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# The perfect pair

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







### **Abridged Audited Financial Results** For the year ended 31 December 2022 With you, for you

#### **CHAIRMAN'S STATEMENT**

#### ECONOMIC OVERVIEW

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

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

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

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

#### FINANCIAI HIGHLIGHTS

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

#### Comprehensive income highlights

	Inflation	adjusted	Historical cost		
	AUDITED	AUDITED	UNAUDITED	UNAUDITED	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021	
	ZWL000	ZWL000	ZWL000	ZWL000	
Gross Premium Written	76 635 262	49 367 655	55 106 064	11 407 035	
Net Premium Earned	59 391 403	37 669 281	39 790 226	8 538 628	
Rental income	2 717 705	2 062 419	2 120 545	480 100	
Net Investment income	(8 722 804)	8 634 069	8 692 297	3 852 705	
Net fair value gains on investment					
property	34 116 870	24 465 239	89 043 619	12 942 135	
Profit after tax	23 873 338	10 910 377	50 853 954	7 305 652	
Financial position and Cashflow					
highlights					
Total assets	167 522 404	123 594 693	164 633 245	35 211 344	
Total equity	67 172 123	46 261 893	65 255 584	13 819 458	
Insurance and Investment contract					
liabilities	52 653 655	43 407 292	52 653 655	12 618 398	
Cash generated from operations	18 394 540	2 404 326	13 990 415	1 024 496	
Share performance					
Market price per share (cents)	25.60	20.00	25.60	20.00	
Basic earnings per share (cents)	1 849	1 148	3 575	548	

#### FINANCIAL PERFORMANCE

#### Statement of comprehensive income

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

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

The Group achieved an overall profit for the period of ZWL 24.1 billion which was 112% higher than prior year in an inflation adjusted terms and grew by 588% to ZWL 51.4 billion in historical cost terms. The increase in both the inflation adjusted and historical cost terms is mainly attributable to the rise in gross premium income, rental income, fair value gains on investment properties and an increase

#### Statement of financial position

The Group's total assets grew by 36% to ZWL 167.5 billion in inflation adjusted terms and 368% in historical terms to ZWL 164.6 billion in historical cost terms compared to 31 December 2021. The growth in both inflation adjusted and historical cost terms was mainly driven by increases in net fair value adjustments on investment properties and current assets including cash and balances with banks. The growth in cash and balances with banks was partly due to currency depreciation as 75% (2021 – 88%) was in United States dollars. These grew by 59% to ZWL16.7 billion in inflation adjusted

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

#### SUSTAINABILITY

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

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

#### FIRST MUTUAL IN THE COMMUNITY

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

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

#### OUTLOOK

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

#### DIRECTORATE

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

#### DIVIDEND

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

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



#### Amos Manzai Chairman

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

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

#### **OPERATIONS REVIEW**

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

#### LIFE AND HEALTH CLUSTER

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

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

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

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

The business achieved GPW of ZWL 30.2 billion which represents a growth of 61% compared to prior by 404% compared to prior year. The growth in premiums was driven by inflation linked reviews of both ZWL and USD premiums in response to increased medical benefits in order to cushion members from the negative impact of shortfalls driven by price increases effected by medical service providers. The business generated a profit for the period of ZWL 2.1 billion in inflation adjusted terms, which was 24% below prior year. In historical cost terms, the profit was ZWL 4.6 billion which was higher than prior year by 380%. The business implemented a framework that aligned members benefits with premiums in early 2022. The negative outturn in real terms in 2022 of the ZSE following Government policy pronouncements meant to contain speculative activity had a significant negative impact on profit for the period in 2022.

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

#### GENERAL INSURANCE CLUSTER

#### NicozDiamond Insurance Limited

The business' GPW grew by 51% to ZWL 21.1 billion in inflation adjusted terms and by 372% to ZWL 15.5 billion in historical cost terms. The growth was largely as a result of an increase in foreign denominated business, organic growth as well as the review of statutory covers in line with movements in exchange rates and premium reviews for specific accounts mainly driven by unfavourable loss ratios. The business recorded a profit after tax of ZWL1.9 billion, 147% higher than the same period last year in inflation adjusted terms and, in historical cost terms, the profit for the period recorded amounted to ZWL 3.3 billion, which was 578% above the prior year amount.

he improved performance was mainly driven by a notable growth in net earned premium income which compared favourably to the lower growth on the main expense items, net fair value gains in equities and investment properties in nominal terms.

#### **Diamond Seguros**

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

#### REINSURANCE CLUSTER

#### First Mutual Reinsurance Company Limited - Zimbabwe

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

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

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

#### INVESTMENTS CLUSTER

#### First Mutual Properties Limited

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

#### First Mutual Microfinance (Private) Limited

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

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

#### **HUMAN CAPITAL**

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

#### LOOKING AHEAD

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

#### APPRECIATION

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

25 Hots

**Douglas Hoto Group Chief Executive Officer** 

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# **Abridged Audited Financial Results**For the year ended 31 December 2022

#### CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022								
	INFLATION	ADJUSTED	HISTORIC	AL COST	INFLATION	ADJUSTED	HISTORIC	AL COST
Not	te AUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED	AUDITED	UNAUDITED	UNAUDITED
	GROUP	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY	COMPANY
ASSETS	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
Property, plant and equipment	5 2 347 995	1 649 427	708 321	140 853	21 396	23 313	2 861	2 210
Investment property	6 111 434 931	77 423 908	111 434 931	22 506 950	1 180 800	-	1 180 800	
Right of use of assets - IFRS 16	7 47 789	48 046	47 789	13 967	347 904	200 518	102 449	23 124
Goodwill	151 362	83 604	151 362	24 304	-	-	-	
Other intangible assets	43 880	57 396	6 756	3 668	-	-	-	
Investment in subsidiaries	8 -	-	-	-	34 052 317	24 964 752	31 824 110	7 672 516
Investment in associates	1 613 387	1 214 591	1 061 625	213 844	23 589	20 526	7 207	4 144
Financial assets:								
- Equity securities at fair value through profit or loss	9 17 672 807	21 099 593	17 672 807	6 133 603	534 135	1 069 052	534 135	310 771
	17 072 007	21077373	17 072 007	0 155 005	JJ4 1JJ	1007032	334 133	31077
<ul> <li>Debt securities at amortised cost</li> </ul>	0 2514366	642 096	2 514 366	186 656	53 922	81 304	53 922	23 635
Investment in Gold coins	276 612		276 612	-	-	-	-	25 05.
Deferred acquisition costs	1 327 101	837 051	976 172	162 030	-	_	-	
Deferred tax asset	736 564	370 007	702 885			_		
Non current assets held for sale		3/000/		91 C COI		-		
	38 400	-	38 400	-		-		
Income tax asset	11 650	450 (47	11 650		42.277	0.707	4.070	45
Inventory	334 559	150 617	170 619	30 366	12 377	9 203	1 970	454
Insurance, tenant and other receivables	1 12 298 352	9 513 153	12 186 300	2 637 946	246 097	404 585	246 097	117 61.
	2 16 672 649	10 505 204	16 672 649	3 053 838	126 022	165 099	126 022	47 994
casirana casir equivalents	2 100/2047	10 303 204	10 07 2 0 47	3 033 030	120 022	103 022	120 022	77 77
TOTAL ASSETS	167 522 404	123 594 693	164 633 245	35 211 344	36 598 559	26 938 348	34 079 573	8 202 460
EQUITY AND LIABILITIES								
Equity attributable to equity holders of the parent								
Share capital	414 347	414 347	54 878	54 878	414 347	414 348	54 878	54 878
Share premium	8 309 533	8 309 533	39 417	39 417	8 309 533	8 309 533	39 417	39 417
Non-distributable reserves	( 791 024)	2 572 469	2 589 860	489 882	147 573	147 573	345	345
Retained profits	27 535 900	14 360 051	32 966 421	7 251 614	27 144 309	17 483 971	33 402 136	7 938 367
Total equity attributable to equity holders of the parent	35 //68 756	25 656 400	35 650 576	7 835 791	36 015 762	26 355 <i>1</i> 23	33 /196 776	8 033 007
Non-controlling interests					30 013 702	20 333 423	33 470 770	8 033 007
_	31 703 367	20 605 493	29 605 008	5 983 667	24.045.742	24 255 422	22.407.777	0.022.007
Total equity	67 172 123	46 261 893	65 255 584	13 8 19 458	36 015 762	26 355 423	33 496 776	8 033 007
Liabilities								
Life insurance contracts with and without DPF and investment contracts with								
DPF liabilities 1	3 49 413 258	37 630 196	49 413 258	10 939 010	-	-	-	
Investment contract liabilities without DPF 1	4 2 240 200	F 777.00V	2 240 200	1 (70 300				
	4 3 240 398	5 777 096		1 679 388	-	-	-	
	5 304 754		304 754	-	-	-	-	
Member assistance fund	9 041	31 100	9 041	9 041	-	-	-	
Borrowings	1 680 523	573 522		166 721	-	-	-	
Put option liability 1	9 3 221 553	1 954 261	3 221 553	568 099		-		
Lease liability - IFRS 16	7 124 384	51 722	124 384	15 036	255 322	104 266	255 322	30 310
	6 20 581 015	15 228 978	19 525 750	3 357 032	-	-	-	
Insurance liabilities - life assurance	334 313	374 097	334 313	108 749		_		
Share based payment liabilities	217 205	917 516			70 218	329 693	70 218	95 839
1 /	7 5376977	2 653 896	5 262 263		257 257	148 966	257 257	43 30
Regulatory Provision	670 074 454	540 709 786						
	8 14773 697	11 268 557	14 971 056	3 258 278	-	-	-	
Current income tax liabilities	403 090	331 149	403 090					
Total liabilities	100 350 281	77 332 800	99 377 661	21 391 886	582 924	585 587	582 797	169 453
TOTAL FOUNDATION	4.====	432 =0 :	444	3534	24.54	24.02-1	24.25	0.25-
TOTAL EQUITY AND LIABILITIES	167 522 404	123 594 693	164 633 245	35 211 344	36 598 559	26 938 348	34 079 573	8 202 460

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 and the requirements of International Accounting Standard 29-Financial Reporting in Hyperinflationary and International Accounting Standard SEconomies. As a result, the auditors have not expressed an opinion on this historic financial information

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022					
		INFLATION	ADJUSTED	HISTORIC	AL COST
		AUDITED	AUDITED	UNAUDITED	UNAUDITED
	Nada	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Gross premium written	Note 20	<b>ZWL000</b> 76 635 262	<b>ZWL000</b> 49 367 655	<b>ZWL000</b> 55 106 064	<b>ZWL000</b> 11 407 035
Reinsurance	20	( 17 857 492)	(10748884)	(13 319 429)	(2 489 181)
Net premium written		58 777 770	38 618 771	41 786 635	8 917 854
Unearned premium reserve  Net premium earned		613 633 <b>59 391 403</b>	( 949 490) <b>37 669 281</b>	(1996409) <b>39790226</b>	( 379 226) <b>8 538 628</b>
Rental income		2717705	2 062 419	2 120 545	480 100
Fair value adjustments - investment property		34 116 870	24 465 239	89 043 619	12 942 135
Net investment income Interest income from investments	21	(8 722 804)	8 634 069	8 692 297	3 852 705
Interest income from microfinance	21	1 427 712 724 767	219 683 386 377	704 915 504 012	57 556 92 960
Fee income:		72170	300 3.7	301012	72,00
- Insurance contracts		1 037 366	1 550 646	827 974	324 142
- Investment contracts		67 796	46 168	66 530	10 968
Other income Foreign currency exchange gain/(loss)		1 739 021 5 831 923	814 396 876 301	1 141 899 4 329 342	158 690 204 516
Monetary loss - IAS29		( 927 348)	(2970171)	- 327 342	-
Total income		97 404 410	73 754 408	147 221 359	26 662 400
EXPENDITURE					
Pension benefits	22	(1463562)	(1291525)	(1202530)	( 310 010)
Insurance claims and loss adjustment expenses	22	(33 649 408)	(23 558 279)	(24 566 244)	(5 458 563)
Insurance claims and loss adjustment expenses recovered from reinsurers	22	2 330 272	2 446 743	1 807 524	594 827
Net insurance benefits and daims	22	(32 782 698)	(22 403 061)	(23 961 250)	(5 173 746)
Movement in insurance contract liabilities  Movement in shareholder risk reserve		( 11 783 062) 408 537	(12 741 323)	(38 681 744) (97 258)	(6 445 136)
Investment loss on investment contract liabilities		598 933	(3615232)	(1561010)	(1223438)
Interest expenses from microfinance		( 273 622)	( 141 786)	( 187 086)	( 34 842)
Acquisition of insurance and investment contracts expenses		(5 005 516)	(3313674)	(3 554 657)	(777 361)
Administration expenses Regulatory Provision		( 19 612 036) ( 129 365)	(14 056 371) (540 710)	(14 917 425) (512 780)	(3 158 796) (157 294)
Finance cost		( 18 025)	( 5 536)	( 11 731)	(1322)
Total expenditure		(69 356 412)	(57 440 863)	(84 244 499)	(17 153 089)
Total expenditure  Profit before share of (loss)/profit of associate  Share of (loss)/profit of associate		(69 356 412) 28 047 998 ( 96 646)	(57 440 863) 16 313 545 13 211	(84 244 499) 62 976 860 ( 33 039)	9 509 311
Profit before share of (loss)/profit of associate		28 047 998	16 313 545	62 976 860	
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate		<b>28 047 998</b> ( 96 646)	<b>16313545</b> 13211	<b>62 976 860</b> ( 33 039)	9 509 311 33 647 9 542 958
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate Profit before income tax		28 047 998 ( % 646) 27 951 352	<b>16 313 545</b> 13 211 <b>16 326 756</b>	<b>62 976 860</b> ( 33 039) <b>62 943 821</b>	9 509 311 33 647 9 542 958
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax  Income tax expense		28 047 998 ( 96 646) 27 951 352 ( 4 078 014)	<b>16313545</b> 13211 <b>16326756</b> (5416379)	62 976 860 ( 33 039) 62 943 821 ( 12 089 867)	<b>9 509 311</b> 33 647 <b>9 542 958</b> (2 237 306)
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate Profit before income tax Income tax expense Profit for the period		28 047 998 ( 96 646) 27 951 352 ( 4 078 014)	<b>16313545</b> 13211 <b>16326756</b> (5416379)	62 976 860 ( 33 039) 62 943 821 ( 12 089 867)	<b>9 509 311</b> 33 647 <b>9 542 958</b> (2 237 306)
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax  Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period		28 047 998 ( % 646) 27 951 352 ( 4 078 014) 23 873 338	16313545 13211 16326756 (5416379) 10910377	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax  Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period  Exchange gain/(loss) on translating foreign operations		28 047 998 ( % 646) 27 951 352 ( 4 078 014) 23 873 338	16313545 13211 16326756 (5416379) 10910377	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax  Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income in subsequent period  Exchange gain/(loss) on translating foreign operations  Share of other comprehensive income  Other comprehensive income  Other comprehensive income  Other comprehensive income		28 047 998 ( 96 646) 27 951 352 ( 4 078 014) 23 873 338 ( 1 099 985) 321 898	16 313 545 13 211 16 326 756 (5 416 379) 10 910 377 ( 628 496) 49 224	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954 3 511 436 135 723	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652 (44 246) 14 309
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax  Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period  Exchange gain/(loss) on translating foreign operations Share of other comprehensive income		28 047 998 ( % 646) 27 951 352 ( 4 078 014) 23 873 338	16313545 13211 16326756 (5416379) 10910377	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652 (44 246) 14 309
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax  Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income in subsequent period  Exchange gain/(loss) on translating foreign operations  Share of other comprehensive income  Other comprehensive income  Other comprehensive income  Other comprehensive income		28 047 998 ( 96 646) 27 951 352 ( 4 078 014) 23 873 338 ( 1 099 985) 321 898	16 313 545 13 211 16 326 756 (5 416 379) 10 910 377 ( 628 496) 49 224	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954 3 511 436 135 723	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652 ( 44 246) 14 309 ( 29 937)
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax  Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period Exchange gain/(loss) on translating foreign operations Share of other comprehensive income Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods		28 047 998 ( 96 646) 27 951 352 ( 4078 014) 23 873 338 ( 1099 985) 321 898 ( 787 087)	16 313 545 13 211 16 326 756 (5 416 379) 10 910 377 ( 628 496) 49 224 ( 579 272)	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954 3 511 436 135 723 3 647 159	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652 ( 44 246) 14 309 ( 29 937)
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax  Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period Exchange gain/(loss) on translating foreign operations Share of other comprehensive income Other comprehensive income (loss) to be reclassified to statement of comprehensive income Other comprehensive income of the recomprehensive income Other comprehensive income in subsequent periods  Total comprehensive profit for the period  Profit attributable to: Non-controlling interest		28 047 998 ( 96 646) 27 951 352 ( 4078 014) 23 873 338 ( 1099 985) 321 898 ( 787 087) 23 086 251	16 313 545 13 211 16 326 756 (5 416 379) 10 910 377 (628 496) 49 224 (579 272) 10 331 105	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954 3 511 436 135 723 3 647 159 54 501 113	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652 (44 246) 14 309 (29 937) 7 275 715
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax  Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period  Exchange gain/(loss) on translating foreign operations Share of other comprehensive income  Other comprehensive income in subsequent periods  Total comprehensive income in subsequent periods  Total comprehensive profit for the period  Profit attributable to:		28 047 998 ( 96 646) 27 951 352 ( 4078 014) 23 873 338 ( 1 099 985) 321 898 ( 787 087) 23 086 251	16 313 545 13 211 16 326 756 (5 416 379) 10 910 377 (628 496) 49 224 (579 272)	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954 3 511 436 135 723 3 647 159 54 501 113	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652 (44 246) 14 309 (29 937) 7 275 715
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax  Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period Exchange gain/(loss) on translating foreign operations Share of other comprehensive income Other comprehensive income (loss) to be reclassified to statement of comprehensive income Other comprehensive income of the recomprehensive income Other comprehensive income in subsequent periods  Total comprehensive profit for the period  Profit attributable to: Non-controlling interest		28 047 998 ( 96 646) 27 951 352 ( 4078 014) 23 873 338 ( 1099 985) 321 898 ( 787 087) 23 086 251	16 313 545 13 211 16 326 756 (5 416 379) 10 910 377 (628 496) 49 224 (579 272) 10 331 105	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954 3 511 436 135 723 3 647 159 54 501 113	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652 (44 246) 14 309 (29 937) 7 275 715 3 324 864 3 980 788
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period  Exchange gain/(loss) on translating foreign operations Share of other comprehensive income  Other comprehensive income in subsequent period  Other comprehensive income  Other comprehensive income  Other comprehensive income  Other comprehensive income  Other comprehensive income in subsequent periods  Total comprehensive profit for the period  Profit attributable to:  Non-controlling interest Equity holders of the parent  Profit for the period  Comprehensive income attributable to:		28 047 998 ( 96 646) 27 951 352 ( 4078 014) 23 873 338 ( 1 099 985) 321 898 ( 787 087) 23 086 251 10 442 557 13 430 781 23 873 338	16 313 545 13 211 16 326 756 (5 416 379) 10 910 377 (628 496) 49 224 (579 272) 10 331 105 2 571 391 8 338 986 10 910 377	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954 3 511 436 135 723 3 647 159 54 501 113 24 888 911 25 965 043 50 853 954	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652 (44 246) 14 309 (29 937) 7 275 715 3 324 864 3 980 788 7 305 652
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period  Exchange gain/(loss) on translating foreign operations Share of other comprehensive income  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods  Total comprehensive profit for the period  Profit attributable to: Non-controlling interest Equity holders of the parent  Profit for the period		28 047 998 ( %6646) 27 951 352 ( 4078 014) 23 873 338 ( 1099 985) 321 898 ( 787 087) 23 086 251	16 313 545 13 211 16 326 756 (5 416 379) 10 910 377 (628 496) 49 224 (579 272) 10 331 105 2 571 391 8 338 986	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954 3 511 436 135 723 3 647 159 54 501 113 24 888 911 25 965 043	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652 (44 246) 14 309 (29 937) 7 275 715 3 324 864 3 980 788 7 305 652 3 355 951
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax  Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period  Exchange gain/(loss) on translating foreign operations Share of other comprehensive income  Other comprehensive income		28 047 998 ( 96 646) 27 951 352 ( 4078 014) 23 873 338 ( 1 099 985) 321 898 ( 787 087) 23 086 251 10 442 557 13 430 781 23 873 338 10 282 697	16 313 545 13 211 16 326 756 (5 416 379) 10 910 377 (628 496) 49 224 (579 272) 10 331 105 2 571 391 8 338 986 10 910 377 2 611 717	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954 3 511 436 135 723 3 647 159 54 501 113 24 888 911 25 965 043 50 853 954 23 827 114	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652 (44 246) 14 309 (29 937) 7 275 715 3 324 864 3 980 788 7 305 652
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period  Exchange gain/(loss) on translating foreign operations Share of other comprehensive income  Other comprehensive income of the reclassified to statement of comprehensive income  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods  Total comprehensive profit for the period  Profit attributable to: Non-controlling interest Equity holders of the parent  Profit for the period  Comprehensive income attributable to: Non-controlling interest Equity holders of the parent  Total comprehensive income for the period		28 047 998 ( 96 646) 27 951 352 ( 4078 014) 23 873 338 ( 1 099 985) 321 898 ( 787 087) 23 086 251 10 442 557 13 430 781 23 873 338 10 282 697 12 803 554 23 086 251	16 313 545 13 211 16 326 756 (5 416 379) 10 910 377 (628 496) 49 224 (579 272) 10 331 105 2 571 391 8 338 986 10 910 377 7 719 388 10 331 105	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954 3 511 436 135 723 3 647 159 54 501 113 24 888 911 25 965 043 50 853 954 23 827 114 30 674 999 54 501 113	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652 (44 246) 14 309 (29 937) 7 275 715 3 324 864 3 980 788 7 305 652 3 355 951 3 919 764
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income/(loss)  Other comprehensive income in subsequent period  Exchange gain/(loss) on translating foreign operations Share of other comprehensive income Other comprehensive income (tloss) to be reclassified to statement of comprehensive income Other comprehensive income Other comprehensive income of the periods  Total comprehensive profit for the period  Profit attributable to: Non-controlling interest Equity holders of the parent  Profit for the period Comprehensive income attributable to: Non-controlling interest Equity holders of the parent  Total comprehensive income for the period  Basic earnings per share (cents) Diluted earnings per share (cents)		28 047 998 ( %6646) 27 951 352 ( 4078 014) 23 873 338 ( 1099 985) 321 898 ( 787 087) 23 086 251 10 442 557 13 430 781 23 873 338 10 282 697 12 803 554	16313545 13211 16326756 (5416379) 10910377 (628496) 49224 (579272) 10331105 2571391 8338986 10910377 2611717 7719388	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954 3 511 436 135 723 3 647 159 54 501 113 24 888 911 25 965 043 50 853 954 23 827 114 30 674 999	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652 (44 246) 14 309 (29 937) 7 275 715 3 324 864 3 980 788 7 305 652 3 355 951 3 919 764 7 275 715
Profit before share of (loss)/profit of associate Share of (loss)/profit of associate  Profit before income tax Income tax expense  Profit for the period  Other comprehensive income/(loss)  Other comprehensive income/(loss)  Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent period  Exchange gain/(loss) on translating foreign operations Share of other comprehensive income  Other comprehensive		28 047 998 ( 96 646) 27 951 352 ( 4078 014) 23 873 338 ( 1 099 985) 321 898 ( 787 087) 23 086 251 10 442 557 13 430 781 23 873 338 10 282 697 12 803 554 23 086 251 1 849	16 313 545 13 211 16 326 756 (5 416 379) 10 910 377 (628 496) 49 224 (579 272) 10 331 105 2 571 391 8 338 986 10 910 377 2 611 717 7 719 388 10 331 105 1 148	62 976 860 ( 33 039) 62 943 821 ( 12 089 867) 50 853 954 3 511 436 135 723 3 647 159 54 501 113 24 888 911 25 965 043 50 853 954 23 827 114 30 674 999 54 501 113	9 509 311 33 647 9 542 958 (2 237 306) 7 305 652 (44 246) 14 309 (29 937) 7 275 715 3 324 864 3 980 788 7 305 652 3 355 951 3 919 764

#### **CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE PERIOD ENDED 31 DECEMBER 2022

:		INFLATION	ADJUSTED	HISTORIC	AL COST
		AUDITED	AUDITED	UNAUDITED	UNAUDITED
:		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
:		ZWL000	ZWL000	ZWL000	ZWL000
:	Profit before income tax	27 951 352	16 326 756	62 943 821	9 542 958
	Total non- cash and separately disclosed items	(14 035 420)	( 11 819 076)	(53 753 099)	(8 205 144)
	Operating cash flows before working capital changes	13 915 932	4 507 680	9 190 722	1 337 814
	Working capital changes	4 478 608	(2 103 354)	4 799 693	(313 318)
:	Cash generated from operations	18 394 540	2 404 326	13 990 415	1 024 496
	Finance costs on lease liability	( 18 025)	( 5 536)	( 11 731)	(1 321)
	Cash settled share based payments	( 123 880)	( 509 457)	( 121 451)	(136 224)
:	Interest received	1 427 712	219 683	704 915	57 556
:	Interest paid	( 194 757)	( 48 354)	( 126 373)	(14 056)
- :	Tax paid	(1319783)	( 135 294)	( 727 153)	(30 488)
-	Net cash flows generated from operating activities	18 165 808	1 925 368	13 708 622	899 963
:	Net cash flow generated from/(used in) investing activities	(9 120 435)	748 793	(5015145)	156 902
	Net cash flow used in financing activities	878 947	454 567	903 324	100 259
- :	Net increase in cash and cash equivalents	9 924 320	3 128 728	9 596 801	1 157 124
ı	Cash and cash equivalents at the beginning of the year	10 505 204	9 190 475	3 053 840	1 659 410
′	Effects of exchange rate changes on cash and cash equivalents	7 193 162	(2 143 188)	4 022 010	237 304
:	Effects of inflation on cash and cash equivalents	(10 950 037)	329 189	-	-
	Cash and cash equivalents at the end of the period	16 672 649	10 505 204	16 672 649	3 053 838

#### Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

## **Abridged Audited Financial Results** For the year ended 31 December 2022

#### **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** FOR THE PERIOD ENDED 30 DECEMBER 2022

Share capital	•		Retained	Total equity	Non- controlling interest	Tot equit
ZWL000 153 939	ZWL000 8 309 533	ZWL000 3 284 959	ZWL000	ZWL000	ZWL000	ZWL00 36 215 67
-	-	-	8 338 986	8 338 986	2 571 391	10 910 37
-	-	( 619 598) ( 619 598)	8 338 986	7719 388		( 579 272 10 331 10
260 408	-	( 40 360)	739	220 787	-	220 78
	-	( 40 360)	/39	- 220.787	-	220 78
-	-	-	-	-	24 171	24 17
-	-	50 623	17 207	67 830	( 67 830)	
-	_	(103 156)	-	( 103 156)	-	( 103 15
-	-	-	( 367 749)	( 367 749)	( 58 940)	( 426 68
414 347	8 309 533	2 572 469	14 360 051	25 656 400	20 605 493	46 261 89
414 347	8 309 533	2 572 469				<b>46 261 89</b> 23 873 33
-	-	(1273613)	-	(1273613)	486 526	( 787 08
-	-	(1273613	13 430 781	12 157 168	10 929 083	23 086 2
-	-	-	-	-	9 358	93
		(118 207)	118 207	16 565	( 16 565)	
-	-	(1971730)	10 306	(1971730)	( 10 303)	(197173
-	-	-	( 389 647)	( 389 647)	362 506 ( 186 508)	362 5 ( 576 15
414 347	8 309 533	( 791 024)	27 535 900	35 468 756	31 703 367	67 172 1
	-1					
snare capital			0.4.51	lotal	Non-	
		distributable	ketained	eauity	controllina	To
7848000	reserves	distributable	Retained profits	equity for parent	controlling interest	equ
ZWL000 727	reserves ZWL000	reserves ZWL000	profits ZWL000	for parent ZWL000	interest ZWL000	equ ZWL0
ZWL000 727	reserves	reserves	profits	for parent	interest	equ ZWL0 6 614 7
	reserves ZWL000	reserves ZWL000	profits ZWL000 3 352 409	for parent ZWL000 3 961 713	interest ZWL000 2 653 035	<b>equ</b> <b>ZWL0</b> <b>6 614 7</b> 7305 6 ( 29 93
727	reserves ZWL000 39 417	reserves ZWL000 569 159 - ( 61 025)	profits ZWL000 3 352 409 3 980 788	for parent ZWL000 3 961 713 3 980 788 ( 61 025)	interest ZWL000 2 653 035 3 324 864 31 087	<b>equ</b> <b>ZWL0</b> <b>6 614 7</b> 7305 6 ( 29 93
727	reserves ZWL000 39 417	reserves ZWL000 569 159 ( 61 025) ( 61 025)	profits ZWL000 3 352 409 3 980 788 - 3 980 788	for parent ZWL000 3 961 713 3 980 788 ( 61 025) 2 919 763	interest ZWL000 2 653 035 3 324 864 31 087	equ ZWL0 6 614 7 7305 6 ( 29 93 7 275 7
727 - - - - - 54 151 216	reserves ZWL000 39 417	reserves ZWL000 569 159 - ( 61 025)	profits ZWL000 3 352 409 3 980 788	for parent ZWL000 3 961 713 3 980 788 ( 61 025) 2 919 763	interest ZWL000 2 653 035 3 324 864 31 087	equ ZWL0 6 614 7 7305 6 ( 29 92 7 275 7
727 - - - - 54 151	reserves ZWL000 39 417	reserves ZWL000 569 159 ( 61 025) ( 61 025)	profits ZWL000 3 352 409 3 980 788 - 3 980 788	for parent ZWL000 3 961 713 3 980 788 ( 61 025) 2 919 763	interest ZWL000 2 653 035 3 324 864 31 087	equ ZWL0 66147 73056 ( 2993 72757
727 - - - - - 54 151 216	reserves ZWL000 39 417	reserves ZWL000 569 159 ( 61 025) ( 61 025)	profits ZWL000 3 352 409 3 980 788 - 3 980 788	for parent ZWL000 3 961 713 3 980 788 ( 61 025) 2 919 763	interest ZWL000 2 653 035 3 324 864 31 087	equ ZWL0 6 614 7 7305 6 ( 2999 7 275 7
727 - - - - - 54 151 216	reserves ZWL000 39 417	reserves ZWL000 569 159 ( 61 025) ( 61 025)	profits ZWL000 3 352 409 3 980 788 - 3 980 788	for parent ZWL000 3 961 713 3 980 788 ( 61 025) 2 919 763	interest ZWL000 2 653 035 3 324 864 31 087 3 355 952	equ ZWL0 6 614 7 7305 6 ( 2999 7 275 7
727 - - - - - 54 151 216	reserves ZWL000 39 417	reserves zWL000 569 159 ( 61 025) ( 61 025) ( 223) ( 223)	profits ZWL000 3 352 409 3 980 788 - 3 980 788 - 7 7 - - 4 466	for parent ZWL000 3 961 713 3 980 788 ( 61 025) 2 919 763 53 935 - 53 935 - 16 424 ( 29 988)	interest ZWL000 2 653 035 3 324 864 31 087 3 355 952	equ ZWL0 66147 73056 ( 2999 72757 5339 539
54 151 216 53 935	reserves ZWL000 39 417	reserves zWL000 569 159 ( 61 025) ( 61 025) ( 223) ( 223)	profits ZWL000 3 352 409 3 980 788  3 980 788  7 7 7 - 4 466 - ( 86 056)	for parent zWL000 3 961 713 3 980 788 (61 025) 2 919 763 53 935 53 935 - 16 424 (29 988) (86 056)	interest ZWL000 2 653 035 3 324 864 31 087 3 355 952	equ ZWL0 6614 7 7305 6 ( 29 93 7275 7 53 9 53 9 50 ( 29 98 ( 100 02
54 151 216 53 935	reserves ZWL000 39 417	reserves zWL000 569 159 ( 61 025) ( 61 025) ( 223) ( 223)	profits ZWL000 3 352 409 3 980 788	for parent ZWL000 3 961 713 3 980 788 ( 61 025) 2 919 763 53 935 - 53 935 - 16 424 ( 29 988) ( 86 056) 7 835 791	interest ZWL000 2 653 035 3 324 864 31 087 3 355 952 5 092 ( 16 424) - ( 13 988) 5 983 667	equ ZWL0 6 614 7 7305 6 ( 299 9 539 539 50 ( 299 8 ( 100 0
54 151 216 53 935	reserves ZWL000 39 417	reserves ZWL000 569 159 ( 61 025) ( 61 025) ( 223) ( 223) ( 223)	profits ZWL000 3 352 409 3 980 788  3 980 788  7 7 - 4 466 - ( 86 056) 7 251 614 25 965 044	for parent ZWL000 3 961 713 3 980 788 ( 61 025) 2 919 763 53 935 - 53 935 - 53 935 - 16 424 ( 29 988) ( 86 056) 7 835 791 25 965 044	interest	equi 7WL00 66147. 7305 6 ( 2993 72757. 539 539 ( 2998 ( 100 04 13819 4: 50 888 9.
54 151 216 53 935	reserves ZWL000 39 417	reserves zWL000 569 159 ( 61 025) ( 61 025)	profits ZWL000 3 352 409 3 980 788	for parent zWL000 3 961 713 3 980 788 ( 61 025) 2 919 763 53 935 - 53 935 - 16 424 ( 29 988) ( 86 056) 7 835 791 7 835 791	interest zWL000 2653 035 324 864 31 087 3355 952  5 092 ( 16 424) ( 13 988) 5 983 667 5 983 667 24 888 911 ( 424 611)	equi 7WL00 66147. 73056 (2993 72757. 539 539 50 (2998 (10004 138194: 508889 36471.
727 - - - 54 151 216 53 935 - - - - 54 878	reserves ZWL000 39 417 - - - - 39 417 39 417	reserves zWL000 569 159 ( 61 025) ( 61 025)	profits ZWL000 3 352 409 3 980 788	for parent ZWL000 3 961 713 3 980 788 (61 025) 2 919 763 53 935 - 53 935 - 16 424 (29 988) (86 056) 7835 791 25 965 044 4 071 771	interest zWL000 2653 035 324 864 31 087 3355 952  5 092 ( 16 424) ( 13 988) 5 983 667 5 983 667 24 888 911 ( 424 611)	equi 7WL00 66147. 73056 (2993 72757. 539 539 50 (2998 (10004 138194: 508889 36471.
727 - - - 54 151 216 53 935 - - - - 54 878	reserves ZWL000 39 417 - - - - 39 417 39 417	reserves zWL000 569 159 ( 61 025) ( 61 025)	profits ZWL000 3 352 409 3 980 788	for parent ZWL000 3 961 713 3 980 788 (61 025) 2 919 763 53 935 - 53 935 - 16 424 (29 988) (86 056) 7835 791 25 965 044 4 071 771	interest ZWL000 2 653 035 3 324 864 31 087 3 355 952  5 092 ( 16 424) ( 13 988) 5 983 667 24 888 911 ( 424 611) 24 464 300	equ ZWL0 6 614 7. 7305 6 ( 2993 539 539 50 ( 2998 ( 10002 13 819 4: 50 888 9 3 647 1 54 501 1:
727 - - - 54 151 216 53 935 - - - - 54 878	reserves ZWL000 39 417 - - - - 39 417 39 417	reserves zWL000 569 159 ( 61 025) ( 61 025)	profits ZWL000 3 352 409 3 980 788	for parent ZWL000 3 961 713 3 980 788 (61 025) 2 919 763 53 935 - 53 935 - 16 424 (29 988) (86 056) 7835 791 25 965 044 4 071 771	interest zWL000 2653 035 324 864 31 087 3355 952  5 092 ( 16 424) ( 13 988) 5 983 667 5 983 667 24 888 911 ( 424 611)	equi ZWL00 6 614 7- 7305 6 (2999 7 275 7- 539 539 50 (2998 (10004 13 819 4: 50 888 9 3 647 1: 54 501 1:
727 - - - 54 151 216 53 935 - - - - 54 878	reserves ZWL000 39 417 - - - - 39 417 39 417	reserves zWL000 569 159 ( 61 025) ( 61 025) ( 223) ( 223) - 11 958 ( 29 988) - 489 882 489 882 4071 771 4071 771	profits ZWL000 3 352 409 3 980 788	for parent zWL000 3 961 713 3 980 788 ( 61 025) 2 919 763 53 935 - 53 935 - 53 935 - 64 424 ( 29 988) ( 86 056) 7 835 791 25 965 044 4 071 771 30 036 815	\$1087	50 888 99 3 647 10 <b>54 501 1</b> 5 19 ( 681 72
727 - - - 54 151 216 53 935 - - - - 54 878	reserves ZWL000 39 417 - - - - 39 417 39 417	reserves ZWL000 569 159 ( 61 025) ( 61 025) ( 61 025)	profits ZWL000 3 352 409 3 980 788	for parent ZWL000 3 961 713 3 980 788 ( 61 025) 2 919 763  53 935 - 53 935 - 16 424 ( 29 988) ( 86 056)  7 835 791 25 965 044 4 071 771 30 036 815	interest ZWI.000 2 653 035 3 324 864 31 087 3 355 952	equ ZWL0 66147. 73056 (2999 72757. 539 539 50 (2998 (10002 138194 138194 138194 1545011
	ZWI.000 153 939 260 408 39 621 220 787 414 347 414 347 	Teserves   ZWL000   153 939   2	reserves	Teserves	reserves   reserves	Teserves   Teserves

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

#### Corporate information

As at 31 December 2022

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

54 878 39 417 2 589 860 32 966 421 35 650 576 29 605 008 65 255 584

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

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

#### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2.1 Statement of compliance

The Group's Abridged financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"), International Financial Reporting Committee Interpretations ("IFRIC") as issued by the International Financial Reporting Interpretations Committee ("IFRIS IC") and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31). The financial statements are based on statutory records that are maintained under the historical cost convention except for investment properties measured in terms of International Accounting Standard ("IAS") 40, equity securities at fair value through profit or loss and investment contract liabilities measured in terms of International Financial Reporting Standard ("IFRS") 9 and insurance contract liabilities Measured in terms IFRS 4 that have been measured on a fair value basis. For the purpose of fair presentation in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies", this historical cost information has been restated for changes in the general purchasing power of the Zimbabwe dollar and appropriate adjustments and reclassifications have been made. Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Group and Company and historical information is supplementary.

#### 2.2 Accounting policies

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

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

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

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

#### Functional and presentation currency

#### a) Functional and presentation currency

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

#### b) Currency developments in Zimbabwe

On 20 February 2019, the Reserve Bank of Zimbabwe ("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, record debts, accounting and settlement of domestic transactions.
- · 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 and the effective date would be deemed to be RTGS\$ at a rate of 1:1 to the USD and would become opening RTGS\$

On 24 June 2019 another SI 142 was issued resulting in the abolishment of the multi-currency regime and introducing the ZWL as a mono-currency or sole tender. The ZWL was introduced at par with the RTGSS.

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

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

On 24 July 2020, the Government of Zimbabwe issued SI 185 of 2020 which granted permission to providers of goods and services to display dual prices, in ZWL and USD.

On 4 April 2022, the Central Bank advised of the introduction of the Willing Buyer Willing Seller rate (WBWS) also known as the interbank rate per the Monetary Policy Committee meeting of 1 April 2022. Transactions were initially capped at US\$1 000 per day. This was further revised on 7 May 2022 to an effective maximum of US\$10 000 per week per individual. 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 the Ministry of Finance announced new measures to help curb the continual rise in inflation and bring in economic stability. These included legalising the use of the USD as the legal tender for the next five years till 2025. This announcement was passed as law on 28 June 2022, through Statutory Instrument 118A of 2022 (S.I. 118A of 2022). The S.I. noted that the pricing of goods and services should not be done at a ZWL to the USD rate that is in excess of 10% of the interbank rate as set by the government.

#### Audit opinion

The Group and Company inflation-adjusted financial statements for the year ended 31 December 2022 from which these abridged financial statements have been extracted, were audited by the Group's external auditors, Ernst & Young Chartered

The auditors have issued a qualified opinion as a result of the impact of the prior period non-compliance with the requirements of International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors", and the consequential impact of applying International Accounting standard 29 "Financial Reporting in Hyperinflationary Economies" on incorrect base numbers. The audit report also includes key audit matters with regards valuation of investment properties and valuation of

The auditor's opinion on the Group's consolidated inflation-adjusted financial statements is available for inspection at the Company's registered office.

The engagement partner responsible for this audit is Mr Fungai Kuipa. (PAAB Practicing Certificate Number 0335)

HOLDINGS LIMITED

Go Beyond

INFLATION ADJUSTED

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

# **Abridged Audited Financial Results**For the year ended 31 December 2022

#### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	AUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED	AUDITED	UNAUDITED	UNAUDITED
	GROUP 31-Dec-22 ZWL000	GROUP 31-Dec-21 ZWL000	GROUP 31-Dec-22 ZWL000	GROUP 31-Dec-21 ZWL000	COMPANY 31-Dec-22 ZWL000	COMPANY 31-Dec-21 ZWL000	COMPANY 31-Dec-22 ZWL000	COMPANY 31-Dec-21 ZWL000
5 Property, vehicles and								
equipment								
At 1 January	1 649 427	1 593 333	140 853	55 827	23 313	16 417	2 2 1 0	169
Additions	1 108 834	363 419	610 928	96 365	1 109	8 9 7 2	747	2 082
Disposals	(6 243)	(111 755)	(887)	(7 574)	-	-	-	(74)
Depreciation charge and								
disposal	(404 023)	(195 570)	(42 573)	(3 765)	(3 026)	(2 076)	(96)	33
Closing balance	2 347 995	1649 427	708 321	140 853	21 396	23 313	2861	2 2 1 0
6 Investment property								
At 1 January	77 423 908	52 886 479	22 506 950	9 549 054	-	-	-	-
Additions	150 263	72 190	82 790	15 761	1 686 397	-	1 074 138	-
Disposal or transfer to								
Subsidiaries	(217 710)	-	(160 028)	-	(293 760)	-	(272 000)	-
Transfer to Non-current asset								
held for sale	(38 400)	-	(38 400)	-	-	-	-	-
Fair value adjustments	34 116 870	24 465 239	89 043 619	12 942 135	(211 837)	-	378 662	-
Closing balance	111 434 931	77 423 908	111 434 931	22 506 950	1 180 800	-	1 180 800	-

HISTORICAL

INFLATION ADJUSTED

HISTORICAL

The Group's fair values of its investment properties are based on valuations performed by Knight Frank Zimbabwe an accredited independent valuer. Knight Frank is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties

	being valued. The valuations are appropriate discount rate. Where Significant judgements were ap currency shifts, excessive market	e based upon a e the market inf plied as at 31 D	essumptions or ormation is ava ecember 2022	n future rental ir ailable, the value as a result of th	ncome, anticipa ers make use o e uncertainties	ated maintenar f market inform	nce costs, future nation from tran	e development Isactions of simi	costs and the lar properties .
7	Leases								
	Right of use assets	48 046	98 426	13 967	17 772	200 517	131 289	23 124	2 809
	As at 1 January Addition	70 708	98 420	38 957	- 17 772	200 5 17	131 289	23 124	2 809
	Modification	-	-	-	-	226 050	123 889	102 490	26 619
	Depreciation charge for the year	(30 886)	(27 971)	(17 017)	(5 050)	(78 663)	(54 660)	(23 165)	(6 304)
	Exchange rate effects	(40 079)	(22 409)	11 882	1245	` -	· -	` -	
	Closing balance	47 789	48 046	47 789	13 967	347 904	200 518	102 449	23 124
	Lease liability								
	Current Non auropt	1713	9 147	1713	1654	4 295	9 307	4 295	1683
	Non-current Closing balance	122 671 <b>124 384</b>	42 575 <b>51 722</b>	122 671 <b>124 384</b>	13 382 <b>15 036</b>	251 027 <b>255 322</b>	94 959 <b>104 266</b>	251 027 <b>255 322</b>	28 627 <b>30 310</b>
	-								
8	Investment in subsidiaries First Mutual Microfinance								
	(Private) Limited	-	-	-	-	157 859	78 176	104 603	10 409
	First Mutual Life Assurance Company (Private) Limited		_			19 033 206	13 072 213	18 206 148	3 464 343
	First Mutual Health Company					17 000 200	IJ UI Z Z I	10 200 140	CHC HUFF C
	(Private) Limited	-	-	-	-	5 032 404	3 505 681	4 427 245	960 999
	First Mutual Reinsurance Company (Private) Limited	-	-	-	-	868 373	2 020 828	927 000	595 114
	FMRE Property & Casualty								
	(Proprietary) Limited First Mutual Wealth	-	-	-	-	1 944 458	1728689	1 944 458	576 820
	Management (Private) Limited	-	-	-	-	231 509	224 088	213 764	58 563
	NicozDiamond Insurance Limited					4 70 1 ENO	3 549 008	4 000 902	1 7EO 011
	Total	-	-	-	-	6 784 508 <b>34 052 317</b>	24 178 683	6 000 892 <b>31 824 110</b>	1 759 011 7 425 259
9	Financial assets at fair value through profit or loss								
	At 1 January	21 099 593	11 792 310	6 133 603	2 129 191	1 069 054	625 976	310 771	113 025
	Purchases Disposals	4 251 429 (288 162)	1 222 696 (1 667 995)	2 342 385 (158 767)	275 532 (375 878)	1 958 (47 549)	(199 495)	1 349 (23 605)	(54 068)
	Fair value gain on unquoted	(200 102)	(1007 773)	(130707)	(3/30/0)	(47 547)	(122 423)	(25 005)	(54000)
	investments Fair value (loss)/gain on	305 712	485 506	2 066 947	312 376	-	-	-	-
	quoted equities	(7 695 765)	9 267 076	7 288 639	3 792 382	(489 328)	642 571	245 620	251 814
	Closing balance	17 672 807	21 099 593	17 672 807	6 133 603	534 135	1 069 052	534 135	310771
10	Debt securities at amortised								
	<b>cost</b> At 1 January	642 096	456 707	186 656	82 462	81 304	-	23 635	-
	Purchases	4 402 465	530 804	2 425 600	119615	41 670	91 338	37 540	23 635
	Maturities Monetary loss adjustment	(177 671) (2 352 524)	(68 433) (276 982)	(97 890)	(15 421)	(13 702) (55 350)	(10 034)	(7 253)	-
	Closing balance	2514366	642 096	2 5 1 4 3 6 6	186 656	53 922	81 304	53 922	23 635
11	Insurance, tenant and other receivables								
	Insurance receivables	7 898 519	4 422 052	7 898 519	1 285 480	-	-	-	-
	Tenant receivables Amounts due from Group	493 841	309 978	493 841	90 110	-	-	-	-
	companies	-	-	-	-	115 998	74 124	115 998	13 404
	Other receivables Total	3 905 992 <b>12 298 352</b>	4 781 123 <b>9 5 13 153</b>	3 793 940 <b>12 186 300</b>	1 262 356 2 <b>637 946</b>	130 099 <b>246 097</b>	330 461 <b>404 585</b>	130 099 <b>246 097</b>	104 208 117 612
		12 270 332	7313133	12 100 300	2001740	240 071	404 303	240 071	117 012
12	Cash and balances with banks								
	Money market investments with original maturities less								
	than 90 days	8 733 508	3 655 202	8 733 508	1 062 559	106 708	835	106 708	151
	Cash at bank and on hand	7 939 141	6 850 002	7 939 141	1 991 279	19314	164 264	19314	47 843
	Cash and balances with banks	16 672 649	10 505 204	16 672 649	3 053 838	126 022	165 099	126 022	47 994
13	Life insurance contracts and investment contracts with Discretionary Participating Features ("DPF") liabilities								
	At 1 January	37 630 196	24 888 873	10 939 010	4 493 874	_	-		_
	Movement for the year	11 783 061	12 741 323	38 474 247	6 445 136	_	_	-	
	Closing balance	49 413 257	37 630 196	49 413 257	10 939 010	-	-	-	

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

		INFLATION		HISTOR		INFLATION A		HISTOR	
		AUDITED GROUP	AUDITED GROUP	GROUP	UNAUDITED GROUP	COMPANY	COMPANY	COMPANY	COMPANY
	To a decrease and the latter	31-Dec-22 ZWL000	31-Dec-21 ZWL000	31-Dec-22 ZWL000	31-Dec-21 ZWL000	31-Dec-22 ZWL000	31-Dec-21 ZWL000	31-Dec-22 ZWL000	31-Dec-21 ZWL000
14	Investment contract liabilities without DPF								
	At 1 January Movement for the year	5 777 096 (2 536 698)	2 585 982 3 191 114	1 679 388 1 561 010	466 919 1 212 470	-	-	-	-
	Closing balance	3 240 398	5 777 096	3 240 398	1679388	-	-	-	-
15	Shareholder risk reserve At 1 January	_	-	_	-	-	-	-	
	Movement for the year <b>Closing balance</b>	304 754 <b>304 754</b>	-	304 754 <b>304 754</b>	-	-	-	-	-
16	Insurance contract liabilities -								
	<b>short term</b> Outstanding claims	3 311 076	2 371 283	3 311 076	689 327	-	-	-	
	Reinsurance Losses incurred but not	4876316	2 074 747	4876316	603 124	-	-	-	-
	reported Members savings pot	3 404 119 1 273 748	2 709 177 819 558	3 404 119 1 273 748	787 551 238 244	-	-	-	
	Premium received in advance Unearned premium reserve	1 154 976 6 005 438	742 200 6 372 141	1 154 976 4 950 173	215 756 782 370	-	-	-	
	Commissions Total	555 342 <b>20 581 015</b>	139 872 <b>15 228 978</b>	555 342 <b>19 525 750</b>	40 660 <b>3 357 032</b>	-	-	-	
17	Other payables								
17		4897798	2 493 571	4783 081	723 645	181 225	114 418	181 225	33 261
	Other payables Provisions*	1 451 214 1 059 786	1 112 163 593 215	1 336 497 1 059 786	322 073 172 446	14 050 134 030	11 839 60 489	14 050 134 030	4 216 16 810
	Payroll and statutory payables Accrued expenses	864 807 1 253 956	489 741 171 561	864 807 1 253 956	142 366 49 872	32 <i>7</i> 76 48	41 069 156	32 776 48	11 939 45
	Trade payables	268 035	126 891	268 035	36 887	321	863	321	25
	Property business related liabilities	479 178	160 325	479 178	46 606	-	-	-	
	Amounts due to group companies		_	_		76 032	34 548	76 032	10 043
	Total	5 376 976	2 653 896	5 262 259	770 251	257 257	148 966	257 257	43 304
18	Deferred income tax								
	At 1 January Recognised through statement	10 898 550	5 674 105	3 154 960	973 449	-	-	-	
	of comprehensive income  Total	3 875 147 <b>14 773 697</b>	5 594 452 <b>11 268 557</b>	11 816 096 <b>14 971 056</b>	2 284 829 <b>3 258 278</b>	-	-	-	
		14773097	11 200 337	14 97 1 030	3 230 270			_	
19	<b>Put option liability</b> At 1 January	1 954 261	-	568 099	-	-	-	-	
	Initial recognition Reclassification from non-	-	1 954 261	-	568 099	-	-	-	
	controlling interest	(362 506)	-	681 724	-	-	-	-	
	Remeasurement loss Monetary gain adjustment	1971730 (341 932)	-	1971730		-	-	-	-
	Closing balance	3 221 553	1 954 261	3 221 553	568 099	-	-	-	-
20	<b>Net premium written</b> Pension and savings business	6 118 381	5 094 203	4 697 050	1 180 795	_	_	_	
	Life assurance	1 787 972	1 194 220	1 430 147	287 276	-	-	-	
	Health insurance Property and casualty	30 227 155 38 501 754	18 747 957 24 331 275	21 935 900 27 042 967	4 350 062 5 588 902	-	-	-	
	Gross premium written Less: Reinsurance	<b>76 635 262</b> (17 857 492)	<b>49 367 655</b> (10 748 884)	<b>55 106 064</b> (13 319 429)	<b>11 407 035</b> (2 489 181)	-	-	-	•
	Net premium written	58 777 770	38 618 771	41 786 635	8 917 854	-	-	-	
21	Net investment income Dividend received	247 4/4	0/17/2	174.010	104107				
	Fair value gain on unquoted	317 461	861 763	174 910	194 196	-	-	-	
	equities at fair value through profit or loss	305 712	485 506	2 066 947	312 376	-	-	-	
	Fair value gain on investment gold	(59 802)	_	38 060	_	_	_	_	
	Investment expenses	(1 590 410)	(1 980 276)	(876 259)	(446 249)	-	-	-	
	Other investment expenses Fair value gain on quoted		-	-	-		-	-	
	equities at fair value through profit or loss	(7 695 765)	9 267 076	7 288 639	3 792 382	_	-	_	
	Total investment income before interest income	(8 722 804)	8 634 069	8 692 297	3 852 705		_		
	Interest income	1 427 712	219 682	704 915	57 556	-	-	-	
	Total net investment income	(7 295 092)	8 853 751	9 397 212	3 910 261	-	-	-	
22	Net insurance daims and								
	<b>benefits</b> Insurance claims and loss								
	adjustment expenses:	44004704	45 247470	44004704	2 544 454				
	Health insurance Life assurance	14 884 306 1 669 357	15 217 160 1 124 110	14 884 306 1 306 184	3 514 654 270 249	-	-	-	
		17 095 745	7 217 009	8 375 754	1 673 660	-	-	-	
	Property and casualty <b>Total insurance daims and</b>			24 566 244	5 458 563	-	-	-	
	Total insurance daims and loss adjustment expenses	33 649 408	23 558 279	2-13002-11					
	Total insurance daims and loss adjustment expenses Less: Insurance daims and benefits expenses recovered				(FO: 0==)				
	Total insurance daims and loss adjustment expenses Less: Insurance daims and	<b>33 649 408</b> (2 330 272)	<b>23 558 279</b> (2 446 743)	(1807524)	(594 827)	-	-	-	
	Total insurance daims and loss adjustment expenses Less: Insurance daims and benefits expenses recovered from reinsurers  Net total insurance daims expense	(2 330 272) 31 319 136	(2 446 743) <b>21 111 536</b>	(1 807 524) 22 758 720	4863736	-	-	-	
	Total insurance daims and loss adjustment expenses Less: Insurance daims and benefits expenses recovered from reinsurers Net total insurance daims expense Pensions benefits Net insurance daims and	(2 330 272) 31 319 136 1 463 562	(2 446 743) <b>21 111 536</b> 1 291 525	(1807 524) <b>22 758 720</b> 1 202 530	<b>4863736</b> 310 010	-	- - -	-	
	Total insurance daims and loss adjustment expenses Less: Insurance daims and benefits expenses recovered from reinsurers  Net total insurance daims expense Pensions benefits  Net insurance claims and benefits	(2 330 272) 31 319 136 1 463 562	(2 446 743) <b>21 111 536</b>	(1807 524) <b>22 758 720</b> 1 202 530	4863736	-	- - -	-	
23	Total insurance daims and loss adjustment expenses Less: Insurance daims and benefits expenses recovered from reinsurers Net total insurance daims expense Pensions benefits Net insurance daims and	(2 330 272) 31 319 136 1 463 562	(2 446 743) <b>21 111 536</b> 1 291 525	(1807 524) <b>22 758 720</b> 1 202 530	<b>4863736</b> 310 010		-	-	
23	Total insurance daims and loss adjustment expenses Less: Insurance daims and benefits expenses recovered from reinsurers Net total insurance daims expense Pensions benefits Net insurance claims and benefits  COBE Act (24:31) and IFRS mandatory disdosures Staff costs	(2 330 272) 31 319 136 1 463 562	(2 446 743) <b>21 111 536</b> 1 291 525	(1807 524) <b>22 758 720</b> 1 202 530	<b>4863736</b> 310 010		-	-	-
23	Total insurance daims and loss adjustment expenses Less: Insurance daims and benefits expenses recovered from reinsurers  Net total insurance daims expense Pensions benefits  Net insurance claims and benefits  COBE Act (24:31) and IFRS mandatory disclosures  Staff costs  Directors' fees  - Holding company	(2 330 272) 31 319 136 1 463 562 32 782 698 9 485 472 80 514	(2 446 743)  21 111 536	(1807524)  22758720 1202530  23961250  7323593 62163	4 863 736 310 010 5 173 746 1 805 444 16 504	-	-		-
23	Total insurance daims and loss adjustment expenses Less: Insurance daims and benefits expenses recovered from reinsurers  Net total insurance daims expense Pensions benefits Net insurance daims and benefits  COBE Act (24:31) and IFRS mandatory disclosures Staff costs Directors' fees  — Holding company — Group companies Depreciation of property,	(2 330 272) 31 319 136 1 463 562 32 782 698 9 485 472	(2 446 743)  21 111 536	(1807 524)  22 758 720 1 202 530  23 961 250  7 323 593	4 863 736 310 010 5 173 746	-	- - - -	-	-
23	Total insurance daims and loss adjustment expenses Less: Insurance daims and benefits expenses recovered from reinsurers  Net total insurance daims expense Pensions benefits  Net insurance daims and benefits  COBE Act (24:31) and IFRS mandatory disdosures  Staff costs  Directors' fees  — Holding company — Group companies	(2 330 272) 31 319 136 1 463 562 32 782 698 9 485 472 80 514	(2 446 743)  21 111 536	(1807524)  22758720 1202530  23961250  7323593 62163	4 863 736 310 010 5 173 746 1 805 444 16 504	-	-	-	-

Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

## **Abridged Audited Financial Results**

For the year ended 31 December 2022

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

#### Legal proceedings and regulations

Contingent Liability
In line with Circular 19 of 2020, issued on 1 October 2020, the Insurance and Pensions Commission (IPEC or the Commission) appointed actuarial 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). The actuaries appointed by IPEC requested information from insurance companies for the period 2006 to 31 December 2019. 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.

On the 18th of December 2021 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 31 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.

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:

#### Legal proceedings and regulations Contingent Liability

USD Actual Loss 209 386 885 21 141 094 Potential Loss

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. In order to protect its legal rights, an application for review of the Corrective Order was filed with the High Court of Zimbabwe after the reporting date. Subsequent to the above actions, IPEC and FML agreed a binding plan of action and the two High Court applications by FML against IPEC were withdrawn by consent.

#### **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 Ministry of Finance on 4 December 2024. 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.

24.2	Regulatory Provision	INFLATION	ADJUSTED	HISTORICAL COST		
		AUDITED	AUDITED	UNAUDITED	UNAUDITED	
		Group	Group	Group	Group	
		2022	2021	2022	2021	
		ZWL	ZWL	ZWL	ZWL	
	At 1 January	540 709 786	-	157 294 473	-	
	Provision for the year	129 364 668	540 709 786	512 779 981	157 294 473	
	Balance as at 31 December 2021	670 074 454	540 709 786	670 074 454	157 294 473	

#### SEGMENTAL RESULTS AND ANALYSIS

FOR THE YEAR ENDED 31 DECEMBER 2022

INFLATION ADJUSTED		Property						
	Life	and Casualty	Health	Property	Other	Gross Figures	Consolidation Entries	Total Consolidated
As at 31 December 2022	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
Net Premium Earned	7 848 392	21 454 679	30 227 155	-	-	59 530 226	( 138 823)	59 391 403
Rental income	-	161 898	-	2 852 757	_	3 014 655	( 296 950)	2 717 705
Investment income and fair value adjustment on investment property	13 741 508	2 746 496	(1222865)	34 098 330	6 646 708	56 010 177	(29 188 399)	26 821 778
Monetary gain/loss, fee and other income	3 025 787	761 199	5 332	687 121	3 389 605	7 869 044	604 481	8 473 525
Total income	24 615 687	25 124 272	29 009 622	37 638 208	10 036 313	126 424 102	(29019691)	97 404 411
		4						
Total expenses	,	,	(26 703 381)	,	,	(73 549 853)		(69 795 234)
Profit before income tax	5 155 881	2 049 255	2 144 652	34 927 756	7 186 832	23 589	27 927 765	27 951 354
Income tax expense	5 374	(1291532)	-	(2974791)	738	(4260211)	182 198	(4078014)
Deferred acquisition costs	-	1 327 101	-	-	-	1 327 101	-	1 327 101
Total assets	74 810 120	35 158 964	11 184 114	112 880 910	41 295 092	275 329 200	(107 806 797)	167 522 403
Movement in insurance contract liabilities	(10 754 143)	412	-	-	-	(10 753 731)	(1029331)	(11 783 062)
Movement in investment contract liabilities	490 936	-	_	_	-	490 936	107 997	598 933
Total liabilities	55 776 915	23 574 037	4 894 395	12 915 048	4 772 882	101 933 277		99 680 206
Cash flows from operating activities	4 373 255	13 186 294	2 247 417	( 320 445)	970.030	20 456 552	(2479912)	17 976 640
Cash flows generated from/(utilised in) investing activities	( 305 559)	776 513	( 173 068)	(308 957)	1 431 391		(10 540 755)	(9 120 435
Cash generated from/(utilised in) financing activities	,	(11 783 062)	( 353 156)	,	(1 157 104)		14 436 400	878 947
As at 31 December 2021		(11703002)	( 333 130)	(201131)	(1157101)	(13 337 133)	11 150 100	0,001
	6 104 884	13 297 522	18 747 957			38 150 363	/ 401 000\	27 440 200
Net premium earned Rental income	0 104 004	211 444	10 /4/ 73/	2 038 381		2 249 824	( 481 083) ( 187 405)	37 669 280 2 062 419
	-	Z11444	_	2 030 30 1	-	2 249 024	( 167 403)	Z 00Z 41:
Investment income and fair value adjustment on investment property	20 562 955	22 772 542	20 562 955	44 493 875	20 562 955	128 955 280	(95 636 290)	33 318 99
Monetary gain/loss, fee and other income	2 213 719	(2285164)	670 591	( 32 939)	1 190 920	1 757 127	(1053410)	703 713
Total income	28 881 558	33 996 343	39 981 503	46 499 316	21 753 875	171 112 595	(97358188)	73 754 407
Total expenses		(13 108 550)	(19 286 516)	(1495903)	, ,	(58 624 530)		(56 900 153
Profit/(loss) before income tax	7 043 214	1 980 642	2 466 579	24 573 138	6 835 258	42 898 831	(26 031 366)	16 867 465
Income tax expense	( 497 631)	(1201356)	-	(4 479 021)	-	(6 178 009)	761 630	(5 416 379)
Deferred acquisitions costs	-	837 051	-	-	-	837 051	-	837 051
Total assets	58 885 932	24 640 858	8 549 568	77 878 055	28 834 102	198 788 516	(163 577 174)	35 211 342
Movement in insurance contract liabilities	(12 741 093)	( 230)	-	-	-	(12 741 323)	-	(12 741 323
Movement in investment contract liabilities	(3615232)	-	-	-	-	(3615232)	-	(3 615 232
Total liabilities	45 027 651	16 613 341	4 168 015	9 484 810	2 572 900		(41 725 584)	36 141 132
Cash flows from operating activities	18 407						` ′	1 925 368
Cash flows generated from/(utilised in) investing activities	480 194	497 878	( 685 291)	184 904	466 732	944 417	( 195 623)	748 793
Cash generated from/(utilised in) financing activities		(1639270)	( 894 901)	( 239 677)	( 290 828)		3 521 920	454 56
Cash flows generated from/(utilised in) investing activities Cash generated from/(utilised in)	45 027 651 18 407 480 194	15 767 157 497 878	2 677 026 ( 685 291)	277 678 184 904	1 254 864 466 732	77 866 716 19 995 132 944 417	(18 069 764) (195 623)	36

#### SEGMENTAL RESULTS AND ANALYSIS

FOR THE YEAR ENDED 31 DECEMBER 2022

HISTORICAL COST - UNAUDITED		Property				<b>5</b>		
	Life	and Casualty	Health	Property	Other	Gross Figures	Consolidation Entries	Total Consolidated
As at 31 December 2022	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
Net premium earned	6 038 638	11 897 174	21 935 900	-	-	39 866 712	( 76 486)	39 790 226
Rental income	-	266 725	-	2 066 034	_	2 332 759	( 212 214)	2 120 545
Investment income and fair value adjustment on investment property	54 498 373	8 075 709	1 275 461	87 898 100	22 744 346	174 491 989	,	98 440 830
Fee and other income	1 332 520		210 670	434 859	2367892	4 808 580	,	6 869 758
ree and other intorne	1 332 320	462 639	210070	434 637	2 307 692	4 000 300	2 061 178	0 009 730
Total income	61 869 531	20 697 247	23 422 031	90 398 993	25 112 238	221 500 040	(7/1278 681)	147 221 359
TOWN INCOME.	01007331	20 077 247	23 122 031	70 370 773	23 112 230	221300040	(1-12/0001)	147 EE 1337
Total expenses	(47 213 175)	(15 028 967)	(18 788 944)	(2 133 766)	(1805292)	(84 970 144)	725 645	(84 244 498)
Profit before income tax	14 695 668	7 636 727	4 787 934	89 170 966	23 980 099	140 271 394	(77 327 573)	62 943 821
Income tax expense	( 279 736)	(2478400)	-	(9501073)	150 021	(12 109 188)	19 322	(12 089 867)
Deferred acquisition costs	21 792	1 359 484	21 792	-	-	1 403 067	( 426 895)	976 172
Total assets	73 966 076	31 033 563	10 418 926	111 918 346	39 035 229	266 372 138	(101 738 895)	164 633 243
Movement in insurance contract liabilities	-	-	_	_	-	-	(38 681 744)	(38 681 744)
Movement in investment contract							(/	(/
liabilities	-	-	-	-	-	-	(1561010)	(1561010)
Total liabilities	55 759 927	20 982 659	4 891 779	12 765 617	4 638 159	99 038 141	( 330 558)	98 707 583
Cash flows from operating activities	1 233 068	7 265 176	4 729 876	( 329 178)	534 452	13 433 394	( 199 494)	13 233 900
Cash flows generated from/(utilised in) investing activities	30 968	427 831	30 048	( 118 632)	788 645	1 158 860	(6 174 005)	(5015145)
Cash generated from/(utilised in)			( 288 132)	/ 211 (10)	( 637 523)	(1127274)	2 040 598	903 324
financing activities	-	-	( 288 132)	( 211 619)	( 037 323)	(1 137 274)	2 040 598	905 524
As at 31 December 2021								
Net premium earned	1 431 276	2 744 261	4 350 062	_	_	8 525 599	13 028	8 538 628
Rental income	-	46 136	-	639 848	_	685 984	( 205 884)	480 100
Investment income and fair value							( === ,	
adjustment on investment property	( 11 269)	150 613	49 412	255 927	( 234 437)	210 245	16 642 151	16 852 396
Fee and other income	(419 089)	(1530671)	(3 479 926)	17 357	45 221	(5367108)	6 123 542	756 434
Total income	1 420 006	2 941 010	4 399 474	895 775	( 234 437)	9 421 829	16 449 295	25 871 124
					,	,		,
Total expenses	(9 147 575)	(9 147 575)	(9 147 575)	,	, ,	` ′	, ,	,
Profit before income tax	1 920 695	1 913 054	980 062	12 891 101	3 898 678		(12 060 631)	9 542 958
Income tax (expense)/credit	( 12 019)	(406 398)	-	(1798912)	( 19 398)	(2236726)	( 579)	,
Deferred acquisitions costs	-	162 030	-	-	-	162 030		162 030
Total assets	16 794 712	6 360 209	2 411 381	22 484 358	8 748 284	56 798 944	(21 587 600)	35 211 344
Movement in insurance contract liabilities	( 6 445 136)	-	-	-	-	(6 445 136)	-	(6 445 136)
Movement in investment contract liabilities	(1223438)	-	-	-	-	(1223 438)	-	(1223438)
Total liabilities	13 083 111	3 286 428	1 211 632	2 718 305	779 056	21 078 533	313 353	21 391 886
Cash flows from operating activities	421 628	1 345 676	650 085	83 404	53 495	2 554 287	(1642552)	911 735
Cash flows generated from/(utilised in) investing activities	( 246 732)	324 842	6 078	45 174	43 286	172 649	( 15 747)	156 902
Cash utilised in financing activities	( 778)	( 116 543)	( 190 018)	( 57 798)	( 45 432)	( 410 570)	510 829	100 259
	()	(	( 0 0 .0)	( 2 5)	( .5 .52)	( 5.0)	2.0027	. 30 237