

## SHORT-FORM FINANCIAL RESULTS

This short form financial announcement is the responsibility of the Directors which has been issued in terms of the Zimbabwe Stock Exchange (ZSE) Practice note 13.

This announcement is only a summary of the information contained in the full preliminary report of the abridged consolidated financial statements for the six months ended 30 June 2023. Any investment decision by investors and/or shareholders should be based on consideration of the preliminary report of the abridged consolidated financial results for the six months ended 30 June 2023. The abridged consolidated financial statements have been released on the ZSE Data Portal: [www.zse.co.zw](http://www.zse.co.zw) and the Company's website: <https://firstmutualholdingsinvestor.com/>. The full preliminary report is available for inspection, at no charge, at the registered offices of First Mutual Holdings Limited at the office of the Company Secretary on working days between 8:00am and 4:30pm.

### Comprehensive Income and Cashflow highlights

	Inflation adjusted			Historical cost		
	30-Jun-23 ZWL million	30-Jun-22 ZWL million	Growth %	30-Jun-23 ZWL million	30-Jun-22 ZWL million	Growth %
Insurance contract revenue	199,510	97,329	105%	106,414	12,519	750%
Insurance service result	29,975	32,491	-8%	(18,334)	2,997	-712%
Net fair value gains - investment property	510,343	141,016	262%	746,663	55,997	1,233%
Net Investment return	109,276	6,046	1,707%	159,347	8,810	1,709%
<b>Profit/ (loss) after tax</b>	<b>386,377</b>	<b>(2,001)</b>	<b>19,409 %</b>	<b>486,668</b>	<b>34,040</b>	<b>1,330%</b>
Basic earnings per share (ZWL)	305	(14)	2,279%	358	26	1,277%
Headline earnings per share (ZWL)	305	(14)	2,279%	358	26	1,277%

### Financial Position highlights

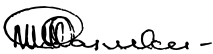
	Inflation adjusted			Historical cost		
	30-Jun-23 ZWL million	31-Dec-22 ZWL million	Growth %	30-Jun-23 ZWL million	31-Dec-22 ZWL million	Growth %
Total assets	1,490,838	697,165	114%	1,454,711	220,005	561%
Shareholder equity	337,872	140,770	140%	298,662	71,230	319%
Total equity	585,942	237,668	147%	543,165	100,197	442%
Total Liabilities	904,896	459,497	97%	911,546	119,807	661%

### DIVIDEND ANNOUNCEMENT

On 13 September 2023 the Board resolved that an interim dividend of 0.068 US cents per share amounting to USD500,000 be declared from the profits of the Company for the half year ended 30 June 2023. Further details on the payment of the dividend will be communicated in a separate dividend announcement.

### AUDITOR'S STATEMENT

The audit review of the Group is incomplete pending the finalisation of the Insurance and Pension Commission forensic investigation currently underway at one of the Group's significant subsidiaries, First Mutual Life Assurance Company.



Amos Manzai

Chairman

13 September 2023

### SUPPLEMENTARY INFORMATION - UNITED STATES DOLLARS

#### Comprehensive Income and Cashflow highlights

	30-Jun-23 USD000	30-Jun-22 USD000	Growth %
Insurance contract revenue	62,036	53,884	15%
Insurance service result	10,184	10,120	1%
Net fair value gains - investment property	5,563	38	14541%
Net Investment return	4,963	(8,601)	158%
<b>Profit/ (loss) after tax</b>	<b>9,211</b>	<b>(1,510)</b>	<b>710%</b>

#### Financial Position highlights

	30-Jun-23 USD000	31-Dec-22 USD000	Growth %
Total assets	219,493	197,706	11%
Shareholder equity	60,173	54,120	12%
Total equity	92,459	84,859	9%
Total liabilities	127,034	112,847	13%







### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023

INFLATION ADJUSTED	Share capital		Non-distributable reserves	IFRS 17 Adoption reserve	Retained earnings	Total equity for parent	Non-controlling interest	Total equity
	ZWL000	ZWL000						
As at 1 January 2022	1 292 762	25 925 742	8 026 103	-	46 490 374	81 734 981	64 289 137	146 024 119
Impact of adopting IFRS 17	-	-	-	26 000 516	-	-	-	-
Restated as at 1 January 2022	1 292 762	25 925 742	8 026 103	26 000 516	46 490 374	81 734 981	64 289 137	146 024 119
Profit for the year	-	-	-	-	(10 086 826)	(10 086 826)	8 085 845	(2 000 981)
Other comprehensive (loss)/income	-	-	2 160 863	-	-	2 160 863	(138 481)	2 022 382
Total comprehensive (loss)/income	-	-	2 160 863	-	(10 086 826)	(7 925 963)	7 947 364	21 401

Transactions with shareholders in their capacity as owners								
FMP redemption of shares	-	-	-	-	-	-	2 543	2 543
FMP treasury shares buyback	-	-	2 735	-	2 909 589	2 912 324	(2 912 324)	-
Reclassification of NCI to put option liability	-	-	-	-	-	-	(665 584)	(665 584)
Remeasurement of Put option liability	-	-	1 820 023	-	-	1 820 023	-	1 820 023
Dividend declared and paid	-	-	-	-	(739 708)	(739 708)	-	(739 708)

<b>As at 30 June 2022</b>	<b>1 292 762</b>	<b>25 925 742</b>	<b>12 009 724</b>	<b>26 000 516</b>	<b>38 573 429</b>	<b>77 801 657</b>	<b>68 661 136</b>	<b>146 462 794</b>
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<b>As at 1 January 2023</b>	<b>1 292 762</b>	<b>25 925 742</b>	<b>(2 099 191)</b>	<b>26 000 516</b>	<b>89 650 558</b>	<b>140 770 387</b>	<b>96 897 781</b>	<b>237 668 168</b>
Profit for the year	-	-	-	-	221 693 064	221 693 064	164 683 937	386 377 001
Other comprehensive income	-	-	(3 635 925)	-	-	(3 635 925)	1 193 078	(2 442 847)
Total comprehensive income	-	-	(3 635 925)	-	221 693 064	218 057 139	165 877 015	383 934 154

Transactions with shareholders in their capacity as owners								
FMP redemption of shares	-	-	-	-	-	-	11 419	11 419
FMP treasury shares buyback	-	-	(242)	-	(2 468)	(2 710)	2 710	-
Remeasurement of Put option liability	-	-	(20 094 520)	-	-	(20 094 520)	-	(20 094 520)
Reclassification to put option liability	-	-	-	-	-	(13 264 826)	(13 264 826)	-
Dividend declared and paid	-	-	-	-	(858 575)	(858 575)	(1 453 746)	(2 312 321)

<b>As at 30 June 2023</b>	<b>1 292 762</b>	<b>25 925 742</b>	<b>(25 829 878)</b>	<b>26 000 516</b>	<b>310 482 580</b>	<b>337 871 722</b>	<b>248 070 353</b>	<b>585 942 075</b>
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HISTORICAL COST	Share capital		Non-distributable reserves	IFRS 17 Adoption reserve	Retained profits	Total equity for parent	Non-controlling interest	Total equity
	ZWL000	ZWL000						
As at 1 January 2022	414 347	8 309 533	2 572 469	-	14 900 761	26 197 110	20 605 493	46 802 603
Impact of adopting IFRS 17	-	-	-	34 271 787	-	-	34 271 787	-
Restated as at 1 January 2022	414 347	8 309 533	2 572 469	34 271 787	14 900 761	60 468 897	20 605 493	81 074 390
Profit for the year	-	-	-	-	18 809 308	18 809 308	15 230 635	34 039 943
Other comprehensive (loss)/income	-	-	3 720 771	-	-	3 720 771	(138 481)	3 582 290
Total comprehensive (loss)/income	-	-	3 720 771	-	18 809 308	22 530 079	15 092 154	37 622 233

Transactions with shareholders in their capacity as owners								
FMP redemption of shares	-	-	-	-	-	-	518	518
FMP treasury shares buyback	-	-	(870)	-	593 738	592 868	(592 868)	-
Reclassification of NCI to put option liability	-	-	-	-	-	-	(404 269)	(404 269)
Remeasurement of Put option liability	-	-	(778 002)	-	-	(778 002)	-	(778 002)
Dividend declared and paid	-	-	-	-	(115 003)	(115 003)	-	(115 003)

<b>As at 30 June 2022</b>	<b>414 347</b>	<b>8 309 533</b>	<b>5 514 368</b>	<b>34 271 787</b>	<b>34 188 804</b>	<b>48 427 052</b>	<b>34 701 028</b>	<b>83 128 080</b>
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<b>As at 1 January 2023</b>	<b>54 878</b>	<b>39 417</b>	<b>2 589 976</b>	<b>34 271 787</b>	<b>34 273 565</b>	<b>71 229 623</b>	<b>28 967 822</b>	<b>100 197 445</b>
Profit for the year	-	-	-	-	260 028 628	260 028 628	226 639 786	486 668 414
Other comprehensive income	-	-	(14 688 538)	-	-	(14 688 538)	(118 186)	(14 806 724)
Total comprehensive income	-	-	(14 688 538)	-	260 028 628	245 340 090	226 521 600	471 861 690

Transactions with shareholders in their capacity as owners								
FMP redemption of shares	-	-	-	-	-	-	5 347	5 347
FMP treasury shares buyback	-	-	12 410	-	126 382	138 792	(138 792)	-
Reclassification of NCI to put option liability	-	-	-	-	-	-	(10 283 660)	(10 283 660)
Remeasurement of Put option liability	-	-	(17 735 040)	-	-	(17 735 040)	-	(17 735 040)
Dividend declared and paid	-	-	-	-	(311 078)	(311 078)	(569 272)	(880 350)

<b>As at 30 June 2023</b>	<b>54 878</b>	<b>39 417</b>	<b>(29 821 193)</b>	<b>34 271 787</b>	<b>294 117 496</b>	<b>298 662 385</b>	<b>244 503 047</b>	<b>543 165 432</b>
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The Group has adopted IFRS 17- Insurance contracts, a new accounting standard that became effective on 1 January 2023. The adoption of the new standard has resulted in new financial statement lines as presented in the primary financial statements. Prior year numbers have been restated in accordance with the new standard & provisions of IAS 8 from 1 January 2022.

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	INFLATION ADJUSTED		HISTORICAL COST	
	UNAUDITED 30-Jun-23 ZWL000	UNAUDITED 30-Jun-22 ZWL000	UNAUDITED 30-Jun-23 ZWL000	UNAUDITED 30-Jun-22 ZWL000
Profit before income tax	410 145 029	29 038 054	542 229 161	43 173 884
Total non- cash and separately disclosed items	62 550 064	(133 320 533)	(888 028 375)	(63 482 384)
Operating cash flows before working capital changes	472 695 093	(104 282 479)	(345 799 214)	(20 308 500)
Working capital changes	(425 993 258)	114 387 445	425 500 367	25 886 398
Cash (utilised in)/generated from operations	46 701 835	10 104 966	79 701 153	5 577 898
Finance costs on lease liability	(187 451)	(34 889)	(150 230)	(4 867)
Interest received	9 133 319	1 361 633	3 412 967	247 571
Tax paid	(1 136 634)	7 900 209	(446 615)	(661 230)
Net cash flows (utilised in)/ generated from operating activities	54 511 069	19 331 919	82 517 275	5 159 372
Net cash flow generated from/(used in) investing activities	(82 192 754)	(11 289 351)	(44 522 333)	(1 410 306)
Net cash flow used in financing activities	6 752 833	(530 518)	3 719 987	(90 138)
Net increase/(decrease) in cash and cash equivalents	(20 928 852)	7 512 050	41 714 929	3 658 928
Cash and cash equivalents at the beginning of the year	52 018 664	32 837 615	16 672 649	3 053 838
Effects of exchange rate changes on cash and cash equivalents	139 908 163	11 161 595	53 254 874	2 273 237
Effects of inflation on cash and cash equivalents	(59 355 522)	(7 389 985)	-	-
Cash and cash equivalents at the end of the period	111 642 452	44 121 275	111 642 452	8 986 003

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 PERIOD ENDED 30 JUNE 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 13 September 2023, the Company's major shareholders were the National Social Security Authority ("NSSA") which owns 34.25% (2021: 65.53%) directly and an additional 5.33% (2021: 7.10%) indirectly through Capital Bank Limited (NSSA owns 84% (2021: 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 30 June 2023 were authorised for issue in accordance with a resolution of the Directors at a meeting held on 13 September 2023.

#### 2.1 Statement of compliance

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

#### 2.2 Accounting policies

The accounting policies applied in the reviewed 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 in reporting. 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 has been applied. The date of such transition is 1 January 2022 for practical purposes. The fair value transitional approach has been applied to growth annuities carried under the Variable Fee Approach (VFA) due to impracticability in determining the Contractual Service Margin (CSM) IFRS 17 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. 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 30 June 2023, the Group has determined the risk-free rate by making reference to corporate bonds with an estimated range of between 10% to 12% and they are based on observable market data in addition to their other characteristics such as:

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



### NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2023

	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	UNAUDITED GROUP 30-Jun-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 30-Jun-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED COMPANY 30-Jun-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 30-Jun-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000
<b>16 Net Insurance contract liabilities</b>								
Insurance contract assets	(86 757 444)	(55 748 544)	(69 281 113)	(18 183 072)	-	-	-	-
Insurance contract liabilities	600 275 487	308 919 626	600 275 487	74 595 056	-	-	-	-
<b>Net insurance contract liabilities</b>	<b>513 518 043</b>	<b>253 171 082</b>	<b>530 994 374</b>	<b>56 411 984</b>	-	-	-	-
<b>17 Investment contract liabilities with DPF</b>								
Life Savings VFA	61 819 262	23 997 163	61 819 262	7 682 170	-	-	-	-
<b>Total</b>	<b>61 819 262</b>	<b>23 997 163</b>	<b>61 819 262</b>	<b>7 682 170</b>	-	-	-	-
<b>18 Other payables</b>								
Other payables	44 237 348	15 281 129	43 344 710	4 783 080	672 570	565 423	672 570	181 225
Provisions	19 594 483	4 527 787	18 701 845	1 336 496	119 491	43 836	119 491	14 050
Payroll and statutory payables	2 964 541	3 306 532	2 964 541	1 059 786	208 721	418 174	208 721	134 030
Accrued expenses	15 837 428	2 698 198	15 837 428	864 807	336 164	102 261	336 164	32 776
Trade payables	5 369 166	3 912 343	5 369 166	1 253 956	7 873	150	7 873	48
Property business related liabilities	471 729	836 269	471 729	268 035	321	1 001	321	321
Amounts due to group companies	263 368	1 495 035	263 368	479 178	-	-	-	-
<b>Total</b>	<b>44 500 716</b>	<b>16 776 164</b>	<b>43 608 078</b>	<b>5 262 258</b>	<b>1 057 010</b>	<b>802 643</b>	<b>1 057 010</b>	<b>257 257</b>
<b>19 Deferred income tax</b>								
At 1 January	43 795 853	34 003 476	14 268 171	3 154 960	-	-	-	-
Recognised through statement of comprehensive income	17 632 494	9 792 377	51 553 634	11 113 211	-	-	-	-
<b>Total</b>	<b>61 428 347</b>	<b>43 795 853</b>	<b>65 821 805</b>	<b>14 268 171</b>	-	-	-	-
Disclosed as								
Deferred tax asset	(11 985 818)	(2 298 080)	(7 766 829)	(702 885)	-	-	-	-
Deferred tax liability	73 414 165	46 093 933	73 588 634	14 971 056	-	-	-	-
<b>Total</b>	<b>61 428 347</b>	<b>43 795 853</b>	<b>65 821 805</b>	<b>14 268 171</b>	-	-	-	-
<b>20 Put option liability</b>								
At 1 January	10 051 246	6 097 294	3 221 553	568 099	-	-	-	-
Initial recognition	-	-	-	-	-	-	-	-
Reclassification from non-controlling interest	13 264 826	(1 131 018)	10 283 660	681 724	-	-	-	-
Remeasurement gain	20 094 520	6 151 798	17 735 040	1 971 730	-	-	-	-
Monetary gain/loss adjustment	(12 170 339)	(1 066 828)	-	-	-	-	-	-
<b>Closing balance</b>	<b>31 240 253</b>	<b>10 051 246</b>	<b>31 240 253</b>	<b>3 221 553</b>	-	-	-	-
<b>21 Insurance contract revenue</b>								
Life assurance	15 714 593	9 128 799	10 580 600	984 874	-	-	-	-
Health insurance	82 070 792	37 896 166	40 329 665	4 954 663	-	-	-	-
Property and casualty	101 724 252	50 304 220	55 503 661	6 579 753	-	-	-	-
<b>Total</b>	<b>199 509 637</b>	<b>97 329 185</b>	<b>106 413 926</b>	<b>12 519 290</b>	-	-	-	-
<b>22 Net investment income</b>								
Dividend received	2 078 769	63 756	816 805	7 999	-	-	-	-
Fair value gain on unquoted equities at fair value through profit or loss	15 434 517	3 957 797	25 236 106	1 576 142	-	-	-	-
Investment expenses	(8 983 179)	(2 467 842)	(3 529 736)	(309 620)	-	-	-	-
Fair value gain on quoted equities at fair value through profit or loss	89 258 495	3 130 662	130 470 866	7 287 391	-	-	-	-
<b>Net Investment return from equities</b>	<b>97 788 602</b>	<b>4 684 373</b>	<b>152 994 041</b>	<b>8 561 912</b>	-	-	-	-
Interest revenue from financial assets not measured at FVTPL	9 133 319	1 361 633	3 412 967	247 571	-	-	-	-
Fair value gain/(loss) on gold coins	2 353 715	-	2 940 132	-	-	-	-	-
<b>Total net investment income</b>	<b>109 275 636</b>	<b>6 046 006</b>	<b>159 347 140</b>	<b>8 809 483</b>	-	-	-	-

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2023

	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	UNAUDITED GROUP 30-Jun-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 30-Jun-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED COMPANY 30-Jun-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 30-Jun-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000
<b>23 Insurance service expenses</b>								
Incurd claims and other directly attributable expenses	257 351 556	75 824 674	192 385 200	11 213 496	-	-	-	-
Changes that relate to past service - adjustments to the LIC	244 157	1 198 554	95 881	150 593	-	-	-	-
Insurance acquisition cash flows amortisation	52 188 633	21 872 759	37 643 274	3 022 441	-	-	-	-
<b>Total insurance claims and loss adjustment expenses</b>	<b>309 784 346</b>	<b>98 895 987</b>	<b>230 124 355</b>	<b>14 386 530</b>	-	-	-	-
<b>24 COBE (24.31) and IFRS mandatory disclosures</b>								
Staff costs	25 690 205	12 924 843	12 598 322	1 728 142	-	-	-	-
Directors' fees - Holding company	539 622	100 614	264 628	13 453	-	-	-	-
- Group companies	1 732 727	523 785	849 719	70 034	-	-	-	-
Depreciation of property, vehicles and equipment	1 107 550	415 098	115 511	13 527	-	-	-	-
Audit fees	649 520	587 001	318 521	78 486	-	-	-	-

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



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### SEGMENTAL RESULTS AND ANALYSIS

FOR THE PERIOD ENDED 30 JUNE 2023

INFLATION ADJUSTED	Life and Health	General Insurance	Reinsurance	Property	Other	Gross Figures	Consolidation Entries	Total Consolidated
	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
<b>As at 30 June 2023</b>								
Insurance contract revenue	97 785 384	44 038 920	60 816 823			202 641 127	(3 131 490)	199 509 637
Rental income		886 974		7 874 869	193 769	8 955 612	(962 106)	7 993 506
Fair value adjustments on investment property		36 584 992		512 076 067	9 368 323	558 029 382	(47 686 714)	510 342 668
Net Investment income	380 925 201	10 370 264	21 224 940	1 827 066	277 166 983	691 514 454	(582 238 818)	109 275 636
Fees and other income	13 568 600	20 793 136	30 870 572	6 787 293	13 759 028	85 778 629	(2 084 274)	83 694 355
<b>Total income</b>	<b>492 279 185</b>	<b>112 674 286</b>	<b>112 912 335</b>	<b>528 565 295</b>	<b>300 488 103</b>	<b>1 546 919 204</b>	<b>(636 103 402)</b>	<b>910 815 802</b>
Intersegment revenue	299 023 879	47 874 695	5 010 382	53 513 702	230 680 744	636 103 403	(636 103 403)	-
Total expenses	(18 423 257)	(21 645 583)	(9 495 486)	(8 979 704)	(16 500 472)	(75 044 502)	1 223 908	(73 820 594)
Profit before income tax	139 614 739	61 110 112	41 738 098	519 747 430	286 113 004	1 048 323 383	(638 178 354)	410 145 029
Income tax expense	(2 788 605)	(11 531 593)	7 377 367	(14 872 415)	(2 047 313)	(23 862 559)	94 531	(23 768 028)
Total assets	709 090 238	274 170 292	190 458 824	872 032 618	454 812 775	2 500 564 747	(1 133 253 619)	1 367 311 128
Insurance finance result	(269 945 114)	-	-	-	-	(269 945 114)	-	(269 945 114)
Movement in investment contract liabilities	(13 761 036)	-	-	-	-	(13 761 036)	-	(13 761 036)
Total liabilities	490 758 819	187 546 183	161 103 434	58 974 473	43 831 453	942 214 361	(160 845 308)	781 369 053
Cash flows from operating activities	8 043 350	37 902 584	57 553 936	(1 635 793)	98 482 640	200 346 717	(145 835 648)	54 511 069
Cash flows generated from/(utilised in) investing activities	(16 803 947)	428 720	(42 458 477)	(622 368)	(68 746 459)	(128 202 531)	46 009 777	(82 192 754)
Cash generated from/(utilised in) financing activities	(50 002)	(2 593 365)	3 643 049	(1 632 375)	1 890 631	1 257 939	5 494 894	6 752 833
<b>As at 31 December 2022</b>								
Insurance contract revenue	47 024 965	32 705 929	18 750 217			98 481 111	(1 151 926)	97 329 185
Rental income		1 324 141		3 556 823	46 997	4 927 961	(1 238 045)	3 689 916
Fair value adjustments on investment property		20 971 838		145 895 994	862 935	167 730 767	(26 714 527)	141 016 240
Net Investment income	44 783 250	3 634 900	310 104	293 767	42 578 584	91 600 604	(85 554 598)	6 046 006
Fees and other income	2 955 849	3 064 171	446 114	2 916 127	10 518 830	19 901 090	(3 226 656)	16 674 434
<b>Total income</b>	<b>94 764 064</b>	<b>61 700 979</b>	<b>19 506 435</b>	<b>152 662 710</b>	<b>54 007 347</b>	<b>382 641 534</b>	<b>(117 885 753)</b>	<b>264 755 781</b>
Intersegment revenue	23 403 545	1 004 587	1 843 082	30 747 830	60 886 709	117 885 753	(117 885 753)	-
Total expenses	(10 780 727)	(8 347 761)	(2 065 566)	(3 330 043)	(7 523 858)	(32 047 955)	4 833 012	(27 214 943)
Profit/(loss) before income tax	(99 554 966)	33 709 685	5 021 708	146 711 141	47 592 224	133 479 792	(104 441 738)	29 038 054
Income tax expense	-	(5 921 698)	(877 923)	(23 765 273)	(10 186)	(30 575 080)	(463 955)	(31 039 035)
Total assets	270 117 461	225 555 915	55 752 012	350 421 775	139 130 343	1 040 977 506	(434 564 037)	606 413 469
Insurance finance result	(153 052 253)	-	-	-	-	(153 052 253)	-	(153 052 253)
Movement in investment contract liabilities	7 533 795	-	-	-	-	7 533 795	-	7 533 795
Total liabilities	189 080 908	179 372 237	42 700 821	40 332 270	15 427 619	466 913 855	(98 168 554)	368 745 301
Cash flows from operating activities	(18 321 662)	15 416 921	22 470 853	964 085	19 635 358	40 165 555	(20 833 636)	19 331 919
Cash flows generated from/(utilised in) investing activities	(4 411 556)	362 816	(25 767 747)	(226 138)	(29 647 452)	(59 690 077)	48 400 726	(11 289 351)
Cash generated from/(utilised in) financing activities	(1 648 976)	(1 344 410)	(972 268)	(333 806)	1 064 746	(3 234 713)	2 704 195	(530 518)

### SEGMENTAL RESULTS AND ANALYSIS

FOR THE PERIOD ENDED 30 JUNE 2023

HISTORICAL COST	Life and Health	General Insurance	Reinsurance	Property	Other	Gross Figures	Consolidation Entries	Total Consolidated
	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
<b>As at 31 December 2023</b>								
Insurance contract revenue	50 910 265	23 216 378	33 708 383	-	-	107 835 026	(1 421 100)	106 413 926
Rental income	-	430 386	-	7 195 720	13 501	7 639 608	(3 924 512)	3 715 096
Fair value adjustments on investment property	-	53 028 600	-	744 433 093	12 410 100	809 871 793	(63 209 131)	746 662 662
Net Investment income	556 140 318	6 879 263	15 908 106	324 484	267 858 804	847 110 976	(687 763 836)	159 347 140
Fee and other income	12 127 998	13 870 865	29 968 613	6 405 235	15 936 135	78 308 846	(2 723 128)	75 585 718
<b>Total income</b>	<b>619 178 580</b>	<b>97 425 492</b>	<b>79 585 103</b>	<b>758 358 532</b>	<b>296 218 540</b>	<b>1 850 766 248</b>	<b>(759 041 706)</b>	<b>1 091 724 542</b>
Intersegment revenue	394 885 524	40 493 993	2 273 760	73 847 007	247 541 422	759 041 706	(759 041 706)	-
Total expenses	(11 565 573)	(18 328 648)	(5 915 706)	(5 436 621)	(7 197 529)	(48 444 078)	1 261 170	(47 182 908)
Profit before income tax	178 326 155	42 112 958	30 306 616	752 477 333	278 683 639	1 281 906 702	(739 677 541)	542 229 161
Income tax expense	(3 614 880)	(18 124 061)	6 888 672	(39 188 342)	(1 647 130)	(55 685 741)	124 993	(55 560 748)
Total assets	689 569 711	269 957 693	164 035 869	868 494 803	366 525 217	2 358 583 293	(1 017 290 646)	1 341 292 647
Insurance finance result	(366 580 208)	-	-	-	-	(366 580 208)	-	(366 580 208)
Movement in investment contract liabilities	(20 205 742)	-	-	-	-	(20 205 742)	-	(20 205 742)
Total liabilities	490 571 968	189 214 935	134 581 935	56 664 558	43 744 301	914 777 696	(116 650 481)	798 127 215
Cash flows from operating activities	27 870 645	40 900 491	36 520 494	(2 163 991)	79 637 352	182 764 991	(100 247 716)	82 517 275
Cash flows generated from/(utilised in) investing activities	(12 916 356)	21 639	(22 442 638)	(241 379)	(44 536 358)	(80 115 092)	35 592 759	(44 522 333)
Cash generated from/(utilised in) financing activities	418 739	(846 951)	288 825	(611 475)	776 345	25 483	3 694 504	3 719 987
<b>As at 31 December 2022</b>								
Insurance contract revenue	5 939 537	4 109 053	2 644 435			12 693 026	(173 736)	12 519 290
Rental income		64 804		468 332		533 135	(43 212)	489 923
Fair value adjustments on investment property		34 193		55 970 982		56 005 174	(8 449)	55 996 725
Net Investment income	36 333 256	62 708	929 572	53 203	15 562 306	52 941 045	(44 131 562)	8 809 483
Fee and other income	499 358	183 849	174 667	471 797	2 166 458	3 496 130	(339 136)	3 156 994
<b>Total income</b>	<b>42 772 152</b>	<b>4 454 607</b>	<b>3 748 674</b>	<b>56 964 313</b>	<b>17 728 764</b>	<b>125 668 510</b>	<b>(44 696 095)</b>	<b>80 972 415</b>
Intersegment revenue	14 211 186	3 042 268	277 977	56 828	27 107 836	44 696 095	(44 696 095)	-
Total expenses	(1 467 259)	(398 090)	(180 948)	(486 025)	(1 280 164)	(3 812 486)	508 754	(3 303 732)
Profit before income tax	11 522 989	1 843 688	905 176	56 478 288	16 842 907	87 593 049	(44 419 165)	43 173 884
Income tax (expense)/credit	-	(1 070 684)	(82 254)	(7 931 228)	(69 676)	(9 153 842)	19 901	(9 133 941)
Total assets	86 375 538	71 418 505	18 085 325	111 918 346	43 954 175	331 751 887	(138 026 026)	193 725 861
Insurance finance result	(23 387 147)	-	-	-	-	(23 387 147)	-	(23 387 147)
Movement in investment contract liabilities	(1 627 540)	-	-	-	-	(1 627 540)	-	(1 627 540)
Total liabilities	60 584 706	29 899 622	13 981 441	12 765 617	4 728 958	121 960 344	(28 431 928)	93 528 416
Cash flows from operating activities	5 820 672	2 267 036	7 319 686	168 132	3 457 845	19 033 371	(13 873 999)	5 159 372
Cash flows generated from/(utilised in) investing activities	(1 396 578)	3 591	(8 675 427)	(11 317)	(11 473 836)	(21 553 567)	20 143 261	(1 410 306)
Cash utilised in financing activities	(356 417)	(262 580)	(307 838)	(61 777)	356 783	(631 830)	541 692	(90 138)

### Supplementary information – United States Dollars Financial Statements

#### 1. Background

Since 2018, Zimbabwe has undergone several changes in the economic and monetary policy framework including the re-introduction of the Zimbabwe dollar in a multi-currency environment. During the first half of the year, macroeconomic developments continued to be negatively impacted by price and exchange rate volatility, particularly in Q2 2023. Another trend was increasing dollarisation of economy. Significant policy interventions were implemented towards the end of the period 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 either migrated to the option of settling in USD currency or maintained ZWL policies that adjusted in line with inflation trends. The above developments resulted in the Group earning approximately 56% of its Insurance Contract Revenue (ICR) in foreign currencies which included USD, BWP and MZN as shown below:

Table 1: Insurance contract revenue by region

Region	Original currency 000	USD equivalent USD000	Contribution %
Zimbabwe	USD33,331	33,331	54%
Botswana	BWP143,192	10,934	18%
Mozambique	MZN 99,949	1,565	3%
<b>Sub-total – ICR in foreign currencies</b>		<b>45,830</b>	<b>75%</b>
Zimbabwe	ZWL51,872,506	16,206	25%
<b>Consolidated Insurance Contract Revenue</b>		<b>62,036</b>	<b>100%</b>
<b>Percentage in USD and other foreign currencies</b>		<b>74%</b>	

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 our stakeholders. To enhance usefulness of the supplementary information presented below, several assumptions which consider the various economic and policy developments that the country is currently experiencing, including but not limited to inflation and exchange rate movements.

#### 2. Methodology

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

- Segregate the pure USD transactions and balances (including all transactions denominated in other foreign currencies) from the pure ZWL transactions and balances.
- 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.
- 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

Shown below is summarised information:

#### Consolidated Statement of Profit or Loss for the period ended 30 June 2023

	30-Jun-23 USD000	30-Jun-22 USD000	Growth %
<b>Insurance contract revenue</b>	<b>62,036</b>	<b>53,884</b>	<b>15%</b>
<b>Insurance service result</b>	<b>8,803</b>	<b>9,738</b>	<b>-10%</b>
Rental Income	2,968	2,206	35%
Net foreign exchange movements	228	(127)	279%
Net operating income	3,622	3,368	8%
Net investment return	4,963	(8,601)	158%
Profit before taxation	10,830	(694)	1659%
<b>Profit for the period</b>	<b>9,211</b>	<b>(1,510)</b>	<b>710%</b>

#### Consolidated Statement Financial Position as at 30 June 2023

	30-Jun-23 USD000	31-Dec-22 USD000	Growth %
<b>ASSETS</b>			
Other assets	42,334	36,761	15%
Investment property	122,727	117,163	5%
Reinsurance contract assets	3,911	2,434	61%
Cash and cash equivalents	32,724	31,019	5%
<b>Total assets</b>	<b>201,696</b>	<b>187,377</b>	<b>8%</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholder equity	60,173	54,120	12%
Non-controlling interest	32,286	30,739	5%
<b>Total equity</b>	<b>92,459</b>	<b>84,859</b>	<b>9%</b>
<b>Total liabilities</b>	<b>109,237</b>	<b>102,518</b>	<b>7%</b>
<b>Total equity and liabilities</b>	<b>201,696</b>	<b>187,377</b>	<b>8%</b>

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