FIRST MUTUAL
HOLDINGS LIMITED
Go Beyond

Abridged Audited Financial Results
FOR THE PERIOD ENDED 31 DECEMBER 2024

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 local currency and exchange rate reforms following a significant loss in value of the currency as well as attendant high inflation. GDP is expected to have registered growth of 2% in 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 was devalued by 43% on 27 September 2024. Thereafter the ZWG has been a more stable local currency, resulting in lower inflation. In the Monetary Policy Statement of 6 February 2025 the Reserve Bank advised that foreign and local currency bank deposits were split 83% and 17% respectively. While the use of the ZWG is increasing the informal sector transacts 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. The silver lining of these developments is that it may present niche opportunities to the Group through public private partnerships in the fields of health and finance. Overall, at a national level, these macro-economic imbalances need to be resolved for a more sustainable business outlook which would improve the Group's prospects.

The Group has maintained its strategic investment stance of a bias 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 and pass such benefits to its clients. 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 came to a settlement agreement. This agreement incorporated steps to resolve outstanding issues. This included the appointment of independent experts to consider to review issues in contention. The independent experts submitted their findings which FML has accepted. IPEC subsequently asked FML to resubmit some information that had already been supplied, and to provide some additional information which was done.

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 Zimbabwe Dollar ("ZWL") to United States Dollar ("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 and presentation currency. 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 will result 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 USD 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 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	AUDITED	AUDITED
Twelve months ended:	**31-Dec-2024 USD**	**31-Dec-2023 USD**
Insurance Contract Revenue	156 218 425	183 446 621
Rental income	8 298 152	6 590 174
Net interest and other fee Income - Microfinance	4 493 375	3 419 780
Net fair value gains/ (loss) on investment property	(50 474 168)	89 067 177
Net Investment return	1 702 801	12 927 807
Asset Management fees	1 295 311	373 703
(Loss)/profit after tax	**(27 117 623)**	**58 684 126**

Financial position highlights		
	31-Dec-2024 USD	**31-Dec-2023 USD**
Total assets	256 809 110	286 982 916
Total equity	91 554 366	115 024 535

Share performance.		
	31-Dec-2024	**31-Dec-2023**
Market price per share (cents) - ZWG	443.52	31.90
Basic earnings per share (cents) - USD	(1.43)	(3.47)

FINANCIAL PERFORMANCE

The financial results are presented in US Dollars following the change in functional and presentation currency on 1 January 2024. 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 decreased by 17% 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 USD using the official exchange rate 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 $27.1 million from a profit of $58.7 million 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 Independent Property valuers 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 resulted in the opening balance of $182 million, which was more than the USD valuation of $134 million for the same property as at 31 December 2024. This phenomenon resulted in the Group incurring a fair value loss on investment property of $54 million reduced by current year additions to $50.5 million.

SUSTAINABILITY
Sustainability remains key in the various aspects of operations that include value creation and optimisation, compliance with IFRS and GRI reporting requirements whilst fulfilling good corporate citizenry dictates. Creation of sustainable economic value remains a pillar of the Group's corporate strategy environmental, social and governance ("ESG") aspects anchor the Group's strategy with workflows and processes in place that ensure sustainability stretches to other areas of the business beyond the core operations. In our ongoing commitment to transparency and sustainable growth, we aligned our reporting with globally recognised frameworks to provide stakeholders with a comprehensive understanding of our performance and impact. This year, we have strengthened our disclosures by integrating aspects of IFRS Sustainability Standards (S1 and S2) and the Global Reporting Initiative (GRI) guidelines, each serving distinct yet complementary purposes:

1. IFRS S1 - establishes the foundation for sustainability-related financial disclosures, focusing on material risks and opportunities that influence our resilience, financial position, and strategic decision-making. It ensures investors receive consistent, decision-useful insights into how sustainability factors shape long-term value.
2. IFRS S2 - a specialised extension of S1, zeroes in on climate-specific disclosures, detailing our governance, strategy, and metrics such as greenhouse gas emissions. This standard underscores our accountability in navigating climate-related challenges and opportunities critical to our stakeholders.
3. GRI, in contrast, adopts a broader lens, emphasising our organisation's impacts on the economy, environment, and society. It addresses the expectations of a diverse stakeholder base, from communities to regulators, by transparently reporting how we manage our responsibilities beyond financial performance.

By harmonising these frameworks, we not only meet investor demands for financially material sustainability data (IFRS) but also demonstrate our holistic commitment to ethical stewardship and positive societal contribution (GRI). Together, they reflect our dual focus: driving strategic priorities informed by global standards while advancing our purpose-led journey toward sustainable value creation for all.

This integrated approach reinforces our dedication to accountability, resilience, and 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 $1.2 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 ZWG 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 $1.8 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 44% against the US dollar on 27 September 2024 (from 1USD: ZWG13.9912 to 1USD: ZWG 24.3902). The ZWG has remained stable thereafter with the level of ZWG transactions rising gradually. The Reserve Bank has communicated that local currency transactions increased from 20% of total transactions in March 2024 to 30% by December 2024.

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 the 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 ending 31 December 2024 was $60.3 million, 26% above the previous year performance of $48 million. The progression in revenue was largely driven by increased membership. The business achieved a profit for the period of $5.8 million, representing a 31% increase from the prior year. The enhanced performance from prior year was mainly due to increased ICR and positive investment returns realised for the year on the VFEX and ZSE.

The Company continues to expand 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 $10.5 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 $0.8 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 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 $41.7 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 $2.4 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 $4.8 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 $0.1 million compared to $0.04 million for the comparative period, driven by positive investment returns.

REINSURANCE CLUSTER

First Mutual Reinsurance - Zimbabwe
The ICR declined by 6% to $14.4 million from $15.2 million in the prior year due to reduced exposure to certain classes because of limited outward retrocession appetite. The business incurred a loss for the period of $0.3 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 $22.7 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 $2.5 million (USD) in the current year.

INVESTMENTS CLUSTER

First Mutual Properties Limited
The rental income for the period grew by 25% to $8.1 million principally as a result of increased rental rates per square metre. The profit after tax for the year was $6.3 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 $3.3 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 $0.5 million which was 13% higher than the previous year.

First Mutual Wealth Management (Private) Limited
Investment management fees for the period were $1.4 million compared to $0.6 million in the prior year representing an improvement of 133%. The positive revenue outturn was driven by more development projects and an increase in the Funds Under Management during the period under review from $83.9 million to: $151.2 million which translated to a profit of $0.3 million from a loss position of $0.2 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 by continuing to improve employee reward programmes. In addition, effort was applied to 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 of our 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

FIRST MUTUAL
HOLDINGS LIMITED
Go Beyond

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 USD	AUDITED *RESTATED GROUP 31-Dec-23 USD	AUDITED *RESTATED GROUP 01-Jan-23 USD
ASSETS				
Goodwill		224 767	224 767	223 296
Deferred tax asset	18	2 120 982	2 331 185	1 580 635
Property, plant and equipment	5	5 485 781	4 738 502	3 463 872
Investment property	6	134 188 000	182 041 771	164 394 021
Right of use of assets - IFRS 16	7	384 690	1 247 116	70 500
Other intangible assets		41 107	31 361	64 735
Investment in associates		1 537 945	904 909	2 036 895
- Equity securities at fair value through profit or loss	8	37 777 994	37 300 394	26 071 751
- Debt securities at amortised cost	9	13 880 590	8 876 211	3 709 310
Investment in gold coins		623 118	496 618	408 071
Non current assets held for sale		-	-	56 649
Income tax asset		367 791	66 049	17 186
Inventory		528 625	298 551	493 558
Reinsurance contract assets	10	17 131 541	16 872 649	11 327 292
Intermediaries, tenant and other receivables	11	11 261 341	13 871 365	18 143 104
Cash and cash equivalents	12	31 254 838	17 681 468	24 596 271
TOTAL ASSETS		**256 809 110**	**286 982 916**	**256 657 146**
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital		335 780	335 780	611 264
Share premium		6 733 913	6 733 913	12 258 611
Non-distributable reserves		17 520 672	10 702 810	2 107 077
IFRS 17 adoption reserve		-	(1 137 221)	(2 070 230)
Retained profits		29 816 201	42 992 477	33 597 034
Total equity attributable to equity holders of the parent		**54 406 566**	**59 627 759**	**46 503 756**
Non-controlling interests		37 147 800	55 396 776	46 660 025
Total equity		**91 554 366**	**115 024 535**	**93 163 782**
Liabilities				
Deferred tax liability	18	16 979 508	12 178 871	21 794 537
Shareholder risk reserves	14	1 270 791	1 254 934	449 588
Member assistance fund		-	1 523	13 337
Lease liabilities	7	465 252	635 517	183 497
Compensation Reserve		2 278 649	1 619 937	-
Borrowings		8 227 978	5 129 836	2 479 186
Put option liability	19	4 399 320	4 567 300	4 752 586
Insurance contract liabilities	15	103 035 023	114 123 565	107 830 874
Investment contract liabilities with DPF	16	8 434 304	14 012 070	11 371 078
Investment contract liabilities without DPF	13	8 624 960	7 548 598	4 780 387
Share based payment liabilities		419 485	2 120 636	320 430
Other payables	17	10 305 543	8 182 295	8 920 893
Current income tax liabilities		813 931	583 299	596 971
Total liabilities		**165 254 744**	**171 958 381**	**163 493 364**
TOTAL EQUITY AND LIABILITIES		**256 809 110**	**286 982 916**	**256 657 146**

*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, USD.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2024

	AUDITED GROUP 31-Dec-24 USD	AUDITED *RESTATED GROUP 31-Dec-23 USD
Profit before income tax	**(19 634 268)**	**59 521 563**
Total non- cash and separately disclosed items	49 315 879	59 962 421
Operating cash flows before working capital changes	**29 681 611**	**119 483 984**
Working capital changes	(10 378 291)	(158 377 362)
Cash (utilised in)/generated from operations	**19 303 320**	**38 893 378**
Finance costs on lease liability	(80 463)	(80 463)
Cash settled share based payments	(1 002 743)	(512 003)
Interest received	1 451 367	5 153 341
Interest paid	(1 724 514)	(966 084)
Tax paid	(2 203 033)	(3 405 557)
Net cash flows(utilised in)/ generated from operating activities	**15 743 934**	**(38 704 143)**
Net cash flow generated from/(used in) investing activities	**(2 529 889)**	**(21 757 281)**
Net cash flow used in financing activities	**1 106 022**	**1 053 616**
Net increase/(decrease) in cash and cash equivalents	**14 320 067**	**(59 407 808)**
Cash and cash equivalents at the beginning of the year	17 681 468	13 511 249
Effects of exchange rate changes on cash and cash equivalents	(746 697)	6 982 529
Effects of inflation on cash and cash equivalents	-	(1 671 789)
Foreign exchange impact of translating to presentation currency on opening cash and cash equivalents	-	58 267 287
Cash and cash equivalents at the end of the period	**31 254 838**	**17 681 468**

*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, USD.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2024

	Note	AUDITED GROUP 31-Dec-24 USD0	AUDITED *RESTATED GROUP 31-Dec-23 USD
INCOME			
Insurance contract revenue	21	156 218 425	183 446 621
Insurance service expenses from insurance contracts issued	23	(112 442 209)	(158 860 586)
Insurance service result before reinsurance		**43 776 216**	**24 586 035**
Net expenses from reinsurance contracts held		(16 679 919)	(779 763)
Insurance service result		**27 096 297**	**23 806 272**
Insurance finance result		20 027 066	(45 106 389)
Net insurance & reinsurance performance		**47 123 363**	**(21 300 117)**
Net investment return	22	1 702 801	12 927 807
Net gains/losses from fair value adjustments to investment properties		(50 474 168)	89 067 177
Net change in investment contract liabilities		(241 537)	(4 881 250)
Movement in shareholder risk reserve		(15 857)	(1 007 966)
Net insurance & reinsurance performance after investment return		**(1 905 398)**	**74 805 651**
Rental income		8 298 152	6 590 174
Property expenses		(3 649 049)	(3 776 452)
Interest income- Microfinance		4 493 375	3 419 780
Interest expense and direct costs- Microfinance		(2 544 229)	(1 124 818)
Asset management services revenue		1 295 311	373 703
Asset management services direct costs		(679 085)	(626 832)
Other income		2 979 874	2 562 067
Foreign currency exchange gain		-	11 965 643
Regulatory provision		-	(509 150)
Pharmacies, Clinics and Funeral direct costs		(1 903 578)	(1 675 475)
Other administration expenses		(25 391 983)	(25 681 985)
Movement in premium credit adjustment		(151 790)	(825 187)
Movement in allowance for credit losses		(928 065)	(833 817)
Finance costs		(80 463)	(142 019)
Net monetary losses		-	(5 387 860)
Profit before share of (loss)/profit of associate		**(20 166 928)**	**59 133 423**
Share of (loss)/profit of associate		544 348	388 140
(Loss)/profit before income tax		**(19 622 580)**	**59 521 563**
Income tax expense		(7 495 043)	(837 437)
(Loss)/profit for the period		**(27 117 623)**	**58 684 126**
Other comprehensive income/(loss)			
Other comprehensive income/(loss) to be reclassified to the statement of comprehensive income in subsequent periods			
Exchange gain/(loss) on translating foreign operations		5 231 283	10 695 408
Share of other comprehensive income from associates		38 794	13 175
Other comprehensive income to be reclassified to statement of comprehensive income in subsequent periods		**5 270 077**	**10 708 583**
Other comprehensive income that will not be reclassified to the statement of comprehensive income in subsequent periods			
Foreign exchange impact of translating to presentation currency		-	(41 970 096)
Other comprehensive income that will not be reclassified to the statement of comprehensive income in subsequent periods		**-**	**(41 970 096)**
Total comprehensive (loss)/profit for the period		**(21 847 546)**	**27 422 613**
(Loss)/profit attributable to:			
Non-controlling interest		(16 659 995)	33 307 072
Equity holders of the parent		(10 457 630)	25 377 055
(Loss)/profit for the period		**(27 129 314)**	**58 684 127**
Total Comprehensive income attributable to:			
Non-controlling interest		(17 456 565)	10 729 254
Equity holders of the parent		(4 390 983)	16 693 360
Total comprehensive income for the period		**(21 847 548)**	**27 422 614**
Basic earnings per share (cents)		(1)	3
Diluted earnings per share (cents)		(1)	3

*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, USD.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2024

	Share capital USD	Share premium reserves USD	Non- distributable reserves USD	IFRS 17Adoption reserve USD	Retained earnings USD	Total equity for parent USD	Non-controlling interest USD	Total equity USD
RESTATED as at 1 January 2023*	**611 264**	**12 258 611**	**2 107 077**	**(2 070 230)**	**33 597 034**	**46 503 756**	**46 660 025**	**93 163 782**
Profit for the year	-	-	-	-	25 377 055	25 377 055	33 307 072	58 684 127
Other comprehensive (loss)/income	-	-	12 274 570	-	-	12 274 570	(1 565 986)	10 708 583
Foreign exchange impact of translating to presentation currency	(275 484)	(5 524 698)	(899 218)	933 009	(15 191 874)	(20 958 265)	(21 011 832)	(41 970 096)
Total comprehensive (loss)/income	**(275 484)**	**(5 524 698)**	**11 375 352**	**933 009**	**10 185 181**	**16 693 360**	**10 729 254**	**27 422 614**
Transactions with shareholders in their capacity as owners								
FMP treasury shares buyback	-	-	-	-	-	-	(7 485)	(7 485)
Gain on change in ownership from share buyback	-	-	-	-	63 265	63 265	(63 265)	-
Remeasurement of Put option liability	-	-	(2 779 619)	-	-	(2 779 619)	-	(2 779 619)
Reclassification to put option liability	-	-	-	-	-	-	(1 244 917)	(1 244 917)
Dividend declared and paid	-	-	-	-	(853 003)	(853 003)	(676 836)	(1 529 839)
RESTATED as at 31 December 2023	**335 780**	**6 733 913**	**10 702 810**	**(1 137 221)**	**42 992 477**	**59 627 759**	**55 396 776**	**115 024 535**
As at 1 January 2024	**335 780**	**6 733 913**	**10 702 810**	**(1 137 221)**	**42 992 477**	**59 627 759**	**55 396 776**	**115 024 535**
Profit for the year	-	-	-	-	(10 457 630)	(10 457 630)	(16 659 995)	(27 117 625)
Other comprehensive income	-	-	6 066 647	-	-	6 066 647	(796 570)	5 270 077
Total comprehensive income	**-**	**-**	**6 066 647**	**-**	**(10 457 630)**	**(4 390 983)**	**(17 456 565)**	**(21 847 548)**
Transactions with shareholders in their capacity as owners								
FMP treasury shares buyback	-	-	-	-	-	-	5 759	5 759
Gain on change in ownership from share buyback	-	-	-	-	16 540	16 540	(16 540)	-
Remeasurement of Put option liability	-	-	751 216	-	-	751 216	-	751 216
Reclassification to put option liability	-	-	-	-	-	-	(583 236)	(583 236)
Reclassification of IFRS 17 adoption reserve	-	-	-	1 137 221	(1 137 221)	-	-	-
Dividend declared and paid	-	-	-	-	(1 597 966)	(1 597 966)	(198 394)	(1 796 360)
As at 31 December 2024	**335 780**	**6 733 913**	**17 520 673**	**-**	**29 816 201**	**54 406 566**	**37 147 800**	**91 554 366**

*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, USD.

FIRST MUTUAL

HOLDINGS LIMITED

Go Beyond

Abridged Audited Financial Results

FOR THE PERIOD ENDED 31 DECEMBER 2024

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 5 June 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

Items included in the financial statements of each of the Group's subsidiaries and associates are measured using the currency of the primary economic environment in which the subsidiary or associate operates ("the functional currency"). On the 1st of January 2024 all companies within the Group domiciled in Zimbabwe changed their functional currency from the ZWL/ZWG to the USD in line with International Accounting Standard 21 The Effects of Changes in Foreign Exchange Rates (IAS 21) para 9 -14. ZWL Inflation adjusted balances as at the 31st of December 2023 were translated to the USD functional currency using a rate of 5,935.46.

4. Audit Opinion

The Group USD 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 USD	AUDITED *RESTATED GROUP 31-Dec-23 USD
5	**Property, vehicles and equipment**		
	At 1 January	4 738 502	3 463 872
	Foreign exchange impact of translating to presentation currency	-	(2 251 810)
	Additions	1 642 201	3 184 939
	Disposals	(5 701)	(6 762)
	Depreciation charge and disposal	(889 221)	348 262
	Closing balance	**5 485 781**	**4 738 502**
6	**Investment property**		
	At 1 January	182 041 771	164 394 021
	Foreign exchange impact of translating to presentation currency		(74 088 927)
	Additions	2 818 711	3 162 733
	Disposal or transfer to Subsidiaries	(198 314)	(524 352)
	Transfer from or to Non-current asset held for sale	-	31 119
	Fair Value loss/(gain)	(50 474 168)	89 067 177
	Closing balance	**134 188 000**	**182 041 771**
	Presented as:		
	Investment property- completed	134 188 000	178 910 689
	Investment property under development	-	3 131 082
	Total	**134 188 000**	**182 041 771**

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 .

		AUDITED GROUP 31-Dec-24 USD	AUDITED *RESTATED GROUP 31-Dec-23 USD
7	**Leases**		
	Right of use of assets		
	As at 1 January	1 247 116	70 500
	Foreign exchange impact of translating to presentation currency		(31 773)
	Modification	136 386	1 283 167
	Depreciation charge for the year	(757 699)	23 238
	Exchange rate effects	(241 113)	(98 017)
	Closing balance	**384 690**	**1 247 116**
	Lease liability		
	Current	182 704	249 567
	Non-current	282 548	385 949
	Closing balance	**465 252**	**635 517**
8	**Financial assets at fair value through profit or loss**		
	At 1 January	37 300 394	26 071 751
	Foreign exchange impact of translating to presentation currency		(11 749 990)
	Purchases	4 585 558	14 112 609
	Disposals	(3 504 082)	(1 154 906)
	Fair value gain on unquoted investments	(961 210)	3 066 700
	Fair value gain on quoted equities	357 334	6 954 230
	Closing balance	**37 777 994**	**37 300 394**
9	**Debt securities at amortised cost**		
	At 1 January	8 876 211	3 709 310
	Foreign exchange impact of translating to presentation currency		(1 671 708)
	Purchases	7 756 493	14 982 037
	Maturities of investments	(8 982 917)	(8 951 363)
	Exchange gains or loss	2 271 226	7 443 219
	Accrued interest	4 493 375	3 419 780
	Excepted credit loss	(533 798)	(286 208)
	Monetary loss adjustment	-	(9 768 857)
	Closing balance	**13 880 590**	**8 876 211**
10	**Net Reinsurance contract assets**		
	Reinsurance contract assets	17 131 541	16 872 649
	Net reinsurance contract assets	**17 131 541**	**16 872 649**
11	**Tenant and other receivables**		
	Premium receivables from intermediaries	3 549 136	9 926 458
	Tenant receivables	1 300 005	708 427
	Other receivables	6 412 200	3 236 480
	Total	**11 261 341**	**13 871 365**
12	**Cash and balances with banks**		
	Money market investments with original maturities less than 90 days	22 064 790	9 433 548
	Cash at bank and on hand	9 190 048	8 247 920
	Cash and balances with banks	**31 254 838**	**17 681 468**

FIRST MUTUAL HOLDINGS LIMITED

Go Beyond

Abridged Audited Financial Results

FOR THE PERIOD ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

		AUDITED GROUP 31-Dec-24 USD	AUDITED *RESTATED GROUP 31-Dec-23 USD
13	**Investment contract liabilities without DPF**		
	At 1 January	7 548 598	4 780 387
	Foreign exchange impact of translating to presentation currency		(2 154 420)
	Contributions received	846 825	-
	Investment return from underlying assets	241 537	4 881 250
	Asset management fees charged	(12 000)	(177 499)
	Inflation adjustment	-	218 880
	Closing balance	**8 624 960**	**7 548 598**
14	**Shareholder risk reserve**		
	At 1 January	1 254 934	449 588
	Foreign exchange impact of translating to presentation currency		(202 620)
	Movement	15 857	1 007 966
	Closing balance	**1 270 791**	**1 254 934**
15	**Net Insurance contract liabilities**		
	Insurance contract assets	-	-
	Insurance contract liabilities	103 035 023	114 123 565
	Net insurance contract liabilities	**103 035 023**	**114 123 565**
16	**Investment contract liabilities with DPF**		
	Life Savings VFA	8 434 304	14 012 070
	Total	**8 434 304**	**14 012 070**
17	**Other payables**		
	Other payables	3 651 438	3 173 925
	*Provisions	1 783 814	1 525 533
	Payroll and statutory payables	1 672 452	1 029 186
	Accrued expenses	1 951 201	1 497 126
	Trade payables	172 226	132 146
	Property business related liabilities	1 074 412	824 379
	Total	**10 305 543**	**8 182 295**
	* Included in provisions is the regulatory provision disclosed on note 24.1		
18	**Deferred tax liability**		
	At 1 January	9 847 686	20 213 903
	Foreign exchange impact of translating to presentation currency	-	(9 109 981)
	Foreign exchange effects	(352 282)	(343 690)
	Recognised through statement of comprehensive income	5 363 122	(912 546)
	Total	**14 858 526**	**9 847 686**
	Disclosed as		
	Deferred tax asset	(2 120 982)	(2 331 185)
	Deferred tax liability	16 979 508	12 178 871
	Total	**14 858 526**	**9 847 686**
19	**Put option liability**		
	At 1 January	4 567 300	4 752 586
	Foreign exchange impact of translating to presentation currency	-	(2 141 891)
	Reclassification from NCI	583 236	1 244 917
	Remeasurement gain	(751 216)	2 779 619
	Effects of inflation	-	(2 067 931)
	Closing balance	**4 399 320**	**4 567 300**
20	**Insurance contract revenue**		
	Life assurance	12 310 236	11 902 790
	Health insurance	61 516 567	55 107 256
	Property and casualty	82 391 622	116 436 574
	Total	**156 218 425**	**183 446 621**
21	**Net investment income**		
	Dividend received - cash	1 836 511	2 791 493
	Fair value gain/(loss) on unquoted equities at fair value through profit or loss	357 334	3 066 700
	Investment expenses	(1 096 574)	(5 272 172)
	Fair value gain/(loss) on quoted equities at fair value through profit or loss	(961 210)	6 954 230
	Net investment return from equities	136 061	7 540 251
	Interest on financial assets measured at amortised cost	1 451 367	5 153 341
	Fair value gain/(loss) on gold coins	115 373	234 215
	Total investment income	**1 702 801**	**12 927 807**
22	**Insurance service expenses**		
	Incurred claims and other directly attributable expenses	(76 141 041)	(92 629 249)
	Changes that relate to past service - adjustments to the LIC	(1 828 462)	(18 110 510)
	Insurance acquisition cash flows amortisation	(34 472 706)	(48 120 826)
	Total insurance service expenses from contract insurance issued	**(112 442 208)**	**(158 860 586)**
23	**Companies and Other Business Entities Act (24.31) and IFRS mandatory disclosures**		
	Staff costs	26 264 038	30 723 151
	Directors' fees – Holding company	388 814	219 687
	– Group companies	1 579 590	1 014 181
	Depreciation of property, vehicles and equipment	1 130 334	446 279
	Audit fees	799 293	762 709

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

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.

24.1 Regulatory Provision	December 2024 USD	December 2023 *RESTATED USD*
At 1 January	1 052 167	988 525
Foreign exchange impact of translating to presentation currency	-	(445 508)
Provision for the year	-	509 150
Balance as at 31 December 2024	**1 052 167**	**1 052 167**

FIRST MUTUAL
HOLDINGS LIMITED
Go Beyond

Abridged Audited Financial Results
FOR THE PERIOD ENDED 31 DECEMBER 2024

SEGMENTAL RESULTS AND ANALYSIS
FOR THE PERIOD ENDED 31 DECEMBER 2024

As at 31 December 2024	Life and Health USD'000	General Insurance USD'000	Reinsurance USD'000	Property USD'000	Other USD'000	Gross Figures USD'000	Consolidation Entries USD'000	Total Consolidated USD'000
Insurance contract revenue	73 826 803	46 407 499	39 818 445	-	-	160 052 747	(3 834 321)	156 218 425
Rental income	-	786 740	-	8 233 599	122 016	9 142 354	(844 202)	8 298 152
Fair value adjustments on investment property	-	(3 195 652)	-	(52 575 984)	(737 212)	(56 508 849)	6 034 680	(50 474 168)
Net Investment income	(32 580 135)	(936 952)	1 129 386	284 176	(7 477 185)	(39 580 711)	41 827 860	2 247 149
Fees and other income	2 377 807	1 949 075	323 590	1 062 696	15 119 628	20 832 797	(12 080 094)	8 752 703
Total revenue	**43 624 475**	**45 010 709**	**41 271 421**	**(42 995 513)**	**7 027 246**	**93 938 338**	**31 103 922**	**125 042 260**
Monetary gain or loss	-	-	-	-	-	-	-	-
Intersegment revenue	18 981 974	1 949 075	(323 590)	(844 202)	21 379 896	41 143 153	(41 143 153)	-
Total expenses	(74 487 825)	(46 506 085)	(38 056 423)	(6 604 440)	(15 534 859)	(181 189 633)	16 739 263	(164 450 370)
Insurance finance result	20 027 066	-	-	-	-	20 027 066	-	20 027 066
Movement in investment contract liabilities	(241 537)	-	-	-	-	(241 537)	-	(241 537)
Profit before income tax	7 904 153	453 699	2 891 407	(50 444 156)	12 872 284	(26 322 612)	6 700 030	(19 622 582)
Income tax expense	108 081	969 029	(885 214)	(7 682 954)	250 120	(7 240 939)	(254 104)	(7 495 043)
Total assets	124 400 824	28 307 451	44 953 761	136 952 490	100 929 845	435 544 370	(178 735 261)	256 809 110
Total liabilities	93 666 510	18 793 107	23 552 458	21 242 638	14 553 323	171 808 035	(6 553 291)	165 254 744
Cash flows from operating activities	532 404	2 508 840	3 809 599	(108 276)	6 518 744	13 261 311	1 171 738	14 433 049
Cash flows generated from/(utilised in) investing activities	(76 347)	1 948	(192 906)	(2 828)	(312 343)	(582 476)	(636 530)	(1 219 006)
Cash generated from/(utilised in) financing activities	(4 742)	(245 952)	345 504	(154 813)	179 306	119 302	986 721	1 106 022

RESTATED as at 31 December 2023	Life and Health USD'000	General Insurance USD'000	Reinsurance USD'000	Property USD'000	Other USD'000	Gross Figures USD'000	Consolidation Entries USD'000	Total Consolidated USD'000
Insurance contract revenue	67 152 107	54 916 819	64 592 704	-	-	186 661 630	(3 215 009)	183 446 621
Rental income	-	588 460	-	6 684 140	13 993	7 286 593	(696 419)	6 590 174
Fair value adjustments on investment property	-	6 103 895	-	91 363 108	151 105	97 618 108	(8 550 932)	89 067 177
Net Investment income	72 730 607	3 536 718	3 999 053	1 168 754	53 590 477	135 025 610	(122 097 803)	12 927 807
Fees and other income	5 496 426	1 402 076	4 460 376	863 031	10 507 945	22 729 855	(4 861 314)	17 868 541
Total revenue	**145 379 140**	**66 547 968**	**73 052 133**	**100 079 033**	**64 263 521**	**449 321 796**	**(139 421 476)**	**309 900 320**
Monetary gain or loss	(2 420 311)	(160 948)	(2 928 173)	182 254	(60 382)	(5 387 560)	(300)	(5 387 860)
Intersegment revenue	67 143 038	7 171 057	2 893 508	8 969 930	53 243 943	139 421 476	(139 421 476)	-
Total expenses	(17 090 154)	(4 778 144)	(5 831 597)	(5 800 760)	(13 479 981)	(46 980 636)	7 358 843	(39 621 793)
Insurance finance result	(45 106 389)	-	-	-	-	(45 106 389)	-	(45 106 389)
Movement in investment contract liabilities	(4 881 250)	-	-	-	-	(4 881 250)	-	(4 881 250)
Profit before income tax	25 749 190	5 347 963	12 499 691	5 347 963	52 314 207	101 259 014	(41 737 450)	59 521 565
Income tax expense	173 391	(235 857)	769 752	(235 857)	(461 031)	10 398	(847 836)	(837 437)
Total assets	152 529 363	28 895 505	34 133 980	28 895 505	95 401 286	339 855 639	(52 872 724)	286 982 915
Total liabilities	110 182 634	16 744 971	24 314 659	16 744 971	11 776 418	179 763 653	(7 805 273)	171 958 380
Cash flows from operating activities	725 376	3 418 180	5 190 404	(147 521)	8 881 490	18 067 928	(82 976 765)	(46 840 908)
Cash flows generated from/(utilised in) investing activities	(1 515 435)	38 663	(3 829 046)	(56 127)	(6 199 783)	(11 561 727)	1 366 174	(21 757 281)
Cash generated from/(utilised in) financing activities	(4 509)	(233 878)	328 542	(147 213)	170 503	113 445	826 726	1 053 616

Supplementary Unaudited Information

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.

Supplementary Unaudited information – United States Dollars Financial Statements (Summarised)

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

	31 December 2024 USD 000	31 December 2023 USD 000	Growth %
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%**

Shape the future
with confidence

Chartered Accountants (Zimbabwe)
Angwa City
Cnr Julius Nyerere Way
Kwame Nkrumah Avenue
P.O. Box 62 or 702
Harare

Tel: +263 24 2750905-14 or 2750979-83
Fax: +263 24 2750707 or 2773842
Email: admin@zw.ey.com
www.ey.com

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 consolidated and company financial statements of First Mutual Holdings Limited ('the Group and Company) as set out on pages 20 to 116, 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 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 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)	
Consolidated ► Note 7 – Investment Property ► Note 7.1 – Fair Value Hierarchy 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: ► Investment property amounting to USD 134 188 000 (2023:USD 182 041 771) for the Group. 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: ► 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	We performed audit procedures to assess the adequacy of the valuation which included the following: ► 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. ► 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

validating the methodologies and key assumptions which were adopted by the management's expert.	comparing them to those used by other valuers in the industry.

Key Audit Matter	How our audit addressed the matter
1. Valuation of Investment Properties (Consolidated)	
The investment Properties have a significant balance as they make up about 63% of the total assets on the Consolidated Statement of Financial Position. 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.	► 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)	
► Note 13-Insurance Contract Liabilities PAA ► Note 13-Insurance Contract Liabilities VFA As included in the above notes to the Group financial statements, Insurance Contract Liabilities PAA amounting to USD103 035 023 (2023:USD114 123 565); Insurance Contract Liabilities VFA amounting to USD8 434 304 (2023: USD14 012 070) has been considered to be an area where significant judgements were applied. The company's insurance contract liabilities amount represents a significant portion of its total liabilities. Insurance contract liabilities are determined in accordance with IFRS 17. The most significant assumptions made in the valuation of insurance contract liabilities are.	We performed audit procedures to assess the adequacy of the valuation which included the following: ► We agreed the balances in the liability for remaining coverage subledger to the general ledger control accounts and investigated any unusual items and tested all reconciling items based on established testing threshold. ► 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.

• the future cash flow projections; and • Determination of Contractual Service Margin • a risk adjustment for non-financial risk	► 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.

Key Audit Matter	How our audit addressed the matter
2. Valuation of insurance liabilities/Reinsurance Contract Assets (Consolidated)	
► 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. ► 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. ► The disclosures related to the insurance and re-insurance contract liabilities and assets are included in Note 13 to the consolidated financial statements. 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.	► 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. ► 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.

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 separate 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 Group's 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).