2023 ANNUAL REPORT

FIRST MUTUAL

HOLDINGS LIMITED

Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

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, is pleased to present its annual report for the year ended 31 December 2023. This report integrates financial and sustainability information, demonstrating our dedication to responsible business practices and principles.

Reporting Scope

This report encompasses information related to First Mutual Holdings Limited (referred to as "the Company") and its subsidiaries, collectively referred to as "the Group". Unless stated otherwise, references to "our," "we," "us," "the Group," "FMHL" or "First Mutual" pertain to First Mutual Holdings Limited and its subsidiaries.

Reporting Frameworks

The report was prepared with due consideration of the following:

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

Sustainability Data

The report incorporates both qualitative and quantitative data obtained from various sources such as company policy documents, records, and individuals responsible for material issues outlined in this report. To ensure consistency with our business activities, estimations were made in certain cases and subsequently validated. This approach ensures that the report maintains coherence and accurately reflects our operations.

Assurance

The financial statements were audited by Ernst and Young Chartered Accountants (Zimbabwe) in accordance with the International Standards on Auditing (ISAs). The independent auditors' report is presented on page XX. Sustainability information was validated for compliance with the GRI Standards by the Institute for Sustainability Africa (INSAF), an independent subject matter expert. The GRI Content Index is presented on pages XX to XX.

Report Declaration

The Directors affirm their responsibility in confirming that this report has been prepared in accordance with the GRI Standards. This ensures that the report meets the necessary criteria and guidelines outlined by GRI Standards and elements of the IFRS Sustainability Disclosure Standards for comprehensive and transparent reporting.

Restatements

First Mutual Holdings restated previously published sustainability data in some sections, due to the implementation of enhanced measurement and collection methods.

Forward Looking Statements

This report may contain forward-looking statements based on current estimates and projections made by First Mutual Holdings Limited. However, it is important to note that these statements do not guarantee future developments and results, as they may be influenced by various anticipated and unanticipated risks, events, and uncertainties. Stakeholders are advised to exercise caution and not place undue reliance on the forward-looking statements provided in this report. We are committed to publicly share any revisions to these statements to reflect changes in circumstances or events that occur after the publication of this report. These revisions will be communicated through trading updates and website notifications.

Feedback on the Report

The Group highly values the opinions and feedback of all stakeholders in order to enhance its operations and reporting. We warmly welcome any suggestions or inquiries you may have. Please feel free to share your valuable feedback with Sheila Lorimer (Mrs), Group Company Secretary, via email at SLorimer@firstmutual.co.zw or DKandwe@firstmutual.co.zw. We appreciate your input and look forward to hearing from you.

CONTENTS

GROUP OVERVIEW

First Mutual Holdings Limited at a Glance

First Mutual Holdings Limited is a prominent financial services Group that prioritises the creation of value through risk management, wealth creation, and wealth management, primarily within the insurance sector. Our brand serves as a trusted financial ally, playing a crucial role in assisting individuals and institutions prepare for a brighter future. Through our subsidiaries, we empower our clients to face their lifetime obligations with economic dignity.

Our team consists of dedicated professionals who prioritise our clients and their needs. We are solution-driven, always striving to go above and beyond to provide straightforward tools that create sustainable value for our clients.

FIRST MUTUAL
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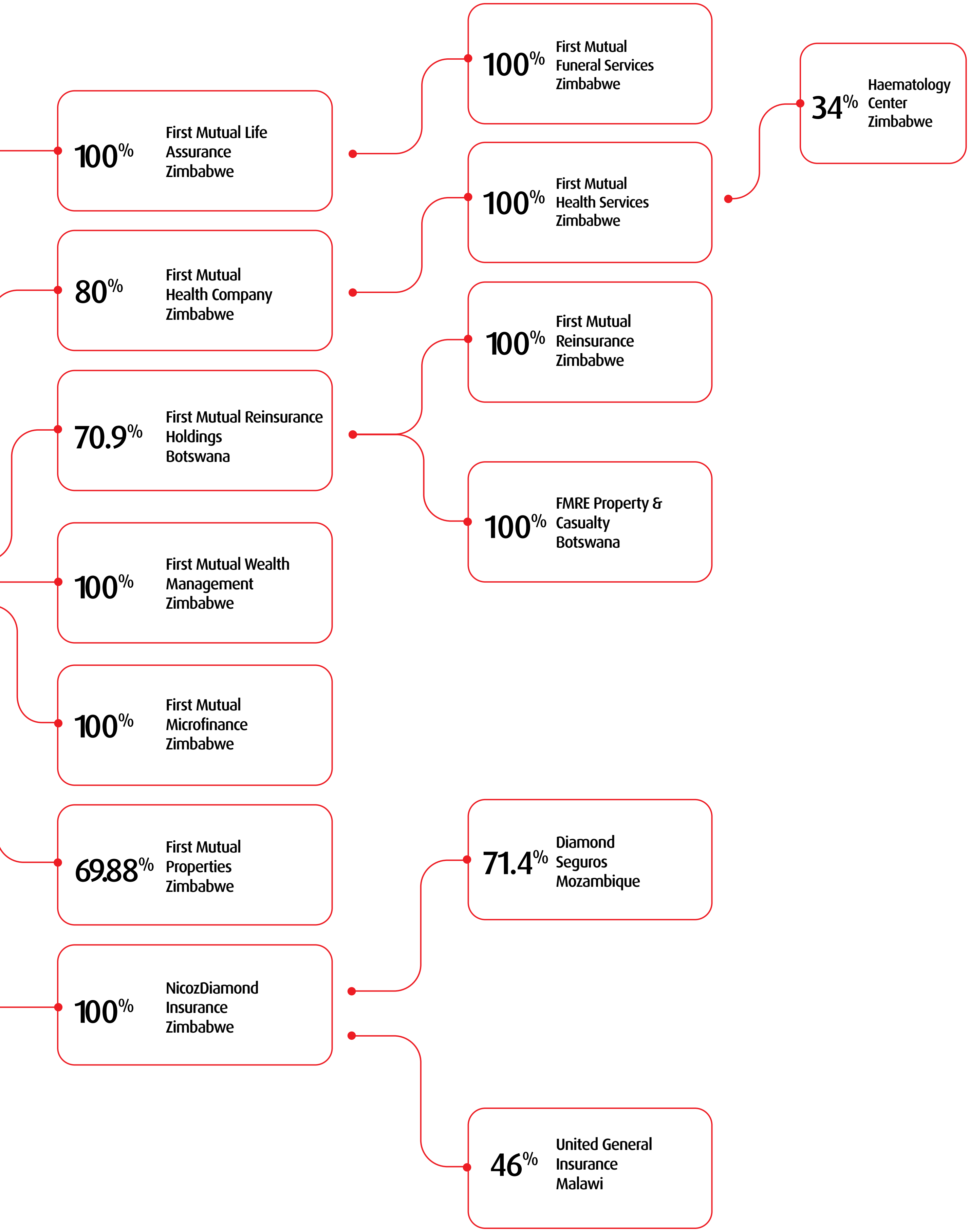
Go Beyond
LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

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
69.88% 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 Creating Wealth For Life
Health Insurance	• Health insurance/Medical Aid • 1st Care wellness • Health services	First Mutual Health Go Beyond
General Insurance	• Personal insurance • Corporate insurance	NicozDiamond Insurance Limited You never know what will happen a member of First Mutual Holdings Limited UGI United General Insurance Company Limited Diamond Seguros
Reinsurance	• Property and casualty reinsurance	First Mutual Reinsurance Go Beyond FMRE Property & Casualty Botswana Insuring the insurers A member of First Mutual Holdings Limited
Wealth Management	• Segregated portfolios • High net worth client portfolios • Unit trusts	First Mutual Wealth Go Beyond
Property Management	• Office parks • Retail • CBD office space • Industrial	First Mutual Properties Go Beyond
Microfinance	• Individual products • SME & Corporate Lending	First Mutual Microfinance Go Beyond
Funeral Services	• Repatriation • Events and Services • Transport • Caskets	First Mutual Funeral Services Go Beyond
Health Services	• Pharmacies • Hospitals and Clinics • Dental services	First Mutual Health Services Go Beyond

Our Operations

	Zimbabwe	Botswana	Mozambique
Employees (count)	595	17	20

The Group operates in three countries namely, Zimbabwe, Mozambique, Malawi and Botswana.
(Insert a map showing the Group's countries of operation)

632
Employees

47%
Female

Business Profiles

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

- Zimbabwe National Chamber of Commerce (ZNCC).
- Confederation of Zimbabwe Industries (CZI).

First Mutual Life Assurance

- Funeral Undertakers Directors Association of Zimbabwe.
- Zimbabwe Association of Funeral Assurers (ZAFA).
- Zimbabwe Association of Pension Funds (ZAPF).
- Actuarial Society of Zimbabwe (ASZ).
- Life Offices Association (LOA).

First Mutual Health Company

- 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)

Nicoz Diamond Insurance Ltd Zimbabwe

- Insurance Council of Zimbabwe (ICZ).

First Mutual Properties

- Real Estate Institute of Zimbabwe (REIZ).

Financial Highlights

Insurance Contract Revenue
(ZWL)

1 Trillion
401 Billion in FY 2022
172% Increase

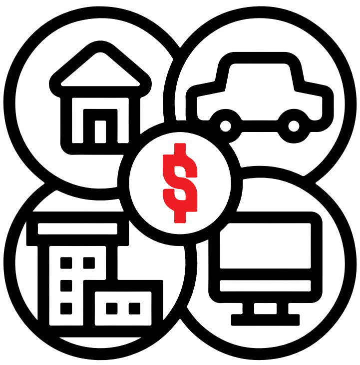
Rental Income
(ZWL)

39 Billion
13 Billion in FY 2022
199% Increase

Profit Before Income Tax
(ZWL)

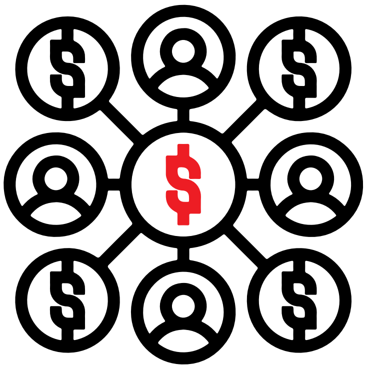
353 Billion
113 Billion in FY 2022
214% Increase

Total Assets
(ZWL)



2 Trillion
837 Billion in FY 2022
104% Increase

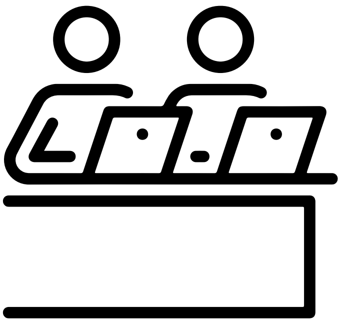
Equity
(ZWL)



684 Billion
308 Billion in FY 2022
125% Increase

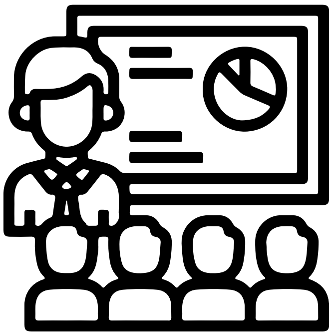
Sustainability Highlights

Total Employees
(Headcount)



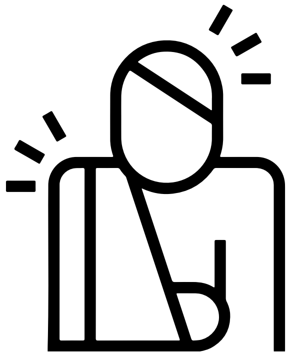
632
611 in FY 2022
3% Increase

Average Training Per Employee
(Hours)



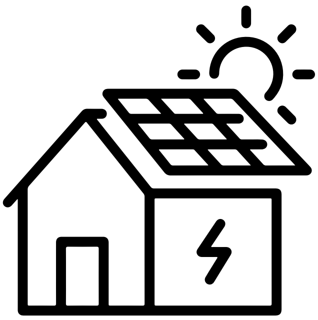
16
7 in FY2022
128% Increase

Recordable Injuries
(Incidences)



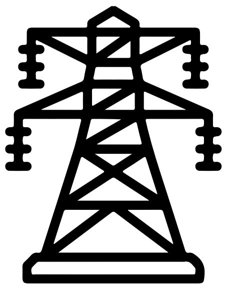
Zero
0 in FY2022
Constant

Solar Energy
(Kwh)



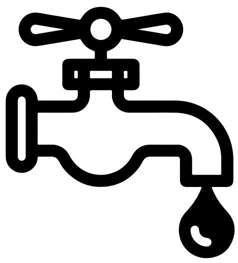
178 032

Electricity
(Kwh)



2 605 987
10 076 163 in FY2022
74% Decrease

Water
(m^3)



2 797
2 838 in FY2022
1% Decrease

Awards

ECGA Chartered Governance and Accountancy Institute in Zimbabwe Awards

First Mutual Life Assurance:	Second Runner Up for Internal Audit and Compliance First Runner Up for Overall Best, Insurance Companies First Runner Up for Best Risk Management First Place for Best Governance Practices

Contact Centre Association of Zimbabwe (CCAZ) Awards

First Mutual Health:	First Runner Up for Health Insurance Sector
First Mutual Holdings Limited:	Best Contact Centre

Institute of People Management of Zimbabwe (IPMZ) Excellence Awards

First Mutual Health:	1st Runner for Best Medical Aid Company of the Year

Marketers Association of Zimbabwe (MAZ) Award

First Mutual Health:	1st Runner for Best Medical Aid Company of the Year

PERFORMANCE REVIEW

Chairman's Statement

ECONOMIC OVERVIEW

The business environment throughout 2023 was characterised by the continued depreciation of the Zimbabwe dollar (ZWL) coupled with increasing use of the US Dollar(USD) as a transacting currency . There were frequent and significant policy changes implemented by Government in order to support the local currency. Blended (USD and ZWL) annual inflation numbers were introduced and whilst accurately depicting the multi-currency environment, they could not be utilised for financial reporting purposes. As a result, stakeholders adopted the Total Consumption Poverty Line (TCPL) movement as a measure of the Zimbabwe dollar (ZWL) inflation in the preparation of ZWL financial statements.

The ZWL inflation, as estimated by the TCPL, was 380% for the year whilst the official ZWL:USD exchange rate movement was at 365%. This represented a local currency value loss of about 90%. Notwithstanding these macro-headwinds , an increasingly USD dollarised local economy saw Zimbabwe achieving GDP growth of 5.5%. The stable USD currency constituted the bulk of transactions in both the formal and informal sectors thereby allowing economic agents to trade profitably as well as hedge against the weakness of the local currency.

With the economy dollarising, the Group expanded its USD based product portfolio in sympathy with the macro- economic environment in order to remain relevant. On the investment side, the Group maintained its policy of investing in real asset centred on minimising the downside impact of ZWL high inflation. An increase in USD revenue has been translated into an increase in USD denominated investments.

Amos Raymond Tamuonepi Manzai
Independent Non-Executive Chairman

...a consolidated profit for the year of ***$348.3 billion****, in inflation adjusted terms, was achieved representing a 285% growth from the prior year...*

...insurance service result grew by 89% to $141.3 billion in inflation adjusted terms compared to the prior year...

IFRS 17 REPORTING

In May 2017 the International Reporting Standards Board issued a new accounting standard, the International Financial Reporting Standard 17 (IFRS 17). This standard replaced IFRS 4 – Insurance contracts on the accounting for insurance contracts effective 1 January 2023. It requires a company to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. This is expected to provide more transparent reporting on the financial position and risk of insurance businesses. For the period ended 31 December 2023, the Group's financial highlights and performance have been analysed in line with the requirements of IFRS 17. Below are key lines that reflect some of the major changes from IFRS 4 to IFRS 17 being demonstrated:

IFRS 4 Terminology	IFRS 17 Equivalent
Gross Premium Written	Insurance Contract revenue (Gross Premium Written Less Gross Unearned Premium Written)
Underwriting result	Insurance service result
Unearned Premium Reserve	Liability for Remaining Coverage
Insurance Receivables	Premium receivable from intermediaries

FINANCIAL HIGHLIGHTS

In October 2019 the Public Accountants and Auditors Board concluded that the conditions for applying International Accounting Standard 29 (IAS 29) - Financial Reporting in Hyperinflation Economies had been met in Zimbabwe. The historical cost financial results have been restated to reflect changes in the purchasing power of the local currency during the year. Effective February 2023 the Zimbabwe National Statistics Agency (ZIMSTATS) ceased publishing the ZWL Consumer Price Indices (CPIs) and substituted them with the weighted average consumer price index also known as blended indices in line with the Statutory Instrument 27 of 2023. As a result of these pronouncements challenges from a financial reporting perspective arose as the weighted average consumer price index does not comply with the requirements and criteria set in (IAS) 29 – Financial Reporting in Hyperinflationary Economies which requires the use of a General Price Index (GPI) of the hyperinflationary currency (ZWL) as a basis of restatement.

For the year ended 31 December 2023 the Group has continued to apply IAS 29 - with the CPI estimated using the Total Consumption Poverty Line (TCPL) movement. The inflation adjusted financial results therefore represent the main financial statements with historical cost financials provided as supplementary information:

Chairman's Statement (continued)

Comprehensive income highlights

	Inflation adjusted - audited		Historical cost - unaudited	
	31-Dec-23 ZWL billion	**31-Dec-22 ZWL billion**	**31-Dec-23 ZWL billion**	**31-Dec-22 ZWL billion**
Insurance contract revenue	1 088.8	400.7	503.2	47.2
Insurance service result	141.3	74.9	55.2	6.7
Rental income	39.1	13.1	23.7	2.1
Net fair value gains (Investment Property)	528.7	164.1	952.5	89.0
Net Investment return (Other Investments)	76.7	(35.1)	184.3	9.4
Profit after tax	**348.3**	**90.5**	**583.2**	**48.3**

Financial position highlights

	Inflation adjusted - audited		Historical cost - unaudited	
	31-Dec-23 ZWL billion	**31-Dec-22 ZWL billion**	**31-Dec-23 ZWL billion**	**31-Dec-22 ZWL billion**
Total assets	1 703	836.8	1 649.7	171.2
Total equity	683	303.8	639.3	61.6
Total Liabilities	1 020	533.0	1 010.4	109.6

Share performance

	Inflation adjusted - audited		Historical cost - unaudited	
	31-Dec-23	**31-Dec-22**	**31-Dec-23**	**31-Dec-22**
Market price per share (ZWL)	1 047	1 047	1 047	25.6
Basic earnings per share (ZWL)	20 585	5 698	37 673	3 084

FINANCIAL PERFORMANCE

Statement of comprehensive income

Insurance contract revenue

The Insurance Contract Revenue (ICR) grew by 172%, in inflation adjusted terms, to $1.1 trillion for the year ended 31 December 2023 compared to prior year. In historical cost terms, an ICR growth to $503.3 billion was recorded, up 966% on prior year. The notable growth in comparison to the previous year was largely driven by the migration from ZWL policies to USD policies as well as continued revaluation of ZWL insurance policy values to ensure adequate cover. The actual USD business that was written by the Group for the twelve-month period constituted 74% of the total ICR, at USD98.4 million, a growth of 53%.compared to a prior year figure of USD62.7.

Insurance service result

The insurance service result grew by 89% to $.141.3 billion compared to the prior year in inflation adjusted terms. In historical cost terms there was an increase of 731% compared to the prior year figure of $6.7 billion. The growth was primarily due to the increase in insurance contract revenue.

Rental income and Investment return

Rental income grew by 199% to $39.1 billion compared to the prior year figure of $13.1 billion in inflation adjusted terms. In historical cost terms, a rise of 1,017% to $23.7 billion compared to the prior year was recorded. The growth arose from a migration to USD denominated leases as well as inflation driven adjustments on ZWL rentals. The occupancy levels stood at 76.7% compared to prior year of 85.52% and the average rental per square metre was US$5.29 compared to prior year of US$3.51 The overall Group net investment returns amounted to $41.8.million in inflation adjusted terms and $184.3 million in historical cost terms, representing an increase of 146% in hyperinflation adjusted terms and 1,860% above the prior year in historical terms. The positive investment out-turn was mainly due to fair value gains on the ZSE.

Profit for the period

For the year ended 31 December 2023 a consolidated profit for the year of $348.3 billion was achieved, representing growth of 285% relative to the prior year in inflation adjusted terms. In historical cost terms the profit rose by 1,108% to $583.2billion compared to the prior year. The growth was attributable to the increases in ICR, rental income, net fair value gains in investment properties as well as listed equities.

Statement of financial position

The consolidated total assets grew by 104% to $1.7 trillion in inflation adjusted terms and by 864% to $1.6 trillion in historical cost terms compared to 31 December 2022. The growth in both inflation adjusted, and historical cost terms principally arose from positive net fair value adjustments on investment properties and quoted and unquoted equities as well as the impact of the depreciation of the ZWL on USD denominated current assets, including cash and balances with banks.

In recent periods the investment properties have witnessed significant growth in both foreign currency and Zimbabwe dollar values largely due to higher real rental income. The ZWL continued to decline in comparison to the USD for the period under review which had an impact in the forward-looking information utilised in the valuations by property experts, hence the net fair value gains of $528.7 billion in inflation adjusted terms and $952.5 billion in historical cost terms. The total investment property value grew by 102% compared to last year in inflation adjusted terms and 862% in historical cost terms.

SUSTAINABILITY

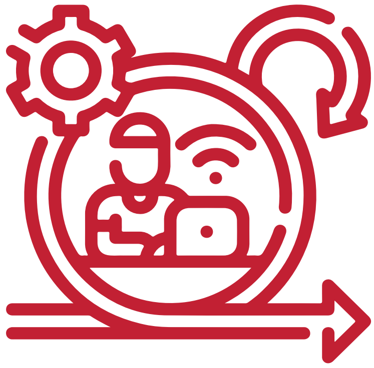
The Group's core objectives include providing economic dignity to its clients and stakeholders.

During 2024 the Group will implement the newly introduced International Sustainability Standards IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate related disclosures which covers sustainability issues from a reporting perspective. These standards require in-depth analysis of the various sustainability practices within the Group and also seek to demonstrate the role of the Group's sustainability strategy in the value creation process. Engagements with relevant consultants were underway during the second half of the year ended 31 December 2023.

In order to achieve the above objectives, the Group includes environmental, social and governance ("ESG") aspects in its strategy formulation. 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.

Chairman's Statement (continued)

The Group will continue to employ an agile strategy framework to navigate these emerging risks and utilise group synergies...



FIRST MUTUAL IN THE COMMUNITY

The First Mutual Holdings Limited corporate social responsibility programme continues to contribute to the mitigation of the widening gap experienced by disadvantaged families who are unable to afford the tuition and education-related costs for their children through the First Mutual Foundation.

The programme supports the attendance, retention, and transition from primary to secondary school as well as tertiary institutions for disadvantaged children. In the period under review ninety-eight children were provided with comprehensive educational assistance, including school fees and stationery packages while fifty-four of these ninety-eight also received uniforms. Ninety-three children were retained in primary and secondary schools with an average attendance rate of over 85% throughout the year. Twenty-eight students (three Grade 7, and twenty-one 'O' level, and four 'A' level candidates) sat for the national public examinations. One student transitioned to tertiary education, bringing the total to five students in tertiary education in 2023 with two of the students successfully completing their degree studies.

The Group is also contributing to the health sector through free wellness programmes and healthcare services including consultations, blood checks, diabetes testing, eye, dental and cancer screening, as well as community support through targeted sponsorships and donations to initiatives with a wide reach.

OUTLOOK

GDP growth has been revised downwards from 5.5% to 3.5% for 2024 owing to lower than anticipated output from the agricultural sector as a result of the drought. This may have a negative impact on the manufacturing sector. Despite the high local currency inflation and exchange rate volatility, the Group maintains a positive economic outlook. Growth is envisaged in the mining, tourism, retail, financial services and construction sectors. In addition, the consumer sector is expected to remain buoyant on the back of significant growth in tobacco exports and the continued rise in diaspora remittances notwithstanding the reported cost of living crisis in the diaspora. Risks threatening these opportunities will be tied to the policy environment as the Government will have to manage economic shocks that may arise from liquidity injections from grain purchases to close the gap arising from the El-Nino drought impact as well as treasury bill settlements in 2024.

The Group will continue to employ an agile strategy framework to navigate these emerging risks and utilise group synergies to respond to the macro-economic environment in the pursuit of profitable returns to its stakeholders.

DIRECTORATE

May I take this opportunity to thank Mrs Agnes Masiiwa and Mr Mathew Mangoma who resigned after serving the Board diligently over the last 3 years. We wish them well in their new endeavours.

DIVIDEND

Notice is hereby given that the Board has declared a final dividend of US$1,000,000 payable in United States Dollars from the profits of the Company for the year ended 31 December 2023 which represents zero point one three six (0.136) United States cents per share. This dividend, when combined with the interim dividend of US$500,000 results in total dividends for the year of US$1,500,000. The dividend will be payable from the Company's operating cashflows of the company for the year ended 31 December 2023 on or about 26 June 2024 to all shareholders of the Company registered at close of business on 21 June 2024. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to 18 June 2024 and exdividend as from 19 June 2024. The applicable shareholders' tax will be deducted from the Gross Dividends. Shareholders are requested to submit / update their mailing and banking details with the Transfer Secretaries to enable the payment of their dividends..

APPRECIATION

On behalf of the Board, I would like to express my gratitude to our clients and stakeholders for their invaluable support. I also wish to extend my sincere appreciation to all our Group staff at home and in the region, management and subsidiary business directors for their commitment to serve our clients and ensuring that the Group continues to adapt and operate sustainably in a challenging and changing environment in Zimbabwe and in the region. I wish to express my heartfelt indebtedness to my fellow board members for their diligence and continued support, their valuable advise, insight and guidance to management as we pursue the realisation of the Group's strategy.

Amos Manzai
Chairman
5 June 2025

Group Chief Executive's Review of Operations

For the year ended 31 December 2023 the country registered GDP growth of 5.5%. This was achieved under volatile macroeconomic conditions, with the local currency depreciation for the greater part of the year. The increasing use of the USD dollar was a critical mitigating factor against continued local currency weakness. The premium between official and alternative market exchange rates ranged from a low of 17% to a high of slightly over 100% during the calendar year. Major policy pronouncements were made to contain macro-economic imbalances leading to a fluid economic policy environment.

On the official exchange rate market the Zimbabwe dollar (ZWL) lost 93% of its value during the review period. This led to lower confidence in the local currency. According to the Total Consumption Poverty Line ZWL inflation was 380% at December 2023 whilst the official ZWL:USD exchange rate movement was 365%. It is, however, estimated that alternative market exchange rate movements for the ZWL:USD were much steeper. The business therefore continued to invest in assets that could provide a hedge against significant local currency erosion and encouraged clients to migrate to hard currency denominated products in order to ensure that the insurance benefit met its promise in the event of a claim.

During the year the ZSE registered a nominal gain of 981.5% which is touted to have fallen slightly short of the alternative market exchange rate movement. The Victoria Falls Stock Exchange registered a loss of 28.9% owing to significant foreign selling pressure and less than ideal trading liquidity conditions for most of the year. Whilst the ZSE did well in tracking exchange rate movements and beating inflation in the first half of the year, significantly tighter liquidity conditions largely contributed to a significant slow-down in performance in the latter half of the year. On the money market front ZWL devaluation resulted in negative real local currency returns whilst activity for the USD money market picked up significantly. This was due to economic agents preferring the more stable USD for access to real returns on the part of lenders and the preference by borrowers of funds to utilise foreign currency given the increasing dollarisation of the economy.

Douglas Hoto
Group Chief Executive Officer Executive

*The business achieved a profit for the year of **$348.3 billion** in inflation adjusted terms, reflecting an increase of **285%** compared to the prior year and a growth of **1,108%** in historical cost terms to **$583.2 billion**.*

*Insurance contract revenue ("ICR") for the period amounted to **$1.1 trillion** in inflation adjusted terms, representing a growth of **172%** compared to the prior year of **$401 billion**.*

GDP growth for Botswana was firm at 3.8%, supported by recovering diamond prices, tourism and efforts to diversify the economy which were anchored on low inflation and a stable Botswana Pula.

In Mozambique, despite lingering insurgency risk, the economy registered growth of 6% supported by initiatives such as the resumption of key energy projects.

The FMHL Group continued to exploit opportunities arising from this regional growth and stability to further grow its market share and return value to its shareholders.

OPERATIONS REVIEW

The commentary below relates to the unconsolidated performance of the various clusters and business units within the FMHL Group in both inflation adjusted and historical cost terms for the year ended 31 December 2023. All the figures are in ZWL except where another currency is indicated.

LIFE AND HEALTH CLUSTER

First Mutual Life Assurance Company (Private) Limited

Insurance contract revenue ("ICR") for the period amounted to $71.5 billion in inflation adjusted terms, representing a growth of 102% compared to the prior year of $35.4 billion. In historical terms, the business recorded a growth of 916% against the prior year. The year-on-year growth in the ICR was driven by the regular revisions in sums assured with the objective of retaining the value of policyholder benefits. Growth in premiums from the retail segment was largely due to significant growth in USD denominated premiums on the Eternal Life Plan and e-FML Gold Funeral products. In the corporate segment growth in premiums was attributable to the increase in the Group Life Assurance (GLA) portfolio arising from new business and organic growth. The organic growth stemmed from the effect of employee salary increases, as employers converted some allowances to basic pay, the driver of GLA premiums.

The business achieved a profit for the year of $113.8 billion in inflation adjusted terms, reflecting an increase of 847% compared to the prior year and a growth of 1,236% in historical cost terms to $163.2 billion. The profit after tax growth was driven by strong operating result plus above inflation increases in premiums as noted above and net investment performance of selected assets like (investment property and unquoted equities).

First Mutual Health Company (Private) Limited

For the year ended 31 December 2023 the business achieved an ICR of $327.1 billion, representing a growth of 125% compared to the prior year in inflation adjusted terms. In historical cost terms the ICR rose by 784% to $193.9 billion. The growth mainly arose from the regular exchange rate linked reviews to premiums in response to increased medical benefit costs in order to cushion members from the negative impact of shortfalls driven by price increases effected by medical service providers. Another contributor to growth in real terms was the migration to USD medical cover by clients in a bid to maintain product relevance in a volatile health service cost market.

The business unit generated a profit after tax amounting to $40 billion in inflation adjusted terms representing a growth of 283% compared to prior year. In historical cost terms the profit after tax amounted to $53.4 billion, 1,049% higher than the prior year. The positive out-turn was purely driven by a strong operating result. Investment performance of assets held was rather mixed, with listed equities under performing while unquoted equities and USD money market instruments exceptionally outperformed inflation.

The business continues with its strategic roll-out of medical services facilities such as clinics, pharmacies, dental and optometry services as part of its long-term strategic plan. This strategic thrust is meant to complement government efforts to provide greater access to Zimbabweans to quality healthcare at affordable prices.

GENERAL INSURANCE CLUSTER

NicozDiamond Insurance Limited

The ICR grew by 133% to $325.9 billion in inflation adjusted terms and 922% to $11.8 billion in historical cost terms for the period ended 31 December 2023.The revenue increase was driven by the continued migration to USD denominated policies which became steady in the fourth quarter. Moreover, organic growth as well as the continued review of statutory covers in line with exchange rate linked reviews contributed to the revenue increase during the year.

The profit for the year ended 31 December 2023 amounted to $30.3 billion in inflation adjusted terms which represented a growth of 87% against the prior year. In historical cost terms the profit for the period rose to $52.5 billion, representing a growth of 1,075%. The positive performance was mainly driven by the notable increase in the ICR as well as growth in net fair value gains on investment properties and equity investments.

Group Chief Executive's Review of Operations (continued)

Diamond Seguros - Mozambique
The business saw growth mainly driven by continued improvements in broker business reflecting increasing market confidence. In Mozambican Metical (MZN) terms ICR grew by 37% to MZN 258.4 million compared to the prior year.

REINSURANCE CLUSTER

FMRE Property and Casualty (Proprietary) Limited - Botswana
For the period ended 31 December 2023 the ICR grew by 11% to BWP 257.4 million from BWP232.6 million in the prior year. The growth during the year was partly attributable to improved local and international treaty participation and growth of specialist lines of business under the casualty segment. The BWP fell by 4% from USD1:BWP12.9 to the USD at the beginning of the year, to USD1: BWP13.4 as at 31 December 2023, shedding close to 4% of its opening value against the USD. However, this movement in the exchange rate was lower than the growth in the ICR in both BWP and ZWL terms.

The business achieved an a profit of BWP 26 million in 2023 8.86% below prior year profitability of BWP 28.6 million.

First Mutual Reinsurance Company Limited - Zimbabwe
For the year ended 31 December 2023 the ICR grew by 164% to $75.7 billion in inflation adjusted terms and by 817% to $40.6 billion in historical cost terms. The increase in ICR was driven by significant migration to USD policies by clients, consequently leading to more business for reinsurers as there was limited USD underwriting capacity at local direct insurers.

The business achieved an inflation adjusted profit for the period of $24 billion, 1,075% above the prior period profit. In historical cost terms the profit for the period amounted to $34.8 billion representing a growth of 3,241%. The growth in profit was mainly a result of the rise in ICR which grew more than the growth in expenses as well as increases in exchange gains due to the significant foreign denominated balances held.

INVESTMENTS CLUSTER

First Mutual Properties Limited
Rental income for the year ended 31 December 2023 grew by 192% to $39.7 billion in inflation adjusted terms and 1,100% to $24.5 billion in historical cost terms. The growth compared to prior year was mainly driven by the continued migration to USD denominated leases by the majority of the tenants both in residential and commercial property space, with those leases maintained in the local currency being regularly adjusted for inflation. Revenues were also positively impacted by the occupancy rate to 88.07 % in 2023 compared to 85.52% in 2022. Independent investment property valuations as at 31 December 2023 resulted in net fair value gains of $542.1 billion.

The business recorded a total profit after tax of $553.9 billion in inflation adjusted terms and $919.1 billion in historical cost terms, representing an increase of 265% and 1,055% respectively compared to the prior year.

First Mutual Microfinance (Private) Limited
The gross interest and fee income for the year ended 31 December 2023 grew by 432% to $20.3 billion in inflation adjusted terms and 2,169% to $12.8 billion in historical cost terms. The growth was primarily due to increases in the USD loan book which consisted 90% of the total loan book as at 31 December 2023. The corresponding finance costs amounted to $6.6 billion in inflation adjusted terms, 408% above prior year and $4.3 billion in historical costs terms which represented an increase of 2,197%. The business turned a corner and attained critical mass leading to an inaugural profit for the year ended 31 December 2023 of $3.2 billion, 363% above the prior year in inflation adjusted terms and 2,439% growth to $4.1 billion in historical cost terms.

First Mutual Wealth Management (Private) Limited
During the year the business recorded investment management fees of $4.6 billion which were 126% above the prior year in inflation adjusted terms and 920% growth to $2.7 billion in historical cost terms. This increase was mainly driven by the rise in the funds under management especially in foreign currency denominated assets. Funds under management for the period ended 31 December 2023 grew by 543% to $545.1 billion partly as a result of increased support from third party contributions, growth on the ZSE and net fair value gains on investment property.

HUMAN CAPITAL
Consistent with the Group's operations and strategy, which is the provision of financial and investment services that are financially inclusive, we consider employees to be a key success factor in navigating a volatile and complex operating environment. Amidst these challenges, our employees have demonstrated commitment and resilience to serve our clients and other stakeholders including the implementation of our consensus driven strategy. We will ensure a continued investment in human capital retention and development programs and its prioritisation on a Group-wide scale in order to improve the skills of our staff and align them towards future requirements.

APPRECIATION
On behalf of First Mutual I would like to thank all our stakeholders for their continued support and trust in the Group. We will continue to be a reliable partner and remain focused on our clients as we strive to exceed your expectations.

Douglas Hoto
Group Chief Executive Officer
5 June 2025

Board of Directors

Amos Raymond Tamuonepi Manzai
Independent Non-Executive Chairman

Tenure: 7 years

Key Skills: Leadership, Economics, Finance.

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

Other Commitments
First Mutual Health, FMRE Holdings (Proprietary) Limited, Deposit Protection Corporation (DPC).

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
Trustee of the S V Muzenda Foundation, Rainbow Tourism Group (Chairman)
University of Zimbabwe Council (Chairman).

William Munyaradzi Marere
Group Finance Director (Executive)

Key Skills: Financial management, Corporate Finance.

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

Other Commitments
Group Finance Directors of First Mutual Holdings Limited. Ace Equipment Hire (Pvt) Ltd Bridgefort Capital Limited.

Samuel Vengai Rushwaya
Independent Non-Executive Director

Tenure: 10 years

Key Skills: Human Resources Management.

Qualifications
BSc (Hons) Sociology (London).

Other Commitments
First Mutual Life Assurance Company (Private) Limited,
First Mutual Properties Limited, Sprinkler Fire Services.

Evelyn Mkondo
Independent Non -Executive Director

Tenure: 10 years

Key Skills: Accounting and Finance.

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

Other Commitments
Non-Executive Director at Schweppes Zimbabwe Limited, Standard Chartered Bank of Zimbabwe Limited, Padenga Holdings Limited, Padenga Agribusiness (Pvt) Ltd.

Elisha Moyo
Independent Non -Executive Director

Tenure: 13 years

Key Skills: Law, Insurance, and General Management.

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

Other Commitments
Chairman at NicozDiamond Insurance Limited. Vice Chairman, National Biotechnology Authority. Councilor of the University of Zimbabwe Council.

Board of Directors (continued)

Memory Mukondomi
Independent Non-Executive Director

Tenure: 8 years

Key Skills: Accounting and Finance.

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

Other Commitments
First Mutual Microfinance, Allied Timbers, Attorney General's Board.

Gareth Baines
Independent Non -Executive Director

Tenure: 7 years

Key Skills: Insurance and Risk Management.

Qualifications
MBA (UCT), BSc-Finance (UCT), IRSMA (SA).

Other Commitments
First Mutual Life Assurance Company, One Journey Investments (Pty) Ltd, PARTNER RISK Solutions (Pty) Ltd.

Mathew Mangoma
Non-Independent Non -Executive Director

Tenure: 2 years 11 months

Key Skills: Accountancy and Governance.

Qualifications
ACCA, CIMA, ACIS, HND.

Other Commitments
NSSA Woodlands Far.

Agnes Masiiwa
Non-Independent Non -Executive Director

Tenure: 2 years 11 months

Key Skills: Banking and Finance, and Business Management.

Qualifications:
B. Com, LLB, MBA.

Other Commitments
Acting Director Contributions, Collections and Compliance (NSSA).

Israel Ndlovu
Independent Non -Executive Director

Tenure: 2 years 5 months

Key Skills: Accounting and Finance.

Qualifications
ACCA, CIMA, ACIS, HND.

Other Commitments
Catholic University of Zimbabwe (Council Member) Masiyephambili School Trust (Trustee) Opengates (Pvt) Ltd People's Own Savings Bank Union Zimbabwe Trust (Trustee) Zimbabwe Crocodiles (Pvt) Ltd.

Fredson Mabhena
Non-Independent Non -Executive Director

Tenure: 2 years 11 months

Key Skills: Law and Insurance.

Qualifications
LLB, LLM, AIISA.

Other Commitments
Legal Advisor - Ministry of Labour and Social Welfare.

Senior Management

Douglas Hoto
Group Chief Executive Officer

Qualifications
BSc Honours in Mathematics (UZ), Fellow of the Institute and Faculty of Actuaries of the United Kingdom (FIFA), Fellow of the Actuarial Society of South Africa (FASSA), Senior Executive Programme, London Business School.

William Munyaradzi Marere
Group Finance Director

Qualifications
Bachelor of Honours in Accounting Science (UNISA) and is a Chartered Accountant (Zimbabwe).

Christopher K Manyowa
Managing Director, First Mutual Properties

Qualifications
BSc Rural and Urban Planning (UZ), Master's Degree in Business Administration, (UZ).

David Nyabadza
Chief Executive Officer, General Insurance

Qualifications
BCom in Insurance and Risk Management (Zimbabwe), and a Master's in Business Administration (ESAMI).

Rueben Java
Cluster CEO, Life and Health Cluster

Qualifications
BSc Honours Degree in Mathematics (UZ), Associate Actuary with the Institute and Faculty of Actuaries (UK). and Master's in Business Administration (UCT, South Africa).

Bongai Muhau
Cluster CEO, Reinsurance Cluster

Qualifications
Certified Solvency II Professional (CSiiPro). Master of Science in Risk Management and Insurance. BCom Honours in Insurance and Risk Management (NUST). A member of the Global Association of Risk Professionals (GARP).

Senior Management (continued)



Sheila Lorimer
Group Company Secretary

Qualifications
Master of Laws Degree from University of Cambridge, Bachelor of Laws Degree and a Bachelor of Arts Degree from University of Natal.

Joseph Mhlabi
Group Risk Management Executive

Qualifications
Bachelor of Technology (Hons) in Accountancy from the (UZ), completed Articles of Clerkship with KPMG

Farayi Mangwende
Group Marketing and Communication Executive

Qualifications
Master's degree in public communication and public Relations University of Westminster (UK).

Thomas Mutswiti
General Manager, First Mutual Wealth

Qualifications
Master's in Business Administration (UZ), BCom Honours in Finance (NUST)and the Institute of Bankers Zimbabwe (IOBZ) Diploma.

Max Ncube
General Manager, First Mutual Microfinance

Qualifications
BCom Honours in Finance (NUST), Certificate of Proficiency in Insurance and a Diploma in Computing and Information Processing. Master of Commerce in Strategic Management and Corporate Governance.

Bianca Pasipanodya
Group ICT Executive

Qualifications
Post-graduate diploma in Business Management from Nottingham Trent University (UK), a BSc in Computer Science and Mathematics (UZ), and numerous ICT certifications.

Senior Management (continued)

Jabulani Mbengo
Group Internal Audit Executive

Qualifications
Chartered Secretary and is currently studying for the Certified Internal Auditor certification.

Pfungwa Dhliwayo
Group Human Resources Executive

Qualifications
Graduate of the Global Executive Development Programme (Gordon Institute of Business Science), is a Certified Coach (International Coaches Federation) and holds a diploma in Personnel Management (Zimbabwe Institute of People Management), Master of Business Administration degree, Master of Science in Occupational Psychology degree and a Bachelor of Science Honours degree in Psychology, all from the University of Zimbabwe.

Fanuel Tirihumwe
Business Unit Head, New Markets

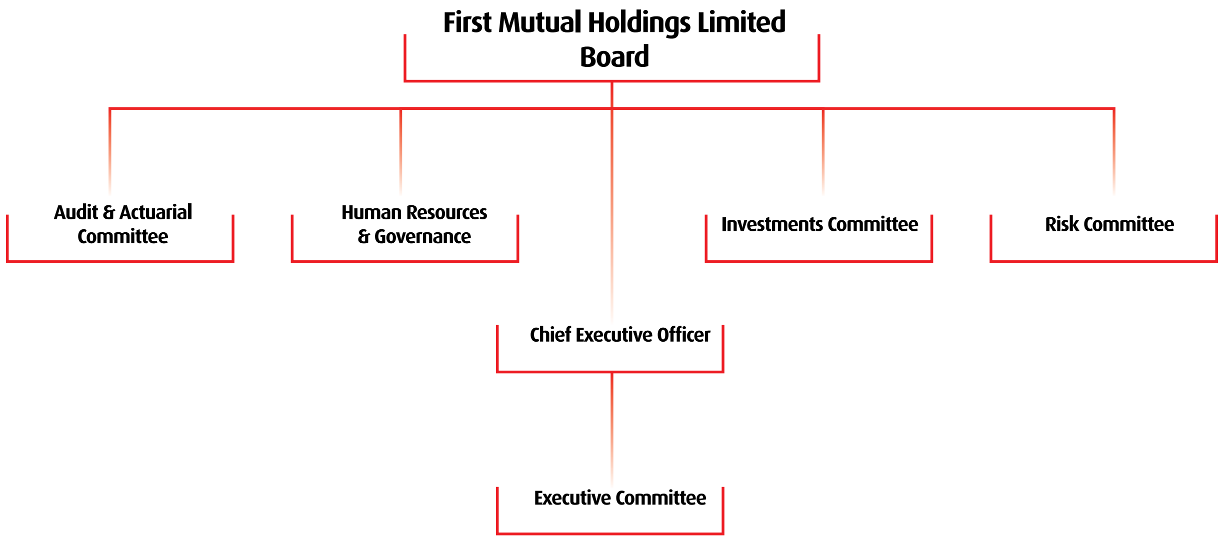
Qualifications
Bachelor of Commerce Honors degree in Actuarial Science from the National University of Science and Technology (NUST) and a Post Graduate Diploma in Management from the Gordon Institute of Business Science (GIBS).

Corporate Governance

Our governance framework is designed to promote effective decision-making, protect the interests of stakeholders, and foster long-term sustainable growth. Key elements of our governance structure include a well-defined Board of Directors, with a diverse range of skills and expertise, who are responsible for overseeing the strategic direction of the Group. We adhere to the principles of fairness, integrity, and ethical behaviour in all our business relationships.

Our policies and procedures are aligned with applicable laws, regulations, and industry standards to maintain compliance. The Board and management firmly believe that the existing governance systems and practices are well-suited for the Group's operations, in accordance with the National Code on Corporate Governance Zimbabwe (ZIMCODE). Further, the Group consistently adheres 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 recognised frameworks on corporate governance.

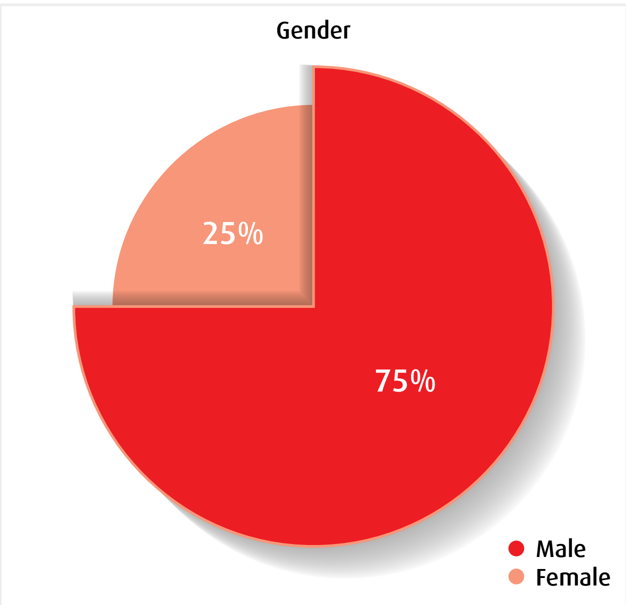
Board Structure

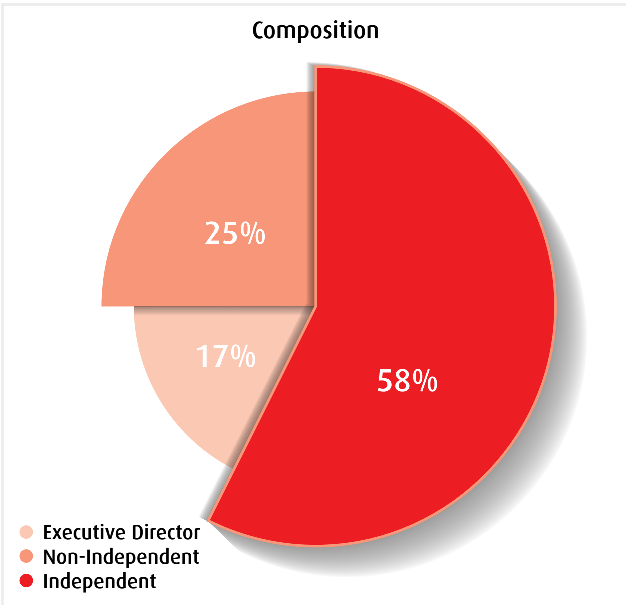


Board Composition

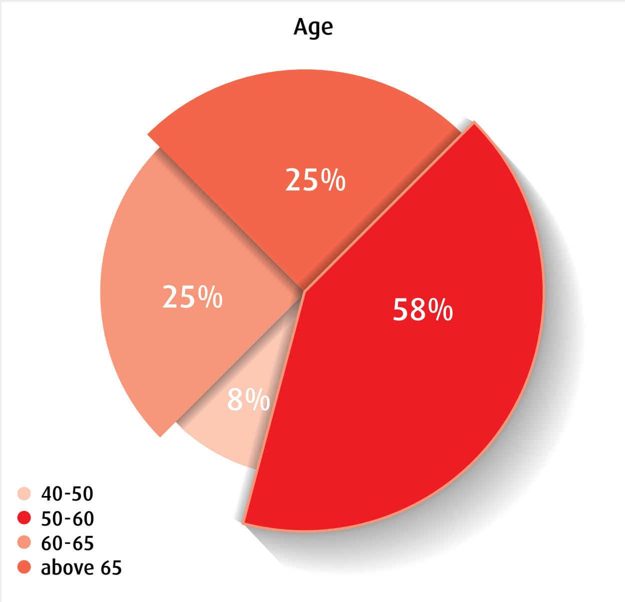
The Board is comprised of individuals with diverse backgrounds, skills, and perspectives, representing a range of industries and disciplines relevant to our business. This diversity promotes decision-making, fosters innovation, and enhances our ability to address complex challenges and opportunities. The Board of Directors is chaired by an independent non-executive director and comprises nine other non-executive and two executive directors.

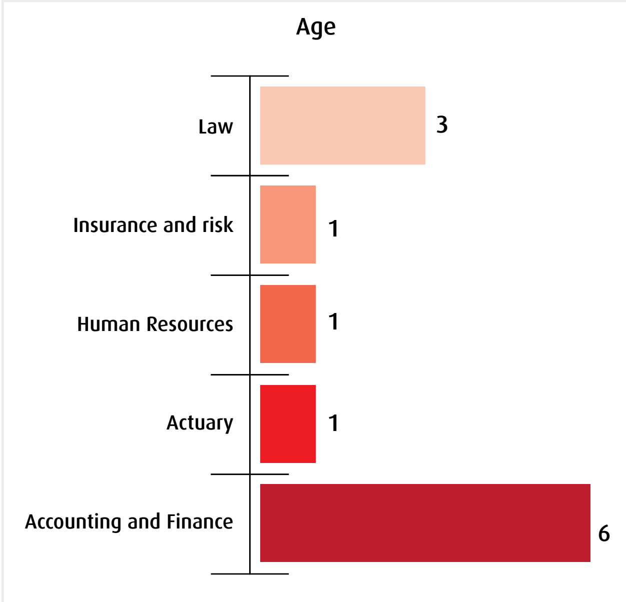
The Board composition by age, gender and skills is shown below:





Corporate Governance (continued)





Board Responsibility

The Board plays a crucial role in approving the policies, plans, and strategies of the Group. These decisions are made with the utmost commitment to ethical and professional standards, ensuring that they are implemented effectively throughout the Group. One of the Board's key responsibilities is to safeguard the integrity of the Group's accounting and financial reporting systems. This includes overseeing independent audits to ensure transparency and accuracy in financial reporting.

To effectively carry out their responsibilities, the Board holds regular meetings and establishes committees that address specific areas of governance. Through strategic planning, the Board collectively works towards setting the direction of the Group and ensuring alignment with legal and regulatory requirements. Recognising the complexity of certain matters, directors have the right to seek independent professional advice at the Group's expense. This allows them to obtain expert insights and guidance on intricate issues, ensuring well-informed decision-making.

Board Appointments

Executive directors within the Group are appointed based on their performance as outlined in their service contracts. This ensures that individuals who demonstrate exceptional capabilities and contribute significantly to the Group's growth and success are appointed to these positions. To promote Board refreshment and maintain a healthy balance of perspectives, a third of the directors, including those appointed throughout the year, are required to retire on a rotating basis annually. This practice allows for new ideas to be infused into the Board while ensuring continuity and the retention of valuable institutional knowledge. When appointing new directors to the Board, careful consideration is given to various factors, including skills, expertise, age, and gender diversity. The aim is to create a well-rounded and inclusive Board that reflects the diverse needs and perspectives of the Group and its stakeholders.

The Board is supported by several committees that play a vital role in assisting with the execution of its duties and responsibilities. These committees hold meetings on a quarterly basis to assess performance, provide guidance to management, and address both operational and policy matters. Each committee operates in accordance with written terms of reference that outline their specific objectives and responsibilities.

These terms of reference assign certain tasks to the committees, ensuring that they operate effectively and efficiently. To ensure compliance with legal provisions and adapt to the evolving business environment, the Group periodically evaluates the number of committees in place. The committees provide valuable insights and recommendations, contributing to the overall success and sustainability of the Group.

Audit and Actuarial Committee

E. Mkondo (Chairperson); A. Makonese; N. Dube; I.P.Z Ndlovu

- The Committee's main responsibility is to maintain financial discipline and uphold strong corporate values within the Group. One of their key tasks is to thoroughly review and recommend the adoption of the Group's interim and annual financial statements to the Board. Additionally, the Committee is in charge of appointing and assessing the fees of external auditors.
- In terms of actuarial work, the Committee plays a crucial role in safeguarding the interests of policyholders. They ensure that the assets of policyholders and shareholders of the insurance companies within the Group are accounted for separately. The Committee also devises and enforces profit participation rules, while reviewing actuarial valuation reports and monitoring the implementation of the recommendations.

Group Human Resources and Governance Committee

S.V. Rushwaya (Chairperson); A.R.T Manzai; E. Moyo

- The Committee consists of three non-executive directors from First Mutual Holdings, with one serving as the Chairperson. Their primary role is to focus on employee development and create remuneration policies. They are responsible for approving remuneration packages for executive directors and senior executives. The Committee gathers data from independent advisors, including local and regional survey data, to ensure that the remuneration policy is suitable and in line with the current times.
- In addition, the Committee plays a crucial part in reviewing and assessing the organisational structure in alignment with the Group's strategy. They provide recommendations to the Board based on their evaluations.
- The Committee acts as a Nominations Committee for Directors across the Group of Companies. They address broader corporate governance issues and examine related-party transactions.

Group Investments Committee

A.R.T. Manzai (Chairperson); M. Mukondomi; A. Masiiwa; A. Chidakwa

- The Committee is responsible for developing the investment strategy and policy for the Group. They carefully review the performance of existing investments within the business and provide recommendations for new investments to be approved by the Board.
- Additionally, the Committee plays a crucial role in supporting the Board by evaluating the implementation of the investment policies. They ensure that portfolio management aligns with the Group's established policies, thereby maintaining consistency and adherence to the set guidelines.

Group Risk Committee

G. Baines (Chairperson); E. Moyo;. J. Katurura; J. Mberi

- The Committee's responsibilities include conducting a comprehensive review of the Group's risk strategy assessing current risk exposures, and evaluating risk governance. They play a key role in approving the scope of the risk management function and reviewing reports on significant breaches of risk limits, as well as the effectiveness of remedial actions taken.
- The Committee provides valuable advice to the Board regarding the risk-related aspects of proposed strategic transactions; They collaborate with other Board Committees when necessary to ensure effective communication and coordination.

Board Meetings

The Board convenes on a quarterly basis to discuss and strategise on various matters such as corporate direction, risk management practices, budgets, and business plans. These meetings serve as a platform for the Board to collectively make informed decisions and set the course for the Group's future. In addition to regular meetings, the Board may also convene on an ad hoc basis to address matters that require immediate attention or decision-making. To ensure proper record-keeping, the Group Company Secretary is responsible for maintaining an attendance register of Directors for all scheduled meetings. This helps to track the participation of Directors and maintain transparency of the Board's activities.

Committee meeting attendance:

Board Member	Board Attendance	Audit Committee	Human Resource and Remuneration Committee	Investments Committee	Risk Committee
Amos Raymond Tamuonepi Manzai	6		10	4	
Douglas Hoto	6	8	10		4
William Marere	6	8	10		4
Gareth Baines	5				4
Samuel Vengai Rushwaya	6	2	10		
Evlyn Mkondo	6	8			
Memory Mukondomi	6			4	
Elisha Moyo	5		10		2
Matthew Mangoma	6				
Agnes Masiiwa	6			4	
Israel Paul Zaba Ndlovu	6	8			
Fredson Mabhena	6				

Directors' Declaration and Conflict of Interest
In accordance with the listing rules of the Zimbabwe Stock Exchange, the Group implements a "closed period" before the publication of interim and year-end financial results. During this period, executives, non-executive directors, and employees are prohibited from engaging in any transactions involving Group shares. During the period under review, no directors had any substantial interests that could potentially lead to significant conflicts of interest with the objectives of the Group. For detailed information regarding the beneficial ownership of First Mutual Holdings shares by Directors and their families, please refer to Page 44.

Share Dealing
Directors, management, and employees of the Group are prohibited from engaging in any direct or indirect transactions involving the Group's shares under the following circumstances:

- During the period between the conclusion of the interim or annual reporting periods and the announcement of the corresponding interim and annual report results.
- Whenever they possess knowledge of ongoing negotiations or sensitive information that may impact the share price.
- Whenever they have access to information that could potentially affect the share price.
-

These restrictions are in place to ensure compliance with regulations and to prevent any potential insider trading. It is crucial for all individuals associated with the Group to adhere to these rules and maintain the highest level of ethical conduct.

Ethical Conduct
The Group places a strong emphasis on upholding the highest ethical standards in all aspects of its business practices. All employees are expected to consistently conduct themselves in a manner that reflects integrity and transparency. To ensure adherence to these principles, both employees and subcontracted employees are required to comply with the Group's Code of Ethics.

In order to provide a confidential and independent channel for reporting any concerns or potentially fraudulent activities, the Group implemented a fraud hotline system. This system is managed independently, allowing individuals to report any misconduct or unethical behaviour without fear of retaliation. By maintaining an ethical framework and implementing mechanisms such as the Code of Ethics and the fraud hotline system, the Group demonstrates its commitment to conducting business in an exemplary and above-board manner.

Remuneration
We are committed to continuously evaluating and incorporating both established and emerging perspectives on remuneration into our packages. As First Mutual Holdings Limited, our remuneration structures are designed to attract and retain talent across all levels of the Group. We align remuneration packages with factors such as the level of influence and complexity of an employee's role. In the case of Executive Directors, the determination of their remuneration packages falls under the purview of the Group Human Resources and Governance Committee. This ensures a fair and thorough assessment of their compensation in line with their roles and responsibilities.

Active ownership
As a responsible investor, the Group recognises its active responsibility in owning shares in various companies and entities. We understand the importance of fulfilling our role as informed investors and engaged business owners. To uphold this responsibility, we actively participate in annual general meetings and exercise our voting rights. When voting, our decisions are guided by the Investment Committee, which carefully considers the best interests of the Group and aligns our voting patterns with our principles and values as responsible investors. We strive to make informed and responsible voting choices that contribute to the long-term sustainability and success of the companies in which we hold shares.

Stakeholders' direct communication with the Board
To ensure effective communication and engagement, the Group facilitates interaction between the Board of Directors and stakeholders through various platforms. These channels serve as a means of communication to keep stakeholders well-informed and engaged with the Group's activities. Annual general meetings provide an opportunity for direct interaction between the Board and stakeholders, allowing for dialogue and the exchange of information.

Notices to stakeholders and press releases of interim and annual reports are regularly disseminated to provide updates on important developments and financial performance. Investor briefings are conducted to provide in-depth insights into the Group's operations, financial status, and sustainability initiatives. Additionally, yearly reporting to shareholders offers comprehensive information on the Group's performance, strategy, and future outlook. The Group recognises the importance of digital platforms in facilitating communication. Online platforms are utilised to easily disseminate operational, financial, and sustainability information to stakeholders.

These platforms provide convenient access to relevant information, enabling stakeholders to stay informed about the Group's activities and progress. Further, the use of proxy forms allows shareholders to participate and express their views even if unable to attend meetings physically. The Group places great emphasis on effective communication and transparency, utilising a range of platforms to facilitate meaningful engagement with stakeholders.

Sustainability Governance

We are dedicated to delivering sustainable finance services that prioritise accessibility, customer care, responsible marketing, integration of ESG issues in investment strategies, and data protection. Our marketing team actively engages with our target markets to ensure consistent client satisfaction through informed product changes.

Sustainability Governance

We are dedicated to delivering sustainable finance services that prioritise accessibility, customer care, responsible marketing, integration of ESG issues in investment strategies, and data protection. Our marketing team actively engages with our target markets to ensure consistent client satisfaction through informed product changes.

Business Conduct and Values

Business ethics and compliance

We recognise the importance of business ethics in shaping our reputation and driving our success. Our commitment to ethical behaviour creates a positive work environment therefore fostering high workplace morale and enhancing overall efficiency. This, in turn, helps us attract and retain top talent who value professionalism and integrity. Additionally, our strong emphasis on ethical conduct strengthens our governance practices, ensuring transparency, accountability, and sound decision-making throughout our operations. By adhering to strict ethical standards, we minimise the risk of financial losses resulting from penalties and legal ramifications.

The Group established a Code of Ethics Policy that covers important areas such as conflicts of interest, fraud, bribery, corruption, and trading in our Group's shares. Additionally, we have a Treating Customers Fairly Policy to ensure compliance with the Competition Act [Chapter 14:08]. Further, our business units are obligated to adhere to the Companies and Other Business Entities Act [Chapter 24:31], which governs our operations and promotes transparency, accountability, and good corporate governance.

To maintain a strong commitment to business ethics, the Group circulates the Code of Ethics Policy to all employees on an annual basis and they are required to disclose any conflicts of interest with the business each year. In our efforts to promote transparency and combat bribery and corruption, we subscribed to the Deloitte Tip-Off Anonymous platform. This platform provides a convenient and confidential channel for reporting any instances of bribery and corruption, allowing for effective whistleblowing.

We place a strong emphasis on fostering a culture of ethics and compliance and we achieve this through comprehensive employee training programs, where we educate employees on the various laws relevant to our business and stress the importance of adherence. We ensure open and transparent communication by effectively disseminating any policy updates regarding ethics and changes in legislation to all levels of management. The management team takes an active role in setting the example and highlighting the significance of upholding good ethics in every facet of our business operations.

To ensure accountability and effectiveness in governance and business ethics, we established a Group internal audit department that operates independently and reports directly to the Board. To maintain our ISO 9001:2015 certification, our internal ISO auditors conduct audits at least twice a year, while external ISO auditors perform annual audits. We conduct quarterly Group compliance performance checks to ensure adherence to laws and regulations. Our Group Risk Department assesses the risks associated with non-compliance and evaluates the effectiveness of our processes, providing recommendations to management for continuous improvement.

Our primary objective is to achieve full compliance with all relevant laws and regulations, aiming to avoid any penalties or fines imposed by regulatory authorities. We are committed to maintaining the highest ethical standards, and as a result, we strive to minimise customer complaints regarding the conduct of our employees. We are pleased to report that during the reviewed period, we witnessed improved investor relations, underscoring our dedication to transparency and accountability. Further, we are proud to state that there have been no significant customer complaints related to the ethical conduct of employees. Additionally, our internal control functions have provided favourable reports, indicating our strong governance and commitment to ethical business practices.

Anti-fraud

First Mutual Holdings Limited is committed to effectively managing anti-fraud impacts to maintain the integrity of its operations. In pursuit of responsible business practices, the Group identified a range of positive impacts resulting from its anti-fraud efforts. These include the reduction of financial leakage, protection against reputational damage, avoidance of legal penalties, and assurance of corruption-free recruitment practices. However, we acknowledge the negative impacts that may arise if anti-fraud measures are not effectively implemented. Such risks include the potential employment of unqualified or incompetent employees, and the risk of non-receipt of ordered goods or services.

To comprehensively address anti-fraud impacts, First Mutual Holdings adopted a proactive approach to ensure the highest level of integrity in the Group's operations. Our mitigation measures are as follows:

- Strict adherence to Procurement and Human Resources policies addressing employee involvement in fraud.
- Integration of specific fraud detection procedures.
- Conducting internal and external audits to assess fraud prevention controls.
- Employee education on fraud consequences.
- Regular Board reports on fraud-related matters.
- Exploration of opportunities to automate business processes.
- Enhancement of controls for fraud prevention.
- Tracking reported fraud cases through the Tip-off anonymous platform

Business Conduct and Values (continued)

Our commitment is to maintain a zero-tolerance approach towards fraud. To gauge the effectiveness of our anti-fraud measures and identify areas for improvement, we monitor the number of internal and external audit findings, as well as the number of reported fraud cases through the Tip-off anonymous platform.

We made significant progress towards our target of zero fraud cases. FMHL recognises the importance of regularly revisiting and adapting to control procedures in response to changing circumstances. These revisions are integrated into our audit plans and Group risk management proposals, ensuring that we remain proactive in addressing fraud risks. We actively involve stakeholders in this process, gaining valuable insights and feedback that assist in improving controls and processes aimed at minimising fraud. This approach ensures that the actions we take align with stakeholders' expectations and industry best practices.

Anti- corruption

In a commitment to maintain a zero tolerance of anti-corruption. The following were trained on anticorruption measures.

	2023
Board members who received communications on anticorruption	6
Employees who received communications on anticorruption	21
Business partners who received communication on anticorruption	6

Human Rights

As First Mutual Holdings Limited, we prioritise upholding Human Rights as a fundamental value. We advocate for equality, fair treatment, and a safe and inclusive working environment for our employees. This includes promoting freedom of association and eliminating discrimination. We foster a harmonious and diverse workplace that enhances employee morale. Failure to uphold these rights may result in increased turnover, legal penalties, and reputational damage. We continue to improve our practices to ensure the protection of Human Rights and meet the expectations of our employees and stakeholders.

We prioritise strict adherence to local and international labour laws, demonstrating our commitment to upholding Human Rights in the workplace. Our Recruitment Policy serves as a guiding framework, promoting respect for Human Rights throughout the entire process. We cultivate a business culture that values respect, inclusivity, and support for all employees. Discriminatory practices and policies, whether direct or indirect, are actively eliminated to ensure equality and fairness. We fully comply with Government regulations on safety and health, creating a caring and supportive environment. Effective communication and wellness programs are implemented to promote employee well-being. To address concerns and foster dialogue, we established a Works Council that regularly convenes to discuss management and employee issues. This platform allows for collaboration and ensures that all stakeholders' voices and perspectives are heard and considered.

To ensure compliance with laws, regulations, and standards, regular internal and external audits are conducted at FMHL. These audits verify that the Group operates in alignment with established guidelines and requirements. Our focus on employee engagement and retention is strong, and we implement initiatives and practices to create a positive and fulfilling work environment. As a result, we observed a decrease in employee turnover rates and a reduction in disputes and complaints. These positive indications reflect our ongoing efforts to cultivate a workplace that values and supports our employees.

Diversity and Inclusion

Promoting diversity and inclusion is a priority for First Mutual Holdings, as we value individuals from different backgrounds, age groups, and genders. This approach leads to improved problem-solving and employee retention. Conversely, a lack of inclusion can result in discrimination and reduced social cohesion, as well as communication barriers that hinders productivity. Therefore, we strive to create an inclusive workplace where all employees feel valued and respected.

First Mutual Holdings Limited is committed to fostering, cultivating, and preserving a culture of diversity. We actively identify and eliminate barriers for a diverse working environment. To promote inclusivity, we conduct awareness trainings on gender, race, disability, and cross-cultural topics. Additionally, we implemented disability enablers such as accessible transportation, parking spaces, buildings, and ablution facilities. To further support our diversity initiatives, we formed partnerships with talent sources that specialise in recruiting and selecting candidates from diverse backgrounds, specifically focusing on race and disability.

Business Conduct and Values (continued)

The following are our goals, targets and progress made towards promoting diversity and inclusion:

01

Gender: To ensure more representation of women at managerial level by 2026.
Age: To increas representation in the management and executive level by 2026.
Disability: Engage disabled people at any employment level.
Race: Engage all races.

02

Gender: Achieve 45% and 35% at Managerail and executive levels respectively through appointment od competent females below the age of 35.
Age: To achieve a ratio of 33.3%.
Disability: Target is to reach at least 0.5% of total employees.
Race: To reach at least 1% of total employees.

03

Gender: At managerial level 64% are males and 36% are females. At Executive level 80% are male and 20% are female.
Age: 40% of employees at managerial level are less than 45 years. 12% of employees at executiv level range between 25-35 years. 42% of employees at executive level range between 36-45 years. 46% of employees at executive level range between 46-65 years
Disability: 0.4% of employees are disabled.
Race: 0.3% of employees are races other blacks

Business Competitive Behaviour

Competitive behaviour involves actively engaging in strategies and actions with the aim of outperforming competitors, gaining a competitive advantage, and ultimately achieving desired outcomes. By constantly striving to surpass industry rivals, the business can stimulate innovation and foster a creative environment. This drive for competitiveness prompts the Group to continually improve processes, leading to enhanced efficiency and overall performance. However, it is important to approach competitive behaviour with caution. While healthy competition can be beneficial, the Group is mindful of potential pitfalls. One potential risk is the emergence of price wars, where companies engage in aggressive price reductions to attract clients, ultimately eroding profit margins.

Our approach to competitive behaviour is rooted in a strategic mind-set that prioritises continuous improvement and growth. We understand that competition is an inherent part of the business landscape and we embrace it as an opportunity to push ourselves beyond boundaries. The management team fosters a culture of innovation, encouraging employees to think outside the box and explore new ideas that can give us a competitive edge. We believe that by staying at the forefront of industry trends and anticipating customer needs, we can proactively adapt and meet market demands.

To achieve our competitive goals, we invest in research and development, ensuring that we are constantly evolving and offering cutting-edge services. We closely monitor the activities of our competitors, analysing their strategies and identifying areas where we can differentiate ourselves. This allows us to capitalise on our strengths and exploit market gaps. While we are committed to achieving a competitive advantage, we also recognise the importance of ethical conduct. We emphasise fair and transparent practices that uphold the integrity of our brand and foster trust with our stakeholders.

Cybersecurity and Data Privacy

First Mutual Holdings recognises the importance of cybersecurity and data privacy in today's digital landscape. We understand that managing risks associated with the collection, storage, and handling of personal information is essential to protect our clients and maintain their trust. Our focus on maintaining system availability ensures uninterrupted access to services, enhancing customer satisfaction. Moreover, by prioritising data integrity, we ensure the accuracy and reliability of the information we handle. These contribute to an increased customer base and strengthens our reputation as a secure and reliable business.

Our commitment to accuracy and data loss prevention is reflected in the verification measures put in place for authentication, ensuring the provision of services with precision and maintaining data integrity. We prioritise business continuity and availability through backup plans and disaster recovery strategies. Further, we implemented secure network solutions and technologies to protect against cyber threats and maintain the privacy of customer data.

To ensure we effectively manage Cyber Security and Data privacy, we have the IT Security Policy and the Cyber, Data Protection Policy that provide clear guidelines and procedures to safeguard sensitive information. Employees are regularly trained to increase their awareness and understanding of cybersecurity, empowering them to actively contribute to the protection of our systems and data. We have non-disclosure agreements with our third-party service providers and partners, as well as a confidentiality policy for employees who handle Personally Identifiable Information (PII). We implemented antivirus and firewall protection across our information assets and ICT equipment. The Group regularly conducts business impact analyses to inform its disaster recovery plans and business continuity strategies, and it has a secondary disaster recovery site to ensure the availability of critical systems.

FMHL takes a proactive stance on cybersecurity and has taken steps to shorten response timelines for cyber incidents to minimise disruptions or breaches. Our cybersecurity program is continuously assessed, monitored, and improved to ensure its effectiveness, and we store data securely in multiple locations to safeguard against data loss or unauthorised access. We are committed to ongoing improvement and will continue to work hard to ensure that our cybersecurity program is effective and up to date. For the reporting period, we had no data breaches which reflects the effectiveness of our actions in managing cybersecurity and data privacy.

Enterprise Risk Management (ERM)

First Mutual Holdings' enterprise risk management framework aims to enhance business performance by maximising growth opportunities and integrate enterprise risk management into decision-making and key processes. The framework aims to anticipate and communicate uncertainties, enhance proactive risk management, comply with legal and regulatory requirements, while also creating, protecting, and enhancing stakeholder value.

In support of its risk management framework, First Mutual Holdings is committed to:

- Establishing, implementing, and improving a comprehensive and integrated risk management framework aligned with international and local recognised frameworks, including ISO 31000 and Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- Evaluating the alignment of the Group's risk management strategy with its external operating environment to ensure responsiveness to emerging and changing risks.
- Embedding risk management into the Group's ethos, policies, and practices to integrate it into decision-making, strategic planning, capital, and financial budgeting processes.
- Ensuring that employees are aware of the risks which the Group is exposed to and understand their obligations to report promptly any deviations of the control measures.

Financial Risk

First Mutual Holdings identifies financial risk as a major risk category that requires sound and prudent management practices to ensure that the Group achieves its strategic objectives. Financial risk is the possibility of a future change in one or more of a specified interest rate, financial instrument price, or other variables. To manage this risk, we follow regulatory requirements and international best practices. The Group's internal financial controls are outlined in the risk management policies and procedure manuals, which state the required standards and key control activities. These controls are supported by adequate segregation of duties and appropriate risk limits. The accounting policies are periodically reviewed by the combined Audit and Actuarial Committee, internal control functions, and external auditors. Additionally, the Group Investment Committee sets limits for investment risk exposures that employees can trade on.

The following were the identified financial risks and mitigatory measures:

Risk Category	Risk Description	Risk Mitigation Measures
Strategic	The risk of the Group's strategy not aligning with long-term corporate goals due to inadequate strategic planning processes, weak decision-making processes, and poor strategic implementation programs.	• Boundary scanning, annual strategy setting and half-yearly strategy reviews and innovation campaigns for more alternative investments.

Business Conduct and Values (continued)

Risk Category	Risk Description	Risk Mitigation Measures
Compliance	The risk of potential financial loss, legal penalties, or reputational damage resulting from the Group's failure to comply with laws, regulations, industry standards, or internal policies and procedures.	• Implementing comprehensive compliance risk management plans for compliance monitoring.
Financial	The risk of potential financial loss or instability may arise due to inadequate or inefficient capital structure and inability to meet financial obligations.	• Capital planning and security on external sources of funding.
Underwriting and Liability	The risk of financial loss due to inadequate underwriting, claims management, product design, and pricing.	• Prudent underwriting by individual specialised insurance subsidiaries who monitor and assess insurance risks.
Investment	The risk of failing to meet the Group's investment objectives due to adverse or inadequate investment performance.	• Investment project appraisal. • Investment mandates aligned to objectives for investment. • Structured authority limits for fund managers.
Foreign Exchange	The risk of potential financial loss that may occur due to changes in currency exchange rates.	• Trading and holding investments in various currencies aligned to liability profile. • Prepaying for selected supplies. • Increasing investments in stable assets.
Property Management	The mismanagement of real estate can pose significant risks.	• Adapting property portfolio to suit changing needs. • Modern property developments. • Tenant screening and engagements. • A review of the terms and conditions of tenancy.
Operational	The risk of adverse changes in the value of capital resources resulting from operational events, such as failed internal systems, personnel, procedures, controls, and external events.	• Adherence to standard operating procedures. • Enforcement of approved controls. • Automating processes and ensuring that controls are functioning correctly.
Credit	The risk of losing money in financial investments due to borrowers or counterparties failing to meet their obligations. The risk that arises from the value of an asset, such as government bonds, changing due to a change in the issuer's creditworthiness.	• Counterparty limits. • Expected credit loss modelling. • Loans pricing modelling. • Credit control.
Interest Rate Risk	The risk arising from changes in interest rates.	Financial forecasting models.

Sustainability Risks

The Group implements a comprehensive approach to risk management, which is structured, dynamic, integrated, and inclusive. This approach is applied at all levels of the Group to identify, analyse, and manage risks associated with Environmental, Social, and Governance (ESG) factors in the business context. The Group collaborates with its clients and business partners to increase awareness of ESG issues, manage risk, and develop solutions. Additionally, the Group works with relevant regulators and other key stakeholders to promote widespread action across society on ESG issues. ESG issues are increasingly becoming an integral part of decision-making and shaping the overall strategic direction of the Group.

Business Conduct and Values (continued)

Internal Controls
First Mutual Holdings strongly believes in adopting sustainable practices and ensuring that our business operations align with them. To achieve this, we established controls that support sustainability reporting. These controls are detailed in our procedure manuals and include required standards and control activities. We ensured proper segregation of duties among different roles and line functions. The reporting information is compiled within a disciplined framework, which generates the annual report and undergoes internal review by control functions to ensure accuracy and reliability.

Compliance Statement
First Mutual Holding Limited is dedicated to adhering to relevant legal, regulatory, and industry standards. The Group proactively strives to ensure compliance by embracing best practices that entail mandatory or voluntary obligations.

Throughout the year, the Group complied with the following regulations:

- 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.

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.

Share capital
As at 31 December 2023, the authorised and issued share capital of the Company is as follows:

- Authorised - 1,000,000,000 (2022: 1,000,000,000) ordinary shares with a nominal value of ZWL0.001 each; and
- Issued and fully paid – 731,718,322 (2022– 731,718,322) 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 84 to 226.

Directors
The Board notes the resignation of Mrs A Masiiwa and thanks her for her service.

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 Gareth Baines, Mr Fredson Mabhena, Mr Israel Ndlovu retire as directors of the Company in terms of the Articles of Association and, being eligible, offer themselves for re-election.

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

Dividend
The directors at the meeting held on 18 March 2024 declared a final dividend of US$1,000,000 to be paid from the profit of the Group for the year ended 31 December 2023. This brings the total dividend for the year to US$1,500,000.

Director's shareholding in the Company as at 31 December 2023

Director	Designation	Direct Interest
A.R.T Manzai	Chairman	
D. Hoto	Group Chief Executive Officer	280 096
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
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 ensuing 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 78 to 83.

The Directors of the Company are responsible for maintaining adequate accounting records and for the preparation of financial statements that present fair and accurate information. In discharging this responsibility, the Group maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that transactions are executed and recorded following Group policies.

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

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

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

Certificate of Compliance by Group Company Secretary

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

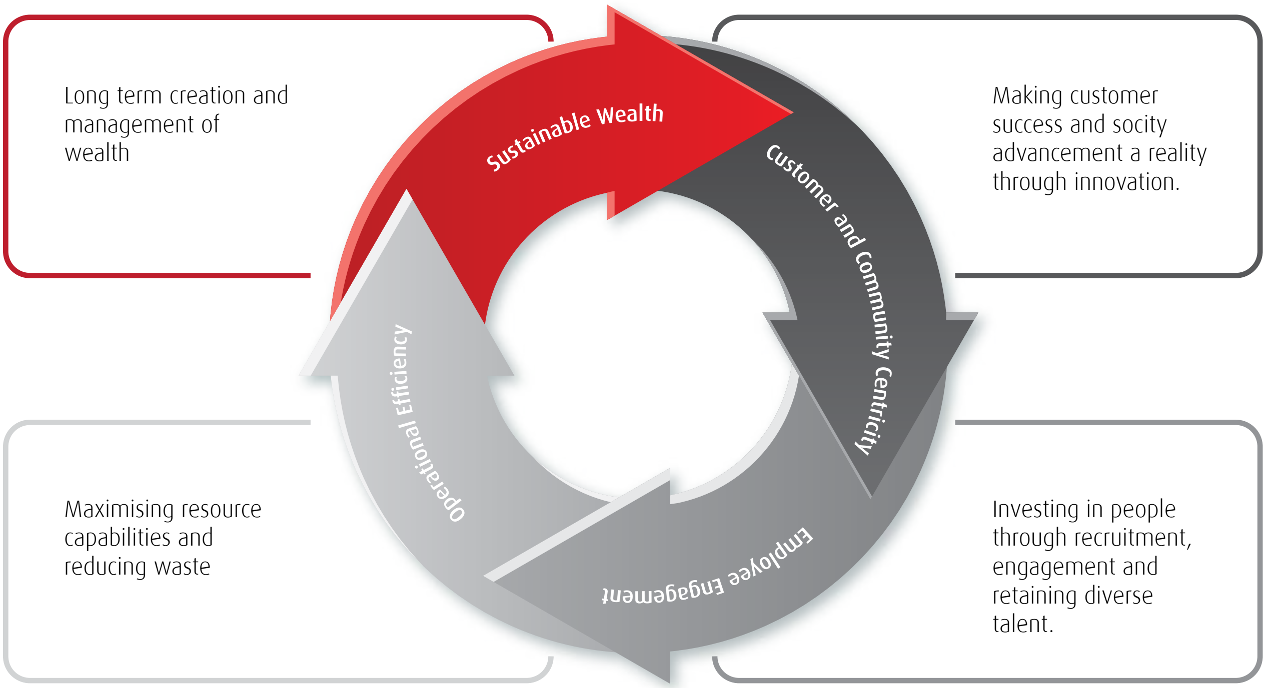
S. F. Lorimer (Mrs)
Group Company Secretary
Harare
5 June 2025

Sustainability

Our Strategy
We prioritise sustainability in all aspects of our operations as we deliver our products and services. Our sustainability strategy, guided by the theme of 'Go Beyond,' aims to create benefits that extend beyond our immediate clientele, encompassing environmental, social, and economic aspects. To ensure transparency and accountability, we adopted the ISO9001:2015 Quality Management Systems (QMS) and the Global Reporting Initiatives (GRI) Standards and Sustainability Accounting Standards Board (SASB)'s sector specific indicators, which help us identify, quantify, and disclose our impacts. The Group will progressively integrate element of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards. Our sustainability strategy focuses on long-term wealth creation, customer-centricity, employee engagement, and operational efficiency.

Through our dedication to sustainability, we strive to create a positive impact on the environment, society, and the economy, while also fostering a culture of excellence and innovation within the Group.

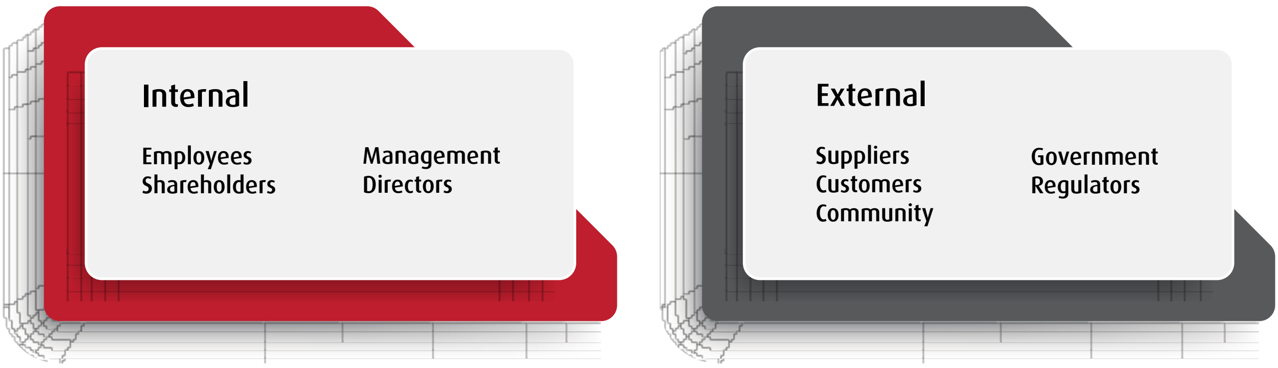
Our Levers for Sustainability



Stakeholder Engagement
The process of engaging with stakeholders is a critical aspect for First Mutual Holdings, involving the identification and classification of both internal and external stakeholders. Stakeholder engagement holds significant value for us and our stakeholders, as it fosters trust and transparency through open communication and engagement meetings.

Key Stakeholder Groups
The identification of stakeholders is done through stakeholder mapping, which visually represents their interrelationships and influence.

Our stakeholders are categorised as follows:



Sustainability (continued)

Our Stakeholder Engagement for the year 2023 was as follows:

Stakeholder	Key issues raised	FMHL response to Issues	Engagement Method	Frequency of Engagement
Employees/ Staff	• Inflation affecting remuneration. • Employee welfare.	• Review of salaries.	• Staff briefing Circular. • CEO's Brief.	• Quarterly • Half year • Full year • Ad hoc
Customers	• Accessibility of services.	• Convenience of transacting business on digital platforms.	• Emails. • Websites. • Newsletters. • Notices.	• Monthly
Suppliers	• Service provision. • Timely payment of services/ good rendered.	• Approved Supplier list. • Goods Service level Agreement (SLAs).	• Emails. • Purchase Orders.	• As required
Shareholders and Potential Investors	• Consistent dividend payments tent. • Level of divided pay-out out. • Increase market presence.	• Declaration of annual dividends. • Organic growth and capital raise from third parties.	• Trading updates. • Annual Report. • AGM. • Analyst briefing.	• Quarterly • Half year • Annually • Ad hoc
Government & Regulators	• Compliance, and transparency.	• Compliance with regulatory requirements.	• Meetings. • Engagement through brokers and advisors.	• Adhoc
Local Communities	• Sponsorship and funding of local communities.	• First Mutual Foundation. • First Mutual Marathon. • Corporate Social responsibility.	• Notices. • Newsletters. • Websites.	• Quarterly • Annually • Ad hoc

Product Accessibility and Affordability
To stay informed about evolving market needs, purchasing power, product availability, and economic stability, we employ various market survey strategies. These surveys provide valuable insights that form the foundation of our market adaptation strategies, ensuring that we offer the right products and services to meet market demands. Our pricing policies adhere to industry guidelines and regulations, and we introduced different product packages to provide clients with the flexibility to choose options that align with their budgets. To enhance convenience and reduce costs for our clients, we invested in technology that allows them to access our customer service departments through online and social platforms. This eliminates the need for unnecessary travel to our offices for minor transactions. The positive feedback we received through our engagement platforms affirms the accessibility and affordability of our products.

Customer Service
We recognise the crucial role that excellent customer service plays in driving our business forward and fostering customer confidence and loyalty. To ensure that employees are equipped to deliver superior customer service, we provide comprehensive training that emphasises the importance of treating clients with integrity and respect as a fundamental aspect of our business conduct. In line with our commitment to treating clients fairly, the Group implemented policies that prioritise fair treatment of clients. We continuously strive to enhance customer convenience by leveraging innovative technology and expanding our distribution channels.

Responsible Marketing
Our marketing practices, guided by the Code of Ethics and Conduct, prioritise presenting our products and services to clients in a responsible and ethical manner. We emphasise transparency, respect, and the elimination of any potential abuse or exploitation. All marketing and communication materials undergo thorough evaluation to ensure accuracy and eliminate the risk of misrepresentation.

Integrating ESG in Investments
To ensure that sustainability is ingrained in our daily operations, the Group incorporated sustainability aspects into departmental Key Performance Indexes (KPIs). This integration moves sustainability from being a standalone strategy to an integral part of our investment management practices. We consider economic, environmental, social, and governance issues in investment portfolio building, screening, and management.

The Grpup places a strong emphasis on incorporating renewable energy aspects into our real estate and infrastructure investments. This includes utilising solar energy for lightining and water heating, as well as implementing architectural designs that enhance natural light and air circulation. In line with our developments supported by the Group undergo thorough Environmental Impact Assessment (EIA). This ensures that we consider and mitigate any potential environmental impacts associated with our projects.

The Group focuse on investing in export agriculture opportunities, which are subject to strict standards governing limited to, GLOBAL G.A.P., British Retail Consortium Global Standards (BRCGS), and International Crocodile Farmers Associatio (ICFA). These standards aim to promote responsible farming practices by addressing key topics such as; animal health and welfare; production processes; integrated Crop Management (ICM); Integrated Pest Control (IPC); Quality Management System (QMS); and Hazard Analysis and Critical Control Points (HACCP). Our ethical trade initiative ensures that farm employees have decent working and living conditions, further emphasising our commitment to ethical and responsible practices.

Sustainability Materiality Assessment

Sustainability materiality assessment is a crucial process that helps us identify key issues that matter to the Group and stakeholders. The assessment focuses on material topics related to environmental, social, economic, and governance issues according to the Global Reporting Initiatives (GRI) and the SASB standards Measures are developed and implemented to manage each material topic effectively. This ensures that the Group is taking appropriate actions to maintain sustainability while addressing relevant issues.

The materiality process for FY2023 was conducted as follows:

Indentification
- Review of prior year materiality topics.
- Materiality survey.
- Benchmarking with companies operating in the same industry as First Mutual Holdings.

Prioritisation
- Ranking of topics based on importance and interest to the business and its stakeholders.

Validation
- Confirming topics for consistency with business operations, the business environment and stakeholder expectations.

Approval
- Final confirmation of topics for reporting

Sustainability (continued)

Our material topics were categorised as presented below:

- **Economic category –** topics that cover the flow of capital among different stakeholders, and the main economic impacts of the business.
- **Social category –** topics that cover the impacts on the communities, societies, and individuals affected by our activities and the measures we take to uphold and respect Human Rights.
- **Environmental category –** topics that cover the effects of our operations on both living and non-living elements of the natural world, such as land, air, water, and ecosystems.
- **Governance –** topics that cover the effects on the system of rules, practices, and processes that guide and govern our operations.

Economic

- Tax
- Economic Performance
- Responsible Financing
- Procurement
- Financial Inclusion
- Responsible investment

Environment

- Water
- Waste
- Climate Change adaptation
- Energy

Social

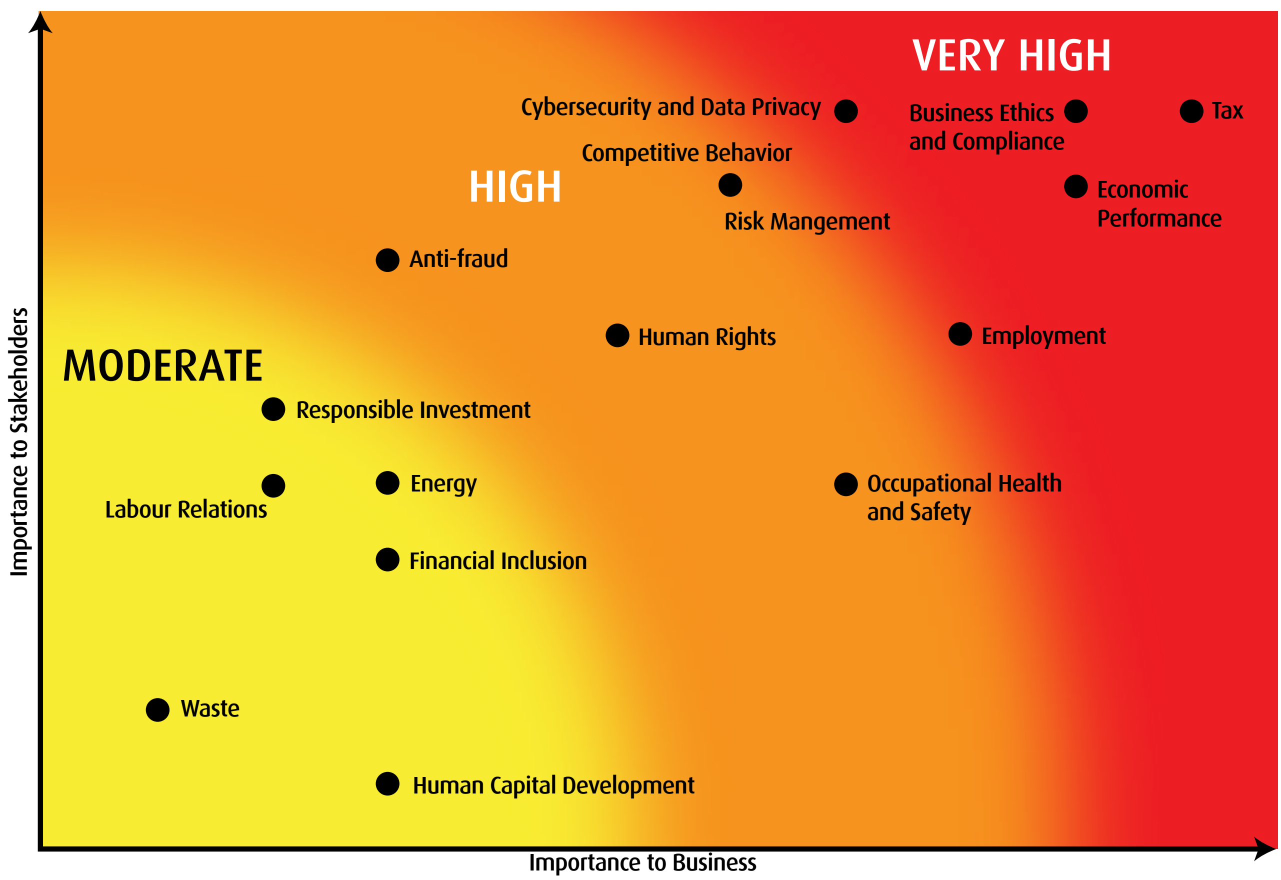
- Human Capital Development
- Human Rights
- Occupational Health and Safety
- Employment
- Employee Relations
- Empoyee Diversity and inclusion
- Corporate Social Responsibility

Governance

- Business Ethics and Compliance
- Anti-fraud
- Cybersecurity and Privacy
- Innovation and digitalisation Legal and Regulatory Compliance
- Competitive Behaviour
- Risk Management

Materiality Matrix

The matrix presented in the scatter graph below represents the results of issues identified and prioritised based on their importance to the Group and their potential influence on stakeholder decisions.



Sustainability (continued)

Very High reflects those regarded by the Group and shareholders to be of significant interest. As such, they represent both risks and opportunities for First Mutual Holdings limited.
High reflects those where measures are in place to manage the impacts while improvements continue to be implemented.
Moderate reflects those where significant effort was made by the Group to address them.

For the period under review, the following topics were identified as the most significant for both business and stakeholders:

- Cybersecurity and Data Privacy
- Business Ethics and Compliance
- Tax
- Economic Performance
- Employment

Materiality Link to SDGs

	Medium		High	Very High
	Relevance to Sustainable Development			
Human capital development	8	4		
Financial Inclusion	1	10		
Cybersecurity and Data Privacy				9
Energy	7	13		
Innovation and Digitalisation	9			
Waste	12			
Occupational Health and Safety			3	
Responsible Investment	17			
Employee Diversity and Inclusion			10	
Tax				17
Business Ethics and Compliance				16
Employment				8
Human Rights			10	
Anti-fraud			16	
Labour Relations	10	11		

The UN Sustainable Development Goals

Sustainability (continued)

Sustainability-Related Risks and Opportunities (SRRO)

The following were identified as sustainability-related risks and opportunities:

Risk Identified	Description	Opportunities
Environmental	The Group faces potential risks from climate change, including extreme weather events and other physical impacts.	• Development of innovative green technologies and solutions. • Access to government incentives and grants for renewable energy projects. • Development of viable insurance or reinsurance products.
	Potential risks associated with environmental impacts and unsustainable environmental practices.	• Enhanced brand image and reputation for environmental responsibility. • Cost savings through resource efficiency and waste reduction.
Social	Potential risk related to employee dissatisfaction, discrimination, and lack of diverse perspectives.	• Improving employee satisfaction and retention rates. • Access to a wider talent pool.
Occupational health and safety	The potential negative impacts on the well-being, health, and safety of employees within the Group.	• Implementing comprehensive wellness programs. • Foster a positive work culture e.g. open communication.
Operational	Inefficiencies in delivering products or services can lead to potential negative impacts. Potential transitional risk which may be induced by a Climate Bill before the Parliament of Zimbabwe.	• Improved customer satisfaction and loyalty. • Process automation and digital transformation. • Cost optimisation. • Anticipating legal changes and requirement by tracking the developments.
Strategic	Potential challenges associated with product design and development, as well as the risk of failing to meet evolving society and market demands.	• Development of innovative and customer-centric products and distribution channels. • Differentiation from competitors through unique features and functionalities.

▲43,332
▲10,435

Responsible Finance Solutions

Financial Inclusion

As First Mutual Holdings Limited, we are committed to promoting financial inclusion, which entails providing individuals and businesses with accessible and affordable financial products and services that effectively meet their specific needs. We believe in ensuring that everyone, irrespective of their socioeconomic status, has the opportunity to participate in and benefit from the financial system. Our dedication to financial inclusion led to numerous positive impacts, including maximising revenue and increase in market share, and contributing to economic growth. Further, our emphasis on inclusive products strengthens our brand, enhances competitiveness, and attracts top talent.

The Group offers financial inclusive products such as:

- Insurance products.
- Loans.
- Investment products.
- Establishment of clinics and pharmacies.

Our policies regarding financial inclusion are centred on providing accessible and tailored products to individuals across different income levels. We recognise the diverse needs of our clients and have taken specific measures to address them. For instance, in our Micro lending business, we offer loans designed specifically for SMEs and civil servants. Similarly, in our Wealth Management business, we provide a range of investment products that cater to individuals with both high net worth and lower incomes. Additionally, we accommodate the varying income structures of our clients by offering product options in different currencies, such as ZWL and USD. This approach ensures compliance with regulations and enables accessibility for clients with different income profiles, including insurance products, lease arrangements, and investment opportunities.

Our commitments revolve around consistently serving the market with affordable and relevant products. To achieve this, we conduct regular market surveys to identify different client segments and develop products that suit their specific needs. We prioritise repricing our offerings in line with market developments, ensuring continued affordability and competitiveness.

The Group implemented a range of processes which include the preparation of monthly reporting packs and executive committee reports, to assess profitability and identify areas requiring attention. Internal audit reviews are conducted to ensure operational efficiencies are maximised. Our key performance indicators include claims ratio, insurance service result ratio, combined ratio, and cost-to-income ratio. Our targets aim is to achieve combined ratios and cost-to-income ratios below 100%, reflecting our commitment to financial sustainability. The Group performed above budget for the reporting period, in net operating income terms, and notable revenue growth.

We integrated strategic pillars represented by the TARGET acronym (Talent, Agility, Relevance, Growth and returns, Technology) into our approach. This collaborative approach resulted in positive performance compared to budget and growth compared to the prior year. The feedback and insights gained from stakeholders have been instrumental in shaping our actions.

In FY2023, the following loans were made available to stakeholder:

Product Name	**2023**	**2022**	**2021**
	ZWL '000'	**ZWL '000'**	**ZWL '000'**
SMEs loans-for working capital purposes	2 751 213	343 412	35 153
Civil servants' loans-for consumption and school fees funding	22 530 194	941 098	82 023
Cattle fattening loans-for providing working capital to farmers	99 072	-	-
Personal loans-for enhancing employee welfare	16 977 196	1 803 570	330 034

Responsible Investing

Responsible investing is a strategy that aims to generate positive societal and environmental impacts alongside financial returns. It involves considering environmental, social, and governance (ESG) factors when making investment decisions. One of the significant impacts of responsible investment is the increased provision of modern housing, enhancement of community infrastructure, including roads, water systems, sewerage, and lighting. These advancements play a crucial role in the progress and welfare of local communities, improving their standard of living and fostering economic expansion.

By prioritising sustainable and socially responsible measures, investors may encounter lower immediate profits compared to traditional investment strategies. This can be attributed to the additional due diligence required to assess environmental, social, and governance (ESG) factors, as well as the potential need for longer-term investment horizons. Nevertheless, it is crucial to emphasise that these negative impacts are typically outweighed by the long-term benefits of responsible investment.

At the client level, our responsible investment approach is guided by the investment policy statement, which outlines the principles and objectives of our responsible investment strategy. This statement serves as a framework for aligning our investment decisions with environmental, social, and governance (ESG) considerations. At the asset manager level, we have the investment mandate which sets out specific guidelines and criteria for selecting and managing investments on behalf of our clients. It ensures that responsible investment practices are incorporated into the investment decision-making process.

The following form part of our commitments to responsible investment:
- Asset Management Act [Chapter 24:26];
- Securities Act [Chapter 24:25];
- Collective Investments Schemes Act [Chapter 24:19]; and
- Association of Investments Managers of Zimbabwe

Each project in which the Group invests undergoes Environmental and Social Impact Assessment to ensure responsible practices. Our commitment to sustainability extends to building portfolios, which adhere to established sustainability standards. Further, we actively strive to make responsible investments with specific targets in mind. In order to reduce our dependency on generators, we installed a solar system within our accommodation projects. This shift towards solar energy helps to reduce our carbon footprint and promote sustainability. Additionally, in our pecan plantations, we introduced lucerne grass as an environmentally friendly alternative. This sustainable option contributes to the overall health and resilience of the plantations. Moreover, we incorporated thermodynamic geysers for water heating, which not only reduces energy consumption but also minimises our environmental impact. These initiatives reflect our ongoing commitment to responsible investment and the preservation of our natural resources. During the year we achieved notable advancements towards our objectives. Specifically, we procured a total of 17 thermodynamic geysers, constructed six houses equipped with solar-powered boreholes, and successfully installed solar systems on all six houses. These accomplishments serve as tangible evidence of our dedication to responsible investment and sustainability practices. In order to successfully execute housing-related projects, particularly those involving student or general residential accommodations, it is crucial to establish robust processes and procedures for engaging local authorities and public utilities. These engagements are necessary due to the infrastructure requirements associated with such projects. Our interactions with local authorities have often resulted in the business assuming the responsibility of financing necessary infrastructure upgrades. While these interventions have enabled the smooth progress of our projects, it is important to note that the recoveries from these investments may not be purely monetary in nature. Instead, they require diligent monitoring to ensure that rates accounts are duly credited. To address this, we will implement a close monitoring system to ensure that the appropriate credits are applied to our rates accounts. This will ensure that the recoveries from the infrastructure upgrades are properly accounted for, even if they may not directly translate into financial gains.

Innovation and Digitalisation

As First Mutual Holdings, we understand the importance of innovation and digitalisation to drive progress and improve business operations. However, we are also aware of the potential positive and negative impacts on various aspects of society. Our efforts have yielded significant benefits, such as improved analytics that have provided valuable insights for informed decision-making. We streamlined our operations and reduced waste through business process automation, while our Enterprise Content Management (ECM) project enhanced the sharing and retrieval of information, thereby improving customer service. Moreover, our adoption of cloud technology has helped us reduce our carbon footprint by creating a leaner server environment. We encourage a culture of creativity by participating in innovation initiatives that reward those who provide good ideas. At the same time, we acknowledge the potential negative impacts of our efforts, such as job insecurity and slow adoption of technology, as well as the risk of major project failures despite significant investments. We are committed to managing these risks and ensuring that our efforts in innovation and digitalisation continue to be beneficial for our stakeholders.

We have an Innovation Remuneration Policy, which aims to reward and incentivise the generation of innovative ideas by our employees throughout the Group. This policy creates a culture that encourages and recognises the importance of driving creativity within the Group. In support of this policy, we formed an Innovation Committee that fosters an enabling environment for the generation and implementation of innovative ideas across our business operations. We engaged experienced partners to help us with our ECM project, which aims to improve processes and drive automation. To ensure a smooth transition, we implemented change management activities which include training our employees on the new ECM platform and other digital applications to increase acceptance and adoption. We prioritise training initiatives to empower our employees with the necessary skills to adapt to the changing digital landscape and fully take advantage of the benefits brought about by innovation and digitalisation.

Internal and external audits are conducted to ensure compliance with policies and assess the successful implementation of initiatives. Additionally, we use project management reports to track progress and outcomes of specific projects, such as the ECM. To monitor employee training and engagement, we keep records of digital application training and change management workshop attendance. We conduct surveys to gather feedback and assess customer and employee satisfaction. Our goals include the automation of processes and the use of digital applications and solutions. We aim to automate 61 processes through the ECM project, scan over one million documents into the central repository and establish data

Responsible Finance Solutions (continued)

file systems on the ECM repository for all strategic business units. Our key performance indicators include the number of documents digitised, product innovation, the number of employees trained in digital apps, and the utilisation of digital applications for conducting business. Our assessment of the effectiveness of our innovation and digitalisation management has shown excellent progress, with a success rate of over 75%. We recognise that successful technology adoption requires effective change management. To address concerns about job security and ensure smooth transitions, we engage with our employees to identify their training needs and tailor our programs accordingly.

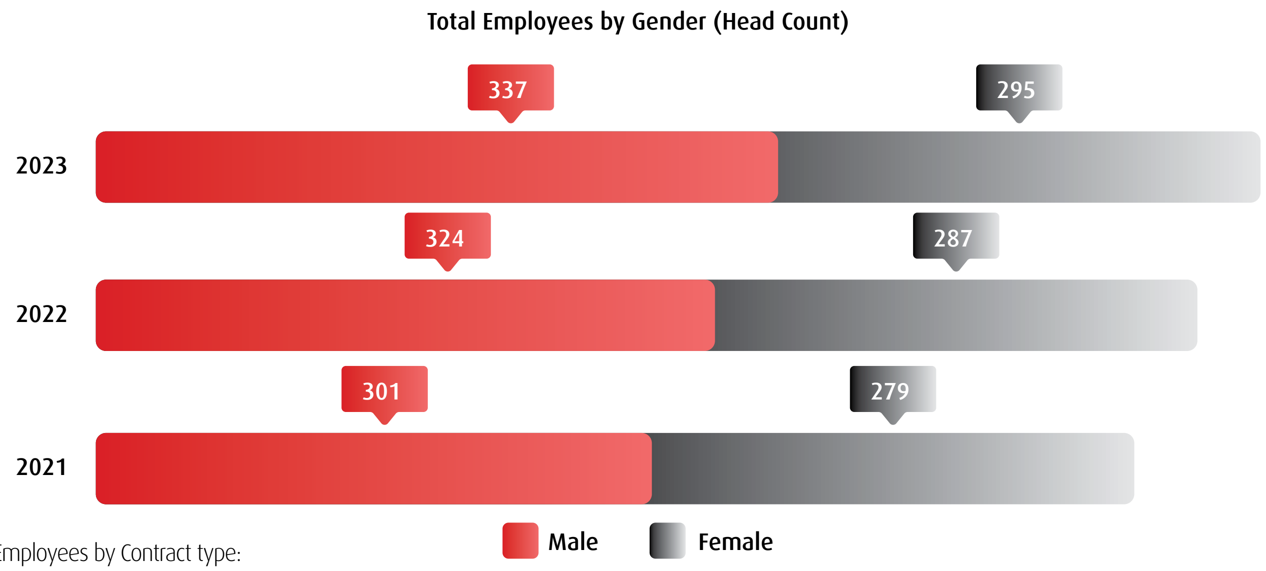
Employees

Employment
Effectively managing all aspects of employment, including recruitment and retention of employees, is essential for promoting a positive brand image and driving business growth through increased employee productivity. Implementing robust recruitment strategies and attracting the right talent ensures that employees are composed of skilled and qualified individuals who align with our values and goals. However, not effectively managing employment can result in high employee turnover and financial losses. High turnover disrupts workflow and negatively impacts team dynamics, resulting in decreased productivity and delays in achieving our goals.

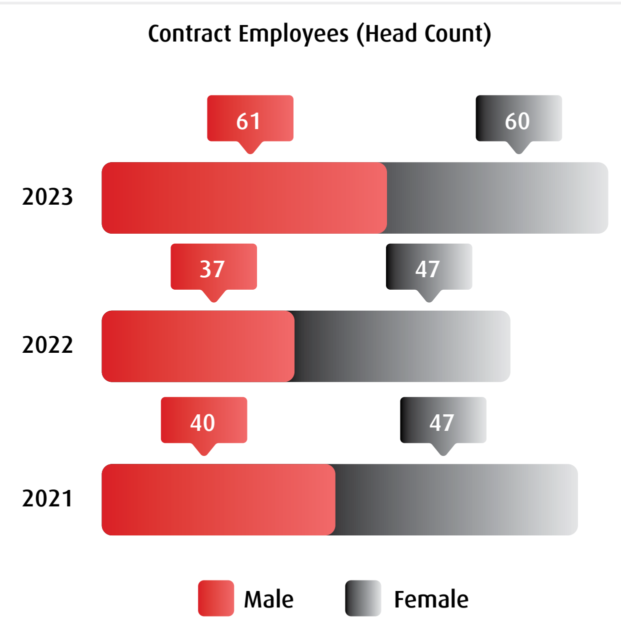
We are guided by our Recruitment, On-boarding, and Learning and Development policies. These policies ensure that employees are provided with the necessary information and resources to access developmental programs that can enhance their skills, broaden their experience, and open up future career opportunities. To gauge employee satisfaction and engagement levels, we conduct periodic surveys and feedback sessions. This allows us to gather valuable insights and make any necessary improvements to create a positive work environment. To ensure fair treatment of employees, we established an internal code of conduct which outlines the principles and standards that guide our interactions and relationships.

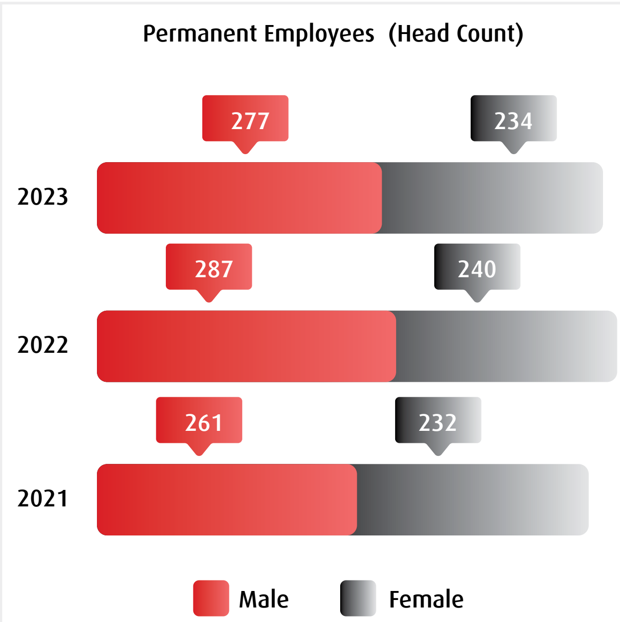
Additionally, we implemented a grievance procedure that provides a platform for employees to raise any complaints or concerns they may have. This procedure ensures that their voices are heard and that appropriate actions are taken to address any issues that may arise.

For FY23, our total employees were as follows:



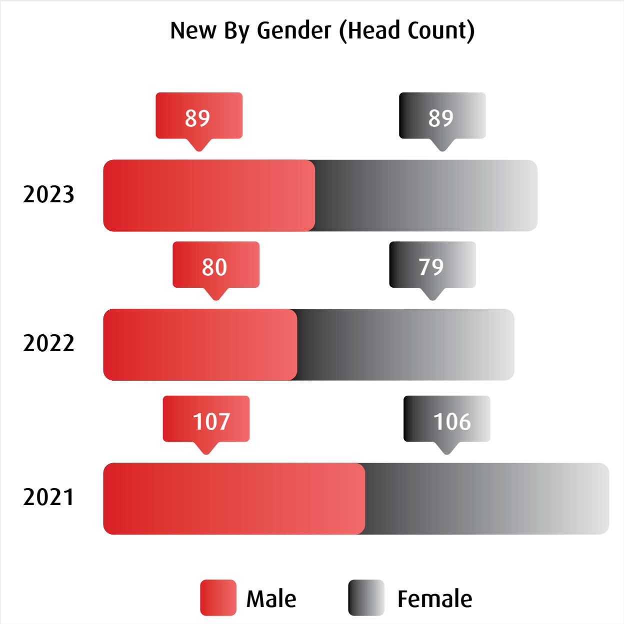
Employees by Contract type:

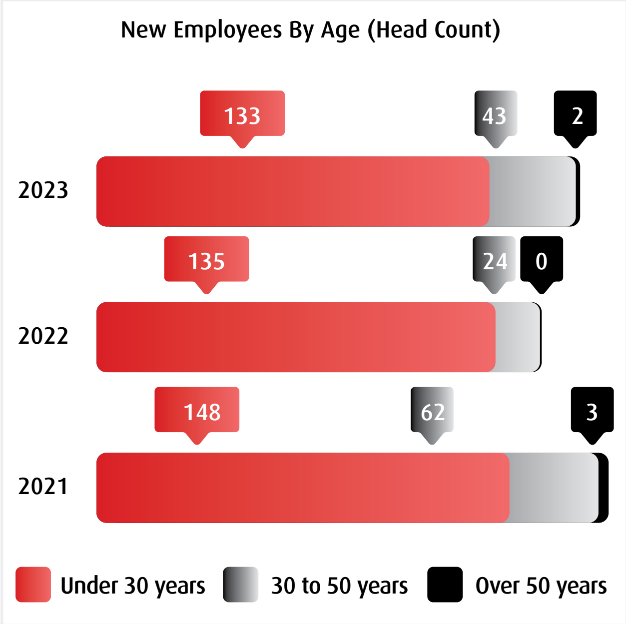


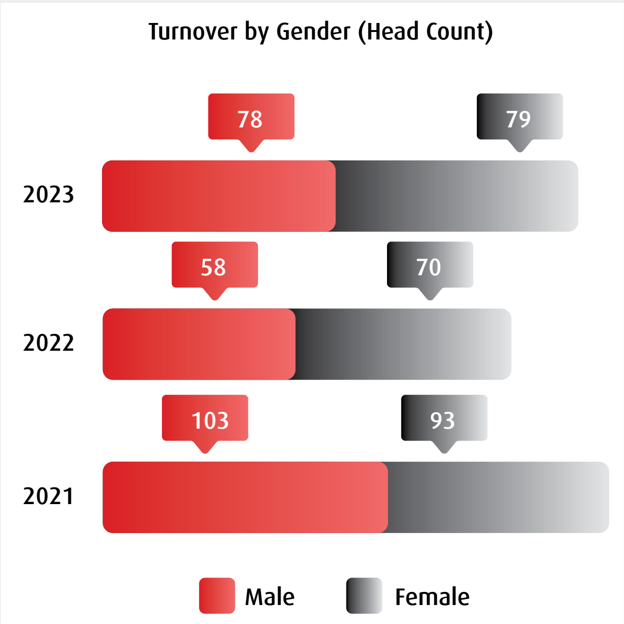


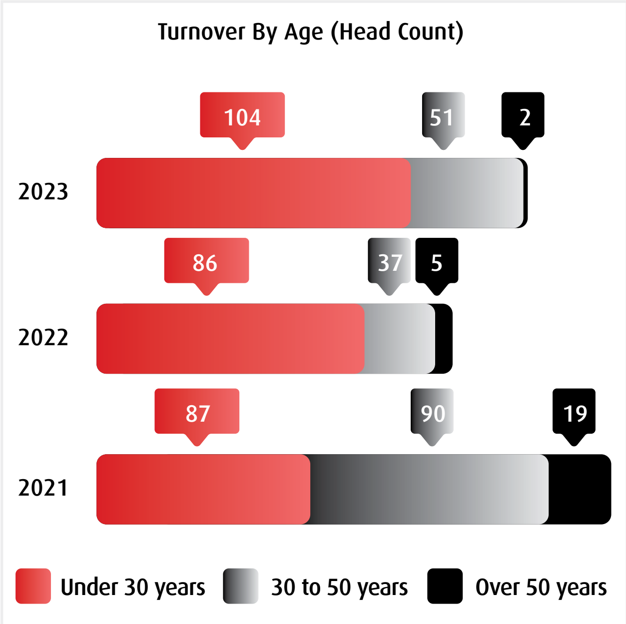
Employees (continued)

Our Employee Movement was as follows:







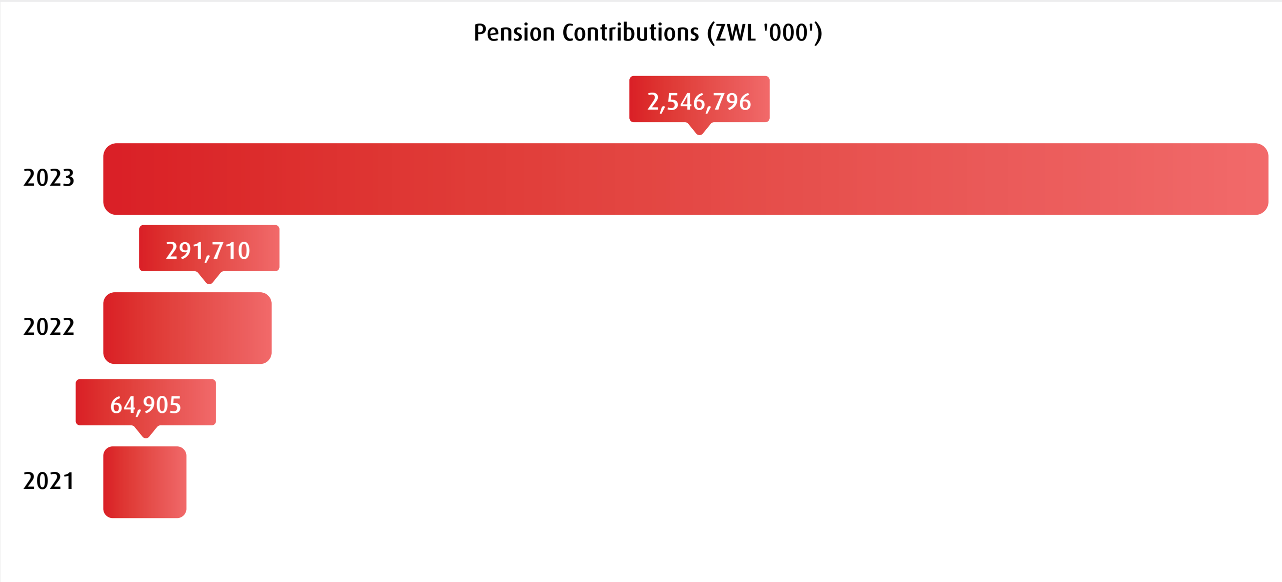


Employee Welfare

The Group conducts annual assessments to evaluate the wellness of employees across various dimensions, such as emotional and rational well-being. These assessments serve as a valuable feedback mechanism, providing insights into the issues that affect employees. We utilise this feedback to inform human capital strategies for the following year, ensuring a comprehensive approach to employee well-being. Guided by industry collective bargaining agreements, our remuneration policies ensure fairness and consistency in compensation.

Employees (continued)

Our pension contributions for FY2023 were as follows:

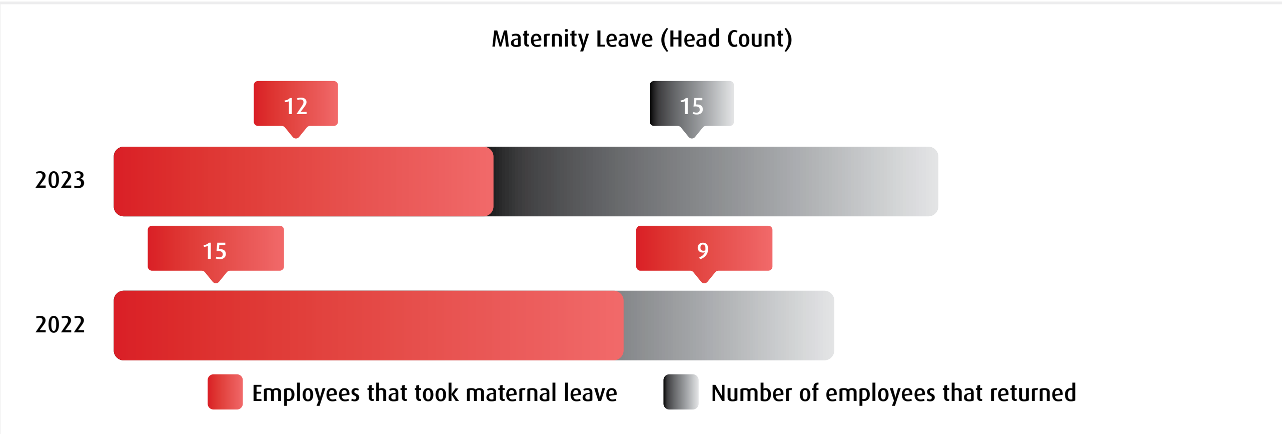


- Pension includes both National Social Security Authority (NSSA) and Group pension.

Parental Leave

During the reporting period there was a significant number of employees who took maternal leave which showcases our commitment to supporting work-life balance and prioritising the well-being of our employees and their families.

Below are figures of parental leave taken and the employees who returned:



Employee Relations

The Group places great emphasis on fostering positive and constructive employee relations. By nurturing positive employee relations, we aim to create a workplace culture that values teamwork, employee engagement, and continuous improvement. Through these efforts, we are committed to creating a mutually beneficial relationship between management and employees, which contributes to the long-term success and growth of the Group.

In recognition of the potential consequences associated with inadequate employee relations management, the Group adopts a comprehensive approach centred upon open communication, mutual respect, and collaborative problem-solving. We established channels for dialogue and actively encourage employee participation in addressing concerns and grievances, ensuring a fair and timely resolution process. Through the establishment of a works council, regular meetings are held to facilitate constructive discussions, encompassing both management and employee perspectives. Additionally, we conduct periodic surveys and feedback sessions to gauge employee satisfaction and engagement, enabling us to implement targeted measures for continuous improvement. We remain dedicated to offering competitive compensation and benefits packages that align with prevailing market and industry standards, fostering employee attraction and retention.

We maintain an internal Code of Conduct that sets forth the principles and standards for fair and respectful treatment of all employees. We prioritise the training and awareness-raising programs that equip employees with a thorough understanding of their rights as well as conflict resolution and grievance procedures.

Our Human Resources policies undergo continuous review to ensure alignment with industry best practices. As part of our commitment to maintaining a positive work environment, we regularly conduct employee satisfaction surveys to gather valuable feedback. Additionally, we recognise and reward employee performance through regular evaluations. To ensure compliance with applicable laws, regulations, and standards, we conduct both internal and external audits to identify areas of improvements and take appropriate actions. Our goal is to achieve high employee engagement scores and retention metrics. We are pleased to report that we observed a decrease in employee turnover and an improvement in our engagement scores.

Freedom of Association and Collective Bargaining

Our remuneration policies are guided by industry collective bargaining agreements. During the year, a significant 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, ensuring effective communication and collaboration within the Group.

For FY23 our CBA were as follows:

CBA	2023
National Employment Council (NEC)	306

Occupational Health and Safety

Promoting occupational health and safety is an important aspect of our strategic approach to safeguarding the well-being of employees and optimising the overall performance of our operations. Investing in occupational health and safety cultivates a culture of employee engagement and fosters positive employee relations. We established a framework that proactively addresses workplace hazards and risks to demonstrate our commitment to physical and mental well-being of our employees, improving employee morale, motivation, and satisfaction. Through the identification and mitigation of potential hazards, we create a workplace environment that minimises the likelihood of accidents, injuries, and illnesses, empowering employees to focus on tasks with enhanced concentration and dedication. Failure to effectively manage occupational health and safety can have significant consequences, including disruptions in productivity, increased costs, and potential legal disputes.

We prioritise compliance with our Wellness, Safety, and Health Policy, as well as all relevant Government regulations regarding safety and health issues. We promote a caring and supportive environment by effectively governing and communicating our wellness programmes and providing necessary assistance to employees in need.

Hazard Identification, Risk Assessment (HIRA), and Incident Investigation

Employees are encouraged to report any work-related hazards to the designated marshals or worker representatives, as well as the human resources department and senior management. To address emergency preparedness and response planning, we established procedures for various scenarios, including civil disturbances, and evacuation drills. These procedures outline the necessary steps to be taken in each situation to ensure the safety and well-being of employees.

Upon receiving a hazard report, the Human Resources department and the responsible employee representatives for the specific area involved diligently record the details. Subsequently, thorough inspections are conducted to assess the nature and severity of the reported hazard. A report is then generated, accompanied by recommendations for corrective actions. Taking these recommendations into account, appropriate measures are implemented to address the identified hazards and mitigate any potential risks.

Training on Occupational Health and Safety

Our primary objective is to cultivate a safe and conducive work environment, which we achieve through initiatives such as First Aid Training and Emergency Preparedness Awareness sessions. These measures aim to minimise the number of casualties and mitigate damages in the event of unforeseen incidents. Our goal is to achieve a workplace environment where the number of casualties is minimised, reflecting our commitment to maintaining a safe and secure working environment.

Employees Training and Development

Training and development initiatives plays a significant role in the success of First Mutual Holdings Limited by fostering employee engagement,

Employees (continued)

satisfaction, skills enhancement, and talent attraction. These programs enable the Group to create an environment where employees are motivated and committed to their work, while also providing opportunities for professional growth. We acknowledge that the absence of proper training can have adverse effects, including employee disengagement and knowledge loss. To address this, our Group places a high priority on employee engagement and well-being.

We offer a range of programs that support work-life balance, such as health and wellness initiatives, as well as mental health support. In line with this commitment, we developed a Learning and Development Policy which aims to provide our employees with the necessary information and resources to access appropriate developmental programs. We make substantial investments in training and development programs. This includes a range of initiatives such as on-the-job training, workshops, seminars, graduate development programs, supervisory development programs, as well as management and leadership development programs.

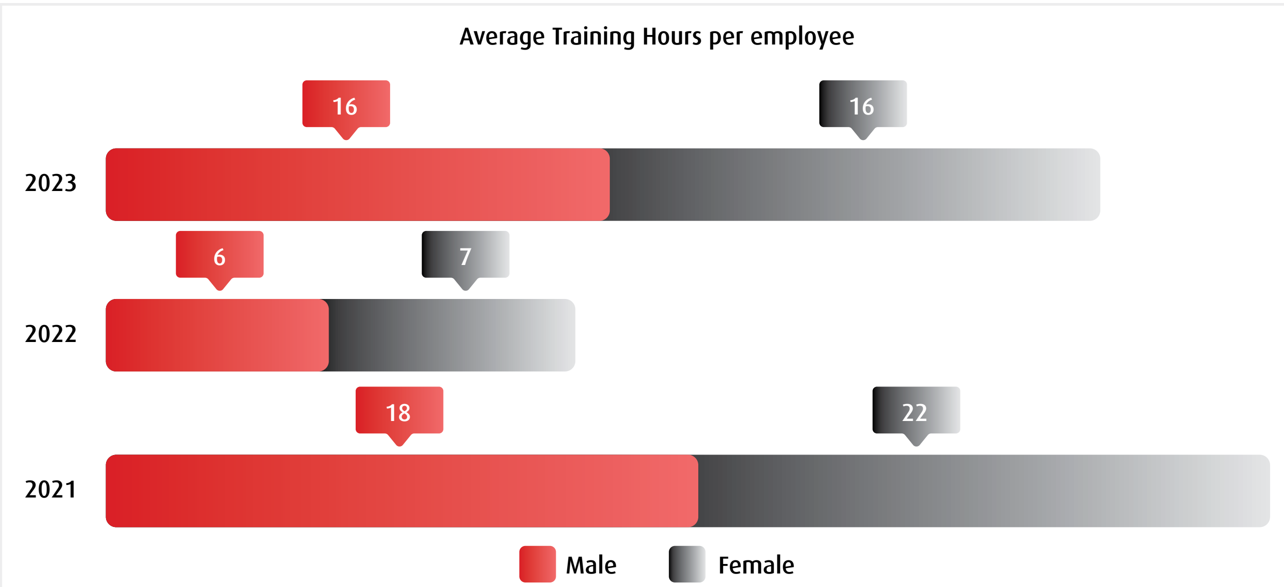
To maintain a high level of performance, we establish clear performance expectations, provide regular feedback, and conduct performance evaluations. Additionally, we implement employee engagement initiatives, such as team-building activities, to foster a positive work environment and enhance human capital development. We believe in the importance of recognising and developing internal talent, preparing them to fill key positions within the Group as they become available due to promotions, retirements, or other reasons. This strategic approach, known as succession planning, ensures a smooth transition and the continuous development of our employees.

To assess the effectiveness of our training and development programs, we employ a range of key performance indicators (KPIs) and metrics. These include employee retention rates, training program completion rates, employee engagement scores, performance scores, leadership development program effectiveness, as well as diversity and inclusion metrics. Our objective is to enhance the skills and capabilities of employees, retain top talent, and ensure high levels of employee engagement.

Our target is to maintain an overall employee turnover rate of 7.5% or below focusing on retaining key talent in critical positions within the Group. We strive to provide ample learning opportunities for our employees. Our target is to achieve 24 hours of learning per employee per year, demonstrating our dedication to continuous learning and development. Further, we aim to achieve an Employee Engagement Score of 70%. This metric reflects the level of commitment, satisfaction, and motivation among employees.

Involving employees in the decision-making process through surveys and focus groups provided valuable insights into their specific skills and training needs. This information was used to tailor training programs, address skill gaps, and enhance employee capabilities. Gathering employee input on the perceived value of training programs, career development opportunities, and organisational culture offered insights into the effectiveness of these initiatives in enhancing employee engagement. These efforts ensure that our training and development programs are customised to meet employee needs and contribute to their satisfaction and engagement.

Average training hours per employee are shown below:



SUSTAINABLE OPERATIONS

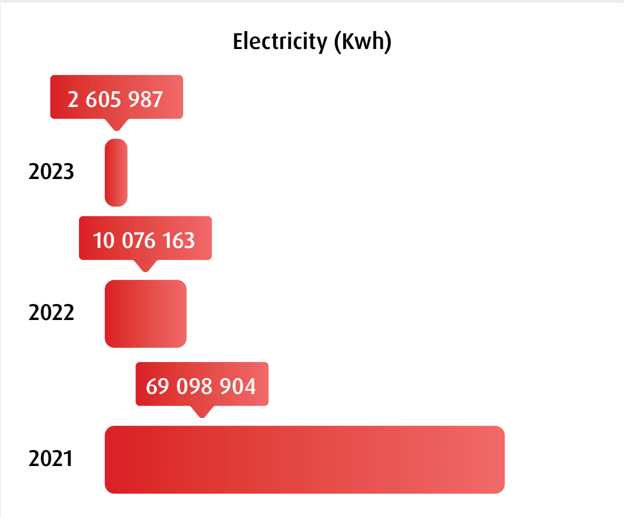
Energy

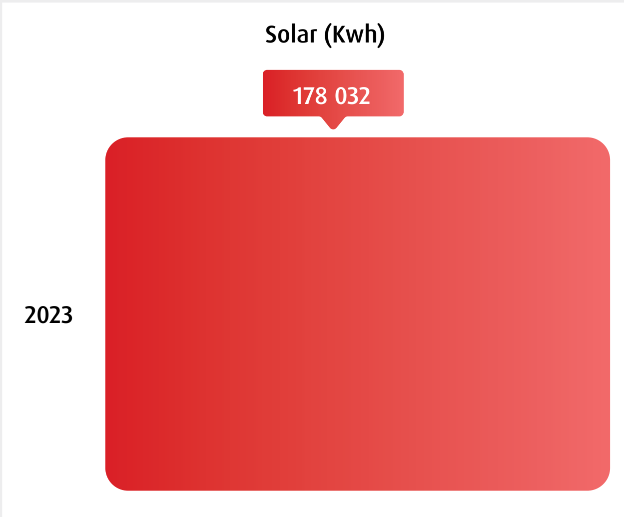
First Mutual Holdings acknowledges the significant impact that energy management practices can have on the environment and the economy. We identified positive and negative impacts related to energy management and we are committed to minimising our contribution to the negative impacts while maximising our positive impacts. First Mutual Holdings experienced significant reduction in energy costs due to effective energy management initiatives across all operations. However, we are aware of the negative impacts associated with energy management, such as air pollution caused by the use of fossil fuels.

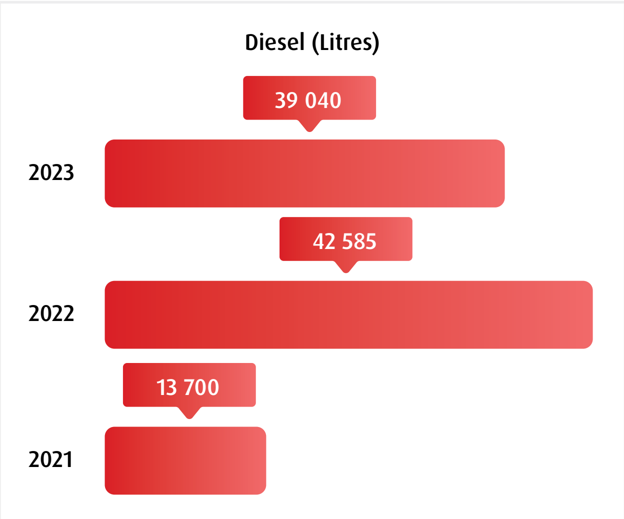
We ensure that our suppliers and partners align with our values and adhere to responsible energy management practices. We believe that by investing in clean energy sources, we demonstrate our commitment to environmental sustainability. The Group implemented energy conservation policies that focus on monitoring energy use and investment in clean energy sources, with a particular emphasis on solar power.

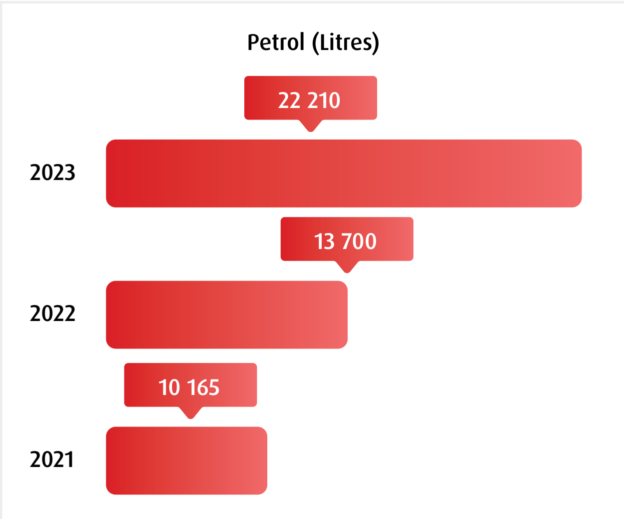
We closely monitor energy usage at all properties enabling us to identify areas for further energy conservation and optimise our energy management practices. We track the effectiveness of our actions by using various processes, including internal and external audits. We have set goals, targets, and indicators to evaluate our progress, such as increased investment in green projects and renewable energy sources and a reduction in overall energy consumption based on the source of energy.

Our energy consumption was as follows:









The tracking of solar usage only started in 2023.

SUSTAINABLE OPERATIONS (continued)

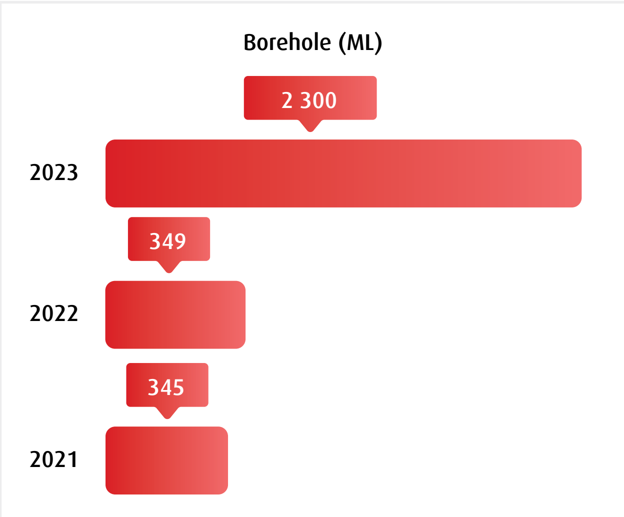
Water

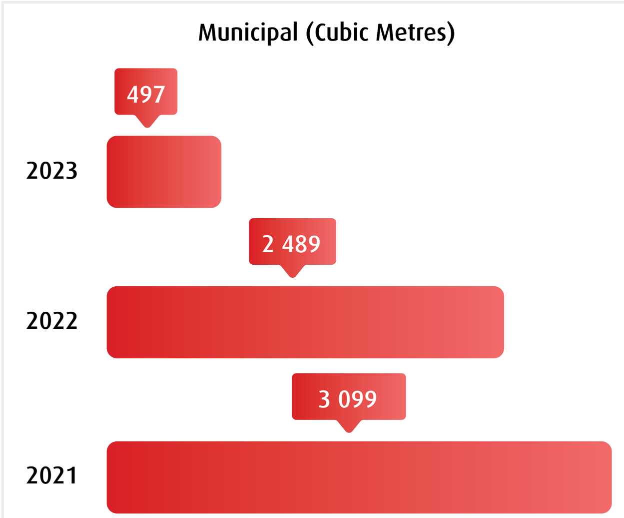
The Group strives to effectively reduce expenses linked to water consumption and disposal, this commitment allows us to adopt a sustainable and economically viable approach to water management. We recognise that inadequately managed water resources can present significant risks to the future performance of our investments. As a result, we are dedicated to transparently communicate our water management strategies to meet the expectations of our esteemed stakeholders.

FMHL's Properties division made strategic investments in boreholes and installed 5000-liter reservoir tanks at various residential and commercial property units. These developments aim to provide tenants with a dependable and uninterrupted water supply. To ensure efficient water usage, several measures have been implemented and closely monitored. Separate water meters have been installed for tenants, allowing them to track their individual water usage accurately. Additionally, flow meters have been installed on the boreholes to monitor water withdrawal, ensuring optimal usage and minimising wastage. In line with FMHL's commitment to sustainable practices, the adoption of dry gardens with drought-resistant plants has been embraced. These gardens require less watering, reducing overall water consumption while maintaining an attractive and vibrant environment. Moreover, FMHL has taken proactive steps to promptly repair any damaged underground pipes.

We implemented a tracking system which ensures the provision of clean water to all tenants and employees. At regular intervals, FMHL conducts thorough assessments of water usage at its various properties, utilising the installed water meters. This allows us to closely monitor consumption patterns and identify areas where improvements can be made.

During the year, our water consumption was as follows:





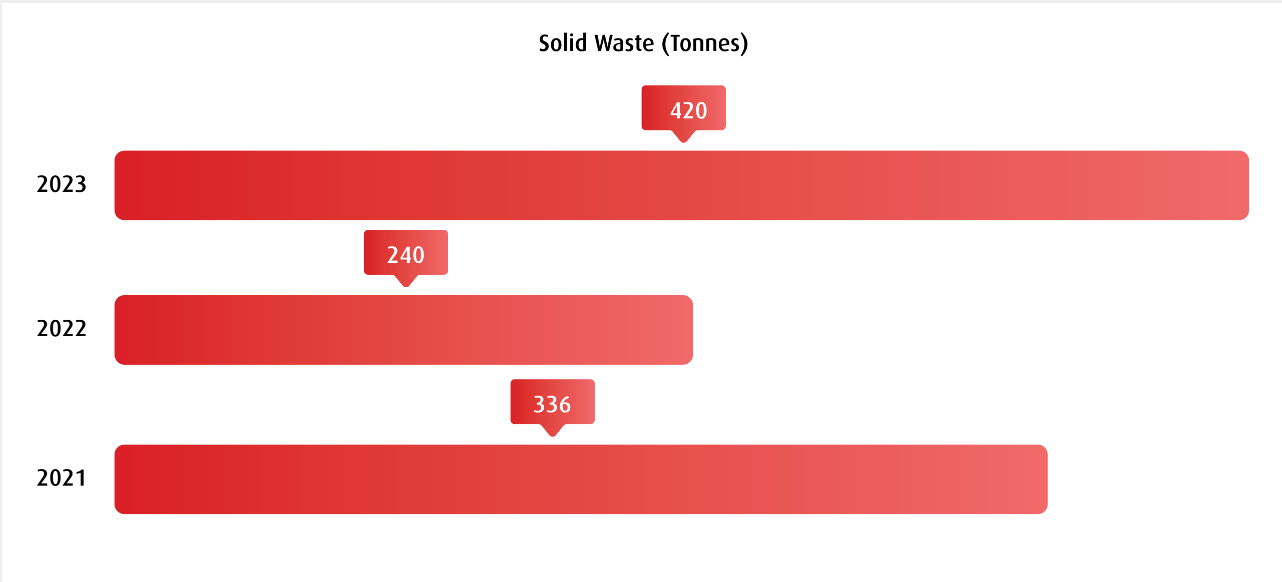
Waste

As a responsible business, we recognise the significance of waste management and its profound implications on the environment, economy, and human well-being. We are dedicated to minimising waste directed to disposal and promoting recycling practices. To achieve this, we have implemented various initiatives. For instance, we actively contribute to community welfare by donating construction rubble to be used for filling pot-holes, thereby repurposing the material and reducing landfill waste. Additionally, we invested in color-coded bins at our sites, including offices, to facilitate effective waste segregation. This allows us to separate recyclable materials from non-recyclable waste, enabling proper disposal and recycling processes. Moreover, to ensure timely waste removal, we collaborate with the municipal waste collection service department, and when necessary, engage third-party waste collectors to address any potential delays in the municipal services.

Our waste management efforts are supported by a tracking system that captures waste quantities at each of our operational sites. This allows us to assess the effectiveness of our actions through key performance indicators, such as waste reduction in tonnage. Regular evaluation of our progress towards waste management goals, including waste reduction and efficient disposal, helps us stay on track. We incorporated valuable lessons learned from engaging with stakeholders and staying informed about industry trends into our operational policies and procedures.

SUSTAINABLE OPERATIONS (continued)

During the year, waste generated was as follows:



Procurement

Our procurement practices enable us to ensure efficient product and service delivery to enhance our competitive advantage. We source goods and services from a variety of providers and understand that our procurement process can have a significant impact on the environment, economy, and people's rights. We conducted an evaluation of our procurement practices and identified several positive and negative impacts. On the positive side, our centralised procurement system has helped us streamline processes and achieve cost savings. Collaborating with a diverse group of suppliers has resulted in higher quality goods and services. We ensure timely deliveries by imposing penalties on underperforming service providers. Additionally, our procurement needs have helped create job opportunities both internally and externally. Nonetheless, we acknowledge several challenges, including potential backlogs in certain processes, manual interventions in procurement procedures, and the need to refine supplier selection criteria. As a responsible business, we are committed to implementing standardised policies and exploring automation opportunities to address these challenges.

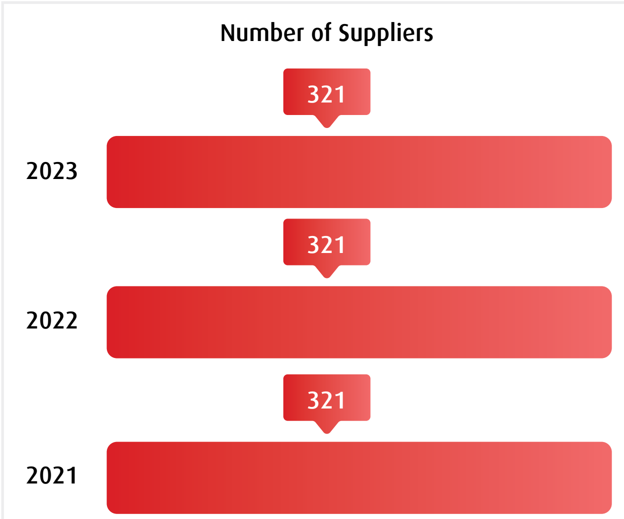
The Group implemented a centralised procurement system that streamlines the procurement process and promotes competition by adhering to the three-quote system and setting maximum delivery periods. Through ongoing automation initiatives, the Group minimises backlogs and enhances overall efficiency. Our Green Procurement Policy prioritises sourcing from environmentally friendly suppliers. Before entering contracts, we evaluate suppliers on their environmental credentials to promote sustainable practices throughout our supply chain. The Group also places great emphasis on aligning suppliers with its own values and philosophy, ensuring that ethical business practices are maintained throughout the procurement process. To ensure the quality and timely delivery of procured items, the Group has established a weekly tracking system that monitors delivery times and enables prompt follow-up on any delays or issues. The Group actively involves both internal and external stakeholders in the procurement process, fostering collaboration, addressing concerns, and gathering feedback to establish open communication channels that facilitate continuous improvement. Ongoing automation efforts aim to minimise human interference and improve the efficiency of the procurement process. The Group regularly updates its procurement policy to ensure its relevance and adaptability to changing circumstances and conditions.

First Mutual Holdings implemented various measures to monitor progress towards its procurement goals and targets which include quarterly internal audits, updates to the procurement policy, and the use of tracking systems such as Internal Requisitions and Order trackers. External audits are conducted to gain valuable insights. The Group set specific targets and goals to evaluate progress in procurement. These targets include fully automating the procurement process, increasing business unit involvement, enhancing controls, integrating with other departments, and training employees on procurement processes and procedures. Clear benchmarks for success have been set, such as achieving full automation by the end of 2024, reducing delivery delays by 80% in 2024, and clearing audit findings by H1 2024. To measure progress and effectiveness, the Group uses key performance indicators (KPIs) such as order-to-delivery lead times, internal requisition-to-order lead times, prices charged by suppliers, and minimising queries in paperwork submission.

SUSTAINABLE OPERATIONS (continued)

Ongoing efforts to automate the procurement process and a notable decrease in complaints from business units show progress towards the set targets and goals. By engaging with various business units, the Group learnt valuable lessons from stakeholder feedback, which have informed its operational policies and procedures. Continuous engagement helps in identifying areas for improvement, and the procurement policy now includes tracking orders and establishing maximum allowable delay times. Engaging stakeholders has provided valuable feedback and assisted in implementing effective controls and processes. The Group successfully reduced the use of non-approved suppliers, minimised comments on submitted paperwork, and improved its understanding of policy issues.

Our procurement for the reporting period was as follows:



CLIMATE CHANGE

First Mutual Holdings recognises climate change and its potential impacts on its operations, products, services, and stakeholders. To ensure a sustainable and resilient future, we implemented a comprehensive approach to climate change adaptation. We conduct thorough assessments to identify both positive and negative impacts of climate change on our operations. We are committed to transitioning to cleaner and renewable energy sources to mitigate negative impacts. We invested in solar power infrastructure to reduce our reliance on fossil fuels and lower our carbon emissions. Additionally, we enhanced our technology and infrastructure to build resilience against climate-related risks. However, we are aware that climate change poses significant challenges that cannot be ignored. As insurers, we are directly affected by the increasing frequency and intensity of extreme weather events caused by climate change. These events have an impact on insurance pay-outs and settlements. We actively participate in afforestation initiatives to enhance carbon sinks in proximity to our operations, by planting 500 trees.

Our electricity provider relies on fossil fuels such as coal for power generation, which has implications for climate change. As part of our commitment to sustainable practices, we are exploring opportunities to reduce our indirect contribution to negative impacts through collaboration with our electricity provider and advocating for cleaner energy alternatives. We implemented several processes to track the effectiveness of our climate change adaptation efforts, including monitoring greenhouse emissions for both direct and indirect emissions across all First Mutual Holdings properties. We established greenhouse gas emissions targets, and we screen projects in the planning process to determine environmental impact. We also use key performance indicators, such as the annual decline in greenhouse gas emissions, to provide measurable benchmarks. Further, we conduct centralised annual greenhouse emissions monitoring to evaluate our actions. We are proud to report that our carbon emissions have significantly decreased, which indicates progress towards our goals. We use the insights gained from these initiatives to improve our operational policies and procedures.

Climate Related Risks

Climate-related risks present significant challenges for First Mutual Holdings Limited and other businesses. As we navigate the impacts of climate change, it is crucial to address these threats. By effectively assessing and managing these risks, we can protect our operations, investments, and stakeholders. Acting on climate-related risks ensures our long-term sustainability and resilience in an ever-changing environment.

FMHL identified the following financial-related risks and opportunities associated to climate change:

Risk/Opportunity	Description of the risk/opportunity	Classification of the risk	Financial implications of the risk	Methods to manage the risk or opportunity.
Tailored products	The growing demand for products addressing specific climate risks such as drought cover.	Other	Low	FMHL is acquiring skills and resources to underwrite climate risks and create innovative products. We aim to reach our target audience, through tailored insurance products marketing and promotion.
Leveraging on technology.	FMHL can leverage on big data analytics, AI, machine learning to improve risk modelling and underwriting practices for the climate risks.	Other	Medium	Consistently monitor and update technological infrastructure and tools to keep up with the ever-evolving risks. Engaging with Agri-tech companies to enhance existing products and for future products.
Increased frequency and severity of natural disasters	Climate-related events such as droughts can result in higher claims and losses for insurance companies.	Physical	Medium	Diversified the risk by spreading exposure across geographic regions and product lines. We tightened underwriting practices to improve book quality and incorporated climate risk assessments into underwriting and pricing.
Regulatory risks	Changes in regulations and increasing focus on climate risk management.	Regulatory	Medium	Remaining informed about evolving regulations and compliance requirements related to climate change. FMHL collaborates with other stakeholders, to engage regulators for regulations that are conducive for businesses and their clients.

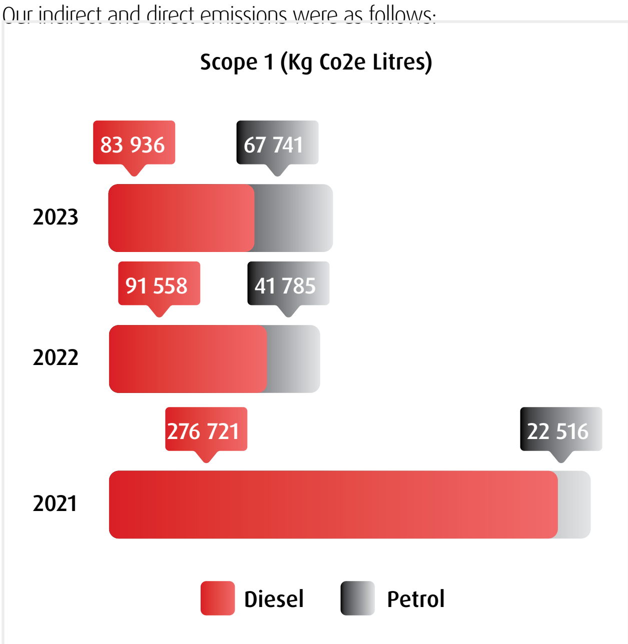
CLIMATE CHANGE (continued)

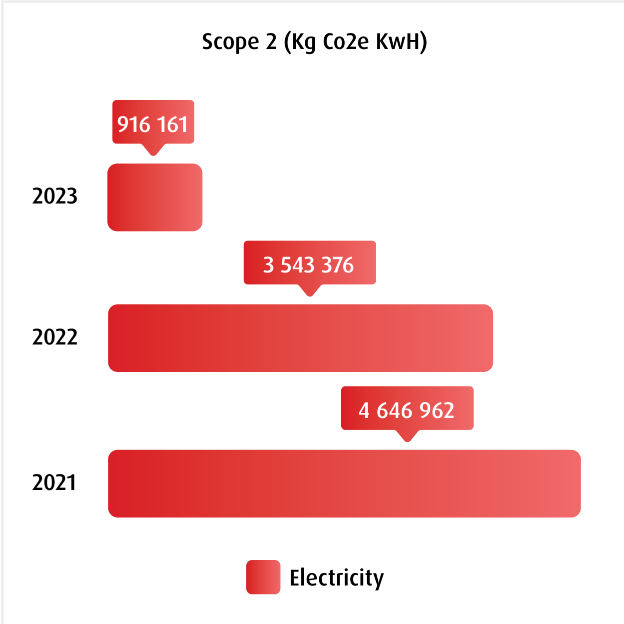
Emissions

The Group calculates its carbon footprint by converting its energy consumption into carbon dioxide (CO2e) emission equivalency using internationally accepted conversion factors to determine Scope 1 and Scope 2 emission.

Scope 1 are direct Greenhouse Gas (GHG) emissions from operations 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. Scope 2 are the emissions from the consumption of energy generated and supplied by a third party in which First Mutual Holdings has no direct control. Our Scope 2 emissions were calculated using emission factors obtained from the Southern African Power Pool 2015 using Operating Margin factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change (IPCC).

Our indirect and direct emissions were as follows:





Biodiversity

FMHL recognises the significant impact of biodiversity on ecosystems and the importance of preserving plant and animal life within and surrounding our properties. We acknowledge that biodiversity supports food security and sustained livelihoods through genetic diversity, leading to increased productivity and overall health. Additionally, we see potential positive impacts in the form of biodiversity becoming a new line of business that can be mitigated by insurance players, allowing for an expanded product portfolio and increased revenue from insurance contracts as awareness of biodiversity risks grows.

However, negative impacts on biodiversity are primarily driven by activities such as the conversion of forests, wetlands, and other natural habitats for agricultural and urban purposes. In collaboration with the Environmental Management Authority (EMA), we screen our construction activities in the planning process to determine if an Environmental Impact Assessment is necessary, particularly when projects are near special areas of conservation. We consider biodiversity effects when planning new assets or operating in designated sites according to national regulations.

First Mutual Holdings incorporated metrics to assess its progress in managing biodiversity within our Environmental Management Systems. Our commitment is to preserve as much of the natural environment as possible and safeguard biodiversity, even in territories where our construction and property management operations expand. We keep parts of construction land undisturbed and rehabilitate disturbed areas. Our construction practices follow the guidelines outlined in our Green Construction Policy, which provides a green framework for our diverse property portfolio.

To track the effectiveness of our actions, we maintain constant communication with the Environmental Management Agency (EMA) on our operations. The Group also set goals and targets, such as performing Environmental Impact Assessments for all projects and embarking on reforestation and nature-based solutions. Key performance indicators, such as the number of trees planted and the number of projects performed after considering environmental impacts, are used to evaluate progress. We recognise that business operations cannot be viewed in isolation of the environment in which they operate, and we strive to align our practices accordingly. Engagement with stakeholders, including regulators like EMA, has informed our actions and this ongoing engagement helps us evaluate the effectiveness of our actions and make necessary adjustments.

IMPACTS IN THE COMMUNITY AND ECONOMY

Corporate Social Responsibility (CSR)

Our CSR Programme, through the First Mutual Foundation, remains dedicated to addressing the growing disparity faced by underprivileged families who struggle to afford the educational expenses for their children. This programme focuses on supporting students in their educational journey, particularly in the areas of attendance, retention, and smooth transitions from primary to secondary schools, and from secondary school to tertiary institutions. The support provided by the program goes beyond the mere payment of school fees, levies, and examination fees. It also encompasses the provision of essential educational resources such as stationery and uniforms. Additionally, the program extends its assistance to tertiary students by addressing their ancillary needs, including food and accommodation.

The First Mutual Foundation aims to alleviate the financial burden associated with education, enabling students from disadvantaged backgrounds to pursue their academic goals without undue financial strain. This initiative reflects our commitment to promoting equal opportunities and empowering individuals to achieve their full potential through education. Through the continued implementation of our corporate social responsibility program, we strive to bridge the gap in educational access and ensure that deserving students have the necessary resources to excel academically.

To ensure effective management of potential impacts on Corporate Social Responsibility (CSR), we established a Crisis Management Committee. This Committee is responsible for promptly addressing any challenges or crises that may arise within our CSR initiatives. We maintain regular communication with our CSR partners, receiving progress and financial reports from them. Additionally, joint monitoring visits are conducted to assess the progress and impact of our CSR programs.

One of our key objectives is to efficiently administer the First Mutual Foundation and the First Mutual Africa University Scholarship. Our primary focus is on ensuring timely payment of school fees on a termly basis for beneficiaries of the First Mutual Foundation and Africa University. We are proud to report that our CSR initiatives have demonstrated positive outcomes. Improved school attendance and retention among the beneficiaries have been observed, indicating the effectiveness of our programs in supporting students throughout their educational journey. Moreover, we witnessed enhanced student transitions to higher levels of education, as well as increased completion rates in primary, secondary, and tertiary education.

Our CSR activities for FY2023 are below:

Priority	SDG Target	Purpose	Beneficiaries
Education 4 QUALITY EDUCATION	Target 4.3	Assisting children in need from economically challenged communities.	First Mutual foundation administered by Bantwana. Africa University Scholarship.
Wellness and Nutrition 3 GOOD HEALTH AND WELL-BEING	Target 3.8	Healthcare services.	Partnered with doctors and nurses on mission for health services such as GP consultations, BP checks, diabetes testing, eye, dental and cancer screening.
Philanthropy 2 ZERO HUNGER	Target 2.1; 2.3	Humanitarian.	Children's Homes and Old People's Homes.

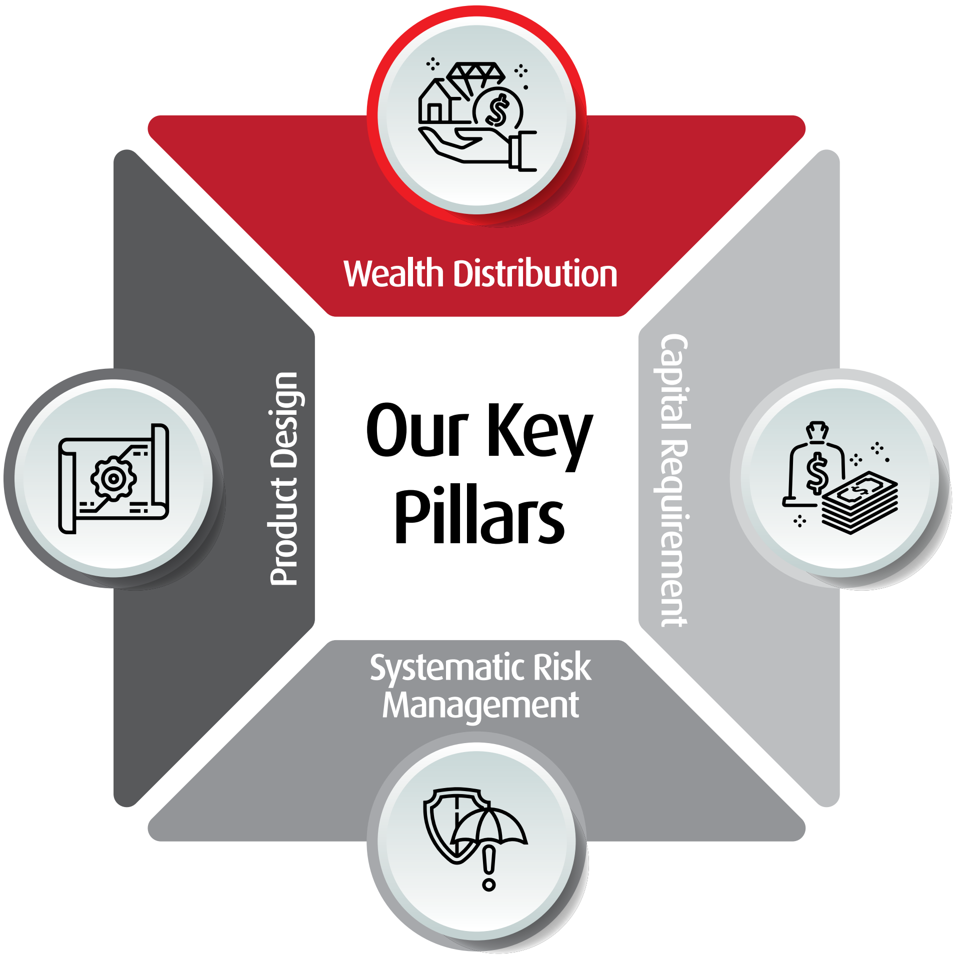
Financial Impacts

As First Mutual Holdings Limited, we strive to create significant economic value through our wide range of products and services, benefiting various stakeholders. We take pride in the positive contributions we make to the communities where we operate. Our approach to generating and distributing economic value is driven by our annual business strategy, budgets, and priorities. In line with our commitment to growth and improvement, we focus on innovation, service excellence, and the development of relevant products. Additionally, we aim to enhance our access channels to stakeholders, ensuring effective communication and engagement.

IMPACTS IN THE COMMUNITY AND ECONOMY (continued)

We are committed to optimising our economic performance and its impact on stakeholders. As a result of effective management practices, our group achieved exceptional outcomes by surpassing budget expectations and experiencing significant growth in revenue, net operating income, and profit after tax. This remarkable performance has allowed us to implement a remodelled remuneration strategy, resulting in reduced employee turnover and enhanced talent retention. Additionally, improved cash flows have provided opportunities for expansion and investment, while increased distributions to shareholders in the form of dividends have generated further value. However, failure to meet performance targets would impede our expansion drive, strain cash flows, hinder talent retention, and impede the envisioned regional growth. As the holding Group, we actively ensure optimal utilisation of cash resources, offer strategic guidance to our business units, establish pricing, and cost management policies, and prioritise employee retention.

To ensure sustainable wealth creation, we identified four key pillars:



These pillars guide our efforts in managing resources, mitigating risk, designing customer-centric products, and ensuring fair distribution of wealth.

We established a set of policies and commitments where our business units are expected to consistently perform at or above the budget set for the given period, ensuring a baseline level of achievement. We strive for growth, with the aim of surpassing the prior year's performance from a budget perspective. Our year-end bonus structure is directly tied to individual and team performance, incentivising employees to drive positive economic outcomes and fostering a culture of excellence. Additionally, our executives have the opportunity to earn additional performance incentives through the issuance of shared-based payments, aligning their interests with the Group's financial success and encouraging strategic decision-making. We implemented a capital management framework, which includes dividend assessment policies to maximise shareholder returns.

We focus on improving both short-term and long-term profitability through efficient operations and strategic initiatives. Each business unit is expected to meet standard key performance indicators (KPIs) set for their respective areas of operation, ensuring alignment with our overall performance objectives. We emphasise the link between operating performance and the generation of cash flows, enabling us to maintain financial stability and reinvest in growth opportunities. Further, we actively adopt and optimise existing technologies while anticipating future developments to minimise costs and increase operational efficiency. As part of our growth strategy, we aim to expand our presence regionally, tapping into new markets and leveraging synergies across our business units.

IMPACTS IN THE COMMUNITY AND ECONOMY (continued)

Quarterly strategy review sessions are conducted, which include performance monitoring, to ensure that our activities align with our strategic objectives. Monthly executive committee (EXCO) meetings are held to track the performance of each business unit and take proactive measures to address any potential challenges that may hinder their ability to meet or exceed expectations. Additionally, we perform monthly variance analysis to assess the performance of each business unit and the overall Group, enabling us to identify areas for improvement and make data-driven decisions. We also conduct quarterly board assessments to evaluate the availability of funds for existing and future projects, ensuring prudent financial management. Further, we regularly assess the competitiveness of our remuneration packages to attract and retain top talent in the market, recognising the critical role of skilled employees in driving our economic success. Lastly, we set a minimum threshold for dividend payments in each period based on shareholder expectations, aiming to provide consistent and attractive returns to our shareholders.

We track effectiveness of our actions taken to manage economic performance through processes such as bi-annual external audits, ad hoc internal audits and quarterly Board meetings. These processes allow for the evaluation of progress towards goals and targets, measured by key performance indicators. The actions have proved to be effective, as evidenced by the Group's performance surpassing the prior year and meeting or exceeding budget levels. We incorporated the need for cost alignment and collaborative efforts into operational policies and procedures. Stakeholder engagement has played a vital role in informing actions and assessing their effectiveness, ensuring strategies align with their expectations.

For detailed information on the direct economic value generated and distributed, please refer to pages xx to xx of our financial statement. These pages provide a comprehensive overview of the economic impact we have achieved.

Responsible Tax

As First Mutual Holdings Limited, we understand the significance of adhering to applicable tax legislations enacted by the government, which has positive impacts on its operations. By maintaining compliance and staying up to date with the latest legislative developments, the Group can effectively manage its cash flows and minimise potential negative impacts. Additionally, the Group acknowledges the potential risks associated with non-compliance, such as litigation, penalties, and late submission of returns. However, we are committed to preventing any negative impacts by actively engaging in responsible tax management and addressing potential issues, such as transfer pricing regulations, to ensure compliance and ethical business practices.

Approach to tax

We have a tax strategy that focuses on minimising tax liability and improving the cash flow position by leveraging provisions within tax legislation. The strategy is formally reviewed and approved by the Combined Audit Committee and Board on a quarterly basis. To ensure tax regulatory compliance, the Group engages a tax expert to stay updated on changes in tax legislation. Additionally, external specialists and consultants are regularly engaged to assist in capturing changes in tax legislation and ensuring compliance with tax-related documents, such as transfer pricing. The approach to tax is closely linked to First Mutual Holdings' business and sustainable development strategy.

Stakeholder Engagement

First Mutual Holdings Limited engages with tax authorities through formal channels, such as emails or letters. These channels are used to communicate and address any tax-related matters with the authorities. In terms of public policy advocacy on tax, we conduct engagements through our legal department. This department takes a proactive role in representing the Group's interests and advocating for favourable tax policies that align with the Group's objectives.

To collect and consider the views and concerns of stakeholders, including external stakeholders, on tax issues, First Mutual Holdings established processes that include:

- Monthly EXCO (Executive Committee) meetings;
- Quarterly board meetings; and
- Finance committee meetings.

These processes allow for constructive dialogue and the inclusion of diverse perspectives, ensuring that the Group considers the interests and concerns of external stakeholders when making decisions related to tax management.

We adhere to timely submission of tax returns and ensure that the final tax for each reporting period undergoes review by external auditors to maintain accuracy and compliance. To stay up to date with tax legislation, we engage experts who provide regular updates and assistance in developing tax papers, particularly in areas like transfer pricing. We pursue engagements with tax authorities when clarification is required, demonstrating our proactive approach to addressing uncertainties. Further, the involvement of our Group Legal department in complex tax matters ensures expert guidance and minimises potential negative impacts.

IMPACTS IN THE COMMUNITY AND ECONOMY (continued)

We conduct internal and external audits to assess compliance with tax regulations and ensure adherence to tax management practices and we aim to achieve 100% tax compliance. Regular engagement with stakeholders, including tax experts and directors, is crucial to inform actions and improve tax management practices.

Tax payments in ZWL

	2023 ZWL (000)	2022 ZWL (000)	2021 ZWL (000)
Value Added Tax (VAT)	1 281 324	115 257	9 928
PAYE	2 103 978	167 100	41 722
Withholding Tax-10%	230 467	12 433	1 606
Aids Levy	63 120	5 013	1 252
IMTT	15 635	5 013	3 985
Total	**3 694 524**	**304 816**	**58 493**

Tax Payment in USD

Payment	**2023 US$**
PAYE	1 988 740
Aids Levy	59 668

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

FINANCIAL REPORTS

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with confidence

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Independent Auditor's Report

To the Shareholders of First Mutual Holdings Limited

Report on the Audit of the Consolidated and Company Financial Statements

Opinion

We have audited the inflation adjusted consolidated and company financial statements of the First Mutual Holdings Limited and its subsidiaries (the Group), set out on pages 84 to 222 which comprise the inflation adjusted consolidated and company statement of financial position as at 31 December 2023, and the inflation adjusted consolidated and company statement of profit or loss and other comprehensive income, the inflation adjusted consolidated and company statement of changes in equity and the inflation adjusted consolidated and company statement of cashflows for the year then ended, and notes to the inflation adjusted consolidated and company financial statements, including material accounting policy information.

In our opinion, the inflation adjusted consolidated and company financial statements present fairly, in all material respects, the inflation adjusted consolidated and company financial position of the group as at 31 December 2023 and its inflation adjusted financial performance and inflation adjusted consolidated and company 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).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of inflation* adjusted consolidated and company 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) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of *the* inflation adjusted consolidated and company 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. 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 and company 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 As included in the above notes to the inflation adjusted consolidated financial statements the below accounts have been an area where significant judgements were applied: ► Investment property amounting to ZWL$1 071 606 243 344 (2022: ZWL 111 434 930 576) 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 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 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, 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.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the matter</th></tr>
<tr><td colspan="2">IFRS 17 - Insurance Contracts - Implementation and Reporting (consolidated)</td></tr>
<tr><td>
Consolidated

► On 1 January 2023, the Group's Insurance Cluster entities adopted IFRS 17 - "Insurance Contracts" ('IFRS 17'), which replaced IFRS 4 – "Insurance Contracts". The Insurance Cluster applied IFRS 17 to insurance contracts issued and reinsurance contracts held as at 1 January 2022, as described in Note 13 to the inflation adjusted consolidated financial statements, in accordance with the accounting policies outlined in Note 2

► The impact of the initial application of IFRS 17 on the inflation adjusted consolidated financial statements was an increase of ZWL$ 649.3 million to the Group's total equity as at 1 January 2022

► We assessed the impact of the initial application of IFRS 17 to be an area of focus due to the judgement applied and the complexity of the initial application. Such areas of key judgement and complexity included:

• Consideration and preparation of key accounting policies under IFRS 17.

• Determination of measurement models which are appropriate for the Group's insurance products.

• With the support of management's actuaries, determination of key accounting estimates and assumptions which included the measurement of the Group's Life and re-insurance contract assets and liabilities, including the loss of components or Contractual Service Margins (CSM) at the transition date

• Determination of key inputs such as future cashflows, contractual service margins, risk adjustments and discount rates.
</td><td>
Our procedures on the initial application of IFRS 17 included:

► We obtained an understanding and evaluated the design and implementation of management's controls over the adoption of IFRS 17 accounting policies and the significant estimates and assumptions used in the determination of the Group's insurance contracts

► With the support of our internal Actuarial specialists, we evaluated the related accounting policies and actuarial methodologies to assess compliance with IFRS 17. The methodologies included the classification of contracts in terms of the three different measurement approaches (the General Model, the Premium Allocation Approach and the Variable Fee Approach); the transition and the valuation approaches and the wide range of financial and non-financial assumptions

► With regards to the transition approaches applied in the calculation of the CSM, evaluated the Group's assessment of the availability of reasonable and supportable historical information.

► Assessed the appropriateness and consistency of the key assumptions (both new and revised) considering the industry and other external sources of benchmarking where applicable, and the knowledge of the products and the requirements of IFRS 17.

► Performed testing of the completeness and accuracy of the data used in the calculation of the transition balances to the underlying source systems on a sample basis.

► Considered whether the associated transition disclosures in the financial statements are in compliance with IFRS 17 parameters and with the methodologies and assumptions approved by the directors.
</td></tr>
</table>

Key Audit Matter	How our audit addressed the matter
2. IFRS 17 - Insurance Contracts - Implementation and Reporting (consolidated)	
• Identification and application of appropriate transition approaches. • Computation of the transition balances. ▸ This required the application of significant auditor judgement and involved specialised actuarial skills and knowledge to assist in the evaluating and assessing management's judgements and assumptions. ▸ Accordingly, we have identified the initial application of IFRS 17 as a key audit matter. The critical accounting judgements and impact of the initial application of IFRS1 7 are set out in Note	

Other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

Date: 25 June 2025

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		INFLATION ADJUSTED - AUDITED			HISTORICAL COST - UNAUDITED		
		AUDITED	AUDITED	AUDITED	UNAUDITED	UNAUDITED	UNAUDITED
ASSETS		31-Dec-23	31-Dec-22	01-Jan-22*	31-Dec-23	31-Dec-22	01-Jan-22
		ZWLm	ZWLm	ZWLm	ZWLm	ZWLm	ZWLm
Goodwill	8.2	1 334	728	402	1 334	151	24
Deferred tax asset	20.1	13 837	5 154	1 780	9 818	1 032	105
Property, plant and equipment	6	28 125	11 294	7 934	7 601	708	141
Investment property	7	1 080 501	536 002	372 409	1 071 606	111 435	22 507
Right of use of assets - IFRS 16	6.1	7 402	230	231	1 753	48	14
Other intangible assets	8.1	186	211	276	6	7	4
Investment in associates	10	5 371	6 641	5 818	4 968	832	212
Financial assets:							
- Equity securities at fair value through profit or loss	11.1	221 395	85 006	101 489	221 395	17 673	6 134
- Debt securities at amortised cost	11.2	52 684	12 094	3 088	52 684	2 514	187
Investment in gold coins	9	2 948	1 331	-	2 948	277	-
Non current assets held for sale	7.2	-	185	-	-	38	-
Income tax asset	20.2	392	56	-	392	15	-
Inventory	12	1 772	1 609	724	528	171	30
Reinsurance contract assets	13	100 147	36 932	7 069	89 943	7 425	1 058
Intermediaries, tenant and other receivables	14	82 333	59 155	45 724	79 817	12 186	2 638
Cash and cash equivalents	15	104 948	80 195	50 530	104 948	16 673	3 054
TOTAL ASSETS		**1 703 375**	**836 823**	**597 474**	**1 649 741**	**171 185**	**36 108**
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the parent							
Share capital		1 993	1 993	1 993	55	55	55
Share premium		39 969	39 969	39 969	39	39	39
Non-distributable reserves		63 526	6 870	12 374	11 478	809	490
IFRS 17 adoption reserve		(6 750)	(6 750)	(6 750)	(649)	(649)	(649)
Retained profits		252 071	106 433	69 074	301 629	28 930	7 252
Total equity attributable to equity holders of the parent		**350 809**	**148 515**	**116 660**	**312 552**	**29 184**	**7 187**
Non-controlling interests		331 914	155 243	100 178	326 709	32 371	6 270
Total equity		**682 723**	**303 758**	**216 838**	**639 261**	**61 555**	**13 457**
Liabilities							
Deferred tax liability	20.1	72 287	71 060	54 196	69 946	14 637	3 258
Shareholder risk reserves	13.7	7 449	1 466	-	7 449	305	-
Member assistance fund	17	9	43	150	9	9	9
Lease liabilities	6.1	3 772	598	249	3 772	124	15
Compensation Reserve	13.8	9 615	-	-	9 615	-	-
Borrowings	18	30 448	8 083	2 759	30 448	1 681	167
Put option liability	18.1	27 109	15 496	9 400	27 109	3 222	568
Insurance contract liabilities	13	677 376	351 579	239 146	670 838	72 149	14 115
Investment contract liabilities with DPF	13	83 168	37 075	25 581	83 168	7 708	1 549
Investment contract liabilities without DPF	13.6	44 804	15 586	27 788	44 804	3 240	1 679
Share based payment liabilities	16.4	12 587	1 045	4 413	12 587	217	267
Other payables	19	48 566	29 088	15 361	47 273	5 933	928
Current income tax liabilities	20.2	3 462	1 946	1 593	3 462	405	96
Total liabilities		**1 020 652**	**533 065**	**380 636**	**1 010 480**	**109 630**	**22 561**
TOTAL EQUITY AND LIABILITIES		**1 703 375**	**836 823**	**597 474**	**1 649 741**	**171 185**	**36 108**

*Prior year opening balances have been restated in accordance with IFRS 17. Please refer to note 2 for the Group's IFRS 17 transitional provisions

The Group has adopted IFRS 17- Insurance contracts, a new accounting standard that became effective on 1 January 2023. The adoption of the new standard has resulted in new financial statement lines as presented in the primary financial statements. Prior year numbers have been restated in accordance with the new standard & provisions of IAS 8 from 1 January 2022. 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.

Amos Manzai
Chairman
5 June 2025

Douglas Hoto
Group Chief Executive Officer
5 June 2025

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2023

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		AUDITED	AUDITED	UNAUDITED	UNAUDITED
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	Note	ZWLm	ZWLm	ZWLm	ZWLm
INCOME					
Insurance contract revenue	21	1 088 840	400 735	503 246	47 217
Insurance service expenses from insurance contracts issued	**21**	**(942 910)**	**(332 117)**	**(476 932)**	**(45 004)**
-Incurred claims and insurance contract expenses	21	(549 797)	(207 613)	(252 720)	(25 539)
-Adjustments to liabilities for incurred claims	21	(107 494)	(53 862)	(106 048)	(10 663)
-Insurance contract acquisition cash flows- amortisation	21	(285 619)	(70 642)	(118 165)	(8 803)
Insurance service result before reinsurance contract held		**145 929**	**68 618**	**26 314**	**2 212**
Net expenses from reinsurance contracts held		**(4 628)**	**6 263**	**28 930**	**4 438**
Reinsurance recoveries and other income	21	248 229	78 248	111 158	10 876
Reinsurance expenses (allocated reinsurance premiums)	21	(252 857)	(71 985)	(82 228)	(6 438)
Insurance service result	**21**	**141 301**	**74 881**	**55 243**	**6 650**
Net finance expenses from insurance contracts issued	22	(267 727)	(65 219)	(461 063)	(38 856)
Insurance finance result	**22**	**(267 727)**	**(65 219)**	**(461 063)**	**(38 856)**
Net insurance & reinsurance performance		**(126 426)**	**9 662**	**(405 820)**	**(32 206)**
Net investment return from equities	23	44 755	(41 669)	169 909	8 654
Net gains from fair value adjustments to investment properties	7	528 654	164 102	952 513	89 044
Interest revenue from financial assets not measured at FVTPL	23	30 587	6 867	11 817	705
Net gains from investment in gold coins	23	1 390	(288)	2 623	38
Net change in investment contract liabilities		(28 972)	2 881	(42 126)	(1 561)
Movement in shareholder risk reserve		(5 983)	1 965	(7 144)	(97)
Net insurance & reinsurance performance after investment return		**444 006**	**143 521**	**681 772**	**64 577**
Rental income	24	39 116	13 072	23 676	2 121
Property expenses	25	(22 415)	(7 727)	(13 468)	(1 398)
Interest income- Microfinance	26.1	20 298	3 486	12 789	504
Interest expense and direct costs- Microfinance	26.1	(6 676)	(1 316)	(4 298)	(187)
Asset management services revenue	26.2	2 218	2 015	1 400	269
Asset management services direct costs	26.2	(3 721)	(1 322)	(2 233)	(219)
Other income	26.3	12 520	6 350	16 759	1 050
Foreign currency exchange gain/(loss)	26.3	71 022	28 052	43 550	4 329
Regulatory provision	19.3	(3 022)	(625)	(5 575)	(513)
Pharmacies, Clinics and Funeral direct costs	27	(9 945)	(1 124)	(4 956)	(177)
Other administration expenses	28	(149 748)	(62 112)	(100 726)	(9 476)
Movement in premium credit adjustment	28	(4 898)	(1 526)	(4 898)	(317)
Movement in allowance for credit losses	28.3	(4 949)	(2 128)	(4 949)	(442)
Finance costs		(843)	(87)	(372)	(12)
Net monetary losses		(31 979)	(4 461)	-	-
Profit before share of (loss)/profit of associate		**350 984**	**114 069**	**638 471**	**60 109**
Share of profit/(loss) of associate		2 304	(1 518)	2 121	(71)
Profit before income tax		**353 288**	**112 551**	**640 592**	**60 038**
Income tax expense	20.3	(4 971)	(22 071)	(57 408)	(11 749)
Profit for the period		**348 317**	**90 480**	**583 184**	**48 290**
Other comprehensive income/(loss)					
Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods					
Exchange gain/(loss) on translating foreign operations		64 467	5 402	20 839	2 738
Share of other comprehensive income from associates		(907)	1 505	2 176	136
Other comprehensive income to be reclassified to statement of comprehensive income in subsequent periods		**63 560**	**6 907**	**23 015**	**2 873**
Total comprehensive profit for the period		**411 877**	**97 387**	**606 199**	**51 163**
Profit attributable to:					
Non-controlling interest		197 693	51 895	307 528	26 361
Equity holders of the parent		150 624	38 585	275 657	21 929
Profit for the period		**348 317**	**90 480**	**583 184**	**48 290**
Total Comprehensive income attributable to:					
Non-controlling interest		188 398	54 253	309 723	26 944
Equity holders of the parent		223 480	43 134	296 477	24 219
Total comprehensive income for the period		**411 877**	**97 387**	**606 199**	**51 163**
Basic earnings per share (cents)	29.1	20 585	5 698	37 673	3 084
Diluted earnings per share (cents)	29.2	20 585	5 698	37 673	3 084

The Group has adopted IFRS 17- Insurance contracts, a new accounting standard that became effective on 1 January 2023. The adoption of the new standard has resulted in new financial statement lines as presented in the primary financial statements. Prior year numbers have been restated in accordance with the new standard & provisions of IAS 8 from 1 January 2022. 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.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023

INFLATION ADJUSTED - AUDITED	Share capital AUDITED ZWLm	Share premium reserves AUDITED ZWLm	Non-distributable reserves AUDITED ZWLm	IFRS 17 Adoption reserve AUDITED ZWLm	Retained earnings AUDITED ZWLm	Total equity for parent AUDITED ZWLm	Non-controlling interest AUDITED ZWLm	Total equity AUDITED ZWLm
As at 1 January 2022 as previously reported	**1 993**	**39 969**	**12 374**	**-**	**69 074**	**123 410**	**99 112**	**222 522**
Impact of adopting IFRS 17				(6 750)		(6 750)	1 065	(5 685)
Restated as at 1 January 2022	**1 993**	**39 969**	**12 374**	**(6 750)**	**69 074**	**116 660**	**100 178**	**216 837**
Profit for the year				-	38 585	38 585	51 895	90 480
Other comprehensive (loss)/income			4 549			4 549	2 358	6 907
Total comprehensive (loss)/income	**-**	**-**	**4 549**	**-**	**38 585**	**43 134**	**54 253**	**97 387**
Issue of shares	-	-	(569)	-	569	-	-	-
- share options lapsed	-	-	(569)	-	569	-	-	-
- Issue of shares	-	-	-	-	-	-	-	-
FMP redemption of shares						-	45	45
FMP treasury shares buyback	-	-	-	-	79	80	(80)	-
Reclassification of NCI to put option liability	-	-	-	-	-	-	1 744	1 744
Remeasurement of Put option liability	-	-	(9 484)	-	-	(9 484)	-	(9 484)
Dividend declared and paid	-	-	-	-	(1 874)	(1 874)	(897)	(2 771)
As at 31 December 2022	**1 993**	**39 969**	**6 870**	**(6 750)**	**106 433**	**148 515**	**155 243**	**303 758**
Balance as at 1 January 2023 (Restated)	**1 993**	**39 969**	**6 870**	**(6 750)**	**106 433**	**148 515**	**155 243**	**303 758**
Profit for the year	-	-	-	-	150 624	150 624	197 693	348 317
Other comprehensive income	-	-	72 855	-	-	72 855	(9 295)	63 560
Total comprehensive income	**-**	**-**	**72 855**	**-**	**150 624**	**223 479**	**188 398**	**411 877**
FMP redemption of shares	-	-	-	-	-	-	56	56
FMP treasury shares buyback	-	-	299	-	77	376	(376)	-
Remeasurement of Put option liability	-	-	(16 498)	-	-	(16 498)	-	(16 498)
Reclassification to put option liability	-	-	-	-	-	-	(7 389)	(7 389)
Dividend declared and paid	-	-	-	-	(5 063)	(5 063)	(4 018)	(9 081)
As at 31 December 2023	**1 993**	**39 969**	**63 526**	**(6 750)**	**252 071**	**350 809**	**331 914**	**682 723**

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2023

HISTORICAL COST - UNAUDITED	Share capital UNAUDITED ZWLm	Share premium reserves UNAUDITED ZWLm	Non-distributable reserves UNAUDITED ZWLm	IFRS 17 Adoption reserve UNAUDITED ZWLm	Retained profits UNAUDITED ZWLm	Total equity for parent UNAUDITED ZWLm	Non-controlling interest UNAUDITED ZWLm	Total equity UNAUDITED ZWLm
As at 1 January 2022 as previously reported	**55**	**39**	**490**	**-**	**7 252**	**7 836**	**5 984**	**13 819**
Impact of adopting IFRS 17	-	-	-	(649)	-	(649)	287	(362)
Restated as at 1 January 2022	**55**	**39**	**490**	**(649)**	**7 252**	**7 187**	**6 270**	**13 457**
Profit for the year	-	-	-	-	21 929	21 929	26 361	48 290
Other comprehensive (loss)/income	-	-	2 291	-	-	2 290	583	2 873
Total comprehensive (loss)/income	**-**	**-**	**2 291**	**-**	**21 929**	**24 219**	**26 944**	**51 163**
FMP redemption of shares	-	-	-	-	-	-	5	5
FMP treasury shares	-	-	-	-	16	16	(16)	-
Reclassification of NCI to put option liability	-	-	-	-	-	-	(681)	(681)
Remeasurement of Put option liability	-	-	(1 972)	-	-	(1 972)	-	(1 972)
Dividend declared and paid	-	-	-	-	(266)	(266)	(151)	(417)
As at 31 December 2022	**55**	**39**	**809**	**(649)**	**28 930**	**29 184**	**32 371**	**61 555**
Balance as at 1 January 2023 (Restated)	**55**	**39**	**809**	**(649)**	**28 930**	**29 184**	**32 371**	**61 555**
Profit for the year	-	-	-	-	275 656	275 656	307 528	583 184
Other comprehensive income	-	-	20 820	-	-	20 820	2 195	23 015
Total comprehensive income	**-**	**-**	**20 820**	**-**	**275 656**	**296 476**	**309 723**	**606 199**
FMP redemption of shares	-	-	-	-	-	-	28	28
FMP treasury shares buyback	-	-	97	-	169	266	(266)	-
Reclassification of NCI to put option liability	-	-	-	-	-	-	(13 640)	(13 640)
Remeasurement of Put option liability	-	-	(10 248)	-	-	(10 248)	-	(10 248)
Dividend declared and paid	-	-	-	-	(3 126)	(3 126)	(1 507)	(4 633)
As at 31 December 2023	**55**	**39**	**11 478**	**(649)**	**301 629**	**312 552**	**326 709**	**639 261**

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The Group has adopted IFRS 17- Insurance contracts, a new accounting standard that became effective on 1 January 2023. The adoption of the new standard has resulted in new financial statement lines as presented in the primary financial statements. Prior year numbers have been restated in accordance with the new standard & provisions of IAS 8 from 1 January 2022. 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 2023

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Note	31-Dec-23 AUDITED ZWLm	31-Dec-22 AUDITED ZWLm	31-Dec-23 UNAUDITED ZWLm	31-Dec-22 UNAUDITED ZWLm
Profit before income tax		**353 288**	**112 551**	**640 592**	**60 038**
Adjustments for non-cash items:					
Depreciation	28	2 649	2 111	462	60
Fair value gains on investment properties	7	(528 654)	(164 102)	(952 513)	(89 044)
Amortisation of intangible assets	28	25	120	1	1
Fair value adjustment on equity securities at FVPL	23	(59 479)	35 546	(174 386)	(9 356)
Gain or bargain on purchase of investment in associate	10	-	(323)	-	(112)
Profit/(loss) from disposal of property and equipment	26.3	(7)	(133)	(10)	(18)
Fair value gain on investment in gold coins	23	(1 390)	288	(2 623)	(38)
Cash settled share based payment	16.4	15 500	628	14 938	72
Share of loss/(profit) of associate	10	(2 304)	1 518	(2 121)	71
Profit or loss on disposal of investment in associate		2 664	-	(606)	-
Adjustments for separately disclosed items:					
Finance costs on lease liability		843	87	372	12
Dividend received	23	(16 569)	(1 527)	(6 824)	(175)
Interest charged	19	5 734	937	3 777	126
Interest received from investments	23	(30 587)	(6 867)	(11 817)	(705)
Monetary gain or loss		933 925	6 124		
Operating cash flows before working capital changes		**675 638**	**(13 042)**	**(490 758)**	**(39 068)**
Working capital changes					
(Increase)/Decrease in inventory		(163)	(885)	(358)	(140)
(Increase)/ decrease in other receivables		(422)	4 209	(12 900)	(2 532)
(Increase)/ decrease in rental receivables		(1 829)	(884)	(3 711)	(404)
(Increase) in premium receivables from intermediaries		(20 926)	(16 722)	(51 020)	(6 613)
(Increase) in reinsurance contract assets		(63 215)	(45 626)	(82 518)	(6 434)
Increase in other payables		19 479	13 098	41 341	4 492
Increase in Shareholder risk reserves		5 983	1 466	7 144	305
Increase in investment contract liabilities without DPF		29 218	(12 202)	41 564	1 561
Increase in insurance contract liabilities		371 889	155 597	674 479	63 188
Effects of inflation on working capital		(901 946)	(1 663)	-	-
		(561 932)	**96 388**	**613 691**	**53 423**
Cash generated from operations		**113 706**	**83 346**	**122 933**	**14 355**
Finance costs on lease liability		(843)	(87)	(372)	(12)
Cash settled share based payments		(3 039)	(596)	(2 568)	(121)
Interest received	23	30 587	6 867	11 817	705
Interest paid	18	(5 734)	(937)	(3 777)	(126)
Income tax paid	20.2	(20 214)	(6 348)	(7 710)	(725)
Net cash flows from operating activities		**114 463**	**82 245**	**120 323**	**14 076**
Investing activities					
Dividends received	23	16 610	1 527	6 835	175
Additions to property, plant and equipment	6	(18 904)	(5 331)	(7 211)	(611)
Additions to investment property	7	(18 772)	(723)	(9 734)	(83)
Purchase of Gold coins		(227)	(1 618)	(48)	(239)
Additions to investment in associate	10	(608)	(405)	(208)	(24)
Additions of intangible assets		-	(55)	-	(4)
Proceeds from disposal of Investment property	7	3 112	1 047	2 113	160
Proceeds from disposal of investment in associate		1 412	-	917	-
Proceeds from disposal of property and equipment		47	163	18	19
Purchase of solar project		-	(135)	-	(23)
Purchase of equity securities at FVPL	11.1	(83 765)	(20 449)	(31 951)	(2 342)
Purchase of debt securities at amortised cost	11.2	(88 925)	(21 176)	(36 622)	(2 421)
Proceeds from sale of equity securities at FVPL	11.1	6 855	1 386	2 615	159
Proceeds from debt securities at maturity	11.2	53 130	855	19 187	98
Cash (utilised in)/generated from investing activities		**(130 035)**	**(44 914)**	**(54 089)**	**(5 136)**
Financing activities					
Repurchase of shares-FMP		(56)	(45)	(28)	(5)
Lease liability repayment		(1 232)	(155)	(470)	(18)
Dividends paid controlling interest		(5 063)	(1 874)	(3 126)	(266)
Borrowings received		22 603	8 673	14 551	1 531
Loan repayments		(5 993)	(1 473)	(3 750)	(188)
Dividends paid to non-controlling interest		(4 017)	(897)	(1 507)	(151)
Cash flows generated from/(utilised in) financing activities		**6 242**	**4 229**	**5 670**	**903**
Net increase in cash and cash equivalents		**(9 330)**	**41 560**	**71 904**	**9 843**
Cash and cash equivalents at the beginning of the year		80 195	50 530	16 673	3 054
Effects of exchange rate changes on cash and cash equivalents		41 199	40 776	16 371	3 776
Effects of inflation on cash and cash equivalents		(7 116)	(52 671)	-	-
Cash and cash equivalents at the end of the year		**104 948**	**80 195**	**104 948**	**16 673**

The Group has adopted IFRS 17- Insurance contracts, a new accounting standard that became effective on 1 January 2023. The adoption of the new standard has resulted in new financial statement lines as presented in the primary financial statements. Prior year numbers have been restated in accordance with the new standard & provisions of IAS 8 from 1 January 2022. 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 2023

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, National Social Security Authority ("NSSA") & CBZH as major shareholders of First Mutual Holdings Limited with a total holding of 70.91% (NSSA 2022:66.22%, 2023: 34.44%; CBZH 2022: 0%, 2023: 36.47%) directly in First Mutual Holdings.

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 2023 were authorised for issue in accordance by a resolution of the Directors' at a meeting held on 5 June 2025.

2 SUMMARY OF MATERIAL 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) 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.

2.1.2 Inflation adjustment

"The financial statements of the Group & Company are presented in Zimbabwean dollars (ZWL). They have been prepared under the inflation-adjusted accounting basis in line with the provisions of International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" (IAS 29), hence the historical cost information has been restated for changes in the general purchasing power of the Zimbabwe Dollar and appropriate adjustments and reclassifications have been made. Accordingly, the inflation-adjusted financial statements represent the primary financial statements of the Company. The historical cost financial statements have been provided by way of supplementary information.

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date and that corresponding figures for previous periods be stated in the same terms as the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe Central Statistical Office (ZIMSTAT) up to 31 January 2023.

On the 3rd of March 2023, the Government of Zimbabwe issued SI 27 of 2023, which defined the term "rate of inflation" and introduced a new inflation rate measurement method. Consequently, ZIMSTAT stopped reporting ZW$ inflation and CPI figures and only released blended CPI figures. This change created a challenge for the Group and Company, as it had been using the ZW$ CPI for reporting hyperinflated historical figures in prior years. Please refer to note 3.2.6 for management's estimation of the CPIs"

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 2023 are as follows:

Date	CPI	Conversion factor
December 2023	65 703.44	1.00
November 2023	53 915.71	1.22
October 2023	49 222.55	1.33
September 2023	44 720.86	1.47
August 2023	42 659.97	1.54
July 2023	46 633.80	1.41
June 2023	42 710.72	1.54
May 2023	18 704.62	3.51
April 2023	15 480.17	4.24
March 2023	13 949.99	4.71
February 2023	13 849.20	4.74
January 2023	13 819.67	4.75
December 2022	13 672.91	4.81
January 2022	4 190.00	15.68
December 2021	3 977.50	16.52
December 2020	2 474.51	26.55

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

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

The main considerations and procedures applied for the above-mentioned restatement are as follows:
- financial statements are stated in terms of a measuring unit current at the 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 separate line items under adjustment of non cash items and working capital movement.
- 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.

Liability for remaining coverage for all PAA products is a non-monetary item. CSM for insurance contracts is monetary.

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.

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 legal tender for the period ending 31 December 2023. This announcement was passed as law on 28 June 2022, through Statutory Instrument 118A of 2022 (S.I 118A of 2022), with an extension to 2030 passed through SI 218 of 2023. 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 2023.

(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 post 31 December 2023 that are relevant to the Group to the Group:

Standard/interpretation	Effective date	Executive summary
Amendments to Non-current Liabilities . with Covenants (Amendments to IAS 1)	1 January 2024	"IAS 1 Presentation of Financial Statements has been revised to remove the amendments issued by the IASB in January 2020, which initially had an effective date of January 1, 2023. Amendments to IAS 1 issued by the IASB in October 2022 defer the effective date of the January 2020 amendments to annual reporting periods beginning on or after January 1, 2024.The suite of amendments to IAS 1 (2020 and 2022) has an effective date for annual reporting periods beginning on or after January 1, 2024. The main changes from current IAS 1 due to the amendments are set out below: · Right to defer settlement - the amendments provide clarification that if an entity's right to defer settlement of a liability is subject to the entity complying with future covenants, the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. · Expected deferrals - the amendments clarify that classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. · Settlement by way of own equity instruments - the amendments clarify that there is an exception to the requirement that settlement of liabilities by way of own equity instruments impacts the classification of liabilities · Disclosures - the amendments require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within twelve months. The Group will make additional disclosures in line with the requirements of the ammendment to the new standard."
Amendments re Sale and Leaseback Transactions (Ammendments to IFRS 16) 3	1 January 2024	On September 22, 2022, the IASB issued amendments to IFRS 16, Leases, which add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application(i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16. This will unlikely have a material impact as the Group does not have any sale or lease back arrangament nor will it be looking to enter into any - Sale and lease back.
Amendments to IAS 7 and IFRS 7	1 January 2024	On 25 May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for reporting periods beginning on or after 1 January 2024. The Group will make additional disclosures in line with the requirements of the ammendment to the new standard.
Ammendments to IAS 21	1 January 2025	On 15 August 2023, the IASB issued Lack of Exchangeability (Amendments to IAS 21) to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after 1 January 2025. Impact of the standard on the business will be determinable when it becomes effective

b) New standards, amendments and interpretations issued & effective for 31 December 2023 year ends that are relevant to the Group.

Standard/interpretation	Effective date	Executive summary
IFRS 17, 'Insurance contracts'	1 January 2023	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are 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. 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. Our assessment of the Company's products indicate that majority of products meet the Premium Allocation Approach (PAA). The Company has been impacted by the standard in various ways. There has been 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 are nolonger be presented as separate line items. On the statement of financial position there is recognition of insurance contract liabilities and assets mainly made up of Liability for Remaining Coverage (LRC) and Liability for Incurred Claims (LIC). Premium receivables are no longer recognised, unless the premium has been received by an intermediary, but not yet received by the group, in which case the group's policy choice is to reflect these as receivables in terms of IFRS 9, separately from the insurance related balances.
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.

b) New standards, amendments and interpretations issued & effective for 31 December 2023 year ends that are relevant to the Group.

Standard/interpretation	Effective date	Executive summary
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 deferred tax liabilities as the company already holds these assets and liabilities. Profit after tax and equity will also be impacted.
IFRS Practice 2		The Practice Statement applies to the preparation of financial statements in accordance with full IFRS.The Practice Statement notes that the need for materiality judgements is pervasive in the preparation of financial statements and affects recognition, measurement, presentation, and disclosure. Thus an entity is only required to apply recognition and measurement requirements when the effect of applying them is material and need not provide a disclosure specified by an IFRS if the information resulting from that disclosure is not material.The Practice Statement also offers some guidance on materiality judgements in specific circumstances. These are prior-period information (including prior-period information not previously provided and summarising prior-period information), errors (including cumulative errors), information about covenants, and materiality judgements for interim reporting (including interim reporting estimates).

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

2.1.5 Going concern assumption

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

2.2 Basis of consolidation

(a) Subsidiaries

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

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

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

(a) Subsidiaries (continued)

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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.

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 70.07% (2022 : 70.04%) owned through First Mutual Life Assurance Company (Private) Limited, Diamond Seguros is 70.6% (2022: 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% (2022: 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;

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.

2.4 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.

2.5 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 and fittings	· 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.

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 2023 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 or on maturity. 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.

2.12 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.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Fair value (continued)

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

Premium receivable from intermediaries, 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 premium receivables from intermediaries, 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.

Premium receivable from intermediaries

Management has elected to carry premium receivables from intermediaries an IFRS 9 asset.

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.

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 period 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 premiums receivables from intermediaries (these are short term in nature as the intermediary is expected to settle in a short period of time), tenant and other receivables (excluding prepayments). To measure the expected credit losses, premium receivable from intermediaries, tenant and other receivables have been grouped based on shared credit characteristics. The Group has therefore concluded that the expected credit loss rates for premium receivables from intermediary are a reasonable approximation of the loss rates for the intermediary premium 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 2023 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 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

2.14.1 Financial assets (continued)

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.

The Group and Company's financial liabilities include insurance related payables, trade and other payables, borrowings, 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.

2.17 Leases

2.17.1 Leases - Group as a 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.

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 a 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 therefore 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 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.18.1 Insurance contract revenue

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 material insurance risk from another party by agreeing to compensate that party if it is adversely affected by a specified uncertain future event.

2.18.1.1 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 material 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 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.

2.18.1.2 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.

2.18.1.3 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.

2.18.1.4 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 transparent. 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.

2.18.1.5 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.

2.18.1.6 Measurement models

2.18.1.6.1 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 produced applying 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.

2.18.1.6.2 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.

2.18.1.6.3 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.

2.18.1.7 Risk Adjustment

The risk adjustment reflects the compensation required by the Group for bearing the uncertainty about the amount and timing of future cash flows (understated premiums and overstated claims) that arises from non-financial risk. The Group estimates these factors by reference to the business units' claims experiences. The Group does not disaggregate changes in the risk adjustment between insurance service result and insurance finance income or expenses as all adjustments are included in insurance service

result through the election to present net finance costs/ income relating insurance and reinsurance contracts in the profit and loss. Risk adjustment has been calculated using 90% confidence level.

For the period ended 31 December 2023, the following risk adjustments factors were adopted:

	Reinsurance issued	Reinsurance/ Retrocession held
Nicoz Diamond Zimbabwe	8%	11%
First Mutual Health	0.30%	n/a
FMRe Botswana	11%	11%
FMRe Zimbabwe	11%	11%
First Mutual Life	10%	11%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

2.18.1.8 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. There were no long term bonds in ZWL that suited the current products insurance therefore, management defaulted to using the available USD rates which were applicable for the products in question

Portfolio duration

	1 year 2023	2022	5 years 2023	2022	10 years 2023	2022
Life insurance contracts issued						
USD	12%	12%	12%	12%	12%	12%

2.18.1.9 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

2.18.1.10 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

2.18.1.11 Summary of measurement approaches

The Group uses different measurement approaches, depending on the type of contracts, as follows:

Contracts issued	Disclosed as under Note 13	Product Classification	Measurement model	Product
Direct participating contracts	Life Savings VFA (13.5)	Insurance contracts with direct participation features	VFA	Growth Pension
Investment contracts with DPF	Life Risk PAA (13.3) and Life Savings PAA (13.4)	Insurance contracts with Direct participation features	PAA*	Flexible annuity Preservation fund
Investment contracts without DPF	N/A	Financial instruments	Financial Liabilities measured at FVTPL under IFRS 9	Managed Fund Post retirement Medical care
Property and casualty and health insurance	Property and Casualty (13.1) Health (13.2)	Insurance contracts	PAA for policies issued (for coverage of one year or less)	Automobile, health, property, health & other non life products
Reinsurance contracts held				
Property and casualty, Life and Health		Reinsurance contract held	PAA (with coverage of one year or less)	Automobile, health, property, health & flexible annuities & preservation fund

*This falls under the scope of IFRS 17 as the Group also issues insurance contracts (Par 3c and B27). This is an investment type product and would normally be measured under the VFA. However, due to FMH having the ability to review fees (with a notice period of less than 12 months), this qualifies for PAA due to the coverage period now being less than or equal to 1 year.

2.18.1.12 Insurance and reinsurance contracts classification

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Group issues insurance to individuals and businesses Non-life insurance products offered include property, marine, and personal accident. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage because of a policyholder's accident. The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

The Group assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation. Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contacts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:
- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition.

For some groups of reinsurance contracts held, a group can comprise a single contract.

Recognition

The Group recognizes groups of insurance contracts it issues from the earliest of the following:
- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous
- The Group recognises a group of reinsurance contracts held it has entered into from the earlier of the following:
- The beginning of the coverage period of the group of reinsurance contracts held. (However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.
- The date the Group recognizes an onerous group of underlying insurance contracts if the Group entered the related reinsurance contract held in the group of reinsurance contracts held at or before that date. The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:
- The Group has the practical ability to reassess the risks of the policyholder and, as a result, can set a price or level of benefits that fully reflects those risks Or
- Both of the following criteria are satisfied:
- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognized. Such amounts relate to future insurance contracts.

Insurance contracts – initial measurement
The Group applies the premium allocation approach (PAA) to the insurance contracts (contracts that for a period of 12 months or less) that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary. Or
- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

- The extent of future cash flows related to any derivatives embedded in the contracts
- The length of the coverage period of the group of contracts

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, except for contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognized for insurance acquisition cash flows and
- Any other asset or liability previously recognized for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognized.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash.

Reinsurance contracts held – initial measurement.
The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue. Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognized on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contract held. The Group uses a systematic and rational method to determine the portion of losses recognized on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognized.

Reinsurance contracts held – subsequent measurement.
The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held. Where the Group has established a loss-recovery component, the Group subsequently reduces the lossrecovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Insurance contracts – subsequent measurement
The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows, apart from property insurance product line for which the Group chooses to expense insurance acquisition cash flows as they occur
- Plus any amounts relating to the amortization of the insurance acquisition cash flows recognized as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognized as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Contracts measured under VFA
Initial measurement
Under IFRS 17, any company that issues insurance contracts must report those contracts on the Statement of financial position as the total of:

- The expected fulfilment cash flows (FCF): the current estimates of amounts that the company expects to collect from premiums net of and payout for claims, benefits, and expenses, including an adjustment for the timing and risk of those amounts, and
- The CSM: the expected profit for providing insurance coverage recognised in profit or loss over the period of insurance coverage.

Fulfulment Cash Flows (FCF)
The measurement of a group of insurance contracts includes all future cash flows expected to arise within the contract boundary of each contract in the group. Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which FMHL can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).

FCF include payments to (or on behalf) of policyholders, insurance acquisition cash flows and other costs incurred in fulfilling contracts. Other costs incurred to fulfil a group of contracts include direct costs and an allocation of fixed and variable overheads directly attributable to fulfilling the group of insurance contracts.

The estimates of these future cash flows are based on probability-weighted expected future cash flows. FMHL estimates which cash flows are expected and the probability that they will occur as at the measurement date. When estimating, FMHL uses information about past events, current conditions and forecasts of future conditions.

Reflecting The Time Value Of Money And Discount Rates
Discounting adjusts the estimates of expected cash flows to reflect the time value of money and the financial risks associated with those cash flows to the extent that the financial risks are not already included in the cash flow estimates. Note 2.18.1.8 shows discount rates that apply throughout measuring a group of insurance contracts.

Risk Adjustment
The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk as FMHL fulfils insurance contracts. It measures the compensation that the entity would require to make it indifferent between:

- Fulfilling a liability that has a range of possible outcomes arising from non-financial risk and
- Fulfilling a liability that will generate fixed cash flows with the same expected present value as the insurance contract.

A lower risk adjustment would be observed for those insurance contracts with shorter duration, high frequency and low severity type products and narrow probability of distributions. Higher risk adjustment would be observed for insurance contracts that are longer in duration, have a low frequency and high severity and have a wide probability of distributions.

IFRS 17 does not prescribe methods for determining the risk adjustment for non-financial risk. Therefore, management's judgement is necessary to determine an appropriate risk adjustment technique.

When applying a confidence level technique, the first step in the process is to calculate the best estimate reserve, where there is an equal chance that the actual amount needed to pay future claims will be higher or lower than the calculated best estimate. The risk adjustment is then calculated such that there is a specified percentage probability that the reserves will be sufficient to cover future claims. For FMHL, the determination of specified percentage has been determined per note 2.18.1.7

Contractual Service Margin (CSM)
The CSM represents the future unearned profit. On initial recognition of a group of insurance contracts, if the total of the fulfilment cash flows, including insurance acquisition cash flows:

- is a net inflow, then the group is profitable. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.
- is a net outflow, then the group is onerous. In this case, the net outflow is recognised immediately as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.

Subsequent measurement
The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).

- The LRC comprises the fulfilment cash flows related to services that will be provided under the contracts in future periods and any remaining CSM at that date.
- The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

IFRS 17 requires a company to update the EFCF at each reporting date, using current estimates of the amount, timing, and uncertainty of cash flows and discount rates. FMHL:

- accounts for changes to estimates of future cash flows from one reporting date to another, either as an amount in profit or loss or as an adjustment to the expected profit for providing insurance coverage, depending on the type of change and the reason for it; and
- chooses where to present IFIE either:

– all in profit or loss, or
– include IFIE in profit or loss using systematic allocation. The remainder of IFIE is recognised in OCI.

Changes in Future Cash Flows
Changes in expected fulfilment cash flows from the estimates at the previous reporting date or inceptions of the contracts are recognised as follows:

Nature of Change	Treatment
Changes relating to current or past services	Recognised in the insurance service results in profit or loss.
Changes relating to future services	Adjusted against the CSM (or recognised in the insurance service results in profit or loss if the group is onerous).
Effects of the time value of money, financial risk and changes therein on estimated future cash flows	Recognised as insurance finance income or expenses.
Changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items for a group of direct participating contracts VFA)	Recognised in the insurance service results in profit or loss.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the financial year, adjusted for:

1. Interest accreted on the carrying amount of the CSM during the year. Discount rates are determined on initial recognition of the group, i.e., locked-in at inception.
2. The CSM of any new contracts added to the group in the year.
3. The amount recognised as insurance revenue because of the services provided in the year, i.e., release of CSM using coverage units. For insurance contracts measured using the VFA, FMHL has elected to reflect the time value of money in the coverage units using a nominal rate of return.
4. The effect of any currency exchange differences on the CSM and changes in fulfilment cash flows that relate to future services, except to the extent that:
    a.) any increases in the fulfilment cash outflows exceed the carrying amount of the CSM, in which case the excess is recognised immediately in profit or loss.
    b. any decreases in the fulfilment cash outflows are allocated to the loss component, reversing losses previously recognised in profit or loss.
5. For contracts measured using the VFA, the change in the amount of the insurer's share of the fair value of the underlying item.

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.

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.

2.18.6 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 obligation to make 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.

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 Liability for incurred 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 adjustments to liability for incurred claims (LIC). The LIC 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. Adjustments to LIC are 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 adjustments to LIC. The adjustment to LIC 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 adjustment to LIC 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 Acquisition cashflows for Insurance and Reinsurance business

Acquisition cashflows represent commissions on insurance & reinsurance business from intermediaries, these are deferred over a period in which the related premiums are earned. Management has not made an accounting policy choice as per IFRS 17 to expense upfront such costs when the coverage period is one year or less for all its products under the PAA approach. Acquisition cashflows are amortized over the product life.

2.21 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 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.

This is a financial instrument that is carried at fair value through profit and loss.

2.23 Taxation

2.23.1 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).

2.23.2 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 25.75% (2022: 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.

2.23.3 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.

2.24 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.

2.25 Share-based payments

2.25.1 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.

2.26 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 finance cost.

2.27 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.

2.28 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.

2.29 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.

2.30 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.

2.31 Dividends

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

2.32 Rounding of amounts

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

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

3.1 Judgements other than estimates

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

3.1.1 Insurance contracts and investment contracts

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

3.1.2 Taxes

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

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

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 income in USD and as such income tax has been split based on the ratio of income earned.

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.1 Judgements other than estimates (continued)

3.1.2 Taxes (continued)

The Group applied the income tax rate of 25.75% (2022: 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 of 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 reporting period ending 31 December 2023, the Group will use the interbank rate for its statutory reporting. 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.

3.1.4 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 Liability for incurred claims
The liability for incurred claims consist of an estimate of all claims incurred before the reporting date but only reported subsequent to year end and outstanding claims. The Liability for incurred claims 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.

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.

3.2.6 CPI estimation

Management held engagements with different experts on the appropriate benchmark for use in estimating inflation which has seen the Group adopt the Total Consumption Poverty Line (TCPL) data from ZIMSTAT to estimate inflation for the period from February 2023 to December 2023 due to the following reasons:

- The Institute of Chartered Accountants of Zimbabwe (ICAZ) conducted research that determined that there is a 99% correlation between TCPL and the Consumer Price Index (CPI). Management coefficient correlation assessment between exchange rate movement and CPI showed a weak positive correlation to the exchange rate.
- Use of the TCPL inflation data allows for comparability of the group's financial results with other players in the market who have adopted the same inflation benchmark as which is available to all companies in Zimbabwe that apply the IAS 29.

The Group has concluded that indices used for hyperinflationary accounting are reasonable. The determination of the indices is a significant area of judgement. The timing of the resolution of the uncertainty regarding the CPI is unknown.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

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	**2023 Impact on profit before tax ZWLm**	**2022 Impact on profit before tax ZWLm**	**2023 Impact on equity ZWLm**	**2022 Impact on equity ZWLm**	**2023 Effect on life policyholder liabilities ZWLm**	**2022 Effect on life policyholder liabilities ZWLm**
Commodity						
+/-10	141	668	105	503	208	412
Consumer						
+/-10	1 115	3 838	828	2 889	1 160	2 239
Financial						
+/-10	410	788	304	593	1 023	2 114
Manufacturing						
+/-10	192	576	142	434	41	122
Property						
+/-10	4 372	1 238	3 246	932	143	121
Telecommunication						
+/-10	651	1 313	483	988	234	39
Other						
+/-10	59	126	44	95	78	177
Total						
+/-10	**6 938**	**8 547**	**5 151**	**6 434**	**2 887**	**5 222**

At the reporting date, the total exposure to listed equity securities at fair value through profit or loss was ZWL126.820 billion (2022: ZWL68.570 billion). Of this total, ZWL33.286 billion (2022: ZWL40.679 billion) relating to policyholder .

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.3 Credit risk

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

Risk management

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

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

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

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% (2022: 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% (2022: 20%) of Group total money market investments.

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

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

	INFLATION ADJUSTED - AUDITED		**HISTORICAL COST - UNAUDITED**	
	2023 ZWLm	**2022 ZWLm**	**2023 ZWLm**	**2022 ZWLm**
Tier 1	71 364	54 533	71 364	11 337
Tier 2	33 583	25 663	33 583	5 335
	104 948	**80 195**	**104 948**	**16 673**

(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:
- premium receivables from intermidiaries
- 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.

Premium receivables from intermediaries, 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, premium receivables from intermediaries 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.

INFLATION ADJUSTED - AUDITED		**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	
31 December 2023	**Current**				
Expected credit loss rate	7%	12%	19%	23%	**Total**
Gross carrying amount-Insurance and reinsurance related receivables					
-Premium receivable from intermidiaries	32 293	18 712	13 500	-	64 505
Gross carrying amount - tenant receivables	3 154	1 283	1 089	1 024	6 551
Gross carrying amount - other receivables	6 919	5 468	4 142	-	16 529
Loss allowance	**(2 974)**	**(3 011)**	**(3 623)**	**(239)**	**(9 847)**
-Reinsurance contract assets	**40 427**	**31 454**	**21 401**	**6 864**	**100 147**

4 **GROUP FINANCIAL RISK MANAGEMENT (continued)**

4.3 **Credit risk (continued)**

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 and reinsurance related receivables					
-Premium receivable from intermediaries	11 895	11 417	10 468	7 527	41 306
Gross carrying amount - tenant receivables	768	831	954	598	3 151
Gross carrying amount - other receivables	9 088	3 635	2 181	2 676	17 581
Loss allowance	**(9 357)**	**(1 343)**	**(1 105)**	**(1 903)**	**(5 708)**
-Reinsurance contract assets	**24 599**	**3 129**	**5 493**	**3 711**	**36 932**

HISTORICAL COST - UNAUDITED

31 December 2023	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%	12%	19%	23%	
Gross carrying amount-Insurance and reinsurance related receivables					
-Premium receivables from intermediaries	32 293	18 712	13 500	-	64 505
Gross carrying amount - rental receivables	3 154	1 283	1 089	1 024	6 551
Gross carrying amount - other receivables	6 919	5 468	4 142	-	16 529
Loss allowance	**(2 974)**	**(3 011)**	**(3 623)**	**(239)**	**(9 847)**
-Reinsurance contract assets	**36 752**	**28 595**	**19 456**	**5 140**	**89 943**

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 and reinsurance related receivables					
-Premium receivables from Intermediaries	2 473	2 374	2 176	1 565	8 588
Gross carrying amount - tenant receivables	284	173	198	-	655
Gross carrying amount - other receivables	1 530	1 209	916	-	3 655
Loss allowance	**(282)**	**(279)**	**(230)**	**(396)**	**(1 187)**
-Reinsurance contract assets	**5 114**	**651**	**1 142**	**518**	**7 425**

4.4 **Interest rate risk**

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

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

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

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

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

4.5 Liquidity risk

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

Where pension funds withdraw and/or transfer assets to other pension administrators the period of transferring the assets is per agreement between the Fund and the insurer as specified in the policy document and that period spans up to three years allowing for restructuring of assets to meet the cash flow requirements as permitted by the Pensions and Provident Funds Act (Chapter 24:32). The table below summarises the maturity profile of the Group's financial instruments and insurance contracts based on contractual and undiscounted expected 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 based on expected undiscounted cashflows for insurance contract assets and contractual undiscounted cashflows for all other line items. 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 expected cashflows. All financial instruments are based on contratual maturity.

INFLATION ADJUSTED - AUDITED

Assets **31 December 2023**	**1 month** **ZWLm**	**1 month to 3 months** **ZWLm**	**3 months to 1 year** **ZWLm**	**1 year to 5 years** **ZWLm**	**Total** **ZWLm**
Financial and insurance assets:					
Insurance contract assets	-	-	-	-	-
Reinsurance contract assets	12 890	32 101	57 841	-	102 832
Premium receivable from intermidiaries,tenant and other receivables (excl. prepayments)	22 189	21 295	36 332	-	79 817
Debt securities at amortised cost	6 885	16 583	23 492	13 627	60 587
Equity securities at fair value through profit or loss	29 299	76 838	115 257	-	221 395
Cash and balances with banks	104 948	-	-	-	104 948
Total assets	**176 211**	**146 818**	**232 923**	**13 627**	**569 578**
Financial and insurance related liabilities					
Investment contract liabilities without DPF				48 568	48 568
Investment contract liabilities with DPF	-	-	-	90 237	90 237
Insurance contract liabilities	76 472	66 068	83 693	508 164	734 396
Borrowings	3 464	12 940	14 044	-	30 448
Lease liability	150	442	1 045	5 052	6 689
Put option liability				30 362	30 362
Shareholder risk reserve				8 268	8 268
Share based payment				13 720	13 720
Member assistant fund	9			-	9
Income tax	3 462			-	3 462
Other payables	47 273	-	-	-	47 273
Total liabilities	**130 830**	**79 450**	**98 781**	**704 371**	**1 013 433**
Liquidity gap	**45 380**	**67 368**	**134 142**	**(690 744)**	**(443 854)**
Cumulative liquidity gap	**45 380**	**112 748**	**246 890**	**(443 854)**	**-**

Assets

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.5 Liquidity risk (continued)

INFLATION ADJUSTED - AUDITED

31 December 2022	1 month ZWLm	1 month to 3 months ZWLm	3 months to 1 year ZWLm	1 year to 5 years ZWLm	Total ZWLm
Financial and insurance assets:					
Reinsurance contract assets	4 874	11 142	19 698	-	35 714
Premium receivable from intermidiaries,tenant and other receivables (excl. prepayments)	16 295	15 639	26 682	-	58 616
Debt securities at amortised cost	1 403	3 379	4 787	2 777	12 347
Equity securities at fair value through profit or loss	11 250	29 503	44 254	-	85 006
Cash and balances with banks	80 195	-	-	-	80 195
Total assets	**114 018**	**59 663**	**95 421**	**2 777**	**271 879**
Financial and insurance related liabilities					
Investment contract liabilities:	-	-	-	15 586	15 586
Insurance conttract liabilities	30 511	26 386	30 384	264 148	351 429
Borrowings	920	3 435	3 728	-	8 083
Lease liability	28	56	184	416	685
Put option liability	-			17 355	17 355
Shareholder risk reserve	-			1 627	1 627
Share based payment	-			1 149	1 149
Member assistant fund	43				43
Income tax	1 946				1 946
Other payables	16 047	-	-	-	16 047
Total liabilities	**80 007**	**56 264**	**64 680**	**564 430**	**765 381**
Liquidity gap	**34 011**	**3 399**	**30 741**	**(561 653)**	**(493 502)**
Cumulative liquidity gap	**34 011**	**37 410**	**68 150**	**(493 502)**	**-**

HISTORICAL COST - UNAUDITED

Assets

31 December 2023	1 month ZWLm	1 month to 3 months ZWLm	3 months to 1 year ZWLm	1 year to 5 years ZWLm	Total ZWLm
Financial and insurance assets:					
Reinsurance contract assets	12 276	30 866	54 567	-	97 710
Premium receivable from intermidiaries,tenant and other receivables (excl. prepayments)	22 189	21 295	36 332	-	79 817
Debt securities at amortised cost	6 885	16 583	23 492	13 627	60 587
Equity securities at fair value through profit or loss	29 299	76 838	115 257	-	221 395
Cash and balances with banks	104 948	-	-	-	104 948
Total assets	**175 597**	**145 583**	**229 649**	**13 627**	**564 456**
Financial and insurance related liabilities					
Investment contract liabilities without DPF				48 568	48 568
Investment contract liabilities with DPF	-	-	-	90 237	90 237
Insurance contract liabilities	75 715	65 478	75 399	470 522	687 114
Borrowings	3 464	12 940	14 044	-	30 448
Lease liability	150	442	1 045	5 052	6 689
Put option liability	-			30 362	30 362
Shareholder risk reserve	-			8 268	8 268
Share based payment	-			13 720	13 720
Member assistant fund	9				9
Income tax	3 462				3 462
Other payables	47 273	-	-	-	47 273
Total liabilities	**130 073**	**78 861**	**90 487**	**666 729**	**966 151**
Liquidity gap	**45 524**	**66 722**	**139 162**	**(653 102)**	**(401 695)**
Cumulative liquidity gap	**45 524**	**112 246**	**251 408**	**(401 695)**	**-**

HISTORICAL COST - UNAUDITED

Assets	**1 month ZWLm**	**1 month to 3 months ZWLm**	**3 months to 1 year ZWLm**	**1 year to 5 years ZWLm**	**Total ZWLm**
31 December 2022					
Financial and insurance assets:					-
Reinsurance contract assets	1 013	2 316	4 095	0	7 425
Premium receivable from intermidiaries,tenant and other receivables (excl. prepayments)	3 388	3 251	5 547	-	12 186
Debt securities at amortised cost	292	703	995	577	2 567
Equity securities at fair value through profit or loss	2 339	6 134	9 200		17 673
Cash and balances with banks	16 673				16 673
Total assets	**23 704**	**12 404**	**19 838**	**577**	**56 524**
Financial and insurance related liabilities					
Investment contract liabilities:	-	-	-	3 240	3 240
Insurance contract liabilities	6 343	5 486	6 317	54 916	73 062
Borrowings	191	714	775	-	1 681
Lease liability	6	12	38	86	142
Put option liability				3 608	3 608
Shareholder risk reserve				338	338
Share based payment				239	239
Member assistant fund	9				9
Income tax	405				405
Other payables	3 336	-	-	-	3 336
Total liabilities	**10 291**	**6 212**	**7 130**	**62 429**	**86 061**
Liquidity gap	**13 414**	**6 192**	**12 708**	**(61 851)**	**(29 537)**
Cumulative liquidity gap	**13 414**	**19 606**	**32 314**	**(29 537)**	**-**

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. This is what would be required to be disposed to settle these. Once we factor this, the liquidity gap should reduce to manageable levels.

4.6 Foreign exchange risk

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.6 Foreign exchange risk (continued)

Consolidated foreign exchange gap analysis as at 31 December 2023

INFLATION ADJUSTED - AUDITED **Base currency**	**Metical** **ZWLm** **equivalent**	**USD** **ZWLm** **equivalent**			**BWP** **ZWLm** **equivalent**	**TOTAL** **ZWLm** **equivalent**
Assets						
Cash and balances with banks	205	62 293	-	-	7 122	69 620
Insurance related, tenant and other receivables	316	146 028	-	-	2 091	148 434
Total assets	**521**	**208 321**	**-**	**-**	**9 213**	**218 054**
Liabilities						
Insurance contract liabilities	358	133 089		-	1 750	135 197
Put option liability					27 109	27 109
Other payabes	14	22 443	-		809	23 266
Total liabilities	**373**	**155 532**	**-**	**-**	**29 668**	**185 572**
Net currency position	**148**	**52 789**	**-**	**-**	**(20 455)**	**32 482**

Consolidated foreign exchange gap analysis as at 31 December 2022

Assets						
Cash and balances with banks	7 849	21 806	-	-	24 574	54 229
Insurance, tenant and other receivables	15 330	43 426	-	-	5 073	63 828
						-
Total assets	**23 178**	**65 232**	**-**	**-**	**29 646**	**118 057**
						-
Liabilities						-
Insurance contract liabilities - short term	7 579	39 444	-	-	22 621	69 644
Put option liability					15 496	15 496
Other payabes	368	18 450	-	-	4 242	23 060
	-	-	-	-	-	-
Total liabilities	**7 947**	**57 894**	**-**	**-**	**42 359**	**108 200**
						-
Net currency position	**15 231**	**7 338**	**-**	**-**	**(12 712)**	**9 857**

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

Currency	**2023** **Cross rate**	**2022** **Cross rate**
Botswana pula ("BWP")	444.41	52.81
United States dollar ("USD")	5 935.46	677.85
Mozambique metical ("MZN")	93.02	10.55

Impact of 10% increase in exchange rates	**METICAL** **ZWLm**	**USD** **ZWLm**			**BWP** **ZWLm**	**TOTAL** **ZWLm**
For the year ended 31 December 2023						
Assets	573	229 153	-	-	10 134	239 860
Liabilities	(410)	(171 085)	-	-	(32 635)	(204 130)
Net position	**163**	**58 068**	**-**	**-**	**(22 501)**	**35 730**
For the year ended 31 December 2022						
Assets	2 318	6 523	-	-	2 965	11 806
Liabilities	(795)	(5 789)	-	-	(2 686)	(9 270)
Net position	**1 523**	**734**	**-**	**-**	**278**	**2 535**

Currency	Change in variables ZWLm	Impact on profit before tax ZWLm	Impact on equity ZWLm	Change in variables ZWLm	Impact on profit before tax ZWLm	Impact on equity ZWLm
United States of American dollar ("USD")	+10%	5 279	3 920	+10%	305	230
Botswana pula ("BWP")	+10%	(2 046)	(1 519)	+10%	327	246
Mozambique metical ("MZN")	+10%	15	11	+10%	22	17
United States of America dollar ("USD")	-10%	(5 279)	(3 920)	-10%	(305)	(230)
Botswana Pula ("BWP")	-10%	2 046	1 519	-10%	(327)	(246)
Mozambique metical ("MZN")	-10%	(15)	(11)	-10%	(22)	(17)

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

The Group trades in all currencies, some have not been included in this disclosure note as they are not of material significance to the Group's operations.

4.7 Insurance risk

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

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

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 management 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 adjustment to liability for incured claims (LIC) provision is calculated using appropriate techniques.. These provisions for claims are not discounted for the time value of money due to the expected short duration of settlement. Using the experience of a range of specialist claims assessors, provisions are reviewed regularly to ensure they are sufficient.

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

4.7.1 Life insurance risks
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:
(a) valuation of insurance contract liabilities; and
(b) life insurance contract liabilities

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

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

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders.

Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.

The main risks that the Group is exposed to are as follows:
- mortality risk – risk of loss arising due to policyholder death experience being different than expected
- longevity risk – risk of loss arising due to the annuitant living longer than expected
- investment return risk – risk of loss arising from actual returns being different than expected
- expense risk – risk of loss arising from expense experience being different than expected
- policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

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

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

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

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

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

Terms and conditions

The policy terms and conditions contain exclusions for nonstandard and unpredictable risks that may result in severe financial loss. Terms are built into the policy contracts that permit risk premiums to be reviewed on expiry of a guarantee period. In particular:

- for individual risk business, most in-force risk premiums are subject to review; and
- for institutional risk business, the risk premiums can be reviewed annually.

Underwriting

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

Reinsurance

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

4.7.1.2 Longevity risks

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

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

Life insurance contract sensitivity analysis

INFLATION ADJUSTED - AUDITED As at 31 December 2023	Change in assumptions	Impact on profit before tax gross of reinsurnace ZWLm	Impact on profit before tax net of reinsurnace ZWLm	Impact on equity gross of reinsurnace ZWLm	Impact on equity net of reinsurnace ZWLm
Mortality rate	5%	19 125	19 125	14 201	14 201
Longevity	5%	18 898	18 898	14 032	14 032
Expenses	10%	18 876	18 876	14 015	14 015
Mortality rate	-5%	(19 125)	(19 125)	(14 201)	(14 201)
Longevity	-5%	(18 898)	(18 898)	(14 032)	(14 032)
Expenses	-10%	(18 876)	(18 876)	(14 015)	(14 015)
As at 31 December 2022					
Mortality	5%	8 365	8 365	6 211	6 211
Investment return	5%	8 329	8 329	6 184	6 184
Expense	10%	7 977	7 977	5 923	5 923
Mortality	-5%	(8 365)	(8 365)	(8 365)	(8 365)
Investment return	-5%	(8 329)	(8 329)	(8 329)	(8 329)
Expense	-10%	(7 977)	(7 977)	(7 977)	(7 977)

4.7.2 Health insurance risk

Health insurance claims development table

INFLATION ADJUSTED - AUDITED

Treatment year	Before First half 2020 ZWLm	First half 2021 ZWLm	Second half 2021 ZWLm	First half 2022 ZWLm	Second half 2022 ZWLm	First half 2023 ZWLm	Second half 2023 ZWLm
At end of treatment half	356	583	2 372	4 366	12 389	41 077	128 323
One half later	356	583	2 372	4 366	12 389	41 077	-
Two halves later	356	583	2 372	4 366	12 389	-	-
Three halves later	356	583	2 372	4 366	-	-	-
Four halves later	356	583	2 372	-	-	-	-
Five halves later	356	583	-	-	-	-	-
Six halves later	356	-	-	-	-	-	-
Current estimate of cumulative claims incurred	**356**	**583**	**2 372**	**4 366**	**12 389**	**41 077**	**128 323**

Treatment year	Before First half 2020 ZWLm	First half 2021 ZWLm	Second half 2021 ZWLm	First half 2022 ZWLm	Second half 2022 ZWLm	First half 2023 ZWLm	Second half 2023 ZWLm
At end of treatment half	338	385	2 068	3 761	11 516	34 569	106 280
One half later	338	385	2 068	3 761	11 516	34 569	-
Two halves later	338	385	2 068	3 761	11 516	-	-
Three halves later	338	385	2 068	3 761	-	-	-
Four halves later	338	385	2 068	-	-	-	-
Five halves later	338	385	-	-	-	-	-
Six halves later	338	-	-	-	-	-	-
Cumulative payments to date	**338**	**385**	**2 068**	**3 761**	**11 516**	**34 569**	**106 280**
Gross undiscounted liabilities for incured claims as at 31 December 2023	**18**	**198**	**304**	**605**	**873**	**6 507**	**22 042**
Effect of discounting							
Total gross liabilities for incurred claims 31 December 2023							**22 042**

Total gross Liability for incurred claims December 2023	**PVFCF**	**Risk Adjustment**	**Total**
Health Insurance	39 868	120	39 988

December 2022	**PVFCF**	**Risk Adjustment**	**Total**
Health Insurance	2 867	9	2 875

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

Sensitivity analysis

INFLATION ADJUSTED - AUDITED **As at 31 December 2023**	**Change in assumptions**	**Impact on profit before tax gross of reinsurnace ZWLm**	**Impact on profit before tax net of reinsurnace ZWLm**	**Impact on equity gross of reinsurnace ZWLm**	**Impact on equity net of reinsurnace ZWLm**
Weighted averate term to settlement	+10%	4 210	4 210	5 492	5 492
Expected loss	10%	4 210	4 210	5 492	5 492
Inflation rate	+1%	421	421	549	549
Weighted averate term to settlement	-10%	(4 210)	(4 210)	(5 492)	(5 492)
Expected loss	-10%	(4 210)	(4 210)	(5 492)	(5 492)
Inflation rate	-1%	(421)	(421)	(549)	(549)
As at 31 December 2022					
Weighted averate term to settlement	+10%	1 052	1 052	1 680	1 680
Expected loss	10%	1 052	1 052	1 680	1 680
Inflation rate	+1%	105	105	168	168
Weighted averate term to settlement	-10%	(1 052)	(1 052)	(1 680)	(1 680)
Expected loss	-10%	(1 052)	(1 052)	(1 680)	(1 680)
Inflation rate	-1%	(105)	(105)	(168)	(168)

Concentration

INFLATION ADJUSTED - AUDITED **December 2023**	**Insurance ZWLm**	**Reinsurance held ZWLm**	**Net ZWLm**
Health	39 988	-	39 988
	39 988	-	39 988

December 2022	**Insurance ZWLm**	**Reinsurance held ZWLm**	**Net ZWLm**
Health	2 875	-	2 875
	2 875	-	2 875

All health insurance business is obtained from the Zimbabwean market.

4.7.3 Short term insurance risks- Property and casualty

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

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

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

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 2023 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 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.

Concentration Risk
The concentration of insurance risk by by territory in relation to risk accepted is summarised below, with reference to the insurance contract revenue:

	INFLATION ADJUSTED - AUDITED		**HISTORICAL COST - UNAUDITED**	
	2023 ZWLm	**2022 ZWLm**	**2023 ZWLm**	**2022 ZWLm**
By territory				
Local	942 129	346 740	435 439	40 855
Regional	146 710	53 995	67 807	6 362
	1 088 840	**400 735**	**503 246**	**47 217**

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 Liability for incurred claims (LIC). The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

Assumption **INFLATION ADJUSTED - AUDITED**	Change in assumption %	Reported value ZWLm	Change in profit before income tax ZWLm	Change in equity ZWLm
December 2023				
Increase in LIC	15%	105	(16)	(12)
Decrease in LIC	15%	105	16	12
December 2022				
Increase in LIC	15%	83	(12)	(9)
Decrease in LIC	15%	83	12	9
HISTORICAL COST - UNAUDITED				
December 2023				
Increase in LIC	15%	81	(12)	(9)
Decrease in LIC	15%	81	12	9
December 2022				
Increase in LIC	15%	19	(3)	(2)
Decrease in LIC	15%	19	3	2

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.

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 17, '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 2018 to date. The presentation of the claims development is based on the actual date of the event that caused the claim (accident year basis).

NicozDiamond insurance limited

Claims development table
INFLATION ADJUSTED - AUDITED

Accidental year	2 018 ZWLm	2 019 ZWLm	2 020 ZWLm	2 021 ZWLm	2 022 ZWLm	2 023 ZWLm	Total ZWLm
Gross cumulative incurred claims							
Year incurred							
0	1	2	3	13	76	444	540
1	5	9	16	27	205	-	263
2	6	11	17	30	-	-	65
3	12	11	18	-	-	-	41
4	12	15	-	-	-	-	26
5	21	-	-	-	-	-	21
Current estimate of cumulative claims incurred	**21**	**15**	**18**	**30**	**205**	**444**	**733**
Gross cumulative paid claims							
Year paid							
0	1	1	3	12	68	360	447
1	5	9	16	26	194	-	249
2	6	10	16	29	-	-	62
3	10	10	17	-	-	-	38
4	11	14	-	-	-	-	25
5	18	-	-	-	-	-	18
Cumulative payments to date	**18**	**14**	**17**	**29**	**194**	**360**	**632**
Effect of discounting							
Current estimate of cumulative claims incurred less payments to date	**3**	**1**	**1**	**1**	**11**	**83**	**100**

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

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.7.3 Short term insurance risk- Property and Casualty (continued)

First Mutual Reinsurance Zimbabwe
Claims development

Accidental year INFLATION ADJUSTED - AUDITED	2 018 ZWLm	2 019 ZWLm	2 020 ZWLm	2 021 ZWLm	2 022 ZWLm	2 023 ZWLm	Total ZWLm
Gross cumulative incurred claims							
0	9	10	14	22	114	367	536
1	10	11	15	34	135	-	205
2	11	11	15	35	-	-	71
3	11	11	15	-	-	-	37
4	11	11	-	-	-	-	22
5	11	-	-	-	-	-	11
Cumulative claims incurred to date	**11**	**11**	**15**	**35**	**135**	**367**	**574**
Gross cumulative paid claims							
0	9	10	14	16	106	307	461
1	10	11	16	27	127	-	191
2	11	11	16	28	-	-	65
3	11	11	16	-	-	-	37
4	11	11	-	-	-	-	21
5	11	-	-	-	-	-	11
Current estimate of cumulative claims paid	**11**	**11**	**16**	**28**	**127**	**307**	**499**
Effect of discounting							
Current estimate of cumulative claims incurred less payments to date	**-**	**-**	**(1)**	**7**	**8**	**61**	**75**

Total gross Liability for incurred claims December 2023	PVFCF	Risk Adjustment	Total
Property and Casualty	164 980	9 895	174 875

December 2022	PVFCF	Risk Adjustment	Total
Property and Casualty	88 931	4 623	93 554

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.

For a detailed liquidity risk management refer to Note 4.5

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.8 Capital management policies

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

There were no changes made to the objectives, processes, or policies during the year ended 31 December 2023 (2022: none).

The subsidiaries were capitalised as follows:

As at 31 December 2023	**Capital employed ZWLm**	**Capital Regulatory ZWLm**
Company		
First Mutual Reinsurance Company Limited	20 227	4 423
FMRE Property and Casualty (Proprietary) Limited	38 056	11 871
NicozDiamond Insurance Limited	72 119	4 452
First Mutual Life Assurance Company (Private) Limited	192 945	11 871
First Mutual Microfinance (Private) Limited	4 394	148
First Mutual Wealth (Private) Limited	3 963	1 625*
First Mutual Health Company (Private) Limited	30 212	

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

As at 31 December 2022		
Company		
First Mutual Reinsurance Company Limited	6 287	2 430
FMRE Property and Casualty (Proprietary) Limited	13 194	6 521
NicozDiamond Insurance Limited	28 865	2 445
First Mutual Life Assurance Company (Private) Limited	87 571	6 521
First Mutual Microfinance (Private) Limited	505	82
First Mutual Wealth (Private) Limited	1 029	167*
First Mutual Health Company (Private) Limited	26 585	

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.

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 2023 (CONTINUED)

INFLATION ADJUSTED - AUDITED

As at 31 December 2023	Life and Health ZWLm	General Insurance ZWLm	Reinsurance ZWLm	Property ZWLm	Other ZWLm	Gross Figures ZWLm	Consolidation Entries ZWLm	Total Consolidated ZWLm
Insurance contract revenue	398 578	325 956	383 387	-	-	1 107 922	(19 083)	1 088 840
Rental income	-	3 493	-	39 673	83	43 249	(4 134)	39 116
Fair value adjustments on investment property	-	36 229	-	542 282	897	579 408	(50 754)	528 654
Net Investment income	431 689	20 992	23 736	6 937	318 084	801 439	(724 706)	76 732
Fees and other income	32 624	8 322	26 474	5 122	62 369	134 912	(28 854)	106 058
Total revenue	**862 892**	**394 993**	**433 598**	**594 015**	**381 433**	**2 666 930**	**(827 530)**	**1 839 400**
Monetary gain or loss	(14 366)	(955)	(17 380)	1 082	(358)	(31 978)	(2)	(31 979)
Intersegment revenue	398 525	42 564	17 174	53 241	316 027	827 530	(827 530)	-
Total expenses	(101 438)	(28 360)	(34 613)	(34 430)	(80 010)	(278 852)	43 678	(235 173)
Insurance finance result	(267 727)	-	-	-	-	(267 727)	-	(267 727)
Movement in investment contract liabilities	(28 972)	-	-	-	-	(28 972)	-	(28 972)
Profit before income tax	152 833	31 743	74 191	31 743	310 509	601 019	(247 731)	353 288
Income tax expense	1 029	(1 400)	4 569	(1 400)	(2 736)	62	(5 032)	(4 971)
Total assets	905 332	171 508	202 601	171 508	566 250	2 017 199	(313 824)	1 703 375
Total liabilities	653 984	99 389	144 319	99 389	69 898	1 066 979	(46 328)	1 020 652
Cash flows from operating activities	4 305	20 288	30 807	(876)	52 716	107 241	6 976	114 218
	-	-	-	-				
Cash flows generated from/(utilised in) investing activities	(8 995)	229	(22 727)	(333)	(36 799)	(68 624)	(61 410)	(130 034)
	-	-	-	-				
Cash generated from/ (utilised in) financing activities	(27)	(1 388)	1 950	(874)	1 012	673	5 569	6 242

INFLATION ADJUSTED	Life and Health ZWLm	General Insurance ZWLm	Reinsurance ZWLm	Property ZWLm	Other ZWLm	Gross Figures ZWLm	Consolidation Entries ZWLm	Total Consolidated ZWLm
As at 31 December 2022								
Insurance contract revenue	180 757	139 834	91 562	-	-	412 154	(11 419)	400 735
Rental income	-	779	-	13 566	10	14 355	(1 283)	13 072
Fair value adjustments on investment property	-	9 364	-	161 492	12	170 868	(6 766)	164 102
Net Investment income	63 500	5 676	(1 619)	1 932	21 721	91 211	(126 301)	(35 089)
Fee and other income	4 720	7 191	5 328	8 947	25 142	51 329	(11 426)	39 902
Total revenue	**248 977**	**162 845**	**95 272**	**185 937**	**46 886**	**739 917**	**(157 195)**	**582 722**
Monetary gain or loss	(550)	(2 596)	(4 483)	(5 640)	(1 670)	(14 939)	10 478	(4 461)
Intersegment revenue	60 506	34 596	10 277	7 807	44 008	157 195	(157 195)	-
Total expenses	(37 591)	(14 242)	(14 798)	(18 916)	(21 145)	(106 693)	24 891	(81 802)
Insurance finance result	(65 219)	-	-	-	-	(65 219)	-	(65 219)
Movement in investment contract liabilities	2 881	-	-	-	-	2 881	-	2 881
Profit/(loss) before income tax	22 536	20 148	(2 297)	20 148	25 701	86 236	26 315	112 551
Income tax expense	(80)	(3 924)	(2 948)	(3 924)	793	(10 083)	(11 989)	(22 071)
Total assets	412 101	135 723	97 234	135 723	221 589	1 002 368	(165 545)	836 823
Total liabilities	306 629	83 428	72 067	83 428	23 434	568 987	(35 921)	533 065
Cash flows from operating activities	4 305	20 288	30 807	(876)	52 716	107 241	(19 107)	88 135
	-	-	-	-	-			
Cash flows generated from/(utilised in) investing activities	(8 995)	229	(22 727)	(333)	(36 799)	(68 624)	23 710	(44 914)
	-	-	-	-	-			
Cash generated from/ (utilised in) financing activities	(27)	(1 388)	1 950	(874)	1 012	673	3 554	4 228

Analysis of additions during the year

Additions to non-current assets	Land and buildings ZWLm	Office equipment ZWLm	Motor vehicles ZWLm	Office furniture ZWLm	Investment property ZWLm	Total ZWLm
As at 31 December 2023	-	12 173	1 276	5 455	18 772	37 676
As at 31 December 2022	2 053	2 088	947	244	723	6 054

Geographical concentration of insurance contract revenue December 2023

	Life and Health insuarnce ZWLm	General Insurance ZWLm	Reinsurance ZWLm	Property ZWLm	Total ZWLm
Zimbabwe	398 578	305 142	75 785	-	779 506
Other countries	-	20 814	307 602	-	328 416
Total	**98 578**	**325 956**	**383 387**	**-**	**1 107 922**

Geographical concentration of insurance contract revenue December 2022

	Life and Health insuarnce ZWLm	General Insurance ZWLm	Reinsurance ZWLm	Property ZWLm	Total ZWLm
Zimbabwe	180 757	136 328	28 740	-	345 825
Other countries	-	3 507	62 823	-	66 330
Total	**180 757**	**139 835**	**91 563**	**-**	**412 155**

HISTORICAL COST - UNAUDITED

As at 31 December 2023	Life and Health ZWLm	General Insurance ZWLm	Reinsurance ZWLm	Property ZWLm	Other ZWLm	Gross Figures ZWLm	Consolidation Entries ZWLm	Total Consolidated ZWLm
Insurance contract revenue	233 468	120 418	157 952	-	-	511 838	(8 592)	503 246
Rental income	-	1 675	-	24 500	48	26 223	(2 547)	23 676
Fair value adjustments on investment property	-	64 631	-	959 121	1 733	1 025 485	(72 972)	952 513
Net Investment income	708 978	17 559	25 521	5 381	361 208	1 118 646	(934 297)	184 349
Fees and other income	20 338	4 712	23 828	4 142	37 327	90 347	(15 849)	74 499
Total revenue	**962 784**	**208 996**	**207 301**	**993 144**	**400 315**	**2 772 539**	**(1 034 257)**	**1 738 282**
Monetary gain or loss	-	-	-	-	-	-	-	-
Intersegment revenue	583 803	(2 037)	7 733	73 254	371 504	1 034 257	(1 034 257)	-
Total expenses	(53 172)	(18 068)	(9 094)	(23 827)	(51 509)	(155 670)	19 770	(135 901)
Insurance finance result	(461 063)	-	-	-	-	(461 063)	-	(461 063)
Movement in investment contract liabilities	(42 126)	-	-	-	-	(42 126)	-	(42 126)
Profit before income tax	217 007	61 244	53 859	61 244	362 894	756 248	(115 656)	640 592
Income tax expense	(370)	(8 797)	4 315	(8 797)	(1 003)	(14 653)	(42 755)	(57 408)
Total assets	883 460	168 925	212 664	168 925	477 768	1 911 743	(262 001)	1 649 742
Total liabilities	653 224	97 797	154 523	97 797	69 814	1 073 154	(62 674)	1 010 480
Cash flows from operating activities	8 611	40 577	61 615	(1 751)	105 431	214 483	(93 269)	121 214
	-	-	-	-	-			
Cash flows generated from/(utilised in) investing activities	(17 990)	459	(45 454)	(666)	(73 597)	(137 248)	83 160	(54 088)
	-	-	-	-	-			
Cash generated from/ (utilised in) financing activities	(54)	(2 776)	3 900	(1 748)	2 024	1 347	4 323	5 669

HISTORICAL COST - UNAUDITED

As at 31 December 2022	**Life and Health ZWLm**	**General Insurance ZWLm**	**Reinsurance ZWLm**	**Property ZWLm**	**Other ZWLm**	**Gross Figures ZWLm**	**Consolidation Entries ZWLm**	**Total Consolidated ZWLm**
Insurance contract revenue	25 822	11 783	11 634	-	-	49 239	(2 023)	47 217
Rental income	-	59	-	2 041	48	2 148	(28)	2 121
Fair value adjustments on investment property	-	6 078	-	87 405	831	94 314	(5 270)	89 044
Net Investment income	55 972	1 813	1 391	366	24 192	83 734	(74 337)	9 397
Fee and other income	742	1 190	1 205	1 301	4 070	8 508	(2 356)	6 152
Total revenue	**82 535**	**20 924**	**14 230**	**91 113**	**29 140**	**237 943**	**(84 013)**	**153 930**
Monetary gain or loss	-	-	-	-	-	-	-	-
Intersegment revenue	32 961	7 388	1 821	5 139	36 704	84 013	(84 013)	-
Total expenses	(5 846)	(1 307)	(1 410)	(2 124)	(3 121)	(13 808)	1 580	(12 228)
Insurance finance result	(38 856)	-	-	-	-	(38 856)	-	(38 856)
Movement in investment contract liabilities	(1 561)	-	-	-	-	(1 561)	-	(1 561)
Profit/(loss) before income tax	17 160	6 805	1 688	6 805	26 063	58 522	1 516	60 038
Income tax expense	(289)	(2 341)	213	(2 341)	165	(4 593)	(7 156)	(11 749)
Total assets	84 397	23 885	20 609	23 885	44 329	197 107	(25 922)	171 185
Total liabilities	63 689	17 584	15 246	17 584	4 882	118 985	(9 356)	109 629
Cash flows from operating activities	5 963	170	4 560	(329)	534	10 898	2 970	13 868
	-							
Cash flows generated from/(utilised in) investing activities	61	(99)	129	(119)	789	761	(5 898)	(5 137)
	-							
Cash generated from/(utilised in) financing activities	(288)	(160)	(128)	(212)	(638)	(1 425)	2 329	903

Analysis of additions during the year

Additions to non-current assets	**Land and buildings ZWLm**	**Office equipment ZWLm**	**Motor vehicles ZWLm**	**Office furniture ZWLm**	**Investment property ZWLm**	**Total ZWLm**
As at 31 December 2023	-	4 643	487	2 081	9 734	16 945
As at 31 December 2022	235	239	108	28	83	693

Geographical concentration of insurance contract revenue

December 2023	**Life and Health insuarnce ZWLm**	**General Insurance ZWL**	**Reinsurance ZWL**	**Property ZWL**	**Total ZWL**
Zimbabwe	233 468	112 483	157 952	-	503 903
Other countries	-	7 935	117 273	-	125 208
Total	**233 468**	**120 418**	**275 225**	**-**	**629 111**

Geographical concentration of Insurance contract revenue

December 2022	Life and Health insuarnce ZWLm	General Insurance ZWLm	Reinsurance ZWLm	Property ZWLm	Total ZWLm
Zimbabwe	25 822	11 382	4 436	-	41 639
Other countries	-	402	7 199	-	7 600
Total	**25 822**	**11 783**	**11 634**	**-**	**49 239**

6 GROUP - PROPERTY, PLANT AND EQUIPMENT

INFLATION ADJUSTED - AUDITED	Land and buildings ZWLm	Plant and equipment ZWLm	Motor vehicles ZWLm	Office furniture ZWLm	Total ZWLm
Year ended 31 December 2022					
Cost					
As at 1 January 2022	2 146	9 007	6 061	2 158	19 373
Additions	2 053	2 088	947	244	5 331
Effects of exchange rates	-	1	1	-	2
Disposals	-	(13)	(13)	(4)	(30)
As at 31 December 2022	**4 199**	**11 084**	**6 995**	**2 398**	**24 676**
Accumulated depreciation					
As at 1 January 2022	550	4 248	5 326	1 315	11 439
Charge for the year	3	792	771	396	1 962
Effects of exchange rates	-	1	-	-	1
Depreciation on disposals	-	(7)	(9)	(4)	(20)
As at 31 December 2022	**553**	**5 034**	**6 088**	**1 708**	**13 382**
Net book amount					
As at 31 December 2022	**3 646**	**6 050**	**907**	**690**	**11 294**
Full Year ended 31 December 2023					
Cost					
As at 1 January 2023	4 199	11 084	6 995	2 398	24 676
Additions	-	12 173	1 276	5 455	18 904
Effects of foreign exchange rates	-	38	7	13	58
Disposals	-	(211)	-	-	(211)
As at 31 December 2023	**4 199**	**23 085**	**8 278**	**7 866**	**43 428**
Accumulated depreciation					
As at 1 January 2023	553	5 034	6 088	1 708	13 382
Charge for the year	3	758	974	331	2 067
Effects of exchange rates	-	20	2	2	24
Depreciation on disposals	-	(171)	-	-	(171)
As at 31 December 2023	**556**	**5 642**	**7 064**	**2 041**	**15 303**
Net book amount					
As at 31 December 2023	**3 643**	**17 443**	**1 214**	**5 825**	**28 125**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

HISTORICAL COST - UNAUDITED **Year ended 31 December 2022**	**Land and buildings ZWLm**	**Plant and equipment ZWLm**	**Motor vehicles ZWLm**	**Office furniture ZWLm**	**Total ZWLm**
Cost					
As at 1 January 2022	9	125	10	16	161
Additions	235	239	108	28	611
Effects of exchange rates	-	-	-	-	-
Disposals	-	-	-	-	(1)
As at 31 December 2022	**245**	**364**	**119**	**44**	**771**
Accumulated depreciation					
As at 1 January 2022	2	11	4	3	21
Charge for the year	-	26	10	7	43
Effects of exchange rates	-	-	-	-	-
Depreciation on disposals	-	-	-	-	(1)
As at 31 December 2022	**3**	**37**	**13**	**10**	**63**
Net book amount					
As at 31 December 2022	**242**	**327**	**105**	**34**	**708**
Full Year ended 31 December 2023					
Cost					
As at 1 January 2023	245	364	119	44	771
Additions	-	4 643	487	2 081	7 211
Effects of foreign exchange rates	-	14	3	5	22
Disposals	-	(45)	-	-	(45)
As at 31 December 2023	**245**	**4 976**	**608**	**2 130**	**7 959**
Accumulated depreciation					
As at 1 January 2023	3	37	13	10	63
Charge for the year	-	163	72	90	325
Effects of exchange rates	-	5	1	1	6
Depreciation on disposals	-	(37)	-	-	(37)
As at 31 December 2023	**3**	**168**	**86**	**101**	**358**
Net book amount					
As at 31 December 2023	**242**	**4 808**	**522**	**2 029**	**7 601**

First Mutual Holdings Group set up a Separate Purpose Vehicle (SPV), Infrastructure Fund Zimbabwe (Private) Limited, in 2021 for the ownership of the solar project which is located at First Mutual Park. The SPV was set up such that all group companies could contribute towards the development costs of the project. In the separate Financial statements of the contributing Subsidiaries the SPV has been recognised as either a simple investment or an associate. However at consolidation these investments are eliminated and the SPV is recognised as a wholly owned subsidiary of First Mutual Holdings with only an asset in the form of the solar plant which has been recognised above under Plant and Equipment amounting to ZWL2 825 160 943 (612 888 571). 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 leases locally in Zimbabwe and regionally in Gaborone, Botswana with lease periods of 5 years and 3 years. Local lease arrangements were added during the current year. The discounted rate used for both leases is the incremental borrowing rate of 10.50% (2022: 10.75%). There were no modifications made to the first lease agreement during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

i **Lease assets**

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
As at 1 January	230	231	48	14
Addition- New lease	7 616	340	1 794	39
Exchange rate effects	138	(193)	48	12
Depreciation charge	(582)	(149)	(137)	(17)
As at the end of reporting period	**7 402**	**230**	**1 753**	**48**

ii **Lease liabilities**

	December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
As at 1 January	598	249	124	15
Addition- new lease	7 616	340	1 794	39
Exchange rate effects	6 091	770	2 323	88
Liability repayments	(1 232)	(155)	(470)	(18)
Interest accrued	843	87	372	12
Interest paid	(843)	(87)	(372)	(12)
Monetary loss adjustment	(9 302)	(605)	-	-
As at the end of reporting period	**3 772**	**598**	**3 772**	**124**
Of which are :				
Current lease liabilities	1 481	235	1 481	49
Non-Current lease liabilities	2 291	363	2 291	76
As at the end of reporting period	**3 772**	**598**	**3 772**	**124**

Maturity analysis

Lease Liability			
31 December 2023	**Up to 1 year ZWLm**	**Up to 5 years ZWLm**	**Total ZWLm**
Undiscounted cash outflow	1 637	3 415	5 052
Finance cost	(156)	(1 125)	(1 280)
Total lease liabilities	**1 481**	**2 291**	**3 772**

Lease Liability			
31 December 2022	**Up to 1 year ZWLm**	**Up to 5 years ZWLm**	**Total ZWLm**
Undiscounted cash outflow	269	416	685
Finance cost	(34)	(53)	(87)
Total lease liabilities	**235**	**363**	**598**

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 December 2023 ZWLm	Group December 2022 ZWLm	Group December 2023 ZWLm	Group December 2022 ZWLm
Depreciation charge of right of use asset	582	149	137	17
Interest expense (included under finance costs)	843	87	372	12

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

7 INVESTMENT PROPERTY

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
As at 1 January	536 002	372 409	111 435	22 507
Total additions	18 772	723	9 734	83
Additions to properties under development	18 584	391	9 690	45
Improvements to existing properties	188	332	44	38
Transfer to or from Non-current assets held for sale	185	(185)	38	(38)
Disposals	(3 112)	(1 047)	(2 113)	(160)
Fair value adjustments	528 654	164 102	952 513	89 044
As at the end of the period	**1 080 501**	**536 002**	**1 071 606**	**111 435**

There was no investment property that was encumbered as at 31 December 2023 (2022 nil)

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 2023	Level 1 ZWLm	Level 2 ZWLm	Level 3 ZWLm	Total ZWLm	Total gain/ (loss) in the period in the statement of comprehensive income ZWLm
CBD retail	-	-	148 407	148 407	75 096
CBD offices	-	-	162 388	162 388	99 723
Office parks	-	-	309 100	309 100	135 531
Suburban retail	-	-	61 740	61 740	31 241
Industrial	-	-	94 780	94 780	47 801
Commercial lodge	-	-	850	850	456
Residential	-	-	66 353	66 353	16 453
Land*	-	-	225 629	225 629	114 327
Total	**-**	**-**	**1 069 247**	**1 069 247**	**520 627**

31 December 2022	Level 1 ZWLm	Level 2 ZWLm	Level 3 ZWLm	Total ZWLm	Total gain/ (loss) in the period in the statement of comprehensive income ZWLm
CBD retail	-	-	73 970	73 970	24 450
CBD offices	-	-	92 977	92 977	29 687
Office parks	-	-	139 538	139 538	46 216
Suburban retail	-	-	33 045	33 045	8 225
Industrial	-	-	49 615	49 615	15 298
Commercial lodge	-	-	394	394	113
Residential	-	-	27 157	27 157	6 405
Land*	-	-	119 305	119 305	33 707
Total	**-**	**-**	**536 002**	**536 002**	**164 102**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

HISTORICAL COST - UNAUDITED **31 December 2023**	**Level 1** **ZWLm**	**Level 2** **ZWLm**	**Level 3** **ZWLm**	**Total** **ZWLm**	**Total gain/ (loss) in the period in the statement of comprehensive income** **ZWLm**
CBD retail	-	-	148 407	148 407	133 029
CBD offices	-	-	162 388	162 388	175 576
Office parks	-	-	309 100	309 100	272 714
Suburban retail	-	-	61 740	61 740	54 870
Industrial	-	-	94 780	94 780	84 465
Commercial lodge	-	-	850	850	768
Residential	-	-	66 353	66 353	30 259
Land*	-	-	225 629	225 629	200 832
Total	**-**	**-**	**1 069 247**	**1 069 247**	**952 513**

31 December 2022	**Level 1** **ZWLm**	**Level 2** **ZWLm**	**Level 3** **ZWLm**	**Total** **ZWLm**	**Total gain/ (loss) in the period in the statement of comprehensive income** **ZWLm**
CBD retail	-	-	15 378	15 378	12 386
CBD offices	-	-	19 330	19 330	15 505
Office parks	-	-	29 010	29 010	23 370
Suburban retail	-	-	6 870	6 870	5 370
Industrial	-	-	10 315	10 315	8 241
Commercial lodge	-	-	82	82	65
Residential	-	-	5 646	5 646	4 438
Land*	-	-	24 804	24 804	19 669
Total	**-**	**-**	**111 435**	**111 435**	**89 044**

* This consists of land earmarked for future developments.

Gains recorded in statement of comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL521 billion (December 2022 ZWL164 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 unobservable inputs used in the fair value measurement

Class of Property	Fair Value 31 December 2023 ZWLm	Fair Value 31 December 2022 ZWLm	Valuation Technique	Key unobservable Inputs	December 2023 Range	December 2022 Range
CBD retail	148 407	73 970	Income capitalisation	Rental per square metre Prime yield Vacancy rate	ZWL48 000-ZWL90 000 4.50%-6.00%	ZWL4,000-ZWL10,000 4.50%-6.00%
CBD offices	162 388	92 977	Income capitalisation	Rental per square metre Prime yield Vacancy rate	ZWL22 000-ZWL36 000 5.5.00%-8.5%	ZWL2,000-ZWL3,500 5.50%-8.5%
Office parks	309 100	139 538	Income capitalisation	Rental per square metre Prime yield Vacancy rate	ZWL48 000-ZWL60 000 5.00%-6.00%	ZWL4,000-ZWL5,000 5.00%-6.00%
Suburban retail	61 740	33 045	Income capitalisation	Rental per square metre Prime yield Vacancy rate	ZWL60 000-ZWL180 000 4.00%-5.50%	ZWL900-ZWL20,000 4.00%-5.50%
Industrial	94 780	49 615	Income capitalisation	Rental per square metre Prime yield Vacancy rate	ZWL9 000-ZWL28 000 7.00%-10.00%	ZWL1,000-ZWL3,500 7.00%-10.00%
Commercial lodge*	850	394	Market comparable	Rate per square metre	ZWL170 000-ZWL765 000	ZWL1500-ZWL12500 per square metre
Land						
- Residential		-	Market comparable	Rate per square metre	ZWL13 000-ZWL170 000	ZWL1,500.00-ZWL20,000.00
- Commercial	225 629	119 305	Market comparable	Rate per square metre	ZWL170 000-ZWL765 000	ZWL20,000.00-ZWL 86,000.00
Residential	66 353	27 157	Market comparable	Comparable transacted properties prices	ZWL13 000-ZWL170 000	ZWL1,500.00-ZWL20,000.00
Non current asset held for sale	-	185	Market comparable	Rate per square metre		ZWL1,500.00-ZWL20,000.00
Total	**1 069 247**	**536 187**				

*We have not provided yield rates & void rates for the commercial lodge as they are not applicable to the property which has been valued by making reference values of comparative properties as required by IFRS 13.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (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. Vacancy rate
The Group determines the vacancy 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.

vi. Annual yield
The percentage of the property value received over a year through rental earnings.

vii. Comparable of transacted property
A comparable property is a property selected to help estimate the value of a subject property in a given market.

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;
- vacancy 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 Sector	**Lettable space m2**		**% of portfolio**	
	December 2023 ZWL	**December 2022 ZWL**	**December 2023 ZWL**	**December 2022 ZWL**
Industrial	36 997	36 997	30%	30%
CBD offices	31 681	31 741	26%	26%
Office parks	25 839	25 769	21%	21%
Suburban retail	7 723	7 723	6%	6%
CBD retail	21 948	21 948	18%	18%
Total	**124 189**	**124 178**	**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 2023. 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 been determined by using comparable transactions. Valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied.

7 INVESTMENT PROPERTIES (continued)

7.1 Fair value hierarchy (continued)

Valuation process

The Group's valuation policies and procedures for property are determined by a management committee. Each year, the committee decides, after advising the Audit and Actuarial Committee, which external valuer to appoint to be responsible for the external valuation of the Group's property portfolio. The selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained.

The management committee decides, after discussions with the Group's external valuers and the Group's Valuation Department:

- whether a property's fair value can be reliably determined;
- which valuation method should be applied for each property (the methods that are applied for fair value measurements categorized within level 3 of the fair value hierarchy are market comparables and the income capitalization method); and
- the assumptions made for the unobservable inputs that are used in the valuation methods (the major observable inputs are rental per square metre, vacancy rate and prime yield).

As at each year-end, all properties are valued by external valuers. At each reporting date, the Valuation Department analyses the movements in each property value. For this analysis, the Valuation Department verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts (for example rent amounts in lease agreements), market reports (for example market rent, capitalisation rates in property market reports) and other relevant documents. In addition, the accuracy of the computation is tested on a sample basis. For each property, the latest valuation is compared with the valuations of the preceding annual periods. If fair value changes (positive or negative) are abnormal, the changes are further analysed for example by having discussions with external valuers.

The Internal Valuation Department also compares each property's change in fair value with relevant external sources (e.g. the investment property database or other relevant benchmark) to determine whether the change is reasonable.

On an annual basis, after the Management Committee discusses the valuations with the Valuation Department, they present the valuation results with the Group's external valuers to the Audit and Actuarial Committee and the Group's independent auditor. This includes a discussion of the major assumptions used in the valuations, with an emphasis on:

- properties with fair value changes that are abnormal; and
- investment property under construction.

Yield rate risk and sensitivity

The rental rate yield represents the net income expected in year zero divided by the current property values (historic or trailing income yield). The risk arises when void levels in the portfolio increase. This increase will consequently result in a reduction in net incomes. Where net incomes remain constant, a reduction in the yield rates will result in the increased property values. The table below highlights the sensitivity to a reasonable possible change in the yield rate applied to values of the investment properties. With all other variables held constant, the Group's profit before tax, investments property, and deferred taxation are affected through the impact on the fluctuating yield rate as follows:

	December 2023		**December 2022**	
Sensitivity analysis.	**Increase in yield 10%**	**Decrease in yield 10%**	**Increase in yield 10%**	**Decrease in yield 10%**
Investment property	1 060 996	1 082 431	530 695	541 416
Deferred tax effect	2 732	(2 787)	1 367	(1 394)
Effects of rebasing	-	-	(241)	21 246
Profit for the year	(7 878)	8 037	(3 940)	4 020
Equity	(7 878)	8 037	(3 940)	4 020

As at 31 December 2023, if the average yield was 10% higher holding other variables constant, investment property value will decrease by ZWL10.6 billion (2022: ZWL5.3 billion) and deferred tax liabilities will decrease by ZWL2.7 billion (2022: ZWL1.7 bill 31 December 2023, if the average yield rate was 10% lower holding other variables constant, investment property value will increase by ZWL10.8 billion (2022: ZWL5.4 billion) and the deferred tax liabilities will increase by ZWL2.8 billion (2022: ZWL1.4 bi

7.2 Investment property held for sale

During the year ended 31 December 2023, a residential parcel of land which was classified as held for sale in 2022 was reclassified to investment property. The asset was reclassified from current assets to investment property as disclosed below.

	INFLATION ADJUSTED - AUDITED		**HISTORICAL COST - UNAUDITED**	
	December 2023 ZWLm	**December 2022 ZWLm**	**December 2023 ZWLm**	**December 2022 ZWLm**
Opening balance	185	-	38	-
Transfer from investment properties	-	185	-	38
Fair value gain	(185)	-	(38)	-
Closing balance	**-**	**185**	**-**	**38**

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
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		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
8	**INTANGIBLE ASSETS**	**December 2023**	**December 2022**	**December 2023**	**December 2022**
8.1	**SOFTWARE**	**ZWLm**	**ZWLm**	**ZWLm**	**ZWLm**
	Cost				
	As at 1 January	1 320	2 649	9	8
	Additions	-	55	-	4
	Derecognition of intangible assets	-	(1 385)	-	(3)
	As at the end of the period	**1 320**	**1 320**	**9**	**9**
	Accumulated amortisation and impairment losses				
	Year ended 31 December				
	As at 1 January	1 109	2 373	2	4
	Charge for the year	25	120	1	1
	Derecognition of intangible assets	-	(1 385)	-	(3)
	As at the end of the period	**1 133**	**1 109**	**3**	**2**
	Carrying amount				
	As at 31 December	**186**	**211**	**6**	**7**

Intangible assets refer to the short-term insurance business, Premia system. The intangible assets are amortised over their useful economic lives, determined by management to be seven years and amortisation is recognized in statement of comprehensive income. As at 31 December 2023, these assets were not tested for impairment, and management determined that no impairment is required in respect of these intangibles (2022: ZWLnil).

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.

The value in use determined in prior year was ZWL110 billion an amount that is 9 times higher than the goodwill carrying amount plus Diamond Seguros's net assets as at 31 December 2023 of ZWL11 billion. If the future cashflows (terminal value) are assumed to be zero there will still be no impairment. Diamond Seguros business operated profitably in 2023 and amongst other projects introduced a new product- Health services which is an indicator of Company growth.

Impact of possible changes to the key assumptions
Operating cashflows
If the operating cashflows are 10% less than estimated by management (holding all other variables constant) as at 31 December 2023, 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 insurance contract revenue 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 ofDiamond Seguros Insurance Limited to exceed its recoverable amount.

9 Investment in gold coins

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
At 1 January	1 331	-	277	-
Additions	227	1 618	48	239
Fair value gain/(loss)	1 390	(288)	2 623	38
At the end of the period	**2 948**	**1 331**	**2 948**	**277**

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;

31 December 2023	Level 1 ZWLm	Level 2 ZWLm	Level 3 ZWLm	Total ZWLm	Total gain/ (loss) in the period in the statement of comprehensive income ZWLm
Gold coins	2 948			2 948	1 390
Total	**2 948**	**0**	**0**	**2 948**	**1 390**

31 December 2022	Level 1 ZWLm	Level 2 ZWLm	Level 3 ZWLm	Total ZWLm	Total gain/ (loss) in the period in the comprehensive income ZWLm
Gold coins	1 331			1 331	(288)
Total	**1 331**	**0**	**0**	**1 331**	**(288)**

The gold coins are classified under level 1 as the values for these are readily available and accessible in the international market, our reference point being the data published on the Reserve Bank of Zimbabwe website.

10 INVESTMENT IN ASSOCIATES

Investment in associates

Through its 100% share ownership in NicozDiamond Insurance, the Group holds significant influence in one associate; United General Insurance Limited ("UGI") which is involved in short-term insurance . 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. In addition, through First Mutual Health, the Group has an associate in the form of Haematology Laboratory, a company that specialises in various related tests and work is collaboration with clinics and hospitals. Set out below are the associates as at 31 December 2023 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.

In addition, through First Mutual Properties Limited the group holds significant influence in Builstate investments, an associated company. 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.

Furthermore, FMP has a 29.49% interest in Greencroft Properties (Private) Limited , which is involved in development of properties. Greencroft Properties (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Greencroft Properties (Private) Limited was accounted for at cost in the Group consolidated financial statements. Interest in Greencroft Properties (Private) Limited raised from the Group participating in purchase of land at which development is yet to start for the construction of a hospital.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
Reconciliation of the carrying amount				
Opening balance	6 641	5 818	832	212
Additions	608	405	208	24
Disposal	(4 076)	-	(311)	-
Gain on bargain purchase	-	323	-	112
Share of associates other comprehensive income	(907)	1 505	2 176	136
Share of movement in foreign currency translation reserve	843	108	(47)	419
Share of associates profit/(losses)	2 304	(1 518)	2 121	(71)
Dividend received	(42)	-	(12)	-
Closing balance	-	-	-	-
	5 371	**6 641**	**4 968**	**832**

Name of entity	Country of incorporation	% of ownership through NDIL ,FMP and/or FMHC		Method of measurement	Carrying amount INFLATION ADJUSTED - AUDITED		Carrying amount HISTORICAL COST - UNAUDITED	
		2023	2022		December 2023	December 2022	December 2023	December 2022
					ZWLm	ZWLm	ZWLm	ZWLm
United General Insurance Company Limited ("UGI")	Malawi	34%	34%	Equity method	2 977	1 823	2 977	382
Clover Leaf Panel Beaters (Private) Limited ("CLPB")	Zimbabwe	0%	45%	Equity method	-	4 076	-	311
Greencroft Properties (Private) Limited	Zimbabwe	29%	0%	Equity method	611	-	208	-
Builstate Investments (Private) Limited ("BI")	Zimbabwe	37%	37%	Equity method	1 783	743	1 783	139
					5 371	**6 641**	**4 968**	**832**

Haematology Center (HC) was fully impaired in the prior year.

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FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

The tables below provide summarised financial information for the associates.

INFLATION ADJUSTED - AUDITED
Summarised Statement of Financial Position for associates

	BI 2 023	BI 2022	HC 2 023	HC 2022	UGI 2 023	UGI 2022	CLPB 2 023	CLPB 2022
Non-current assets	1 584	1 942	-	408	13 646	11 995	-	9 958
Current assets	4 100	57	-	199	61 693	11 414	-	2 767
Non-current liabilities	(32)	-	-	(549)	(141)	(39)	-	(241)
Current liabilities	(894)	(17)	-	(97)	(66 437)	(17 940)	-	(3 427)
Total equity	4 757	1 982	-	(40)	8 761	5 431	-	9 057
Summarised Statement Comprehensive Income for associates								
Total revenue	6 225	66	-	454	38 826	14 254	-	9 848
Total expenses	(2 469)	(12)	-	(605)	(40 050)	(18 354)	-	(9 765)
Profit/(loss) before income tax	3 755	54	-	(151)	(1 224)	(4 111)	-	83
Reconciliation of carrying amount for associates								
As at 1 January	**743**	**-**	**-**	**91**	**1 823**	**3 061**	**4 076**	**2 689**
Capitalised investment at cost	-	405	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	(4 076)	-
Profit/(loss) for the year	1 082	15	-	(196)	1 222	(1 398)	-	38
Other comprehensive income	-	-	-	105	(67)	159	-	1 349
Gain on bargain purchase	-	323	-	-	-	-	-	-
Dividend received	(42)	-	-	-	-	-	-	-
As at 31 December	**1 783**	**743**	**-**	**-**	**2 977**	**1 823**	**-**	**4 076**
Group's share in %	37%	37%		34%	34%	34%	0%	45%
Group's share of net assets	1 783	743	-	(14)	2 977	1 823	-	4 076
Impairment	-	-	-	-	-	-	-	-
Additions or capitalisations	-	-	-	-	-	-	-	-
IAS28 limit adjustment	-	-	-	14	-	-	-	-
Carrying amount	**1 783**	**743**	**-**	**-**	**2 977**	**1 823**	**-**	**4 076**

HISTORICAL COST - UNAUDITED

	BI 2 023	BI	HC 2 023	HC 2022	UGI 2 023	UGI 2022	CLPB 2 023	CLPB 2022
Summarised Statement of Financial Position for associates								
Non-current assets	1 583	363	-	53	13 646	2 494	-	683
Current assets	4 100	12	-	41	61 693	2 373	-	167
Non-current liabilities	(32)	-	-	(82)	(141)	(8)	-	(15)
Current liabilities	(894)	(4)	-	(20)	(66 437)	(3 730)	-	(145)
Total equity	4 757	371	-	(7)	8 761	1 129	-	691
Summarised Statement Comprehensive Income for associates								
Total revenue	5 468	13	-	74	14 802	1 716	-	1 127
Total expenses	(163)	(2)	-	(98)	(15 269)	(1 939)	-	(1 118)
Profit/(loss) before income tax	5 305	11	-	(23)	(467)	(223)	-	10
Reconciliation of carrying amount for associates								
As at 1 January	**-**	**-**	**-**	**3**	**382**	**185**	**311**	**26**
Capitalised investment at cost	139	24	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	(311)	-
Profit/(loss) for the year	1 656	3	-	(4)	466	(76)	-	4
Other comprehensive income	-	-	-	1	2 129	273	-	281
Gain on bargain purchase	-	112	-	-	-	-	-	-
Dividend received	(12)	-	-	-	-	-	-	-
As at 31 December	**1 783**	**139**	**-**	**-**	**2 977**	**382**	**-**	**311**
Group's share in %	37%	37%	0%	34%	34%	34%	0%	45%
Group's share of net assets	1 783	139	-	(2)	2 977	382	-	311
Impairment	-	-	-	-	-	-	-	-
Additions or capitalisations	-	-	-	-	-	-	-	-
IAS28 limit adjustment	-	-	-	2	-	-	-	-
Carrying amount	**1 783**	**139**	**-**	**-**	**2 977**	**382**	**-**	**311**

11 CLASSIFICATION OF FINANCIAL ASSETS

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

	INFLATION ADJUSTED - AUDITED December 2023 ZWLm	December 2022 ZWLm	HISTORICAL COST - UNAUDITED December 2023 ZWLm	December 2022 ZWLm
Financial assets				
Financial assets at fair value through profit or loss (note 11.1)	221 395	85 006	221 395	17 673
Debt securities at amortised cost (note 11.2)	52 684	12 094	52 684	2 514
Total financial assets	**274 079**	**97 100**	**274 079**	**20 187**
Tenant and other receivables				
Rental receivables at amortised cost (note 14.1)	4 205	2 375	4 205	494
Other receivables excluding prepayments at amortised cost (note 14.2)	13 428	15 964	13 428	3 319
Total tenant and other receivables	**17 633**	**18 339**	**17 633**	**3 813**
Cash and balances with banks at amortised cost (note 15)	104 948	80 195	104 948	16 673
Total financial instruments	**396 659**	**195 635**	**396 659**	**40 673**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
11.1	**Financial assets at fair value through profit or loss**				
	Fair value				
	As at 1 January	85 006	101 489	17 673	6 134
	Purchases	83 765	20 449	31 951	2 342
	Disposals	(6 855)	(1 386)	(2 615)	(159)
	Fair value gain on unquoted investments	18 202	1 470	31 978	2 067
	Fair value gain/(loss) on quoted equities	41 277	(37 017)	142 408	7 289
	As at 31 December	**221 395**	**85 006**	**221 395**	**17 673**
11.2	**Debt securities at amortised cost**				
	As at 1 January	12 094	3 088	2 514	187
	Purchases	88 925	21 176	36 622	2 421
	Maturities of investments	(53 130)	(855)	(19 187)	(98)
	Exchange gains or loss	62 778	40	32 735	5
	Monetary loss adjustment	(57 983)	(11 355)	-	-
	As at 31 December	**52 684**	**12 094**	**52 684**	**2 514**
	Current	14 813	3 400	14 813	707
	Non current	37 872	8 694	37 872	1 807
	Total	**52 684**	**12 094**	**52 684**	**2 514**

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 ZWLm	Level 2 ZWLm	Level 3 ZWLm	Total fair value ZWLm
As at 31 December 2023				
Financial assets mandatorily at fair value through profit or loss	183 888	-	37 507	221 395
Total financial assets recorded at fair value	**183 888**	**-**	**37 507**	**221 395**
As at 31 December 2022				
Financial assets mandatorily at fair value through profit or loss	68 570	-	16 436	85 006
Total financial assets recorded at fair value	**68 570**	**-**	**16 436**	**85 006**

During the year there were no transfers of financial assets between levels 1, 2 and 3 (2022: ZWLnil).

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 Mangwana Opportunities (Private) Limited, Arlington, Merspin, Sterling midlands and Property fund 2 all domiciled in Zimbabwe

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	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
As at 1 January	16 436	9 905	3 417	599
Additions	2 869	5 060	2 111	751
Fair value gain on unquoted investments	18 202	1 470	31 978	2 067
Closing balance	**37 507**	**16 436**	**37 507**	**3 417**

i) 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 Company 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 2023:

Description	Fair value at 31 December December 2023 ZWLm	December 2022 ZWLm	Key inputs	Range of inputs (actual rate used) 2023	2022	Relationship of inputs to fair value 2023	2022
Zimbabwe Crocodiles (Private) Limited	-	460	Selling price Sales volumes	+/-20% +/-20%	+/-20% +/-20%	Increase by 20% changes by ZWLnil; Decrease by 20% changes by ZWLnil	Increase by 20% changes by ZWL456 149 577; Decrease by 20% changes by ZWL465 654 114
			Discounting factor	22,99%	22,99%	Increase by 5% changes value by -ZWL745 317. Decrease by 5% changes value by ZWL745 317.	Increase by 5% points changes value by ZWL1 766 679 . Decrease by 5% changes value by ZWL1 776 809.
Mangwana Opportunities (Private) Limited	19 941	10 840	Earnings growth	1.80% - 2.50% (2.01%)	1.80% - 2.50% (2.01%)	Increase by 5 basis points changes value by ZWL71,957,529. Decrease by 5% changes value by ZWL71,957,529	Increase by 5% changes value by ZWL696 569. Decrease by 5% changes value by ZWL696 569.
			Discounting factor	15.6% - 17.0% (16.3%)	15.6% - 17.0% (16.3%)	Increase by 5 basis points changes value by ZWL71,957,529. Decrease by 5% changes value by ZWL71,957,529	Increase by 5% changes value by -ZWL7 091 118 . Decrease by 5% changes value by ZWL7,345 735.
Arlington	993	875	Comparables transactions	ZWL170 000 - ZWL675 000 (ZWL422 500)	ZWL7,500 - ZWL8,500 (ZWL7,309)	Increase by 5% changes value by ZWL49,640,000. Decrease by 5% changes value by -ZWL49,640,000.	Increase by 5% changes value by ZWL14 112 540 Decrease by 5% changes value by '-ZWL14 112 540

Description	Fair value at 31 December December 2023 ZWLm	December 2022 ZWLm	Key inputs	Range of inputs (actual rate used) 2023	2022	Relationship of inputs to fair value 2023	2022
Merspin	3 927	1 217	Comparables transactions	ZWL170 000 - ZWL675 000 (ZWL422 500)	ZWL6,500 - ZWL7,500 (ZWL6,385)	Increase by 5% changes value by ZWL196,329,955. Decrease by 5% changes value by -ZWL196,329,955.	Increase by 10% changes value by ZWL10 976 367. Decrease by 10% changes value by -ZWL10 999 421.
Property Fund 2	2 023	2 798	Comparables transactions	ZWL170 000 - ZWL675 000 (ZWL422 500)	ZWL6,500 - ZWL7,500 (ZWL6,385)	Increase by 10% changes value by ZWL101,134,311. Decrease by 10% changes value by -ZWL101,134,311.	Increase by 10% changes value by ZWL10 976 367. Decrease by 10% changes value by -ZWL10 999421.
Sterling Midlands	2 346	247	Comparables transactions	ZWL13 000 - ZWL170 000 (ZWL91 500)	ZWL2,000 - ZWL3,000 (ZWL2,261)	Increase by 5% changes value by ZWL117,289,375. Decrease by 5% changes value by -ZWL117,289,375	Increase by 5% changes value by ZWL23 520 900. Decrease by 5% changes value by -ZWL23 520 900.

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	
Financial assets	**2023 ZWLm Carrying value**	**2023 ZWLm Fair value**	**2023 ZWLm Carrying value**	**2023 ZWLm Fair value**
Debt securities at amortised cost	52 684	52 684	52 684	52 684
Tenant and other receivables (excluding prepayments)	17 633	17 633	17 633	17 633
	70 317	**70 317**	**70 317**	**70 317**
Financial assets	**2022 ZWLm Carrying value**	**2022 ZWLm Fair value**	**2022 ZWLm Carrying value**	**2022 ZWLm Fair value**
Debt securities at amortised cost	12 094	12 094	2 514	2 514
Tenant and other receivables (excluding prepayments)	18 339	18 339	3 813	3 813
	30 433	**30 433**	**6 327**	**6 327**

The carrying amount of trade and other receivables closely approximates its fair value as the instruments are short term in nature.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
Financial liabilities	**2023 ZWLm Carrying value**	**2023 ZWLm Fair value**	**2023 ZWLm Carrying value**	**2023 ZWLm Fair value**
Trade and other payables (excluding statutory liabilities)	42 457	42 457	41 164	41 164
Borrowings	30 448	30 448	30 448	30 448
	72 905	**72 905**	**71 612**	**71 612**
	2022 ZWLm Carrying value	**2022 ZWLm Fair value**	**2022 ZWLm Carrying value**	**2022 ZWLm Fair value**
Trade and other payables (excluding statutory liabilities)	26 132	26 132	5 318	5 318
Borrowings	8 083	8 083	1 681	1 681
	34 216	**34 216**	**6 999**	**6 999**

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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	
	December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
12 INVENTORY				
Consumables	1 772	1 609	528	171
Total	**1 772**	**1 609**	**528**	**171**

There was no write off of inventories during the year ended 31 December 2023 (2022: ZWLnil). The cost of inventory recognised as an expense included in the income statement was ZWL6 548 billion (2022: ZWL899 million)

13 COMPOSITION OF THE BALANCE SHEET- INSURANCE, REINSURANCE AND INVESTMENT CONTRACTS

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	Life Risk	Savings-PAA	Savings-VFA	Health	Property and Casualty	Total	Current Portion	Non-Current Portion	Total
Note	13.3	13.4	13.5	13.2	13.1				
INFLATION ADJUSTED - AUDITED	ZWLm	ZWLm	ZWLm	ZWLm	ZWLm	ZWLm	ZWLm	ZWLm	ZWLm
As at 31 December 2023									
Insurance contract assets	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	(5 034)	(421 348)	(83 168)	(47 255)	(203 739)	(760 544)	(677 376)	(83 168)	(760 544)
Net insurance contract assets/ (liabilities)	**(5 034)**	**(421 348)**	**(83 168)**	**(47 255)**	**(203 739)**	**(760 544)**	**(677 376)**	**(83 168)**	**(760 544)**
Reinsurance contract assets	152	-	-	-	99 995	100 147	100 147	-	100 147
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets/ (liabilities)	**152**	**-**	**-**	**-**	**99 995**	**100 147**	**100 147**	**-**	**100 147**
As at 31 December 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Insurance contract assets	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	(1 766)	(212 389)	(37 075)	(23 111)	(114 313)	(388 655)	(351 579)	(37 075)	(388 655)
Net insurance contract assets/ (liabilities)	**(1 766)**	**(212 389)**	**(37 075)**	**(23 111)**	**(114 313)**	**(388 655)**	**(351 579)**	**(37 075)**	**(388 655)**
Reinsurance contract assets	160	-	-	-	36 773	36 932	36 932	-	36 932
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets/ (liabilities)	**160**	**-**	**-**	**-**	**36 773**	**36 932**	**36 932**	**-**	**36 932**
HISTORICAL COST - UNAUDITED	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2023	-	-	-	-	-	-	-	-	-
Insurance contract assets	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	(3 428)	(421 348)	(83 168)	(43 530)	(202 531)	(754 006)	(670 838)	(83 168)	(754 006)
Net insurance contract assets/ (liabilities)	**(3 428)**	**(421 348)**	**(83 168)**	**(43 530)**	**(202 531)**	**(754 006)**	**(670 838)**	**(83 168)**	**(754 006)**
Reinsurance contract assets	152	-	-	-	89 791	89 943	89 943	-	89 943
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets/ (liabilities)	**152**	**-**	**-**	**-**	**89 791**	**89 943**	**89 943**	**-**	**89 943**
As at 31 December 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Insurance contract assets	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	(310)	(44 156)	(7 708)	(4 030)	(23 653)	(79 857)	(72 149)	(7 708)	(79 857)
Net insurance contract assets/(liabilities)	(310)	(44 156)	(7 708)	(4 030)	(23 653)	(79 857)	(72 149)	(7 708)	(79 857)
Reinsurance contract assets	33	-	-	-	7 392	7 425	7 425	-	7 425
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets/ (liabilities)	**33**	**-**	**-**	**-**	**7 392**	**7 425**	**7 425**	**-**	**7 425**

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13.1 Property and Casualty

13.1.1 Property and Casualty - Insurance contracts issued

Reconciliation of the liability for remaining coverage and the liability for incurred claims

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in property and casualty unit, is disclosed in the table below:

INFLATION ADJUSTED - AUDITED	2023				
	"Liabilities for remaining coverage"		Liabilities for incurred claims		
Property and Casualty - Insurance contracts issued	**Excluding loss comp.**	**Loss comp**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	**Total**
Net balance as at 1 January	**20 759**	**-**	**89 020**	**4 623**	**114 403**
Insurance revenue	**(691 609)**	**-**	**-**	**-**	**(691 609)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	250 928	26 907	277 834
Changes that relate to past service adjustments to the LIC	-	-	98 715	(2 282)	96 433
Insurance acquisition cash flows armotisation	260 448	-	-	-	260 448
Insurance service expenses	**260 448**	**-**	**349 643**	**24 625**	**634 715**
Insurance service result	**(431 161)**	**-**	**349 643**	**24 625**	**(56 894)**
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	**(431 161)**	**-**	**349 643**	**24 625**	**(56 894)**
Investment components	-	-	-	-	-
Effects of inflation	-	-	(35 543)	(19 353)	(54 896)
Cash flows	**-**	**-**	**-**	**-**	**-**
Premiums received	814 184	-	-	-	814 184
Claims and other directly attributable expenses paid	-	-	(326 009)	-	(326 009)
Insurance acquisition cash flows	(287 049)	-	-	-	(287 049)
Total cash flows	**527 135**	**-**	**(326 009)**	**-**	**201 126**
Net balance as at 31 December	**116 733**	**-**	**77 110**	**9 895**	**203 739**

	2022				
	"Liabilities for remaining coverage"		Liabilities for incurred claims		
Property and Casualty - Insurance contracts issued	**Excluding loss comp.**	**Loss comp**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	**Total**
Net balance as at 1 January	**(3 173)**	**-**	**43 788**	**1 045**	**41 660**
Insurance revenue	**(221 427)**	**-**	**-**	**-**	**(221 427)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	88 294	5 909	94 203
Changes that relate to past service adjustments to the LIC	-	-	45 236	(502)	44 734
Insurance acquisition cash flows armotisation	64 895	-	-	-	64 895
Insurance service expenses	**64 895**	**-**	**133 530**	**5 407**	**203 832**
Insurance service result	**(156 532)**	**-**	**133 530**	**5 407**	**(17 595)**
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	**(156 532)**	**-**	**133 530**	**5 407**	**(17 595)**
Investment components	-	-	-	-	-
Effects of inflation	-	-	2 989	(1 829)	1 160
Cash flows					
Premiums received	251 302	-	-	-	251 302
Claims and other directly attributable expenses paid	-	-	(91 287)	-	(91 287)
Insurance acquisition cash flows	(70 928)	-	-	-	(70 928)
Total cash flows	**180 374**	**-**	**(91 287)**	**-**	**89 088**
Net balance as at 31 December	**20 670**	**-**	**89 020**	**4 623**	**114 313**

13.1 Property and Casualty (continued)
13.1.1 Property and Casualty - Insurance contracts issued (continued)

HISTORICAL COST - UNAUDITED	2 023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
Property and Casualty - Insurance contracts issued	**Excluding loss comp.**	**Loss comp**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	**Total**
Net balance as at 1 January	**4 184**	**-**	**18 507**	**961**	**23 653**
Insurance revenue	**(269 778)**	**-**	**-**	**-**	**(269 778)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	81 260	9 762	91 022
Changes that relate to past service adjustments to the LIC	-	-	96 888	(828)	96 060
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows armotisation	104 538	-	-	-	104 538
Insurance service expenses	**104 538**	**-**	**178 147**	**8 934**	**291 619**
Insurance service result	**(165 240)**	**-**	**178 147**	**8 934**	**21 841**
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	**(165 240)**	**-**	**178 147**	**8 934**	**21 841**
Investment components	-	-	-	-	-
Other changes	-	-	-	-	-
Cash flows					
Premiums received	371 546	-	-	-	371 546
Claims and other directly attributable expenses paid	-	-	(119 544)	-	(119 544)
Insurance acquisition cash flows	(94 964)	-	-	-	(94 964)
Total cash flows	**276 582**	**-**	**(119 544)**	**-**	**157 038**
Net balance as at 31 December	**115 526**	**-**	**77 110**	**9 895**	**202 531**

	2 022				
	Liabilities for remaining coverage		Liabilities for incurred claims		
Property and Casualty - Insurance contracts issued	**Excluding loss comp.**	**Loss comp**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	**Total**
Net balance as at 1 January	**(880)**	**-**	**3 878**	**91**	**3 089**
Insurance revenue	**(21 395)**	**-**	**-**	**-**	**(21 395)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	7 628	951	8 580
Changes that relate to past service adjustments to the LIC	-	-	9 350	(81)	9 269
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows armotisation	7 975	-	-	-	7 975
Insurance service expenses	**7 975**	**-**	**16 978**	**871**	**25 824**
Insurance service result	**(13 420)**	**-**	**16 978**	**871**	**4 429**
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	**(13 420)**	**-**	**16 978**	**871**	**4 429**
Investment components					
Other changes	-	-	-	-	-
Cash flows	**-**	**-**	**-**	**-**	**-**
Premiums received	28 702	-	-	-	28 702
Claims and other directly attributable expenses paid	-	-	(2 350)	-	(2 350)
Insurance acquisition cash flows	(10 218)	-	-	-	(10 218)
Total cash flows	**18 484**	**-**	**(2 350)**	**-**	**16 135**
Net balance as at 31 December	**4 184**	**-**	**18 507**	**961**	**23 653**

The expected timing for when assets for insurance acquisition cash flows will be derecognised and included in the measurement of the group of insurance contracts to which they relate is disclosed in the table below:

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13.1 Property and Casualty (continued)

13.1.1 Property and Casualty - Insurance contracts issued (continued)

INFLATION ADJUSTED - AUDITED

In ZWLm	2023 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	0						

In ZWLm	2022 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	0						

HISTORICAL COST - UNAUDITED

In ZWLm	2023 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	0						

In ZWLm	2022 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	0						

13.1.2 Property and Casualty - Reinsurance contracts held

Reconciliation of the remaining coverage and incurred claims components

The roll-forward of the net asset or liability for reinsurance contracts held, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in property and casualty unit, is disclosed in the table below:

	2023				
INFLATION ADJUSTED - AUDITED	**Liabilities for remaining coverage**		**Liabilities for incurred claims**		
	Excluding loss comp.	**Loss comp**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	**Total**
Net balance as at 1 January	**5 216**	**-**	**(39 378)**	**(2 611)**	**(36 773)**
Net expenses (income) from reinsurance contracts held					
Reinsurance expenses	251 298	-	-	-	251 298
Other incurred directly attributable income	(11 475)	-	-	-	(11 475)
Claims recovered	-	-	(178 578)	-	(178 578)
Changes that relate to past service - adjustments to incurred claims	-	-	(52 128)	-	(52 128)
Effect of changes in the risk of reinsurers non-performance	-	-	-	(5 734)	(5 734)
Net expenses (income) from reinsurance contracts held	**239 824**	**-**	**(230 706)**	**(5 734)**	**3 383**
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	**239 824**	**-**	**(230 706)**	**(5 734)**	**3 383**
Investment components	-	-	-	-	-
Effects of inflation	-	-	124 260	2 398	126 658
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(284 686)	-	(55 681)	-	(340 368)
Recoveries from reinsurance	-	-	147 103	-	147 103
Total cash flows	**(284 686)**	**-**	**91 422**	**-**	**(193 264)**
Net balance as at 31 December	**(39 646)**	**-**	**(54 402)**	**(5 947)**	**(99 995)**

	2022				
	Liabilities for remaining coverage		**Liabilities for incurred claims**		
	Excluding loss comp.	**Loss comp**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	**Total**
Net balance as at 1 January	**(4 601)**	**-**	**(1 234)**	**(720)**	**(6 555)**
Net expenses (income) from reinsurance contracts held					
Reinsurance expenses	71 650	-	-	-	71 650
Other incurred directly attributable income	(5 796)	-	-	-	(5 796)
Claims recovered	-	-	(49 126)	-	(49 126)
Changes that relate to past service - adjustments to incurred claims	-	-	(20 722)	-	(20 722)
Effect of changes in the risk of reinsurers non-performance	-	-	-	(2 262)	(2 262)
Net expenses (income) from reinsurance contracts held	**65 854**	**-**	**(69 848)**	**(2 262)**	**(6 255)**
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	**65 854**	**-**	**(69 848)**	**(2 262)**	**(6 255)**
Investment components	-	-	-	-	-
Effects of inflation	-	-	27 603	370	27 973
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(56 037)	-	(4 145)	-	(60 182)
Recoveries from reinsurance	-	-	8 247	-	8 247
Total cash flows	**(56 037)**	**-**	**4 101**	**-**	**(51 935)**
Net balance as at 31 December	**5 216**	**-**	**(39 378)**	**(2 611)**	**(36 773)**

13.1.2 Property and Casualty - Reinsurance contracts held (continued)

HISTORICAL COST - UNAUDITED	2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Net balance as at 1 January	**1 338**	**-**	**(8 187)**	**(543)**	**(7 392)**
Net expenses (income) from reinsurance contracts held					
Reinsurance expenses	81 634	-	-	-	81 634
Other incurred directly attributable income	(5 657)	-	-	-	(5 657)
Claims recovered	-	-	(47 850)	-	(47 850)
Changes that relate to past service - adjustments to incurred claims	-	-	(52 128)	-	(52 128)
Effect of changes in the risk of reinsurers non-performance	-	-	-	(5 404)	(5 404)
Net expenses (income) from reinsurance contracts held	**75 977**	**-**	**(99 978)**	**(5 404)**	**(29 405)**
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	**75 977**	**-**	**(99 978)**	**(5 404)**	**(29 405)**
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(106 757)	-	(13 774)	-	(120 531)
Recoveries from reinsurance	-	-	67 537	-	67 537
Total cash flows	**(106 757)**	**-**	**53 763**	**-**	**(52 994)**
Net balance as at 31 December	**(29 442)**	**-**	**(54 402)**	**(5 947)**	**(89 791)**

	2022				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Net balance as at 1 January	**(710)**	**-**	**(244)**	**(73)**	**(1 027)**
Net expenses (income) from reinsurance contracts held					
Reinsurance expenses	6 400	-	-	-	6 400
Other incurred directly attributable income	(760)	-	-	-	(760)
Claims recovered	-	-	(5 332)	-	(5 332)
Changes that relate to past service - adjustments to incurred claims	-	-	(4 274)	-	(4 274)
Effect of changes in the risk of reinsurers non-performance	-	-	-	(470)	(470)
Net expenses (income) from reinsurance contracts held	**5 639**	**-**	**(9 606)**	**(470)**	**(4 437)**
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	**5 639**	**-**	**(9 606)**	**(470)**	**(4 437)**
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(3 592)	-	(488)	-	(4 080)
Recoveries from reinsurance	-	-	2 152	-	2 152
Total cash flows	**(3 592)**	**-**	**1 664**	**-**	**(1 928)**
Net balance as at 31 December	**1 338**	**-**	**(8 187)**	**(543)**	**(7 392)**

13.2 HEALTH

13.2.1 Health - Insurance contracts issued

Reconciliation of the liability for remaining coverage and the liability for incurred claims

The roll-forward of the net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims for portfolios included in Health insurance unit is disclosed in the table below:

INFLATION ADJUSTED - AUDITED

	2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
Health- Insurance contracts issued	**Excluding loss comp.**	**Loss comp**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	**Total**
Net balance as at 1 January	**7 921**	**-**	**15 148**	**41**	**23 111**
Insurance revenue	**(327 087)**	**-**	**-**	**-**	**(327 087)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	244 419	55	244 474
Changes that relate to past service adjustments to the LIC	-	-	4 193	(5)	4 188
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows armotisation	12 870	-	-	-	12 870
Insurance service expenses	**12 870**	**-**	**248 612**	**50**	**261 531**
Insurance service result	**(314 217)**	**-**	**248 612**	**50**	**(65 555)**
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	**(314 217)**	**-**	**248 612**	**50**	**(65 555)**
Effects of inflation	-	-	(70)	28	(41)
Cash flows					
Premiums received	339 988	-	-	-	339 988
Claims and other directly attributable expenses paid	-	-	(237 377)	-	(237 377)
Insurance acquisition cash flows	(12 870)	-	-	-	(12 870)
Total cash flows	**327 118**	**-**	**(237 377)**	**-**	**89 741**
Net balance as at 31 December	**20 822**	**-**	**26 313**	**120**	**47 255**

	2022				
	Liabilities for remaining coverage		Liabilities for incurred claims		
Health - Insurance contracts issued	**Excluding loss comp.**	**Loss comp**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	**Total**
Net balance as at 1 January	**28 290**	**-**	**5 166**	**40**	**33 496**
Insurance revenue	**(145 393)**	**-**	**-**	**-**	**(145 393)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	98 285	32	98 317
Changes that relate to past service adjustments to the LIC	-	-	7 222	(3)	7 219
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows armotisation	322	-	-	-	322
Insurance service expenses	**322**	**-**	**105 507**	**30**	**105 858**
Insurance service result	**(145 070)**	**-**	**105 507**	**30**	**(39 534)**
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	**(145 070)**	**-**	**105 507**	**30**	**(39 534)**
Effects of inflation	-	-	(3 661)	(28)	(3 690)
Cash flows					
Premiums received	125 024	-	-	-	125 024
Claims and other directly attributable expenses paid	-	-	(91 863)	-	(91 863)
Insurance acquisition cash flows	(322)	-	-	-	(322)
Total cash flows	**124 702**	**-**	**(91 863)**	**-**	**32 839**
Net balance as at 31 December	**7 921**	**-**	**15 148**	**41**	**23 111**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

13.2 HEALTH (continued)
13.2.1 Health - Insurance contracts issued (continued)

HISTORICAL COST - UNAUDITED	2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
Health- Insurance contracts issued	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Net balance as at 1 January	**873**	**-**	**3 149**	**9**	**4 030**
Insurance revenue	**(193 993)**	**-**	**-**	**-**	**(193 993)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	142 507	122	142 629
Changes that relate to past service adjustments to the LIC	-	-	7 378	(11)	7 367
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows armotisation	8 937	-	-	-	8 937
Insurance service expenses	**8 937**	**-**	**149 884**	**111**	**158 932**
Insurance service result	**(185 056)**	**-**	**149 884**	**111**	**(35 061)**
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	**(185 056)**	**-**	**149 884**	**111**	**(35 061)**
Cash flows					
Premiums received	210 218	-	-	-	210 218
Claims and other directly attributable expenses paid	-	-	(126 721)	-	(126 721)
Insurance acquisition cash flows	(8 937)	-	-	-	(8 937)
Total cash flows	**201 282**	**-**	**(126 721)**	**-**	**74 561**
Net balance as at 31 December	**17 098**	**-**	**26 313**	**120**	**43 530**

	2022				
	Liabilities for remaining coverage		Liabilities for incurred claims		
Health- Insurance contracts issued	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Net balance as at 1 January	**288**	**-**	**808**	**2**	**1 099**
Insurance revenue	**(21 936)**	**-**	**-**	**-**	**(21 936)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	14 795	7	14 802
Changes that relate to past service adjustments to the LIC	-	-	1 176	(1)	1 175
Insurance acquisition cash flows armotisation	48	-	-	-	48
Insurance service expenses	**48**	**-**	**15 971**	**6**	**16 025**
Insurance service result	**(21 888)**	**-**	**15 971**	**6**	**(5 911)**
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	**(21 888)**	**-**	**15 971**	**6**	**(5 911)**
Cash flows					
Premiums received	22 520	-	-	-	22 520
Claims and other directly attributable expenses paid	-	-	(13 630)	-	(13 630)
Insurance acquisition cash flows	(48)	-	-	-	(48)
Total cash flows	**22 472**	**-**	**(13 630)**	**-**	**8 842**
Net balance as at 31 December	**873**	**-**	**3 149**	**9**	**4 030**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

13.3 Life Risk-PAA

13.3.1 Life Risk- Insurance contract issued

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in life insurance unit, is disclosed in the table below:

INFLATION ADJUSTED - AUDITED	Liabilities for remaining coverage		Liabilities for incurred claims		
December 2023	**Excluding loss comp. ZWLm**	**Loss comp ZWLm**	**Present value of future cash flows ZWLm**	**Risk adj. for non-fin. risk ZWLm**	**Total ZWLm**
Net balance as at 1 January	**467**	**-**	**1 181**	**118**	**1 766**
Insurance Services Revenue	**(55 558)**	**-**	**-**	**-**	**(55 558)**
Insurance Service Expenses	**5 034**	**-**	**29 042**	**618**	**34 694**
Incurred claims and other directly attributable expenses	-	-	22 111	683	22 794
Changes that relate to past service	-	-	6 930	(64)	6 866
Amortisation of insurance acquisition cashflows	5 034	-	-	-	5 034
Insurance service result	**(50 524)**	**-**	**29 042**	**618**	**(20 864)**
Premiums Received	57 815	-	-	-	57 815
Insurance acquisition cashflows	(5 589)	-	-	-	(5 589)
Incurred claims paid and other insurance service expenses paid	-	-	(21 831)	-	(21 831)
Effects of inflation	-	-	(5 788)	(476)	(6 264)
Net balance as at 31 December	**2 169**	**-**	**2 604**	**260**	**5 034**

	Liabilities for remaining coverage		Liabilities for incurred claims		
December 2022	**Excluding loss comp. ZWLm**	**Loss comp ZWLm**	**Present value of future cash flows ZWLm**	**Risk adj. for non-fin. risk ZWLm**	**Total ZWLm**
Net balance as at 1 January	**260**	**-**	**873**	**87**	**1 220**
Insurance Services Revenue	**(27 127)**	**-**	**-**	**-**	**(27 127)**
Insurance Service Expenses	**1 791**	**-**	**14 615**	**168**	**16 575**
Incurred claims and other directly attributable expenses	-	-	12 671	214	12 885
Changes that relate to past service	-	-	1 944	(46)	1 898
Amortisation of insurance acquisition cashflows	1 791	-	-	-	1 791
Insurance service result	**(25 335)**	**-**	**14 615**	**168**	**(10 552)**
Premiums Received	27 508	-	-	-	-
Insurance acquisition cashflows	(1 966)	-	-	-	(1 966)
Incurred claims paid and other insurance service expenses paid	-	-	(12 891)	-	(12 891)
Effects of inflation	-	-	(1 415)	(137)	25 955
Net balance as at 31 December	**467**	**-**	**1 181**	**118**	**1 766**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

13.3 Life Risk-PAA (continued)
13.3.1 Life Risk- Insurance contract issued (continued)

HISTORICAL COST - UNAUDITED	**Liabilities for remaining coverage**		**Liabilities for incurred claims**		
December 2023	**Excluding loss comp. ZWLm**	**Loss comp ZWLm**	**Present value of future cash flows ZWLm**	**Risk adj. for non-fin. risk ZWLm**	**Total ZWLm**
Net balance as at 1 January	**40**	**-**	**246**	**25**	**310**
Insurance Revenue	(33 912)	-	-	-	(33 912)
	-	-	-	-	-
Insurance Service Expenses	**1 919**	**-**	**19 845**	**236**	**22 000**
Incurred claims and other directly attributable expenses	-	-	17 202	260	17 462
Changes that relate to past service	-	-	2 643	(25)	2 619
Amortisation of insurance acquisition cashflows	1 919	-	-	-	1 919
Insurance service result	**(31 992)**	**-**	**19 845**	**236**	**(11 911)**
Premiums Received	34 616	-	-	-	34 616
Insurance acquisition cashflows	(2 101)	-	-	-	(2 101)
Incurred claims paid and other insurance service expenses paid	-	-	(17 487)	-	(17 487)
Net balance as at 31 December	**564**	**-**	**2 604**	**260**	**3 428**

	Liabilities for remaining coverage		**Liabilities for incurred claims**		
December 2022	**Excluding loss comp. ZWLm**	**Loss comp ZWLm**	**Present value of future cash flows ZWLm**	**Risk adj. for non-fin. risk ZWLm**	**Total ZWLm**
Net balance as at 1 January	**16**	**-**	**53**	**5**	**74**
Insurance Services Revenue	(3 022)	-	-	-	(3 022)
Insurance Service Expenses	**205**	**-**	**2 102**	**19**	**2 326**
Incurred claims and other directly attributable expenses	-	-	1 879	25	1 904
Changes that relate to past service	-	-	223	(5)	217
Amortisation of insurance acquisition cashflows	205	-	-	-	205
Insurance service result	**(2 817)**	**-**	**2 102**	**19**	**(696)**
Premiums Received	3 063	-	-	-	3 063
Insurance acquisition cashflows	(221)	-	-	-	(221)
Incurred claims paid and other insurance service expenses paid	-	-	(1 909)	-	(1 909)
Net balance as at 31 December	**40**	**-**	**246**	**25**	**310**

The summerised net insurance contract assets/liabilities are shown on note 13.1.5

The expected timing for when assets for insurance acquisition cash flows will be derecognised and included in the measurement of the group of insurance contracts to which they relate is disclosed in the table below:

13.3 Life Risk-PAA (continued)
13.3.1 Life Risk- Insurance contract issued (continued)

INFLATION ADJUSTED - AUDITED

In ZWLm	2023 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	768						

In ZWLm	2022 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	214						

HISTORICAL COST - UNAUDITED

In ZWLm	2023 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	200						

In ZWLm	2022 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	18						

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

13.3.2 Life Risk- Reinsurance contracts held

The roll-forward of the net asset or liability for reinsurance contracts held, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in life insurance unit, is disclosed in the table below:

INFLATION ADJUSTED - AUDITED	2023 Asset for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss - recovery component	Loss - recovery component	Risk adjustment	Estimates of the present value of future cash flows	Total
Net balance as at 1 January	**-**	**-**	**2**	**158**	**160**
An allocation of reinsurance premiums (ceded premiums)	**(1 559)**	**-**	**-**	**-**	**(1 559)**
Amounts recoverable from reinsurers for incurred claims	**-**	**-**	**16**	**298**	**314**
Amounts recoverable for incurred claims and other income	-	-	10	183	193
Changes to amounts recoverable for incurred claims	-	-	6	115	121
Insurance service result	**(1 559)**	**-**	**16**	**298**	**(1 245)**
Premiums paid	1 559	-	-	-	1 559
Amounts received	-	-	-	-	-
Effects of Inflation	-	-	(13)	(309)	(322)
Net balance as at 31 December	**-**	**-**	**5**	**146**	**152**

Life Risk- Reinsurance contracts held

INFLATION ADJUSTED - AUDITED	2022 Asset for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss - recovery component	Loss - recovery component	Risk adjustment	Estimates of the present value of future cash flows	Total
Net balance as at 1 January	**-**	**-**	**2**	**512**	**514**
An allocation of reinsurance premiums (ceded premiums)	**(335)**	**-**	**-**	**-**	**(335)**
Amounts recoverable from reinsurers for incurred claims	**-**	**-**	**2**	**341**	**342**
Amounts recoverable for incurred claims and other income	-	-	2	325	326.35
Changes to amounts recoverable for incurred claims	-	-	-	16	16.01
Insurance service result	**(335)**	**-**	**2**	**341**	**8**
Premiums paid	335	-	-	-	335
Amounts received	-	-	-	(325)	(325)
Effects of Inflation	-	-	(2)	(370)	(373)
Net balance as at 31 December	**-**	**-**	**2**	**158**	**160**

13.3.2 Life Risk- Reinsurance contracts held

Life Risk- Reinsurance contracts held	2023				
HISTORICAL COST - UNAUDITED	Asset for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss - recovery component	Loss - recovery component	Risk adjustment	Estimates of the present value of future cash flows	Total
Net balance as at 1 January	**-**	**-**	**-**	**33**	**33**
An allocation of reinsurance premiums (ceded premiums)	**(594)**	**-**	**-**	**-**	**(594)**
Amounts recoverable from reinsurers for incurred claims	**-**	**-**	**5**	**114**	**118**
Amounts recoverable for incurred claims and other income	-	-	3	70	73
Changes to amounts recoverable for incurred claims	-	-	2	44	46
Insurance service result	**(594)**	**-**	**5**	**114**	**(476)**
Premiums paid	594	-	-	-	594
Amounts received	-	-	-	-	-
Net balance as at 31 December	**-**	**-**	**5**	**146**	**152**

Life Risk- Reinsurance contracts held	2022				
HISTORICAL COST - UNAUDITED	Asset for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss - recovery component	Loss - recovery component	Risk adjustment	Estimates of the present value of future cash flows	Total
Net balance as at 1 January	**-**	**-**	**-**	**31**	**31**
An allocation of reinsurance premiums (ceded premiums)	**(38)**	**-**	**-**	**-**	**(38)**
Amounts recoverable from reinsurers for incurred claims	**-**	**-**	**-**	**39**	**39**
Amounts recoverable for incurred claims and other income	-	-	-	37	37
Changes to amounts recoverable for incurred claims	-	-	-	2	2
Insurance service result	**(38)**	**-**	**-**	**39**	**1**
Premiums paid	38	-	-	-	38
Amounts received	-	-	-	(37)	(37)
Net balance as at 31 December	**-**	**-**	**-**	**33**	**33**

13.4 Life Savings -PAA

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in life insurance unit, is disclosed in the table below:

INFLATION ADJUSTED - AUDITED

December 2023	Liabilities for remaining coverage		Liabilities for incurred claims	
	Estimates of the present value of future cash flows ZWLm	Loss Component ZWLm	Estimates of the present value of future cash flows ZWLm	Total ZWLm
Net balance as at 1 January	**212 389**	**-**	**-**	**212 389**
Insurance Services Revenue	**(13 563)**	**-**	**-**	**(13 563)**
Insurance Services Expenses	**6 470**	**-**	**4 695**	**11 165**
Incurred claims and other directly attributable expenses	-	-	4 695	4 695
Amortisation of insurance acquisition cashflows	6 470	-	-	6 470
Insurance service result	**(7 093)**	**-**	**4 695**	**(2 398)**
Insurance Finance Expenses	**223 188**	**-**	**-**	**223 188**
Total changes in the statement comprehensive income	**216 095**	**-**	**4 695**	**220 790**
Investment component	(18 003)	-	-	(18 003)
Premiums Received	13 563	-	-	13 563
Claims and other expenses paid	-	-	(3 904)	(3 904)
Insurance acquisition cash flows	(6 467)	-	-	(6 467)
Effects of inflation	**3 771**	**-**	**(791)**	**2 980**
Net balance as at 31 December	**421 348**	**-**	**-**	**421 348**

December 2022	Liabilities for remaining coverage		Liabilities for incurred claims	
	Estimates of the present value of future cash flows ZWLm	Loss Component ZWLm	Estimates of the present value of future cash flows ZWLm	Total ZWLm
Net balance as at 1 January	**162 770**	**-**	**-**	**162 770**
Insurance Services Revenue	**(5 996)**	**-**	**-**	**(5 996)**
Insurance Services Expenses	**2 913**	**-**	**2 207**	**5 120**
Incurred claims and other directly attributable expenses	-	-	2 207	2 207
Amortisation of insurance acquisition cashflows	2 913	-	-	2 913
Insurance service result	(3 083)	-	2 207	(876)
Insurance Finance Expenses	54 194	-	-	54 194
Total changes in the statement comprehensive income	**51 111**	**-**	**2 207**	**53 318**
Investment component	16 065	-	-	16 065
Premiums Received	6 742	-	-	6 742
Claims and other expenses paid	-	-	(2 005)	(2 005)
Insurance acquisition cash flows	(4 298)	-	-	(4 298)
Effects of inflation	(20 000)	-	(202)	(20 202)
Net balance as at 31 December	**212 389**	**-**	**-**	**212 389**

13.4 Life Savings -PAA (continued)

HISTORICAL COST - UNAUDITED

December 2023	Liabilities for remaining coverage		Liabilities for incurred claims	
	Estimates of the present value of future cash flows ZWLm	Loss Component ZWLm	Estimates of the present value of future cash flows ZWLm	Total ZWLm
Net balance as at 1 January	**44 156**	**-**	**-**	**44 156**
Insurance Services Revenue	**(5 173)**	**-**	**-**	**(5 173)**
Insurance Services Expenses	**2 467**	**-**	**1 608**	**4 074**
Incurred claims and other directly attributable expenses	-	-	1 608	1 608
Amortisation of insurance acquisition cashflows	2 467	-	-	2 467
Insurance service result	**(2 707)**	**-**	**1 608**	**(1 099)**
Insurance Finance Expenses	**384 060**	**-**	**-**	**384 060**
Total changes in the statement comprehensive income	**381 353**	**-**	**1 608**	**382 961**
Investment component	(6 867)	-	-	(6 867)
Premiums Received	5 173	-	-	5 173
Claims and other expenses paid	-	-	(1 608)	(1 608)
Insurance acquisition cash flows	(2 467)	-	-	(2 467)
Net balance as at 31 December	**421 348**	**-**	**-**	**421 348**

December 2022	Liabilities for remaining coverage		Liabilities for incurred claims	
	Estimates of the present value of future cash flows ZWLm	Loss Component ZWLm	Estimates of the present value of future cash flows ZWLm	Total ZWLm
Net balance as at 1 January	**9 853**	**-**	**-**	**9 853**
Insurance Services Revenue	**(772)**	**-**	**-**	**(772)**
	-	**-**	**-**	**-**
Insurance Services Expenses	**492**	**-**	**253**	**745**
Incurred claims and other directly attributable expenses	-	-	253	253
Amortisation of insurance acquisition cashflows	492	-	-	492
	-	-	-	-
Insurance service result	**(280)**	**-**	**253**	**(27)**
Insurance Finance Expenses	**32 462**	**-**	**-**	**32 462**
Total changes in the statement comprehensive income	**32 182**	**-**	**253**	**32 435**
Investment component	1 841	-	-	1 841
Premiums Received	772	-	-	772
Claims and other expenses paid	-	-	(253)	(253)
Insurance acquisition cash flows	(492)	-	-	(492)
Net balance as at 31 December	**44 156**	**-**	**-**	**44 156**

13.5 Life Savings-VFA

13.5.1 The impact on the current period of the transition approaches adopted to establishing CSMs for insurance contracts portfolios included in the annuities book is disclosed in the table below:

INFLATION ADJUSTED - AUDITED	Contracts using the modified retrospective approach	Contracts using the fair value approach	"All other contracts"	Total
Contractual Service Margin as at 01/01/2022	-	-	-	-
Changes that relate to current services	-	-	-	-
Contractual service margin recognised for services provided	-	(65)	-	(65)
Changes that relate to future services	-	-	-	-
Contracts initially recognised in the period	-	-	-	-
Changes in estimates that adjust the contractual service margin	-	-	-	-
Insurance service result	-	(65)	-	(65)
Insurance finance expenses	-	542	-	542
Total changes in the statement of profit or loss and OCI	-	477	-	477

HISTORICAL COST - UNAUDITED	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total
Contractual Service Margin as at 01/01/2022	-	-	-	-
Changes that relate to current services	-	-	-	-
Contractual service margin recognised for services provided	-	(7)	-	(7)
Changes that relate to future services	-	-	-	-
Contracts initially recognised in the period	-	-	-	-
Changes in estimates that adjust the contractual service margin	-	-	-	-
Insurance service result	-	(7)	-	(7)
Insurance finance expenses	-	113	-	113
Total changes in the statement of profit or loss and OCI	-	105	-	105

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FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

13.5.2 Life Savings-VFA Reconciliation

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in the annuities book, is disclosed in the table below:

INFLATION ADJUSTED - AUDITED

December 2023	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component ZWLm	Loss Component ZWLm	Liabilities for incurred claims ZWLm	Assets for insurance acquisition cash flows ZWLm	Total ZWLm
Net balance as at 1 January	**37 075**	**-**	**-**	**-**	**37 075**
Insurance revenue	**(1 023)**	**-**	**-**	**-**	**(1 023)**
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(1 023)	-	-	-	(1 023)
Other contracts	-	-	-	-	-
Insurance service expenses	**7**	**-**	**797**	**-**	**804**
Incurred claims and other expenses	-	-	797	-	797
Amortisation of insurance acquisition cash flows	7	-	-	-	7
Insurance service result	**(1 016)**	**-**	**797**	**-**	**(219)**
Insurance Finance Expenses	**44 539**	**-**	**-**	**-**	**44 539**
Total changes in the statement comprehensive income	**43 523**	**-**	**797**	**-**	**44 320**
Investment component	**(3 073)**	**-**	**3 073**	**-**	**-**
Cash flows					
Premiums received	50	-	-	-	50
Claims and other expenses paid	-	-	(3 870)	-	(3 870)
Insurance acquisition cash flows	(7)	-	-	-	(7)
Total cash flows	**43**	**-**	**(3 870)**	**-**	**(3 827)**
Effects of Inflation	**5 600**	**-**	**-**	**-**	**5 600**
Net insurance contract (assets)/liabilities Closing Balance	**83 168**	**-**	**-**	**-**	**83 168**

December 2022	LIC Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component ZWLm	Loss Component ZWLm	Liabilities for incurred claims ZWLm	Assets for insurance acquisition cash flows ZWLm	Total ZWLm
Net balance as at 1 January	**25 581**	**-**	**-**	**-**	**25 581**
Insurance revenue	**(793)**	**-**	**-**	**-**	**(793)**
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(793)	-	-	-	(793)
Other contracts	-	-	-	-	-
Insurance service expenses	**11**	**-**	**721**	**-**	**732**
Incurred claims and other expenses	-	-	721	-	721
Changes that relate to past service	-	-	-	-	-
Amortisation of insurance acquisition cash flows	11	-	-	-	11
Insurance service result	**(782)**	**-**	**721**	**-**	**(61)**
Insurance Finance Expenses	**11 024**	**-**	**-**	**-**	**11 024**
Effect of movements in exchange rates	**-**	**-**	**-**	**-**	**-**
Total changes in the statement comprehensive income	**10 243**	**-**	**721**	**-**	**10 964**
Investment component	(1 971)	-	1 971	-	-
Cash flows	**-**	**-**	**-**	**-**	**-**
Premiums received	1 501	-	-	-	1 501
Claims and other expenses paid	-	-	(2 692)	-	(2 692)
Insurance acquisition cash flows	(11)	-	-	-	(11)
Total cash flows	**1 490**	**-**	**(2 692)**	**-**	**(1 202)**
Effects of Inflation	**1 732**	**-**	**-**	**-**	**1 732**
Net insurance contract (assets)/liabilities Closing Balance	**37 075**	**-**	**-**	**-**	**37 075**

13.5.2 Life Savings-VFA Reconciliation (continued)

HISTORICAL COST - UNAUDITED	Liabilities for remaining coverage		Liabilities for incurred claims		
December 2023	Excluding loss component ZWLm	Loss Component ZWLm	Liabilities for incurred claims ZWLm	Assets for insurance acquisition cash flows ZWLm	Total ZWLm
Net balance as at 1 January	**7 708**	**-**	**-**	**-**	**7 708**
Insurance revenue	**(390)**	**-**	**-**	**-**	**(390)**
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(390)	-	-	-	(390)
Other contracts	-	-	-	-	-
Insurance service expenses	**3**	**-**	**304**	**-**	**307**
Incurred claims and other expenses	-	-	304	-	304
Amortisation of insurance acquisition cash flows	3	-	-	-	3
Investment components and premium refunds					
Insurance service result	**(387)**	**-**	**304**	**-**	**(83)**
Insurance Finance Expenses	**77 004**	**-**	**-**	**-**	**77 004**
Effect of movements in exchange rates	**-**	**-**	**-**	**-**	**-**
Total changes in the statement comprehensive income	**76 616**	**-**	**304**	**-**	**76 920**
	(1 172)	**-**	**1 172**	**-**	**-**
Cash flows					
Premiums received	19	-	-	-	19
Claims and other expenses paid	-	-	(1 476)	-	(304)
Insurance acquisition cash flows	(3)	-	-	-	(3)
Total cash flows	**16**	**-**	**(1 476)**	**-**	**(1 460)**
Net insurance contract (assets)/liabilities Closing Balance	**83 168**	**-**	**-**	**-**	**83 168**

December 2022	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component ZWLm	Loss Component ZWLm	Liabilities for incurred claims ZWLm	Assets for insurance acquisition cash flows ZWLm	Total ZWLm
Net balance as at 1 January	**1 549**	**-**	**-**	**-**	**1 549**
Insurance revenue	**(91)**	**-**	**-**	**-**	**(91)**
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(91)	-	-	-	(91)
Other contracts	-	-	-	-	-
Insurance service expenses	**1**	**-**	**83**	**-**	**84**
Incurred claims and other expenses	-	-	83	-	83
Amortisation of insurance acquisition cash flows	1	-	-	-	1
Investment components and premium refunds	**-**	**-**	**-**	**-**	**-**
Insurance service result	**(90)**	**-**	**83**	**-**	**(7)**
Insurance Finance Expenses	**6 394**	**-**	**-**	**-**	**6 394**
Effect of movements in exchange rates	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**-**
Total changes in the statement comprehensive income	**6 304**	**-**	**83**	**-**	**6 387**
Investment component	**(226)**	**-**	**226**	**-**	**-**
Cash flows					
Premiums received	172	-	-	-	172
Claims and other expenses paid including investment component	-	-	(308)	-	(308)
Insurance acquisition cash flows	(1)	-	-	-	(1)
Total cash flows	**171**	**-**	**(308)**	**-**	**(138)**
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	**-**	**-**	**-**	**-**	**-**
Other movements	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-
Net insurance contract (assets)/liabilities Closing Balance	**7 708**	**-**	**-**	**-**	**7 708**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

13.5.3 Life Savings-VFA Reconciliation

Life Savings-VFA Roll-forward of the net asset or liability for life insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM The table below presents a roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM for portfolios included in the annuities book.

INFLATION ADJUSTED - AUDITED

December 2023	Estimates of the present value of future cash flows ZWLm	Risk adjustment ZWLm	Contractual service margin ZWLm	Total ZWLm
Net balance as at 1 January	**29 482**	**68**	**7 526**	**37 075**
Changes related to current service	**211**	**(5)**	**(425)**	**(219)**
Contractual service margin recognised for services provided	-	-	(425)	(425)
Risk adjustment recognised for the risk expired	-	(5)	-	(5)
Experience adjustments	211	-	-	211
Changes related to Future Service	**(46 606)**	**886**	**45 720**	**-**
Contracts initially recognised in the period	(162)	-	162	-
Changes in estimates that adjust the contractual service margin	(46 445)	886	45 559	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
Changes that relate to past services	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service result	(46 396)	881	45 295	(219)
Insurance Finance Expenses	43 929	4	606	44 539
Total changes in the statement of profit or loss and OCI	**(2 467)**	**886**	**45 901**	**44 320**
Cashflows				
Premiums received	74	-	-	74
Claims and other expenses paid (including investment components and premium refunds)	(5 501)	-	-	(5 501)
Insurance acquisition cash flows	(290)	-	-	(290)
Effects of inflation	**42 444**	**(602)**	**(34 354)**	**7 489**
Net balance as at 31 December	**63 743**	**352**	**19 073**	**83 168**

December 2022	Estimates of the present value of future cash flows ZWLm	Risk adjustment ZWLm	Contractual service margin ZWLm	Total ZWLm
Net balance as at 1 January	**19 912**	**72**	**5 597**	**25 581**
Changes related to current service	**9**	**(5)**	**(65)**	**(61)**
Contractual service margin recognised for services provided	-	-	(65)	(65)
Risk adjustment recognised for the risk expired	-	(5)	-	(5)
Experience adjustments	9	-	-	9
Changes related to Future Service	**(9 866)**	**85**	**9 781**	**-**
Contracts initially recognised in the period	(1 482)	2	1 480	-
Changes in estimates that adjust the contractual service margin	(8 384)	83	8 301	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
Changes that relate to past services	**-**	**-**	**-**	**-**
Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service result	(9 856)	80	9 715	(61)
Insurance Finance Expenses	10 480	3	542	11 024
Unwind	(545)	3	542	-
Investment Return (VFA)	11 024	-	-	11 024
Total changes in the statement of profit or loss and OCI	**623**	**83**	**10 257**	**10 964**
Cashflows				
Premiums received	1 501	-	-	1 501
Claims and other expenses paid (including investment components and premium refunds)	(1 824)	-	-	(1 824)
Insurance acquisition cash flows	(96)	-	-	(96)
Effects of inflation	**9 366**	**(87)**	**(8 329)**	**950**
Net balance as at 31 December	**29 482**	**68**	**7 526**	**37 075**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

13.5.3 Life Savings-VFA Reconciliation

HISTORICAL COST - UNAUDITED

December 2023	Estimates of the present value of future cash flows ZWLm	Risk adjustment ZWLm	Contractual service margin ZWLm	Total ZWLm
Net balance as at 1 January	**6 129**	**14**	**1 565**	**7 708**
Changes related to current service	**80**	**(2)**	**(162)**	**(83)**
Contractual service margin recognised for services provided	-	-	(162)	(162)
Risk adjustment recognised for the risk expired	-	(2)	-	(2)
Experience adjustments	80	-	-	80
Changes related to Future Service	**(17 777)**	**338**	**17 439**	**-**
Contracts initially recognised in the period	(62)	-	62	-
Changes in estimates that adjust the contractual service margin	(17 716)	338	17 378	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
Changes that relate to past services	**-**	**-**	**-**	**-**
Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service result	**(17 697)**	**336**	**17 277**	**(83)**
Insurance Finance Expenses	**76 771**	**2**	**231**	**77 004**
Unwind	(233)	2	231	-
Investment Return (VFA)	77 004	-	-	77 004
Total changes in the statement of profit or loss and OCI	**59 074**	**338**	**17 508**	**76 920**
Cashflows				
Premiums received	19	-	-	19
Claims and other expenses paid (including investment components and premium refunds)	(1 405)	-	-	(1 405)
Insurance acquisition cash flows	(74)	-	-	(74)
Net balance as at 31 December	**63 743**	**352**	**19 073**	**83 168**

December 2022	Estimates of the present value of future cash flows ZWLm	Risk adjustment ZWLm	Contractual service margin ZWLm	Total ZWLm
Net balance as at 1 January	**1 205**	**4**	**339**	**1 549**
	-	**-**	**-**	**-**
Changes related to current service	**1**	**(1)**	**(7)**	**(7)**
Contractual service margin recognised for services provided	-	-	(7)	(7)
Risk adjustment recognised for the risk expired	-	(1)	-	(1)
Experience adjustments	1	-	-	1
Changes related to Future Service	**(1 130)**	**10**	**1 121**	**-**
Contracts initially recognised in the period	(170)	0	170	-
Changes in estimates that adjust the contractual service margin	(960)	10	951	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
Changes that relate to past services	**-**	**-**	**-**	**-**
Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service result	**(1 129)**	**9**	**1 113**	**(7)**
Insurance Finance Expenses	**6 280**	**1**	**113**	**6 394**
Unwind	(113)	1	113	-
Investment Return (VFA)	6 394	-	-	6 394
Total changes in the statement of profit or loss and OCI	**5 151**	**10**	**1 226**	**6 387**
Cashflows				
Premiums received	172	-	-	172
Claims and other expenses paid (including investment components and premium refunds)	(379)	-	-	(379)
Insurance acquisition cash flows	(20)	-	-	(20)
Net balance as at 31 December	**6 129**	**14**	**1 565**	**7 708**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

13.5.4 CSM recognistion in profit or loss

INFLATION ADJUSTED - AUDITED	**2023**						
In ZWLm	**<1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Total**
Insurance contract issued							
Life insurance unit	1 907	1 860	1 764	1 669	1 574	10 299	19 073
Reinsurance contract held							
Life insurance unit	-	-	-	-	-	-	-

	2022						
In ZWLm	**<1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Total**
Insurance contract issued							
Life insurance unit	753	734	696	658	621	4 064	7 526
Reinsurance contract held							
Life insurance unit	-	-	-	-	-	-	-

HISTORICAL COST - UNAUDITED	**2023**						
In ZWLm	**<1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Total**
Insurance contract issued							
Life insurance unit	1 907	1 860	1 764	1 669	1 574	10 299	19 073
Reinsurance contract held							
Life insurance unit	-	-	-	-	-	-	-

	2022						
In ZWLm	**<1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Total**
Insurance contract issued							
Life insurance unit	156	153	145	137	129	845	1 565
Reinsurance contract held							
Life insurance unit	-	-	-	-	-	-	-

13.5.5 Life Savings-VFA New Business

The components of new business for insurance contracts issued included in the annuities business is disclosed in the table below:

INFLATION ADJUSTED - AUDITED

	2023				
	Contracts issued		Contracts acquired		
	Non - onerous	Onerous	Non - onerous	Onerous	Total
Estimate of present value of future cash outflows	(211)	-	-	-	(211)
Estimates of present value of future cash inflows	50	-	-	-	50
Estimates of present value of future cash flows	(162)	-	-	-	(162)
Risk adjustment	0	-	-	-	0
CSM	162	-	-	-	162
Losses on onerous contracts at initial recognition	-	-	-	-	-

	2022				
	Contracts issued		Contracts acquired		
	Non - onerous	Onerous	Non - onerous	Onerous	Total
Estimate of present value of future cash outflows	(1 624)	-	-	-	(1 624)
Estimates of present value of future cash inflows	808	-	-	-	808
Estimates of present value of future cash flows	(817)	-	-	-	(817)
Risk adjustment	1	-	-	-	1
CSM	816	-	-	-	816
Losses on onerous contracts at initial recognition	-	-	-	-	-

HISTORICAL COST - UNAUDITED

	2023				
	Contracts issued		Contracts acquired		
	Non - onerous	Onerous	Non - onerous	Onerous	Total
Estimate of present value of future cash outflows	(81)	-	-	-	(81)
Estimates of present value of future cash inflows	19	-	-	-	19
Estimates of present value of future cash flows	(62)	-	-	-	(62)
Risk adjustment	-	-	-	-	-
CSM	62	-	-	-	62
Losses on onerous contracts at initial recognition	-	-	-	-	-

	2022				
	Contracts issued		Contracts acquired		
	Non - onerous	Onerous	Non - onerous	Onerous	Total
Estimate of present value of future cash outflows	(338)	-	-	-	(338)
Estimates of present value of future cash inflows	168	-	-	-	168
Estimates of present value of future cash flows	(170)	-	-	-	(170)
Risk adjustment	0	-	-	-	0
CSM	170	-	-	-	170
Losses on onerous contracts at initial recognition	-	-	-	-	-

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FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

13.6 INVESTMENT CONTRACT LIABILITIES

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	December 2023	**December 2022**	**December 2023**	**December 2022**
Opening balance - 1 January	15 586	27 788	3 240	1 679
Investment return from underlying assets	28 972	(2 881)	42 126	1 628
Asset management fees charged	(1 054)	(297)	(562)	(67)
Inflation adjustment	1 299	(9 024)	-	-
Closing balance	**44 804**	**15 586**	**44 804**	**3 240**

The investment contract liabilities are valued based on both observable and unobservable inputs, as the liabilities relate to the asset values shown below. The level 3 inputs are not significant to the valuation and therefore this is a level 2 valuation.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	December 2023 ZWLm	**December 2022 ZWLm**	**December 2023 ZWLm**	**December 2022 ZWLm**
Quoted Equities Valued using level 1 inputs	42 259	14 347	41 767	2 987
Unquoted Equities Level 3 Inputs*	2 252	1 112	2 252	231
Money Market Investments Level 1 Inputs	1 226	384	1 226	80
Cash Level 1 Inputs	121	41	121	9
Total Assets	45 858	15 883	45 366	3 307
Fees Charged	(1 054)	(297)	(562)	(67)
Closing balance	**44 804**	**15 586**	**44 804**	**3 240**

*The sensitivity analysis for unquoted equities were included under note 11.3

13.7 SHARHOLDER RISK RESERVE

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
Reconciliation of shareholder risk reserve	**December 2023 ZWLm**	**December 2022 ZWLm**	**December 2023 ZWLm**	**December 2022 ZWLm**
As at 1 January	1 466	-	305	-
Movement in shareholder risk reserve	5 983	468	7 144	97
Investment income	5 983	468	7 144	97
Transfer from insurance contract liabilities with DPF	-	998	-	207
Closing balance	**7 449**	**1 466**	**7 449**	**305**

The shareholder risk reserve is valued based on observable inputs, as the liabilities relate to the asset values shown below. The level 1 inputs are significant to the valuation and therefore this is a level 2 valuation.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	December 2023 ZWLm	**December 2022 ZWLm**	**December 2023 ZWLm**	**December 2022 ZWLm**
Quoted Equities Valued using level 1 inputs	7 449	1 466	7 449	305

13.8 Compensation Reserve

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
Reconciliation of compensation reserve	**December 2023 ZWLm**	**December 2022 ZWLm**	**December 2023 ZWLm**	**December 2022 ZWLm**
As at 1 January	-	-	-	-
Movement in the compensation reserve	3 824	-	3 824	-
Exchange Gains	3 824	-	3 824	-
Transfer from main fund	5 792	-	5 792	-
As at 31 December	**5 792**	**-**	**5 792**	**-**

The compensation reserve is measured in terms of IFRS 9 from which the prejudiced policyholders are to be compensated. The value of the liability is derived from the value of the one per centum annual levy on the total value of the assets of the guaranteed fund as reflected in the insurer's last annual audited financial statements, which levy shall continue to be applied until the liability arising from the requirement to compensate the prejudice to its members is extinguished.

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		December 2023 ZWL	December 2022 ZWL	December 2023 ZWL	December 2022 ZWL
	Quoted Equities Valued using level 1 inputs	**5 792**	**-**	**5 792**	**-**

		December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
14	**TENANT AND OTHER RECEIVABLES**				
	Premiun receivables from intermidiaries	58 918	37 992	58 918	7 899
	Tenant receivables	4 205	2 375	4 205	494
	Other receivables	19 210	18 788	16 694	3 794
	Total	**82 333**	**59 155**	**79 817**	**12 186**
14.1	**Premium receivables from intermediaries**				
	Gross receivable amount	64 505	41 306	64 505	8 588
	Premium credit adjustment	(5 587)	(3 314)	(5 587)	(689)
	Net balance	**58 918**	**37 992**	**58 918**	**7 899**

14.1.1 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:

As at 1 January	3 314	6 152	689	372
Charge for the year	4 898	1 526	4 898	317
Inflation adjustment	(2 625)	(4 363)	-	-
Closing balance	**5 587**	**3 314**	**5 587**	**689**

14.1	**Tenant receivables**				
	Tenant cost recoveries	5 150	1 042	5 150	217
	Rental receivables	1 400	2 109	1 400	439
	Gross tenant receivables	**6 551**	**3 151**	**6 551**	**655**
	Allowance for credit losses	(2 346)	(776)	(2 346)	(161)
	Tenant receivables	**4 205**	**2 375**	**4 205**	**494**
	Current	4 205	2 375	4 205	494
	Non current				
	Total	**4 205**	**2 375**	**4 205**	**494**

14.1.1 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:

As at 1 January	776	549	161	33
Charge for the year	2 184	616	2 184	128
Inflation adjustment	(615)	(389)	-	-
Closing balance	**2 346**	**776**	**2 346**	**161**

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
14	**TENANT AND OTHER RECEIVABLES (continued)**				
14.2	**Other receivables**				
	Sundry debtors	6 624	5 481	6 624	1 140
	Staff debtors	9 904	12 100	9 904	2 516
	Total	**16 529**	**17 581**	**16 529**	**3 655**
	Allowance for expected credit losses	(3 101)	(1 618)	(3 101)	(336)
	Other receivables excluding prepayments	13 428	15 964	13 428	3 319
	Prepayments	5 782	2 824	4 102	475
	Total other receivables	**19 210**	**18 788**	**17 530**	**3 794**
	Current	7 587	6 688	5 907	1 278
	Non current	11 623	12 100	11 623	2 516
	Total	**19 210**	**18 788**	**17 530**	**3 794**

Impairment and risk exposure
Note 4.3 sets out information about the impairment of financial assets and the group's exposure to credit risk. Movements in the allowance for credit losses of other receivables were as follows:

Allowance for credit losses reconciliation

As at 1 January	1 621	367	336	22
Charge for the year	2 765	1 511	2 765	314
Inflation adjustment	(1 285)	(256)	-	-
Closing balance	**3 101**	**1 621**	**3 101**	**336**

		December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
15	**CASH AND CASH EQUIVALENTS**				
	CASH AND CASH EQUIVALENTS				
	Money market investments with original maturities less than 90 days	55 992	42 008	55 992	8 734
	Cash at bank and on hand	48 955	38 187	48 955	7 939
	Cash and cash equivalents	**104 948**	**80 195**	**104 948**	**16 673**
	Current	104 948	80 195	104 948	16 673
	Non current				
	Cash and cash equivalents	**104 948**	**80 195**	**104 948**	**16 673**

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		December 2023 ZWLm	**December 2022 ZWLm**	**December 2023 ZWLm**	**December 2022 ZWLm**
16.1	**Authorised**				
	1 000 000 000 ordinary shares with a nominal value of ZWL0.001 each	1	1	1	1
16.2	**Issued and fully paid**				
	731 718 322 (2022: 731 718 322) ordinary shares with a nominal value of ZWL0,001 each	1	1	1	1
16.2.1	**Reconciliation of the issued capital**	**December 2023 ZWLm**	**December 2022 ZWLm**	**December 2023 ZWLm**	**December 2022 ZWLm**
	As at 1 January	1 993	1 993	55	55
	Share options exercised during the year				
	Issue of shares				
	Closing balance	1 993	1 993	55	55
16.3	**Unissued shares**				
	268 281 678 unissued shares, under the control of directors	268 282	268 282	268 282	268 282

16.4 Share based payments

a) Employee share option scheme.

The Group had a Share Option Scheme that was approved by shareholders. The objective was 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.

The fair value of the options was calculated using the Black-Scholes Merton Optional Valuation Method under the following assumptions:

Grant date	**30 April 2015**	**30 April 2016**	**10 August 2017**
Grant date share price (ZWL)	0.0300	0.022	0.117
Exercise price of option (ZWL)	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").

During the year all the options that were not exercised within 5 years from date of grant lapsed and below is the reconcilition for the movement in the number of shares.

Movement for the year	2023 Number of shares	2022 Number of shares
As at 1 January	988 430	988 430
Options granted during the year	-	-
Lapsed options	(988 430)	-
Options exercised during the year	-	-
Closing balance	**-**	**988 430**
Exercisable	**-**	**988 430**

b) Share appreciation rights ("SARs")

On 27 June 2019, the shareholders of Company at the Annual General Meeting ("AGM") approved a SAR plan for such Employees and Executive Directors of the Group (participant)\ as the Board (on the recommendation of the Human Resources and Governance Committee) shall determine from time to time. The plan has an operative period of 10 years and an initial 32 432 917 SARs were granted on inception.

The exercise of the Company's SAR entitles a participant to receive the gain for each share granted, where, "Gain" means an amount equal to the excess of the market value on the exercise date over the exercise price. The share appreciation rights were granted in three trenches as shown below:

Grant date	**Fair value 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 30 December 2023 with the following inputs:

	31 December 2023	31 December 2022
Share price at measurement date (cents)	100 000	2 560,00
Exercise Price (cents)	2 879	2 879,00
Risk-Free Interest Rate	78%	24%
Volatility	153%	95%
Dividend Yield	0,6%	1,5%
Carrying amount of liability - included under share based payment liability (ZWL million)	12 587	1 045

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
Carrying amount reconciliation	**December 2023 ZWLm**	**December 2022 ZWLm**	**December 2023 ZWLm**	**December 2022 ZWLm**
As at 1 January	1 045	4 413	217	267
Additions	-	501	-	66
Exercised	(3 039)	(596)	(2 568)	(121)
Expense or charge to income statement	15 500	127	14 938	6
Inflation adjustment	(919)	(3 401)	-	-
Closing balance	**12 587**	**1 045**	**12 587**	**217**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Group December 2023 ZWLm	Group December 2022 ZWLm	Group December 2023 ZWLm	Group December 2022 ZWLm
c) Expenses arising from share based transaction				
Share option expense for the year recognised during the vesting period				
Share appreciation rights expense for the year recognised during the vesting period	15 500	628	14 938	72
	15 500	**628**	**14 938**	**72**

17 MEMBER ASSISTANCE FUND	**December 2023 ZWLm**	**December 2022 ZWLm**	**December 2023 ZWLm**	**December 2022 ZWLm**
As at 1 January	43	150	9	9
Monetary loss adjustment	(34)	(106)	-	-
Closing balance	9	43	9	9

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.

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 2023:

	Fair value at 31 December			Range of inputs (actual rate used)		Relationship of inputs to fair value	
Description	**December 2023 ZWLm**	**December 2022 ZWLm**	**Key inputs**	**2023**	**2022**	**2023**	**2022**
Member assistance fund	9	43	claims ratio	+/-10%	+/-10%	Increase by 10% changes by ZWL904 058; Decrease by 10% changes by ZWL904 058	Increase by 10% changes by ZWL4 348 520; Decrease by 10% changes by ZWL4 348 520

18 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	
Borrowings	**December 2023 ZWLm**	**December 2022 ZWLm**	**December 2023 ZWLm**	**December 2022 ZWLm**
At 1 January	8 083	2 759	1 681	167
Additions	22 603	8 673	14 551	1 531
Interest charged*	5 734	937	3 777	126
Interest paid	(5 734)	(937)	(3 777)	(126)
Loan repayment	(5 993)	(1 473)	(3 750)	(188)
Foreign exchange differences	32 031	1 492	17 966	171
Effects of inflation	(26 277)	(3 366)	-	-
Closing balance	**30 448**	**8 083**	**30 448**	**1 681**
Current	30 448	8 083	30 448	1 681
Non current	-	-	-	-
Total	**30 448**	**8 083**	**30 448**	**1 681**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

*Interest expense is calculated by applying the effective interest rates of 154% for ZWL denominated borrowings and 28% 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.

18.1 Put option liability
Opening balance

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
Opening balance	15 496	9 400	3 222	568
Reclassification from NCI	36 169	(1 744)	22 701	682
Remeasurement gain	(12 282)	9 484	1 186	1 972
Effects of inflation	(12 274)	(1 645)	-	-
Closing balance	**27 109**	**15 496**	**27 109**	**3 222**

IAS32, Financial Instruments defines a financial liability as 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 2023. 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.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
19 OTHER PAYABLES	December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
Other payables	12 594	9 060	11 301	1 769
Provisions	15 300	7 447	15 300	1 548
Payroll and statutory payables	6 109	2 954	6 109	614
Accrued expenses	8 886	6 032	8 886	1 254
Trade payables	784	1 289	784	268
Property business related liabilities	4 893	2 305	4 893	479
Total	**48 566**	**29 086**	**47 273**	**5 932**
Current	48 566	29 086	47 273	5 932
Non current				
Total	**48 566**	**29 086**	**47 273**	**5 932**

Other payables are non-interest bearing and are normally on 30 day terms. Other payables consist of motor levy, stamp duty, travel insurance and value added tax .Accrued expenses consist of deposits from tenants, actuarial fees and systems licence fees

19.1 Provision for leave days				
As at 1 January	1 988	1 453	413	98
Charged through profit or loss	6 593	2 089	2 213	330
Utilised	(1 628)	(89)	(557)	(15)
Monetary gain or loss	(4 883)	(1 465)	-	-
Closing balance	**2 069**	**1 988**	**2 069**	**413**
19.2 Provision for profit share				
As at 1 January	2 236	1 362	465	82
Movement for the year	8 149	2 052	6 897	427
Paid during the year	(1 432)	(1 301)	(930)	(132)
Exchange gain or loss	901	767	554	88
Effects of inflation	(2 869)	(643)	-	-
Closing balance	**6 986**	**2 236**	**6 986**	**465**

19.3 Regulatory Provision	INFLATION ADJUSTED - AUDITED 2023 ZWL	INFLATION ADJUSTED - AUDITED 2022 ZWL	HISTORICAL COST - UNAUDITED 2023 ZWL	HISTORICAL COST - UNAUDITED 2022 ZWL
At 1 January	3 223	2 599	670	157
Provision for the year	3 022	625	5 575	513
Settlement	-	-	-	-
Balance as at 31 December 2023	**6 245**	**3 223**	**6 245**	**670**

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

20 TAX

	INFLATION ADJUSTED - AUDITED December 2023 ZWLm	INFLATION ADJUSTED - AUDITED December 2022 ZWLm	HISTORICAL COST - UNAUDITED December 2023 ZWLm	HISTORICAL COST - UNAUDITED December 2022 ZWLm
20.1 Deferred tax				
As at 1 January	65 907	52 416	13 606	3 153
Foreign exchange effects	(2 040)	(2 129)	(499)	46
Recognised through profit and loss	(5 416)	15 619	47 021	10 407
Closing balance	**58 451**	**65 907**	**60 128**	**13 606**
Current				
Non current	58 451	65 907	60 128	13 606
Total	**58 451**	**65 907**	**60 128**	**13 606**
Disclosed as;				
Deferred tax asset	(13 837)	(5 154)	(9 818)	(1 032)
Deferred tax liability	72 287	71 060	69 946	14 637
Total	**58 451**	**65 907**	**60 128**	**13 606**
Analysis of deferred tax				
Arising on property, plant and equipment and right of use asset	7 242	2 792	1 957	175
Arising on investment properties	238 319	79 675	238 319	16 565
Arising on financial assets at fair value through profit or loss	2 214	4 250	2 214	884
Arising from life business (schedule 8 Income Tax Act (Chapter 23:06))	708	1 871	708	389
Arising from other assets (insurance, reinsurance, inventory, tenant and other receivables)	46 989	23 753	43 713	4 848
Effects of adopting new tax rate	3 277	-	3 754	-
Arising from Insurance and reinsurance contract liabilities	(195 840)	(30 786)	(194 157)	(6 001)
Lease liability, payables and provisions	(44 458)	(6 257)	(36 381)	(1 301)
Closing balance	**58 451**	**75 298**	**60 128**	**15 558**
20.2 Net current income tax asset				
As at 1 January	1 890	1 593	393	96
Tax asset	(56)	-	(12)	-
Tax liability	1 946	1 593	405	96
		-		-
Charge for the year	10 387	4 917	10 387	1 022
Paid during the year	(20 214)	(6 348)	(7 710)	(725)
Monetary gain adjustment	11 006	1 728	-	-
Closing balance	**3 070**	**1 890**	**3 070**	**393**
Disclosed as;				
Income tax asset	(392)	(56)	(392)	(12)
Income tax liability	3 462	1 946	3 462	405
Total	**3 070**	**1 890**	**3 070**	**393**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
20.3	**Income tax expense**	**December 2023**	**December 2022**	**December 2023**	**December 2022**
	Deferred tax expense	(5 416)	15 619	47 021	10 407
	Current income tax (credit)/expense	10 387	6 452	10 387	1 341
	Total	**4 971**	**22 071**	**57 408**	**11 749**
20.4	**Reconciliation of income tax expense**				
	Profit before income tax	353 288	112 551	640 592	60 038
	Standard tax rate 24.72% (2022: 24.72%)	87 333	27 823	158 354	14 841
	Financial assets at fair value through profit or loss taxed at different rate	(1 744)	9 151	(1 744)	(1 458)
	Investment property gains taxed at different rates	(235 461)	(40 566)	(235 461)	(22 012)
	Non-taxable income	(355 485)	(139 536)	(229 502)	(23 533)
	Effect of expenses not deductible for tax purposes	510 328	179 755	365 761	46 936
	Effects of rebasing tax bases- Investment properties	-	(14 554)	-	(3 026)
	Tax charge for the period	**4 971**	**22 071**	**57 408**	**11 749**

Non taxable income includes mainly income from one of subsidiaries, First Mutual Health Company which is exempt from income tax.
Non-deductible expenses include charitable donations, IMTT,broker promotion and First Mutual Health operating expenses

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
21	**INSURANCE REVENUE AND INSURANCE SERVICE RESULT**	**December 2023**	**December 2022**	**December 2023**	**December 2022**
	Insurance revenue (21.1)	1 088 840	400 735	503 246	47 217
	Insurance service expenses (21.2)	(942 910)	(332 117)	(476 932)	(45 004)
	Net income (expenses) from reinsurance contracts held (21.3)	(4 628)	6 263	28 930	4 438
	Insurance service result	**141 301**	**74 881**	**55 243**	**6 650**
21.1	**Insurance Revenue**				
	Contracts not measured under the PAA				
	Amounts relating to the changes in the LRC				
	- Expected incurred claims and other expenses after loss component allocation	593	723	226	83
	- Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	5	5	2	1
	- CSM recognised in profit or loss for the services provided	425	65	162	7
	Insurance revenue from contracts not measured under the PAA	**1 023**	**793**	**390**	**91**
	Insurance revenue from contracts measured under the PAA	**1 087 817**	**399 942**	**502 856**	**47 126**
	Life Risk	55 558	27 127	33 912	3 022
	Life Savings	13 563	5 996	5 173	772
	Health	327 087	145 393	193 993	21 936
	Property and Casualty	691 609	221 427	269 778	21 395
	Total insurance contract revenue	**1 088 840**	**400 735**	**503 246**	**47 217**
21.2	**Insurance service expenses**				
	Incurred claims and other directly attributable expenses	**(549 797)**	**(207 613)**	**(252 720)**	**(25 539)**
	Life Risk	(22 794)	(12 885)	(17 462)	(1 904)
	Life Savings	(4 695)	(2 207)	(1 608)	(253)
	Health	(244 474)	(98 317)	(142 629)	(14 802)
	Property and Casualty	(277 834)	(94 203)	(91 022)	(8 580)
	Changes that relate to past service - adjustments to the LIC	**(107 494)**	**(53 862)**	**(106 048)**	**(10 663)**
	Losses on onerous contracts and reversal of those losses				
	Life Risk	(6 866)	(1 898)	(2 619)	(217)
	Life Savings VFA	(7)	(11)	(3)	(1)
	Health	(4 188)	(7 219)	(7 367)	(1 175)
	Property and Casualty	(96 433)	(44 734)	(96 060)	(9 269)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		December 2023	December 2022	December 2023	December 2022
	Amortisation of Insurance contract acquisition cash flows	**(285 619)**	**(70 642)**	**(118 165)**	**(8 803)**
	Life Risk PAA	(5 034)	(1 791)	(1 919)	(205)
	Life Savings PAA	(6 470)	(2 913)	(2 467)	(492)
	Life Savings VFA	(797)	(721)	(304)	(83)
	Health	(12 870)	(322)	(8 937)	(48)
	Property and Casualty	(260 448)	(64 895)	(104 538)	(7 975)
	Total insurance service expenses	**(942 910)**	**(332 117)**	**(476 932)**	**(45 004)**
21.3	**Net income (expenses) from reinsurance contracts held**				
	Reinsurance expenses - contracts measured under the PAA	(252 857)	(71 985)	(82 228)	(6 438)
	Claims recovered	248 229	78 248	111 158	10 876
	Total net income/(expenses) from reinsurance contracts held	**(4 628)**	**6 263**	**28 930**	**4 438**
	Total insurance service result	**141 301**	**74 881**	**55 243**	**6 650**
	Insurance service result	**141 301**	**74 881**	**55 243**	**6 650**

22 NET FINANCE INCOME AND EXPENSES FROM INSURANCE CONTRACTS ISSUED

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		December 2023	December 2022	December 2023	December 2022
22.1	**Finance income (expenses) from insurance contracts issued**				
	Changes in fair value of underlying assets of contracts measured:				
	under the VFA	(44 539)	(11 024)	(77 004)	(6 394)
	under the PAA	(223 188)	(54 194)	(384 060)	(32 462)
	Finance expenses from insurance contracts issued	**(267 727)**	**(65 219)**	**(461 063)**	**(38 856)**
22.2	**Breakdown of net finance income**				
	Dividend received - cash	1 536	878	1 045	151
	Fair value gain on unquoted equities at fair value through profit or loss	13 279	1 290	22 807	1 713
	Share of profits from Subsidiaries	198 993	83 211	342 607	31 889
	Fair value gain/(loss) on quoted equities at fair value through profit or loss	51 479	(21 436)	92 986	4 930
	Net investment return (before interest, gold returns and NAV returns from associates)	**265 287**	**63 943**	**459 445**	**38 683**
	Interest on financial assets measured at Amortised cost	2 452	1 261	1 422	168
	Fair value gain/(loss) on gold coins	(12)	15	196	5
	Net finance income	**267 727**	**65 219**	**461 063**	**38 856**

23 NET INVESTMENT RETURN

	December 2023	December 2022	December 2023	December 2022
2023				
Dividend received - cash	16 569	1 527	6 824	175
Fair value gain/(loss) on unquoted equities at fair value through profit or loss	18 202	1 470	31 978	2 067
Investment expenses	(31 293)	(7 650)	(11 301)	(876)
Fair value gain/(loss) on quoted equities at fair value through profit or loss	41 277	(37 017)	142 408	7 289
Net investment return from equities	44 755	(41 669)	169 909	8 654
Interest revenue from financial assets not measured at FVTPL	30 587	6 867	11 817	705
Fair value gain/(loss) on gold coins	1 390	(288)	2 623	38
Total investment income	**76 732**	**(35 089)**	**184 349**	**9 397**

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
24	**RENTAL INCOME**	**December 2023 ZWLm**	**December 2022 ZWLm**	**December 2023 ZWLm**	**December 2022 ZWLm**
	Office	32 878	10 988	19 901	1 782
	Retail	3 938	1 316	2 384	214
	Industry	1 186	397	718	64
	Other	1 113	372	673	60
	Total rental income	**39 116**	**13 072**	**23 676**	**2 121**
	All rental income earned is from investment property				
25	**Property expenses**				
	Operating costs recoveries	4 983	1 908	2 992	345
	Maintenance costs	5 620	2 427	3 374	439
	Valuation fees	78	28	47	5
	Employee costs	8 126	2 250	4 879	407
	Other administration costs	3 106	931	1 865	168
	Property security and utilities	502	183	301	33
	Total	**22 415**	**7 727**	**13 458**	**1 398**
	Property expenses arising from investment properties that generated rental income	4 389	7 543	2 281	1 364
	Property expenses arising from investment properties that did not generate rental income	18 026	183	11 177	33
	Total	**22 415**	**7 727**	**13 458**	**1 398**

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

26	**OTHER INCOME AND DIRECT EXPENSES**				
26.1	**Net interest income- First Mutual Microfinance**				
	Interest income	20 298	3 486	12 789	504
	Interest expenses	(5 734)	(937)	(3 777)	(126)
	Direct administration costs	(942)	(379)	(520)	(61)
	Net Interest income	**13 622**	**2 170**	**8 491**	**317**
26.2	**Net Asset management service income**				
	Asset management service revenue	2 218	2 015	1 400	269
	Direct costs	(3 721)	(1 322)	(2 233)	(219)
	Net asset management service income/(expense)	**(1 502)**	**693**	**(833)**	**50**
26.3	**Other income**				
	Tenant interest	5 039	2 175	2 758	298
	Profit on disposal of vehicles and equipment	7	133	10	18
	Motor pool dividend income (commission from third parties)	-	131	-	15
	Clinic fee income	7 065	1 578	4 729	216
	Funeral service income	1 787	577	1 145	79
	Exchange gains/(losses)				
	Pharmacy services income	9 668	480	6 043	66
	Bargain purchase on investment in associate	-	323	-	112
	Other income	(11 046)	952	2 075	247
	Total before exchange gains	12 520	6 350	16 759	1 050
	Exchange gains/(losses)	71 022	28 052	43 550	4 329
	Total	**83 542**	**34 401**	**60 309**	**5 379**

Other income consists of interest on staff loans, fees from fund management by FML and commission income, property sales commission, motor levy commission, valuation fees, agents fees,loss on disposal of investment in associate

26.4 Revenue from contracts with customers

Included in other income, on note 26.3 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	
Type of good or service	Timing of recognition	December 2023 ZWLm	December 2022 ZWLm	December 2023 ZWLm	December 2022 ZWLm
Asset management fees(note 26.2)	Over time	2 218	2 015	1 400	269
Asset managemnt fees (Note 13.6)	Over time	1 054	297	562	67
Funeral services	At a point in time	1 787	577	1 145	79
Clinic services	At a point in time	7 065	1 578	4 729	216
Pharmacy services income	At a point in time	9 668	480	6 043	66
Property services income	At a point in time	-	5	-	-
Total revenue from contracts with customers		**18 520**	**2 639**	**11 917**	**361**

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.

26.5 Reclassifications
The following reclassifications were made on the face of the income statement to enhence transparency of financial information to the users of the financial statements.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2022 IFRS 17 ZWLm	2022 IFRS 4 ZWLm	2022 IFRS 17 ZWLm	2022 IFRS 4 ZWLm
Other income	6 350	36 416	1 050	5 471
Asset management fees	2 015	-	269	-
Asset management direct costs				
Exchange gains or loss	28 052	-	4 329	-
Pharmacies, Clinics and Funeral direct costs	(1 124)	-	(177)	-
Total	**36 416**	**36 416**	**5 471**	**5 471**
Net investment income	-	(41 957)	-	8 692
Net investment income from equities	(41 669)	-	8 654	-
Net gains from investment in gold coins	(288)	-	38	-
Total	(41 957)	(41 957)	8 692	8 692
Movement in allowance for credit losses	(2 128)	(3 653)	(442)	(760)
Allowance for premium credit adjustment	-	-	-	-
	(2 128)	**(3 653)**	**(442)**	**(760)**
Adminstration expenses	(62 112)	(94 334)	(9 476)	(14 917)
Asset management direct costs	(1 322)	-	(219)	-
Property expenses	(7 727)	-	(1 398)	-
Transferred to insurance acquisition expenses	(23 173)	-	(3 825)	-
Total	**(94 334)**	**(94 334)**	**(14 917)**	**(14 917)**

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FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
27	**PHARMACIES, CLINICS AND FUNERAL DIRECT COSTS**	**2022 IFRS 17 ZWLm**	**2022 IFRS 4 ZWLm**	**2022 IFRS 17 ZWLm**	**2022 IFRS 4 ZWLm**
	Pharmacy and Clinic services	9 517	978	4 666	154
	Funeral services	428	145	290	24
	TOTAL	**9 945**	**1 124**	**4 956**	**177**

28	**OTHER ADMINISTRATION EXPENSES**				
		December 2023	**December 2022**	**December 2023**	**December 2022**
	The profit before income tax is shown after charging:	ZWLm	ZWLm	ZWLm	ZWLm
	Staff costs (note 28.1)	182 356	45 646	75 100	7 324
	Directors' fees - FMHL	10 880	387	4 150	62
	-Group companies	36 119	1 909	13 777	306
	Depreciation of property, vehicles and equipment	2 067	1 962	325	43
	Depreciation of Right of Use asset	582	149	137	17
	Amortisation of intangible assets	25	120	1	1
	External Audit fees	4 527	1 027	1 635	165
	Current				
	Prior year				-
	IMT 2% tax	5 643	3 687	1 930	499
	Other costs (note 28.5)	110 935	31 803	50 494	5 103
	Transfer to directly attributable expenses	(203 386)	(24 579)	(46 822)	(4 044)
	Total administration expenses	**149 748**	**62 112**	**100 726**	**9 476**
28.1	**Staff costs**				
	Wages and salaries	62 944	15 817	21 125	2 499
	Non-pensionable allowances	21 183	3 018	7 109	477
	Allowances	22 644	5 598	7 600	885
	Social security and health insurance costs	11 499	4 874	3 859	770
	Defined contribution pension costs	6 597	1 316	2 214	208
	Long-term incentives	15 500	628	14 938	72
	Short-term incentives	8 149	2 052	6 897	427
	Motoring benefit	19 165	5 132	6 432	811
	Movement in leave pay provision	6 593	2 089	2 213	330
	Staff training	4 161	1 003	1 396	158
	Rationalisation costs(28.2)	-	1 490	-	272
	Other staff costs	3 922	2 631	1 316	416
	Total staff costs	**182 356**	**45 646**	**75 100**	**7 324**

Staff Pension and Life Assurance scheme

All employees are members of the First Mutual Staff Pension and Life Assurance Scheme, which is a defined contribution pension plan. The Group's contributions to the defined contribution pension plan are charged to the statement of comprehensive income in the year in which they relate.

National Social Security Authority Scheme

The Group and its employees contribute to the National Social Security Authority Pension Scheme. This is a social security scheme, which was promulgated under the National Social Security Act (Chapter 17:04). The Group obligations under the scheme are limited to specific contributions legislated from time to time.

28.2 Rationalisation expenses

In December 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.

28.3	**Allowance for credit losses**				
	Tenant receivables (note 14.1)	2 184	616	2 184	128
	Other receivables (note 14.2)	2 765	1 511	2 765	314
	Total	**4 949**	**2 128**	**4 949**	**442**

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FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		December 2023	December 2022	December 2023	December 2022
28.5	**Other costs**	**ZWLm**	**ZWLm**	**ZWLm**	**ZWLm**
	Marketing and corporate relationship management	21 549	4 790	9 685	767
	Information technology expenses	15 223	5 759	6 842	922
	Office costs	5 449	899	2 449	144
	Fees and other charges	5 551	3 889	2 495	623
	Actuarial fees	4 045	505	1 818	81
	Expensed VAT	436	725	196	116
	Bank charges	3 815	1 355	1 715	217
	Communication expenses	3 923	253	1 763	41
	Expenses relating to leases of low value	2 311	20	1 039	3
	Subscriptions	2 575	666	1 157	107
	Investor relations	652	365	293	58
	Administration travel	4 938	1 594	2 219	255
	Rates	8 192	1 578	3 682	253
	Project costs	3 978	3 301	2 425	540
	Staff welfare	3 063	676	1 377	108
	Repairs and maintenance	954	1 767	429	283
	Cleaning expenses	4 329	540	1 945	86
	Strategy expenses	1 340	519	602	83
	Other costs	18 612	2 601	8 364	417
	Total	**110 935**	**31 803**	**50 494**	**5 103**

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	150 624	41 694	275 657	22 566
	Weighted average number of shares in issue	732	732	732	732
	Basic earnings per share (cents)	**20 585**	**5 698**	**37 673**	**3 084**
29.2	**Diluted earnings per share**				
	Profit attributable to ordinary equity holders of the company	150 624	41 694	275 657	22 566
	The following reflects the share data;				
	Weighted average number of shares in issue	732	732	732	732
	Effect of dilution of share option	-	-	-	-
	Weighted number of shares adjusted for the effects of dilution	732	732	732	732
	Diluted earnings per share (cents)	**20 585**	**5 698**	**37 673**	**3 084**

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 ZWL138 916 155 000 (2022: ZWL19 053 022 044) 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 December 2023 (2022 ZWL nil).

30.2 Contingent asset

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 31 December 2023 the business had received an amount of USD165 792 out of a possible USD828 960. 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 Contingent Liability

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 Corrective Order directed the FML 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

	ZWG	ZWG
Actual Loss	83,822	21,141,094
Potential Loss	Nil	32,539,327

FML management respectfully disagreed with some of the findings in the BDO report contained in the IPEC Corrective Order and believed that their submissions were not properly considered. Interpretations of fact, accounting standards, legal and actuarial principles, as well as currency conversion issues were in dispute. FML sought input from independent third-party professionals in a bid to resolve the areas of disagreement.

Settlement Agreement and Current Status

FML is a party to a settlement agreement with IPEC, dated April 17, 2024, which required the appointment of experts to review work previously done by BDO. Although the experts' presentations were made to IPEC and FML on 17 July 2024, and additional information was provided on 31 July 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) in the Ministry of Finance, Economic Development and Investment Promotion on 4 December 2024. Following correspondence with the PS, FML and IPEC were directed to amicably resolve outstanding issues by 7 February 2025. An informal meeting was held on 6 February 2025, and additional information was shared with IPEC, who subsequently presented a position on 10 March 2025, that differed from the expert presentations.

FML 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 2023 (CONTINUED)

30.4 Non-controlling interest put options

30.4.1 Recognition for put option liability

The agreement required First Mutual Holdings 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 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 within 20 business days of such written demand therefore, or within such longer period as may be agreed between the Parties in writing. In line with management's understanding of the Investment Agreements, one material warranty that might trigger a breach is the involuntary liquidation of the foreign currency balance into ZWL.	The Reserve Bank of Zimbabwe and the Ministry of Finance 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.
Condition precedent to the agreement	**Assessment**	**Conclusion**
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 year ending in 31 December 2023, the EBITDA for the two companies was BWP73,269,341 which is 101% of BWP72,518,208 (the two year cumulative per the Addendum agreement). This performance surpassed the set thresholds.	This condition is less likely to materialise.
A change in control at First Mutual Holdings 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.	As at the reporting period, National Social Security Authority ("NSSA") & CBZH as major shareholders of First Mutual Holdings Limited with a total holding of 70.91% (NSSA 2022:66.22%, 2023: 34.44%; CBZH 2022: 0%, 2023: 36.47%) directly in First Mutual Holdings. It has been assessed and concluded that the ultimate beneficiary of the change in shareholding 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

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31 RELATED PARTY DISCLOSURES

Related companies
Related party transactions exist between First Mutual Holdings Limited and its fellow subsidiaries.

As at the reporting period, National Social Security Authority ("NSSA") & CBZH as major shareholders of First Mutual Holdings Limited with a total holding of 70.91% (NSSA 2022:66.22%, 2023: 34.44%; CBZH 2022: 0%, 2023: 36.47%) directly in First Mutual 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):

	2023	2022
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%
FMRE Property and Casualty (Proprietary) Limited*	100.00%	100.00%
First Mutual Reinsurance Holdings Limited****	70.90%	70.90%
First Mutual Properties Limited	69.88%	70.04%
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%
Infrastructure Fund Zimbabwe (Private Limited)	100.00%	0.00%
Associates		
Haematology Laboratory (Private) Limited - First Mutual Health Company (Private) Limited	0.00%	34.00%
United General Insurance Limited** - NicozDiamond Insurance Limited	46.00%	46.00%
Clover Leaf Panel Peaters (Private) Limited - NicozDiamond Insurance Limited	0.00%	45.00%
Builstate Investments (Private) Limited	37.48%	37.48%
Greencroft Properties (Private) Limited	29.49%	0.00%
First Mutual Properties Limited is owned 69.88% by First Mutual Group as follows:		
First Mutual Holdings Limited - the company	2.53%	2.53%
First Mutual Life Assurance Company (Private) Limited - shareholders	18.01%	18.01%
First Mutual Life Assurance Company (Private) Limited - policyholders	41.91%	41.91%
First Mutual Reinsurance Company Limited	2.84%	2.84%
NicozDiamond Insurance Limited	0.00%	0.00%
First Mutual Health Company (Private) Limited - shareholders	3.69%	3.69%
First Mutual Wealth Management (Private) Limited	0.43%	0.43%
First Mutual Microfinance (Pvt) Ltd	0.47%	0.47%
First Mutual Properties Limited (treasury shares)		
Total	**69.88%**	**69.88%**
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%
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

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
31	**RELATED PARTY DISCLOSURES (continued)**	**Group December 2023 ZWLm**	**Group December 2022 ZWLm**	**Group December 2023 ZWLm**	**Group December 2022 ZWLm**
31.2	**Compensation of key management:** Key management personnel includes executive directors and senior management of the Group				
	Short term employment benefits	4 069	572	4 069	252
	Post-employment pension and medical benefits	18 239	6 240	4 919	792
	Share appreciation rights	15 500	628	14 938	72
	Total compensation paid to key management personnel	**37 808**	**7 439**	**23 926**	**1 116**
31.3	**Loans to directors and officers**				
	Executive directors	626	187	626	39

31.4 Directors and other key management's interest

	2023 Number of shares	**2 022 Number of shares**
Douglas Hoto	250 000	280 096
William Marere	100 015	100 015
Other key management	15 044	15 044
	365 059	**395 155**

31 RELATED PARTY DISCLOSURES (continued)

31.5 Transactions and balances with related companies:

31.5.1 Summary of related party transactions

The following table provide the total amount of transactions that have been entered into with related parties during the period ended 31 December 2023:

INFLATION ADJUSTED - AUDITED

	Relationship to First Mutual Holdings Limited	Purchases from related parties ZWLm	Amount owed to related parties ZWLm	Amount owed by related parties ZWLm	Loans owed to related parties ZWLm	Carrying amounts of investments in subsidiaries ZWLm
First Mutual Microfinance (Private) Limited	subsidiary	-	37	-	-	4 465
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	-	-	193 581
NicozDiamond Insurance Limited	subsidiary	1 526	-	217	-	73 929
First Mutual Reinsurance Company Limited	subsidiary	-	-	248	-	21 505
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	123	-	18 678
First Mutual Health Company (Private) Limited	subsidiary	-	-	267	-	48 100
First Mutual Funeral Services (Private) Limited	subsidiary	-	-	-	-	-
First Mutual Health Services (Private) Limited	subsidiary	-	-	10	-	-
First Mutual Properties Limited	subsidiary	4 786	27	-	-	-
First Mutual Wealth Management (Private) Limited	subsidiary	2 345	-	198	-	4 456
		8 658	**64**	**1 064**	**-**	**364 716**

HISTORICAL COST - UNAUDITED

	Relationship to First Mutual Holdings Limited	Purchases from related parties ZWLm	Amount owed to related parties ZWLm	Amount owed by related parties ZWLm	Loans owed to related parties ZWLm	Carrying amounts of investments in subsidiaries ZWLm
First Mutual Microfinance (Private) Limited	subsidiary	-	37	-	-	4 281
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	-	-	181 720
NicozDiamond Insurance Limited	subsidiary	582	-	217	-	51 390
First Mutual Reinsurance Company Limited	subsidiary	-	-	248	-	25 719
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	123	-	12 207
First Mutual Health Company (Private) Limited	subsidiary	-	-	267	-	40 928
First Mutual Health Services (Private) Limited	subsidiary	-	-	10	-	-
First Mutual Properties Limited	subsidiary	2 913	27	-	-	-
First Mutual Wealth Management (Private) Limited	subsidiary	1 342	-	198	-	3 897
		4 837	**64**	**1 064**	**-**	**320 144**

31 RELATED PARTY DISCLOSURES (continued)

31.5.1 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 2022

INFLATION ADJUSTED - AUDITED

	Relationship to First Mutual Holdings Limited	Purchases from related parties ZWLm	Amount owed to related parties ZWLm	Amount owed by related parties ZWLm	Loans owed to related parties ZWLm	Carrying amounts of investments in subsidiaries ZWLm
First Mutual Microfinance (Private) Limited	subsidiary	-	-	101	-	759
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	-	-	91 550
NicozDiamond Insurance Limited	subsidiary	192	-	46	-	32 633
First Mutual Reinsurance Company Limited	subsidiary	-	-	145	-	4 177
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	119	-	9 353
First Mutual Health Company (Private) Limited	subsidiary	-	362	-	-	24 206
First Mutual Properties Limited	subsidiary	309	4	-	-	-
First Mutual Wealth Management (Private) Limited	subsidiary	34	-	100	-	1 114
		535	**366**	**512**	**-**	**163 792**

HISTORICAL COST - UNAUDITED

	Relationship to First Mutual Holdings Limited	Purchases from related parties ZWLm	Amount owed to related parties ZWLm	Amount owed by related parties ZWLm	Loans owed to related parties ZWLm	Carrying amounts of investments in subsidiaries ZWLm
First Mutual Microfinance (Private) Limited	subsidiary	-	-	21	-	105
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	-	-	18 206
NicozDiamond Insurance Limited	subsidiary	4	-	10	-	6 001
First Mutual Reinsurance Company Limited	subsidiary	-	-	30	-	927
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	25	-	1 944
First Mutual Health Company (Private) Limited	subsidiary	-	75	-	-	4 427
First Mutual Properties Limited	subsidiary	47	1	-	-	-
First Mutual Wealth Management (Private) Limited	subsidiary	4	-	21	-	59
		56	**76**	**106**	**-**	**31 669**

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.

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	2023	2022
First Mutual Properties Limited	Zimbabwe	29,93%	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	
	December 2023	December 2022	December 2023	December 2022
Accumulated balances of material non-controlling interest	**ZWLm**	**ZWLm**	**ZWLm**	**ZWLm**
First Mutual Properties Limited	297 074	147 937	314 059	28 667
Diamond Seguros Insurance Company Limited	2 952	4 196	2 952	3 067
First Mutual Reinsurance Holdings Limited	-	-	-	-
Total	**300 025**	**152 134**	**317 011**	**31 734**
Reconciliation of FMRE NCI				
FMRE NCI at initial recognition		-		-
Share of comprehensive income	38 846	(1 290)	23 722	771
Share of dividend	(2 676)	(454)	(1 020)	(89)
Reclassification to put option (Note 2.2 (d))	(36 169)	1 744	(22 701)	(682)
NCI balance as at December	**-**	**-**	**-**	**-**
Profit allocated to non-controlling interest:				
First Mutual Properties Limited	165 792	42 476	275 075	23 252
Diamond Seguros Insurance Company Limited	965	6 309	1 000	2 472
First Mutual Reinsurance Holdings Limited	-	-	-	-
Total	**166 757**	**48 786**	**276 075**	**25 724**

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

First Mutual Properties Limited				
Revenue	40 932	13 952	25 539	2 102
Allowance for credit losses	(2 286)	(606)	(2 286)	(126)
Property expenses	(20 932)	(8 862)	(12 545)	(1 366)
Net property income	**17 714**	**4 484**	**10 708**	**610**
Employee related expenses	(6 511)	(1 567)	(5 555)	(286)
Other expenses	(5 783)	(2 241)	(3 442)	(346)
Net property income after administration expenses	**5 420**	**676**	**1 712**	**(23)**
Fair value adjustments	542 905	161 492	959 121	87 405
Other income	5 553	8 713	5 598	1 296
Finance income	5 248	1 780	2 886	310
Share of profit from associate	1 082	338	1 656	115
Net monetary gain/ (loss)	458	(5 640)		-
Profit before income tax	**560 666**	**167 359**	**970 973**	**89 104**
Income tax expense	(6 734)	(15 458)	(51 912)	(9 501)
Profit for the year	**553 933**	**151 901**	**919 061**	**79 603**
Other comprehensive (loss)/income				
Total comprehensive income	**553 933**	**151 901**	**919 061**	**79 603**
Attributable to non-controlling interest	165 792	42 476	275 075	23 252
Dividends paid to non-controlling interest	(4 480)	(371)	(1 627)	(60)

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
Summarised statement of financial position as at	December 2023	December 2022	December 2023	December 2022

	ZWLm	ZWLm	ZWLm	ZWLm
Investment property	1 067 032	525 896	1 067 032	109 334
Property, plant and equipment and other non-current financial assets	21 973	2 051	11 843	341
Financial assets	3 480	695	3 480	144
Inventories, cash and bank, current financial assets and other receivables (current)	11 035	10 944	10 507	2 099
Non-current liabilities (deferred tax only)	(60 533)	(57 310)	(60 247)	(11 846)
Long term liabilities	-	-	-	-
Trade and other payable (current)	(16 097)	(4 794)	(16 056)	(920)
Total equity	**1 026 889**	**477 481**	**1 016 558**	**99 153**
Summarised cash flow information for the year ending 31 December				
Operating	8 959	(2 907)	2 661	(574)
Investing	(11 375)	(850)	(6 180)	(44)
Financing	(2 083)	(1 270)	(571)	(212)
Net increase in cash and cash equivalents	**(4 499)**	**(5 027)**	**(4 090)**	**(830)**

Diamond Seguros Insurance Company Limited

Statement of comprehensive income				
Income	20 814	3 507	7 935	402
Total expenses	(19 738)	(3 986)	(7 525)	(457)
Profit before income tax	1 076	(480)	410	(55)
Statement of financial position				
Total assets	31 071	13 196	31 071	2 746
Total liabilities	(19 857)	(8 142)	(19 857)	(1 694)
Total equity	11 214	5 054	11 214	1 052
Statement of Cashflows				
Cashflows from Operating activitties	409	1 003	177	193
Cashflows from investing activities	695	720	301	118
Cashflows from financing activities			-	-

First Mutual Reinsurance Holdings Limited

Summarised statement of comprehensive income				
Insurance contract revenue	383 387	91 562	157 952	11 634
Insurance service expenses	(315 466)	(91 035)	(171 718)	(13 983)
Net reinsurance contract result	(7 592)	8 853	29 105	3 012
Movement in premium credit adjustment	(1 735)	(588)	(1 735)	(161)
Insurance service result	**58 594**	**8 792**	**13 604**	**502**
Administration Expenses	(34 587)	(14 796)	(9 067)	(1 410)
Movement in provision for credit losses	(27)	(2)	(27)	-
Profit before other items	**23 981**	**(6 006)**	**4 510**	**(908)**
Investment income	23 736	(1 619)	25 521	1 391
Other income	26 474	5 328	23 828	1 205
Profit before income tax	**74 191**	**(2 297)**	**53 859**	**1 688**
Income tax expense	4 569	(2 948)	4 315	213
Profit for the year	**78 760**	**(5 244)**	**58 174**	**1 901**
Other comprehensive (loss)/income	(44 170)	6 197	(7 795)	1 288
Total comprehensive income	**34 590**	**953**	**50 379**	**3 189**

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	December 2023	December 2022	December 2023	December 2022

Summarised statement of financial position	**ZWLm**	**ZWLm**	**ZWLm**	**ZWLm**
Property, plant and equipment and other non-current financial assets	1 209	488	784	77
Financial assets	29 422	10 013	29 369	2 074
Inventories, cash and bank, current financial assets and other receivables (current)	171 970	86 733	182 512	18 459
Non-current liabilities (deferred tax only)	-	-	-	-
Long term liabilities	(1 893)	(663)	(1 893)	(138)
Trade and other payable (current)	(142 425)	(71 405)	(152 629)	(15 108)
Total Equity	**58 282**	**25 166**	**58 142**	**5 364**

33 EVENTS AFTER THE REPORTING PERIOD

34 PROPOSED DIVIDEND ON ORDINARY SHARES

Notice is hereby given that the Board declared a final dividend of US$1,000,000 payable in United States Dollars from the profits of the Company for the year ended 31 December 2023 which represents zero point one three six (0.136) United States cents per share. This dividend, when combined with the interim dividend of US$500,000 results in total dividends for the year of US$1,500,000. The dividend will be payable from the Company's operating cashflows of the company for the year ended 31 December 2023 on or about 26 June 2024 to all shareholders of the Company registered at close of business on 21 June 2024. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to 18 June 2024 and exdividend as from 19 June 2024. The applicable shareholders' tax will be deducted from the Gross Dividends. Shareholders are requested to submit / update their mailing and banking details with the Transfer Secretaries to enable the payment of their dividends.

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 Group Limited ("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 2023, management has 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 2024 and that therefore recommend that the Separate and Consolidated Financial Statements for the period ended 31 December 2023 be prepared on a going-concern basis.

36 CPI sensetivity

The Group considered various methodologies in determining the ZWL inflation indices to use for the purposes of preparation of Hyperinflation accounts. The methodologies applied were consistent with those required by International Accounting Standard (IAS Financial Reporting in Hyperinflationary Economies. In determining the indices, the group considered the movement in the exchange rates and engaged the use of an expert in determining the basket of goods in line with the methodologies previously used by Our assessment recognises the invariable challenges in the methodologies applied as the basket of goods is impacted by multiple exchange rates. The analysis below seeks to demonstrate the sensitivity of the indice used in preparing hyperinflation accounts:

	2023 As per financial statements	**10% increase in inflation adjustment factor**	**Change**
Insurance contract revenue	1 088 840	1 147 201	58 362
Profit before tax	353 288	370 811	17 523
Equity	682 723	695 915	13 191

	As per financial statements	**10% decrease in inflation adjustment factor**	**Change**
Insurance contract revenue	1 088 840	1 019 154	(69 686)
Profit before tax	353 288	337 036	(16 251)
Equity	682 723	670 489	(12 234)

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Note	2023 ZWLm AUDITED	2022 ZWLm AUDITED	2023 ZWLm UNAUDITED	2021 ZWLm UNAUDITED
ASSETS					
Non Current Assets					
Property, plant and equipment	J	85	103	30	3
Right of Use asset	K1	2 020	1 673	514	102
Investment properties	J1	5 143	5 680	5 143	1 181
Investment in subsidiaries	L1	357 966	163 273	319 495	29 083
Investment in associate	T	113	113	7	7
Financial assets at fair value through profit or loss	M	10 639	2 569	10 639	534
Investments held at amortised cost	V	787	222	787	46
Total Non Current Assets		**376 753**	**173 634**	**336 614**	**30 957**
Current Assets					
Investments held at amortised cost		131	37	131	8
Rental receivables	N1	4	-	4	-
Other receivables	N	1 631	127	1 631	26
Intercompany receivables	O	975	1 057	975	220
Consumable stocks	U	40	60	9	2
Short term investments	P	1 070	187	1 070	39
Bank & cash balances	P	2 181	419	2 181	87
Total Current Assets		**6 034**	**1 886**	**6 002**	**382**
TOTAL ASSETS		**382 787**	**175 520**	**342 616**	**31 339**
EQUITY AND LIABILITIES					
Equity					
Share capital		1 993	1 993	55	55
Share premium		39 969	39 969	39	39
Capital reserves	W	141	141	-	-
Retained profit		331 475	130 614	333 312	30 661
Total Equity		**373 578**	**172 717**	**333 407**	**30 756**
Non-current liabilities					
Lease liability	K2	1 634	982	1 634	204
Total Non Current Liabilities		**1 634**	**982**	**1 634**	**204**
Current Liabilities					
Trade and other payables	Q	7 103	1 209	7 103	251
Lease liability	K2	409	246	409	51
Intercompany payables	R	64	366	64	76
Total Current Liabilities		**7 575**	**1 821**	**7 575**	**379**
Total Liabilities		**9 210**	**2 803**	**9 210**	**583**
TOTAL EQUITY AND LIABILITIES		**382 787**	**175 520**	**342 616**	**31 339**

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

COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2023

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	Notes	2023 ZWLm AUDITED	2022 ZWLm AUDITED	2023 ZWLm UNAUDITED	2022 ZWLm UNAUDITED
INCOME					
Shared service costs recoveries	E	14 187	5 120	8 673	714
Rental income	F1	261	108	142	21
Fair value adjustment- Investment property	J1	4 426	(1 019)	6 842	379
Net investment income	I	8 116	(2 353)	10 156	246
Share of profit from subsidiaries	L2	227 091	41 354	290 178	20 370
Other income	F	1 713	5 107	264	887
Net monetary gain/(loss)		(2 321)	1 458	-	-
Total Income		**253 474**	**49 775**	**316 256**	**22 617**
EXPENDITURE					
Administration expenses	G	(22 274)	(5 098)	(15 375)	(731)
Property expenses		(21)	(6)	(9)	(1)
Project costs	H1	(40)	(92)	(9)	(19)
Allowance for expected credit loss		(72)	(111)	(72)	(23)
Finance costs		(188)	(76)	(102)	(12)
Total Expenses		**(22 595)**	**(5 382)**	**(15 568)**	**(786)**
Profit before income tax		230 879	44 393	300 688	21 830
Income Tax	S2	-	-	-	-
Profit after tax		**230 879**	**44 393**	**300 688**	**21 830**
Other comprehensive income					
Share of other comprehensive income/(loss) of subsidiaries and associates using equity method	L3	(24 955)	10 178	5 089	1 808
Total comprehensive income attributed to shareholders		**205 924**	**54 572**	**305 777**	**23 638**

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COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

INFLATION ADJUSTED - AUDITED

	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Total
As at 1 January 2022	1 993	39 969	710	84 098	126 770
Profit for the year	-	-	-	44 394	44 394
Other comprehensive loss	-	-	-	10 178	10 178
Total comprehensive income	**-**	**-**	**-**	**54 572**	**54 572**
Transactions with shareholders in their capacity as owners:					
Share options			(569)	569	
Dividend paid				(1 874)	(1 874)
Issue of shares					
As at 31 December 2022	**1 993**	**39 969**	**141**	**130 614**	**172 717**
Profit for the period	-	-	-	230 879	230 879
Other comprehensive income	-	-	-	(24 955)	(24 955)
Total comprehensive income	-	-	-	205 924	205 924
Transactions with shareholders in their capacity as owners:		-			-
Adjustment for adoption of IFRS 17 by insurance subsidiaries			-	6 231	6 231
Dividend paid	-	-	-	(5 063)	(5 063)
Accumulated depreciation adjustment		-	-	(22)	(22)
As at 31 December 2023	**1 993**	**39 969**	**141**	**331 475**	**373 578**

HISTORICAL COST - UNAUDITED

	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Total
As at 1 January 2022	**55**	**39**	**-**	**7 938**	**8 033**
Profit for the year	-	-	-	21 830	21 830
Other comprehensive loss				1 808	1 808
Total comprehensive income	**-**	**-**	**-**	**23 638**	**23 638**
Transactions with shareholders in their capacity as owners:					
Share options			-	-	-
Dividend paid	-	-	-	(266)	(266)
Issue of shares					
As at 31 December 2022	**55**	**39**	**-**	**30 661**	**30 756**
Profit for the period				300 688	300 688
Other comprehensive income				5 089	5 089
Total comprehensive income				**305 777**	**305 777**
Transactions with shareholders in their capacity as owners:					
Adjustment for adoption of IFRS 17 by insurance subsidiaries				(2 091)	(2 091)
Dividend paid				(3 126)	(3 126)
Accumulated depreciation adjustment				(2)	(2)
As at 31 December 2023	**55**	**39**	**-**	**333 312**	**333 407**

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COMPANY STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	INFLATION ADJUSTED - AUDITED 2023 ZWLm AUDITED	2022 ZWLm AUDITED	HISTORICAL COST - UNAUDITED 2023 ZWLm UNAUDITED	2022 ZWLm UNAUDITED
Profit before taxation		**230 879**	**44 393**	**300 688**	**21 830**
Non cash items					
Depreciation	G	415	364	84	23
Finance costs		188	76	102	12
Interest received		(216)	(47)	(155)	(5)
Share of profit of subsidiaries	L2	(227 091)	(41 354)	(290 178)	(20 370)
Fair value adjustments on investment property	J1	(4 426)	1 019	(6 842)	(379)
Fair value adjustments on quoted equities	I	(7 868)	2 354	(9 997)	(246)
Exchange gain	F	(1 684)	(28)	(242)	(16)
Remeasurement of dividend receivable	F	-	(5 055)	-	(868)
Profit on disposal of Property plant and equipment		(1)	-	(1)	-
Share appreciation rights	G	5 469	135	4 957	21
Dividend received	I	(142)	(45)	(68)	(7)
Monetary gain/(loss)		2 413	(1 015)	-	-
Operating cash flow before working capital changes		**(2 065)**	**796**	**(1 653)**	**(3)**
Working capital changes					
Decrease/(increase) in other receivables		(1 504)	1 488	(1 605)	71
Decrease/(Increase) in rental receivables		(4)	-	(4)	-
Decrease/(Increase) in intercompany receivables		81	(726)	(756)	(200)
Increase in consumable stocks		19	(15)	(7)	(2)
(Decrease)/increase in intercompany payables		(302)	200	(12)	66
(Decrease)/increase in other payables		5 893	(927)	6 851	122
Effects of inflation on working capital movements		(92)	(442)		
Cash generated/(utilised) from operations		**2 027**	**374**	**2 814**	**55**
Interest paid		(188)	(76)	(102)	(12)
Interest received		216	47	155	5
Share appreciation rights	Q1	(1 964)	(229)	(1 660)	(47)
Net cash flows from operating activities		**92**	**116**	**1 208**	**(1)**
Investing activities					
Purchase of vehicles and equipment	J	(99)	(5)	(34)	(1)
Recapitalisation of subsidiaries	L1	(5 478)	(1 547)	(3 954)	(260)
Purchase of quoted securities	M	(239)	(9)	(135)	(1)
Additions to debt securities at amortised cost	V	(1 959)	(200)	(1 021)	(38)
Additions to investment in associate	T	-	(15)	-	(3)
Disposal of investments	M	37	229	27	24
Proceeds from the sale of property, plant & equipment		4	-	1	-
Dividend received	I & L1	14 854	2 804	9 936	527
Cash generated from investing activities		**7 128**	**1 257**	**4 820**	**248**
Financing activities					
Lease repayments	K2	(668)	(235)	(390)	(35)
Dividend paid		(5 063)	(1 874)	(3 126)	(266)
Cash utilised from financing activities		**(5 731)**	**(2 110)**	**(3 516)**	**(301)**
Net (decrease)/increase in cash and cash equivalents		**1 480**	**(736)**	**2 510**	**(52)**
Movements in cash and cash equivalents					
At beginning of year		606	794	126	48
Effects of exchange rates on cash and cash equivalents		1 292	758	615	130
Effects of inflation on cash and cash equivalents		(127)	(209)	-	-
Net (decrease)/increase for the period		1 480	(737)	2 510	(52)
At end of period		**3 252**	**606**	**3 252**	**126**
Disclosed as:					
Investments: Short term		1 071	187	1 071	39
Bank & Cash Balances		2 181	419	2 181	87
Cash and cash equivalents at the end of the period		**3 252**	**606**	**3 252**	**126**

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NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

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.

Revenue stream	Satisifaction of Performance obligation	Estimation Method	Management rationale
Adminstration	over time	Input method	Based on time and resources put in providing the services
Procurement	point in time	Transaction price	Revenue is recognised when the services are transferred to the customer (date of actual purchase)
Secreterial	point in time	Transaction price	Revenue is recognised when the services are transferred to the customer (date of service)
Group finance	over time	Input method	Based on time and resources put in providing the services
Strategic management services	over time	Input method	Based on time and resources put in providing the services

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**	**2023 Impact on profit before tax ZWLm**	**2022 Impact on profit before tax ZWLm**	**2023 Impact on equity ZWLm**	**2022 Impact on equity ZWLm**
Commodity				
+/-10	77	19	58	14
Consumer				
+/-10	3	1	2	-
Financial				
+/-10	231	56	174	42
Manufacturing				
+/-10	20	5	15	4
Property				
+/-10	716	173	539	130
Insurance				
+/-10	3	1	2	-
Telecommunication				
+/-10	15	4	11	3
Other				
+/-10	-	-	-	-
Total				
+/-10	**1 064**	**257**	**801**	**193**

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% (2022: 61%) 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% (2022: 50%) 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	
	2023 ZWLm	2022 ZWLm	2023 ZWLm	2022 ZWLm
Tier 1	2 181	419	2 181	87
Tier 2	-	-	-	-
Tier 3	-	-	-	-
	2 181	419	2 181	87

(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 ability 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.

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

31 December 2023	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	2,22%	9,12%	9,02%		
Gross carrying amount - intercompany receivables	570	351	143	-	1 064
Rent receivables	5	-	-	-	5
Other receivables	1 637	-	-	-	1 637
Loss allowance	**49**	**32**	**15**	**-**	**96**

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	926	141	99	-	1 166
Other receivables	130	-	-	-	130
Loss allowance	**89**	**14**	**10**	**-**	**113**

Movement in loss allowances

	INFLATION ADJUSTED		HISTORICAL COST	
	2023	**2022**	**2023**	**2022**
As at 1 January	112	6	23	-
Increase in loan loss allowance recognised in profit or loss during the year	72	111	72	23
Inflation adjustment	(89)	(4)	-	-
At 31 December	**96**	**112**	**96**	**23**

HISTORICAL COST

31 December 2023	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	2,22%	9,12%	9,02%		
Gross carrying amount - intercompany receivables	570	351	143	-	1 064
Rental receivables	5				5
Other receivables	1 637	-	-	-	1 637
Loss allowance	**49**	**32**	**15**	**-**	**96**

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	1,83%	1,83%	1,83%		
Gross carrying amount - intercompany receivables	192	29	21	-	242
Other receivables	27	-	-	-	27
Loss allowance	**19**	**3**	**2**	**-**	**23**

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.

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 3.5% and 2.8% in 2022 and 2023 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 2024 are indicating that the GDP growth for the country at 3.6% The international Monetary Fund (IMF) predicts that inflation will increase to around 222.4%. 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 2024 and 2025. Annual inflation stood at 56.1% in December 2022 down from a high of 243% in Decembner 2022 following the continous use 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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

INFLATION ADJUSTED - AUDITED

31 December 2023	Less than 1 month ZWLm	1 to 3 months ZWLm	Up to 6 months ZWLm	less than 1 year ZWLm	1 to 3 years ZWLm	Total ZWLm
Assets						
Financial assets at amortised cost	6	14	17	59	822	918
Equity securities at fair value through profit or loss	26	52	78	10 484	-	10 640
Rental Receivables	5	-	-	-	-	5
Other receivables (excluding prepayments)	1 255	77	-	-	-	1 332
Related party receivables	1 014	29	21	-	-	1 064
Cash and cash equivalents	3 252	-	-	-	-	3 252
Total assets	**5 558**	**172**	**116**	**10 543**	**822**	**17 211**
Liabilities						
Related party payables	64	-	-	-	-	64
Lease liabilities	5	13	15	477	1 839	2 349
Trade and other payables (excluding statutory liabilities)	3 175	-	-	-	-	3 175
Total liabilities	**3 244**	**13**	**15**	**477**	**1 839**	**5 588**
Liquidity gap	**2 314**	**159**	**101**	**10 066**	**(1 017)**	**11 623**
Cumulative liquidity gap	**2 314**	**2 473**	**2 574**	**12 640**	**11 623**	**-**
31 December 2022						
Assets						
Financial assets at amortised cost	2	4	5	17	232	260
Equity securities at fair value through profit or loss	125	249	374	1 822	-	2 570
Other receivables (excluding prepayments)	130	-	-	-	-	130
Related party receivables	926	141	99	-	-	1 166
Cash and cash equivalents	606	-	-	-	-	606
	-	-	-	-	-	-
Total assets	**1 789**	**394**	**478**	**1 839**	**232**	**4 732**
Liabilities						
Related party payables	366	-	-	-	-	366
Lease liability	25	64	71	145	1 108	1 413
Trade and other payables (excluding statutory liabilities)	828	-	-	-	-	828
	-	-	-	-	-	-
Total liabilities	**1 219**	**64**	**71**	**145**	**1 108**	**2 607**
	-	**-**	**-**	**-**	**-**	**-**
Liquidity gap	**570**	**330**	**407**	**1 694**	**(876)**	**2 125**
	-	**-**	**-**	**-**	**-**	**-**
Cumulative liquidity gap	**570**	**900**	**1 307**	**3 001**	**2 125**	**-**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

HISTORICAL COST - UNAUDITED

31 December 2023	Less than 1 month ZWLm	1 to 3 months ZWLm	Up to 6 months ZWLm	less than 1 year ZWLm	1 to 3 years ZWLm	Total ZWLm
Assets						
Financial assets at amortised cost	6	14	17	59	822	918
Equity securities at fair value through profit or loss	26	52	78	10 484	-	10 640
Rental receivables	5	-	-	-	-	5
Other receivables (excluding prepayments)	1 255	77	-	-	-	1 332
Related party receivables	1 014	29	21	-	-	1 064
Cash and cash equivalents	3 252	-	-	-	-	3 252
Total assets	**5 558**	**172**	**116**	**10 543**	**822**	**17 211**
Liabilities						
Related party payables	64	-	-	-	-	64
Lease liabilities	5	13	15	477	1 839	2 349
Trade and other payables (excluding statutory liabilities)	3 175	-	-	-	-	3 175
Total liabilities	**3 244**	**13**	**15**	**477**	**1 839**	**5 589**
Liquidity gap	**2 314**	**159**	**100**	**10 064**	**(1 017)**	**11 622**
Cumulative liquidity gap	**2 314**	**2 473**	**2 575**	**12 638**	**11 622**	**-**
31 December 2022						
Assets						
Financial assets at amortised cost	-	1	1	3	48	53
Equity securities at fair value through profit or loss	26	52	78	379	-	535
	-	-	-	-	-	-
Other receivables (excluding prepayments)	27		-	-	-	27
Related party receivables	192	29	21	-	-	242
Cash and cash equivalents	126	-	-	-	-	126
Total assets	**371**	**82**	**100**	**382**	**48**	**983**
Liabilities						
Related party payables	76	-	-	-	-	76
Lease liability	5	13	15	30	230	293
Trade and other payables (excluding statutory liabilities)	172	-	-	-	-	172
Total liabilities	**253**	**13**	**15**	**30**	**230**	**541**
Liquidity gap	**118**	**69**	**85**	**352**	**(182)**	**442**
Cumulative liquidity gap	**118**	**187**	**272**	**624**	**442**	**-**

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	
		2023 ZWLm AUDITED	2022 ZWLm AUDITED	2023 ZWLm UNAUDITED	2022 ZWLm UNAUDITED
E	**Shared service cost recoveries**				
	First Mutual Health	3 836	1 010	2 345	141
	First Mutual Wealth Management	260	200	159	28
	First Mutual Microfinance	528	-	323	-
	First Mutual Life	4 169	1 148	2 549	160
	First Mutual Properties	2 153	383	1 316	53
	First Mutual Reinsurance	967	1 305	591	182
	NicozDiamond Insurance	2 274	1 075	1 390	150
	Total	**14 187**	**5 121**	**8 673**	**714**

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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		2023 ZWLm AUDITED	2022 ZWLm AUDITED	2023 ZWLm UNAUDITED	2022 ZWLm UNAUDITED
F	**Other income**				
	Interest on staff loans	23	21	12	3
	(Profit)/loss on disposal of Property Plant Equipment	1	-	1	-
	Foreign exchange gain	1 684	28	242	16
	NDIL Dividend remeasurement	-	5 055	-	868
	Other	5	4	9	-
	Total	**1 713**	**5 108**	**264**	**887**
F1	**Rental Income**				
	Residential	261	108	142	21
	During the year FMHL company earned rental income from investment residential properties. Rentals are billed in advance on a monthly basis.				
G	**Administration expenses**				
	Staff costs	11 433	3 161	7 200	475
	Rent & rates	212	50	134	8
	Depreciation	415	364	82	23
	Directors fees	1 836	414	1 156	62
	Computer expenses	96	17	60	3
	Administration travel	153	31	96	5
	Insurance	29	29	19	4
	Audit fees	266	75	167	11
	Other fees	702	247	442	37
	Subscriptions	39	36	25	5
	Marketing costs - CRM	44	12	28	2
	Teas and refreshments	95	26	60	4
	R&M - Motor Vehicles	78	10	49	2
	R&M - Office Equipment	25	31	16	5
	Office consumables	28	8	18	1
	Communication	22	10	14	1
	Investor relations	441	304	278	46
	Cleaning expenses	62	20	39	3
	Board expenses	41	6	26	1
	Strategy expenses	108	60	68	9
	Staff welfare	11	4	7	1
	Shared costs recovery	76	1	48	-
	Other	589	3	371	-
	IMTT tax	3	17	16	2
	Share appreciation rights	5 469	135	4 957	21
	Covid expenses	-	-	-	-
	Total	**22 274**	**5 098**	**15 375**	**731**
H	**Staff costs**				
	Basic Salaries	5 080	1 444	2 968	201
	Non-pensionable allowance	772	193	451	27
	Bonus/Profit share	1 252	496	1 252	103
	Overtime	44	5	26	1
	Housing allowance	22	3	13	-
	Transport allowance	77	1	45	-
	Canteen allowance	7	14	4	2
	Long service award	6	23	3	3
	Pension	397	128	232	18
	NSSA	84	6	49	1
	Leave Pay	503	151	294	21
	Staff training	621	36	363	5
	Levies	212	49	124	7
	Medical aid	239	122	140	17
	Motoring benefit	1 619	473	946	66
	Security costs	36	14	21	2
	Other	460	2	269	-
	Total	**11 431**	**3 160**	**7200**	**474**

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 ZWL40 442 803 (2022 ZWL91 657 073)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		2023 ZWLm AUDITED	2022 ZWLm AUDITED	2023 ZWLm UNAUDITED	2022 ZWLm UNAUDITED
I	**Net Investment income/(loss)**				
	Dividend received	142	45	68	7
	Interest received	193	27	143	2
	Investment expenses	(87)	(71)	(52)	(9)
	Fair value gain/(loss) on equities	7 868	(2 354)	9 997	246
	Total	**8 116**	**(2 353)**	**10 156**	**246**

		Office Equipment	Motor Vehicles	Office Furniture	TOTAL
J	**Property, Plant and equipment**				
	INFLATION ADJUSTED				
	Cost				
	At 1 January 2022	**453**	**-**	**70**	**523**
	Additions	5	-	-	5
	Disposals	-	-	-	-
	At 31 December 2022	**458**	**-**	**70**	**528**
	Additions	85	-	14	99
	Disposals	(7)	-	-	(7)
	At 31 December 2023	**536**	**-**	**84**	**620**
	Accumulated Depreciation				
	At 1 January 2022	**362**	**-**	**48**	**410**
	Charge for the year	13	-	2	15
	Depreciation on disposal	-	-	-	-
	At 31 December 2022	**375**	**-**	**50**	**425**
	Charge for the year	110	-	3	113
	Useful life adjustment				
	Depreciation on disposal	(4)	-	-	(4)
	At 31 December 2023	**481**	**-**	**53**	**534**
	Net Book Value - 31 December 2022	**83**	**-**	**20**	**103**
	Net Book Value - 31 December 2023	**54**	**-**	**31**	**85**
	HISTORICAL COST				
	Cost				
	At 1 January 2022	**2**	**-**	**-**	**2**
	Additions	1		-	1
	Disposals	-	-	-	-
	At 31 December 2022	**3**	**-**	**-**	**3**
	Additions	30	-	5	35
	Disposals	-	-	-	-
	At 31 December 2023	**33**	**-**	**5**	**38**
	Accumulated Depreciation				
	At 1 January 2022	**-**	**-**	**-**	**-**
	Charge for the year	-		-	-
	Depreciation on disposal	-	-	-	-
	At 31 December 2022	**-**	**-**	**-**	**-**
	Charge for the year	7	-	-	7
	Useful life adjustments	-	-	-	-
	Depreciation on disposal	-	-	-	-
	At 31 December 2023	**8**	**-**	**-**	**8**
	Net Book Value - 31 December 2022	**3**	**-**	**-**	**3**
	Net Book Value - 31 December 2023	**25**	**-**	**5**	**30**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

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 First Mutual Holdings Limited Company transferred properties to First Mutual Wealth and First Mutual Microfinance as additional investment. These subsidiaries are 100% owned by First Mutual Company.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2 023 ZWLm	2 022 ZWLm	2 023 ZWLm	2 022 ZWLm
At 1 January	5 680	-	1 181	-
Total additions	-	-	-	-
Transfer to Investment in subsidiary	(2 074)	(1 413)	(1 194)	(272)
Disposals	(2 889)	-	(1 687)	-
Transfer from Nicozdiamond Insurance Limited	-	8 112	-	1 074
Fair value adjustments	4 426	(1 019)	6 842	379
Total	**5 143**	**5 680**	**5 142**	**1 181**

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 - AUDITED31 DECEMBER 2023	**Level 1 ZWLm**	**Level 2 ZWLm**	**Level 3 ZWLm**	**Total ZWLm**	**Total gain/(loss in the period in the statement of comprehensive income ZWLm**
Residential	-	-	5 143	5 143	4 426
	-	-	-	-	
Total	-	-	5 143	5 143	4 426

31 DECEMBER 2022	**Level 1 ZWLm**	**Level 2 ZWLm**	**Level 3 ZWLm**	**Total ZWLm**	**Total gain/(loss) in the period in the statement of comprehensive income ZWLm**
Residential	-	-	5 680	5 680	(1 019)
	-	-	-	-	
Total	-	-	5 680	5 680	(1 019)

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

	Leases	**INFLATION ADJUSTED - AUDITED**		**HISTORICAL COST - UNAUDITED**	
		2023	**2022**	**2023**	**2022**
	Leases	**ZWLm**	**ZWLm**	**ZWLm**	**ZWLm**
K1	**Right of use asset**	**AUDITED**	**AUDITED**	**UNAUDITED**	**UNAUDITED**
	As at 1 January	1 673	964	102	23
	Modifications	649	1 087	488	102
	Depreciation	(302)	(378)	(77)	(23)
	As at 31 December	**2 020**	**1 673**	**513**	**102**
K2	**Lease liability**				
	As at 1 January	1 228	502	255	30
	Modifications	649	1 087	488	102
	Repayments	(668)	(235)	(390)	(35)
	Accrued interest	188	76	102	12
	Accrued interest paid	(188)	(76)	(102)	(12)
	Exchange gains/loss	4 429	1 377	1 689	158
	Monetary loss adjustment	(3 595)	(1 502)	-	-
	As at 31 December	**2 043**	**1 229**	**2 042**	**255**
	Of which are :				
	Current lease liabilities	409	246	409	51
	Non-Current lease liabilities	1 634	982	1 634	204
	As at 31 December	**2 043**	**1 228**	**2 043**	**255**
L1	**INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**				
	At 1 January	163 792	120 080	29 083	7 673
	Adjustments due to adoption of IFRS 17 by insurance subsidiaries	-	(6 750)	-	(649)
	Capitalisation**	7 552	2 960	5 148	532
	Disposal	-	-	-	-
	Dividend income*	(14 996)	(4 550)	(10 004)	(649)
	Equity accounted earnings	202 136	51 532	295 267	22 178
	Total investment in subsidiaries	**357 966**	**163 273**	**319 495**	**29 083**

* For the total dividend income received from subsidiariesZWL14 995 810 009 (2022 ZWL2 759 664 980) was received as cash and the remainder was received as investment properties.

** For the total capitalisation made during the year ZWL6 138 154 538 (2022 ZWL1 547 327 784) was paid as cash and the remainder was the transfer of investment properties.

L2	**Share of profit from subsidiaries**				
	NicozDiamond Insurance	21 361	29 806	36 923	3 557
	First Mutual Life	113 824	8 535	163 237	11 382
	First Mutual Reinsurance	17 038	(2 394)	24 694	605
	FMRE Property & Casualty Botswana	38 803	(830)	16 551	1 291
	First Mutual Wealth	786	(865)	1 934	(21)
	First Mutual Health	32 071	8 257	42 773	3 717
	Funeral services	-	-	-	-
	First Mutual Microfinance	3 208	(1 155)	4 066	(160)
	Total	**227 091**	**41 354**	**290 178**	**20 370**
L3	**Share of other comprehensive income from subsidiaries**				
	NicozDiamond Insurance	6 362	1 340	10 616	440
	FMRE Property & Casualty Botswana	(31 317)	8 838	(5 527)	1 367
	Total	**(24 955)**	**10 178**	**5 089**	**1 807**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

		Shareholding percentage 2023	2022				
L4	**INVESTMENT IN SUBSIDIARIES**						
	First Mutual Life Assurance Company (Private) Limited	100%	100%	183 015	64 693	181 047	14 522
	First Mutual Health Company (Private) Limited	80%	80%	48 059	24 159	40 919	4 407
	First Mutual Microfinance	100%	100%	4 465	759	4 281	105
	First Mutual Reinsurance Company Limited	71%	71%	20 594	3 556	25 530	836
	FMRE Property and Casualty (Proprietary) Limited	71%	71%	23 450	18 147	12 431	3 000
	First Mutual Wealth Management	100%	100%	4 456	1 114	3 897	214
	NicozDiamond Insurance Company Limited	100%	100%	73 926	50 845	51 390	6 000
				357 966	**163 273**	**319 495**	**29 083**

		INFLATION ADJUSTED - AUDITED 2023 ZWLm AUDITED	2022 ZWLm AUDITED	HISTORICAL COST - UNAUDITED 2023 ZWLm UNAUDITED	2022 ZWLm UNAUDITED
M	**Financial assets at fair value through profit or loss**				
	At 1 January	2 569	5 142	534	311
	Purchases	239	9	135	1
	Disposal	(37)	(229)	(27)	(24)
	Fair value adjustments	7 868	(2 354)	9 997	246
		-	-	-	-
	Total	**10 639**	**2 568**	**10 639**	**534**

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.

		2023	2022	2023	2022
N	**Other receivables**				
	Staff debtors	1 271	104	1 271	22
	Prepayments	305	-	305	-
	Sundry debtors	60	26	60	5
	Total	**1 636**	**130**	**1 636**	**27**
	Allowance for expected credit losses	(5)	(2)	(5)	(1)
	Net receivables	**1 631**	**128**	**1 631**	**26**
N1	**Rental receivables**				
	Tenant receivables	5	-	5	-
	Provision for credit loss	(1)	-	(1)	-
	Net rental receivables	**4**	**-**	**4**	**-**
O	**Intercompany receivables**				
	First Mutual Wealth	198	100	198	21
	First Mutual Health	267	-	267	-
	FMRE Property & Casualty Botswana	123	119	123	25
	First Mutual Reinsurance	248	686	248	143
	NicozDiamond	217	159	217	33
	First Mutual Microfinance	-	101	-	21
	First Mutual Health Services	10	-	10	-
	First Mutual Funeral services	-	1	-	-
	Total	**1 063**	**1 166**	**1 063**	**243**
	Allowance for expected credit losses	(89)	(110)	(89)	(23)
	Net Intercompany receivables	**974**	**1 056**	**974**	**220**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
		2 023 ZWLm AUDITED	2 022 ZWLm AUDITED	2 023 ZWLm UNAUDITED	2 022 ZWLm UNAUDITED
P	**CASH AND BALANCES WITH BANKS**				
	Money market investments with original maturities less than 90 days	1 070	187	1 070	39
	Cash at bank and on hand	2 181	419	2 181	87
	Cash and balances with banks	**3 251**	**606**	**3 251**	**126**
	Current	3 251	606	3 251	126
	Non current	-	-	-	-
	Cash and balances with banks	**3 251**	**606**	**3 251**	**126**

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.

		2 023	2 022	2 023	2 022
Q	**Trade and other payables**				
	Payroll deductions	1 257	114	1 257	24
	VAT	560	42	560	9
	Provision for leave days	146	127	146	26
	Provision for profit share	1 252	517	1 252	108
	IT Security	-	-	-	-
	Accounts payables	-	2	-	-
	Withholding tax	-	2	-	-
	Sundry creditors	520	68	520	14
	Share appreciation rights	3 367	338	3 367	70
	Total	**7 102**	**1 210**	**7 103**	**251**
Q1	**Share appreciation rights**				
	At 1 January	338	1 586	70	96
	Additions	-	78	-	13
	Exercised	(1 964)	(229)	(1 660)	(47)
	Fair value adjustments	5 469	57	4 957	8
	Monetary gain or loss	(475)	(1 154)	-	-
	Total	**3 368**	**338**	**3 367**	**70**
R	**Intercompany payables**				
	First Mutual Health	-	362	-	75
	First Mutual Properties	27	4	27	1
	First Mutual Microfinance	37	-	37	-
	Total	**64**	**366**	**64**	**76**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023 (CONTINUED)

S TAX

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2 023 ZWLm AUDITED	2 022 ZWLm AUDITED	2 023 ZWLm UNAUDITED	2 022 ZWLm UNAUDITED
S1 Analysis of deferred tax				
Arising on furniture and equipment	27	107	3	-
Arising on right of use asset	127	122	127	25
Arising on financial assets at fair value through profit or loss	106	26	106	6
Arising from investment properties	1 006	127	1 006	26
Arising from assessable losses	(915)	(222)	(896)	(24)
Payables and provisions	(346)	(159)	(346)	(33)
As at 31 December	-	-	-	-
Disclosed as:				
Deferred tax asset	(1 260)	(382)	(1 242)	(57)
Deferred tax liability	1 260	382	1 242	57
	-	-	-	-

Assessable tax losses

The Company has deferred tax asset arising from assessable tax losses, amounting to ZWL1 420 967 776 (2022: ZWL5 462 507 313). 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 2023 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 2022	86	39
Arising during the year ended 31 December 2023	626	286

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 ZWL191 737 944 (2022 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 2023. Below is the list of unrecognised deffered tax asset.

	INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
	2 023 ZWLm AUDITED	2 022 ZWLm AUDITED	2 023 ZWLm UNAUDITED	2 022 ZWLm UNAUDITED
Lease liability	505	304	505	63
Cash based share appreciation rights	832	83	832	17
Assessable losses	3 892	3 481	215	1 112
Total	**5 229**	**3 868**	**1 553**	**1 192**
S2 Reconciliation of income tax expense				
Profit before income tax	**230 879**	**44 393**	**300 688**	**21 830**
Standard tax rate 24.72% (2022: 24.72%)	57 073	11 431	74 330	6 160
Non-taxable income	(62 428)	(13 838)	(76 492)	(5 829)
Non-deductible expenses	4 501	569	1 875	65
Non recognition of assessed losses	854	1 837	286	142
Tax charge for the period	-	-	-	-

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.

	Percentage ownership					
Reconciliation of the carrying amount	2 023	2 022				
As at 1 January	13%	13%	113	99	7	4
Additional investment			-	15	-	3
As at 31 December			**113**	**114**	**7**	**7**

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
U	CONSUMABLE STOCK	2 023 ZWLm AUDITED	2 022 ZWLm AUDITED	2 023 ZWLm UNAUDITED	2 022 ZWLm UNAUDITED
	Inventory relates to consumables stock largely made up of office supplies and consumables including office stationery.				
	Consumables	40	60	9	2
	Total	**40**	**60**	**9**	**2**

During the year total amount of ZWL29 250 775 (2022: ZWL7 919 908) for consumable stocks were charged in the income statement.

		INFLATION ADJUSTED - AUDITED		HISTORICAL COST - UNAUDITED	
V	**Debt securities at amortised cost**	2 023 ZWLm AUDITED	2 022 ZWLm AUDITED	2 023 ZWLm UNAUDITED	2 022 ZWLm UNAUDITED
	As at 1 January	259	391	54	24
	Additions	1 959	200	1 021	38
	Maturities of investments	(435)	(66)	(157)	(7)
	Monetary loss adjustment	(865)	(266)	-	-
			-		
	As at 31 December	**918**	**259**	**918**	**55**
	Current	131	37	131	8
	Non current	787	222	787	46
	Total	**918**	**259**	**918**	**54**

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 (2022 ZWLnil)

		Share based Payment Reserve ZWLm	Revaluation Reserve ZWLm	Total ZWLm
W	**Capital reserves** **INFLATION ADJUSTED**			
	As at 1 January 2022	**568**	**141**	**709**
		(568)	-	(568)
		-	-	-
	As at 31 December 2022	**-**	**141**	**141**
	As at 1 January 2023	**-**	**141**	**141**
	Lapsed share options	-	-	-
	As at 31 December 2023	**-**	**141**	**141**

	Share based Payment Reserve ZWLm	Revaluation Reserve ZWLm	Total ZWLm
HISTORICAL COST			
As at 1 January 2022	**-**	**-**	**-**
	-	**-**	**-**
As at 31 December 2022	**-**	**-**	**-**
As at 1 January 2023	**-**	**-**	**-**
Lapsed share options	-	-	-
As at 31 December 2023	**-**	**-**	**-**

CONSOLIDATED TOP 20

AS AT 31 DECEMBER 2023

Rank	Account Name	Shares	%
1	CBZ HOLDINGS DATVEST	266,854,876	36.47
2	NATIONAL SOCIAL SECURITY AUTHORITY	252,034,167	34.44
3	QUANTAFRICA WEALTH MANAGEMENT	66,127,873	9.04
4	CAPITAL BANK CORPORATION LIMITED,	38,971,348	5.33
5	STANBIC NOMINEES (PRIVATE) LIMITED	13,301,262	1.82
6	MORGAN AND CO MULTI-SECTOR ETF	9,580,839	1.31
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	LHG MALTA HOLDINGS LIMITED	1,550,083	0.21
12	COLNEST ZIMBABWE PENSION PLAN	1,281,135	0.18
13	AUTUMN GOLD GROUP PENSION PLAN	1,113,163	0.15
14	BARD SANTNER INVESTORS (PVT) L	804,964	0.11
15	MUTARE MART	742,900	0.10
16	PRESERVATION FUND	709,189	0.10
17	COMMUNICATION ZIMBABWE GROUP PENSION PLAN (COMMAF)	679,410	0.09
18	ISAMBANE INVESTMENTS (PVT) LTD	516,283	0.07
19	PUBLIC SERVICE COMMISS PF-ABC	499,200	0.07
20	OLIVINE INDUSTRIES (1960) PENSION SCHEME	473,910	0.06
	Total	**667,755,245**	**91.26**
	Other Shareholders	**63,963,077**	**8.74**
	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 2023.
2. To confirm the final dividend of US$0.136 cents per share declared on 18 March 2024 and the interim dividend of US$0.068 cents per share declared on 25 September 2023 out of the profits of the Company for the year ended 31 December 2023.
3. Election of directors and to approve the Directors' remuneration for the financial year ended 31 December 2023.
4. To confirm the remuneration of the Auditors, Ernst & Young Chartered Accountants (EY), for the 2023 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 2023 Annual Report from the registered office of the Company or from the office of the transfer secretaries. The Annual Report is also available for download from the Company's website https://firstmutualholdingsinvestor.com

BY ORDER OF THE BOARD

S Lorimer

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

8 July 2025

Registered Office

Second Floor
First Mutual Park
100 Borrowdale Road
Borrowdale
HARARE

GRI Content Index

Statement of Use	First Mutual Holdings has reported the information cited in this GRI content index for the period 01 January 2023 and 31 December 2023 with reference to the GRI Standards.
GRI used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	Omission		
			Part Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organisational details	FC			
	2-2 Entities included in the organisation's sustainability reporting	5			
	2-3 Reporting period, frequency and contact point	2			
	2-4 Restatements of information	2			
	2-5 External assurance	2			
	2-6 Activities, value chain and other business relationships	6			
	2-7 Employees	7,10,55			
	2-8 Workers who are not employees	55			
	2-9 Governance structure and composition	31			
	2-10 Nomination and selection of the highest governance body	32			
	2-11 Chair of the highest governance body	22			
	2-12 Role of the highest governance body in overseeing the management of impacts	32			
	2-13 Delegation of responsibility for managing impacts	32-33			
	2-14 Role of the highest governance body in sustainability reporting	2,35			
	2-15 Conflicts of interest	34			
	2-16 Communication of critical concerns	34			
	2-17 Collective knowledge of the highest governance body	22			
	2-18 Evaluation of the performance of the highest governance body	32			
	2-19 Remuneration policies	34			
	2-20 Process to determine remuneration	34			
	2-22 Statement on sustainable development strategy	15,44			
	2-23 Policy commitments	8			
	2-24 Embedding policy commitments	32			
	2-25 Processes to remediate negative impacts	40,66			
	2-26 Mechanisms for seeking advice and raising concerns	32,44			
	2-27 Compliance with laws and regulations	41			
	2-28 Membership associations	8			
	2-29 Approach to stakeholder engagement	44			
	2-30 Collective bargaining agreements	58			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	46			
	3-2 List of material topics	47			
	3-3 Management of material topics	46-47	See management approach for each topic		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	74-187			
	201-2 Financial implications and other risks and opportunities due to climate change	66			
	201-3 Defined benefit plan obligations and other retirement plans	56			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	52,69			
	203-2 Significant indirect economic impacts	69			

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	Omission		
			Part Omitted	Reason	Explanation
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	64			
GRI 207: Tax 2019	207-1 Approach to tax	71			
	207-2 Tax governance, control, and risk management	71			
	207-3 Stakeholder engagement and management of concerns related to tax	71			
	207-4 Country-by-country reporting	72			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	61			
	302-2 Energy consumption outside of the organisation	61			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	62			
	303-2 Management of water discharge-related impacts	62			
	303-5 Water consumption	62			
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	67			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	67			
	305-2 Energy indirect (Scope 2) GHG emissions	67			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	62			
	306-2 Management of significant waste-related impacts	62			
	306-3 Waste generated	63			
	306-5 Waste directed to disposal	63			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	56			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	57			
	401-3 Parental leave	57			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-	One month		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	58			
	403-2 Hazard identification, risk assessment, and incident investigation	58			
	403-3 Occupational health services	58			
	403-4 Worker participation, consultation, and communication on occupational health and safety	58			
	403-5 Worker training on occupational health and safety	58			
	403-6 Promotion of worker health	58			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	58			
	403-8 Workers covered by an occupational health and safety management system	58			
	403-9 Work-related injuries	58			

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	Omission		
			Part Omitted	Reason	Explanation
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	59			
	404-2 Programs for upgrading employee skills and transition assistance programs	59			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	31,55			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	Not Applicable		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	51			
	413-2 Operations with significant actual and potential negative impacts on local communities	69			

Corporate Information

Registered Office and Head Office
First Mutual Park
100 Borrowdale Road
Borrowdale
Harare
Zimbabwe.

Postal Address
P O Box BW 178 Borrowdale
Harare
Zimbabwe.
Telephone: +263(0) 242 886000-17
Email: info@firstmutual.co.zw

Important Contact Details
Group Company Secretary +263 (0) 242 886047
Group Marketing +263 (0) 242 850325
Group Audit and Risk Management +263 (0) 242 886046
Website www.firstmutual.co.zw

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)
65 Whitwell Road, Borrowdale West
Harare
Zimbabwe.

Principal Bankers
Standard Chartered Bank Zimbabwe Limited
Stanbic Bank Zimbabwe Limited
Barclays Bank of Zimbabwe Limited

Transfer Secretaries
First Transfer Secretaries (Private) Limited
1 Armagh Avenue
Eastlea
Harare
Zimbabwe.
Telephone: +263 (242) 782869/72, +263 (242) 782869
Email: ftsgen@mercantileholdings.co.zw

Statutory Actuary
Nico Smit
Independent Actuarial Consultant
7 West Quay Road
V&A Waterfront
Cape Town
South Africa

Principal Property Valuers
Knight Frank Zimbabwe (Private) Limited
P.O Box 3526
1st Floor Finsure House
Harare
Zimbabwe

Principal Legal Advisors
Atherstone & Cook
Praetor House
Josiah Chinamano Avenue
Harare.
Zimbabwe

Proxy Form

PROXY FORM

I /We, ____
(full names)

of ¬¬¬¬____
(full address)

being the registered holder/s of ____ ordinary shares in FIRST MUTUAL HOLDINGS LIMITED, do hereby appoint:

____
(full names)

of ____
(full address)

as my/our proxy to vote for me/us on my/our behalf at the TWENTY-FIRST ANNUAL GENERAL MEETING of the Company to be held on 30 July 2025 and at any adjournment thereof.

Details of the above resolutions are set out in the Notice of the Annual General Meeting.

Signed this ___________________________ day of _____________________________ 2025

____
SIGNATURE OF SHAREHOLDER

NOTES:

1. In terms of section 171 of the Companies and Other Business Entities Act [Chapter 24:31], a member of the Company is entitled to appoint one or more persons to act in the alternative as his proxy, to attend and vote and speak in his stead. A proxy need not be a shareholder of the Company.
2. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
3. This proxy form must be deposited at the Registered Office of the Company which is situated at Second Floor, First Mutual Park, Borrowdale Road, Harare so as to be received by the Secretary not less than 48 hours before the meeting.
4. The proxy form must be signed and dated for it to be valid. Any alterations or corrections to this form must be initialled.
5. Anyone signing this proxy form in a representative capacity must be authorised to do so. Please stamp this form with your company or organisation's stamp and enclose proof of authorisation.
6. The return of this proxy form will not prevent you from attending the meeting and voting in person. However, should this happen, the proxy will be revoked.

FIRST MUTUAL

HOLDINGS LIMITED

Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

FIRST MUTUAL HOLDINGS LIMITED,

First Mutual Park, 100 Borrowdale Road, Borrowdale, Harare, Zimbabwe

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