

# FIRST MUTUAL

HOLDINGS LIMITED

Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

## SHORT FORM FINANCIAL STATEMENTS 31 DECEMBER 2023

### 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 year ended 31 December 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 year ended 31 December 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 highlights

	Inflation adjusted – Audited		Growth	Historical cost – Unaudited		Growth
	31-Dec-23 ZWL Billion	31-Dec-22 ZWL Billion		31-Dec-23 ZWL Billion	31-Dec-22 ZWL Billion	
Insurance contract revenue	1,088.8	400.7	172%	503.3	47.2	966%
Insurance service result	141.3	74.9	89%	55.2	6.7	724%
Rental income	39.1	13.1	198%	23.7	2.1	1,029%
Net Investment return	76.7	(35.1)	319%	184.3	9.4	1,861%
Fair value gains-investment property	528.7	164.1	222%	952.5	89.0	970%
Profit after tax	348.3	90.5	285%	583.2	48.3	1,107%
Basic Earnings per Share (Cents)	20,585	5,698		37,673	3,084	
Market price per share (cents)	1,047	20.56		1,047	20.56	

### Financial position highlights

	Inflation adjusted – Audited		Growth	Historical cost – Unaudited		Growth
	31-Dec-23 ZWL Billion	31-Dec-22 ZWL Billion		31-Dec-23 ZWL Billion	31-Dec-22 ZWL Billion	
Total assets	1,703.3	836.8	104%	1,649.7	171.2	864%
Total equity	682.7	303.8	125%	639.3	61.6	938%
Total Liabilities	1,020.6	533.0	91%	1,010.4	109.6	822%

### OPERATIONS REVIEW

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 57% 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. An increase of 724% compared to the prior year figure of \$6.7 billion recorded in historical cost terms. The growth was primarily due to the increase in insurance contract revenue.

#### Rental Income and Investment return

Rental income grew by 198% 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 1,029% 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 meter was US\$5.29 compared to prior year of US\$3.51. The overall Group net investment returns amounted to \$76.7 million in inflation adjusted terms and \$184.3 million in historical cost terms, representing an increase of 319% in hyperinflation adjusted terms and 1,861% 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 1,107% to \$583.2 billion 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.

### 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 USD500,000 results in total dividends for the year of USD1,500,000.

The dividend was paid from the Company's operating cashflows of the company for the year ended 31 December 2023 on 5 June 2024 to all shareholders of the Company registered at close of business on 29 May 2024.



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.

**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	
	AUDITED 31-Dec-23 ZWL billion	AUDITED 31-Dec-22 ZWL billion	UNAUDITED 31-Dec-23 ZWL billion	UNAUDITED 31-Dec-22 ZWL billion
Insurance contract revenue	1,088.8	400.7	503.2	47.2
Insurance service result	141.3	74.9	55.2	6.7
Rental income	39.1	13.1	23.7	2.1
Net fair value gains (Investment Property)	528.7	164.1	952.5	89.0
Net Investment return (Other Investments)	76.8	(35.1)	184.3	9.4
<b>Profit after tax</b>	<b>348.3</b>	<b>90.5</b>	<b>583.2</b>	<b>48.3</b>
<b>Financial position highlights</b>				
Total assets	1,703.3	836.8	1,649.7	171.2
Total equity	682.7	303.8	639.3	61.6
Total Liabilities	1,020.6	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 \$583.2 billion 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 Masiwa 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.

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



**Amos Manzai**  
Chairman  
5 June 2025

GROUP CHIEF EXECUTIVE 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 a profit of BWP 26 million in 2023 8.86% below prior year profitability of BWP 28.6 million.

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

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





## INVESTMENTS CLUSTER

## First Mutual Properties Limited

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

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

## First Mutual Microfinance (Private) Limited

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

## First Mutual Wealth Management (Private) Limited

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

## HUMAN CAPITAL

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

## APPRECIATION

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



Douglas Hoto  
Group Chief Executive Officer  
5 June 2025

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		INFLATION ADJUSTED			HISTORICAL COST			INFLATION ADJUSTED		HISTORICAL COST	
	Note	AUDITED GROUP	AUDITED GROUP	AUDITED GROUP	UNAUDITED GROUP	UNAUDITED GROUP	UNAUDITED GROUP	AUDITED COMPANY	AUDITED COMPANY	UNAUDITED COMPANY	UNAUDITED COMPANY
ASSETS		31-Dec-23 ZWL000	31-Dec-22 ZWL000	01-Jan-22* ZWL000	31-Dec-23 ZWL000	31-Dec-22 ZWL000	01-Jan-22* ZWL000	31-Dec-23 ZWL000	31-Dec-22 ZWL000	31-Dec-23 ZWL000	31-Dec-22 ZWL000
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	102 440
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	1 609 230	724 467	528 184	170 619	30 366	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	836 823 302	597 475 596	1 649 741 908	171 184 509	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		252 070 892	106 433 056	69 074 155	301 629 458	28 930 199	28 930 199	7 251 614	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		331 914 308	155 242 798	100 177 773	326 709 367	32 370 853	6 270 484	-	-	-	-
Total equity		682 723 204	303 757 853	216 837 439	639 261 483	61 555 019	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 & 19	677 375 535	351 579 491	239 145 945	670 838 104	72 149 171	14 114 979	-	-	-	-
Investment contract liabilities with DPF	17 & 19	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	48 565 652	29 086 308	15 363 744	47 273 008	5 932 335	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	533 065 452	380 638 157	1 010 480 425	109 629 490	22 650 184	9 209 567	2 803 256	9 209 567	582 797
TOTAL EQUITY AND LIABILITIES		1 703 374 808	836 823 302	597 475 596	1 649 741 908	171 184 509	36 107 183	389 537 274	176 039 066	343 265 376	34 079 573

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

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



STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2023

Note	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31-Dec-23 ZWL	AUDITED 31-Dec-22 ZWL	UNAUDITED 31-Dec-23 ZWL	UNAUDITED 31-Dec-22 ZWL
<b>INCOME</b>				
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)	(112 585 997)	(10 070 869)
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	638 470 607	60 108 980
Share of (loss)/profit of associate	2 303 791	(1 517 995)	2 121 457	(70 814)
Profit before income tax	353 287 699	112 551 273	640 592 064	60 038 166
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	583 184 344	48 289 607
<b>Other comprehensive income/(loss)</b>				
<b>Other comprehensive income to be reclassified to statement of comprehensive income in subsequent period</b>				
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)	1 505 039	2 176 393	135 723
Other comprehensive income/(loss) to be reclassified to statement of comprehensive income in subsequent periods	63 560 337	6 907 234	23 014 915	2 873 402
<b>Total comprehensive profit for the period</b>				
411 877 464	97 387 089	606 199 260	51 163 010	
<b>Profit attributable to:</b>				
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
<b>Total Comprehensive income attributable to:</b>				
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
<b>Basic earnings per share (cents)</b>				
20,585	5,698	37,673	3,084	
<b>Diluted earnings per share (cents)</b>				
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 PERIOD 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	-	69 074 155	123 409 592	99 112 420	222 522 012
Impact of adopting IFRS 17	-	-	-	(6 749 926)	-	(6 749 926)	-	(6 749 926)
Restated as at 1 January 2022	1 993 008	39 968 853	12 373 576	(6 749 926)	69 074 155	116 659 666	100 177 773	216 837 439
Profit for the year	-	-	-	-	38 585 139	38 585 139	51 894 716	90 479 855
Other comprehensive (loss)/income	-	-	4 548 812	-	-	4 548 812	2 358 422	6 907 234
Total comprehensive (loss)/income	-	-	4 548 812	-	38 585 139	43 133 951	54 253 138	97 387 089
<b>Transactions with shareholders in their capacity as owners</b>								
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)	106 433 056	148 515 055	155 242 798	303 757 853
As at 1 January 2023	1 993 008	39 968 853	6 870 064	(6 749 926)	106 433 056	148 515 055	155 242 798	303 757 853
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
<b>Transactions with shareholders in their capacity as owners</b>								
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	-	-	-	-	-	-	(7 389 153)	(7 389 153)
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)	252 070 892	350 808 896	331 914 308	682 723 204

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 - UNAUDITED	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
<b>Transactions with shareholders in their capacity as owners</b>								
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
<b>Transactions with shareholders in their capacity as owners</b>								
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		HISTORICAL COST	
	AUDITED	AUDITED	UNAUDITED	UNAUDITED
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	ZWL000	ZWL000	ZWL000	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 5 June 2025.





NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

2.1. **Statement of compliance**

As noted in note 24; 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 September 2025.

2.2 **Accounting policies**

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

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 Group and Company inflation-adjusted financial statements for the year ended 31 December 2023 from which these abridged results have been extracted have been audited by Ernst & Young Chartered Accountants (Zimbabwe), who have issued an unmodified audit opinion.

The Auditor's report includes Key Audit Matters on the valuation of investment properties and IFRS 17 Implementation and Reporting of Insurance Contracts. The auditor's opinion on the Group and Company financial statements is available for inspection at the Company's registered office.

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

	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED	AUDITED	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	
	AUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED	AUDITED	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



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

	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED GROUP 31-Dec-23 ZWL000	AUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 31-Dec-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	AUDITED COMPANY 31-Dec-23 ZWL000	AUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 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	-	-	-	-

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

	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED GROUP 31-Dec-23 ZWL000	AUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 31-Dec-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	AUDITED COMPANY 31-Dec-23 ZWL000	AUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000
12 Tenant and other receivables								
Premium receivables from intermediaries	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)	-	-	-	-
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								
Other payables	43 672 582	26 781 465	42 379 937	5 453 155	3 735 492	871 694	3 735 492	181 225
*Provisions	13 263 661	6 973 396	11 971 015	1 335 053	474 885	231	474 885	14 050
Payroll and statutory payables	14 629 752	9 533 328	14 629 752	1 981 981	1 397 834	644 685	1 397 834	134 030
Accrued expenses	6 108 690	2 953 966	6 108 690	614 130	1 817 157	157 653	1 817 157	32 776
Trade payables	8 886 130	6 031 527	8 886 130	1 253 956	39 570	67 581	39 570	48
Property business related liabilities	784 349	1 289 248	784 350	268 035	6 045	1 544	6 045	321
Amounts due to group companies	4 893 090	2 304 843	4 893 071	479 180	-	-	-	-
Total	48 565 652	29 086 308	47 273 008	5 932 335	3 799 298	1 237 408	3 799 298	257 257

\* Included in provision is the regulatory provision disclosed on note 24.2

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:

Note	Life Risk 13.3	Savings- PAA 13.4	Savings- VFA 13.5	Health 13.2	Property and Casualty 13.1	Total	Current Portion	Non-Current Portion	Total
Inflation adjusted									
As at 31 December 2023									
Insurance contract assets	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	(5 033 775)	(421 348 430)	(83 168 044)	(47 254 648)	(203 738 683)	(760 543 579)	(677 375 535)	(83 168 044)	(760 543 579)
Net insurance contract assets/(liabilities)	(5 033 775)	(421 348 430)	(83 168 044)	(47 254 648)	(203 738 683)	(760 543 579)	(677 375 535)	(83 168 044)	(760 543 579)
Reinsurance contract assets	151 508	-	-	-	99 995 376	100 146 884	100 146 884	-	100 146 884
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities)	151 508	-	-	-	99 995 376	100 146 884	100 146 884	-	100 146 884
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)	(351 579 491)	(37 075 077)	(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)	(351 579 491)	(37 075 077)	(388 654 568)
Reinsurance contract assets	159 529	-	-	-	36 772 783	36 932 313	36 932 313	-	36 932 313
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities)	159 529	-	-	-	36 772 783	36 932 313	36 932 313	-	36 932 313
HISTORICAL COST - UNAUDITED									
As at 31 December 2023									
Insurance contract assets	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	(3 428 055)	(421 348 430)	(83 168 044)	(43 530 496)	(202 531 123)	(754 006 148)	(670 838 104)	(83 168 044)	(754 006 148)
Net insurance contract assets/(liabilities)	(3 428 055)	(421 348 430)	(83 168 044)	(43 530 496)	(202 531 123)	(754 006 148)	(670 838 104)	(83 168 044)	(754 006 148)
Reinsurance contract assets	151 508	-	-	-	89 791 375	89 942 883	89 942 883	-	89 942 883
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities)	151 508	-	-	-	89 791 375	89 942 883	89 942 883	-	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)	(72 149 171)	(7 707 916)	(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)	(72 149 171)	(7 707 916)	(79 857 087)
Reinsurance contract assets	33 166	-	-	-	7 391 836	7 425 002	7 425 002	-	7 425 002
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities)	33 166	-	-	-	7 391 836	7 425 002	7 425 002	-	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:

INFLATION ADJUSTED	“Liabilities for remaining coverage”		2 023 Liabilities for incurred claims		Total
	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	
Property and Casualty - Insurance contracts issued					
Net balance as at 1 January	20 759 129	-	89 019 934	4 623 450	114 402 512
Insurance revenue	(691 608 901)	-	-	-	(691 608 901)
Insurance service expenses	-	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	250 927 570	26 906 690	277 834 261
Changes that relate to past service adjustments to the LIC	-	-	98 715 470	(2 282 190)	96 433 280
Insurance acquisition cash flows amortisation	260 447 820	-	-	-	260 447 820
Insurance service expenses	260 447 820	-	349 643 041	24 624 501	634 715 362
Insurance service result	(431 161 080)	-	349 643 041	24 624 501	(56 893 539)
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	(431 161 080)	-	349 643 041	24 624 501	(56 893 539)
Investment components	-	-	-	-	-
Effects of inflation	-	-	(35 543 268)	(19 352 774)	(54 896 041)
Cash flows	-	-	-	-	-
Premiums received	814 184 164	-	-	-	814 184 164
Claims and other directly attributable expenses paid	-	-	(326 009 479)	-	(326 009 479)
Insurance acquisition cash flows	(287 048 934)	-	-	-	(287 048 934)
Total cash flows	527 135 230	-	(326 009 479)	-	201 125 751
Net balance as at 31 December	116 733 278	-	77 110 228	9 895 176	203 738 683

Property and Casualty - Insurance contracts issued	“Liabilities for remaining coverage”		2 022 Liabilities for incurred claims		Total
	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	
Net balance as at 1 January	(3 172 640)	-	43 787 691	1 045 439	41 660 491
Insurance revenue	(221 426 683)	-	-	-	(221 426 683)
Insurance service expenses	-	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	88 293 882	5 909 095	94 202 978
Changes that relate to past service adjustments to the LIC	-	-	45 236 438	(502 199)	44 734 239
Insurance acquisition cash flows amortisation	64 894 952	-	-	-	64 894 952
Insurance service expenses	64 894 952	-	133 530 321	5 406 896	203 832 168
Insurance service result	(156 531 732)	-	133 530 321	5 406 896	(17 594 515)
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	(156 531 732)	-	133 530 321	5 406 896	(17 594 515)
Investment components	-	-	-	-	-
Effects of inflation	-	-	2 988 508	(1 828 885)	1 159 622
Cash flows	-	-	-	-	-
Premiums received	251 302 260	-	-	-	251 302 260
Claims and other directly attributable expenses paid	-	-	(91 286 586)	-	(91 286 586)
Insurance acquisition cash flows	(70 927 955)	-	-	-	(70 927 955)
Total cash flows	180 374 306	-	(91 286 586)	-	89 087 720
Net balance as at 31 December	20 669 934	-	89 019 934	4 623 450	114 313 318

HISTORICAL COST - UNAUDITED	“Liabilities for remaining coverage”		2 023 Liabilities for incurred claims		Total
	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	
Property and Casualty - Insurance contracts issued					
Net balance as at 1 January	4 184 061	-	18 507 263	961 216	23 652 540
Insurance revenue	(269 777 942)	-	-	-	(269 777 942)
Insurance service expenses	-	-	-	-	-
Incurred claims and other directly attributable expenses	-	-	81 259 595	9 761 957	91 021 551
Changes that relate to past service adjustments to the LIC	-	-	96 887 704	(827 996)	96 059 708
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortisation	104 537 694	-	-	-	104 537 694
Insurance service expenses	104 537 694	-	178 147 299	8 933 960	291 618 953
Insurance service result	(165 240 248)	-	178 147 299	8 933 960	21 841 011
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	(165 240 248)	-	178 147 299	8 933 960	21 841 011
Investment components	-	-	-	-	-
Other changes	-	-	-	-	-
Cash flows	-	-	-	-	-
Premiums received	371 545 718	-	-	-	371 545 718
Claims and other directly attributable expenses paid	-	-	(119 544 334)	-	(119 544 334)
Insurance acquisition cash flows	(94 963 813)	-	-	-	(94 963 813)
Total cash flows	276 581 905	-	(119 544 334)	-	157 037 571
Net balance as at 31 December	115 525 718	-	77 110 228	9 895 176	202 531 123

Property and Casualty - Insurance contracts issued	“Liabilities for remaining coverage”		2 022 Liabilities for incurred claims		Total
	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	
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	-	-	7 628 337	951 455	8 579 792
Changes that relate to past service adjustments to the LIC	-	-	9 350 112	(80 862)	9 269 251
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortisation	7 974 768	-	-	-	7 974 768
Insurance service expenses	7 974 768	-	16 978 450	870 593	25 823 811
Insurance service result	(13 420 219)	-	16 978 450	870 593	4 428 823
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	(13 420 219)	-	16 978 450	870 593	4 428 823
Investment components	-	-	-	-	-
Other changes	-	-	-	-	-
Cash flows	-	-	-	-	-
Premiums received	28 701 985	-	-	-	28 701 985
Claims and other directly attributable expenses paid	-	-	(2 349 638)	-	(2 349 638)
Insurance acquisition cash flows	(10 217 727)	-	-	-	(10 217 727)
Total cash flows	18 484 258	-	(2 349 638)	-	16 134 619
Net balance as at 31 December	4 184 061	-	18 507 263	961 216	23 652 540

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

INFLATION ADJUSTED In ZWL	2023						Total
	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	
Expected timing of derecognition of assets balance as at 31 December	0						
In ZWL	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	0						
HISTORICAL COST - UNAUDITED In ZWL	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	0						
In ZWL	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	0						

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	“Liabilities for remaining coverage”		2023 Liabilities for incurred claims		Total
	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	
Net balance as at 1 January	5 216 466	-	(39 377 791)	(2 611 458)	(36 772 783)
Net expenses (income) from reinsurance contracts held	-	-	-	-	-
Reinsurance expenses	251 298 262	-	-	-	251 298 262
Other incurred directly attributable income	(11 474 621)	-	-	-	(11 474 621)
Claims recovered	-	-	(178 577 875)	-	(178 577 875)
Changes that relate to past service - adjustments to incurred claims	-	-	(52 128 433)	-	(52 128 433)
Effect of changes in the risk of reinsurers non-performance	-	-	-	(5 734 128)	(5 734 128)
Net expenses (income) from reinsurance contracts held	239 823 641	-	(230 706 308)	(5 734 128)	3 383 205
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	239 823 641	-	(230 706 308)	(5 734 128)	3 383 205
Investment components	-	-	-	-	-
Effects of inflation	-	-	124 260 054	2 398 370	126 658 424
Cash flows	-	-	-	-	-
Premiums paid net of ceding commissions and other directly attributable expenses paid	(284 686 447)	-	(55 681 205)	-	(340 367 652)
Recoveries from reinsurance	-	-	147 103 430	-	147 103 430



Total cash flows	(284 686 447)	-	91 422 225	-	(193 264 222)
Net balance as at 31 December	(39 646 341)	-	(54 401 820)	(5 947 216)	(99 995 376)
	2022				
	“Liabilities for remaining coverage”				
	Excluding loss comp.	Loss comp	Liabilities for incurred claims Present value of future cash flows	Risk adj. for non-fin. risk	Total
Net balance as at 1 January	(4 600 762)	-	(1 233 938)	(719 852)	(6 554 553)
Net expenses (income) from reinsurance contracts held	-	-	-	-	-
Reinsurance expenses	71 650 253	-	-	-	71 650 253
Other incurred directly attributable income	(5 796 368)	-	-	-	(5 796 368)
Claims recovered	-	-	(49 125 594)	-	(49 125 594)
Changes that relate to past service - adjustments to incurred claims	-	-	(20 722 117)	-	(20 722 117)
Effect of changes in the risk of reinsurers non-performance	-	-	-	(2 261 621)	(2 261 621)
Net expenses (income) from reinsurance contracts held	65 853 885	-	(69 847 711)	(2 261 621)	(6 255 448)
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	65 853 885	-	(69 847 711)	(2 261 621)	(6 255 448)
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	(56 036 657)	-	(4 145 400)	-	(60 182 057)
Recoveries from reinsurance	-	-	8 246 597	-	8 246 597
Total cash flows	(56 036 657)	-	4 101 197	-	(51 935 459)
Net balance as at 31 December	5 216 466	-	(39 377 791)	(2 611 458)	(36 772 783)

HISTORICAL COST - UNAUDITED

	2023				
	“Liabilities for remaining coverage”				
	Excluding loss comp.	Loss comp	Liabilities for incurred claims Present value of future cash flows	Risk adj. for non-fin. risk	Total
Net balance as at 1 January	1 337 737	-	(8 186 651)	(542 923)	(7 391 836)
Net expenses (income) from reinsurance contracts held	-	-	-	-	-
Reinsurance expenses	81 634 121	-	-	-	81 634 121
Other incurred directly attributable income	(5 657 179)	-	-	-	(5 657 179)
Claims recovered	-	-	(47 849 687)	-	(47 849 687)
Changes that relate to past service - adjustments to incurred claims	-	-	(52 128 433)	-	(52 128 433)
Effect of changes in the risk of reinsurers non-performance	-	-	-	(5 404 293)	(5 404 293)
Net expenses (income) from reinsurance contracts held	75 976 942	-	(99 978 120)	(5 404 293)	(29 405 470)
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	75 976 942	-	(99 978 120)	(5 404 293)	(29 405 470)
Cash flows	-	-	-	-	-
Premiums paid net of ceding commissions and other directly attributable expenses paid	(106 757 019)	-	(13 774 098)	-	(120 531 117)
Recoveries from reinsurance	-	-	67 537 049	-	67 537 049
Total cash flows	(106 757 019)	-	53 762 951	-	(52 994 068)
Net balance as at 31 December	(29 442 339)	-	(54 401 820)	(5 947 216)	(89 791 375)

	2022				
	“Liabilities for remaining coverage”				
	Excluding loss comp.	Loss comp	Liabilities for incurred claims Present value of future cash flows	Risk adj. for non-fin. risk	Total
Net balance as at 1 January	( 709 853)	-	( 243 934)	( 72 731)	( 1 026 518)
Net expenses (income) from reinsurance contracts held	-	-	-	-	-
Reinsurance expenses	6 399 576	-	-	-	6 399 576
Other incurred directly attributable income	( 760 349)	-	-	-	( 760 349)
Claims recovered	-	-	( 5 332 253)	-	( 5 332 253)
Changes that relate to past service - adjustments to incurred claims	-	-	( 4 274 107)	-	( 4 274 107)
Effect of changes in the risk of reinsurers non-performance	-	-	-	( 470 192)	( 470 192)
Net expenses (income) from reinsurance contracts held	5 639 228	-	( 9 606 360)	( 470 192)	( 4 437 323)
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	5 639 228	-	( 9 606 360)	( 470 192)	( 4 437 323)
Cash flows	-	-	-	-	-
Premiums paid net of ceding commissions and other directly attributable expenses paid	( 3 591 637)	-	( 487 917)	-	( 4 079 555)
Recoveries from reinsurance	-	-	2 151 560	-	2 151 560
Total cash flows	( 3 591 637)	-	1 663 642	-	( 1 927 995)
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:		

	2 023				
	“Liabilities for remaining coverage”				
	Excluding loss comp.	Loss comp	Liabilities for incurred claims Present value of future cash flows	Risk adj. for non-fin. risk	Total
Health- Insurance contracts issued	7 921 390	-	15 147 940	41 369	23 110 699
Net balance as at 1 January	(327 086 762)	-	-	-	(327 086 762)
Insurance revenue	-	-	-	-	-
Insurance service expenses	-	-	244 418 962	54 767	244 473 728
Incurred claims and other directly attributable expenses	-	-	4 192 901	(4 902)	4 187 999
Changes that relate to past service adjustments to the LIC	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortisation	12 869 728	-	-	-	12 869 728
Insurance service expenses	12 869 728	-	248 611 862	49 865	261 531 455
Insurance service result	(314 217 034)	-	248 611 862	49 865	(65 555 307)
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	(314 217 034)	-	248 611 862	49 865	(65 555 307)
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	-	-	(237 377 220)	-	(237 377 220)
Insurance acquisition cash flows	(12 869 728)	-	-	-	(12 869 728)
Total cash flows	327 117 845	-	(237 377 220)	-	89 740 625
Net balance as at 31 December	20 822 201	-	26 312 842	119 605	47 254 648

	2 022				
	“Liabilities for remaining coverage”				
	Excluding loss comp.	Loss comp	Liabilities for incurred claims Present value of future cash flows	Risk adj. for non-fin. risk	Total
Health - Insurance contracts issued	28 289 531	-	5 166 068	40 065	33 495 664
Net balance as at 1 January	(145 392 614)	-	-	-	(145 392 614)
Insurance revenue	-	-	-	-	-
Insurance service expenses	-	-	98 284 731	32 452	98 317 183
Incurred claims and other directly attributable expenses	-	-	7 221 841	(2 778)	7 219 064
Changes that relate to past service adjustments to the LIC	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortisation	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)
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	7 921 390	-	15 147 940	41 369	23 110 699

	2 023				
	“Liabilities for remaining coverage”				
	Excluding loss comp.	Loss comp	Liabilities for incurred claims Present value of future cash flows	Risk adj. for non-fin. risk	Total
Health- Insurance contracts issued	872 607	-	3 149 260	8 601	4 030 467
Net balance as at 1 January	(193 992 986)	-	-	-	(193 992 986)
Insurance revenue	-	-	-	-	-
Insurance service expenses	-	-	142 506 793	121 916	142 628 708
Incurred claims and other directly attributable expenses	-	-	7 377 568	(10 912)	7 366 656
Changes that relate to past service adjustments to the LIC	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance acquisition cash flows amortisation	8 936 766	-	-	-	8 936 766
Insurance service expenses	8 936 766	-	149 884 360	111 004	158 932 130
Insurance service result	(185 056 220)	-	149 884 360	111 004	(35 060 856)
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	(185 056 220)	-	149 884 360	111 004	(35 060 856)
Cash flows	-	-	-	-	-
Premiums received	210 218 428	-	-	-	210 218 428
Claims and other directly attributable expenses paid	-	-	(126 720 778)	-	(126 720 778)
Insurance acquisition cash flows	(8 936 766)	-	-	-	(8 936 766)
Total cash flows	201 281 662	-	(126 720 778)	-	74 560 885
Net balance as at 31 December	17 098 049	-	26 312 842	119 605	43 530 496





Health- Insurance contracts issued	“Liabilities for remaining coverage”		2 022 Liabilities for incurred claims		Total
	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	
	ZWL	ZWL	ZWL	ZWL	
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	-	-	14 795 253	6 753	14 802 006
Changes that relate to past service adjustments to the LIC	-	-	1 175 578	( 578)	1 175 000
Insurance acquisition cash flows amortisation	47 999	-	-	-	47 999
Insurance service expenses	47 999	-	15 970 831	6 175	16 025 005
Insurance service result	(21 887 901)	-	15 970 831	6 175	(5 910 895)
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in comprehensive income	(21 887 901)	-	15 970 831	6 175	(5 910 895)
Cash flows	-	-	-	-	-
Premiums received	22 520 273	-	-	-	22 520 273
Claims and other directly attributable expenses paid	-	-	(13 630 051)	-	(13 630 051)
Insurance acquisition cash flows	( 47 999)	-	-	-	( 47 999)
Total cash flows	22 472 275	-	(13 630 051)	-	8 842 224
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	“Liabilities for remaining coverage”		“Liabilities for incurred claims”		Total
	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	
	ZWL	ZWL	ZWL	ZWL	
December 2023	466 797	-	1 181 415	118 142	1 766 354
Net balance as at 1 January	(55 558 251)	-	-	-	(55 558 251)
Insurance Services Revenue	5 034 422	-	29 041 593	618 320	34 694 335
Insurance Service Expenses	-	-	22 111 289	682 712	22 794 001
Incurred claims and other directly attributable expenses	-	-	6 930 304	( 64 392)	6 865 912
Changes that relate to past service Amortisation of insurance acquisition cashflows	5 034 422	-	-	-	5 034 422
Insurance service result	(50 523 829)	-	29 041 593	618 320	(20 863 916)
Premiums Received	57 815 393	-	-	-	57 815 393
Insurance acquisition cashflows	(5 589 114)	-	-	-	(5 589 114)
Incurred claims paid and other insurance service expenses paid	-	-	(21 831 159)	-	(21 831 159)
Effects of inflation	-	-	(5 787 734)	( 476 050)	(6 263 784)
Net balance as at 31 December	2 169 247	-	2 604 116	260 412	5 033 775

December 2022	“Liabilities for remaining coverage”		“Liabilities for incurred claims”		Total
	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	
	ZWL	ZWL	ZWL	ZWL	
Net balance as at 1 January	260 387	-	872 532	87 122	1 220 041
Insurance Services Revenue	(27 126 788)	-	-	-	(27 126 788)
Insurance Service Expenses	1 791 319	-	14 614 843	168 352	16 574 514
Incurred claims and other directly attributable expenses	-	-	12 670 915	214 382	12 885 297
Changes that relate to past service Amortisation of insurance acquisition cashflows	1 791 319	-	1 943 928	( 46 031)	1 897 897
Insurance service result	(25 335 468)	-	14 614 843	168 352	(10 552 274)
Premiums Received	27 507 647	-	-	-	-
Insurance acquisition cashflows	(1 965 769)	-	-	-	(1 965 769)
Incurred claims paid and other insurance service expenses paid	-	-	(12 890 773)	-	(12 890 773)
Effects of inflation	-	-	(1 415 187)	( 137 332)	25 955 129
Net balance as at 31 December	466 797	-	1 181 415	118 142	1 766 354

HISTORICAL COST - UNAUDITED	“Liabilities for remaining coverage”		“Liabilities for incurred claims”		Total
	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	
	ZWL	ZWL	ZWL	ZWL	
December 2023	40 243	-	245 616	24 562	310 421
Net balance as at 1 January	-	-	-	-	-
Insurance Revenue	(33 911 594)	-	-	-	(33 911 594)
Insurance Service Expenses	1 919 362	-	19 845 032	235 850	22 000 245
Incurred claims and other directly attributable expenses	-	-	17 201 560	260 412	17 461 971
Changes that relate to past service Amortisation of insurance acquisition cashflows	-	-	2 643 473	( 24 562)	2 618 911
Insurance service result	(31 992 231)	-	19 845 032	235 850	(11 911 349)
Premiums Received	34 616 380	-	-	-	34 616 380
Insurance acquisition cashflows	(2 100 864)	-	-	-	(2 100 864)
Incurred claims paid and other insurance service expenses paid	-	-	(17 486 533)	-	(17 486 533)
Net balance as at 31 December	563 528	-	2 604 116	260 412	3 428 055

December 2022	“Liabilities for remaining coverage”		“Liabilities for incurred claims”		Total
	Excluding loss comp.	Loss comp	Present value of future cash flows	Risk adj. for non-fin. risk	
	ZWL	ZWL	ZWL	ZWL	
Net balance as at 1 January	15 762	-	52 817	5 274	73 852
Insurance Services Revenue	(3 022 469)	-	-	-	(3 022 469)
Insurance Service Expenses	205 230	-	2 101 977	19 288	2 326 495
Incurred claims and other directly attributable expenses	-	-	1 879 262	24 562	1 903 824
Changes that relate to past service Amortisation of insurance acquisition cashflows	-	-	222 715	( 5 274)	217 441
Insurance service result	(2 817 239)	-	2 101 977	19 288	( 695 974)
Premiums Received	3 062 671	-	-	-	3 062 671
Insurance acquisition cashflows	( 220 950)	-	-	-	( 220 950)
Incurred claims paid and other insurance service expenses paid	-	-	(1 909 177)	-	(1 909 177)
Net balance as at 31 December	40 243	-	245 616	24 562	310 421

The summarised net insurance contract assets/liabilities are shown on note 13.1.5  
The expected timing for when assets for insurance acquisition cash flows will be derecognised and included in the measurement of the group of insurance contracts to which they relate is disclosed in the table below:

INFLATION ADJUSTED	2023 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
In ZWL	768 314						
Expected timing of derecognition of assets balance as at 31 December							
In ZWL	2022 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	213 622						
HISTORICAL COST - UNAUDITED	2023 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
In ZWL	199 593						
Expected timing of derecognition of assets balance as at 31 December							
In ZWL	2022 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	18 417						

INFLATION ADJUSTED	Asset for remaining coverage		2023 Amounts recoverable on incurred claims		Total
	“Excluding loss - recovery component”	“Loss - recovery component”	Risk adjustment	Estimates of the present value of future cash flows	
	ZWL	ZWL	ZWL	ZWL	
Net balance as at 1 January	-	-	1 615	157 915	159 529
An allocation of reinsurance premiums (ceded premiums)	(1 558 807)	-	-	-	(1 558 807)
Amounts recoverable from reinsurers for incurred claims	-	-	16 214	297 550	313 764
Amounts recoverable for incurred claims and other income	-	-	9 957	182 730	192 687
Changes to amounts recoverable for incurred claims	-	-	6 257	114 820	121 077
Insurance service result	(1 558 807)	-	16 214	297 550	(1 245 043)
Premiums paid	1 558 807	-	-	-	1 558 807
Amounts received	-	-	-	-	-
Effects of inflation	-	-	( 12 672)	( 309 113)	( 321 786)
Net balance as at 31 December	-	-	5 156	146 352	151 508



Life Risk- Reinsurance contracts held					December 2022				
INFLATION ADJUSTED	Asset for remaining coverage		2022 Amounts recoverable on incurred claims		Total	“Liabilities for remaining coverage”		“Liabilities for incurred claims”	
	“Excluding loss - recovery component”	“Loss - recovery component”	Risk adjustment	Estimates of the present value of future cash flows		Estimates of the present value of future cash flows ZWL	Loss Component ZWL	Estimates of the present value of future cash flows ZWL	Total ZWL
Net balance as at 1 January	-	-	2 230	512 217	514 447	162 769 750	-	-	162 769 750
An allocation of reinsurance premiums (ceded premiums)	( 334 766)	-	-	-	( 334 766)	-	-	-	-
Amounts recoverable from reinsurers for incurred claims	-	-	1 752	340 604	342 356	2 912 705	-	2 207 247	5 119 952
Amounts recoverable for incurred claims and other income	-	-	1 670	324 678	326 348,37	-	-	2 207 247	2 207 247
Changes to amounts recoverable for incurred claims	-	-	82	15 926	16 007,91	2 912 705	-	-	2 912 705
Insurance service result	( 334 766)	-	1 752	340 604	7 591	( 3 083 321)	-	2 207 247	( 876 074)
Premiums paid	334 766	-	-	-	334 766	54 194 158	-	-	54 194 158
Amounts received	-	-	-	( 324 678)	( 324 678)	51 110 837	-	2 207 247	53 318 084
Effects of inflation	-	-	( 2 367)	( 370 229)	( 372 595)	16 064 708	-	-	16 064 708
Net balance as at 31 December	-	-	1 615	157 915	159 529	6 741 693	-	-	6 741 693
Life Risk- Reinsurance contracts held					December 2022				
HISTORICAL COST - UNAUDITED	Asset for remaining coverage		2023 Amounts recoverable on incurred claims		Total	“Liabilities for remaining coverage”		“Liabilities for incurred claims”	
	“Excluding loss - recovery component”	“Loss - recovery component”	Risk adjustment	Estimates of the present value of future cash flows		Estimates of the present value of future cash flows ZWL	Loss Component ZWL	Estimates of the present value of future cash flows ZWL	Total ZWL
Net balance as at 1 January	-	-	336	32 831	33 166	44 155 742	-	-	44 155 742
An allocation of reinsurance premiums (ceded premiums)	0	-	-	-	-	( 5 173 352)	-	-	( 5 173 352)
Amounts recoverable from reinsurers for incurred claims	( 594 292)	-	-	-	( 594 292)	-	-	-	-
Amounts recoverable for incurred claims and other income	-	-	-	-	-	2 466 734	-	1 607 706	4 074 440
Changes to amounts recoverable for incurred claims	-	-	4 820	113 521	118 342	-	-	1 607 706	1 607 706
Insurance service result	-	-	2 960	69 700	72 660	2 466 734	-	-	2 466 734
Premiums paid	-	-	1 861	43 821	45 682	( 2 706 618)	-	1 607 706	( 1 098 912)
Amounts received	( 594 292)	-	4 820	113 521	( 475 950)	384 059 590	-	-	384 059 590
Net balance as at 31 December	-	-	5 156	146 352	151 508	381 352 972	-	1 607 706	382 960 678
Life Risk- Reinsurance contracts held					December 2022				
HISTORICAL COST - UNAUDITED	Asset for remaining coverage		2022 Amounts recoverable on incurred claims		Total	“Liabilities for remaining coverage”		“Liabilities for incurred claims”	
	“Excluding loss - recovery component”	“Loss - recovery component”	Risk adjustment	Estimates of the present value of future cash flows		Estimates of the present value of future cash flows ZWL	Loss Component ZWL	Estimates of the present value of future cash flows ZWL	Total ZWL
Net balance as at 1 January	-	-	135	31 006	31 141	9 852 890	-	-	9 852 890
An allocation of reinsurance premiums (ceded premiums)	( 38 354)	-	-	-	( 38 354)	( 772 392)	-	-	( 772 392)
Amounts recoverable from reinsurers for incurred claims	-	-	-	-	-	-	-	-	-
Amounts recoverable for incurred claims and other income	-	-	201	39 023	39 224	492 372	-	252 883	745 255
Changes to amounts recoverable for incurred claims	-	-	191	37 198	37 390	-	-	252 883	252 883
Insurance service result	-	-	9	1 825	1 834	492 372	-	-	492 372
Premiums paid	( 38 354)	-	201	39 023	870	( 280 020)	-	252 883	( 27 137)
Amounts received	38 354	-	-	-	38 354	32 462 328	-	-	32 462 328
Net balance as at 31 December	-	-	336	32 831	33 166	32 182 308	-	252 883	32 435 191
Life Savings -PAA					December 2022				
INFLATION ADJUSTED	“Liabilities for remaining coverage”		“Liabilities for incurred claims”		Total	“Contracts using the modified retrospective approach”		“Contracts using the fair value approach”	
	Estimates of the present value of future cash flows ZWL	Loss Component ZWL	Estimates of the present value of future cash flows ZWL	Total ZWL		“All other contracts”			
Net balance as at 1 January	212 389 120	-	-	212 389 120		-	-	-	-
Insurance Services Revenue	( 13 562 805)	-	-	( 13 562 805)		-	-	-	-
Insurance Services Expenses	6 470 159	-	4 694 951	11 165 110		-	( 65 352)	-	( 65 352)
Incurred claims and other directly attributable expenses	-	-	4 694 951	4 694 951		-	-	-	-
Amortisation of insurance acquisition cashflows	6 470 159	-	-	6 470 159		-	-	-	-
Insurance service result	( 7 092 646)	-	4 694 951	( 2 397 695)		-	-	-	-
Insurance Finance Expenses	223 188 000	-	-	223 188 000		-	( 65 352)	-	( 65 352)
Total changes in the statement comprehensive income	216 095 355	-	4 694 951	220 790 306		-	542 031	-	542 031
Investment component	( 18 002 728)	-	-	( 18 002 728)		-	476 679	-	476 679
Premiums Received	13 562 805	-	-	13 562 805		-	-	-	-
Claims and other expenses paid	-	-	( 3 903 803)	( 3 903 803)		-	-	-	-
Insurance acquisition cash flows	( 6 466 954)	-	-	( 6 466 954)		-	-	-	-
Effects of inflation	3 770 833	-	( 791 148)	2 979 685		-	-	-	-
Net balance as at 31 December	421 348 430	-	-	421 348 430		-	-	-	-
Life Savings-VFA					December 2022				
HISTORICAL COST - UNAUDITED	“Liabilities for remaining coverage”		“Liabilities for incurred claims”		Total	“Contracts using the modified retrospective approach”		“Contracts using the fair value approach”	
	Estimates of the present value of future cash flows ZWL	Loss Component ZWL	Estimates of the present value of future cash flows ZWL	Total ZWL		“All other contracts”			
Net balance as at 1 January	212 389 120	-	-	212 389 120		-	-	-	-
Insurance Services Revenue	( 13 562 805)	-	-	( 13 562 805)		-	-	-	-
Insurance Services Expenses	6 470 159	-	4 694 951	11 165 110		-	( 65 352)	-	( 65 352)
Incurred claims and other directly attributable expenses	-	-	4 694 951	4 694 951		-	-	-	-
Amortisation of insurance acquisition cashflows	6 470 159	-	-	6 470 159		-	-	-	-
Insurance service result	( 7 092 646)	-	4 694 951	( 2 397 695)		-	-	-	-
Insurance Finance Expenses	223 188 000	-	-	223 188 000		-	( 65 352)	-	( 65 352)
Total changes in the statement comprehensive income	216 095 355	-	4 694 951	220 790 306		-	542 031	-	542 031
Investment component	( 18 002 728)	-	-	( 18 002 728)		-	476 679	-	476 679
Premiums Received	13 562 805	-	-	13 562 805		-	-	-	-
Claims and other expenses paid	-	-	( 3 903 803)	( 3 903 803)		-	-	-	-
Insurance acquisition cash flows	( 6 466 954)	-	-	( 6 466 954)		-	-	-	-
Effects of inflation	3 770 833	-	( 791 148)	2 979 685		-	-	-	-
Net balance as at 31 December	421 348 430	-	-	421 348 430		-	-	-	-
Life Savings-VFA					December 2022				
HISTORICAL COST - UNAUDITED	“Liabilities for remaining coverage”		“Liabilities for incurred claims”		Total	“Contracts using the modified retrospective approach”		“Contracts using the fair value approach”	
	Estimates of the present value of future cash flows ZWL	Loss Component ZWL	Estimates of the present value of future cash flows ZWL	Total ZWL		“All other contracts”			
Net balance as at 1 January	212 389 120	-	-	212 389 120		-	-	-	-
Insurance Services Revenue	( 13 562 805)	-	-	( 13 562 805)		-	-	-	-
Insurance Services Expenses	6 470 159	-	4 694 951	11 165 110		-	( 65 352)	-	( 65 352)
Incurred claims and other directly attributable expenses	-	-	4 694 951	4 694 951		-	-	-	-
Amortisation of insurance acquisition cashflows	6 470 159	-	-	6 470 159		-	-	-	-
Insurance service result	( 7 092 646)	-	4 694 951	( 2 397 695)		-	-	-	-
Insurance Finance Expenses	223 188 000	-	-	223 188 000		-	( 65 352)	-	( 65 352)
Total changes in the statement comprehensive income	216 095 355	-	4 694 951	220 790 306		-	542 031	-	542 031
Investment component	( 18 002 728)	-	-	( 18 002 728)		-	476 679	-	476 679
Premiums Received	13 562 805	-	-	13 562 805		-	-	-	-
Claims and other expenses paid	-	-	( 3 903 803)	( 3 903 803)		-	-	-	-
Insurance acquisition cash flows	( 6 466 954)	-	-	( 6 466 954)		-	-	-	-
Effects of inflation	3 770 833	-	( 791 148)	2 979 685		-	-	-	-
Net balance as at 31 December	421 348 430	-	-	421 348 430		-	-	-	-
Life Savings-VFA					December 2022				
HISTORICAL COST - UNAUDITED	“Liabilities for remaining coverage”		“Liabilities for incurred claims”		Total	“Contracts using the modified retrospective approach”		“Contracts using the fair value approach”	
	Estimates of the present value of future cash flows ZWL	Loss Component ZWL	Estimates of the present value of future cash flows ZWL	Total ZWL		“All other contracts”			
Net balance as at 1 January	212 389 120	-	-	212 389 120		-	-	-	-
Insurance Services Revenue	( 13 562 805)	-	-	( 13 562 805)		-	-	-	-
Insurance Services Expenses	6 470 159	-	4 694 951	11 165 110		-	( 65 352)	-	( 65 352)
Incurred claims and other directly attributable expenses	-	-	4 694 951	4 694 951		-	-	-	-
Amortisation of insurance acquisition cashflows	6 470 159	-	-	6 470 159		-	-	-	-
Insurance service result	( 7 092 646)	-	4 694 951	( 2 397 695)		-	-	-	-
Insurance Finance Expenses	223 188 000	-	-	223 188 000		-	( 65 352)	-	( 65 352)
Total changes in the statement comprehensive income	216 095 355	-	4 694 951	220 790 306		-	542 031	-	542 031
Investment component	( 18 002 728)	-	-	( 18 002 728)		-	476 679	-	476 679
Premiums Received	13 562 805	-	-	13 562 805		-	-	-	-
Claims and other expenses paid	-	-	( 3 903 803)	( 3 903 803)		-	-	-	-
Insurance acquisition cash flows	( 6 466 954)	-	-	( 6 466 954)		-	-	-	-
Effects of inflation	3 770 833	-	( 791 148)	2 979 685		-	-	-	-
Net balance as at 31 December	421 348 430	-	-	421 348 430		-	-	-	-





19.5.2 Life Savings-VFA Reconciliation

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

INFLATION ADJUSTED December 2023	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	“Excluding loss component” ZWL	Loss Component ZWL	Liabilities for incurred claims ZWL	Assets for insurance acquisition cash flows ZWL	
Net balance as at 1 January	37 075 077	-	-	-	37 075 077
Insurance revenue	( 1 022 849)	-	-	-	( 1 022 849)
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	( 1 022 849)	-	-	-	( 1 022 849)
Other contracts	-	-	-	-	-
Insurance service expenses	6 968	-	796 977	-	803 946
Incurred claims and other expenses	-	-	796 977	-	796 977
Amortisation of insurance acquisition cash flows	6 968	-	-	-	6 968
Insurance service result	( 1 015 881)	-	796 977	-	( 218 903)
Insurance Finance Expenses	44 539 040	-	-	-	44 539 040
	-	-	-	-	-
Total changes in the statement comprehensive income	43 523 159	-	796 977	-	44 320 136
Investment component	( 3 073 193)	-	3 073 193	-	-
Cash flows	-	-	-	-	-
Premiums received	49 756	-	-	-	49 756
Claims and other expenses paid	-	-	( 3 870 170)	-	( 3 870 170)
Insurance acquisition cash flows	( 6 968)	-	-	-	( 6 968)
Total cash flows	42 788	-	( 3 870 170)	-	( 3 827 382)
Effects of Inflation	5 600 213	-	-	-	5 600 213
	-	-	-	-	-
Net insurance contract (assets)/liabilities Closing Balance	83 168 044	-	-	-	83 168 044

December 2022	Liabilities for remaining coverage		LIC Liabilities for incurred claims		Total
	“Excluding loss component” ZWL	Loss Component ZWL	“Liabilities for incurred claims” ZWL	“Assets for insurance acquisition cash flows” ZWL	
Net balance as at 1 January	25 581 412	-	-	-	25 581 412
Insurance revenue	( 792 820)	-	-	-	( 792 820)
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	( 792 820)	-	-	-	( 792 820)
Other contracts	-	-	-	-	-
Insurance service expenses	10 895	-	721 201	-	732 096
Incurred claims and other expenses	-	-	721 201	-	721 201
Changes that relate to past service	-	-	-	-	-
Amortisation of insurance acquisition cash flows	10 895	-	-	-	10 895
Insurance service result	( 781 925)	-	721 201	-	( 60 723)
Insurance Finance Expenses	11 024 467	-	-	-	11 024 467
Effect of movements in exchange rates	-	-	-	-	-
	-	-	-	-	-
Total changes in the statement comprehensive income	10 242 543	-	721 201	-	10 963 744
Investment component	( 1 970 863)	-	1 970 863	-	-
Cash flows	-	-	-	-	-
Premiums received	1 500 597	-	-	-	1 500 597
Claims and other expenses paid	-	-	( 2 692 064)	-	( 2 692 064)
Insurance acquisition cash flows	( 10 895)	-	-	-	( 10 895)
Total cash flows	1 489 701	-	( 2 692 064)	-	( 1 202 363)
	-	-	-	-	-
Effects of Inflation	1 732 283	-	-	-	1 732 283
Net insurance contract (assets)/liabilities Closing Balance	37 075 077	-	-	-	37 075 077

HISTORICAL COST - UNAUDITED December 2023	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component ZWL	Loss Component ZWL	Liabilities for incurred claims ZWL	Assets for insurance acquisition cash flows ZWL	
Net balance as at 1 January	7 707 916	-	-	-	7 707 916
Insurance revenue	( 390 152)	-	-	-	( 390 152)
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	( 390 152)	-	-	-	( 390 152)
Other contracts	-	-	-	-	-
Insurance service expenses	2 658	-	303 996	-	306 654
Incurred claims and other expenses	-	-	303 996	-	303 996
Amortisation of insurance acquisition cash flows	2 658	-	-	-	2 658
Investment components and premium refunds	-	-	-	-	-
Insurance service result	( 387 494)	-	303 996	-	( 83 498)
Insurance Finance Expenses	77 003 530	-	-	-	77 003 530
Effect of movements in exchange rates	-	-	-	-	-
	-	-	-	-	-
Total changes in the statement comprehensive income	76 616 036	-	303 996	-	76 920 032
	( 1 172 229)	-	1 172 229	-	-
Cash flows	-	-	-	-	-
Premiums received	18 979	-	-	-	18 979
Claims and other expenses paid	-	-	( 1 476 225)	-	( 303 996)
Insurance acquisition cash flows	( 2 658)	-	-	-	( 2 658)
Total cash flows	16 321	-	( 1 476 225)	-	( 1 459 904)
	-	-	-	-	-
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-
Other movements	-	-	-	-	-
	-	-	-	-	-
Net insurance contract (assets)/liabilities Closing Balance	83 168 044	-	-	-	83 168 044

December 2022	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	“Excluding loss component” ZWL	Loss Component ZWL	“Liabilities for incurred claims” ZWL	“Assets for insurance acquisition cash flows” ZWL	
Net balance as at 1 January	1 548 512	-	-	-	1 548 512
Insurance revenue	( 90 833)	-	-	-	( 90 833)
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	( 90 833)	-	-	-	( 90 833)
Other contracts	-	-	-	-	-
Insurance service expenses	1 248	-	82 628	-	83 876
Incurred claims and other expenses	-	-	82 628	-	82 628
Amortisation of insurance acquisition cash flows	1 248	-	-	-	1 248
Investment components and premium refunds	-	-	-	-	-
Insurance service result	( 89 585)	-	82 628	-	( 6 957)
Insurance Finance Expenses	6 393 700	-	-	-	6 393 700
Effect of movements in exchange rates	-	-	-	-	-
	-	-	-	-	-
Total changes in the statement comprehensive income	6 304 116	-	82 628	-	6 386 743
Investment component	( 225 801)	-	225 801	-	-
Cash flows	-	-	-	-	-
Premiums received	171 922	-	-	-	171 922
Claims and other expenses paid including investment component	-	-	( 308 428)	-	( 308 428)
Insurance acquisition cash flows	( 1 248)	-	-	-	( 1 248)
Total cash flows	170 674	-	( 308 428)	-	( 137 754)
	-	-	-	-	-
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-
Other movements	-	-	-	-	-
	-	-	-	-	-
Net insurance contract (assets)/liabilities Closing Balance	7 707 916	-	-	-	7 707 916

19.5.3 Life Savings-VFA Reconciliation

Life Savings-VFA Roll-forward of the net asset or liability for life insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM

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

INFLATION ADJUSTED December 2023	Estimates of the present value of future cash flows”		Risk adjustment ZWL	“Contractual service margin” ZWL	Total ZWL
	ZWL	ZWL			
Net balance as at 1 January	29 481 564	67 888	7 525 625	-	37 075 077
	-	-	-	-	-
Changes related to current service	210 659	( 4 762)	( 424 800)	( 218 903)	( 218 903)
Contractual service margin recognised for services provided	-	-	( 424 800)	( 424 800)	( 424 800)
Risk adjustment recognised for the risk expired	-	( 4 762)	-	( 4 762)	( 4 762)
Experience adjustments	210 659	-	-	210 659	210 659
	-	-	-	-	-
Changes related to Future Service	( 46 606 388)	886 191	45 720 197	-	-
Contracts initially recognised in the period	( 161 644)	78	161 566	-	-
Changes in estimates that adjust the contractual service margin	( 46 444 745)	886 113	45 558 631	-	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-	-
	-	-	-	-	-
Changes that relate to past services	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	-	-
	-	-	-	-	-
Insurance service result	( 46 395 729)	881 429	45 295 397	( 218 903)	( 218 903)
Insurance Finance Expenses	43 928 672	4 450	605 918	44 539 040	44 539 040
Total changes in the statement of profit or loss and OCI	( 2 467 057)	885 879	45 901 315	44 320 136	44 320 136
Cashflows	-	-	-	-	-
Premiums received	74 302	-	-	74 302	74 302
Claims and other expenses paid (including investment components and premium refunds)	( 5 500 526)	-	-	( 5 500 526)	( 5 500 526)
Insurance acquisition cash flows	( 289 501)	-	-	( 289 501)	( 289 501)
Effects of inflation	42 444 215	( 601 746)	( 34 353 913)	7 488 557	7 488 557
Net balance as at 31 December	63 742 996	352 020	19 073 027	83 168 044	83 168 044

December 2022	Estimates of the present value of future cash flows”		Risk adjustment ZWL	“Contractual service margin” ZWL	Total ZWL
	ZWL	ZWL			
Net balance as at 1 January	19 912 195	71 974	5 597 243	-	25 581 412
	-	-	-	-	-
Changes related to current service	9 192	( 4 563)	( 65 352)	( 60 723)	( 60 723)
Contractual service margin recognised for services provided	-	-	( 65 352)	( 65 352)	( 65 352)
Risk adjustment recognised for the risk expired	-	( 4 563)	-	( 4 563)	( 4 563)
Experience adjustments	9 192	-	-	9 192	9 192
	-	-	-	-	-
Changes related to Future Service	( 9 865 563)	84 926	9 780 637	-	-
Contracts initially recognised in the period	( 1 482 046)	1 973	1 480 073	-	-
Changes in estimates that adjust the contractual service margin	( 8 383 517)	82 953	8 300 564	-	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-	-
	-	-	-	-	-
Changes that relate to past services	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	-	-
	-	-	-	-	-
Insurance service result	( 9 856 371)	80 363	9 715 285	( 60 723)	( 60 723)
Insurance Finance Expenses	10 479 791	2 645	542 031	11 024 467	11 024 467
Unwind	( 544 676)	2 645	542 031	-	-
Investment Return (VFA)	11 024 467	-	-	11 024 467	11 024 467
Total changes in the statement of profit or loss and OCI	623 420	83 008	10 257 316	10 963 744	10 963 744
Cashflows	-	-	-	-	-
Premiums received	1 500 597	-	-	1 500 597	1 500 597
Claims and other expenses paid (including investment components and premium refunds)	( 1 824 424)	-	-	( 1 824 424)	( 1 824 424)
Insurance acquisition cash flows	( 96 022)	-	-	( 96 022)	( 96 022)
Effects of inflation	9 365 799	( 87 094)	( 8 328 934)	949 770	949 770
Net balance as at 31 December	29 481 564	67 888	7 525 625	37 075 077	37 075 077



HISTORICAL COST - UNAUDITED December 2023				
	Estimates of the present value of future cash flows ZWL	Risk adjustment ZWL	“Contractual service margin” ZWL	Total ZWL
Net balance as at 1 January	6 129 223	14 114	1 564 579	7 707 916
Changes related to current service	80 353	( 1 817)	( 162 034)	( 83 498)
Contractual service margin recognised for services provided	-	-	( 162 034)	( 162 034)
Risk adjustment recognised for the risk expired	-	( 1 817)	-	( 1 817)
Experience adjustments	80 353	-	-	80 353
Changes related to Future Service	( 17 777 389)	338 026	17 439 363	-
Contracts initially recognised in the period	( 61 657)	30	61 627	-
Changes in estimates that adjust the contractual service margin	( 17 715 732)	337 996	17 377 736	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
Changes that relate to past services	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service result	( 17 697 036)	336 209	17 277 329	( 83 498)
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
Total changes in the statement of profit or loss and OCI	59 073 677	337 907	17 508 448	76 920 032
Cashflows	-	-	-	-
Premiums received	18 979	-	-	18 979
Claims and other expenses paid (including investment components and premium refunds)	( 1 405 036)	-	-	( 1 405 036)
Insurance acquisition cash flows	( 73 949)	-	-	( 73 949)
Net balance as at 31 December	63 742 996	352 020	19 073 027	83 168 044
December 2022				
	Estimates of the present value of future cash flows ZWL	Risk adjustment ZWL	Contractual service margin ZWL	Total ZWL
Opening insurance contract assets	-	-	-	-
Opening insurance contract liabilities	1 205 339	4 357	338 816	1 548 512
Net balance as at 1 January	1 205 339	4 357	338 816	1 548 512
Changes related to current service	1 053	( 523)	( 7 487)	( 6 957)
Contractual service margin recognised for services provided	-	-	( 7 487)	( 7 487)
Risk adjustment recognised for the risk expired	-	( 523)	-	( 523)
Experience adjustments	1 053	-	-	1 053
Changes related to Future Service	( 1 130 292)	9 730	1 120 562	-
Contracts initially recognised in the period	( 169 797)	226	169 571	-
Changes in estimates that adjust the contractual service margin	( 960 495)	9 504	950 991	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
Changes that relate to past services	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service result	( 1 129 239)	9 207	1 113 074	( 6 957)
Insurance Finance Expenses	6 280 462	550	112 688	6 393 700
Unwind	( 113 238)	550	112 688	-
Investment Return (VFA)	6 393 700	-	-	6 393 700
Total changes in the statement of profit or loss and OCI	5 151 223	9 757	1 225 763	6 386 743
Cashflows	-	-	-	-
Premiums received	171 922	-	-	171 922
Claims and other expenses paid (including investment components and premium refunds)	( 379 298)	-	-	( 379 298)
Insurance acquisition cash flows	( 19 963)	-	-	( 19 963)
Net balance as at 31 December	6 129 223	14 114	1 564 579	7 707 916

INFLATION ADJUSTED					2023			
	Contracts issued		Contracts acquired					
	Non - onerous	Onerous	Non - onerous	Onerous		Total		
Estimate of present value of future cash outflows	( 211 400)	-	-	-		( 211 400)		
Estimates of present value of future cash inflows	49 756	-	-	-		49 756		
Estimates of present value of future cash flows	( 161 644)	-	-	-		( 161 644)		
Risk adjustment	78	-	-	-		78		
CSM	161 566	-	-	-		161 566		
Losses on onerous contracts at initial recognition	-	-	-	-		-		
	Contracts issued		2022 Contracts acquired			Total		
	Non - onerous	Onerous	Non - onerous	Onerous				
Estimate of present value of future cash outflows	( 1 624 377)	-	-	-		( 1 624 377)		
Estimates of present value of future cash inflows	807 653	-	-	-		807 653		
Estimates of present value of future cash flows	( 816 724)	-	-	-		( 816 724)		
Risk adjustment	1 087	-	-	-		1 087		
CSM	815 637	-	-	-		815 637		
Losses on onerous contracts at initial recognition	-	-	-	-		-		
HISTORICAL COST - UNAUDITED								
	Contracts issued		2023 Contracts acquired			Total		
	Non - onerous	Onerous	Non - onerous	Onerous				
Estimate of present value of future cash outflows	( 80 636)	-	-	-		( 80 636)		
Estimates of present value of future cash inflows	18 979	-	-	-		18 979		
Estimates of present value of future cash flows	( 61 657)	-	-	-		( 61 657)		
Risk adjustment	30	-	-	-		30		
CSM	61 627	-	-	-		61 627		
Losses on onerous contracts at initial recognition	-	-	-	-		-		
	Contracts issued		2022 Contracts acquired			Total		
	Non - onerous	Onerous	Non - onerous	Onerous				
Estimate of present value of future cash outflows	( 337 708)	-	-	-		( 337 708)		
Estimates of present value of future cash inflows	167 911	-	-	-		167 911		
Estimates of present value of future cash flows	( 169 797)	-	-	-		( 169 797)		
Risk adjustment	226	-	-	-		226		
CSM	169 571	-	-	-		169 571		
Losses on onerous contracts at initial recognition	-	-	-	-		-		
	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED GROUP 31-Dec-23 ZWL000	AUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 31-Dec-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	AUDITED COMPANY 31-Dec-23 ZWL000	AUDITED COMPANY 31-Dec-22 ZWL000	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	-	-	-	-
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	-	-	-	-
Remeasurement 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	-	-	-	-

19.5.4 CSM recognition in profit or loss

INFLATION ADJUSTED		2023					
In ZWL	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Insurance contract issued							
Life insurance unit	1 907 303	1 859 620	1 764 255	1 668 890	1 573 525	10 299 435	19 073 027
Reinsurance contract held							
Life insurance unit	-	-	-	-	-	-	-
2022		2022					
In ZWL	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Insurance contract issued							
Life insurance unit	752 563	733 748	696 120	658 492	620 864	4 063 838	7 525 625
Reinsurance contract held							
Life insurance unit	-	-	-	-	-	-	-
HISTORICAL COST - UNAUDITED		2023					
In ZWL	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Insurance contract issued							
Life insurance unit	1 907 303	1 859 620	1 764 255	1 668 890	1 573 525	10 299 435	19 073 027
Reinsurance contract held							
Life insurance unit	-	-	-	-	-	-	-
2022		2022					
In ZWL	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Insurance contract issued							
Life insurance unit	156 458	152 546	144 724	136 901	129 078	844 873	1 564 579
Reinsurance contract held							
Life insurance unit	-	-	-	-	-	-	-

19.5.5 Life Savings-VFA New Business

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





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

	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED GROUP 31-Dec-23 ZWL000	AUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 31-Dec-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	AUDITED COMPANY 31-Dec-23 ZWL000	AUDITED COMPANY 31-Dec-22 ZWL000	UNAUDITED COMPANY 31-Dec-23 ZWL000	UNAUDITED COMPANY 31-Dec-22 ZWL000
24 Insurance service expenses								
Incurring 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	-	-	-	-

24 LEGAL PROCEEDINGS AND REGULATIONS

24.1 Contingent Liability

In line with Circular 19 of 2020, issued on 1 October 2020, the Insurance and Pensions Commission (IPEC or the Commission) appointed actuarial consultants to carry out an analysis of the separation of assets between policyholders and shareholders accounts. This exercise was undertaken in respect of all insurance companies operating in Zimbabwe, including First Mutual Life Assurance Company (Private) Limited (FML). The actuaries appointed by IPEC requested information from insurance companies for the period 2006 to 31 December 2019. IPEC sought to assess compliance by the insurance industry against the requirements of Section 29 of the Insurance Act (Chapter 24:07) and Section 18 of the Pension and Provident Funds Act (Chapter 24:09). In terms of Section 29 of the Insurance Act, insurers are required to keep separate accounts for different classes of insurance business and maintain insurance funds, while Section 18 of the Pension and Provident Funds Act contains provisions for the investment of the assets of registered funds.

On the 18th of December 2021 FML met with IPEC and IPEC advised that there was some outstanding information that needed to be submitted in order to close the asset separation exercise. The Commission gave FML an ultimatum to ensure that the outstanding information was submitted by 31 December 2021, failing which the Commission would institute a forensic investigation on FML in line with section 67 of the Insurance Act. FML in consultation with the regulator and the Consultant managed to submit all the outstanding information by the end of December 2021.

On 8 February 2022, IPEC wrote a letter indicating that the submissions made by FML were not adequate to enable completion of the asset separation exercise of the entity and that it intended to launch a forensic investigation into the affairs of FML. On 27 July 2022, IPEC wrote to FML advising that BDO Chartered Accountants Zimbabwe (“BDO”) had been appointed as the forensic investigator. The forensic investigation commenced on 5 September 2022.

On 21 December 2023, FML received a Corrective Order from IPEC which is based on the findings of the forensic auditor, BDO Chartered Accountants (“BDO”). The Corrective Order directed the FML shareholders to pay significant sums in Zimbabwe dollars and in United States dollars to the policyholders in respect of perceived “actual” and “potential” losses, as assessed by BDO. An extract of the tabled total losses is included below:

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

	ZWL	USD
Actual Loss	209 386 885	21,141,094
Potential Loss	Nil	32,539,327

FML management respectfully disagreed with some of the findings in the BDO report contained in the IPEC Corrective Order and believed that their submissions were not properly considered. Interpretations of fact, accounting standards, legal and actuarial principles, as well as currency conversion issues were in dispute. In order to protect its legal rights, an application for review of the Corrective Order was filed with the High Court of Zimbabwe after the reporting date. Subsequent to the above actions, IPEC and FML agreed a binding plan of action and the two High Court applications by FML against IPEC were withdrawn by consent.

Settlement Agreement and Current Status

FML is a party to a settlement agreement with IPEC, dated April 17, 2024, which required the appointment of experts to review work previously done by BDO. Although the experts’ presentations were made to IPEC and FML on 17 July 2024, and additional information was provided on 31 July 2024, the process has experienced delays.

The company submitted all required documentation to IPEC in August 2024 and formally requested mediation from the Ministry of Finance on 4 December 2024. FML and IPEC were directed to amicably resolve outstanding issues by 7 February 2025. An informal meeting was held on 6 February 2025, and additional information was shared with IPEC, who subsequently presented a position on 10 March 2025, that differed from the expert presentations.

FML considers the settlement agreement binding on both parties and is working collaboratively with IPEC and the parent Ministry to resolve the issues, while reserving its right to pursue the matter in court.

24.2 Regulatory Provision

	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED Group 2022 ZWL	AUDITED Group 2021 ZWL	UNAUDITED Group 2022 ZWL	UNAUDITED Group 2021 ZWL
At 1 January	3 223 058 124	2 598 504 694	670 074 454	157 294 473
Provision for the year	3 022 035 790	624 553 430	5 575 019 460	512 779 981
Balance as at 31 December 2021	6 245 093 914	3 223 058 124	6 245 093 914	670 074 454

	INFLATION ADJUSTED		HISTORICAL COST		INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED GROUP 31-Dec-23 ZWL000	AUDITED GROUP 31-Dec-22 ZWL000	UNAUDITED GROUP 31-Dec-23 ZWL000	UNAUDITED GROUP 31-Dec-22 ZWL000	AUDITED COMPANY 31-Dec-23 ZWL000	AUDITED 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	-	-	-	-







SEGMENTAL RESULTS AND ANALYSIS  
FOR THE PERIOD ENDED 31 DECEMBER 2023

INFLATION ADJUSTED AUDITED 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

Unaudited 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.

Unaudited 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%



## Independent Auditor's Report

### To the Shareholders of First Mutual Holdings Limited

### Report on the Audit of the Consolidated and Company Financial Statements

#### Opinion

We have audited the inflation adjusted consolidated and company financial statements of the First Mutual Holdings Limited and its subsidiaries (the Group), set out on pages 19 to 107 which comprise the inflation adjusted consolidated and company statement of financial position as at 31 December 2023, and the inflation adjusted consolidated and company statement of profit or loss and other comprehensive income, the inflation adjusted consolidated and company statement of changes in equity and the inflation adjusted consolidated and company statement of cashflows for the year then ended, and notes to the inflation adjusted consolidated and company financial statements, including material accounting policy information.

In our opinion, the inflation adjusted consolidated and company financial statements present fairly, in all material respects, the inflation adjusted consolidated and company financial position of the group as at 31 December 2023 and its inflation adjusted financial performance and inflation adjusted consolidated and company cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

#### Basis for Opinion

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

#### Emphasis of Matter

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the inflation adjusted consolidated and company financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of inflation adjusted consolidated and company financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the inflation adjusted financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our audit addressed the matter
<b>Valuation of Investment Properties (Consolidated)</b>	
<p><b>Consolidated</b></p> <p>▶ Note 7 - Investment Property</p> <p>As included in the above notes to the inflation adjusted consolidated financial statements the below accounts have been an area where significant judgements were applied:</p> <p>▶ Investment property amounting to ZWL\$1 071 606 243 344 (2022: ZWL 111 434 930 576) for the Group.</p> <p>In determining the fair values of investment property, the directors make use of independent external valuers. The determination of the fair value of investment property was a matter of most significance to our current year audit due to the following:</p> <p>▶ Uncertainties resulting from the hyperinflationary environment.</p> <p>▶ Excessive market volatility.</p> <p>▶ Lack of transactions conducted in ZWL.</p> <p>Due to the high level of estimation, significant judgement and complexity involved in determining the fair values of the investment properties the valuation of the investment properties was a Key Audit Matter.</p>	<p>We performed audit procedures to assess the adequacy of the valuation which included the following:</p> <p>▶ Assessed the competence, capabilities and objectivity of management's valuation expert and obtained an understanding of their work.</p> <p>▶ Inspected profiles of the individuals performing the valuation, to assess their experience and competence.</p> <p>▶ We involved the EY valuation experts to review the work done by management's expert.</p> <p>▶ Assessed the appropriateness of the valuation methodologies adopted by management's specialist based on our knowledge of the industry.</p> <p>▶ Compared the inputs used in the valuation by management's valuation expert with available market data.</p> <p>▶ Identified, evaluated, and tested significant assumptions used by management's valuation expert by comparing them to those used by other valuers in the industry.</p> <p>▶ Assessed completeness and appropriateness of the investment properties disclosures in accordance with the relevant financial reporting standards.</p>



Key Audit Matter	How our audit addressed the matter
<b>IFRS 17 - Insurance Contracts - Implementation and Reporting (consolidated)</b>	
<p><b>Consolidated</b></p> <ul style="list-style-type: none"> <li>▶ On 1 January 2023, the Group's Insurance Cluster entities adopted IFRS 17 - "Insurance Contracts" ('IFRS 17'), which replaced IFRS 4 - "Insurance Contracts". The Insurance Cluster applied IFRS 17 to insurance contracts issued and reinsurance contracts held as at 1 January 2022, as described in Note 13 to the inflation adjusted consolidated financial statements, in accordance with the accounting policies outlined in Note 2</li> <li>▶ The impact of the initial application of IFRS 17 on the inflation adjusted consolidated financial statements was an increase of ZWL\$ 649.3 million to the Group's total equity as at 1 January 2022</li> <li>▶ We assessed the impact of the initial application of IFRS 17 to be an area of focus due to the judgement applied and the complexity of the initial application. Such areas of key judgement and complexity included: <ul style="list-style-type: none"> <li>• Consideration and preparation of key accounting policies under IFRS 17.</li> <li>• Determination of measurement models which are appropriate for the Group's insurance products.</li> <li>• With the support of management's actuaries, determination of key accounting estimates and assumptions which included the measurement of the Group's Life and re-insurance contract assets and liabilities, including the loss of components or Contractual Service Margins (CSM) at the transition date</li> <li>• Determination of key inputs such as future cashflows, contractual service margins, risk adjustments and discount rates.</li> </ul> </li> </ul>	<p>Our procedures on the initial application of IFRS 17 included:</p> <ul style="list-style-type: none"> <li>▶ We obtained an understanding and evaluated the design and implementation of management's controls over the adoption of IFRS 17 accounting policies and the significant estimates and assumptions used in the determination of the Group's insurance contracts</li> <li>▶ With the support of our internal Actuarial specialists, we evaluated the related accounting policies and actuarial methodologies to assess compliance with IFRS 17. The methodologies included the classification of contracts in terms of the three different measurement approaches (the General Model, the Premium Allocation Approach and the Variable Fee Approach); the transition and the valuation approaches and the wide range of financial and non-financial assumptions</li> <li>▶ With regards to the transition approaches applied in the calculation of the CSM, evaluated the Group's assessment of the availability of reasonable and supportable historical information.</li> <li>▶ Assessed the appropriateness and consistency of the key assumptions (both new and revised) considering the industry and other external sources of benchmarking where applicable, and the knowledge of the products and the requirements of IFRS 17.</li> <li>▶ Performed testing of the completeness and accuracy of the data used in the calculation of the transition balances to the underlying source systems on a sample basis.</li> <li>▶ Considered whether the associated transition disclosures in the financial statements are in compliance with IFRS 17 parameters and with the methodologies and assumptions approved by the directors.</li> </ul>

Key Audit Matter	How our audit addressed the matter
<b>2. IFRS 17 - Insurance Contracts - Implementation and Reporting (consolidated)</b>	
<ul style="list-style-type: none"> <li>• Identification and application of appropriate transition approaches.</li> <li>• Computation of the transition balances.</li> </ul> <p>▶ This required the application of significant auditor judgement and involved specialised actuarial skills and knowledge to assist in the evaluating and assessing management's judgements and assumptions.</p> <p>▶ Accordingly, we have identified the initial application of IFRS 17 as a key audit matter. The critical accounting judgements and impact of the initial application of IFRS1 7 are set out in Note 2.1.4.</p>	

#### Other information

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

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

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

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



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

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

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

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

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated and company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is enough and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated and company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated and company financial statements, including the disclosures, and whether the inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated and company financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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



Ernst & Young  
Chartered Accountants (Zimbabwe)  
Registered Public Auditors

Harare

Date: 25 June 2025