group and Company to continue operating as going concerns and believe that the preparation of these financial statements on a going concern basis is appropriate. Refer to note 35 for detailed assessment.

2.2 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an investee when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Group. They are deconsolidated from the date that control ceases.

Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

(a) Subsidiaries (continued)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements, and
- the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income and statement of financial position from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in statement of comprehensive income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9, Financial instruments in the profit or loss section of the statement of comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition - date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

All subsidiaries in the Group are 100% owned, except for First Mutual Properties Limited which is 69.99% (2019 : 69.99%) owned through First Mutual Life Assurance Company (Private) Limited and Diamond Seguros (50.4%) owned through NicozDiamond Insurance Company Limited, have 31 December year ends and are consolidated in the presented financial statements.

(b) Loss of control

If the Group loses control over a subsidiary, it;

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative transaction differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in the statement of comprehensive income; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to statement of comprehensive income or retained earnings, as appropriate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
2.2 Consolidation (continued)

Changes in ownership interests in subsidiaries without change of control:
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses from disposals to non-controlling interests are also recorded in equity.

Non-controllling interest put options
The group's elected policy to account for the NCI put option is such that while the NCI put remains unexercised, the accounting at the end of each reporting period is as follows:

i) The entity determines the amount that would have been recognised for the NCI, including an update to reflect allocations of profit or loss, allocations of changes in OCI and dividends declared for the reporting period, as required by IFRS 10
ii) The entity derecognises the NCI as if it was acquired at that date.
iii) The entity recognises a financial liability at the present value of the amount payable on exercise of the NCI put in accordance with IFRS 9. There is no separate accounting for the unwinding of the discount due to the passage of time.

The entity accounts for the difference between (b) and (c) as an equity transaction.
If the NCI put is exercised, the same treatment is applied up to the date of exercise. The amount recognised as the financial liability at that date is extinguished by the payment of the exercise price. If the NCI put expires unexercised, the position is unwound so that the NCI is recognised at the amount it would have been, as if the put option had never been granted (i.e., measured initially at the date of the business combination, and remeasured for subsequent allocations of profit or loss, OCI and changes in equity attributable to the NCI). The financial liability is derecognised, with a corresponding credit to the same component of equity

(c) Separate financial statements of the Company
In the Company's separate financial statements, investments in subsidiaries are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at historical cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. After initial recognition, subsidiaries are recognised at inflation adjusted amounts.

(d) Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. If the holding is less than 20%, the Group will be presumed not to have significant influence unless such influence can be clearly demonstrated. The existence of significant influence by the Group is usually evidenced in one or more of the following ways:

- representation on the board of directors or equivalent governing body of the investee.
- participation in the policy-making process.
- material transactions between the investor and the investee.
- interchange of managerial personnel.
- provision of essential technical information.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at historical cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee and movements in other reserves after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. After intial recognition, investments in associates are recognised at inflation adjusted amounts

When the investment, or portion of an investment, meets the criteria to be classified as held for sale, the portion so classified is accounted for in accordance with IFRS 5, 'Non-current assets held for sale and discontinued operations'. Any remaining portion is accounted for using the equity method until the time of disposal, at which time the retained investment is accounted under IFRS9, Financial instruments, unless the retained interest continues to be an associate.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to statement of comprehensive income where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income and its share of post- acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(d) Associates (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting polices of associates have been changed where necessary to ensure consistency with the polices adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

2.3 Goodwill

Goodwill is initially measured at historical cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in statement of comprehensive income.

After initial recognition, goodwill is measured at inflation adjusted cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to an appropriate cash-generating unit that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss from disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.4 Common control transactions

A combination involving businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that is not transitory. Common control transactions are excluded from the scope of IFRS 3, "Business combinations". The board of directors made a policy choice to use predecessor accounting for common control transactions.

No assets or liabilities are restated to their fair values. Instead, the acquirer incorporates predecessor carrying values. These are the carrying values that are related to the acquired entity. They are generally the carrying amounts of assets and liabilities of the acquired entity from the consolidated financial statements of the highest entity that has common control for which consolidated financial statements are prepared. These amounts include any goodwill recorded at the consolidated level in respect of the acquired entity. If no consolidated financial statements are produced, the values used are those from the financial statements of the acquired entity. Gain or losses on acquisition are accounted directly in the statement of changes in equity utilising available reserves.

The acquired entity's results and statement of financial position are incorporated prospectively from the date on which the business combination between entities under the same control occurred. Consequently, the financial statements do reflect the results of the acquired entity for the period after the transaction occurred.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee which is made up of Group Chief Executive Officer, Group Finance Director and Managing Directors (including general managers) of the subsidiaries.

2.6 Property, plant and equipment

Property, plant and equipment items are initially measured at historical cost. Subsequently they are measured at inflation adjusted cost less accumulated depreciation and impairment losses. Repairs and maintenance costs are recognised in statement of comprehensive income as incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

Type of asset	Class	Useful Life
Land and buildings	· Land and buildings	50 years
Motor vehicles	· Motor vehicles	5 years
Desktop computers	· Plant and equipment	5 years
Laptops	· Plant and equipment	4 years
Ipads and tablets	· Plant and equipment	3 years
Solar plant	· Plant and equipment	25 years
Office furniture	· Office furniture	10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition is included in statement of comprehensive income in the year the asset is de-recognised.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year-end, and adjusted prospectively if appropriate. Changes in the asset's depreciation method, residual value or useful life are treated as a change in accounting estimates in accordance with IAS 8, 'Accounting policies, changes in accounting estimates and errors'.

Owner occupied properties comprises property which is owned by the Group but is significantly occupied by group companies, regardless of the leasing of the property being at market related rentals and terms. Such owner occupied properties are classified under property, plant and equipment and depreciated in line with the Group policy on property, plant and equipment.

2.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at historical cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at inflation adjusted cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in statement of comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in statement of comprehensive income in the expense category that is consistent with the function of the intangible assets. The average useful life for intangible assets with finite life has been determined to be 5 years.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash- generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of comprehensive income when the asset is derecognised.

2.8 Investment property

Investment property comprises land and buildings that are either held for capital appreciation or to earn rentals or both. Buildings under construction to be used for rental to others or for capital appreciation or both are also classified as investment property.

Investment property is measured initially at historical cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property is included in statement of comprehensive income in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment property is derecognised either when it has been disposed of or when permanently withdrawn from use and no future economic benefit is expected from disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of comprehensive income in the period of derecognition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Investment property (continued)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. The difference between the cost based measurement and fair value is treated as a revaluation adjustment. The revaluation reserve is realised on disposal of the property.

2.9 Inventory

Inventory comprises property acquired or being constructed for sale in the ordinary course of business, consumables and other stocks. Consumables and other stocks are valued on the basis of weighted average cost and at the lower of inflation adjusted cost or estimated net realisable value ("NRV"), property classified as inventory is valued at the lower of inflation adjusted cost or estimated NRV, but is based on the specific identification of the property. NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and less costs to completion and the estimated costs of sale. NRV for completed inventory property is assessed with reference to market conditions and prices existing at the reporting date, and is determined by the Group in light of recent market transactions.

2.10 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less cost of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate of 12% that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An impairment loss is recognised in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash- generating unit) in prior years. A reversal of an impairment loss is recognised as income in profit or loss, unless the relevant asset is carried at the revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Fair value

The Group measures financial assets such as quoted and unquoted equity securities and non-financial assets such as investment property at fair value at reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Fair value (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and incremental other costs that the Group incurs in connection with the borrowing of funds.

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

The Group's financial assets are classified as measured at:
1. amortised cost; and
2. fair value through profit or loss

2.13.1 Financial assets

Classification

Financial assets recognised at amortised cost

Insurance, tenant and other receivables, cash and balances with banks and debts securities are classified as financial assets at amortised cost because Group holds these financial instruments to collect contractual cashflows that are solely payment of principal and interest. The Group's cashflows from insurance, tenant and other receivables arise from the Group's operations that are concluded on credit basis and interest is only charged on tenant balances that are overdue. Cash collected in excess of the Group's daily cash needs is invested in debt securities to earn interest income, prior to the cash being deployed to meet insurance and benefit claims, daily operational costs, and dividends payments.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets recognised at amortised cost include insurance, tenant and other receivables, cash and balances with banks and debt securities.

Financial assets at fair value through profit or loss

Equity securities at fair value through profit or loss, comprise quoted and unquoted securities that are mainly held to fund life assurance and investment contract liabilities. The objectives of holding these investments is increase in fair value and dividend income to meet life assurance and investment contract liabilities on maturity or on the occurrence of the insured event.

The Group classifies the following financial assets at fair value through profit or loss ("FVPL"):
- listed equity investments that are held for trading acquired principally for the purpose of selling in the near term and forms part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking; and
- unlisted equity investments for which the Group has not elected to recognise fair value gains and losses through other comprehensive income ("OCI").

The equity securities are classified as financial assets at fair value through profit or loss by the Group and Company as management assess performance of the financial assets on a fair value basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13.1 Financial assets

Transaction cost that are directly attributable to acquisition of financial assets are expensed in profit or loss for financial assets classified at fair value through profit and loss. For financial asset not classified at fair value through profit and loss, transaction costs are added to the fair value at initial recognition

Measurement of financial assets
All financial assets are initially measured at fair value on recognition.

Subsquent measurement of financial assets

Financial assets at amortised cost
These asset are subsequently measured at amortised cost using the effective interest method. The effective interest method is a technique for calculating the actual interest rate in a period based on the amount of a financial instrument's book value at the beginning of the accounting per in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Financial assets at fair value through profit or loss
The Group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/ (losses) in the statement of profit or loss.

Impairment of financial assets
Simplified approach
The Group applies the simplified approach that takes into account forward looking information to measure expected credit losses. The simplified approach uses a lifetime expected credit loss allowance for insurance, tenant and other receivables. To measure the expected credit losses, insurance, tenant and other receivables have been grouped based on shared credit characteristics. The Group has therefore concluded that the expected credit loss rates for insurance receivables area reasonable approximation of the loss rates for the insurance receivables. The forward looking information adjusts the current backward-looking incurred loss based credit loss rates into a forward-looking expected credit loss rates. The expected credit loss rates are based on the payment profiles over a period of 2 years before 31 December 2020 and corresponding historical credit losses experienced within this period. The historical credit loss rates are adjusted to reflect current and forward looking information on macroeconomic factors (such as market interest rates or growth rates) affecting the ability of the cedants to settle the receivables.

General approach
The Group applies general approach on financial assets such as debt instruments measured at amortised cost, cash and cash equivalents and related party balances. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment, without a payment plan inplace. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 120 days past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
2.13 Financial instruments (continued)
2.13.1 Financial assets (continued)

Derecognition of financial assets
Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.13.2 Financial liabilities

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, less directly attributable transaction costs. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

The Group and Company's financial liabilities include trade and other payables, borrowings, insurance contracts, and investment contracts. All the Group's financial liabilities are classified as other financial liabilities. The Group and Company classify all financial liabilities as subsequently measured at amortized cost.

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate method ("EIR") amortisation process.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in statement of comprehensive income.

2.14 Share capital and reserves
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of income tax from the proceeds.

Treasury shares (repurchase and reissue of ordinary shares)
When share capital recognised as equity is bought back the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as an equity deduction. The Company's own shares reacquired in a share buyback scheme or acquired by a subsidiary of the Group are deducted from equity and are classified as treasury shares and are presented in a separate reserve for owned shares. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within the share premium.

2.15 Cash and balances with banks
Cash and balances with banks comprise cash and balances with banks less than three months, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in fair value.

Cash and cash equivalents
In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings.

2.16.1 Leases - Group as lessee
The Group leases office spaces. Rental contracts are typically made for fixed periods varying from 1 year to 5 years, but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16.1 Leases - Group as lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The Group and Company leases have fixed rental arrangements, which have been reviewed periodically due to the hyperinflationary environment. There are no variable payments, residual values, purchase options nor termination penalties.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group and Company made use of the interest rates charged by their principal bankers for such borrowings, that is interest rates for corporate mortgages.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and Company are reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying
asset's useful life.

The right-of-use asset is subsequently measured at inflation adjusted cost less accumulated depreciation in line with owner occupied property policy.

The Group applies the lease of low-value assets recognition exemption to leases of agent offices that are considered to be low value. Lease payments on leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.16.2 Leases - Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.17 Revenue recognition

The Group and Company recognise revenue when the following conditions have been met;

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- and it is probable that the consideration to which the Group and Company are entitled to in exchange for the goods or services will be collected.

The Group and Company do not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds 12 months. The transaction price is there for not adjusted for the effects of a significant financing component.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
2.17 Revenue recognition (continued)

The property services income, sale of completed property and funeral services income follow the above conditions inline with IFRS 15.

2.17.1 Premium income

Premium income is accounted for gross of reinsurance and accounted for as follows:

Pensions	- when due
Life	- when paid
Property and casualty insurance (short-term insurance)	- when due
Health insurance	- when paid

In the short-term business, premium income is accounted for as and when the premiums are agreed and risks accepted. Refer to note 2.21.6 for the Group's accounting policy for unearned premium.

2.17.2 Rental income
The Group is the lessor on operating leases transactions. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of comprehensive income due to its operating nature, except for contingent rental income which is recognised when it arises. Services and management fees are recognised in the accounting period in which they are incurred.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option. Amounts received or receivable from tenants to terminate leases or to compensate for dilapidations as well as recovery of fixed operating costs are recognised in statement of comprehensive income when the right to receive them arises.

2.17.3 Realised and unrealised gains and losses
Realised and unrealised gains and losses recorded in statement of comprehensive income on investments include gains and losses on financial assets and investment properties. Gains and losses from the sale of investments are calculated as the difference between net sales proceeds and the carrying amount and are recorded on occurrence of the sale transaction.

2.17.4 Dividend income
Dividend income is recognised when the Group has received the dividend for cash dividends and when the right to receive the payment is established, when the investee`s Board of Directors has declared the dividend for non-cash dividends.

2.17.5 Interest income
Interest earned on cash invested with financial institutions and from micro-loans lent is recognised on an accrual basis using the effective interest method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in the statement of comprehensive income.

2.17.6 Property services income
Property services income comprises income received or receivable from property-related services to other parties. The income is recognised when the related services have been provided. Property services income will be generated from the following services:

- project management;
- property management;
- property purchases;
- property sales; and
- property valuations.

2.17.7 Sale of completed property
A property is regarded as sold when the significant risks and rewards have been transferred to the buyer, which is normally on transfer of property. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
2.17 Revenue recognition (continued)

2.17.8 Sale of property under development
Where property is under development and agreement has been reached to sell such property when construction is complete, the directors consider whether the contract comprises:
- a contract to construct a property, or
- a contract for the sale of a completed property.

Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage-of-completion method as construction progresses.

Where the contract is judged to be for the sale of a completed property, revenue is recognised when control over the property has been transferred to the customer. However, an enforceable right does not arise until legal title is passed to the customer. Therefore, revenue is recognised at point in time when legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage-of-completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:
- the buyer controls the work in progress, typically when the land on which the development takes place is owned by the final customer; and
- all significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically, when buyer cannot put the incomplete property back to the Group.

In such situations, the percentage of work completed is measured based on the cost incurred to date.

2.17.9 Fee income
Fees charged for investment management services provided in conjunction with an investment contract are recognised as revenue in the statement of comprehensive income as the services are provided. Insurance contract policyholders are charged for policy administration services and other contract fees. These fees and charges are recognised as revenue over the period in which the related services are performed.

2.17.10 Commission income
Commission income received or receivable under insurance and reinsurance contracts for non life insurance contracts is recognised in full when risk has been accepted by the reinsurer.

2.17.11 Funeral services income
Funeral services income comprises income received or receivable from provision of funeral services to clients. The income is recognised when the related services have been provided, however, there is usually no material time lag between service provision and payment. Funeral services income will be generated from the following services:
- body embalming;
- hearse hire;
- church services; and
- bus hire.

2.18 Claims

2.18.1 Life insurance
Insurance benefits and claims relating to group life insurance contracts are recognised in profit or loss based on the estimated liability for compensation owed to the contract holder. Death, disability and severe illness and surrender claims are accounted for when notified. These claims include outstanding claims and claims incurred but not reported ("IBNR"). The IBNR estimate is determined taking into account the likelihood of the claim being valid and the expected severity of the claim given that the claim is valid. The proportion to be included is estimated separately for each benefit type. An estimate of the expected claim amount is charged to profit or loss and included in liabilities under insurance contracts. Maturity and income disability are recorded as incurred. Liabilities are held to reflect IBNR claims. The IBNR is modified to reflect actual current operating conditions. The liabilities are calculated gross of reinsurance. An asset is then raised to allow for the expected recoveries from reinsurers.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
2.18 Claims (continued)

2.18.2 Non-life insurance
Benefits payable under health insurance contracts are accounted for as incurred. Liabilities are held to reflect IBNR claims. The IBNR calculation is performed using the chain ladder approach. This allows for the historical patterns of claims payment in determining the likely future emergence of claims. The IBNR is further modified to reflect current operational conditions or known events.

Claims are accounted for as incurred and consist of claims paid, movement in the provision for outstanding claims and related claims handling expenses. The provision for outstanding claims is based on estimates of the cost of settling all claims incurred but unpaid at the reporting date, whether reported or not. Related anticipated reinsurance recoveries are disclosed separately as assets in the statement of financial position and are included in recoveries from reinsurers in profit or loss.

2.19 Reinsurance recoveries
Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

2.20 Acquisition costs of insurance contracts
2.20.1 Life assurance

Commission
Commission is recognised as an expense in statement of comprehensive income when the premium is received or receivable through an intermediary or agent. The period over which commission is paid or payable and the commission rate differ per product depending on the product design structure.

Other acquisition costs
Other acquisition costs are costs incurred for running the Group's branch network for the insurance businesses. Branches are set up to acquire business across the country and the costs are charged to statement of comprehensive income in the period in which they are incurred. Costs of running the branches, cost of supporting the agents and staff expenses for employees working in the branches are included as acquisition costs together with all other costs for maintaining the branches functional.

2.20.2 Short-term insurance
Acquisition costs represent commissions to brokers and agents incurred to underwrite short-term insurance business. These commission expenses are expensed in the profit or loss or deferred over the insured period, in line with the unearned premium reserve for premiums not fully earned. Refer to note 2.22 on the deferred components of the commission expenses.

2.21 Insurance contract liabilities

Policyholder insurance and investment contracts
Policyholder contracts are classified into four categories, namely, insurance contracts with discretionary participation features, insurance contracts without discretionary participation features, investment contracts with discretionary participation features and investment contracts without discretionary participation features.

2.21.1 Insurance contract
An insurance contract is one under which the Group accepts significant insurance risk from another party (the "policyholder") by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the "insured event") adversely affects the policyholder. Such contracts may also transfer financial risk. The Group defines significant insurance risk as the possibility of having to pay benefits on the occurrence of the insured event that are significantly more than the benefits payable if the insured event did not occur.

2.21.2 Investment contracts
Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variables.

2.21.3 Discretionary participation features ("DPF")
A number of insurance contracts and investment contracts contain a discretionary participation feature. This feature entitles the policyholder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:
i) that are likely to be a significant portion of the total contractual benefits;
ii) whose amount or timing is contractually at the discretion of the Group; and
iii) that are contractually based on:
  - the performance of a specified pool of contracts or a specified type of contract; and/or
  - realised and/or unrealised investment returns on a specified pool of assets held by the Group.

All components of the DPFs are included in the policyholder liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Insurance contract liabilities (continued)

2.21.4 Determination of liabilities

The liabilities are determined on the basis derived by the Group's actuary as detailed in note 4.8.1. Actuarial valuation reports for each year are done annually and signed-off by the statutory actuary.

2.21.4.1 Insurance contract liabilities and investment contract liabilities with DPF

The liability for life insurance contracts and investment contracts with DPF are measured using the Financial Soundness Valuation ("FSV") method as set out in the guidelines issued by the Actuarial Society of South Africa in Professional Guidance Note ("SAP 104"). Under this guideline, provisions are valued using realistic expectations of future experience, with compulsory margins for prudence and deferral of profit emergence. All contracts are subject to a liability adequacy tests, which reflect management's best current estimate of future cash flows.

The main assumptions used relate to mortality, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality on historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences.

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders. Discount rates are based on current industry risk rates. The liability in respect of some of the investment contracts with DPF is taken as the investment value. The main example is the Deposit Administration business where the reserve is the face value of the accounts together with the bonus smoothing reserve. Although it could be argued that the Group expects the contracts to be profitable, it would not be advisable to account for such profits in advance of them arising. Surplus allocated to policyholders under investment contract liabilities with DPF but not yet distributed (i.e. bonus smoothing reserves) is included in the carrying value of liabilities.

2.21.4.2 Investment contracts without discretionary participating features ("DPF")

Investment contracts without DPF are determined by applying deposit accounting where the contributions, claims and benefits paid, investment income and related expenses are not accounted through profit or loss but are accounted as direct increases or decreases to the investment contract liability and the corresponding assets.

2.21.5 Life assurance liabilities

Life assurance liabilities comprise the policyholder funds and the shareholder risk reserves. These are determined by the independent actuary as detailed in note 18 Actuarial valuation reports for each year are done annually and signed-off by the statutory actuary.

The liability for life insurance contracts is based on current assumptions reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy tests, which reflect management's best current estimate of future cash flows.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality and morbidity on historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements as well as wide ranging changes to life style that could result in significant changes to the expected future mortality exposure.

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders. Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.

2.21.6 Shareholder risk reserve

Shareholder risk reserve are funds set aside to meet claims on risk products as they fall due. Risk products are those which are underwritten by the Group and payable on death.

The measurement of the funeral assurance contract provisions is made in accordance with the Financial Soundness Valuation Basis as set out in actuarial guidance issued by the Actuarial Society of South Africa in Standard of Actuarial Practice ("SAP") 10 version 9. The provisions are calculated on a gross premium basis using realistic expectations of future experience, with margins of prudence and deferral of profit emergence. Each year the assumptions used to calculate the provisions are adjusted to reflect the change in expected experience. The contingency data risk reserve has been set at 0.1% of the non-investment linked insurance contracts for any possible of data discrepancies.

2.21.7

These include the outstanding claims provision and the incurred but not reported reserve ("IBNR") (disclosed as insurance payable) and the provision for unearned premium.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
2.21.7 Insurance contract liabilities - short term (which comprises general insurance and health care) (continued)

Outstanding claims
The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim project techniques, based on empirical data and current assumptions that include a margin for adverse variation. The liability is not discounted for the time value of money. No provision for equalisation or catastrophe reserves is recognised. The liabilities are derecognised when the obligation to pay a claim expires, is discharged or has been cancelled.

Incurred but not reported - ("IBNR")
The provision for incurred but not reported claims ("IBNR") represents all claims incurred before the reporting date but only reported subsequent to year-end. The IBNR is actuarially determined.

Unearned premium reserves - ("UPR")
The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

2.22 Deferred acquisition costs
Acquisition costs, which represent commissions to agents and brokers , are deferred over the period in which the related premiums are earned and are recognised in full through profit or loss for the period they relate to. The deferred portion is calculated by applying the actual commission rate on the unearned premium reserve. An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value an impairment loss is recognised in profit or loss. The recoverable amount would be assessed on applicable premium deferred. Deferred acquisition costs are also considered in the liability adequacy test for each reporting period.

2.23 Reinsurance
The Group cedes insurance risk in the normal course of business for all of its insurance businesses. Reinsurance assets represent balances due from reinsurance companies, for the primary insurers and balances due from retrocession companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has areliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in profit or loss.

Gains or losses on buying reinsurance are recognised in statement of comprehensive income immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

The Group also assumes reinsurance risk in the normal course of business for life insurance and non-life insurance contracts where applicable. Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business.
Reinsurance assets represent balances due to the Group. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or have expired or when the contract is transferred to another party.

Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statement of financial position.

2.24.1 Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to the tax authorities. The tax rates and laws used to compute the amounts are those that are enacted or substantively enacted by the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
2.24.1 Current income tax (continued)

Current income tax relating to items recognised in other comprehensive income or equity is also recognised in other comprehensive income or equity and not in statement of comprehensive income.

Taxable income for the life assurance subsidiary company is calculated in accordance with the insurance formula as laid down in the Eighth Schedule of the Zimbabwe Income Tax Act (Chapter 23:06).

2.24.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except;

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint arrangements, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.
- deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and unused tax losses can be utilised except;
- when the deferred tax asset relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in theforeseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date that are expected to apply to the year when the asset is realised or the liability is settled. Deferred tax relating to items recognised in other comprehensive income or equity is also recognised in other comprehensive income or equity and not in statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period.

The Group will continue to apply the income tax rate of 24.72% (2019 : 24.72%) for the purpose of recognising deferred tax for its investment properties with the exception of land, where the capital gains tax rate is applied.

2.24.3 Value added tax

Expenses and assets are recognised net of the amount of the value added tax (“VAT”), except when the value added tax incurred on purchase of assets or services is not recoverable from the tax authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

The policy relates to all companies that are VAT registered, with the exception of First Mutual Reinsurance (Private) Limited and First Mutual Health Company (Private) Limited that are VAT exempt.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Employee benefits

Post employment benefits

The Group operates two defined contribution plans, the assets of which are held in separate trustee administered funds. The pension plans are funded by payments from employees and the relevant group companies. The Group's contributions to the defined contribution pension plans are charged to statement of comprehensive income in the period in which the contributions relate. Retirement benefits are also provided for the Group's employees through the National Social Security Authority ("NSSA") Scheme. The cost of retirement benefits applicable to the NSSA Scheme is determined by the systematic recognition of legislated contributions.

Short-term employee benefits

Short term employee benefits consist of salaries, accumulated leave payments, bonuses and any non-monetary benefits such as medical aid contributions.

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Profit share scheme

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.26.1 Shared-based payments: share options

The Group operates an equity-settled, share-based compensation plan, under which the Group receives services from employees for equity instruments ("options") of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specific period of time).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2.26.2 Share appreciation rights

Liabilities for the Group's cash settled share based payments (share appreciation rights) are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the statement of financial position.

2.27 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in statement of comprehensive income net of any reimbursement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Provisions (continued)

Restructuring provisions are recognised only when the recognition criteria for provisions are fulfilled. The Group has a constructive obligation when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline. Furthermore, the employees affected have been notified of the plan's main features.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.28 Member savings liabilities

Member savings liabilities which are managed by the Company on behalf of its members represent savings contributions net of any claims paid on behalf of members in terms of the scheme's registered fund rules.

In accordance with the scheme's registered fund rules, gross contributions are allocated 15% to the members' savings accounts and 85% to the insured benefit. All member claims are initially allocated to the member savings account until it is exhausted and subsequently allocated to the insured benefit. The member savings balance is rolled over at the end of the financial year. The scheme awards the principal member 25% of the savings account balance including interest earned as cash-back three months after continuous membership of two years, provided the member has claimed at most 15% of total contributions received over the period. The balance in the member savings account is rolled over to the following year and is distributed as a cash benefit to a qualifying member after three months from the date of termination. On termination of membership, amounts available in the member's savings account may be offset against outstanding contributions after reaching an agreement with the member.

The Company recognises the entire contribution (100%) as gross income in their income statement. Apart from student accounts and a few corporate customers that do not participate in the member savings scheme, the insurance system on a monthly basis allocates the 15% savings contributions and deducts the related claims covered from savings to determine the closing savings balance at the end of each month. The increase or decrease in the member savings liabilities is recorded as an expense in the income statement.

Any unclaimed funds available in the member's savings account after a period of three years post termination, provided that all reasonable attempts to contact the member have been made, shall be transferred to the First Mutual Health Medical Scheme Reserve.

2.29 Member assistance fund

The member assistance fund represents an obligation to cover members for benefits that they would otherwise not qualify for, on the basis of the Medical Aid Fund benefit and tariff limits. The build-up of the assistance fund arises from:
- transfer on unutilised low claims bonus; and
- an allocation from the technical account on the basis of predetermined criteria.

The business initially recognizes a liability for member assistance fund on the basis of the following criteria:
- when a transfer has been made from the low claims' bonus for unclaimed balances in excess of a period of 5 years; and
- when an allocation has been made from the technical account and approved by the Board.

The balance is subsequently recognized as the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the end of the reporting period. Subsequent movement are recognised in the statement of comprehensive income.

2.30 Retrenchment or rationalisation accounting policy

The Group recognises termination as a liability and expense when there is a demonstrable commitment to either terminate the employment of an employee or a group of employees before normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Group will recognise such termination benefits when and only when, there is a detailed formal plan for the termination and there is no realistic possibility for withdrawal for such plans. The detailed formal plan will include the location, function and approximate number of employees whose services are to be terminated, the termination benefits for each job classification or function and the time at which the plan will be implemented.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Non-current assets held for sale

The Group and Company classify non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The Group and Company classify assets as held for sale when the following criteria are met;

- the assets must be available for immediate sale in their present condition
- sale must be highly probable
- the asset must be currently marketed actively at a price that is reasonable in relation to its current fair value
- the sale should be completed, or expected to be so, within a year from the date of the classification, and
- the actions required to complete the planned sale will have been made, and it is unlikely that the plan will be significantly changed or withdrawn.

Assets classified as held for sale cease to be depreciated at the date at which they qualify to be reclassified. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

2.32 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing;

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinaryshares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.33 Dividends

Provision is made for the amount of any dividend in the form of assets declared by the directors and no longer at the discretion of the Company on or before the end of the reporting period but not distributed at the end of the reporting period. No provision is made for cash dividends.

2.32 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest dollar.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparation of the Group's financial statements, management is required to make judgements, estimates and assumptions that affect reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However uncertainty about these assumptions, judgements and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3.1 Judgements other than estimates

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

3.1.1 Insurance contracts and investment contracts

The Group classifies contracts entered into between investment contracts and insurance contracts on the basis of whether the contract is mostly a life assurance contract or a deposit contract and the contract is considered to be insurance contract if it transfers significant insurance risk. In the event of both elements existing in the contract, judgement is applied in determining which of the two elements makes up a more significant portion of the contract, in which case it is classified as such.

3.1.2 Taxes

The Group is subject to income and capital gains taxes in Botswana, Malawi, Mozambique and Zimbabwe. Significant judgement is required to determine the total liability for current income and deferred taxes.

There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain. In particular, when calculating deferred tax, the effective tax rate applicable on the temporary differences on investment property depends on the method by which the carrying amount of investment property will be realised.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)
3.1 Judgements other than estimates (continued)
3.1.2 Taxes (continued)

In 2019, the Zimbabwe Revenue Authority ("ZIMRA") pronounced that where an entity earns revenue in foreign currency, a component of income tax should be paid in foreign currency. The Group earns some rental income in USD and as such property business income tax has been split based on the ratio of income earned.

The Group applied the income tax rate of 24.72% (2020: 24.72%) for the purpose of recognising deferred tax for its investment property with the exception of land.

3.1.3 Foreign exchange rate

Before 24 June 2020, the Group and Company used the RBZ's interbank rate as a source of foreign exchange rates. However, there was no exchangeability on the interbank, hence failing to meeting requirements of IAS 21. After the introduction of the RBZ's auction system on 24 June 2020, management assessed the auction rate for exchangeability and legality as follows:

Exchangeability

According to the Exchange Control document issued by the RBZ, the following guidelines shall apply on the submission of bids on behalf of their clients to the RBZ:

- Bidders shall submit their bids as individuals, firms, and public enterprises through their Authorised Dealers;
- Bidders shall submit only one bid per auction. In cases where a bidder submits more than one bid, all the bids shall be rejected;
- All bids shall be in US$s;
- The auction shall only accept bids for a minimum amount of US$50,000 and a maximum of US$500,000 from each bidder, per auction;
- Foreign currency shall be allotted to the winning bids according to the Import Priority List;
- Foreign currency shall be allotted at winning bidder's own bid rate;
- Successful bids shall be allotted in full but if funds are not enough, allotments shall be on a pro-rata basis; and
- A weighted average rate will be calculated based on allotments and the average rate will be used as the market exchange rate until a new weighted average is determined at a subsequent auction.

On the basis of the above stated information and process, management have determined that the RBZ auction system is accessible to the Group as it offers services that are eligible under both category one and category two of the guidelines for utilisation of Exchange Control directive RV175/2020, being payments of services not available in Zimbabwe (IT systems).

Trades on the RBZ's auction system can be observed and are published on the RBZ website showing rate by highest bidder, rate by lowest bidder and amount of foreign currency allotted in US$ and a weighted average rate that takes into account all the biddings made during the particular day. These daily exchange rates (spot rates) can thus be easily obtained from the RBZ website.

In light of the above, the auction rate offers exchangeability through offering access to the Group and market at large and is observable hence providing a spot rate that is "available for immediate delivery".

Legality

There are typically two broad categories of legal exchange system available to an entity:

a) an administrated process created and directed by jurisdictional authorities i.e. the jurisdictional authorities buy and sell foreign currencies and are responsible for allocating those currencies to entities and individuals in the jurisdiction; or
b) a financial market (in the case of free market exchangeability).

The exchange rate on the RBZ's auction system is based on a formal market administered by the central bank, through the Adjudication
Committee which comprises of officials from the Ministry of Finance and Economic Development and the Reserve Bank.

Management have concluded that the RBZ's auction generated exchange rates are in compliance with the requirements of IAS 21.

3.1.4 Operating lease commitments with the group as lessor

The Group has entered into commercial property leases on its investment property. The Group has determined, based on an evaluation of the terms and conditions of the lease arrangements, that it retains all the significant risks and rewards of ownership of the property and so accounts for the contracts as operating leases. This involves the analysis of likelihood of exercising extension options, lease term analysis, etc. The lease rental in most of the lease arrears are revised on an annual basis.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.2 Estimates and assumptions

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

3.2.1 Incurred but not reported ("IBNR")

The provision for IBNR represents an estimate of all claims incurred before the reporting date but only reported subsequent to year end. The IBNR is actuarially determined as at the reporting date.

3.2.2 Insurance contract liabilities (Policyholders' funds) and actuarial assumptions.

The life policyholder funds, under un-matured policies, are computed at the reporting date by the Group's independent actuary, in accordance with prevailing legislation, and guidelines issued by the Actuarial Society of South Africa ("SAP104"). Under this method, the insurance contract liabilities are valued using realistic expectations of future experience with margins for prudence. The insurance contract liabilities reflected in the statement of financial position represent the increase or decrease in actuarial liabilities, calculated using the Financial Soundness Valuation method.

The main assumptions used relate to mortality, longevity, investment returns, expenses, lapses, surrender rates and discount rates. Estimates are also made as to future investment income arising from the assets backing the life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments. Assumptions on future expenses are based on current expense levels adjusted for expected expense inflation adjustments if necessary. Lapse and surrender rates depend on product features, policy duration and external circumstances such as sales trends. Discount rates are based on current expense levels adjusted for expected inflation adjustments if appropriate. Refer to note 18 and 19 for the carrying amount of policyholder funds and insurance risk reserve and the assumptions used to determine the carrying amounts.

3.2.3 Fair value of investment property

The Group carries its investment property at fair value, with changes in fair value being recognised in statement of comprehensive income. The yield method converts anticipated future cash flow benefits in the form of rental income into present value. This approach requires careful estimation of future benefits and the application of investor yield or return requirements. One approach to value property on this basis is to capitalise net rental income on the basis of an initial yield, generally referred to as the "All Risks Yield" approach or "Net Initial Yield" approach.

The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term void rate.

The property valuations have been undertaken in an environment of poor liquidity conditions and limited transaction evidence. In undertaking the valuations for commercial, industrial and retail properties, reliance has been placed on rental market evidence, void rates and area currently applying to the individual properties in the portfolio. The achieved rentals for the portfolio are generally in line and in some instances higher than the rental rates being achieved in the market. With regards to the residential properties, various properties were identified that were sold or which are on sale and situated in comparable residential suburbs. In analysing the comparable properties, the main space equivalent ("MSE") principle was applied. The total MSE of the comparable property was then used to determine a value per square meter of MSE. The objective is to arrive at a common basis of comparison. After adjustments for quality, location and size, the rates per MSE reflected by the comparable were then applied to the subject residential properties. The yields, have been obtained from the limited concluded transactions and have also been assessed taking into account asking prices and offers that may have been received for properties currently on the market, formally or otherwise, although the transactions may not have been concluded. Refer to note 7 for the carrying amount of investment property and more information on the estimates and assumptions used to determine the fair, value of investment property.

3.2.4 Useful lives and residual values of property plant and equipment

The Group assesses the useful lives and residual values of vehicles and equipment each year taking to consideration past experience, technology changes and the local operating environment. No changes to the useful lives and residual values have been considered necessary during the year. Refer to note 6 for the carrying amount of property, vehicles and computer equipment and accounting policy note 2.6 for the useful lives of property, vehicles and equipment.

3.2.5 Allowances for expected credit losses

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. For receivables, the Group applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 2.13.1 for further details. Forecast on national unemployment rates, economic outlook, monetary policy changes, changes in client profiles are taken into account in determining expected credit losses.

4 GROUP FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risk through its financial assets and liabilities, insurance and reinsurance assets and liabilities. The most important components of financial risk are investment risk, equity price risk, interest rate risk, liquidity risk, currency risk, and credit risk.

4.1 Investment risk

The Group's investment risk management system operates through a hierarchy of investment limit approvals. Individual fund managers have authority to trade within certain limits. Investments in excess of the specified limits require the approval of the Group Investment Committee. In addition, the Group Investment Committee makes all decisions regarding property investments and unquoted companies' share transactions.

4.2 Equity price risk

Equity price risk is the potential loss arising from changes in the market price of a financial instrument as a result of fluctuations in the market price. A substantial part of the equity portfolio comprises listed counters. Unquoted counters are subjected to periodic financial analysis and review. The Group's equity price risk policy is to manage such risks by setting and monitoring objectives on investments, diversification of portfolios and setting limits on investment in each sector.

INFLATION ADJUSTED +/-10 share price movement	2021 Impact on profit before tax ZWL	2020 Impact on profit before tax ZWL	2021 Impact on equity ZWL	2020 Impact on equity ZWL	2021 Effect on life policyholder liabilities ZWL	2020 Effect on life policyholder liabilities ZWL
Commodity +/-10	65 880 821	16 292 673	49 595 082	12 265 125	35 975 479	8 896 925
Consumer +/-10	378 619 893	77 190 215	285 025 056	58 108 794	130 934 546	26 693 964
Financial +/-10	77 739 164	50 409 687	58 522 042	37 948 412	16 375 054	10 618 346
Manufacturing +/-10	56 804 800	17 648 604	42 762 653	13 285 869	22 111 954	6 869 932
Property +/-10	122 124 047	22 008 761	91 934 982	16 568 196	9 356 044	1 686 113
Telecommunication +/-10	129 485 031	25 962 367	97 476 331	19 544 470	95 250	19 098
Other +/-10	12 425 926	4 201 304	9 354 237	3 162 742	6 914 860	2 337 969
Total +/-10	**843 079 682**	**213 713 611**	**634 670 384**	**160 883 608**	**221 763 187**	**57 122 347**

At the reporting date, the total exposure to listed equity securities at fair value through profit or loss was ZWL5 534 968 122 (2020: ZWL1 861 430 035), ZWL3 822 056 803 (2020: ZWL1 221 480 944) relating to policyholder .

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to insured, cedants and tenants.

Risk management

Credit risk is managed on a group basis. The key areas where the Group is exposed to credit risk are:-

- amounts due from debt securities;
- reinsurers' share of insurance liabilities;
- amounts due from cedants;
- amounts due from agents, brokers and intermediaries;
- amounts due from loans and receivables; and
- amounts due from cash and balances with banks.

The Group manages and analyses credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Exposure limits are set for each counterparty or group of counterparties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis. With respect to credit risk arising from other financial assets of the Group, which comprise cash and balances with banks, and held to maturity investments, theGroup's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The following policies and procedures (by each financial insurance) are in place to mitigate the Group's exposure to credit risk:

Insurance receivables

The following policies and procedures are in place to mitigate credit risk:

- exposure limits are set for each counterparty or group's of counterparties;
- the creditworthiness of cedants is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract;
- the exposure to individual counterparties is also managed by other mechanisms, such as the right to offset where counterparties are both debtors and creditors of the Group; and
- management information reported to the board of directors includes details of allowances for impairment on amounts due from cedants and subsequent write-offs.

Credit limits are monitored based on the financial position and history of the insured or cedant's ability to pay. In the view of management, the credit quality of insurance receivables is considered sound. Management does not expect any losses from non-performance by counter parties. The credit risk in respect of customer balances incurred on non-payment of premium will only persist during the period specified in the policy document.

Tenant receivables

Tenants are assessed according to set criteria prior to entering into lease arrangements. Credit risk is managed by requiring tenants to pay rentals in advance in addition to an upfront good tenancy deposit. The credit quality of the tenant is assessed based on an extensive credit rating criteria at the time of entering into a lease agreement. At inception of the lease tenants are classified into good, acceptable and watch list categories.

Outstanding tenants' receivables are regularly monitored and all tenants that accrue arrears are classified in the watch list category as rental obligations are payable in advance. An impairment analysis is performed at each reporting date on an individual basis for major tenants. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Cash and balances with banks and Debt securities at amortised cost

The Group has a policy that establishes counterparty trading limits for each banking institution that it trades with. These counter party limits are reviewed at least semi-annually and submitted to the Group Investments Committee for approval. In this process the financial results of the banking institutions which are published semi-annually, are reviewed and together with other qualitative factors. The limits worked out are proposed to the Group Investment Committee for approval.

The Group only trades with and receives service from banking institutions that meet regulatory requirements including minimum regulatory capital.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.3 Credit risk (continued)

Key considerations in the review of limits and security requirements include:-
- compliance with minimum capital requirements as set by the Reserve Bank of Zimbabwe ("RBZ"),
- RBZ periodic capital adequacy, asset quality, management, earnings, liquidity, and sensitivity ("CAMELS") ratings,
- total shareholder equity,
- total assets,
- ratios such as loan to deposit ratio, cost to income and non-performing loans ("NPLs") to total loans ratio,
- overall profitability and cash generation,
- historical performance and outlook,
- ability of the bank to provide collateral security,
- global credit ratings, with at least a rating of A+.

The approved collateral security instruments are as follows:
- treasury bills and aftrades;
- Zimbabwe Stock Exchange ("ZSE") top ten listed equities;
- bankers acceptances; and
- property bonds for long term placements

The Group uses the following parameters in determining the trading limits:-
- 10% of Group's average shareholders' equity,
- 1.5% of average total deposits, and
- discounts can be further applied to the established limit based on other qualitative factors covered under the CAMELS rating system of the RBZ.

Qualitative factors include additional opinion formed through market intelligence on the financial institution, shareholder profile, management and segment of market being served.

The banks are classified into three internal categories as set out below:

Tier 1 Banks - banks that are considered to have well above the regulatory capital, stable and have a proven performance record. No security is required from these counterparties. The counterparty limit for tier 1 Banks is set as 40% (2020: 40%) of the Group total money market investments.

Tier 2 Banks - banks that are assessed to be significantly stable but have lower performance and shareholder ratings than Tier 1 Banks. Security is required for investments with these banks. The counterparty limit for tier 2 Banks is set as 20% (2020: 20%) of Group total money market investments.

Tier 3 Banks - banks that are evaluated as currently not suitable to be classified as a trading counterparty.

The Group holds cash accounts with financial institutions with sound financial and capital cover. The financial institutions holding the cash and cash equivalents of the Group have the following internal credit ratings.

	INFLATION ADJUSTED		HISTORICAL COST	
	2021	2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
Tier 1	1 905 421 108	1 576 692 593	1 905 421 108	979 312 170
Tier 2	1 148 417 184	1 094 957 238	1 148 417 184	680 097 663
	3 053 838 292	**2 671 649 831**	**3 053 838 292**	**1 659 409 833**

(ii) Security
The Group holds no collateral in respect of insurance, tenant and other receivables, and debt securities at amortised cost.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.3 Credit risk (continued)

(iii) Impairment of financial assets

The group has four types of financial assets that are subject to the expected credit loss model:

- insurance receivables;
- tenants receivables;
- other receivables;
- debt securities at amortised cost; and
- cash and balances with banks.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Insurance, tenant and other receivables

The Group applies the simplified approach that takes into account forward looking approach to measure expected credit losses. The simplified approach uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, insurance receivables have been grouped based on shared credit characteristics and the days past due with the exception of the reinsurance receivables which are measured on an incurred loss model rather than an expected loss model. The forward looking approach requires the Group to adjust the current backward-looking incurred loss based credit losses into a forward-looking expected credit loss. The expected loss rates are based on the payment profiles over a period time and corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the cedants to settle the receivables, changes to underwriting through more short-term policies.

Insurance receivables for the pensions business relate to pension contributions and Group Life Assurance ("GLA") premiums that are paid a month in arrears. In the event that three months pass with the contributions still outstanding, premium receivables are impaired. The same applies for GLA premiums. The premiums for the individual life business are accounted for on a cash basis due to the lapsable nature of the life insurance contracts. In the event of default, the contract will lapse and the premium will no longer be due to the Group hence the criteria to recognise revenue only when received.

When determining allowance for credit losses in respect of past due tenant receivables, the following criteria is used:

• Occupancy status of the tenant

The tenant who relinquish occupancy of premises and honour agreed payment plans will not be considered for specific write-off.

• Length of period of non-payment

The length of period a tenant stays without making payment towards past due balances is used as a measure of the extent of delinquency of outstanding amounts. All past due amounts over three months are referred to collection agencies and lawyers for collection while amounts that are over six months past due may qualify for specific write-off subject to the fulfilment of additional qualification criteria. All tenant account balances that are over three months are profiled with relevant percentage of general allowance applied to arrive at a general allowance for credit losses amount.

• Analysis of results of collection efforts undertaken so far in order to recover amounts that are past due

When the efforts of lawyers, collection agencies or direct approaches by the Group to tenants does not yield significant recovery of past due amounts and the prospects of significant recoveries consider remote, the outstanding balance is considered for specific write off. All material write offs are approved by the Audit and Acturial Committee. Significant managerial judgment is exercised in analysing the likelihood of success of current collection efforts with assessment of prospects of recovery rated from more highly probable to remote.

Debt securities at amortised cost

All of the Group's debt investments at amortised cost and at fair value through other comprehensive income ("FVOCI") are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risks. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.3 Credit risk (continued)

INFLATION ADJUSTED

31 December 2021	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	8%	12%	12%	21%	
Gross carrying amount - Insurance receivables					
-Reinsurance	81 920 019	55 737 300	97 834 922	422 352 174	657 844 415
-Short term direct	285 984 149	241 529 968	223 433 682	158 263 179	909 210 978
-Life assurance incuding pensions	3 262 564	33 278 150	28 710 561	-	65 251 275
Gross carrying amount - rental receivables	30 055 287	32 506 263	37 330 223	23 396 674	123 288 447
Gross carrying amount - other receivables	594 876 635	237 950 654	142 770 392	175 186 521	1 150 784 202
Loss allowance	**82 182 131**	**79 114 488**	**69 824 446**	**196 015 529**	**427 136 594**

31 December 2020	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	11%	36%	28%	27%	
Gross carrying amount - Insurance receivables					
-Reinsurance	314 463 555	35 359 819	27 911 142	205 949 576	583 684 091
-Short term direct	480 046 312	63 620 987	121 017 546	144 243 529	808 928 375
-Life assurance incuding pensions	300 106	1 362 521	1 771 275	-	3 433 902
Gross carrying amount - rental receivables	23 867 244	11 285 931	9 277 163	7 880 974	52 311 312
Gross carrying amount - other receivables	253 214 070	37 869 942	72 034 838	118 390 042	481 508 893
Loss allowance	**117 155 970**	**54 364 921**	**64 713 454**	**130 926 651**	**367 160 996**

HISTORICAL COST

31 December 2021	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	8%	12%	12%	21%	
Gross carrying amount - Insurance receivables					
-Reinsurance	81 920 019	55 737 300	97 834 922	422 352 174	657 844 415
-Short term direct	285 984 149	241 529 968	223 433 682	158 263 179	909 210 978
-Life assurance incuding pensions	3 262 564	33 278 150	28 710 561	-	65 251 275
Gross carrying amount - rental receivables	30 055 287	32 506 263	37 330 223	23 396 674	123 288 447
Gross carrying amount - other receivables	594 876 635	237 950 654	142 770 392	175 186 521	1 150 784 202
Loss allowance	**82 182 131**	**79 114 488**	**69 824 446**	**196 015 529**	**427 136 594**

31 December 2020	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	11%	36%	28%	27%	
Gross carrying amount - Insurance receivables					
-Reinsurance	195 636 257	21 998 297	17 364 274	128 126 784	363 125 612
-Short term direct	298 649 755	39 580 331	75 288 279	89 737 789	503 256 154
-Life assurance incuding pensions	186 704	847 661	1 101 958	-	2 136 323
Gross carrying amount - rental receivables	14 848 456	7 021 282	5 771 573	4 902 967	32 544 278
Gross carrying amount - other receivables	157 531 301	23 559 912	44 814 815	73 653 638	299 559 666
Loss allowance	**72 885 888**	**33 821 883**	**40 259 985**	**81 453 000**	**228 420 756**

Forward Looking – Insurance Receivables
These forward looking inputs are used in ECL determination.In the current year, the World Bank statistics shows that Real GDP for Zimbabwe is expected to be 5.1% due to the impacts of Covid-19. This has been driven by a decline in productivity across the productive sectors of the economy,as the negative impacts of COVID-19 subside, rain levels remain good, and implementation of policies outlined in the National Development Strategy accelerates. Good vaccination progress is likely to boost tourism, trade, transport, and other sectors that were negatively affected by pandemic disruptions.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.3 Credit risk (continued)

The international Monetary Fund (IMF) predicts that inflation will increase to around 92.5% from the December 2020 figure of 60.7%. Continued implementation of disinflation policies and fine-tuning of the foreign exchange auction market are expected to keep average annual inflation at two-digit levels in 2022 and 2023. Annual inflation stood at 50% in August 2021 down from a high of 838% in July 2020 following the introduction of rule-based reserve money management, a foreign exchange auction, and relaxation of de dollarization. However, the widening gap between parallel market and official exchange rates is likely to weigh on price stability. The First Mutual Holdings Group expects this to have a negative impact on the receivables' ability to settle their debts.

Collection of premiums are expected to be more difficult as the liquidity of some clients will most likely be negatively affected by the Omnicron variant, which resulted in fresh lockdowns by the government.

Impairment stages
The following categories are used when assessing credit quality of insurance receivables:

Category 1 These are receivables which are up to date with no indication of significant increase in credit risk.

Category 2 These are receivables that have raised a significant increase in credit risk due to poor performance and receivables that are up to 3 months in arrears but adhering to payment plans.

Category 3 These relate to receivables from cedants that are more than 3 months in arrears and are adhering to payment plans as well as some in breach of payment plans.

Impairment Categories

	2021				2020			
INFLATION ADJUSTED	IFRS 9				IFRS 9			
	Category 1	**Category 2**	**Category 3**	**Total**	**Category 1**	**Category 2**	**Category 3**	**Total**
Insurance receivables	371 166 732	680 524 583	580 615 353	1 632 306 668	794 809 973	251 043 289	350 193 105	1 396 046 367
- Short term direct	285 984 149	464 963 650	158 263 179	909 210 978	480 046 312	184 638 533	144 243 529	808 928 374
- Reinsurance	81 920 019	153 572 222	422 352 174	657 844 415	314 463 555	63 270 960	205 949 576	583 684 091
- Life assurance	3 262 564	61 988 711	-	65 251 275	300 106	3 133 796	-	3 433 902
Total	**371 166 732**	**680 524 583**	**580 615 353**	**1 632 306 668**	**794 809 973**	**251 043 289**	**350 193 105**	**1 396 046 367**
HISTORICAL COST								
Insurance receivables	371 166 732	680 524 583	580 615 353	1 632 306 668	494 472 716	156 180 800	217 864 573	868 518 089
- Short term direct	285 984 149	464 963 650	158 263 179	909 210 978	298 649 755	114 868 610	89 737 789	503 256 154
- Reinsurance	81 920 019	153 572 222	422 352 174	657 844 415	195 636 257	39 362 571	128 126 784	363 125 612
- Life assurance	3 262 564	61 988 711	-	65 251 275	186 704	1 949 619	-	2 136 323
Total	**371166732**	**680524583**	**580615353**	**1632306668**	**494472716**	**156180800**	**217864573**	**868518089**

Categorisation is based on financial assets that have used the general approach in calculating credit allowances. There has not been any significant increase in credit risk during year.

The loss given default percentages have significantly decreased for current year compared to prior year, generally for all the categorisations as a result of the improved credit quality as well as improved collection efficiency.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.4 Interest rate risk

Cash flow interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Group analyses its interest rate exposure on a dynamic basis and various scenarios are simulated.

The Group manages interest rate risk at both Board level (through the Group Investments Committee) and management level through regular reviewing policies that relate to interest rate risk management. Key activities include daily monitoring of costs of funds, monthly analysis of interest rate re-pricing gaps and monthly interest rate simulations.

The Group's exposure to the risk of changes in the market interest rates relates primarily to the Group's cash and cash equivalents, including financial instruments earning interest at fixed interest rates.

The Group is not exposed to the risk of changes in market interest rates as a result of the fixed nature of interest rates on its financial instruments thus, no sensitivity analysis has been presented.

4.5 Liquidity risk

It is the Group's policy to ensure that cash resources are available at all times to meet commitments as they arise. Cash outflows arise from payment of insurance claims and benefits, purchase of investments and other operating commitments. Such outflows are adequately matched by inflows from premium income, maturing investments and investment income. The Group manages liquidity risk related to market through maintaining and monitoring comprehensive cash flow forecasts and budgets that are reviewed to take any changes on the market as they arise.

Where pension funds withdraw and/or transfer assets to other pension administrators the period of transferring the assets is per agreement between the Fund and the insurer as specified in the policy document and that period spans up to three years allowing for restructuring of assets to meet the cash flow requirements as permitted by the Pensions and Provident Funds Act (Chapter 24:09). The table below summarises the maturity profile of the Group's financial assets and financial liabilities based on contractual and undiscounted payments.

The negative gap shown below is long-term and will be covered by investment property through either rental received or disposals to fund the long-term insurance and life contract liabilities. The insurance and life assurance contract liabilities mature in smaller amounts over period longer than 5 years.

Investment contract liabilities have different maturity periods which have been used to determine liquidity profiles. Early termination of contract results in penalties for the contract holder, hence contracts are estimated to end on maturity.

The amounts disclosed in the table below are contractual undiscounted cashflows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

For amounts in 1- 5 years the future value of the ultimate redemption values is affected by a number of factors other than interest. The carrying amount therefore estimates future contractual undiscounted cashflows

Notes to the Consolidated Financial Statement (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2021

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.5 Liquidity risk (continued)

INFLATION ADJUSTED

Assets

31 December 2021	**1 month ZWL**	**1 month to 3 months ZWL**	**3 months to 1 year ZWL**	**1 year to 5 years ZWL**	**Total ZWL**
Financial assets:					
Insurance, tenant and other receivables (excl. prepayments)	401 222 018	567 754 219	1 201 466 613	413 485 148	2 583 927 998
Debt securities at amortised cost	4 909 612	8 161 906	39 408 170	147 593 854	200 073 542
Equity securities at fair value through profit or loss	1 022 267 095	2 044 534 190	3 066 801 285	-	6 133 602 569
Cash and balances with banks	3 053 838 292	-	-	-	3 053 838 292
Total assets	**4 482 237 017**	**2 620 450 314**	**4 307 676 067**	**561 079 002**	**11 971 442 402**
Liabilities					
Insurance liabilities - short term	845 770 410	424 586 353	278 510 439	238 243 747	1 787 110 949
Investment contract liabilities:					
With DPF	-	-	-	9 002 629 121	9 002 629 121
Without DPF	-	-	-	1 679 388 424	1 679 388 424
Lease liability	390 821	781 641	3 517 386	13 950 484	18 640 333
Insurance liabilities - life assurance payables	5 834 567	11 669 134	91 245 571	-	108 749 272
Property business related payables	46 605 984	-	-	-	46 605 984
Accrued expenses	49 872 474	-	-	-	49 872 474
Trade payables	36 886 953	-	-	-	36 886 953
Other payables	322 072 736	-	-	-	322 072 736
Total liabilities	**1 307 433 945**	**437 037 128**	**373 273 397**	**10 934 211 775**	**13 051 956 246**
Liquidity gap	**3 174 803 072**	**2 183 413 186**	**3 934 402 670**	**(10 373 132 771)**	**(1 080 513 843)**
Cumulative liquidity gap	**3 174 803 072**	**5 358 216 258**	**9 292 618 929**	**(1 080 513 843)**	**-**

INFLATION ADJUSTED

31 December 2020	**1 month ZWL**	**1 month to 3 months ZWL**	**3 months to 1 year ZWL**	**1 year to 5 years ZWL**	**Total ZWL**
Financial assets:					
Insurance, tenant and other receivables (excl. prepayments)	794 509 867	375 116 434	390 037 029	350 193 105	1 909 856 434
Debt securities at amortised cost	39 484 767	23 594 602	57 349 924	13 792 479	134 221 771
Equity securities at fair value through profit or loss	-	-	-	3 427 997 185	3 427 997 185
Cash and balances with banks	1 705 541 531	961 775 478	-	-	2 667 317 009
Total assets	**2 539 536 165**	**1 360 486 513**	**447 386 952**	**3 791 982 768**	**8 139 392 399**
Liabilities					
Insurance liabilities - short term	52 277 828	2 697 897 636	43 941 210	109 787 862	2 903 904 536
Investment contract liabilities:	-	-	-	-	-
With DPF	177 831	-	-	6 167 626 674	6 167 804 505
Without DPF	-	-	-	751 738 933	751 738 933
Lease liability	454 970	1 364 910	4 094 733	20 064 910	25 979 523
Insurance liabilities - life assurance payables	381 678	9 783 156	9 707 062	8 830 569	28 702 464
Property business related payables	38 643 063	1 053 241	-	-	39 696 304
Accrued expenses	184 247 910	27 523 306	-	-	211 771 216
Trade payables	8 277 796	-	-	-	8 277 796
Other payables	161 793 839	-	-	-	161 793 839
Total liabilities	**446 254 914**	**2 737 622 249**	**57 743 005**	**7 058 048 948**	**10 299 669 117**
Liquidity gap	**2 093 281 251**	**(1 377 135 736)**	**389 643 947**	**(3 266 066 180)**	**(2 160 276 718)**
Cumulative liquidity gap	**2 093 281 251**	**716 145 515**	**1 105 789 462**	**(2 160 276 718)**	**-**

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.5 Liquidity risk (continued)

HISTORICAL COST Assets 31 December 2021	**1 month ZWL**	**1 month to 3 months ZWL**	**3 months to 1 year ZWL**	**1 year to 5 years ZWL**	**Total ZWL**
Financial assets:					
Insurance, tenant and other receivables (excl. prepayments)	401 222 018	567 754 219	1 201 466 613	413 485 148	2 583 927 998
Debt securities at amortised cost	4 909 612	8 161 906	39 408 170	147 593 854	200 073 542
Equity securities at fair value through profit or loss	1 022 267 095	2 044 534 190	3 066 801 285		6 133 602 569
Cash and balances with banks	3 053 838 292				3 053 838 292
Total assets	**4 482 237 017**	**2 620 450 314**	**4 307 676 067**	**561 079 002**	**11 971 442 402**
Liabilities					
Insurance liabilities - short term	845 770 410	424 586 353	278 510 439	238 243 747	1 787 110 949
Investment contract liabilities:					
With DPF				9 002 629 121	9 002 629 121
Without DPF				1 679 388 424	1 679 388 424
Lease liability	390 821	781 641	3 517 386	13 950 484	18 640 332
Insurance liabilities - life assurance payables	5 834 567	11 669 134	91 245 571	-	108 749 272
Property business related payables	46 605 984	-	-	-	46 605 984
Accrued expenses	49 872 474	-	-	-	49 872 474
Trade payables	36 886 953	-	-	-	36 886 953
Other payables	322 072 736	-	-	-	322 072 736
Total liabilities	**1 307 433 945**	**437 037 128**	**373 273 397**	**10 934 211 775**	**13 051 956 245**
Liquidity gap	**3 174 803 072**	**2 183 413 186**	**3 934 402 670**	**(10 373 132 771)**	**(1 080 513 843)**
Cumulative liquidity gap	**3 174 803 072**	**5 358 216 258**	**9 292 618 929**	**(1 080 513 843)**	**-**

HISTORICAL COST Assets 31 December 2020	**1 month ZWL**	**1 month to 3 months ZWL**	**3 months to 1 year ZWL**	**1 year to 5 years ZWL**	**Total ZWL**
Financial assets:					-
Insurance, tenant and other receivables (excl. prepayments)	494 286 012	233 370 048	242 652 552	217 864 573	1 188 173 185
Debt securities at amortised cost	24 564 538	14 678 838	35 678 934	8 580 673	83 502 983
Equity securities at fair value through profit or loss	-	-	-	2 129 190 798	2 129 190 798
Cash and balances with banks	1 061 063 375	598 346 458	-	-	1 659 409 833
Total assets	**1 579 913 925**	**846 395 344**	**278 331 486**	**2 355 636 044**	**5 060 276 800**
Liabilities					
Insurance liabilities - short term	32 523 446	1 678 434 866	27 337 012	68 301 989	1 806 597 313
Investment contract liabilities:					
With DPF	110 634	-	-	3 830 823 841	3 830 934 475
Without DPF	-	-	-	466 918 592	466 918 592
Lease liability	283 049	849 148	2 547 444	12 482 921	16 162 563
Insurance liabilities - life assurance payables	237 452	6 086 365	6 039 025	5 493 735	17 856 577
Property business related payables	24 040 891	655 250	-	-	24 696 141
Accrued expenses	114 439 696	17 095 221	-	-	131 534 917
Trade payables	5 149 840	-	-	-	5 149 840
Other payables	100 656 310	-	-	-	100 656 310
Total liabilities	**277 441 318**	**1 703 120 849**	**35 923 480**	**4 384 021 079**	**6 400 506 728**
Liquidity gap	**1 302 472 607**	**(856 725 505)**	**242 408 006**	**(2 028 385 035)**	**(1 340 229 928)**
Cumulative liquidity gap	**1 302 472 607**	**445 747 102**	**688 155 108**	**(1 340 229 928)**	**-**

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.5 Liquidity risk (continued)

The current year accounting aligns to the Group's strategy in light of observed liquidity constraints which have called for need to dispose of some equity shares to raise funds.

4.6 Foreign exchange risk

The risk that the fair value of the cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Foreign exchange risks arise from recognised monetary financial assets and liabilities future commercial transactions, that are not denominated in the functional currency of the Group.

The Group operates regionally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States of America Dollar ("USD"), Botswana Pula ("BWP"), Malawi Kwacha ("MWK"), Mozambique Metical ("Metical") and the South African Rand ("ZAR").

The Group manages foreign exchange risk by making prepayments to suppliers to lock prices and increasing investments in illiquid assets such as high value unquoted equity securities in foreign currency generating investments.

The following table details the Group's sensitivity to a 10% increase or decrease in the ZWL against the relevant foreign currencies with all other variables held constant. 10% represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and is calculated by adjusting the translation of foreign currency amounts at the period end for a 10% change in foreign currency rates.

Consolidated foreign exchange gap analysis as at 31 December 2021

INFLATION ADJUSTED **Base currency**	**Metical ZWL equivalent**	**USD ZWL equivalent**	**ZAR ZWL equivalent**	**EUR ZWL equivalent**	**BWP ZWL equivalent**	**TOTAL ZWL equivalent**
Assets						
Cash and balances with banks	101 175 942	988 468 999	-	-	1 005 262 260	2 094 907 200
Insurance, tenant and other receivables	174 608 482	641 475 864	-	-	530 773 527	1 346 857 874
Total assets	**275 784 424**	**1 629 944 862**	**-**	**-**	**1 536 035 786**	**3 441 765 073**
Liabilities						
Insurance contract liabilities - short term	269 346 349	797 827 235		-	625 927 204	1 693 100 788
Other payabes	16 034 974	197 000 201	-		231 190 117	444 225 292
Total liabilities	**285 381 323**	**994 827 436**	**-**	**-**	**857 117 321**	**2 137 326 080**
Net currency position	**(9 596 898)**	**635 117 426**	**-**	**-**	**678 918 466**	**1 304 438 993**

Consolidated foreign exchange gap analysis as at 31 December 2020

	Metical ZWL equivalent	USD ZWL equivalent	ZAR ZWL equivalent	EUR ZWL equivalent	BWP ZWL equivalent	TOTAL ZWL equivalent
Assets						
Cash and balances with banks	20 537 172	1 085 259 957	1 578 969	-	1 153 138 042	2 260 514 138
Insurance, tenant and other receivables	2 717 197	735 877 167	-	-	366 504 234	1 105 098 598
Total assets	**23 254 369**	**1 821 137 123**	**1 578 969**	**-**	**1 519 642 274**	**3 365 612 736**
Liabilities						
Insurance contract liabilities - short term	9 332 487	1 043 705 923	-	-	773 563 511	1 826 601 920
Other payabes	359 616	106 890 118	44 774 442	-	86 076 074	238 100 250
Total liabilities	**9 692 103**	**1 150 596 039**	**44 774 442**	**-**	**859 639 584**	**2 064 702 170**
Net currency position	**13 562 266**	**670 541 084**	**(43 195 473)**	**-**	**660 002 690**	**1 300 910 566**

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.6 Foreign exchange risk (continued)

Below are major cross rates to the ZWL used by the group

Currency	2021 Cross rate	2020 Cross rate
SA rand ("ZAR")	6,95	5,60
Great Britain pound ("GBP")	145,60	110,87
Euro ("EUR")	123,14	99,82
Botswana pula ("BWP")	9,31	7,58
United States dollar ("USD")	108,67	81,79
Malawian kwacha ("MWK")	0,13	0,11
Mozambique metical ("MWK")	1,69	1,10

Impact of 10% increase in exchange rates	METICAL ZWL	USD ZWL	ZAR ZWL	EUR ZWL	BWP ZWL	TOTAL ZWL
For the year ended 31 December 2021						
Assets	27 578 442	162 994 486	-	-	153 603 579	344 176 507
Liabilities	28 538 132	99 482 744	-	-	85 711 732	213 732 608
Net position	**(959 690)**	**63 511 743**	**-**	**-**	**67 891 847**	**130 443 899**
For the year ended 31 December 2020						
Assets	2 329 214	182 409 540	158 154	-	152 211 080	207 838 894
Liabilities	970 785	115 246 508	4 484 718	-	86 103 599	125 062 179
Net position	**1 358 429**	**67 163 032**	**(4 326 564)**	**-**	**66 107 481**	**82 776 716**

Currency	Change in variables ZWL	Impact on profit before tax ZWL	Impact on equity ZWL	Change in variables ZWL	Impact on profit before tax ZWL	Impact on equity ZWL
United States of American dollar ("USD")	+10%	63 511 743	47 811 640	+10%	41 716 169	31 403 932
South African rand ("ZAR")	+10%	-	-	+10%	(2 687 307)	(2 023 005)
Botswana pula ("BWP")	+10%	67 891 847	51 108 982	+10%	93 081 670	70 071 881
Mozambique metical ("METICAL")	+10%	4 573 814	3 443 167	+10%	843 745	635 171
United States of America dollar ("USD")	-10%	(63 511 743)	(47 811 640)	-10%	(41 716 169)	(31 403 932)
South African rand ("ZAR")	-10%	-	-	-10%	2 687 307	2 023 005
Botswana Pula ("BWP")	-10%	(67 891 847)	(51 108 982)	-10%	(93 081 670)	(70 071 881)
Mozambique metical ("METICAL")	-10%	(4 573 814)	(3 443 167)	-10%	(843 745)	(635 171)

This method used for deriving sensitivity information and significant variables did not change from the previous period.

4.7 Insurance risk

Insurance risk is the risk that actual future underwriting, policyholder behaviour and expense experience will differ from that assumed in measuring policyholder liabilities and assets and in pricing products. Insurance risk arises due to uncertainty regarding the timing and amount of future cash flows from insurance contracts. This could be due to variations in mortality, morbidity, policyholder behaviour or expense experience in the case of life products, and claims incidence, claim severity or expense experience in the case of short-term insurance products. These could have adverse impacts on the Group's earnings and capital if different from those assumed.

The Group is exposed to insurance risk arising from its insurance contracts with policyholders and other beneficiaries. The main risk that the Group faces is that the actual claims and benefits payments or the timing thereof differ from expectations. The risk exposure is mitigated by the use of careful selection procedures and implementation of underwriting procedures, use of actuarial models which calculate premiums and monitor claims patterns, as well as the use of reinsurance arrangements.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.7 Insurance risk (continued)

The insurance risks that the Group is exposed to that have the greatest impact on the financial position and comprehensive income are covered below.

General mangement of insurance risk

The insurance subsidiaries are responsible for the day to day identification, monitoring and assessment of insurance risk. In addition to the management of risk by the subsidiary companies, the Group has the following insurance risk management controls:

Group Risk Committee

The Committee advises Group's overall risk strategy, current risk exposures, and risk governance. The Committee considers and approves the remit of the risk management function and reviews reports on material breaches of risk limits, as well as the adequacy of remedial action. The Committee also advises the Board on the risks aspects of proposed strategic transactions.

Combined Audit and Actuarial Committee

The audit committee deals with insurance companies within the Group. The committee serves to satisfy the Group and operational boards of directors that adequate internal and financial controls are in place and that material risks are managed appropriately. More specifically, this committee is responsible for reviewing the financial statements and accounting policies, the effectiveness of the management information and systems of internal control, compliance with statutory and regulatory requirements, including actuarial input thereon, interim and final reports, the effectiveness of the internal audit function, external audit plans and findings on their respective reports. This committee reports directly to the Group board of directors. The committee meetings are attended by the external and internal auditors and are held at least quarterly.

Statutory actuary

The statutory actuary of the insurance subsidiaries reports on the capital adequacy and the financial soundness at the year-end date and for the foreseeable future. All new premium rates or premium rates where changes are required are reviewed by the statutory actuary. Dividend declarations are approved by the statutory actuary prior to payment to ensure that the insurance subsidiaries remain financially sound thereafter.

Capital adequacy requirements

A minimum level of solvency is required to be held within each insurance subsidiary to meet the regulatory capital adequacy requirements ("CAR"). For the long-term insurance subsidiaries the CAR is calculated to determine whether the excess of assets over liabilities is sufficient to provide for the possibility of actual future experience departing from the assumptions made in calculating the policyholder liabilities and against fluctuations in the value of assets. The CAR is actuarially determined taking into account forward looking information.

Pricing

Pricing risk is managed by carefully establishing criteria by which each potential customer is allocated to the appropriate risk category, applying the underwriting rules, and by establishing prices appropriate to each risk category. Underwriting performance is measured by monitoring the claims loss ratio which is the ratio of claims to premiums.

Reserving

For claims that have been reported by the financial position date, expert assessors estimate the expected cost of final settlement. For expected claims that have not been reported by the financial position date an incurred but not reported ("IBNR") provision is calculated using appropriate techniques. Consideration is also given to any stipulated minimum IBNR prescribed by regulations. These provisions for claims are not discounted for the time value of money due to the expected short duration of settlement. Using the experience of a range of specialist claims assessors, provisions are reviewed regularly to ensure they are sufficient.

Catastrophic

Catastrophic risk has the potential to cause significant loss or impact on current year earnings and capital through a single event or a number of correlated events. Reinsurance and the diversification of types of short-term insurance offered are used to reduce risks from single catastrophic events or accumulations of risk. Various reinsurance arrangements are in place, with retention levels and catastrophe cover levels varying by line of business.

4.7.1 Life insurance risks

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) valuation of insurance contract liabilities; and
(b) life insurance contract liabilities

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7.1 Life insurance risks (continued)

The liability for life insurance contracts is either based on current assumptions or on assumptions established at inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation.

The main assumptions used relate to mortality, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality on historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements as well as wide ranging changes to life style that could result in significant changes to the expected future mortality exposure.

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders. Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.
The main risks that the Group is exposed to are as follows:
- mortality risk – risk of loss arising due to policyholder death experience being different than expected
- longevity risk – risk of loss arising due to the annuitant living longer than expected
- investment return risk – risk of loss arising from actual returns being different than expected
- expense risk – risk of loss arising from expense experience being different than expected
- policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured or by industry.

4.7.1.1 Mortality and morbidity risk
Mortality risk is the risk of adverse financial impact due to actual mortality (death) claims being higher than anticipated. Morbidity risk is the risk of adverse financial impact due to policyholder health related (disablement and dread disease) claims being higher than expected.

The Group has the following processes and procedures in place to manage mortality and morbidity risk:

Pricing
Premium rates are differentiated by factors which historical experience has shown are significant determinants of mortality and morbidity claim experience. Prior to taking on individual risk policies, appropriate underwriting processes are conducted, which influence pricing on the policy prior to acceptance.

The actual claims experience is monitored on a monthly basis so that deteriorating experience can be timeously identified. At the point of issuing new policies, consideration is given to update product pricing if the change in the experience, as evidenced by the commissioned periodic investigations, has become sustained and cannot be mitigated. Further, the valuation of liabilities is periodically updated with the new parameters arising from the periodic investigations. Detailed mortality and morbidity investigations are conducted on a bi-annual basis for key products. Allowance for special effects of specified medical conditions is made in product pricing as well as in the measurement of policyholder liabilities and assets.

Terms and conditions
The policy terms and conditions contain exclusions for nonstandard and unpredictable risks that may result in severe financial loss. Terms are built into the policy contracts that permit risk premiums to be reviewed on expiry of a guarantee period. In particular:
- for individual risk business, most in-force risk premiums are subject to review; and
- for institutional risk business, the risk premiums can be reviewed annually.

Underwriting
Underwriting guidelines concerning authority limits and procedures to be followed in accepting new business are in place. For individual and institutional business, larger sums assured in excess of specified limits are subjected to underwriting and evaluated against established guidelines for accepting new business. The annually reviewable terms on institutional business enable premiums to keep pace with emerging claim experience. Part of the underwriting process involves assessing the health condition and family medical history of applicants. Terms and conditions are varied accordingly. Non-standard risks such as hazardous pursuits and medical conditions are assessed at underwriting stage. The expertise of reinsurers is used in the rating of non-standard risks. Financial underwriting is used where necessary to determine insurable interest.

Claims management
For mortality, claims are validated against policy terms and conditions. For morbidity, experienced claims assessors determine the merits of the claim in relation to the policy terms and conditions. In the case of disability annuitants, claim management ensures the continued eligibility for monthly income and includes interventions that may result in the full or partial medical recovery of the claimant. The actual disability experience is highly dependent on the quality of the claim assessment.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7.1 Life insurance risks (continued)

Reinsurance
Reinsurance is used by the Group to reduce exposure to a particular line of business, a particular individual, a single event, and to benefit from the risk management support services and technical expertise offered by reinsurers. The Group has a centralised reinsurance function that works closely with business units and subsidiaries to optimise and monitor reinsurance at a group level and to ensure consistent governance and execution of the Group's reinsurance strategy. Regular reviews, which consider risk appetite, are conducted on reinsurance arrangements for new business. The levels of reinsurance purchased for new business written in 2017 were broadly similar to those in recent previous years. Given that large proportions of the Group's business is long term individual risk business, where the proportion of the risk that is reinsured is fixed for life at the inception of the policy, the Group's overall reinsurance result is heavily influenced by historical reinsurance arrangements. In some instances where underlying policyholder benefits are annually renewable, for example institutional business, reinsurance is annually renewable. Existing reinsurance arrangements include proportional reinsurance (quota share and surplus type arrangements) on both a treaty and facultative basis and catastrophe reinsurance which is renewed annually. Catastrophe reinsurance is consolidated across business units and is in place to reduce the risk of many claims arising from the same event. Various events are excluded from the catastrophe reinsurance (e.g. epidemics and radioactive contamination).

4.7.1.2 Longevity risks
Longevity risk is the risk of adverse financial impact due to actual annuitant mortality being lower than anticipated, that is annuitants living longer than expected. For life annuities, the loss arises as a result of the Group having undertaken to make regular payments to policyholders for their remaining lives, and possibly to the policyholders' spouses for their remaining lives.
The most significant risks on these liabilities are continued medical advances and improvements in social conditions that lead to longevity improvements being better than expected. The Group manages the longevity risk by:

- annually monitoring the actual longevity experience and identifying trends over time;
- making allowance for future mortality rates falling in the pricing of new business and the measurement of policyholder liabilities. This allowance will be based on the trends identified in experience investigations and external data; and
- regularly verifying annuitants are still alive.

Life insurance contract sensitivity analysis

INFLATION ADJUSTED-UNAUDITED	**Change in assumptions**	**Impact on liabilities**	**Impact on net liabilities**	**Impact on profit before income tax**	**Impact on equity**
As at 31 December 2021					
Base					
Mortality	+10%	3 112 452	44 325	32 268	504 721
Mortality	-10%	(3 646)	(722 296)	(345 527)	(505 497)
Investment return	+1%	12 835 735	54 445	35 247	313 774
Expense	+10%	3 491 610	183 488	39 206	2 188 572
Lapse and surrenders rate	+10%	4 502 610	73 359	32 938	1 833 136
As at 31 December 2020					
Base					
Mortality	+10%	8 041 640	114 521	83 371	1 304 048
Mortality	-10%	(9 421)	(1 866 197)	(892 737)	(1 306 052)
Investment return	+1%	33 163 677	140 670	91 067	810 699
Expense	+10%	9 021 270	474 078	101 295	5 654 612
Lapse and surrenders rate	+10%	11 633 389	189 538	85 101	4 736 272

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7 Insurance risk (continued)
4.7.1 Life insurance risks (continued)

Concentration risk

The Group's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and number of contracts written per product type. The following tables show the concentration of life insurance liabilities and investment contract liabilities by type of contract.

INFLATION ADJUSTED-UNAUDITED	Investment contract liabilities with DPF ZWL	Investment contract liabilities without DPF ZWL	Insurance contract liabilities with DPF ZWL	Insurance contract liabilities without DPF ZWL	Total Insurance and investment contract liabilities ZWL
As at 31 December 2021					
Pensions	8 993 877 106	1 679 388 424	1 152 954 406	-	11 826 219 936
Individual life	290 339 385	-	-	453 810 964	744 150 349
Total	**9 284 216 492**	**1 679 388 424**	**1 152 954 406**	**453 810 964**	**12 570 370 285**
As at 31 December 2020					
Pensions	5 882 267 341	851 132 242	764 635 877	-	7 498 035 461
Individual life	193 089 582	-	-	300 966 060	494 055 642
	-	-	-	-	-
Total	**6 075 356 923**	**851 132 242**	**764 635 877**	**300 966 060**	**7 992 091 103**

Health insurance risk

Health insurance claims development table

Treatment year	Before First half 2018 ZWL	First half 2019 ZWL	Second half 2019 ZWL	First half 2020 ZWL	Second half 2020 ZWL	First half 2021 ZWL	Second half 2021 ZWL
At end of treatment half	52 699 264	31 745 379	72 227 116	81 833 151	893 508 751	520 689 198	2 285 041 530
One half later	52 699 264	31 745 379	72 227 116	81 833 151	893 508 751	520 689 198	-
Two halves later	52 699 264	31 745 379	72 227 116	81 833 151	893 508 751	-	-
Three halves later	52 699 264	31 745 379	72 227 116	81 833 151	-	-	-
Four halves later	52 699 264	31 745 379	72 227 116	-	-	-	-
Five halves later	52 699 264	31 745 379	-	-	-	-	-
Six halves later	52 699 264	-	-	-	-	-	-
Current estimate of cumulative claims incurred	**52 699 264**	**31 745 379**	**72 227 116**	**81 833 151**	**893 508 751**	**520 689 198**	**2285 041 530**

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7 Insurance risk (continued)
4.7.1 Health insurance risks (continued)

Treatment year	Before First half 2018 ZWL	First half 2019 ZWL	Second half 2019 ZWL	First half 2020 ZWL	Second half 2020 ZWL	First half 2021 ZWL	Second half 2021 ZWL
At end of treatment half	49 679 188	25 200 461	54 499 036	24 828 545	646 310 183	125 966 716	1 845 125 500
One half later	49 681 790	25 200 461	54 499 036	24 828 545	663 998 358	322 437 940	-
Two halves later	49 681 790	25 200 461	54 499 036	24 939 889	671 391 200	-	-
Three halves later	49 681 790	25 200 461	54 499 036	25 183 894	-	-	-
Four halves later	49 681 790	25 200 461	54 502 759	-	-	-	-
Five halves later	49 681 790	25 201 293	-	-	-	-	-
Six halves later	49 681 681	-	-	-	-	-	-
Cumulative payments to date	**49 681 681**	**25 201 293**	**54 502 759**	**25 183 894**	**671 391 200**	**322 437 940**	**1845 125 500**
Outstanding claims as at 31 December 2021	**3 017 583**	**6 544 086**	**17 724 358**	**56 649 257**	**222 117 551**	**198 251 258**	**439 916 031**
Less IBNR 31 December 2021							**(135 425 792)**
Outstanding claims 31 December 2021							**304 490 239**

Claims incurred are accrued in the same treatment period, hence no change on the cumulative claims incurred.

4.7.2 Short term insurance risks
The principal risk the Group faces under insurance contracts is that the actual claims and payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims and actual payments made. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The diversification of risks is also improved by careful selection and implementation of underwriting guidelines, as well as the use of reinsurance arrangements. The Group purchases reinsurance as part of its risks transfer programme. Reinsurance ceded is placed on both a proportional and non–proportional basis. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

The Group principally issues the following types of general insurance contracts: fire, engineering, motor, guarantee, marine, miscellaneous accident, aviation and agriculture. Risks usually cover twelve months duration. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors. Risk management is very vital starting from pre-risk acceptance where some large risks or business perceived risky is surveyed and improvement recommendations passed before cover commences. Selected running risks are also surveyed for risk improvement and mitigating chances and severity of losses. Risk management is thus filtered into the whole underwriting process to manage the portfolio. Furthermore, claim management policies to assess all new and on-going claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are in place to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events. The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Group's risk appetite as decided by management.

Underwriting strategy
The variability of risks is also improved by careful selection and implementation of underwriting strategies, as well as the use of reinsurance arrangements. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Commissions are payable on retroceded business in a manner consistent with retrocession costs as per the retrocession agreements.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7.2 Short term Insurance risk (continued)

Reinsurance
Reinsurance is used by the Group to reduce exposure to a particular line of business, a particular individual, a single event, and to benefit from the risk management support services and technical expertise offered by reinsurers. The Group has a centralised reinsurance function that works closely with business units and subsidiaries to optimise and monitor reinsurance at a group level and to ensure consistent governance and execution of the Group's reinsurance strategy. Regular reviews, which consider risk appetite, are conducted on reinsurance arrangements for new business. The levels of reinsurance purchased for new business written in 2019 were broadly similar to those in recent previous years. Given that large proportions of the Group's business are renewed short-term contracts, where the proportion of the risk that is reinsured is the same over time, the Group's overall reinsurance result is heavily influenced by historical reinsurance arrangements. In some instances where underlying policyholder benefits are annually renewable, for example institutional business, reinsurance is annually renewable. Existing reinsurance arrangements include proportional reinsurance (quota share and surplus type arrangements) on both a treaty and facultative basis and catastrophe reinsurance which is renewed annually. Catastrophe reinsurance is consolidated across business units and is in place to reduce the risk of many claims arising from the same event. Various events are excluded from the catastrophe reinsurance (e.g. epidemics and radioactive contamination).

Concentration of insurance risk and policies mitigating the concentrations
Within the insurance process, concentrations of risk may arise where a particular event or series of events could impact heavily upon the Group's resources. The Group monitors the concentration risk by class of business and geographical spread.

Types of contracts

Fire: provide indemnity for loss or damage to property caused by perils such as fire, lightning, explosion, earthquakes, floods and malicious damage.

Accident: provide indemnity for third party bodily injury, property damage, professional indemnity, group personal accident and legal expenses.

Motor: provide indemnity for loss or damage to the insured motor vehicle.

Engineering: provide indemnity for losses sustained through use of machinery and equipment or erection of buildings or structures.

Marine: provide indemnity for cargo, hull and third party bodily injury or property damage classes of business.

Agriculture: provide indemnity for loss of income or crop damage due to hail, floods, pests and fire.

Aviation: provide indemnity for cargo, hull and third party bodily injury or property damage classes of business.

The concentration of insurance risk by type of contract and by territory in relation to risk accepted is summarised below, with reference to the premiums:

	INFLATION ADJUSTED-AUDITED		HISTORICAL-UNAUDITED	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Type of contract				
Motor	2 199 421 580	1 910 374 174	1 737 914 942	790 161 577
Engineering	253 813 888	533 635 295	200 555 888	220 720 166
Fire	1 672 284 843	1 868 334 451	1 321 387 788	772 773 269
Health	5 449 987 528	3 212 160 736	4 350 062 360	1 425 527 630
Other	2 947 524 540	1 462 002 397	2 329 042 774	604 707 777
Life:		-		
- Savings business	1 073 285 313	362 456 632	861 943 704	198 697 891
- Risk business	754 744 833	472 530 877	606 127 327	114 642 206
	14 351 062 525	**9 821 494 562**	**11 407 034 783**	**4 127 230 516**
By territory				
Local	12 093 504 891	7 929 590 952	9 524 937 547	3 332 153 614
Regional	2 257 557 634	1 891 903 610	1 882 097 236	795 076 902
	14 351 062 525	**9 821 494 562**	**11 407 034 783**	**4 127 230 516**

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7.2 Short term Insurance risk (continued)

Key assumptions
The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: once–off occurrence; changes in market factors such as public attitude to claiming: economic conditions: as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Sensitivities
The insurance claim liabilities are sensitive to the certain assumptions. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The analysis below is performed for reasonably possible movements in the key assumption with all other assumptions held constant, showing the impact on net liabilities, profit before income tax and equity of the movement in incurred but not reported ("IBNR") claims. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

Assumption Inflation adjusted	Change in assumption %	Reported value ZWL	Change in profit before income tax ZWL	Change in equity ZWL
December 2021				
Increase in IBNR	15%	214 890 052	(32 233 508)	(24 265 385)
Decrease in IBNR	15%	214 890 052	32 233 508	24 265 385
December 2020				
Increase in IBNR	15%	443 958 447	(66 593 767)	(50 131 788)
Decrease in IBNR	15%	443 958 447	66 593 767	50 131 788
Historical Cost				
December 2021				
Increase in IBNR	15%	431 861 126	(64 779 169)	(48 098 533)
Decrease in IBNR	15%	431 861 126	64 779 169	48 098 533
December 2020				
Increase in IBNR	15%	25 426 474	(3 813 971)	(2 831 874)
Decrease in IBNR	15%	25 426 474	3 813 971	2 831 874

A liability adequacy assessment was done on the impact of the 15% change in assumption. The liability is adequate.

Exposure relating to catastrophe events
The Group sets out the total aggregate exposure that it is prepared to accept in Zimbabwe and Botswana to a range of events such as natural catastrophes. The aggregate position is reviewed annually. The Group's policy for mitigating catastrophe risk exposure include the use of both proportional and excess of loss reinsurance. In the event of major catastrophe the net retained loss is ZWL15 259 430 (2020:ZWL10 250 000). This is based on the Group's risk appetite as determined by the level of capital. The Group has a retrocession program in place with various reinsurers to cushion it in the event of a catastrophe.

Claims development
The Group is liable for all insured events that occur during the term of the contract, even if the loss is discovered after the end of the contract term, subject to predetermined time scales dependent on the nature of the insurance contract. The Group is therefore exposed to the risk that claims reserves will not be adequate to fund the historical claims ("run off risk"). To manage run off risk the Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures and adopts sound reserving practices. The reserves created over time proved to be sufficient to fund the actual claims paid. Further the Group does not participate on any policies with unlimited liability. The Group is liable for all insured events in terms of the contract. All underlying policies have reporting conditions

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7.2 Short term insurance risk (continued)
Claims development (continued)

The majority of the Group's insurance contracts are classified as short term, meaning that any claim is settled within a year after the loss date.

In terms of IFRS 4, 'Insurance contracts', an insurer need only disclose claims run off information where uncertainty exists about the amount and timing of claim payments not resolved within one year.

The table below indicates the claims development of the Group for the period 2016 to date. The presentation of the claims development is based on the actual date of the event that caused the claim (accident year basis).

Property and casualty claims development table

Accidental year	2016 ZWL	2017 ZWL	2018 ZWL	2019 ZWL	2020 ZWL	2021 ZWL	Total ZWL
Gross cumulative incurred claims							
Year incurred							
0	4 047 841	1 960 827	3 929 711	18 682 753	51 382 799	191 079 716	271 083 647
1	9 028 858	3 191 798	6 821 459	22 862 896	65 027 893	-	106 932 904
2	12 541 340	5 157 257	11 149 506	23 534 766	-	-	52 382 869
3	18 243 889	7 858 454	14 372 722	-	-	-	40 475 065
4	24 436 437	9 565 418	-	-	-	-	34 001 856
5	19 840 381	-	-	-	-	-	19 840 381
Current estimate of cumulative claims incurred	**19 840 381**	**9 565 418**	**14 372 722**	**23 534 766**	**65 027 893**	**191 079 716**	**323 420 896**
Gross cumulative paid claims							
Year paid							
0	1 100 434	1 216 112	1 447 721	2 840 692	12 129 190	43 596 820	62 330 968
1	9 329 929	5 321 027	9 021 279	15 182 932	24 608 399	-	63 463 569
2	13 210 023	6 322 198	10 163 769	15 701 330	-	-	45 397 321
3	13 436 920	6 408 064	10 451 637	-	-	-	30 296 621
4	13 891 823	6 438 553 -	-	-	-	-	20 330 375
5	13 892 929	-	-	-	-	-	13 892 929
Cumulative payments to date	**13 892 929**	**6 438 553**	**10 451 637**	**15 701 330**	**24 608 399**	**43 596 820**	**114 689 669**
Current estimate of cumulative claims incurred less payments to date	**5 947 452**	**3 126 866**	**3 921 085**	**7 833 436**	**40 419 493**	**147 482 896**	**208 731 227**

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7.2 Short term insurance risk (continued)

Claims development Accidental year	2016 ZWL	2017 ZWL	2018 ZWL	2019 ZWL	2020 ZWL	2021 ZWL	Total ZWL
Net cumulative claims incurred							
0	9 264 697	9 638 652	13 878 235	22 005 993	113 951 015	367 085 164	535 823 756
1	10 477 772	10 868 101	14 677 343	33 957 478	135 094 121	-	205 074 814
2	10 515 285	10 901 750	15 241 681	34 819 971	-	-	71 478 687
3	10 519 924	10 942 441	15 260 878	-	-	-	36 723 244
4	10 563 911	10 942 441	-	-	-	-	21 506 352
5	10 563 911	-	-	-	-	-	10 563 911
Cumulative claims incurred to date	**10 563 911**	**10 942 441**	**15 260 878**	**34 819 971**	**135 094 121**	**367 085 164**	**573 766 485**
Cumulative claims paid							
0	9 260 334	9 549 335	13 782 728	15 919 369	105 939 720	306 555 745	461 007 230
1	10 464 591	10 770 105	15 645 476	27 370 226	126 978 272	-	191 228 670
2	10 502 104	10 772 847	16 140 370	27 514 746	-	-	64 930 067
3	10 502 224	10 824 999	16 155 097	-	-	-	37 482 320
4	10 531 444	10 824 999	-	-	-	-	21 356 443
5	10 531 444	-	-	-	-	-	10 531 444
Current estimate of cumulative claims paid	**10 531 444**	**10 824 999**	**16 155 097**	**27 514 746**	**126 978 272**	**306 555 745**	**498 560 302**
Current estimate of cumulative claims incurred less payments to date	**32 468**	**117 441**	**(894 219)**	**7 305 225**	**8 115 849**	**60 529 419**	**75 206 183**

The was no claims development table for FMRE Property and Casualty (Proprietary) Limited which is domiciled in Botswana because of the absence of sufficient historical information.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.8 Capital management policies

The Group's capital comprises share capital, share premium, non distributable reserves and retained profits. It is the Group's objective to retain a capital position that supports the development of the business. The Group manages its capital structure and makes adjustments to it, in light of changes in the economic conditions. Where necessary, capital is redeployed to subsidiaries from the holding company through dividends received or its own capital.

There were no changes made to the objectives, processes, or policies during the year ended 31 December 2021 (2020: none).

The subsidiaries were capitalised as follows:

As at 31 December 2021	Capital employed ZWL	Regulatory Capital ZWL
Company		
First Mutual Reinsurance Company Limited	595 114 046	75 000 000
FMRE Property and Casualty (Proprietary) Limited	745 411 173	1 500 000
NicozDiamond Insurance Limited	1 733 255 386	37 500 000
First Mutual Life Assurance Company (Private) Limited	3 711 600 564	75 000 000
First Mutual Microfinance (Private) Limited	10 409 089	2 100 000
First Mutual Wealth (Private) Limited	69 625 256	66215718*
First Mutual Health Company (Private) Limited	20 575 552	-

*Minimum of ZWL150,000 liquid capital or 3 months working capital, which ever is higher.

As at 31 December 2020		
Company		
First Mutual Reinsurance Company Limited	246 716 602	75 000 000
FMRE Property and Casualty (Proprietary) Limited	469 198 953	1 500 000
NicozDiamond Insurance Limited	981 979 782	37 500 000
First Mutual Life Assurance Company (Private) Limited	1 803 988 531	75 000 000
First Mutual Microfinance (Private) Limited	4 439 841	2 100 000

The operations of the Group are subject to regulatory requirements which impose certain restrictive provisions such as capital adequacy to minimise the risk of default and insolvency to meet unforeseen liabilities as these arise. SI 95 of 2017 Insurance(Amendment) Regulations Section 2 defines capital as the amount of the insurers' total admissable assets in excess of the amount of its liabilities including contingent and prospective liabilities. It is the Company's objective to retain a positive capital ratio to support the development of the business. The Group manages its capital structure and makes adjustments to it, in light of changes in the economic conditions.

5 SEGMENT INFORMATION

Segment information is presented in respect of the Group's operating segments. The Group's businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The individual businesses are aggregated into segments with similar economic characteristics.

Measurement of segment assets and liabilities and segment income, expenses and results is based on the accounting policies set out in the accounting policy notes.

Intersegment transactions, which occurred during the year, are conducted at an arm's length basis

The Group comprises four reportable operating segments:

Life and pensions business (life assurance)
The insurance segment comprises life assurance and reassurance.

Health insurance
This relates to the medical insurance business.

Property and casualty insurance (short term insurance)
The segment comprises direct insurance and reinsurance.

Property
This relates to the property management and development.

Other segment
Other segment comprises the holding company, funeral services, microlending and wealth management.

Revenue from external customer for each product and service has not been included in the segmental analysis because it is not practical and cost effective due to the wide range of products and services offered by the
Group. There is also no revenue from a single customer that represents 10% or more across all subsidiaries.

Segmental analysis INFLATION ADJUSTED As at 31 December 2021	**Life assurance ZWL**	**Property and casualty ZWL**	**Health ZWL**	**Property ZWL**	**Other ZWL**	**Gross figures ZWL**	**Consolidation entries ZWL**	**Total consolidated ZWL**
Net premium earned	1 774 675 690	3 865 558 635	5 449 987 528	-	-	11 090 221 853	(139 849 505)	10 950 372 348
Rental income	-	61 466 158	-	592 552 528	-	654 018 684	(54 478 296)	599 540 388
Investment income and fair value adjustment on investment property	5 977 603 097	6 619 924 899	5 977 603 097	12 934 265 931	5 977 603 097	37 487 000 122	(27 801 247 031)	9 685 753 091
Fee income, other income and monetary gains/(losses)	643 523 026	(664 291 759)	194 939 177	(9 575 321)	346 197 638	510 792 761	(456 378 039)	54 414 722
Total income	**8 395 801 813**	**9 882 657 932**	**11 622 529 803**	**13 517 243 137**	**6 323 800 735**	**49 742 033 420**	**(28 451 952 871)**	**21 290 080 549**
Depreciation	(15 713 214)	(55 099 801)	(30 258 137)	(11 537 670)	(28 220 442)	(140 829 264)	55 342 493	(85 486 772)
Total expenses	(6 429 752 837)	(3 755 525 181)	(5 576 287 068)	(423 317 780)	(716 302 279)	(16 901 185 146)	510 597 072	(16 390 588 074)
Profit before income tax	2 047 445 964	575 767 982	717 028 817	7 143 354 135	1 986 993 466	12 470 590 365	(7 567 257 558)	4 903 332 806
Income tax (expense)/credit	(144 660 259)	(349 231 450)	-	(1 302 041 093)	-	(1 795 932 803)	221 404 047	(1 574 528 756)
Deferred acquisition costs	-	243 329 000	-	-	-	243 329 000	-	243 328 844
Total assets	17 118 003 375	7 163 040 244	2 485 339 677	22 638 969 582	8 382 006 512	57 787 359 390	(21 858 669 644)	35 928 689 746
Movement in insurance contract liabilites*	(3 703 806 126)	(66 864)	-	-	-	(3 703 872 990)	-	(3 703 872 990)
Movement in investment contract liabilites*	(942 002 256)	-	-	-	-	(942 002 256)	-	(942 002 256)
Total liabilities	13 089 433 292	4 829 459 555	1 211 632 122	2 757 212 194	747 936 066	22 635 673 230	(312 391 079)	22 323 282 151
Cash flows generated from/(utilised in) operating activities	5 350 783	4 583 476 000	778 205 269	80 720 227	364 786 000	5 812 538 278	(5 272 345 307)	540 192 970
Cash flows generated from/(utilised in) investing activities	139 591 167	144 732 000	(199 212 590)	53 751 120	135 678 000	274 539 698	(56 867 244)	217 672 454
Cash generated from/(utilised in) financing activities	(777 993)	(476 532 000)	(260 145 635)	(69 673 632)	(84 543 000)	(891 672 261)	1 023 813 943	132 141 682

5 SEGMENT INFORMATION (continued)

Segmental analysis

As at 31 December 2020	Life assurance ZWL	Property and casualty ZWL	Health ZWL	Property ZWL	Other ZWL	Gross figures ZWL	Consolidation entries ZWL	Total consolidated ZWL
Net premium earned	825 576 522	2 799 091 153	3 217 378 609	-	-	6 842 046 284	(121 540 566)	6 720 505 718
Rental income	-	22 548 034	-	434 083 326	-	456 631 360	(42 207 495)	414 423 866
Investment income and fair value adjustment on investment property	3 345 097 530	560 944 304	265 411 397	5 204 030 593	1 347 274 842	10 722 758 667	(4 900 935 397)	5 821 823 270
Fee income, other income and monetary gains/(losses)	381 440 582	694 628 793	318 644 301	250 548 886	244 153 514	1 889 416 077	(2 501 928 603)	(612 512 526)
Total income	**4 552 114 635**	**4 077 212 284**	**3 801 434 307**	**5 888 662 805**	**1 591 428 356**	**19 910 852 388**	**(2 077 801 898)**	**12 344 240 327**
Depreciation	(9 198 275)	(8 210 680)	(32 615 601)	(2 475 649)	(13 234 912)	(65 735 115)	(33 935 555)	(99 670 670)
Total expenses	(3 068 109 281)	(2 364 553 863)	(2 940 750 257)	(337 624 812)	(445 743 911)	(9 156 782 123)	255 774 456	(8 901 007 668)
Profit before income tax	361 194 191	359 156 443	520 123 024	5 327 249 126	1 082 615 478	7 650 338 262	(4 209 893 056)	3 440 445 204
Income tax (expense)/credit	(52 329 190)	(43 896 404)	(21 229 511)	555 396 634	(259 827 715)	178 113 813	154 035 408	332 149 221
Deferred acquisition costs	-	158 229 256	-	-	-	158 229 256	-	158 229 256
Total assets	10 524 241 779	2 523 186 844	1 540 062 167	15 597 246 678	5 882 779 536	36 067 517 003	(11 148 887 506)	24 918 629 498
Movement in insurance contract liabilites	(1 857 036 074)	-	-	-	-	(1 857 036 074)	-	(1 857 036 074)
Movement in investment contract liabilites	(427 114 775)	-	-	-	-	(427 114 775)	-	(427 114 775)
Total liabilities	8 259 248 035	1 457 853 924	717 673 334	1 484 383 680	980 915 406	12 900 074 379	1 559 961 057	14 460 035 437
	-	-	-	-	-	-	-	-
Cash flows generated from/(utilised in) operating activities	3 717 133 836	919 627 259	595 126 077	98 178 140	(171 219 019)	5 158 846 292	(2 674 734 623)	2 484 111 668
	-	-	-	-	-	-	-	-
Cash flows generated from/(utilised in) investing activities	1 465 003 596	(222 426 365)	(248 758 516)	1 756 953	122 093 315	1 117 668 983	(1 318 347 596)	(200 678 613)
	-	-	-	-	-	-	-	-
Cash generated from/(utilised in) financing activities	(7 290 304)	(27 127 874)	(99 869 633)	(19 814 476)	(190 540 942)	(344 643 229)	236 539 169	(108 104 060)

Analysis of additions during the year

Additions to non-current assets	Office equipment ZWL	Motor vehicles ZWL	Office furniture ZWL	Investment property ZWL	Land and buildings ZWL	Total ZWL
As at 31 December 2021	87 708 905	4 716 471	13 219 807	20 985 457	-	126 630 640
As at 31 December 2020	92 645 824	606 603	5 161 391	118 804	-	98 372 822

Geographical concentration of gross premium written

	Life Insurance ZWL	Property and Casualty ZWL	Health ZWL	Property ZWL	Other ZWL	31 December 2 021 ZWL
Zimbabwe	1 828 030 146	4 972 442 466	5 449 987 528	-	-	12 250 460 139
Other countries	-	2 100 602 386	-	-	-	2 100 602 386
Total	**1 828 030 146**	**7 073 044 851**	**5 449 987 528**	**-**	**-**	**14 351 062 525**

Geographical concentration of gross premium written

	Life Insurance ZWL	Property and Casualty ZWL	Health ZWL	Property ZWL	Other ZWL	31 December 2 021 ZWL
Zimbabwe	836 343 873	3 548 213 154	3 217 378 609	-	-	7 601 935 636
Other countries	-	1 967 365 982	-	-	-	1 967 365 982
Total	**1 828 030 146**	**7 073 044 851**	**5 449 987 528**	**-**	**-**	**9 569 301 618**

5 SEGMENT INFORMATION (continued)

Segmental analysis HISTORICAL COST As at 31 December 2021	**Life assurance ZWL**	**Property and casualty ZWL**	**Health ZWL**	**Property ZWL**	**Other ZWL**	**Gross figures ZWL**	**Consolidation entries ZWL**	**Total consolidated ZWL**
Net premium earned	1 431 275 799	2 744 261 248	4 350 062 360	-	-	8 525 599 407	13 028 442	8 538 627 849
Rental income	-	685 983 880	-	-	-	685 983 880	(205 883 838)	480 100 042
Investment income and fair value adjustment on investment property	(11 269 356)	150 613 154	49 411 547	255 926 923	(234 436 978)	210 245 291	16 642 150 796	16 852 396 087
Fee income, other income and monetary gains/(losses)	(419 089 414)	(1 530 670 738)	(3 479 925 549)	17 356 784	45 220 703	(5 367 108 215)	6 123 542 082	756 433 868
Total income	**1 000 917 029**	**2 050 187 544**	**919 548 358**	**273 283 707**	**(189 216 274)**	**4 054 720 363**	**22 572 837 481**	**26 627 557 846**
Depreciation	(5 645 464)	(4 499 903)	(8 347 510)	(4 667 750)	(4 029 629)	(27 190 254)	16 557 693	(10 632 561)
Total expenses	(9 141 929 918)	(2 976 143 791)	(4 452 734 063)	(334 092 681)	(518 218 560)	(17 423 119 013)	462 167 032	(16 960 951 981)
Profit before income tax	1 920 694 622	1 913 053 911	980 062 316	12 891 100 563	3 898 677 837	21 603 589 249	(11 903 336 778)	9 700 252 470
Income tax (expense)/credit	(12 018 905)	(406 397 517)	-	(1 798 911 876)	(19 397 881)	(2 236 726 179)	(579 455)	(2 237 305 633)
Deferred acquisition costs	-	162 029 578	-	-	-	162 029 578	-	162 029 578
Total assets	16 794 711 850	6 360 208 624	2 411 381 034	22 484 358 005	8 748 284 154	56 798 943 667	(21 587 601 554)	35 211 342 113
Movement in insurance contract liabilites	(6 445 136 237)	-	-	-	-	(6 445 136 237)	-	(6 445 136 237)
Movement in investment contract liabilites	(1 223 437 917)	-	-	-	-	(1 223 437 917)	-	(1 223 437 917)
Total liabilities	13 083 111 285	3 286 428 021	1 211 632 125	2 718 305 491	779 056 239	21 078 533 161	156 056 282	21 234 589 443
Cash flows generated from/ (utilised in) operating activities	421 627 786	1 345 676 000	650 084 774	83 403 914	53 495 000	2 554 287 474	(1 642 552 162)	911 735 311
Cash flows generated from/ (utilised in) investing activities	(246 731 536)	324 842 000	6 078 121	45 174 492	43 286 000	172 649 077	(15 746 900)	156 902 177
Cash generated from/(utilised in) financing activities	(777 993)	(116 543 000)	(190 018 210)	(57 798 363)	(45 432 000)	(410 569 567)	510 828 517	100 258 951

Segmental analysis As at 31 December 2020	**Life assurance ZWL**	**Property and casualty ZWL**	**Health ZWL**	**Property ZWL**	**Other ZWL**	**Gross figures ZWL**	**Consolidation entries ZWL**	**Total consolidated ZWL**
Net premium earned	337 432 460	1 193 114 948	1 425 527 630	-	-	2 956 075 038	(39 496 300)	2 916 578 738
Rental income	-	12 850 626	-	175 625 667	2 597 071	191 073 364	(16 315 563)	174 757 801
Investment income and fair value adjustment on investment property	5 539 508 259	984 308 871	318 043 059	8 056 852 338	3 572 362 059	18 471 074 586	(8 811 895 883)	9 659 178 703
Fee income, other income and monetary gains/(losses)	156 584 005	217 286 899	112 126 967	79 469 084	146 080 356	711 547 311	(93 675 953)	617 871 358
Total income	**6 033 524 724**	**2 407 561 344**	**1 855 697 656**	**8 311 947 089**	**3 721 039 486**	**22 329 770 299**	**(8 961 383 699)**	**13 368 386 600**
Depreciation	5 645 464	2 499 903	4 347 510	67 750	4 029 629	16 590 256	(11 105 911)	5 484 345
Total expenses	(3 150 778 669)	(1 248 297 760)	(1 386 735 712)	(135 255 049)	(1 469 764 569)	(7 390 831 759)	67 285 266	(7 323 546 493)
Profit before income tax	1 581 330 620	1 141 531 933	478 462 044	8 176 692 039	3 497 571 039	14 875 587 675	(8 832 663 219)	6 042 924 456
Income tax (expense)/credit	(1 625 069)	(168 069 996)	-	(610 733 012)	(1 379 423)	(781 807 500)	2 656 340	(779 151 160)
Deferred acquisition costs	-	56 782 638	-	-	-	56 782 638	0	56 782 638
Total assets	6 933 690 619	3 728 846 390	894 846 695	9 631 368 416	4 248 995 076	25 437 747 196	(10 446 777 661)	14 990 969 535
Movement in insurance contract liabilites	(3 602 820 063)	-	-	-	-	(3 602 820 063)	-	(3 602 820 063)
Movement in investment contract liabilites	(422 092 376)	-	-	-	-	(422 092 376)	-	(422 092 376)
Total liabilities	5 129 702 089	2 030 951 054	445 759 835	916 610 122	190 198 464	8 713 221 564	(336 998 924)	8 376 222 640
Cash flows generated from/ (utilised in) operating activities	50 260 522	1 568 936 100	425 872 158	31 953 000	(52 010 316)	2 025 011 464	(1 149 232 608)	875 778 856
Cash flows generated from/ (utilised in) investing activities	(14 089 193)	(478 105 162)	(127 255 937)	956 811	37 087 655	(581 405 826)	372 337 564	(209 068 262)
Cash generated from/(utilised in) financing activities	(4 824 296)	(18 244 174)	(49 330 974)	(10 917 336)	(57 879 636)	(141 196 416)	108 289 563	(32 906 853)

5 SEGMENT INFORMATION (continued)

Consolidation entries
These adjustments relate to intercompany transactions amongst companies within the Group. None of the adjustments relate to a variation in accounting policies.

**Movement in insurance contract liabilities consists of movement in insurance contract liabilities and investment contract liabilities with DPF.*
***Movement in investment contract liabilities only includes for those without DPF.*

Analysis of additions during the year

Additions to non-current assets	Office equipment ZWL	Motor vehicles ZWL	Office furniture ZWL	Investment property ZWL	Land and buildings ZWL	Total ZWL
As at 31 December 2021	83 240 604	2 876 525	10 247 913	15 761 472	-	112 126 515
As at 31 December 2020	37 182 968	261 639	2 932 710	19 090	-	40 396 407

Geographical concentration of gross premium written

	Life Insurance ZWL	Property and Casualty ZWL	Health ZWL	Property ZWL	Other ZWL	31 December 2021 ZWL
Zimbabwe	1 468 071 031	3812 609 420	4263 592 484	-	-	9 544 272 936
Other countries	-	1 862 761 568	-	-	-	1 862 761 568
Total	**1 468 071 031**	**5 675 370 988**	**4 263 592 484**	**-**	**-**	**11 407 034 504**

Geographical concentration of gross premium written

	Life Insurance ZWL	Property and Casualty ZWL	Health ZWL	Property ZWL	Other ZWL	31 December 2021 ZWL
Zimbabwe	313 192 376	1593 433 608	1425 527 630	-	-	3 332 153 614
Other countries	-	795 076 902	-	-	-	795 076 902
Total	**313 192 376**	**2 388 510 510**	**1 425 527 630**	**-**	**-**	**4 127 230 516**

6 GROUP - PROPERTY, PLANT AND EQUIPMENT INFLATION ADJUSTED

Year ended 31 December 2020	Land and buildings ZWL	Plant and equipment ZWL	Motor vehicles ZWL	Office furniture ZWL	Total ZWL
Cost					
As at 1 January 2020	129 713 590	381 838 049	367 174 361	116 628 970	995 354 971
Additions	-	92 645 822	606 602	5 161 391	98 413 815
Disposals	-	(86 827)	-	-	(86 827)
Additions from Acquisition of Diamond seguros	-	32 833	1 666 862	2 275 381	3 975 076
As at 31 December 2020	**129 713 590**	**474 429 877**	**369 447 826**	**124 065 743**	**1 097 657 035**
Accumulated depreciation					
As at 1 January 2020	120 021 826	211 332 657	240 152 677	55 256 197	626 763 356
Prior year error adjustment	(91 947 495)	-	-	-	(91 947 495)
Charge for the year	2 572 316	31 733 581	48 502 234	16 862 539	99 670 670
Depreciation on disposals	-	(7 577)	-	-	(7 577)
	30 646 646	**243 058 662**	**288 654 911**	**72 118 736**	**634 478 955**
Net book amount					
As at 31 December 2020	**99 066 944**	**231 371 214**	**80 792 915**	**51 947 006**	**463 178 080**
Year ended 31 December 2021					
Cost					
As at 1 January 2021	129 713 590	474 429 877	369 447 826	124 065 743	1 097 657 035
Additions	-	87 708 905	4 716 471	13 219 807	105 645 183
Effects of foreign exchange rates		47 110	61 088	27 911	136 109
Disposals	-	(17 807 789)	(7 944 262)	(6 871 042)	(32 623 094)
As at 31 December 2021	**129 713 590**	**544 378 102**	**366 281 123**	**130 442 418**	**1 170 815 233**
Accumulated depreciation					
As at 1 January 2021	30 646 646	243 058 662	288 654 911	72 118 736	634 478 955
Charge for the year	2 572 316	30 790 298	40 367 218	11 756 940	85 486 772
Depreciation on disposals	-	(17 127 545)	(7 129 834)	(4 377 613)	(28 634 993)
As at 31 December 2021	**33 218 962**	**256 721 414**	**321 892 295**	**79 498 063**	**691 330 734**
Net book amount					
As at 31 December 2021	**96 494 628**	**287 656 687**	**44 388 828**	**50 944 356**	**479 484 499**

Notes to the Consolidated Financial Statement (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2021

6 GROUP - PROPERTY, PLANT AND EQUIPMENT (continued)

HISTORICAL COST-UNAUDITED Year ended 31 December 2020	Land and buildings ZWL	Plant and equipment ZWL	Motor vehicles ZWL	Office furniture ZWL	Total ZWL
Cost					
As at 1 January 2020	9 452 647	8 769 982	8 940 844	2 660 686	29 824 159
Additions	-	37 182 968	261 639	2 932 710	40 377 317
Disposals	-	(35 552)	-	-	(35 552)
Additions from Acquisition of Diamond seguros		20 393	1 035 318	1 413 280	2 468 991
As at 31 December 2020	**9 452 647**	**45 937 791**	**10 237 801**	**7 006 676**	**72 634 915**
Accumulated depreciation					
As at 1 January 2020	2 045 867	4 048 506	4 257 296	973 876	11 325 545
Charge for the year	187 453	3 148 758	1 217 922	930 212	5 484 345
Depreciation on disposals	-	(2 307)	-	-	(2 307)
	2 233 320	**7 194 957**	**5 475 218**	**1 904 088**	**16 807 583**
Net book amount					
As at 31 December 2020	**7 219 327**	**38 742 834**	**4 762 583**	**5 102 588**	**55 827 332**
Year ended 31 December 2021					
Cost					
As at 1 January 2021	9 452 647	45 937 791	10 237 801	7 006 676	72 634 915
Additions	-	83 240 604	2 876 525	10 247 913	96 365 042
Effects of exchange rates		54 799	73 422	33 489	161 710
Disposals	-	(4 136 168)	(2 706 055)	(893 561)	(7 735 784)
As at 31 December 2021	**9 452 647**	**125 097 027**	**10 481 693**	**16 394 516**	**161 425 884**
Accumulated depreciation					
As at 1 January 2021	2 233 320	7 194 957	5 475 218	1 904 088	16 807 582
Charge for the year	187 453	7 812 280	1 155 169	1 477 659	10 632 561
Depreciation on disposals	-	(3 935 877)	(2 381 051)	(550 196)	(6 867 124)
As at 31 December 2021	**2 420 773**	**11 071 359**	**4 249 336**	**2 831 551**	**20 573 019**
Net book amount					
As at 31 December 2021	**7 031 874**	**114 025 668**	**6 232 357**	**13 562 965**	**140 852 865**

First Mutual Holdings Group set up a Separate Purpose Vehicle (SPV), Infrastructure Fund Zimbabwe (Private) Limited, in current year for the ownership of the solar project which is located at First Mutual Park. The SPV was set up such that all group companies could contribute towards the development costs of the project. In the separate Financial statements of the contributing Subsidiaries the SPV has been recognised as either a simple investment or an associate. However at consolidation these investments are eliminated and the SPV is recognised as a wholly owned subsidiary of First Mutual Holdings with only an asset in the form of the solar plant which has been recognised above under Plant and Equipment amounting to ZWL51 337 078. No Depreciation expense has been charged for this solar plant as it has not been brought to full use as intended by management as at 31 December 2021.

6a Restatement of the property,plant and equipment balance

On the Consolidated Financial Statements for the year ended 31 December 2020, the depreciation for property, plant and equipment in inflation adjusted terms was errenously overstated. This has been corrected in the current year. The corrections impacted the Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity.
The restatement has no impact on the profit for the period, basic and diluted earnings per share.
The impact of the corrections is shown below:

1 January 2020	As previously reported ZWL	As restated ZWL	Impact of the restatement ZWL
Retained earnings	(2 465 892 215)	(2 396 674 141)	(69 218 074)
Deferred tax liability	9 402 438 697	9 425 168 118	(22 729 421)
Property, plant and equipment	1 650 649 404	1 742 596 899	91 947 495
Net impact			-

6a Restatement of the property,plant and equipment balance (continued)

31 December 2020	As previously reported ZWL	As restated ZWL	Impact of the restatement ZWL
Retained earnings	1 782 778 328	1 851 996 402	(69 218 074)
Deferred tax liability	1 626 719 646	1 649 449 067	(22 729 421)
Property, plant and equipment	371 230 585	463 178 080	91 947 495
Net impact			-

6.1 RIGHT OF USE ASSETS

This note provides information for leases where the Group is a lessee. For leases where Group is lessor, refer to note 7 on investment properties. The Group leases an office space in Gaborone, Botswana which had an original lease period ending on 31 July 2020 with an option to extend by 5 years. The extension option has been exercised, and since it was already taken into account in the calculation of the lease liability based on the Directors intention to extend the lease period, as the location is important for the business, no changes have been made.

i Lease assets

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2 021 ZWL Buildings	**Group 2020 ZWL Buildings**	**Group 2 021 ZWL Buildings**	**Group 2020 ZWL Buildings**
As at 1 January	28 612 158	136 903 045	17 771 527	3 068 000
Exchange rate effects	(6 514 207)	29 658 126	1 245 680	18 421 196
Depreciation charge	(8 131 144)	(137 949 013)	(5 050 400)	(3 717 669)
As at 31 December	**13 966 807**	**28 612 158**	**13 966 807**	**17 771 527**

ii Lease liabilities

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2021 ZWL	**Group 2 020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
As at 1 January	23 495 915	23 862 277	14 593 736	3 304 006
Exchange rate effects	5 101 867	29 658 126	5 101 867	18 421 196
Repayments	(6 011 507)	(23 422 586)	(4 660 083)	(7 131 466)
Interest accrued	1 609 186	2 157 992	1 321 075	1 289 565
Interest paid	(1 609 186)	(2 157 992)	(1 321 075)	(1 289 565)
Monetary loss adjustment	(7 550 754)	(6 601 902)	-	-
As at 31 December	**15 035 520**	**23 495 915**	**15 035 520**	**14 593 736**
Of which are :				
Current lease liabilities	4 689 848	2 659 248	4 689 848	1 654 390
Non-Current lease liabilties	10 345 672	20 836 667	10 345 672	12 939 346
As at 31 December	**15 035 520**	**23 495 915**	**15 035 520**	**14 593 736**

iii Amounts recognised in the statement of profit or loss

The profit and loss show the followiing amounts with respect to leases

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2021 ZWL	**Group 2 020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
Depreciation charge of right of use asset	8 131 144	137 949 013	5 050 400	3 717 669
Interest expense (included under finance costs)	1 609 186	2 157 992	1 321 075	1 289 565

7 INVESTMENT PROPERTY

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2021 ZWL	Group 2 020 ZWL	Group 2021 ZWL	Group 2020 ZWL
As at 1 January	15 373 976 594	10 206 276 917	9 549 053 785	1 413 176 336
Total additions	20 985 457	118 804	15 761 472	19 090
Additions to properties under development	-	118 804	-	19 090
Improvements to existing properties	20 985 457	-	15 761 472	-
Transfer to Non-current assets held for sale	-	(78 596 418)	-	(48 817 651)
Disposals	-	-	-	-
Fair value adjustments	7 111 987 949	5 246 177 291	12 942 134 743	8 184 676 009
As at 31 December	**22 506 950 000**	**15 373 976 594**	**22 506 950 000**	**9 549 053 785**

There was no investment property that was encumbered as at 31 December 2021

7.1 Fair value hierarchy

The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy;

INFLATION ADJUSTED-AUDITED 31 December 2021	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL	Total gain/ (loss) in the period in the statement of comprehensive income ZWL
CBD retail	-	-	2 992 800 000	2 992 800 000	898 608 600
CBD offices	-	-	3 825 000 000	3 825 000 000	546 251 100
Office parks	-	-	5 640 000 000	5 640 000 000	2 828 714 600
Suburban retail	-	-	1 500 000 000	1 500 000 000	367 590 400
Industrial	-	-	2 074 000 000	2 074 000 000	686 131 700
Commercial lodge	-	-	17 000 000	17 000 000	5 810 500
Residential	-	-	1 284 950 000	1 284 950 000	18 291 443
Land*	-	-	5 173 200 000	5 173 200 000	1 760 589 606
Total	**-**	**-**	**22 506 950 000**	**22 506 950 000**	**7 111 987 949**

31 December 2020	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL	Total gain/ (loss) in the period in the statement of comprehensive income ZWL
CBD retail	-	-	2 094 191 400	2 094 191 400	743 538 060
CBD offices	-	-	3 278 748 900	3 278 748 900	1 170 206 087
Office parks	-	-	2 811 285 400	2 811 285 400	845 477 888
Suburban retail	-	-	1 132 409 600	1 132 409 600	407 757 231
Industrial	-	-	1 387 868 300	1 387 868 300	497 736 752
Commercial lodge	-	-	11 189 500	11 189 500	3 538 185
Residential	-	-	1 245 673 100	1 245 673 100	451 996 046
Land*	-	-	3 412 610 394	3 412 610 394	1 125 927 043
Total	**-**	**-**	**15 373 976 594**	**15 373 976 594**	**5 246 177 291**

7 INVESTMENT PROPERTY (continued)
7.1 Fair value hierarchy (continued)

HISTORICAL COST-AUDITED 31 December 2021	**Level 1 ZWL**	**Level 2 ZWL**	**Level 3 ZWL**	**Total ZWL**	**Total gain/(loss) in the period in the statement of comprehensive income ZWL**
CBD retail	-	-	2 992 800 000	2 992 800 000	1 692 060 000
CBD offices	-	-	3 825 000 000	3 825 000 000	1 788 510 000
Office parks	-	-	5 640 000 000	5 640 000 000	3 893 860 000
Suburban retail	-	-	1 500 000 000	1 500 000 000	796 640 000
Industrial	-	-	2 074 000 000	2 074 000 000	1 211 970 000
Commercial lodge	-	-	17 000 000	17 000 000	10 050 000
Residential	-	-	1 284 950 000	1 284 950 000	495 478 528
Land*	-	-	5 173 200 000	5 173 200 000	3 053 566 215
Total	**-**	**-**	**22 506 950 000**	**22 506 950 000**	**12 942 134 743**
31 December 2020					
CBD retail	-	-	1 300 740 000	1 300 740 000	1 160 010 000
CBD offices	-	-	2 036 490 000	2 036 490 000	1 825 664 127
Office parks	-	-	1 746 140 000	1 746 140 000	1 319 048 557
Suburban retail	-	-	703 360 000	703 360 000	636 150 980
Industrial	-	-	862 030 000	862 030 000	776 530 000
Commercial lodge	-	-	6 950 000	6 950 000	5 520 000
Residential	-	-	773 710 000	773 710 000	705 171 435
Land*	-	-	2 119 633 785	2 119 633 785	1 756 580 910
Total	**-**	**-**	**9 549 053 785**	**9 549 053 785**	**8 184 676 009**

* This consists of land earmarked for future developments.

Gains recorded in statement of comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL7.11 billion (2020: ZWL9.17 billion) and are presented in the consolidated statement of comprehensive income in line item; 'fair value adjustments – investment property'.

All gains and losses recorded in statement of comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

Valuation techniques used to derive level 3 fair values
The table below presents the following for each class of the investment property:
- The fair value measurements at the end of the reporting period;
- The level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorized in their entirety;
- A description of the valuation techniques applied;
- The inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
- Level 3 fair value measurements, quantitative information about the significant observable inputs used in the fair value measurement

7 INVESTMENT PROPERTY (continued)
7.1 Fair value hierarchy (continued)

Class of Property	Fair Value 31 December 2021 ZWL	Fair Value 31 December 2020 ZWL	Valuation Technique	Key unobservable Inputs	2021 Range	2020 Range
CBD retail	2 992 800 000	2 094 191 400	Income capitalisation	Rental per square metre	ZWL750-ZWL2000	ZWL750-ZWL2000
				Prime yield	4.00%-5.00%	6.00%-13.00%
				Void rate		0%
CBD offices	3 825 000 000	3 278 748 900	Income capitalisation	Rental per square metre	ZWL500-ZWL700	ZWL500-ZWL700
				Prime yield	5.5.00%-8.5%	12.00%-18.00%
				Void rate		15.00%-47.00%
Office parks	5 640 000 000	2 811 285 400	Income capitalisation	Rental per square metre	ZWL700-ZWL980	ZWL700-ZWL850
				Prime yield	5.00%-6.00%	10.00%-11.00%
				Void rate		12.00%-57.00%
Suburban retail	1 500 000 000	1 132 409 600	Income capitalisation	Rental per square metre	ZWL900-ZWL3200	ZWL165-ZWL1300
				Prime yield	4.00%-5.00%	9.00%-11.00%
				Void rate		0
Industrial	2 074 000 000	1 387 868 300	Income capitalisation	Rental per square metre	ZWL160-ZWL440	ZWL75-ZWL400
				Prime yield	7.00%-10.00%	14.00%-18.00%
				Void rate		0
Commercial lodge	17 000 000	11 189 500				
Land - Residential*	-	-	Market comparable	Rate per square metre	ZWL3500.00-ZWL6000.00	ZWL1300.00-ZWL2500.00
- Commercial	5 173 200 000	3 412 610 394	Market comparable	Rate per square metre	ZWL7000.00-ZWL14000.00	ZWL425.00-ZWL7400.00
Residential	1 284 950 000	1 245 673 100	Market comparable	Comparable transacted properties prices		ZWL1300.00-ZWL2500.00
Total	**22 506 950 000**	**15 373 976 594**				

*Included in the residential was land transferred to non-current assets held for sale.The land was succesfully sold in 2021

7 INVESTMENT PROPERTIES (continued)
7.1 Fair value hierarchy (continued)

Descriptions and definitions
Below are descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values:

i. Income capitalisation method
Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (discounted by the investor's rate of return). Under the income capitalisation method, over (above market rent) and under-rent situations are separately capitalised (discounted on yield rate).

ii. Market comparable method
Under the market comparable method (or market comparable approach), a property's fair value is estimated based on comparable transactions. The unit of comparison applied by the Group is the price per square metre ("sqm").

iii. Rent per square metre
The rent at which space could be let in the market conditions prevailing at the date of valuation. The unit of comparison is the rental rate per square metre.

iv. Void rate
The Group determines the void rate which can be based on the percentage of estimated vacant space divided by the total lettable area.

v. Prime yield
The prime yield is defined as the internal rate of return of the cash flow from the property, assuming a rise to estimated rental value ("ERV") at the next review, but with no further rental growth.

Sensitivity analysis to significant changes in unobservable inputs within level 3 of the hierarchy.
The significant unobservable inputs used in the fair value measurement categorised within level 3 of the value hierarchy of the Group's portfolio of investment property are :
· prime yield;
· void rate;
· rental per square meter; and
· comparable transacted properties.

Significant increases/(decreases) in the comparable transacted properties and rental per square metre in isolation would result in a higher/(lower) fair value measurement.

Significant increases/(decreases) in the long-term void rate and prime yield in isolation would result in a lower/(higher) fair value measurement.

Analysis of property portfolio	**Lettable space m2**		**% of portfolio**	
Sector	**31 December 2021 ZWL**	**31 December 2020 ZWL**	**31 December 2021 ZWL**	**31 December 2020 ZWL**
Industrial	32 518	32 518	26%	26%
CBD offices	25 770	25 770	21%	21%
Office parks	20 327	20 327	16%	16%
Suburban retail	7 723	7 723	6%	6%
CBD retail	37 113	37 113	30%	30%
Total	**123 451**	**123 451**	**100%**	**100%**

Investment property is stated at fair value, which is determined based on valuations performed by Knight Frank Zimbabwe, an accredited independent property valuer, as at 31 December 2021. Investment property is stated based on a desktop valuation. Knight Frank Zimbabwe is an industry specialist in valuing these types of investment properties. The fair values of some properties have determined with using comparable transactions. Valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied.

7 INVESTMENT PROPERTIES (continued)
7.1 Fair value hierarchy (continued)

Valuation process
The Group's valuation policies and procedures for property are determined by a management committee. Each year, the committee decides, after advising the Audit and Actuarial Committee, which external valuer to appoint to be responsible for the external valuation of the Group's property portfolio. The selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained.

The management committee decides, after discussions with the Group's external valuers and the Group's Valuation Department:
- whether a property's fair value can be reliably determined;
- which valuation method should be applied for each property (the methods that are applied for fair value measurements categorized within level 3 of the fair value hierarchy are market comparables and the income capitalization method); and
- the assumptions made for the unobservable inputs that are used in the valuation methods (the major observable inputs are rental per square metre, vacancy rate and prime yield).

As at each year-end, all properties are valued by external valuers. At each reporting date, the Valuation Department analyses the movements in each property value. For this analysis, the Valuation Department verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts (for example rent amounts in lease agreements), market reports (for example market rent, capitalisation rates in property market reports) and other relevant documents. In addition, the accuracy of the computation is tested on a sample basis. For each property, the latest valuation is compared with the valuations of the preceding annual periods. If fair value changes (positive or negative) are abnormal, the changes are further analysed for example by having discussions with external valuers.

The Internal Valuation Department also compares each property's change in fair value with relevant external sources (e.g. the investment property database or other relevant benchmark) to determine whether the change is reasonable.

On an annual basis, after the Management Committee discusses the valuations with the Valuation Department, they present the valuation results with the Group's external valuers to the Audit and Actuarial Committee and the Group's independent auditor. This includes a discussion of the major assumptions used in the valuations, with an emphasis on:
- properties with fair value changes that are abnormal; and
- investment property under construction.

Yield rate risk and sensitivity
The rental rate yield represents the net income expected in year zero divided by the current property values (historic or trailing income yield). The risk arises when void levels in the portfolio increase. This increase will consequently result in a reduction in net incomes. Where net incomes remain constant, a reduction in the yield rates will result in the increased property values. The table below highlights the sensitivity to a reasonable possible change in the yield rate applied to values of the investment properties. With all other variables held constant, the Group's profit before tax, investments property, and deferred taxation are affected through the impact on the fluctuating yield rate as follows:

	December 2021		December 2020	
Sensitivity analysis.	**Increase in yield 10% ZWL**	**Decrease in yield 10% ZWL**	**Increase in yield 10% ZWL**	**Decrease in yield 10% ZWL**
Investment property	(7 186 760 950)	19 887 317 795	(3 374 097 637)	11 503 415 719
Deferred tax effect	1 776 567 307	(4 916 144 959)	868 830 142	(2 962 129 548)
Profit for the year	(5 410 193 643)	14 971 172 836	(2 505 267 496)	8 541 286 172
Equity	(5 410 193 643)	14 971 172 836	(2 505 267 496)	8 541 286 172

As at 31 December 2021, if the average yield was 10% higher holding other variables constant, investment property value will decrease by ZWL7 186 760 950 and deferred tax liabilities will decrease by ZWL1 776 567 307. As at 31 December 2021, if the average yield rate was 10% lower holding other variables constant, investment property value will increase by ZWL19 887 317 795 and the deferred tax liabilities will increase by ZWL4 916 144 959.

7 INVESTMENT PROPERTIES (continued)

7.2 Investment property held for sale

In the prior year, the directors of First Mutual Properties Limited, a subsidiary of the Group, took a decision to dispose of a residential parcel of land, known as 103 Kingsmead Road, Borrowdale, Harare as part of the Groups ongoing capital recycling strategy. This piece of land was disposed off in current year. A total fair value gain before disposal of ZWL2.4 million was recognised in the income statement and a profit of ZWL12.36 million arising from the disposal was recognised in the income statement under other income.

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
Investment property held for sale	-	78 596 418	-	48 817 651

Investment property held for sale are under the level 3 category of the fair value hierachy. The sensitivities on key inputs are included on note 7.1

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group	Group	Group	Group
8 INTANGIBLE ASSETS	**2021**	**2020**	**2021**	**2020**
8.1 SOFTWARE	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Cost				
Year ended 31 December				
As at 1 January	155 425 050	155 425 050	4 289 137	4 289 137
Additions	4 684 669	-	3 383 852	-
As at 31 December	**160 109 719**	**155 425 050**	**7 672 989**	**4 289 137**
Accumulated amortisation and impairment losses				
Year ended 31 December				
As at 1 January	119 042 218	94 150 538	3 620 406	1 595 664
Charge for the year	24 382 759	24 891 680	384 684	2 024 742
As at 31 December	**143 424 977**	**119 042 218**	**4 005 090**	**3 620 406**
Carrying amount				
As at 31 December	**16 684 742**	**36 382 832**	**3 667 899**	**668 731**

Intangible assets refer to the short-term insurance business, Premia system and the HIP system in the Health insurance business. The intangible assets are amortised over their useful economic lives, determined by management to be five years, which results in 20% per annum amortisation, using the straight-line method and recognized in statement of comprehensive income. During the year, the Group incurred additional software upgrade costs for the short-term insurance business, which met the capitalisation criteria. As at 31 December 2021, these assets were tested for impairment, and management determined that no impairment is required in respect of these intangibles (2020: ZWLnil).

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group	Group	Group	Group
8.2 Goodwill	**2021**	**2020**	**2021**	**2020**
Carrying amount	**ZWL**	**ZWL**	**ZWL**	**ZWL**
At 1 January	25 333 076	-	15 734 830	-
At acquisition of a subsidiary	-	24 497 939	-	15 216 111
Foreign exchange remeasurement	(1 029 550)	835 137	8 568 696	518 719
Impairment for the year	-	-	-	-
	24 303 526	**25 333 076**	**24 303 526**	**15 734 830**

8 INTANGIBLE ASSETS (continued)
8.2 Goodwill (continued)

The Group classifies goodwill as a non-current asset. The goodwill that has been recognised arose from the acquisition of control in Diamond Seguros Insurance Limited through NicozDiamond Insurance, a wholly owned subsidiary of First Mutual Holdings Limited. It is the Group's policy to test whether goodwill has suffered any impairment at the end of each reporting period. The recoverable amount of Group to test whether goodwill has suffered any impairment on an annual basis.

The Group has considered the entire operations of Diamond Seguros as cash generating unit ("CGU"). The recoverable amount of the CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. At year end the goodwill was remeasured using the closing rate of the CGU's functional currency, the metical. The result balance is ZWL24 303 526. At the reporting period there were no indications of impairment to the CGU, thus the goodwill has not been impaired. The table below sets out the key assumptions in the calculation of the value in use:

Key assumptions	Approach to determine value in use
Operating cashflows	Expected growth based on the strategic change in the business model, through introduction of and reduction in operating and administration expenses.
Annual capital expenditure	These are based on the planned strategic change. These are not expected to result in an increase in gross premiums or cost savings.
Weighted average long-term growth rate (5%)	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period.
Discount rate (39.2%)	Discount rates represent the current market assessment of the risks specific Diamond Seguros, taking into consideration the time value of money and its individual risks that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of Diamond Seguros. This has been developed using the Capital asset pricing model (CAPM) which has estimated the Beta, Risk free return and Market return which were developed on the basis of market factors and researched. These adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. Management recognises that the continous changes in the industry and the possibility of new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts,but could yield a reasonably possible alternative to the estimated long-term growth rate.

Impact of possible changes to the key assumptions
Operating cashflows
If the operating cashflows are 20% less than estimated by management (holding all other variables constant) as at 31 December 2021, there will still be no impairment to be recognised as the recoverable amount will still have a headroom of $6.7 million over net assets of Diamond Seguros.

Weighted average long term discount rate
The weighted average long-term growth of 5% is the least estimated over the company, calculated on the basis of growth in the cash reserves over the 5 year span. Any decrease in this rate,i.e by 1% to 2% (holding other variables constant) will not result in an impairment of the goodwill.

Discount rate
A rise in the pre-tax discount rate to 45.0%(i.e.,+6%) in the company's current rate would not result in an impairment. The Group would still not have recognised an impairment despite a reduction in the gap between the recoverable amount and cost to $80.8 million. The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of Diamond Seguros Insurance Limited to exceed its recoverable amount.

9 **Acquisition of additional interest in Diamond Seguros**

In 2021, the Board of NicozDiamond Insurance Limited made a decision to further inject additional capital into Diamond Seguros Insurance Company Limited. The capital injection was pursuant to a rights offer in which all shareholders of Diamond Seguros Insurance Company Limited were invited to participate. NicozDiamond Insurance Limited underwrote shares for shareholders that did not follow their rights. This increased the shareholding from 50.4% to 71.4%. This transaction was finalised in October 2021. Management concluded that since there was no loss nor gain of control, the transaction is one between shareholders. A shareholder reserve has been recognised in the Statement of Changes in Equity for this transaction. Below is the schedule showing effects of the movement in the shareholder reserves:

	Inflation Adjusted-Audited	Historical Cost-Unaudited
Consideration paid by NDIL	102 255 626	78 658 173
Increase in NDIL's net assets	121 973 527	95 081 441
NDIL's share of net assets in DS before transaction	94 843 486	84 681 684
NDIL's share of net assets in DS after transaction	216 817 013	179 763 125
Changes in ownership reserve	**(19 717 901)**	**(16 423 267)**
Reallocation to FCTR	(14 898 420)	(13 302 160)
Reallocation to Retained earnings	(5 001 897)	(4 465 979)
Adjusted "Change in ownership reserve"	**182 415**	**1 344 872**

10 **INVESTMENT IN ASSOCIATES**

Investment in associates

Through its 100% share owership in NicozDiamond Insurance, the Group holds significant influence in two associates; United General Insurance Limited ("UGI") which is involved in short-term insurance, and Clover Leaf Panel Beaters which is involved in panel beating business. The Acquisition of the short-term insurance associates through NDIL enhances the Group's penetration in the regional market. Management is currently reviewing the performance and strategic fit of the foreign associate with a view to increase shareholding. Furthermore, through First Mutual Health, the Group has an associate in the form of Haematology Laboratory,a company that specialises in various related tests and work is collaboration with clinics and hospitals. Set out below are the associates as at 31 December 2021 which, in the opinion of the directors, are material to the Group. The companies listed below have share capital consisting solely of ordinary shares. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest.

	INFLATION ADJUSTED-AUDITED		**HISTORICAL COST-UNAUDITED**	
	Group 2021 ZWL	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
Reconciliation of the carrying amount				
As at 1 January	570 425 805	214 893 527	172 212 552	10 351 871
Additions	-	-		
Transfer to subsidiary	-	(17 476 592)	-	(10 855 026)
Share of associates other comprehensive income	(139 815 217)	74 594 188	(2 540 652)	22 501 418
Share of movement in foreign currency translation reserve	(81 372 170)	301 202 138	10 525 617	152 129 938
Share of associates profit/(losses)	3 840 331	(2 787 456)	33 646 606	(1 915 650)
Share of associates profit/(losses)	3 840 331	(2 787 456)	33 646 606	(1 915 650)
Impairment allowance	-	-	-	-
As at 31 December	**353 078 749**	**570 425 805**	**213 844 123**	**172 212 552**

Notes to the Consolidated Financial Statement (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2021

10 INVESTMENT IN ASSOCIATES

Name of entity	Country of incorporation	% of ownership through NDIL and/or FMHC 2021	2020	Method of measurement	Carrying amount INFLATION ADJUSTED 2021	2020	Carrying amount HISTORICAL COST 2021	2020
United General Insurance Company Limited ("UGI")	Malawi	34%	34%	Equity method	185 013 880	230 314 095	185 013 880	143 052 232
Clover Leaf Panel Beaters (Private) Limited ("CLPB")	Zimbabwe	45%	45%	Equity method	162 542 514	284 153 598	25 850 581	24 910 332
Haemotology Centre (Private) Limited ("HC")	Zimbabwe	34%	34%	Equity method	5 522 354	55 958 112	2 979 662	4 249 988
					353 078 748	**570 425 805**	**213 844 123**	**172 212 552**

The tables below provide summarised financial information for the associates.

INFLATION ADJUSTED
Summarised Statement of Financial Position for associates

	HC 2021	HC 2020	UGI 2021	UGI 2020	CLPB 2021	CLPB 2020
Non-current assets	13 157 213	40 131 011	399 607 243	465 204 218	377 564 120	675 778 540
Current assets	17 787 021	128 871 657	1 013 337 048	1 344 061 847	48 974 665	81 212 259
Non-current liabilities	(9 661 845)	(1 384 871)	(7 348 567)	(67 157 166)	(33 091 750)	(39 010 026)
Current liabilities	(5 040 171)	(3 035 117)	(861 437 255)	(1 064 714 502)	(32 241 448)	(86 528 334)
Total equity	**16 242 217**	**164 582 681**	**544 158 470**	**677 394 397**	**361 205 588**	**631 452 440**
Summarised Statement Comprehensive Income for associates						
Total revenue	42 646 893	44 425 842	922 233 361	449 754 570	183 173 247	146 756 278
Total expenses	(46 852 977)	(29 217 390)	(822 631 332)	(610 481 445)	(185 192 673)	(86 466 469)
Profit/(loss) before income tax	(4 206 084)	15 208 452	99 602 029	(160 726 875)	(2 019 427)	60 289 809
Reconciliation of carrying amount for associates						
As at 1 January	**55 958 112**	**24 129 933**	**230 314 095**	**53 146 292**	**284 153 598**	**55 478 956**
Cut off adjustment	(49 079 265)	-	(373 521)	(86 692 619)	(122 222 496)	173 199 713
Profit/(loss) for the year	(1 356 493)	31 828 179	23 656 414	(54 647 135)	(908 742)	27 130 414
Other comprehensive income	-	-	(68 583 109)	318 507 558	1 520 154	28 344 515
Dividends paid						-
Transfer to investment in subsidiary						-
As at 31 December	**5 522 354**	**55 958 112**	**185 013 880**	**230 314 095**	**162 542 514**	**284 153 598**
Group's share in %	34%	34%	34%	34%	45%	45%
Group's share of net assets	5 522 354	55 958 112	185 013 880	230 314 095	162 542 514	284 153 598
Impairment	-	-	-	-	-	-
Additions or capitalisations	-	-	-	-	-	-
Transfer to investment in subsidiary	-	-	-	-	-	-
Carrying amount	**5 522 354**	**55 958 112**	**185 013 880**	**230 314 095**	**162 542 514**	**284 153 598**

10 INVESTMENT IN ASSOCIATES

HISTORICAL COST-Unautied
Summarised Statement of Financial Position for associates

	HC 2021	HC 2020	UGI 2021	UGI 2020	CLPB 2021	CLPB 2020
Non-current assets	9 729 443	3 549 927	399 607 243	288 946 719	82 426 684	62 476 777
Current assets	12 004 276	8 083 311	1 013 337 048	834 821 023	23 254 775	5 341 045
Non-current liabilities	(7 929 836)	(126 175)	(7 348 567)	(41 712 525)	(15 994 275)	(3 680 105)
Current liabilities	(5 040 171)	(740 552)	(861 437 255)	(647 119 272)	(32 241 448)	(8 781 423)
Total equity	8 763 712	12 499 965	544 158 470	420 741 859	57 445 736	55 356 293
Summarised Statement Comprehensive Income for associates						
Total revenue	33 059 607	13 526 319	726 942 680	249 355 675	116 890 266	45 405 590
Total expenses	(36 320 138)	(8 895 808)	(648 432 220)	(267 186 222)	(118 178 944)	(47 034 708)
Profit/(loss) before income tax	(3 260 530)	4 630 511	78 510 461	(17 243 157)	(1 288 678)	(1 629 118)
Reconciliation of carrying amount for associates						
As at 1 January	**4 249 988**	**1 018 175**	**143 052 232**	**3 843 376**	**24 910 332**	**1 460 694**
Cut off adjustment	-		(16 849 868)	(1 082 592)	-	5 577 452
Profit/(loss) for the year	(1 270 326)	3 231 813	35 496 837	(5 862 673)	(579 905)	(733 103)
Other comprehensive income			23 314 679	146 154 121	1 520 154	18 605 289
Dividends paid				-	-	-
Additional capital						
As at 31 December	**2 979 662**	**4 249 988**	**185 013 880**	**143 052 232**	**25 850 581**	**24 910 332**
Group's share in %	34%	34%	34%	34%	45%	45%
Group's share of net assets	2 979 662	4 249 988	185 013 880	143 052 232	25 850 581	24 910 332
Impairment	-	-	-	-	-	-
Additions or capitalisations	-	-	-	-	-	-
Transfer to investent in subsidiary	-	-	-	-	-	-
Carrying amount	**2 979 662**	**4 249 988**	**185 013 880**	**143 052 232**	**25 850 581**	**24 910 332**

11 CLASSIFICATION OF FINANCIAL ASSETS

The Group's financial instruments are summarised by category as follows:

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
Financial assets				
Financial assets at fair value through profit or loss (note 11.1)	6 133 602 569	3 427 997 184	6 133 602 569	2 129 190 798
Debt securities at amortised cost (note 11.2)	186 655 919	132 763 795	186 655 919	82 461 985
Total financial assets	**6 320 258 489**	**3 560 760 979**	**6 320 258 489**	**2 211 652 782**
Insurance, tenant and other receivables				
Insurance receivables at amortised cost (note 14.1)	1 285 480 148	1 333 419 406	1 285 480 148	828 210 811
Rental receivables at amortised cost (note 14.2)	90 109 879	71 049 133	90 109 879	44 129 896
Other receivables excluding prepayments at amortised cost (note 14.3)	1 128 610 961	433 911 070	1 128 610 961	269 509 981
Total insurance, tenant and other receivables	**2 504 200 988**	**1 838 379 610**	**2 504 200 987**	**1 141 850 689**
Cash and balances with banks at amortised cost (note 15)	3 053 838 292	2 671 649 832	3 053 838 292	1 659 409 833
Total financial instruments	**11 878 297 768**	**8 070 790 421**	**11 878 297 767**	**5 012 913 304**

11 CLASSIFICATION OF FINANCIAL ASSETS (continued)

11.1 Financial assets at fair value through profit or loss

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2021	Group 2020	Group 2021	Group 2020
Fair value	ZWL	ZWL	ZWL	ZWL
As at 1 January	3 427 997 185	2 518 873 495	2 129 190 798	348 766 929
Purchases	355 434 946	829 093 606	275 530 966	296 983 739
Disposals	(484 882 280)	(607 210 542)	(375 877 737)	(76 119 667)
Fair value gain on unquoted investments	141 135 347	8 446 054	312 376 187	182 121 294
Fair value gain/(loss) on quoted equities	2 693 917 373	678 794 572	3 792 382 355	1 377 438 503
As at 31 December	**6 133 602 569**	**3 427 997 185**	**6 133 602 569**	**2 129 190 798**

11.2 Debt securities at amortised cost

As at 1 January	132 763 796	68 005 033	82 461 985	9 416 077
Purchases	154 303 502	156 416 879	119 615 118	47 624 187
Additions from acquisition of a subsidiary	-	150 097 935	-	93 228 531
Maturities of investments	(19 893 327)	(222 704 686)	(15 421 184)	(67 806 810)
Monetary loss adjustment	(80 518 050)	(19 051 365)	-	-
As at 31 December	**186 655 919**	**132 763 796**	**186 655 919**	**82 461 985**
Current	52 479 688	-	52 479 688	-
Non current	134 176 231	132 763 796	134 176 231	82 461 985
Total	**186 655 919**	**132 763 796**	**186 655 919**	**82 461 985**

Impairment and risk exposure
Note 4.3 sets out information about the impairment of financial assets and the Group's exposure to credit risk. During the year there were no impairment from assessment.

11.3 Determination of fair value and fair values hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique as on note 2.11.

The following table shows an analysis of financial instruments recorded at fair value of the fair value hierarchy:

	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total fair value ZWL
As at 31 December 2021				
Financial assets designated at fair value through profit or loss	5 534 968 122	-	598 634 447	6 133 602 569
				-
Total financial assets recorded at fair value	**5 534 968 122**	**-**	**598 634 447**	**6 133 602 569**
As at 31 December 2020				
Financial assets designated at fair value through profit or loss	2 984 110 406	-	443 886 779	3 427 997 185
Total financial assets recorded at fair value	**2 984 110 406**	**-**	**443 886 779**	**3 427 997 185**

During the year there were no transfers of financial assets between levels 1, 2 and 3 (2020: $nil).

Valuation techniques for financial assets measured at fair value

Quoted equity investments valuation
Level 1 is made up of the Group's investments in equities securities quoted on the Zimbabwe Stock Exchange.
The carrying values of the financial instruments approximates their fair values because of their short term in nature.

Unquoted equity investments valuation
Level 3 is made up of unquoted equity investments, held through Zimbabwe Agricultural Fund, in Zimbabwe Crocodiles (Private) Limited, a crocodile breeding and skin processing company domiciled in Zimbabwe, and Mangwana Opportunities (Private) Limited, an investment fund domiciled in Zimbabwe with investments in different companies,

11 CLASSIFICATION OF FINANCIAL ASSETS (continued)
11.3 Determination of fair value and fair values hierarchy (continued)

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
As at 1 January	443 886 780	274 776 836	275 706 074	38 010 878
Additions	13 612 320	160 663 890	10 552 186	55 573 902
Fair value gain on unquoted investments	141 135 347	8 446 054	312 376 187	182 121 294
As at 31 December	**598 634 448**	**443 886 780**	**598 634 448**	**275 706 074**

i) Zimbabwe Crocodiles (Private) Limited
The discounted cashflow ("DCF") approach was used for the valuation of the investment in Zimbabwe Crocodiles (Private) Limited. The DCF approach to business valuation uses the economic principle of expectation to determine the value of a business. To do so, one estimates the future returns the business owners can expect to receive from the business. These returns are then matched to the risk associated with receiving them fully and on time.

The returns are estimated as either a single value or a stream of income expected to be received by the business owners in the future. The risk is then quantified by means of the discount rate. The discounting models account for the time value of money directly and determine the value of the business enterprise as the present value of the projected income stream.

ii) Mangwana Opportunities (Private) Limited
The value of Mangwana Opportunities was a sum of parts of the underlying investments valued using the DCF approach.

Valuation process
The Group engaged an independent consultant to assist in determining the fair values of the unlisted equities as at 31 December 2021.

Management provides the independent consultant with prior periods' audited financials statements, future projected cashflows and other non-financial
strategic information and they perform the following:
- determine the free cashflows of the business;
- determine the discount rate;
- calculation of the terminal value of the investment; and
- calculation of the fair value of investment as at the reporting date.

As part of the engagement, the independent consultant provides the determined valuations for discussions.

Valuation inputs and relationship to fair value
The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements as at 31 December 2021:

11 CLASSIFICATION OF FINANCIAL ASSETS (continued)
11.3 Determination of fair value and fair values hierarchy (continued)

Description	Fair value at 31 December 2021 ZWL	2020 ZWL	Key inputs	Range of inputs (actual rate used) 2021	2020	Relationship of inputs to fair value
Zimbabwe Crocodiles (Private) Limited	115 070 040	104 351 533	Selling price	+/-20%	+/-10%	Increase by 20% changes by ZWL94,833,592; Decrease by 20% changes by ZWL97,886,567
			Sales volumes	+/-20%	+/-10%	
			Discounting factor	22,99%	16%	Increase by 5 basis points changes value by -ZWL367,293. Decrease by 5% changes value by ZWL369,399.
Mangwana Opportunities (Private) Limited	483 759 308	171 354 541	Earnings growth	1.80% - 2.50%(2.01%)	1.50% - 2.50%(2.00%)	Increase by 5 basis points changes value by ZWL144,817. Decrease by 5% changes value by ZWL144,817.
			Discounting factor	15.6% - 17.0% (16.3%)	21.4% - 22.4% (21.9%)	Increase by 5 basis points changes value by -ZWL1,474,245. Decrease by 5% changes value by ZWL1,479,894.
Arlington	19 020 000	-	Comparables transactions	ZWL7,500 - ZWL8,500 (ZWL7,309)	n/a	Increase by 5% changes value by ZWL2,934,000. Decrease by 5% changes value by -ZWL2,934,000.
Merspin	25 751 697	-	Comparables transactions	ZWL6,500 - ZWL7,500 (ZWL6,385)	n/a	Increase by 10% changes value by ZWL2,281,989. Decrease by 10% changes value by -ZWL2,282,009.
Property Fund 2	15 213 240	-	Comparables transactions	ZWL6,500 - ZWL7,500 (ZWL6,385)	n/a	Increase by 10% changes value by ZWL2,281,989. Decrease by 10% changes value by -ZWL2,282,009.
Sterling Midlands	5 650 000	-	Comparables transactions	ZWL2,000 - ZWL3,000 (ZWL2,261)	n/a	Increase by 5% changes value by ZWL4,890,000. Decrease by 5% changes value by -ZWL4,890,000.

11.4 Comparison of carrying amounts and fair values for assets and liabilities not held at fair value

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following table summarises the fair value of assets and liabilities not measured at fair value on the entity's statement of financial position.

	INFLATION ADJUSTED-AUDITED 2021 ZWL Carrying value	2021 ZWL Fair value	HISTORICAL COST-UNAUDITED 2021 ZWL Carrying value	2021 ZWL Fair value
Financial assets				
Debt securities at amortised cost	186 655 919	186 655 919	186 655 919	186 655 919
Insurance, tenant and other receivables (excluding prepayments and statutory receivables)	1 687 174 925	1 687 174 925	1 687 174 925	1 687 174 925
	1 873 830 844	**1 873 830 844**	**1 873 830 844**	**1 873 830 844**

11 CLASSIFICATION OF FINANCIAL ASSETS (continued)
11.4 Comparison of carrying amounts and fair values for assets and liabilities not held at fair value (continued)

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	2 020 ZWL Carrying value	2 020 ZWL Fair value	2 020 ZWL Carrying value	2 020 ZWL Fair value
Financial assets				
Debt securities at amortised cost	132 763 796	132 763 796	82 461 985	82 461 985
Insurance, tenant and other receivables (excluding prepayments and statutory receivables)	1 602 485 322	1 602 485 322	995 332 498	995 332 498
	1 735 249 118	**1 735 249 118**	**1 077 794 483**	**1 077 794 483**

The carrying amount of trade and other receivables closely approximates its fair value as the instruments are short term in nature.

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
Financial liabilities	2021 ZWL Carrying value	2021 ZWL Fair value	2021 ZWL Carrying value	2021 ZWL Fair value
Trade and other payables (excluding statutory liabilities)	627 884 226	627 884 226	627 884 226	627 884 226
Borrowings	166 721 472	166 721 472	166 721 472	166 721 472
	794 605 698	**794 605 698**	**794 605 698**	**794 605 698**

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	2 020 ZWL Carrying value	2 020 ZWL Fair value	2 020 ZWL Carrying value	2 020 ZWL Fair value
Trade and other payables (excluding statutory liabilities)	572 408 856	572 408 856	355 533 451	355 533 451
Borrowings	-	-	-	-
	572 408 856	**572 408 856**	**355 533 451**	**355 533 451**

The carrying amounts of financial liabilities carried at amortised cost closely approximate their fair values. The impact of discounting on borrowings and trade and other payables is not significant due to the market terms (rates and tenor) available (borrowings) and because the instruments are short term in nature (trade and other payables).

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
12 DEFERRED ACQUISITION COSTS	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
As at 1 January	158 229 256	175 763 892	56 782 638	7 647 511
Net movement	85 099 588	(17 534 636)	105 246 940	49 135 127
As at 31 December	**243 328 844**	**158 229 256**	**162 029 578**	**56 782 638**
Current	243 328 844	158 229 256	162 029 578	56 782 638
Non current	-	-	-	-
Total	**243 328 844**	**158 229 256**	**162 029 578**	**56 782 638**
13 INVENTORY				
Consumables	43 783 964	42 021 165	30 366 379	14 545 247
Total	**43 783 964**	**42 021 165**	**30 366 379**	**14 545 247**

There was no write off of inventories during the year ended 31 December 2021 (2020: ZWL nil). The cost of inventory recognised as an expense included in the income statement was ZWL 4 957 277 (2020: ZWL 8 175 989)

14 INSURANCE, TENANT AND OTHER RECEIVABLES

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2021 ZWL
Insurance receivables (note 14.1)	1 285 480 148	1 333 419 406	1 285 480 148	828 210 811
Tenant receivables (note 14.2)	90 109 879	71 049 132	90 109 879	44 129 896
Other receivables (note 14.3)	1 389 861 543	596 428 190	1 262 356 490	315 832 621
Total	**2 765 451 570**	**2 000 896 728**	**2 637 946 518**	**1 188 173 329**
Current	2 431 693 432	1 785 341 312	2 304 188 380	1 054 287 977
Non current	333 758 138	215 555 416	333 758 138	133 885 352
Total	**2 765 451 570**	**2 000 896 728**	**2 637 946 518**	**1 188 173 329**

14.1 Insurance receivables

Due from cedants	1 178 340 309	1 397 870 179	1 178 340 309	868 242 347
Due from policyholders under the direct and health business	157 129 245	170 969 692	157 129 245	106 192 355
Due from agents, brokers and intermediaries	305 795 820	103 176 208	305 795 820	64 084 602
Retrocession on IBNR	15 999 560	25 759 292	15 999 560	15 999 560
	-	-	-	-
Gross insurance receivables	**1 657 264 932**	**1 697 775 370**	**1 657 264 932**	**1 054 518 864**
Allowance for expected credit losses	(371 784 785)	(364 355 965)	(371 784 785)	(226 308 053)
Net insurance receivables	**1 285 480 148**	**1 333 419 405**	**1 285 480 148**	**828 210 811**
Current	1 285 480 148	1 333 419 405	1 285 480 148	828 210 811
Non current	-	-	-	-
Total	**1 285 480 148**	**1 333 419 405**	**1 285 480 148**	**828 210 811**

Impairment and risk exposure
Note 4.3 sets out information about the impairment of financial assets and the group's exposure to credit risk.

Allowance for credit losses reconciliation

As at 1 January	**364 355 965**	**214 451 463**	**226 308 053**	**29 693 265**
Charge for the year	145 476 732	325 790 143	145 476 732	196 614 787
Monetary loss adjustment	(138 047 912)	(175 885 641)	-	-
As at 31 December	**371 784 785**	**364 355 965**	**371 784 785**	**226 308 053**

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
14.2 Tenant receivables				
Tenant cost recoveries	31 887 359	22 548 278	31 887 359	14 005 141
Rental receivables	91 401 088	62 638 038	91 401 088	38 905 614
Gross tenant receivables	123 288 447	85 186 316	123 288 447	52 910 755
Allowance for credit losses	(33 178 568)	(14 137 182)	(33 178 568)	(8 780 859)
Tenant receivables	**90 109 879**	**71 049 134**	**90 109 879**	**44 129 896**
Current	90 109 879	71 049 134	90 109 879	44 129 896
Non current	-	-	-	-
Total	**90 109 879**	**71 049 134**	**90 109 879**	**44 129 896**

14 INSURANCE, TENANT AND OTHER RECEIVABLES (continued)

14.2.1 Impairment and risk exposure

Note 4.3 sets out information about the impairment of financial assets and the Group's exposure to credit risk.

Movements in the allowance for credit losses of tenant receivables were as follows:

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
As at 1 January	**14 137 182**	**17 106 065**	**8 780 859**	**2 368 531**
Charge for the year	24 397 709	11 976 697	24 397 709	6 412 328
Monetary loss adjustment	(5 356 323)	(14 945 580)	-	-
As at 31 December	**33 178 568**	**14 137 182**	**33 178 568**	**8 780 859**
Allowance relating to existing tenants	27 462 668	13 059 870	27 462 668	8 111 721
Allowance relating to previous tenants	5 715 899	1 077 312	5 715 899	669 138
Total	**33 178 568**	**14 137 182**	**33 178 568**	**8 780 859**

14.3 Other receivables

INFLATION ADJUSTED				
Sundry debtors	817 026 064	235 894 288	817 026 064	146 518 192
Staff debtors	333 758 138	215 555 416	333 758 138	133 885 352
Total	**1 150 784 203**	**451 449 705**	**1 150 784 203**	**280 403 544**
Allowance for expected credit losses	(22 173 241)	(17 538 635)	(22 173 241)	(10 893 562)
Other receivables excluding prepayments	**1 128 610 962**	**433 911 070**	**1 128 610 962**	**269 509 982**
Prepayments	261 250 582	162 517 120	133 745 529	46 322 639
Total other receivables	**1 389 861 543**	**596 428 190**	**1 262 356 490**	**315 832 622**
Current	1 056 103 405	380 872 774	928 598 352	181 947 269
Non current	333 758 138	215 555 416	333 758 138	133 885 352
Total	**1 389 861 543**	**596 428 190**	**1 262 356 490**	**315 832 621**

Sundry debtors comprise of commission receivable, third-party loans advanced,

The non-current relates to staff loans which are payable within a period of 1 - 5 years.

Impairment and risk exposure
Note 4.3 sets out information about the impairment of financial assets and the group's exposure to credit risk.
Movements in the allowance for credit losses of other receivables were as follows:

Allowance for credit losses reconciliation

As at 1 January	17 538 634	8 580 871	10 893 562	1 188 120
Charge for the year	11 279 679	17 969 625	11 279 679	9 705 442
Monetary loss adjustment	(6 645 071)	(9 011 862)	-	-
As at 31 December	**22 173 241**	**17 538 634**	**22 173 241**	**10 893 562**

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
15	**CASH AND BALANCES WITH BANKS**				
	CASH AND BALANCES WITH BANKS				
	Money market investments with original maturities less than 90 days	1 062 558 806	963 337 797	1 062 558 806	598 346 458
	Cash at bank and on hand	1 991 279 486	1 708 312 034	1 991 279 486	1 061 063 375
	Cash and balances with banks	**3 053 838 292**	**2 671 649 831**	**3 053 838 292**	**1 659 409 833**
	Current	3 053 838 292	2 671 649 831	3 053 838 292	1 659 409 833
	Non current	-	-	-	-
	Cash and balances with banks	**3 053 838 292**	**2 671 649 831**	**3 053 838 292**	**1 659 409 833**

All cash and balances with banks are classified as current.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Money market investments are made of varying periods as between one day and three months depending on the immediate cash requirements of the Group and earn interest at the short-term deposit rates. Included in cash and cash equivalents are balances with banks. These balances are used for transacting on a daily basis.

16 SHARE CAPITAL

Due to the change in currency highlighted on note 2.1.3 (a), the Group and Company redenominated the share capital from USD to ZWL on a 1:1 basis, inline with the Registrar of Deeds, Companies and Intellectual Property circular issued on 5 July 2019.

		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
16.1	**Authorised**				
	1 000 000 000 ordinary shares with a nominal value of ZWL0.001 each	1 000 000	1 000 000	1 000 000	1 000 000
16.2	**Issued and fully paid**				
	INFLATION ADJUSTED				
	731 003 421 (2020: 726 836 430) ordinary shares with a nominal value of ZWL0,001 each	120 449 652	44 749 238	54 878 335	726 836
16.2.1	**Reconciliation of the issued capital**				
	As at 1 January	44 749 238	44 738 070	726 836	723 443
	Share options exercised during the year	11 517 728	11 169	216 469	3 393
	Issue of shares	64 182 686	-	53 935 030	-
	As at 31 December	**120 449 652**	**44 749 238**	**54 878 335**	**726 836**
16.3	**Unissued shares**				
	268 996 579 unissued shares, under the control of directors	273 164	273 164	273 164	273 164

*During the year the individuals who are enlisted as qualifying for share appreciation rights exercised the portion of their rights that had vested. First Mutual Holdings Limited, in a bid to raise cash, issued new shares in order to finance the transaction for the individuals who had exercised their rights.

16 SHARE CAPITAL (continued)

16.4 Share based payments

a) Employee share option scheme.

The Group has a Share Option Scheme that was approved by shareholders. The objective is to attract, retain and motivate key employees and agents of the Group. 19 010 038 (nineteen million ten thousand and thirty eight) shares, representing 5% of the issued ordinary share capital of the Company at the commencement of the scheme, were set aside by the Board for purposes of the Share Option Scheme. With effect from 10 August 2017, a further 8,426,271 (eight million four hundred and twenty six thousand two hundred and seventy one) shares were set aside in terms of section 11 of the Scheme Rules. All options having been granted, the Share Option Scheme is now exhausted.

Participants to whom an option has been granted under the scheme shall only be entitled to exercise the options as follows:

- On the first anniversary of the date of grant, the participant shall be entitled to exercise up to one third (1/3) of the shares offered to him/her under that particular option;
- On the second anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the shares offered to him/her under that option;
- On the third anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the shares offered to the participant under that option.
- Options not exercised within five (5) years from the date of grant shall lapse.

Details of the share options outstanding as at 31 December 2021 are as follows:

Date of grant	Exercise price ZWL	Number of options
30 April 2015	0,030	-
30 April 2016	0,022	-
10 August 2017	0,117	988 430

In terms of the Share Option Scheme, options were granted on 30 April 2014. The estimated fair value of the options granted on that date was ZWL72 204. The Group recognized total expenses of ZWLnil (2020: ZWL447 894) in respect of the share options that are granted. The options granted mature in batches at every anniversary date and hence will be amortised over the exercisable periods.

The fair value of the options was calculated using the Black-Scholes Merton Optional Valuation Method under the following assumptions:

Grant date	30 April 2015	30 April 2016	10 August 2017
Grant date share price (ZWL)	0,030	0,022	0,117
Exercise price of option (ZWL)	0,030	0,022	0,117
Risk-free interest rate	9,00%	9,00%	9,00%
Annualized standard deviation	82,09%	82,09%	82,09%
Dividend yield	0,00%	0,00%	0,00%
Weighted average remaining contractual life	3.25 years	3.25 years	3.25 years
Expected volatility	82,09%	82,09%	82,09%

The standard deviation was calculated over a 3 year period, that from January 2013 to December 2015 but it should be noted that the share is generally not very liquid on the Zimbabwe Stock Exchange. The risk free rate was determined on the power-related bonds issued by Infrastructure Development Bank of Zimbabwe ("IDBZ") on behalf of Zimbabwe Electricity Transmission and Distribution Company (Private) Limited ("ZETDC") and Zimbabwe Power Company (Private) Limited ("ZPC").

16 SHARE CAPITAL (continued)
16.4 Share based payments (continued)

Movement for the year	2021 Number of shares	2020 Number of shares
As at 1 January	3 267 201	6 660 054
Options granted during the year	-	-
Lapsed options	(262 300)	-
Options exercised during the year	(2 016 471)	(3 392 853)
As at 31 December	**988 430**	**3 267 201**
Exercisable	**988 430**	**3 267 201**

Reconciliation of shares exercised

Date of grant	Lapse date	2021 Exercise price	2021 Number of shares exercised	2021 Cash Received Total	2020 Exercise price	2020 Number of shares exercised	2020 Cash Received Total
30 April 2014	30 April 2019	0.065	-	-	0.065	-	-
30 April 2015	30 April 2020	0.030	-	-	0.030	-	-
30 April 2016	30 April 2021	0.022	204 825	4 506	0.022	236 537	5 204
30 April 2017	30 April 2022	0.117	1 811 646	211 963	0.117	3 156 316	369 289
			2 016 471	**216 469**		**3 392 853**	**374 493**

b) Share appreciation rights ("SARs")

On 27 June 2019, the shareholders of Company at the Annual General Meeting ("AGM") approved a SAR plan for such Employees and Executive Directors of the Group (participant)\ as the Board (on the recommendation of the Human Resources and Governance Committee) shall determine from time to time. The plan has an operative period of 10 years and an initial 32 432 917 SARs were granted on inception.

The exercise of the Company's SAR entitles a participant to receive the gain for each share granted, where, "Gain" means an amount equal to the excess of the market value on the exercise date over the exercise price. The share appreciation rights were granted in three tranches as shown below:

Grant date	Grant price(ZWL)
1 July 2019	0.24
1 July 2020	3.70
1 July 2021	28.79

A participant to whom SARs have been granted shall only be entitled to exercise the Rights in part as follows:

i) On the first anniversary of the date of grant, the participant shall be entitled to exercise up to one third (1/3) of the Rights granted on that particular occasion;

ii) On second anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the Rights; and

iii) On the third anniversary of the date of grant, the Participant shall be entitled to exercise an additional one third (1/3) of the Rights awarded to the Participant under that grant.

The fair value of the SARs was determined using the Black-Scholes model as at 31 December 2021 with the following inputs:

16 SHARE CAPITAL (continued)
16.4 Share based payments (continued)
b) Share appreciation rights ("SARs") (continued)

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Share price at measurement date (cents)	200,00	800,00	200,00	800,00
Exercise Price (cents)	280,79	370,00	280,79	370,00
Risk-Free Interest Rate	21,00%	19%	21,00%	19%
Volatility	95%	98%	95%	98%
Dividend Yield	0,6%	4,7%	0,6%	4,7%
Carrying amount of liability - included under share based payment liability	266 719 835	146 448 075	266 719 835	90 961 537

In the current year, SARs amounting to ZWL124 452 059 vested and they were fully exercised. 1/3 of these shares arose from those granted in 2019, the other third from those granted in 2020. In July 2021, new SARs amounting to ZWL368 676 403 were also granted that will fully vest in 2024.

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
c) Expenses arising from share based transaction	**Group 2021 ZWL**	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
Share option expense for the year recognised during the vesting period	-	447 894	-	135 508
Share appreciation rights expense for the year recognised during the vesting period	311 982 338	136 639 368	311 982 338	100 574 466
	311 982 338	**137 087 262**	**311 982 338**	**100 709 974**

16.5 Group - Non distributable reserves

INFLATION ADJUSTED	Change in Ownership Reserve	Change in functional currency ZWL	Foreign currency translation reserve ZWL	Revaluation reserve ZWL	Solvency reserve ZWL	Share based payment reserve ZWL	Re-denomination of share capital ZWL	Total ZWL
As at 1 January 2020	**-**	**12 235 152**	**434 021 477**	**-**	**6 826 137**	**46 879 905**	**-**	**499 962 671**
Other comprehensive income	-	-	455 752 663	-	-	-	-	455 752 663
Share based payments	-	-	-	-	-	(784 923)	-	(784 923)
As at 31 December 2020	**-**	**12 235 152**	**889 774 140**	**-**	**6 826 137**	**46 094 982**	**-**	**954 930 411**
As at 1 January 2021	-	12 235 152	889 774 140	-	6 826 137	46 094 982	-	954 930 411
Acquisition of additional shares in Diamond Seguros (Note 9)	(182 415)	-	14 898 419	-	-	-	-	14 716 004
Issue of additional shares in FMRE Holding Company(Note 32.7.2)	135 393 557	-	-	-	-	-	-	135 393 557
Remeasurement of Financial liability	(165 380 895)	-	-	-	-	-	-	(165 380 895)
Other comprehensive income	-	-	(180 115 781)	-	-	-	-	(180 115 781)
Share based payments	-	-	-	-	-	(11 732 548)	-	(11 732 548)
As at 31 December 2021	**(30 169 753)**	**12 235 152**	**724 556 778**	**-**	**6 826 137**	**34 362 434**	**-**	**747 810 748**

16 SHARE CAPITAL (continued)
16.5 Group - Non distributable reserves (continued)

HISTORICAL COST	Change in Ownership Reserve	Change in functional currency ZWL	Foreign currency translation reserve ZWL	Revaluation reserve ZWL	Solvency reserve ZWL	Share based payment reserve ZWL	Re-denomination of share capital ZWL	Total ZWL
As at 1 January 2020	**-**	**196 730**	**61 241 504**	**2 281 350**	**109 758**	**577 460**	**3 821 911**	**68 228 713**
Acquisition of a subsidiary	-	-	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	501 169 906	-	-	-	-	501 169 906
Share based payments	-	-	-	-	-	(238 985)	-	(238 985)
As at 31 December 2020	**196 730**	**196 730**	**562 411 410**	**2 281 350**	**109 758**	**338 475**	**3 821 911**	**569 159 634**
As at 1 January 2021	-	196 730	562 411 410	2 281 350	109 758	338 475	3 821 911	569 159 634
Acquisition of additional shares in Diamond Seguros (Note 9)	(1 344 871)	-	13 302 160	-	-	-	-	11 957 289
Issue of additional shares in FMRE Holding Company(Note 32.7.2)	135 393 557	-	-	-	-	-	-	135 393 557
Remeasurement of financial liability	(165 380 895)	-	-	-	-	-	-	(165 380 895)
Other comprehensive income	-	-	(61 024 421)	-	-	-	-	(61 024 421)
Share based payments	-	-	-	-	-	(222 828)	-	(222 828)
As at 31 December 2021	**(31 332 209)**	**196 730**	**514 689 149**	**2 281 350**	**109 758**	**115 646**	**3 821 911**	**489 882 336**

Foreign currency translation reserve
The change in functional currency reserve relates to the gains/ (losses) that arise in translating the statement of financial position of a foreign subsidiary to the reporting currency.

Revaluation reserve
The revaluation surplus arose in the prior years in respect of properties that were reclassified from owner occupied to investment property.

Solvency reserve
The solvency reserve is as a result of regulatory requirements for the foreign subsidiary.

Re-denomination of share capital and change in functional currency reserve
The reserves in respect of the redenomination of share capital and change in functional currency relate to reserves created on dollarisation when balances were converted to USD, and the related redenomination of share capital.

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
17 INSURANCE AND INVESTMENT CONTRACT LIABILITIES	**Group 2021 ZWL**	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
17.1 Insurance contract				
Insurance contract with DPF	1 728 884 339	765 877 961	1 728 884 339	475 700 597
Insurance contract without DPF	207 496 949	301 454 953	207 496 949	187 239 101
Shareholder risk reserve	-	-	-	-
Total insurance contract liabilities	**1 936 381 288**	**1 067 332 914**	**1 936 381 288**	**662 939 698**
Current	-	-	-	-
Non current	1 936 381 288	1 067 332 914	1 936 381 288	662 939 698
Total	**1 936 381 288**	**1 067 332 914**	**1 936 381 288**	**662 939 698**

17 INSURANCE AND INVESTMENT CONTRACT LIABILITIES (continued)

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
17.2	**Investment contract**				
	Investment contract with DPF	9 002 629 121	6 167 804 505	9 002 629 121	3 830 934 475
	Investment contract without DPF	1 679 388 424	751 738 933	1 679 388 424	466 918 592
	Total investment contract liabilities	**10 682 017 545**	**6 919 543 438**	**10 682 017 545**	**4 297 853 067**
	Current	-	-	-	-
	Non current	10 682 017 545	6 919 543 438	10 682 017 545	4 297 853 067
	Total	**10 682 017 545**	**6 919 543 438**	**10 682 017 545**	**4 297 853 067**
17.3	**Life insurance contract and investment contract with and without DPF liabilities**				
	Life insurance contract with DPF				
	As at 1 January	765 877 961	397 923 630	475 700 597	55 097 091
	Movement	963 006 378	367 954 331	1 253 183 742	420 603 506
	As at 31 December	**1 728 884 339**	**765 877 961**	**1 728 884 339**	**475 700 597**
	Life insurance contract without DPF				
	As at 1 January	301 454 953	270 872 676	187 239 101	37 505 429
	Movement	(93 958 004)	30 582 277	20 257 848	149 733 672
	As at 31 December	**207 496 949**	**301 454 953**	**207 496 949**	**187 239 101**
	Investment contract with DPF				
	Balance at 1 January	6 167 804 505	4 414 627 134	3 830 934 475	611 255 766
	Movement	2 834 824 616	1 753 177 371	5 171 694 646	3 219 678 709
	As at 31 December	**9 002 629 121**	**6 167 804 505**	**9 002 629 121**	**3 830 934 475**
17.4	**Total life insurance contract and investment contract with and without DPF liabilities**				
	As at 1 January	7 986 876 351	5 604 767 663	4 960 792 765	776 144 374
	Movement for the year	4 631 522 482	2 382 108 688	7 657 606 068	4 184 648 391
	As at 31 December	**12 618 398 833**	**7 986 876 351**	**12 618 398 833**	**4 960 792 765**
17.5	**Reconciliation of life insurance contract with and without DPF and investment contract with DPF liabilities**				
	As at 1 January	7 235 137 419	5 083 423 439	4 493 874 173	703 858 286
	Movement in insurance contracts and investment contracts with DPF liabilities	4 168 063 071	2 166 401 028	6 780 246 315	3 733 735 799
	Premiums	1 068 931 816	513 231 775	860 057 359	198 550 170
	Claims	(427 390 758)	(146 408 177)	(353 748 889)	(64 774 877)
	Commissions	(37 402 365)	(12 201 220)	(30 120 618)	(5 085 260)
	Branch expenses	(78 908 623)	(45 924 087)	(66 742 897)	(23 069 012)
	Actuarial and other fees	(10 690 531)	(6 943 135)	(4 425 351)	(3 387 059)
	Investment income	3 653 523 532	1 864 645 873	6 375 226 710	3 631 501 837
	Tax		-		
	Transfer from FCP (note 17.6.1)	-	301 454 953	-	187 239 101
	Investment fees	(23 457 706)	(17 099 877)	(17 637 373)	(6 672 382)
	Other fees	(98 522 363)	(106 302 241)	(67 022 016)	(47 971 035)
	Fees charged by the shareholder	(342 210 012)	(192 739 883)	(250 450 691)	(76 315 596)
	As at 31 December	**10 939 010 409**	**7 235 137 419**	**10 939 010 409**	**4 493 874 173**

Notes to the Consolidated Financial Statement (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2021

17 INSURANCE AND INVESTMENT CONTRACT LIABILITIES (continued)

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
17.6	**Reconciliation of shareholder risk reserve**				
	As at 1 January	**-**	**192 448 526**	**-**	**26 646 706**
			-		
	Movement in shareholder risk reserve	-	(192 448 526)	-	(26 646 706)
	Funeral cash plan	-	(192 448 526)	-	(26 646 706)
	Annuities expense reserve	-	-	-	-
	Mortgage protection plan	-	-	-	-
	As at 31 December	**-**	**-**	**-**	**-**
17.6.1	**Reconciliation of funeral cash plan liability**				
	As at 1 January	-	138 141 136	-	19 127 225
	Revaluation	-	70 669 556	-	29 859 955
	Impact of correction policy status	-	-		
	Alterations and data impact	-	-	-	-
	Exists	-	-	-	-
	Impact of time	-	-	-	-
	New entrants	-	-	-	-
	Reinstatement	-	-	-	-
	Premium received from contracts on payment plans	-	26 273 506	-	11 101 325
	Investment return	-	341 021 551	-	188 075 795
	Operating expense allocation post determination date	-	(274 650 797)	-	(60 925 199)
	Change in assumptions:		-	-	-
	Return	-	-	-	-
	Expense	-	-	-	-
	Mortality	-	-	-	-
	Lapse	-	-	-	-
	Inflation		-	-	-
	Valuation adjustments	-	-	-	-
	Correction of paid up policy expenses	-	-	-	-
	Transfer to Insurance contract liability	-	(301 454 953)	-	(187 239 101)
	Balance at 31 December before discretionary margins	**-**	**-**	**-**	**-**
	Discretionary margins	-	-	-	-
	As at 31 December	**-**	**-**	**-**	**-**

Impact of Final Guideline Paper on Adjusting Insurance and Pension Values in response to Currency Reforms

The Insurance and Pensions Commission ("IPEC") issued the Guideline on Adjusting Insurance and Pension Values in response to the Currency Reforms ("the Guideline") on 13 March 2020. The guideline provided comprehensive guidance on the revaluation processes required to be undertaken by regulated entities such as First Mutual Life Assurance Company (Private) Limited ("FML") to ensure equitable sharing of revaluation gains to different generations of pensioners and policyholders. The guideline set 31 December 2018 as the determination date.

This guideline and related circulars issued by IPEC were given legal effect through SI 69 of 2020.

In light of the requirements of the Guideline, the FML Board resolved to amend the terms of the Funeral Cash Plan ("FCP") with effect from the detemination date as follows:

i) FCP policies will be made paid-up as at the determination date;
ii) The paid-up value for each FCP policy was determined to be the actuarial reserve as at the Determination Date, where the total actuarial reserve value as at the Determination Date equalled $8.513 million being the total FCP assets, less compulsory and discretionary margins;
iii) Those policies that had negative reserves as at the Determination Date ended as per the Guideline;
iv) Premiums received after the determination date in respect of the FCP policies will be refunded with adjustment for investment income, administrative expenses and claims incured; and
v) Future charges to be levied to the FCP closed investment pool as per rules governing investment policies.

17 INSURANCE AND INVESTMENT CONTRACT LIABILITIES (continued)
17.6 Reconciliation of shareholder risk reserve (continued)
Impact of Final Guideline Paper on Adjusting Insurance and Pension Values in response to Currency Reforms (continued)

The above Board actions, which are provisional, were occasioned by regulatory changes which resulted in culling of products that became inoperable under the Guideline. The FML Board continues to engage IPEC with a view to seek finality on the matter arising from the mandatory product changes arising from actions taken to comply with the regulations.

The following products were terminated from the product portfolio, as a result of the Guidelines:
- University Cover Plan
- Whole Life Policies
- Special Whole Life Plan
- Wealth Life Plan
- Ultimate Life Plan
- Endowment
- Group Funeral Cash Plan

Affected policyholders will be given options to get refund for premiums already paid together with selection of similar products on offer that are compliant with the provisions of the Guideline.

In the event that the Guideline will be implemented, all the terminated products have been made paid up and payments will be made in respect of the value per policy as determined by the actuarial valuation for the period ended 31 December 2020 as well as refund of any premium already received.

Below is an extract of the financial statements showing the impact of the implementation of the Guideline:

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
Statement of Comprehensive Income	**Group 2021 ZWL**	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
Reduction in Risk Reserves	-	-	-	-
Statement of Financial Position				
Increase in Insurance Contract Liabilities	-	301 454 953	-	187 239 101
Decrease in Shareholder Assets:	-	- (301 454 953)	-	(187 239 101)
Net impact	-	-	-	-

17.7 Investment contract liabilities without DPF

As at 1 January	751 738 933	329 617 919	466 918 592	45 639 382
Net Movement	927 649 491	422 121 013	1 212 469 832	421 279 210
As at 31 December	**1 679 388 424**	**751 738 933**	**1 679 388 424**	**466 918 592**

Investment contract liabilities without DPF are measured at the fair value of the underlying assets or investments, at each reporting date. The underlying assets are largely made listed equity instruments measured at fair value through profit or loss. The financial assets at fair value through profit or loss are classified under Level 1, refer to note 11.3 for fair value disclosure.

The liabilities are classified under Level 2 of the fair value hierachy:

	Level 1 ZWL	**Level 2 ZWL**	**Level 3 ZWL**	**Total fair value ZWL**
As at 31 December 2021				
Investment contract without DPF	-	1 679 388 424	-	1 679 388 424
Total investment contracts without DPF	**-**	**1 679 388 424**	**-**	**1 679 388 424**
As at 31 December 2020				
Investment contract without DPF	-	751 738 933	-	751 738 933
Total investment contracts without DPF	**-**	**751 738 933**	**-**	**751 738 933**

During the year there were no transfers of financial liabilities between levels 1, 2 and 3 (2020: $nil).

17 INSURANCE CONTRACT LIABILITIES (continued)

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
17.7.1 Investment contact liabilities without DPF				
As at 1 January	751 738 933	329 617 919	466 918 592	45 639 382
Investments performance	1 050 939 609	427 114 776	1 223 437 917	422 092 376
Net cash flows	(123 290 118)	(4 993 762)	(10 968 085)	(813 166)
Premium	-	12 822 282	-	6 037 373
Claims and policy benefits	-	(2 538 510)	-	(1 176 126)
Fee income	(4 546 226)	(12 576 153)	(2 776 017)	(5 072 873)
Investment expenses	(9 806 539)	(2 701 381)	(8 192 067)	(601 540)
Inflation adjustment	(108 937 353)	-	-	-
As at 31 December	**1 679 388 424**	**751 738 933**	**1 679 388 424**	**466 918 592**

The primary assumptions used in the gross premium valuation (excluding compulsory margins) are as follows:

- The mortality assumptions where signifiantly revised as at 31 December 2020. Given that the period from January 2020 to December 2021 is too short to monitor credible experience, we
- have maintained the mortality assumptions to be PA (90) -5 years for annuities and 65% of SA56-62 for the other products.
- Lapse assumptions were equally maintained
- Expense assumptions of ZWL3557 (2020: ZWL696) per policy was increased
- The real investment return assumption was remained at 11.4% (2021: 11.4%)

These assumptions have not been materially changed relative to 2020 as the economic environment has been comparable. The expense assumption also takes into account the change in the Company's share of the shared services cost as provided by management.

	% p.a. 2021	% p.a. 2020
Investment Return - untaxed	11,4%	11,4%
Expense inflation	9,0%	9,0%

- No contingency reserve was set to cover for possible data problems (2020: nil).

Compulsory discretionary margins were allowed for as outlined in SAP104.

The bonus smoothing account is used to reduce policyholders' exposure to market fluctuations. During periods of relatively strong investment performance of the fund's investments, a portion of investment growth is not declared as a bonus. It is held back, so that in times of relatively poor investment performance, there are funds available to declare a higher bonus than would otherwise have been the case. The bonus smoothing account is used to meet the discretionary participation feature ("DPF") element.

	2021 ZWL	2020 ZWL
a) Expense per policy assumption		
Expense assumptions were increased as shown below after management carried out an expense investigation	per annum	per annum
Funeral Business	3 557	696
Growth Annuties	8 476	1 415

b) Lapse assumptions

There were no changes on lapse assumptions.
Below are the lapse assumptions used for both 2021 and 2020.

Product	1st year	2nd year	3rd year	4th year	5 and Subsequent	6 and Subsequent
Funeral cash plan	32%	16%	1%	0%	0%	0%
Wealth life plan	41%	38%	28%	5%	5%	2%
Platinum plan	20%	8%	3%	0%	0%	0%
Early harvest plan	32%	17%	24%	11%	5%	3%

17 INSURANCE CONTRACT LIABILITIES (continued)

c) Mortality assumptions

The same 2020 mortality assumption was carried over to 31 December 2021. In Dececember 2019 the investigation showed that the SA56/62 mortality overestimates the death outgo . Assumptions were changed to 65% of SA56-62 for 2019 valuation to allow for the actual experience which is lower than implied by SA56-62. The drop in the mortality assumption was from 90% of the SA56-62 table to 65% of the SA56-62 table. The observed mortality experience was lower than that expected based on previous mortality assumption and hence the mortality assumption was lowered accordingly.

Individual assurance (exc AIDS)	65% SA56-62
Annuities	PA(90)-5

Table showing AIDS assumption

Product	**2 021** % HA1	**2 020** % HA1
FCP main member	4%	4%
FCP spouse	4%	4%
FCP adult	12%	12%
Other individual products	4%	4%

For children the following assumptions were used

Age group (years)	**0 - 5**	**5 - 10**	**10 - 15**	**15 - 20**	**20 - 25**
Male mortality rates	0,002308	0,001054	0,001143	0,000997	0,001077
Female mortality rates	0,002126	0,000946	0,001142	0,001062	0,001763

d) Expense inflation

The expense inflation assumption remained at 9% in 2021 (2020 - 9%) .

Valuation of investment contracts without DPF

Investment contracts without DPF comprise linked pension funds. The value of linked pension fund assets is directly related to market performance of the assets and the Group and Company do not offer guaranteed returns for the funds. The fair value of investment contract liabilities without DPF is equal to carrying amount of the assets of the funds. The Group and Company are not exposed to financial risk as the risk entirely lies with the policyholders and the Group and Company's roles are to administer the funds in return for fees charged to policyholders.

17.8 Amounts included in the statement of cash flow

	INFLATION ADJUSTED-AUDITED		**HISTORICAL COST-UNAUDITED**	
	Group 2021 ZWL	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
Movement in insurance contract liabilities:				
Insurance contract liabilities with DPF (note 17.3)	963 006 378	367 954 331	1 253 183 742	420 603 506
Insurance contract liabilities without DPF (note 17.3)	(93 958 004)	30 582 277	20 257 848	149 733 672
Total	**869 048 374**	**398 536 608**	**1 273 441 590**	**570 337 178**

18 MEMBER ASSISTANCE FUND

As at 1 January	14 555 335	-	9 040 581	-
Arising during the year	-	22 943 757	-	8 322 777
Transfer from savings pot	-	5 184 375	-	717 803
Monetary loss adjustment	(5 514 754)	(13 572 797)	-	-
As at 31 December	**9 040 581**	**14 555 335**	**9 040 581**	**9 040 581**
Current	9 040 581	14 555 335	9 040 581	9 040 581
Non current	-	-	-	-
Total	**9 040 581**	**14 555 335**	**9 040 581**	**9 040 581**

The member assistance fund is a reserve created for the medical aid members when claims ratios are below budgeted levels. The fund is meant to assist members when their benefits have been depleted and yet member meets the qualifying criteria for assistance. The reserve is calculated as a percentage of premiums contributed.

19 FINANCIAL LIABILITIES

Debentures
The Group, through First Mutual Microfinance, funds its micro lending activities from borrowings. A number of debentures were issued with maximum maturity of 90 days on a rollover basis.

The debentures are presented on the statement of financial position as follows:

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
Borrowings				
At 1 January	-	-	-	-
Current year borrowings	316 538 602	-	271 492 894	-
Interest charged	41 216 845	-	34 842 177	-
Interest paid	(14 056 325)	-	(14 056 325)	-
Loan repayment	(125 557 275)	-	(125 557 275)	-
Effects of inflation	(51 420 375)	-	-	-
Total	**166 721 472**	**-**	**166 721 472**	**-**
Current	166 721 472	-	166 721 472	-
Non current	-	-	-	-
Total	**166 721 472**	**-**	**166 721 472**	**-**

*Interest expense is calculated by applying the effective interest rate of 50% for external borrowings to the liability component.

The initial fair value of the borrowing is the same as its face value. The liability is subsequently recognised on an amortised cost basis until extinguished by way of settlement of the principal.

Fair value of borrowings
The fair values of borrowings approximate the carrying amount as shown above.

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
19.1 INSURANCE LIABILITIES-SHORT TERM	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
Outstanding claims (note 19.1.1)	689 326 522	503 317 424	689 326 522	312 619 518
Reinsurance	603 124 271	1 025 708 740	603 124 271	637 086 173
Losses incurred but not (note 19.1.2)	787 551 411	572 661 359	787 551 411	355 690 285
Members savings liabilities (note 19.1.3)	238 243 747	133 743 445	238 243 747	83 070 463
Premium received in advance	215 755 841	53 577 654	215 755 841	33 278 046
Unearned premium reserve (note 19.1.4)	1 852 366 073	1 336 459 701	782 369 900	261 869 109
Commissions payable	40 660 568	198 003 786	40 660 568	122 983 719
Total	**4 427 028 433**	**3 823 472 109**	**3 357 032 260**	**1 806 597 313**
Current	4 188 784 686	3 689 728 662	3 118 788 513	1 723 526 850
Non current	238 243 747	133 743 447	238 243 747	83 070 463
Total	**4 427 028 433**	**3 823 472 109**	**3 357 032 260**	**1 806 597 313**

The insurance payables are of a short term nature (less than 12 months).

19.1.1 Outstanding claims				
As at 1 January	503 317 424	300 328 659	312 619 518	41 583 948
Movement for the year	376 634 572	712 677 613	376 634 572	216 988 678
Acquisition of subsidiary	-	87 015 497	-	54 046 892
Effects of foreign exchange rates	53 683	-	72 432	-
Monetary loss adjustment	(190 679 156)	(596 704 345)	-	-
As at 31 December	**689 326 522**	**503 317 424**	**689 326 522**	**312 619 518**

Notes to the Consolidated Financial Statement (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2021

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
19	**FINANCIAL LIABILITIES**	**Group 2021 ZWL**	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
19.1.2	**Losses incurred but not reported**				
	As at 1 January	572 661 359	311 681 737	355 690 285	43 155 912
	Movement for the year	214 824 524	258 285 515	431 776 770	310 861 015
	Acquisition of subsidiary	-	2 694 107	-	1 673 358
	Effects of foreign exchange rates	65 528	-	84 356	-
	As at 31 December	**787 551 411**	**572 661 359**	**787 551 411**	**355 690 285**
19.1.3	**Members savings liabilities**				
	As at 1 January	133 743 446	55 162 591	83 070 463	7 637 893
	Movement for the year	104 500 301	78 580 855	155 173 283	75 432 570
	As at 31 December	**238 243 747**	**133 743 446**	**238 243 747**	**83 070 463**
	The member savings liabilities are analysed as follows:				
	Non current				
	Member savings liabilities due to active members	231 682 828	129 620 366	231 682 828	80 509 544
	Current				
	Members savings liabilities due to terminated members	6 560 919	4 123 079	6 560 919	2 560 919
	Total	**238 243 747**	**133 743 446**	**238 243 747**	**83 070 463**

Members savings liabilities balance refers to amounts held on behalf of health care clients as an accumulation from their contributions. The amounts accumulated are meant to cover selected future medical claims as well as to qualifying members for a cash back arrangement if they meet certain claims thresholds. The savings liability nolonger accrue interest post 2017 in line with fund rules approved by members.

		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
19.1.4	**Unearned premium reserve**				
	As at 1 January	1 336 459 701	861 684 275	261 869 109	51 176 174
	Movement for the year	276 014 471	372 595 852	379 226 383	27 471 257
	Effects of foreign exchange rates	239 891 901	27 797 753	141 274 408	137 021 789
	Acquisition of subsidiary	-	74 381 821	-	46 199 889
	As at 31 December	**1 852 366 073**	**1 336 459 701**	**782 369 900**	**261 869 109**
19.2	**Insurance liabiities - life assurance payables**				
	Outstanding claims	69 684 632	10 634 816	69 684 632	6 605 476
	Losses incurred but not reported	34 212 454	11 721 808	34 212 454	7 280 626
	Commissions	4 852 186	6 392 465	4 852 186	3 970 475
		108 749 272	**28 749 089**	**108 749 272**	**17 856 577**
20	**OTHER PAYABLES**				
	Other payables	407,965,829	162,056,659	406,734,985	100,656,310
	Provisions	245,078,303	150,528,951	245,078,303	93,496,243
	Payroll and statutory payables	142,366,445	131,647,952	142,366,445	81,768,914
	Accrued expenses	49,872,474	211,771,216	49,872,474	131,534,917
	Trade payables	36,886,953	8,291,242	36,886,953	5,149,840
	Property business related liabilities	46,605,984	39,760,788	46,605,984	24,696,141
	Total	**928,775,988**	**704,056,808**	**927,545,144**	**437,302,365**
	Current	928,775,988	704,056,808	927,545,144	437,302,365
	Non current	-	-	-	-
	Total	**928,775,988**	**704,056,808**	**927,545,144**	**437,302,365**
	Regulatory Provision (note 20.3)	(157,294,473)	-	(157,294,473)	-
	Total	**771,481,515**	**704,056,808**	**770,250,671**	**437,302,365**

Other payables are non-interest bearing and are normally on 30 day terms. Other payables consist of motor levy, stamp duty, travel insurance, value added tax Accrued expenses consist of deposits from tenants, acturial fees and systems licence fees

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
20.1	**Leave pay provision reconciliation**				
	As at 1 January	39 013 965	19 543 668	24 232 276	2 706 046
	Movement for the year	48 769 865	19 470 297	63 551 553	21 526 230
	As at 31 December	**87 783 830**	**39 013 965**	**87 783 830**	**24 232 276**

Employee entitlement annual leave are recognised on an ongoing basis. The liability for annual leave as a result of services rendered by the employee is accrued up to the reporting date. Provision is made for leave pay when staff members accrue leave days. In the event the staff members leave the employment of the Group they are entitled the cash equivalent of their leave days. In the event that it is impractical for staff members to exhaust their leave days according to their leave plan, part of the accumulated days can be cashed and the rest utilised by the staff member. There is uncertainty on when a staff member may decide to leave the Group and the liability is calculated based on the normal pay rates.

20.2	**Provision for rationalisation costs reconciliation.**				
	As at 1 January	111,514,986	-	69,263,967	-
	Movement for the year	80,052,914	111,514,986	58,785,637	69,263,967
	Paid during the year	(191,567,900)	-	(128,049,604)	
	As at 31 December	**-**	**111,514,986**	**-**	**69,263,967**

In December 2020, the Directors approved a rationalisation exercise through a voluntary retrenchment program. The retrenchment program was meant to protect the Group against impact of COVID-19 induced business interruptions and also to reduce non-value adding activities across the Group. The retrenchment process was was concluded in the current year of which all the costs assosciated with the exercise were paid in full.

20.2.1 Terms and conditions of transactions with related parties

Outstanding balances at the year end are unsecured with agreed payment terms and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

20.3	**Regulatory Provision**				
	At 1 January	-	-	-	-
	Provision for the year	157,294,473	-	157,294,473	-
	Settlement				
	Balance as at 31 December 2021	**157,294,473**	**-**	**157,294,473**	**-**

The regulatory provision relates to amounts that FML believes will be required to settle its obligation to the policyholder following the forensic investigation. Refer to note 30.3.1

Notes to the Consolidated Financial Statement (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2021

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
21	**TAX**				
21.1	**Deferred tax**				
	As at 1 January	1 649 449 067	2 099 573 690	973 449 127	281 692 266
	Prior year adjustment		22 729 421		
	Acquisition of subsidiary	-	(4 852 051)	-	(3 013 695)
	Foreign exchange effects	5 648 234	-	5 648 234	-
	Recognised through statement of comprehensive income	1 513 085 854	(468 001 993)	2 175 862 730	694 770 556
	As at 31 December	**3 168 183 155**	**1 649 449 067**	**3 154 960 090**	**973 449 127**
	Current	-	-	-	-
	Non current	3 168 183 155	1 649 449 067	3 154 960 090	973 449 127
	Total	**3 168 183 155**	**1 649 449 067**	**3 154 960 090**	**973 449 127**
	Disclosed as;				
	Deferred tax asset	(107 560 265)	-	(103 317 638)	-
	Deferred tax liability	3 275 743 419	1 649 449 067	3 258 277 728	973 449 127
	Total	**3 168 183 155**	**1 649 449 067**	**3 154 960 090**	**973 449 127**
	Analysis of deferred tax				
	Arising on vehicles and equipment	118 528 568	20 841 052	34 818 828	6 356 628
	Arising on investment properties	2 768 492 299	1 599 074 530	2 768 492 299	979 096 341
	Arising on financial assets at fair value through profit or loss	306 680 128	99 845 871	306 680 128	62 016 069
	Arising from life business (schedule 8 Income Tax Act (Chapter 23:06))	123 044 360	22 972 358	123 044 360	14 268 545
	Arising from insurance, tenant and other receivables	683 619 628	142 921 520	652 100 379	58 423 509
	Arising from Insurance liabilities	(641 775 863)	(8 484 508)	(539 769 939)	(5 269 881)
	Payables and provisions	(190 405 966)	(227 721 756)	(190 405 966)	(141 442 085)
	As at 31 December	**3 168 183 155**	**1 649 449 067**	**3 154 960 090**	**973 449 127**
21.2	**Net current income tax asset**				
	As at 1 January	105 148 041	5 378 798	65 309 342	745 967
	Tax asset	(514 068)	(853 499)	(319 297)	(116 967)
	Tax liability	105 662 109	6 232 297	65 628 639	862 934
			-		
	Charge for the year	61 442 903	135 852 772	61 442 903	84 380 604
	Paid during the year	(39 329 616)	(65 087 705)	(30 488 074)	(19 817 228)
	Monetary gain adjustment	(30 997 157)	29 004 176	-	-
	As at 31 December	**96 264 171**	**105 148 041**	**96 264 171**	**65 309 342**
	Disclosed as;				
	Income tax asset	-	(514 068)	-	(319 297)
	Income tax liability	96 264 171	105 662 109	96 264 171	65 628 639
	Total	**96 264 171**	**105 148 041**	**96 264 171**	**65 309 342**
21.3	**Income tax expense**				
	Deferred tax expense	1 513 085 854	(468 001 993)	2 175 862 730	694 770 556
	Current income tax (credit)/expense	61 442 903	135 852 772	61 442 903	84 380 604
	Total	**1 574 528 757**	**(332 149 221)**	**2 237 305 633**	**779 151 160**

Notes to the Consolidated Financial Statement (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2021

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		Group	Group	Group	Group
21	**TAXATION (continued)**	2021	2020	2021	2020
		ZWL	ZWL	ZWL	ZWL
21.4	**Reconciliation of income tax expense**				
	Profit before income tax	4 903 332 806	3 440 445 202	9 700 252 470	6 042 924 456
	Standard tax rate 24.72% (2020: 24.72%)	1 212 103 870	850 478 054	2 397 902 411	1 493 810 926
	Financial assets at fair value through profit or loss taxed at different rate	(665 936 375)	(417 109 152)	(758 476 471)	(252 058 392)
	Investment property gains taxed at different rates	(1 758 083 421)	(1 574 592 735)	(3 199 295 708)	(951 523 865)
	Non-taxable income	(6 280 975 794)	(583 139 773)	(5 389 342 087)	(352 390 430)
	Effect of expenses not deductible for tax purposes	9 067 420 476	2 712 733 970	9 186 517 488	1 639 300 788
	Effects of rebasing tax bases	-	(1 320 519 584)	-	(797 987 867)
	Tax charge for the period	**1 574 528 756**	**(332 149 221)**	**2 237 305 633**	**779 151 160**

Non-deductable expenses include charitable donations, IMTT,broker promotion and First Mutual Health operating expenses

22	**NET PREMIUM WRITTEN**				
	Pension and savings business	1 480 873 056	551 912 681	1 180 795 291	198 697 891
	Life assurance	347 157 090	284 431 192	287 275 741	114 642 206
	Health insurance	5 449 987 528	3 217 378 609	4 350 062 360	1 425 527 630
	Property and casualty	7 073 044 851	5 515 579 136	5 588 901 391	2 388 362 789
	Gross premium written	**14 351 062 525**	**9 569 301 618**	**11 407 034 783**	**4 127 230 516**
	Less: reinsurance	(3 124 675 706)	(2 476 200 048)	(2 489 180 551)	(1 183 180 521)
	Net premium written	**11 226 386 819**	**7 093 101 570**	**8 917 854 232**	**2 944 049 995**
23	**RENTAL INCOME**				
	Office	503 937 550	226 536 024	403 543 187	95 527 648
	Retail	60 363 264	120 969 332	48 337 704	51 011 383
	Industry	18 185 197	65 106 038	14 562 345	27 454 471
	Other	17 054 377	1 812 472	13 656 806	764 299
	Total rental income	**599 540 388**	**414 423 866**	**480 100 042**	**174 757 801**

All rental income earned is from investment property

Leasing arrangements
Some of the investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

	Within 1 year	86 005 092	160 046 110	86 005 092	99 407 522
	Later than one year but not later than 5 years	784 512 290	367 951 888	784 512 290	228 541 546
	Later than 5 years	6 019 200	14 265 633	6 019 200	8 860 641
	Total	**876 536 582**	**542 263 631**	**876 536 582**	**336 809 709**
24	**NET INVESTMENT INCOME**				
	Dividend received - cash	250 512 376	53 044 071	194 195 640	31 828 602
	Dividend received - scrip	-	-	-	-
	Fair value gain on unquoted equities at fair value through profit or loss	141 135 347	8 446 054	312 376 187	182 121 294
	Gain from disposal of quoted investments at fair value through profit or loss	-	-	-	-
	Investment expenses	(575 661 394)	(182 814 107)	(446 249 143)	(126 710 602)
	Fair value gain on quoted equities at fair value through profit or loss	2 693 917 373	678 794 572	3 792 382 355	1 377 438 503
	Total investment income	**2 509 903 702**	**557 470 590**	**3 852 705 039**	**1 464 677 797**
	Interest income	63 861 440	18 175 388	57 556 305	9 824 897
	Total investment income	**2 573 765 142**	**575 645 978**	**3 910 261 344**	**1 474 502 694**

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		Group	Group	Group	Group
25	OTHER INCOME	2021	2020	2021	2020
25.1	**Fee income**	ZWL	ZWL	ZWL	ZWL
	Insurance contracts	450 769 250	318 320 071	324 141 994	123 685 090
	Investment contracts	13 420 831	2 701 332	10 968 085	601 540
	Investment contracts with DPF	11 310 777	2 593 597	9 243 657	577 550
	Investment contracts without DPF	2 110 054	107 735	1 724 428	23 990
	Total fee income	**464 190 081**	**321,021,403**	**335,110,079**	**124 286 630**

Fee income is in respect of investment contracts insurance contracts. The fees include management charges, policy fees and capital guarantee charges.

25.2	**Other income**				
	Tenant interest	25 903 622	5 226 971	18 048 168	1 143 688
	Profit on disposal of vehicles and equipment	28 790 592	925 241	20 059 645	202 447
	Motor pool dividend income	19 198 211	9 931 102	15 695 754	2 172 976
	Net clinic fee income	47 907 298	36 351 923	33 379 076	7 953 985
	Bad debts recovered	-	2 742	-	600
	Exchange gains/(losses)	254 738 738	464 591 634	204 515 396	406 182 992
	Pharmacy services income	16 820	-	16 820	-
	Other fee income	114 926 450	347 012 239	71 490 790	75 928 040
	Total	**491 481 731**	**864 041 852**	**363 205 649**	**493 584 728**

Other income consists of interest on staff loans, fee and commission income, net funeral services income, property sales commision, motor levy commission, valuation fees, agents fees and investment fees.

25.3	**Net interest income- First Mutual Microfinance**				
	Interest income	112 318 854	-	92 960 317	-
	Interest charged	(41 216 845)	-	(34 842 177)	-
	Total	**71 102 009**	**-**	**58 118 140**	**-**

25.4 Revenue from contracts with customers

Included in other income, on note 25.2 above, is revenue from contracts with customers.The Group derives revenue from the transfer of services over time and at a point in time in the following major product lines and all in Zimbabwe.

Type of good or service				
Funeral services	22 709 878	7 602 768	15 822 949	3 182 815
Clinic services	47 907 298	36 351 923	33 379 076	7 953 985
Pharmacy services income	16 820	-	16 820	-
Property services income	166 887	5 107 461	160 561	2 197 540
Total revenue from contracts with customers	**70 800 883**	**49 062 152**	**49 379 405**	**13 334 340**

Performance obligations

Information on the Group's performance obligations is summarised below:

Funeral services

The performance obligation is performed upon consumption of the service by the customer, thus at a point in time. However, there is usually no material time lag between service provision and payment and customers are usually required to pay in advance before provision of the service.

Clinic services

The Group provides general practitioner healthcare services to customers. These services are consumed by the customers at a point in time.

Pharmacy services income

The Group provides pharmacy services to customers. These services are consumed by the customers at a point in time.

Property services income

Property services include property valuations and property sales on behalf of customers. The performance obligation is satisfied after delivery of a valuation report and when a property has been sold and consideration transferred.

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		Group	Group	Group	Group
26	NET INSURANCE CLAIMS AND BENEFITS	2021	2020	2021	2020
		ZWL	ZWL	ZWL	ZWL
	Insurance claims and loss adjustment expenses				
	Health insurance	4 423 593 135	2 355 492 748	3 514 653 628	1 092 547 189
	Life assurance	326 776 213	83 240 986	270 249 425	38 750 113
	Property and casualty	2 097 967 604	1 189 344 691	1 673 660 067	599 848 951
	Total insurance claims	**6 848 336 952**	**3 628 078 425**	**5 458 563 120**	**1 731 146 253**
	Less: insurance claims and loss adjustment expenses recovered from reinsurers	(711 262 566)	(275 613 654)	(594 827 247)	(125 460 987)
	Net total insurance claims expense	**6 137 074 386**	**3 352 464 771**	**4 863 735 873**	**1 605 685 266**
	Pensions benefits	375 443 427	129 802 220	310 010 289	57 810 974
	Net insurance claims and benefits	**6 512 517 813**	**3 482 266 991**	**5 173 746 162**	**1 663 496 241**
27	ACQUISITION OF INSURANCE AND INVESTMENT CONTRACTS EXPENSES				
27.1	**Net commission**				
	Commissions paid	1 856 954 132	900 576 209	1 450 838 526	531 131 739
	- Insurance contracts	1 856 954 132	900 576 209	1 450 838 526	531 131 739
	- investment contracts with DPF	-	-		
	Commissions received	(1 032 300 780)	(538 779 097)	(806 536 746)	(317 755 095)
	Net commissions paid	**824 653 352**	**361 797 112**	**644 301 781**	**213 376 644**
27.2	**Other acquisition expenses**				
	Staff costs	51 580 508	29 870 072	49 929 725	17 616 436
	Office costs	15 511 890	8 285 596	13 849 901	4 886 586
	Communications	1 598 504	902 164	1 508 023	532 067
	Business travel	2 284 476	1 220 241	2 039 711	719 660
	Actuarial fees	13 484 395	7 610 316	12 721 128	4 488 327
	Other fees*	54 164 148	36 963 987	53 010 395	18 703 372
	Total other acquisition expenses	**138 623 923**	**84 852 376**	**133 058 882**	**46 946 449**
	Total acquisition of insurance and investment contracts expenses	**963 277 275**	**446 649 488**	**777 360 663**	**260 323 093**

The Group has an agency force which is made up of tied and independent agents who write new business of the Life Assurance segment. The agents are located in major cities and towns across the country. Area offices were established to house and facilitate operations of the agency force. All costs of maintaining the agency force are classified as acquisition expenses which include staff costs, rentals, travel related expenses paid for agency and communication expenses.

*Other fees include registration fees for agents with the Insurance and Pensions Commission fees, which were reclassified this year from the adminstration expenses, medical fees paid when taking new policyholders on board,as well as bank charges. The impact of reclassification of the IPEC fees has not been to be material in the preparation of the Group's financial statements. Refer to note 28 below.

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
28	**ADMINISTRATION EXPENSES**				
	The profit before income tax is shown after charging:				
	Staff costs (note 28.1)	2 278 059 119	1 267 294 037	1 805 444 003	623 011 811
	Directors' fees - FMHL	20 824 008	16 759 232	16 503 777	7 905 856
	-Group companies	86 110 460	59 850 887	68 245 645	28 233 543
	Property expenses (note 28.4)	141 969 821	89 160 803	109 289 010	42 059 950
	Depreciation of property, vehicles and equipment (note 6)	85 486 772	99 670 670	10 632 561	5 484 345
	Depreciation of Right of Use asset	8 131 144	137 949 013	5 050 400	3 717 669
	Amortisation of intangible assets (note 8)	24 382 758	24 891 681	384 684	2 024 742
	External Audit fees	55 533 203	58 647 348	44 012 066	27 665 796
	Current	55 533 203	58 647 348	44 012 066	27 665 796
	Prior year	-	-	-	-
	IMT 2% tax	111 180 327	48 876 631	89 164 817	23 056 641
	Other costs (note 28.5)*	1 274 476 826	696 450 350	1 010 068 845	415 956 175
	Total administration expenses	**4 086 154 437**	**2 499 550 652**	**3 158 795 808**	**1 179 116 528**

* In current year, the group reclassified IPEC related fees from administration expenses to acquisition costs with the intention to provide a more clearer view with regards to business performance. The reclassification amounted to ZWL26 236 046 in inflation adjusted. This has been assessed not to be material in line with the requirements of IAS 8.

28.1	**Staff costs**				
	Wages and salaries	781 482 459	297 794 210	573 869 730	140 478 880
	Non-pensionable allowances	158 915 669	59 921 131	116 697 299	28 266 679
	Allowances	156 083 378	68 211 840	114 617 449	32 177 667
	Social security and health insurance costs	168 725 975	16 885 482	123 901 348	7 965 412
	Defined contribution pension costs	82 073 247	31 168 180	60 269 238	14 703 009
	Long-term incentives*	313 515 391	169 473 955	313 170 751	105 135 607
	Short-term incentives	82 443 484	83 528 304	82 443 484	39 402 924
	Motoring benefit	322 261 481	197 287 573	236 647 805	93 066 743
	Movement in leave pay provision	48 769 865	19 470 297	63 551 553	21 526 230
	Staff training	20 338 868	8 956 098	14 935 538	4 224 873
	Rationalisation costs	80 052 914	111 514 986	58 785 637	69 263 967
	Other staff costs	63 396 388	203 081 980	46 554 171	66 799 821
	Total staff costs	**2 278 059 119**	**1 267 294 036**	**1 805 444 003**	**623 011 811**

28 **ADMINISTRATION EXPENSES (continued)**

*The movement in share appreciation has been reclassfied from other costs to long term incentives under staff costs in order to provide a fair presentation of the staff costs. Management has considered the impact of this reclassification not to be material since the underlying presentation in the Statement of comphrehensive income will not change.

Staff Pension and Life Assurance scheme
All employees are members of the First Mutual Staff Pension and Life Assurance Scheme, which is a defined contribution pension plan. The Group's contributions to the defined contribution pension plan are charged to the statement of comprehensive income in the year in which they relate.

National Social Security Authority Scheme
The Group and its employees contribute to the National Social Security Authority Pension Scheme. This is a social security scheme, which was promulgated under the National Social Security Act (Chapter 17:04). The Group obligations under the scheme are limited to specific contributions legislated from time to time.

28.2 **Rationalisation expenses**
In December 2020, the Directors approved a rationalisation exercise through a voluntary retrenchment program. The retrenchment program was meant to protect the Group against impact of COVID-19 induced business interruptions and also to reduce non-value adding activities across the Group.

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
28.3	**Allowance for credit losses**				
	Insurance receivables (note 14.1)	145 476 732	325 790 143	145 476 732	196 614 787
	Tenant receivables (note 14.2)	24 397 709	11 976 697	24 397 709	6 412 328
	Other receivables (note 14.3)	11 279 679	17 969 625	11 279 679	9 705 442
	Total	**181 154 120**	**355 736 465**	**181 154 120**	**212 732 557**
28.4	**Property expenses**				
	Operating costs recoveries	80 901 282	34 466 945	61 872 803	16 259 140
	Maintenance costs	52 720 491	53 664 461	40 320 308	25 315 211
	Valuation fees	2 762 369	517 635	2 112 643	244 185
	Property security and utilities	5 585 679	511 761	4 271 893	241 414
	Total	**141 969 821**	**89 160 802**	**109 289 010**	**42 059 950**
	Property expenses arising from investment properties that generated rental income	136 384 142	88 649 041	104 989 129	41 818 536
	Property expenses arising from investment properties that did not generate rental income	5 585 679	511 761	4 299 881	241 414
	Total	**141 969 821**	**89 160 802**	**109 289 010**	**42 059 950**

Operating costs under recoveries relate to the operating costs attributable to the vacant spaces on buildings within the portfolio.

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
28.5	**Other costs**				
	Marketing and corporate relationship management	138 481 844	49 042 126	109 385 431	23 134 711
	Information technology expenses	287 649 984	133 521 212	227 211 863	96 007 346
	Office costs	22 005 416	20 402 783	17 381 859	9 624 634
	Fees and other charges	41 229 897	44 726 809	32 567 085	25 816 354
	Actuarial fees	24 061 709	20 196 374	19 006 105	9 527 264
	Expensed VAT	54 737 476	38 223 944	43 236 588	18 031 435
	Bank charges	78 790 031	31 119 879	62 235 462	14 680 224
	Communication expenses	26 381 283	19 933 378	20 838 313	9 403 200
	Expenses relating to leases of low value	894 652	871 638	634 506	405 564
	Subscriptions	30 725 185	22 825 231	24 269 518	10 767 378
	Investor relations	20 934 568	9 371 339	16 536 007	4 420 755
	Administration travel	48 696 836	27 898 839	38 465 147	13 160 758
	Rates	49 277 175	42 037 925	38 923 551	24 547 923
	Project costs	64 148 425	26 052 422	54 042 475	12 289 745
	Staff welfare	24 389 976	9 215 694	19 265 399	4 347 332
	Other expenses	362 967 022	201 010 757	286 069 536	139 791 552
	Total	**1 274 476 826**	**696 450 350**	**1 010 068 845**	**415 956 175**

29 EARNINGS/(LOSS) PER SHARE ("EPS")

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
29.1	**Basic earnings per share**				
	Profit attributable to ordinary equity holders of the company	2 424 012 208	2 027 732 866	3 980 788 680	2 985 088 402
	Weighted average number of shares in issue	726 311 429	723 443 577	726 311 429	723 443 577
	Basic earnings per share (cents)	**333.74**	**280,29**	**548.08**	**412,62**

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
29.2	**Diluted earnings per share**				
	Profit attributable to ordinary equity holders of the company	2 242 012 208	2 027 732 866	3 980 788 680	2 985 088 402
	The following reflects the share data;				
	Weighted average number of shares in issue	726 311 429	723 443 577	726 311 429	723 443 577
	Effect of dilution of share option	988 430	703 662	988 430	703 662
	Weighted number of shares adjusted for the effects of dilution	727 299 859	724 147 239	727 299 859	724 147 239
	Diluted earnings per share (cents)	**333**	**280,02**	**547**	**412,22**

The share options are not dilutive as the exercise price is above the market price at 31 December 2021 and 31 December 2020.

30 COMMITMENT AND CONTINGENT LIABILITIES

30.1 Commitments

30.1.1 Operating lease commitments

As lessor
The Group holds operating leases with terms that expire after 3 to 5 year lease periods. Future lease payments could not be determined as rental rates are reviewed on an quarterly basis.

The Group anticipates to generate rental income of ZWL1 150 230 628 (2020: ZWL414 423 866) out of its existing operating leases in the next 12 months.

30 COMMITMENT AND CONTINGENT LIABILITIES

30.2 Non-controlling interest put option

30.2.1 Recognition of a financial liability

During the year, consistent with the transaction described in Note 32.7.1, part of the agreements included a written put option. The agreement required First Mutual Holdings Limited to reacquire an equity instrument at a specified price is a option that gives Aleyo Growth Fund 1 GP (Proprietary) Limited Aleyo (the counterparty) the right but not the obligation to sell FMRE Holding Company's (issuer) own equity instrument to FMRE HoldCo for a fixed price. According to the Put Option Agreement between First Mutual Holdings Limited and Aleyo Growth Fund 1 GP (Proprietary) Limited, the conditions that trigger the exercise of the put option are clearly stipulated and the put option will only be recognized if one or more of the stated conditions are satisfied. The detailed assesment has been shown below:

Condition precedent to the agreement	Assessment	Conclusion
The breach of warranties and indemnities contained in the Investment Agreements and in the case of any breach which is capable of being remedied by the payment of any sum of money, a failure to remedy such breach by paying the sum of money demanded in writing by Aleyo within 20 business days of such written demand therefore, or within such longer period as may be agreed between the Parties in writing. In line with management's understanding of the Investment Agreements, one material warranty that might trigger a breach is the involuntary liquidation of the foreign currency balance into ZWL.	The Reserve Bank of Zimbabwe and the Ministry of Finance have confirmed that the investment in the nostro account will be ring-fenced, such that even if the law changes, the Group will still be eligible to claim its funds in the form of foreign currency. Therefore, no material loss of value is expected to occur in this account that will not have any way impact the funds transferred.	This condition is less likely to materialise.
If, cumulatively over a continuous three-year period during the Forecast Period, the Company fails to achieve the EBITDA Target on a consolidated basis- This precedent is only applicable for the 3 years beginning 2022 per the signed agreement.	Management has considered the performance of the reinsurance subsidiaries as solid. For the preceding two year audited periods, ending in 31 December 2020, the combined cumulative EBITDA for the two companies was BWP71,880,949 which is 99% of BWP72,518,208 (the two year cumulative per the Addendum agreement). This performance was before the additional capital raised, thus expectation to surpass the set thresholds.	This condition is less likely to materialise.
Condition precedent to the agreement	**Assessment**	**Conclusion**
A change in control at First Mutual Holdings level which has not been approved by Aleyo Growth Fund 1 GP (Proprietary) Limited would result in an obligation to settle an amount of BWP21 million within 20 days of such an occurrence. Thus resulting in Aleyo Growth Fund 1 GP (Proprietary) Limited forfeiting their shareholding in the Reinsurance Holding Company.	This precedent condition is considered by management in light of the proposed acquisition of 31.05% in FMHL by CBZ Holdings Limited (CBZHL) which was approved by CBZHL shareholders on 31 January 2022. The majority shareholder in FMHL is currently the National Social Security Authority (NSSA) with a 65.53% shareholding. NSSA disposed 31.05% of its shareholding in FMHL to CBZHL and will remain the largest shareholder in FMHL with 34.48%. NSSA agreed to accept 70% of the consideration in the form of CBZHL shares resulting in its shareholding in CBZHL increasing from 18.17% to 24.91% thus becoming the largest shareholder in CBZHL. It has been assessed and concluded that the ultimate beneficiary of this transaction is NSSA since the acquisition of a stake in FMHL by CBZHL will result in NSSA holding more CBZHL shares. The Aleyo Growth Fund 1 GP (Proprietary) Limited has been briefed on the impending transaction and has not indicated that they will trigger the obligation as a result.	This condition is less likely to materialise.

30 COMMITMENT AND CONTINGENT LIABILITIES (continued)
30.2.1 Recognition for financial liability (continued)

Recognition of a financial liability in IAS32
IAS32 defines a financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity. In the caseof the Aleyo NCI put option, it has been concluded that the Group has a contractual obligation to deliver cash in the form of the BWP61 million paid to FMRE Holding Company. The policy treatment adopted in the reclassification of the total of non-controlling interest balance for Aleyo to be reclassified to a financial liability There has not been remeasurement of the financial liability that has been recognised in equity as the transaction was concluded at the close of the year. The measurent thus equates the worst cas scenario that is to say the amount was to be payable immediately.

30.3 Legal proceedings and regulations
30.3.1 Forensic Investigation – Insurance and Pensions Commission
In line with Circular 19 of 2020, issued on 1 October 2020, the Insurance and Pensions Commission (IPEC or the Commission) appointed Atchison Actuarial Services ("Atchison" or "the Consultants") to carry out an analysis of the separation of assets between policyholders and shareholders accounts. This exercise was undertaken in respect of all insurance companies operating in Zimbabwe, including First Mutual Life Assurance Company (Private) Limited (FML). IPEC sought to assess compliance by the insurance industry against the requirements of Section 29 of the Insurance Act (Chapter 24:07) and Section 18 of the Pension and Provident Funds Act (Chapter 24:09). In terms of Section 29 of the Insurance Act, insurers are required to keep separate accounts for different classes of insurance business and maintain insurance funds, while Section 18 of the Pension and Provident Funds Act contains provisions for the investment of the assets of registered funds.

Atchison requested for information from insurance companies for the period 2006 to 31 December 2019. On the 18th of December FML met with IPEC and IPEC advised that there was some outstanding information that needed to be submitted in order to close the asset separation exercise. The Commission gave FML an ultimatum to ensure that the
outstanding information was submitted by 17 December 2021, failing which the Commission would institute a forensic investigation on FML in line with section 67 of the Insurance Act. FML in consultation with the regulator and the Consultant managed to submit all the outstanding information by the end of December 2021.

On 8 February 2022, IPEC wrote a letter indicating that the submissions made by FML were not adequate to enable completion of the asset separation exercise of the entity and that it intended to launch a forensic investigation into the affairs of FML. On 27 July 2022, IPEC wrote to FML advising that BDO Chartered Accountants Zimbabwe ("BDO") had been appointed as the forensic investigator. The forensic investigation commenced on 5 September 2022.

In April 2023 after having made a follow up with IPEC on progress in finalising the forensic investigation, FML were availed the final report and were given 30 days to comment on the factual accuracy of the report. FML submitted their comments to Ministry of Finance copying in IPEC within the 30 day period.

On 21 December 2023, FML received a Corrective Order from IPEC which is based on the findings of the forensic auditor, BDO Chartered Accountants ("BDO"). The Order directs FML's shareholders to pay significant sums in Zimbabwe dollars and in United States dollars to the policyholders in respect of perceived "actual" and "potential" losses, as assessed by BDO.

30 COMMITMENT AND CONTINGENT LIABILITIES (continued)
30.3 Legal proceedings and regulations (continued)
30.3.1 Forensic Investigation – Insurance and Pensions Commission (continued)

An extract of the tabled total losses is included below:

NB: The amounts disclosed are before currency reforms within Zimbabwe and the entity and before interest

	ZWL	USD
Actual Loss	209,386,885	20,113,873
Potential Loss		32,539,327

Management respectfully disagreed with some of the findings in the BDO report contained in the IPEC Corrective Order and believe that our submissions were not properly considered. Interpretations of fact, accounting standards, legal and actuarial principles, as well as currency conversion issues are in dispute. FML sought input from independent third-party professionals in a bid to resolve the areas of disagreement.

Settlement Agreement and Current Status
The company is a party to a settlement agreement with IPEC, dated April 17, 2024, which requires the appointment of experts to review work previously done by BDO. Although the experts' presentations were made to stakeholders on July 17, 2024, and additional information was provided on July 31, 2024, the process has experienced delays.

The company submitted all required documentation to IPEC in August 2024 and formally requested mediation from the Permanent Secretary (PS) on December 4, 2024. Following correspondence with the PS, FML and IPEC were directed to amicably resolve outstanding issues by February 7, 2025. An informal meeting was held on February 6, 2025, and additional information was shared with IPEC, who subsequently presented a position on March 10, 2025, that differed from the expert presentations.

The company considers the settlement agreement binding on both parties and is working collaboratively with IPEC and the parent Ministry to resolve the issues, while reserving its right to pursue the matter in court.

31 RELATED PARTY DISCLOSURES

Related companies
Related party transactions exist between First Mutual Holdings Limited and its fellow subsidiaries.

As at the reporting period, the National Social Security Authority ("NSSA") was the ultimate parent company of First Mutual Holdings Limited with a total holding of 65.43% (2020: 68.81%) directly in First Mutual Holdings and 7.1% (2020: 7.1%) indirectly through Capital Bank. The shares held as at the reporting period were pending an authorisation of the partial disposal of the 31.22% its total holding to CBZ Holdings which will result in First Mutual Holdings becoming an associate of both NSSA and CBZ Holdings. The transaction has been disclosed in detail under subsequent events in Note 33.

Notes to the Consolidated Financial Statement (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2021

31 RELATED PARTY DISCLOSURES (continued)

31.1 Subsidiaries and associates

The financial statements comprise the financial statements of First Mutual Holdings Limited and its subsidiaries and associate companies listed in the following table (indicating the extent of ownership):

	2021	2020
Subsidiaries		
First Mutual Life Assurance Company (Private) Limited	100%	100%
First Mutual Health Company (Private) Limited	100%	100%
First Mutual Reinsurance Holdings Limited****	70,90%	0%
First Mutual Properties Limited	69,99%	69,99%
First Mutual Wealth Management (Private) Limited	100%	100%
NicozDiamond Insurance Limited	100%	100%
Diamond Companhia de Seguros, SA ("Diamond Seguros")***- held through NicozDiamond Insurance Limited	71%	51%
First Mutual Property Fund One (Private) Limited	100%	100%
First Mutual Funeral Services (Private) Limited- held through First Mutual Life Assurance Company (Private) Limited	100%	100%
Associates		
Haematology Laboratory (Private) Limited - First Mutual Health Company (Private) Limited	34%	34%
United General Insurance Limited** - NicozDiamond Insurance Limited	46%	46%
Clover Leaf Panel Peaters (Private) Limited - NicozDiamond Insurance Limited	45%	45%
First Mutual Properties Limited is owned 69.99% by First Mutual Group as follows:		
First Mutual Holdings Limited - the company	3,09%	3,09%
First Mutual Life Assurance Company (Private) Limited - shareholders	17,67%	17,67%
First Mutual Life Assurance Company (Private) Limited - policyholders	41,25%	41,25%
First Mutual Reinsurance Company Limited	2,21%	2,21%
NicozDiamond Insurance Limited	0,35%	0,35%
First Mutual Health Company (Private) Limited - shareholders	5,33%	5,33%
First Mutual Properties Limited (treasury shares)	0,09%	0,09%
Total	**69,99%**	**69,99%**
First Mutual Health Company (Private) Limited is owned 100% by First Mutual Group as follows:		
First Mutual Life Assurance Company (Private) Limited	20%	20%
First Mutual Holdings Limited - the company	80%	80%
Total	**100%**	**100%**
First Mutual Property Fund One (Private) Limited is owned 100% by First Mutual Group as follows:		
First Mutual Life Assurance Company (Private) Limited	52,55%	52,55%
First Mutual Health Company (Private) Limited	20,29%	20,29%
First Mutual Reinsurance Company Limited	10,14%	10,14%
First Mutual Properties Limited	8,91%	8,91%
First Mutual Wealth Management (Private) Limited	8,11%	8,11%
Total	**100,00%**	**100,00%**

* This company is incoporated, registered and operates in Botswana
** This company is incoporated, registered and operates in Malawi
*** This company is incoporated, registered and operates in Mozambique
**** This company is incoporated, registered and operates in Botswana and it has been formed to consolidate the Group's strategy

31 RELATED PARTY DISCLOSURES (continued)

31.2 Transactions and balances with related companies:

31.2.1 Summary of related party transactions
The following table provide the total amount of transactions that have been entered into with related parties during the year ended 31 December 2021:

INFLATION ADJUSTED-AUDITED

	Relationship to First Mutual Holdings Limited	Purchases from related parties ZWL	Amount owed to related parties ZWL	Amount owed by related parties ZWL	Loans owed to related parties ZWL	Carrying amounts of investments in subsidiaries ZWL
First Mutual Microfinance (Private) Limited	subsidiary	-	-	11 526	-	22 725 701
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	8 010 851	-	4 028 570 083
NicozDiamond Insurance Limited	subsidiary	3 996 704	1 735 000	-	-	946 482 515
First Mutual Reinsurance Company Limited	subsidiary	-	-	4 599 765	-	416 502 144
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	4 743 732	-	530 171 299
First Mutual Health Company (Private) Limited	subsidiary	-	-	1 962 893	-	1 019 093 415
First Mutual Properties Limited	subsidiary	10 471 978	8 263 464	-	-	-
First Mutual Wealth Management (Private) Limited	subsidiary	5 320 658	-	662 681	-	65 141 777
		19 789 340	**9 998 464**	**19 991 447**	**-**	**7 028 686 934**

HISTORICAL COST-UNAUDITED

	Relationship to First Mutual Holdings Limited	Purchases from related parties ZWL	Amount owed to related parties ZWL	Amount owed by related parties ZWL	Loans owed to related parties ZWL	Carrying amounts of investments in subsidiaries ZWL
First Mutual Microfinance (Private) Limited	subsidiary	-	-	11 526	-	10 409 089
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	8 010 851	-	3 711 600 564
NicozDiamond Insurance Limited	subsidiary	3 098 220	1 735 000	-	-	1 733 255 386
First Mutual Reinsurance Company Limited	subsidiary	-	-	4 599 765	-	421 935 858
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	4 743 732	-	528 496 521
First Mutual Health Company (Private) Limited	subsidiary	-	-	1 962 893	-	960 998 876
First Mutual Properties Limited	subsidiary	8 256 931	8 263 464	-	-	-
First Mutual Wealth Management (Private) Limited	subsidiary	4 190 324	-	662 681	-	58 562 615
		15 545 475	**9 998 464**	**19 991 447**	**-**	**7 425 258 910**

Notes to the Consolidated Financial Statement (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2021

31 RELATED PARTY DISCLOSURES (continued)

31.2.2 Transactions and balances with related companies:

The following table provide the total amount of transactions that have been entered into with related parties during the year ended 31 December 2020

INFLATION ADJUSTED-AUDITED	Relationship to First Mutual Holdings Limited	Purchases from related parties ZWL	Amount owed to related parties ZWL	Amount owed by related parties ZWL	Loans owed to related parties ZWL	Carrying amounts of investments in subsidiaries ZWL
First Mutual Funeral Services (Private) Limited	subsidiary	-	-	-	-	-
First Mutual Microfinance (Private) Limited	subsidiary	-	19 519	-	-	15 505 996
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	6 805 556	-	2 264 993 743
NicozDiamond Insurance Limited	subsidiary	8 501 102	-	3 331 157	-	1 059 009 299
First Mutual Reinsurance Company Limited	subsidiary	-	-	2 825 812	-	366 576 099
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	1 973 118	-	755 410 316
First Mutual Health Company (Private) Limited	subsidiary	-	-	4 647 643	-	658 733 455
First Mutual Properties Limited	subsidiary	9 340 547	4 129 995	-	-	-
First Mutual Wealth Management (Private) Limited	subsidiary	2 383 953	-	1 997 514	-	14 846 917
		20 225 601	**4 149 514**	**21 580 801**	**-**	**5 135 075 825**

HISTORICAL COST-UNAUDITED	Relationship to First Mutual Holdings Limited	Purchases from related parties ZWL	Amount owed to related parties ZWL	Amount owed by related parties ZWL	Loans owed to related parties ZWL	Carrying amounts of investments in subsidiaries ZWL
First Mutual Microfinance (Private) Limited	subsidiary	-	12 124	-	-	4 439 841
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	4 227 053	-	1 803 988 531
NicozDiamond Insurance Limited	subsidiary	436 778	-	2 069 042	-	946 531 932
First Mutual Reinsurance Company Limited	subsidiary	-	-	1 755 163	-	246 716 602
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	1 225 539	-	469 198 953
First Mutual Health Company (Private) Limited	subsidiary	-	-	2 886 735	-	359 718 575
First Mutual Properties Limited	subsidiary	4 114 246	2 565 214	-	-	
First Mutual Wealth Management (Private) Limited	subsidiary	942 608	-	1 240 692	-	6 479 155
		5 493 632	**2 577 338**	**13 404 224**	**-**	**3 837 073 589**

31 RELATED PARTY DISCLOSURES (continued)

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions, inline with the Group's Shared Service Framework.

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
31.3	**Compensation of key management:** Key management personnel includes executive directors and senior management of the Group				
	Short term employment benefits	298 021 289	172 776 150	236 192 619	81 503 935
	Post-employment pension and medical benefits	27 307 952	15 831 631	21 642 537	7 468 277
	Share based payments:		-		
	Share options	-	447 894	-	135 508
	Share appreciation rights	311 982 338	136 639 369	311 982 338	100 574 466
	Total compensation paid to key management personnel	**637 311 579**	**325 695 044**	**569 817 494**	**189 682 186**
31.4	**Loans to directors and officers**				
	Executive directors	-	30 424 394	-	18 897 139

31.5 Directors and other key management's interest

	2021 Number of shares	2020 Number of shares
Douglas Hoto	280 096	500 290
William M. Marere	100 015	10 000
Other key management	15 044	11 024
	395 155	**521 314**

31.6 Material partly-owned subsidiary

Financial information of subsidiary that have material non-controlling interests are provided below;

Portion of equity interest held by non-controlling interest

Name	Country of incorporation and operation	2021	2020
First Mutual Properties Limited	Zimbabwe	30,01%	30,01%
Diamond Seguros Insurance Company Limited	Mozambique	28,60%	49,60%
First Mutual Reinsurance Holdings Limited	Botswana	29,10%	0,00%

31 RELATED PARTY DISCLOSURES (continued)
31.6 Material partly-owned subsidiary (continued)

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Group 2021	Group 2020	Group 2021	Group 2020
Accumulated balances of material non-controlling interest	**ZWL**	**ZWL**	**ZWL**	**ZWL**
First Mutual Properties Limited	5 938 094 112	5 203 503 172	5 931 792 359	2 617 587 289
Diamond Companhia de Seguros, SA	51 874 700	57 071 039	51 874 700	35 447 850
First Mutual Reinsurance Holdings Limited	-	-	-	-
Reconciliation of FMRE NCI and Financial liability				
FMRE NCI at initial recognition	388 550 031	-	402 718 205	-
NCI put option (Note 2.2 (b))	(568 099 100)	-	(568 099 100)	-
Adjustment to equity	165 380 895	-	165 380 895	-
Effects of inflation	14 168 174	-	-	-
NCI balance as at December	**-**	**-**	**-**	**-**
Profit allocated to non-controlling interest:				
First Mutual Properties Limited	751 725 018	1 731 244 995	3 327 360 115	2 270 227 405
Diamond Companhia de Seguros, SA	(4 227 649)	13 616 562	(2 496 431)	8 457 492
First Mutual Reinsurance Holdings Limited	-	-	-	-

The summarised financial information of the subsidiaries is provided below. This information is based on amounts before intercompany eliminations.

	Group 2021	Group 2020	Group 2021	Group 2020
First Mutual Properties Limited				
Revenue	582 266 947	427 841 008	475 465 488	175 625 667
Allowance for credit losses	(24 397 709)	(10 610 586)	(24 397 709)	(6 590 426)
Property expenses	(121 680 605)	(103 488 986)	(95 897 972)	(40 042 403)
Net property income	**436 188 633**	**313 741 436**	**355 169 807**	**128 992 838**
Employee related expenses	(152 638 000)	(138 263 129)	(119 217 380)	(67 820 769)
Other expenses	(120 179 397)	(84 109 424)	(94 579 620)	(34 982 710)
Net property income after other expenses	**163 371 235**	**91 368 883**	**141 372 807**	**26 189 359**
Fair value adjustments	3 608 149 402	5 151 689 030	12 629 753 627	8 052 577 664
Other income	4 050 253	19 891 221	96 776 135	92 594 363
Investment income	22 303 738	7 423 954	18 513 856	4 274 674
Finance costs	-	-	-	-
Profit before income tax	**3 797 874 628**	**5 270 373 088**	**12 886 416 425**	**8 175 636 060**
Income tax expense	(1 292 959 539)	498 520 596	(1 798 911 876)	(610 733 012)
Profit for the year	**2 504 915 088**	**5 768 893 684**	**11 273 683 048**	**7 564 903 048**
Other comprehensive (loss)/income	-	-	-	-
Total comprehensive income	**2 504 915 088**	**5 768 893 684**	**11 273 683 048**	**7 564 903 048**
Attributable to non-controlling interest	751 725 018	1 731 244 995	3 327 360 115	2 270 227 405
Dividends paid to non-controlling interest	(17 134 075)	(10 785 446)	(13 987 470)	(3 276 292)
Summarised statement of financial position as at				
Investment property	22 039 000 000	15 127 386 684	22 039 000 000	9 395 892 350
Property, plant and equipment and other non-current financial assets	20 709 524	14 914 962	11 535 353	4 912 835
Financial assets	10 227 091	628 702	10 227 091	390 498
Inventories, cash and bank, current financial assets and other receivables (current)	443 463 835	374 792 093	423 595 560	230 172 733
Non-current liabilities (deferred tax only)	(2 604 895 369)	(1 347 604 273)	(2 598 083 001)	(838 366 864)
Long term liabilities	-	-	-	-
Trade and other payable (current)	(121 453 723)	(125 971 646)	(120 222 490)	(78 243 259)
Total equity	**19 787 051 358**	**14 044 146 522**	**19 766 052 513**	**8 714 758 293**

31 RELATED PARTY DISCLOSURES (continued)
31.6 Material partly-owned subsidiary (continued)

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
Summarised cash flow information for the year ending 31 December	**Group 2021 ZWL**	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
Operating	46 583 402	98 178 138	83 403 914	31 953 000
Investing	45 506 753	1 756 950	45 174 492	956 811
Financing	(56 357 207)	(19 814 476)	(57 798 363)	(10 917 336)
Net increase in cash and cash equivalents	**35 732 948**	**80 120 612**	**70 780 041**	**21 992 475**
Diamond Seguros				
Summarised statement of comprehensive income				
Net Premium Earned	156 955 248	22 098 901	121 670 735	13 726 026
Net Claims gains	(36 301 417)	4 570 251	(28 140 633)	2 838 665
Net Commission gains	(6 605 943)	545 301	(5 120 886)	338 696
Technical Result	**114 047 888**	**27 214 453**	**88 409 215**	**16 903 387**
Administration Expenses	(106 243 045)	(17 251 468)	(82 358 950)	(10 715 198)
Movement in provision for credit losses	(5 980 819)	3 431 332	(4 636 294)	2 131 262
Profit before other items	**1 824 024**	**13 394 317**	**1 413 972**	**8 319 451**
Investment income	7 447 548	624 210	5 773 293	387 708
Other income	(8 194 635)	13 434 219	(6 352 430)	8 344 236
Profit before income tax	**1 076 936**	**27 452 746**	**834 834**	**17 051 395**
Attributable to non-controlling interest	(4 227 649)	13 616 562	2 496 431	8 457 492
Summarised statement of financial position				
Property, plant and equipment and other non-current financial assets	4 708 477	3 770 026	4 708 477	2 341 631
Financial assets	133 672 112	150 097 935	133 672 112	93 228 531
Inventories, cash and bank, current financial assets and other receivables (current)	332 016 292	143 759 139	332 016 292	89 291 391
Non-current liabilities (deferred tax only)	(3 486 706)	(1 391 213)	(3 486 706)	(864 108)
Long term liabilities	-	-	-	-
Trade and other payable (current)	(285 530 107)	(186 100 082)	(285 530 107)	(115 590 112)
Total Equity	**181 380 068**	**110 135 805**	**181 380 069**	**68 407 333**

31 RELATED PARTY DISCLOSURES (continued)
31.6 Material partly-owned subsidiary (continued)

First Mutual Reinsurance Holdings Limited Summarised statement of comprehensive income	INFLATION ADJUSTED-AUDITED Group 2021 ZWL	Group 2020 ZWL	HISTORICAL COST-UNAUDITED Group 2021 ZWL	Group 2020 ZWL
Net Premium Earned	1 902 200 141	-	1 304 960 321	-
Net Claims gains	(694 087 493)	-	(552 890 015)	-
Net Commission gains	(436 642 581)	-	(359 381 727)	-
Technical Result	**771 470 067**	**-**	**392 688 579**	**-**
	-	-	-	-
Administration Expenses	(441 182 947)	-	(348 031 145)	-
Movement in provision for credit losses	(120 096 354)	-	(120 096 354)	-
Profit before other items	**210 190 766**	**-**	**(75 438 920)**	**-**
	-	-	-	-
Investment income	365 897 048	-	508 865 803	-
Other income	(504 438 008)	-	122 634 459	-
	-	-	-	-
Profit before income tax	**71 649 806**	**-**	**556 061 341**	**-**
Income tax expense	(44 093 890)		(12 660 446)	
Profit for the year	27 555 916	-	543 400 895	-
Other comprehensive (loss)/income	(60 247 141)	-	127 409 258	-
	-	-	-	-
Total comprehensive income	**(32 691 225)**	**-**	**670 810 153**	
Summarised statement of financial position				
Property, plant and equipment and other non-current financial assets	140 351 413	-	140 692 703	-
Financial assets	729 934 531	-	729 934 531	-
Inventories, cash and bank, current financial assets and other receivables (current)	2 122 041 231	-	2 121 699 941	-
Non-current liabilities (deferred tax only)	-	-	-	-
Long term liabilities	(68 368 271)	-	(19 680 388)	-
Trade and other payable (current)	(1 588 735 429)	-	(1 588 735 429)	-
	-	-	-	-
Total Equity	**1 335 223 475**	**-**	**1 383 911 357**	**-**

31.7 Reorganisation in First Mutual Reinsurance Companies
Effective 30 November 2021, FMRE Operations in Zimbabwe and Botswana transfered their shares to their new immediate parent company, First Mutual Reinsurance Holdings (Proprietary) Limited (FMRE HoldCo), incoporated in Botswana . The total number of shares transferred were 22 932 489 ordinary shares in the stated capital of FMRE Botswana, constituting 100% of the stated capital of FMRE Botswana and 84 919 ordinary shares in the issued ordinary share capital of FMRE Zimbabwe, constituting 100% of the entire issued share capital of FMRE.

31.7.1 Additional issue of FMRE Holding Company shares to Aleyo Capital (Pty) Limited
FMHL and FMRE HoldCo entered into a transaction with Aleyo Growth Fund 1 GP (Proprietary) Limited (Aleyo) for FMRE HoldCo to issue new shares resulting in a dilution of FMHL shareholding. These shares were taken up by Aleyo Capital, at an agreed consideration of BWP61 million. This transaction was recognised effective 20 December 2021 and the shareholding of FMHL moved from 100% to 70.90%, resulting in a non-controling interest of 29.1%.

	INFLATION ADJUSTED-AUDITED 2021 ZWL	HISTORICAL COST-UNAUDITED 2021 ZWL
Gross consideration receivable from Aleyo Capital	563 816 900	563 816 900
Transaction costs paid and payable	(4 228 627)	(4 228 627)
Distribution withheld before shareholding confirmation	(15 888 545)	(15 888 545)
Net cash consideration paid by Aleyo Capital	**543 699 728**	**543 699 728**
Additional transaction costs	(5 587 966)	(5 587 966)
Issued share capital	**538 111 762**	**538 111 762**

32 EVENTS AFTER THE REPORTING PERIOD

As outlined in note 31, NSSA and CBZ Holdings entered into a transaction in which CBZ Holdings proposed to buy 31.22% of the share capital of First Mutual Holdings Limited, making it an associate. Subsequent to year-end, on 31 January 2021, the CBZ Holdings shareholders approved the transaction , resulting in the finalisation of the transaction between the shareholders in substance.

Asset Separation practice at First Mutual Life
On 15 August 2019, the Insurance & Pensions Commissions (IPEC) wrote a letter to the Industry at large advising on the need to implement post Commission of Inquiry reforms and an Asset Separation exercise. The letter broadly requested for information from 1996 to 2019 to demonstrate a separation of assets between Policyholders and Shareholders and was instituted in terms of Section 64 of the Insurance Act (Chapter 24:07). The main objective of the asset separation exercise was to establish transparency in the way insurers administer funds that belong to the policyholder. This is done by ensuring that separate funds and records of accounts between Shareholder and Policyhold Since demutualisation, on 8 September 2003, FML has maintained separate accounting records, bank accounts and Funds for Policyholder and Shareholder in terms of the Pension & Provident Funds Act Chapter 24:09 (Part IV, Section 16).

Asset Separation Data Call Outcomes
On 2 October 2020 the Commissioner wrote to the industry advising of the appointment of a consultant who would carry out an Analysis of the Insurance Industry's separation of assets between policyholders and shareholders accounts. The letter included Annexure 1, which had a checklist of data required from each insurance company for the separation of assets. Since October 2020 First Mutual Life has been engaged with the Consultant to ensure compliance with the requirements of the regulator.

Subsequent to the 2021 year-end, IPEC advised that FML had not adhered to the agreed timelines and some of the submissions did not meet the required standard therefore a forensic investigation would be instituted in terms of section 67 of the Insurance Act. Management is co-operating with the regulator in-order to regularise the compliance matter and believes that the investigation will not have a material impact on the financial statements.

33 PROPOSED DIVIDEND ON ORDINARY SHARES

On 28 March 2022 the Board resolved that a final dividend of $115 million, being 15.73 Zimbabwe cents per share, be declared from the profits of the Company for the year ended 31 December 2021. This brings the total dividend for the year to $0.21 or 20.55 cents per share. The dividend will be payable on or about 27 May 2022 to all shareholders of the Company registered on the close of business on 13 May 2022. The shares of the company will be traded cum-dividend on the ZSE up to 10 May 2022 and ex-dividend as from 11 May 2022..

34 GOING CONCERN

The COVID-19 pandemic has diminished the short term growth prospects of the economy and the Group. The evolving nature of the pandemic requires continuous monitoring as assessment to establish the impact on operations, however, a global sustainable solution is expected in 2021. The client base of the Group includes customers that have been more severely affected by the pandemic and associated physical distancing measures such as lockdowns.

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

Segment	Major business sectors	Impact of lock-down
Insurance	Mining Retail Manufacturing	Low impact Low impact Medium impact
Life assurance	Government Agriculture	Low impact Low impact
Health insurance	Non-govermental organisations Agriculture Mining	Low impact Low impact Low impact
Property	Office parks Food retail CBD offices Industrial	Low impact Low impact High impact Medium impact

Although, the Group does not expect to be materially impacted over the short-term, it is difficult to forecast the long-term impact on business, however, Directors are confident the steps taken to protect the Group from severe impact of the pandemic will yield positive results.

35 Suspension and resumption of trading on the Zimbabwe Stock Exchange

On 28 June 2020, the Zimbabwe Stock Exchange Limited announced the suspension of trading following a directive from the Government of Zimbabwe. Following engagements between the Zimbabwe Stock Exchange and the Ministry of Finance and Economic Development, the local bourse resumed trading effective 3 August 2020 with the exception of the following counters in which the Group holds investments either directly or indirectly:

- Old Mutual plc;
- PPC Limited; and
- SeedCo International Limited.

The Group holds investments in SeedCo International Limited and Old Mutual plc. At the end of prior year, SeedCo International Limited was relisted for trading whereas Old Mutual plc remains suspended. Management, in line with Securities Exchange Commission, has considered that the share price for these equities is determined as follows:

- All SMIs must value these shares using the Johannesburg Stock Exchange (JSE) Closing Prices for the day;
- The JSE share prices shall be converted to the Zimbabwean Dollars at the prevailing Reserve Bank of Zimbabwe's (RBZ) Foreign Exchange Auction Rate; and
- The JSE share prices shall only be used as a reference price for the purpose of valuation of the portfolios.

The JSE prices are used, which we consider observable as well as the exchange rate. Thus, level one is still considered appropriate.

Company Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	INFLATION ADJUSTED-AUDITED 2021 ZWL	2020 ZWL	HISTORICAL COST-UNAUDITED 2021 ZWL	2020 ZWL
ASSETS					
Non Current Assets					
Property, plant and equipment	J	6 776 613	4 772 424	2 210 385	168 679
Right of Use asset	K1	58 289 890	38 165 540	23 123 698	2 808 026
Investment in subsidiaries	L1	7 257 195 405	5 135 075 825	7 672 516 458	3 837 073 589
Investment in associate	T	5 966 966	-	4 143 726	-
Financial assets at fair value through profit or loss	M	310 771 441	181 969 669	310 771 441	113 024 639
Investments held at amortised cost	V	23 635 213	-	23 635 213	-
Total Non Current Assets		**7 662 635 528**	**5 359 983 458**	**8 036 400 921**	**3 953 074 933**
Current Assets					
Deferred tax asset	S1	9 851 614	3 043 918	8 968 152	1 187 375
Other receivables	N	97 620 640	88 849 174	97 620 640	55 185 822
Intercompany receivables	O	19 991 447	21 580 801	19 991 447	13 404 224
Consumable stocks	U	2 673 509	2 483 781	453 770	507 466
Short term investments	P	72 475	243 042	72 475	150 958
Bank & cash balances	P	47 921 506	18 340 276	47 921 506	11 391 476
Total Current Assets		**178 131 191**	**134 540 992**	**175 027 990**	**81 827 321**
TOTAL ASSETS		**7 840 766 719**	**5 494 524 450**	**8 211 428 911**	**4 034 902 254**
EQUITY AND LIABILITIES					
Equity					
Share capital		120 449 652	44 749 238	54 878 335	726 836
Share premium		2 415 561 871	2 415 561 871	39 416 526	39 416 526
Capital reserves	W	42 898 919	54 631 467	344 512	567 341
Retained profit		5 082 549 823	2 871 350 672	7 938 366 546	3 927 670 459
Total Equity		**7 661 460 265**	**5 386 293 248**	**8 033 005 919**	**3 968 381 162**
Non-current liabilities					
Deferred tax liability	S1	9 851 614	3 043 918	8 968 152	1 187 375
Current Liabilities					
Trade and other payables	Q	129 102 121	95 623 700	129 102 121	59 393 603
Lease liability	K2	30 309 580	5 150 701	30 309 580	3 199 193
Intercompany payables	R	10 043 139	4 412 883	10 043 139	2 740 921
Total Current Liabilities		**169 454 840**	**105 187 284**	**169 454 840**	**65 333 717**
TOTAL EQUITY AND LIABILITIES		**7 840 766 719**	**5 494 524 450**	**8 211 428 911**	**4 034 902 254**

These financial statements were approved by the Board of Directors on 5 June 2025 and were duly signed on their behalf.

A. R. T. Manzai
Chairman

D. Hoto
Group Chief Executive Officer

The historical cost information has been shown as supplementary information for the benefit of users. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on this historic financial information.

Company Statement of Comprehensive Income

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Notes	INFLATION ADJUSTED-AUDITED 2021 ZWL	2020 ZWL	HISTORICAL COST-UNAUDITED 2021 ZWL	2020 ZWL
INCOME					
Shared service costs recoveries	E	184 179 725	116 874 369	144 854 194	43 315 747
Investment income	I	180 807 650	232 379 915	247 021 600	136 128 664
Share of profit from subsidiaries	L2	2 475 338 585	631 854 811	3 987 899 213	2 875 499 852
Other income	F	32 688 255	41 455 609	25 663 772	19 213 447
Monetary gain/(loss)		(66 125 633)	(46 940 129)	-	-
Total Income		**2 806 888 582**	**975 624 575**	**4 405 438 779**	**3 074 157 710**
EXPENDITURE					
Administration expenses	G	(313 255 729)	(233 139 467)	(273 589 480)	(110 081 709)
Project costs	H1	(4 707 250)	-	(3 105 650)	-
Allowance for expected credit loss		(365 478)	-	(365 478)	-
Finance costs		(2 279 392)	(1 432 304)	(1 695 464)	(648 416)
Total Expenses		**(320 607 849)**	**(234 571 771)**	**(278 756 072)**	**(110 730 125)**
Profit before income tax		**2 486 280 733**	**741 052 804**	**4 126 682 707**	**2 963 427 586**
Income Tax		-	-	-	-
Profit after tax		**2 486 280 733**	**741 052 804**	**4 126 682 707**	**2 963 427 586**
Other comprehensive income					
Share of other comprehensive income of subsidiaries and associates	L3	(168 393 113)	457 213 688	(29 937 141)	501 169 906
Total comprehensive income attributed to shareholders		**2 317 887 620**	**1 198 266 492**	**4 096 745 566**	**3 464 597 492**

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Company Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2021

INFLATION ADJUSTED-AUDITED	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Total
As at 1 January 2020	**44 738 070**	**2 414 340 222**	**55 416 390**	**1 746 980 207**	**4 261 474 889**
Profit for the year	-	-	-	741 052 805	741 052 805
Other comprehensive (loss)/income	-	-	-	457 213 688	457 213 688
Total comprehensive income/(loss)	**-**	**-**	**-**	**1 198 266 493**	**1 198 266 493**
Transactions with shareholders in their capacity as owners:					
Issue of shares:				-	-
Share based payments	-	-	447 894	-	447 894
share options	11 168	1 221 649	(1 232 817)	-	-
Dividend declared and paid	-	-	-	(73 896 028)	(73 896 028)
As at 31 December 2020	**44 749 238**	**2 415 561 871**	**54 631 467**	**2 871 350 672**	**5 386 293 248**
Profit for the period	-	-	-	2 486 280 733	2 486 280 733
Other comprehensive income	-	-	-	(168 393 113)	(168 393 113)
Share options	11 517 728	-	(11 732 548)	214 820	-
Dividend paid	-	-	-	(106 903 288)	(106 903 288)
Issue of shares	64 182 686	-	-	-	64 182 686
As at 31 December 2021	**120 449 652**	**2 415 561 871**	**42 898 919**	**5 082 549 824**	**7 661 460 265**

HISTORICAL COST-UNAUDTED	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Total
As at 1 January 2020	**723 443**	**39 045 426**	**806 326**	**485 572 062**	**526 147 257**
Profit for the year	-	-	-	2 963 427 586	2 963 427 585
Other comprehensive (loss)/income	-	-	-	501 169 906	501 169 906
Total comprehensive income/(loss)	**-**	**-**	**-**	**3 464 597 492**	**3 464 597 492**
Transactions with shareholders in their capacity as owners:					
Issue of shares:	-	-	-	-	-
Share based payments	-	-	135 508	-	135 508
share options	3 393	371 100	(374 493)	-	-
Share based payments	-	-	-	-	-
Dividend declared and paid	-	-	-	(22 499 095)	(22 499 095)
As at 31 December 2020	**726 836**	**39 416 526**	**567 341**	**3 927 670 459**	**3 968 381 162**
Profit for the period	-	-	-	4 126 682 707	4 126 682 707
Other comprehensive income				(29 937 141)	(29 937 141)
Share options	216 469	-	(222 829)	6 360	-
Dividend paid	-	-	-	(86 055 839)	(86 055 839)
Issue of shares	53 935 030	-		-	53 935 030
As at 31 December 2021	**54 878 335**	**39 416 526**	**344 512**	**7 938 366 546**	**8 033 005 919**

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Company Statement of Cash Flows

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	INFLATION ADJUSTED-AUDITED 2021 ZWL	2020 ZWL	HISTORICAL COST-UNAUDITED 2021 ZWL	2020 ZWL
Profit before taxation		**2 486 280 733**	**741 052 804**	**4 126 682 707**	**2 963 427 586**
Non cash items					
Depreciation	G	16 493 558	9 509 419	6 351 173	3 891 788
Finance costs		2 279 392	1 432 304	1 695 464	648 416
Interest received		(1 072 099)	(42 629)	(872 058)	(12 979)
Share of profit of subsidiaries	L2	(2 475 338 585)	(631 854 811)	(3 987 899 213)	(2 875 499 852)
Fair value adjustments on quoted equities	I	(186 793 893)	(181 282 897)	(251 814 000)	(117 731 490)
Exchange gain/(loss)	F	(30 020 798)	(26 993 550)	(23 271 936)	(16 766 180)
Share option scheme administration expense		-	1 239 877	-	173 044
Gain/(loss) on disposal of investments	I	-	(54 048 079)	-	(19 621 805)
Share appreciation rights	G	105 601 409	62 302 501	105 601 409	34 722 803
Dividend received	I	(3 194 768)	(1 217 892)	(2 854 044)	(756 456)
Monetary gain/(loss)		59 376 772	46 940 129	-	-
Operating cash flow before working capital changes		**(26 388 280)**	**(32 962 824)**	**(26 380 499)**	**(27 525 124)**
Working capital changes					
Decrease/(increase) in other receivables		(8 771 466)	(76 459 307)	(42 434 818)	(53 470 304)
Decrease/(Increase) in intercompany receivables		1 589 354	4 999 121	(6 587 223)	(9 723 929)
Increase in consumable stocks		(189 730)	(1 537 085)	53 695	(376 385)
(Decrease)/increase in intercompany payables		(5 630 256)	2 001 916	7 302 218	2 407 095
(Decrease)/increase in other payables		33 478 421	60 858 180	69 708 518	54 579 918
Cash generated/(utilised) from operations		**(5 911 956)**	**(43 100 000)**	**1 661 891**	**(34 108 729)**
Interest paid		(2 279 392)	(1 432 304)	(1 695 464)	(648 416)
Interest received		1 072 099	42 629	872 058	12 979
Share appreciation rights		(49 608 444)	(6 925 996)	(41 687 768)	(3 847 775)
Net cash flows from operating activities		**(56 727 693)**	**(51 415 671)**	**(40 849 282)**	**(38 591 941)**
Investing activities					
Purchase of vehicles and equipment	J	(2 607 712)	(338 583)	(2 083 494)	(78 455)
Recapitalisation of subsidiaries	L1	(184 659 593)	(279 042 724)	(153 819 534)	(127 858 468)
Purchase of quoted securities	M	-	(124 501 674)	-	(68 677 362)
Additions to debt securities at amortised cost	V	(26 551 798)	-	(23 635 213)	-
Additions to investment in associate	T	(5 966 966)	-	(4 143 726)	-
Disposal of investments	M	57 992 121	233 867 655	54 067 198	88 622 279
Proceeds from the sale of property, plant & equipment		1 741 097	-	1 673 727	-
Dividend received		312 599 099	325 010 769	234 018 980	173 820 586
Cash generated/(utilised) from investing activities		**152 546 247**	**154 995 443**	**106 077 940**	**65 828 580**
Financing activities					
Issue of ordinary shares		64 182 686	1 232 838	53 935 030	374 493
Lease repayments		(7 940 828)	(11 424 413)	(6 214 094)	(3 478 387)
Dividend paid		(106 903 288)	(73 896 028)	(86 055 839)	(22 499 095)
Cash (utilised)/generated from financing activities		**(50 661 430)**	**(84 087 603)**	**(38 334 903)**	**(25 602 989)**
Net (decrease)/increase in cash and cash equivalents		**45 157 125**	**19 492 169**	**26 893 755**	**1 633 650**
Movements in cash and cash equivalents					
At beginning of year		86 698 004	34 816 946	11 542 434	4 820 757
Effects of exchange rates and net monetary position		(83 861 148)	(35 725 796)	9 557 793	5 088 027
Net (decrease)/increase for the period		45 157 125	19 492 169	26 893 755	1 633 650
At end of period		**47 993 981**	**18 583 318**	**47 993 981**	**11 542 434**
Disclosed as:					
Investments: Short term		72 475	243 042	72 475	150 958
Bank & Cash Balances		47 921 506	18 340 276	47 921 506	11 391 476
Cash and cash equivalents at the end of the period		**47 993 981**	**18 583 318**	**47 993 981**	**11 542 434**

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Notes to the Company Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2021

A GENERAL INFORMATION

Additional general information has been presented in the Group notes to the financial statements.

B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The company inflation adjusted financial statements have been prepared in accordance with the policies detailed in the notes to the Group Financial Statements in this Annual
Report. All other policies relating to the preparation of the financial statements of First Mutual Holdings, the company, not covered in the Group disclosures are presented below.

C Revenue recognition

Revenue is derived solely from shared service recoveries. The company provides shared services to the subsidiary companies which involve administration, procurement, secretarial, group finance and strategic management services for group companies. The revenue for the services is recognised either at a point in time or over a time depending on the nature of the service rendered to the customer.

The Company recognises revenue when the following conditions have been met;

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the services to be transferred can be identified;
- the payment terms for the services to be transferred can be identified;
- the contract has commercial substance; and
- and it is probable that the consideration to which the Company is entitled to in exchange for the services will be collected.

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds 12 months. The transaction price is there for not adjusted for the effects of a significant financing component.

D COMPANY FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are investment risk, equity price risk, interest rate risk, liquidity risk, currency risk, and credit risk.

D1 Investment risk

The Company's investment risk management system operates through a hierarchy of investment limit approvals. Individual fund managers have authority to trade within certain limits. Investments in excess of the specified limits require the approval of the Group Investment Committee. In addition, the Group Investment Committee makes all decisions regarding property investments and unquoted companies' share transactions.

D2 Equity price risk

Equity price risk is the potential loss arising from changes in the market price of a financial instrument as a result of fluctuations in the market price. A substantial part of the equity portfolio comprises listed counters. Unquoted counters are subjected to periodic financial analysis and review. The Company's equity price risk policy is to manage such risks by setting and monitoring objectives on investments, diversification of portfolios and setting limits on investment in each sector.

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D2 Equity price risk (continued)

INFLATION ADJUSTED +/-10 share price movement	2021 Impact on profit before tax ZWL	2020 Impact on profit before tax ZWL	2021 Impact on equity ZWL	2020 Impact on equity ZWL
Commodity +/-10	1 154 213	819 793	868 892	617 141
Consumer +/-10	18 731	30 466	14 101	22 935
Financial +/-10	2 490 295	3 056 975	1 874 694	2 301 291
Manufacturing +/-10	385 109	165 129	289 910	124 309
Property +/-10	26 131 735	13 757 918	19 671 970	10 356 960
Insurance +/-10	116 327	178 310	87 571	134 232
Telecommunication +/-10	780 734	145 710	587 737	109 691
Other +/-10	-	42 665	-	32 118
Total +/-10	**31 077 144**	**18 196 966**	**23 394 875**	**13 698 678**

D3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to intercompany receivables, staff loans and other receivables.

Risk management

Credit risk is managed on a group basis. The key areas where the Company is exposed to credit risk are:-
- amounts due from debt securities;
- amounts due from loans and receivables; and
- amounts due from cash and balances with banks.

Credit risk arising from other financial assets of the Company, which comprise cash and balances with banks, and held to maturity investments, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Cash and balances with banks and Debt securities at amortised cost

The Company has a policy that establishes counterparty trading limits for each banking institution that it trades with. These counter party limits are reviewed at least semi-annually and submitted to the Investments Committee for approval. In this process the financial results of the banking institutions which are published semi-annually, are reviewed and together with other qualitative factors. The limits worked out are proposed to the Investment Committee for approval.

The Company only trades with and receives service from banking institutions that meet regulatory requirements including minimum regulatory capital.

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D3 Credit risk (continued)

Key considerations in the review of limits and security requirements include:-
- compliance with minimum capital requirements as set by the Reserve Bank of Zimbabwe ("RBZ"),
- RBZ periodic capital adequacy, asset quality, management, earnings, liquidity, and sensitivity ("CAMELS") ratings,
- total shareholder equity,
- total assets,
- ratios such as loan to deposit ratio, cost to income and non-performing loans ("NPLs") to total loans ratio,
- overall profitability and cash generation,
- historical performance and outlook,
- ability of the bank to provide collateral security,
- global credit ratings, with at least a rating of A+.

The approved collateral security instruments are as follows:
- treasury bills and aftrades;
- Zimbabwe Stock Exchange ("ZSE") top ten listed equities;
- bankers acceptances; and
- property bonds for long term placements

Qualitative factors include additional opinion formed through market intelligence on the financial institution, shareholder profile, management and segment of market being served.

The banks are classified into three internal categories as set out below:

Tier 1 Banks - banks that are considered to have well above the regulatory capital, stable and have a proven performance record. No security is required from these counterparties. The counterparty limit for tier 1 Banks is set as 40% (2020: 40%) of the Company total money market investments.
Tier 2 Banks - banks that are assessed to be significantly stable but have lower performance and shareholder ratings than Tier 1 Banks. Security is required for investments with these banks. The counterparty limit for tier 2 Banks is set as 20% (2020: 20%) of Company total money market investments.
Tier 3 Banks - banks that are evaluated as currently not suitable to be classified as a trading counterparty.

The Company holds cash accounts with financial institutions with sound financial and capital cover. The financial institutions holding the cash and cash equivalents of the Company have the following internal credit ratings.

	INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Tier 1	47 921 506	18 340 276	47 921 506	11 391 476
Tier 2	-	-	-	-
Tier 3	-	-	-	-
	47 921 506	**18 340 276**	**47 921 506**	**11 391 476**

(ii) Security
The Company holds no collateral in respect of debt securities at amortised cost.

(iii) Impairment of financial assets
The company has the following types of financial assets that are subject to the expected credit loss model:
- intercompany receivables and;
- debt securities at amortised cost.

Intercompany receivables
The company applies the simplified approach that takes into account forward looking approach to measure expected credit losses. The simplified approach uses a lifetime expected loss allowance for all intercompany receivables. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the intercompanies to settle the receivables.

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D3 Credit risk (continued)

Debt securities at amortised cost
All of the Company's debt investments at amortised cost and at fair value through other comprehensive income ("FVOCI") are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risks. For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

INFLATION ADJUSTED-AUDITED

31 December 2021	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
Expected credit loss rate	1,68%	2,39%			
Gross carrying amount - intercompany receivables	15 744 137	4 247 310			19 991 447
Other receivables	21 203 275	76 417 365			97 620 640
Loss allowance	**101 570**	**263 908**	**-**	**-**	**365 478**

31 December 2020	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
Expected credit loss rate	0%	0%			
Gross carrying amount - intercompany receivables	17 624 722	3 956 079			21 580 801
Other receivables	51 083 796	37 765 377			88 849 174
Loss allowance	**-**	**-**	**-**	**-**	**-**

Movement in loss allowances

	Total 2021	**2020**
As at 1 January	-	-
Increase in loan loss allowance recognised in profit or loss during the year	365 478	-
Receivables written off during the year as uncollectible	-	-
Unused amount reversed	-	-
At 31 December	**365 478**	**-**

HISTORICAL COST-UNAUDITED

31 December 2021	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
Expected credit loss rate	1,68%	2,39%			
Gross carrying amount - intercompany receivables	15 744 137	4 247 310			19 991 447
Other receivables	21 203 275	76 417 365	-		97 620 640
Loss allowance	**101 570**	**263 908**	**-**	**-**	**365 478**

31 December 2020	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
Expected credit loss rate	0%	0%			
Gross carrying amount - intercompany receivables	10 947 032	2 457 192			13 404 224
Other receivables	31 729 066	23 456 756			55 185 822
Loss allowance	**-**	**-**	**-**	**-**	**-**

Movement in loss allowances

	Total 2021	**2020**
As at 1 January	-	-
Increase in loan loss allowance recognised in profit or loss during the year	365 478	-
Receivables written off during the year as uncollectible	-	-
Recovery due to payments	-	-
As at 31 December	**365 478**	**-**

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D3 Credit risk (continued)

Forward Looking – Intercompany Receivables
These forward looking inputs are used in ECL determination.In the current year, the World Bank statistics shows that Real GDP for Zimbabwe is expected to be 5.1% due to the impacts of Covid-19. This has been driven by a decline in productivity across the productive sectors of the economy,as the negative impacts of COVID-19 subside, rain levels remain good, and implementation of policies outlined in the National Development Strategy accelerates. Good vaccination progress is likely to boast tourism, trade, transport, and other sectors that were negatively affected by pandemic disruptions.

The international Monetary Fund (IMF) predicts that inflation will increase to around 92.5% from the December 2020 figure of 60.7%. Continued implementation of disinflation policies and fine-tuning of the foreign exchange auction market are expected to keep average annual inflation at two-digit levels in 2022 and 2023. Annual inflation stood at 50% in August 2021 down from a high of 838% in July 2020 following the introduction of rule-based reserve money management, a foreign exchange auction, and relaxation of de dollarization. However, the widening gap between parallel market and official exchange rates is likely to weigh on price stability. The Company does not expect this to have a negative impact on the receivables' ability to settle their debts.

Impairment stages
The following categories are used when assessing credit quality of intercompany receivables:

Category 1	These are receivables which are up to date with no indication of significant increase in credit risk.
Category 2	These are receivables that have raised a significant increase in credit risk due to poor performance and receivables that are up to 3 months in arrears but adhering to payment plans.
Category 3	These relate to receivables from rerlated companies and staff that are more than 3 months in arrears and are adhering to payment plans as well as some in breach of payment plans.

Impairment Categories	**2 021**				**2 020**			
INFLATION ADJUSTED	**IFRS 9**				**IFRS 9**			
	Category 1	**Category 2**	**Category 3**	**Total**	**Category 1**	**Category 2**	**Category 3**	**Total**
Intercompany receivables	15 744 137	4 247 310	-	19 991 447	17 624 722	3 956 079	-	21 580 801
Total	**15 744 137**	**4 247 310**	**-**	**19 991 447**	**17 624 722**	**3 956 079**	**-**	**21 580 801**
HISTORICAL COST								
Intercompany receivables	15 744 137	4 247 310	-	19 991 447	10 947 032	2 457 192	-	13 404 224
Total	15 744 137	4 247 310	-	19 991 447	10 947 032	2 457 192	-	13 404 224

D4 Interest rate risk
Cash flow interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Company analyses its interest rate exposure on a dynamic basis and various scenarios are simulated.

The Company manages interest rate risk at both Board level (through the Group Investments Committee) and management level through regular reviewing policies that relate to interest rate risk management. Key activities include daily monitoring of costs of funds, monthly analysis of interest rate re-pricing gaps and monthly interest rate simulations.

The Company's exposure to the risk of changes in the market interest rates relates primarily to cash and cash equivalents, including financial instruments earning interest at fixed interest rates.

The Company is not exposed to the risk of changes in market interest rates as a result of the fixed nature of interest rates on its financial instruments thus, no sensitivity analysis has been presented.

D5 Liquidity risk
It is the Company's policy to ensure that cash resources are available at all times to meet commitments as they arise. Cash outflows arise from payment of purchase of investments and other operating commitments. Such outflows are adequately matched by inflows from shared service recoveries. The Company manages liquidity risk related to market through maintaining and monitoring comprehensive cash flow forecasts and budgets that are reviewed to take any changes on the market as they arise.

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D4 Liquidity risk (continued)

The Company also regularly receives dividends from subsidiary companies which ensure the liquidity risk is minimised. The liquidity analysis can be found in Note 4.5 of the Group Notes to the Financial Statements.

The table below analyses the maturity profile of the Company's assets and liabilities based on the remaining period as at the reporting date to the contractual maturity date.

INFLATION ADJUSTED

31 December 2021	Less than 1 month ZWL	1 to 3 months ZWL	Up to 6 months ZWL	less than 1 year ZWL	1 to 3 years ZWL	Total ZWL
Assets						
Financial assets at amortised cost	281 372	562 743	562 743	1 969 601	21 966 567	25 343 026
Equity securities at fair value through profit or loss	25 897 620	51 795 240	77 692 860	155 385 721	-	310 771 441
Other receivables (excluding prepayments)	21 203 275	76 747 843	-	-	-	97 951 118
Related party receivables	15 744 137	4 247 310	-	-	-	19 991 447
Cash and cash equivalents	47 993 981	-	-	-	-	47 993 981
Total assets	**111 120 385**	**133 353 136**	**78 255 603**	**157 355 322**	**21 966 567**	**502 051 013**
Liabilities						
Related party payables	10 043 139	-	-	-	-	10 043 139
Lease liabilities	357 936	715 872	1 073 808	2 147 616	28 745 856	33 041 087
Trade and other payables (excluding statutory liabilities)	21 322 426	715 872	1 073 808	2 147 616	28 745 856	54 005 577
Total liabilities	**31 723 501**	**1 431 744**	**2 147 616**	**4 295 231**	**57 491 711**	**97 089 803**
Liquidity gap	**79 396 884**	**131 921 393**	**76 107 988**	**153 060 091**	**(35 525 144)**	**404 961 210**
Cumulative liquidity gap	**79 396 884**	**211 318 276**	**287 426 264**	**440 486 355**	**404 961 210**	**-**
31 December 2020						
Assets						
Financial assets at amortised cost	-	-	-	-	-	-
Equity securities at fair value through profit or loss	15 164 139	30 328 278	45 492 417	90 984 835		181 969 669
Other receivables (excluding prepayments)	72 068 430	-	-	-	-	72 068 430
Related party receivables	21 580 801	-	-	-	-	21 580 801
Cash and cash equivalents	18 583 318	-	-	-	-	18 583 318
Total assets	**127 396 688**	**30 328 278**	**45 492 417**	**90 984 835**	**-**	**294 202 218**
Liabilities						
Related party payables	17 624 722	3 956 079	-	-	-	21 580 801
Lease liability	225 855	451 710	677 564	1 355 129	2 696 690	5 406 948
Trade and other payables (excluding statutory liabilities)	36 813 144	-	-	-	-	36 813 144
Total liabilities	**54 663 720**	**4 407 789**	**677 564**	**1 355 129**	**2 696 690**	**63 800 892**
Liquidity gap	**72 732 968**	**25 920 489**	**44 814 853**	**89 629 706**	**(2 696 690)**	**230 401 325**
Cumulative liquidity gap	**72 732 968**	**98 653 457**	**143 468 310**	**233 098 015**	**230 401 325**	**-**

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D4 Liquidity risk (continued)

HISTORICAL COST-UNAUDITED

31 December 2021	Less than 1 month ZWL	1 to 3 months ZWL	Up to 6 months ZWL	less than 1 year ZWL	1 to 3 years ZWL	Total ZWL
Assets						
Financial assets at amortised cost	281 372	562 743	562 743	1 969 601	21 966 567	25 343 026
Equity securities at fair value through profit or loss	25 897 620	51 795 240	77 692 860	155 385 721	-	310 771 441
Other receivables (excluding prepayments)	21 203 275	76 747 843	-	-	-	97 951 118
Related party receivables	15 744 137	4 247 310	-	-	-	19 991 447
Cash and cash equivalents	47 993 981	-	-	-	-	47 993 981
Total assets	**111 120 385**	**133 353 136**	**78 255 603**	**157 355 322**	**21 966 567**	**502 051 013**
Liabilities						
Related party payables	10 043 139	-	-	-	-	10 043 139
Lease liabilities	357 936	715 872	1 073 808	2 147 616	28 745 856	33 041 087
Trade and other payables (excluding statutory liabilities)	1 155 516	-	-	-	-	1 155 516
Total liabilities	**11 556 591**	**715 872**	**1 073 808**	**2 147 616**	**28 745 856**	**44 239 742**
Liquidity gap	**99 563 794**	**132 637 265**	**77 181 796**	**155 207 706**	**(6 779 289)**	**457 811 271**
Cumulative liquidity gap	**99 563 794**	**232 201 058**	**309 382 854**	**464 590 560**	**457 811 271**	**-**

31 December 2020	Less than 1 month ZWL	1 to 3 months ZWL	Up to 6 months ZWL	less than 1 year ZWL	1 to 3 years ZWL	Total ZWL
Assets						
Financial assets at amortised cost	-	-	-	-	-	-
Equity securities at fair value through profit or loss	9 418 720	18 837 440	28 256 160	56 512 320	-	113 024 639
Other receivables (excluding prepayments)	44 763 000	-	-	-	-	44 763 000
Related party receivables	13 404 224	-	-	-	-	13 404 224
Cash and cash equivalents	11 542 434	-	-	-	-	11 542 434
Total assets	**79 128 378**	**18 837 440**	**28 256 160**	**56 512 320**	**-**	**182 734 297**
Liabilities						
Related party payables	10 947 032	2 457 192	-	-	-	13 404 224
Lease liability	140 283	280 565	420 848	841 695	1 674 963	3 358 353
Trade and other payables (excluding statutory liabilities)	22 865 307	-	-	-	-	22 865 307
Total liabilities	**33 952 621**	**2 737 757**	**420 848**	**841 695**	**1 674 963**	**39 627 883**
Liquidity gap	**45 175 756**	**16 099 683**	**27 835 312**	**55 670 625**	**(1 674 963)**	**143 106 413**
Cumulative liquidity gap	**45 175 756**	**61 275 439**	**89 110 751**	**144 781 376**	**143 106 413**	**-**

The current year accounting aligns to the Company's strategy in light of observed liquidity constraints which have called for need to dispose of some equity shares to raise funds.

Notes to the Company Financial Statement (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2021

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
E	**Shared service cost recoveries**				
	First Mutual Health	42 865 769	26 879 631	33 713 192	9 962 076
	First Mutual Wealth Management	7 354 509	5 735 270	5 784 195	2 125 595
	First Mutual Life	48 969 508	30 116 269	38 513 678	11 161 632
	First Mutual Properties	27 784 179	16 080 011	21 851 781	5 959 542
	First Mutual Reinsurance	14 248 818	12 151 552	11 206 451	4 503 584
	NicozDiamond Insurance	42 956 942	25 911 636	33 784 897	9 603 319
	Total	**184 179 725**	**116 874 369**	**144 854 194**	**43 315 747**

Included in this note is revenue from contracts with customers. Shared service cost recoveries relate to management fees received from the subsidiaries as listed.The company has contracts with the companies for the provision of shared services as stated under note 3. The performance obligation is performed either upon consumption of the service by the customer, thus at a point in time or over a time depending on the nature of the service.

		INFLATION ADJUSTED-AUDITED 2021 ZWL	2020 ZWL	HISTORICAL COST-UNAUDITED 2021 ZWL	2020 ZWL
F	**Other income**				
	Shared costs recoveries	3 442	518 337	2 668	87 713
	Interest on staff loans	634 273	-	532 658	-
	(Profit)/loss on disposal of Property Plant Equipment	1 741 097	-	1 673 727	-
	Foreign exchange gain	30 020 798	26 993 550	23 271 936	16 766 180
	Other	288 646	13 943 723	182 782	2 359 554
	Total	**32 688 255**	**41 455 609**	**25 663 772**	**19 213 447**
G	**Administration expenses**				
	Staff costs	120 126 173	104 249 332	106 737 182	50 288 808
	Rent & rates	2 289 425	1 166 197	1 545 803	401 421
	Depreciation	16 493 558	9 509 419	6 351 173	3 891 788
	Directors fees	18 379 081	20 998 412	16 503 777	7 905 856
	Computer expenses	1 670 345	824 310	1 127 805	272 701
	Administration travel	45 734	129 346	30 879	48 699
	Insurance	4 296 499	1 260 109	3 098 220	436 778
	Audit fees	4 483 540	7 868 484	4 026 064	2 924 817
	Actuarial fees	-	-	-	-
	Other fees	7 998 609	9 786 216	5 767 825	3 646 839
	Subscriptions	1 899 594	851 613	1 282 592	320 631
	Marketing costs - CRM	-	1 344 816	-	468 670
	Teas and refreshments	1 021 327	735 745	736 483	239 357
	R&M - Motor Vehicles	1 155 732	701 119	833 402	226 320
	R&M - Office Equipment	475 005	65 285	342 528	20 815
	Office consumables	259 245	907 418	175 041	341 641
	Communication	1 268 223	620 371	856 295	195 919
	Investor relations	12 745 456	4 988 742	8 605 637	1 840 601
	Cleaning expenses	1 072 647	294 259	773 490	110 788
	Board expenses	2 707 707	9 440	1 952 537	3 554
	Strategy expenses	1 195 838	93 970	862 323	35 379
	Staff welfare	69 056	9 542	49 797	3 593
	Shared costs recovery	239 987	63 350	173 055	23 851
	Other	412 823	309 676	297 688	151 684
	IMTT tax	4 837 645	89 398	3 984 688	33 658
	Recalibration costs	-	2 040 307	-	768 171
	Rationalisation costs	1 505 498	-	1 131 953	-
	Share appreciation rights	105 601 409	62 302 501	105 601 409	34 722 803
	Covid expenses	1 005 574	2 009 487	741 837	756 567
	Total	**313 255 729**	**233 139 467**	**273 589 480**	**110 081 709**

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
H	**Staff costs**				
	Basic Salaries	59 212 328	27 507 774	52 612 657	11 264 115
	Non-pensionable allowance	10 253 638	6 348 797	9 110 791	2 599 759
	Bonus/Profit share	-	35 911 391	-	22 305 212
	Overtime	774 209	58 666	687 918	24 023
	Housing allowance	249 735	302 677	221 900	123 943
	Transport allowance	47 539	196 483	42 240	80 457
	Canteen allowance	62 175	96 014	55 245	39 317
	Long service award	12 192	-	10 833	-
	Pension	5 878 177	3 229 016	5 223 009	1 322 245
	NSSA	125 285	31 444	111 321	12 876
	Leave Pay	5 313 840	3 193 017	4 721 571	1 307 503
	Staff training	135 559	408 878	120 450	167 431
	Levies	3 495 142	1 439 154	3 105 581	589 317
	Medical aid	3 937 633	138 285	3 498 753	56 626
	Motoring benefit	29 877 473	24 880 207	26 547 398	10 188 157
	Security costs	665 838	187 529	591 625	76 791
	Other	85 409	320 002	75 890	131 037
	Total	**120 126 173**	**104 249 332**	**106 737 182**	**50 288 808**

H1 Project Costs

Projects costs refers to the costs associated with implementation of Enterprise Content Management system. During the year the company incured project costs amounting to ZWL4 707 250 (2020 ZWLnil)

		2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
I	**Net Investment income**				
	Gains on disposal of quoted investments	-	54 048 079	-	19 621 805
	Dividend received	3 194 768	1 217 892	2 854 044	756 456
	Interest received	437 827	42 629	339 400	12 979
	Investment expenses	(9 618 838)	(4 211 582)	(7 985 844)	(1 994 065)
	Fair value gain/(loss) on equities	186 793 893	181 282 897	251 814 000	117 731 490
	Total	**180 807 650**	**232 379 915**	**247 021 600**	**136 128 664**

		Office Equipment	Motor Vehicles	Office Furniture	TOTAL
J	**Property, Pland and equipment**				
	INFLATION ADJUSTED				
	Cost				
	At 1 January 2020	24 462 444	4 716 239	4 161 858	33 340 541
	Additions	286 882	-	51 701	338 583
	Disposals	-	-	-	-
	At 31 December 2020	**24 749 326**	**4 716 239**	**4 213 559**	**33 679 124**
	Additions	2 607 712	-	-	2 607 712
	Disposals	-	(4 716 239)	-	(4 716 239)
	At 31 December 2021	**27 357 038**	**-**	**4 213 559**	**31 570 597**
	Accumulated Depreciation				
	At 1 January 2020	21 367 140	4 716 239	2 697 244	28 780 623
	Charge for the year	114 324	-	11 753	126 077
	Depreciation on disposal	-	-	-	-
	At 31 December 2020	**21 481 464**	**4 716 239**	**2 708 997**	**28 906 700**
	Charge for the year	398 526	-	204 997	603 523
	Depreciation on disposal	-	(4 716 239)	-	(4 716 239)
	At 31 December 2021	**21 879 990**	**-**	**2 913 994**	**24 793 984**
	Net Book Value - 31 December 2020	**3 267 862**	**-**	**1 504 562**	**4 772 424**
	Net Book Value - 31 December 2021	**5 477 048**	**-**	**1 299 565**	**6 776 613**

Notes to the Company Financial Statement (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2021

J	Property, Pland and equipment (continued)	Office Equipment	Motor Vehicles	Office Furniture	TOTAL
	HISTORICAL COST				
	Cost				
	At 1 January 2020	455 128	74 330	66 919	596 377
	Additions	66 475	-	11 980	78 455
	Disposals	-	-	-	-
	At 31 December 2020	**521 603**	**74 330**	**78 899**	**674 832**
	Additions	2 083 494	-	-	2 083 494
	Disposals	-	(74 330)	-	(74 330)
	At 31 December 2021	**2 605 097**	**-**	**78 899**	**2 683 996**
	Accumulated Depreciation				
	At 1 January 2020	346 418	74 330	44 229	464 977
	Charge for the year	37 337	-	3 839	41 176
	Depreciation on disposal	-	-	-	-
	At 31 December 2020	383 755	74 330	48 068	506 153
	Charge for the year	37 950	-	3 839	41 789
	Depreciation on disposal	-	(74 330)	-	(74 330)
	At 31 December 2021	**421 705**	**-**	**51 906**	**473 611**
	Net Book Value - 31 December 2020	**137 848**	**-**	**30 831**	**168 679**
	Net Book Value - 31 December 2021	**2 183 392**	**-**	**26 993**	**2 210 385**

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
	Leases	**2021**	**2020**	**2021**	**2020**
K1	**Right of use asset**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
	As at 1 January	38 165 540	26 217 604	2 808 025	1 029 831
	Remeasurement	36 014 384	21 331 278	26 619 276	5 615 905
	Depreciation	(15 890 035)	(9 383 342)	(6 303 604)	(3 837 710)
	As at 31 December	**58 289 890**	**38 165 540**	**23 123 698**	**2 808 026**
K2	**Lease liability**				
	As at 1 January	5 150 702	7 667 657	3 199 193	1 061 675
	Remeasurement	36 014 384	21 331 278	26 619 277	5 615 905
	Repayments	(7 940 828)	(11 424 413)	(6 214 094)	(3 478 387)
	Exchange gains/loss	6 705 204	-	6 705 204	-
	Monetary loss adjustment	(9 619 883)	(12 423 820)	-	-
	As at 31 December	**30 309 580**	**5 150 701**	**30 309 580**	**3 199 193**
	Of which are :				
	Current lease liabilities	4 295 231	2 710 258	4 295 231	1 683 390
	Non-Current lease liabilties	26 014 349	2 440 443	26 014 349	1 515 803
	As at 31 December	**30 309 580**	**5 150 701**	**30 309 580**	**3 199 193**
L1	**INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**				
	At 1 January	5 135 075 825	4 090 757 478	3 837 073 589	505 609 494
	Capitalisation	184 659 593	279 042 724	153 819 534	127 858 468
	Disposal	-	-	-	-
	Dividend income	(369 485 485)	(323 792 877)	(276 338 737)	(173 064 130)
	Net asset value upliftment/adjustments	2 306 945 472	1 089 068 499	3 957 962 072	3 376 669 758
	Total investment in subsidiaries	**7 257 195 405**	**5 135 075 825**	**7 672 516 458**	**3 837 073 589**
L2	**Share of profit from subsidiaries**				
	NicozDiamond Insurance	190 335 690	(490 510 342)	841 105 388	708 406 467
	First Mutual Life	1 762 541 612	750 413 987	1 906 834 043	1 578 579 425
	First Mutual Reinsurance	357 727 287	4 432 437	346 878 404	156 853 406
	FMRE Property & Casualty Botswana	(336 643 334)	90 763 337	196 522 491	90 664 333
	First Mutual Wealth	(30 916 767)	(29 673 149)	(18 706 419)	(5 216 636)
	First Mutual Health	574 340 083	357 664 372	759 479 005	367 200 484
	Funeral services	-	-	-	-
	First Mutual Microfinance	(42 045 986)	(51 235 830)	(44 213 699)	(20 987 627)
	Total	**2 475 338 585**	**631 854 811**	**3 987 899 213**	**2 875 499 852**

Notes to the Company Financial Statement (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2021

				INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
L	**INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**			**2021 ZWL**	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
L3	**Share of other comprehensive income from subsidiaries**						
	NicozDiamond Insurance			(108 145 972)	370 142 550	(2 762 739)	192 828 539
	FMRE Property & Casualty Botswana			(60 247 141)	87 071 138	(27 174 402)	308 341 367
	Total			**(168 393 113)**	**457 213 688**	**(29 937 141)**	**501 169 906**
		Shareholding percentage					
L4	**INVESTMENT IN SUBSIDIARIES**	**2021**	**2020**				
	First Mutual Life Assurance Company (Private) Limited	100%	100%	4 028 570 083	2 264 993 743	3 711 600 564	1 803 988 531
	First Mutual Health Company (Private) Limited	80%	80%	1 019 093 415	658 733 455	960 998 876	359 718 575
	First Mutual Microfinance	100%	100%	22 725 701	15 505 996	10 409 089	4 439 841
	First Mutual Reinsurance Company Limited	71%	100%	587 450 133	366 576 099	595 114 046	246 716 602
	FMRE Property and Casualty (Proprietary) Limited	71%	100%	502 525 977	755 410 316	576 820 224	469 198 953
	First Mutual Wealth Management	100%	100%	65 141 777	14 846 917	58 562 615	6 479 155
	NicozDiamond Insurance Company Limited	100%	100%	1 031 688 320	1 059 009 299	1 759 011 044	946 531 932
				7 257 195 405	**5 135 075 825**	**7 672 516 458**	**3 837 073 589**

M	**Financial assets at fair value through profit or loss**				
	At 1 January	181 969 669	110 052 753	113 024 639	15 238 066
	Purchases	-	124 501 674	-	68 677 362
	Disposal	(57 992 121)	(233 867 655)	(54 067 198)	(88 622 279)
	Fair value adjustments	186 793 893	181 282 897	251 814 000	117 731 490
		-	-	-	-
	Total	**310 771 441**	**181 969 669**	**310 771 441**	**113 024 639**

The notes to the Group Financial Statements set out information about the impairment of financial assets and the Group's exposure to credit risk.

N	**Other receivables**				
	Staff debtors	20 335 056	17 535 428	20 335 056	10 891 570
	Prepayments	35 000	16 780 744	35 000	10 422 822
	NDIL dividend receivable*	76 417 365	-	76 417 365	-
	Sundry debtors	1 198 697	54 533 002	1 198 697	33 871 430
	Loans to subsidiary	-	-	-	-
	Total	**97 986 118**	**88 849 174**	**97 986 118**	**55 185 822**
	Allowance for expected credit losses	(365 478)	-	(365 478)	-
	Net receivables	**97 620 640**	**88 849 174**	**97 620 640**	**55 185 822**

*This balance represents a dividend receivable from NicozDiamond Insurance, a wholly owned subisidiary of First Mutual Holdings Limited, in the form of investment properties.

O	**Intercompany receivables**				
	First Mutual Wealth	662 681	1 997 514	662 681	1 240 692
	First Mutual Health	1 962 893	4 647 643	1 962 893	2 886 735
	First Mutual Properties	-	-	-	-
	First Mutual Life	8 010 851	6 805 556	8 010 851	4 227 053
	FMRE Property & Casualty Botswana	4 743 732	1 973 118	4 743 732	1 225 539
	First Mutual Reinsurance	4 599 765	2 825 812	4 599 765	1 755 163
	NicozDiamond	-	3 331 157	-	2 069 042
	First Mutual Microfinance	11 526	-	11 526	-
	First Mutual Funeral services	-	-	-	-
	Total	**19 991 447**	**21 580 801**	**19 991 447**	**13 404 224**

Notes to the Company Financial Statement (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2021

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
P	**CASH AND BALANCES WITH BANKS**	**2021 ZWL**	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
	Money market investments with original maturities less than 90 days	72 475	243 042	72 475	150 958
	Cash at bank and on hand	47 921 506	18 340 276	47 921 506	11 391 476
	Cash and balances with banks	**47 993 981**	**18 583 318**	**47 993 981**	**11 542 434**
	Current	47 993 981	18 583 318	47 993 981	11 542 434
	Non current	-	-	-	-
	Cash and balances with banks	**47 993 981**	**18 583 318**	**47 993 981**	**11 542 434**

All cash and balances with banks are classified as current. Cash at bank earns interest at floating rates based on daily bank deposit rates. Money market investments are made of varying periods as between one day and three months depending on the immediate cash requirements and earn interest at the short-term deposit rates.

Q	**Trade and other payables**				
	Payroll deductions	10 304 384	4 726 328	10 304 384	2 935 607
	VAT	1 634 322	2 250 766	1 634 322	1 397 991
	Provision for leave days	6 105 660	35 695 027	6 105 660	22 170 824
	Provision for profit share	10 704 680	3 652	10 704 680	2 268
	IT Security	45 462	73 194	45 462	45 462
	Accounts payables	250 975	404 069	250 975	250 975
	Witholding tax	-	-	-	-
	Sundry creditors	4 215 650	637 203	4 215 650	395 778
	Cash offer	-	-	-	-
	Share appreciation rights	95 840 989	51 833 463	95 840 989	32 194 697
	Total	**129 102 121**	**95 623 700**	**129 102 121**	**59 393 603**
R	**Intercompany payables**				
	First Mutual Wealth	-	-	-	-
	First Mutual Health	-	-	-	-
	First Mutual Properties	8 263 464	4 129 995	8 263 464	2 565 214
	First Mutual Life	-	-	-	-
	FMRE Property & Casualty Botswana	-	-	-	-
	First Mutual Reinsurance	-	-	-	-
	NicozDiamond	1 735 000	-	1 735 000	-
	First Mutual Microfinance	-	19 519	-	12 124
	First Mutual Funeral services	44 675	263 369	44 675	163 583
	Total	**10 043 139**	**4 412 883**	**10 043 139**	**2 740 921**

Notes to the Company Financial Statement (continued)
FOR THE PERIOD ENDED 31 DECEMBER 2021

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		2021	2020	2021	2020
		ZWL	ZWL	ZWL	ZWL
S	**TAX**				
S1	**Analysis of deferred tax**				
	Arising on furniture and equipment	1 027 721	1 133 190	144 259	588
	Arising on prepayments	-	91 031	-	56 541
	Arising on right of use asset	5 716 178	-	5 716 178	-
	Arising on financial assets at fair value through profit or loss	3 107 714	1 819 697	3 107 714	1 130 246
	Arising from assessable losses	(8 696 098)	(2 523 542)	(7 812 636)	(864 160)
	Payables and provisions	(1 155 516)	(520 376)	(1 155 516)	(323 215)
	As at 31 December	-	-	-	-
	Disclosed as:				
	Deferred tax asset	(9 851 614)	(3 043 918)	(8 968 152)	(1 187 375)
	Deferred tax liability	9 851 614	3 043 918	8 968 152	1 187 375
		-	-	-	-

Assessable tax losses

The Company has an inflation adjusted deferred tax asset arising primarily from assessable tax losses amounting to ZWL2 979 920 (2020: ZWL2 523 542). Given the Company's current financial position and the uncertainty of its future performance, the deferred tax asset has been recognised only to the extent of available taxable temporary differences in the financial statements for the year ended 31 December 2021 because the Company may not be able to generate sufficient future taxable profits, against which the assessable tax losses may be utilised.

	Arising during the year ended 31 December 2020	2 523 542	2 523 542	864 160	864 160
	Arising during the year ended 31 December 2021	2 979 920	-	2 096 458	-
S2	**Reconciliation of income tax expense**				
	Profit before income tax	2 345 308 395	707 641 375	4 104 008 151	2 963 427 585
	Standard tax rate 24.72% (2020: 24.72%)	579 760 235	285 337 294	1 014 510 815	856 174 367
	Non-taxable income	(917 815 508)	(310 675 948)	(1 128 158 861)	(868 089 637)
	Non-deductible expenses	124 374 359	(39 134 511)	113 648 046	11 915 270
	Effect of inflation	213 680 914	64 473 165	-	-
	Tax charge for the period	-	-	-	-

T **Investment in associates**

The company holds 13.04% in in Infrastructure Fund Zimbabwe (*Private) Limited which was set up for the construction of a solar project at First Mutual Park. The company is a special purpose vehicle which was intended to generate power for Group companies resident at First Mutual Park. The investment in the SPV was made in March of 2021 and the solar plant is yet to be commissioned and start generating revenues through power provision to the tenants at FM Park.

Reconciliation of the carrying amount				
As at 1 January	-	-	-	-
Additions	5 966 966	-	4 143 726	-
Transfer to subsidiary	-	-	-	-
Share of associates other comprehensive income	-	-	-	-
Share of associates profit/(losses)	-	-	-	-
Impairment allowance	-	-	-	-
As at 31 December	**5 966 966**	-	**4 143 726**	-

U **INVENTORY**

Inventory relates to consumables stock largely made up of office supplies and consumables including office stationery.

Consumables	2 673 509	2 483 781	453 770	507 466
Total	**2 673 509**	**2 483 781**	**453 770**	**507 466**

Notes to the Company Financial Statement (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2021

		INFLATION ADJUSTED-AUDITED		HISTORICAL COST-UNAUDITED	
		2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
V	**Debt securities at amortised cost**				
	As at 1 January	-	-	-	-
	Additions	26 551 798	-	23 635 213	-
	Maturities of investments	-	-	-	-
	Monetary loss adjustment	(2 916 585)	-	-	-
	As at 31 December	**23 635 213**	**-**	**23 635 213**	**-**
	Current	3 376 459		3 376 459	
	Non current	20 258 754		20 258 754	
	Total	**23 635 213**	**-**	**23 635 213**	**-**

These relate to funds advanced by the Holding Company to Microfinance to aid in its day to day operations. Note D3 sets out information about the impairment of financial assets and the company's exposure to credit risk. During the year there were no impairment from assessment.

W Capital reserves

INFLATION ADJUSTED-AUDITED	Share based Payment Reserve ZWL	Revaluation Reserve ZWL	Total ZWL
As at 1 January 2020	**46 879 905**	**8 536 485**	**55 416 390**
Other comprehensive income			
Share based payments	(784 923)	-	(784 923)
As at 31 December 2020	**46 094 982**	**8 536 485**	**54 631 467**
As at 1 January 2021	**46 094 982**	**8 536 485**	**54 631 467**
Other comprehensive income		-	-
Share based payments	(11 732 548)	-	(11 732 548)
As at 31 December 2021	**34 362 434**	**8 536 485**	**42 898 919**

HISTORICAL COST	Share based Payment Reserve ZWL	Revaluation Reserve ZWL	Total ZWL
As at 1 January 2020	**577 460**	**228 866**	**806 326**
Other comprehensive income	-	-	-
Share based payments	(238 985)	-	(238 985)
As at 31 December 2020	**338 475**	**228 866**	**567 341**
As at 1 January 2021	**338 475**	**228 866**	**567 341**
Other comprehensive income	-	-	-
Share based payments	(222 828)		(222 828)
As at 31 December 2021	**115 646**	**228 866**	**344 512**

ANNEXURES

Top 20 Shareholders
as at 31 December 2021

Rank	Account name	Shares	%
1	NATIONAL SOCIAL SECURITY AUTHORITY	479 031 386	65,53
2	QUANTAFRICA WEALTH MANAGEMENT	68 353 870	9,35
3	CAPITAL BANK CORPORATION LIMITED,	51 341 100	7,02
4	PIM NOMINEES (PVT) LTD	25 877 914	3,54
5	STANBIC NOMINEES (PRIVATE) LIMITED	13 146 791	1,80
6	LHG MALTA HOLDINGS LIMITED	4 458 938	0,61
7	ZISCO	4 220 237	0,58
8	ZIMBABWE ASSOCIATION OF CHURCH RELATED HOSPITALS (ZACH) PENSION SCHEME	3 329 940	0,46
9	FIRST MUTUAL LIFE STAFF PENSION SCHEME	2 629 900	0,36
10	MORGAN AND CO MULTI-SECTOR ETF	2 340 000	0,32
11	COLOSSUS INVESTMENTS (PVT) LTD	2 334 566	0,32
12	COLNEST ZIMBABWE PENSION PLAN	1 281 135	0,18
13	AUTUMN GOLD GROUP PENSION PLAN	1 113 163	0,15
14	TFS NOMINEES (PVT)LTD .,	804 964	0,11
15	OLD MUTUAL LIFE ASS CO ZIM LTD	762 206	0,10
16	PRESERVATION FUND	709 189	0,10
17	COMMUNICATION ZIMBABWE GROUP PENSION PLAN (COMMAF)	679 410	0,09
18	ISAMBANE INVESTMENTS (PVT) LTD	516 283	0,07
19	ROOPUN SURENDR	513 900	0,07
20	PUBLIC SERVICE COMMISS PF-ABC	499 200	0,07
	TOTAL	663 944 092	90,83
	OTHER SHAREHOLDERS	67 059 329	9,07
	Total number of shares	**731 003 421**	**100,00**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of First Mutual Holdings Limited ("FMHL" or "the Company") is to be held at First Mutual Park, 100 Liberation Legacy Way, Borrowdale, Harare on **Wednesday, 30 July 2025 at 10h30.**

Following a forensic investigation on First Mutual Life Assurance Company (Private) Limited ("FML") by the Insurance and Pensions Commission ("IPEC"), IPEC issued a Corrective Order which was challenged by FML. While this disagreement was being resolved the Company's external auditors, Ernst & Young Chartered Accountants, were only in a position to issue a disclaimer of opinion for the financial years ended 31 December 2021, 2022, 2023, and 2024 which management disagreed with and therefore opted to publish preliminary unaudited abridged financial statements and obtained approval from the Registrar of Companies to defer the Annual General Meetings (AGMs), for these periods, to allow the resolution process to be completed. The results of the forensic investigation and the Corrective Order subsequently culminated in a settlement agreement between IPEC and FML, which incorporated specific action items. As a result of this resolution, Ernst & Young were able to revise their audit opinion.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements and Reports of the Directors and Auditors for the financial year ended 31 December 2021.
2. To confirm the final dividend of ZWL15.73 cents per share declared on 28 March 2022 and the interim dividend of ZWL4.82 cents per share declared on 17 September 2021 out of the profits of the Company for the year ended 31 December 2021.
3. Election of directors and to approve the Directors' remuneration for the financial year ended 31 December 2021.
4. To confirm the remuneration of the Auditors, Ernst & Young Chartered Accountants (EY), for the 2021 audit.
5. To ratify the re-appointment of Ernst & Young Chartered Accountants (EY) as Auditors of the Company for the ensuing year. (NOTE: EY were appointed in 2019).

NOTES:

i) For shareholders who wish to join virtually, login details will be sent by our transfer secretaries, First Transfer Secretaries (Private) Limited through email to shareholders.

ii) Shareholders are advised to update their contact details with the transfer secretaries on the following contacts: First Transfer Secretaries (Private) Limited 1 Armagh Avenue Eastlea, Harare Telephone: +263 242 782869/7 Email: info@fts-net.com

iii) In terms of the Companies and Other Business Entities Act [Chapter 24:31] a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company.

iv) Proxy forms must be lodged at the registered office of the Company or the transfer secretaries not less than forty-eight hours before the time for holding the meeting.

v) Members may request a copy of the 2021 Annual Report from the registered office of the Company or from the office of the transfer secretaries. The Annual Report is also available for download from the Company's website https://firstmutualholdingsinvestor.com

BY ORDER OF THE BOARD

S. F. Lorimer (Mrs.)
Group Company Secretary
HARARE

5 June 2025

Registered Office

Second Floor
First Mutual Park
100 Borrowdale Road
Borrowdale
HARARE

Corporate Information

REGISTERED OFFICE AND HEAD OFFICE
First Mutual Park
100 Borrowdale Road
Borrowdale
Harare
Zimbabwe

POSTAL ADDRESS
P O Box BW 178 Borrowdale
Harare
Zimbabwe
Telephone: +263(0) 242 886000-17
Email: info@firstmutual.co.zw

IMPORTANT CONTACT DETAILS
Group Company Secretary +263 (0) 242 886047

Group Marketing +263 (0) 242 850325

Group Audit and Risk Management +263 (0) 242 886046

Website www.firstmutual.co.zw

BUSINESS
First Mutual Holdings Limited ("the Company") is incorporated and domiciled in Zimbabwe, and is an investment holding company.

The main business of the Company and its subsidiaries, (together "the Group") is that of provision of life and pensions insurance, health insurance, short-term insurance, reinsurance, property management and development, and wealth management.

INDEPENDENT AUDITOR
Ernst & Young Chartered Accountants (Zimbabwe)
Angwa City
Cnr Julius Nyerere Way, Kwame Nkrumah Avenue
Harare
Zimbabwe

SUSTAINABILITY ADVISORS
Institute for Sustainability Africa (INSAF)
22 Walter Hill Ave
Eastlea
Harare
Zimbabwe

TRANSFER SECRETARIES
First Transfer Secretaries (Private) Limited
1 Armagh Avenue
Eastlea
Harare
Zimbabwe
Telephone: +263 (242) 782869/72, +263 (242) 782869
Email: ftsgen@mercantileholdings.co.zw

STATUTORY ACTUARY
Nico Smit
Independent Actuarial Consultant
7 West Quay Road
V&A Waterfront
Cape Town
South Africa

PRINCIPAL BANKERS
Standard Chartered Bank Zimbabwe Limited
Stanbic Bank Zimbabwe Limited
Barclays Bank of Zimbabwe Limited

PRINCIPAL PROPERTY VALUERS
Knight Frank Zimbabwe (Private) Limited
P O Box 3526
1st Floor Finsure House
Harare
Zimbabwe

PRINCIPAL LEGAL ADVISORS
Atherstone & Cook
Practor House
Josiah Chinamano Avenue
Harare

GRI Content Index

GRI Standard	Disclosure	Page number(s)	Omission: Part Omitted	Omission: Reason	Omission: Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016	Organisational profile				
	102-1 Name of the organisation	Front Page			
	102-2 Activities, brands, products, and services	7			
	102-3 Location of headquarters	199			
	102-4 Location of operations	8			
	102-5 Ownership and legal form	12			
	102-6 Markets served	8			
	102-7 Scale of the organisation	8			
	102-8 Information on employees and other workers	51-53			
	102-9 Supply chain	None			
	102-11 Precautionary Principle or approach	57-59			
	102-12 External initiatives	55			
	102-13 Membership of associations	9			
	102-14 Statement from senior decision-maker	12-18			
	102-16 Values, principles, standards, and norms of behaviour	IFC			
	102-18 Governance structure	29-30			
	102-40 List of stakeholder groups	44			
	102-41 Collective bargaining agreements				
	102-42 Identifying and selecting stakeholders	44			
	102-43 Approach to stakeholder engagement	44			
	102-44 Key topics and concerns raised	45			
	102-45 Entities included in the consolidated financial statements.	123			
	102-46 Defining report content and topic Boundaries	2,46			
	102-47 List of material topics	46			
	102-48 Restatements of information	2			
	102-49 Changes in reporting		There were changes in the list of material topics		
	102-50 Reporting period	2	The reporting period for this report is from 1January 2021 to 31 December 2021.		
	102-51 Date of most recent report	2	31 December 2021		
	102-52 Reporting cycle	2	We report on an annual basis.		
	102-53 Contact point for questions regarding the report	2			
	102-54 Claims of reporting in accordance with the GRI Standards	2	This report has been prepared in accordance with the GRI Standards Core option.		
	102-55 GRI content index	200-202			
	102-56 External assurance	2			
GRI Standard	**Disclosure**	**Page number(s) and/or URL(s)**	**Omission**		
			Part Omitted	**Reason**	**Explanation**
Material Topics					
200 series (Economic topics)					
Economic Performance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46			
	103-2 The management approach and its components	56			
	103-3 Evaluation of the management approach	57			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	71			
	201-3 Defined benefit plan obligations and other retirement plans	54			

GRI Content Index (continued)

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Indirect Economic Impacts					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46			
	103-2 The management approach and its components	55			
	103-3 Evaluation of the management approach	55			
300 series (Environmental topics)					
Energy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46			
	103-2 The management approach and its components	49			
	103-3 Evaluation of the management approach	49			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	49			
	302-2 Energy consumption outside of the organisation	49			
Water					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46			
	103-2 The management approach and its components	50			
	103-3 Evaluation of the management approach	50			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	50			
Emissions					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46			
	103-2 The management approach and its components	None			
	103-3 Evaluation of the management approach	None			
GRI 305 Emissions 2016	305-1 Direct Scope 1 GHG Emissions	50			
	305-2 Energy Indirect (Scope 2) GHG Emissions.	50			
400 series (Social topics)					
Employment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46			
	103-2 The management approach and its components	51-52			
	103-3 Evaluation of the management approach	51-52			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	51-52			
Occupational Health and Safety					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46			
	103-2 The management approach and its components	53			
	103-3 Evaluation of the management approach	54			
GRI 403: Occupational Health and Safety 2018	403-2 Hazard Identification, risk assessment, and incident investigation	53			
	403-9 Work related injuries	54			
Training and Education					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46			
	103-2 The management approach and its components	54			
	103-3 Evaluation of the management approach	54			
Diversity and Equal Opportunity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	29			

PROXY FROM

PROXY FORM

I /We, ____
(full names)

of ____
(full address)

being the registered holder/s of ____ ordinary shares in

FIRST MUTUAL HOLDINGS LIMITED, do hereby appoint:

____
(full names)

of ____
(full address)

as my/our proxy to vote for me/us on my/our behalf at the NINETEENTH ANNUAL GENERAL MEETING of the Company to be held on 30 July 2025 and at any adjournment thereof.

Details of the above resolutions are set out in the Notice of the Annual General Meeting.

Signed this ____ day of ____ 2025

____
SIGNATURE OF SHAREHOLDER

NOTES:

1. In terms of section 171 of the Companies and Other Business Entities Act [Chapter 24:31], a member of the Company is entitled to appoint one or more persons to act in the alternative as his proxy, to attend and vote and speak in his stead. A proxy need not be a shareholder of the Company.
2. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
3. This proxy form must be deposited at the Registered Office of the Company which is situated at Second Floor, First Mutual Park, Borrowdale Road, Harare so as to be received by the Secretary not less than 48 hours before the meeting.
4. The proxy form must be signed and dated for it to be valid. Any alterations or corrections to this form must be initialled.
5. Anyone signing this proxy form in a representative capacity must be authorised to do so. Please stamp this form with your company or organisation's stamp and enclose proof of authorisation.
6. The return of this proxy form will not prevent you from attending the meeting and voting in person. However, should this happen, the proxy will be revoked.

FIRST MUTUAL

HOLDINGS LIMITED

Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

FIRST MUTUAL HOLDINGS LIMITED
First Mutual Park, 100 Borrowdale Road, Borrowdale, Harare, Zimbabwe
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