FIRST MUTUAL
HOLDINGS LIMITED
Go Beyond

Preliminary Unaudited Abridged Financial Statements
for the year ended 31 December 2023

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.

FIRST MUTUAL LIFE FORENSIC INVESTIGATION
In January 2022 the Insurance and Pensions Commission (IPEC) instituted a forensic investigation on First Mutual Life Assurance Company (FML), a wholly owned subsidiary of First Mutual Holdings Limited (FMHL). The forensic investigation was in respect of the separation of assets between the policyholders and shareholder during the period 1 February 2009 to 31 December 2021. The investigation formally commenced on 5 September 2022 following the appointment of BDO Zimbabwe to conduct the exercise. On 10 May 2023 FML received a copy of the forensic investigation report from IPEC and submitted its response to the Ministry of Finance on 8 June 2023 in line with section 67(5) of the Insurance Act.

On 21 December 2023 FML received a Corrective Order from IPEC in relation to the BDO report. In order to protect FML's legal rights an application for review of the Corrective Order was filed with the High Court. The institution of legal proceedings had become unavoidable to safeguard FML's rights. FML eventually agreed a binding plan and the High Court applications by FML against IPEC were withdrawn by consent. The FML board and management are currently executing the agreed plan which should be concluded on or before 30 June 2024. Further details are provided in note 26 of this report.

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:

Comprehensive income highlights

	Inflation adjusted		Historical cost	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	ZWL billion	ZWL billion	ZWL billion	ZWL billion
Insurance contract revenue	1,088.8	400.7	503.3	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		Historical cost	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	ZWL billion	ZWL billion	ZWL billion	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		Historical cost	
	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.

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 who resigned after serving the Board diligently over the last 5 years. We wish her well in her 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 ex-dividend 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.

Regarding the dividend, the FMHL Board acknowledges that there is a potential payout that may be due from FML in pursuance of the settlement agreement with IPEC. Further, notwithstanding the potential payout, the Board of Directors of FMHL is satisfied that it is reasonable and prudent to declare a dividend in the circumstances. The company will remain in sound financial health after payment of the dividend and should it be called to make a financial settlement contemplated under the settlement agreement between FML and IPEC.

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
18 March 2024

GROUP CHIEF EXECUTIVE OFFICER'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.

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.

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.

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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
18 March 2024

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	INFLATION ADJUSTED			HISTORICAL COST			INFLATION ADJUSTED		HISTORICAL COST	
		UNAUDITED GROUP 31-Dec-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 01-Jan-22* ZWL000	UNAUDITED GROUP 31-Dec-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 01-Jan-22* ZWL000	UNAUDITED COMPANY 31-Dec-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000
ASSETS											
Goodwill		1 334 094	728 049	402 136	1 334 094	151 362	24 304	-	-	-	-
Deferred tax asset	20	13 836 648	5 153 614	1 779 735	9 818 350	1 031 530	104 964	-	-	-	-
Property, plant and equipment	5	28 125 174	11 293 857	7 933 742	7 601 335	708 321	140 853	85 490	102 916	30 285	2 861
Investment property	6	1 080 501 139	536 002 018	372 408 997	1 071 606 243	111 434 931	22 506 950	5 142 500	5 679 648	5 142 500	1 180 800
Right of use of assets - IFRS 16	7	7 402 201	229 863	231 100	1 753 314	47 789	13 967	2 020 419	1 673 417	513 513	102 449
Other intangible assets		186 143	211 065	276 072	5 950	6 757	3 668	-	-	-	-
Investment in subsidiaries	8	-	-	-	-	-	-	364 715 603	163 791 645	320 143 797	31 824 110
Investment in associates- other companies		5 371 052	6 641 238	5 818 461	4 968 257	832 448	212 408	113 464	113 464	7 207	7 207
Financial assets:		-	-	-	-	-	-	-	-	-	-
- Equity securities at fair value through profit or loss	9	221 394 891	85 006 201	101 489 042	221 394 891	17 672 807	6 133 603	10 639 033	2 569 188	10 639 033	534 135
- Debt securities at amortised cost	10	52 684 368	12 094 099	3 088 483	52 684 368	2 514 366	186 656	918 056	259 365	918 056	53 922
Investment in gold coins		2 947 657	1 330 503	-	2 947 657	276 612	-	-	-	-	-
Non current assets held for sale		-	184 704	-	-	38 400	-	-	-	-	-
Income tax asset		392 033	56 035	-	392 033	14 616	-	-	-	-	-
Inventory		1 772 039	1 609 232	724 469	528 182	170 618	30 367	40 381	59 533	8 658	1 970
Reinsurance contract assets	11	100 146 884	36 932 313	7 069 000	89 942 883	7 425 002	1 057 659	-	-	-	-
Premium receivables from intermediaries	12	58 918 067	37 991 876	21 236 132	58 918 067	7 898 519	1 285 480	-	-	-	-
Rental receivables	12	4 204 836	2 375 376	1 490 994	4 204 836	493 841	90 110	4 311	-	4 311	-
Other receivables	12	19 209 989	18 787 821	22 997 205	16 693 852	3 793 940	1 262 356	2 606 480	1 183 726	2 606 480	246 097
Cash and cash equivalents	13	104 947 594	80 195 440	50 530 030	104 947 594	16 672 649	3 053 838	3 251 537	606 164	3 251 537	126 022
TOTAL ASSETS		**1 703 374 808**	**836 823 304**	**597 475 598**	**1 649 741 906**	**171 184 508**	**36 107 183**	**389 537 274**	**176 039 066**	**343 265 376**	**34 079 573**
EQUITY AND LIABILITIES											
Equity attributable to equity holders of the parent											
Share capital		1 993 008	1 993 008	1 993 008	54 878	54 878	54 878	1 993 008	1 993 008	54 878	54 878
Share premium		39 968 853	39 968 853	39 968 853	39 417	39 417	39 417	39 968 853	39 968 853	39 417	39 417
Non-distributable reserves		63 526 069	6 870 064	12 373 576	11 477 639	808 948	489 882	141 248	141 248	229	229
IFRS 17 adoption reserve		(6 749 926)	(6 749 926)	(6 749 926)	(649 276)	(649 276)	(649 276)	-	-	-	-
Retained profits		255 180 009	109 542 172	69 074 155	302 266 643	29 567 385	7 251 614	338 224 598	131 132 701	333 961 285	33 402 252
Total equity attributable to equity holders of the parent		**353 918 013**	**151 624 171**	**116 659 666**	**313 189 301**	**29 821 352**	**7 186 515**	**380 327 707**	**173 235 810**	**334 055 809**	**33 496 776**
Non-controlling interests		328 805 192	152 133 682	100 177 773	326 072 182	31 733 668	6 270 484	-	-	-	-
Total equity		**682 723 205**	**303 757 853**	**216 837 439**	**639 261 483**	**61 555 020**	**13 456 999**	**380 327 707**	**173 235 810**	**334 055 809**	**33 496 776**
Liabilities											
Deferred tax liability	20	72 287 166	71 060 468	54 196 137	69 946 062	14 637 212	3 257 879	-	-	-	-
Investment contract liabilities without DPF	14	44 804 380	15 586 316	27 787 833	44 804 380	3 240 398	1 679 388	-	-	-	-
Shareholder risk reserves	15	7 448 608	1 465 869	-	7 448 608	304 754	-	-	-	-	-
Member assistance fund		9 041	43 485	149 589	9 041	9 041	9 041	-	-	-	-
Lease liabilities	7	3 772 082	598 288	248 784	3 772 082	124 384	15 036	2 042 921	1 228 099	2 042 921	255 322
Compensation Reserve (Provisional Reserve)		9 615 067	-	-	9 615 067	-	-				
Borrowings- from third parties		30 447 922	8 083 315	2 758 640	30 447 922	1 680 523	166 721	-	-	-	-
Put option liability	21	27 109 016	15 495 672	9 399 995	27 109 016	3 221 553	568 099	-	-	-	-
Insurance contract liabilities	16	677 375 535	351 579 491	239 145 945	670 838 104	72 149 171	14 114 979	-	-	-	-
Investment contract liabilities with DPF	17	83 168 044	37 075 077	25 581 412	83 168 044	7 707 916	1 548 512	-	-	-	-
Share based payment liabilities		12 586 943	1 044 754	4 413 253	12 586 943	217 205	266 720	3 367 348	337 749	3 367 348	70 218
Other payables	18	48 565 651	29 086 310	15 363 746	47 273 006	5 932 333	927 545	3 799 298	1 237 408	3 799 298	257 257
Current income tax liabilities		3 462 148	1 946 406	1 592 825	3 462 148	404 998	96 264	-	-	-	-
Total liabilities		**1 020 651 603**	**533 065 451**	**380 638 159**	**1 010 480 423**	**109 629 488**	**22 650 184**	**9 209 567**	**2 803 256**	**9 209 567**	**582 797**
TOTAL EQUITY AND LIABILITIES		**1 703 374 808**	**836 823 304**	**597 475 598**	**1 649 741 906**	**171 184 508**	**36 107 183**	**389 537 274**	**176 039 066**	**343 265 376**	**34 079 573**

* 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.

FIRST MUTUAL
HOLDINGS LIMITED
Go Beyond

Preliminary Unaudited Abridged Financial Statements
for the year ended 31 December 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	INFLATION ADJUSTED UNAUDITED 31-Dec-23 ZWL	INFLATION ADJUSTED UNAUDITED 31-Dec-22 ZWL	HISTORICAL COST UNAUDITED 31-Dec-23 ZWL	HISTORICAL COST UNAUDITED 31-Dec-22 ZWL
INCOME					
Insurance contract revenue	22	**1 088 839 567**	**400 734 931**	**503 246 025**	**47 216 581**
Insurance service expenses from insurance contracts issued	24	(942 910 207)	(332 117 228)	(476 932 423)	(45 004 442)
Insurance service result before reinsurance		**145 929 360**	**68 617 703**	**26 313 602**	**2 212 139**
Net expenses from reinsurance contracts held		(4 628 249)	6 263 038	28 929 520	4 438 193
Insurance service result		**141 301 111**	**74 880 741**	**55 243 122**	**6 650 332**
Insurance finance result		(267 727 040)	(65 218 625)	(461 063 120)	(38 856 028)
Net insurance & reinsurance performance		**(126 425 929)**	**9 662 116**	**(405 819 998)**	**(32 205 696)**
Net investment return	23	76 732 447	(35 089 392)	184 348 639	9 397 211
Net gains/losses from fair value adjustments to investment properties		528 654 414	164 102 145	952 512 506	89 043 619
Net change in investment contract liabilities		(28 972 449)	2 880 866	(42 125 647)	(1 561 010)
Movement in shareholder risk reserve		(5 982 739)	1 965 063	(7 143 854)	(97 258)
Net insurance & reinsurance performance after investment return		**444 005 744**	**143 520 798**	**681 771 646**	**64 576 866**
Rental income		39 115 696	13 072 162	23 675 978	2 120 545
Property expenses		(22 414 970)	(7 726 731)	(13 467 568)	(1 397 548)
Other income		35 036 400	11 850 817	30 948 502	1 822 982
Foreign currency exchange gains		71 021 561	28 051 551	43 550 010	4 329 341
Regulatory provision		(3 022 036)	(624 553)	(5 575 019)	(512 780)
Other administration expenses		(170 932 128)	(65 960 760)	(112 585 998)	(10 070 870)
Movement in premium credit adjustment		(4 897 860)	(1 525 939)	(4 897 860)	(317 243)
Movement in allowance for credit losses		(4 949 085)	(2 127 531)	(4 949 085)	(442 314)
Inflation adjustment monetary loss		(31 979 414)	(4 460 546)	-	-
Profit before share of (loss)/profit of associate		**350 983 908**	**114 069 268**	**638 470 606**	**60 108 979**
Share of (loss)/profit of associate		2 303 791	(1 517 995)	2 121 456	(70 814)
Profit before income tax		**353 287 699**	**112 551 273**	**640 592 062**	**60 038 165**
Income tax expense		(4 970 573)	(22 071 418)	(57 407 720)	(11 748 559)
Profit for the period		**348 317 126**	**90 479 855**	**583 184 342**	**48 289 606**
Other comprehensive income/(loss)					
Other comprehensive income to be reclassified to statement of comprehensive income in subsequent period					
Exchange loss on translating foreign operations		64 467 410	5 402 195	20 838 522	2 737 679
Share of other comprehensive profit/(loss)		(907 072)	1 505 038	2 176 393	135 723
Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods		**63 560 338**	**6 907 233**	**23 014 915**	**2 873 402**
Total comprehensive profit for the period		**411 877 464**	**97 387 088**	**606 199 257**	**51 163 008**
Profit attributable to:					
Non-controlling interest		197 692 701	48 785 600	307 527 693	25 723 600
Equity holders of the parent		150 624 425	41 694 255	275 656 649	22 566 006
Profit for the period		**348 317 126**	**90 479 855**	**583 184 342**	**48 289 606**
Total Comprehensive income attributable to:					
Non-controlling interest		188 397 855	51 144 021	309 722 694	26 306 143
Equity holders of the parent		223 479 609	46 243 067	296 476 563	24 856 865
Total comprehensive income for the period		**411 877 464**	**97 387 088**	**606 199 257**	**51 163 008**
Basic earnings per share (cents)		20,585	5,698	37,673	3,084
Diluted earnings per share (cents)		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.

STATEMENT OF CHANGES IN EQUITY
FOR THE ENDED 31 DECEMBER 2023

INFLATION ADJUSTED	Share capital ZWL	Share premium reserves ZWL	Non-distributable reserves ZWL	IFRS 17 Adoption reserve ZWL	Retained earnings ZWL	Total equity for parent ZWL	Non-controlling interest ZWL	Total equity ZWL
As at 1 January 2022	**1 993 008**	**39 968 853**	**12 373 576**	**-**	**69 074 157**	**123 409 593**	**99 112 420**	**222 522 013**
Impact of adopting IFRS 17	-	-	-	(6 749 926)	-	(6 749 926)	1 065 353	(5 684 573)
Restated as at 1 January 2022	**1 993 008**	**39 968 853**	**12 373 576**	**(6 749 926)**	**69 074 157**	**116 659 667**	**99 112 420**	**216 837 440**
Profit for the year	-	-	-	-	41 694 254	41 694 255	48 785 600	90 479 856
Other comprehensive (loss)/ income	-	-	4 548 812	-	-	4 548 812	2 358 422	6 907 234
Total comprehensive (loss)/ income	**-**	**-**	**4 548 812**	**-**	**41 694 254**	**46 243 067**	**51 144 022**	**97 387 090**
Transactions with shareholders in their capacity as owners								
Share options	-	-	(568 575)	-	568 575	-	-	-
FMP redemption of shares	-	-	-	-	-	-	45 011	45 011
FMP treasury shares buyback	-	-	273	-	79 406	79 679	(79 679)	-
Reclassification of NCI to put option liability	-	-	-	-	-	-	1 743 652	1 743 652
Remeasurement of Put option liability	-	-	(9 484 022)	-	-	(9 484 022)	-	(9 484 022)
Dividend declared and paid	-	-	-	-	(1 874 219)	(1 874 219)	(897 097)	(2 771 315)
As at 31 December 2022	**1 993 008**	**39 968 853**	**6 870 064**	**(6 749 926)**	**109 542 173**	**151 624 172**	**152 133 682**	**303 757 854**
As at 1 January 2023	**1 993 008**	**39 968 853**	**6 870 064**	**(6 749 926)**	**109 542 172**	**151 624 172**	**152 133 682**	**303 757 854**
Profit for the year	-	-	-	-	150 624 425	150 624 425	197 692 701	348 317 126
Other comprehensive income	-	-	72 855 183	-	-	72 855 183	(9 294 845)	63 560 338
Total comprehensive income	**-**	**-**	**72 855 183**	**-**	**150 624 425**	**223 479 608**	**188 397 856**	**411 877 464**
Transactions with shareholders in their capacity as owners								
FMP redemption of shares	-	-	-	-	-	-	55 647	55 647
FMP treasury shares buyback	-	-	299 132	-	76 374	375 507	(375 507)	-
Remeasurement of Put option liability	-	-	(16 498 310)	-	-	(16 498 310)	-	(16 498 310)
Reclassification to put option liability	-	-	-	-	-	-	(36 169 045)	(36 169 045)
Dividend declared and paid	-	-	-	-	(5 062 963)	(5 062 963)	(4 017 333)	(9 080 296)
As at 31 December 2023	**1 993 008**	**39 968 853**	**63 526 069**	**(6 749 926)**	**255 180 008**	**353 918 014**	**328 805 192**	**682 723 206**

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.

STATEMENT OF CHANGES IN EQUITY
FOR THE ENDED 31 DECEMBER 2023

HISTORICAL COST	Share capital ZWL	Share premium reserves ZWL	Non-distributable reserves ZWL	IFRS 17 Adoption reserve ZWL	Retained profits ZWL	Total equity for parent ZWL	Non-controlling interest ZWL	Total equity ZWL
As at 1 January 2022	**54 878**	**39 417**	**489 883**	**-**	**7 251 614**	**7 835 791**	**5 983 667**	**13 819 457**
Impact of adopting IFRS 17	-	-	-	(649 275)	-	(649 275)	286 817	(362 458)
Restated as at 1 January 2022	54 878	39 417	489 883	(649 275)	7 251 614	7 186 516	6 270 484	13 456 999
Profit for the year	-	-	-	-	22 566 006	22 566 007	25 723 600	48 289 607
Other comprehensive (loss)/ income	-	-	2 290 859	-	-	2 290 859	582 543	2 873 402
Total comprehensive (loss)/ income	**-**	**-**	**2 290 859**	**-**	**22 566 006**	**24 856 866**	**26 306 143**	**51 163 009**
Transactions with shareholders in their capacity as owners								
Share options	-	-	(116)	-	116	-	-	-
FMP redemption of shares	-	-	-	-	-	-	5 153	5 153
FMP treasury shares	-	-	52	-	15 528	15 580	(15 580)	-
Reclassification of NCI to put option liability	-	-	-	-	-	-	(681 724)	(681 724)
Remeasurement of Put option liability	-	-	(1 971 730)	-	-	(1 971 730)	-	(1 971 730)
Dividend declared and paid	-	-	-	-	(265 879)	(265 879)	(150 808)	(416 687)
As at 31 December 2022	**54 878**	**39 417**	**808 948**	**(649 275)**	**29 567 385**	**29 821 353**	**31 733 668**	**61 555 020**
As at 1 January 2023	**54 878**	**39 417**	**808 948**	**(649 275)**	**29 567 385**	**29 821 353**	**31 733 668**	**61 555 020**
Profit for the year	-	-	-	-	275 656 650	275 656 650	307 527 693	583 184 344
Other comprehensive income	-	-	20 819 915	-	-	20 819 915	2 195 000	23 014 915
Total comprehensive income	**-**	**-**	**20 819 915**	**-**	**275 656 650**	**296 476 565**	**309 722 693**	**606 199 259**
Transactions with shareholders in their capacity as owners								
FMP redemption of shares	-	-	-	-	-	-	28 175	28 175
FMP treasury shares buyback	-	-	96 460	-	168 719	265 179	(265 179)	-
Reclassification of NCI to put option liability	-	-	-	-	-	-	(22 701 216)	(22 701 216)
Remeasurement of Put option liability	-	-	(10 247 685)	-	-	(10 247 685)	-	(10 247 685)
Dividend declared and paid	-	-	-	-	(3 126 111)	(3 126 111)	(1 507 397)	(4 633 508)
As at 31 December 2023	**54 878**	**39 417**	**11 477 638**	**(649 275)**	**302 266 643**	**313 189 299**	**326 072 182**	**639 261 482**

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.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2023

	INFLATION ADJUSTED UNAUDITED 31-Dec-23 ZWL000	INFLATION ADJUSTED UNAUDITED 31-Dec-22 ZWL000	HISTORICAL COST UNAUDITED 31-Dec-23 ZWL000	HISTORICAL COST UNAUDITED 31-Dec-22 ZWL000
Profit before income tax	**353 287 699**	**112 551 273**	**640 592 062**	**60 038 165**
Total non- cash and separately disclosed items	357 304 707	(130 440 890)	(1 082 079 371)	(97 446 974)
Operating cash flows before working capital changes	**710 592 406**	**(17 889 617)**	**(441 487 309)**	**(37 408 809)**
Working capital changes	(597 132 654)	107 124 454	564 983 834	51 557 082
Cash (utilised in)/generated from operations	**113 459 752**	**89 234 837**	**123 496 525**	**14 148 273**
Finance costs on lease liability	(842 947)	(86 702)	(372 337)	(11 731)
Cash settled share based payments	(3 038 969)	(595 863)	(2 568 143)	(121 451)
Interest received	30 587 435	6 867 295	11 816 747	704 915
Interest paid	(5 734 150)	(936 782)	(3 777 364)	(126 373)
Tax paid	(20 213 537)	(6 348 153)	(7 710 186)	(725 245)
Net cash flows(utilised in)/ generated from operating activities	**114 217 584**	**88 134 632**	**120 885 242**	**13 868 388**
Net cash flow generated from/(used in) investing activities	**(130 034 121)**	**(44 914 038)**	**(54 088 027)**	**(5 136 850)**
Net cash flow used in financing activities	**6 242 473**	**4 227 734**	**5 669 278**	**903 324**
Net increase/(decrease) in cash and cash equivalents	**(9 574 064)**	**47 448 328**	**72 466 493**	**9 634 862**
Cash and cash equivalents at the beginning of the year	80 195 440	50 530 030	16 672 649	3 053 838
Effects of exchange rate changes on cash and cash equivalents	41 444 493	34 886 761	15 808 452	3 983 949
Effects of inflation on cash and cash equivalents	(7 118 275)	(52 669 679)	-	-
Cash and cash equivalents at the end of the period	**104 947 594**	**80 195 440**	**104 947 594**	**16 672 649**

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. Corporate information

The main business of First Mutual Holdings Limited ("the Company") and its subsidiaries (together the "Group") is that of provision of life and funeral assurance, health insurance, short term insurance, reinsurance, property management and development, wealth management, micro lending, funeral services and health services. First Mutual Holdings Limited is a public company, incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange. As at 31 December 2023, the Company's major shareholders were the National Social Security Authority ("NSSA") which owns 34.25% (2022: 65.53%) directly and an additional 5.33% (2022: 7.10%) indirectly through Capital Bank Limited (NSSA owns 84% (2022: 84%) of Capital Bank Limited) and CBZ Holdings Limited ("CBZHL") after acquiring 31.22% shares from NSSA in a transaction that was concluded on 6 September 2023. The registered office is located at Second Floor, First Mutual Park, 100 Borrowdale Road, Borrowdale, Harare, Zimbabwe. The consolidated historical and inflation adjusted financial statements of the Company and the Group for the period ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors at a meeting held on 18 March 2023.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

2.1. Statement of compliance

As noted in note 26; IPEC and FML have agreed a binding plan, and the two High Court applications by FML against IPEC have been withdrawn by consent. The Board and management are currently executing the agreed plan which should be concluded on or before 30 June 2024. The finalisation of the audits for financial year end 2021; 2022 and 2023 is dependent on the completion of the above processes.

2.2 Accounting policies

The accounting policies applied in the audited abridged financial results are consistent with the accounting policies in the prior year financial statements except for the adoption of IFRS 17 – Insurance contracts which are detailed below:

2.2.1 IFRS 17 – Insurance contracts and transitional provisions

On 1 January 2023 the Group adopted International Financial Reporting Standard (IFRS) 17 - Insurance Contracts. IFRS 17 requires the Group to measure its insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to those insurance contracts. These requirements are intended to provide uniformity across the industry as well as provide more transparent reporting on the financial position and risk of insurance businesses. The Group is provided with various options of transition from IFRS 4 – Insurance contracts. Considering the various circumstances from both an operational and financial reporting perspective, the Group opted for the full retrospective transitional approach for all its insurance & reinsurance contracts with the exception of growth annuities to which the fair value approach was applied. The date of such transition is 1 January 2022 for practical purposes. The fair value transitional approach was applied to growth annuities carried under the Variable Fee Approach (VFA) due to impracticability in determining the Contractual Service Margin (CSM) at the date of transition as required by IFRS 17 for the full retrospective approach.

2.2.2 Measurement models

2.2.2.1 Premium Allocation Approach (PAA)

The majority of contracts issued by the Group are accounted for under the PAA measurement model, the eligibility criteria which has been met by the Group contracts for all of its short-term insurance contracts (one year or less). The Group reasonably expects that such simplification (that is adoption of the PAA) will produce a measurement of the liability for remaining coverage (LRC) for the Group that would not differ materially from the one that would be produced by applying the requirements under other measurement models.

2.2.2.2 Variable Fee Approach (VFA)

The Group accounts for annuity contracts issued by its Life business contracts under the VFA measurement model.

2.2.3 Future cashflows and estimates

2.2.3.1 Best estimates of future cash flows

Best estimates of future cashflows refer to 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. The estimates of future cash flows are adjusted to reflect the effects of the time value of money and the financial risks to derive an expected present value.

2.2.3.2 Discount Rates

The discount rate is defined as the financial adjustment that is made to the future cashflows in order to determine their present value. Under IFRS 17, the discount rate is primarily used to adjust the estimates of future cash flows to reflect the time value of money and to accrete interest on the CSM. A bottom-up approach is used to determine the discount rate to be applied to a given set of expected future cash flows. For the period ended 31 December 2023, the Group has determined the risk-free rate by making reference to corporate bonds with an estimate of 12% and they are based on observable market data in addition to their other characteristics such as:

i. Covering a longer duration period compared to other instruments in the market.

ii. Traded regularly in the market.

2.2.3.3 Risk adjustment for non-financial risk

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.

For the period ended 31 December 2023, the following risk adjustment factors were adopted: these have been determined at a 90% confidence level.

Business Unit	Direct Business/ Reinsurance issued	Reinsurance/ Retrocession held
NicozDiamond Insurance Limited	8%	11%
First Mutual Health	0.3%	N/A
FMRE P & C Botswana	11%	11%
First Mutual Reinsurance Zimbabwe	11%	11%
First Mutual Life	10%	11%

2.2.3.4 Contractual Service Margin (CSM)

The CSM represents the future profit that the Group expects to earn from the portfolio of annuity contracts and is deferred to the Statement of Financial Position, effectively not resulting in income or expense at initial recognition. The CSM is remeasured and adjusted at each subsequent reporting period for changes in fulfilment cash flows relating to future service. The CSM is systematically recognised in insurance contract revenue to reflect the insurance contract services provided, based on the coverage units of the group of contracts.

2.2.3.5 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 and shall be immediately recognised on initial recognition in the Income Statement on day one.

2.2.3.6 Acquisition cashflows

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 it's products under PAA approach. Acquisition cashflows are amortised over the product life.

3. Inflation adjusted

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the 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. To comply with IAS 29 requirements the Group estimated the inflation rate for February 2023 to December 2023 by adjusting the last published consumer price index (January 2023) based on the monthly movement using the Total Consumption Poverty Line (TCPL). The resultant CPIs and their corresponding conversion factors are as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

Period	CPI	Conversion factor
31 December 2023	65 703	1
31 December 2022	13 673	4.81
31 December 2021	3 978	16.52

3.1 CPI Estimation

Total Consumption Poverty Line (TCPL) data from ZIMSTAT has been considered to be appropriate for the purposes of estimating the movement in inflation for the period from February 2023 to December 2023 due to the following reasons: - There is a strong coefficient of correlation rate of 99% between TCPL and the previously published Consumer Price Indices (CPIs) based on a research carried out by the Institute of Chartered Accountants of Zimbabwe - Using The TCPL data as estimation of movement in inflation allows for comparability of the Group's financial results with the rest of the market.

3.2 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.

4 Audit opinion

The audit is incomplete pending completion of a binding plan between IPEC and FML. Please refer to note 26 for more information.

	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	GROUP	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY	COMPANY
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
5 Property, vehicles and equipment								
At 1 January	11 293 857	7 933 742	708 321	140 853	102 916	112 129	2 861	2 210
Additions	18 962 194	5 333 496	7 232 877	610 928	90 725	5 334	34 468	747
Disposals	(210 679)	(30 030)	(45 416)	(887)	(7 262)	-	(330)	-
Depreciation charge and disposal	(1 920 198)	(1 943 351)	(294 447)	(42 573)	(100 889)	(14 547)	(6 714)	(96)
Closing balance	**28 125 174**	**11 293 857**	**7 601 335**	**708 321**	**85 490**	**102 916**	**30 285**	**2 861**
6 Investment property								
At 1 January	536 002 018	372 408 997	111 434 931	22 506 950	5 679 648	-	1 180 800	-
Additions	18 772 269	722 765	9 733 814	82 790	-	8 111 568	-	1 074 138
Disposal or transfer to Subsidiaries	(3 112 266)	(1 047 185)	(2 113 408)	(160 028)	(2 795 520)	(1 412 986)	(2 880 500)	(272 000)
Transfer from or to Non-current asset held for sale	184 704	(184 704)	38 400	(38 400)	-	-	-	-
Fair value adjustments	528 654 414	164 102 145	952 512 506	89 043 619	2 258 372	(1 018 934)	6 842 200	378 662
Closing balance	**1 080 501 139**	**536 002 018**	**1 071 606 243**	**111 434 931**	**5 142 500**	**5 679 648**	**5 142 500**	**1 180 800**

The Group's fair values of its investment properties are based on valuations performed by Knight Frank Zimbabwe an accredited independent valuer. Knight Frank is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. The valuations are based upon assumptions on future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. Where the market information is available, the valuers make use of market information from transactions of similar properties . Significant judgements were applied as at 31 December 2023 as a result of the uncertainties resulting from the hyperinflationary economic environment, currency shifts, excessive market volatility and lack of recent transactions conducted in ZWL.

	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	GROUP	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY	COMPANY
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
7 Leases								
Right of use of assets								
As at 1 January	229 863	231 100	47 789	13 967	1 673 417	964 487	102 449	23 124
Additions	7 616 183	340 104	1 794 216	38 957	-	-	-	-
Modification	-	-	-	-	648 700	1 087 301	487 744	102 489
Depreciation charge for the year	(581 776)	(148 562)	(136 583)	(17 017)	(301 698)	(378 371)	(76 680)	(23 164)
Exchange rate effects	137 931	(192 779)	47 892	11 882	-	-	-	-
Closing balance	**7 402 201**	**229 863**	**1 753 314**	**47 789**	**2 020 419**	**1 673 417**	**513 513**	**102 449**
Lease liability								
Current	1 481 297	234 944	1 481 297	48 845	256 789	20 657	256 789	4 295
Non-current	2 290 785	363 344	2 290 785	75 539	1 786 132	1 207 442	1 786 132	251 027
Closing balance	**3 772 082**	**598 288**	**3 772 082**	**124 384**	**2 042 921**	**1 228 099**	**2 042 921**	**255 322**

Preliminary Unaudited Abridged Financial Statements
for the year ended 31 December 2023

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

	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	GROUP	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY	COMPANY
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
8 Investment in subsidiaries								
First Mutual Microfinance (Private) Limited	-	-	-	-	4 465 467	759 300	4 281 114	104 603
First Mutual Life Assurance Company (Private) Limited	-	-	-	-	193 580 612	91 549 718	181 720 496	18 206 148
First Mutual Health Company (Private) Limited	-	-	-	-	48 100 296	24 205 864	40 928 053	4 427 245
First Mutual Reinsurance Company (Private) Limited	-	-	-	-	21 505 469	4 176 876	25 719 351	927 000
FMRE Property & Casualty (Proprietary) Limited	-	-	-	-	18 678 162	9 352 843	12 207 261	1 944 458
First Mutual Wealth Management (Private) Limited	-	-	-	-	4 456 279	1 113 560	3 897 294	213 764
NicozDiamond Insurance Limited	-	-	-	-	73 929 317	32 633 484	51 390 227	6 000 892
Total	**-**	**-**	**-**	**-**	**364 715 603**	**163 791 645**	**320 143 797**	**31 824 110**
9 Financial assets at fair value through profit or loss								
At 1 January	85 006 201	101 489 042	17 672 807	6 133 603	2 569 188	5 142 149	534 135	310 771
Purchases	83 764 788	20 449 374	31 950 968	2 342 385	238 648	9 416	134 766	1 349
Disposals	(6 854 896)	(1 386 059)	(2 614 709)	(158 767)	(36 502)	(228 709)	(26 785)	(23 605)
Fair value gain on unquoted investments	18 202 265	1 470 473	31 978 119	2 066 947	-	-	-	-
Fair value gain on quoted equities	41 276 533	(37 016 629)	142 407 706	7 288 639	7 867 700	(2 353 668)	9 996 917	245 620
Closing balance	**221 394 891**	**85 006 201**	**221 394 891**	**17 672 807**	**10 639 033**	**2 569 188**	**10 639 033**	**534 135**
10 Debt securities at amortised cost								
At 1 January	12 094 099	3 088 483	2 514 366	186 656	259 365	391 078	53 922	23 635
Purchases	88 925 237	21 175 854	36 622 149	2 425 600	1 958 680	200 431	1 021 327	37 540
Maturities	(53 130 431)	(854 599)	(19 186 958)	(97 891)	(435 284)	(65 909)	(157 194)	(7 253)
Exchange gains or loss	62 778 093	-	32 734 811		-	-	-	-
Monetary gain/ loss adjustment	(57 982 630)	(11 315 640)	-	-	(864 705)	(266 235)	-	-
Closing balance	**52 684 368**	**12 094 099**	**52 684 368**	**2 514 366**	**918 056**	**259 365**	**918 056**	**53 922**
11 Net Reinsurance contract assets								
Reinsurance contract assets	100 146 884	36 932 313	89 942 883	7 425 002	-	-	-	-
Reinsurance contract Liabilities	-	-	-	-	-	-	-	-
Net reinsurance contract assets	**100 146 884**	**36 932 313**	**89 942 883**	**7 425 002**	**-**	**-**	**-**	**-**
12 Tenant and other receivables								
Premium receivables from intermidiaries	58 918 067	37 991 876	58 918 067	7 898 519	-	-	-	-
Tenant receivables	4 204 836	2 375 376	4 204 836	493 841	4 311	-	4 311	-
Amounts due from Group companies	-	-	-	-	1 064 402	368 941	1 064 402	118 250
Other receivables	19 209 989	18 787 821	16 693 852	3 793 940	1 542 078	814 785	1 542 078	127 847
Total	**82 332 892**	**59 155 073**	**79 816 755**	**12 186 300**	**2 610 791**	**1 183 726**	**2 610 791**	**246 097**
13 Cash and balances with banks								
Money market investments with original maturities less than 90 days	55 992 420	42 008 173	55 992 420	8 733 508	1 070 468	187 440	1 070 468	38 969
Cash at bank and on hand	48 955 174	38 187 267	48 955 174	7 939 141	2 181 069	418 724	2 181 069	87 053
Cash and balances with banks	**104 947 594**	**80 195 440**	**104 947 594**	**16 672 649**	**3 251 537**	**606 164**	**3 251 537**	**126 022**
14 Investment contract liabilities without DPF								
At 1 January	15 586 316	27 787 833	3 240 398	1 679 388	-	-	-	-
Movement for the period	29 218 064	(12 201 517)	41 563 982	1 561 010	-	-	-	-
Closing balance	**44 804 380**	**15 586 316**	**44 804 380**	**3 240 398**	**-**	**-**	**-**	**-**
15 Shareholder risk reserve								
At 1 January	1 465 869	-	304 754	-	-	-	-	-
Movement	5 982 739	1 465 869	7 143 854	304 754	-	-	-	-
Closing balance	**7 448 608**	**1 465 869**	**7 448 608**	**304 754**	**-**	**-**	**-**	**-**
16 Net Insurance contract liabilities								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	(677 375 535)	(351 579 491)	(670 838 104)	(72 149 171)	-	-	-	-
Net insurance contract liabilities	**(677 375 535)**	**(351 579 491)**	**(670 838 104)**	**(72 149 171)**	**-**	**-**	**-**	**-**

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

	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	GROUP	GROUP	GROUP	GROUP	COMPANY	COMPANY	COMPANY	COMPANY
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
17 Investment contract liabilities with DPF								
Life Savings VFA	83 168 044	37 075 077	83 168 044	7 707 916	-	-	-	-
Total	**83 168 044**	**37 075 077**	**83 168 044**	**7 707 916**	**-**	**-**	**-**	**-**
18 Other payables								
	43 672 582	26 781 465	42 379 937	5 453 155	3 735 492	871 694	3 735 492	181 225
Other payables	13 263 661	6 973 396	11 971 015	1 335 053	474 885	231	474 885	14 050
Provisions	14 629 752	9 533 328	14 629 752	1 981 981	1 397 834	644 685	1 397 834	134 030
Payroll and statutory payables	6 108 690	2 953 966	6 108 690	614 130	1 817 157	157 653	1 817 157	32 776
Accrued expenses	8 886 130	6 031 527	8 886 130	1 253 956	39 570	67 581	39 570	48
Trade payables	784 349	1 289 248	784 350	268 035	6 045	1 544	6 045	321
Property business related liabilities	4 893 069	2 304 845	4 893 069	479 178	-	-	-	-
Amounts due to group companies	-	-	-	-	63 806	365 714	63 806	76 032
Total	**48 565 651**	**29 086 310**	**47 273 006**	**5 932 333**	**3 799 298**	**1 237 408**	**3 799 298**	**257 257**

19 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
Note	**19.3**	**19.4**	**19.5**	**19.2**	**19.1**	
Inflation adjusted						
As at 31 December 2023						
Insurance contract assets	-	-	-	-	-	-
Insurance contract liabilities	4 188 090	421 418 130	83 168 044	47 254 648	204 514 667	760 543 579
Net insurance contract assets/(liabilities)	**4 188 090**	**421 418 130**	**83 168 044**	**47 254 648**	**204 514 667**	**760 543 579**
	-	-		-	-	-
Reinsurance contract assets	(151 508)	-	-	-	(99 995 376)	(100 146 884)
Reinsurance contract liabilities	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities)	**(151 508)**	**-**	**-**	**-**	**(99 995 376)**	**(100 146 884)**
	-	0		-	-	-
As at 31 December 2022	-	-		-	-	-
Insurance contract assets	-	-		-	-	-
Insurance contract liabilities	1 766 354	212 389 120	37 075 077	23 110 699	114 313 318	388 654 568
Net insurance contract assets/(liabilities)	**1 766 354**	**212 389 120**	**37 075 077**	**23 110 699**	**114 313 318**	**388 654 568**
	-	-		-	-	-
Reinsurance contract assets	(159 529)	-	-	-	(36 772 783)	(36 932 313)
Reinsurance contract liabilities	-	-	-	-	-	-
Net reinsurance contract assets/ (liabilities)	**(159 529)**	**-**	**-**	**-**	**(36 772 783)**	**(36 932 313)**
Historical cost						
As at 31 December 2023						
Insurance contract assets	-	-	-	-	-	-
Insurance contract liabilities	3 428 055	421 418 130	83 168 044	43 530 496	202 461 423	754 006 148
Net insurance contract assets/(liabilities)	**3 428 055**	**421 418 130**	**83 168 044**	**43 530 496**	**202 461 423**	**754 006 148**
	-	-		-	-	-
Reinsurance contract assets	(151 508)	-	-	-	(89 791 375)	(89 942 883)
Reinsurance contract liabilities	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities)	**(151 508)**	**-**	**-**	**-**	**(89 791 375)**	**(89 942 883)**
	-	-		-	-	-
As at 31 December 2022	-	-		-	-	-
Insurance contract assets	-	-		-	-	-
Insurance contract liabilities	310 421	44 155 742	7 707 916	4 030 467	23 652 540	79 857 087
Net insurance contract assets/(liabilities)	**310 421**	**44 155 742**	**7 707 916**	**4 030 467**	**23 652 540**	**79 857 087**
	-	-		-	-	-
Reinsurance contract assets	(33 166)	-	-	-	(7 391 836)	(7 425 002)
Reinsurance contract liabilities	-	-	-	-	-	-
Net reinsurance contract assets/ (liabilities)	**(33 166)**	**-**	**-**	**-**	**(7 391 836)**	**(7 425 002)**

19.1 Property and Casualty
19.1.1 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:

	2023					
INFLATION ADJUSTED	**LRC**			**LIC for contracts under PAA**		
Property and Casualty - Insurance contracts issued	**Excluding loss comp.**	**Loss comp**	**LIC for contracts not under the PAA**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	**Total**
Opening insurance contract liabilities	35 073 156	-	-	88 930 740	4 623 450	128 627 346
Opening insurance contract assets	(14 314 028)	-	-	-	-	(14 314 028)
Net balance as at 1 January	**18 160 624**	**-**	**-**	**88 930 740**	**4 623 450**	**114 313 318**
Insurance revenue	**(690 261 113)**	**-**	**-**	**-**	**-**	**(690 261 113)**
Insurance service expenses	**-**			**-**	**-**	**-**
Incurred claims and other directly attributable expenses	-	-	-	267 258 555	-	267 258 555
Changes that relate to past service adjustments to the LIC	-	-	-	69 001 590	24 624 501	93 626 090
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	272 765 746	-	-	-	-	272 765 746
Insurance service expenses	**272 765 746**	**-**	**-**	**336 260 145**	**24 624 501**	**633 650 392**
Insurance service result	**417 495 366)**	**-**	**-**	**336 260 145**	**24 624 501**	**(56 610 721)**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(417 495 366)**	**-**	**-**	**336 260 145**	**24 624 501**	**(56 610 721)**
Investment components	-	-	-	-	-	-
Effects of inflation	-	-	-	(78 466 939)	(19 352 774)	(97 819 712)
Cash flows	-	-	-	-	-	-
Premiums received	532 175 342	-	-	-	-	532 175 342
Claims and other directly attributable expenses paid	-	-	-	(181 744 396)	-	(181 744 396)
Insurance acquisition cash flows	(105 799 164)	-	-	-	-	(105 799 164)
Total cash flows	**426 376 178**	**-**	**-**	**(181 744 396)**	**-**	**244 631 782**
Net balance as at 31 December	**-**	**-**	**-**	**-**	**-**	**-**
Closing insurance contract liabilities	78 295 284	-	-	164 979 550	9 895 176	253 170 011
Closing insurance contract assets	(48 655 344)	-	-	-	-	(48 655 344)
Net balance as at 31 December	**29 639 940**	**-**	**-**	**164 979 550**	**9 895 176**	**204 514 667**

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

19.1 Property and Casualty (continued)
19.1.1 Property and Casualty - Insurance contracts issued (continued)
Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

HISTORICAL COST Property and Casualty - Insurance contracts issued	2 023 LRC Excluding loss comp.	Loss comp	LIC for contracts under PAA LIC for contracts not under the PAA	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Opening insurance contract liabilities	8 018 896	-	-	18 488 719	961 216	27 468 831
Opening insurance contract assets	(3 816 291)	-	-	-	-	(3 816 291)
Net balance as at 1 January	**4 202 605**	**-**	**-**	**18 488 719**	**961 216**	**23 652 540**
Insurance revenue	**(269 777 942)**	**-**	**-**	**-**	**-**	**(269 777 942)**
Insurance service expenses	**-**	**-**	**-**	**-**	**-**	**-**
Incurred claims and other directly attributable expenses	-	-	-	84 321 474	-	84 321 474
Changes that relate to past service adjustments to the LIC	-	-	-	86 032 758	8 933 960	94 966 718
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	112 464 371	-	-	-	-	112 464 371
Insurance service expenses	**112 464 371**	**-**	**-**	**170 354 231**	**8 933 960**	**291 752 563**
Insurance service result	**(157 313 570)**	**-**	**-**	**170 354 231**	**8 933 960**	**21 974 621**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(157 313 570)**	**-**	**-**	**170 354 231**	**8 933 960**	**21 974 621**
Investment components	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Cash flows	**-**	**-**	**-**	**-**	**-**	**-**
Premiums received	301 192 784	-	-	-	-	301 192 784
Claims and other directly attributable expenses paid	-	-	-	(23 863 400)	-	(23 863 400)
Insurance acquisition cash flows	(120 495 122)	-	-	-	-	(120 495 122)
Total cash flows	**180 697 662**	**-**	**-**	**(23 863 400)**	**-**	**156 834 262**
Net balance as at 31 December	**-**	**-**	**-**	**-**	**-**	**-**
Closing insurance contract liabilities	82 019 506	-	-	164 979 550	9 895 176	256 894 233
Closing insurance contract assets	(54 432 810)	-	-	-	-	(54 432 810)
Net balance as at 31 December	**27 586 696**	**-**	**-**	**164 979 550**	**9 895 176**	**202 461 423**

INFLATION ADJUSTED Property and Casualty - Insurance contracts issued	LRC Excluding loss comp.	Loss comp	2022 LIC for contracts under PAA LIC for contracts not under the PAA	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Opening insurance contract liabilities	5 291 409	-	-	43 787 691	1 045 439	50 124 540
Opening insurance contract assets	(8 464 049)	-	-	-	-	(8 464 049)
Net balance as at 1 January	**(3 172 640)**	**-**	**-**	**43 787 691**	**1 045 439**	**41 660 491**
Insurance revenue	**(219 978 219)**	**-**	**-**	**-**	**-**	**(219 978 219)**
Insurance service expenses	**-**	**-**	**-**	**-**	**-**	**-**
Incurred claims and other directly attributable expenses	-	-	-	94 156 947	-	94 156 947
Changes that relate to past service adjustments to the LIC	-	-	-	38 789 504	5 406 896	44 196 400
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	65 616 153	-	-	-	-	65 616 153
Insurance service expenses	**65 616 153**	**-**	**-**	**132 946 451**	**5 406 896**	**203 969 500**
Insurance service result	**(154 362 066)**	**-**	**-**	**132 946 451**	**5 406 896**	**(16 008 719)**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(154 362 066)**	**-**	**-**	**132 946 451**	**5 406 896**	**(16 008 719)**
Investment components	-	-	-	-	-	-
Effects of inflation	-	-	-	3 082 337	(1 828 885)	1 253 452
Cash flows	**-**	**-**	**-**	**-**	**-**	**-**
Premiums received	196 846 214	-	-	-	-	196 846 214
Claims and other directly attributable expenses paid	-	-	-	(90 885 740)	-	(90 885 740)
Insurance acquisition cash flows	(18 552 379)	-	-	-	-	(18 552 379)
Total cash flows	**178 293 835**	**-**	**-**	**(90 885 740)**	**-**	**87 408 095**
Net balance as at 31 December	**-**	**-**	**-**	**-**	**-**	**-**
Closing insurance contract liabilities	35 073 156	-	-	88 930 740	4 623 450	128 627 346
Closing insurance contract assets	(14 314 028)	-	-	-	-	(14 314 028)
Net balance as at 31 December	**20 759 129**	**-**	**-**	**88 930 740**	**4 623 450**	**114 313 318**

HISTORICAL COST Property and Casualty - Insurance contracts issued	LRC Excluding loss comp.	Loss comp	2022 LIC for contracts under PAA LIC for contracts not under the PAA	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Opening insurance contract liabilities	714 324	-	-	3 878 451	90 623	4 683 398
Opening insurance contract assets	(1 594 301)	-	-	-	-	(1 594 301)
Net balance as at 1 January	**(879 977)**	**-**	**-**	**3 878 451**	**90 623**	**3 089 097**
Insurance revenue	**(21 394 987)**	**-**	**-**	**-**	**-**	**(21 394 987)**
Insurance service expenses	**-**	**-**	**-**	**-**	**-**	**-**
Incurred claims and other directly attributable expenses	-	-	-	8 574 518	-	8 574 518
Changes that relate to past service adjustments to the LIC	-	-	-	8 323 729	870 593	9 194 322
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	8 057 396	-	-	-	-	8 057 396
Insurance service expenses	**8 057 396**	**-**	**-**	**16 898 248**	**870 593**	**25 826 236**
Insurance service result	**(13 337 592)**	**-**	**-**	**16 898 248**	**870 593**	**4 431 249**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(13 337 592)**	**-**	**-**	**16 898 248**	**870 593**	**4 431 249**
Investment components	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Cash flows	**-**	**-**	**-**	**-**	**-**	**-**
Premiums received	25 475 604	-	-	-	-	25 475 604
Claims and other directly attributable expenses paid	-	-	-	(2 287 980)	-	(2 287 980)
Insurance acquisition cash flows	(7 055 430)	-	-	-	-	(7 055 430)
Total cash flows	**18 420 174**	**-**	**-**	**(2 287 980)**	**-**	**16 132 194**
Net balance as at 31 December	**-**	**-**	**-**	**-**	**-**	**-**
Closing insurance contract liabilities	8 018 896	-	-	18 488 719	961 216	27 468 831
Closing insurance contract assets	(3 816 291)	-	-	-	-	(3 816 291)
Net balance as at 31 December	**4 202 605**	**-**	**-**	**18 488 719**	**961 216**	**23 652 540**

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

19.1 Property and Casualty (continued)

19.1.2 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:

INFLATION ADJUSTED	Remaining coverage	Incurred claims for contracts not under the PAA	2023 Incurred claims for contracts under the PAA Present value of future cash flows	Risk adjustment for nonfinancial risk	Total
Opening reinsurance contract assets	(11 326 050)	-	(51 677 003)	(2 611 458)	(65 614 512)
Opening reinsurance contract liabilities	16 542 516	-	12 299 213	-	28 841 728
Net balance as at 1 January	**5 216 466**	**-**	**(39 377 791)**	**(2 611 458)**	**(36 772 783)**
Net income (expenses) from reinsurance contracts held	**-**	**-**	**-**	**-**	**-**
Reinsurance expenses	262 772 883	-	-	-	262 772 883
Other incurred directly attributable expenses	(11 474 621)	-	-	-	(11 474 621)
Claims recovered	-	-	(190 235 226)	-	(190 235 226)
Changes that relate to past service - adjustments to incurred claims	-	-	(52 128 433)	-	(52 128 433)
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	-	(5 734 128)	(5 734 128)
Net income (expenses) from reinsurance contracts held	**251 298 262**	**-**	**(242 363 659)**	**(5 734 128)**	**3 200 475**
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	**251 298 262**	**-**	**(242 363 659)**	**(5 734 128)**	**3 200 475**
Investment components	-	-	-	-	-
Effects of inflation	-	-	12 897 645	2 398 370	15 296 015
Cash flows	**-**	**-**	**-**	**-**	**-**
Premiums paid net of ceding commissions and other directly attributable expenses paid	(296 161 068)	-	55 681 205	-	(240 479 863)
Recoveries from reinsurance	-	-	158 760 781	-	158 760 781
Total cash flows	**(296 161 068)**	**-**	**214 441 985**	**-**	**(81 719 083)**
Net balance as at 31 December	**-**	**-**	**-**	**-**	**-**
Closing reinsurance contract assets	(40 095 291)	-	(54 858 193)	(5 947 216)	(100 900 700)
Closing reinsurance contract liabilities	448 951	-	456 374	-	905 324
Net balance as at 31 December	**(39 646 341)**	**-**	**(54 401 820)**	**(5 947 216)**	**(99 995 376)**

HISTORICAL COST	Remaining coverage	Incurred claims for contracts not under the PAA	2023 Incurred claims for contracts under the PAA Present value of future cash flows	Risk adjustment for nonfinancial risk	Total
Opening reinsurance contract assets	(2 360 934)	-	(10 746 121)	(542 923)	(13 649 978)
Opening reinsurance contract liabilities	3 698 672	-	2 559 470	-	6 258 142
Net balance as at 1 January	**1 337 737**	**-**	**(8 186 651)**	**(542 923)**	**(7 391 836)**
Net income (expenses) from reinsurance contracts held	**-**	**-**	**-**	**-**	**-**
Reinsurance expenses	87 291 300	-	-	-	87 291 300
Other incurred directly attributable expenses	(5 657 179)	-	-	-	(5 657 179)
Claims recovered	-	-	(53 576 566)	-	(53 576 566)
Changes that relate to past service - adjustments to incurred claims	-	-	(52 128 433)	-	(52 128 433)
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	-	(5 734 128)	(5 734 128)
Net income (expenses) from reinsurance contracts held	**81 634 121**	**-**	**(105 704 999)**	**(5 734 128)**	**(29 475 170)**
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	**81 634 121**	**-**	**(105 704 999)**	**(5 734 128)**	**(29 475 170)**
Investment components	-	-	-	-	-
Other changes	-	-	-	329 835	329 835
Cash flows	**-**	**-**	**-**	**-**	**-**
Premiums paid net of ceding commissions and other directly attributable expenses paid	(112 414 198)	-	(13 774 098)	-	(126 188 296)
Recoveries from reinsurance	-	-	73 263 928	-	73 263 928
Total cash flows	**112 414 198)**	**-**	**59 489 830**	**-**	**(52 924 368)**
Net balance as at 31 December	**-**	**-**	**-**	**-**	**-**
Closing reinsurance contract assets	(22 566 433)	-	(70 387 051)	(5 947 216)	(98 900 700)
Closing reinsurance contract liabilities	(6 875 906)	-	15 985 232	-	9 109 326
Net balance as at 31 December	**(29 442 339)**	**-**	**(54 401 820)**	**(5 947 216)**	**(89 791 375)**

INFLATION ADJUSTED	2022 Remaining coverage	Incurred claims for contracts not under the PAA	Incurred claims for contracts under the PAA Present value of future cash flows	Risk adjustment for nonfinancial risk	Total
Opening reinsurance contract assets	(6 020 939)	-	(1 207 897)	(719 852)	(7 948 689)
Opening reinsurance contract liabilities	1 420 177	-	(26 041)	-	1 394 136
Net balance as at 1 January	**(4 600 762)**	**-**	**(1 233 938)**	**(719 852)**	**(6 554 553)**
Net income (expenses) from reinsurance contracts held	**-**	**-**	**-**	**-**	**-**
Reinsurance expenses	77 604 795	-	-	-	77 604 795
Other incurred directly attributable expenses	(5 796 368)	-	-	-	(5 796 368)
Claims recovered	-	-	(55 202 511)	-	(55 202 511)
Changes that relate to past service - adjustments to incurred claims	-	-	(20 722 117)	-	(20 722 117)
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	-	(2 261 621)	(2 261 621)
Net income (expenses) from reinsurance contracts held	**71 808 427**	**-**	**(75 924 628)**	**(2 261 621)**	**(6 377 823)**
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	**71 808 427**	**-**	**(75 924 628)**	**(2 261 621)**	**(6 377 823)**
Investment components	-	-	-	-	-
Effects of inflation	-	-	27 602 661	370 015	27 972 676
Cash flows	**-**	**-**	**-**	**-**	**-**
Premiums paid net of ceding commissions and other directly attributable expenses paid	(61 991 199)	-	(4 145 400)	-	(66 136 599)
Recoveries from reinsurance	-	-	14 323 515	-	14 323 515
Total cash flows	**(61 991 199)**	**-**	**10 178 115**	**-**	**(51 813 084)**
Net balance as at 31 December	**-**	**-**	**-**	**-**	**-**
Closing reinsurance contract assets	(11 326 050)	-	(51 677 003)	(2 611 458)	(65 614 512)
Closing reinsurance contract liabilities	16 542 516	-	12 299 213	-	28 841 728
Net balance as at 31 December	**5 216 466**	**-**	**(39 377 791)**	**(2 611 458)**	**(36 772 783)**

FIRST MUTUAL
HOLDINGS LIMITED
Go Beyond

Preliminary Unaudited Abridged Financial Statements
for the year ended 31 December 2023

19.1 Property and Casualty (continued)

19.1.2 Property and Casualty - Reinsurance contracts held (continued)
Reconciliation of the remaining coverage and incurred claims components (continued)

HISTORICAL COST		2022	Incurred claims for contracts under the PAA		
	Remaining coverage	Incurred claims for contracts not under the PAA	Present value of future cash flows	Risk adjustment for nonfinancial risk	Total
Opening reinsurance contract assets	(961 448)	-	(251 504)	(72 731)	(1 285 683)
Opening reinsurance contract liabilities	251 595	-	7 570	-	259 165
Net balance as at 1 January	**(709 853)**	**-**	**(243 934)**	**(72 731)**	**(1 026 518)**
Net income (expenses) from reinsurance contracts held	-	-	-	-	-
Reinsurance expenses	7 159 925	-	-	-	7 159 925
Other incurred directly attributable expenses	(760 349)	-	-	-	(760 349)
Claims recovered	-	-	(6 092 601)	-	(6 092 601)
Changes that relate to past service - adjustments to incurred claims	-	-	(4 274 107)	-	(4 274 107)
Changes that relate to future service - changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	-	-	-	-	-
Effect of changes in the risk of reinsurers non-performance	-	-	-	(470 192)	(470 192)
Net income (expenses) from reinsurance contracts held	**6 399 576**	**-**	**(10 366 708)**	**(470 192)**	**(4 437 323)**
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	**6 399 576**	**-**	**(10 366 708)**	**(470 192)**	**(4 437 323)**
Investment components	-	-	-	-	-
Other changes	-	-	-	-	-
Cash flows	-	-	-	-	-
Premiums paid net of ceding commissions and other directly attributable expenses paid	(4 351 986)	-	(487 917)	-	(4 839 903)
Recoveries from reinsurance	-	-	2 911 908	-	2 911 908
Total cash flows	**(4 351 986)**	**-**	**2 423 991**	**-**	**(1 927 995)**
Net balance as at 31 December	-	-	-	-	-
Closing reinsurance contract assets	(2 360 934)	-	(10 746 121)	(3 102 393)	(16 209 448)
Closing reinsurance contract liabilities	3 698 672	-	2 559 470	2 559 470	8 817 612
Net balance as at 31 December	**1 337 737**	**-**	**(8 186 651)**	**(542 923)**	**(7 391 836)**

19.2 HEALTH

19.2.1 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 Health- Insurance contracts issued	LRC		2 023	LIC for contracts under PAA		
	Excluding loss comp.	Loss comp	LIC for contracts not under the PAA	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Opening insurance contract liabilities	7 921 390	-	-	15 147 940	41 369	23 110 699
Opening insurance contract assets	-	-	-	-	-	-
Net balance as at 1 January	**7 921 390**	**-**	**-**	**15 147 940**	**41 369**	**23 110 699**
Insurance revenue	**(327 086 762)**	**-**	**-**	**-**	**-**	**(327 086 762)**
Insurance service expenses	-	-	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	-	255 465 123	-	255 465 123
Changes that relate to past service adjustments to the LIC	-	-	-	6 292 182	49 865	6 342 047
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	1 878 333	-	-	-	-	1 878 333
Insurance service expenses	**1 878 333**	**-**	**-**	**261 757 305**	**49 865**	**263 685 504**
Insurance service result	**(325 208 429)**	**-**	**-**	**261 757 305**	**49 865**	**(63 401 258)**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(325 208 429)**	**-**	**-**	**261 757 305**	**49 865**	**(63 401 258)**
Investment components	-	-	-	-	-	-
Effects of inflation	-	-	-	(69 740)	28 370	(41 369)
Cash flows	-	-	-	-	-	-
Premiums received	339 987 573	-	-	-	-	339 987 573
Claims and other directly attributable expenses paid	-	-	-	(250 522 663)	-	(250 522 663)
Insurance acquisition cash flows	(1 878 333)	-	-	-	-	(1 878 333)
Total cash flows	**338 109 239**	**-**	**-**	**(250 522 663)**	**-**	**87 586 576**
Net balance as at 31 December	-	-	-	-	-	-
Closing insurance contract liabilities	20 822 201	-	-	26 312 842	119 605	47 254 648
Closing insurance contract assets	-	-	-	-	-	-
Net balance as at 31 December	**20 822 201**	**-**	**-**	**26 312 842**	**119 605**	**47 254 648**

HISTORICAL COST Health- Insurance contracts issued	LRC		2023	LIC for contracts under PAA		
	Excluding loss comp.	Loss comp	LIC for contracts not under the PAA	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Opening insurance contract liabilities	872 607	-	-	3 149 260	8 601	4 030 467
Opening insurance contract assets	-	-	-	-	-	-
Net balance as at 1 January	**872 607**	**-**	**-**	**3 149 260**	**8 601**	**4 030 467**
Insurance revenue	**(193 992 986)**	**-**	**-**	**-**	**-**	**(193 992 986)**
Insurance service expenses	-	-	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	-	149 304 224	-	149 304 224
Changes that relate to past service adjustments to the LIC	-	-	-	8 069 207	111 004	8 180 211
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	1 314 085	-	-	-	-	1 314 085
Insurance service expenses	**1 314 085**	**-**	**-**	**157 373 431**	**111 004**	**158 798 520**
Insurance service result	**(192 678 901)**	**-**	**-**	**157 373 431**	**111 004**	**(35 194 465)**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(192 678 901)**	**-**	**-**	**157 373 431**	**111 004**	**(35 194 465)**
Investment components	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Cash flows	-	-	-	-	-	-
Premiums received	210 218 428	-	-	-	-	210 218 428
Claims and other directly attributable expenses paid	-	-	-	(134 209 849)	-	(134 209 849)
Insurance acquisition cash flows	(1 314 085)	-	-	-	-	(1 314 085)
Total cash flows	**208 904 343**	**-**	**-**	**(134 209 849)**	**-**	**74 694 494**
Net balance as at 31 December	-	-	-	-	-	-
Closing insurance contract liabilities	17 098 049	-	-	26 312 842	119 605	43 530 496
Closing insurance contract assets	-	-	-	-	-	-
Net balance as at 31 December	**17 098 049**	**-**	**-**	**26 312 842**	**119 605**	**43 530 496**

19.2 HEALTH (continued)

19.2.1 Health - Insurance contracts issued (continued)
Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

INFLATION ADJUSTED Health - Insurance contracts issued	LRC		2022	LIC for contracts under PAA		
	Excluding loss comp.	Loss comp	LIC for contracts not under the PAA	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Opening insurance contract liabilities	28 289 531	-	-	5 166 068	40 065	33 495 664
Opening insurance contract assets	-	-	-	-	-	-
Net balance as at 1 January	**28 289 531**	**-**	**-**	**5 166 068**	**40 065**	**33 495 664**
Insurance revenue	**(145 392 614)**	**-**	**-**	**-**	**-**	**(145 392 614)**
Insurance service expenses	-	-	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	-	98 287 509	29 674	98 317 183
Changes that relate to past service adjustments to the LIC	-	-	-	7 219 064	-	7 219 064
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	322 250	-	-	-	-	322 250
Insurance service expenses	**322 250**	**-**	**-**	**105 506 573**	**29 674**	**105 858 497**
Insurance service result	**(145 070 363)**	**-**	**-**	**105 506 573**	**29 674**	**(39 534 116)**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(145 070 363)**	**-**	**-**	**105 506 573**	**29 674**	**(39 534 116)**
Investment components	-	-	-	-	-	-
Effects of inflation	-	-	-	(3 661 218)	(28 370)	(3 689 588)
Cash flows	-	-	-	-	-	-
Premiums received	125 024 473	-	-	-	-	125 024 473
Claims and other directly attributable expenses paid	-	-	-	(91 863 483)	-	(91 863 483)
Insurance acquisition cash flows	(322 250)	-	-	-	-	(322 250)
Total cash flows	**124 702 223**	**-**	**-**	**(91 863 483)**	**-**	**32 838 740**
Net balance as at 31 December	-	-	-	-	-	-
Closing insurance contract liabilities	7 921 390	-	-	15 147 940	41 369	23 110 699
Closing insurance contract assets	-	-	-	-	-	-
Net balance as at 31 December	**7 921 390**	**-**	**-**	**15 147 940**	**41 369**	**23 110 699**

HISTORICAL COST Health- Insurance contracts issued	LRC		2022	LIC for contracts under PAA		
	Excluding loss comp.	Loss comp	LIC for contracts not under the PAA	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Opening insurance contract liabilities	288 233	-	-	808 480	2 425	1 099 138
Opening insurance contract assets	-	-	-	-	-	-
Net balance as at 1 January	**288 233**	**-**	**-**	**808 480**	**2 425**	**1 099 138**
Insurance revenue	**(21 935 900)**	**-**	**-**	**-**	**-**	**(21 935 900)**
Insurance service expenses	-	-	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	-	14 802 006	-	14 802 006
Changes that relate to past service adjustments to the LIC	-	-	-	1 166 400	6 175	1 172 575
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	47 999	-	-	-	-	47 999
Insurance service expenses	**47 999**	**-**	**-**	**15 968 406**	**6 175**	**16 022 580**
Insurance service result	**(21 887 901)**	**-**	**-**	**15 968 406**	**6 175**	**(21 887 901)**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(21 887 901)**	**-**	**-**	**15 968 406**	**6 175**	**(21 887 901)**
Investment components	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Cash flows	-	-	-	-	-	-
Premiums received	22 520 273	-	-	-	-	22 520 273
Claims and other directly attributable expenses paid	-	-	-	(13 627 625)	-	(13 627 625)
Insurance acquisition cash flows	(47 999)	-	-	-	-	(47 999)
Total cash flows	**22 472 275**	**-**	**-**	**(13 627 625)**	**-**	**8 844 649**
Net balance as at 31 December	-	-	-	-	-	-
Closing insurance contract liabilities	872 607	-	-	3 149 260	8 601	4 030 467
Closing insurance contract assets		-	-	-	-	-
Net balance as at 31 December	**872 607**	**-**	**-**	**3 149 260**	**8 601**	**4 030 467**

19.3 Life Risk-PAA

19.3.1 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	LRC and Deferred Acquisition costs		LIC		
December 2023	Non-Onerous ZWL	Loss Component ZWL	Risk adjustment ZWL	PVFCF ZWL	Total ZWL
Opening Insurance contract assets	(213 622)	-	-	-	(213 622)
Opening Insurance contract liabilities	680 419	-	118 142	1 181 415	1 979 976
Net balance as at 31 December 2023	466 797	-	118 142	1 181 415	1 766 354
	-	-	-	-	-
Cash Inflows - Premiums Received	58 912 379	-	-	-	58 912 379
Amortisation to Insurance Revenue	(56 401 442)	-	-	-	(56 401 442)
	-	-	-	-	-
Insurance Service Expenses	**5 031 928**	**-**	**142 270**	**29 041 593**	**34 215 792**
Incurred claims	-	-	-	22 858 394	22 858 394
Changes that relate to past services	-	-	-	6 183 200	6 183 200
Changes to risk adjustment	-	-	142 270	-	142 270
Amortised of insurance acquisition cashflows	5 031 928	-	-	-	5 031 928
	-	-	-	-	-
Cash Outflows	-	-	-	-	-
Claims and other directly attributable expenses paid	-	-	-	(21 831 159)	(21 831 159)
Insurance acquisition cash flows	(6 686 100)	-	-	-	(6 686 100)
Effects of inflation	-	-	-	(5 787 734)	(5 787 734)
Closing Insurance contract assets	(468 786)	-	-	-	(468 786)
Closing Insurance contract liabilities	1 792 348	-	260 412	2 604 116	4 656 876
Net balance as at 31 December 2022	**1 323 563**	**0**	**260 412**	**2 604 116**	**4 188 090**

Directors: A R T Manzai (Chairman), D Hoto* (Group Chief Executive Officer), W M Marere* (Group Finance Director) G Baines, F Mabena, M Mangoma, A Masiiwa, E Mkondo, E K Moyo, M Mukondomi, I P Z Ndlovu, S V Rushwaya (* Executive Director)
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FIRST MUTUAL
HOLDINGS LIMITED
Go Beyond

Preliminary Unaudited Abridged Financial Statements
for the year ended 31 December 2023

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

19.3 Life Risk-PAA (continued)
19.3.1 Life Risk- Insurance contract issued (continued)

December 2022	LRC and Deferred Acquisition costs		LIC		
	Non-Onerous ZWL	Loss Component ZWL	Risk adjustment ZWL	PVFCF ZWL	Total ZWL
Opening Insurance contract assets	(39 173)	-	-	-	(39 173)
Opening Insurance contract liabilities	299 560	-	87 122	872 532	1 259 214
Net balance as at 31 December 2022	**260 387**	**-**	**87 122**	**872 532**	**1 220 041**
	-	-	-	-	-
Cash Inflows - Premiums Received	28 477 678	-	-	-	28 477 678
Insurance Revenue	(28 126 788)	-	-	-	(28 126 788)
	-	-	-	-	-
Insurance Service Expenses	**1 791 319**	**-**	**31 020**	**14 614 843**	**16 437 182**
Incurred claims	-	-	-	12 931 328	12 931 328
Changes that relate to past services	-	-	-	1 683 515	1 683 515
Changes to risk adjustment	-	-	31 020	-	31 020
Amortised of insurance acquisition cashflows	1 791 319	-	-	-	1 791 319
	-	-	-	-	-
Cash Outflows	**-**	**-**	**-**	**-**	**-**
Claims and other directly attributable expenses paid	-	-	-	(12 920 742)	(12 920 742)
Insurance acquisition cash flows	(1 935 800)	-	-	-	(1 935 800)
	-	-	-	-	-
Effects of inflation	-	-	-	(1 385 218)	(1 385 218)
Closing Insurance contract assets	(213 622)	-	-	-	(213 622)
Closing Insurance contract liabilities	680 419	-	118 142	1 181 415	1 979 976
Net balance as at 31 December 2022	**466 797**	**0**	**118 142**	**1 181 415**	**1 766 354**

HISTORICAL COST

December 2023	LRC and Deferred Acquisition costs		LIC		
	Non-Onerous ZWL	Loss Component ZWL	Risk adjustment ZWL	PVFCF ZWL	Total ZWL
Opening Insurance contract assets	(18 417)	-	0	(0)	(18 417)
Opening Insurance contract liabilities	58 660	-	24 562	245 616	328 838
Net balance as at 31 December 2023	**40 243**	**-**	**24 562**	**245 616**	**310 421**
	-	-	-	-	-
Cash Inflows - Premiums Received	34 616 380	-	-	-	34 616 380
Amortisation to Insurance Revenue	(33 911 594)	-	-	-	(33 911 594)
	-	-	-	-	-
Insurance Service Expenses	**1 919 362**	**-**	**235 850**	**19 845 032**	**22 000 245**
Incurred claims	-	-	-	17 486 533	17 486 533
Changes that relate to past services	-	-	-	2 358 500	2 358 500
Changes to risk adjustment	-	-	235 850	-	235 850
Amortised of insurance acquisition cashflows	1 919 362	-	-	-	1 919 362
	-	-	-	-	-
Cash Outflows	**-**	**-**	**-**	**-**	**-**
Claims and other directly attributable expenses paid	-	-	-	(17 486 533)	(17 486 533)
Insurance acquisition cash flows	(2 100 864)	-	-	-	(2 100 864)
	-	-	-	-	-
Closing Insurance contract assets	(199 593)	-	-	-	(199 593)
Closing Insurance contract liabilities	763 121	-	260 412	2 604 116	3 627 648
Net balance as at 31 December 2023	**563 528**	**0**	**260 412**	**2 604 116**	**3 428 055**

December 2022	LRC and Deferred Acquisition costs		LIC		
	Non-Onerous ZWL	Loss Component ZWL	Risk adjustment ZWL	PVFCF ZWL	Total ZWL
Opening Insurance contract assets	(2 371)	-	-	-	(2 371)
Opening Insurance contract liabilities	18 133	-	5 274	52 817	76 224
Net balance as at 31 December 2022	**15 762**	**-**	**5 274**	**52 817**	**73 852**
	-	-	-	-	-
Cash Inflows - Premiums Received	3 262 671	-	-	-	3 262 671
Insurance Revenue	(3 222 469)	-	-	-	(3 222 469)
	-	-	-	-	-
Insurance Service Expenses	**205 230**	**-**	**19 288**	**2 101 977**	**2 326 495**
Incurred claims	-	-	-	1 909 098	1 909 098
Changes that relate to past services	-	-	-	192 879	192 879
Changes to risk adjustment	-	-	19 288	-	19 288
Amortised of insurance acquisition cashflows	205 230	-	-	-	205 230
	-	-	-	-	-
Cash Outflows	**-**	**-**	**-**	**-**	**-**
Claims and other directly attributable expenses paid	-	-	-	(1 909 177)	(1 909 177)
Insurance acquisition cash flows	(220 950)	-	-	-	(220 950)
	-	-	-	-	-
Closing Insurance contract assets	(18 417)	-	0	(0)	(18 417)
Closing Insurance contract liabilities	58 660	-	24 562	245 616	328 838
Net balance as at 31 December 2022	**40 243**	**0**	**24 562**	**245 616**	**310 421**

19.3.2 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

			2023 Incurred claims for contracts under the PAA		
	Liability for Remaining Cover	Loss Recovery Component	Risk Adjustment	PVFCF	Total
Opening reinsurance contract assets	-	-	1 615	157 915	159 529
Opening reinsurance contract liabilities	-	-	-	-	-
Net balance as at 1 January	**-**	**-**	**1 615**	**157 915**	**159 529**
Cash Inflows- Commission received	(335 353)	-	-	182 730	(152 623)
Reinsurance Insurance Revenue	(1 892 616)	-	-	-	(1 892 616)
Insurance Service Expenses	**335 353**	**-**	**16 214**	**114 820**	**466 387**
Amounts recovered from reinsurers	-	-	-	-	-
Change in outstanding amounts due from reinsurers	-	-	-	114 820	114 820
Change in Risk Adjustment	-	-	16 214	-	16 214
Reinsurer Commission amortised	335 353	-	-	-	335 353
Cash Outflows- Premiums paid	1 892 616	-	-	-	1 892 616
	-	-	-	-	-
Effects of inflation	-	-	(12 672)	(309 113)	(321 786)
Net balance as at 31 December	**-**	**-**	**-**	**-**	**-**
Closing reinsurance contract assets	-	-	5 156	146 352	151 508
Closing reinsurance contract liabilities	-	-	-	-	-
Net balance as at 31 December	**-**	**-**	**5 156**	**146 352**	**151 508**

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

19.3 Life Risk-PAA (continued)
19.3.2 Life Risk- Reinsurance contracts held (continued)

Life Risk- Reinsurance contracts held

INFLATION ADJUSTED

			2022 Incurred claims for contracts under the PAA		
	Liability for Remaining Cover	Loss Recovery Component	Risk Adjustment	PVFCF	Total
Opening reinsurance contract assets	-	-	2 230	512 217	514 447
Opening reinsurance contract liabilities	-	-	-	-	-
Net balance as at 1 January	**-**	**-**	**2 230**	**512 217**	**514 447**
Cash Inflows- Commission received	(39 896)	-	-	171 271	131 374
Reinsurance Insurance Revenue	(216 488)	-	-	-	(216 488)
Insurance Service Expenses	**39 896**	**-**	**316**	**61 491**	**101 703**
Amounts recovered from reinsurers	-	-	-	58 616	58 616
Change in outstanding amounts due from reinsurers	-	-	-	2 875	2 875
Change in Risk Adjustment	-	-	316	-	316
Reinsurer Commission amortised	39 896	-	-	-	39 896
Cash Outflows- Premiums paid	216 488	-	-	-	216 488
	-	-	-	-	-
Effects of inflation	-	-	(931)	(587 064)	(587 995)
Net balance as at 31 December	**-**	**-**	**-**	**-**	**-**
Closing reinsurance contract assets	0	-	1 615	157 915	159 529
Closing reinsurance contract liabilities	-	-	-	-	-
Net balance as at 31 December	**0**	**-**	**1 615**	**157 915**	**159 529**

Life Risk- Reinsurance contracts held
HISTORICAL COST

			2023 Incurred claims for contracts under the PAA		
	Liability for Remaining Cover	Loss Recovery Component	Risk Adjustment	PVFCF	Total
Opening reinsurance contract assets	-	-	336	32 831	33 166
Opening reinsurance contract liabilities	-	-	-	-	-
Net balance as at 1 January	**-**	**-**	**336**	**32 831**	**33 166**
Cash Inflows- Commission received	(127 916)	-	-	69 700	(58 216)
Reinsurance Insurance Revenue	(722 208)	-	-	-	(722 208)
Insurance Service Expenses	**127 916**	**-**	**4 820**	**43 821**	**176 558**
Amounts recovered from reinsurers	-	-	-	-	-
Change in outstanding amounts due from reinsurers	-	-	-	43 821	43 821
Change in Risk Adjustment	-	-	4 820	-	4 820
Reinsurer Commission amortised	127 916	-	-	-	127 916
Cash Outflows- Premiums paid	722 208	-	-	-	722 208
	-	-	-	-	-
Effects of inflation	-	-	-	-	-
Net balance as at 31 December	**-**	**-**	**-**	**-**	**-**
Closing reinsurance contract assets	-	-	5 156	146 352	151 508
Closing reinsurance contract liabilities	-	-	-	-	-
Net balance as at 31 December	**-**	**-**	**5 156**	**146 352**	**151 508**

Life Risk- Reinsurance contracts held

HISTORICAL COST

			2022 Incurred claims for contracts under the PAA		
	Liability for Remaining Cover	Loss Recovery Component	Risk Adjustment	PVFCF	Total
Opening reinsurance contract assets	-	-	135	31 006	31 141
Opening reinsurance contract liabilities	-	-	-	-	-
Net balance as at 1 January	**-**	**-**	**135**	**31 006**	**31 141**
Cash Inflows- Commission received	(8 665)	-	-	(37 198)	(45 863)
Reinsurance Insurance Revenue	(47 019)	-	-	-	(47 019)
Insurance Service Expenses	**8 665**	**-**	**201**	**39 023**	**47 889**
Amounts recovered from reinsurers	-	-	-	37 198	37 198
Change in outstanding amounts due from reinsurers	-	-	-	1 825	1 825
Change in Risk Adjustment	-	-	201	-	201
Reinsurer Commission amortised	8 665	-	-	-	8 665
Cash Outflows- Premiums paid	47 019	-	-	-	47 019
Net balance as at 31 December	**-**	**-**	**-**	**-**	**-**
Closing reinsurance contract assets	-	-	336	32 831	33 166
Closing reinsurance contract liabilities	-	-	-	-	-
Net balance as at 31 December	**-**	**-**	**336**	**32 831**	**33 166**

19.4 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:

December 2023	INFLATION ADJUSTED			HISTORICAL COST		
	LRC ZWL	LIC ZWL	Total ZWL	LRC ZWL	LIC ZWL	Total ZWL
Opening Balance	**212 389 120**	**-**	**212 389 120**	**44 155 742**	**-**	**44 155 742**
Cash Inflows	**-**	**-**	**-**	**-**	**-**	**-**
Contributions Received	57 980 026	-	57 980 026	22 115 712	-	22 115 712
Transfer to compansation Reserve	(7 674 174)	-	(7 674 174)	(5 791 530)	-	(5 791 530)
Net finance expenses	**221 247 107**	**-**	**221 247 107**	**380 236 053**	**-**	**380 236 053**
Compansation Reserve Interest	(1 940 893)	-	(1 940 893)	(3 823 537)	-	(3 823 537)
Adjustment to financing component	223 188 000	-	223 188 000	384 059 590	-	384 059 590
Cash Outflows	**(50 592 524)**	**13 562 805**	**(37 029 719)**	**(19 297 848)**	**5 173 352**	**(14 124 496)**
Benefits	(23 747 723)	-	(23 747 723)	(9 058 254)	-	(9 058 254)
Fees Paid	(13 562 805)	13 562 805	-	(5 173 352)	5 173 352	-
Other policyholder Expenses	(13 281 996)	-	(13 281 996)	(5 066 241)	-	(5 066 241)
Insurance service revenue	-	(13 562 805)	(13 562 805)	-	(5 173 352)	(5 173 352)
Insurance service expenses	-	10 157 968	10 157 968	-	4 074 440	-
Incurred claims and other directly attributable expenses	-	4 214 870	4 214 870	-	1 607 706	-
Insurance acquisition cash flows amortisation	-	5 943 098	5 943 098	-	2 466 734	-
Insurance service expenses paid	-	(10 157 968)	(10 157 968)	-	(4 074 440)	(4 074 440)
Effects of inflation	(11 931 426)	-	(11 931 426)	-	-	-
Closing balance	**421 418 130**	**-**	**421 418 130**	**421 418 130**	**-**	**421 418 130**

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

19.4 Life Savings -PAA (continued)

December 2022	INFLATION ADJUSTED LRC ZWL	LIC ZWL	Total ZWL	HISTORICAL COST LRC ZWL	LIC ZWL	Total ZWL
Opening Balance	**162 769 750**	**-**	**162 769 750**	**9 852 890**	**-**	**9 852 890**
Cash Inflows	-	-	-	-	-	-
Contributions Received	26 169 755	-	26 169 755	2 998 253	-	2 998 253
Net finance expenses	-	-	-	-	-	-
Adjustment to financing component	54 487 000	-	54 487 000	32 462 328	-	32 462 328
Cash Outflows	**(10 105 047)**	**4 996 026**	**(5 109 021)**	**(1 157 729)**	**572 392**	**(585 338)**
Benefits	(4 771 860)	-	(4 771 860)	(546 709)	-	(546 709)
Fees Paid	(4 996 026)	4 996 026	-	(572 392)	572 392	-
Other policyholder Expenses	(337 162)	-	(337 162)	(38 628)	-	(38 628)
Insurance service revenue	**-**	**(4 996 026)**	**(4 996 026)**	**-**	**(572 392)**	**(572 392)**
Insurance service expenses	-	5 119 952	5 119 952	-	745 255	-
Incurred claims and other directly attributable expenses	-	2 207 247	2 207 247	-	252 883	-
Insurance acquisition cash flows amortisation	-	2 912 705	2 912 705	-	492 372	-
Insurance service expenses paid	-	(5 119 952)	(5 119 952)	-	(745 255)	(745 255)
Effects of inflation	(20 932 337)	-	(20 932 337)	-	-	-
Closing balance	**212 389 120**	**-**	**212 389 120**	**44 155 742**	**-**	**44 155 742**

19.5 Life Savings-VFA
19.5.1 Reconciliation

The roll-forward of the net asset or liability for insurance contracts issued, showing the present value of future cash flow, risk adjustment and contractual service margin for portfolios included in life insurance unit, is disclosed in the table below:

INFLATION ADJUSTED

December 2023	PVFCF ZWL	Risk adjustment ZWL	CSM ZWL	Total ZWL
Opening insurance contract assets	(42 312 383)	-	-	(42 312 383)
Opening insurance contract liabilities	71 793 947	67 888	7 525 625	79 387 460
Net balance as at 1 January	**29 481 564**	**67 888**	**7 525 625**	**37 075 077**
Cash Inflows	**74 302**	**-**	**-**	**74 302**
Insurance Finance Expenses	**43 928 672**	**4 450**	**605 918**	**44 539 040**
Unwind	(610 368)	4 450	605 918	-
Investment Return (VFA)	44 539 040	-	-	44 539 040
Changes related to future service	**(17 715 732)**	**337 996**	**17 377 736**	**-**
Changes related to New Business Future Service	**(241 387)**	**117**	**241 270**	**-**
Changes related to current service	**314 582**	**(7 112)**	**(634 365)**	**(326 894)**
Actual Claims and Expenses incurred (excl Acquisition)	1 200 552	-	-	1 200 552
Expected Claims and Expenses	(885 970)	-	-	(885 970)
Unwind/Amortisation	-	(7 112)	(634 365)	(641 476)
Insurance service result	**(590 184)**	**2 662**	**28 447**	**(559 076)**
Changes related to past service	-	-	-	-
Cash Outflows	**(5 790 028)**	**-**	**-**	**(5 790 028)**
Inflation adjustment	13 691 022	(51 318)	(6 043 157)	7 596 547
Closing insurance contract assets	(83 704 032)	-	-	(83 704 032)
Closing insurance contract liabilities	147 447 028	352 020	19 073 027	166 872 076
Net balance as at 31 December	**63 742 996**	**352 020**	**19 073 027**	**83 168 044**

December 2022	PVFCF ZWL	Risk adjustment ZWL	CSM ZWL	Total ZWL
Opening insurance contract assets	(13 381 501)	-	-	(13 381 501)
Opening insurance contract liabilities	33 293 696	71 974	5 597 243	38 962 913
Net balance as at 1 January	**19 912 195**	**71 974**	**5 597 243**	**25 581 412**
Cash Inflows	**1 500 597**	**-**	**-**	**1 500 597**
Insurance Finance Expenses	**10 186 949**	**2 645**	**542 031**	**10 731 625**
Unwind	(544 676)	2 645	542 031	-
Investment Return (VFA)	10 731 625	-	-	10 731 625
Changes related to future service	**(4 619 979)**	**45 714**	**4 574 265**	**-**
Changes related to New Business Future Service	**(816 724)**	**1 087**	**815 637**	**-**
Changes related to current service	**(919 197)**	**(12 280)**	**(577 710)**	**(1 509 187)**
Actual Claims and Expenses incurred (excl Acquisition)	732 096	-	-	732 096
Expected Claims and Expenses	(1 651 293)	-	-	(1 651 293)
Unwind/Amortisation	-	(12 280)	(577 710)	(589 990)
Insurance service result	**(187 420)**	**9 635**	**35 679**	**(142 106)**
Changes related to past service	-	-	-	-
Cash Outflows	**(1 920 446)**	**-**	**-**	**(1 920 446)**
Inflation adjustment	6 158 170	(41 252)	(3 425 842)	2 691 076
Closing insurance contract assets	(42 312 383)	-	-	(42 312 383)
Closing insurance contract liabilities	71 793 947	67 888	7 525 625	79 387 460
Net balance as at 31 December	**29 481 564**	**67 888**	**7 525 625**	**37 075 077**

Insurance service result

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

19.5 Life Savings-VFA (continued)
19.5.1 Reconciliation (continued)

HISTORICAL COST

December 2023	PVFCF ZWL	Risk adjustment ZWL	CSM ZWL	Total ZWL
Opening insurance contract assets	(8 796 753)	-	-	(8 796 753)
Opening insurance contract liabilities	14 925 977	14 114	1 564 579	16 504 669
Net balance as at 1 January	**6 129 223**	**14 114**	**1 564 579**	**7 707 916**
Cash Inflows	**18 979**	**-**	**-**	**18 979**
Insurance Finance Expenses	**76 770 713**	**1 697**	**231 119**	**77 003 530**
Unwind	(232 817)	1 697	231 119	-
Investment Return (VFA)	77 003 530	-	-	77 003 530
Changes related to future service	**(17 715 732)**	**337 996**	**17 377 736**	**-**
Changes related to New Business Future Service	**(61 657)**	**30**	**61 627**	**-**
Changes related to current service	**80 353**	**(1 817)**	**(162 034)**	**(83 498)**
Actual Claims and Expenses incurred (excl Acquisition)	306 654	-	-	306 654
Expected Claims and Expenses	(226 301)	-	-	(226 301)
Unwind/Amortisation	-	(1 817)	(162 034)	(163 851)
Insurance service result	**(73 838)**	**119**	**(69 085)**	**(142 803)**
Changes related to past service	-	-	-	-
Cash Outflows	**(1 478 883)**	**-**	**-**	**(1 478 883)**
Closing insurance contract assets	(83 704 032)	-	-	(83 704 032)
Closing insurance contract liabilities	147 447 028	352 020	19 073 027	166 872 076
Net balance as at 31 December	**63 742 996**	**352 020**	**19 073 027**	**83 168 044**

December 2022	PVFCF ZWL	Risk adjustment ZWL	CSM ZWL	Total ZWL
Opening insurance contract assets	(810 018)	-	-	(810 018)
Opening insurance contract liabilities	2 015 357	4 357	338 816	2 358 530
Net balance as at 1 January	**1 205 339**	**4 357**	**338 816**	**1 548 512**
Cash Inflows	**171 922**	**-**	**-**	**171 922**
Insurance Finance Expenses	**6 280 462**	**550**	**112 688**	**6 393 700**
Unwind	(113 238)	550	112 688	(0)
Investment Return (VFA)	6 393 700	-	-	6 393 700
Changes related to future service	**(960 495)**	**9 504**	**950 991**	**-**
Changes related to New Business Future Service	**(169 797)**	**226**	**169 571**	**-**
Changes related to current service	**1 053**	**(523)**	**(7 487)**	**(6 957)**
Actual Claims and Expenses incurred (excl Acquisition)	83 876	-	-	83 876
Expected Claims and Expenses	(82 823)	-	-	(82 823)
Unwind/Amortisation	-	(523)	(7 487)	(8 010)
Insurance service result	**29 362**	**(27)**	**(105 201)**	**(75 866)**
Changes related to past service	-	-	-	-
Cash Outflows	**(399 261)**	**-**	**-**	**(399 261)**
Closing insurance contract assets	(8 796 753)	-	-	(8 796 753)
Closing insurance contract liabilities	14 925 977	14 114	1 564 579	16 504 669
Net balance as at 31 December	**6 129 223**	**14 114**	**1 564 579**	**7 707 916**

19.5.2 CSM recognition in profit or loss

INFLATION ADJUSTED In ZWL	2023 <1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Insurance contract issued							
Life insurance unit	**653 256**	**653 256**	**653 256**	**653 256**	**653 256**	**9 798 835**	**13 065 114**
Reinsurance contract held							
Life insurance unit	0	0	0	0	0	0	0

In ZWL	2022 <1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Insurance contract issued							
Life insurance unit	576 698	576 698	576 698	576 698	576 698	8 650 463	11 533 950
Reinsurance contract held							
Life insurance unit	0	0	0	0	0	0	0

HISTORICAL COST In ZWL	2023 <1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Insurance contract issued							
Life insurance unit	653 256	653 256	653 256	653 256	653 256	9 798 835	13 065 114
Reinsurance contract held							
Life insurance unit	0	0	0	0	0	0	0

In ZWL	2022 <1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Insurance contract issued							
Life insurance unit	119 896	119 896	119 896	119 896	119 896	1 798 433	2 397 911
Reinsurance contract held							
Life insurance unit	0	0	0	0	0	0	0

	INFLATION ADJUSTED UNAUDITED GROUP 31-Dec-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	HISTORICAL COST UNAUDITED GROUP 31-Dec-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	INFLATION ADJUSTED UNAUDITED COMPANY 31-Dec-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000	HISTORICAL COST UNAUDITED COMPANY 31-Dec-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000
20 Deferred tax liability								
At 1 January	65 906 854	52 416 402	13 605 682	3 152 915	-	-	-	-
Recognised through statement of comprehensive income	(7 456 336)	13 490 452	46 522 030	10 452 767	-	-	-	-
Total	**58 450 518**	**65 906 854**	**60 127 712**	**13 605 682**	**-**	**-**	**-**	**-**
Disclosed as								
Deferred tax asset	(13 836 648)	(5 153 614)	(9 818 350)	(1 031 530)	-	-	-	-
Deferred tax liability	72 287 166	71 060 468	69 946 062	14 637 212	-	-	-	-
Total	**58 450 518**	**65 906 854**	**60 127 712**	**13 605 682**	**-**	**-**	**-**	**-**

FIRST MUTUAL

HOLDINGS LIMITED

Go Beyond

Preliminary Unaudited Abridged Financial Statements
for the year ended 31 December 2023

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

	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	UNAUDITED GROUP 31-Dec-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 31-Dec-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000
21 Put option liability								
At 1 January	15 495 672	9 399 995	3 221 553	568 099	-	-	-	-
Initial recognition	-	-	-	-	-	-	-	-
Reclassification from non-controlling interest	7 698 431	(1 743 652)	13 307 821	681 724	-	-	-	-
Remeassurement gain	16 189 032	9 484 022	10 579 642	1 971 730	-	-	-	-
Monetary gain/ loss adjustment	(12 274 119)	(1 644 693)	-	-	-	-	-	-
Closing balance	**27 109 016**	**15 495 672**	**27 109 016**	**3 221 553**	**-**	**-**	**-**	**-**
22 Insurance contract revenue								
Life assurance	71 491 693	35 364 098	39 475 098	3 885 694	-	-	-	-
Health insurance	327 086 762	145 392 614	193 992 986	21 935 900	-	-	-	-
Property and casualty	690 261 112	219 978 220	269 777 942	21 394 987	-	-	-	-
Total	**1 088 839 567**	**400 734 931**	**503 246 025**	**47 216 581**	**-**	**-**	**-**	**-**
23 Net investment income								
Dividend received	16 568 788	1 526 988	6 823 537	174 910	-	-	-	-
Fair value gain on unquoted equities at fair value through profit or loss	18 202 265	1 470 473	31 978 119	2 066 947	-	-	-	-
Investment expenses	(31 292 749)	(7 649 872)	(11 300 731)	(876 260)	-	-	-	-
Fair value gain on quoted equities at fair value through profit or loss	41 276 533	(37 016 629)	142 407 706	7 288 639	-	-	-	-
Net Investment return from equities	**44 754 837**	**(41 669 040)**	**169 908 631**	**8 654 236**	**-**	**-**	**-**	**-**
Interest revenue from financial assets not measured at FVTPL	30 587 435	6 867 295	11 816 747	704 915				
Fair value gain/(loss) on gold coins	1 390 175	(287 647)	2 623 260	38 060	-	-	-	-
Total net investment income	**76 732 447**	**(35 089 392)**	**184 348 638**	**9 397 211**	**-**	**-**	**-**	**-**
24 Insurance service expenses								
Incurred claims and other directly attributable expenses	549 796 942	207 612 705	252 719 937	25 538 505	-	-	-	-
Changes that relate to past service - adjustments to the LIC	107 494 159	53 862 095	106 047 933	10 662 941	-	-	-	-
Insurance acquisition cash flows amortisation	285 619 106	70 642 428	118 164 553	8 802 996	-	-	-	-
Total insurance claims and loss adjustment expenses	**942 910 207**	**332 117 228**	**476 932 423**	**45 004 442**	**-**	**-**	**-**	**-**

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

	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	UNAUDITED GROUP 31-Dec-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 31-Dec-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000
25 COBE (24.31) and IFRS mandatory disclosures								
Staff costs	182 355 947	45 646 264	75 099 791	7 323 593	-	-	-	-
Directors' fees								
– Holding company	10 880 464	387 450	4 150 209	62 163	-	-	-	-
– Group companies	36 119 205	1 909 487	13 777 192	306 363	-	-	-	-
Depreciation of property, vehicles and equipment	2 067 092	1 962 176	324 929	42 915	-	-	-	-
Audit fees	4 527 027	1 027 045	1 634 842	164 781	-	-	-	-

26 CONTINGENCY AND COMMITMENTS

Legal Proceedings and Regulations

Insurance and Pensions Commission forensic investigation on First Mutual Life Assurance Company.
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"), a subsidiary of FMHL. 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 2020 FML met with IPEC and IPEC advised that there was some outstanding information that needed to be submitted 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.

2022
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. The investigation commenced on 5 September 2022.

2023
On 21 December 2023, FML received a Corrective Order from IPEC which was based on the findings of the forensic auditor, BDO Chartered Accountants ("BDO"). The Order directed FML to pay significant sums in Zimbabwe dollars and in United States dollars to its policyholders in respect of perceived "actual" and "potential" losses, as assessed by BDO.

2024
FML was not in agreement with the findings in the BDO report and in the IPEC Corrective Order and believed its submissions were not properly considered. Interpretations of fact, accounting standards, legal and actuarial principles, as well as currency conversion issues were disputed by FML. 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 have agreed a binding plan of and the two High Court applications by FML against IPEC have been withdrawn by consent. The Board and management are currently executing the agreed plan which should be concluded on or before 30 June 2024.

FIRST MUTUAL
HOLDINGS LIMITED
Go Beyond

Preliminary Unaudited Abridged Financial Statements
for the year ended 31 December 2023

SEGMENTAL RESULTS AND ANALYSIS
FOR THE PERIOD ENDED 31 DECEMBER 2023

INFLATION ADJUSTED UNAUDITED As at 31 December 2023	Life and Health ZWL000	General Insurance ZWL000	Reinsurance ZWL000	Property ZWL000	Other ZWL000	Gross Figures ZWL000	Consolidation Entries ZWL000	Total Consolidated ZWL000
Insurance contract revenue	398 578 455	325 956 428	383 387 231	-	-	1 107 922 114	(19 082 547)	1 088 839 567
Rental income	-	3 492 777	-	39 673 427	83 057	43 249 261	(4 133 565)	39 115 696
Fair value adjustments on investment property	-	36 229 408	-	542 281 818	896 878	579 408 104	(50 753 690)	528 654 414
Net Investment income	431 689 406	20 992 041	23 736 208	6 937 091	318 083 984	801 438 730	(724 706 283)	76 732 447
Fees and other income	32 623 804	8 321 963	26 474 373	5 122 482	62 369 459	134 912 081	(28 854 120)	106 057 961
Total income	**862 891 665**	**394 992 617**	**433 597 812**	**594 014 818**	**381 433 378**	**2 666 930 290**	**(827 530 205)**	**1 839 400 085**
Intersegment revenue	398 524 628	42 563 504	17 174 292	53 240 637	316 027 144	827 530 205	(827 530 205)	-
Total expenses	(101 437 876)	(28 360 469)	(34 613 193)	(34 430 165)	(80 009 852)	(278 851 555)	80 555 372	(198 296 183)
Insurance finance result	(267 727 040)	-	-	-	-	(267 727 040)	-	(267 727 040)
Movement in investment contract liabilities	(28 972 449)	-	-	-	-	(28 972 449)	-	(28 972 449)
Profit before income tax	152 833 215	31 742 604	74 191 382	31 742 604	310 508 739	601 018 544	(247 730 845)	353 287 699
Income tax expense	1 029 158	(1 399 919)	4 568 832	(1 399 919)	(2 736 431)	61 721	(5 032 294)	(4 970 573)
Total assets	152 833 215	31 742 604	74 191 382	31 742 604	310 508 739	601 018 544	1 102 356 265	1 703 374 809
Total liabilities	653 984 306	99 389 061	144 318 617	99 389 061	69 898 424	1 066 979 469	(46 327 866)	1 020 651 603
Cash flows from operating activities	4 305 437	20 288 462	30 807 420	(875 606)	52 715 701	107 241 414	6 976 170	114 217 584
Cash flows generated from/(utilised in) investing activities	(8 994 802)	229 485	(22 727 137)	(333 141)	(36 798 544)	(68 624 139)	(61 409 982)	(130 034 121)
Cash generated from/(utilised in) financing activities	(26 765)	(1 388 174)	1 950 048	(873 776)	1 012 015	673 348	5 569 125	6 242 473
As at 31 December 2022								
Insurance contract revenue	180 756 711	139 834 491	91 562 353	-	-	412 153 555	(11 418 624)	400 734 931
Rental income	-	778 730	-	13 566 160	10 419	14 355 309	(1 283 147)	13 072 162
Fair value adjustments on investment property	-	9 363 959	-	161 491 778	12 170	170 867 907	(6 765 762)	164 102 145
Net Investment income	63 499 777	5 676 343	(1 618 508)	1 932 325	21 721 469	91 211 406	(126 300 798)	(35 089 392)
Fees and other income	4 720 320	7 191 212	5 327 980	8 946 756	25 142 418	51 328 686	(11 426 318)	39 902 368
Total income	**248 976 808**	**162 844 735**	**95 271 825**	**185 937 019**	**46 886 476**	**739 916 863**	**(157 194 649)**	**582 722 214**
Intersegment revenue	60 506 146	34 596 213	10 276 762	7 807 443	44 008 084	157 194 648	(157 194 648)	-
Total expenses	(37 591 063)	(14 242 498)	(14 797 750)	(18 916 012)	(21 145 408)	(106 692 731)	30 877 709	(75 815 022)
Insurance finance result	(65 218 625)	-	-	-	-	(65 218 625)	-	(65 218 625)
Movement in investment contract liabilities	2 880 866	-	-	-	-	2 880 866	-	2 880 866
Profit/(loss) before income tax	22 536 448	20 147 754	(2 296 776)	20 147 754	25 700 649	86 235 829	26 315 444	112 551 273
Income tax expense	(80 323)	(3 924 106)	(2 947 677)	(3 924 106)	793 385	(10 082 827)	(11 988 591)	(22 071 418)
Total assets	412 100 607	135 722 508	97 233 648	135 722 508	221 588 638	1 002 367 909	(165 544 604)	836 823 305
Total liabilities	306 629 487	83 427 769	72 067 307	83 427 769	23 434 374	568 986 706	(35 921 255)	533 065 451
Cash flows from operating activities	4 305 437	20 288 462	30 807 420	(875 606)	52 715 701	107 241 414	(19 106 782)	88 134 632
Cash flows generated from/(utilised in) investing activities	(8 994 802)	229 485	(22 727 137)	(333 141)	(36 798 544)	(68 624 139)	23 710 101	(44 914 038)
Cash generated from/(utilised in) financing activities	(26 765)	(1 388 174)	1 950 048	(873 776)	1 012 015	673 348	3 554 386	4 227 734

SEGMENTAL RESULTS AND ANALYSIS
FOR THE PERIOD ENDED 31 DECEMBER 2023

HISTORICAL COST UNAUDITED As at 31 December 2023	Life and Health ZWL000	General Insurance ZWL000	Reinsurance ZWL000	Property ZWL000	Other ZWL000	Gross Figures ZWL000	Consolidation Entries ZWL000	Total Consolidated ZWL000
Insurance contract revenue	233 468 083	120 417 906	157 952 263	-	-	511 838 252	(8 592 227)	503 246 025
Rental income	-	1 675 217	-	24 500 120	47 764	26 223 101	(2 547 123)	23 675 978
Fair value adjustments on investment property	-	64 631 200	-	959 120 810	1 732 700	1 025 484 710	(72 972 204)	952 512 506
Net Investment income	708 977 702	17 558 979	25 520 787	5 380 759	387 149 913	1 118 645 849	(934 297 210)	184 348 639
Fee and other income	20 338 429	4 712 275	23 827 648	4 142 375	37 326 505	90 347 232	(15 848 720)	74 498 512
Total income	**962 784 214**	**208 995 577**	**207 300 698**	**993 144 064**	**426 256 882**	**2 772 539 144**	**(1 034 257 484)**	**1 738 281 660**
Intersegment revenue	583 803 379	(2 037 083)	7 733 005	73 253 748	371 504 435	1 034 257 484	(1 034 257 484)	-
Total expenses	(53 171 751)	(18 068 261)	(9 093 782)	(23 827 044)	(51 509 261)	(155 670 099)	24 667 448	(131 002 651)
Insurance finance result	(461 063 120)	-	-	-	-	(461 063 120)	-	(461 063 120)
Movement in investment contract liabilities	(42 125 647)	-	-	-	-	(42 125 647)	-	(42 125 647)
Profit before income tax	217 007 170	61 244 097	53 858 594	61 244 097	362 893 780	756 247 738	(115 655 676)	640 592 062
Income tax expense	(370 230)	(8 797 300)	4 315 006	(8 797 300)	(1 003 322)	(14 653 146)	(42 754 574)	(57 407 720)
Total assets	883 459 853	168 925 285	212 664 446	168 925 285	477 768 470	1 911 743 339	(262 001 432)	1 649 741 907
Total liabilities	653 224 271	97 796 665	154 522 619	97 796 665	69 813 874	1 073 154 094	(62 673 671)	1 010 480 423
Cash flows from operating activities	8 610 875	40 576 924	61 614 841	(1 751 212)	105 431 402	214 482 830	(93 597 588)	120 885 242
Cash flows generated from/(utilised in) investing activities	(17 989 604)	458 969	(45 454 273)	(666 281)	(73 597 089)	(137 248 278)	83 160 251	(54 088 027)
Cash generated from/(utilised in) financing activities	(53 530)	(2 776 348)	3 900 096	(1 747 553)	2 024 031	1 346 696	4 322 582	5 669 278
As at 31 December 2022								
Insurance contract revenue	25 821 594	11 783 405	11 634 377	-	-	49 239 376	(2 022 795)	47 216 581
Rental income	-	59 128	-	2 041 383	47 638	2 148 149	(27 604)	2 120 545
Fair value adjustments on investment property	-	6 078 329	-	87 405 250	830 512	94 314 091	(5 270 472)	89 043 619
Net Investment income	55 972 171	1 813 073	1 390 512	366 007	24 192 031	83 733 794	(74 336 583)	9 397 211
Fee and other income	741 552	1 190 031	1 205 355	1 300 743	4 070 191	8 507 872	(2 355 549)	6 152 323
Total income	**82 535 317**	**20 923 966**	**14 230 244**	**91 113 383**	**29 140 372**	**237 943 282**	**(84 013 003)**	**153 930 279**
Intersegment revenue	32 961 082	7 387 834	1 820 515	5 139 134	36 704 438	84 013 003	(84 013 003)	-
Total expenses	(5 846 193)	(1 306 512)	(1 410 349)	(2 124 232)	(3 120 641)	(13 807 927)	1 897 195	(11 910 732)
Insurance finance result	(38 856 028)	-	-	-	-	(38 856 028)	-	(38 856 028)
Movement in investment contract liabilities	(1 561 010)	-	-	-	-	(1 561 010)	-	(1 561 010)
Profit before income tax	17 160 247	6 805 287	1 687 999	6 805 287	26 063 080	58 521 900	1 516 265	60 038 165
Income tax (expense)/credit	(288 865)	(2 340 881)	212 917	(2 340 881)	165 104	(4 592 606)	(7 155 953)	(11 748 559)
Total assets	84 397 263	23 885 371	20 609 335	23 885 371	44 329 218	197 106 558	(25 922 051)	171 184 507
Total liabilities	63 688 917	17 584 414	15 245 714	17 584 414	4 881 703	118 985 162	(9 355 675)	109 629 487
Cash flows from operating activities	5 962 944	169 842	4 560 034	(329 178)	534 452	10 898 094	2 970 294	13 868 388
Cash flows generated from/(utilised in) investing activities	61 016	(99 376)	129 424	(118 632)	788 645	761 077	(5 897 927)	(5 136 850)
Cash utilised in financing activities	(288 132)	(160 481)	(127 651)	(211 619)	(637 523)	(1 425 406)	2 328 730	903 324

Supplementary Information

1. Background

Zimbabwe has undergone gone several changes in the economic and monetary policy framework including the re-introduction of the Zimbabwe dollar in a multi-currency environment. During the greater part of the year, macroeconomic developments were negatively impacted by price and exchange rate volatility, in the local currency, which saw increased dominance of the USD in the economy. Significant policy interventions were implemented aimed at slowing down the rate of local currency depreciation and resultant inflationary pressures. To curb against the risk of currency volatility and to maintain product relevance, most of our clients migrated to settling their obligations in USD currency, whilst ZWL obligations were subject to adjustments in line with inflation trends. The above developments resulted in the Group earning approximately, 74% of its Insurance Contract Revenue (ICR) in foreign currencies (USD, BWP, and MZN) as shown below:

Table 1: Insurance Contract Revenue by region

Region	Pure Currency USD 000	USD Equivalent USD 000	Contribution to ICR %
Zimbabwe	72 662	34 060	82%
Botswana	19 402	19 402	15%
Mozambique	4 030	4 030	3%
Total Insurance Contract Revenue	**96 094**	**130 154**	**100%**

Over time, the ZWL inflation adjusted financial information has become less useful to users due to distortions arising from multiple exchange rates in the environment and the moderate correlation between inflation and exchange rate trends. Supplementary information has been added to provide a more complete picture of the performance of the Group to stakeholders. To enhance usefulness of the supplementary information presented herein, we have captured our assumptions & methodology used in coming up with the financial information in section 2 below.

2. Methodology

The following methodology was undertaken in preparing the financial information presented below:

i. Segregate the pure USD transactions and balances (including all transactions denominated in other foreign currencies) from the pure ZWL transactions and balances.
ii. For the Statement of profit or loss the historical ZWL transactions were translated using an average estimated economic rate and then combined with the pure USD transactions to determine at the USD equivalent amounts.
iii. For the Statement of Financial Position, non-monetary items are converted at the estimated economic rate on the date of acquisition or disposal and for monetary items the estimated closing economic rate is used with resultant foreign exchange gain or losses arising from non-USD currencies.

Supplementary information – United States Dollars Financial Statements (Summarised)

Consolidated Statement of Profit or Loss for the period ended 31 December 2023.

	31 December 2023 USD 000	31 December 2022 USD 000	Growth %
Insurance Contract Revenue	130 154	113 109	15%
Rental income	6 623	4 988	33%
Net-Interest and fee income- Microfinance	2 628	1 183	122%
Asset and project management fees	721	551	31%
Other income	1 326	533	149%
Total revenue	**141 452**	**120 364**	**18%**
Net Operating Income	8 976	3 034	189%
Profit before Tax	15 962	(732)	2 281%
Profit after Tax	**14 894**	**(1 991)**	**839%**

Consolidated Statement Financial Position as at 31 December 2023

	31 December 2023 USD 000	31 December 2022 USD 000	Growth %
Assets			
Other Assets	55 336	48 395	14%
Investment Property	128 172	117 163	9%
Rental receivables	958	1 254	-24%
Insurance contract assets	8 546	9 177	-7%
Reinsurance contract assets	12 230	3 586	241%
Cash & Balances with banks	16 456	18 131	-9%
Total Assets	**221 698**	**197 706**	**12%**
Equity			
Shareholders' equity	65 755	53 813	21%
IFRS 17 adoption reserve	307	307	0%
Non-controlling interests	33 321	30 739	8%
Total Equity	**99 383**	**84 859**	**17%**
Total Liabilities	**122 315**	**112 847**	**8%**
Total Equity & Liabilities	**221 698**	**197 706**	**12%**