FIRST MUTUAL

HOLDINGS LIMITED

Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

ANNUAL REPORT

Vision Mission and Values

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 Company listed on the Zimbabwe Stock Exchange ("ZSE") since 2003, presents the annual report for the year ended 31 December 2022. This report integrates both financial and sustainability information to show our commitment to responsible business practices and values.

Reporting Scope

This report contains information for First Mutual Holdings Limited (the "Company") and its subsidiaries (together "the Group"). First Mutual Holdings, 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" refers to First Mutual Holdings Limited and its subsidiaries

Reporting Frameworks

In this report, we were guided by the following requirements:
- The Companies and Other Business Entities Act [Chapter 24:31];
- Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules [SI.134 of 2019];
- International Financial Reporting Standards ("IFRS"); and
- Global Reporting Initiative ("GRI") Standards.

Sustainability Data

The report was compiled using qualitative and quantitative data extracted from company policy documents, records, and from personnel accountable for material issues herein presented. In some cases, estimations were made and confirmed for consistency with business activities.

Assurance

The Financial Statements were audited by Ernst and Young Chartered Accountants (Zimbabwe) in accordance with the International Standards of Auditing (ISAs). The independent auditors' report is found on page 60.

Sustainability information was validated for compliance with the GRI Standards by the Institute for Sustainability Africa (INSAF), an independent subject matter expert. A GRI Content Index is contained on page 185 to 186. The sustainability data provided in this report was not externally assured.

Report Declaration

The Directors take responsibility to confirm that this report has been prepared in accordance with the GRI Standards 'Core' option.
Restatements

First Mutual Holdings Limited did not make any restatement of sustainability data previously published.

Forward Looking Statements

This report may contain forward looking statements which are based on current estimates and projections by First Mutual Holdings Limited. These statements are however not guaranteeing future developments and results as these may be affected by several anticipated and unanticipated risks and uncertainties. Stakeholders are cautioned against placing undue reliance on forward looking statements contained herein. We commit to publicly share any revisions of the forward-looking statements to reflect changes in circumstances and or events after the publication of this report through trading and website updates.

Feedback on the Report

The Group values opinions and feedback from all stakeholders on how we can improve our operations and reporting. We welcome any suggestions and or inquiries you may have. Kindly share your feedback with Sheila Lorimer (Mrs), Group Company Secretary, e-mail: SLorimer@firstmutual.co.zw or DKandwe@firstmutual.co.zw.

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

D. Hoto
(Chief Executive)
5 June 2025

CONTENT

GROUP STRUCTURE

First Mutual Holdings Limited 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 cares enough to go beyond and provide straight forward 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 through our vast business portfolio.

FIRST MUTUAL
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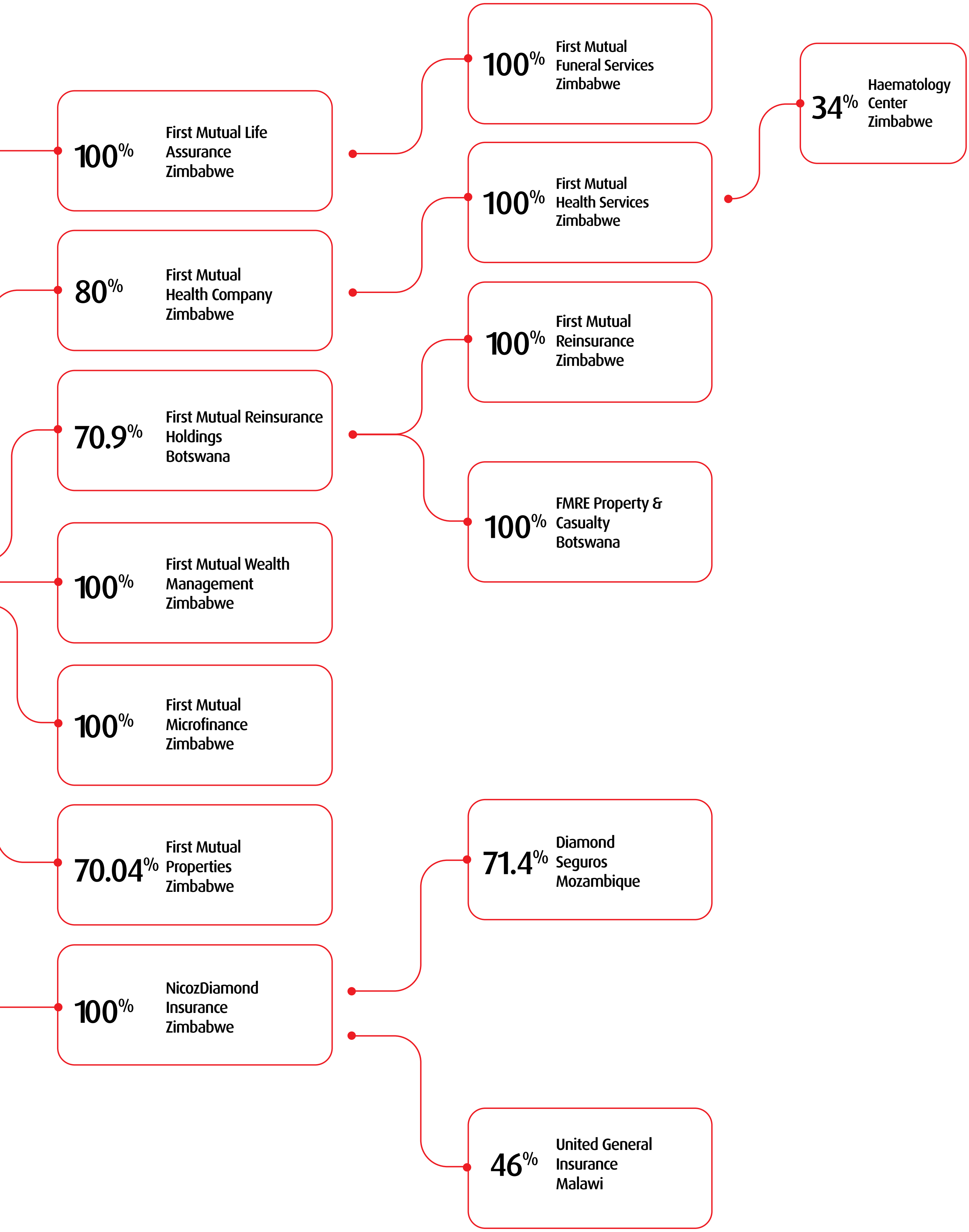
Subsidiaries & Associates


100% First Mutual Life Assurance Zimbabwe
80% First Mutual Health Company Zimbabwe
70.9% First Mutual Reinsurance Holdings Botswana
100% First Mutual Wealth Management Zimbabwe
100% First Mutual Microfinance Zimbabwe
70.04% First Mutual Properties Zimbabwe
100% NicozDiamond Insurance Zimbabwe
100% First Mutual Funeral Services Zimbabwe
100% First Mutual Health Services Zimbabwe
100% First Mutual Reinsurance Zimbabwe
100% FMRE Property & Casualty Botswana
71.4% Diamond Seguros Mozambique
46% United General Insurance Malawi
34% Haematology Center Zimbabwe

Our Products and Services

Product Category	Product Summary	Subsidiary
Life Assurance	• Individual life assurance services • Employee benefits	First Mutual Life Assurance Company
Health Insurance	• Health insurance/Medical Aid • 1st Care wellness • Health services	First Mutual Health
General Insurance	• Personal insurance • Corporate insurance	NicozDiamond Insurance Limited United General Insurance Company Limited Diamond Seguros
Reinsurance	• Property and casualty reinsurance	First Mutual Reinsurance FMRE Property & Casualty Botswana
Wealth Management	• Segregated portfolios • High net worth client portfolios • Unit trusts	First Mutual Wealth
Property Management	• Office parks • Retail • CBD office space • Industrial	First Mutual Properties
Microfinance	• Individual products • SME & Corporate Lending	First Mutual Microfinance
Funeral Services	• Repatriation • Events and Services • Transport • Caskets	First Mutual Funeral Services
Health Services	• Pharmacies • Hospitals and Clinics • Dental services	First Mutual Health Services

Our Operations

	Zimbabwe	Botswana	Mozambique
Employees (count)	576	14	21

611
Employees

47%
Female

Standards and Membership

Standards and Certifications

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

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.

Recognitions and Awards

- Winner for Top Insurance Institution Short Term, Top Companies Survey 2022 Awards.
- 1st Runner Up at the Marketers Association Zimbabwe Superbrand Awards.
- 1st Runner up for the Institute of People Management (IPMZ) Excellence HR Awards.
- 1st Runner up for the Contact Centre Association Zimbabwe Awards.
- 2nd Runner up at the Top Companies Survey 2022 Awards
- Ranked 2nd on the Contact Centre Association customer experience awards based on overall customer experience in the Southern Region

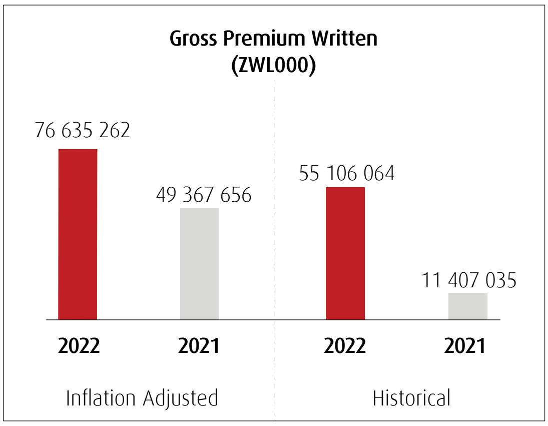
PERFORMANCE REVIEW

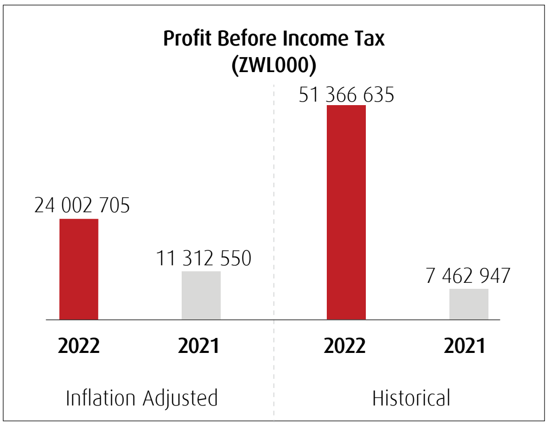
Performance Highlights
Chairman Statement
GCEO Review of Operations

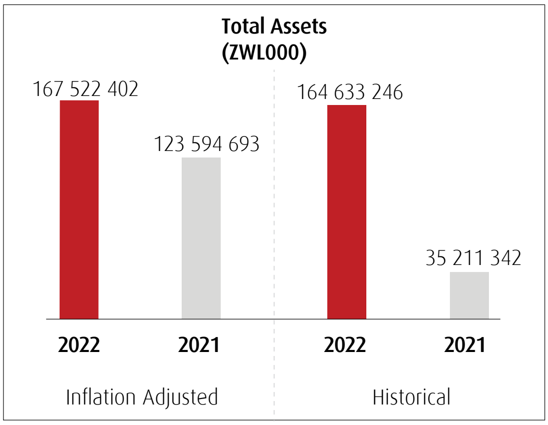
Performance Highlights

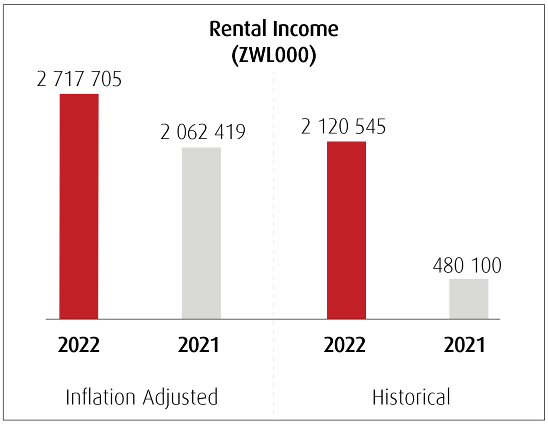
Financial Highlights

	Inflation adjusted - Audited		Historical - Unaudited	
	ZWL000		ZWL000	
	2022	**2021**	**2022**	**2021**
Total Gross Premium Written	76,635,262	49,367,656	55,106,064	11,407,035
Net Premium Earned	59,391,403	37,669,280	39,790,226	8,538,628
Investment Income	(8,722,804)	8,634,069	8,692,297	3,852,705
Rental Income	2,717,705	2,062,419	2,120,545	480,100
Profit before Income Tax	27 951 354	16 326 755	62 943 821	9 542 958
Total Assets	167,522,404	123 594 693	164 633 242	35 211 342
Share Performance				
Basic earnings per share	1 849	1 148	3 575	548
Market price per share (ZWL cents)	2,560	2,000	2,560	2,000





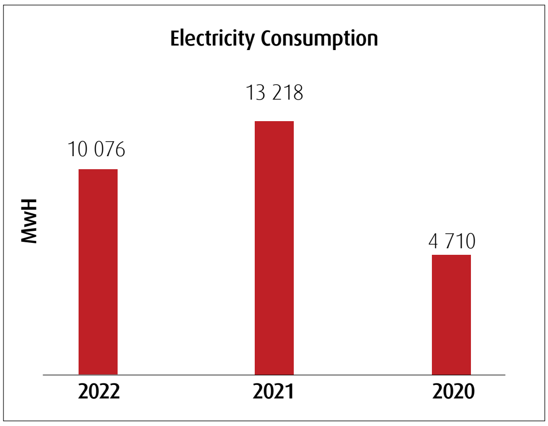


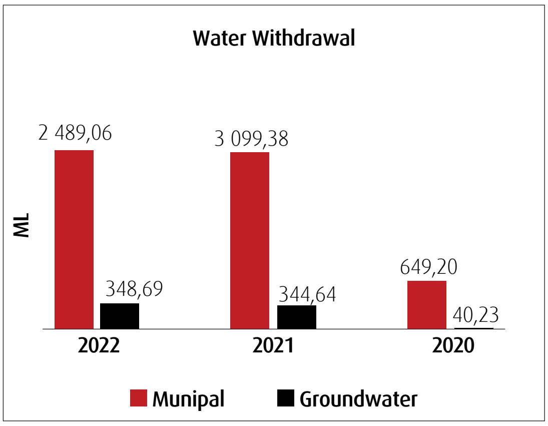


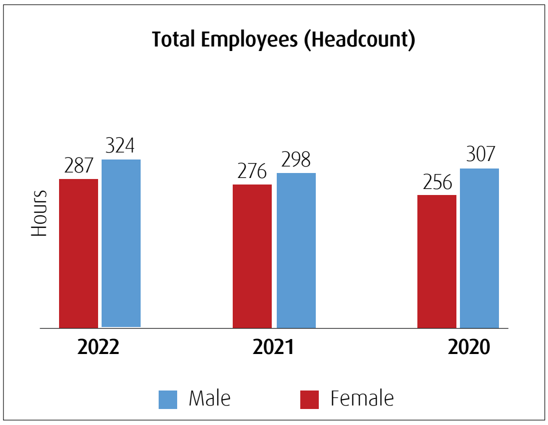
Sustainability Performance

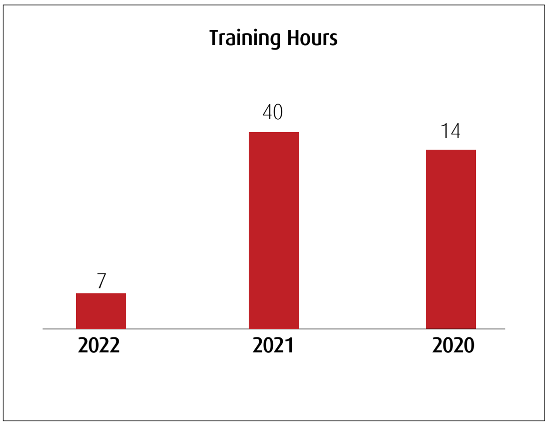
Operation Highlights

	2022	2021	2020
Electricity usage (MWh)	10,076	13,218	4,710
Water Consumption (m3)	2,837.75	3,444.02	689.43
Total Number of employees (headcount)	611	574	563
Average hours of training per employee (hrs)	7	40	14









Chairman Statement

ECONOMIC OVERVIEW

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

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

In an effort to increase confidence in the local currency, the Government implemented a variety of policy measures from 25 June 2022 which were intended to mop up excess local currency liquidity from the market and curb speculative behaviour. These interventions had an adverse effect on the performance of the local listed equities asset classes which had a negative impact on the Group's investment portfolio income in 2022. We will continue to adapt and remodel our investments framework in response to changes in the environment with the objective of creating real long-term value for our stakeholders. During the period a trend emerged of companies moving from the main stock exchange, the Zimbabwe Stock Exchange ("ZSE"), to the Victoria Falls Stock Exchange ("VFEX"). These movements partly reflect the diminished capacity to raise capital on the ZSE and increasing USD dollarisation of the economy. The year-on-year growth in the ZSE was 79.38% which was lower than inflation and depreciation of the local currency against the USD of 523.9%.

FINANCIAL HIGHLIGHTS - INFLATION ADJUSTED

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 consider changes in the purchasing power of the local currency during the year. The inflation adjusted financial results therefore represent the main financial statements with historical cost financials provided as supplementary information. FMHL has continued to apply IAS 29 for the year ended 31 December 2022.

Chairman Statement (continued)

Comprehensive income highlights

	Inflation adjusted - Audited		Historical cost - Unaudited	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
	ZWL000	ZWL000	ZWL000	ZWL000
Gross Premium Written	76,635,262	49,367,656	55,106,064	11,407,035
Net Premium Earned	59,391,403	37,669,280	39,790,226	8,538,628
Rental income	2,717,705	2,062,419	2,120,545	480,100
Net Investment income	(8,722,804)	8,634,069	8,692,297	3,852,705
Net fair value gains on investment property	34,116,870	24,465,239	89,043,619	12,942,135
Profit after tax	23,873,341	10,910,376	50,853,955	7,305,652

Financial position and Cashflow highlights

	Inflation adjusted - Audited		Historical cost - Unaudited	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
	ZWL000	ZWL000	ZWL000	ZWL000
Total assets	167,522,404	123,594,693	164,633,242	35,211,342
Total equity	67,172,122	46,261,892	65,255,583	13,819,458
Insurance and Investment contract liabilities	52,653,656	43,407,292	52,653,656	12,618,398
Cash generated from operations	18,165,808	1,925,368	13,708,622	899,963

Share performance

	Inflation adjusted - Audited		Historical cost - Unaudited	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
Market price per share (cents)	2,560	2,000	2,560	2,000
Basic earnings per share (cents)	1,849	1,147	3,575	547

FINANCIAL PERFORMANCE

Statement of comprehensive income

During the period under review, Gross Premium Written ("GPW"), at $76.6 billion, grew by 55% in inflation adjusted terms and amounted to $55.1 billion in historical cost terms, reflecting a 384% increase. The growth compared to the same period in prior year arose from the revaluation of insurance policy values to match inflation and exchange rate movements to ensure adequate cover for clients. There was also an increase in the proportion of the USD business being written by the Group, which constituted 55% of the total premium written compared to 51% in the prior year.

The rental income grew by 32% to $2.7 billion in inflation adjusted terms and 341% to $2.1billion in historical cost terms compared to the comparative period. The increase compared to the prior year is due to a combination of the migration to USD leases as well as indexing rentals to market exchange rates. The Group incurred an investment loss of $8.7 billion loss which declined by 201% from an investment income position in the prior period in inflation adjusted terms. The decline in inflation adjusted terms was a result of the lower than inflation growth on the ZSE, particularly following the introduction of measures by the government to support the local currency and curb speculative behaviour. These measures included a steep rise in interest rates and a 40% capital gains tax on share sales within 270 days from original purchase date. The Group achieved an overall profit for the period of $23.8 billion which was 112% higher than prior year in an inflation adjusted terms and grew by 588% to $50.8 billion in historical cost terms. The increase in both the inflation adjusted and historical cost terms is mainly attributable to the rise in gross premium income, rental income, fair value gains on investment properties and an increase in foreign exchange gains.

Statement of financial position

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

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

Chairman Statement (continued)

SUSTAINABILITY

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

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

FIRST MUTUAL IN THE COMMUNITY

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

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

OUTLOOK

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

DIRECTORATE

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

DIVIDEND

On 21 March 2023 the Board resolved that final dividend of $280.2 million (which is made up of ZWL146.3 million and USD146,344) be declared from profits of the Company for the year ended 31 December 2022 in addition to the USD109,758 and ZWL73.2 million paid as an interim dividend. The dividend was paid on 19 May 2023 to all shareholders of the company registered at close of business on 12 May 2023.

APPRECIATION

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

A. R. T. Manzai
Chairman
5 June 2025

Group Chief Executive Officer's Review of Operations

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

OPERATIONS REVIEW

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

LIFE AND HEALTH CLUSTER

First Mutual Life Assurance Company (Private) Limited

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

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

First Mutual Health Company (Private) Limited

The business achieved GPW of $30.2 billion which represents a growth of 61% compared to prior year in inflation adjusted terms. In historical cost terms, the GPW amounting to $21.9 billion grew by 404% compared to prior year. The growth in premiums was driven by inflation linked reviews of both ZWL and USD premiums in response to increased medical benefits in order to cushion members from the negative impact of shortfalls driven by price increases effected by medical service providers.

The business generated a profit for the period of $2.1 billion in inflation adjusted terms, which was 24% below prior year. In historical cost terms, the profit was $4.6 billion which was higher than prior year by 380%. The business implemented a framework that aligned members benefits with premiums in early 2022. The negative outturn in real terms in 2022 of the ZSE following Government policy pronouncements meant to contain speculative activity had a significant negative impact on profit for the period in 2022.

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

GENERAL INSURANCE CLUSTER

NicozDiamond Insurance Limited
The business' GPW grew by 51% to $21.1 billion in inflation adjusted terms and by 372% to $15.5 billion in historical cost terms. The growth was largely as a result of an increase in foreign denominated business, organic growth as well as the review of statutory covers in line with movements in exchange rates and premium reviews for specific accounts mainly driven by unfavourable loss ratios.

The business recorded a profit after tax of $1.9 billion, 147% higher than the same period last year in inflation adjusted terms and, in historical cost terms, the profit for the period recorded amounted to $3.3 billion, which was 578% above the prior year amount. The improved performance was mainly driven by a notable growth in net earned premium income which compared favourably to the lower growth on the main expense items, net fair value gains in equities and investment properties in nominal terms.

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

REINSURANCE CLUSTER

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

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

INVESTMENTS CLUSTER

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

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

First Mutual Wealth Management (Private) Limited

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

HUMAN CAPITAL

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

LOOKING AHEAD

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

APPRECIATION

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

D. Hoto
Group Chief Executive Officer
5 June 2025

LEADERSHIP & GOVERNANCE

Directorate
Group Senior Management
Corporate Governance

Governance

Directorate

A. R. T. Manzai
Independent Non-Executive Chairman

Tenure: 5 years
Key Skills: Economics and Finance
Qualifications
BA Hons Economics (Dunelim, UK), CA (Z)
Other Commitments
First Mutual Health Perrenialform Investments Pvt Ltd, Evergid Services Pvt Ltd and Lidle Trading Services (Pvt) Ltd.

Douglas Hoto
Group Chief Executive Officer (Executive)

Key skill: Actuary
Qualifications
Fellow of the Institute of Actuaries (UK & SA)
BSc Hons Mathematics (UZ)
Other Commitments
First Mutual subsidiaries, Rainbow Tourism Group, Trustee – SV Muzenda Scholarship Foundation, University of Zimbabwe Council (Chairman)

William M. Marere
Group Finance Director (Executive)

Key Skills: Accounting and Finance
Qualifications:
B.Compt Hons (UNISA),CA(Z), CA(SA)
Other Commitments
Tasbrew Investments (Pvt) Ltd and Associated Family Owned Companies, BridgeFort Capital Ltd, Dairyhill Investments(Pvt) Ltd

Samuel V. Rushwaya
Independent Non-Executive Director

Tenure: 8.5 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: 7 years
Key Skills: Accounting and Finance
Qualifications
B. Acc (UZ), CA (Z)
Other Commitments
Director Schweppes, Allied Timbers, Standard Chartered bank, First Mutual Properties Limited, Schweppes Zimbabwe Limited, Standard Chartered Bank Limited, Padenga Holdings Limited

Elisha K. Moyo
Independent Non -Executive Director

Tenure: 10.5 years
Key Skills: Law
Qualifications
PhD Candidate (UZ), MBA (UZ), LLB. Hons (UZ)
Other Commitments
NicozDiamond Insurance Limited, First Mutual Properties Limited, Complete Corporate Solutions (Pvt) Ltd, National Biotechnology Authority – Vice Chairman, University of Zimbabwe Council – Councillor.

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
First Mutual Microfinance, Allied Timbers

Gareth Baines
Independent Non -Executive Director

Tenure: 5.5 years
Key Skills: Insurance and Risk Management
Qualifications
MBA (UCT), BSc-Finance (UCT), IRSMA (SA)
Other Commitments
First Mutual Life, One Journey Investments (Pty) Ltd, PARTNER RISK (Pvt) Ltd

Governance (continued)

Directorate

Mathew Mangoma
Non-Independent Non -Executive Director

Tenure: 2 year
Key Skills: Accounting and Finance
Qualifications
ACCA, CIMA, ACIS, HND
Other Commitments
NSSA Woodlands Farm

Agnes Masiiwa
Non-Independent Non -Executive Director

Tenure: 2 years
Key Skills: Law
Qualifications
B.Com, LLB, MBA

Israel Ndlovu
Independent Non -Executive Director

Tenure: 1.5 years
Key Skills: Accounting and Finance
Qualifications
ACCA, CIMA, ACIS, HND
Other Commitments
Director of POSB, Opengates Private Ltd, Zimbabwe Crocodiles (Pvt) Ltd.

Fredson Mabhena
Non-Independent Non -Executive Director

Tenure: 2 years
Key Skills: Law
Qualifications
LLB, LLM, AIISA

Group Senior Management

Douglas Hoto
Group Chief Executive Officer

William M Marere
Group Finance Director

David Nyabadza
Chief Executive Officer, General Insurance

Reuben Java
Chief Executive Officer, Life and Health Insurance

Bongai Muhau
Chief Executive Officer, Reinsurance

Christopher K Manyowa
Managing Director, First Mutual Properties

Sheila Lorimer
Group Company Secretary

Pfungwa Dhliwayo
Group Human Resources Executive

Farayi Mangwende
Group Marketing & Strategy Executive

Williefaston Chibaya
Managing Director, First Mutual Life

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

Joseph Mhlabi
Group Risk Officer

Fanuel Tirihumwe
Group Business Development Manager

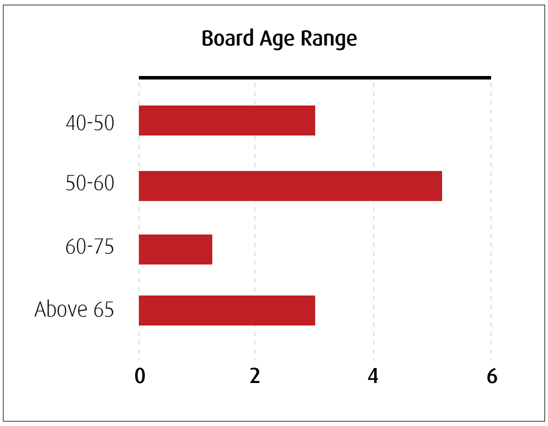
Corporate Governance

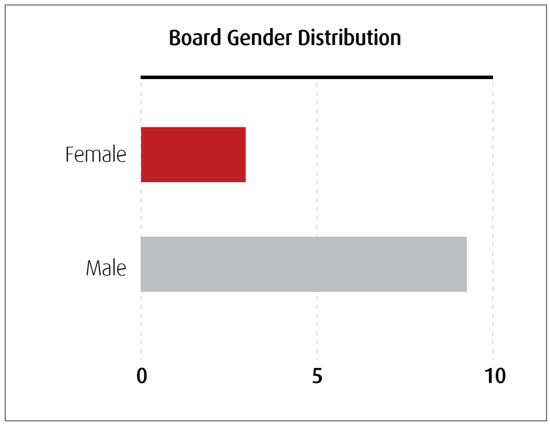
The Group is committed to the best global practices on corporate governance. The directors are mindful of the need to conduct the Group's operations with integrity and in accordance with generally acceptable business practices. The Board and management believe the governance systems and practices in place are appropriate for the Group operations in accordance with the National Code on Corporate Governance Zimbabwe (ZIMCODE). The Group continues to adhere to the Companies and Other Business Entities Act (24:31), SI134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Regulations, and other widely accepted standards of corporate governance.

Board Structure

Board Composition

The Board of Directors is chaired by an independent non-executive director and comprises nine (9) other non-executive and two (2) executive directors. The Board enjoys a strong mix of skills and experience.





Board Responsibility

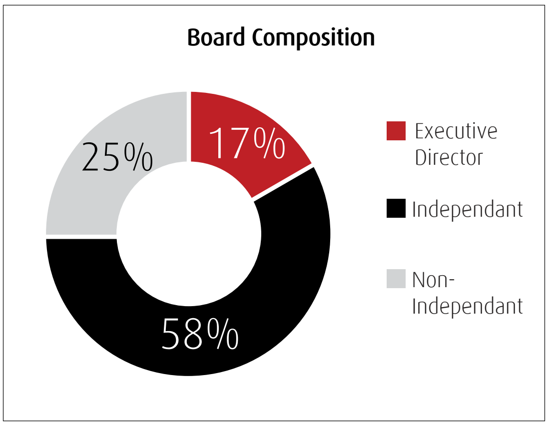
Policies, plans and strategies of the Group are determined and approved by the Board which ensures ethical and professional implementation of the systems. Ensuring integrity of the Group's accounting and financial reporting systems including independent audits is also part of the Board's responsibility. Board meetings, committees, and strategic planning workshops provide board members with channels to manage system controls, risks and opportunities and ensure legal compliance. Directors may, at the Group's expense, seek independent professional advice on complex matters.

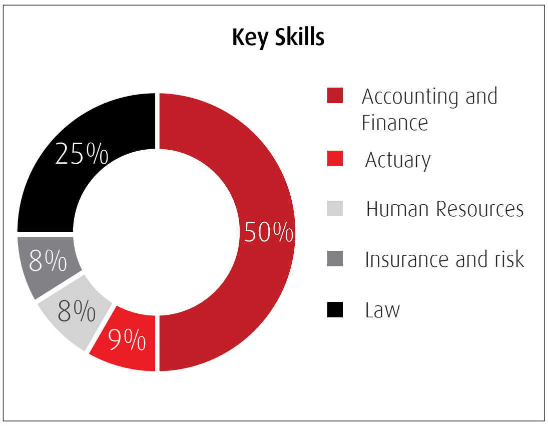
Board Appointments

Executive directors are appointed based on their service contracts performance. Every year, a third of the Directors, as well as Directors appointed to the Board during the year, are required to retire on a rotating basis. Appointments to the Board are made with consideration to skills, expertise, age and gender diversity.

Corporate Governance (continued)

Board Committees





Various committees support the Board in executing its duties and responsibilities. The main Committees hold meetings quarterly to assess performance and advise management on both operational and policy matters.

Each Committee operates in accordance with written terms of reference, under which certain Board tasks are assigned with specified objectives. The Board monitors the effectiveness of controls through reviews by the Audit and Actuarial Committee and an independent assessment by external auditors. The Group periodically evaluates the number of Committees as required by the prevailing legal provisions and environment. Summarised below are the committees and their responsibilities:

Committee	Members	Summary of Roles & Responsibilities
Combined Audit and Actuarial	E.Mkondo (Chairperson) A Makonese N Dube I.P.Z. Ndlovu	The committee enforces financial discipline and sound corporate values within the Group. It is tasked with reviewing and recommending for adoption by the Board the interim and annual financial statements of the Group. Appointments and review of fees for external auditors are also done by this committee. Regarding 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 Holdings Limited, 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 organizational 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	The 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. It 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
Group Risk Committee	G.Baines (Chairperson), E. K. Moyo J Katurura J Mberi	The Committee comprises four (4) Non-Executive Directors of the First Mutual Holdings Limited Group. The Committee reviews the Group's overall risk strategy, current risk exposures, and risk governance. It 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.

Corporate Governance (continued)

Board Meetings
Quarterly, Board meetings are set up to strategise on corporate direction, risk management practices, budgets and business plans. The Board may meet on ad hoc basis to consider issues requiring urgent attention or decisions. The Company Secretary is responsible for maintaining an attendance register of Directors on all scheduled meetings.

Committee Meeting Attendance:

Board Member	Board Attendance	Audit Committee	Human Resource and Remuneration Committee	Investments Committee	Risk Committee
Amos R. T. Manzai	7	-	8	4	-
Elisha K. Moyo	7	-	8	-	4
Douglas Hoto	7	8	8	4	4
William M. Marere	7	8	8	4	4
Samuel V. Rushwaya	7	2	8	-	-
Agnes Masiiwa	7	-	-	4	-
Fredson Mabhena	7	-	-	-	-
Matthew Mangoma	7	-	-	-	-
Memory Mukondomi	7	-	-	4	-
Evlyn Mkondo	7	8	-	-	-
Israel Ndlovu	7	8	-	-	-
Gareth Baines	7	-	-	-	4

Directors' Declaration and Conflict of Interest
The Group operates a "closed period" before the publication of interim and year-end financial results during which executives, non-executive directors, and employees are not permitted to transact in Group shares in accordance with Zimbabwe Stock Exchange listing rules.

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 ownership of First Mutual Holdings Limited shares by Directors and their families is disclosed on Page 33.

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 effects of which might affect the share price.

Executive Directors' Remuneration
With remuneration issues being topical, 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 packages. The remuneration structures at First Mutual Holdings Limited are designed to attract and retain talent at all levels.

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 owns shares in various companies and entities, therefore it has a duty to be a responsible investor. We attend annual general meetings and vote in a way that reflects our responsibility as informed investors and involved business owners. Our voting patterns are guided by the Investment Committee.

Stakeholders' direct communication with the Board
Our Board of Directors and stakeholders interact on a number of different platforms provided by the Group. Annual general meetings, notices to stakeholders, press releases of interim and annual reports, investor briefings, yearly reporting to shareholders, and the use of proxy forms by shareholders are just a few of the channels of communication. We have online platforms where we cascade operational, financial and sustainability information to make it easily accessible to our stakeholders.

Ethical Conduct
It is expected that all employees maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner above board at all times. All employees and subcontracted staff are required to observe the Group's Code of Ethics. An independently managed fraud hotline system is place.

The Group has also adopted a "Fit and Proper" Policy in terms of which directors and persons occupying key positions within the Group are subject to a fit and proper assessment. The fit and proper criteria are determined with regard to the need to set high internal standards of ethics and integrity that promote sound corporate governance and appropriate expertise, educational qualifications and experience, skills and knowledge in respect of the duties that such persons are required to perform.

BUSINESS ETHICS AND COMPLIANCE

Business Ethics and Conduct
Risk Management
Compliance Matters and Declarations
Directors Report
Directors' Statement of Responsibility
Certificate of Compliance by Group Company Secretary

Business Ethics and Conduct

First Mutual Holdings Limited aims to uphold its 'good corporate citizen' status by embedding good business ethics and practices culture into its day to day operations. This serves as a marketing strategy as investors are now moving towards good business conduct as part of their screening criteria. Above investor attraction, good business practices create long term sustainability of the company.

The Group's Risk and Compliance Departments flag out potential non-compliance risks and drafting mitigation measures to manage the risks and prevent recurrence. Depending on the significance of the risks identified, the cases may be escalated to the Financial Intelligence Unit.

Internal training sessions on the code of ethics and company policies are conducted twice a year in addition to a two (2) day induction process for new employees. Compliance reports are prepared on a monthly and quarterly basis to report and track movements in our system. Internal audits are conducted to evaluate the effectiveness of the measures taken and to identify areas for improvement. External audits are also carried out to demonstrate transparency of our processes.

Our strategic objective is to ensure the business attains 100% ethical compliance, with number of litigation cases and dismissals being our performance indicator. To date, we have made 85% progress towards our goal. With ongoing engagements with our stakeholders via the Corporate Communications department we look forward to an even better performance in the coming years.

Anti-corruption
The Group has a zero-tolerance stance on corruption and any other forms of illicit business practices and conduct. Conducting our operations above board at all staff levels is part of our corporate culture as First Mutual Holdings Limited and we nurture this from the employee induction stage.

We carry out regular refresher training sessions on our Code of Ethics to ensure staff are kept aware of their obligations towards this code. Corruption risk is significant in the finance and procurement departments, as such, we focus our training efforts more on these departments. The Group makes use of the Deloitte Tip Off Anonymous platform to acquire intelligence on any actual or potential corrupt activities that may be taking place. Anonymity is essential in protecting the identity of whistle-blowers from any retaliations from those implicated in the reports. For the period under review, we are proud to report that we had zero cases of hearings based on corrupt activities and conduct indicating the effectiveness of our current anticorruption systems.

Risk Management
Our Risk Management is guided by ISO 31000 Risk Management Systems, with reference to other internationally recognised standards such as COSO, and IRM. We have developed risk management procedures which align to the risk management framework and international best practice on risk management processes.

Risk Management Framework
We use a dynamic Risk Management Framework to help attain First Mutual Holdings Limited's risk reduction strategy as championed by our Chief Risk Officer, who superintends over an array of risk policies and reports to the Board as well as our Risk Committee. The Group conducts materiality assessments regularly to identify key ESG issues which may bring about operational risks. We carry out risk identification and assessment processes at regular intervals and when there are any process changes which may introduce new risks.

Our approach recognises that risk management is a process that must be conducted strategically and continually to cover all stages from establishing context, identification, mitigation and communication. We recognise several stakeholders in the risk management process, including risk champions, management, directors and regulators.
Financial Risks

Financial Risks are diverse, including investments risk, credit risk, equity risk, interest risk, liquidity risk, as well as foreign currency risk. We therefore use different approaches depending on the risk identified, but we primarily use guidance from policies and procedures in line with international best practices, as well as regulatory requirements and policies. We also use internal control mechanisms such as the Group Investment Committee and Combined Audit and Actuarial Committee. In addition, we make use of periodic financial analysis and reviews.

Sustainability Risks
Our approach revolves around stakeholder engagement and delivering sustainable services in a responsible manner. ESG issues are integrated into our investment decisions. We apply the risk management process as with all other risks within our risk universe, as dictated by the broad risk management framework

Business Ethics and Conduct (continued)

Significant Risks identified during the reporting period

Risk Category	Risk Description	Risk Mitigation Measures
Capital and Solvency	The potential risk of holding inadequate capital in relation to risks being underwritten and failure to meet the expectations of regulators, rating agencies, investors, and shareholders.	Regular monitoring of actual capital against economic and/or regulatory minimum. Actuarial valuations; and, proactive capital injection.
Strategy Development and Execution	The potential exposure to losses resulting from inadequate strategic planning processes as well as weak strategic implementation and strategic plans which are inadequately monitored.	Monthly operating and financial results review by the Group Executive Committee. Quarterly strategy reviews. Focus on strategy execution risk; Aligned remuneration structure.
Financial Risks	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.	Regular monitoring of financial indicators in line with policy and procedures.
Human Capital risks	Potential risk arising from the Group's inability to attract, retain or properly train qualified individuals.	A compelling employee value proposition commensurate with criticality of skills and performance.
Regulatory and Compliance	These risks relate to adverse changes in legislation and regulations impacting on the Group or the failure to comply with legislation, regulations, laws, rules, prescribed practices, internal policies and procedures or ethical standards which may result in losses, fines, penalties or damage to reputation.	Comprehensive Compliance Risk Management Plan (CRMP) that is executed by a dedicated and independent Compliance function that reports to the Company Secretary and the various Audit Committees.
Technological and Cyber	Potential risk arising from the absence of updated technology/ systems, failure to fully utilize the existing technologies, systems failures, incompatible systems, lack of system integration, poor IT infrastructure and weak system controls, loss resulting from digital incidents caused by internal, external or third parties, including theft, compromised integrity and/or damage to information and/or technology assets, internal and external fraud, and business disruption.	Biannual vulnerability tests carried out by external expert to support internal assessment; a robust defence in depth of the Group's ICT environment using advanced tools; rigorous vendor selection and system implementation practices and discipline; benchmarking against leading practice in comparable businesses.
Credit and Investment	Potential risk arising from the absence of updated technology/ systems, failure to fully utilize the existing technologies, systems failures, incompatible systems, lack of system integration, poor IT infrastructure and weak system controls, loss resulting from digital incidents caused by internal, external or third parties, including theft, compromised integrity and/or damage to information and/or technology assets, internal and external fraud, and business disruption.	Risk-based investment mandate and limits approved by the board investments committee; credit control on receivables guided by a considered ECL targets for each line of business; rigorous programme for recoveries in the insurance business.
Business Concentration	This is any single (direct and/or indirect) exposure or group of exposures with the potential to produce losses large enough to threaten the Group's health or its ability to maintain its core business.	Monitoring against risk-based concentration targets for various business concentration considerations set by SBU.
Fraud Risk	The risk of unexpected financial, material or reputational loss as the result of fraudulent action of persons internal or external to the Group.	Implementation of a broad policy to address financial crimes, including fraud; Robust, readily accessible and independent whistle-blower functionality available to both internal and external parties; Process owner driven focus on outliers and exceptional items;
Business Continuity	Failure of the company to create a system of prevention and recovery from potential threats to a company and the capacity to recover quickly from difficulties.	Business Impact Analysis, test runs and drills, use of Disaster Recovery Plan.

Business Ethics and Conduct (continued)

Statement of Compliance with Laws and Regulations
First Mutual Holding Limited is committed to complying with applicable legal, regulatory and industry standards. 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 effort to comply with, and adhere to the rules of the following:
- Zimbabwe Companies and Other Business Entities Act (24:31.).
- 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 provision 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 2022, the authorised and issued share capital of the Company is as follows:
- Authorised - 1,000,000,000 (2021: 1,000,000,000) ordinary shares with a nominal value of ZWL0.001 each; and
- Issued and fully paid – 731,718,322 (2021: 731,003,421) 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 67 to 181.

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.

Mr Elisha Moyo, Mr Samuel Rushwaya, Mr Fredson Mabhena retire as directors of the Company in terms of the Articles of Association and, being eligible, offer themselves for re-election.

DIRECTORS' REPORT (continued)

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

Dividend
At a meeting held on 21 March 2023, the Board resolved that a final dividend of ZWL280.2 million being 20 cents per share be declared from the profits for the year ended 31 December 2022. The dividend was paid on 19 May 2023 to all shareholders of the company registered at close of business on 12 May 2023. The shares of the Company were traded cum-dividend on the Zimbabwe Stock Exchange up to 9 May 2023 and ex-dividend as from 10 May 2023.

Director's shareholding in the Company as at 31 December 2022

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 60 to 66. 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 auditor, certificate number 02431.

The Directors 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 in line with 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 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 Lorimer

S. F. Lorimer (Mrs)
Group Company Secretary
Harare
5 June 2025

SUSTAINABILITY

Sustainability Strategy
Stakeholder Engagement
Sustainability Materiality Assessment

Sustainability Strategy

As we deliver our products and services, we ensure sustainability is deeply embedded. Our sustainability strategy is guided by the 'Go Beyond' theme to carry out our practices in such a manner that provides benefits beyond our immediate clientele in environmental, social and economic terms. We adopted ISO9001: 2015 Quality Management Systems (QMS) and the GRI Standards for identifying, quantifying, and disclosing our impacts across the Group. Our sustainability strategy emphasizes long-term wealth, customer centricity, staff involvement, and operational efficiency.

Sustainability performance results in increasing revenues, minimising costs and maximising profits and impacting pricing for the products being offered. This consequently improves the levels of incentives for staff in different forms to ensure continuity of excellence.

The levers for sustainability at First Mutual Holdings Limited

Stakeholder Engagement

Our Group operations affect and are affected by different groups and entities. As such, we place a premium on stakeholder engagement. Through our engagement platforms we communicate our decisions and actions transparently to create shared principles and vision, build and maintain trust.

Stakeholder Profiling
First Mutual Holdings Limited identifies people and groups who are significantly impacted by the Group's products and services and assess the current and future degree of impact. This enables us to prioritize which stakeholders to engage first.

Key stakeholder groups
Stakeholders are viewed as strategic business partners by the Group, who provide insight into potential business risks and opportunities. The stakeholders are categorised as follows:

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

For financial year ended 31 December 2022, our stakeholders highlighted the following issues:

Stakeholder	Key issues raised	FMHL response to Issues	Engagement Method	Frequency of Engagement
Employees/ Staff	• Inflation affecting remuneration. • Employee welfare.	• Align salaries to 75% of the 2016 recruitment levels.	• Staff briefing Circular, and GCEO's Brief.	• Quarterly, • Half year, • Full Year, and • Ad hoc.
Customers	• Accessibility of services.	• Convenience of transacting business on digital platforms.	• Emails, • Website, • Newsletters, and • Notices.	• Monthly.
Suppliers	• Inflation affecting pricing. • High products specifications that are not available within the Zimbabwean market.	• Advance payments and invoicing after delivery. • Adjustments to specifications.	• Supplier meetings, • Supplier visits, and • Emails.	• Monthly, and • Ad hoc.
Shareholders and Potential Investors	• Consistent dividend payments. • Level of dividend pay-out. • Increasing market presence.	• Declaration of semi-annual and annual dividends. • Improving the matrices used to consider prior year profits, and investment income. • Organic growth and capital raise from third parties.	• Quarterly trading updates. • Annual Report. • AGM. • Analyst briefing. • Shareholder road shows for annual reports . • Cautionary statements.	• Quarterly, • Semi-annually, • Annually, and • Ad hoc.
Government & Regulators	• Raising capital. • Solvency and capital requirements for insurance subsidiaries. • Settlement of foreign operations. • Asset split for the life assurance company.	• Obtain all regulatory approvals. • Regular capital assessments. • Awareness on balance sheet structure. • Regular engagement with bankers and creditors on settlement. • Engagement with the regulators and co-operation.	• Applications to regulators. • Lobbying through industry boards. • Weekly follow-ups on foreign payments. • Face to face meetings.	• Ad hoc. • Weekly, Monthly. Quarterly, and Annually.
Credit Rating Agencies	Foreign currency remittance delays.	• Extensive follow-ups with the banks to track progress.	Online engagements meetings.	• Bi-annually.
Local Communities	• More sponsorship and funding for local communities.	• First Mutual Marathon Corporate Social Responsibility activities.	• Emails. • Newsletters. • Notices.	• Annually.

Sustainability Materiality Assessment

Conducting a sustainability materiality assessment is a significant process that allows the business to understand material issues of interest and significance to the company and our stakeholders. The assessments identify environmental, social, economic and governance issues material to the business functions as guided by GRI Standards. Measures to appropriately manage each material topic are then drafted and implemented.

Materiality process

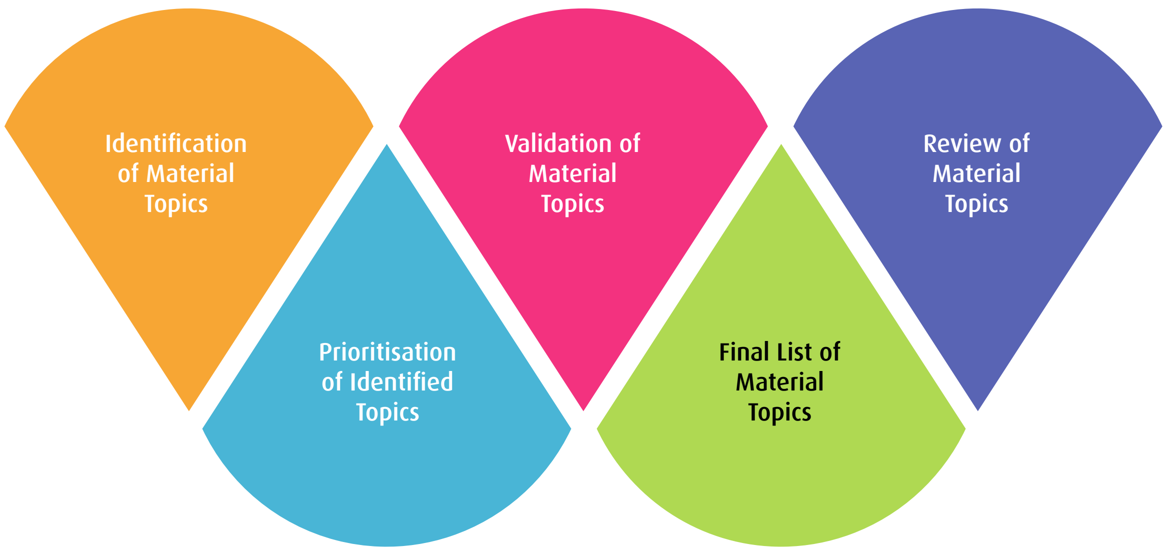
Material issues often represent key issues in the insurance, financial services and real estate sector where our business activities are concentrated. The materiality process for the year was conducted as follows:

1. **Identification**
    - Review of prior year materiality topics.
    - Materiality Survey.
    - Benchmarking with companies operating in the same industry as First Mutual Holdings Limited.

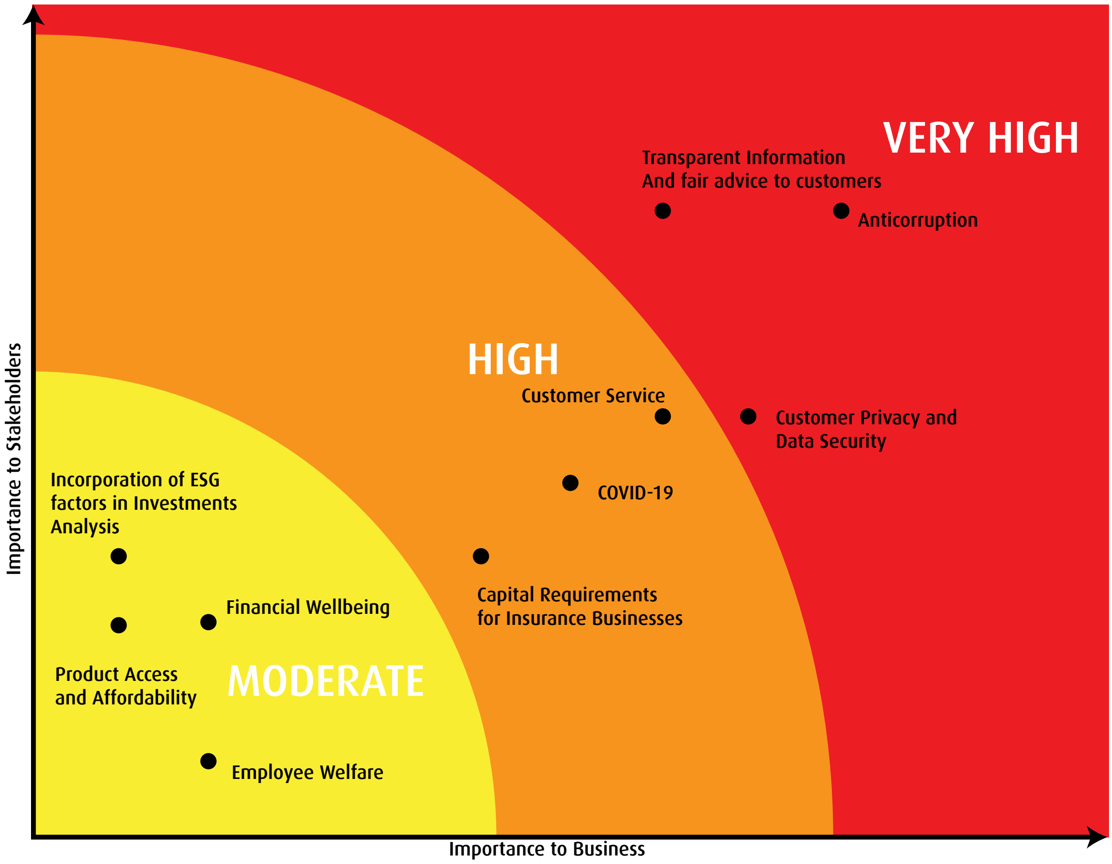
2. **Prioritisation-** ranking of topics by senior management based on importance and interest to the business and its stakeholders.
3. **Validation-** confirming topics for consistency with business operations, the business environment and stakeholder expectations by senior executives.

4. **Approval –** final confirmation of topics for reporting by management

Senior management ranks the identified topics based on their importance to the business and stakeholders. These topics are then validated for consistency with business activities.



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, anticorruption, and transparency and fair advice to customers were the most significant issues for the business and our stakeholders.

DELIVERING SUSTAINABLE FINANCIAL SERVICES

Product Accessibility and Affordability
Customer Service
Responsible investments
Cybersecurity and Data Privacy

Delivering Sustainable Services

It is our mandate and promise to customers and clients to always develop and deliver sustainable finance services by guaranteeing accessibility, customer care, responsible marketing, incorporating ESG issues in our investment strategies, and protecting client data. Our marketing team constantly engage our target markets to inform product changes so as to guarantee consistent client satisfaction.

Product Accessibility and Affordability

We employ various market survey strategies to gain intelligence on dynamic market needs, buying power, product accessibility, and economic stability. Results from these surveys form the basis for our market adaptation strategies to ensure we have the right products and services to meet market needs. Our pricing policies are aligned to industry guidelines and regulations and we introduced different product packages to give clients freedom to choose products which suit their budgets. The business has invested in technologies to allow clients to access our customer services departments through online and social platforms so as to eliminate inconvenience and cost of travel to our offices for minor transactions. Through our engagement platforms, we have received positive feedback on our products' accessibility and affordability.

Customer Service

Excellent client service plays a significant role in driving our business by strengthening clients' confidence and loyalty. We provided training to employees on how to deliver superior client service and the importance of treating consumers with integrity and respect was emphasized as a non-negotiable aspect of business conduct. In this regard, Group companies have adopted policies on Treating Customers' Fairly. We drive customer convenience through innovative use of technology and broad distribution channels. Our goal is to exceed the 70% mark on the customer satisfaction index while maintaining the best possible level of client satisfaction. Quality evaluations and customer surveys conducted during the reporting period, provided us with relevant data on how to efficiently serve our customers.

Responsible Marketing

Guided by the Code of Ethics and Conduct, our marketing practices aim to present our products and services to different clients and allow them to make decisions freely without any forms of abuse or exploitation. We rely on good customer service as a marketing strategy as our services benefit from word of mouth promotions. All marketing and communication information is evaluated before publishing to eliminate risk of misinformation or misrepresentation of promotion material so that we can gain client trust and loyalty.

Integrating ESG in investments

The Group has embedded sustainability aspects in our departmental key performance indexes (KPIs) to make sustainability a part of everyday operations instead of a standalone strategy. We take consideration of economic, environmental, social and governance issues in our operations and particularly financial and investment processes.

Internally our sustainability integration has provided for the following:
- Including solar energy in infrastructure and property (real estate) investments.
- Financing of the Executive and Senior management development program which seeks to integrate sustainability issues within all business operations.
- Re-introduction of the TOPP program which seeks to train and develop Chartered Accountants internally to ensure inclusion of sustainability in the curriculum.
- Collaborating with ICT in introducing the Enterprise Content Management (ECM) system projects which are expected to go a long way in eliminating paper-based transactions and records.

Some of our investments have been as follows:

Investment in Real Estate and infrastructure

The Group's Real estate and infrastructure investments have a strong renewable energy aspect in their designs that is, use of solar energy for lighting and water heating and architectural designs that enhance the natural light and air circulation. The Group has completed a 0.15MW Carport solar power project to reduce the use of diesel generators at company offices. Our main goal is to roll out the solar project across all buildings that are owned by the Group.

Property developments supported by the Group have had Environment Impact Assessments done.

Investment in agriculture

Horticulture typically employs a majority of women due to the nature of the jobs required. This has resulted in improvement in community standard of living as women tend to be more home builders. Operating companies invest in social infrastructure like schools and clinics as part of social welfare program. Typically, the schools also tend to have a feeding scheme that ensures that children will have at least a meal a day. This helps the young generation to have more opportunities beyond being a farm labourer as well as reduce drug abuse.

The Group targets investment in export agriculture opportunities which are typically governed by strict standard on sustainable supply chain. The standards include, but are not limited to, GLOBAL G.A.P., British Retail Consortium Global Standards (BRCGS), and International Crocodile Farmers Association (ICFA) which seeks to ensure responsible farming practices through the following key topics:

- Food safety.
- Environmental sustainability and biodiversity.
- Workers' health, safety, and welfare.
- Animal health and welfare.
- Legal, management, and traceability.
- Production processes.
- Integrated crop management (ICM) and integrated pest control (IPC).
- Quality management system (QMS) and Hazard Analysis and Critical Control Points (HACCP).

Apart from accessing profitable markets these practices also improve farm management, efficiency of farm operations and protect environmental resources. We have the Ethical Trade Initiative which ensures decent working and living conditions for the farm employees.

The Group's investment strategy prioritised renewable energy businesses and Rural Development Council (RDC) projects that promote rural economies and livelihoods. 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 as input to the national grid.

Cyber Security and Data Privacy

With digitalisation moving at a fast pace we have joined other major businesses in moving our processes to digital platforms. This allows for faster and more efficient data processing. Digital systems are however, vulnerable and require much security as security lapses may have significant consequences to the company and to our clients whose data may be compromised.

Our ICT department is responsible for the successful operation of our data security systems and regularly conducts risk assessments, penetration tests, internal and external vulnerability assessments as a way of monitoring performance our digital security systems. Our goal is to achieve a 95% system uptime and through engagement with senior leadership, adequate resources have been allocated to successfully run the cybersecurity programme.

RESPONSIBLE OPERATIONS

Energy
Water
Waste

Responsible Operations

The Group is committed to identifying and managing environmental impacts from our operations. Impacts may arise from our use of water, energy and waste generated. The Group subscribes to various environmental standards, policies and procedures that minimise negative environmental impacts in our business value chain.

Energy

Energy is critical across our operations which requires us to be proactive and systematic in monitoring, controlling, and optimisation of energy consumption to reduce energy bills to a sustainable level. The Group was able to secure green funding from investors due to the adoption of clean and renewable energy sources. We use fuels such as petrol and diesel for our transportation and grid electricity is mainly used for our office processes. However due to unreliable electricity supply, diesel generators have become a more reliable substitute. In all forms, energy usage comes with costs and environmental impacts, it is therefore imperative that we promote energy use efficiency to save costs and to protect the environment.

Management approach

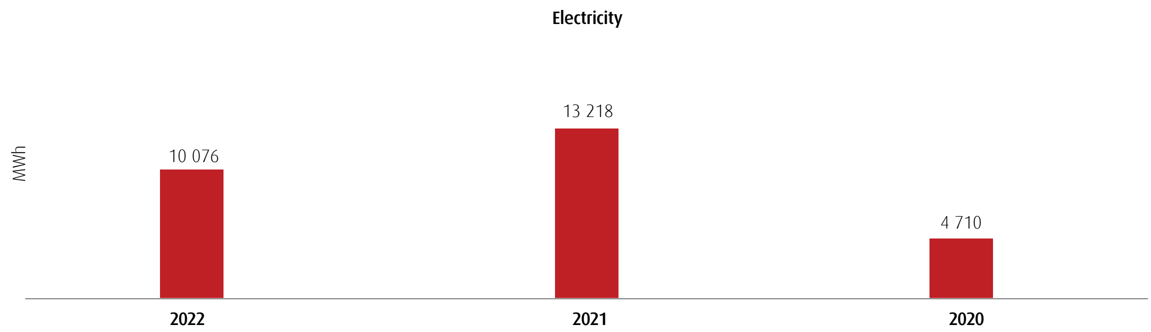
The Group had set a target to reduce energy consumption by 50% through different strategies. The Group introduced energy saving LED lighting and eco-friendly appliances in all properties and solar geysers for all new properties being developed. Our buildings are constructed in such a way that allow for natural heating and cooling so as to reduce costs associated with indoor air conditioning. We have a solar plant at the First Mutual Park to reduce reliance on fossil-based grid and generator electricity thereby reducing costs while improving our carbon footprint. Regular inspections and service checks are conducted on the plant to enable smooth changeover which ultimately leads to longer lifespan of the system. We encourage carpooling to reduce number of motor trips by staff to reduce fuel consumption.

The Group conducts monthly inspections to evaluate the effectiveness of our going green initiatives and to identify opportunities for improvement. We are pleased to report that we achieved 75% of our objectives for the year through enforced adherence to our energy management strategies. Efficient energy use is a cost reduction strategy which cascades to our clients who will also benefit from reduced costs.

Our energy consumption trends are presented below:

Electricity

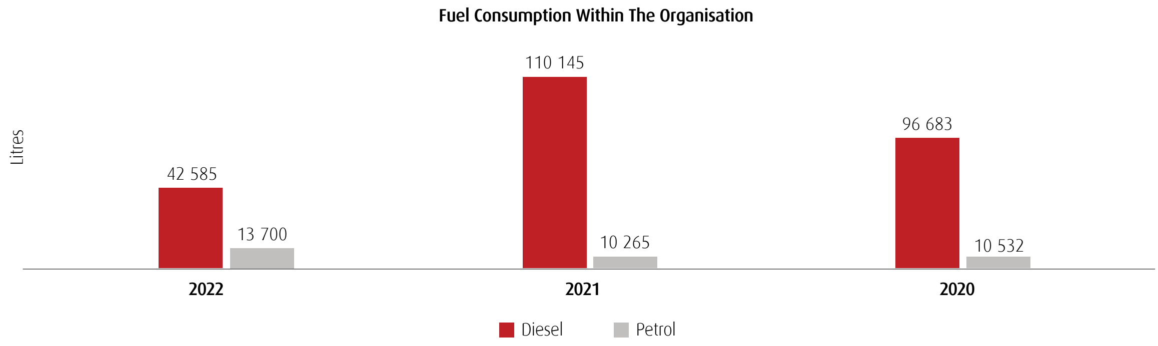
Energy type	Unit	2022	2021	2020
Electricity	MWh	10,076	13,218	4,710



There was an 11% reduction in grid electricity consumption mostly attributed to the use of our solar systems.

Bio-Liquid Fuels Consumption

Fuel type	Unit	2022	2021	2020
Diesel	Litres	42,585	110,145	96,683
Petrol	Litres	13,700	10,265	10,532
Total	**Litres**	**56,285**	**120,410**	**107,215**



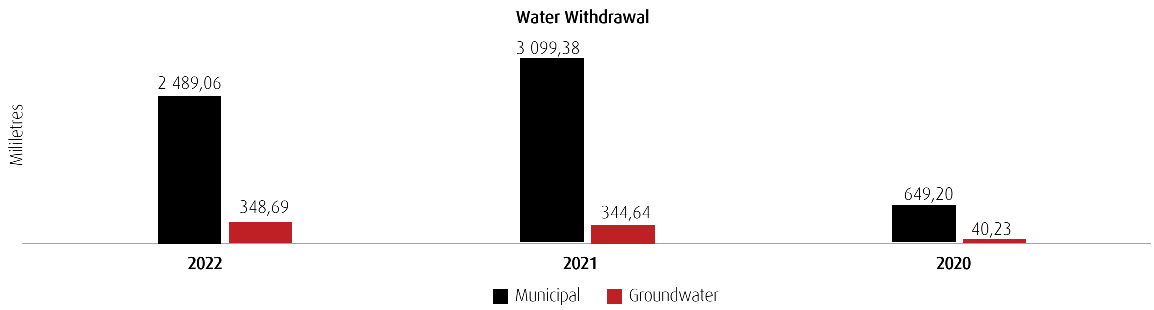
The 61% decrease in diesel consumption from 2021 to 2022 was attributed to ceasing the transportation of employees to their residential areas. The noted increase in 2022 petrol consumption from prior year was as a result of new fleet of petrol vehicles and the travels to the newly opened branches in Gweru and Bulawayo by the First Mutual Health Company.

Water

Water is a critical component of our garden maintenance processes and also important for staff health and wellness. It is however, a finite resource, coupled with erratic municipal supply it needs to be managed efficiently. We have several strategies to ensure water conservation and efficiency throughout our different operations.

As a business, we have invested in boreholes to ensure more reliable water supply and have developed processes to track water usage. During the year, our consumption was as follows:

Source	Unit	2022	2021	2020
Municipal	(ML)	2,489.06	3,099.38	649.20
Borehole	(ML)	348.69	344.64	40.23
Total water consumption	**(ML)**	**2,837.75**	**3,444.02**	**689.43**



In FY2022, we replaced dilapidated pipes which were causing underground leakages at our buildings thereby reducing municipality water consumption by 25%.

Waste

Our office and outdoor operations generate different streams of waste, all which require specific management in terms of temporary storage, transportation, recycling where applicable and final disposal. Waste management is important for environmental cleanliness and for ensuring good ambience around our offices and properties.

Management approach

The company has invested in colour coded bins at waste collection and pick up stations to allow for waste segregation and ease of handling of the recyclable wastes such as plastics. Our main waste streams are paper, plastic and food wastes which are handled separately. Non-recyclable wastes are collected by the municipal waste collection service department at regular intervals, where there may be cases of late collection we engage third party waste collectors to ensure our premises are always kept clean.

Responsible Operations (continued)

We have personnel appointed to manage premise cleanliness and regular performance evaluations are conducted and improvements made where required. Our goal is to reduce waste where possible and to adequately manage the inevitable wastes produced. We have two waste segregation sites at the Arundel and First Mutual Park which reinforces waste management practice.

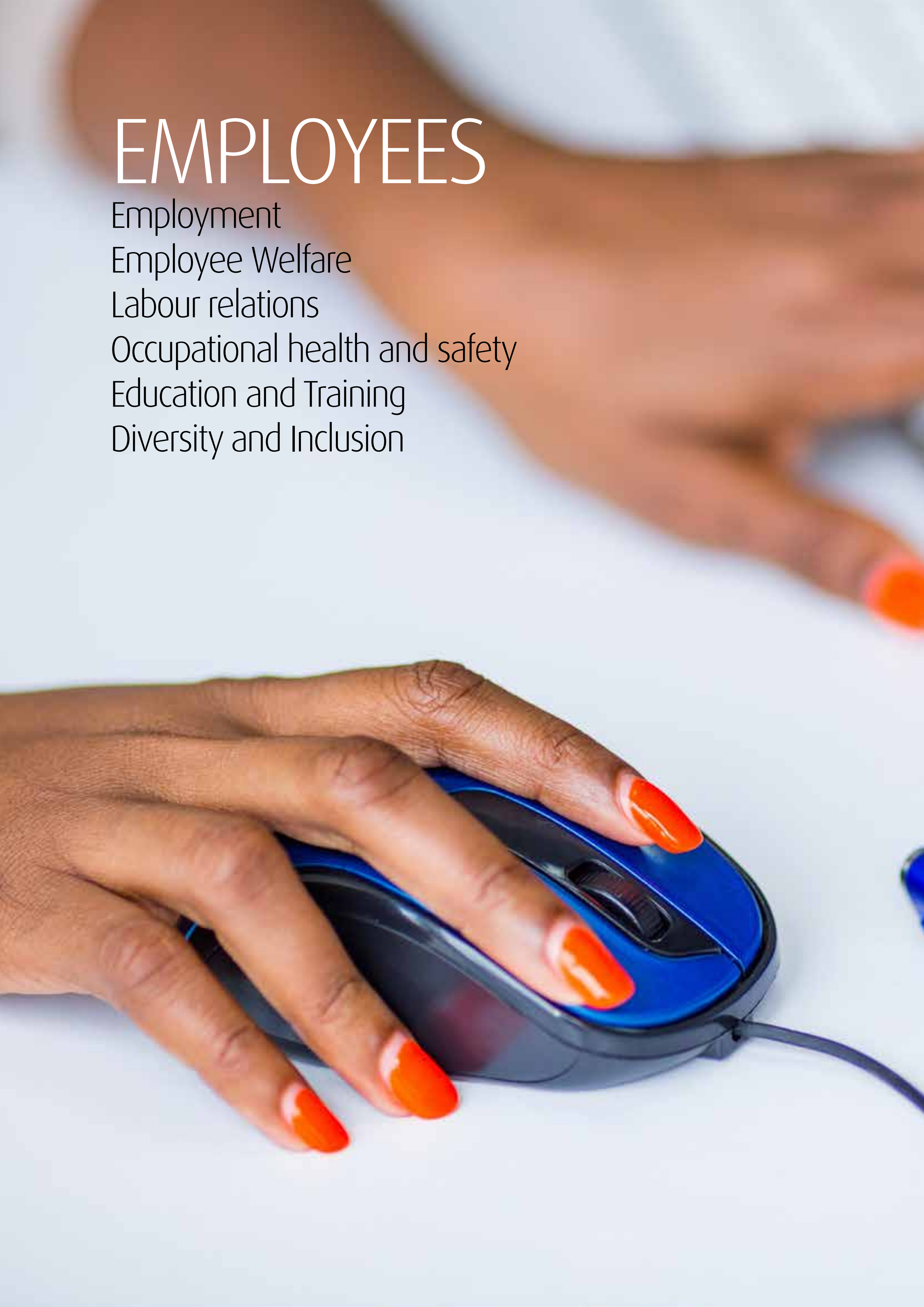
Waste Generated	Unit	2022	2021	2020
Solid waste	Tons	240	336	1,416

During the year, waste generated was as follows:

Waste data was estimated using the number of municipal collections and the volume of the waste bins. Efforts are underway to provide facilities for weighing wastes.

EMPLOYEES

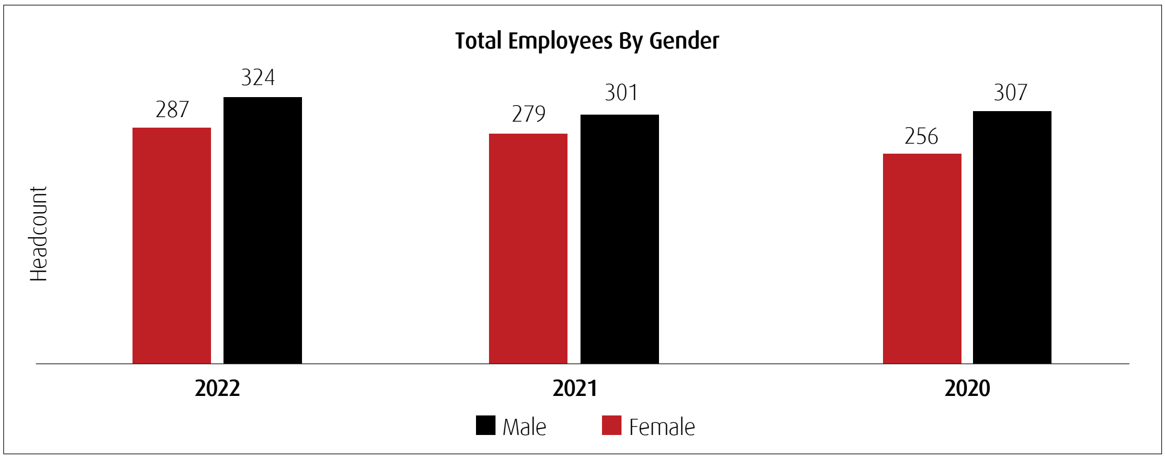
Employment
Employee Welfare
Labour relations
Occupational health and safety
Education and Training
Diversity and Inclusion



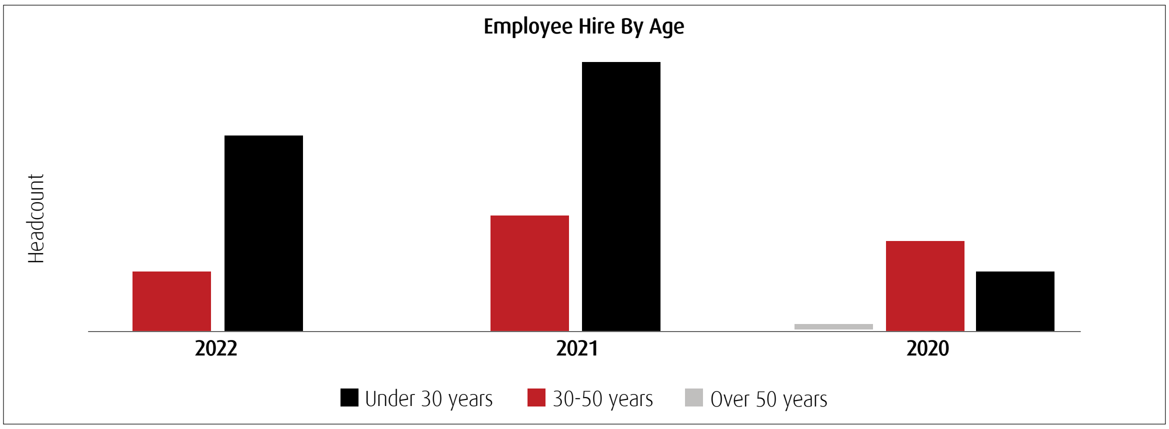
Employees

Employment

Employees are our most valued resource and they are the driving force behind our service and product delivery and the overall success of the company. We have procedures that guide good recruitment and retention practices to ensure we have the best candidates for all jobs which directly improves business performance.



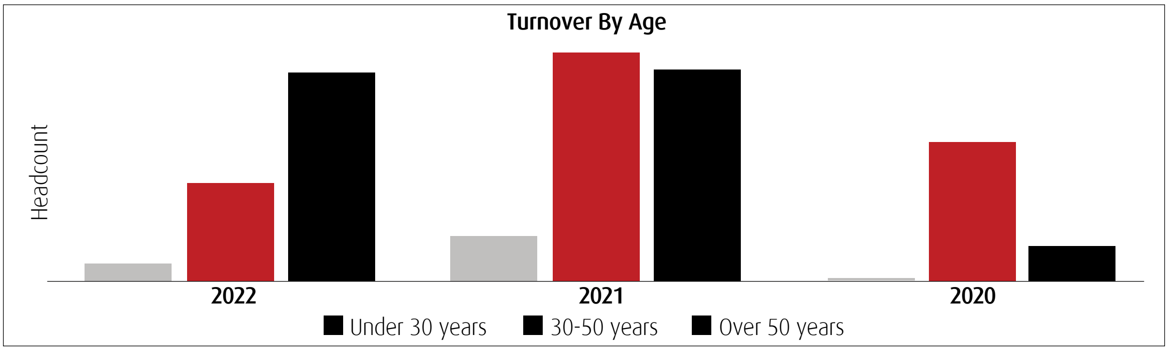
Gender	2022	2021	2020
Male	324	301	307
Female	287	279	256
Total	**611**	**580**	**563**



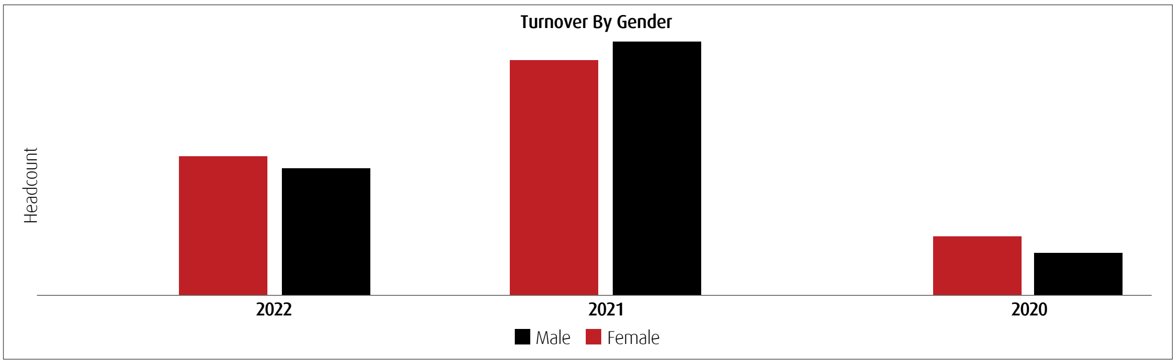
Employee Hire by Age Group	2022	2021	2020
Under 30years old	135	148	30
30-50 years old	24	62	47
Over 50 years old	-	3	3
Total Employees	**159**	**213**	**80**

Employees (continued)

Employee Hire by Gender	2022	2021	2020
Male	80	107	41
Female	79	106	39
Total Employees	**159**	**213**	**80**



Employee Turnover by Age Group	2022	2021	2020
Under 30years old	86	87	21
30-50 years old	37	90	49
Over 50 years old	5	19	-
Total Employees	**128**	**196**	**70**



Employee Turnover by Gender	2022	2021	2020
Male	58	103	34
Female	70	93	36
Total Employees	**128**	**196**	**70**

Employees (continued)

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

The Group annually engages employees to assess level of wellness in different aspects such as emotional, rational wellbeing. Through these assessments, we receive feedback on issues affecting staff members and use the feedback as input into our human capital strategies for the following year.

Our Goals

- Health - maintain a healthy 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.

Remuneration

Our remuneration policies are guided by industry collective bargaining agreements. During the year, a large proportion of our employees were covered by these agreements. Worker representative committees continue to perform liaison duties between management and the rest of the employees.

Defined Pension Contributions

The Group ensures that all employees remit their pension contributions to NSSA as part of their salary and wages deductions. For the year our contributions were as follows:

Pension	2022	2021	2020
Contributions (ZWL)	291,709,790	64,905,091	15,958,658

Labour Relations

Upholding good labour relations is core to the human capital management of First Mutual Holdings Limited. Our consultative practices with employees and their representatives, including our approach to communicating significant operational changes remains fundamental. We support good labour practices which allows us to retain valued staff by fostering a conducive working environment.

Employees are the driving force behind all our success. As such, it is important that we provide our employee with platforms to express their views and opinions concerning their working conditions and the business. Our Employees and Grievance Committee play the liaison role between employees and management under guidance of our code of conduct which is aligned to the Labour Act [Chapter 28:01]. The Committee is responsible for tracking progress on commitments and agreements between employees and management.

Our goal is to always be transparent and provide a safe working environment to keep labour related grievances to minimal. We are pleased to report that during the reporting period, we experienced no material labour related cases. The few minor cases experienced were handled internally by our Human Resources Department and the Committee. Our aim is to continue improve our labour relations practices to sustain our goal of zero labour cases.

Occupational Health and Safety

Safeguarding employee wellbeing and safety is an important value for First Mutual Holdings Limited. While most of our operations are office based, we take necessary measures to make the workplace as free from all forms of harm as possible to boost employee morale and overall performance. We have several policies that prioritise employee wellbeing at the workplace.

Occupational Health Services

The Group conducts entry medical examinations at recruitment stage and twice a year for the routine medical check-ups as a proactive approach to manage any potential illnesses. We conduct regular staff wellness campaigns to encourage healthy living for employees and their families. We have an internal clinic and subscribe to a medical aid facility for employees.

Promotion of employee health

We procure ergonomic friendly office furniture to minimise office health risks of our employees. As a Group, we invested in breakfast and lunch catering services to provide employees with balanced diet and nourishment while at work. Our premises have different safety awareness signage at appropriate locations such as exit signs, fire signs and restricted area signage. We conduct health and safety training activities through the year.

Employees (continued)

Occupational Risk Management
Fire is one of our main risks as we use a significant number of electrical equipment, electronic devices and paper. As such, we invested in firefighting equipment placed at strategic locations in case of fire emergency. First aid equipment is also available at our emergency points. Mock evacuation drills are conducted at scheduled intervals to improve staff emergency preparedness.

Occupational Health and Safety Performance
Safety and health reports serve as a means to evaluate the strategies we have on creating a safe working environment as our vision is to have zero cases of harm to staff and any contracted personnel working within our premises. During the reporting period, we did not experience any recordable cases of safety or health incidences. We remain committed to continuous improvement of our safety systems.

Training and Education
Staff development is critical to our success as a business. Investing in staff development improves job efficiency, satisfaction and therefore reduces overall staff turnover. An empowered workforce gives the company a competitive advantage in providing quality customer services, while addressing any skills and knowledge gaps in our business.

Management approach
The Group has a Learning and Development policy which guides how staff development programs are planned and budgeted for. Annually, we set budget allocations for staff training programmes and for the Study Loan Assistance Program facility to assist employees pursue their professional qualification programs. Staff trainings are planned on the annual training calendar based on training needs analysis assessments conducted by the end of each year. Ad hoc trainings are also conducted as per arising need. Internal training programs are either facilitated by qualified internal or external trainers depending on training objectives and our internal capacity. Trainings are either held online or at workshop venues.

Our goal is to provide appropriate training and developmental programs to improve employees' skills, broaden their experience and enhance their future career development opportunities. According to our learning policy, each employee is required to enrol for at least three courses per calendar year. With advancement in technology, the Company is currently implementing programs to digitalise the workplace and enhance the use of Microsoft Office 365 applications and improve productivity. 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.

During the year, we deployed an Employee Engagement Survey that informed the company's 2023 Employee Engagement Strategy. Audits are conducted at intervals during the year to ensure all training and education objectives are met and improvements made for the next year.

Training hours

Average hours of training per employee	2022	2021	2020
Male	6	18	13
Female	7	41	14

Diversity and Inclusion
As First Mutual Holdings Limited, diversity and inclusivity remain core to our recruitment and staff development practices. We provide our staff with equitable opportunities for career advancement and promotion. The Group benefits from improved general performance due to healthy and competitive employees.

The Group set internal targets for achieving gender equity and age balance at all staff levels including the Board. Our human resources department is responsible for managing our diversity inclusion processes as they carry out recruitment, staff movements and promotions. We provide disability-friendly parking, restroom facilities, access ramps, and elevators to aid the disabled with access to all our offices.

We acknowledge improvement gaps within our inclusivity processes as such we have set the following targets:

- To have more women at the managerial and executive levels by 2026
- To incorporate more young people (>40) at the managerial and executive levels by 2026
- To engage more people living with disabilities within our staff complement
- To have a balance in terms of races at recruitment and board appointment stage

The Group conducts monthly and quarterly evaluation of human resources management to assess the effectiveness of our inclusivity procedures.

CLIMATE CHANGE AND BIODIVERSITY

Climate Change
Emissions
Biodivesity

Climate Change

Recent unpredictable weather patterns have defined climate change as a global phenomenon requiring joint management efforts from all. At First Mutual Holdings Limited, climate change is one of our material topics and we have invested in processes to identify and effectively manage any direct and indirect climate related impacts which our operations may have.

Management approach

Operational utilities such as electricity and fuel are key in our operations, they, however, contribute to greenhouse gas emissions and must be adequately managed to ensure efficiency in their use and thus reducing their carbon footprint. The company installed a solar system at First Mutual Park thus reducing the need for generators which use fuel in times of power cuts.

Collective efforts from our energy management team have helped us to achieve our greenhouse gas reduction objectives through different policies and processes. Internal audits are conducted to evaluate our performance towards our commitments to reduce climate change impacts. We will continue to review our procedures to ensure they reflect best practices towards environmental stewardship.

Greenhouse Gas Emissions

The Group 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 Limited. 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	2022	2021	2020
Diesel (Kg CO2e litres)	91,558	276,721	242,900
Petrol (Kg CO2e Litres)	41,785	22,516	23,102
Total Scope 1 Emissions (Kg CO2e)	**133,343**	**299,237**	**266,002**

Scope 2: Indirect Emissions

These are emissions from the consumption of energy generated and supplied by a third party in which First Mutual Holdings Limited 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	2022	2021	2020
Electricity (Kg CO2e MwH)	3,542	4,646	4,833

Biodiversity

Biodiversity entails maintaining an ecological balance by preserving natural eco-systems in different locations. While our operations have minimal direct impacts on ecosystems, our offices in Borrowdale and Mt Pleasant Business Park are adjacent to areas identified as high biodiversity or wetlands. In this regard, this requires us to be responsible for ensuring our properties are managed in such a way that they do not contribute to negative effects on birdlife, trees, and the natural environment.

Further, we conduct assessments on our suppliers, service providers and potential clients to evaluate whether their business activities are associated with interaction with biodiversity. In this regard, we offer relevant support our stakeholders.

INVESTING IN COMMUNITY AND ECONOMIC DEVELOPMENT

Corporate Social Responsibility
Sustainable Development Goals
Economic Value Generation and distribution
Payments to Government

Corporate Social Responsibility

First Mutual Holdings Limited seeks to give back to communities in which its clients and employees are based as they are pivotal to the success or failures of the business. It is therefore part of our Company values to contribute to the betterment of societies through various corporate social responsibility activities which we at times carry out in partnership with other companies.

Through the First Mutual Foundation, we strive to bridge the growing gap between underprivileged families who have financial challenges and are unable to fund tuition and other education related costs for their children. The foundation provides bursaries and ancillary assistance to pupils with different vulnerabilities. During the year, the Foundation supported access to education for a total of 84 beneficiaries in 2 primary schools, 23 secondary schools and 2 university institutions. As an addition to the foundation, we established the First Mutual Scholarship Fund with Africa University, which provides financial assistance to six students per academic year.

First Mutual Health donated maternity hospital bags to 175 disadvantaged expectant mothers with essential items in preparation for delivery. All donations are adequately received and receipted to promote transparency and accountability. For long term partnerships, memoranda of understanding are drafted and effected.

Our educational interventions have greatly benefited the receiving communities as we have noted improvements in the beneficiary school's attendance, transition, and completion of studies to university level and we take pride in positively impacting children's lives. The health donations have also been greatly appreciated by communities and we aim to continue providing a helping hand where possible.

During the year, our CSR activities were as follows:

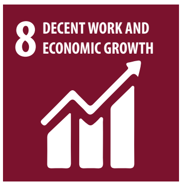
Category	Purpose	Support Provided	Beneficiaries	Value	
				USD	**ZWL**
Education	Humanitarian support.	School fees and ancillary support.	First Mutual Foundation	45,000	
			Africa University.	30,000	
Health	Humanitarian support.	First Mutual Health Maternity Hospital Bags with preparation items for expecting mothers (incl baby blankets, pampers, baby clothes)	Tariro Clinic, Rutsanana Clinic, Edith Opperman Clinic.		9,800,000
Public Infrastructure	Cycle track along Borrowdale Road.	Community.	Cycle track along Borrowdale Road.	3,450	
			Total	**78,450**	**9,800,000**

Sustainable Development Goals

The UN supported Sustainable Development Goals (SDGs) presents an opportunity to contribute to sustainable development.

The business has identified 4 Sustainable Development Goals (SDG) it believes it can significantly contribute to. The Goals are SDG 4 on Quality Education, SDG 8 on Decent Work and Economic Growth, and SGG9 on Industry, Innovation and Infrastructure, and SDG 11 on Sustainable Communities.

Our SDGs Contributions are as follows:

Sustainable Development Goals	SDG Target	Business Actions	Impact
	Target 1.2	The Group donated ZWL9,8 million worth of maternity hospital bags to less privileged mothers.	Contribution to poverty reduction.
	Target 4.3	First Mutual Holdings Limited contributed USD75,000 towards education through the First Mutual Foundation scholarship and education support as well as The Africa University scholarship.	Contribution to equal education support.
	Target 8.1; 8.3; and 8.8	The Company supports decent work and creates employment opportunities within the company and the supply chain and have 611 employees. First Mutual Holdings Limited contributed ZWL 1,672,643,453 in taxes and ZWL291,709,790 in pension contribution for employees.	Contributed taxes for economic development and employee welfare post-employment.
	Target 9.4	First Mutual Holdings Limited ensures its properties are sustainable, with adoption of clean and environmentally technologies.	Contributing to eco-friendly, ecological and green buildings.
	Target 11.2	The Company contributed US$3,450 in the construction of the Borrowdale cycle track road.	Contributing access to safe transport system children.

Sustainable Development Goals (continued)

Economic value generated and distributed
First Mutual Holdings Limited generates significant economic value through our products and services for a wide range of stakeholders. We pride ourselves in the valuable contributions we make to the communities within which we operate. Our management approach to economic value generation and distribution is guided by the annual business strategy, budgets, and priorities adopted for the year. The business remains committed to driving growth while improving performance innovation, service excellence, relevant products and capacitating our access channels to stakeholders.

Our Sustainable Wealth Pillars are as follows:

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

Payments to Government
The Group makes payments to government through taxes. As such, we remain committed to tax compliance by making timeous and correct tax remittances to the government in all our transactions. Payments are made to government through corporate taxes, and employment taxes on remuneration. Tax is a significant revenue generator for the government to carry out its mandates for the civil service and the general public through supporting national infrastructure, service delivery and economic development.

Approach to tax management
Tax compliance is managed by our finance and audit departments who ensure regular tax compliance reviews and engagement with tax authorities in the countries we operate. Our strategy is to invest in allowable tax deductions which in turn reduce our tax liability and enforce compliance with tax laws.

Stakeholder engagements on tax
We engage with tax authorities to keep the business up to date with tax developments in our operating environments. Tax consultant services are engaged to update our systems in relation to tax regulatory changes. Training and awareness sessions on tax management are conducted regularly. We conduct 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 in ZWL were as follows:

Payment		2022	2021	2020
		ZWL	ZWL	ZWL
Corporate Tax		12,089,867	30,488,074	19,817,228
Net Value Added Tax		351,222,652	18,031,000	11,743,863
Other Taxes	PAYE	1,183,642,756	355,869,054	111,274,923
	Withholding tax	32,243,179	2,161,707	30,569,254
	Aids Levy	35,505,524	10,676,722	3,465,257
Total		**1,614,703,978**	**417,226,557**	**196,291,925**

During the year, our tax payments in ZWL were as follows:

Payment	2022	2021	2020
	ZWL	ZWL	ZWL
PAYE	1,566,262,859	404,709,760	190,403,167
Aids Levy	48,441,119	12,516,797	5,888,758
Total	**1,614,703,978**	**417,226,557**	**196,291,925**

During the year, the tax authorities introduced a system of separating USD and ZWL tax payments. The authorities allocated separate Business Partner (BP) Numbers for the separate tax payments.

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

Chartered Accountants (Zimbabwe)
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Independent Auditor's Report

To the Shareholders of First Mutual Holdings Limited

Report on the Audit of the inflation adjusted consolidated financial statements.

Qualified Opinion (Group)

We have audited the inflation adjusted consolidated financial statements of First Mutual Holdings Limited and its subsidiaries (the Group) set out on pages 67 to 163, which comprise the inflation adjusted consolidated statement of financial position as at 31 December 2022, and the inflation adjusted consolidated statements of profit or loss and other comprehensive income, the inflation adjusted consolidated statements of changes in equity and the inflation adjusted consolidated statements of cash flows for the year then ended, and notes to the inflation adjusted consolidated financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying inflation adjusted consolidated financial statements present fairly, in all material respects, the inflation adjusted financial position of the Group as at 31 December 2022, and its inflation adjusted financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Opinion (Company)

We have audited the inflation adjusted financial statements of First Mutual Holdings Company set out on pages 164 to 181 which comprise the inflation adjusted statement of financial position as at 31 December 2022, and the inflation adjusted statement of profit or loss and other comprehensive income and the inflation adjusted statement of changes in equity for the year then ended, the inflation adjusted statement of cashflows and notes to the inflation adjusted financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying company inflation adjusted financial statements present fairly, in all material respects, the inflation adjusted financial position of the Company as at 31 December 2022, and its financial performance and inflation adjusted cashflows for the year then ended 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 (Group)

Valuation of Investment Properties in prior year and consequential impact on application of IAS 29 - Financial Reporting in Hyperinflationary Economies

Our audit opinion for the year ended 31 December 2021 was modified due to the incorrect valuation of investment properties. The concern was inappropriate application of a conversion rate to a USD valuation to calculate ZWL property values which was not an accurate reflection of market dynamics. Furthermore, notwithstanding that IAS 29 - Financial Reporting in Hyperinflationary Economies 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 8 as described above, therefore the inflation adjusted corresponding numbers for line items above also remain misstated.

These misstatements have not been corrected in terms of *IAS 8 – Accounting Polices, Changes in Accounting Estimates and* Errors. Consequently, inflation adjusted comparatives for fair value adjustments and monetary loss/gain on the inflation adjusted consolidated statement of profit or loss and retained earnings on the inflation adjusted consolidated statement of financial position are impacted.

Our opinion on the current period's Inflation Adjusted Consolidated 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.

The effects of the above departures from IFRS are material but not pervasive to the Inflation Adjusted Consolidated Financial Statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further descried in the *Auditor's Responsibilities for the Audit of inflation* adjusted consolidated financial statements *section* of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter (Group)

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 (Group)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of *the* inflation adjusted consolidated financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters communicated in our report.

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 inflation adjusted consolidated 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 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 financial statements.

Key Audit Matter	How our audit addressed the matter
Valuation of Investment Properties (Consolidated)	
Consolidated ► Note 7 – Investment Property ► Note 7.1 – Fair Value Hierarchy ► Note 7.2 -Non current assets held for sale As included in the above notes to the inflation adjusted consolidated financial statements the below accounts have been considered to be an area where significant judgements were applied: ► Investment property amounting to ZWL$111 434 931 026 (2021: ZWL77 423 908 000) for the Group ► Non-current assets held for sale amounting to ZWL$ 38 400 000 for the Group In determining the fair values of investment property, the directors make use of independent external valuers. The determination of the fair value of investment property was considered to be a matter of most significance to our current year audit due to the following: ► 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 of the investment properties disclosures in accordance with the relevant financial reporting standards.

Key Audit Matter	How our audit addressed the matter
Valuation of Insurance Contract Liabilities(Consolidated)	
► Note 19.3 - Insurance Liabilities-life insurance As included in the above notes to the inflation adjusted Group financial statements, Insurance Contract Liabilities amounting to ZWL334 313 406 (2021:ZWL 374 097 496) 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.

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 financial statements and our auditor's report thereon. Our opinion on the inflation adjusted consolidated 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 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 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. As described in the Basis for Qualified Opinion section above, the Group did not comply with the requirements of *IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors* because of the prior years' matters that were not resolved. We have concluded that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the Inflation adjusted Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated 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 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 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 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 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.

- 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 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 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 Mr Fungai Kuipa (PAAB Practising 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 2022

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
ASSETS	Note	2022 ZWL AUDITED	2021 ZWL AUDITED	2022 ZWL UNAUDITED	2021 ZWL UNAUDITED
Property, plant and equipment	6	2 347 995 179	1 649 426 677	708 320 605	140 852 865
Investment property	7	111 434 931 026	77 423 908 000	111 434 930 576	22 506 950 000
Right of use of assets	6.1	47 788 558	48 045 816	47 788 558	13 966 807
Goodwill	8.2	151 361 592	83 604 129	151 361 592	24 303 526
Other intangible assets	8.1	43 880 493	57 395 512	6 756 576	3 667 899
Investment in associate	10	1 613 386 990	1 214 590 897	1 061 624 943	213 844 123
Debt securities at amortised cost	11.2	2 514 365 698	642 096 361	2 514 365 698	186 655 919
Investment in gold coins	9	276 611 901	-	276 611 901	-
Deferred tax asset	21.1	736 564 082	370 007 312	702 885 064	103 317 638
Deferred acquisition costs	12	1 327 101 492	837 051 223	976 172 024	162 029 578
Non-current assets held for sale	7.2	38 400 000	-	38 400 000	-
Current income tax asset	21,2	11 649 681	-	11 649 681	-
Inventory	13	334 559 315	150 616 838	170 618 639	30 366 379
Equity securities at fair value through profit or loss ("FVPL")	11.1	17 672 806 941	21 099 592 837	17 672 806 941	6 133 602 569
Insurance, tenant and other receivables	14	12 298 351 993	9 513 153 401	12 186 300 230	2 637 946 518
Cash and cash equivalents	15	16 672 648 698	10 505 203 724	16 672 648 698	3 053 838 292
TOTAL ASSETS		**167 522 403 639**	**123 594 692 727**	**164 633 241 726**	**35 211 342 113**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	16	414 346 803	414 346 803	54 878 335	54 878 335
Share premium		8 309 532 836	8 309 532 836	39 416 526	39 416 526
Non-distributable reserves	16.6	(791 024 449)	2 572 468 973	2 589 859 893	489 882 336
Retained profits		27 535 899 713	14 360 051 015	32 966 420 816	7 251 613 941
Total equity attributable to equity holders of the parent		**35 468 754 903**	**25 656 399 627**	**35 650 575 570**	**7 835 791 138**
Non-controlling interests	**32.6**	**31 703 367 064**	**20 605 492 713**	**29 605 007 816**	**5 983 667 059**
Total equity		**67 172 121 967**	**46 261 892 340**	**65 255 583 386**	**13 819 458 197**
Liabilities					
Deferred tax liability	21.1	14 773 696 582	11 268 557 361	14 971 056 246	3 258 277 728
Life insurance contract liabilities:					
- with Discretionary Participating Features ("DPF")	17.3	7 809 928 324	5 947 362 126	7 809 928 324	1 728 884 339
- without DPF	17.3	-	713 789 505	-	207 496 949
Investment contract liabilities:					
- with DPF	17.2	41 603 329 377	30 969 044 176	41 603 329 377	9 002 629 121
- without DPF	17.2	3 240 398 439	5 777 096 179	3 240 398 439	1 679 388 424
Shareholder risk reserve	17.6	304 754 494	-	304 754 494	-
Member Assistance Fund	18	9 040 581	31 099 599	9 040 581	9 040 581
Borrowings	19	1 680 522 883	573 521 864	1 680 522 883	166 721 472
Put option liability	19.1	3 221 553 350	1 954 260 904	3 221 553 350	568 099 100
Lease liability	6.1	124 384 130	51 722 189	124 384 130	15 035 520
Share based payment liability	16.4	217 204 514	917 516 232	217 204 514	266 719 835
Insurance contract liabilities - short term	19.2	20 581 015 325	15 228 977 810	19 525 749 553	3 357 032 260
Insurance liabilities - life assurance	19.3	334 313 406	374 097 496	334 313 406	108 749 272
Regulatory Provision	20.4	670 074 454	540 709 786	670 074 454	157 294 473
Other payables	20	5 376 975 490	2 653 896 412	5 262 258 266	770 250 671
Current income tax liabilities	21.2	403 090 323	331 148 748	403 090 323	96 264 171
Total liabilities		**100 350 281 672**	**77 332 800 387**	**99 377 658 340**	**21 391 883 916**
TOTAL EQUITY AND LIABILITIES		**167 522 403 639**	**123 594 692 727**	**164 633 241 726**	**35 211 342 113**

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

A R T Manzai
Chairman
5 June 2025

D Hoto
Group Chief Executive Officer
5 June 2025

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 2022

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		2022	2021	2022	2021
INCOME	**Note**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Gross premium written	22	76 635 261 960	49 367 655 086	55 106 063 507	11 407 034 783
Reinsurance	22	(17 857 491 990)	(10 748 884 429)	(13 319 428 631)	(2 489 180 551)
Net premium written	**22**	**58 777 769 970**	**38 618 770 657**	**41 786 634 876**	**8 917 854 232**
Unearned premium reserve	19.2.4	613 633 453	(949 489 780)	(1 996 409 263)	(379 226 383)
Net premium earned		**59 391 403 423**	**37 669 280 877**	**39 790 225 613**	**8 538 627 849**
Rental income	23	2 717 705 197	2 062 418 935	2 120 545 089	480 100 042
Fair value adjustment - investment property	7	34 116 870 097	24 465 238 545	89 043 619 298	12 942 134 743
Net investment income	24	(8 722 804 076)	8 634 068 735	8 692 296 526	3 852 705 039
Interest income from investments	24	1 427 712 157	219 683 354	704 914 606	57 556 305
Interest income from microfinance operations	25.3	724 767 421	386 376 858	504 012 343	92 960 317
Fee income:					
- insurance contracts	25.1	1 037 366 469	1 550 646 220	827 974 446	324 141 994
- investment contracts	25.1	67 796 116	46 167 659	66 529 958	10 968 085
Other income	25.2	7 570 943 300	1 690 697 155	5 471 241 261	363 205 649
Net monetary gain/(loss)		(927 348 490)	(2 970 170 806)	-	-
Total income		**97 404 411 614**	**73 754 407 532**	**147 221 359 140**	**26 662 400 023**
EXPENDITURE					
Pension benefits	26	(1 463 561 618)	(1 291 525 389)	(1 202 529 632)	(310 010 289)
Insurance claims and loss adjustment expenses	26	(33 649 407 929)	(23 558 279 115)	(24 566 244 104)	(5 458 563 120)
Insurance claims and loss adjustment expenses recovered from reinsurers	26	2 330 272 371	2 446 743 227	1 807 524 482	594 827 247
Net insurance benefits and claims	**26**	**(32 782 697 176)**	**(22 403 061 277)**	**(23 961 249 254)**	**(5 173 746 162)**
Movement in insurance contract liabilities	17.5	(11 783 061 894)	(12 741 323 086)	(38 681 744 241)	(6 445 136 237)
Movement in shareholder risk reserve	17.6	408 536 925	-	(97 257 545)	-
Investment loss /(profit) on investment contract liabilities	17.7.1	598 932 708	(3 615 232 255)	(1 561 010 015)	(1 223 437 917)
Interest expenses from microfinance operations	25.3	(273 621 639)	(141 785 947)	(187 085 670)	(34 842 177)
Acquisition of insurance and investment contracts expenses	27	(5 005 515 701)	(3 313 673 819)	(3 554 657 167)	(777 360 663)
Administration expenses	28	(19 612 036 977)	(14 056 371 263)	(14 917 426 019)	(3 158 795 808)
Allowances for credit losses	28.3	(759 557 170)	(623 170 169)	(759 557 170)	(181 154 119)
Regulatory Provision		(129 364 668)	(540 709 786)	(512 779 981)	(157 294 473)
Finance costs		(18 025 319)	(5 535 600)	(11 731 226)	(1 321 075)
Total expenditure		**(69 356 410 911)**	**(57 440 863 202)**	**(84 244 498 288)**	**(17 153 088 631)**
Profit before share of profit of associate		**28 048 000 703**	**16 313 544 330**	**62 976 860 851**	**9 509 311 391**
Share of profit/(loss) of associate	10	(96 646 248)	13 210 739	(33 039 497)	33 646 606
Profit before income tax		**27 951 354 455**	**16 326 755 069**	**62 943 821 355**	**9 542 957 997**
Income tax (expense)/ credit	21.3	(4 078 013 724)	(5 416 378 921)	(12 089 866 538)	(2 237 305 633)
Profit for the period		**23 873 340 731**	**10 910 376 148**	**50 853 954 817**	**7 305 652 365**
Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods:					
Exchange gain/(loss) on translating foreign operations:					
-Subsidiaries		(1 131 197 176)	(348 575 744)	2 902 324 498	(54 771 972)
-Associates	10	31 211 969	(279 920 265)	609 112 147	10 525 617
Share of other comprehensive profit/(loss)		312 897 740	49 223 702	135 723 036	14 309 216
Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods		**(787 087 467)**	**(579 272 307)**	**3 647 159 681**	**(29 937 139)**
Total comprehensive income for the period		**23 086 253 264**	**10 331 103 841**	**54 501 114 498**	**7 275 715 226**
Profit attributable to:					
Non-controlling interest	32.6	10 442 556 925	2 571 390 949	24 888 911 170	3 324 863 684
Equity holders of the parent		13 430 783 806	8 338 985 199	25 965 043 647	3 980 788 681
Profit for the period		**23 873 340 731**	**10 910 376 148**	**50 853 954 817**	**7 305 652 365**
Total comprehensive income attributable to:					
Non-controlling interest		10 282 696 767	2 611 716 930	23 827 114 358	3 355 950 964
Equity holders of the parent		12 803 556 497	7 719 386 911	30 674 000 140	3 919 764 262
Total comprehensive income for the period		**23 086 253 264**	**10 331 103 841**	**54 501 114 498**	**7 275 715 226**
Basic earnings per share (cents)	29.1	1 849	1 148	3 575	548
Diluted earnings per share (cents)	29.2	1 849	1 147	3 575	547

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 2022

INFLATION ADJUSTED - AUDITED

For the year ended 31 December 2021	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 2021	**153 937 379**	**8 309 532 836**	**3 284 960 615**	**6 370 867 621**	**18 119 298 451**	**18 096 375 286**	**36 215 673 737**
Profit for the period	-	-	-	8 338 985 199	8 338 985 199	2 571 390 949	10 910 376 148
Other comprehensive income	-	-	(619 598 288)	-	(619 598 288)	40 325 981	(579 272 307)
Total comprehensive income/ (loss)	**-**	**-**	**(619 598 288)**	**8 338 985 199**	**7 719 386 911**	**2 611 716 930**	**10 331 103 841**
Transactions with shareholders in their capacity as owners:							
Issue of shares - share options	39 620 984	-	(40 359 965)	738 981	-	-	-
Issue of shares	220 788 440	-	-	-	220 788 440	-	220 788 440
Issue of Diamond Seguros shares to Non-controlling interest	-	-	-	-	-	24 171 294	24 171 294
Rights issue by Diamond Seguros to non-controlling interest	-	-	50 623 054	17 206 526	67 829 579	(67 829 579)	-
Issue of shares in FMRE Holding Company	-	-	465 753 836	-	465 753 836	-	465 753 836
Remeasurement of the financial liability	-	-	(568 910 279)	-	(568 910 279)	-	(568 910 279)
Dividend declared and paid	-	-	-	(367 747 311)	(367 747 311)	(58 941 218)	(426 688 529)
As at 31 December 2021	**414 346 803**	**8 309 532 836**	**2 572 468 973**	**14 360 051 015**	**25 656 399 627**	**20 605 492 713**	**46 261 892 340**
For the year ended 31 December 2022							
As at 1 January 2022	**414 346 803**	**8 309 532 836**	**2 572 468 973**	**14 360 051 015**	**25 656 399 627**	**20 605 492 713**	**46 261 892 340**
Profit for the period	-	-	-	13 430 783 806	13 430 783 806	10 442 556 925	23 873 340 731
Other comprehensive income	-	-	(1 273 613 220)	-	(1 273 613 220)	486 525 753	(787 087 467)
Total comprehensive income	**-**	**-**	**(1 273 613 220)**	**13 430 783 806**	**12 157 170 586**	**10 929 082 678**	**23 086 253 264**
Transactions with shareholders in their capacity as owners:							
Share Options	-	-	(118 206 774)	118 206 774	-	-	-
Reclassification to put option liability	-	-	-	-	-	362 505 629	362 505 629
Remeasurement of put option liability	-	-	(1 971 730 107)	-	(1 971 730 107)	-	(1 971 730 107)
Redemption of shares in First Mutual Properties	-	-	-	-	-	9 357 882	9 357 882
First Mutual Properties treasury shares buyback	-	-	56 679	16 508 606	16 565 285	(16 565 285)	-
Dividend declared and paid	-	-	-	(389 650 488)	(389 650 488)	(186 506 553)	(576 157 041)
As at 31 December 2022	**414 346 803**	**8 309 532 836**	**(791 024 449)**	**27 535 899 713**	**35 468 754 903**	**31 703 367 064**	**67 172 121 967**

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

HISTORICAL COST - UNAUDTED

For the year ended 31 December 2021	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 2021	**726 836**	**39 416 526**	**569 159 634**	**3 352 408 761**	**3 961 711 756**	**2 653 035 139**	**6 614 746 895**
Profit for the year	-	-	-	3 980 788 680	980 788 680	3 324 863 684	7 305 652 365
Other comprehensive income	-	-	(61 024 421)	-	(61 024 421)	31 087 280	(29 937 141)
Total comprehensive income/ (loss)	**-**	**-**	**(61 024 421)**	**3 980 788 680**	**3 919 764 261**	**3 355 950 964**	**7 275 715 226**
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**	**489 882 336**	**7 251 613 941**	**7 835 791 139**	**5 983 667 059**	**13 819 458 198**
For the year ended 31 December 2022							
As at 1 January 2022	**54 878 335**	**39 416 526**	**489 882 336**	**7 251 613 941**	**7 835 791 139**	**5 983 667 059**	**13 819 458 198**
Profit for the period	-	-	-	25 965 043 647	25 965 043 647	24 888 911 170	50 853 954 817
Other comprehensive income	-	-	4 071 770 992	-	4 071 770 992	(424 611 311)	3 647 159 681
Total comprehensive income	**-**	**-**	**4 071 770 992**	**25 965 043 647**	**30 036 814 639**	**24 464 299 859**	**54 501 114 498**
Transactions with shareholders in their capacity as owners:							
Share Options	-	-	(115 646)	115 646	-	-	-
Reclassification to put option liability	-	-	-	-	-	(681 724 143)	(681 724 143)
Remeasurement of put option liability	-	-	(1 971 730 107)	-	(1 971 730 107)	-	(1 971 730 107)
Redemption of shares in First Mutual Properties	-	-	-	-	-	5 152 749	5 152 749
First Mutual Properties treasury shares buyback	-	-	52 320	15 527 820	15 580 140	(15 580 140)	-
Dividend declared and paid	-	-	-	(265 880 238)	(265 880 238)	(150 807 569)	(416 687 807)
As at 31 December 2022	**54 878 335**	**39 416 526**	**2 589 859 893**	**32 966 420 816**	**35 650 575 571**	**29 605 007 816**	**65 255 583 386**

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 2022

	Note	INFLATION ADJUSTED - AUDITED 2022 ZWL	2021 ZWL	HISTORICAL COST - UNAUDITED 2022 ZWL	2021 ZWL
Profit before income tax		**27 951 354 455**	**16 326 755 069**	**62 943 821 355**	**9 542 957 997**
Adjustments for non-cash items:					
Depreciation	6 & 6.1	438 822 918	322 045 630	59 932 170	15 682 961
Fair value gains on investment properties	7	(34 116 870 097)	(24 465 238 545)	(89 043 619 298)	(12 942 134 743)
Amortisation of intangible assets	8	24 968 972	83 876 690	806 575	384 684
Fair value adjustment on equity securities at FVPL	11.1	7 390 053 140	(9 752 581 357)	(9 355 586 055)	(4 104 758 542)
(Profit)/loss from disposal of property and equipment	25.2	(27 701 427)	(99 039 638)	(18 236 888)	(20 059 645)
(Profit) on disposal of Non-current asset held for sale	7.2	-	(42 515 123)	-	(9 915 762)
Movement in allowance for credit losses	28.3	759 557 170	623 170 169	759 557 170	181 154 119
Movement in insurance contract liabilities	17.8	1 862 566 198	2 989 526 407	6 081 043 985	1 273 441 590
Movement in investment contract liabilities	17.8	10 035 352 493	13 367 028 934	34 161 710 271	6 395 132 563
Movement in incurred but not reported provisions	19.2.2 & 19.3	169 385 101	816 364 183	1 479 795 935	458 708 597
Movement in shareholder risk reserves	17.6	(408 536 925)	-	97 257 545	-
Change in unearned premium reserve movement	19.2.4	(613 633 453)	949 489 780	1 996 409 263	379 226 383
Cash settled share based payment	16.4	130 563 212	1 073 219 243	71 935 654	311 982 338
Share of loss/(profit) of associate	10	96 646 248	(13 210 739)	33 039 497	(33 646 606)
Gain on bargain purchase of investment in associate	10	(67 191 884)	-	(111 508 274)	-
Regulatory Provision		129 364 668	540 709 786	512 779 981	157 294 473
Deferred acquisition costs	12	490 050 269	292 742 582	814 142 447	105 246 940
Adjustments for separately disclosed items:					
Finance costs on lease liability	6.1	18 025 319	5 535 600	11 731 226	1 321 075
Dividend received	24	(317 461 200)	(861 762 572)	(174 909 752)	(194 195 640)
Interest received	24	(1 427 712 157)	(219 683 354)	(704 914 606)	(57 556 305)
Interest charged	19	194 757 101	141 785 946	126 373 280	34 842 177
Monetary gain or loss		1 273 134 130	2 970 170 806	-	-
Operating cash flows before working capital changes		**14 045 296 197**	**5 048 389 497**	**9 703 501 708**	**1 495 108 656**
Working capital changes					
(Increase)/decrease in inventory		(183 942 477)	(6 064 029)	(140 252 259)	(15 821 132)
(Increase)/decrease in other receivables		875 131 806	(2 729 410 734)	(2 531 583 647)	(946 523 869)
Increase in tenant receivables		(183 863 267)	(65 568 970)	(403 731 371)	(45 979 983)
(Increase)/decrease in insurance receivables		(3 476 467 132)	164 911 048	(6 613 038 693)	(457 269 337)
Increase in other payables		2 723 079 078	231 940 992	4 492 007 595	332 948 306
Increase/(decrease in insurance contract liabilities - life assurance		(82 703 163)	197 832 808	99 166 677	63 960 867
Increase/(decrease) in insurance contract liabilities - short term		5 023 794 901	(437 705 944)	9 384 345 617	598 073 030
Effects of inflation on working capital movements		(345 785 640)	-	-	-
		4 349 244 107	**(2 644 084 829)**	**4 286 913 918**	**(470 612 117)**
Cash generated from operations		**18 394 540 304**	**2 404 324 668**	**13 990 415 624**	**1 024 496 540**
Finance costs on lease liability	6.1	(18 025 319)	(5 535 600)	(11 731 226)	(1 321 075)
Share Appreciation Rights paid during the year	16.4	(123 879 995)	(509 456 950)	(121 450 975)	(136 224 040)
Interest received	24	1 427 712 157	219 683 354	704 914 606	57 556 305
Interest paid	19	(194 757 101)	(48 353 758)	(126 373 280)	(14 056 325)
Income tax paid	21.2	(1 319 782 346)	(135 293 877)	(727 152 808)	(30 488 074)
Net cash flows from operating activities		**18 165 807 701**	**1 925 367 837**	**13 708 621 942**	**899 963 330**
Investing activities					
Dividends received	24	317 461 200	861 762 572	174 909 752	194 195 640
Additions to property, plant and equipment	6	(1 080 374 212)	(186 819 880)	(587 340 089)	(60 714 293)
Additions to investment property	7	(150 262 397)	(72 189 972)	(82 789 200)	(15 761 472)
Additions to intangible assets	8.1	(11 453 953)	(16 115 260)	(3 895 252)	(3 383 852)
Investment in Builstate		-	(84 140 749)	-	(24 476 860)
Proceeds from disposal of Non-current asset held for sale		-	273 103 265	-	61 135 762
Proceeds from disposal of property and equipment		20 278 673	82 724 244	18 566 410	20 928 305
Purchase of Solar project	6	(28 024 039)	(176 599 549)	(23 268 131)	(35 650 749)
Purchase of equity securities at fair value through profit or loss	11.1	(4 251 429 220)	(1 138 555 458)	(2 342 385 246)	(251 054 106)
Purchase of debt securities at amortised cost	11.2	(4 402 464 521)	(530 804 047)	(2 425 600 287)	(119 615 118)
Proceeds from sale of equity securities at fair value through profit or loss	11.1	288 161 976	1 667 995 043	158 766 929	375 877 737
Proceeds from sale of debt securities at amortised cost	11.2	177 671 271	68 433 045	97 890 508	15 421 184
Cash generated from/(utilised in) investing activities		**(9 120 435 222)**	**748 793 254**	**(5 015 144 607)**	**156 902 178**

Consolidated Statement Of Cash Flows

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

	Note	INFLATION ADJUSTED - AUDITED 2022 ZWL	INFLATION ADJUSTED - AUDITED 2021 ZWL	HISTORICAL COST - UNAUDTED 2022 ZWL	HISTORICAL COST - UNAUDTED 2021 ZWL
Financing activities					
Issue of shares		-	220 788 440	-	53 935 030
Lease liability repayment	6.1	(32 277 300)	(20 679 584)	(17 783 637)	(4 660 083)
Dividends paid controlling interest		(389 650 488)	(367 747 311)	(265 880 238)	(86 055 839)
Borrowings received	19	1 803 030 121	1 088 892 791	1 530 520 952	271 492 894
Loan repayments	19	(306 291 038)	(431 917 026)	(187 572 290)	(125 557 275)
Receipt of funds from non-controlling interest for issue of shares in Diamond Seguros		-	24 171 294	-	5 091 695
Redemption of shares in First Mutual Properties		(9 357 882)	-	(5 152 749)	-
Dividends paid to non-controlling interest		(186 506 553)	(58 941 218)	(150 807 569)	(13 987 471)
Cash flows generated from financing activities		**878 946 860**	**454 567 386**	**903 324 470**	**100 258 951**
Net increase in cash and cash equivalents for the year		**9 924 319 339**	**3 128 728 477**	**9 596 801 805**	**1 157 124 459**
Cash and cash equivalents at the beginning of the year		10 505 203 724	9 190 475 419	3 053 838 292	1 659 409 833
Effects of exchange rate changes on cash and cash equivalents		7 193 162 835	(2 143 189 337)	4 022 008 601	237 304 000
Effects of inflation on cash and cash equivalents		(10 950 037 200)	329 189 165	-	-
Cash and cash equivalents at the end of the year	**15**	**16 672 648 698**	**10 505 203 724**	**16 672 648 698**	**3 053 838 292**

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 Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022

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, health 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 65.47% (2021: 66.22%) directly in First Mutual Holdings Limited and 7.02% (2021: 7.1%) indirectly through Capital Bank Corporation Limited. The shares held by NSSA as at the reporting period were pending an authorisation of the partial disposal of the 31.22% its total holding to CBZ Holdings Limited ("CBZHL"). Pursuant to this transaction, First Mutual Holdings Limited will become an associate of both NSSA and CBZHL. 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 Liberation Legacy Road, Borrowdale , Harare, Zimbabwe.

The inflation adjusted and historical financial statements of the Group and Company for the year ended 31 December 2022 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, investments in gold coins, short-term insurance liabilities 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 2022.

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 Statement of Financial Position date, and that corresponding figures for previous periods be stated in the same terms to the latest Statement of Financial Position date. 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 2022 are as follows:

Date	CPI	Conversion factor
December 2022	13 672,91	1,00
November 2022	13 349,42	1,02
October 2022	13 113,95	1,04
September 2022	12 713,10	1,08
August 2022	12 286,30	1,11
July 2022	10 932,80	1,25
June 2022	8 707,35	1,57
May 2022	6 662,17	2,05
April 2022	5 507,11	2,48
March 2022	4 766,10	2,87
February 2022	4 483,10	3,05
January 2022	4 190,00	3,26
December 2021	3 977,50	3,44
January 2021	2 608,79	5,24
December 2020	2 474,51	5,53

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

Notes to the Financial Statements
FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1.2 Inflation adjustment (continued)

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 Statement of Financial Position date;
- the corresponding figures for the previous period are restated to the measuring unit current at the Statement of Financial Position date;
- monetary assets and liabilities that are carried at amounts current at the Statement of Financial Position date are not restated because they are
- already expressed, in the monetary unit current at the Statement of Financial Position date;
- the non-monetary assets and liabilities that are not carried at amounts current at the Statement of Financial Position date and component of shareholders'
- equity are restated by applying the relevant conversion factors from the date of the transaction to the Statement of Financial Position date;
- additions to property and equipment acquired are restated using the relevant conversion factors from the date of the transaction to the
- Statement of Financial Position date;
- disposals to property and equipment are restated using the relevant conversion factors from the date of initial acquistion to the
- Statement of Financial Position date;
- comparative financial statements are restated using general inflation indices in terms of the measuring unit current at the Statement of Financial Position date;
- items in the statement of comprehensive income are restated by applying the relevant monthly conversion factors with a few exceptions;
- 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 Statement of Financial Position 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. This applies to the Statement of Comprehensive Income. For the Statement of Financial Position the balances in historical cost terms are adopted for inflation accounting in the current year where as the comparatives are restated.

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.

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-month indicies were applied from 1 October 2018.

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.

On 09 May 2022 the RBZ introduced the Willing-Buyer Willing-Seller rate ("WBWS) also known as the interbank rate. The WBWS market has seen the introduction of a second official foreign exchange market. The rate has been adopted for official transactions such as payment of duty and liquidation of surrender portions for exporters. From the onset, the WBWS determined exchange rates have seen the narrowing of the spread between the official and parallel market rates.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1.3 Foreign currency translation (continued)

On 27 June 2022, the government of Zimbabwe through the Ministry of Finance announced new measures to help curb the continual rise in inflation and bring in economic stability. These included legalising the use of the USD as the legal tender for the next five years till 2025. This announcement was passed as law on 28 June 2022, through Statutory Instrument 118A of 2022 (S.I 118A of 2022). The S.I noted that the pricing of goods and services should not be done at a ZWL to the USD rate that is in excess of 10% of the interbank rate as set by the government. It is this rate that the Company has determined to be the reporting rate as at 31 December 2022.

(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.

2.1.4 Changes in accounting policies and disclosures

a) New standards, amendments and interpretations effective for the first time for 31 December 2022 year ends that are relevant to the Group:

Standard/interpretation	Effective date	Executive summary
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16 Concessions – Amendments to IFRS 16	1 January 2022	The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced "while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing" "whether the asset is functioning properly' when it assesses technical and physical performance of" the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. This new amendment has no impact to the financial statements of the Company.
Reference to the Conceptual Framework – Amendments to IFRS 3	1 January 2022	Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. This new amendment has no impact to the financial statements of the Company.
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	1 January 2022	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. This new amendment has no impact to the financial statements of the Company.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1.4 Foreign currency translation (continued)

b) New standards, amendments and interpretations issued but not effective for 31 December 2022 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 Early application is permitted for entities that apply IFRS 9, Financial instruments', and IFRS 15, Revenue from contracts with customers', at or before the date of initial application of IFRS 17	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured 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' . 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. Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023. Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The classification overlay applies to all financial assets, including those held "in respect of activities not connected to contracts within the scope of IFRS 17. It allows those" assets to be classified in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The classification can be applied on an instrument-by-instrument basis. Preliminary assessment of the Group's products indicate that some products meet the Premium Allocation Approach (PAA). The Group's will be impacted by the standard in various ways. There will be a change in the presentation of premium income, retrocession, claims as well as introduction of financing components resulting from expected claims. Gross premiums and unearned premiums will nolonger be presented as separate line items as is currently happening under IFRS 4 On the statement of financial position there will be recognition of insurance contract liabilities and assets mainly made up of Liability for Remaining Coverage (LRC) and Liability for Incurred Claims (LIC). Premium receivables will nolonger be presented seperately. The detailed impact of adoption of IFRS 17 on the financial statements as at 31 December 2022 are shown on note 36. In addition to the PAA model, the Group also has products under the Life business that apply the Variable Fee Approach on the annuity contracts.
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2023 (deferred from 1 January 2022)	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The ammendment will impact how the entity classifies liabilities between current and non current.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1.4 Foreign currency translation (continued)

b) New standards, amendments and interpretations issued but not effective for 31 December 2022 year ends that are relevant to the Group but have not been early adopted:

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. This ammendment will have an impact on the company should there be changes in accounting policies or estimates.
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. These entities will not be affected by the amendments. Upon adoption, this ammendment is expected to increase the deferred tax assets and the defeered tax liabilities as the company already holds these assets and liabilities. Profit after tax and equity will also be impacted.

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

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. 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 obtains control until the date the Group ceases to control the subsidiary.

Notes to the Financial Statements
FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

(a) Subsidiaries (continued)
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 70.04% (2021 : 69.99%) owned through First Mutual Life Assurance Company (Private) Limited, Diamond Seguros is 70.6% (2021: 70.6%) owned through NicozDiamond Insurance and First Mutual Reinsurance Holdings, the direct parent of FMRe Zimbabwe and FMRE P&C Botswana, which it owns 70.1% (2021: 70.1%). All subsiaries 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.

(c) 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 parent's share of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses from disposals to/from non-controlling interests are also recorded in equity.

(d) Non-controllling interest put options
The group entered into transactions that brought about put options which require to be accounted for in the financial statements presented. The group's elected policy to account for the non-controlling interests ("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;

ii) The entity derecognises the NCI as if it was acquired at that date;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(d) Non-controllling interest put options (continued)

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 (i) and (ii) 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

(e) 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.

(f) 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.

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.

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.

Notes to the Financial Statements
FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Gains 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, Cluster Chief Executive Officers and Managing Directors 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.

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Intangible assets (continued)

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 properties

Investment properties 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.

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 Investment in gold coins

Investment in gold coins comprises of coins issued by the Reserve Bank fo Zimbabwe through agents, who are banks. Several subsiaries in the Group acquired these coins for the period ended 31 December 2022 as they both have prescribed asset status and can be held for value preservation and capital appreciate purposes.

Investment in gold coins are initally measured at historical cost, including the transaction costs (minting costs). Subsequent to initial recognition, investment in gold coins are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment in gold coins 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 publication by the Reserve Bank of Zimbabwe.

Investment in gold coins is derecognised either when they have been disposed of. 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.

2.11 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 representative of the circumstances that reflect 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Fair value

The Group measures financial assets such as quoted and unquoted equity securities and non-financial assets such as investment property and investment in gold coins 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.

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.

2.13 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.

2.14 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

2.14.1 Financial assets

2.14.1.1 Classification

Financial assets recognised at amortised cost

Insurance, tenant and other receivables (excluding prepayments), 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 at fair value through profit or loss

Equity securities at fair value through profit or loss, comprise quoted and unquoted securities 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)

2.14.1.1 Classification (continued)

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.

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

2.14.1.3 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 investment 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.

2.14.1.4 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 (excluding prepayments). 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 are a 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 3 years before 31 December 2022 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 60 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 90 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 90 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

2.14.1.5 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.

2.14.2 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

2.14.2 Financial liabilities (continued)

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.

2.15 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.

2.16 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.

2.16.1 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash on 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.

2.17 Leases

2.17.1 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 lease liability at the date at which the leased asset is available for use by the Group.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Leases (continued)

2.17.1 Leases - Group as lessee (continued)

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 econominc 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 economic 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.

2.17.2 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.

2.18 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.

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

2.18.1 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 2.22.7 for the Group's accounting policy for unearned premium.

2.18.2 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.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18.3 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 investments. 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.

2.18.4 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.

2.18.5 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.

2.18.7 Sale of completed property

A property is regarded as sold when the conditions outlined in IFRS 15.38 for passing of control are satisfied. The factors under which control passes to the buyer include but are not limited to the following:

a. the customer has a present right to payment;
b. the customer has legal title to the asset;
c. the customer has obtained physical possession of the asset;
d. the customer has the significant risks and rewards of ownership;
e. the customer has accepted the asset.

2.18.8 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.

2.18.9 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.

2.18.10 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.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Revenue recognition (continued)

2.18.11 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.

2.19 Claims

2.19.1 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.

2.19.2 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.

2.20 Reinsurance recoveries

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

2.21 Acquisition costs of insurance contracts

2.21.1 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.

2.21.2 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 2.23 on the deferred components of the commission expenses.

2.22 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.

2.22.1 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.

2.22.2 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Insurance contract liabilities (continued)

2.22.3 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.

2.22.4 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.

2.22.4.1 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.

2.22.4.2 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.

2.22.5 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.

2.22.6 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.

2.22.7 Insurance contract liabilities - short term (which comprises general insurance and health care)

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)

2.22.7 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 on or 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.

2.23 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.

2.24 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 a reliably 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.

2.25 Taxation

2.25.1 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.

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).

Notes to the Financial Statements
FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25.2 Deferred tax

Deferred tax is provided using the Statement of Financial Position approach 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 the foreseeable 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% (2021: 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.

2.25.3 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.

2.26 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Share-based payments

2.27.1 Share-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.

2.27.2 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.

2.28 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.

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

2.29 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 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 Group 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.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.30 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.

2.31 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.

2.32 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.

2.33 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 ordinary shares 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.

2.34 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.

2.35 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:

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.1 Judgements other than estimates (continued)

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.

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% (2021: 24.72%) for the purpose of recognising deferred tax for its investment property with the exception of land. The investment property held by the Group is for use and capital appreciation and not for sale.

3.1.3 Foreign exchange rate

IAS 21.8 defines Spot exchange rate as the exchange rate for immediate delivery. In the light of this definition, the International Financial Reporting Interpretations Committee concluded that this is the rate that an entity would have access to at the end of the reporting period through a legal exchange mechanism. Continuous assessment of facts and circumstances In the circumstances described above, economic conditions are in general constantly evolving. Therefore, the Committee highlighted the importance of reassessing at each reporting date whether the official exchange rate(s) meets the definition of the closing rate and, if applicable, the exchange rates at the dates of the transactions. Below, we have analysed if both pf the official rates communicated by the RBZ satisfy the IAS 21 requirements.

Auction rate

The Governor of the Reserve Bank of Zimbabwe has in the past months attributed the high year on year annual inflation rate to the use of the parallel market as an exchange rate reference both in precept and example as seen with the policy changes that were made.

If indeed the national inflation rate is largely driven by foreign exchange movements, as alluded to in the recently issued Monetary Policy Statement, it is safe to conclude that the majority of the country's foreign exchange transactions were conducted on the parallel market. The major concern has been whether the auction exchange rate meets the definition of 'spot exchange rate' as it in many instances does not result in immediate delivery of foreign currency hence the existence of the parallel market.

The issue of the limitation of the official market system to deliver foreign currency on demand (immediate delivery) could mean, for some users, there is long-term lack of exchangeability at the official auction rate. However, it is critical to note that this rate is currently determined and communicated through a legal exchange mechanism. In its mid-monetary policy statement, dated 11 August 2022, the Reserve Bank of Zimbabwe noted that the foreign exchange auction remains a critical platform on which industry and commerce access foreign exchange. The auction bids will continue to be guided by the exchange rates obtaining on the willing buyer willing-seller foreign exchange trading platform and by the available foreign currency. In this context, the foreign exchange auction system is no longer a price discovery mechanism but instead the most ideal allocative platform of foreign currency in the domestic economy given the geo-political constraints facing the local banking industry to establish an efficient interbank foreign exchange market.

Interbank rate

Though individuals are able to access cash from the interbank system, the current limitation place per week of $10,000. Corporates are able to sell their foreign currency but cannot by from this system due to the limits it placed in the communication made by the Reserve Bank of Zimbabwe. Moreover, given that the rate is not usually determined by significant buyer and seller transactions, this results in accessibility problems. Thus, the reality retains the aforementioned complication of meeting the definition of a spot rate under IAS 21. Consequently, there may be still a lack of exchangeability of the local currency to foreign currency on this al exchange rate. In its mid-term monetary policy document, dated 11 August 2022, the Reserve Bank of Zimbabwe noted that it is its view that the willing-buyer willing-seller exchange rate is a good indicator of the foreign exchange rate in the economy.

Conclusion

As noted above, the transactions on the WBWS system from both a selling and buying perspective are lower than that of the auction system as things stand in the market. This observable evidence provides a basis for management to argue that the auction rate is more accessible than the WBS rate in the context of the frequency and movement of transactions in the market. Management therefore recommends that for the half year reporting period ending 30 June 2022, the Group will use the auction rate for its statutory reporting. However, effective 1 July 2022, management adopted the interbank rate for reporting purposes. Continual assessment if this rate is still applicable will be used, using an evidence-based approach and analysis of transactions moving in each of the markets.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

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.

3.2 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 (economic) lives and residual values of computers, laptops, tablets, 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 (economic) 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.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

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.

	Shareholder		Shareholder		Policyholder	
INFLATION ADJUSTED - AUDITED +/-10 share price movement	**2022 Impact on profit before tax ZWL**	**2021 Impact on profit before tax ZWL**	**2022 Impact on equity ZWL**	**2021 Impact on equity ZWL**	**2022 Effect on life policyholder liabilities ZWL**	**2021 Effect on life policyholder liabilities ZWL**
Commodity +/-10	138 848 817	226 630 025	104 525 389	170 607 083	85 651 077	123 755 647
Consumer +/-10	797 970 082	1 302 452 433	600 711 878	980 486 192	465 388 884	450 414 838
Financial +/-10	163 841 171	267 422 723	123 339 634	201 315 826	439 403 373	56 330 185
Manufacturing +/-10	119 720 416	195 408 512	90 125 529	147 103 528	25 283 813	76 065 122
Property +/-10	257 385 672	420 106 721	193 759 934	316 256 339	25 195 895	32 184 792
Telecommunication +/-10	272 899 502	445 428 505	205 438 745	335 318 579	8 045 281	327 659
Other +/-10	26 188 580	42 745 186	19 714 763	32 178 576	36 776 742	23 787 120
Total +/-10	**1 776 854 240**	**2 900 194 105**	**1 337 615 872**	**2 183 266 122**	**1 085 745 065**	**762 865 363**

At the reporting date, the total exposure to listed equity securities at fair value through profit or loss was ZWL14 255 808 884 (2021: ZWL19 040 290 339). Of this total, ZWL8 457 223 002 (2021:ZWL3 822 056 803) related to the policyholder .

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, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

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.

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% (2021: 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% (2021: 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.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.3 Credit risk (continued)

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Tier 1	10 735 596 093	6 554 648 609	11 337 401 115	1 148 417 185
Tier 2	5 937 052 605	3 950 555 115	6 269 865 804	1 905 421 107
	16 672 648 698	**10 505 203 724**	**16 672 648 698**	**3 053 838 292**

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

(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.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.3 Credit risk (continued)

INFLATION ADJUSTED - AUDITED

31 December 2022	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	7%	9%	9%	13%	
Gross carrying amount - Insurance receivables					
-Reinsurance	232 694 634	158 322 359	277 901 076	1 199 695 580	1 868 613 649
-Short term direct	1 910 962 451	1 613 917 071	1 492 996 651	1 224 296 177	6 242 172 351
-Life assurance incuding pensions	23 838 036	243 147 965	209 774 715	-	476 760 715
Gross carrying amount - rental receivables	159 721 716	172 746 851	198 382 642	124 336 093	655 187 302
Gross carrying amount - other receivables	1 889 474 436	755 789 774	453 473 865	556 435 457	3 655 173 532
Loss allowance	**282 182 131**	**279 114 488**	**229 824 446**	**395 572 699**	**1 186 693 764**

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	281 804 865	191 736 312	336 552 132	1 452 891 479	2 262 984 788
-Short term direct	983 785 472	830 863 090	768 611 866	630 281 769	3 213 542 197
-Life assurance incuding pensions	11 223 219	114 476 837	98 764 330	-	224 464 386
Gross carrying amount - rental receivables	103 390 186	111 821 546	128 415 967	80 484 560	424 112 258
Gross carrying amount - other receivables	2 046 375 625	818 550 250	491 130 149	602 641 631	3 958 697 654
Loss allowance	**282 706 531**	**272 153 839**	**240 196 094**	**674 293 420**	**1 469 349 883**

HISTORICAL COST - UNAUDITED

31 December 2022	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	7%	9%	9%	13%	
Gross carrying amount - Insurance receivables					
-Reinsurance	232 694 634	158 322 359	277 901 076	1 199 695 580	1 868 613 649
-Short term direct	1 910 962 451	1 613 917 071	1 492 996 651	1 224 296 177	6 242 172 351
-Life assurance incuding pensions	23 838 036	243 147 965	209 774 715	-	476 760 715
Gross carrying amount - rental receivables	159 721 716	172 746 851	198 382 642	124 336 093	655 187 302
Gross carrying amount - other receivables	1 889 474 436	755 789 774	453 473 865	556 435 457	3 655 173 532
Loss allowance	**282 182 131**	**279 114 488**	**229 824 446**	**395 572 699**	**1 186 693 764**

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	183 221 444	934 169 243
-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**

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 2.80%. This has been driven by an increase in productivity across the productive sectors of the economy, depreciation of the local currency against the United States Dollar, rain levels remain good, and implementation of policies outlined in the National Development Strategy accelerates. The relaxation of covid 19 restrictions has boosted 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 204.6%. Continued implementation of disinflation policies and fine-tuning of the foreign exchange willing buyer willing seller market are expected to keep average annual inflation at two-digit levels in 2023 and 2024. Annual inflation stood at 243.8% in December 2022 down from a high of 285% in July 2022 following the introduction of willing buyer willing seller forex market, 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 Limited Group expects this to have a negative impact on the receivables' ability to settle their debts.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.3 Credit risk (continued)

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
INFLATION ADJUSTED - AUDITED

	2022 IFRS 9				2021 IFRS 9			
	Category 1	Category 2	Category 3	Total	Category 1	Category 2	Category 3	Total
Insurance receivables	884 577 512	1 160 765 248	1 182 627 974	3 227 970 734	1 276 813 558	2 341 004 566	1 997 316 814	5 615 134 938
- Short term direct	563 472 625	785 562 728	746 355 342	2 095 390 695	983 785 473	1 599 474 956	544 425 336	3 127 685 764
- Reinsurance	164 376 252	276 566 798	436 272 632	877 215 682	281 804 865	528 288 444	1 452 891 479	2 262 984 788
- Life assurance	156 728 635	98 635 722	-	255 364 357	11 223 220	213 241 166	-	224 464 386
Total	**884 577 512**	**1 160 765 248**	**1 182 627 974**	**3 227 970 734**	**1 276 813 558**	**2 341 004 566**	**1 997 316 814**	**5 615 134 938**

HISTORICAL COST - UNAUDITED

	Category 1	Category 2	Category 3	Total	Category 1	Category 2	Category 3	Total
Insurance receivables	884 577 512	1 160 765 248	1 182 627 974	3 227 970 734	371 166 732	680 524 583	580 615 353	1 632 306 668
- Short term direct	563 472 625	785 562 728	746 355 342	2 095 390 695	285 984 149	464 963 650	158 263 179	909 210 978
- Reinsurance	164 376 252	276 566 798	436 272 632	877 215 682	81 920 019	153 572 222	422 352 174	657 844 415
- Life assurance	156 728 635	98 635 722	-	255 364 357	3 262 564	61 988 711	-	65 251 275
Total	**884 577 512**	**1 160 765 248**	**1 182 627 974**	**3 227 970 734**	**371 166 732**	**680 524 583**	**580 615 353**	**1 632 306 668**

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.

4.4 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.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.5 Liquidity risk (continued)

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 24:32). 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

INFLATION ADJUSTED - AUDITED

Assets 31 December 2022	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)	1 401 222 018	3 567 754 219	4 201 466 613	5 413 485 148	14 583 927 998
Debt securities at amortised cost	291 700 112	702 572 365	995 250 646	577 326 832	2 566 849 955
Equity securities at fair value through profit or loss	2 338 800 518	6 133 602 569	9 200 403 854	-	17 672 806 941
Cash and balances with banks	16 672 648 698	-	-	-	16 672 648 698
Total assets	**20 704 371 347**	**10 403 929 154**	**14 397 121 112**	**5 990 811 980**	**51 496 233 593**
Liabilities					
Insurance liabilities - short term (excluding IBNR and UPR)	4 228 852 052	3 226 856 283	3 715 748 231	-	11 171 456 566
Investment contract liabilities:					
With DPF	-	-	-	41 603 329 377	41 603 329 377
Without DPF	-	-	-	3 240 398 439	3 240 398 439
Borrowings	127 456 564	714 221 377	2 254 739 496	-	3 096 417 437
Lease liability	5 862 310	11 724 620	38 337 264	86 485 255	142 409 450
Insurance liabilities - life assurance payables	5 834 567	11 669 134	316 809 705	-	334 313 406
Property business related payables	479 177 834	-	-	-	479 177 834
Accrued expenses	1 253 955 789	-	-	-	1 253 955 789
Trade payables	268 034 883	-	-	-	268 034 883
Other payables	1 449 770 405	-	-	-	1 449 770 405
Total liabilities	**7 818 944 404**	**3 964 471 414**	**6 325 634 696**	**44 930 213 071**	**63 039 263 585**
Liquidity gap	**12 885 426 943**	**6 439 457 740**	**8 071 486 416**	**(38 939 401 091)**	**(11 543 029 992)**
Cumulative liquidity gap	**12 885 426 943**	**19 324 884 682**	**27 396 371 099**	**(11 543 029 992)**	**-**

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.5 Liquidity risk (continued)

INFLATION ADJUSTED - AUDITED **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)	1 380 203 743	1 953 074 514	4 133 045 148	1 422 388 910	8 888 712 315
Debt securities at amortised cost	16 889 066	28 076 955	135 564 105	507 722 859	688 252 985
Equity securities at fair value through profit or loss	3 516 598 806	7 033 197 612	10 549 796 419	-	21 099 592 837
Cash and balances with banks	10 505 203 724	-	-	-	10 505 203 724
Total assets	**15 418 895 339**	**9 014 349 081**	**14 818 405 672**	**1 930 111 769**	**41 181 761 861**
Liabilities					
Insurance liabilities - short term (excluding IBNR and UPR)	2 909 450 212	1 460 577 054	1 777 634 398	-	6 147 661 664
Investment contract liabilities:	-	-	-	-	-
With DPF	-	-	-	30 969 044 176	30 969 044 176
Without DPF	-	-	-	5 777 096 179	5 777 096 179
Borrowings	43 501 432	156 088 394	373 932 037	-	573 521 862
Lease liability	1 344 423	2 688 846	12 099 808	47 989 665	64 122 742
Insurance liabilities - life assurance payables	20 070 910	40 141 821	313 884 765	-	374 097 496
Property business related payables	160 324 585	-	-	-	160 324 585
Accrued expenses	171 561 311	-	-	-	171 561 311
Trade payables	126 891 118	-	-	-	126 891 118
Other payables	1 112 164 315	-	-	-	1 112 164 315
Total liabilities	**4 545 308 306**	**1 659 496 115**	**2 477 551 010**	**36 794 130 020**	**45 476 485 450**
Liquidity gap	**10 873 587 033**	**7 354 852 966**	**12 340 854 662**	**(34 864 018 251)**	**(4 294 723 589)**
Cumulative liquidity gap	**10 873 587 033**	**18 228 440 000**	**30 569 294 662**	**(4 294 723 589)**	**-**

HISTORICAL COST - UNAUDITED **Assets** **31 December 2022**	**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)	1 401 222 018	3 567 754 219	4 201 466 613	5 413 485 148	14 583 927 998
Debt securities at amortised cost	291 700 112	702 572 365	995 250 646	577 326 832	2 566 849 955
Equity securities at fair value through profit or loss	2 338 800 518	6 133 602 569	9 200 403 854		17 672 806 941
Cash and balances with banks	16 672 648 698				16 672 648 698
Total assets	**20 704 371 347**	**10 403 929 154**	**14 397 121 112**	**5 990 811 980**	**51 496 233 593**
Liabilities					
Insurance liabilities - short term (excluding IBNR and UPR)	4 228 852 052	3 226 856 283	3 715 748 231	-	11 171 456 566
Investment contract liabilities:					-
With DPF				41 603 329 377	41 603 329 377
Without DPF				3 240 398 439	3 240 398 439
Borrowings	191 184 846	714 221 377	2 254 739 496	-	3 160 145 719
Lease liability	5 862 310	11 724 620	38 337 264	86 485 255	142 409 449
Insurance liabilities - life assurance payables	5 834 567	11 669 134	316 809 705	-	334 313 406
Property business related payables	479 177 834	-	-	-	479 177 834
Accrued expenses	1 253 955 789	-	-	-	1 253 955 789
Trade payables	268 034 883	-	-	-	268 034 883
Other payables	1 335 053 181	-	-	-	1 335 053 181
Total liabilities	**7 767 955 462**	**3 964 471 414**	**6 325 634 696**	**44 930 213 071**	**62 988 274 643**
Liquidity gap	**12 936 415 885**	**6 439 457 740**	**8 071 486 416**	**(38 939 401 091)**	**(11 492 041 050)**
Cumulative liquidity gap	**12 936 415 885**	**19 375 873 624**	**27 447 360 041**	**(11 492 041 050)**	**-**

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.5 Liquidity risk (continued)

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	-	6 133 602 570
Cash and balances with banks	3 053 838 292	-	-	-	3 053 838 292
Total assets	**4 482 237 017**	**2 620 450 315**	**4 307 676 068**	**561 079 002**	**11 971 442 402**
Liabilities					
Insurance liabilities - short term (excluding IBNR and UPR)	845 770 410	424 586 353	516 754 186	-	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
Borrowings	12 645 765	45 374 533	108 701 174	-	166 721 472
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	**1 320 079 710**	**482 411 661**	**720 218 316**	**10 695 968 029**	**13 218 677 716**
Liquidity gap	**3 162 157 307**	**2 138 038 654**	**3 587 457 752**	**(10 134 889 027)**	**(1 247 235 314)**
Cumulative liquidity gap	**3 162 157 307**	**5 300 195 961**	**8 887 653 713**	**(1 247 235 314)**	**-**

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. The investment contract liabilities are derived as a function of monetary and non monetary assets. The non-monetary assets consists of investments in properties which are not included above.

4.7 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 2022

INFLATION ADJUSTED - AUDITED **Base currency**	**Metical** **ZWL equivalent**	**USD** **ZWL equivalent**			**BWP** **ZWL equivalent**	**TOTAL** **ZWL equivalent**
Assets						
Cash and balances with banks	1 631 724 970	4 533 527 154	-	-	5 108 907 339	11 274 159 461
Insurance, tenant and other receivables	3 187 018 369	9 028 191 169	-	-	1 054 604 454	13 269 813 992
Total assets	**4 818 743 338**	**13 561 718 322**	**-**	**-**	**6 163 511 792**	**24 543 973 453**

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.7 Foreign exchange risk

INFLATION ADJUSTED - AUDITED Base currency	Metical ZWL equivalent	USD ZWL equivalent			BWP ZWL equivalent	TOTAL ZWL equivalent
Liabilities						
Insurance contract liabilities - short term	1 575 708 226	8 200 425 385	-	-	4 702 881 559	14 479 015 170
Other payabes	76 431 425	3 835 757 747	-		882 145 849	4 794 335 021
Total liabilities	**1 652 139 650**	**12 036 183 131**	**-**	**-**	**5 585 027 408**	**19 273 350 191**
Net currency position	**3 166 603 688**	**1 525 535 191**	**-**	**-**	**578 484 384**	**5 270 623 262**

Consolidated foreign exchange gap analysis as at 31 December 2021

Assets						
Cash and balances with banks	348 045 240	3 400 333 356	-	-	3 458 102 174	7 206 480 770
Insurance, tenant and other receivables	600 653 179	2 206 676 972	-	-	1 825 860 934	4 633 191 085
	-	-	-	-	-	-
Total assets	**948 698 419**	**5 607 010 328**	**-**	**-**	**5 283 963 108**	**11 839 671 856**
	-	**-**	**-**	**-**	**-**	**-**
Liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Insurance contract liabilities - short term	926 551 440	2 744 525 687	-	-	2 153 189 582	5 824 266 708
Other payables	55 160 310	677 680 696	-	-	795 294 001	1 528 135 007
	-	-	-	-	-	-
Total liabilities	**981 711 750**	**3 422 206 383**	**-**	**-**	**2 948 483 583**	**7 352 401 715**
	-	**-**	**-**	**-**	**-**	**-**
Net currency position	**(33 013 330)**	**2 184 803 946**	**-**	**-**	**2 335 479 525**	**4 487 270 141**

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

Currency	**2022 Cross rate**	**2021 Cross rate**
SA rand ("ZAR")	39,53	6,95
Botswana pula ("BWP")	52,81	9,31
United States dollar ("USD")	677,85	108,67
Malawian kwacha ("MWK")	1,51	0,13
Mozambique metical ("MWK")	10,55	1,69

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 2022						
Assets	481 874 334	1 356 171 832	-	-	616 351 179	2 454 397 345
Liabilities	165 213 965	1 203 618 313	-	-	558 502 741	1 927 335 019
Net position	**316 660 369**	**152 553 519**	**-**	**-**	**57 848 438**	**527 062 326**
For the year ended 31 December 2021						
Assets	94 869 842	560 701 032	-	-	528 396 310	1 183 967 185
Liabilities	98 171 175	342 220 638	-	-	294 848 358	735 240 171
Net position	**(3 301 333)**	**218 480 395**	**-**	**-**	**233 547 952**	**448 727 014**

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%	218 480 395	164 472 041
Botswana pula ("BWP")	+10%	67 891 847	51 108 982	+10%	233 547 952	175 814 898
Mozambique metical ("METICAL")	+10%	4 573 814	3 443 167	+10%	15 733 919	11 844 494
United States of America dollar ("USD")	-10%	(63 511 743)	(47 811 640)	-10%	(218 480 395)	(164 472 041)
Botswana Pula ("BWP")	-10%	(67 891 847)	(51 108 982)	-10%	(233 547 952)	(175 814 898)
Mozambique metical ("METICAL")	-10%	(4 573 814)	(3 443 167)	-10%	(15 733 919)	(11 844 494)

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

Notes to the Financial Statements
FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.8 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.

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.

4.8.1 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

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.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.8.1 Life insurance risks (continued)

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.

4.8.1.1 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.

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).

Notes to the Financial Statements
FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.8.1 Life insurance risks (continued)

4.8.1.2 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 - AUDITED	Change in assumptions	Impact on liabilities	Impact on net liabilities	Impact on profit before income tax	Impact on equity
As at 31 December 2022					
Base					
Mortality	+10%	(164 134 747)	(164 134 747)	164 134 747	123 560 638
Mortality	-10%	182 229 214	182 229 214	(182 229 214)	(137 182 152)
Investment return	+1%	(657 770 903)	(657 770 903)	657 770 903	495 169 936
Expense	+10%	88 499 661	88 499 661	(88 499 661)	(66 622 545)
Lapse and surrenders rate	+10%	-	-	-	-
As at 31 December 2021					
Base					
Mortality	+10%	27 643 937	393 679	286 595	4 482 796
Mortality	-10%	(32 387)	(6 415 237)	(3 068 873)	(4 489 685)
Investment return	+1%	114 003 442	483 566	313 051	2 786 857
Expense	+10%	31 011 512	1 629 690	348 213	19 438 291
Lapse and surrenders rate	+10%	39 990 934	651 555	292 543	16 281 405

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 - AUDITED	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 2022					
Pensions	41 565 637 267	3 240 398 439	7 809 928 324	-	52 615 964 030
Individual life	37 692 110	-	-	-	37 692 110
Total	**41 603 329 377**	**3 240 398 439**	**7 809 928 324**	**-**	**52 653 656 140**
As at 31 December 2021					
Pensions	30 940 337 358	5 777 096 179	5 947 362 126	-	42 664 795 663
Individual life	28 706 818	-	-	713 789 505	742 496 323
	-	-	-	-	-
Total	**30 969 044 176**	**5 777 096 179**	**5 947 362 126**	**713 789 505**	**43 407 291 986**

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.8 Insurance risk (continued)

4.8.1 Life insurance risks (continued)

Health insurance risk

Health insurance claims development table

Treatment year	Before First half 2019 ZWL	First half 2020 ZWL	Second half 2020 ZWL	First half 2021 ZWL	Second half 2021 ZWL	First half 2022 ZWL	Second half 2022 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**

Treatment year	Before First half 2019 ZWL	First half 2019 ZWL	Second half 2020 ZWL	First half 2020 ZWL	Second half 2021 ZWL	First half 2021 ZWL	Second half 2022 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 2022	**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 2022							**(135 425 792)**
Outstanding claims 31 December 2022							**304 490 239**

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

4.8.2 **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.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.8.2 Short term Insurance risk (continued)

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.

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:

Notes to the Financial Statements
FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.8.2 Short term Insurance risk (continued)

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Type of contract				
Motor	11 994 429 421	7 566 010 236	8 424 679 723	1 737 914 942
Engineering	9 119 717 068	873 119 773	6 405 531 498	200 555 888
Fire	5 361 937 080	5 752 659 861	3 766 131 844	1 321 387 788
Health	30 227 154 632	18 747 957 096	21 935 899 876	4 350 062 360
Other	12 025 671 622	10 139 484 418	8 446 623 704	2 329 042 774
Life:				
- Savings business	6 118 380 554	3 692 101 476	4 697 050 348	861 943 704
- Risk business	1 787 971 583	2 596 322 227	1 430 146 513	606 127 327
	76 635 261 960	**49 367 655 086**	**55 106 063 507**	**11 407 034 783**
By territory				
Local	66 050 162 774	41 601 656 826	47 681 064 663	9 524 937 547
Regional	10 585 099 186	7 765 998 260	7 424 998 845	1 882 097 236
	76 635 261 960	**49 367 655 086**	**55 106 063 507**	**11 407 034 783**

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	Change in assumption %	Reported value ZWL	Change in profit before income tax ZWL	Change in equity ZWL
INFLATION ADJUSTED - AUDITED				
December 2022				
Increase in IBNR	15%	3 404 119 047	(510 617 857)	(384 393 123)
Decrease in IBNR	15%	3 404 119 047	510 617 857	384 393 123
December 2021				
Increase in IBNR	15%	2 709 176 854	(406 376 528)	(305 920 250)
Decrease in IBNR	15%	2 709 176 854	406 376 528	305 920 250
HISTORICAL COST - UNAUDITED				
December 2022				
Increase in IBNR	15%	3 404 119 047	(510 617 857)	(384 393 123)
Decrease in IBNR	15%	3 404 119 047	510 617 857	384 393 123
December 2021				
Increase in IBNR	15%	787 551 411	(118 132 712)	(87 713 538)
Decrease in IBNR	15%	787 551 411	118 132 712	87 713 538

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 (2021: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.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.8.2 Short term insurance risk (continued)

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

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	**2017 ZWL**	**2018 ZWL**	**2019 ZWL**	**2020 ZWL**	**2021 ZWL**	**2022 ZWL**	**Total ZWL**
Gross cumulative incurred claims							
Year incurred							
0	1 217 248	1 554 983	3 470 122	13 300 032	76 349 524	443 753 700	539 645 610
1	5 372 965	9 266 533	16 472 301	26 884 195	205 003 273	-	262 999 266
2	6 385 378	10 755 564	17 156 680	30 246 681	-	-	64 544 302
3	11 619 739	11 050 407	18 138 949	-	-	-	40 809 095
4	11 650 227	14 803 918	-	-	-	-	26 454 146
5	20 711 397	-	-	-	-	-	20 711 397
Current estimate of cumulative claims incurred	**20 711 397**	**14 803 918**	**18 138 949**	**30 246 681**	**205 003 273**	**443 753 700**	**732 657 917**
Gross cumulative paid claims							
Year paid							
0	1 216 112	1 448 678	2 856 821	12 430 315	68 385 706	360 337 497	446 675 129
1	5 321 027	9 031 500	15 597 300	25 743 242	193 533 743	-	249 226 815
2	6 322 198	10 193 690	16 272 191	28 924 376	-	-	61 712 456
3	10 493 788	10 481 559	17 127 537	-	-	-	38 102 883
4	10 524 276	14 233 452	-	-	-	-	24 757 728
5	18 043 544	-	-	-	-	-	18 043 544
Cumulative payments to date	**18 043 544**	**14 233 452**	**17 127 537**	**28 924 376**	**193 533 743**	**360 337 497**	**632 200 149**
Current estimate of cumulative claims incurred less payments to date	**2 667 852**	**570 466**	**1 011 412**	**1 322 305**	**11 469 530**	**83 416 203**	**100 457 768**

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.8.2 Short term insurance risk (continued)

Claims development Accidental year	2017 ZWL	2 018 ZWL	2 019 ZWL	2 020 ZWL	2 021 ZWL	2 022 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.

4.9 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 2022 (2021: none).

The subsidiaries were capitalised as follows:

As at 31 December 2022	Capital employed ZWL	Capital Regulatory ZWL
Company		
First Mutual Reinsurance Company Limited	1 307 474 981	153 763 000
FMRE Property and Casualty (Proprietary) Limited	2 742 535 993	1 355 705 400
NicozDiamond Insurance Limited	6 000 892 253	508 389 525
First Mutual Life Assurance Company (Private) Limited	18 206 148 964	1 355 705 400
First Mutual Microfinance (Private) Limited	104 602 907	16 946 318
First Mutual Wealth (Private) Limited	213 763 511	167 918 091*
First Mutual Health Company (Private) Limited	5 527 146 774	-

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

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.9 Capital management policies (continued)

As at 31 December 2021	Capital employed ZWL	Capital Regulatory 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	66 215 718*
First Mutual Health Company (Private) Limited	20 575 552	-

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.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

5 SEGMENT INFORMATION (continued)

Segmental analysis
INFLATION ADJUSTED - AUDITED
As at 31 December 2022

	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	7 848 392 000	21 454 679 000	30 227 155 000	-	-	59 530 226 000	(138 822 577)	59 391 403 423
Rental income	-	161 898 000	-	2 852 757 000	-	3 014 654 999	(296 949 802)	2 717 705 197
Investment income and fair value adjustment on investment property	13 741 508 000	15 688 277 000	13 741 508 000	47 440 279 000	13 741 508 000	104 353 080 000	(77 531 301 822)	26 821 778 178
Fee income, other income and monetary gains/(losses)	3 025 787 000	761 199 000	5 332 000	687 121 000	3 389 605 000	7 869 044 000	604 480 816	8 473 524 816
Total income	**24 615 687 000**	**38 066 053 000**	**43 973 995 000**	**50 980 157 000**	**17 131 113 000**	**174 767 004 999**	**(77 362 593 385)**	**97 404 411 614**
Depreciation	(85 713 214)	(175 099 801)	(80 258 137)	(41 537 670)	(78 220 442)	(460 829 264)	22 006 346	(438 822 918)
Total expenses	(19 886 592 000)	(20 682 166 000)	(26 623 123 000)	(2 780 759 000)	(3 116 384 000)	(73 089 024 000)	3 732 613 089	(69 356 410 911)
Profit before income tax	5 155 881 000	2 049 255 000	2 144 652 000	34 927 756 000	7 186 832 000	51 464 376 001	(23 513 021 545)	27 951 354 455
Income tax (expense)/credit	5 374 000	(1 291 532 000)	-	(2 974 791 000)	737 694	(4 260 211 307)	182 197 583	(4 078 013 724)
Deferred acquisition costs	-	1 327 101 000	-	-	-	1 327 101 000	-	1 327 101 492
Total assets	74 810 120 000	35 158 964 000	11 184 114 000	112 880 910 000	41 295 092 000	275 329 200 001	(107 806 796 362)	167 522 403 639
Movement in insurance contract liabilites*	(10 754 142 759)	412 123	-	-	-	(10 753 730 636)	-	(11 783 061 894)
Movement in investment contract liabilites*	490 935 692	-	-	-	-	490 935 692	-	598 932 708
Total liabilities	55 776 914 642	23 574 037 486	4 894 395 375	12 915 048 010	4 772 881 515	101 933 277 028	(1 582 995 356)	100 350 281 672
Cash flows generated from/(utilised in) operating activities	4 373 255 000	13 186 294 440	2 247 417 000	(320 445 000)	970 030 380	20 456 551 820	(2 290 744 118)	18 165 807 701
Cash flows generated from/(utilised in) investing activities	(305 559 000)	776 513 265	(173 068 000)	(308 957 000)	1 431 390 675	1 420 319 940	(10 540 755 163)	(9 120 435 223)
Cash generated from/(utilised in) financing activities	-	(11 783 062 000)	(353 156 000)	(264 131 000)	(1 157 104 245)	(13 557 453 245)	14 436 400 105	878 946 860

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

5 SEGMENT INFORMATION (continued)

Segmental analysis

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	6 104 884 374	13 297 521 705	18 747 957 096	-	-	38 150 363 175	(481 082 298)	37 669 280 877
Rental income	-	211 443 582	-	2 038 380 696	-	2 249 824 277	(187 405 342)	2 062 418 935
Investment income and fair value adjustment on investment property	20 562 954 655	22 772 541 652	20 562 954 655	44 493 874 802	20 562 954 655	128 955 280 419	(95 636 289 785)	33 318 990 634
Fee and other income	2 213 719 209	(2 285 163 652)	670 590 769	(32 939 105)	1 190 919 875	1 757 127 096	(1 053 410 010)	703 717 086
Total income	**28 881 558 237**	**33 996 343 287**	**39 981 502 523**	**46 499 316 392**	**21 753 874 528**	**171 112 594 968**	**(97 358 187 436)**	**73 754 407 532**
	-	-	-	-	-	-	-	-
Depreciation	(54 053 457)	(189 543 316)	(104 087 991)	(39 689 586)	(97 078 322)	(484 452 672)	468 769 711	(15 682 961)
Total expenses	(22 118 349 758)	(12 919 006 624)	(19 182 427 515)	(1 456 213 164)	(2 464 079 841)	(58 140 076 902)	699 213 700	(57 440 863 202)
Profit before income tax	7 043 214 117	1 980 641 859	2 466 579 132	24 573 138 224	6 835 257 522	42 898 830 854	(26 572 075 785)	16 326 755 069
Income tax (expense)/credit	(497 631 291)	(1 201 356 189)	-	(4 479 021 359)	-	(6 178 008 838)	761 629 918	(5 416 378 921)
Deferred acquisition costs	-	837 051 223	-	-	-	837 051 223	-	837 051 223
Total assets	58 885 931 609	24 640 858 439	8 549 568 490	77 878 055 361	28 834 102 400	198 788 516 300	(75 193 823 573)	123 594 692 727
Movement in insurance contract liabilites	(12 741 093 074)	(230 012)	-	-	-	(12 741 323 086)	-	(12 741 323 086)
Movement in investment contract liabilites	(3 615 232 255)	-	-	-	-	(3 615 232 255)	-	(3 615 232 255)
Total liabilities	45 027 650 524	16 613 340 871	4 168 014 501	9 484 809 948	2 572 900 066	77 866 715 910	(1 074 625 309)	76 792 090 601
	-	-	-	-	-	-	-	-
Cash flows generated from/ (utilised in) operating activities	18 406 694	15 767 157 440	2 677 026 124	277 677 580	1 254 863 840	19 995 131 678	(18 069 763 841)	1 925 367 837
	-	-	-	-	-	-	-	-
Cash flows generated from/ (utilised in) investing activities	480 193 615	497 878 080	(685 291 308)	184 903 853	466 732 320	944 416 560	(195 623 306)	748 793 254
	-	-	-	-	-	-	-	-
Cash generated from/(utilised in) financing activities	(2 676 296)	(1 639 270 080)	(894 900 986)	(239 677 295)	(290 827 920)	(3 067 352 577)	3 521 919 963	454 567 386
	-	-	-	-	-	-	-	-

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 2022	434 154 785	196 869 399	50 651 571	150 262 397	426 722 496	1 258 660 648
As at 31 December 2021	301 718 632	16 224 659	45 476 137	72 189 973	-	435 609 401

Geographical concentration of gross premium written
December 2022

	Life Insurance ZWL	Property and Casualty ZWL	Health ZWL	Property ZWL	Other ZWL	31 December 2022 ZWL
Zimbabwe	7 906 352 137	28 480 945 026	30 227 154 632	-	-	66 614 451 795
Other countries	-	10 020 810 164	-	-	-	10 020 810 164
Total	**7 906 352 137**	**38 501 755 191**	**30 227 154 632**	**-**	**-**	**76 635 261 960**

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

5 SEGMENT INFORMATION (continued)

Geographical concentration of gross premium written
December 2021

	Life Insurance ZWL	Property and Casualty ZWL	Health ZWL	Property ZWL	Other ZWL	31 December 2021 ZWL
Zimbabwe	6 288 423 702	17 105 202 082	18 747 957 096	-	-	42 141 582 880
Other countries	-	7 226 072 206	-	-	-	7 226 072 206
Total	**6 288 423 702**	**24 331 274 288**	**18 747 957 096**	**-**	**-**	**49 367 655 086**

Segmental analysis
HISTORICAL COST - UNAUDITED
As at 31 December 2022

	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	6 038 637 573	11 581 271 222	21 935 899 876	-	-	39 555 808 671	234 416 942	39 790 225 613
Rental income	-	1 028 624 942	-	-	-	1 028 624 942	1 091 920 147	2 120 545 089
Investment income and fair value adjustment on investment property	(337 678 658)	(367 444 458)	3 407 317 338	1 700 014 502	287 372 709	4 689 581 433	93 751 248 997	98 440 830 430
Fee and other income	(2 294 001 126)	(7 604 596 811)	(15 296 870 764)	334 527 103	87 806 001	(24 773 135 598)	31 642 893 606	6 869 758 008
Total income	**3 406 957 789**	**4 637 854 896**	**10 046 346 450**	**2 034 541 605**	**375 178 710**	**20 500 879 448**	**126 720 479 691**	**147 221 359 140**
Depreciation	(17 210 010)	(37 949 892)	(15 782 261)	(9 534 525)	(4 432 592)	(84 909 281)	24 977 111	(59 932 170)
Total expenses	(47 195 964 753)	(14 991 016 919)	(18 773 161 510)	(2 124 231 614)	(1 800 859 681)	(84 885 234 476)	640 736 188	(84 244 498 288)
Profit before income tax	14 695 668 221	7 636 727 111	4 787 933 662	89 170 965 791	23 980 099 108	140 271 393 893	(77 327 572 538)	62 943 821 355
Income tax (expense)/credit	(279 736 328)	(2 478 400 185)	-	(9 501 073 321)	150 021 355	(12 109 188 479)	19 321 941	(12 089 866 538)
Deferred acquisition costs	21 791 830	1 359 483 685	21 791 830	-	-	1 403 067 344	(426 895 320)	976 172 024
Total assets	73 966 075 589	31 033 562 622	10 418 925 640	111 918 345 589	39 035 229 014	266 372 138 455	(101 738 896 729)	164 633 241 726
Movement in insurance contract liabilites	(38 681 744 241)	-	-	-	-	(38 681 744 241)	-	(38 681 744 241)
Movement in investment contract liabilites	(1 561 010 015)	-	-	-	-	(1 561 010 015)	-	(1 561 010 015)
Total liabilities	55 759 926 625	20 982 659 397	4 891 778 867	12 765 616 935	4 638 159 090	99 038 140 914	339 517 426	99 377 658 340
Cash flows generated from/ (utilised in) operating activities	1 233 068 000	7 265 176 000	4 729 876 000	(329 178 000)	534 452 000	13 433 394 000	275 227 942	13 708 621 942
Cash flows generated from/ (utilised in) investing activities	30 968 000	427 831 000	30 048 000	(118 632 000)	788 645 000	1 158 860 000	(6 174 004 607)	(5 015 144 607)
Cash generated from/(utilised in) financing activities	-	-	(288 132 000)	(211 619 000)	(637 523 000)	(1 137 274 000)	2 040 598 470	903 324 470

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

5 SEGMENT INFORMATION (continued)

Segmental analysis
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 and other income	(419 089 414)	(1 530 670 738)	(3 479 925 549)	17 356 784	45 220 703	(5 367 108 215)	6 158 384 259	791 276 045
Total income	**1 000 917 029**	**2 050 187 544**	**919 548 358**	**273 283 707**	**(189 216 274)**	**4 054 720 363**	**22 607 679 659**	**26 662 400 023**
Depreciation	(5 645 464)	(4 499 903)	(8 347 510)	(4 667 750)	(4 029 629)	(27 190 254)	11 903 905	(15 286 349)
Total expenses	(9 141 929 918)	(2 976 143 791)	(4 452 734 063)	(334 092 681)	(518 218 560)	(17 423 119 013)	270 030 382	(17 153 088 631)
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	(12 060 631 251)	9 542 957 997
Income tax (expense)/credit	(12 018 905)	(406 397 517)	-	(1 798 911 876)	(19 397 881)	(2 236 726 179)	(579 454)	(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 liabilities	(6 445 136 237)	-	-	-	-	(6 445 136 237)	-	(6 445 136 237)
Movement in investment contract liabilities	(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	313 350 755	21 391 883 916
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	(1 654 324 143)	899 963 330
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	(15 746 899)	156 902 178
Cash generated from/(utilised in) financing activities	(777 993)	(116 543 000)	(190 018 210)	(57 798 363)	(45 432 000)	(410 569 567)	510 828 518	100 258 951

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 2022	239 179 234	108 432 791	27 887 382	82 789 200	235 108 813	693 397 420
As at 31 December 2021	83 240 604	2 876 525	10 247 913	15 761 472	-	112 126 514

Geographical concentration of gross premium written
December 2022

	Life Insurance ZWL	Property and Casualty ZWL	Health ZWL	Property ZWL	Other ZWL	31 December 2022 ZWL
Zimbabwe	6 127 196 861	19617 967 926	21935 899 876	-	-	47 681 064 663
Other countries	-	7 424 998 845	-	-	-	7 424 998 845
Total	**6 127 196 861**	**27 042 966 771**	**21 935 899 876**	**-**	**-**	**55 106 063 508**

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

5 SEGMENT INFORMATION (continued)

Geographical concentration of gross premium written
December 2021

	Life Insurance ZWL	Property and Casualty ZWL	Health ZWL	Property ZWL	Other ZWL	31 December 2021 ZWL
Zimbabwe	1 468 071 031	3812 609 421	4263 592 484	-	-	9 544 272 936
Other countries	-	1 862 761 567	-	-	-	1 862 761 567
Total	**1 468 071 031**	**5 675 370 988**	**4 263 592 484**	**-**	**-**	**11 407 034 503**

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.

6 GROUP - PROPERTY, PLANT AND EQUIPMENT
INFLATION ADJUSTED - AUDITED

	Land and buildings ZWL	Plant and equipment ZWL	Motor vehicles ZWL	Office furniture ZWL	Total ZWL
Year ended 31 December 2021					
Cost					
As at 1 January 2021	446 214 751	1 632 038 776	1 270 900 520	426 786 154	3 775 940 201
Additions	-	301 718 633	16 224 659	45 476 137	363 419 429
Effects of exchange rates	-	162 058	210 143	96 014	468 215
Disposals	-	(61 258 794)	(27 328 263)	(23 636 386)	(112 223 443)
As at 31 December 2021	**446 214 751**	**1 872 660 672**	**1 260 007 059**	**448 721 919**	**4 027 604 402**
Accumulated depreciation					
As at 1 January 2021	105 424 464	836 121 797	992 972 892	248 088 452	2 182 607 605
Charge for the year	8 848 767	105 918 624	138 863 231	40 443 873	294 074 494
Effects of exchange rates	-	11 554	67 375	11 914	90 843
Depreciation on disposals	-	(58 930 310)	(24 594 002)	(15 070 903)	(98 595 216)
	114 273 230	**883 121 665**	**1 107 309 496**	**273 473 336**	**2 378 177 726**
Net book amount					
As at 31 December 2021	**331 941 521**	**989 539 007**	**152 697 564**	**175 248 583**	**1 649 426 677**
Year ended 31 December 2022					
Cost					
As at 1 January 2022	446 214 751	1 872 660 672	1 260 007 059	448 721 919	4 027 604 402
Additions	426 722 496	434 154 785	196 869 399	50 651 571	1 108 398 251
Effects of foreign exchange rates	-	235 468	123 847	77 369	436 684
Disposals	-	(2 648 401)	(2 686 480)	(908 396)	(6 243 277)
As at 31 December 2022	**872 937 247**	**2 304 402 525**	**1 454 313 827**	**498 542 463**	**5 130 196 060**
Accumulated depreciation					
As at 1 January 2022	114 273 230	883 121 665	1 107 309 496	273 473 336	2 378 177 726
Charge for the year	669 094	164 692 647	160 188 772	82 386 253	407 936 766
Effects of exchange rates	-	123 439	88 677	75 764	287 880
Depreciation on disposals	-	(1 388 363)	(1 923 581)	(889 549)	(4 201 492)
As at 31 December 2022	**114 942 325**	**1 046 549 388**	**1 265 663 364**	**355 045 803**	**2 782 200 881**
Net book amount					
As at 31 December 2022	**757 994 922**	**1 257 853 136**	**188 650 462**	**143 496 660**	**2 347 995 179**

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

6 GROUP - PROPERTY, PLANT AND EQUIPMENT

HISTORICAL COST - UNAUDITED	Land and buildings ZWL	Plant and equipment ZWL	Motor vehicles ZWL	Office furniture ZWL	Total ZWL
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**	**125 097 026**	**10 481 693**	**16 394 517**	**161 425 883**
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
Effects of exchange rates	-	6 366	37 121	6 564	50 051
Depreciation on disposals	-	(3 942 243)	(2 418 172)	(556 760)	(6 917 175)
	2 420 773	**11 071 360**	**4 249 336**	**2 831 551**	**20 573 019**
Net book amount					
As at 31 December 2021	**7 031 874**	**114 025 666**	**6 232 357**	**13 562 966**	**140 852 865**
Year ended 31 December 2022					
Cost					
As at 1 January 2022	9 452 647	125 097 026	10 481 693	16 394 517	161 425 883
Additions	235 108 813	239 179 234	108 432 791	27 887 382	610 608 220
Effects of exchange rates	-	154 239	103 433	62 447	320 119
Disposals	-	(418 352)	(458 728)	(10 284)	(887 364)
As at 31 December 2022	**244 561 460**	**364 012 148**	**118 559 189**	**44 334 061**	**771 466 859**
Accumulated depreciation					
As at 1 January 2022	2 420 773	11 071 360	4 249 336	2 831 551	20 573 019
Charge for the year	187 453	25 954 119	9 501 460	7 271 975	42 915 007
Effects of exchange rates	-	80 856	74 060	61 154	216 070
Depreciation on disposals	-	(219 311)	(328 460)	(10 071)	(557 842)
As at 31 December 2022	**2 608 226**	**36 887 023**	**13 496 396**	**10 154 609**	**63 146 254**
Net book amount					
As at 31 December 2022	**241 953 234**	**327 125 125**	**105 062 793**	**34 179 452**	**708 320 605**

First Mutual Holdings Limited Group set up a Separate Purpose Vehicle (SPV), Infrastructure Fund Zimbabwe (Private) Limited, in prior 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 Limited with only an asset in the form of the solar plant which has been recognised above under Plant and Equipment amounting to ZWL204 623 588. The asset has been commissioned for use starting 1 January 2022. The economic life of the asset has been determined to be 25 years with the nil residual value expected at the end of it's economic life.

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 has two leases in Gaborone, Botswana with lease periods of 5 years and 3 years respectively. The later one was added during the current year. The discounted rate used for both leases is the incremental borrowing rate of 10.75% (2021: 10.75%). There were no modifications made to the first lease agreement during the year.

i Lease assets	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL Buildings	Group 2021 ZWL Buildings	Group 2022 ZWL Buildings	Group 2021 ZWL Buildings
As at 1 January	48 045 816	98 425 824	13 966 807	17 771 527
Addition- New lease	70 707 674	-	38 957 396	-
Exchange rate effects	(40 078 780)	(22 408 872)	11 881 519	1 245 680
Depreciation charge	(30 886 151)	(27 971 136)	(17 017 163)	(5 050 400)
As at 31 December	**47 788 558**	**48 045 816**	**47 788 558**	**13 966 807**

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

6.1 RIGHT OF USE ASSETS (continued)

ii Lease liabilities

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL	**Group 2021 ZWL**	**Group 2022 ZWL**	**Group 2021 ZWL**
As at 1 January	51 722 189	80 825 948	15 035 520	14 593 736
Addition- new lease	70 707 674	-	38 957 396	-
Exchange rate effects	160 037 352	17 550 422	88 174 850	5 101 867
Liability repayments	(32 277 300)	(20 679 584)	(17 783 637)	(4 660 083)
Interest accrued	18 025 319	5 535 600	11 731 226	1 321 075
Interest paid	(18 025 319)	(5 535 600)	(11 731 226)	(1 321 075)
Monetary loss adjustment	(125 805 785)	(25 974 597)	-	-
As at 31 December	**124 384 130**	**51 722 189**	**124 384 130**	**15 035 520**
Of which are :				
Current lease liabilities	48 845 651	16 133 077	48 845 651	4 689 848
Non-Current lease liabilities	75 538 479	35 589 112	75 538 479	10 345 672
As at 31 December	**124 384 130**	**51 722 189**	**124 384 130**	**15 035 520**

Maturity analysis
INFLATION ADJUSTED - AUDITED
Lease Liability

31 December 2022	**Up to 1 year ZWL**	**Up to 5 years ZWL**	**Total ZWL**
Undiscounted cash outflow	55 924 194	86 485 255	142 409 449
Finance cost	(7 078 543)	(10 946 776)	(18 025 319)
Total lease liabilities	**48 845 651**	**75 538 479**	**124 384 130**

INFLATION ADJUSTED - AUDITED
Lease Liability

31 December 2021	**Up to 1 year ZWL**	**Up to 5 years ZWL**	**Total ZWL**
Undiscounted cash outflow	4 939 687	52 318 102	57 257 789
Finance cost	(477 562)	(5 816 467)	(5 535 600)
Total lease liabilities	**4 462 125**	**46 501 635**	**51 722 189**

iii Amounts recognised in the statement of profit or loss

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

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2 022 ZWL	**Group 2021 ZWL**	**Group 2 022 ZWL**	**Group 2021 ZWL**
Depreciation charge of right of use asset	30 886 151	27 971 136	17 017 163	17 017 163
Interest expense (included under finance costs)	18 025 319	5 535 600	11 731 226	11 731 226

7 INVESTMENT PROPERTY

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2 022 ZWL	**Group 2021 ZWL**	**Group 2 022 ZWL**	**Group 2021 ZWL**
As at 1 January	77 423 908 000	52 886 479 483	22 506 950 000	9 549 053 785
Total additions	150 262 397	72 189 972	82 789 200	15 761 472
Additions to properties under development	81 301 652	-	44 794 299	-
Improvements to existing properties	68 960 745	72 189 972	37 994 901	15 761 472
Transfer to Non-current assets held for sale	(38 400 000)	-	(38 400 000)	-
Disposals	(217 709 917)	-	(160 027 922)	-
Fair value adjustments	34 116 870 097	24 465 238 545	89 043 619 298	12 942 134 743
As at 31 December	**111 434 930 576**	**77 423 908 000**	**111 434 930 576**	**22 506 950 000**

There was no investment property that was encumbered as at 31 December 2022 (2021 nil).

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

7 INVESTMENT PROPERTY (continued)

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 2022

	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	-	-	15 378 440 000	15 378 440 000	5 083 208 000
CBD offices	-	-	19 330 000 000	19 330 000 000	6 172 000 000
Office parks	-	-	29 010 000 000	29 010 000 000	9 608 400 000
Suburban retail	-	-	6 870 000 000	6 870 000 000	1 710 000 000
Industrial	-	-	10 315 000 000	10 315 000 000	3 180 440 000
Commercial lodge	-	-	82 000 000	82 000 000	23 520 000
Residential	-	-	5 645 890 576	5 645 890 576	1 331 510 097
Land*	-	-	24 803 600 000	24 803 600 000	7 007 792 000
Total	**-**	**-**	**111 434 930 576**	**111 434 930 576**	**34 116 870 097**

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	-	-	10 295 232 000	10 295 232 000	3 091 213 584
CBD offices	-	-	13 158 000 000	13 158 000 000	1 879 103 784
Office parks	-	-	19 401 600 000	19 401 600 000	9 730 778 224
Suburban retail	-	-	5 160 000 000	5 160 000 000	1 264 510 976
Industrial	-	-	7 134 560 000	7 134 560 000	2 360 293 048
Commercial lodge	-	-	58 480 000	58 480 000	19 988 120
Residential	-	-	4 420 228 000	4 420 228 000	62 922 565
Land*	-	-	17 795 808 000	17 795 808 000	6 056 428 244
Total	**-**	**-**	**77 423 908 000**	**77 423 908 000**	**24 465 238 545**

HISTORICAL COST - UNAUDITED
31 December 2022

	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	-	-	15 378 440 000	15 378 440 000	12 385 640 000
CBD offices	-	-	19 330 000 000	19 330 000 000	15 505 000 000
Office parks	-	-	29 010 000 000	29 010 000 000	23 370 000 000
Suburban retail	-	-	6 870 000 000	6 870 000 000	5 370 000 000
Industrial	-	-	10 315 000 000	10 315 000 000	8 241 000 000
Commercial lodge	-	-	82 000 000	82 000 000	65 000 000
Residential	-	-	5 645 890 576	5 645 890 576	4 438 179 298
Land*	-	-	24 803 600 000	24 803 600 000	19 668 800 000
Total	**-**	**-**	**111 434 930 576**	**111 434 930 576**	**89 043 619 298**
31 December 2021					
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**

* This consists of land earmarked for future developments.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

7.1 Fair value hierarchy (continued)

Gains recorded in statement of comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL33.99 billion (2021: ZWL24.47 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

Class of Property	Fair Value 31 December 2022 ZWL	Fair Value 31 December 2021 ZWL	Valuation Technique	Key unobservable Inputs	2022 Range	2021 Range
CBD retail	15 378 440 000	10 295 232 000	Income capitalisation	Rental per square metre Prime yield Void rate	ZWL4,000-ZWL10,000 4.50%-6.00%	ZWL750-ZWL2000 4.00%-5.00%
CBD offices	19 330 000 000	13 158 000 000	Income capitalisation	Rental per square metre Prime yield Void rate	ZWL2,000-ZWL3,500 5.50%-8.5%	ZWL500-ZWL700 5.5.00%-8.5%
Office parks	29 010 000 000	19 401 600 000	Income capitalisation	Rental per square metre Prime yield Void rate	ZWL4,000-ZWL5,000 5.00%-6.00%	ZWL700-ZWL980 5.00%-6.00%
Suburban retail	6 870 000 000	5 160 000 000	Income capitalisation	Rental per square metre Prime yield Void rate	ZWL900-ZWL20,000 4.00%-5.50%	ZWL900-ZWL3200 4.00%-5.00%
Industrial	10 315 000 000	7 134 560 000	Income capitalisation	Rental per square metre Prime yield Void rate	ZWL1,000-ZWL3,500 7.00%-10.00%	ZWL160-ZWL440 7.00%-10.00%
Commercial lodge	82 000 000	58 480 000	Rental yield	Annual yield	ZWL1500- ZWL12500 per square metre	ZWL10- ZWL250 per square metre
Land - Residential*	-	-	Market comparable	Rate per square metre	ZWL1,500.00-ZWL20,000.00	ZWL3500.00-ZWL6000.00
- Commercial	24 803 600 000	17 795 808 000	Market comparable	Rate per square metre	ZWL20,000.00-ZWL 86,000.00	ZWL7000.00-ZWL14000.00
Residential	5 645 890 576	4 420 228 000	Market comparable	Comparable transacted properties prices	ZWL1,500.00-ZWL20,000.00	ZWL1300.00-ZWL2500.00
Non current asset held for sale	38 400 000	-	Market comparable	Rate per square metre	ZWL3500.00-ZWL6000.00	ZWL3500.00-ZWL6000.00
Total	**111 473 330 576**	**77 423 908 000**				

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

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 2022 ZWL**	**31 December 2021 ZWL**	**31 December 2022 ZWL**	**31 December 2021 ZWL**
Industrial	36 997	32 518	30%	26%
CBD offices	31 741	25 770	26%	21%
Office parks	25 769	20 327	21%	16%
Suburban retail	7 723	7 723	6%	6%
CBD retail	21 948	37 113	18%	30%
Total	**124 178**	**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 2022. 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.

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).

7 INVESTMENT PROPERTIES (continued)

7.1 Fair value hierarchy (continued)

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 2022		December 2021	
Sensitivity analysis.	**Increase in yield 10% ZWL**	**Decrease in yield 10% ZWL**	**Increase in yield 10% ZWL**	**Decrease in yield 10% ZWL**
Investment property	(37 962 330 731)	119 121 666 426	(7 186 760 950)	19 887 317 795
Deferred tax effect	7 976 644 933	(25 029 844 550)	1 776 567 307	(4 916 144 959)
Effects of rebasing	(1 407 643 223)	4 417 031 391	-	-
Profit for the year	(31 393 329 021)	98 508 853 268	(5 410 193 643)	14 971 172 836
Equity	(31 393 329 021)	98 508 853 268	(5 410 193 643)	14 971 172 836

As at 31 December 2022, if the average yield was 10% higher holding other variables constant, investment property value will decrease by ZWL37 962 330 731 and deferred tax liabilities will decrease by ZWL6 569 001 710. As at 31 December 2022, if the average yield rate was 10% lower holding other variables constant, investment property value will increase by ZWL119 121 666 426 and the deferred tax liabilities will increase by ZWL20 612 813 158.

7.2 Investment property held for sale

During the year ended 31 December 2022, the directors of First Mutual Properties Limited decided to dispose of a residential parcel of land, known as 472 Goodhope Township of Lot 4 of Goodhope, Harare as part of the Group's ongoing capital recycling strategy. Conditions for the classification as held for sale (as stipulated in IFRS 5- Non-current assets held for sale and discontinued operations) were met as at 31 December 2022. The asset was reclassified to current assets from investment property as disclosed below. In prior year directors of First Mutual Properties disposed off a piece of land which was initially classified as investment property held for sale. A total fair value gain before disposal of ZWL8.3 million was recognised in the income statement and a profit of ZWL42 515 123 arising from the disposal was recognised in the income statement under other income.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL	**Group 2021 ZWL**	**Group 2022 ZWL**	**Group 2021 ZWL**
Investment property held for sale	38 400 000	-	38 400 000	-

Investment property held for sale are under the level 3 category of the fair value hierarchy. The sensitivities on key inputs are included on note 7.1

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
8	**INTANGIBLE ASSETS**	**Group**	**Group**	**Group**	**Group**
8.1	**SOFTWARE**	**2022**	**2021**	**2022**	**2021**
		ZWL	**ZWL**	**ZWL**	**ZWL**
	Cost				
	Year ended 31 December				
	As at 1 January	550 777 432	534 662 172	7 672 989	4 289 137
	Additions	11 453 953	16 115 260	3 895 252	3 383 852
	Derecognition of intangible assets	(287 884 180)	-	(2 726 093)	-
	As at 31 December	**274 347 204**	**550 777 432**	**8 842 148**	**7 672 989**
	Accumulated amortisation and impairment losses				
	Year ended 31 December				
	As at 1 January	493 381 920	409 505 230	4 005 090	3 620 406
	Charge for the year	24 968 972	83 876 690	806 575	384 684
	Derecognition of intangible assets	(287 884 180)	-	(2 726 093)	-
	As at 31 December	**230 466 711**	**493 381 920**	**2 085 572**	**4 005 090**
	Carrying amount				
	As at 31 December	**43 880 493**	**57 395 512**	**6 756 576**	**3 667 899**

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 2022, these assets were tested for impairment, and management determined that no impairment is required in respect of these intangibles (2021: ZWLnil).

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group	**Group**	**Group**	**Group**
8.2	**Goodwill**	**2022**	**2021**	**2022**	**2021**
	Carrying amount	**ZWL**	**ZWL**	**ZWL**	**ZWL**
	At 1 January	83 604 129	87 145 781	24 303 526	15 734 830
	At acquisition of a subsidiary	-	-	-	-
	Foreign exchange remeasurement	67 757 463	(3 541 652)	127 058 065	8 568 696
	Impairment for the year	-	-	-	-
		151 361 592	**83 604 129**	**151 361 592**	**24 303 526**

Goodwill is classified as a non-current asset. The goodwill arose from the acquisition of control in Diamond Seguros Insurance Limited. The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit ("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. 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. The rates are consistent with forecasts included in industry reports.
Pre tax discount rate (30.61%)	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 continuous 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.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

8 INTANGIBLE ASSETS (continued)

8.2 Goodwill (continued)

The value in use was determined to be ZWL25.1 billion an amount that is 166 times higher than the goodwill carrying amount as at 31 December 2022 of ZWL151 million. If the future cashflows (terminal value) are assumed to be zero there will still be no impairment because the value in use will be ZWL2 billion which will be 13 times above the goodwill carrying amount.

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 2022, there will still be no impairment.

Weighted average long term discount rate
The weighted average long-term growth of 7% is the least estimated over the company, calculated on the basis of growth in GPW over the 5 year span. The weighted average growth of 7% have been adjusted for risk by 50%. 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 30.61%(i.e.,+3.19%) in the company's current rate would not result in an impairment. The Group would still not have recognised impairment. If the discount rate is increased by 20% there will still be a ZWL11.8 billion headroom over the Diamond Seguros net assets. The Directors and management have considered and assessed reasonably possible changes for other key assumptions and ha that could cause the carrying amount of Diamond Seguros Insurance Limited to exceed its recoverable amount.

9 Investment in gold coins

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
At 1 January	-	-	-	-
Additions	336 413 847	-	238 552 126	-
Disposals	-	-	-	-
Fair value gain/(loss)	(59 801 946)	-	38 059 776	-
	276 611 901	**-**	**276 611 901**	**-**

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

INFLATION ADJUSTED - AUDITED 31 December 2022	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL	Total gain/(loss) in the period in the statement of comprehensive income ZWL
Gold coins	276 611 901	-	-	276 611 901	(59 801 946)
	-	-	-	-	-
Total	**276 611 901**	**-**	**-**	**276 611 901**	**(59 801 946)**

HISTORICAL COST - UNAUDITED 31 December 2022	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL	Total gain/(loss) in the period in the statement of comprehensive income ZWL
Gold coins	276 611 901	-	-	276 611 901	38 059 776
	-	-	-	-	-
Total	**276 611 901**	**-**	**-**	**276 611 901**	**38 059 776**

The gold coins are classified under level 1 as the values for these are readily available in the international market.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

10 INVESTMENT IN ASSOCIATES

Investment in associates

Through its 100% share ownership 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 Company, 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 2022 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.

The Group has a 37.48% interest in Builstate Investments (Private) Limited , which is involved in Fast-moving consumer goods. Builstate Investments (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Builstate Investments (Private) Limited was accounted for using the equity method in the consolidated financial statements.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
Reconciliation of the carrying amount				
As at 1 January	1 214 590 897	1 962 264 769	213 844 123	172 212 552
Cut-off adjustment	-	(530 188 049)	-	(16 849 867)
Additions	84 140 749	-	24 476 860	-
Gain on bargain purchase	67 191 884	-	111 508 274	-
Share of associates other comprehensive income	312 897 740	49 223 702	135 723 036	14 309 216
Share of movement in foreign currency translation reserve	31 211 969	(279 920 264)	609 112 147	10 525 617
Share of associates profit/(losses)	(96 646 248)	13 210 739	(33 039 497)	33 646 606
Share of associates profit/(losses)	(96 646 248)	13 210 739	(33 039 497)	33 646 606
Impairment allowance	-	-	-	-
As at 31 December	**1 613 386 990**	**1 214 590 897**	**1 061 624 943**	**213 844 123**

Name of entity	Country of incorporation	% of ownership through NDIL and/or FMHC		Method of measurement	"Carrying amount INFLATION ADJUSTED - AUDITED"		"Carrying amount HISTORICAL COST - UNAUDITED"	
		2022	2021		2 022	2 021	2 022	2 021
United General Insurance Company Limited ("UGI")	Malawi	34%	34%	Equity method	611 601 961	636 447 747	611 601 961	185 013 880
Clover Leaf Panel Beaters (Private) Limited ("CLPB")	Zimbabwe	45%	45%	Equity method	847 338 533	559 146 249	310 923 985	25 850 581
Haemotology Centre (Private) Limited ("HC")	Zimbabwe	34%	34%	Equity method	-	18 996 901	-	2 979 662
Builstate Investments (Private) Limited ("BI")	Zimbabwe	37%		Equity method	154 446 496	-	139 098 997	-
					1 613 386 990	**1 214 590 897**	**1 061 624 943**	**213 844 123**

The tables below provide summarised financial information for the associates.

INFLATION ADJUSTED - AUDITED

Summarised Statement of Financial Position for associates

	BI 2022	HC 2022	HC 2021	UGI 2022	UGI 2021	CLPB 2022	CLPB 2021
Non-current assets	403 769 033	84 732 452	45 260 812	2 052 555 720	1 374 648 917	2 070 175 479	1 298 820 573
Current assets	11 878 630	41 294 708	61 187 351	5 585 765 423	3 485 879 445	575 287 024	168 472 848
Non-current liabilities	-	(114 122 124)	(33 236 748)	(32 981 088)	(25 279 069)	(50 105 371)	(113 835 618)
Current liabilities	(3 570 566)	(20 160 684)	(17 338 188)	(5 806 510 758)	(2 963 344 156)	(712 382 614)	(110 910 581)
Total equity	**412 077 097**	**(8 255 648)**	**55 873 227**	**1 798 829 297**	**1 871 905 137**	**1 882 974 517**	**1 242 547 222**

Summarised Statement Comprehensive Income for associates

	BI 2022	HC 2022	HC 2021	UGI 2022	UGI 2021	CLPB 2022	CLPB 2021
Total revenue	13 731 126	94 433 838	146 705 313	2 739 002 240	3 172 482 762	2 047 476 882	630 115 969
Total expenses	(2 570 145)	(125 733 687)	(161 174 243)	(2 935 263 446)	(2 829 851 781)	(2 030 123 218)	(637 062 797)
Profit/(loss) before income tax	11 160 981	(31 299 849)	(14 468 930)	(196 261 206)	342 630 981	17 353 664	(6 946 828)

10 INVESTMENT IN ASSOCIATES (continued)

Investment in associates (continued)

Reconciliation of carrying amount for associates

	BI 2022	HC 2022	HC 2021	UGI 2022	UGI 2021	CLPB 2022	CLPB 2021
As at 1 January	**-**	**18 996 901**	**192 495 904**	**636 447 747**	**792 280 487**	**559 146 250**	**977 488 377**
Capitalised investment at cost	84 140 749	-	-	-	-	-	-
Cut off adjustment	-	-	(168 832 668)	-	(1 284 912)	-	(420 445 385)
Profit/(loss) for the year	3 113 863	(40 840 450)	(4 666 335)	(66 728 810)	21 003 146	7 809 149	(3 126 073)
Other comprehensive income	-	21 843 549	-	41 883 024	(175 550 974)	280 383 134	5 229 330
Gain on bargain purchase	67 191 884	-	-	-	-	-	-
As at 31 December	**154 446 496**	**-**	**18 996 901**	**611 601 961**	**636 447 747**	**847 338 533**	**559 146 250**
Group's share in %	37%	34%	34%	34%	34%	45%	45%
Group's share of net assets	154 446 496	(2 806 920)	18 996 901	611 601 961	636 447 747	847 338 533	559 146 250
IAS28 limit adjustment	-	2 806 920	-	-	-	-	-
Carrying amount	**154 446 496**	**-**	**18 996 901**	**611 601 961**	**636 447 747**	**847 338 533**	**559 146 250**

HISTORICAL COST - UNAUDITED

Summarised Statement of Financial Position for associates

		HC 2022	HC 2021	UGI 2022	UGI 2021	CLPB 2022	CLPB 2021
Non-current assets	362 820 529	53 036 982	9 729 443	2 052 555 720	399 607 243	683 415 383	82 426 684
Current assets	11 878 630	41 294 708	12 004 276	5 585 765 423	1 013 337 048	167 234 600	23 254 775
Non-current liabilities	-	(81 515 803)	(7 929 836)	(32 981 088)	(7 348 567)	(14 565 515)	(15 994 275)
Current liabilities	(3 570 566)	(20 160 684)	(5 040 171)	(5 806 510 758)	(861 437 255)	(145 142 279)	(32 241 448)
Total equity	**371 128 593**	**(7 344 797)**	**8 763 712**	**1 798 829 297**	**544 158 470**	**690 942 189**	**57 445 736**

Summarised Statement Comprehensive Income for associates

Total revenue	13 136 945	74 403 838	33 059 607	1 508 182 183	726 942 680	1 127 406 217	116 890 266
Total expenses	(2 100 727)	(97 732 687)	(36 320 138)	(1 616 249 876)	(648 432 220)	(1 117 850 735)	(118 178 944)
Profit/(loss) before income tax	11 036 218	(23 328 849)	(3 260 530)	(108 067 693)	78 510 461	9 555 482	(1 288 678)

Reconciliation of carrying amount for associates

As at 1 January	-	2 979 662	4 249 988	185 013 880	143 052 232	25 850 581	24 910 332
Capitalised investment at cost	24 476 860	-	-	-	-	-	-
Cut off adjustment	-	-	-	-	(16 849 868)	-	-
Profit/(loss) for the year	3 113 863	(3 710 311)	(1 270 326)	(36 743 015)	35 496 837	4 299 967	(579 905)
Other comprehensive income	-	730 648	-	463 331 096	23 314 679	280 773 437	1 520 154
Gain on bargain purchase	111 508 274	-	-	-	-	-	-
As at 31 December	**139 098 997**	**-**	**2 979 662**	**611 601 961**	**185 013 880**	**310 923 985**	**25 850 581**
Group's share in %	37%	34%	34%	34%	34%	45%	45%
Group's share of net assets	139 098 997	(2 497 231)	2 979 662	611 601 961	185 013 880	310 923 985	25 850 581
IAS28 limit adjustment	-	2 497 231	-	-	-	-	-
Carrying amount	**139 098 997**	**-**	**2 979 662**	**611 601 961**	**185 013 880**	**310 923 985**	**25 850 581**

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

11 CLASSIFICATION OF FINANCIAL ASSETS

The Group's financial instruments are summarised by category as follows:

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
Financial assets				
Financial assets at fair value through profit or loss (note 11.1)	17 672 806 941	21 099 592 837	17 672 806 941	6 133 602 569
Debt securities at amortised cost (note 11.2)	2 514 365 698	642 096 361	2 514 365 698	186 655 919
Total financial assets	**20 187 172 639**	**21 741 689 198**	**20 187 172 639**	**6 320 258 488**
Insurance, tenant and other receivables				
Insurance receivables at amortised cost (note 14.1)	7 898 518 841	4 422 051 709	7 898 518 841	1 285 480 148
Rental receivables at amortised cost (note 14.2)	493 841 251	309 977 984	493 841 251	90 109 879
Other receivables excluding prepayments at amortised cost (note 14.3)	3 318 853 693	3 882 421 705	3 318 853 693	1 128 610 963
Total insurance, tenant and other receivables	**11 711 213 785**	**8 614 451 398**	**11 711 213 785**	**2 504 200 990**
Cash and balances with banks at amortised cost (note 15)	16 672 648 698	10 505 203 724	16 672 648 698	3 053 838 292
Total financial instruments	**48 571 035 122**	**40 861 344 320**	**48 571 035 122**	**11 878 297 770**

11.1 Financial assets at fair value through profit or loss

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
Fair value				
As at 1 January	21 099 592 837	11 792 310 316	6 133 602 569	2 129 190 798
Purchases	4 251 429 220	1 222 696 207	2 342 385 246	275 530 966
Disposals	(288 161 976)	(1 667 995 043)	(158 766 929)	(375 877 737)
Fair value gain on unquoted investments	305 711 745	485 505 594	2 066 946 599	312 376 187
Fair value gain/(loss) on quoted equities	(7 695 764 885)	9 267 075 763	7 288 639 456	3 792 382 355
As at 31 December	**17 672 806 941**	**21 099 592 837**	**17 672 806 941**	**6 133 602 569**

11.2 Debt securities at amortised cost

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
As at 1 January	642 096 361	456 707 458	186 655 919	82 461 985
Purchases	4 402 464 521	530 804 047	2 425 600 287	119 615 118
Maturities of investments	(177 671 271)	(68 433 045)	(97 890 508)	(15 421 184)
Monetary loss adjustment	(2 352 523 913)	(276 982 099)	-	-
As at 31 December	**2 514 365 698**	**642 096 361**	**2 514 365 698**	**186 655 919**
Current	706 932 456	180 530 126	706 932 456	52 479 688
Non current	1 807 433 242	461 566 235	1 807 433 242	134 176 231
Total	**2 514 365 698**	**642 096 361**	**2 514 365 698**	**186 655 919**

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 2.12.

The following table shows an analysis of financial instruments recorded at fair value of the fair value hierarchy:

INFLATION ADJUSTED - AUDITED	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total fair value ZWL
As at 31 December 2022				
Financial assets mandatorily at fair value through profit or loss	14 255 808 885	-	3 416 998 056	17 672 806 941
				-
Total financial assets recorded at fair value	**14 255 808 885**	**-**	**3 416 998 056**	**17 672 806 941**
As at 31 December 2021				
Financial assets mandatorily at fair value through profit or loss	19 040 290 339	-	2 059 302 498	21 099 592 837
Total financial assets recorded at fair value	**19 040 290 339**	**-**	**2 059 302 498**	**21 099 592 837**

During the year there were no transfers of financial assets between levels 1, 2 and 3 (2021: ZWLnil).

Notes to the Financial Statements
FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

11 CLASSIFICATION OF FINANCIAL ASSETS (continued)

11.3 Determination of fair value and fair values hierarchy (continued)

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,

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
As at 1 January	2 059 302 498	1 526 970 523	598 634 448	275 706 074
Additions	1 051 983 813	46 826 381	751 417 009	10 552 186
Fair value gain on unquoted investments	305 711 745	485 505 594	2 066 946 599	312 376 187
As at 31 December	**3 416 998 055**	**2 059 302 498**	**3 416 998 056**	**598 634 448**

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 2022.

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 2022:

11 CLASSIFICATION OF FINANCIAL ASSETS (continued)

11.3 Determination of fair value and fair values hierarchy (continued)

	Fair value at 31 December INFLATION ADJUSTED - AUDITED			Range of inputs (actual rate used)		Relationship of inputs to fair value	
	2022	2021	Key				
Description	ZWL	ZWL	inputs	2022	2021	2022	2021
Zimbabwe Crocodiles (Private) Limited	95 553 506	395 840 938	Selling price	+/-20%	+/-20%	Increase by 20% changes by ZWL94,833,592; Decrease by 20% changes by ZWL97,886,567	Increase by 20% changes by ZWL94,833,592; Decrease by 20% changes by ZWL97,886,567
			Sales volumes	+/-20%	+/-20%		
			Discounting factor	22,99%	22,99%	Increase by 5 basis points changes value by -ZWL367,293. Decrease by 5% changes value by ZWL369,399.	Increase by 5 basis points changes value by -ZWL367,293. Decrease by 5% changes value by ZWL369,399.
Mangwana Opportunities (Private) Limited	2 253 571 798	1 437 677 376	Earnings growth	1.80% - 2.50%(2.01%)	1.80% - 2.50%(2.01%)	Increase by 5 basis points changes value by ZWL144,817. Decrease by 5% changes value by ZWL144,817.	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%)	15.6% - 17.0% (16.3%)	Increase by 5 basis points changes value by -ZWL1,474,245. Decrease by 5% changes value by ZWL1,479,894.	Increase by 5 basis points changes value by -ZWL1,474,245. Decrease by 5% changes value by ZWL1,479,894.
Arlington	181 988 582	65 428 800	Comparables transactions	ZWL7,500 - ZWL8,500 (ZWL7,309)	ZWL7,500 - ZWL8,500 (ZWL7,309)	Increase by 5% changes value by ZWL2,934,000. Decrease by 5% changes value by -ZWL2,934,000.	Increase by 5% changes value by ZWL2,934,000. Decrease by 5% changes value by -ZWL2,934,000.
Merspin	252 951 865	88 585 838	Comparables transactions	ZWL6,500 - ZWL7,500 (ZWL6,385)	ZWL6,500 - ZWL7,500 (ZWL6,385)	Increase by 5% changes value by ZWL4,890,000. Decrease by 5% changes value by -ZWL4,890,000.	Increase by 10% changes value by ZWL2,281,989. Decrease by 10% changes value by -ZWL2,282,009.
Property Fund 2	581 608 880	52 333 546	Comparables transactions	ZWL6,500 - ZWL7,500 (ZWL6,385)	ZWL6,500 - ZWL7,500 (ZWL6,385)	Increase by 10% changes value by ZWL2,281,989. Decrease by 10% changes value by -ZWL2,282,009.	Increase by 10% changes value by ZWL2,281,989. Decrease by 10% changes value by -ZWL2,282,009.
Sterling Midlands	51 323 424	19 436 000	Comparables transactions	ZWL2,000 - ZWL3,000 (ZWL2,261)	ZWL2,000 - ZWL3,000 (ZWL2,261)	Increase by 5% changes value by ZWL4,890,000. Decrease by 5% changes value by -ZWL4,890,000.	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		HISTORICAL COST - UNAUDITED	
	2022 ZWL Carrying value	2022 ZWL Fair value	2022 ZWL Carrying value	2022 ZWL Fair value
Financial assets				
Debt securities at amortised cost	2 514 365 698	2 514 365 698	2 514 365 698	2 514 365 698
Insurance, tenant and other receivables (excluding prepayments and statutory receivables)	10 571 656 465	10 571 656 465	10 571 656 465	10 571 656 465
	13 086 022 163	**13 086 022 163**	**13 086 022 163**	**13 086 022 163**

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

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	
	2021 ZWL Carrying value	2021 ZWL Fair value	2021 ZWL Carrying value	2021 ZWL Fair value
Financial assets				
Debt securities at amortised cost	2 208 811 483	2 208 811 483	642 096 361	642 096 361
Insurance, tenant and other receivables (excluding prepayments and statutory receivables)	19 965 353 192	19 965 353 192	5 803 881 742	5 803 881 742
	22 174 164 676	**22 174 164 676**	**6 445 978 103**	**6 445 978 103**

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	
	2022 ZWL Carrying value	2022 ZWL Fair value	2022 ZWL Carrying value	2022 ZWL Fair value
Financial liabilities				
Trade and other payables (excluding statutory liabilities)	4 648 128 177	4 648 128 177	4 648 128 177	4 648 128 177
Borrowings	1 680 522 883	1 680 522 883	1 680 522 883	1 680 522 883
	6 328 651 060	**6 328 651 060**	**6 328 651 060**	**6 328 651 060**

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2021 ZWL Carrying value	2021 ZWL Fair value	2021 ZWL Carrying value	2021 ZWL Fair value
Trade and other payables (excluding statutory liabilities)	7 430 130 777	7 430 130 777	2 159 921 737	2 159 921 737
Borrowings	1 972 915 211	1 972 915 211	573 521 864	573 521 864
	9 403 045 988	9 403 045 988	2 733 443 601	2 733 443 601

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	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
12 DEFERRED ACQUISITION COSTS				
As at 1 January	837 051 223	544 308 641	162 029 578	56 782 638
Net movement	490 050 269	292 742 582	814 142 447	105 246 940
As at 31 December	**1 327 101 492**	**837 051 223**	**976 172 024**	**162 029 578**
Current	1 327 101 492	837 051 223	976 172 024	162 029 578
Non current	-	-	-	-
Total	**1 327 101 492**	**837 051 223**	**976 172 024**	**162 029 578**

	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
13 INVENTORY				
Consumables	334 559 315	150 616 838	170 618 639	30 366 379
Total	**334 559 315**	**150 616 838**	**170 618 639**	**30 366 379**

There was no write off of inventories during the year ended 31 December 2022 (2021: ZWLnil). The cost of inventory recognised as an expense included in the income statement was ZWL186 794 274 (2021: ZWL75 698 631)

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
14	**INSURANCE, TENANT AND OTHER RECEIVABLES**				
	Insurance receivables (note 14.1)	7 898 518 841	4 422 051 709	7 898 518 841	1 285 480 148
	Tenant receivables (note 14.2)	493 841 251	309 977 984	493 841 251	90 109 879
	Other receivables (note 14.3)	3 905 991 902	4 781 123 708	3 793 940 138	1 262 356 491
	Total	**12 298 351 993**	**9 513 153 401**	**12 186 300 230**	**2 637 946 518**
	Current	9 782 735 781	8 365 025 410	9 670 684 018	2 304 188 380
	Non current	2 515 616 212	1 148 127 991	2 515 616 212	333 758 138
	Total	**12 298 351 993**	**9 513 153 401**	**12 186 300 230**	**2 637 946 518**
14.1	**Insurance receivables**				
	Due from cedants	5 392 905 775	4 053 490 663	5 392 905 775	1 178 340 309
	Due from policyholders under the direct and health business	1 073 272 999	540 524 603	1 073 272 999	157 129 245
	Due from agents, brokers and intermediaries	1 868 613 649	1 051 937 618	1 868 613 649	305 795 819
	Retrocession on IBNR	252 754 292	55 038 486	252 754 292	15 999 560
	Gross insurance receivables	**8 587 546 715**	**5 700 991 370**	**8 587 546 715**	**1 657 264 933**
	Allowance for expected credit losses	(689 027 874)	(1 278 939 660)	(689 027 874)	(371 784 785)
	Net insurance receivables	**7 898 518 841**	**4 422 051 710**	**7 898 518 841**	**1 285 480 148**
	Current	7 898 518 841	4 422 051 710	7 898 518 841	1 285 480 148
	Non current	-	-	-	-
	Total	**7 898 518 841**	**4 422 051 710**	**7 898 518 841**	**1 285 480 148**

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

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
As at 1 January	1 278 939 660	1 253 384 520	371 784 785	226 308 053
Charge for the year	317 243 089	500 439 958	317 243 089	145 476 732
Inflation adjustment	(907 154 875)	(474 884 818)	-	-
As at 31 December	**689 027 874**	**1 278 939 660**	**689 027 874**	**371 784 785**

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
14.2	**Tenant receivables**				
	Tenant cost recoveries	216 665 675	109 692 515	216 665 675	31 887 359
	Rental receivables	438 521 626	314 419 743	438 521 626	91 401 088
	Gross tenant receivables	**655 187 302**	**424 112 258**	**655 187 302**	**123 288 447**
	Allowance for credit losses	(161 346 051)	(114 134 274)	(161 346 051)	(33 178 568)
	Tenant receivables	**493 841 251**	**309 977 984**	**493 841 251**	**90 109 879**
	Current	493 841 251	309 977 984	493 841 251	90 109 879
	Non current	-	-	-	-
	Total	**493 841 251**	**309 977 984**	**493 841 251**	**90 109 879**

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
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:

	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
As at 1 January	**114 134 274**	**48 631 906**	**33 178 568**	**8 780 859**
Charge for the year	128 167 483	83 928 120	128 167 483	24 397 709
Inflation adjustment	(80 955 706)	(18 425 752)	-	-
As at 31 December	**161 346 051**	**114 134 274**	**161 346 051**	**33 178 568**
Allowance relating to existing tenants	151 982 512	94 471 580	151 982 512	27 462 668
Allowance relating to previous tenants	9 363 539	19 662 694	9 363 539	5 715 899
Total	**161 346 051**	**114 134 274**	**161 346 051**	**33 178 568**

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
14	**INSURANCE, TENANT AND OTHER RECEIVABLES (continued)**				
14.3	**Other receivables**				
	INFLATION ADJUSTED - AUDITED				
	Sundry debtors	1 139 557 320	2 810 569 660	1 139 557 320	817 026 065
	Staff debtors	2 515 616 212	1 148 127 994	2 515 616 212	333 758 139
	Total	**3 655 173 532**	**3 958 697 654**	**3 655 173 532**	**1 150 784 204**
	Allowance for expected credit losses	(336 319 839)	(76 275 949)	(336 319 839)	(22 173 241)
	Other receivables excluding prepayments	**3 318 853 693**	**3 882 421 705**	**3 318 853 693**	**1 128 610 963**
	Prepayments	587 138 209	898 702 002	475 086 445	133 745 528
	Total other receivables	**3 905 991 902**	**4 781 123 707**	**3 793 940 138**	**1 262 356 491**
	Current	1 390 375 690	3 632 995 716	1 278 323 926	928 598 353
	Non current	2 515 616 212	1 148 127 991	2 515 616 212	333 758 138
	Total	**3 905 991 902**	**4 781 123 707**	**3 793 940 138**	**1 262 356 491**

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	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
As at 1 January	76 275 949	60 332 901	22 173 241	10 893 562
Charge for the year	314 146 598	38 802 096	314 146 598	11 279 679
Inflation adjustment	(54 102 708)	(22 859 048)	-	-
As at 31 December	**336 319 839**	**76 275 949**	**336 319 839**	**22 173 241**

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FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
15	CASH AND CASH EQUIVALENTS				
	CASH AND CASH EQUIVALENTS				
	Money market investments with original maturities less than 90 days	8 733 507 987	3 655 202 292	8 733 507 987	1 062 558 806
	Cash at bank and on hand	7 939 140 711	6 850 001 432	7 939 140 711	1 991 279 486
	Cash and cash equivalents	**16 672 648 698**	**10 505 203 724**	**16 672 648 698**	**3 053 838 292**

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 - AUDITED				
	731,718,322 (2021: 731 003 421) ordinary shares with a nominal value of ZWL0,001 each	414 346 803	414 346 803	54 878 335	54 878 335
16.2.1	**Reconciliation of the issued capital**				
	As at 1 January	414 346 803	153 937 380	54 878 335	726 836
	Share options exercised during the year	-	39 620 984	-	216 469
	Issue of shares	-	220 788 440	-	53 935 030
	As at 31 December	**414 346 803**	**414 346 803**	**54 878 335**	**54 878 335**
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.

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.

16 SHARE CAPITAL (continued)

16.4 Share based payments (continued)

a) Employee share option scheme. (continued)

Details of the share options outstanding as at 31 December 2022 are as follows:

Date of grant	Exercise price US$	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 (2021: ZWLnil) 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 (US$)	0,0300	0,022	0,117
Exercise price of option (US$)	0,0300	0,022	0,117
Risk-free interest rate	9%	9,00%	9,00%
Annualized standard deviation	82%	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").

Movement for the year	2022 Number of shares	2021 Number of shares
As at 1 January	988 430	3 267 201
Options granted during the year	-	-
Lapsed options	-	(262 300)
Options exercised during the year	-	(2 016 471)
As at 31 December	**988 430**	**988 430**
Exercisable	**988 430**	**988 430**

Reconciliation of shares exercised

Date of grant	Lapse date	2022 Exercise price	2022 Number of shares exercised	2022 Cash Received Total	2021 Exercise price	2021 Number of shares exercised	2021 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	-	-	0.022	204 825	4 506
30 April 2017	30 April 2022	0.117	-	-	0.117	1 811 646	211 963
			-	**-**	**-**	**2 016 471**	**216 469**

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.

16 SHARE CAPITAL (continued)

16.4 Share based payments (continued)

a) Employee share option scheme. (continued)

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 trenches 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 2022 with the following inputs:

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Share price at measurement date (cents)	2 560,00	200	2 560,00	200,00
Exercise Price (cents)	2 879,00	281	2 879,00	280,79
Risk-Free Interest Rate	24,00%	21%	24,00%	21%
Volatility	95%	95%	95%	95%
Dividend Yield	1,5%	0,6%	1,5%	0,6%
Carrying amount of liability - included under share based payment liability	217 204 514	917 516 232	217 204 514	266 719 835

In the current year, SARs amounting to ZWL123 879 995 vested and they were fully exercised. 1/3 of these shares arose from those granted in 2020, the other third from those granted in 2021. In July 2022, new SARs amounting to ZWL104 248 250 were also granted that will fully vest in 2025.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
Carrying amount reconciliation	**Group 2022 ZWL**	**Group 2021 ZWL**	**Group 2022 ZWL**	**Group 2021 ZWL**
As at 1 January	917 516 232	503 017 300	266 719 835	90 961 537
Additions	104 248 250	1 696 799 792	66 400 159	380 448 384
Excercised	(123 879 995)	(509 456 950)	(121 450 975)	(136 224 040)
Fair value gain/loss	26 314 962	(623 580 549)	5 535 495	(68 466 046)
Inflation adjustment	(706 994 936)	(149 263 361)	-	-
As at 31 December	**217 204 514**	**917 516 232**	**217 204 514**	**266 719 835**

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
c) Expenses arising from share based transaction	**Group 2022 ZWL**	**Group 2021 ZWL**	**Group 2022 ZWL**	**Group 2021 ZWL**
Share option expense for the year recognised during the vesting period	-	-	-	-
Share appreciation rights expense for the year recognised during the vesting period	130 563 212	1 073 219 243	71 935 654	311 982 338
	130 563 212	**1 073 219 243**	**71 935 654**	**311 982 338**

16 SHARE CAPITAL (continued)

16.6 Group - Non distributable reserves

INFLATION ADJUSTED - AUDITED

	Share Buyback Reserve	Put Option Reserve	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 2021	-	-	-	42 088 923	3 060 823 042	-	23 481 912	158 566 738	-	3 284 960 615
Acquisition of additional shares in Diamond Seguros	-	-	(627 509)	-	51 250 562	-	-	-	-	50 623 053
Issue of additional shares in FMRE Holding Company	-	-	465 753 836	-	-	-	-	-	-	465 753 836
Remeasurement of Financial liability	-	-	(568 910 279)	-	-	-	-	-	-	(568 910 279)
Other comprehensive income	-	-	-	-	(619 598 287)	-	-	-	-	(619 598 287)
Share based payments	-	-	-	-	-	-	-	(40 359 965)	-	(40 359 965)
As at 31 December 2021	**-**	**-**	**(103 783 952)**	**42 088 923**	**2 492 475 317**	**-**	**23 481 912**	**118 206 773**	**-**	**2 572 468 973**
As at 1 January 2022	-	-	(103 783 952)	42 088 923	2 492 475 317	-	23 481 912	118 206 773	-	2 572 468 973
Redemption of shares in First Mutual Properties	56 679	-	-	-	-	-	-	-	-	56 679
Remeasurement of Financial liability	-	(1 971 730 107)	-	-	-	-	-	-	-	(1 971 730 107)
Other comprehensive income	-	-	-	-	(1 273 613 220)	-	-	-	-	(1 273 613 220)
Share based Payments	-	-	-	-	-	-	-	(118 206 773)	-	(118 206 773)
As at 31 December 2022	**56 679**	**(1 971 730 107)**	**(103 783 952)**	**42 088 923**	**1 218 862 097**	**-**	**23 481 912**	**-**	**-**	**(791 024 448)**

16 SHARE CAPITAL (continued)

16.5 Group - Non distributable reserves

HISTORICAL COST - UNAUDITED

	Share Buyback Reserve	Put Option Reserve	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 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	-	-	(1 344 871)	-	13 302 160	-	-	-	-	11 957 289
Issue of additional shares in FMRE Holding Company	-	-	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**	**115 647**	**3 821 911**	**489 882 336**
As at 1 January 2022	**-**	**-**	**(31 332 209)**	**196 730**	**514 689 149**	**2 281 350**	**109 758**	**115 647**	**3 821 911**	**489 882 336**
Redemption of shares in First Mutual Properties	52 320	-	-	-	-	-	-	-	-	52 320
Remeasurement of financial liability	-	(1 971 730 107)	-	-	-	-	-	-	-	(1 971 730 107)
Other comprehensive income	-	-	-	-	4 071 770 991	-	-	-	-	4 071 770 991
Share based Payments	-	-	-	-	-	-	-	(115 647)	-	-
As at 31 December 2022	**52 320**	**(1 971 730 107)**	**(31 332 209)**	**196 730**	**4 586 460 140**	**2 281 350**	**109 758**	**-**	**3 821 911**	**2 589 859 894**

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	
		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
17	**INSURANCE AND INVESTMENT CONTRACT LIABILITIES**				
17.1	**Insurance contract**				
	Insurance contract with DPF	7 809 928 324	5 947 362 126	7 809 928 324	1 728 884 339
	Insurance contract without DPF	-	713 789 506	-	207 496 949
	Shareholder risk reserve	304 754 494	-	304 754 494	-
	Total insurance contract liabilities	**8 114 682 819**	**6 661 151 632**	**8 114 682 819**	**1 936 381 288**
	Current	-	-	-	-
	Non current	8 114 682 819	6 661 151 632	8 114 682 819	1 936 381 288
	Total	**8 114 682 819**	**6 661 151 632**	**8 114 682 819**	**1 936 381 288**

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FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
17	**INSURANCE AND INVESTMENT CONTRACT LIABILITIES**				
17.2	**Investment contract**				
	Investment contract with DPF	41 603 329 377	30 969 044 176	41 603 329 377	9 002 629 121
	Investment contract without DPF	3 240 398 439	5 777 096 179	3 240 398 439	1 679 388 424
	Total investment contract liabilities	**44 843 727 816**	**36 746 140 355**	**44 843 727 816**	**10 682 017 545**
	Current	-	-	-	-
	Non current	44 843 727 816	36 746 140 355	44 843 727 816	10 682 017 545
	Total	**44 843 727 816**	**36 746 140 355**	**44 843 727 816**	**10 682 017 545**
17.3	**Life insurance contract and investment contract with and without DPF liabilities**				
	Life insurance contract with DPF				
	As at 1 January	5 947 362 126	2 634 620 186	1 728 884 339	475 700 597
	Movement	1 862 566 198	3 312 741 940	6 081 043 985	1 253 183 742
	As at 31 December	**7 809 928 324**	**5 947 362 126**	**7 809 928 324**	**1 728 884 339**
	Life insurance contract without DPF				
	As at 1 January	713 789 505	1 037 005 038	207 496 949	187 239 101
	Movement	(713 789 505)	(323 215 533)	(207 496 949)	20 257 848
	As at 31 December	**-**	**713 789 505**	**-**	**207 496 949**
	Shareholder risk reserve				
	As at 1 January	-	-	-	-
	Movement	304 754 494	-	304 754 494	-
	As at 31 December	**304 754 494**	**-**	**304 754 494**	**-**
	Investment contract with DPF				
	Balance at 1 January	30 969 044 176	21 217 247 497	9 002 629 121	3 830 934 475
	Movement	10 634 285 201	9 751 796 679	32 600 700 256	5 171 694 646
	As at 31 December	**41 603 329 377**	**30 969 044 176**	**41 603 329 377**	**9 002 629 121**
17.4	**Total life insurance contract and investment contract with and without DPF liabilities**				
	As at 1 January	43 407 291 986	27 474 854 647	12 618 398 832	4 960 792 765
	Movement for the year	9 246 364 154	15 932 437 339	40 035 257 308	7 657 606 068
	As at 31 December	**52 653 656 140**	**43 407 291 986**	**52 653 656 140**	**12 618 398 832**
17.5	**Reconciliation of life insurance contract with and without DPF and investment contract with DPF liabilities**				
	As at 1 January	37 630 195 807	24 888 872 721	10 939 010 409	4 493 874 173
	Movement in insurance contracts and investment contracts with DPF liabilities	13 493 518 881	14 338 136 966	39 509 718 686	6 780 246 314
	Premiums	3 980 597 176	3 677 125 447	2 998 253 438	860 057 359
	Claims	(1 965 415 283)	(1 470 224 208)	(1 609 866 717)	(353 748 889)
	Commissions	(40 443 220)	(128 664 136)	(28 896 013)	(30 120 618)
	Branch expenses	(378 433 466)	(271 445 663)	(445 173 208)	(66 742 897)
	Actuarial and other fees	(17 279 283)	(36 775 427)	(9 416 125)	(4 425 351)
	Investment income	12 355 583 617	12 936 570 813	38 855 657 588	6 480 620 876
	Tax	(441 090 660)	(368 449 860)	(250 840 277)	(105 394 167)
	Transfer To Shareholder risk reserve (note 17.6.1)	(713 291 419)	-	(207 496 949)	-
	Investment fees	(184 727 081)	(80 694 509)	(160 234 147)	(17 637 373)
	Other fees	(254 954 927)	(338 916 930)	(227 041 832)	(67 022 016)
	Fees charged by the shareholder	(557 483 559)	(1 177 202 441)	(440 698 466)	(250 450 691)
	As at 31 December	**49 413 257 701**	**37 630 195 807**	**49 413 257 701**	**10 939 010 409**

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		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
17	**INSURANCE AND INVESTMENT CONTRACT LIABILITIES (continued)**				
17.6	**Reconciliation of shareholder risk reserve**				
	As at 1 January	-	-	-	-
	Movement in shareholder risk reserve	(408 536 925)	-	97 257 545	-
	Investment income	(408 536 925)	-	97 257 545	-
	Transfer from insurance contract liabilities with DPF	713 291 419	-	207 496 949	-
	As at 31 December	**304 754 494**	**-**	**304 754 494**	**-**

17.6.1 Background

17.6.1.1 IPEC Pronouncement

The Insurance and Pensions Commission (IPEC) issued the Final Guidance Paper on Adjusting Insurance and Pension Values in response to the 2019 Currency Reforms on 13 March 2020 ("Final Guidance Paper on Adjusting Insurance and Pension Values"). The guidance paper set 31 December 2018 as the first measurement date for the purposes of determining currency-linked revaluation gains for distribution to qualifying policyholders

The Final Guidance on Final Guidance Paper on Adjusting Insurance and Pension Values provided comprehensive guidance on revaluation processes required to be undertaken by regulated entities such as First Mutual Life Assurance Company (Private) Limited (FM to ensure equitable sharing of revaluation gains to different generations of pensioners and policyholders. SI 69 of 2020 gave legal effect to the relevant circulars issued by IPEC pursuant to the revaluation processes to be undertaken by all players.

17.6.1.2 Reason for transfer to Shareholder Risk Reserve

Prior to 2019 the FCP liability was classified and disclosed as a shareholder risk reserve as it was a risk product without DPF. In 2020 and 2021 when the FCP liability was required by Regulation to be paid up and moved into a savings product without DPF and be discontinued. In 2022, the FCP fund remained a savings product however the shareholder took on risk by guaranteeing the capital and linking the value of the fund on the liability hence management saw fit to reclassify the liability as a shareholder reserve.

Timeline:

2019	**2020**	**2021**	**2022**
Risk Product	Savings Product without DPF	Savings Product without DPF	Savings product with DPF (capital guaranteed)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
17.7	**Investment contract liabilities without DPF**				
	As at 1 January	5 777 096 179	2 585 981 930	1 679 388 424	466 918 592
	Net Movement	(2 536 697 740)	3 191 114 249	1 561 010 015	1 212 469 832
	As at 31 December	**3 240 398 439**	**5 777 096 179**	**3 240 398 439**	**1 679 388 424**

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 hierarchy:

	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total fair value ZWL
As at 31 December 2022				
Investment contract without DPF	-	3 240 398 439	-	3 240 398 439
Total investment contracts without DPF	**-**	**3 240 398 439**	**-**	**3 240 398 439**
As at 31 December 2021				
Investment contract without DPF	-	5 777 096 179	-	5 777 096 179
Total investment contracts without DPF	**-**	**5 777 096 179**	**-**	**5 777 096 179**

During the year there were no transfers of financial liabilities between levels 1, 2 and 3 (2021: ZWLnil).

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group	Group	Group	Group
		2022	2021	2022	2021
17	**INSURANCE AND INVESTMENT CONTRACT LIABILITIES (continued)**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
17.7.1	**Investment contact liabilities without DPF**				
	As at 1 January	5 777 096 179	2 585 981 930	1 679 388 424	466 918 592
	Investments performance	(490 935 691)	3 615 232 255	1 627 539 973	1 223 437 917
	Net cash flows	(107 997 017)	(49 373 512)	(66 529 958)	(10 968 085)
	Premium	-	-	-	-
	Claims and policy benefits	-	-	-	-
	Fee income	(70 156 920)	(15 639 017)	(45 693 996)	(2 776 017)
	Investment expenses	(37 840 097)	(33 734 494)	(20 835 962)	(8 192 067)
	Inflation adjustment	(1 937 765 032)	(374 744 494)	-	-
	As at 31 December	**3 240 398 439**	**5 777 096 179**	**3 240 398 439**	**1 679 388 424**

The primary assumptions used in the gross premium valuation (excluding compulsory margins) are as follows:

- The mortality assumptions where significantly revised as at 31 December 2019. Given that the period from January 2020 to December 2022 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 changed to reflect the 2022 experience
- Expense assumptions of ZWL12 701 (2021: 3557) per policy was increased
- Expense inflation assumption has been maintained at 9%.
- The real investment return assumption was remained at 11.4% (2021: 11.4%)

These assumptions have been changed to more closely reflect the most recent experience which should be more representative of the current hyperinflationary environment. We expect long term inflation to be higher in a local currency regime, compared with the previous multi-foreign currency regime, and have accordingly increased the long-term inflation rate assumption from at 9% as we continue to monitor the experience. In the short term, the inflation is expected to be more volatile. The expense assumption also takes into account the change in the Company's share of the shared services cost as provided by management. In summary, the valuation basis has been changed to reflect the emerging experience for inflation, investment return, mortality, lapses and the level of maintenance expenses.

	% p.a. 2022	% p.a. 2021
Investment Return - untaxed	11,4%	11,4%
Expense inflation	9,0%	9,0%

- No contingency reserve was set to cover for possible data problems (2021: 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.

a) Expense per policy assumption	**2022 ZWL per annum**	**2021 ZWL per annum**
Expense assumptions were increased as shown below after management carried out an expense investigation		
Funeral Business	3 557	696
Growth Annuities	8 476	1 415

b) Lapse assumptions

The lapse and surrender rates were higher than the previous assumptions and given the economic environment are seen as a true reflection of the future experience in the current market. Changes to the lapse assumptions were made to reflect the observed experience. The current economic environment is not believed to be favourable in terms of retention and as such, the actual lapse experience observed was used as the best estimate assumption.

17 INSURANCE AND INVESTMENT CONTRACT LIABILITIES (continued)

17.7.1 Investment contact liabilities without DPF (continued)

Below are the lapse assumptions used for both 2022 and 2021.

Product	1st year	2nd year	3rd year	4th year	5 and Subsequent	6 and Subsequent
2022						
Funeral cash plan	14%	53%	33%	15%	12%	14%
Wealth life plan	31%	26%	18%	30%	7%	1%
Platinum plan	27%	10%	0%	0%	0%	0%
Early harvest plan	24%	12%	33%	14%	12%	3%

2021	1st year	2nd year	3rd year	4th year	5 and Subsequent	6 and Subsequent
Product						
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%

c) Mortality assumptions

The same 2020 mortality assumption was carried over to 31 December 2021. In December 2019 the investigation showed that the SA56/62 mortality overestimates the death outgo . Assumptions were changed from 2018 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 the previous mortality assumption and hence the mortality assumption was lowered accordingly.

Individual assurance (exc AIDS)	65% SA56-62
Annuities	PA(90)-5

d) Expense inflation

The expense inflation assumption remained at 9% in 2022 (2021 - 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 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
Movement in insurance contract liabilities:				
Insurance contract liabilities with DPF (note 17.3)	1 862 566 198	3 312 741 940	6 081 043 985	1 253 183 742
Insurance contract liabilities without DPF (note 17.3)	-	(323 215 533)	-	20 257 848
Total	**1 862 566 198**	**2 989 526 407**	**6 081 043 985**	**1 273 441 590**
Movement in investment contract liabilities:				
Investment contract liabilities with DPF (note 17.3)	10 634 285 201	9 751 796 679	32 600 700 256	5 171 694 646
Investment contract liabilities without DPF (note 17.7.1*)	(598 932 708)	3 615 232 255	1 561 010 015	1 223 437 917
Total	**10 035 352 493**	**13 367 028 934**	**34 161 710 271**	**6 395 132 563**

*Current year amounts for investment contract liabilities consists of investment performance and net casflow position which are shown in note 17.7.1.

18 MEMBER ASSISTANCE FUND

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
As at 1 January	31 099 599	50 070 352	9 040 581	9 040 581
Arising during the year	-	-	-	-
Transfer from savings pot	-	-	-	-
Monetary loss adjustment	(22 059 018)	(18 970 753)	-	-
As at 31 December	**9 040 581**	**31 099 599**	**9 040 581**	**9 040 581**
Current	9 040 581	31 099 599	9 040 581	9 040 581
Non current	-	-	-	-
Total	**9 040 581**	**31 099 599**	**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 2022 ZWL	**Group 2021 ZWL**	**Group 2022 ZWL**	**Group 2021 ZWL**
Borrowings				
At 1 January	573 521 864	-	166 721 472	-
Additions	1 803 030 121	1 088 892 791	1 530 520 952	271 492 894
Interest charged	194 757 101	141 785 947	126 373 280	34 842 177
Interest paid	(194 757 101)	(48 353 758)	(126 373 280)	(14 056 325)
Loan repayment	(306 291 038)	(431 917 026)	(187 572 290)	(125 557 275)
Foreign exchange differences	310 097 739	-	170 852 749	-
Effects of inflation	(699 835 803)	(176 886 090)	-	-
Total	**1 680 522 883**	**573 521 864**	**1 680 522 883**	**166 721 472**
Current	1 680 522 883	573 521 864	1 680 522 883	166 721 472
Non current	-	-	-	-
Total	**1 680 522 883**	**573 521 864**	**1 680 522 883**	**166 721 472**

*Interest expense is calculated by applying the effective interest rates of 115% for ZWL denominated borrowings and 24% for USD denominated 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.

19.1 Put option liability

Opening balance	1 954 260 904	-	568 099 100	-
Initial recognition		1 954 260 904	-	568 099 100
Reclassification from NCI	(362 505 629)		681 724 143	
Remeasurement gain	1 971 730 107	-	1 971 730 107	-
Effects of inflation	(341 932 032)	-	-	-
Closing balance	**3 221 553 350**	**1 954 260 904**	**3 221 553 350**	**568 099 100**

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 case of 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 been remeasurement of the financial liability that has been recognised in equity as the transaction was concluded at the close of 2021. The measurement thus equates the worst case scenario that is to say the amount was to be payable immediately.

From the policy chosen NCI would continue to get an allocation of profit or loss and other subsidiary transactions, and at the end of the reporting period the NCI is reclassified to a liability and the remeasurement is taken to equity.

Notes to the Financial Statements

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
19	**FINANCIAL LIABILITIES (continued)**	**Group 2022 ZWL**	**Group 2021 ZWL**	**Group 2022 ZWL**	**Group 2021 ZWL**
19.2	**INSURANCE LIABILITIES-SHORT TERM**				
	Outstanding claims (note 19.2.1)	3 311 076 012	2 371 283 237	3 311 076 012	689 326 522
	Reinsurance	4 876 315 513	2 074 747 494	4 876 315 513	603 124 271
	Losses incurred but not reported (note 19.2.2)	3 404 119 047	2 709 176 854	3 404 119 047	787 551 411
	Members savings liabilities (note 19.2.3)	1 273 747 604	819 558 488	1 273 747 604	238 243 747
	Premium received in advance	1 154 975 761	742 200 092	1 154 975 761	215 755 841
	Unearned premium reserve (note 19.2.4)	6 005 439 712	6 372 139 291	4 950 173 940	782 369 900
	Commissions payable	555 341 676	139 872 354	555 341 676	40 660 568
	Total	**20 581 015 325**	**15 228 977 810**	**19 525 749 553**	**3 357 032 260**
	Current	19 307 267 721	14 409 419 320	18 252 001 949	3 118 788 513
	Non current	1 273 747 604	819 558 490	1 273 747 604	238 243 747
	Total	**20 581 015 325**	**15 228 977 810**	**19 525 749 553**	**3 357 032 260**

All insurance payables are of a short term nature (less than 12 months) with the exception of member savings liabilities.

19.2.1	**Outstanding claims**				
	As at 1 January	2 371 283 237	1 731 411 938	689 326 522	312 619 518
	Movement for the year	2 261 730 998	1 295 622 927	2 261 730 998	376 634 572
	Effects of foreign exchange rates	653 433 561	184 670	360 018 491	72 432
	Monetary loss adjustment	(1 975 371 784)	(655 936 298)	-	-
	As at 31 December	**3 311 076 012**	**2 371 283 237**	**3 311 076 012**	**689 326 522**
19.2.2	**Losses incurred but not reported**				
	As at 1 January	2 709 176 854	1 969 955 075	787 551 411	355 690 285
	Movement for the year	126 466 028	738 996 363	1 353 398 478	431 776 770
	Effects of foreign exchange rates	568 476 165	225 416	1 263 169 158	84 356
	As at 31 December	**3 404 119 047**	**2 709 176 854**	**3 404 119 047**	**787 551 411**
19.2.3	**Members savings liabilities**				
	As at 1 January	819 558 488	460 077 454	238 243 747	83 070 463
	Movement for the year	454 189 116	359 481 034	1 035 503 857	155 173 283
	As at 31 December	**1 273 747 604**	**819 558 488**	**1 273 747 604**	**238 243 747**
	The member savings liabilities are analysed as follows:				
	Non current				
	Member savings liabilities due to active members	1 267 186 685	796 988 927	1 267 186 685	231 682 828
	Current				
	Members savings liabilities due to terminated members	6 560 919	22 569 561	6 560 919	6 560 919
	Total	**1 273 747 604**	**819 558 488**	**1 273 747 604**	**238 243 747**

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 no longer accrue interest post 2017 in line with fund rules approved by members.

19.2.4	**Unearned premium reserve**				
	As at 1 January	6 372 139 291	4 597 421 371	782 369 900	261 869 109
	Movement for the year	(613 633 453)	949 489 780	1 996 409 263	379 226 383
	Effects of foreign exchange rates	246 933 874	825 228 140	2 171 394 777	141 274 408
	As at 31 December	**6 005 439 712**	**6 372 139 291**	**4 950 173 940**	**782 369 900**

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
19	**FINANCIAL LIABILITIES (continued)**	**Group 2022 ZWL**	**Group 2021 ZWL**	**Group 2022 ZWL**	**Group 2021 ZWL**
19.3	**Insurance liabilities - life assurance payables**				
	Outstanding claims	167 217 100	239 715 134	167 217 100	69 684 632
	Losses incurred but not reported	160 609 911	117 690 838	160 609 911	34 212 454
	Commissions	6 486 395	16 691 524	6 486 395	4 852 186
		334 313 406	**374 097 496**	**334 313 406**	**108 749 272**
	Movement in IBNR included in the cash flow statement	42 919 073	117 690 838	126 397 457	26 931 828
20	**OTHER PAYABLES**				
	Other payables	2 096 294 026	1 403 402 451	1 981 608 147	406 734 986
	Provisions	1 335 457 323	842 686 162	1 335 425 978	245 078 302
	Payroll and statutory payables	614 130 089	489 740 571	614 130 089	142 366 445
	Accrued expenses	1 253 955 789	171 561 311	1 253 955 789	49 872 474
	Trade payables	268 034 883	126 891 118	268 034 883	36 886 953
	Property business related liabilities	479 177 834	160 324 585	479 177 834	46 605 984
	Total	**6 047 049 944**	**3 194 606 198**	**5 932 332 720**	**927 545 144**
	Current	6 047 049 944	3 194 606 198	5 932 332 720	927 545 144
	Non current				
	Total	**6 047 049 944**	**3 194 606 198**	**5 932 332 720**	**927 545 144**
	Regulatory Provision (note 20.4)	(670 074 454)	(540,709,786)	(670 074 454)	(157 294 473)
	Total	**5 376 975 490**	**2 653 896 412**	**5 262 258 266**	**770 250 671**

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, actuarial fees and systems licence fees

20.1	**Leave pay provision reconciliation**				
	As at 1 January	301 976 376	134 208 040	87 783 829	24 232 276
	Movement for the year	111 254 393	167 768 336	325 446 940	63 551 553
	As at 31 December	**413 230 769**	**301 976 376**	**413 230 769**	**87 783 829**

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	-	383 611 552	-	69 263 967
	Movement for the year	309 723 620	275 382 024	271 554 821	58 785 637
	Paid during the year	(57 571 520)	(658 993 576)	(19 434 066)	(128 049 604)
	As at 31 December	**252 152 100**	**-**	**252 120 755**	**-**

In December 2022, the Directors approved a rationalisation exercise through a voluntary retrenchment program. The retrenchment program is meant to reduce non-value adding activities across the Group. The retrenchment process will be concluded in 2023 of which all the costs associated with the exercise will be paid in full. This satisfies the requirements of IAS37 as there has been an expectation created through communication and the amount be estimated with reasonableness

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.

20.4	**Regulatory Provision**				
	At 1 January	540 709 786	-	157 294 473	-
	Provision for the year	129 364 668	540,709,786	512 779 981	157 294 473
	Settlement	-		-	-
	Balance as at 31 December 2022	**670,074,454**	**540,709,786**	**670,074,454**	**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 Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

21 TAX

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group	Group	Group	Group
		2022	2021	2022	2021
21.1	**Deferred tax**	ZWL	ZWL	ZWL	ZWL
	As at 1 January	10 898 550 049	5 674 104 790	3 154 960 090	973 449 127
	Foreign exchange effects	82 898 005	19 429 925	45 673 832	5 648 234
	Recognised through statement of comprehensive income	3 055 684 446	5 205 015 334	11 067 537 260	2 175 862 730
	As at 31 December	**14 037 132 500**	**10 898 550 049**	**14 268 171 182**	**3 154 960 090**
	Current	-	-	-	-
	Non current	14 037 132 500	10 898 550 049	14 268 171 182	3 154 960 090
	Total	**14 037 132 500**	**10 898 550 049**	**14 268 171 182**	**3 154 960 090**
	Disclosed as;				
	Deferred tax asset	(736 564 082)	(370 007 312)	(702 885 064)	(103 317 638)
	Deferred tax liability	14 773 696 582	11 268 557 361	14 971 056 246	3 258 277 728
	Total	**14 037 132 500**	**10 898 550 049**	**14 268 171 182**	**3 154 960 090**
	Analysis of deferred tax				
	Arising on vehicles and equipment	580 424 408	407 738 275	175 096 853	34 818 828
	Arising on investment properties*	16 564 511 349	9 523 613 508	16 564 511 349	2 768 492 299
	Arising on financial assets at fair value through profit or loss	883 640 347	1 054 979 642	883 640 347	306 680 128
	Arising from life business (schedule 8 Income Tax Act (Chapter 23:06))	389 064 786	423 272 598	389 064 786	123 044 360
	Arising from insurance, tenant and other receivables	2 440 152 613	2 351 651 521	2 383 453 379	652 100 379
	Arising from Insurance liabilities	(5 519 830 513)	(2 230 438 393)	(4 826 765 290)	(539 769 939)
	Payables and provisions	(1 300 830 243)	(654 996 523)	(1 300 830 243)	(190 405 966)
	As at 31 December	**14 037 132 500**	**10 898 550 049**	**14 268 171 182**	**3 154 960 090**

* Included in the amounts for defered tax arising from investment properties is ZWL3 025 818 705 emanating from the effects of rebasing.

		Group	Group	Group	Group
		2022	2021	2022	2021
		ZWL	ZWL	ZWL	ZWL
21.2	**Net current income tax asset**				
	As at 1 January	**331 148 748**	**361 709 259**	**96 264 171**	**65 309 342**
	Tax asset	-	(1 768 394)	-	(319 297)
	Tax liability	331 148 748	363 477 655	96 264 171	65 628 639
			-		
	Charge for the year	1 022 329 278	211 363 587	1 022 329 278	61 442 903
	Paid during the year	(1 319 782 346)	(135 293 877)	(727 152 808)	(30 488 074)
	Monetary gain adjustment	357 744 961	(106 630 221)	-	-
	As at 31 December	**391 440 642**	**331 148 748**	**391 440 642**	**96 264 171**
	Disclosed as;				
	Income tax asset	(11 649 681)	-	(11 649 681)	-
	Income tax liability	403 090 323	331 148 748	403 090 323	96 264 171
	Total	**391 440 642**	**331 148 748**	**391 440 642**	**96 264 171**
21.3	**Income tax expense**				
	Deferred tax expense	3 055 684 446	5 205 015 334	11 067 537 260	2 175 862 730
	Current income tax (credit)/expense	1 022 329 278	211 363 587	1 022 329 278	61 442 903
	Total	**4 078 013 724**	**5 416 378 921**	**12 089 866 538**	**2 237 305 633**
21.4	**Reconciliation of income tax expense**				
	Profit before income tax	28 080 719 123	16 867 464 855	63 456 601 336	9 700 252 470
	Standard tax rate 24.72% (2021: 24.72%)	6 941 553 767	4 169 637 312	15 686 471 850	2 397 902 411
	Financial assets at fair value through profit or loss taxed at different rate	1 902 393 080	(2 290 821 129)	(1 457 727 891)	(758 476 471)
	Investment property gains taxed at different rates	(8 433 690 288)	(6 047 806 968)	(22 011 582 690)	(3 199 295 708)
	Non-taxable income	(29 009 620 946)	(21 606 556 735)	(23 533 423 599)	(5 389 342 087)
	Effect of expenses not deductible for tax purposes	35 703 196 816	31 191 926 441	46 431 947 573	9 186 517 488
	Effects of rebasing tax bases- Investment properties	(3 025 818 705)	-	(3 025 818 705)	-
	Tax charge for the period	**4 078 013 724**	**5 416 378 921**	**12 089 866 538**	**2 237 305 633**

Non-deductible expenses include charitable donations, IMTT,broker promotion and First Mutual Health operating expenses

Notes to the Financial Statements

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
22	**NET PREMIUM WRITTEN**				
	Pension and savings business	6 118 380 554	5 094 203 312	4 697 050 348	1 180 795 291
	Life assurance	1 787 971 583	1 194 220 390	1 430 146 513	287 275 741
	Health insurance	30 227 154 632	18 747 957 096	21 935 899 876	4 350 062 360
	Property and casualty	38 501 755 191	24 331 274 288	27 042 966 770	5 588 901 391
	Gross premium written	**76 635 261 960**	**49 367 655 086**	**55 106 063 507**	**11 407 034 783**
	Less: reinsurance	(17 857 491 990)	(10 748 884 429)	(13 319 428 631)	(2 489 180 551)
	Net premium written	**58 777 769 970**	**38 618 770 657**	**41 786 634 876**	**8 917 854 232**
23	**RENTAL INCOME**				
	Office	2 284 339 348	1 733 545 173	1 782 402 518	403 543 187
	Retail	273 625 531	207 649 629	213 501 919	48 337 704
	Industry	82 433 152	62 557 077	64 320 154	14 562 345
	Other	77 307 166	58 667 056	60 320 498	13 656 806
	Total rental income	**2 717 705 197**	**2 062 418 935**	**2 120 545 089**	**480 100 042**

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:

		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
	Within 1 year	1 096 712 158	295 857 516	1 096 712 158	86 005 092
	Later than one year but not later than 5 years	2 120 221 282	2 698 722 279	2 120 221 282	784 512 290
	Later than 5 years	9 382 119 770	20 706 048	9 382 119 770	6 019 200
	Total	**12 599 053 210**	**3 015 285 843**	**12 599 053 210**	**876 536 582**
24	**NET INVESTMENT INCOME**				
	Dividend received - cash	317 461 200	861 762 572	174 909 752	194 195 640
	Fair value gain/(loss) on unquoted equities at fair value through profit or loss	305 711 745	485 505 595	2 066 946 599	312 376 187
	Fair value gain/(loss) on gold coins	(59 801 946)	-	38 059 776	-
	Investment expenses	(1 590 410 188)	(1 980 275 196)	(876 259 057)	(446 249 143)
	Fair value gain/(loss) on quoted equities at fair value through profit or loss	(7 695 764 886)	9 267 075 764	7 288 639 456	3 792 382 355
	Total investment income	**(8 722 804 076)**	**8 634 068 735**	**8 692 296 526**	**3 852 705 039**
	Interest income	1 427 712 157	219 683 354	704 914 606	57 556 305
	Total investment income	**(7 295 091 919)**	**8 853 752 089**	**9 397 211 132**	**3 910 261 344**

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
25	**OTHER INCOME**				
25.1	**Fee income**				
	Insurance contracts	1 037 366 469	1 550 646 220	827 974 446	324 141 994
	Investment contracts	67 796 116	46 167 659	66 529 958	10 968 085
	Total fee income	**1 105 162 585**	**1 596 813 879**	**894 504 403**	**335 110 079**

Fee income is in respect of investment and insurance contracts. The fees include management charges, policy fees,adminstration fees and capital guarantee charges.

Notes to the Financial Statements
FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group	Group	Group	Group
25	**OTHER INCOME (continued)**	**2022**	**2021**	**2022**	**2021**
		ZWL	**ZWL**	**ZWL**	**ZWL**
25.2	**Other income**				
	Tenant interest	452 284 702	89 108 459	297 755 974	18 048 168
	Profit on disposal of vehicles and equipment	27 701 427	99 039 638	18 236 888	20 059 645
	Motor pool dividend income	27 199 682	66 041 845	14 944 880	15 695 754
	Net clinic fee income	327 970 724	164 801 104	215 915 422	33 379 076
	Funeral service income	119 967 075	78 121 980	78 978 823	15 822 949
	Exchange gains/(losses)	5 831 923 383	876 301 259	4 329 340 948	204 515 396
	Pharmacy services income	99 754 349	57 862	65 672 027	16 820
	Other fee income	684 141 958	317 225 008	450 396 298	55 667 841
	Total	**7 570 943 300**	**1 690 697 155**	**5 471 241 261**	**363 205 649**

Other income consists of interest on staff loans, fee and commission income, property sales commission, motor levy commission, valuation fees, agents fees and investment fees.

25.3	**Net interest income- First Mutual Microfinance**				
	Interest income	724 767 421	386 376 858	504 012 343	92 960 317
	Interest charged	(273 621 639)	(141 785 947)	(187 085 670)	(34 842 177)
	Total	**451 145 782**	**244 590 911**	**316 926 673**	**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.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group	Group	Group	Group
	2022	**2021**	**2022**	**2021**
Type of good or service	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Funeral services	119 967 075	78 121 980	78 978 823	15 822 949
Clinic services	327 970 724	164 801 104	215 915 422	33 379 076
Pharmacy services income	99 754 349	57 862	65 672 027	16 820
Property services income	6 357 417	574 092	4 185 326	160 561
Total revenue from contracts with customers	**554 049 565**	**243 555 038**	**364 751 598**	**49 379 405**

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.

26 NET INSURANCE CLAIMS AND BENEFITS

Insurance claims and loss adjustment expenses				
Health insurance	21 037 776 632	15 217 160 386	14 884 305 970	3 514 653 628
Life assurance	1 669 356 696	1 124 110 173	1 306 183 758	270 249 425
Property and casualty	10 942 274 601	7 217 008 556	8 375 754 376	1 673 660 067
Total insurance claims	**33 649 407 929**	**23 558 279 115**	**24 566 244 104**	**5 458 563 120**
Less: insurance claims and loss adjustment expenses recovered from reinsurers	(2 330 272 371)	(2 446 743 227)	(1 807 524 482)	(594 827 247)
Net total insurance claims expense	31 319 135 558	21 111 535 888	22 758 719 622	4 863 735 873
Pensions benefits	1 463 561 618	1 291 525 389	1 202 529 632	310 010 289
Net insurance claims and benefits	**32 782 697 176**	**22 403 061 277**	**23 961 249 254**	**5 173 746 162**

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

27 ACQUISITION OF INSURANCE AND INVESTMENT CONTRACTS EXPENSES

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
27.1	**Net commission**				
	Commissions paid	8 987 230 309	6 387 922 216	5 902 306 557	1 450 838 526
	Commissions received	(4 746 331 279)	(3 551 114 684)	(3 117 122 992)	(806 536 745)
	Net commissions paid	**4 240 899 030**	**2 836 807 532**	**2 785 183 565**	**644 301 781**
27.2	**Other acquisition expenses**				
	Staff costs	294 523 140	177 436 949	296 393 984	49 929 725
	Office costs	91 471 152	53 360 900	92 052 187	13 849 901
	Communications	9 007 141	5 498 853	9 064 355	1 508 023
	Business travel	21 548 559	7 858 598	21 685 438	2 039 711
	Actuarial fees	39 690 984	46 386 320	39 943 106	12 721 128
	Other fees*	308 375 695	186 324 667	310 334 532	53 010 395
	Total other acquisition expenses	**764 616 671**	**476 866 287**	**769 473 602**	**133 058 882**
	Total acquisition of insurance and investment contracts expenses	**5 005 515 701**	**3 313 673 819**	**3 554 657 167**	**777 360 663**

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 administration expenses, medical fees paid when taking new policyholders on board, as well as bank charges.

28 ADMINISTRATION EXPENSES

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
	The profit before income tax is shown after charging:				
	Staff costs (note 28.1)	9 489 867 761	7 404 647 767	7 323 593 119	1 727 900 154
	Directors' fees - FMHL	80 550 841	71 634 586	62 163 309	16 503 777
	-Group companies	396 982 702	252 492 686	306 362 518	60 523 301
	Property expenses (note 28.4)	1 606 389 039	1 140 329 098	1 397 548 013	227 162 392
	Depreciation of property, vehicles and equipment (note 6)	408 224 647	285 554 687	42 915 007	10 235 949
	Depreciation of Right of Use asset	30 886 151	27 971 136	17 017 163	5 050 400
	Amortisation of intangible assets (note 8)	7 221 053	83 876 686	806 575	384 684
	External Audit fees	213 522 825	174 050 395	164 781 463	41 127 196
	IMT 2% tax	766 615 269	382 460 326	499 281 456	89 164 817
	Other costs (note 28.5)	6 611 776 689	4 233 353 896	5 102 957 396	980 743 138
	Total administration expenses	**19 612 036 977**	**14 056 371 263**	**14 917 426 019**	**3 158 795 808**
28.1	**Staff costs**				
	Wages and salaries	3 288 334 996	2 570 179 683	2 499 148 962	546 129 732
	Non-pensionable allowances	627 346 184	546 669 901	476 785 840	116 697 299
	Allowances	1 163 856 488	366 427 247	884 536 015	92 241 532
	Social security and health insurance costs	1 013 393 606	573 391 415	770 183 568	122 266 228
	Defined contribution pension costs	273 613 987	268 640 681	207 947 826	57 061 070
	Long-term incentives	130 563 212	1 078 492 945	71 935 654	313 170 751
	Short-term incentives	426 597 785	283 605 585	426 597 785	82 443 484
	Motoring benefit	1 066 887 842	1 052 422 567	810 839 421	223 774 771
	Movement in leave pay provision	434 237 239	167 768 336	330 022 199	63 551 553
	Staff training	208 421 169	67 748 312	158 400 999	14 347 748
	Rationalisation costs(28.2)	309 723 620	275 382 024	271 554 821	58 785 637
	Other staff costs	546 891 633	153 919 068	415 640 029	37 430 349
	Total staff costs	**9 489 867 761**	**7 404 647 764**	**7 323 593 119**	**1 727 900 154**

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.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

28 ADMINISTRATION EXPENSES (continued)

28.2 Rationalisation expenses

In December 2022, the Directors approved a rationalisation exercise through a voluntary retrenchment program. The retrenchment program was meant due to adoption of new technologies that bring
efficiency and also to reduce non-value adding activities across the Group.

28 ADMINISTRATION EXPENSES	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
28.3 Allowance for credit losses				
Insurance receivables (note 14.1)	317 243 089	500 439 953	317 243 089	145 476 731
Tenant receivables (note 14.2)	128 167 483	83 928 120	128 167 483	24 397 709
Other receivables (note 14.3)	314 146 598	38 802 096	314 146 598	11 279 679
Total	**759 557 170**	**623 170 169**	**759 557 170**	**181 154 119**
28.4 Property expenses				
Operating costs recoveries	396 644 006	278 300 410	345 077 705	61 872 803
Maintenance costs	504 587 413	181 358 489	438 987 767	40 320 308
Valuation fees	5 816 037	9 502 549	5 059 914	2 112 643
Employee costs*	467 672 566	431 875 604	406 872 090	77 543 849
Other administration costs*	193 536 705	220 077 310	168 375 674	40 329 533
Property security and utilities	38 132 312	19 214 736	33 174 863	4 983 256
Total	**1 606 389 039**	**1 140 329 098**	**1 397 548 013**	**227 162 392**
Property expenses arising from investment properties that generated rental income	1 568 256 727	1 121 114 362	1 364 373 150	222 890 499
Property expenses arising from investment properties that did not generate rental income	38 132 312	19 214 736	33 174 863	4 271 893
Total	**1 606 389 039**	**1 140 329 098**	**1 397 548 013**	**227 162 392**

Operating costs under recoveries relate to the operating costs attributable to the vacant spaces on buildings within the portfolio.

***Reclassification effect on property expenses and administration expenses**

During the year the business reviewed its long term KPI's targets in line with the agency and asset management model, to ensure the cost centre is optimised, with the business targeting to manage more assets and have a greater number of square meters under management to drive the optimising of KPI's. The business also reviewed KPI's in line with regional best practice reporting for real estate investment companies, with the benchmark taken from leading listed property companies in South Africa. To this end, in order to achieve this, the current reporting format and allocation of expenses, namely staff related costs and property management related expenses, was reclassified from administration expenses to property expenses.

The effect of the reclassification is disclosed below.

	INFLATION ADJUSTED - AUDITED		Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Increase in property expenses	851 532 986	651 952 914	575 247 764	117 873 380
Decrease in employee costs	(606 995 537)	(431 875 604)	(406 872 090)	(77 543 849)
Decrease in other expenses	(244 537 449)	(220 077 310)	(168 375 674)	(40 329 531)

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FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
28	**ADMINISTRATION EXPENSES (continued)**	**Group**	**Group**	**Group**	**Group**
		2022	**2021**	**2022**	**2021**
28.5	**Other costs**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
	Marketing and corporate relationship management	995 932 629	468 070 555	766 877 921	107 726 665
	Information technology expenses	1 197 388 051	957 131 705	922 000 578	219 777 370
	Office costs	186 893 163	75 698 631	143 909 574	17 381 859
	Fees and other charges	808 602 336	99 316 437	622 631 753	28 914 196
	Actuarial fees	104 929 282	82 772 280	80 796 579	19 006 105
	Expensed VAT	150 649 212	188 296 916	116 001 375	43 236 588
	Bank charges	281 781 676	271 037 706	216 974 662	62 235 462
	Communication expenses	52 642 499	85 271 997	40 535 242	19 601 617
	Expenses relating to leases of low value	4 176 770	3 077 603	3 216 154	634 506
	Subscriptions	138 370 756	105 694 635	106 546 843	24 269 518
	Investor relations	75 885 263	72 014 914	58 432 399	16 536 007
	Administration travel	331 402 908	163 354 123	255 183 499	37 423 645
	Rates	328 102 629	169 513 482	252 642 252	38 923 551
	Project costs	686 253 260	220 670 584	539 809 001	54 042 475
	Staff welfare	140 604 057	83 901 517	108 266 507	19 265 399
	Repairs and maintenance	367 292 645	337 389 355	282 818 950	77 471 075
	Cleaning expenses	112 237 467	58 958 917	86 423 954	13 538 100
	Strategy expenses	107 848 577	19 620 204	83 044 465	4 505 176
	Other expenses	540 783 509	771 562 335	416 845 687	176 253 825
	Total	**6 611 776 689**	**4 233 353 896**	**5 102 957 396**	**980 743 138**

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.

29.1	**Basic earnings per share**				
	Profit attributable to ordinary equity holders of the company	13 430 783 806	8 338 985 199	25 965 043 647	3 980 788 681
	Weighted average number of shares in issue	726 311 429	726 311 429	726 311 429	726 311 429
	Basic earnings per share (cents)	**1 849**	**1 148**	**3 575**	**548**
29.2	**Diluted earnings per share**				
	Profit attributable to ordinary equity holders of the company	13 430 783 806	8 338 985 199	25 965 043 647	3 980 788 681
	The following reflects the share data;				
	Weighted average number of shares in issue	726 311 429	726 311 429	726 311 429	726 311 429
	Effect of dilution of share option	-	988 430	-	988 430
	Weighted number of shares adjusted for the effects of dilution	726 311 429	727 299 859	726 311 429	727 299 859
	Diluted earnings per share (cents)	**1 849**	**1 147**	**3 575**	**547**

The share options are not dilutive as the exercise price is above the market price at 31 December 2022 and 31 December 2021.

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 ZWL3 961 127 244 (2021: ZWL2 717 705 197) out of its existing operating leases in the next 12 months.

30.1.2 Capital commitments

The Group has no capital expenditures contracted for at the end of the year (2021 ZWL nil).

30 COMMITMENT AND CONTINGENT LIABILITIES (continued)

30.2 Non-controlling interest put options

30.2.1 Recognition for put option liability

In the prior 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 an option that gives Aleyo Growth Fund 1 GP Partnership (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 Partnership, 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 assessment 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 within20 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 and Economic Development 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.
A change in control at First Mutual Holdings Limited level which has not been approved by Aleyo Growth Fund 1 GP Partnership 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 Partnership forfeiting their shareholding in the Reinsurance Holding Company.	This precedent condition is considered by management in light of the proposed acquisition of 31.22% 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 65.47% shareholding. We understand that NSSA is in the process of disposing of 31.22% of it's shareholding in FMHL to CBZHL and will remain the largest shareholder in FMHL with 34.25%. 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 Partnership has been briefed on the impending transaction and has not indicated that they will trigger the put option obligation as a result.	This condition is less likely to materialise.

Recognition of put option liability

In light of the above assessment the put option obligation has been concluded by the Group as 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 put option liability. There has not been remeasurement of the put option liability that has been recognised in equity as the transaction was concluded at the close of the year. The measurent thus equates the waste case scenario that is to say the amount was to be payable immediately

30 COMMITMENT AND CONTINGENT LIABILITIES (continued)

30.2.2 Contingent asset

During the year, part of the agreements included the settlement of legacy debts amounting to USD846 352 In 2018, the RBZ separated local RTGS accounts from Nostro accounts which then resulted in a directive being issued to business regarding legacy liabilities. Businesses were to apply for blocked funds status with respect to the outstanding foreign liabilities that they owed so they could receive foreign currency to settle these liabilities. Since FMRE had foreign contracts arising from retrocession to ensure that these risks are mitigated properly, settlement of its dues to these parties had to be made. However FMRE could not settle the balance due as a result of the separation of the local and foreign nostro accounts. In the first quarter of 2023 the Ministry of Finance and Economic Development issued communication regarding legacy debts and their intention to have them settled.
As at 30 June 2020 the business had received a letter from Stanbic bank indicating that an amount of USD846 352 out of a possible USD1 950 979 had been accepted and registered with the RBZ under blocked funds. The business proceeded to fund the RBZ account with the amount in ZWL at a rate of 1:1 as indicated in the directive and circular 8. The Finance Act of 2021 provided a list of all entities that were registered for the blocked. As at the end of 2021, RBZ confirmed to owe FMRE an amount of USD828 960. The other balance of USD17 392 had been settled during the year. However, given the circumstances surrounding the nature of the savings bond that the government has promised to issue, the asset does not appear to be virtually certain in light of IAS 37. Therefore, we will treat the legacy debt as a contingent asset as it a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the FMRE.

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.

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.

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FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

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% (2021: 65.43%) 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% its total holding to CBZ Holdings which will result in First Mutual Holdings Limited becoming an associate of both NSSA and CBZ Holdings.

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):

	2022	2021
Subsidiaries		
First Mutual Life Assurance Company (Private) Limited	100,00%	100,00%
First Mutual Health Company (Private) Limited	100,00%	100,00%
First Mutual Microfinance (Pvt) Ltd	100,00%	100,00%
First Mutual Reinsurance Holdings Limited****	70,90%	70,90%
First Mutual Properties Limited	70,04%	69,99%
First Mutual Wealth Management (Private) Limited	100,00%	100,00%
NicozDiamond Insurance Limited	100,00%	100,00%
Diamond Companhia de Seguros, SA ("Diamond Seguros")***- held through NicozDiamond Insurance Limited	71,40%	71,40%
First Mutual Property Fund One (Private) Limited	100,00%	100,00%
First Mutual Funeral Services (Private) Limited- held through First Mutual Life Assurance Company (Private) Limited	100,00%	100,00%
Associates		
Haematology Laboratory (Private) Limited - First Mutual Health Company (Private) Limited	34,00%	34,00%
United General Insurance Limited** - NicozDiamond Insurance Limited	46,00%	46,00%
Clover Leaf Panel Peaters (Private) Limited - NicozDiamond Insurance Limited	45,00%	45,00%
Builstate Investments (Private) Limited	37,48%	0,00%
First Mutual Properties Limited is owned 70.04% by First Mutual Group as follows:		
First Mutual Holdings Limited - the company	2,53%	3,09%
First Mutual Life Assurance Company (Private) Limited - shareholders	18,01%	17,67%
First Mutual Life Assurance Company (Private) Limited - policyholders	41,91%	41,25%
First Mutual Reinsurance Company Limited	2,84%	2,21%
NicozDiamond Insurance Limited	0,00%	0,35%
First Mutual Health Company (Private) Limited - shareholders	3,69%	5,33%
First Mutual Wealth Management (Private) Limited	0,43%	0,00%
	0,47%	0,00%
First Mutual Properties Limited (treasury shares)	0,16%	0,09%
Total	**70,04%**	**69,99%**
First Mutual Health Company (Private) Limited is owned 100% by First Mutual Group as follows:		
First Mutual Life Assurance Company (Private) Limited	20,00%	20,00%
First Mutual Holdings Limited - the company	80,00%	80,00%
Total	**100,00%**	**100,00%**

	2022	2021
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 incorporated, registered and operates in Malawi
*** This company is incorporated, registered and operates in Mozambique
**** This company is incorporated, registered and operates in Botswana and it has been formed to consolidate the Group's strategy

Notes to the Financial Statements
FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

32 RELATED PARTY DISCLOSURES

32.2 Transactions and balances with related companies:

32.2.1 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 2022:

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	-	-	21 046 079	-	157 858 648
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	-	-	19 033 205 270
NicozDiamond Insurance Limited	subsidiary	39 844 517	-	9 656 419	-	6 784 508 031
First Mutual Reinsurance Company Limited	subsidiary	-	-	30 219 352	-	868 373 446
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	24 769 671	-	1 944 458 019
First Mutual Health Company (Private) Limited	subsidiary	-	75 283 834	-	-	5 032 404 233
First Mutual Properties Limited	subsidiary	64 341 750	748 133	-	-	-
First Mutual Wealth Management (Private) Limited	subsidiary	7 104 007	-	20 738 733	-	231 509 398
		111 290 274	**76 031 966**	**106 430 254**	**-**	**34 052 317 045**

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	-	-	21 046 079	-	104 602 907
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	-	-	18 206 148 964
NicozDiamond Insurance Limited	subsidiary	4 353 580	-	9 656 419	-	6 000 892 253
First Mutual Reinsurance Company Limited	subsidiary	-	-	30 219 352	-	926 999 762
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	24 769 671	-	1 944 458 019
First Mutual Health Company (Private) Limited	subsidiary	-	75 283 834	-	-	4 427 244 566
First Mutual Properties Limited	subsidiary	47 220 914	748 133	-	-	-
First Mutual Wealth Management (Private) Limited	subsidiary	4 218 714	-	20 738 733	-	58 562 615
		55 793 207	**76 031 966**	**106 430 254**	**-**	**31 668 909 085**

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

32 RELATED PARTY DISCLOSURES (continued)

32.2.2 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 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	-	-	39 650	-	78 176 413
		-	-	-	-	-
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	27 557 326	-	13 858 281 085
		-	-	-	-	-
NicozDiamond Insurance Limited	subsidiary	13 748 662	5 968 401	-	-	3 255 899 850
		-	-	-	-	-
First Mutual Reinsurance Company Limited	subsidiary	-	-	15 823 190	-	1 432 767 375
		-	-	-	-	-
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	16 318 438	-	1 823 789 270
		-	-	-	-	-
First Mutual Health Company (Private) Limited	subsidiary	-	-	6 752 351	-	3 505 681 346
		-	-	-	-	-
First Mutual Properties Limited	subsidiary	36 023 603	28 426 316	-	-	-
		-	-	-	-	-
First Mutual Wealth Management (Private) Limited	subsidiary	18 303 064	-	2 279 624	-	224 087 713
		-	-	-	-	-
		68 075 329	34 394 717	68 770 579	-	24 178 683 052

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**

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.

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

32 RELATED PARTY DISCLOSURES (continued)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
32.3	**Compensation of key management:** Key management personnel includes executive directors and senior management of the Group				
	Short term employment benefits	1 297 202 683	1 025 193 234	1 001 087 147	236 192 619
	Post-employment pension and medical benefits	118 863 821	93 939 355	91 730 495	21 642 537
	Share based payments:				
	Share appreciation rights	130 563 212	1 073 219 243	71 935 654	311 982 338
	Total compensation paid to key management personnel	**1 546 629 716**	**2 192 351 832**	**1 164 753 296**	**569 817 494**
32.4	**Loans to directors and officers**				
	Executive directors	38 896 318	-	38 896 318	-

32.5 Directors and other key management's interest

	2022 Number of shares	2021 Number of shares
Douglas Hoto	280 096	280 096
William Marere	100 015	100 015
Other key management	15 044	15 044
	395 155	**395 155**

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

32 RELATED PARTY DISCLOSURES (continued)

32.6 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		
First Mutual Properties Limited	Zimbabwe	29,20%	30,01%
Diamond Seguros Insurance Company Limited	Mozambique	28,60%	28,60%
First Mutual Reinsurance Holdings Limited	Botswana	29,10%	29,10%

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
Accumulated balances of material non-controlling interest				
First Mutual Properties Limited	30 756 207 217	20 427 043 745	28 667 048 379	5 931 792 359
Diamond Seguros Insurance Company Limited	300 773 936	178 448 968	300 773 936	51 874 700
First Mutual Reinsurance Holdings Limited	-	-	-	-
Total	**31 056 981 153**	**20 605 492 713**	**28 967 822 315**	**5 983 667 059**
Reconciliation of FMRE NCI				
FMRE NCI at initial recognition	-	1 336 612 107	-	402 718 205
Share of comprehensive income	(268 189 214)	-	770 674 415	-
Share of dividend	(94 316 416)	-	(88 950 273)	-
Reclassification to put option (Note 2.2 (d))	362 505 629	(1 336 612 107)	(681 724 143)	(402 718 205)
NCI balance as at December	**-**	**-**	**-**	**-**
Profit allocated to non-controlling interest:				
First Mutual Properties Limited	9 477 232 124	2 585 934 062	23 888 770 259	3 328 192 541
Diamond Seguros Insurance Company Limited	965 324 801	(14 543 113)	1 000 140 911	(3 328 857)
First Mutual Reinsurance Holdings Limited	-	-	-	-
Total	**10 442 556 925**	**2 571 390 949**	**24 888 911 170**	**3 324 863 684**

The summarised financial information of the subsidiaries is provided below. This information is based on amounts before intercompany eliminations.

First Mutual Properties Limited				
Revenue	2 900 531 635	2 044 478 864	2 101 572 854	475 465 488
Allowance for credit losses	(125 914 999)	(83 868 662)	(125 914 999)	(24 397 709)
Property expenses	(1 842 421 939)	(997 662 357)	(1 366 076 370)	(213 771 352)
Net property income	**932 194 697**	**962 947 845**	**609 581 485**	**355 169 807**
Employee related expenses	(325 751 426)	(180 544 208)	(286 238 258)	(119 217 380)
Other expenses	(465 943 094)	(193 046 941)	(346 001 986)	(94 579 620)
Net property income after administration expenses	**140 500 176**	**589 356 696**	**(22 658 759)**	**141 372 807**
Fair value adjustments	33 574 174 294	23 782 301 042	87 405 249 919	12 629 753 627
Other income	1 811 473 323	305 161 496	1 296 118 163	96 776 135
Finance income	370 165 959	73 835 134	310 441 826	18 513 856
Share of profit from associate	70 305 747	-	114 622 137	-
Net monetary gain/ (loss)	(1 172 611 332)	(330 165 343)	-	-
Profit before income tax	**34 794 008 167**	**24 420 489 025**	**89 103 773 286**	**12 886 416 425**
Income tax expense	(3 213 761 171)	(3 213 761 171)	(9 501 073 321)	(1 612 733 377)
Profit for the year	**31 580 246 996**	**21 206 727 854**	**79 602 699 965**	**11 273 683 048**
Other comprehensive (loss)/income			-	-
Total comprehensive income	**31 580 246 996**	**21 206 727 854**	**79 602 699 965**	**11 273 683 048**
Attributable to non-controlling interest	9 477 232 124	2 585 934 062	23 888 770 259	3 327 360 115
Dividends paid to non-controlling interest	(77 134 075)	(58 941 218)	(60 288 153)	(13 987 470)

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

32 RELATED PARTY DISCLOSURES (continued)

32.6 Material partly-owned subsidiary (continued)

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
Summarised statement of financial position as at	**Group 2022 ZWL**	**Group 2021 ZWL**	**Group 2022 ZWL**	**Group 2021 ZWL**
Investment property	109 333 840 000	75 760 451 410	109 333 840 000	22 039 000 000
Property, plant and equipment and other non-current financial assets	426 299 642	71 190 295	341 381 796	11 535 353
Financial assets	144 491 786	35 156 269	144 491 786	10 227 091
Inventories, cash and bank, current financial assets and other receivables (current)	2 275 277 349	1 524 434 881	2 098 632 002	423 595 561
Non-current liabilities (deferred tax only)	(11 914 722 275)	(8 954 491 996)	(11 845 550 789)	(2 598 083 000)
Long term liabilities	0	-	-	-
Trade and other payable (current)	(996 776 536)	(431 509 271)	(920 066 145)	(124 627 292)
Total equity	**99 268 409 966**	**68 005 231 587**	**99 152 728 650**	**19 761 647 713**
Summarised cash flow information for the year ending 31 December				
Operating	(604 286 291)	143 203 024	(573 891 561)	83 403 914
Investing	(176 633 341)	174 500 008	(44 391 912)	45 174 492
Financing	(264 130 892)	(193 731 451)	(211 619 027)	(57 798 363)
Net increase in cash and cash equivalents	**(1 045 050 524)**	**123 971 581**	**(829 902 500)**	**70 780 041**
Diamond Seguros Insurance Company Limited				
Summarised statement of comprehensive income				
Net Premium Earned	564 289 021	539 926 053	310 903 042	121 670 735
Net Claims gains	(217 057 461)	(124 876 874)	(119 590 888)	(28 140 633)
Net Commission gains	(43 412 869)	(22 724 445)	(23 918 936)	(5 120 886)
Underwriting result	**303 818 691**	**392 324 734**	**167 393 218**	**88 409 215**
Administration Expenses	(444 886 863)	(365 476 075)	(245 116 729)	(82 358 950)
Movement in provision for credit losses	(16 084 555)	(20 574 016)	(8 862 014)	(4 636 294)
Profit before other items	**(157 152 727)**	**6 274 642**	**(86 585 524)**	**1 413 972**
Investment income	47 667 328	25 619 564	26 262 990	5 773 293
Other income	-	(28 189 544)	-	(6 352 430)
Profit before income tax	**(109 485 400)**	**3 704 659**	**(60 322 535)**	**834 834**
Attributable to non-controlling interest	965 324 801	(14 543 113)	1 000 140 911	2 496 431
Summarised statement of financial position				
Property, plant and equipment and other non-current financial assets	49 058 405	16 197 161	49 058 405	4 708 477
Financial assets	1 219 539 939	459 832 065	1 219 539 939	133 672 112
Inventories, cash and bank, current financial assets and other receivables (current)	1 477 500 108	1 142 136 045	1 477 500 108	332 016 292
Non-current liabilities (deferred tax only)	-	(11 994 267)	-	(3 486 706)
Long term liabilities	-	-	-	-
Trade and other payable (current)	(1 652 139 650)	(982 223 567)	(1 652 139 650)	(285 530 107)
Total Equity	**1 093 958 801**	**623 947 434**	**1 093 958 801**	**181 380 069**

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

32 RELATED PARTY DISCLOSURES (continued)

32.6 Material partly-owned subsidiary (continued)

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
First Mutual Reinsurance Holdings Limited				
Summarised statement of comprehensive income				
Net Premium Earned	9 200 881 565	6 543 568 484	6 528 202 740	1 304 960 321
Net Claims gains	(4 773 266 624)	(2 387 660 976)	(3 437 196 873)	(552 890 015)
Net Commission gains	(2 583 744 124)	(1 502 050 478)	(1 781 250 227)	(359 381 727)
Underwriting result	**1 843 870 818**	**2 653 857 030**	**1 309 755 639**	**392 688 579**
Administration Expenses	(2 407 466 455)	(1 517 669 338)	(1 853 013 880)	(348 031 145)
Movement in provision for credit losses	(161 127 271)	(413 131 456)	(161 127 271)	(120 096 354)
Profit before other items	**(724 722 908)**	**723 056 236**	**(704 385 512)**	**(75 438 920)**
Investment income	(252 279 602)	1 258 685 845	1 341 035 732	508 865 803
Other income	(913 849 662)	(1 735 266 747)	933 227 791	122 634 459
Profit before income tax	**(1 890 852 172)**	**246 475 334**	**1 569 878 011**	**556 061 341**
Income tax expense	(458 940 575)	(151 682 982)	(71 601 418)	(12 660 446)
Profit for the year	**(2 349 792 747)**	**94 792 352**	**1 498 276 593**	**543 400 895**
Other comprehensive (loss)/income	1 131 846 317	(207 250 165)	1 288 449 968	127 409 258
Total comprehensive income	**(1 217 946 429)**	**(112 457 813)**	**2 786 726 561**	**670 810 153**
Summarised statement of financial position				
Property, plant and equipment and other non-current financial assets	131 777 710	482 808 860	107 219 779	140 692 703
Financial assets	2 046 577 713	2 510 974 785	2 046 577 713	729 934 531
Inventories, cash and bank, current financial assets and other receivables (current)	13 119 840 160	7 299 821 836	10 627 461 387	2 121 699 941
Non-current liabilities (deferred tax only)	-	-	-	-
Long term liabilities	(137 903 592)	(235 186 853)	(137 903 592)	(19 680 388)
Trade and other payable (current)	(11 735 333 479)	(5 465 249 876)	(7 914 912 502)	(1 588 735 429)
Total Equity	**3 424 958 512**	**4 593 168 753**	**4 728 442 785**	**1 383 911 357**

32.7 Reorganisation in First Mutual Reinsurance Companies

Effective 30 November 2021, FMRE Operations in Zimbabwe and Botswana transferred their shares to their new immediate parent company, First Mutual Reinsurance Holdings (Proprietary) Limited (FMRE HoldCo), incorporated 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.

32.7.1 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-controlling interest of 29.1%.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Gross consideration receivable from Aleyo Capital	-	1 939 530 136	-	563 816 900
Transaction costs paid and payable	-	(14 546 477)	-	(4 228 627)
Distribution withheld before shareholding confirmation	-	(54 656 595)	-	(15 888 545)
Net cash consideration paid by Aleyo Capital	**-**	**1 870 327 064**	**-**	**543 699 728**
Additional transaction costs	-	(19 222 603)	-	(5 587 966)
Issued share capital	**-**	**1 851 104 461**	**-**	**538 111 762**

33 EVENTS AFTER THE REPORTING PERIOD

On 3 March 2023, the Ministry of Finance and Economic Development gazetted the statutory instrument (S.I) 27 of 2023 Census and Statistics. The S.I notes that the rate of inflation means the general increase in price levels of goods and services measured as a weighted average based on the use of Zimbabwean dollars and United States dollars over a given period of time. Furthermore, the S.I notes that the dissemination of inflation rates with effect from the date of publication of this notice shall adopt this method of measuring inflation. This will have an impact on the CPIs used in inflationary accounting as required by IAS29.

34 PROPOSED DIVIDEND ON ORDINARY SHARES

At a meeting held on 21 March 2023, the Board resolved that a final dividend of ZWL280.2 million being 20 cents per share be declared from the profits for the year ended 31 December 2022. The dividend was paid on 19 May 2023 to all shareholders of the company registered at close of business on 12 May 2023. The shares of the Company were traded cum-dividend on the Zimbabwe Stock Exchange up to 9 May 2023 and ex-dividend as from 10 May 2023.

35 GOING CONCERN

In order to align with the requirements of International Financial Reporting Standards ("IFRS"), specifically International Accounting Standard 1 ("IAS 1"), the management of First Mutual Holdings Limited Group ("FMHL") management have assessed its ability to continue operating as a going concern in the foreseeable future. The management of FMHL have provided a detailed assessment below employing the guidance provided in International Standards for Auditing 570 "(ISA 570"). Moreover, each subsidiary has provided detailed assessments of the going concern status of their respective subsidiaries. No issues that give rise to material uncertainties were noted in these assessments.

For the period ended 31 December 2022, management has considered the impact of the Covid-19 pandemic to FMHL to be negligible on the operations of the Group. Management also considered the geo-political tension in Europe with Russia and Ukraine being the key players. The two countries play a significant role in the global economy and the conflict between them has resulted in geo-economic tensions across the globe

On the basis of the above assessment, management is of the opinion that the Group is able to continue in business beyond 31 December 2023 and that therefore recommend that the Separate and Consolidated Financial Statements for the period ended 31 December 2022 be prepared on a going-concern basis.

36 IFRS 17 ADOPTION

On 1 January 2023 the Group will adopt IFRS 17 'Insurance Contracts' and as required by the standard applied the requirements retrospectively with comparatives restated from the transition date, 1 January 2022 (please refer to note 36.11 for the impact that the restrospective restatement has had on the Group's equity).The restated comparative consolidated financial statements are prepared on the basis of the Group's significant accounting policies set out in this report.

36.1 IFRS 17 Transitional Provisions

FMHL will attempt to apply IFRS 17 retrospectively to each group of insurance contracts, and if facts and circumstances indicate that such application is unreasonable due to cost or time necessary, such a point will be deemed the point of impracticability for that group. For FMH, this point has been deemed 31 December 2021. Calculation of the CSM as if IFRS 17 had always applied will require using day one data / assumptions and full history to date of transition. FMHL will however apply the Fair Value approach for the Growth Annuities in First Mutual Life (FML). Full Retrospective approach will be applied for all other portfolios.

36.2 Insurance Contract

IFRS 17 sets out the requirements that the Group applies in accounting for insurance contracts it issues, reinsurance contracts it holds and investment contracts with discretionary participation features.

An insurance contract is a contract under which the Group accepts significant insurance risk from another party by agreeing to compensate that party if it is adversely affected by a specified uncertain future event.

36.3 Aggregation of insurance contracts

Individual insurance contracts that are managed together and subject to similar risks are identified as a portfolio. Contracts that are managed together usually belong to the same product group, and have similar characteristics such as being subject to a similar pricing framework or similar product management, and are issued by the same legal entity. If a contract is exposed to more than one risk, the dominant risk of the contract is used to assess whether the contract features similar risks. Each portfolio is further separated by the contracts' expected profitability.

The portfolios are split by their profitability into:

(i) contracts that are onerous at initial recognition;
(ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
(iii) the remaining contracts. These profitability groups are then divided by issue date, with most contracts the Group issues after the transition date being grouped into calendar quarter cohorts.

The groups of insurance contracts are established at initial recognition without subsequent reassessment, and form the unit of account at which the contracts are measured. The measurement of the insurance contract liability is based on groups of insurance contracts and will include fulfilment cash flows, as well as the CSM, which represents the unearned profit.

36.4 Fulfilment cash flows

The fulfilment cash flows comprise:

- best estimates of future cash flows;
- an adjustment for the time value of money (i.e. discounting) and financial risks associated with the future cash flows; and
- a risk adjustment for non-financial risk.

36.4.1 Best estimates of future cash flows

These cash flows include amounts expected to be collected from premiums and payouts for claims, benefits and expenses, and are projected using a range of scenarios and assumptions based on the
Group's demographic and operating experience along with external mortality data where the Group's own experience data is not sufficiently large in size to be credible.

36.4.2 Adjustment for the time value of money (i.e. discounting) and financial risks associated with the future cash flows

The estimates of future cash flows are adjusted to reflect the time value of money and the financial risks to derive an expected present value. A bottom-up approach is used to determine the discount rate to be applied to a given set of expected future cash flows. This is derived as the sum of the risk-free yield and an illiquidity premium. The risk-free yield is determined based on observable market data, where such markets are considered to be deep, liquid and transp When information is not available, management judgement is applied to determine the appropriate risk-free yield. Illiquidity premiums reflect the liquidity characteristics of the associated insurance contracts.

36.4.3 Risk adjustment for non-financial risk

The risk adjustment reflects the compensation required for bearing the uncertainty about the amount and timing of future cash flows that arises from non-financial risk. The Group does not disaggregate changes in the risk adjustment between insurance service result (comprising insurance revenue and insurance service expense) and insurance finance income or expenses. All changes are included in insurance service result.

36.5 Measurement models

36.5.1 Premium Allocation Approach

The majority of contracts issued by the Group are accounted for under the Premium Allocation Approach measurement model, which has been elected by the group for its short term insurance contracts which met the following eligibility criteria at inception: the entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be producedapplying the requirements under the GMM approach; or the coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date is one year or less.

36.5.2 Variable Fee Approach

There are also contracts issued by the Group are accounted for under the VFA measurement model, which is mandatory to apply upon meeting the following eligibility criteria at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder a substantial share of the fair value returns on the underlying items. The Group considers that a substantial share is a majority of returns; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items. The Group considers that a
- substantial proportion is a majority proportion of change on a present value probability weight average of all scenarios.

36.6 Contractual Service Margin

The CSM represents the unearned profit and results in no income or expense at initial recognition when the group of contracts are profitable. The CSM is adjusted at each subsequent reporting period for changes in fulfilment cash flows relating to future service (e.g. changes in noneconomic assumptions, including mortality and morbidity rates). For initial recognition of onerous groups of contracts and when groups of contracts become onerous subsequently, losses are recognised in insurance service expense immediately.For groups of contracts measured using the VFA, changes in the Group's share of the underlying items, and economic experience and economic assumption changes adjust the CSM, whereas these changes do not adjust the CSM under the GMM, but are recognised in profit or loss as they arise. However, under the risk mitigation option for VFA contracts, the changes in the fulfilment cash flows and the changes in the Group's share in the fair value return on underlying items that the instruments mitigate are not adjusted in CSM but recognised in profit or loss.

The CSM is systematically recognised in insurance revenue to reflect the insurance contract services provided, based on the coverage units of the group of contracts. Coverage units are determined by the quantity of benefits and the expected coverage period of the contracts

The Group identifies the quantity of the benefits provided as
follows:

- For insurance coverage - based on the expected net policyholder insurance benefit at each period after allowance for decrements, where net policyholder insurance benefit refers to the amount of sum assured less the fund value or surrender value.
- For investment services (including both investment-return service and investment-related service) - based on a constant measure basis which reflects the provision of access for the policyholder to the facility. For contracts that provide both insurance coverage and investment services, coverage units are weighted according to the expected present value of the future cash outflows for each service

36.7 Risk Adjustment

The purpose of the risk adjustment for non-financial risk is to measure the effect of uncertainty in the cash flows that arise from insurance contracts, other than uncertainty arising from financial risk . For the Group's PAA business, the risk adjustment has been calculated using the risk based capital regime (ZiCarp) in Zimbabwe, for consistency with the approach used for the annuity business under the Variable Fee Approach(VFA). FMHL will be using Profit and Loss (P&L) approach in the presentation of insurance finance income / expenses. The implication is that financial risk assumptions are reflected in P&L only. Below is an insight into the risk adjustment factors applied by the Group:

Notes to the Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

36.8 Discount Rates

Discount rates refer to the interest rates used in discounting cash flows to determine the present value of future cash flows. Under IFRS 17, discount rates are primarily used to adjust the estimates of future cash flows to reflect the time value of money and to accrete interest on the CSM.FMHL used the bottom-up approach, with adjustments made for information that is not available due to the economic landscape in Zimbabwe. Adjustments will be made for the information that is not available due to the fact that risk free rates of an appropriate nature and term (especially long durations) are not available in the Zimbabwean financial market. Therefore, FMHL will rely on the available market information where applicable, but will also make long term assumptions where market information is not available (long durations). FMHL will update discount rates annually. If there are significant movements in market information, the discount rates may be updated more frequently than annually. FML currently only has products that fall under the PAA and the VFA measurement models. The PAA products will not be applying discounting. According to IFRS 17 Par 45, no interest is accreted for VFA contracts at initial recognition and subsequent measurement.

36.9 Onerous Contracts

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract, any previously recognised insurance acquisition. cash flows and any cash flows arising from the contract at the date of initial recognition in total are a net outflow. The Group shall recognise a loss in profit or loss on day one, the net outflow for the group of onerous contracts

36.10 Reinsurance Income & expenses

The amount the Group pays for a reinsurance contract held consists of premiums it pays minus any amounts paid by the reinsurer to the Group as compensation for expenses incurred (for example, ceding commissions). The amount the Group recognizes for reinsurance contracts held can be viewed as:

• the reinsurer's share of the risk-adjusted expected present value of the cash flows generated by the underlying insurance contracts; and

• a contractual service margin (CSM) that makes the initial measurement of the reinsurance asset equal to the amount the entity pays for the reinsurance contract.

36.11 ESTIMATED IMPACT OF THE ADOPTION OF IFRS 17

The Group has assessed the estimated impact that the initial application of IFRS 17 will have on its financial statements. Based on assessments undertaken to date, the total adjustment (after tax) to total equity is estimated to be an increase of ZWL8.3 billion at 1 January 2023 and decrease of ZWL11.8 billion at 1 January 2022 as summarised below.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
Impact on Equity	**1 January 2023 ZWL**	**1 January 2022 ZWL**	**1 January 2023 ZWL**	**1 January 2022 ZWL**
Total Equity at the end of the year (IFRS 4)	67 842 196 421	46 802 602 126	65 925 657 840	13 976 752 670
Total Equity at the end of the year (IFRS 17)	65 744 194 725	46 441 578 408	64 158 433 402	13 615 728 952
Estimated increase/ (decrease) in total equity	8 333 498 878	(11 841 672 318)	34 271 787 440	(11 841 672 318)

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
Impact on profit	**1 January 2023 ZWL**	**1 January 2022 ZWL**	**1 January 2023 ZWL**	**1 January 2022 ZWL**
Profit for the year (IFRS 4)	76 635 261 960	49 367 655 086	12 159 464 758	11 407 034 783
Profit for the year (IFRS 17)	84 968 760 838	37 525 982 768	46 431 252 199	(434 637 535)
Estimated increase/ (decrease) in total equity	8 333 498 878	(11 841 672 318)	34 271 787 440	(11 841 672 318)

Company Statement of Financial Position

As At 31 December 2022

	Note	INFLATION ADJUSTED - AUDITED 2022 ZWL AUDITED	2021 ZWL AUDITED	HISTORICAL COST - UNAUDITED 2022 ZWL UNAUDITED	2021 ZWL UNAUDITED
ASSETS					
Non Current Assets					
Property, plant and equipment	J	21 396 195	23 311 549	2 860 721	2 210 385
Right of Use asset	K1	347 903 825	200 517 222	102 448 903	23 123 698
Investment properties	J1	1 180 800 000	-	1 180 800 000	-
Investment in subsidiaries	L1	34 052 317 045	24 964 752 194	31 824 109 982	7 672 516 458
Investment in associate	T	23 589 233	20 526 363	7 206 596	4 143 726
Financial assets at fair value through profit or loss	M	534 134 670	1 069 053 757	534 134 670	310 771 441
Investments held at amortised cost	V	53 922 106	81 305 133	53 922 106	23 635 213
Total Non Current Assets		**36 214 063 074**	**26 359 466 218**	**33 705 482 978**	**8 036 400 921**
Current Assets					
Other receivables	N	26 446 824	335 815 002	26 446 824	97 620 640
Intercompany receivables	O	219 650 021	68 770 579	219 650 021	19 991 447
Consumable stocks	U	12 376 758	9 196 871	1 971 188	453 770
Short term investments	P	38 968 793	249 314	38 968 793	72 475
Bank & cash balances	P	87 052 768	164 849 981	87 052 768	47 921 506
Total Current Assets		**384 495 164**	**578 881 747**	**374 089 594**	**166 059 838**
TOTAL ASSETS		**36 598 558 238**	**26 938 347 965**	**34 079 572 572**	**8 202 460 759**
EQUITY AND LIABILITIES					
Equity					
Share capital		414 346 803	414 346 803	54 878 335	54 878 335
Share premium		8 309 532 836	8 309 532 836	39 416 526	39 416 526
Capital reserves	W	147 572 281	147 572 281	344 512	344 512
Retained profit		27 144 308 887	17 483 971 394	33 402 135 768	7 938 366 546
Total Equity		**36 015 760 807**	**26 355 423 314**	**33 496 775 141**	**8 033 005 919**
Non-current liabilities					
Lease liability	K2	204 257 626	89 489 361	204 257 626	26 014 349
Total Non Current Liabilities		**204 257 626**	**89 489 361**	**204 257 626**	**26 014 349**
Current Liabilities					
Trade and other payables	Q	251 443 432	444 111 298	251 443 432	129 102 121
Lease liability	K2	51 064 407	14 775 593	51 064 407	4 295 231
Intercompany payables	R	76 031 966	34 548 399	76 031 966	10 043 139
Total Current Liabilities		**378 539 805**	**493 435 290**	**378 539 805**	**143 440 491**
Total Liabilities		**582 797 431**	**582 924 651**	**582 797 431**	**169 454 840**
TOTAL EQUITY AND LIABILITIES		**36 598 558 238**	**26 938 347 965**	**34 079 572 572**	**8 202 460 759**

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.

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
5 June 2025

D Hoto
Group Chief Executive Officer
5 June 2025

Company Statement of Comprehensive Income

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	INFLATION ADJUSTED - AUDITED 2022 ZWL AUDITED	2021 ZWL AUDITED	HISTORICAL COST - UNAUDITED 2022 ZWL UNAUDITED	2021 ZWL UNAUDITED
INCOME					
Shared service costs recoveries	E	1 064 505 447	633 578 254	714 263 310	144 854 194
Rental income	F1	22 553 833	-	20 818 923	-
Fair value adjustment- Investment property	J1	(211 836 552)	-	378 662 069	-
Net investment income	I	(489 272 251)	621 978 316	245 816 584	247 021 600
Share of profit from subsidiaries	L2	7 302 097 801	8 515 164 732	22 461 334 687	3 987 899 213
Other income	F	1 061 785 039	112 447 598	887 266 811	25 663 772
Net monetary gain/(loss)		303 033 846	(227 472 178)	-	-
Total Income		**9 052 867 162**	**9 655 696 722**	**24 708 162 383**	**4 405 438 779**
EXPENDITURE					
Administration expenses	G	(1 059 794 183)	(1 077 599 709)	(730 861 287)	(273 589 480)
Property expenses		(1 231 065)	-	(1 231 065)	-
Project costs	H1	(19 055 524)	(16 192 938)	(18 963 944)	(3 105 650)
Allowance for expected credit loss		(22 984 532)	(1 257 244)	(22 984 532)	(365 478)
Finance costs		(15 862 383)	(7 841 109)	(12 356 797)	(1 695 464)
Total Expenses		(1 118 927 687)	(1 102 891 000)	(786 397 625)	(278 756 072)
Profit before income tax		**7 933 939 475**	**8 552 805 722**	**23 921 764 758**	**4 126 682 707**
Income Tax	S2	-	-	-	-
Profit after tax		**7 933 939 475**	**8 552 805 722**	**23 921 764 758**	**4 126 682 707**
Other comprehensive income					
Share of other comprehensive income/(loss) of subsidiaries and associates using equity method	L3	2 116 048 503	(579 272 307)	1 807 884 702	(29 937 141)
Total comprehensive income attributed to shareholders		**10 049 987 978**	**7 973 533 415**	**25 729 649 460**	**4 096 745 566**

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Company Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2022

INFLATION ADJUSTED - AUDITED	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Total
As at 1 January 2021	**153 937 378**	**8 309 532 836**	**187 932 246**	**9 877 446 312**	**18 528 848 772**
Profit for the year	-	-	-	8 552 805 722	8 552 805 722
Other comprehensive loss	-	-	-	(579 272 307)	(579 272 307)
Total comprehensive income	**-**	**-**	**-**	**7 973 533 415**	**7 973 533 415**
Transactions with shareholders in their capacity as owners:					
Share options	39 620 986	-	(40 359 965)	738 979	-
Dividend paid	-	-	-	(367 747 312)	(367 747 312)
Issue of shares	220 788 439	-	-	-	220 788 439
As at 31 December 2021	**414 346 803**	**8 309 532 836**	**147 572 281**	**17 483 971 394**	**26 355 423 314**
Profit for the period	-	-	-	6 863 966 204	6 863 966 204
Other comprehensive income	-	-	-	2 116 048 503	2 116 048 503
Total comprehensive income	**-**	**-**	**-**	**8 980 014 707**	**8 980 014 707**
Transactions with shareholders in their capacity as owners:		**-**			**-**
Dividend paid	-	-	-	(389 650 488)	(389 650 488)
As at 31 December 2022	**414 346 803**	**8 309 532 836**	**147 572 281**	**26 074 335 613**	**34 945 787 533**
HISTORICAL COST - UNAUDITED					
As at 1 January 2021	**726 836**	**39 416 526**	**567 341**	**3 927 670 459**	**3 968 381 162**
Profit for the year	-	-	-	4 126 682 707	4 126 682 707
Other comprehensive loss				(29 937 141)	(29 937 141)
Total comprehensive income	**-**	**-**	**-**	**4 096 745 566**	**4 096 745 566**
Transactions with shareholders in their capacity as owners:					
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**
Profit for the period	-	-	-	23 921 764 758	23 921 764 758
Other comprehensive income	-	-	-	1 807 884 702	1 807 884 702
Total comprehensive income	**-**	**-**	**-**	**25 729 649 460**	**25 729 649 460**
Transactions with shareholders in their capacity as owners:					
Dividend paid	-	-	-	(265 880 238)	(265 880 238)
As at 31 December 2022	**54 878 335**	**39 416 526**	**344 512**	**33 402 135 768**	**33 496 775 141**

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Company Statement of Cash Flows

FOR THE PERIOD ENDED 31 DECEMBER 2022

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Note	2022 ZWL AUDITED	2021 ZWL AUDITED	2022 ZWL UNAUDITED	2021 ZWL UNAUDITED
Profit before taxation		**7 933 939 475**	**8 552 805 722**	**23 921 764 758**	**4 126 682 707**
Non cash items					
Depreciation	G	81 687 729	56 737 838	23 260 292	6 351 173
Finance costs		15 862 383	7 841 109	12 356 797	1 695 464
Interest received		(9 856 470)	(3 688 022)	(5 247 666)	(872 058)
Share of profit of subsidiaries	L2	(7 302 097 801)	(8 515 164 732)	(22 461 334 687)	(3 987 899 213)
Fair value adjustments on investment property	J1	211 836 552	-	(378 662 069)	-
Fair value adjustments on quoted equities	I	489 328 012	(642 570 992)	(245 619 653)	(251 814 000)
Exchange gain	F	(5 723 244)	(103 271 545)	(16 233 541)	(23 271 936)
Remeasurement of dividend receivable	F	(1 050 957 458)	-	(867 525 111)	-
Share appreciation rights	G	28 008 038	363 268 847	21 031 380	105 601 409
Dividend received	I	(9 313 930)	(10 990 002)	(6 842 163)	(2 854 044)
Monetary gain/(loss)		(211 091 320)	238 906 626	-	-
Operating cash flow before working capital changes		**171 621 964**	**(56 125 151)**	**(3 051 662)**	**(26 380 499)**
Working capital changes					
Decrease/(increase) in other receivables		309 368 178	(30 173 843)	71 173 816	(42 434 818)
Decrease/(Increase) in intercompany receivables		(150 879 442)	5 467 376	(199 658 574)	(6 587 223)
Increase in consumable stocks		(3 179 887)	(652 670)	(1 517 418)	53 695
(Decrease)/increase in intercompany payables		41 483 567	(19 368 081)	65 988 827	7 302 218
(Decrease)/increase in other payables		(192 667 866)	115 165 770	122 341 311	69 708 518
Monetary gain/(loss)		(91 942 525)	(34 650 531)	-	-
Cash generated/(utilised) from operations		**83 803 989**	**(20 337 130)**	**55 276 300**	**1 661 891**
Interest paid		(15 862 383)	(7 841 109)	(12 356 797)	(1 695 464)
Interest received		9 856 470	3 688 022	5 247 666	872 058
Share appreciation rights	Q1	(47 587 348)	(170 653 046)	(46 654 263)	(41 687 768)
Net cash flows from operating activities		**30 210 728**	**(195 143 263)**	**1 512 906**	**(40 849 282)**
Investing activities					
Purchase of vehicles and equipment	J	(1 108 927)	(8 970 529)	(746 226)	(2 083 494)
Recapitalisation of subsidiaries	L1	(321 689 768)	(635 229 000)	(259 650 103)	(153 819 534)
Purchase of quoted securities	M	(1 957 674)	-	(1 349 418)	-
Additions to debt securities at amortised cost	V	(41 669 794)	(91 338 186)	(37 540 355)	(23 635 213)
Additions to investment in associate	T	(3 062 870)	(20 526 363)	(3 062 870)	(4 143 726)
Disposal of investments	M	47 548 749	199 492 896	23 605 842	54 067 198
Proceeds from the sale of property, plant & equipment		-	5 989 374	-	1 673 727
Dividend received	I & L1	583 048 853	1 075 340 901	526 538 131	234 018 980
Cash generated from investing activities		**261 108 570**	**524 759 093**	**247 795 001**	**106 077 940**
Financing activities					
Issue of ordinary shares		-	220 788 439	-	53 935 030
Lease repayments	K2	(48 920 090)	(27 316 447)	(35 150 468)	(6 214 094)
Dividend paid		(389 650 488)	(367 747 312)	(265 880 238)	(86 055 839)
Cash utilised from financing activities		**(438 570 578)**	**(174 275 320)**	**(301 030 706)**	**(38 334 903)**
Net (decrease)/increase in cash and cash equivalents		**(147 251 280)**	**155 340 510**	**(51 722 799)**	**26 893 755**
Movements in cash and cash equivalents					
At beginning of year		165 099 295	63 829 658	47 993 981	11 542 434
Effects of exchange rates on cash and cash equivalents		157 618 989	(35 507 089)	129 750 379	9 557 793
Effects of inflation on cash and cash equivalents		(49 445 443)	(18 563 783)	-	-
Net (decrease)/increase for the period		(147 251 280)	155 340 509	(51 722 799)	26 893 755
At end of period		**126 021 561**	**165 099 295**	**126 021 561**	**47 993 981**
Disclosed as:					
Investments: Short term		38 968 793	249 314	38 968 793	72 475
Bank & Cash Balances		87 052 768	164 849 981	87 052 768	47 921 506
Cash and cash equivalents at the end of the period		126 021 561	165 099 295	126 021 561	47 993 981

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Notes to the Company Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022

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 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.

INFLATION ADJUSTED - AUDITED +/-10 share price movement	**2022 Impact on profit before tax ZWL**	**2021 Impact on profit before tax ZWL**	**2022 Impact on equity ZWL**	**2021 Impact on equity ZWL**
Commodity +/-10	3 876 203	3 970 493	2 918 006	868 892
Consumer +/-10	133 596	64 435	100 571	14 101
Financial +/-10	11 612 782	8 566 615	8 742 103	1 874 694
Manufacturing +/-10	999 918	1 324 776	752 738	289 910
Property +/-10	35 924 280	89 893 167	27 043 798	19 671 970
Insurance +/-10	129 978	400 165	97 847	87 571
Telecommunication +/-10	736 669	2 685 726	554 565	587 737
Other +/-10	-	-	-	-
Total +/-10	**53 413 427**	**106 905 377**	**40 209 628**	**23 394 875**

Notes to the Company Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)

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.

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 61% (2021: 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 50% (2021: 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 -	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Tier 1	87 052 768	164 849 981	87 052 768	47 921 506
Tier 2	-	-	-	-
Tier 3	-	-	-	-
	87 052 768	164 849 981	87 052 768	47 921 506

D COMPANY FINANCIAL RISK MANAGEMENT (continued)

D3 Credit risk (continued)

(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,
- rental receivables,
- debt securities at amortised cost, and
- money market investments

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.

Rental receivables
The Company applies the simplified approach forward looking to measure expected credit losses. The simplified approach uses a lifetime expected credit loss allowance for all trade receivables. To measure the expected credit losses, rental receivables have been grouped based on shared credit characteristics and the days past due. The company applied the practical expedient to calculate expected credit losses using a provision matrix. However, in order to comply with the IFRS 9 requirements, The Company took into account how current and forward-looking information might affect its customers' historical default rates and, consequently, the effect of the information on current expectations and estimates of expected credit losses. The expected credit loss rates are based on the following:

The Company consider the following as constituting an event of default

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources which indicates the debtor is unlikely to pay it's creditors, including the company.

Irrespective of the above analysis, the Company consider that default has occurred when a financial asset is more than 120 days past due unless the Company have reasonable and supportable information to demostrate that default has not occurred.

(a) Occupancy status of the tenant
Where a tenant who remains in occupancy of the premises and continues to default on the payment of rent and operating costs, the past due account remains covered under general allowance for credit losses. The tenant who relinquishes occupancy of premises and honours agreed payment plans will not be considered for specific write-off and they will be provided for at 100%.

(b) Length of time of non-payment
The length of time 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 percentages of general allowance applied to arrive at a general allowance for credit losses amount.

(c) 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 Company 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 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.

The Unaudited 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.

Debt securities at amortised cost
The financial assets are assessed under the 12-month ECLs, as there has been no significant increases in credit risk since initial recognition. Assessment of the credit risk of these financial assets involves looking at the SBU's to payback, taking into consideration their ability to pay on the basis of historic information The company receives coupon payments monthly. The current levels of inflation have made it easier for the SBUs to settle their coupon obligations, and that on time. This reduces the probability of default. However management acknowledges that there will always be an element of risk, which is an area of judgment. Management has used past trends for similar instruments to determine the weighted probability of default and incorporate forward looking information such as the GDP growth rate and inflation and other uncertainties due to the political, and economic policies around the country. As a result of the factors mentioned above, management has set the probability of default (PD) at 0.00%. The company expects the amount to be owing at the end of the year to be equal to the annual coupon payment which is the exposure at default (EAD), for the year.

Notes to the Company Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)

D3 Credit risk (continued)

The company has not experienced any default in coupon payments in the past, but due to uncertainty and considerations of other forward looking information, with prudence, management has set that the amount that would be lost in the event of a default (LGD is equal to 50% of the total annual coupon receivable.

Money market investments

Money market investments are assessed under the 12-month ECLs, as there has been no significant increases in credit risk since initial recognition. Assessment of the credit risk of these financial assets involves looking at the SBU's ability to payback on the basis of historic information The company receives coupon payments monthly. The current levels of inflation have made it easier for the SBUs to settle their coupon obligations, and that on time. This reduces the probability of default. However management acknowledges that there will always be an element of risk, which is an area of judgment. Management has used past trends for similar instruments to determine the weighted probability of default and incorporate forward looking information such as the GDP growth rate and inflation and other uncertainties due to the political, and economic policies around the country. As a result of the factors mentioned above, management has set the probability of default (PD) at 0.00%. The company has not experienced any default in coupon payments in the past, but due to uncertainty and considerations of other forward looking information, with prudence, management has set that the amount that would be lost in the event of a default (LGD is equal to 50% of the total annual coupon receivable.

INFLATION ADJUSTED - AUDITED

31 December 2022	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	9,63%	9,63%	9,63%	-	-
Gross carrying amount - intercompany receivables	192 483 593	29 364 219	20 633 803	-	242 481 615
Rent receivables	-	-	-	-	-
Other receivables	26 965 239	-	-	-	26 965 239
Loss allowance	**18 535 400**	**2 827 657**	**1 986 953**	**-**	**23 350 010**

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	1,83%	1,83%			
Gross carrying amount - intercompany receivables	54 159 833	14 610 746	-	-	68 770 579
Other receivables	74 196 510	262 875 736	-	-	337 072 246
Loss allowance	**349 401**	**907 843**	**-**	**-**	**1 257 244**

Movement in loss allowances

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2022	**2021**	**2022**	**2021**
As at 1 January	1 257 244	-	365 478	-
Increase in loan loss allowance recognised in profit or loss during the year	22 984 532	1 257 244	22 984 532	365 478
Inflation adjustment	(891 766)		-	-
At 31 December	**23 350 010**	**1 257 244**	**23 350 010**	**365 478**

HISTORICAL COST - UNAUDITED

31 December 2022	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	9,63%	9,63%	9,63%	-	-
Gross carrying amount - intercompany receivables	192 483 593	29 364 219	20 633 803	-	242 481 615
Other receivables	26 965 239	-	-	-	26 965 239
Loss allowance	**18 535 400**	**2 827 657**	**1 986 953**	**-**	**23 350 010**

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	1,83%	1,83%	-	-	-
Gross carrying amount - intercompany receivables	15 744 137	4 247 310	-	-	19 991 447
Other receivables	21 568 753	76 417 365	-	-	97 986 118
Loss allowance	**101 570**	**263 908**	**-**	**-**	**365 478**

Movement in loss allowances

First Mutual Holdings limited used a simplified approach model under the simplified approach, First Mutual Holdings Limited recognises a credit loss allowance based on a lifetime basis for its shared service receivables. Since the receivables do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL. This is in line with the practical expedient provided for in IFRS 9. A provision matrix has thus been adopted for the purposes of this exercise The standard allows for a provision matrix to be used for recognising ECL on receivables. FMHL's management has applied itself in using its historical credit loss experience and forward-looking information in order to establish the loss rates. It has set up a provision matrix based on its historical observed default rates which have been adjusted for forward-looking estimates. Various mathematical formulas and statistically sound assumptions have been employed in developing these assumptions, with forward looking data backed up by information obtained from credible sources. The changes in the credit loss allowance balance are recognised in profit or loss as an impairment gain or loss.

Notes to the Company Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)

D3 Credit risk (continued)

Forward Looking – Intercompany Receivables

The World Bank statistics show that Real GDP for Zimbabwe has been increasing at a decreasing rate for the past two years at about 3.9% and 3.5% in 2021 and 2022 respectively. This has been driven by an increase in productivity across the productive sectors of the economy, depreciation of the local currency against the United States Dollar, monetary policy and hyperinflation, all decreasing the liquidity and general performance of companies. Recently, the IMF noted that a positive growth in GDP is expected Projections towards year end and beginning of 2023 are indicating that the GDP growth for the country will improve at a decreasing rate of 2.8%. The international Monetary Fund (IMF) predicts that inflation will increase to around 204.6%. Continued implementation of disinflation policies and fine-tuning of the foreign exchange willing buyer willing seller market are expected to keep average annual inflation at two-digit levels in 2023 and 2024. Annual inflation stood at 243.8% in December 2022 down from a high of 285% in July 2022 following the introduction of willing buyer willing seller forex market, 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 Limited expects this to have a negative impact on the receivables' ability to settle their debts.

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.

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 - AUDITED

31 December 2022	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	345 684	837 748	984 632	3 475 856	48 278 186	53 922 106
Equity securities at fair value through profit or loss	25 897 620	51 795 240	77 692 860	378 748 950	-	534 134 670
Rental Receivables	-	-	-	-	-	-
Other receivables (excluding prepayments)	(49 782 604)	76 747 843	-	-	-	26 965 239
Related party receivables	192 483 594	29 364 219	20 633 803	-	-	242 481 616
Cash and cash equivalents	126 021 561	-	-	-	-	126 021 561
Total assets	**294 965 855**	**158 745 050**	**99 311 295**	**382 224 806**	**48 278 186**	**983 525 192**
Liabilities						
Related party payables	76 031 966	-	-	-	-	76 031 966
Lease liabilities	5 147 011	13 382 228	14 720 450	30 171 516	230 280 995	293 702 199
Trade and other payables (excluding statutory liabilities)	172 121 760	-	-	-	-	172 121 760
Total liabilities	**253 300 737**	**13 382 228**	**14 720 450**	**30 171 516**	**230 280 995**	**541 855 925**
Liquidity gap	**41 665 118**	**145 362 823**	**84 590 845**	**352 053 290**	**(182 002 809)**	**441 669 267**
Cumulative liquidity gap	**41 665 118**	**187 027 941**	**271 618 786**	**623 672 076**	**441 669 267**	**-**

Notes to the Company Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)

D5 Liquidity risk (continued)

31 December 2022	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	967 918	1 935 836	1 935 836	6 775 428	75 564 990	87 180 009
Equity securities at fair value through profit or loss	89 087 813	178 175 626	267 263 439	534 526 879	-	1 069 053 757
Other receivables (excluding prepayments)	72 939 266	264 012 580	-	-	-	336 951 846
Related party receivables	54 159 831	14 610 746	-	-	-	68 770 578
Cash and cash equivalents	165 099 295	-	-	-	-	165 099 295
	-	-	-	-	-	-
Total assets	**382 254 123**	**458 734 789**	**269 199 276**	**541 302 306**	**75 564 990**	**1 727 055 485**
Liabilities						
Related party payables	34 548 399	-	-	-	-	34 548 399
Lease liability	1 231 300	2 462 599	3 693 899	7 387 797	98 885 743	113 661 338
Trade and other payables (excluding statutory liabilities)	73 349 146	2 462 599	3 693 899	7 387 797	98 885 743	185 779 184
	-	-	-	-	-	-
Total liabilities	**109 128 844**	**4 925 198**	**7 387 797**	**14 775 595**	**197 771 487**	**333 988 921**
	-	-	-	-	-	-
Liquidity gap	**273 125 279**	**453 809 591**	**261 811 478**	**526 526 712**	**(122 206 496)**	**1 393 066 564**
	-	-	-	-	-	-
Cumulative liquidity gap	**273 125 279**	**726 934 870**	**988 746 349**	**1 515 273 060**	**1 393 066 564**	**-**

HISTORICAL COST - UNAUDITED

31 December 2022	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	345 684	837 748	984 632	3 475 856	48 278 186	53 922 106
Equity securities at fair value through profit or loss	25 897 620	51 795 240	77 692 860	378 748 950	-	534 134 670
Rental receivables	-					-
Other receivables (excluding prepayments)	(49 782 604)	76 747 843	-	-	-	26 965 239
Related party receivables	192 483 594	29 364 219	20 633 803	-	-	242 481 616
Cash and cash equivalents	126 021 561	-	-	-	-	126 021 561
Total assets	**294 965 855**	**158 745 050**	**99 311 295**	**382 224 806**	**48 278 186**	**983 525 192**
Liabilities						
Related party payables	76 031 966	-	-	-	-	76 031 966
Lease liabilities	5 147 011	13 382 228	14 720 450	30 171 516	230 280 995	293 702 199
Trade and other payables (excluding statutory liabilities)	172 121 760	-	-	-	-	172 121 760
Total liabilities	**253 300 737**	**13 382 228**	**14 720 450**	**30 171 516**	**230 280 995**	**541 855 925**
Liquidity gap	**41 665 118**	**145 362 823**	**84 590 845**	**352 053 290**	**(182 002 809)**	**441 669 267**
Cumulative liquidity gap	**41 665 118**	**187 027 941**	**271 618 786**	**623 672 076**	**441 669 267**	**-**

Notes to the Company Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)

D5 Liquidity risk (continued)

	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
31 December 2021						
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 liability	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**	**-**

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.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2022 ZWL AUDITED	2021 ZWL AUDITED	2022 ZWL UNAUDITED	2021 ZWL UNAUDITED
E Shared service cost recoveries				
First Mutual Health	209 937 141	147 458 245	140 863 908	33 713 192
First Mutual Wealth Management	41 588 487	25 299 511	27 905 100	5 784 195
First Mutual Life	238 673 353	168 455 108	160 145 370	38 513 678
First Mutual Properties	79 628 976	95 577 576	53 429 559	21 851 781
First Mutual Reinsurance	271 261 692	49 015 934	182 011 539	11 206 451
NicozDiamond Insurance	223 415 797	147 771 880	149 907 835	33 784 897
Total	**1 064 505 447**	**633 578 254**	**714 263 310**	**144 854 194**

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 C. 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.

	2022 ZWL AUDITED	2021 ZWL AUDITED	2022 ZWL UNAUDITED	2021 ZWL UNAUDITED
F Other income				
Shared costs recoveries	-	11 840	-	2 668
Interest on staff loans	4 282 517	2 181 898	3 058 941	532 658
(Profit)/loss on disposal of Property Plant Equipment	-	5 989 374	-	1 673 727
Foreign exchange gain	5 723 244	103 271 545	16 233 541	23 271 936
NDIL Dividend remeasurement	1 050 957 458	-	867 525 111	-
Other	821 819	992 941	449 218	182 782
Total	**1 061 785 039**	**112 447 598**	**887 266 811**	**25 663 772**
F1 Rental Income				
Residential	22 553 833	-	20 818 923	-

During the year FMHL company earned rental income from investment residential properties which were transferred from Nicozdiamond as dividend settlement. Rentals are billed in advance on a monthly basis.

Notes to the Company Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		2022	2021	2022	2021
		ZWL	ZWL	ZWL	ZWL
		AUDITED	AUDITED	UNAUDITED	UNAUDITED
G	**Administration expenses**				
	Staff costs	657 077 523	413 234 036	474 922 336	106 737 182
	Rent & rates	10 468 242	7 875 622	7 566 234	1 545 803
	Depreciation	81 687 729	56 737 838	23 260 292	6 351 173
	Directors fees	86 005 879	63 224 037	62 163 309	16 503 777
	Computer expenses	3 483 224	5 745 988	2 517 604	1 127 805
	Administration travel	6 378 256	157 326	4 610 074	30 879
	Insurance	6 023 384	14 779 955	4 353 580	3 098 220
	Audit fees	15 488 655	15 423 379	11 194 886	4 026 064
	Other fees	51 311 294	27 515 216	37 086 765	5 767 825
	Subscriptions	7 499 206	6 534 604	5 420 274	1 282 592
	Marketing costs - CRM	2 536 552	-	1 833 369	-
	Teas and refreshments	5 318 899	3 513 365	3 844 393	736 483
	R&M - Motor Vehicles	2 123 420	3 975 717	1 534 765	833 402
	R&M - Office Equipment	6 499 325	1 634 017	4 697 581	342 528
	Office consumables	1 646 551	891 804	1 190 093	175 041
	Communication	1 993 816	4 362 687	1 441 090	856 295
	Investor relations	63 176 151	43 844 368	45 662 444	8 605 637
	Cleaning expenses	4 203 663	3 689 906	3 038 323	773 490
	Board expenses	1 330 682	9 314 511	961 790	1 952 537
	Strategy expenses	12 374 087	4 113 683	8 943 740	862 323
	Staff welfare	898 485	237 553	649 407	49 797
	Shared costs recovery	247 138	825 555	178 626	173 055
	Other	542 882	1 420 111	392 384	297 688
	IMTT tax	3 464 857	16 641 498	2 363 825	3 984 688
	Rationalisation costs	-	5 178 913	-	1 131 953
	Share appreciation rights	28 008 038	363 268 847	21 031 380	105 601 409
	Covid expenses	6 243	3 459 173	2 724	741 837
	Total	**1 059 794 183**	**1 077 599 709**	**730 861 287**	**273 589 480**

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		2022	2021	2022	2021
		ZWL	ZWL	ZWL	ZWL
H	**Staff costs**	AUDITED	AUDITED	UNAUDITED	UNAUDITED
	Basic Salaries	300 171 378	203 690 408	201 480 004	52 612 657
	Non-pensionable allowance	40 043 958	35 272 515	26 878 169	9 110 791
	Bonus/Profit share	103 049 631	-	103 049 631	-
	Overtime	1 105 466	2 663 280	742 007	687 918
	Housing allowance	717 533	859 088	481 620	221 900
	Transport allowance	159 611	163 534	107 134	42 240
	Canteen allowance	2 954 561	213 882	1 983 150	55 245
	Long service award	4 841 733	41 942	3 249 851	10 833
	Pension	26 522 520	20 220 929	17 802 355	5 223 009
	NSSA	1 189 264	430 980	798 254	111 321
	Leave Pay	31 397 882	18 279 610	21 074 779	4 721 571
	Staff training	7 516 066	466 323	5 044 908	120 450
	Levies	10 272 367	12 023 289	6 894 983	3 105 581
	Medical aid	25 400 275	13 545 458	17 049 086	3 498 753
	Motoring benefit	98 422 868	102 778 507	66 063 061	26 547 398
	Security costs	2 997 758	2 290 483	2 012 145	591 625
	Other	314 653	293 808	211 200	75 890
	Total	**657 077 523**	**413 234 036**	**474 922 336**	**106 737 182**

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 ZWL19 005 524 (2021 ZWL16 192 938)

I	**Net Investment income**				
	Dividend received	9 313 930	10 990 002	6 842 163	2 854 044
	Interest received	5 573 953	1 506 124	2 188 725	339 400
	Investment expenses	(14 832 122)	(33 088 802)	(8 833 957)	(7 985 844)
	Fair value gain/(loss) on equities	(489 328 012)	642 570 992	245 619 653	251 814 000
	Total	**(489 272 251)**	**621 978 316**	**245 816 584**	**247 021 600**

Notes to the Company Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

J Property, Plant and equipment

	Office Equipment	Motor Vehicles	Office Furniture	TOTAL
INFLATION ADJUSTED - AUDITED				
Cost				
At 1 January 2021	85 137 681	16 223 860	14 494 643	115 856 184
Additions	8 970 529	-	-	8 970 529
Disposals	-	(16 223 860)	-	(16 223 860)
At 31 December 2021	94 108 210	-	14 494 643	108 602 853
Additions	1 020 061	-	88 866	1 108 927
At 31 December 2022	**95 128 271**	**-**	**14 583 509**	**109 711 780**
Accumulated Depreciation				
At 1 January 2021	73 896 236	16 223 860	9 318 950	99 439 046
Charge for the year	1 370 929	-	705 189	2 076 118
Depreciation on disposal	-	(16 223 860)	-	(16 223 860)
At 31 December 2021	75 267 165	-	10 024 139	85 291 304
Charge for the year	2 675 440	-	348 841	3 024 281
At 31 December 2022	**77 942 605**	**-**	**10 372 980**	**88 315 585**
Net Book Value - 31 December 2021	**18 841 045**	**-**	**4 470 504**	**23 311 549**
Net Book Value - 31 December 2022	**17 185 666**	**-**	**4 210 529**	**21 396 195**
HISTORICAL COST - UNAUDITED				
Cost				
At 1 January 2021	**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**
Additions	686 426		59 800	746 226
At 31 December 2022	**3 291 523**	**-**	**138 699**	**3 430 222**
Accumulated Depreciation				
At 1 January 2021	**383 755**	**74 330**	**48 067**	**506 152**
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**
Charge for the year	92 573		3 318	95 890
At 31 December 2022	**514 278**	**-**	**55 224**	**569 501**
Net Book Value - 31 December 2021	**2 183 392**	**-**	**26 993**	**2 210 385**
Net Book Value - 31 December 2022	**2 777 245**	**-**	**83 475**	**2 860 721**

J1 Investment properties

A property is regarded as sold when the conditions outlined in IFRS 15.38 for passing of control are satisfied. The factors under which control passes to the buyer include but are not limited to the following:

a. the customer is obliged to pay;
b. the customer has legal title to the asset;
c. the customer has obtained physical possession of the asset;
d. the customer has the significant risks and rewards of ownership;
e. the customer has accepted the asset.

During the year there was transfer of residential properties from Nicozdiamond as part of dividends which were declared in the prior years. The properties were transferred in June 2022. After the investment properties had been received from NDI, they were further transferred to First Mutual Wealth and First Mutual Microfinance from First Mutual Holdings Limited as additional investment. These subsidiaries are 100% owned by First Mutual Company.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
At 1 January	-	-	-	-
Total additions	-	-	-	-
Transfer to Investment in subsidiary	(293 760 000)	-	(272 000 000)	-
Transfer from Nicozdiamond Insurance Limited	1 686 396 552	-	1 074 137 931	-
Fair value adjustments	(211 836 552)	-	378 662 069	-
Total	**1 180 800 000**	**-**	**1 180 800 000**	**-**

J1.1 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 2022	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL	Total gain/ (loss) in the period in the statement of comprehensive income ZWL
Residential	-	-	1 180 800 000	1 180 800 000	(211 836 552)
Total	**-**	**-**	**1 180 800 000**	**1 180 800 000**	**(211 836 552)**

HISTORICAL COST - UNAUDITED 31 DECEMBER 2022	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL	Total gain/ (loss) in the period in the statement of comprehensive income ZWL
Residential	-	-	1 180 800 000	1 180 800 000	378 662 069
Total	**-**	**-**	**1 180 800 000**	**1 180 800 000**	**378 662 069**

Refer to note 7.1 of the Group Financials Statements for valuation techniques used to derive level 3 fair values.

	Leases	**INFLATION ADJUSTED - AUDITED**		**HISTORICAL COST - UNAUDITED**	
	Leases	**2022 ZWL AUDITED**	**2021 ZWL AUDITED**	**2022 ZWL UNAUDITED**	**2021 ZWL UNAUDITED**
K1	**Right of use asset**				
	As at 1 January	200 517 220	131 289 458	23 123 698	2 808 025
	Modifications	226 050 054	123 889 482	102 489 607	26 619 276
	Depreciation	(78 663 449)	(54 661 720)	(23 164 402)	(6 303 604)
	As at 31 December	**347 903 825**	**200 517 220**	**102 448 903**	**23 123 698**
K2	**Lease liability**				
	As at 1 January	104 264 954	17 718 415	30 309 580	3 199 193
	Modifications	226 050 054	123 889 481	102 489 607	26 619 277
	Repayments	(48 920 090)	(27 316 447)	(35 150 468)	(6 214 094)
	Accrued interest	15 862 383	7 841 109	12 356 797	1 695 464
	Accrued interest paid	(15 862 383)	(7 841 109)	(12 356 797)	(1 695 464)
	Exchange gains/loss	286 177 066	23 065 903	157 673 315	6 705 204
	Monetary loss adjustment	(312 249 951)	(33 092 398)	-	-
	As at 31 December	**255 322 033**	**104 264 954**	**255 322 033**	**30 309 580**
	Of which are :				
	Current lease liabilities	51 064 407	14 775 595	51 064 407	4 295 231
	Non-Current lease liabilities	204 257 626	89 489 361	204 257 626	26 014 349
	As at 31 December	**255 322 033**	**104 264 956**	**255 322 033**	**30 309 580**
L1	**INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**				
	At 1 January	24 964 752 194	17 664 660 838	7 672 516 458	3 837 073 589
	Capitalisation**	615 449 768	635 229 000	531 650 103	153 819 534
	Disposal				
	Dividend income*	(946 031 221)	(1 271 030 069)	(649 275 968)	(276 338 737)
	Equity accounted earnings	9 418 146 304	7 935 892 425	24 269 219 388	3 957 962 072
	Total investment in subsidiaries	**34 052 317 045**	**24 964 752 194**	**31 824 109 981**	**7 672 516 458**

* For the total dividend income received from subsidiaries ZWL573 734 923 (2021 ZWL1 064 350 899) was received as cash and the remainder was received as investment properties.
** For the total capitalisation made during the year ZWL321 689 768 (2021 ZWL635 229 000) was paid as cash and the remainder was the transfer of investment properties.

Notes to the Company Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		2022 ZWL AUDITED	2021 ZWL AUDITED	2022 ZWL UNAUDITED	2021 ZWL UNAUDITED
L2	**Share of profit from subsidiaries**				
	NicozDiamond Insurance	2 409 936 742	654 754 774	3 557 318 726	841 105 388
	First Mutual Life	5 161 254 393	6 063 143 145	14 392 358 797	1 906 834 043
	First Mutual Reinsurance	(558 171 625)	1 230 581 867	506 616 151	346 878 404
	FMRE Property & Casualty Botswana	(1 008 762 607)	(1 158 053 069)	457 564 095	196 522 491
	First Mutual Wealth	(179 841 783)	(106 353 678)	(21 047 056)	(18 706 419)
	First Mutual Health	1 717 866 211	1 975 729 884	3 728 350 551	759 479 005
	Funeral services	-	-	-	-
	First Mutual Microfinance	(240 183 530)	(144 638 191)	(159 826 577)	(44 213 699)
	Total	**7 302 097 801**	**8 515 164 732**	**22 461 334 687**	**3 987 899 213**
L3	**Share of other comprehensive income from subsidiaries**				
	NicozDiamond Insurance	278 576 866	(372 022 142)	440 452 749	(2 762 739)
	FMRE Property & Casualty Botswana	1 837 471 637	(207 250 165)	1 367 431 953	(27 174 402)
	Total	**2 116 048 503**	**(579 272 307)**	**1 807 884 702**	**(29 937 141)**

		Shareholding percentage 2022	Shareholding percentage 2021				
L4	**INVESTMENT IN SUBSIDIARIES**						
	First Mutual Life Assurance Company (Private) Limited	100%	100%	19 033 205 270	13 858 281 085	18 206 148 964	3 711 600 564
	First Mutual Health Company (Private) Limited	80%	80%	5 032 404 233	3 505 681 346	4 427 244 566	960 998 876
	First Mutual Microfinance	100%	100%	157 858 648	78 176 413	104 602 907	10 409 089
	First Mutual Reinsurance Company Limited	71%	71%	868 373 446	2 020 828 456	926 999 762	595 114 046
	FMRE Property and Casualty (Proprietary) Limited	71%	71%	1 944 458 019	1 728 689 361	1 944 458 019	576 820 224
	First Mutual Wealth Management	100%	100%	231 509 398	224 087 713	213 763 511	58 562 615
	NicozDiamond Insurance Company Limited	100%	100%	6 784 508 031	3 549 007 820	6 000 892 253	1 759 011 044
				-	-	-	-
				34 052 317 045	**24 964 752 194**	**31 824 109 982**	**7 672 516 458**

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		2022 ZWL AUDITED	2021 ZWL AUDITED	2022 ZWL UNAUDITED	2021 ZWL UNAUDITED
M	**Financial assets at fair value through profit or loss**				
	At 1 January	1 069 053 757	625 975 661	310 771 441	113 024 639
	Purchases	1 957 674	-	1 349 418	-
	Disposal	(47 548 749)	(199 492 896)	(23 605 842)	(54 067 198)
	Fair value adjustments	(489 328 012)	642 570 992	245 619 653	251 814 000
	Total	**534 134 670**	**1 069 053 757**	**534 134 670**	**310 771 441**

Note 4.3 of 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	21 581 901	69 952 592	21 581 901	20 335 056
	Prepayments	-	120 400	-	35 000
	NDIL dividend receivable*	-	262 875 736	-	76 417 365
	Sundry debtors	5 383 338	4 123 518	5 383 338	1 198 697
	Total	**26 965 239**	**337 072 246**	**26 965 239**	**97 986 118**
	Allowance for expected credit losses	(518 415)	(1 257 244)	(518 415)	(365 478)
	Net receivables	**26 446 824**	**335 815 002**	**26 446 824**	**97 620 640**

*This balance represents a dividend receivable from NicozDiamond Insurance, a wholly owned subsidiary of First Mutual Holdings Limited, in the form of investment properties. Properties were subsequently transferred to First Mutual Holdings Limited in June 2022.

Notes to the Company Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		2022 ZWL AUDITED	2021 ZWL AUDITED	2022 ZWL UNAUDITED	2021 ZWL UNAUDITED
O	**Intercompany receivables**				
	First Mutual Wealth	20 738 733	2 279 624	20 738 733	662 681
	First Mutual Health	-	6 752 351	-	1 962 893
	First Mutual Life	-	27 557 326	-	8 010 851
	FMRE Property & Casualty Botswana	24 769 671	16 318 438	24 769 671	4 743 732
	First Mutual Reinsurance	142 601 900	15 823 190	142 601 900	4 599 765
	NicozDiamond	33 047 670	-	33 047 670	-
	First Mutual Microfinance	21 046 079	39 650	21 046 079	11 526
	First Mutual Funeral services	277 563	-	277 563	-
	Total	**242 481 616**	**68 770 579**	**242 481 616**	**19 991 447**
	Allowance for expected credit losses	(22 831 595)	-	(22 831 595)	-
	Net Intercompany receivables	**219 650 021**	**68 770 579**	**219 650 021**	**19 991 447**
P	**CASH AND BALANCES WITH BANKS**				
	Money market investments with original maturities less than 90 days	38 968 793	249 314	38 968 793	72 475
	Cash at bank and on hand	87 052 768	164 849 981	87 052 768	47 921 506
	Cash and balances with banks	**126 021 561**	**165 099 295**	**126 021 561**	**47 993 981**
	Current	126 021 561	165 099 295	126 021 561	47 993 981
	Non current	-	-	-	-
	Cash and balances with banks	**126 021 561**	**165 099 295**	**126 021 561**	**47 993 981**

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.

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		2022 ZWL AUDITED	2021 ZWL AUDITED	2022 ZWL UNAUDITED	2021 ZWL UNAUDITED
Q	**Trade and other payables**				
	Payroll deductions	23 672 493	35 447 080	23 672 493	10 304 384
	VAT	8 730 596	5 622 069	8 730 596	1 634 322
	Provision for leave days	26 477 079	21 003 469	26 477 079	6 105 660
	Provision for profit share	107 553 010	36 824 101	107 553 010	10 704 680
	IT Security	48 062	156 389	48 062	45 462
	Accounts payables	320 975	863 352	320 975	250 975
	Withholding tax	372 960	-	372 960	-
	Sundry creditors	14 050 141	14 501 834	14 050 141	4 215 650
	Share appreciation rights	70 218 115	329 693 004	70 218 115	95 840 989
	Total	**251 443 431**	**444 111 298**	**251 443 431**	**129 102 121**
Q1	**Share appreciation rights**				
	At 1 January	329 693 004	178 036 677	95 840 997	32 194 697
	Additions	16 224 905	501 367 129	12 979 924	113 005 363
	Exercised	(47 587 348)	(170 653 046)	(46 654 263)	(41 955 110)
	Fair value adjustments	21 947 050	(138 098 282)	8 051 456	(7 403 954)
	Monetary gain or loss	(250 059 496)	(40 959 474)	-	-
	Total	**70 218 115**	**329 693 004**	**70 218 115**	**95 840 997**
R	**Intercompany payables**				
	First Mutual Health	75 283 834	-	75 283 834	-
	First Mutual Properties	748 133	28 426 316	748 133	8 263 464
	NicozDiamond	-	5 968 401	-	1 735 000
	First Mutual Funeral services	-	153 682	-	44 675
	Total	**76 031 966**	**34 548 399**	**76 031 966**	**10 043 139**

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
S	**TAX**	**2022 ZWL AUDITED**	**2021 ZWL AUDITED**	**2022 ZWL UNAUDITED**	**2021 ZWL UNAUDITED**
S1	**Analysis of deferred tax**				
	Arising on furniture and equipment	5 289 139	3 535 360	66 744	144 259
	Arising on right of use asset	25 325 369	19 663 653	25 325 369	5 716 178
	Arising on financial assets at fair value through profit or loss	5 341 347	10 690 538	5 341 347	3 107 714
	Arising from investment properties	26 366 863	-	26 366 863	-
	Arising from assessable losses	(29 190 480)	(29 914 576)	(23 968 085)	(7 812 636)
	Payables and provisions	(33 132 238)	(3 974 975)	(33 132 238)	(1 155 516)
	As at 31 December	-	-	-	-
	Disclosed as:				
	Deferred tax asset	(62 322 718)	(33 889 551)	(57 100 323)	(8 968 152)
	Deferred tax liability	62 322 718	33 889 551	57 100 323	8 968 152
		-	-	-	-

Assessable tax losses

The Company has deferred tax asset arising from assessable tax losses, amounting to ZWL1 135 656 406 (2021: ZWL1 096 306 972). 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 2022 because the Company may not be able to generate sufficient future taxable profits, against which the assessable tax losses may be utilised.

	INFLATION ADJUSTED - AUDITED	HISTORICAL COST - UNAUDITED
Arising during the year ended 31 December 2021	35 263 175	12 578 746
Arising during the year ended 31 December 2022	86 223 534	39 349 435

Unrecognised deferred tax asset

The Company has unrecognised deferred tax asset arising from lease liability, cash based share appreciation rights liabilty, and assessable losses amounting to ZWL1 186 939 450 (2021 ZWL3 868 319 468). 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 2022. Below is the list of unrecognised deffered tax asset.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2022 ZWL	**2021 ZWL**	**2022 ZWL**	**2021 ZWL**
Lease liability	63 115 606	25 774 297	63 115 606	7 492 528
Cash based share appreciation rights	17 357 918	81 500 111	17 357 918	23 691 893
Assessable losses	1 106 465 926	3 761 045 061	1 111 688 321	1 094 210 514
Total	**1 186 939 450**	**3 868 319 468**	**1 192 161 846**	**1 125 394 935**

S2	**Reconciliation of income tax expense**				
	Profit before income tax	7 933 939 475	8 552 805 722	23 921 764 758	4 126 682 707
	Standard tax rate 24.72% (2021: 24.72%)	1 961 269 838	2 114 253 574	5 913 460 248	1 020 115 965
	Non-taxable income	(2 171 525 972)	(3 157 285 346)	(5 982 165 212)	(1 128 158 861)
	Non-deductible expenses	118 383 681	427 847 793	65 225 168	99 658 973
	Non recognition of assessed losses	91 872 453	615 183 979	3 479 795	8 383 923
	Tax charge for the period	-	-	-	-

Notes to the Company Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)

T Investment in associates

The company holds 13.04% 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 has been commissioned for use starting 1 January 2022.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Reconciliation of the carrying amount				
As at 1 January	20 526 363	-	4 143 726	-
Additional investment	3 062 870	20 526 363	3 062 870	4 143 726
As at 31 December	**23 589 233**	**20 526 363**	**7 206 596**	**4 143 726**

U CONSUMABLE STOCK

Inventory relates to consumables stock largely made up of office supplies and consumables including office stationery.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Consumables	12 376 758	9 196 871	1 971 188	453 770
Total	**12 376 758**	**9 196 871**	**1 971 188**	**453 770**

V Debt securities at amortised cost

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2022 ZWL AUDITED	2021 ZWL AUDITED	2022 ZWL UNAUDITED	2021 ZWL UNAUDITED
As at 1 January	81 305 133	-	23 635 213	-
Additions	41 669 794	91 338 186	37 540 355	23 635 213
Maturities of investments	(13 702 448)	-	(7 253 462)	-
Monetary loss adjustment	(55 350 373)	(10 033 053)	-	-
		-		
As at 31 December	**53 922 106**	**81 305 133**	**53 922 106**	**23 635 213**
Current	7 703 158	11 615 019	7 703 158	3 376 459
Non current	46 218 948	69 690 113	46 218 948	20 258 754
Total	**53 922 106**	**81 305 132**	**53 922 106**	**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 expected credit losses from assessment (2021 ZWLnil)

W Capital reserves

INFLATION ADJUSTED - AUDITED

	Share based Payment Reserve ZWL	Revaluation Reserve ZWL	Total ZWL
As at 1 January 2021	**158 566 739**	**29 365 507**	**187 932 246**
Share based payments	(40 359 965)	-	(40 359 965)
As at 31 December 2021	**118 206 774**	**29 365 507**	**147 572 281**
As at 1 January 2022	**118 206 774**	**29 365 507**	**147 572 281**
As at 31 December 2022	**118 206 774**	**29 365 507**	**147 572 281**

HISTORICAL COST - UNAUDITED

	Share based Payment Reserve ZWL	Revaluation Reserve ZWL	Total ZWL
As at 1 January 2021	**338 475**	**228 866**	**567 341**
Share based payments	(222 828)		(222 828)
As at 31 December 2021	**115 646**	**228 866**	**344 512**
As at 1 January 2022	**115 646**	**228 866**	**344 512**
As at 31 December 2022	**115 646**	**228 866**	**344 512**

CONSOLIDATED TOP 20

AS AT 31 DECEMBER 2022

Rank	AccountName	Shares	%
1	NATIONAL SOCIAL SECURITY AUTHORITY	479,031,386	65.47
2	QUANTAFRICA WEALTH MANAGEMENT	68,357,070	9.34
3	CAPITAL BANK CORPORATION LIMITED,	51,341,100	7.02
4	DATVEST NOMINEES (PVT) LTD	25,441,406	3.48
5	STANBIC NOMINEES (PRIVATE) LIMITED	13,327,828	1.82
6	MORGAN AND CO MULTI-SECTOR ETF	9,416,139	1.29
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	COLOSSUS INVESTMENTS (PVT) LTD	2,334,566	0.32
11	COLNEST ZIMBABWE PENSION PLAN	1,281,135	0.18
12	AUTUMN GOLD GROUP PENSION PLAN	1,113,163	0.15
13	BSI NOMINEES (PVT) LTD	804,964	0.11
14	OLD MUTUAL LIFE ASS CO ZIM LTD	762,206	0.10
15	PRESERVATION FUND	709,189	0.10
16	COMMUNICATION ZIMBABWE GROUP PENSION PLAN (COMMAF)	679,410	0.09
17	ISAMBANE INVESTMENTS (PVT) LTD	516,283	0.07
18	OLIVINE INDUSTRIES (1960) PENSION SCHEME	473,910	0.06
19	WILLDALE	464,316	0.06
20	ZIMCHEM REFINERS PENSION SCHEME	463,025	0.06
	TOTAL	**666,697,173**	**91.11**
	OTHER SHAREHOLDERS	**65,021,149**	**8.89**
	TOTAL NUMBER OF SHARES	**731,718,322**	**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 2022.
2. To confirm the final dividend of ZWL20 and US$0.02 cents per share declared on 27 April 2023 and the interim dividend of ZWL10 and US$0.015 cents per share declared on 21 October 2022 out of the profits of the Company for the year ended 31 December 2022.
3. Election of directors and to approve the Directors' remuneration for the financial year ended 31 December 2022.
4. To confirm the remuneration of the Auditors, Ernst & Young Chartered Accountants (EY), for the 2022 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 2022 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

SLorimer

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

8 July 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
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Telephone: +263(0) 242 886000-17
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IMPORTANT CONTACT DETAILS
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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)
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Email: ftsgen@mercantileholdings.co.zw

STATUTORY ACTUARY
Nico Smit
Independent Actuarial Consultant
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PRINCIPAL BANKERS
Standard Chartered Bank Zimbabwe Limited
Stanbic Bank Zimbabwe Limited
Barclays Bank of Zimbabwe Limited

PRINCIPAL PROPERTY VALUERS
Knight Frank Zimbabwe (Private) Limited
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PRINCIPAL LEGAL ADVISORS
Atherstone & Cook
Practor House
Josiah Chinamano Avenue
Harare

GRI Content Index

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			Part Omitted	Reason	Explanation
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General Disclosures					
GRI 102: General Disclosures 2016	Organizational profile				
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	102-6 Markets served	8			
	102-7 Scale of the organization	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 organization	49			
	302-2 Energy consumption outside of the organization	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

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 TWENTIETH 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

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