



CHAIRMAN’S STATEMENT

ECONOMIC OVERVIEW
The business environment in 2024 was characterised by subdued growth owing to the impact of the El-Nino induced drought. There were currency and exchange rate reforms following a significant loss in value of the local currency as well as attendant high inflation. GDP is expected to have registered growth of 2% for 2024 versus the initially forecasted 3.5% as the agricultural sector’s performance regressed by 15% owing to the absence of meaningful rains. Despite the Agricultural sectors’ regression, growth was recorded in the Information Communication Technology, Mining, Tourism, and Construction sectors. Thus, despite the overbearing impact of the drought, there were still growth opportunities for the FMHL financial services Group.

The ZWL currency devalued by 82% against the United States dollar in Q1 2024 in the run up to the introduction of the ZWG currency on 5 April 2024. The ZWG was initially stable but lost 43% of its value on 27 September 2024. Thereafter the ZWG has been relatively stable l resulting in lower inflation. In the Monetary Policy Statement of 6 February 2025, the Reserve Bank advised that foreign currency deposits accounted for 83% total deposits versus 17% for local currency deposits. While the use of the ZWG is increasing the informal sector appears to transact predominantly in USD cash which undermines the tax base of the country as the current tax regime is principally based on the formal sector. The Government recently introduced measures to increase the contribution of the informal sector to tax revenue. These developments may present new and significant opportunities to the Group through public private partnerships in the Health and Financing sectors of the economy. Overall, however and at a national level, these macro-economic imbalances have to be resolved for a more sustainable business and economic outlook which would suit FMHL better given its investment exposures and subsidiary business units that depend on a better economic outlook.

The Group has maintained its strategic investment stance of towards real assets to not only hedge against potential value loss arising from exchange rate and inflation shocks but to stabilise the volatility of its investments. Additionally, the Group is looking forward to assisting policy makers and the Government in addressing national challenges through win-win partnerships for the benefit of not only shareholder and policyholder funds but for the nation at large.

FIRST MUTUAL LIFE SETTLEMENT AGREEMENT

First Mutual Life Assurance Company (Private) Limited (FML) is continuing to work with the Insurance and Pensions Commission (IPEC) to bring finality to the issues that arose during the forensic audit. Following the withdrawal of the Corrective Order, FML and IPEC undertook to take certain steps to resolve the outstanding issues, including the appointment of independent experts to consider some aspects of the issues under contention. These tasks were concluded. IPEC subsequently asked FML to resubmit some information that had already been supplied, and to provide some additional information. This was done and FML now awaits feedback from IPEC, who have undertaken to respond expeditiously.

CHANGE IN FUNCTIONAL AND PRESENTATION CURRENCY

The Group recorded a steady increase in the use of foreign currency across its business units over the past 24 months in line with the general macroeconomic trends in the country. The increased dominance of the USD prompted a reassessment of functional currency across the Group’s business units in accordance with the requirements of International Accounting Standard (IAS) 21 -The Effects of Changes in Foreign Exchange (IAS 21). The Board concluded that based on the primary operating environment and the Group’s own operating activities, there had been a change in its functional currency from Zimbabwean Dollar (“ZWL”) to United States Dollars (“USD”) on 1 January 2024.

The Group has complied with the guidance of IAS 21, which directs entities operating in hyperinflationary economies to translate their last reported inflation adjusted financial statements using the closing official exchange rate at the reporting date, to derive and present comparative financial statements under a newly assessed functional currency. The financial statements have been translated from the USD functional currency to the ZWG presentation currency in accordance with IAS 21 as mandated by the Zimbabwe Stock Exchange (ZSE) and the Securities Exchange Commission of Zimbabwe (Sec ZIM). While the Directors have applied the guidance of IAS 21 to present the comparative financial information it is of paramount importance that the following be brought to the attention of the users as compliance with IAS 21 has resulted in material distortions arising from the following:

1.

There were significant distortions between the official exchange rate and the pricing exchange rate for goods and services during 2023, thus the translated transactions and balances will have little to no correlation to the actual USD prices for similar transactions.
2.

Absolute ZWG transactions and balances (non-monetary) recorded in 2023 were subjected to the hyperinflation adjustments as required by International Accounting Standard 29 - Financial Reporting in Hyperinflationary Economies. Translating these to the Group’s presentation currency has the impact of overstating the reported value of the transactions which are in a stable currency.

The Board is of the view that the above factors will result in the 2023 comparative information being misleading .There was a lack of consensus with auditors on the interpretation of IAS 1 - Presentation of Financial Statements paragraph 19, that the currency situation being faced (multicurrency environment and decommissioning of a hyperinflationary currency) was indeed ‘extremely rare’ and thus requiring a departure from IAS 21 in compliance with the spirit of ‘comply or explain’ as embodied by International Financial Reporting standards. The Directors have always exercised reasonable due care and applied judgments that they considered to be appropriate in the preparation and presentation of the Group’s financial statements, thus have included supplementary information at the end of this report which better reflects the financial results of the business and is the basis on which management decisions are made.

FINANCIAL HIGHLIGHTS

Comprehensive income highlights – IFRS Compliant Twelve months ended:	AUDITED 31-Dec-2024	AUDITED 31-Dec-2023
	ZWG	ZWG
Insurance Contract Revenue	2 634 617 152	2 487 829 695
Rental income	136 975 763	89 373 304
Net interest and other fee Income - Microfinance	75 761 406	46 377 692
Net fair value gains/ (loss) on investment property	(1 324 360 327)	1 207 893 422
Net Investment return	49 091 709	175 321 751
Asset Management fees	21 170 983	5 068 010
(Loss)/profit after tax	(1 201 155 520)	795 850 661
Financial position highlights	31-Dec-2024	31-Dec-2023
	ZWG	ZWG
Total assets	6 617 765 314	3 891 947 498
Total equity	2 359 282 770	1 559 916 736
Share performance.	31-Dec-2024	31-Dec-2023
Market price per share (cents) - ZWG	443.52	31.90
Basic earnings per share (cents) - ZWG	(57)	47

FINANCIAL PERFORMANCE

The financial results are presented in ZWG following the change in functional on 1 January 2024 and the mandated ZWG presentation currency. The conversion of the prior year figures was done in compliance with IFRS which may deviate from the underlying financial performance as tracked by management for decision making purposes.

Insurance contract revenue increased by 5% compared to 2023 performance mainly due to the IFRS related distortions emanating from the fact that prior year transactions were subjected to hyperinflationary adjustments and subsequently translated to ZWG using the official exchange rate on the 5th of April 2024 which had a weak correlation to the inflation adjustment factors used which were based on Total Poverty Consumption Line.

The Group incurred a loss after tax of ZWG1.2 billion from a profit of ZWG0.8 billion in the prior period. The contrasting performance for the two periods is due to major distortions

on investment property emanating from compliance with functional currency transitional guidelines as required by IAS 21. In 2023 Investment Property was valued in ZWL by an Independent Property valuer who did not necessarily make use of the official exchange rates in their valuation due to its limited use in property transactions. Translation of the ZWL investment property values to USD on 1 January 2024 then translated to ZWG using the exchange rate on the 5th of April 2024 resulted in a fair value loss of ZWG1.3 billion. This decrease in the carrying amount of investment property is not an actual loss as it arises solely from compliance with IFRS requirements.

SUSTAINABILITY

Sustainability remains central to our value creation and optimisation strategy, anchored in environmental, social and governance (ESG) principles. In our ongoing commitment to transparency and sustainable growth, we began our IFRS ISSB adoption journey in 2024, taking the first steps towards integrating the IFRS Sustainability Disclosure Standards (S1 and S2) into our reporting. As part of this process, we conducted a gap assessment to evaluate our current alignment, identified disclosure gaps and enhanced our 2024 reporting disclosures. The Group is currently developing a structured adoption roadmap towards full compliance in the years ahead. At the same time, we are refining our reporting against the Global Reporting Initiative (GRI) framework, identifying areas for improvement and further strengthening our ESG disclosures.

These frameworks serve distinct but complementary purposes:

- IFRS S1 provides the foundation for sustainability-related financial disclosures, focusing on material risks and opportunities that affect our resilience, financial position and strategy.
- IFRS S2 builds on S1 with climate-specific disclosures, covering governance, risk management and performance metrics such as greenhouse gas emissions.
- GRI takes a broader view of our economic, environmental, and social impact, ensuring transparency for a wide range of stakeholders.

The introduction of IFRS ISSB standards marks a fundamental shift in global ESG reporting, reinforcing that sustainability-related risks and opportunities are just as important as financial data. Effective collaboration between finance, sustainability and risk teams is essential to ensure complimentary and fact-based disclosures that meet the ISSB’s requirements.

Our approach is strategic and phased, ensuring that we strengthen our reporting practices while preparing for full compliance with leading international sustainability standards. This ongoing journey reflects our commitment to responsible corporate stewardship, long-term value creation, and sustainability leadership in an evolving global landscape.

FIRST MUTUAL IN THE COMMUNITY

First Mutual Holdings Limited remains committed to transforming lives through its Corporate Social Responsibility (CSR) initiatives, with a particular focus on providing educational support to vulnerable children. Through the First Mutual Foundation, the company continues to offer financial assistance to students at primary, secondary, and tertiary levels, ensuring they have the resources needed to pursue their academic dreams. This support includes, but is not limited to, the payment of school fees, levies, examination fees, and the provision of essential learning materials such as stationery and uniforms. At the tertiary level, the programme extends to tuition, accommodation, food, and upkeep fees.

During the period under review, the First Mutual Foundation proudly celebrated its 10th anniversary, marking a decade of meaningful impact in education. Over the years, the programme has significantly enhanced school attendance, retention, and transition rates among beneficiaries. Many students have not only completed their studies successfully but have also excelled in highly competitive fields such as Actuarial Science, Data Science, and Computer Engineering. The initiative has played a crucial role in shaping well-rounded individuals, equipping them with academic qualifications, personal development opportunities, and professional exposure through industry attachments and internships.

Building on this success, First Mutual Holdings Limited has expanded its scholarship programme to include five state-owned universities: the University of Zimbabwe, Chinhoyi University of Technology, the National University of Science and Technology (NUST), Midlands State University (MSU), and Bindura University of Science Education. Under this initiative, three students per university will receive financial assistance, further strengthening the company’s commitment to supporting higher education.

Notably, five students transitioning to tertiary education in 2025 have been part of the First Mutual Foundation’s support system from primary and secondary school. Their academic achievements have earned them continued sponsorship, reinforcing the organisation’s long-term investment in nurturing future leaders.

First Mutual Holdings Limited remains dedicated to empowering vulnerable students through education, fostering brighter futures, and making a lasting impact on communities.

OUTLOOK

The Group remains optimistic about future endeavours and believes that developed strategies will be adequate in ensuring agility and real growth. Provision of relevant products that serve the client needs remains critical to sustainable operations.

DIRECTORATE

Appointments:

- Dr Charles Shava was appointed to the Board with effect from 11 May 2024.

Resignations:

- Mr Matthew Mangoma resigned from the Board with effect from 18 March 2024

DIVIDEND

On 16 April 2025 the Board resolved that a final dividend of ZWG32.2 million be declared from the reserves of the Company for the period ended 31 December 2024. The dividend will be payable in the split of \$1 million (0.14 cents per share) in United States Dollars and the balance of \$0.2 million (0.73 cents per share) in local currency. Further details on the payment of the dividend will be communicated in a separate dividend announcement. This will bring the total dividend declared to ZWG48.2 million for the financial year ended 31 December 2024.

APPRECIATION

As we reflect on the past year’s successes and challenges, I want to extend my sincere gratitude to everyone who has played a role in our achievements. We are truly grateful for the ongoing support from our customers and will continue striving to exceed your expectations. A heartfelt thank you to our dedicated employees, whose resilience, creativity, and steadfast commitment power our daily operations. Your hard work forms the foundation of our progress. We also deeply appreciate our shareholders and partners for their continued trust and support. Your confidence in our strategy, especially as we navigate a complex landscape, allows us to pursue bold, long-term objectives.

I am also thankful to the Board of Directors and leadership team for their steady guidance and collaborative approach. Their expertise and foresight have been essential in balancing financial discipline with our sustainability goals, ensuring that we stay flexible in an ever-changing environment.

Lastly, I want to thank our stakeholders and the communities where we operate for holding us accountable and motivating us to lead with purpose. Together, we are building a future where business success and societal progress go hand in hand.

This collective effort gives us hope as we look to the future. With gratitude and a shared commitment, we remain focused on delivering value, fostering innovation, and maintaining the highest standards of integrity.



Amos Manzai
Chairman
5 June 2025

GROUP CHIEF EXECUTIVE OFFICER’S REVIEW OF OPERATIONS

The financial year ended 2024 was characterised by the continued dominance of the USD for transacting purposes as the local currency underwent a transition from ZWL to ZWG in April 2024. While the new currency was initially stable, there was a significant adjustment when the Reserve Bank of Zimbabwe (RBZ) devalued the ZWG by 43% % against the US dollar on 27 September 2024 (from 1USD: ZWG13.9987 to 1USD: ZWG 24.3902). The ZWG has remained stable thereafter. The Reserve Bank Governor, in several for a, has communicated that local currency transactions account for 30% of transactions as of December 2024 from 20% in March 2024 and anticipates this to be 100% by 2030.

The focal point of the Group continues to be the provision and enhancement of products that adequately address customer requirements in risk management, wealth creation and wealth management. During the year under review, the proportion of Group revenue in foreign currency increased from 74% to 84% indicating client preference for insurance covers and other products in foreign currency.

OPERATIONS REVIEW

The commentary below is on the unconsolidated performance of each business unit in the respective functional and presentation currency of the reporting unit (USD) except for First Mutual Reinsurance Botswana and Diamond Seguros that were reported in their local currency. The commentary below is based on financial information used for management decision making purposes.

LIFE AND HEALTH CLUSTER

First Mutual Health Company

Insurance Contract Revenue (ICR) for the period ended 31 December 2024 was ZWG 1.1 billion, 26, 75% above the previous year performance of ZWG624 million. The progression in revenue was largely driven by increased membership the volatility of the ZWG. The business achieved a profit for the period of ZWG104 million representing a 31% increase from the previous year. The enhanced performance from prior year was mainly due to increased ICR and positive investment returns realised on the VFEX and ZSE.

The Company continues to focus on extending its network of medical services - clinics, pharmacies, hospitals, dental and optometry as an enduring strategic priority. This will enhance efforts by the Government to provide greater access to quality healthcare at affordable prices.

First Mutual Life

The business achieved ICR of ZWG189 million representing growth of 24% compared to prior year. The growth from the comparative period was largely due to client migration from local currency denominated policies on Group Life Assurance policies in line the general trend to convert a portion of USD denominated allowances to pensionable basic salaries. Profit for the period was ZWG14.4 million representing a 26% decline from the previous year. The negative variance mainly arose from exchange losses on local currency denominated monetary assets in the first quarter and third quarters of the year when there was accelerated depreciation of the local currency (ZWL and ZWG respectively).

GENERAL INSURANCE CLUSTER

NicozDiamond Insurance

The unit’s ICR grew by 14% to ZWG751 million from prior year due to organic growth as well as the upward review of local currency denominated policies as policyholders sought to protect their assets in response to local currency volatility. The business recorded a profit after tax of ZWG43 million, which was 89% higher than the comparative period. The positive performance was mainly driven by an improved claims experience in the current year.

Diamond Seguros

The business recorded ICR of ZWG86 million, 18% above the prior year amount. The company continued to enhance its presence in the market. In Mozambican Metical (MZN) terms, the ICR was MZN 303.5 million compared to MZN 257.4 million for the comparative period. The business attained a profit after tax of ZWG2 million compared to ZWG0.72 million for the comparative period, driven by positive investment returns.

REINSURANCE CLUSTER

First Mutual Reinsurance - Zimbabwe

The ICR increased by 31% to ZWG259 million from ZWG198 million in the prior year due to limit exposure to certain classes because of limited outward retrocession appetite and ZWG volatility. The business incurred a loss for the period of ZWG5.4 million, 386% behind the prior year, mainly due to higher net expenses reinsurance expenses.

FMRE Property and Casualty - Botswana

The ICR for the period increased by 4% to ZWG409 million. In Botswana Pula (BWP) terms, the year-on-year growth at BWP301.8 million was up 12% from BWP268.9 million in prior period. Positive reinsurance recoveries coupled with positive ICR growth saw the business profit after tax increase by 46% to ZWG45 million in the current year.

INVESTMENTS CLUSTER

First Mutual Properties Limited

The rental income for the period grew by 25% to ZWG146 million principally as a result of increased rental rates per square metre and ZWG volatility. The profit after tax for the year was ZWG113 million 15% lower than the comparative period due to lower fair value gains on the investment property portfolio.

First Mutual Microfinance (Private) Limited

Net interest and fee income grew by 127% to ZWG59 million. The growth was propelled by an increase in the loan book compared to prior year. The growth in the loan book saw profitability increasing to ZWG9 million which was 13% higher than the previous year.

First Mutual Wealth Management (Private) Limited

Investment management fees for the period were ZWG25.2 million compared to ZWG78 million in the prior year representing an improvement of 223%. The positive revenue outturn was driven by more development projects and an increase in the Funds Under Management during the period under review (CY: ZWG3.8 billion PY: ZWG1.1 billion) which ultimately translated to a profit of ZWG5.4 million from a loss position of ZWG2.6 million in the comparative period.

HUMAN CAPITAL

Our human capital remains a key pillar to the overall success of the business. The focus was on retaining and attracting appropriate talent, creating competitive employee reward programmes and enhancing employee collaboration, to increase overall engagement and commitment to serving our clients and stakeholders. Our people and skills development programmes focused on enhancing both personal effectiveness and creating a stable Group talent pipeline for business continuity. Investment into human capital attraction, retention and development remains key for the effective implementation for the business strategy.

LOOKING AHEAD

Continuous engagement with customers remains key in maintaining product relevance in a dynamic environment. The Group’s solid financial position, diversified revenue streams as well as the focus on growing the contribution of regional assets is expected to contribute towards sustainable growth and value creation for our stakeholders. Product innovation combined with investment in technology remains the cornerstone of the drive to improve service delivery channels as part of our strategy to meet dynamic market requirements.

APPRECIATION

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


Douglas Hoto
Group Chief Executive Officer
5 June 2025



Abridged Audited
Financial Results

FOR THE PERIOD ENDED 31 DECEMBER 2024

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	AUDITED GROUP 31-Dec-24 ZWG	AUDITED *RESTATED GROUP 31-Dec-23 ZWG	AUDITED *RESTATED GROUP 1-Jan-23 ZWG
ASSETS				
Goodwill		5 792 062	3 048 198	3 028 247
Deferred tax asset	18	54 656 009	31 614 596	21 435 935
Property, plant and equipment	5	141 364 188	64 261 665	46 975 650
Investment property	6	3 457 917 410	2 468 777 679	2 229 445 956
Right of use of assets - IFRS 16	7	9 913 154	16 912 882	956 092
Other intangible assets		1 059 295	425 309	877 904
Investment in associates		39 631 612	12 272 021	27 623 556
Financial assets:		-	-	-
- Equity securities at fair value through profit or loss	8	973 508 683	505 853 020	353 574 661
- Debt securities at amortised cost	9	357 691 700	120 375 618	50 304 176
Investment in gold coins		16 057 252	6 734 940	5 534 093
Non current assets held for sale	20	-	-	768 258
Income tax asset		9 477 680	895 734	233 072
Inventory		13 622 243	4 048 833	6 693 430
Reinsurance contract assets	10	441 466 106	228 820 112	153 616 204
Intermediaries, tenant and other receivables	11	290 195 748	188 117 902	246 049 518
Cash and cash equivalents	12	805 412 171	239 788 990	333 564 789
TOTAL ASSETS		6 617 765 314	3 891 947 499	3 480 681 541
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital		4 553 715	4 553 715	8 289 715
Share premium		91 322 636	91 322 636	166 246 384
Non-distributable reserves		283 001 253	145 147 225	28 575 334
IFRS 17 adoption reserve		-	(15 422 534)	(28 075 630)
Retained profits		1 023 136 084	583 046 779	455 629 539
Total equity attributable to equity holders of the parent		1 402 013 687	808 647 821	630 665 342
Non-controlling interests		957 269 083	751 268 915	632 784 599
Total equity		2 359 282 770	1 559 916 736	1 263 449 941
Liabilities				
Deferred tax liability	18	437 548 338	165 164 973	295 568 799
Shareholder risk reserves	14	32 747 267	17 018 916	6 097 134
Member assistance fund		-	20 656	180 872
Lease liabilities	7	11 989 172	8 618 622	2 488 517
Borrowings- from Group companies				
Compensation Reserve		58 718 962	21 968 938	-
Borrowings		212 028 411	69 568 785	33 621 728
Put option liability	19	113 366 957	61 939 901	64 452 672
Insurance contract liabilities	15	2 655 130 121	1 547 698 138	1 462 359 184
Investment contract liabilities with DPF	16	217 345 259	190 026 094	154 210 016
Reinsurance contract liabilities		-	-	-
Investment contract liabilities without DPF	13	222 258 319	102 371 067	64 829 700
Share based payment liabilities		10 809 793	28 759 213	4 345 547
Other payables	17	265 565 592	110 964 988	120 981 553
Current income tax liabilities		20 974 351	7 910 472	8 095 878
Total liabilities		4 258 482 542	2 332 030 763	2 217 231 600
TOTAL EQUITY AND LIABILITIES		6 617 765 314	3 891 947 499	3 480 681 541

*Note: The prior year consolidated statement of financial position was previously reported in ZWL. This was restated by converting to the Group’s new presentation currency, ZWG. Refer to note 3.2 for details of the change in presentation currency.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2024

	AUDITED 31-Dec-24 ZWG	AUDITED *RESTATED 31-Dec-23 ZWG
Profit before income tax	(1 041 767 174)	807 207 652
Total non- cash and separately disclosed items	1 226 439 104	(1 327 487 233)
Operating cash flows before working capital changes	184 671 930	(520 279 581)
Working capital changes	1 100 670 108	(63 483 236)
Cash (utilised in)/generated from operations	1 285 342 038	(583 762 817)
Finance costs on lease liability	(1 356 267)	(1 926 003)
Cash settled share based payments	(18 355 770)	(6 943 574)
Interest received	26 213 267	69 887 550
Interest paid	(27 569 837)	(13 101 645)
Tax paid	(40 327 749)	(46 184 800)
Net cash flows(utilised in)/ generated from operating activities	1 223 945 682	(582 031 289)
Net cash flow generated from/(used in) investing activities	(45 757 915)	(295 119 768)
Net cash flow used in financing activities	89 277 166	14 288 723
Net increase/(decrease) in cash and cash equivalents	1 267 464 933	(862 862 334)
Cash and cash equivalents at the beginning of the year	239 788 990	333 564 789
Effects of exchange rate changes on cash and cash equivalents	(13 668 670)	94 694 244
Effects of inflation on cash and cash equivalents	-	(22 672 136)
Foreign exchange impact of translating to presentation currency on opening cash and cash equivalents	(688 173 082)	697 064 427
Cash and cash equivalents at the end of the period	805 412 171	239 788 990

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Share capital	Share premium reserves	Non-distributable reserves	IFRS 17 Adoption reserve	Retained earnings	Total equity for parent	Non-controlling interest	Total equity
	AUDITED ZWG	AUDITED ZWG	AUDITED ZWG	AUDITED ZWG	AUDITED ZWG	AUDITED ZWG	AUDITED ZWG	AUDITED ZWG
Restated balance as at 1 January 2023*	8 289 715	166 246 384	28 575 334	(28 075 630)	455 629 539	630 665 342	632 784 599	1 263 449 941
Profit for the year	-	-	-	-	344 153 473	344 153 473	451 697 188	795 850 661
Other comprehensive (loss)/income	-	-	166 462 804	-	-	166 462 804	(21 237 281)	145 225 522
Foreign exchange impact of translating to presentation currency	(3 736 000)	(74 923 749)	(12 194 831)	12 653 096	(206 026 121)	(284 227 604)	(284 954 056)	(569 181 660)
Total comprehensive (loss)/income	(3 736 000)	(74 923 749)	154 267 973	12 653 096	138 127 352	226 388 672	145 505 851	371 894 523
FMP treasury shares buyback	-	-	-	-	-	-	(101 507)	(101 507)
Gain on change in ownership from share buyback	-	-	-	-	857 975	857 975	(857 975)	-
Remeasurement of Put option liability	-	-	(37 696 082)	-	-	(37 696 082)	-	(37 696 082)
Reclassification to put option liability	-	-	-	-	-	-	(16 883 069)	(16 883 069)
Dividend declared and paid	-	-	-	-	(11 568 086)	(11 568 086)	(9 178 984)	(20 747 070)
As at 31 December 2023	4 553 715	91 322 636	145 147 225	(15 422 534)	583 046 779	808 647 821	751 268 915	1 559 916 736
Balance as at 1 January 2024	4 553 715	91 322 636	145 147 225	(15 422 534)	583 046 779	808 647 821	751 268 915	1 559 916 736
Profit for the year	-	-	-	-	(753 334 142)	(753 334 142)	(447 821 378)	(1 201 155 520)
Other comprehensive income	-	-	111 053 361	-	-	111 053 361	(18 134 860)	92 918 500
Foreign exchange impact of translating to presentation currency	-	-	-	-	1 230 090 722	1 230 090 722	675 508 012	1 905 598 734
Total comprehensive income	-	-	111 053 361	-	476 756 580	587 809 941	209 551 773	797 361 714
FMP treasury shares buyback	-	-	-	-	-	-	148 405	148 405
Gain on change in ownership from share buyback	-	-	-	-	426 235	426 235	(426 235)	-
Reclassification to put option liability	-	-	26 800 667	-	-	26 800 667	-	26 800 667
Reclassification of IFRS 17 adoption reserve	-	-	-	15 422 534	(15 422 534)	-	-	-
Dividend declared and paid	-	-	-	-	(21 670 977)	(21 670 977)	(2 690 540)	(24 361 517)
As at 31 December 2024	4 553 715	91 322 636	283 001 253	-	1 023 136 084	1 402 013 687	957 269 083	2 359 282 770

*Note: The prior year consolidated statement of changes in equity was previously reported in ZWL. This was restated by converting to the Group’s new presentation currency, ZWG. Refer to note 3.2 for details of the change in presentation currency



NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

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 the 31st of December 2024, the Company’s major shareholders were the National Social Security Authority (“NSSA”) which owns 34.25% (2023: 34.25%) directly and an additional 5.33% (2023: 5.33%) indirectly through Capital Bank Limited (NSSA owns 84% (2023: 84%) of Capital Bank Limited) and CBZ Holdings Limited (“CBZHL”) with a 36.47% (2023: 36.47%) shareholding. The registered office is located at Second Floor, First Mutual Park, 100 Borrowdale Road, Borrowdale, Harare, Zimbabwe. The consolidated financial statements of the Group for the period ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors at a meeting held on 16 April 2025.

2.1.

Statement of compliance

The Group’s Abridged financial statements are an extract of the complete set of financial statements that have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB) and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31). The financial statements are based on statutory records that are maintained under the historical cost convention except for investment properties, equity securities at fair value through profit or loss and insurance and investment contract liabilities that have been measured on a fair value basis. Effective January 1, 2024, the Group and Company changed its functional and presentation currency from the ZWL, a hyperinflationary currency, to the USD, a non-hyperinflationary currency, in accordance with IAS 21. To ensure accurate comparative fair presentation for the prior year (2023), which was based on the ZWL hyperinflationary currency, the income statement and balance sheet have been translated using the closing spot rate as at 31 December 2024 as guided in IAS 21.

2.2

Accounting policies

The accounting policies applied in the reviewed financial statements are consistent with the accounting policies in the prior year financial statements except for the change in presentation currency.

2.2.1

IFRS 17 – Insurance contracts and transitional provisions

The Group applies IFRS 17 on its insurance contracts and investment contracts with direct participatory features. 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.

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 on contracts for all of its short-term insurance contracts. The Group reasonably expects that such simplification (that is adoption of the PAA) will produce a measurement of the liability for remaining coverage (LRC) for the Group that would not differ materially from the one that would be produced by applying the requirements under other measurement models.

2.2.2.2

Variable Fee Approach (VFA)

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

2.2.3

Future cashflows and estimates

2.2.3.1

Best estimates of future cashflow

Best estimates of future cashflows refer to amounts expected to be collected from premiums and payouts for claims, benefits and expenses, and are projected using a range of scenarios and assumptions based on the Group’s demographic and operating experience along with external mortality data where the Group’s own experience data is not sufficiently large in size to be credible. The estimates of future cash flows are adjusted to reflect the effects of the time value of money and the financial risks to derive an expected present value.

2.2.3.2

Discount Rates

The discount rate is defined as the financial adjustment that is made to the future cashflows in order to determine their present value. Under IFRS 17, the discount rate is primarily used to adjust the estimates of future cash flows to reflect the time value of money and to accrete interest on the CSM. A bottom-up approach is used to determine the discount rate to be applied to a given set of expected future cash flows. For the period ended 31 December 2024 the Group has determined the risk-free rate by making reference to corporate bonds with an estimate of 12% and they are based on observable market data in addition to their other characteristics such as:

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

ii. Traded regularly in the market.

2.2.3.3

Risk adjustment for non-financial risk

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

For the period ended 31 December 2024, the following risk adjustments factors were adopted:

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

2.2.3.4

Contractual Service Margin (CSM)

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

2.2.3.5

Onerous Contracts

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract, any previously recognised insurance acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total are a net outflow and shall be immediately recognized on initial recognition in the Income Statement on day one.

2.2.3.6

Acquisition cashflows

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

3. Functional and presentation currency

3.1. Functional Currency:

The financial statements are based on statutory records that are maintained under the historical cost convention except for equity securities at fair value through profit or loss, investment property, gold coin, investments investment contract liabilities and Savings business insurance contract liabilities that have been measured at fair value basis. Effective January 1, 2024, the Group changed its functional from the ZWL hyperinflationary currency to the USD, a non- hyperinflationary currency, in accordance with International Accounting Standard 21 (IAS 21). To ensure accurate comparative fair presentation for the prior year (2023), which was based on the ZWL hyperinflationary currency, the income statement and balance sheet have been translated using the closing spot rate as at 31 December 2024 as guided in IAS 21.

3.2. Presentation Currency:

Following the introduction of the ZWG as a currency by the Reserve bank of Zimbabwe on the 5th of April 2024, The government pronounced that all listed entities on the Zimbabwe Stock Exchange are required to publish financial statements using the ZWG as their presentation currency. In compliance with this pronouncement, the Group has published set of financial statements using the ZWG as the presentation currency.

4. Audit Opinion

The Group ZWG Financial statements for the year ended 31 December 2024 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 insurance liabilities/ Reinsurance Contract Assets. The auditor’s opinion on the Group 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)

	AUDITED GROUP 31-Dec-24 ZWG	AUDITED *RESTATED GROUP 31-Dec-23 ZWG
5 Property, vehicles and equipment		
At 1 January	99 225 698	102 638 327
Foreign exchange impact of translating to presentation currency	100 997 297	(46 124 133)
Additions	30 061 402	43 192 874
Disposals	(352 784)	(481 370)
Depreciation charge and disposal	(88 567 426)	(34 964 033)
Closing balance	141 364 188	64 261 665
6 Investment property		
At 1 January	2 468 777 679	2 229 445 956
Foreign exchange impact of translating to presentation currency	2 265 532 222	(1 004 764 398)
Additions	51 598 082	42 891 727
Disposal or transfer to Subsidiaries	(3 630 247)	(7 111 047)
Transfer from or to Non-current asset held for sale	-	422 020
Fair value adjustments	(1 324 360 327)	1 207 893 422
Closing balance	3 457 917 410	2 468 777 679
Presented as:		
Investment property- completed	3 457 917 410	2 468 777 679
Investment property under development	-	-
Total	3 457 917 410	2 468 777 679
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 .		
7 Leases		
Right of use of assets		
As at 1 January	16 912 882	956 092
Foreign exchange impact of translating to presentation currency	8 787 452	(430 890)
Addition- New lease	2 496 622	17 401 797
Exchange rate effects	(13 870 098)	315 151
Depreciation charge	(4 413 705)	(1 329 267)
Closing balance	9 913 154	16 912 882
Lease liability		
Current	4 708 148	3 384 533
Non-current	7 281 024	5 234 089
Closing balance	11 989 172	8 618 622
8 Financial assets at fair value through profit or loss		
At 1 January	505 853 020	353 574 661
Foreign exchange impact of translating to presentation currency	458 912 924	(159 348 663)
Purchases	83 941 195	191 389 558
Disposals	(64 144 169)	(15 662 374)
Fair value gain on unquoted investments	(17 595 481)	41 589 356
Fair value gain/(loss) on quoted equities	6 541 194	94 310 483
Closing balance	973 508 683	505 853 020
9 Debt securities at amortised cost		
At 1 January	120 375 618	50 304 176
Foreign exchange impact of translating to presentation currency	145 708 123	(22 671 034)
Purchases	141 986 935	203 180 388
Maturities of investments	(164 437 311)	(121 394 802)
Exchange gains or loss	41 576 067	100 941 956
Accrued interest	82 253 738	46 377 692
Excepted credit loss	(9 771 470)	(3 881 432)
Monetary loss adjustment	-	(132 481 326)
Closing balance	357 691 700	120 375 618
10 Net Reinsurance contract assets		
Reinsurance contract assets	441 466 106	228 820 112
Net reinsurance contract assets	441 466 106	228 820 112
11 Tenant and other receivables		
Premium receivables from intermediaries	91 458 395	134 618 653
Tenant receivables	33 500 089	9 607 399
Other receivables	165 237 264	43 891 849
Total	290 195 748	188 117 902



NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

	AUDITED GROUP 31-Dec-24 ZWG	AUDITED *RESTATED GROUP 31-Dec-23 ZWG
12		
Cash and balances with banks		
Money market investments with original maturities less than 90 days	568 591 984	127 934 003
Cash at bank and on hand	236 820 188	111 854 988
Cash and balances with banks	805 412 171	239 788 990
13		
Investment contract liabilities without DPF		
At 1 January	102 371 067	64 829 701
Foreign exchange impact of translating to presentation currency		(29 217 382)
Contributions received	94 320 936	-
Investment return from underlying assets	26 902 899	66 197 556
Asset management fees charged	(1 336 583)	(2 407 164)
Inflation adjustment	-	2 968 357
Closing balance	222 258 319	102 371 067
14		
Shareholder risk reserve		
At 1 January	17 018 916	6 097 134
Foreign exchange impact of translating to presentation currency	32 395 203	(2 747 850)
Movement	(16 666 852)	13 669 632
Closing balance	32 747 267	17 018 916
15		
Net Insurance contract liabilities		
Insurance contract assets	-	-
Insurance contract liabilities	2 655 130 121	1 547 698 138
Net insurance contract liabilities	2 655 130 121	1 547 698 138
16		
Investment contract liabilities with DPF		
Life Savings VFA	217 345 259	190 026 094
Total	217 345 259	190 026 094
17		
Other payables		
Other payables	66 981 144	28 774 392
*Provisions	73 080 970	34 957 734
Payroll and statutory payables	43 097 740	13 957 411
Accrued expenses	50 280 888	20 303 430
Trade payables	4 438 127	1 792 116
Property business related liabilities	27 686 725	11 179 904
Total	265 565 594	110 964 987
* Included in provisions is the regulatory provision disclosed in note 24.1		
18		
Deferred tax liability		
At 1 January	133 550 377	274 132 864
Foreign exchange impact of translating to presentation currency	157 615 725	(123 545 916)
Foreign exchange effects	(6 448 717)	(4 660 982)
Recognised through statement of comprehensive income	98 174 944	(12 375 590)
Total	382 892 329	133 550 377
Disclosed as		
Deferred tax asset	(54 656 009)	(31 614 596)
Deferred tax liability	437 548 338	165 164 973
Total	382 892 328	133 550 376
19		
Put option liability		
At 1 January	61 939 901	64 452 672
Foreign exchange impact of translating to presentation currency	55 755 766	(29 047 464)
Reclassification from NCI	15 029 514	16 883 069
Remeasurement gain	(19 358 224)	37 696 082
Effects of inflation	-	(28 044 458)
Closing balance	113 366 957	61 939 901
20		
Insurance contract revenue		
Life assurance	208 900 186	160 267 953
Health insurance	1 126 095 106	747 342 569
Property and casualty	1 299 621 861	1 580 219 173
Total	2 634 617 152	2 487 829 695
21		
Net investment income		
Dividend received - cash	33 618 358	37 857 113
Fair value gain/(loss) on unquoted equities at fair value through profit or loss	6 541 194	41 589 356
Investment expenses	(29 572 361)	(71 499 086)
Fair value gain/(loss) on quoted equities at fair value through profit or loss	7 595 481	94 310 483
Net investment return from equities	18 182 672	102 257 866
Interest on financial assets measured at amortised cost	26 213 267	69 887 550
Fair value gain/(loss) on gold coins	4 695 770	3 176 336
Total investment income	49 091 709	175 321 751
22		
Insurance service expenses		
Incurred claims and other directly attributable expenses	(1 342 319 749)	(1 256 200 821)
Changes that relate to past service - adjustments to the LIC	(36 886 006)	(245 607 498)
Insurance acquisition cash flows amortisation	(581 735 831)	(652 595 401)
Total insurance claims and loss adjustment expenses	(1 960 941 586)	(2 154 403 719)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

	AUDITED GROUP 31-Dec-24 ZWG	AUDITED *RESTATED GROUP 31-Dec-23 ZWG
23		
Companies and Other Business Entities Act (24.31) and IFRS mandatory disclosures		
Staff costs	405 451 539	416 655 083
Directors' fees – Holding company	6 002 325	2 979 302
– Group companies	24 384 952	13 753 913
Depreciation of property, vehicles and equipment	13 727 370	4 722 985
Audit fees	12 339 100	10 343 556

24

Legal proceedings and regulations

Contingent Liability

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

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

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

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

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

FML management respectfully disagreed with some of the findings in the BDO report contained in the IPEC Corrective Order and believed that their submissions were not properly considered. Interpretations of fact, accounting standards, legal and actuarial principles, as well as currency conversion issues were in dispute. 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.

	December 2024 ZWG	December 2023 *RESTATED ZWG
At 1 January	14 269 072	13 405 983
Foreign exchange impact of translating to presentation currency	12 844 437	(6 041 795)
Provision for the year	-	6 904 884
Balance as at 31 December 2024	27 113 509	14 269 072



FOR THE PERIOD ENDED 31 DECEMBER 2024

As at 31 December 2024

Insurance contract revenue	1 248 618 010	792 626 592	655 578 841	-	-	2 696 823 443	(63 739 229)	2 633 084 214
Rental income	-	12 124 419	-	136 864 464	2 099 037	151 087 920	(14 112 157)	136 975 763
Fair value adjustments on investment property	-	65 919 860	-	(1 354 841 049)	(1 306 861)	(1 290 228 049)	(34 132 278)	(1 324 360 327)
Net Investment income	(496 580 453)	27 926 981	54 260 693	4 369 390	(247 144 628)	(657 168 017)	756 485 825	99 317 808
Fees and other income	39 831 387	36 431 630	5 747 594	20 402 145	256 448 565	358 861 321	(87 777 888)	271 083 433
	-	-	-	-	-	-	-	-
Total revenue	791 868 944	935 029 482	715 587 128	(1 193 205 049)	10 096 112	1 259 376 617	556 724 274	1 816 100 891
Intersegment revenue	18 981 974	1 949 075	(323 590)	(844 202)	21 379 896	41 143 153	(41 143 153)	-
Total expenses	(1 221 545 534)	(927 968 498)	(626 541 430)	(135 100 337)	(270 748 661)	(3 181 904 459)	210 787 505	(2 971 116 955)
Insurance finance result	348 145 023	-	-	-	-	348 145 023	-	348 145 023
Movement in investment contract liabilities	(2 405 854)	-	-	-	-	(2 405 854)	-	(2 405 854)
Profit before income tax	(64 955 446)	9 010 058	88 722 108	(1 329 149 588)	(239 272 652)	(1 535 645 520)	726 368 626	(809 276 894)
Income tax expense	1 817 779	26 381 315	(13 542 588)	(187 482 824)	9 273 421	(163 552 897)	3 116 189	(160 436 708)
Total assets	124 400 824	28 307 451	44 953 761	136 952 490	100 929 845	435 544 370	6 182 220 943	6 617 765 314
Total liabilities	93 666 510	18 793 107	23 552 458	21 242 638	14 553 323	171 808 035	4 086 975 724	4 258 783 759
Cash flows from operating activities	9 745 950	45 925 725	69 736 834	(1 982 055)	119 329 242	242 755 697	981 189 985	1 223 945 682
Cash flows generated from/(utilised in) investing activities	(1 397 577)	35 656	(3 531 253)	(51 762)	(5 717 613)	(1 066 549)	(35 095 366)	(45 757 915)
Cash generated from/(utilised in) financing activities	(86 808)	(4 502 297)	6 324 636	(2 833 939)	3 282 293	2 183 885	87 093 281	89 277 166
RESTATED as at 31 December 2023								
Insurance contract revenue	910 690 009	744 759 931	875 980 417	-	-	2 531 430 356	(43 600 662)	2 487 829 695
Rental income	-	7 980 453	-	90 647 634	189 773	98 817 861	(9 444 556)	89 373 304
Fair value adjustments on investment property	-	82 778 583	-	1 239 029 928	2 049 227	1 323 857 738	(115 964 316)	1 207 893 422
Net Investment income	986 343 401	47 963 560	54 233 556	15 850 179	726 772 616	1 831 163 312	(1 655 841 561)	175 321 751
Fees and other income	74 540 337	19 014 395	60 489 839	11 704 078	142 504 550	308 253 200	(65 927 194)	242 326 006
Total revenue	1 971 573 747	902 496 923	990 703 812	1 357 231 819	871 516 165	6 093 522 467	(1 890 778 290)	4 202 744 177
Monetary gain or loss	(32 823 284)	(2 182 709)	(39 710 715)	2 471 650	(818 872)	(73 063 931)	(4 074)	(73 068 005)
Intersegment revenue	910 567 023	97 251 010	39 240 595	121 646 607	722 073 054	1 890 778 290	(1 890 778 290)	-
Total expenses	(231 769 828)	(64 799 276)	(79 085 782)	(78 667 591)	(182 810 115)	(637 132 592)	99 797 684	(537 334 908)
Insurance finance result	(611 714 803)	-	-	-	-	(611 714 803)	-	(611 714 803)
Movement in investment contract liabilities	(66 197 556)	-	-	-	-	(66 197 556)	-	(66 197 556)
Profit before income tax	349 200 214	72 526 933	169 515 812	72 526 933	709 464 356	1 373 234 247	(566 026 598)	807 207 650
Income tax expense	2 351 466	(3 198 599)	10 439 073	(3 198 599)	(6 252 321)	141 020	(11 498 009)	(11 356 989)
Total assets	2 068 542 216	391 869 277	462 911 381	391 869 277	1 293 794 087	4 608 986 237	(717 038 739)	3 891 947 498
Total liabilities	1 494 252 803	227 088 603	329 745 678	227 088 603	159 707 068	2 437 882 756	(105 851 994)	2 332 030 762
Cash flows from operating activities	9 837 257	46 355 992	70 390 182	(2 000 624)	120 447 209	245 030 016	(1 065 787 414)	(575 727 382)
Cash flows generated from/(utilised in) investing activities	(20 551 728)	524 337	(51 927 985)	(761 174)	(84 078 972)	(156 795 523)	18 527 503	(295 063 544)
Cash generated from/(utilised in) financing activities	(61 154)	(3 171 763)	4 455 558	(1 996 443)	2 312 298	1 538 496	11 211 732	14 288 723

1. Background

Zimbabwe has experienced several changes in its economic and monetary policy framework, including the introduction of the ZWG within a multi-currency system. For much of the year, macroeconomic conditions were negatively affected by price and exchange rate volatility in the local currency, leading to an increased reliance on the USD within the economy. To address this, significant policy measures were implemented to slow the depreciation of the local currency and mitigate inflationary pressures. In response to the risk of currency volatility and to ensure the continued relevance of products, many of our clients shifted to settling their obligations in USD, while ZWG obligations were adjusted according to inflation trends. As a result of these developments, the Group earned approximately 84% of its Insurance Contract Revenue (ICR) in foreign currencies (USD, BWP, and MZN), as detailed below:

Table 1: Insurance Contract Revenue by region

Region	Pure Currency USD 000	USD Equivalent USD 000	Contribution to ICR %
Zimbabwe	100 127	125 128	82%
Botswana	22 699	22 699	15%
Mozambique	4 748	4 748	3%
Total Insurance Contract Revenue	127 574	152 575	100%

Distortions emanating from a functional currency change make the financial information prepared in compliance with IFRS less useful to users. Supplementary information has been added to provide a more complete picture of the performance of the Group to stakeholders. We have captured our assumptions and 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/ZWG 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.

Consolidated Statement of Profit or Loss for the period ended 31 December 2024.

	31 December 2024	31 December 2023	Growth
	USD 000	USD 000	%
Insurance Contract Revenue	152 575	130 154	17%
Rental income	7 989	6 623	21%
Net-Interest and fee income- Micro-finance	3 327	2 628	27%
Asset and project management fees	1 305	721	81%
Other income	1 670	1 326	26%
Total revenue	166 866	141 452	18%
Net Operating Income	13 404	8 974	49%
Profit before Tax	14 559	16 134	-10%
Profit after Tax	12 751	14 892	-14%

Consolidated Statement Financial Position as at 31 December 2024

	31 December 2024 USD 000	31 December 2023 USD 000	Growth %
Assets			
Other Assets	63 842	41 179	53%
Investment Property	134 188	128 212	5%
Rental receivables	1 118	958	16%
Insurance contract assets	7 283	12 103	-40%
Reinsurance contract assets	17 133	11 310	51%
Cash & Balances with banks	31 480	30 571	3%
Total Assets	255 044	224 333	14%
Equity			
Shareholders' equity	74 019	65 755	13%
IFRS 17 adoption reserve	-	307	100%
Non-controlling interests	36 210	33 321	9%
Total Equity	110 229	99 383	11%
Total Liabilities	144 815	124 950	-16%
Total Equity & Liabilities	255 044	222 333	14%

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 ZWG denominated consolidated and company financial statements of First Mutual Holdings Limited ('the Group and Company') as set out on pages 125 to 215, which comprise of the consolidated and company statements of financial position as at 31 December 2024, and the consolidated and company statements of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the consolidated and company financial statements, including material accounting policy information.

In our opinion, the consolidated and company financial statements present fairly, in all material respects, the consolidated and company financial position of the group and company as at 31 December 2024 and its consolidated and company financial performance and consolidated and company cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 the Consolidated and Company Financial Statements section of our report. We are independent of the group and company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our ethical responsibilities in accordance with these requirements and 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 pending resolution of the dispute with IPEC and conclusion of the settlement agreement. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and company financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and company financial statements, 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 the 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 consolidated and company 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 consolidated and company financial statements.

Key Audit Matter	How our audit addressed the matter
1.Valuation of Investment Properties (Consolidated)	
<p>Consolidated</p> <ul style="list-style-type: none"> ▶ Note 7 - Investment Property ▶ Note 7.1 - Fair Value Hierarchy <p>As included in the above notes to the consolidated and company financial statements the below accounts have been an area where significant judgements were applied:</p> <ul style="list-style-type: none"> ▶ Investment property amounting to ZWG 3 457 917 410 (2023 - ZWG 2 468 777 679)for the Group. <p>In determining the fair values of investment property, the directors make use of</p>	<p>We performed audit procedures to assess the adequacy of the valuation which included the following:</p> <ul style="list-style-type: none"> ▶ Assessed the competence, capabilities and objectivity of management's valuation expert and obtained an understanding of their work. ▶ Inspected profiles of the individuals performing the valuation, in order to assess their experience and competence. ▶ We involved our valuation experts to review the work done by management's expert.

<p>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> <ul style="list-style-type: none"> ▶ Extensive research and use of market comparable transactions. ▶ Determination of capitalization rates and appropriate discount factors to adjust for different factors such as geographical location of Investment and physical state of Investment. ▶ The amount of time which was spent by both the audit team and the experts in validating the methodologies and key assumptions which were adopted by the management's expert. 	<ul style="list-style-type: none"> ▶ Assessed the appropriateness of the valuation methodologies adopted by management's specialist based on our knowledge of the industry. ▶ Compared the inputs used in the valuation by management's valuation expert with available market data. ▶ Where possible we reperformed the adjustments done by management's valuation expert so as to compare if we would come to the same conclusion. ▶ Identified, evaluated, and tested significant assumptions used by management's valuation expert by comparing them to those used by other valuers in the industry.
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Key Audit Matter	How our audit addressed the matter
1. Valuation of Investment Properties (Consolidated)	
<p>As of December 31, 2024, the group recorded Investment property amounting to:</p> <p>ZWG 3 457 917 410 (2023: ZWG 2 468 777 679)</p> <p>The investment Properties have a significant balance as they make up about 63% of the total assets on the Consolidated Statement of Financial Position.</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>	<ul style="list-style-type: none"> ▶ Assessed completeness and appropriateness of the investment Properties disclosures in accordance with the relevant financial reporting standards.
2. Valuation of insurance liabilities/Reinsurance Contract Assets (Consolidated)	
<p>As of December 31, 2024, the group recorded Insurance contract liabilities under IFRS 17 amounting to ZWG 2 655 130 121 (2023: ZWG 1 547 698 138) which represents a significant portion of its total liabilities. Insurance contract liabilities are determined in accordance with IFRS 17.</p>	<p>We performed audit procedures to assess the adequacy of the valuation which included the following:</p> <ul style="list-style-type: none"> ▶ We agreed the balances in the liability for remaining coverage subledger to the general ledger control accounts and investigated any

<p>The most significant assumptions made in the valuation of insurance contract liabilities are.</p> <ul style="list-style-type: none"> • the future cash flow projections; and • Determination of Contractual Service Margin • a risk adjustment for non-financial risk <p>▶ The PVFCF contained in the insurance contract liabilities are associated with significant uncertainties requiring the use of expert judgment embedded within complex actuarial models relying on subjective assumptions.</p> <p>▶ The actuarial valuations are based on complex models/ methodologies and other computations designed for which inadequate assumptions and or inaccurate input data may be used.</p>	<p>unusual items and tested all reconciling items based on established testing threshold.</p> <p>▶ We recalculated the liability for remaining coverage for the whole population and determine whether they are in accordance with the entity's accounting policies and applicable financial reporting framework. We assessed whether internal and external data used is reliable, relevant, accurate and complete. We compared our calculated Liability for remaining Coverage (LRC) and LRC recorded in the financial statements and followed up on any variances.</p> <p>▶ We evaluated the methodology of calculating the liability for remaining coverage for reasonableness and consistency with the applicable financial reporting framework. We evaluated management's estimates and underlying assertions for estimates of future cash flows through review of the models.</p>
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Key Audit Matter	How our audit addressed the matter
2. Valuation of insurance liabilities/Reinsurance Contract Assets (Consolidated)	
<p>Given the complexity and subjective nature of this process, we have identified insurance contract liabilities, as of most significance in our audit of the current year financial statements and therefore a key audit matter.</p> <p>▶ The disclosures related to the insurance and re-insurance contract liabilities and assets are included in Note 28.3 to the consolidated financial statements.</p>	<p>▶ We performed procedures to evaluate the competence, capabilities and objectivity of management's specialist. We obtained an understanding of the work performed by the specialist, including the nature and purpose of their work and the entity's processes for using the specialist's work.</p> <p>▶ We engaged our internal EY Actuarial Services to review the principal assumptions, estimate and methodology and computations applied for reasonableness for the determination of Incurred but not reported.</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 consolidated and company financial statements and our auditor's report thereon. Our opinion on the 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 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 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, 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 Consolidated and Company Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and company financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 consolidated and company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and company financial statements, the directors are responsible for assessing the group and company'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 and company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 sufficient 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 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 and company'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 and company'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 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 and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and company financial statements, including the disclosures, and whether the consolidated and company 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 units within the group as a basis for forming an opinion on the consolidated and company financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 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 Mr Fungai Kuipa (PAAB Practicing Certificate Number 0335).



Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

Date: 25 June 2025

Auditor's statement for abridged financials

The Consolidated and Company financial statements as at 31 December 2024 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 included a Key Audit Matter on the valuation of investment Properties and the Valuation of insurance contract liabilities/Reinsurance Contract assets. The auditor's opinion on the Group and Company's 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).