LEGACY OF PROTECTION

2024 ANNUAL REPORT

FIRST MUTUAL
HOLDINGS LIMITED

Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

NAVIGATING THIS REPORT (IFC)

Home (Cover Page)	Contents Page	Previous Page	Next Page

We use icons to show:
Material themes that guide our integrated reporting

- Grow Assets Under Management
- Building Financial Resilience (anti-fragility)
- Ethical Conduct and Corporate Governance
- Innovation and Digitalisation
- Human Capital Management
- Macroeconomic Environment and Challenging Local Socio-economic Conditions
- Customer/Client-centricity
- Responsible Business (value chain)
- Environmental Impact
- Social Impact and Economic Dignity

Our strategic pillars

- Talent
- Agility
- Relevance
- Growth
- Engagement
- Technology
- Sustainability

- Read more online at https://www.firstmutual.co.zw
- Read more in this report

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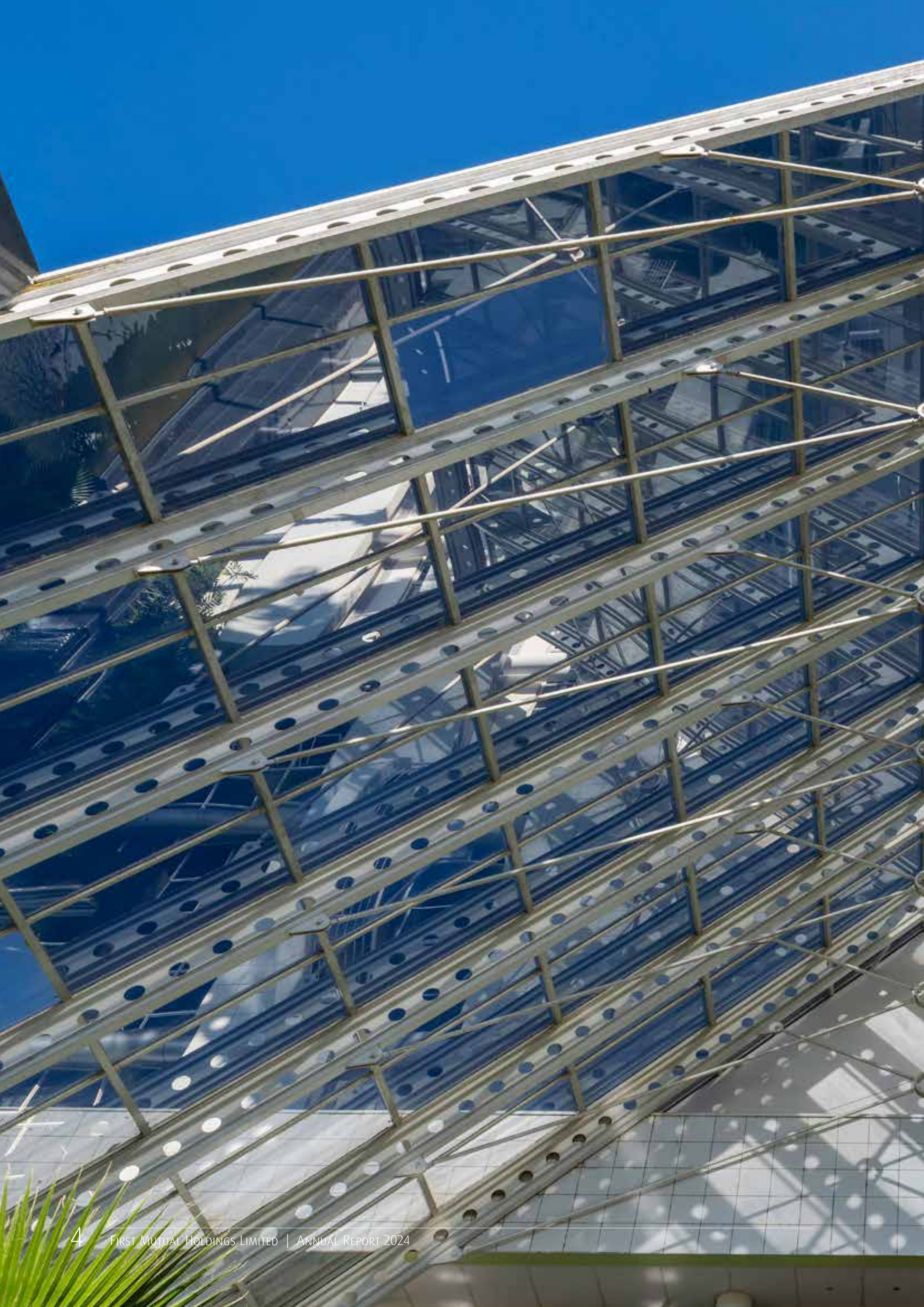


ABOUT OUR REPORT

First Mutual Holdings Limited, a company listed on the Zimbabwe Stock Exchange (ZSE) since 2003, is pleased to present its annual report for the year ended 31 December 2024. This report integrates financial and sustainability information, demonstrating our dedication to responsible business practices and principles.

OUR APPROACH TO REPORTING

Reporting scope

This report encompasses information related to First Mutual Holdings Limited (referred to as "the Company") and its subsidiaries, collectively referred to as "the Group". Unless stated otherwise, references to "our," "we," "us," "the Group," "FMHL" or "First Mutual" pertain to First Mutual Holdings Limited and its subsidiaries.

Reporting frameworks

The report was prepared with due consideration of the following:

- The Companies and other Business Entities Act [Chapter 24:31]
- SI.134 of 2019] Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules
- International Financial Reporting Standards ("IFRS") Accounting Standards
- Global Reporting Initiative ("GRI") Standards

Materiality

The disclosures in the report have been selected on the basis of materiality. The process for determining and prioritising material matters, and our disclosure of these, is discussed on page 35 to 39.

Sustainability data

The report incorporates both qualitative and quantitative data obtained from various sources such as company policy documents, records, and individuals responsible for material issues outlined in this report. To ensure consistency with our business activities, estimations were made in certain cases and subsequently validated. This approach maintains coherence and accurately reflects our operations.

Assurance

The financial statements were audited by Ernst and Young Chartered Accountants (Zimbabwe) in accordance with the International Standards of Auditing (ISA). The independent auditors' report is presented on page 115 (USD) and 244 (ZWG). The GRI Content Index is presented on pages 372 to 376.

Restatements

First Mutual Holdings restated previously published sustainability data in some sections,due to the implementation of enhanced measurement, change in presentation currency and collection methods

Board responsibility

The executive directors and senior management have been instrumental in the preparation of this report. The Board has applied its mind accordingly and is of the opinion this annual report addresses all material matters and offers a balanced view of the Group's risks, opportunities and performance. This report was approved by the Board on 5 June 2025.

Forward-looking statements

This report may contain forward-looking statements based on current estimates and projections made by First Mutual Holdings Limited. However, it is important to note that these statements do not guarantee future developments and results, as they may be influenced by various anticipated and unanticipated risks, events and uncertainties. Stakeholders are advised to exercise caution and not place undue reliance on the forward-looking statements provided in this report. We are committed to publicly share any revisions to these statements to reflect changes in circumstances or events that occur after the publication of this report. These revisions will be communicated through trading updates and website notifications.

Feedback on the Report

The Group highly values the opinions and feedback of all stakeholders in order to enhance its operations and reporting. We warmly welcome any suggestions or inquiries you may have. Please feel free to share your valuable feedback with Mrs Sheila Lorimer, Group Company Secretary, via email at SLorimer@firstmutual.co.zw or DKandwe@firstmutual.co.zw. We appreciate your input and look forward to hearing from you.

OUR GROUP AT A GLANCE

2024 AT A GLANCE

On 01 January 2024, there was a change in functional and presentation currency from the ZWL (a hyperinflationary currency) to the USD (a stable currency). As such, the 2023 numbers have been restated from the ZWL to the USD after having been adjusted for inflation in terms of IAS 29 while 2024 numbers are historical numbers that have not been adjusted for inflation. This change in functional currency as well as presentation currency has resulted in some distortions resulting in a net investment loss of US$48 million. When operating results are considered before investment returns and insurance finance income and expense, the business made a profit of US$8.8 million (prior year: US$8.1 million).

Performance highlights (historical)	Unit (USD)	12 months FY2024 Total	12 months FY2023 Total (restated)	12 months FY2022 Total (restated)
Total assets	USD	256 809 110	286 982 915	256 657 145
Net investment (loss)/income	USD	(48 771 367)	101 994 984	21 735 942
Insurance finance income /(expense)	USD	20 027 066	(45 106 389)	(10 987 970)
Insurance revenue	USD	156 218 425	183 446 621	67 515 428
Cash generated from operating activities	USD	17 992 433	(43 281 524)	14 848 836
Profit before net investment income and insurance finance expense	USD	8 834 766	8 134 045	8 214 556
(Loss)/profit before income tax	USD	(19 622 582)	59 521 565	18 962 528
Other comprehensive income/(loss)	USD	5 270 077	(31 261 513)	1 163 724
Total comprehensive income/(loss)	USD	(21 847 548)	27 422 614	16 407 681
Basic earnings per share	USD	(1)	3	1
Shareholders' equity	USD	91 554 366	115 024 535	93 163 782

FINANCIAL HIGHLIGHTS

Insurance Contract Revenue (USD)
156 Million
183 Million In FY 2023
15% Decrease

Rental Income (USD)
8.3 Million
6.6 Million In FY 2023
26% Increase

Profit Before Income Tax (USD)
19.6 Million Loss
59.5 Million Profit In FY2023
133% Decrease

Total Assets (USD)
257 Million
287 Million in FY 2023
11% Decrease

Equity (USD)
92 Million
115 Million In FY 2023
20% Decrease

SUSTAINABILITY HIGHLIGHTS

Total Employees (Headcount)
711
632 In FY 2023
13% Increase

Average Training Per Employee (Hours)
34
20 in FY 2023
70% Increase

Recordable Injuries (Incidences)
Zero
0 in FY2023
Constant

Solar Energy (Kwh)
170 804
178 032 in FY 2023
4% Decrease

Electricity (Kwh)
1 818 462
1 907 723 in FY 2023
5% Decrease

Total Water Consumption(m3)
4 140
3 752 in FY 2023
10% Increase

OUR AWARDS

- First Mutual Holdings Limited Winner National Annual ESG and Responsible Business Achievement Awards 2024
- First Mutual Health Best Medical Aid Company 2024, awarded by the Institute of People Management Zimbabwe
- First Mutual Health Second Runner Up Health Insurance Superbrand Company of the Year 2024, awarded by the Marketers Association Zimbabwe
- NicozDiamond Insurance Second Runner Up Insurance Superbrand Company of the Year 2024, awarded by the Marketers Association Zimbabwe.
- First Mutual Life Second Runner Up Life Insurance Superbrand Company of the Year 2024, awarded by the Marketers Association Zimbabwe.
- First Mutual Life Second Runner Up Sustainable Development Goals Award 2024 by ZNCC Midlands Chapter

VISION • MISSION • VALUES

Vision:
To be a leader in our chosen markets by providing superior returns to all our stakeholders, ensuring stability, security and growth.

Mission:
To be an investment and financial services group that provides accessible solutions, which offer peace of mind and enrich the lives of all households, communities and businesses in our chosen markets by managing risk, creating and managing wealth.

Values
- We are true to self and others
- We take responsibility for our actions
- We display expert competence in the way we do business
- We believe in continuance and preservation of future generations
- We show concern and seek the wellbeing of all our stakeholders
- We strive for creativity and relevance in our market

WHO WE ARE

First Mutual Holdings Limited at a glance

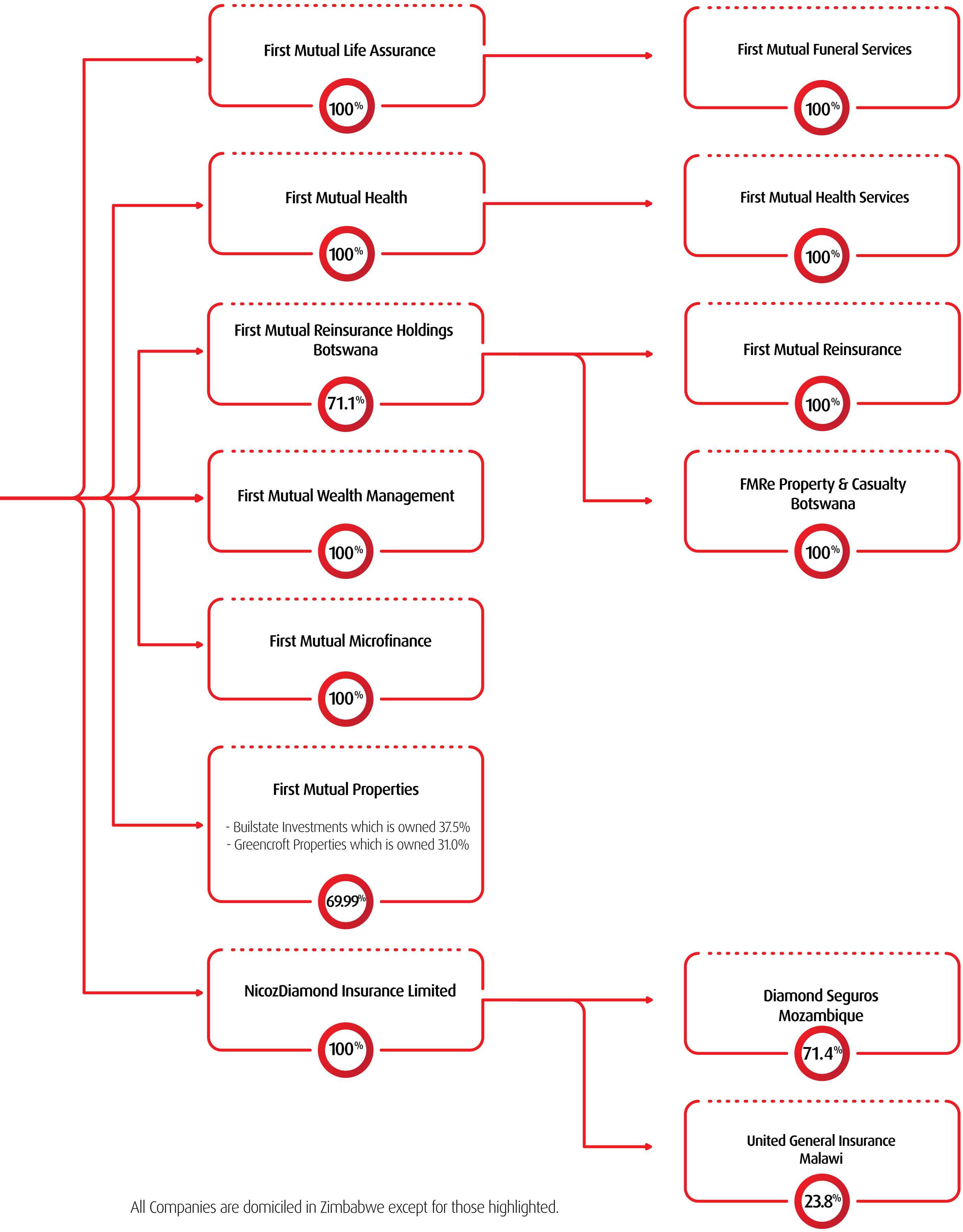
First Mutual Holdings Limited is a prominent financial services Group that prioritises the creation of value through risk management, wealth creation and wealth management, primarily within the insurance sector. Our brand serves as a trusted financial ally, playing a crucial role in assisting individuals and institutions prepare for a brighter future. Through our subsidiaries, we empower our clients to face their lifetime obligations with economic dignity.

Our team consists of dedicated professionals who prioritise our clients and their needs. We are solutions-driven, always striving to go above and beyond to provide straightforward tools that create sustainable value for our clients.

Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

Subsidiaries & Associates



All Companies are domiciled in Zimbabwe except for those highlighted.

WHAT WE DO

Our products and services

Product Category	Product Summary	Subsidiary
Life Assurance	· Individual life assurance services · Employee benefits	First Mutual Life Assurance Company Creating Wealth For Life
Health Insurance	· Health insurance/Medical Aid · 1st Care wellness · Health services	First Mutual Health Go Beyond
General Insurance	· Personal insurance · Corporate insurance	NicozDiamond Insurance Limited You never know what will happen a member of First Mutual Holdings Limited United General Insurance Company Limited Diamond Seguros
Reinsurance	· Property and casualty reinsurance	First Mutual Reinsurance Go Beyond FMRE Property & Casualty Botswana Insuring the insurers A member of First Mutual Holdings Limited
Wealth Management	· Segregated portfolios · High net worth client portfolios · Unit trusts	First Mutual Wealth Go Beyond
Property Management	· Office parks · Retail · CBD office space · Industrial	First Mutual Properties Go Beyond
Microfinance	· Individual products · SME & Corporate Lending	First Mutual Microfinance Go Beyond
Funeral Services	· Repatriation · Events and Services · Transport · Caskets	First Mutual Funeral Services Go Beyond
Health Services	· Pharmacies · Hospitals and Clinics · Dental services	First Mutual Health Services Go Beyond

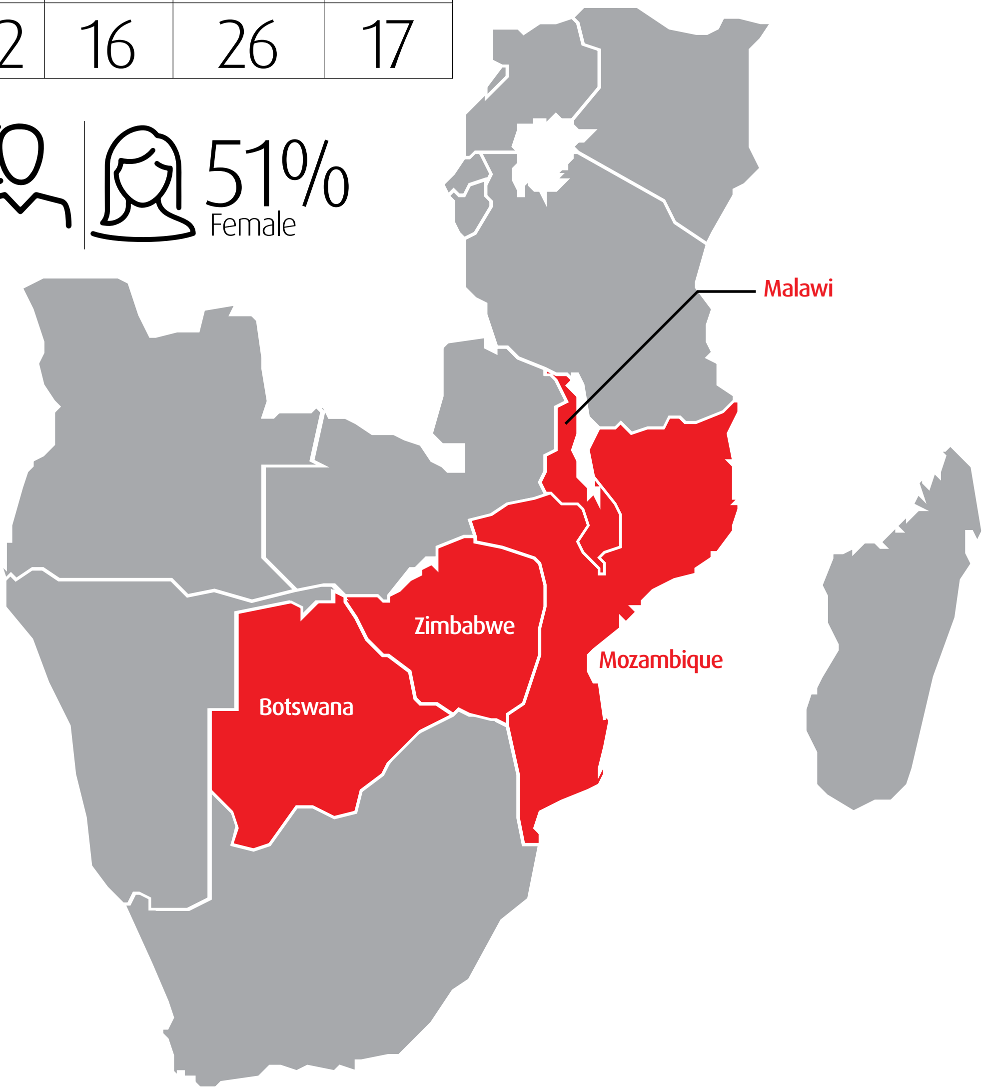
WHERE WE OPERATE

Our operations

	Zimbabwe	Botswana	Mozambique	Malawi
Employees (Count)	652	16	26	17

711 Employees

51% Female



Business profiles

Business memberships

First Mutual Holdings Limited

- Zimbabwe National Chamber of Commerce (ZNCC)
- Confederation of Zimbabwe Industries (CZI)

First Mutual Life Assurance

- Funeral Undertakers Directors Association of Zimbabwe
- Zimbabwe Association of Funeral Assurers (ZAFA)
- Zimbabwe Association of Pension Funds (ZAPF)
- Actuarial Society of Zimbabwe (ASZ)
- Life Offices Association (LOA)

First Mutual Health Company

- Association of Health Funders
- Medicines Control Authority of Zimbabwe (MCAZ)
- Pharmacist Council of Zimbabwe (PCZ)
- Health Professions Authority (HPA)
- Medical Dental Practitioners of Zimbabwe (MDPZ)

NicozDiamond Insurance Ltd Zimbabwe

- Insurance Council of Zimbabwe (ICZ)

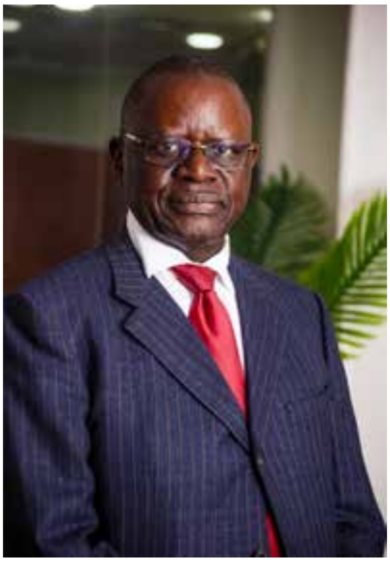
First Mutual Properties

- Real Estate Institute of Zimbabwe (REIZ)

Standards and certifications

- First Mutual Life Assurance Company:
  ISO 9001:2015 Certification
- First Mutual Health Company:
  ISO 9001:2015 Certification

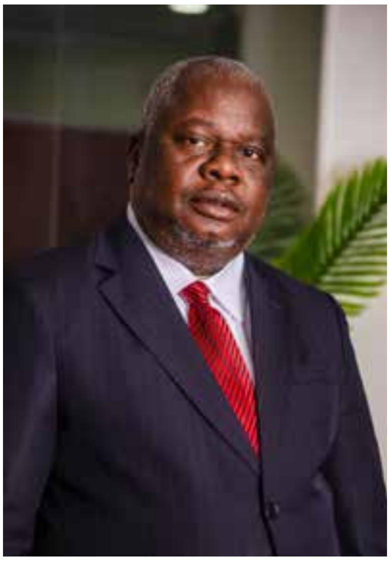
BOARD OF DIRECTORS



Amos R. T. Manzai
Independent Non-Executive Chairman
Tenure on the Board: 8 years
Key Skills: Economics and Finance

Qualifications
BA Hons Economics (Dunelim, UK), CA (Z)

Other Commitments
Director at Deposit Protection Corporation (DPC), Perrenialform Investments (Pvt) Ltd, Evergid Services (Pvt) Ltd, Lidle Trading Services (Pvt) Ltd, First Mutual Health and First Mutual Reinsurance Holdings.



Douglas Hoto
Group Chief Executive Officer (Executive)
Tenure on the Board: 14 years
Key skill: Actuary

Qualifications
Fellow of the Institute of Actuaries (UK & SA)
BSc Hons Mathematics (UZ)

Other Commitments
Various First Mutual Subsidiaries, Trustee of the S V Muzenda Foundation, Rainbow Tourism Group (Chairman), University of Zimbabwe Council (Chairman), Mutapa Investment Fund.

William M. Marere
Group Finance Director (Executive)
Tenure on the Board: 13.5 years
Key Skills: Accounting and Finance

Qualifications:
B.Compt Hons (UNISA), CA(Z), CA(SA)

Other Commitments
Director of various First Mutual subsidiaries as well as Tasbrew Investments (Pvt) Ltd and associated family owned companies, BridgeFort Capital Ltd, Dairyhill Investments (Pvt) Ltd, ACE Equipment Hire (Pvt) Ltd.

Samuel V. Rushwaya

Independent Non-Executive Director

Tenure: 11.5 years

Key Skills: Human Resources Management

Qualifications

BSc (Hons) Sociology (London), Dipl.

Other Commitments

First Mutual Life Assurance (Chairman), First Mutual Properties, Sprinkler Fire Services (Pvt) Ltd.

Evlyn Mkondo

Independent Non -Executive Director

Tenure: 10 years

Key Skills: Accounting and Finance

Qualifications

B. Acc (UZ), CA (Z)

Other Commitments

Director FBC Crown Bank Limited, Padenga Holdings Limited, Padenga Agribusiness (Pvt) Ltd.

Elisha K. Moyo

Independent Non -Executive Director

Tenure: 13 years

Key Skills: Law

Qualifications

LLB Hons. (UZ), MBA (UZ)

Other Commitments

Chairman of First Mutual Properties Limited and NicozDiamond Insurance, Director of Complete Corporate Solutions (Pvt) Ltd; Councillor on University of Zimbabwe; National Biotechnology Authority.

Board of Directors (continued)

Memory Mukondomi

Independent Non-Executive Director
Tenure: 9 years
Key Skills: Accounting and Finance

Qualifications
Executive MBA (NUST), B.Sc. – Acc. and Finance (CUT)

Other Commitments
Deputy Accountant General in the Treasury, Ministry of Finance & Economic Development, director of Defold Mine, Lotteries & Gaming Board, Attorney General's Board.

Gareth Baines

Independent Non -Executive Director
Tenure: 8 years
Key Skills: Insurance and Risk Management

Qualifications
B.Bus.Sc. (Finance, UCT), MBA (UCT)

Other Commitments
Director of Partner Risk Holdings (Pty) Ltd, One Journey Investments (Pvt) Ltd and First Mutual Life Assurance Company.

Israel Ndlovu

Independent Non -Executive Director
Tenure: 3.5 years
Key Skills: Accounting and Finance

Qualifications
B.Acc.

Other Commitments
Catholic University of Zimbabwe (Councillor), Opengates (Pvt) Ltd, Zimbabwe Crocodiles (Pvt) Ltd, Trustee of Union Zimbabwe Trust and Masiyephambili School Trust.

Fredson Mabhena

Non-Independent Non -Executive Director
Tenure: 4 years
Key Skills: Law

Qualifications
LLB, LLM, AIISA

Other Commitments
Legal Advisor at Ministry of Labour & Social Welfare.

Charles Shava

Non-Independent Non -Executive Director
Tenure: 1 year
Key Skills: Strategic leadership, medicine, social security, health & safety

Qualifications
Bachelor of Medicine & Surgery, MSc Occupational Safety & Health

Other Commitments
General Manager of National Social Security Authority.

SENIOR MANAGEMENT

Douglas Hoto
Group Chief Executive Officer

Qualifications
BSc Honours in Mathematics (UZ), Fellow of the Institute and Faculty of Actuaries of the United Kingdom (FIFA), Fellow of the Actuarial Society of South Africa (FASSA), Senior Executive Programme, London Business School.

William Munyaradzi Marere
Group Finance Director

Qualifications
Bachelor of Honours in Accounting Science (UNISA) and is a Chartered Accountant (Zimbabwe).

Christopher K Manyowa
Managing Director, First Mutual Properties

Qualifications
BSc Rural and Urban Planning (UZ), Master's Degree in Business Administration, (UZ).

David Nyabadza
Chief Executive Officer, General Insurance

Qualifications
BCom in Insurance and Risk Management (Zimbabwe), and a Master's in Business Administration (ESAMI).

Rueben Java
Cluster CEO, Life and Health Cluster

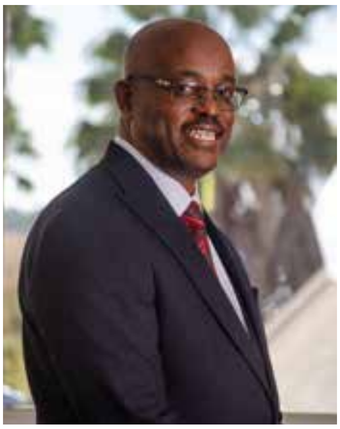
Qualifications
BSc Honours Degree in Mathematics (UZ), Associate Actuary with the Institute and Faculty of Actuaries (UK). and Master's in Business Administration (UCT, South Africa).

Bongai Muhau
Cluster CEO, Reinsurance Cluster

Qualifications
Certified Solvency II Professional (CSiiPro). Master of Science in Risk Management and Insurance. BCom Honours in Insurance and Risk Management (NUST). A member of the Global Association of Risk Professionals (GARP).

Sheila Lorimer
Group Company Secretary

Qualifications
Master of Laws Degree from University of Cambridge, Bachelor of Laws Degree and a Bachelor of Arts Degree from University of Natal.



Joseph Mhlabi
Group Risk Management Executive

Qualifications
Bachelor of Technology (Hons) in Accountancy from the (UZ), completed Articles of Clerkship with KPMG.

Senior management (continued)

Farayi Mangwende
Group Marketing and Communication Executive

Qualifications
Master's degree in public communication and public Relations University of Westminster (UK).

Thomas Mutswiti
General Manager, First Mutual Wealth

Qualifications
Master's in Business Administration (UZ), BCom Honours in Finance (NUST)and the Institute of Bankers Zimbabwe (IOBZ) Diploma.

Max Ncube
Managing Director, First Mutual Microfinance

Qualifications
BCom Honours in Finance (NUST), Certificate of Proficiency in Insurance and a Diploma in Computing and Information Processing. Master of Commerce in Strategic Management and Corporate Governance.

Bianca Pasipanodya
Group ICT Executive

Qualifications
Post-graduate diploma in Business Management from Nottingham Trent University (UK), a BSc in Computer Science and Mathematics (UZ), and numerous ICT certifications.

Jabulani Mbengo

Group Internal Audit Executive

Qualifications

Chartered Secretary and is currently studying for the Certified Internal Auditor certification.

Pfungwa Dhliwayo

Group Human Resources Executive

Qualifications

Graduate of the Global Executive Development Programme (Gordon Institute of Business Science), is a Certified Coach (International Coaches Federation) and holds a diploma in Personnel Management (Zimbabwe Institute of People Management), Master of Business Administration degree, Master of Science in Occupational Psychology degree and a Bachelor of Science Honours degree in Psychology, all from the University of Zimbabwe.

Fanuel Tirihumwe

Business Unit Head, New Markets

Qualifications

Bachelor of Commerce Honors degree in Actuarial Science from the National University of Science and Technology (NUST) and a Post Graduate Diploma in Management from the Gordon Institute of Business Science (GIBS).

FMHL Business Model

<table>
<tr><th>RESOURCES</th><th>INPUTS</th><th>VALUE-CREATION ACTIVITIES</th></tr>
<tr><td>FINANCIAL RESOURCES
The pool of funds supporting business operations, including shareholder equity, insurance premiums, investment returns and external borrowings.</td><td>• USD 92 million in shareholder equity
• USD 144 million in insurance services revenue
• USD 141 million in funds under management and investment portfolios
• USD 8 million in interest-bearing borrowings</td><td rowspan="4">Through our core business activities in insurance, services and investments, we create long-term value across financial, human, social and environmental capitals.
Insurance
• We provide life, health, short-term and reinsurance products tailored to individual, group and corporate clients. Our insurance businesses pool risk and offer financial protection, driving financial resilience and inclusion. We innovate continuously to ensure products remain relevant, accessible and affordable in changing markets.
Services
• Through our funeral and clinic services, we deliver accessible, dignified solutions that support health, wellness and end-of-life care. Our approach emphasises affordability, operational efficiency and community impact, with service delivery tailored to the needs of underserved segments.
Investments
• We manage and grow investment portfolios across property, microfinance and wealth management. These investments contribute to national development and support inclusive economic participation while delivering stable returns for stakeholders. A long-term lens guides our capital allocation, balancing risk and opportunity.

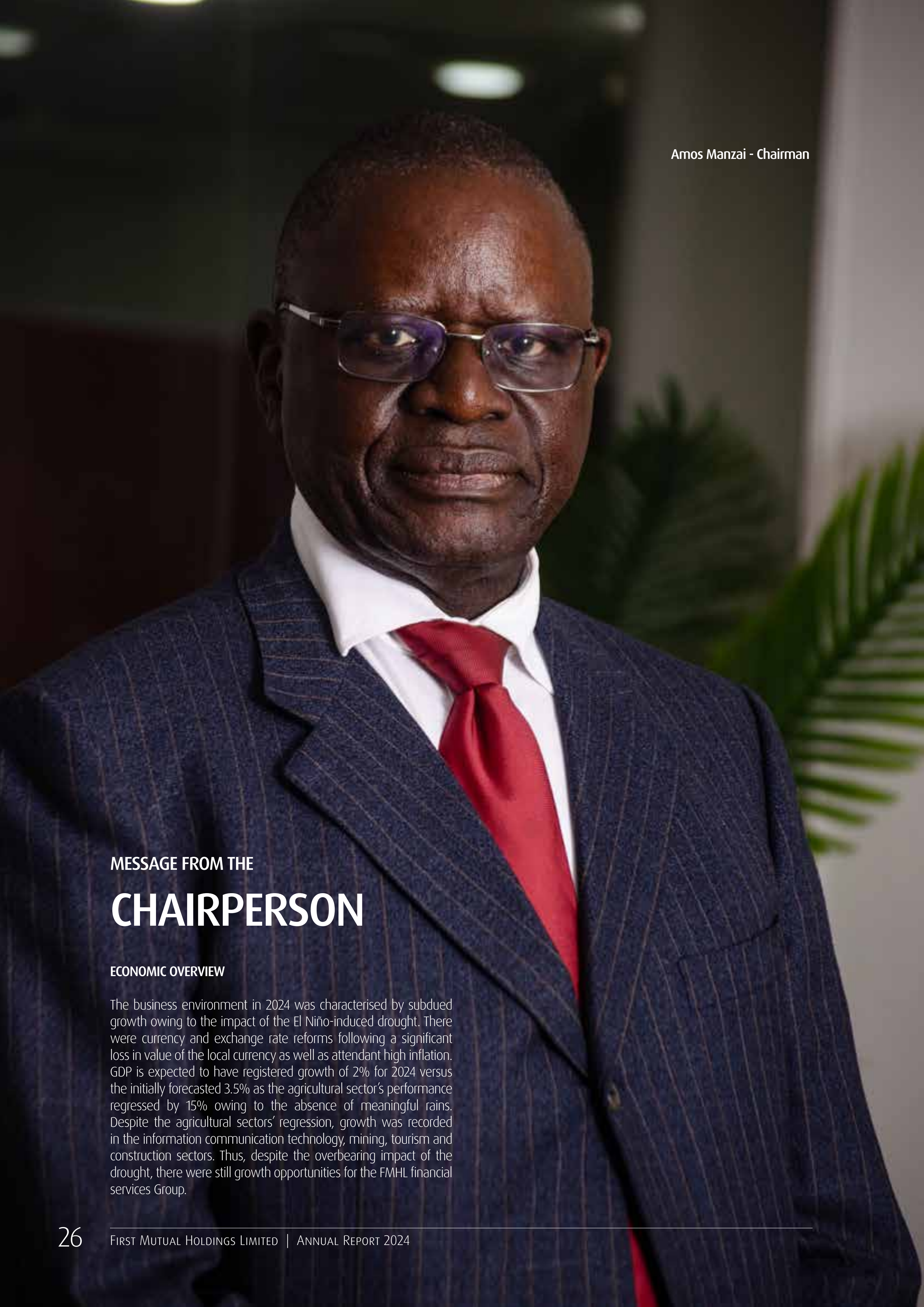
Enabling services
Our business activities are underpinned by shared services that ensure integration, efficiency and resilience.
Client access channels
• Branches across Zimbabwe
• Mobile and USSD platforms
• Call centres and client service desks
• Agent networks and third-party partnerships
• Digital self-service portals for policy and claims management</td></tr>
<tr><td>HUMAN RESOURCES
The competencies, capabilities and experience of our employees and how they innovate, collaborate and align with FMHL's objectives.</td><td>• 711 skilled and committed employees across all subsidiaries (2023: 632)
• Diverse and experienced leadership team guiding strategic execution
• Training and development programmes aligned to capacity-building needs
• Employee performance and recognition systems</td></tr>
<tr><td>MANUFACTURED RESOURCES
The physical infrastructure and fixed assets that enable FMHL to deliver services effectively, including property investments, healthcare and funeral service facilities, mobile units and supporting equipment.</td><td>• Property portfolio held by subsidiary FMP, independently valued at USD 134 million (2023: USD 182 million)
• Head office and regional office infrastructure across Zimbabwe
• 18 FMHL-owned and leased clinics and service centres (2023: 5 locations)
• 2 Containerised mobile units supporting outreach in underserved and rural areas
• Vehicle fleet supporting mobile service delivery and operations
• Capital expenditure of USD 45 thousand (USD 100 thousand) on infrastructure, ICT and equipment</td></tr>
<tr><td>INTELLECTUAL RESOURCES
The intangibles that sustain FMHL's competitive advantage and support the delivery of our services and solutions, including innovations, systems and brand reputation.</td><td>• Digital platforms and back-office systems supporting client onboarding, claims processing and reporting
• Actuarial and financial modelling capabilities
• Market and portfolio analysis, research and data systems
• Product development frameworks and client insight
• Trusted brand built on consistency, client service and market presence</td></tr>
<tr><td>SOCIAL AND RELATIONSHIP RESOURCES
The networks, partnerships and relationships we maintain with clients, communities, regulators, suppliers and other key stakeholders, which enable us to operate effectively and responsibly in diverse markets.</td><td>• Structured stakeholder engagement processes across business units, supporting transparent communication and service improvement
• Strategic partnerships with regulators, industry bodies and impact-driven organisations
• Client education and financial literacy initiatives.</td><td rowspan="2">Support functions
• Product development and actuarial services
• Innovation, digitalisation and data analytics
• Marketing and brand
• Corporate finance and treasury
Control functions
• Enterprise risk management
• Compliance and regulatory reporting
• Legal and actuarial oversight
• Internal audit
Corporate governance
• Board leadership and strategic direction
• Performance monitoring and stakeholder accountability
• Integration of ESG and sustainability considerations into decision-making

Our business activities are conducted within a wider operating environment, characterised by various risks, matters. (Refer to page 34)</td></tr>
<tr><td>NATURAL RESOURCES
Renewable and non-renewable resources used by FMHL to deliver services and operate its business activities.</td><td>• 1 818 462 kWh of electricity consumed in 2024 (2023: 1 907 723 kWh) from the national power grid and 170 804 of solar energy (2023: 178 032).
• 1 540 050 litres of municipal water consumption (2023: 1 452 000 litres) and 2.6 million litres of bore-hole water (2023: 2.3 million litres)
• 50 560 litres of diesel used in 2024 (2023: 83 936 litres)
• Developed and undeveloped landholdings used for current and future real estate development</td></tr>
</table>

OUTPUTS	OUTCOMES
• Revenue: USD 156 million (2023: USD 183 million) • (Loss)/Profit after tax: USD 27 million loss (2023: USD 58 million profit)Earnings per share: USD 1 cents loss (2023: USD 3 cents) • Operating expenditure: USD 176 million (2023: USD 236 million) • Finance costs: USD 80 Thousand (2023: USD 142 Thousand) • Taxes paid: USD 5.2 million (2023: USD 5.8 million)	Our financial capital enables us to underwrite risk, provide returns to investors, and finance the development of accessible and inclusive insurance, investment and service solutions. Strategic reinvestment of this capital supports long-term resilience and value creation, while enhancing our intellectual, human and social capital.
• Quality service delivery, client engagement and innovation across all clusters • USD 26 million paid in salaries and benefits (2023: USD 30 million) • 34 average training hours per employee (2023: 20 hours) • Strong graduate intake and internship programme (TOPP, actuarial and IT streams) • Talent pipeline development and reduced attrition in critical roles • Improved gender and demographic representation in line with transformation goals	Ongoing investment in people enhances human, intellectual, and social capital over the long term, supporting delivery of our performance goals and strategic objectives. These investments may impact short-term financial capital, but improve resilience, service quality and talent retention, reinforcing FMHL's competitiveness. Our appeal as an employer of choice and our brand value, in turn, increases our intellectual capital.
• Diversified portfolio of high-quality real estate assets delivering secure long-term income • Affordable service infrastructure supporting efficient health, funeral and insurance delivery • Expanded footprint and service accessibility through mobile clinics and containerised branches • Upgraded assets and systems that enhance operational efficiency and customer experience • Strengthened service coverage in targeted growth nodes and high-need areas	Investments in manufactured capital reduce financial capital in the short term but strengthen our ability to generate long-term, stable revenue. These assets enhance service accessibility, quality and efficiency, positively impacting our social and relationship capital, as well as human capital by providing safer, more effective workplaces. The acquisition and management of physical assets also draw on our intellectual capital, including data insight, systems and technical expertise, to ensure infrastructure decisions support our strategy and deliver sustained value. Where property is underutilised or outdated, its disposal can release financial capital but may temporarily reduce access or social reach.
• Responsive, relevant financial and service offerings • Streamlined operations and enhanced client experience • Evidence-based decision-making across underwriting, claims and investments • Consistent brand presence across touchpoints • Stronger risk controls and compliance systems	Ongoing investment in systems, governance and strategic processes is strengthening our intellectual capital and delivering long-term benefits to our human and social capitals. These investments support better service delivery, stakeholder trust and innovation capacity. However, they represent a short-term draw on financial capital and require continued upskilling to extract full value.
• Stronger relationships with policyholders, patients, investors and service users • Stakeholder-informed product and service enhancements • Reputation as a responsible and responsive corporate citizen • Supportive regulatory relationships and improved alignment with evolving compliance expectations • Shared value creation through inclusive supplier practices and community investments	Our investment in stakeholder engagement and local partnerships strengthens social capital, enhancing brand trust, regulatory goodwill and long-term client loyalty. These activities contribute to reputational strength and sustainable impact, though they require consistent financial investment and time to mature into measurable returns.
• 170 804 kWh of solar energy generated in 2024 (2023: 178 032 kWh) • 6 288 kg tCO_2e Scope 1 emissions (diesel) in 2024 (2023: 8 486 kg tCO_2e) • 793 kg tCO_2e Scope 2 emissions (electricity) in 2024 (2023: 832 kg tCO_2e) • 411 tonnes of solid waste generated (2023: 420) • Energy and water efficiency initiatives implemented • Regulatory EIAs conducted where required for new developments	FMHL's operations have a measurable environmental impact, particularly through energy consumption, fuel use and related emissions. However, strategic investments in solar energy, water infrastructure and biodiversity-sensitive development mitigate this impact and enhance long-term environmental resilience. While certain activities reduce our natural capital – such as fossil fuel use and land development – they simultaneously build social, manufactured and financial capital by ensuring tenant satisfaction, operational continuity and future-fit real estate assets.


FIRST MUTUAL
FIRST MUTUAL

OUR BUSINESS IN CON-TEXT



Amos Manzai - Chairman

MESSAGE FROM THE

CHAIRPERSON

ECONOMIC OVERVIEW

The business environment in 2024 was characterised by subdued growth owing to the impact of the El Niño-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, resulting in lower inflation. In the Monetary Policy Statement of 6 February 2025, the Reserve Bank advised 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 macroeconomic 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 its shareholder and policyholder funds and 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, which has 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 and presentation currency. Although the directors have applied the guidance of IAS 21 to present the comparative financial information, it is of paramount importance the following be brought to the attention of the users as compliance with IAS 21 has resulted in material distortions arising from the following.

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. 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 that are in a stable currency.

The Board is of the view 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 (multi-currency environment and decommissioning of a hyperinflationary currency) was indeed "extremely rare" and thus required 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 they considered to be appropriate in the preparation and presentation of the Group's financial statements; thus included at the end of this report is supplementary information, 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	**31 December 2024 USD000**	**31 December 2023 USD000**
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	(27 117 625)	58 684 127

Financial position highlights	**31 December 2024 USD000**	**31 December 2023 USD000**
Total assets	256 809 110	286 982 915
Total equity	91 554 366	115 024 535

Share performance

	31 December 2024	**31 December 2023**
Market price per share (cents) – ZWG	443.52	31.90
Basic earnings per share (cents) – USD	(1)	3

"Translation of the ZWL investment property values to USD on 1 January 2024 resulted in the opening balance of US$178 million, which was more than the USD valuation of US$128 million for the same property as at 31 December 2024."

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 15% compared to 2023 performance mainly as a result of 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 that had a weak correlation to the inflation adjustment factors used, based on Total Poverty Consumption Line.

The Group incurred a loss after tax of US$27 million from a profit of US$58.7 million in the prior period. The contrasting performance for the two periods is owing 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 because of 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 US$178 million, which was more than the USD valuation of US$128 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 US$50.5 million. 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, increasing 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 confirm complementary and fact-based disclosures that meet the ISSB's requirements.

Our approach is strategic and phased, ensuring 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 successfully completed their studies, 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

MESSAGE FROM THE CHAIRPERSON (continued)

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 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

There were no changes to the directorate during the period under review.

DIVIDEND

On 28 March 2025, the Board resolved that a final dividend of US$1.2 million be declared from the reserves of the Company for the period ended 31 December 2024. Further details on the payment of the dividend will be communicated in a separate dividend announcement.

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 indebted to 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 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

OPERATING CONTEXT

As a diversified financial services group, headquartered in Zimbabwe, with a footprint spanning general insurance, life assurance, reinsurance, health insurance and complementary non-insurance businesses, our operations are deeply intertwined with the economic, regulatory and social dynamics of Zimbabwe, Malawi, Botswana and Mozambique. The Group's unique structure – combining core insurance verticals with strategic non-insurance entities – positions us to drive synergies, mitigate risks and capitalise on emerging opportunities across southern Africa. Below, we outline the key factors shaping our operating environment in 2024.

Economic and macroeconomic environment

The Southern African Development Community (SADC) region exhibited divergent economic trajectories in 2024.

Zimbabwe

- Economic reforms, including the introduction of the Zimbabwe Gold (ZWG) currency in April 2024, aimed to stabilise hyperinflation (reduced to 66.3% year-end from 2023's 380%) and restore confidence in the financial sector.
- Demand for USD-denominated policies surged amid currency diversification, particularly in life and health insurance.
- Our property subsidiary benefited from rental escalations (up 12%) driven by dollarisation, though occupancy rates softened in Harare's commercial sector
- GDP growth slowed to 2%, constrained by drought impacts on agriculture, a fluid policy environment and limited power generation.
- Dollarisation of the economy has continued with an estimated 80% of economic activity being transacted in the USD. Insurers have adopted dual pricing to ensure compliance with the multi-currency regime.

Botswana

- According to the IMF, economic growth declined to 1% owing to weaker diamond demand and reduced mining output.
- High insurance penetration (16%) and a stable regulatory regime sustained Botswana's position as a regional hub for risk management innovation.

Mozambique

- LNG project restarts in Cabo Delgado (e.g. TotalEnergies' resumption in mid-2024) fuelled GDP growth of 4.3%, though security risks persist in the north.
- Cyclone-prone regions (e.g. Sofala, Zambezia) saw increased uptake of flood insurance following Cyclone Filipo in March 2024.

Malawi

- A three-year IMF extended credit facility (ECF) programme approved in Q1 2024 eased forex shortages, though the Malawi Kwacha remained under pressure (depreciating 15% against USD in 2024).
- GDP growth improved marginally to 1.8%, driven by tobacco exports and donor-funded infrastructure projects.
- Rising food insecurity (affecting 25% of households) heightened demand for agricultural microinsurance.

Regulatory developments

Regulatory frameworks evolved to address financial stability, digital innovation and climate risks.

Zimbabwe

- The Insurance and Pensions Commission (IPEC) mandated IFRS 17 compliance by December 2024, requiring enhanced actuarial reserves and transparency.
- Revised capital requirements were as follows:

Company	Capital employed	Regulatory capital requirement
First Mutual Reinsurance Company Limited	5 868 433	2 000 000
NicozDiamond Insurance Limited	9 514 344	2 000 000
First Mutual Life Assurance Company (Private) Limited	19 705 137	2 000 000
First Mutual Microfinance (Private) Limited	778 311	25 000
First Mutual Wealth (Private) Limited	945 897	150 000
First Mutual Health Company (Private) Limited	11 029 195	-

Botswana

- The Non-Bank Financial Institutions Regulatory Authority (NBFIRA) prioritised cyber-risk governance and green insurance incentives for renewable energy projects.

Company	Capital employed	Regulatory capital requirement
FMRE Property and Casualty (Proprietary) Limited	15 532 870	3 687 500

Mozambique

- The Insurance Supervision Institute (ISSM) enforced stricter climate-risk disclosure guidelines, aligning with SADC's 2024 Sustainability Protocol.

OPERATING CONTEXT (continued)

Malawi

- The Reserve Bank of Malawi (RBM) introduced risk-based supervision and relaxed mobile-insurance partnership rules to boost rural coverage.

Emerging market opportunities

Digital inclusion

- Partnerships with mobile money platforms (e.g. EcoCash in Zimbabwe, MozaBanco in Mozambique) expanded access to pay-as-you-go insurance, particularly for low-income segments.
- AI-driven claims processing reduced operational costs by 20% in 2024.

Climate adaptation

- Launched parametric drought covers for Malawi's smallholder farmers and LNG infrastructure risk pools in Mozambique.
- Piloted carbon credit insurance for Botswana's conservation tourism sector.

Regional integration

- Cross-border health insurance schemes gained traction under the SADC Protocol on financial services, despite forex repatriation hurdles in Zimbabwe.

Challenges and risk mitigation

- Currency instability: Implemented dynamic hedging strategies and diversified revenue streams into stable currencies (USD, EUR).
- Regulatory fragmentation: Established centralised compliance teams to harmonise reporting across jurisdictions.
- Rapid policy changes: Established a compliance function and a low-to-zero tolerance for non-compliance supported by budget for increasing compliance costs.
- Power supply disruptions: Adopted business model in which solar plants are incorporated into new projects.
- Bearish performance on the Zimbabwe Stock Exchange: Increased investment in alternatives and, as far as practical, within the target thresholds.
- Cyber threats: Established a robust in-depth protection of the information systems infrastructure and procured regular external assessment of the environment's vulnerability.
- Key skills flight and future skills gap risks: Developed a compelling employee value proposition that recognises critical skills supported by a talent management plan to address the future skill requirement of the operations.
- Evolving market needs and reducing disposable incomes: New product development offering products adapted for shifting customer preferences and distribution that allows customers more convenience.
- Evolving capital and solvency regulation: Developed a capital management framework to determine economic capital for the risks undertaken and ensure sufficient margins are kept across the various operations.

Conclusion

In 2024, our geographic diversification, agile innovation and steadfast adherence to robust governance frameworks enabled us to mitigate regional headwinds while capitalising on emerging opportunities. As we advance into 2025, we remain focused on sustainable growth, empowered by our deep local expertise and commitment to advancing financial resilience across southern Africa.

KEY RELATIONSHIPS

The process of engaging with stakeholders is a critical aspect for First Mutual Holdings, involving the identification and classification of both internal and external stakeholders. Stakeholder engagement holds significant value for us and our stakeholders, as it fosters trust and transparency through open communication and engagement meetings. The identification of stakeholders is done through stakeholder mapping, which visually represents their interrelationships and influence.

Our stakeholders are categorised as follows

Internal	External
Employees	Suppliers
Shareholders	Customers
Management	Community
Directors	Government

Our stakeholder engagement for the year 2024 was as follows

Stakeholder	Key issues raised	FMHL response to issues	Engagement method	Frequency of
Employees/staff	Inflation affecting remuneration Employee welfare	Review of salaries	Staff briefing circular CEO's brief	Quarterly Half year Full year Ad hoc
Customers	Accessibility of services	Convenience of transacting business on digital platforms	Emails Websites Newsletters Notices	Monthly
Suppliers	Service provision Timely payment of services/goods rendered	Approved supplier list Goods service level agreement (SLA).	Emails Purchase orders	As required
Shareholders and potential investors	Consistent dividend payments tent Level of divided pay-out Increase market presence	Declaration of annual dividends Organic growth and capital raise from third parties	Trading updates Annual report AGM Analyst briefing	Quarterly Half year Annually Ad hoc
Government and regulators	Compliance and transparency	Compliance with regulatory requirements	Meetings Engagement through brokers and advisors	Ad hoc
Local communities	Sponsorship and funding of local communities	First Mutual Foundation First Mutual Marathon Corporate social responsibility	Notices Newsletters Websites	Quarterly Annually Ad hoc

RISKS AND OPPORTUNITIES

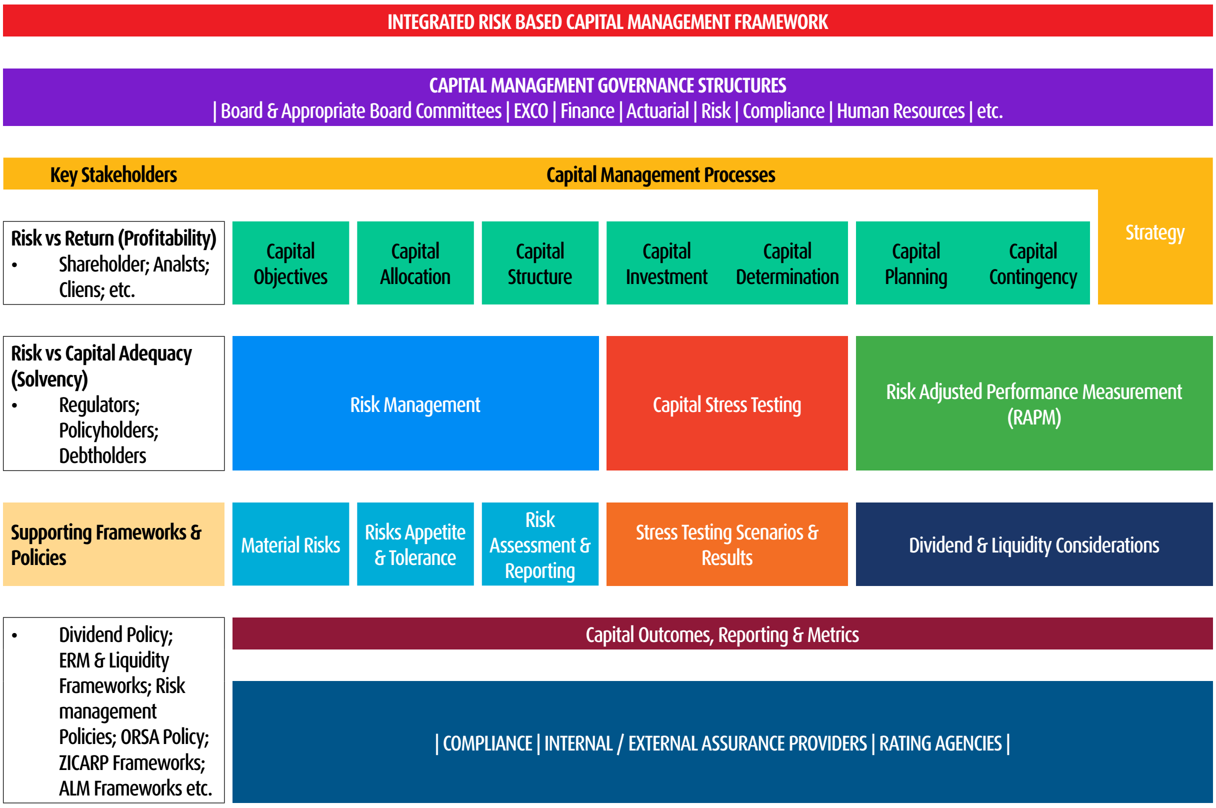
The Group operates in a complex and highly dynamic business environment, which gives rise to numerous risks that can either hinder or help achieve its strategic goals. The Group acknowledges risks are an inherent and integral part of its business. As such, it has adopted a disciplined and structured approach to identify, define and assess the materiality of all known, reasonably foreseeable, emerging and other relevant risks that may impact the Company's ability to continue operations, both in normal and stressed situations.

The following are some of the top risks the Group is managing during the period under review.

Top risks on the radar

Risk category	Description	Mitigation measures
Capital and solvency	The potential for adverse impacts on financial stability, regulatory compliance, business continuity and stakeholder interests arising from inadequate capital levels, suboptimal capital structure, ineffective capital allocation or failure to maintain sufficient capital buffers to absorb unexpected losses, meet regulatory requirements, support strategic initiatives and withstand stress scenarios while maintaining market confidence and operational viability.	• The Group established a risk-based capital management framework that helps to integrate capital, risk, strategy and performance measurement • Capital and solvency levels are regularly monitored by the Board with appropriate metrics having been embedded across the Group.
Financial and liquidity	Financial risk: The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, etc. Liquidity risk: The potential risk that an organisation will be unable to meet its short-term financial obligations as they come due or can do so only at significant cost.	• Cash flow forecasting, liquidity contingency plans and liquidity metrics have been implemented across the Group • Maintaining diversified funding sources to mitigate liquidity constraints • Currency matching and hedging • Diversification of the investment portfolio in line with Group-approved investment guidelines.
Technological	Potential risk arising from the absence of updated technology/systems, failure to fully utilise the existing technologies, systems failures, incompatible systems, lack of system integration, poor IT infrastructure and weak system controls.	• Robust ICT governance structures are in place to provide oversight on significant IT projects and investments, IT risks and IT regulatory compliance issues.
Credit and counterparty	Risk of loss in the value of financial assets owing to borrowers or counterparties failing to meet all or part of their obligations.	• Diversifying counterparty relationships to reduce reliance on a single entity • Credit control structure • Adherence to no premium/no cover for insurance sector.
Regulatory and compliance	Risks as a result of adverse changes in legislation and regulations impacting the business or the failure to comply with legislation, regulations, laws, rules, prescribed practices, internal policies and procedures or ethical standards, which may result in losses, fines, penalties or damage to reputation.	• Influencing policy and favourable laws for the industry • Regular regulatory engagements • Participating in industry forums • Group Compliance Department in place to help the Group to comply with relevant regulations, laws and statutory instruments.

FMHL GROUP INTERGRATED RISK-BASED CAPITAL MANAGEMENT FRAMEWORK OVERVIEW



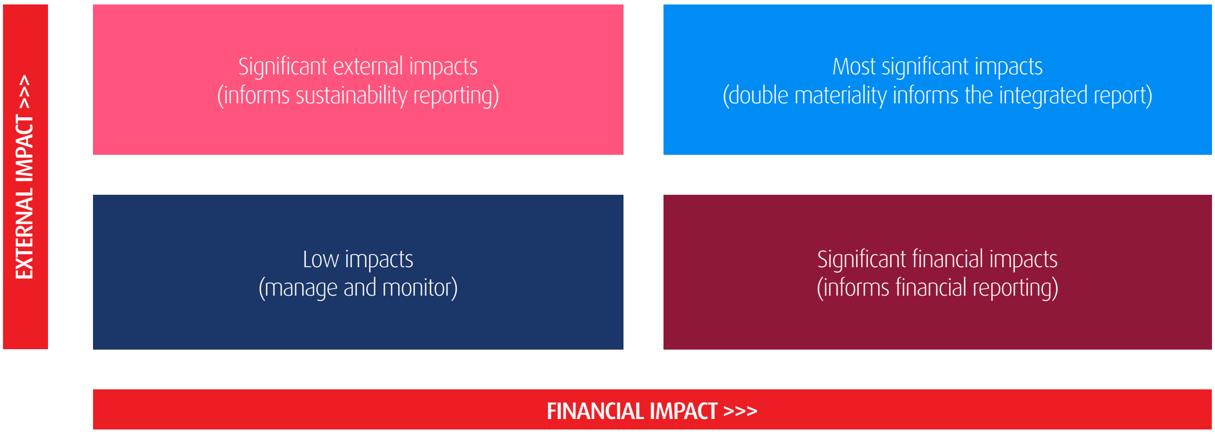
MATERIAL MATTERS

Our approach to materiality

FMHL's operations impact the environment and society (inside-out). In turn, the environment and society affect the Group and our performance (outside-in). These impacts may be positive or negative and vary with time. Our approach to 'double materiality' is to disclose the material outside-in impacts in the annual report and the inside-out impacts in the sustainability sections of the report.

Our materiality determination process is subject to Executive Committee and Board review. It identifies our key material matters and the collective themes under which they fall. Given the dynamic environment in which we operate, our top material matters can change.

To ascertain material matters for inclusion in our annual report, we run an independently facilitated materiality survey. Informed by the survey data, members of our executive and senior management teams participate in a multidisciplinary workshop to discuss and prioritise our material issues. Through this process, we identify all those matters that have a significant bearing on enterprise value (financial materiality), as well as our most significant impacts on people, society and the environment (impact materiality).



MATERIAL MATTERS (continued)

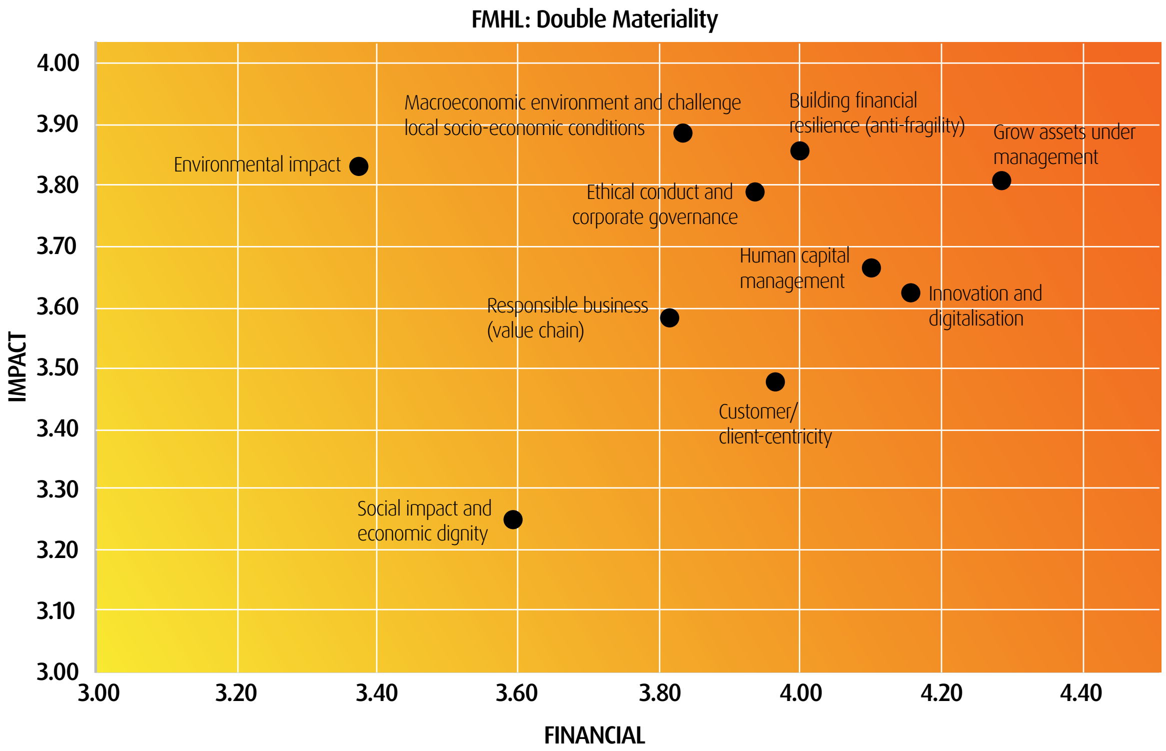
Our materiality determination process is as follows.

Identification	**Identify potentially relevant material topics for consideration.** Extensive research to identify a wide range of material topics, considering: • Global and industry-specific sustainability matters • Matters identified in our previous report • Internal documentation, including Board packs and risk registers • Matters raised during internal stakeholder reviews • Matters disclosed in peers reports • Emerging matters identified in the media • Industry guidance: SASB, UNEP-FI Principles for Sustainable Insurance, ZSE, Nairobi Declaration on Sustainable insurance.
Impact evaluation	**Evaluate the extent to which good or bad management affects internal and external outcomes.** Internal stakeholders assess and score each potential material topic using a multifaceted ranking system that evaluates impacts from internal and external perspectives. Factors considered include: • Financial performance • Regulatory compliance • Innovation, growth and competitiveness • Scale, scope and character of external impacts The resulting data is aggregated to ascertain which topics have the most significant financial and external impact ratings.
Prioritisation	**Prioritise matters based on the likelihood of occurrence and magnitude of impact.** At a special workshop, senior representatives discuss and agree on the final rankings of material matters. The final scores are submitted to Exco and Board for review. The outcome of this process guides the content of our integrated, sustainability and financial reporting.
Strategic integration	**Ensure alignment and integration with strategic priorities.** We respond to our material matters by putting in place: • Appropriate management actions to capitalise on factors that offer opportunity for greater value creation. • Interventions to mitigate those matters with potential to disrupt value creation.

Here we provide a summary of the material matters identified in 2024. We plot each matter on a graph considering both impact materiality and financial materiality.

MATERIAL MATTERS (continued)

FMHL views all material matters as important both to the Company and all its material stakeholders: the numbers do not reflect relative priority.

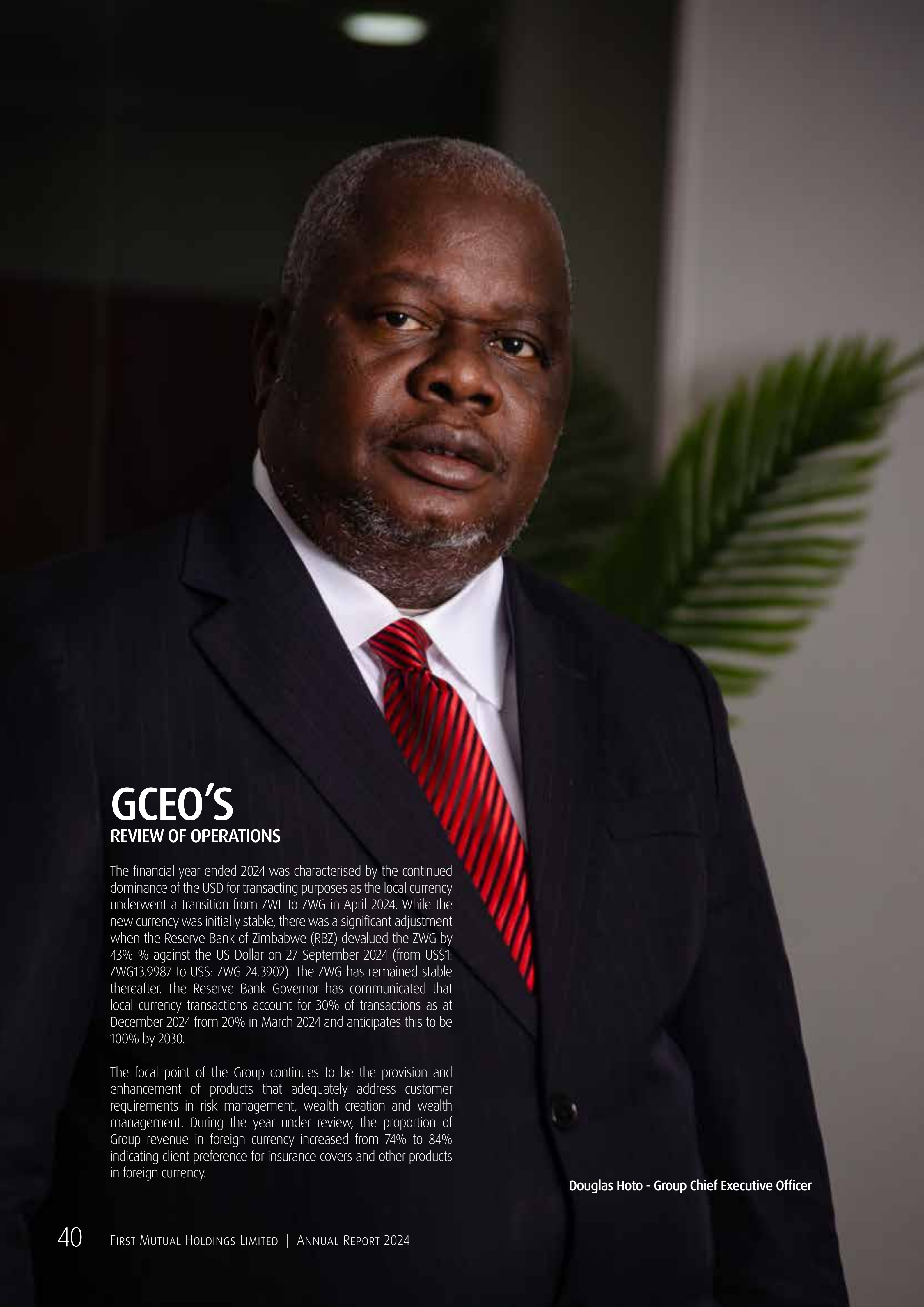


In the pages that follow, we detail the material matters, unpacking the implications for value, strategic response, outlook and opportunity for each. We also show links to the UN SDGs, our strategic priorities and associated risks.

Material matters impacting FMHL's value creation

	Material topics	
1 NO POVERTY; 7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 13 CLIMATE ACTION	Grow assets under management	
8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES	Building financial resilience (anti-fragility)	
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Ethical conduct and corporate governance	
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Innovation and digitalisation	
4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES	Human capital management	
8 DECENT WORK AND ECONOMIC GROWTH	Macroeconomic environment and challenging local socio-economic conditions	
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Customer/client-centricity	
8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES	Responsible business (value chain)	
7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 15 LIFE ON LAND	Environmental impact	
1 NO POVERTY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES	Social impact and economic dignity	

Description	Sub-topics
Ensuring sustainable wealth creation through high-performing investments, proactive risk mitigation and alignment with market growth and ESG imperatives.	• Long-term value creation and management of wealth • Superior investment performance • Proactive risk management • Resilient investment strategies • Responsible investing/integrating ESG factors • Portfolio alignment (market growth opportunities) • Renewable energy transition (insurance, wealth, property)
Strengthening business stability by managing macroeconomic volatility, optimising liquidity, effective underwriting and enhancing resilience to climate and financial risks.	• Hyper-inflation and exchange rate volatility • Liquidity conditions • Climate-related risks and opportunities (exposure to physical climate risks and financed emissions) • Business model resilience • Capital structure and management • Tax efficiency • Interest rate adjustments
Upholding regulatory compliance, fostering a culture of integrity, and ensuring robust risk management to safeguard business competitiveness.	• Regulatory environment • Quality of business risk management • Business competitive behaviour • Anti-fraud and corruption
Driving operational excellence and security through cutting-edge digital solutions, automation and AI-driven advancements.	• Digital innovation • Cybersecurity • Automation • Artificial intelligence (AI)
Securing and retaining critical talent while fostering fair labour practices and a resilient workforce.	• Critical skills attraction and retention • Freedom of association/collective bargaining
Navigating economic uncertainties and infrastructure strains while adapting to evolving policy landscapes.	• Socio-political and policy uncertainty • Strain on public infrastructure and service delivery • Global and regional macroeconomic volatility
Enhancing customer relationships through tailored solutions, data privacy safeguards and responsible engagement strategies.	• Innovative and relevant customer/client propositions • Customer/client-centricity • Data privacy • Brand reputation protection and enhancement • Responsible customer/client conduct • Proactive customer/client risk management • Single view of customer
Ensuring a sustainable and resilient value chain that supports long-term environmental and social wellbeing.	• Sustainable supply chain management • Resilient ecosystems
Advancing sustainability through circular economy practices, emissions reduction, and responsible resource stewardship.	• Waste and circular economy • Responsible energy management/transition to renewable energy • Greenhouse gas (GHG) reduction • Water stewardship • Land use and biodiversity
Promoting financial inclusion, affordability and corporate social responsibility to drive equitable economic participation.	• Product accessibility and affordability • Inclusive and innovative solutions/financial inclusion • Savings culture • CSR programme



GCEO'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 US$1: ZWG13.9987 to US$: ZWG 24.3902). The ZWG has remained stable thereafter. The Reserve Bank Governor has communicated that local currency transactions account for 30% of transactions as at 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.

Douglas Hoto - Group Chief Executive Officer

GCEO'S REVIEW OF OPERATIONS (continued)

"The business recorded a loss after tax of US$27 million, which was 146% lower than the comparative period."

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 currencies. 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 US$60.3 million, 26% above the previous year performance of US$48 million. The progression in revenue was largely driven by increased membership. The business achieved a profit for the period of US$5.8 million, representing a 31% increase from the previous year. The enhanced performance from prior year was mainly as a result of 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 US$10.5 million representing growth of 24% compared to prior year. The growth from the comparative period was largely owing 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 US$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 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 US$41.7 million from prior year owing 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 US$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 US$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 US$0.1 million compared to US$0.04 million for the comparative period, driven by positive investment returns.

REINSURANCE CLUSTER

First Mutual Reinsurance – Zimbabwe

The ICR declined by 6% to US$14.4 million from US$15.2 million in the prior year as a consequence of limited exposure to certain classes because of a restrained outward retrocession appetite. The business incurred a loss for the period of US$0.3 million, 386% less than the previous year, mainly owing to higher net expenses reinsurance expenses.

FMRE Property and Casualty – Botswana

The ICR for the period increased by 4% to US$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 US$2.5 million (USD) in the current year.

INVESTMENTS CLUSTER

First Mutual Properties Limited

The rental income for the period grew by 25% to US$8.1 million, principally as a result of increased rental rates per square metre. The profit after tax for the year was US$6.3 million, 15% lower than the comparative period because of lower fair value gains on the investment property portfolio.

First Mutual Microfinance (Private) Limited

Net interest and fee income grew by 127% to US$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 US$0.5 million, which was 13% higher than the previous year.

First Mutual Wealth Management (Private) Limited

Investment management fees for the period were US$1.4 million compared to $0.6 million in the prior year representing an improvement of 133%. This positive revenue was driven by more development projects and an increase in the funds under management during the period under review (CY: US$151.2 million PY: US$83.9 million), which ultimately translated to a profit of US$0.3 million from a loss position of US$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, 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

BUSINESS STRATEGY

FMHL's TARGETS strategy centres the Group's strategic focus on seven key pillars.

- Talent
- Agility
- Relevance
- Growth
- Engagement
- Technology
- Sustainability

This is underpinned by the 'Go Beyond' philosophy that is embedded within each pillar, ensuring FMHL continuously evolves, innovates and remains relevant in the market.

How we create value

	TALENT	AGILITY	RELEVANCE	
Description	*Developing future-ready skills and leadership*	*Faster decision-making and process optimisation*	*Governance, ethics and social impact*	
Objective	Build a highly skilled, adaptable and forward-thinking workforce to drive long-term business success, strengthening collaboration and organisational culture.	Improve FMHL's operational responsiveness, efficiency and adaptability to rapidly changing business conditions.	Uphold corporate responsibility, ethical business practices and social impact across FMHL's operations.	
Key focus areas	• Internal training: FMHL offers in-house training programmes for general and specialised skills, including customer service, accounting, actuarial and financial management. • External development: Employees are encouraged to pursue advanced qualifications, with FMHL providing reimbursement for successful course completions. • Executive leadership programmes: FMHL sponsors leadership development programmes at institutions like Harvard, Wharton, Wits Business School and London Business School to ensure senior leaders are equipped to deliver exceptional results. • Enhancing employee engagement: Regular engagement sessions ensure alignment between leadership objectives and workforce expectations. • Cross-departmental collaboration: Business units are encouraged to work together to break silos and enhance operational effectiveness. • Leadership and culture development: FMHL is focused on building a values-driven corporate culture that emphasises teamwork, accountability and inclusivity.	• Digitisation and paperless operations: The Electronic Content Management (ECM) project is streamlining workflows, enhancing efficiency and reducing document retrieval times. • Faster decision-making: The Group is investing in workflow automation and digital tools to eliminate bottlenecks in approvals and process execution. • Operational efficiency: FMHL is modernising business processes to reduce manual interventions and improve productivity. • Strategic alliances. • Customer convenience. • Ease of doing business: (liaison with regulators)	• Corporate social responsibility (CSR): FMHL, through the First Mutual Foundation, supports education and financial inclusion by providing bursaries for students from primary school to university. • Regulatory compliance: The Company has a strong governance and ethics framework to ensure regulatory adherence and ethical decision-making. • Employee and community engagement: Business units conduct CSR initiatives aligned with both corporate goals and humanitarian efforts. • Products, processes and innovations. • Penetration of new markets.	
Go Beyond	Preparing employees for future business challenges by focusing on upskilling and lifelong learning. • Supporting career growth through executive leadership training and professional development sponsorships. • Strengthening internal talent pipelines to ensure business continuity and leadership succession. • Strengthening cross-functional collaboration to enhance business performance. • Creating a workplace culture of mutual respect, shared learning, and employee empowerment. • Investing in leadership and employee engagement programmes to drive motivation and productivity.	• Driving faster, data-driven decision-making through digital transformation. • Reducing bureaucratic delays by automating core business processes. • Enhancing customer service responsiveness through real-time access to information.	• Deepening social impact through education sponsorships, financial literacy and youth empowerment programmes. • Ensuring corporate governance best practices in compliance with financial regulations. • Embedding ethical decision-making in FMHL's leadership culture.	

	GROWTH	ENGAGEMENT	TECHNOLOGY	SUSTAINABILITY
	Setting ambitious yet achievable targets	*Delivering on strategic commitments*	*Leader in evolution of the sector*	*Embedding ESG in business strategy*
	Drive measured and sustainable business growth by expanding FMHL's market presence and customer base.	Engaging stakeholders at all levels to ensure FMHL is meeting their needs and satisfying their requirements.	Combine self-service convenience, cloud agility, ironclad security, digitalisation and intelligent automation, towards the emergence of the FMHL group as a leader in the evolution of financial services in Zimbabwe and beyond.	Align FMHL's business model with environmental, social and governance (ESG) principles to ensure long-term resilience and impact.
	• Strategic expansion: FMHL is pursuing growth in property, microfinance, health services, wealth management, funeral services and insurance sectors. • Financial inclusion: The Group is developing more accessible insurance and financial products to serve underserved communities. • Performance commitments: FMHL has embedded ESG-linked growth targets into leadership KPIs to ensure sustainability is integrated into business performance metrics.	• Project implementation: FMHL is investing in better execution frameworks and accountability structures to ensure business strategies are successfully delivered. • Technology deployment: System modernisation efforts include self-service apps, AI-driven automation and improved customer interfaces. • Measuring outcomes: Performance is tracked through clear KPIs and periodic reviews to measure progress on strategic priorities.	• For customers: Simplicity, speed and security via unified mobile app, USSD banking (*712#), AI-powered chatbots (Thuso for FM Health, NDIL WhatsApp and Facebook chatbot, FM microfinance chatbot, etc.) • For employees: Smarter tools, fewer inefficiencies, greater impact (best-of-breed and current user-workstations, licensed office applications, including AI tools, security awareness programme). • For shareholders: Sustainable growth through digital innovation.	• Environmental responsibility: FMHL is formalising its sustainability journey with an ESG committee that ensures all business units embed ESG principles in operations. • Social inclusion and governance: The Group is integrating diversity, equity and inclusion (DEI) policies into HR strategies. • Sustainable finance: FMHL is exploring climate-responsive insurance solutions and impact investing.
	• Pursuing growth in a responsible and sustainable manner, ensuring long-term financial stability. • Expanding services to reach underserved and emerging markets. • Aligning growth objectives with FMHL's ESG strategy and sustainability commitments.	• Improving execution discipline by aligning project goals with business strategy. • Ensuring visibility and accountability in delivering strategic projects. • Leveraging data analytics and digital solutions to enhance execution speed and accuracy.	• Cloud adoption: Scalability, security and cost efficiency: The Group's ICT function leverages hybrid and multi-cloud solutions to drive agility and resilience. • Cybersecurity: Trust through robust protection. • Process automation: A smarter backbone for FMHL. • Employee empowerment: Tools for excellence.	• Ensuring long-term business resilience by integrating ESG into decision-making. • Developing sustainable insurance and financial products. • Reducing FMHL's environmental footprint through responsible operations and investments.

RESPONSIBLE BUSINESS

How we realise our purpose

Being a responsible business is central to how we deliver on our purpose: to enable economic dignity and build financial resilience for individuals, businesses and communities. We do this by providing accessible, affordable and relevant financial solutions that help people manage risk, protect what matters and invest in their future. This purpose guides everything we do, shaping how we operate, the products we design and the way we interact with the communities we serve.

Our purpose-led approach is guided by our values of integrity, accountability, professionalism, sustainability, care and innovation. This informs how we manage our operations, engage our people, deliver client solutions and respond to environmental and social challenges.

RESPONSIBLE BUSINESS PRINCIPLES

Ethical governance and conduct

Ethical governance is the foundation of our purpose to enable economic dignity, serving as the beacon for operating our diverse businesses with transparency and accountability. From insurance and investments to property and health services, we comply with a robust regulatory framework spanning Zimbabwe, Malawi, Botswana and Mozambique. Our commitment to integrity extends beyond compliance to deliver fair outcomes for clients and ethical practices throughout our value chain. This approach builds trust, supports our competitiveness and ensures sustainable value creation for all stakeholders.

Supporting sustainable development through innovation and access

Innovation is key to delivering on our purpose of building financial resilience, enabling us to provide accessible and affordable solutions tailored to the needs of diverse user communities. Across our operations, we leverage technology and creative approaches to reach underserved communities, enhancing economic inclusion and endeavouring to provide relevant services for our clients where they are. This ensures our offerings not only drive profitability, but also empower individuals and businesses to manage risks and secure their futures.

Responsible operations

Operating responsibly is essential to our purpose, balancing financial resilience with stewardship of the resources on which we depend. ESG risks and opportunities, especially those related to climate change, have a direct bearing on our business model and are being integrated into enterprise-wide strategic planning and risk assessment. The Group is working to adapt its operations and business model to address identified sustainability and climate-related risks and opportunities, with the goal of achieving positive environmental, social and governance impact over time.

Empowering people and communities

Empowering people and communities is at the heart of our purpose-led approach, driving resilience and shared prosperity. We invest in our workforce through training, fair practices and wellbeing programmes, ensuring our team can deliver value across our businesses. Beyond the workplace, we support local economic development and community initiatives that enhance access to financial tools, health services and opportunities. These efforts reflect our value of care and our belief that shared prosperity is fundamental to sustainable success.

Sustainability focus areas

Although our Group-wide sustainable business strategy is still under development, we are already taking deliberate steps to strengthen our priority environmental, social and governance practices across the Group.

Our responsible business lens helps us to identify and manage material risks and opportunities, applying a multi-stakeholder approach to align with global sustainability standards such as the GRI and development frameworks such as the United Nations Sustainable Development Goals (UN SDGs). It also helps ensure our performance – financial and non-financial – delivers holistic value for all stakeholders.

We accept the resilience of our business strategy depends on understanding and managing both our key dependencies and impacts. Internally, this means addressing the dependencies that pose risks to our business model and ensuring we remain resilient, efficient and aligned with regulatory and stakeholder expectations. Externally, it involves recognising our impact on the environment, society and broader economic systems, and taking action to ensure we operate with care and responsibility in every context.

The following broad focus areas reflect how we are applying our responsible business approach across FMHL. These focus areas align to our most material matters as well as several of the UN SDGs.

Focus area	Why this matters	What we are doing	Associated material matters	UN SDG contributions
Business sustainability Pages 49 to 57	Profitability is essential to business survival and long-term value creation. For FMHL, long-term sustainability depends on our ability to deliver relevant, affordable and accessible financial solutions that drive demand and support resilience.	We continuously refine our products and services to meet the evolving needs of clients across income levels and support economic dignity across all life stages. This includes expanding access, improving affordability and investing in technology and innovation to enhance reach, relevance and efficiency.	• Grow assets under management • Building financial resilience (anti-fragility) • Customer client-centricity • Social impact and economic dignity • Innovation and digitalisation	9 Industry, innovation and infrastructure 10 Reduced inequalities
Environmental sustainability Pages 58 to 77	Our operations are inherently influenced by the state of planetary health. Managing the environmental impact of our business, and that of the products and services we offer through our value chain, helps to reduce risk, minimise harm and increase availability of finite natural resources for future generations.	We manage climate-related risks and opportunities, improve energy and water efficiency, reduce emissions and waste and integrate ESG considerations into procurement, investments and asset management decisions.	• Environmental impact • Building financial resilience • Responsible business (value chain)	6 Clean water and sanitation 7 Affordable and clean energy 12 Responsible consumption and production 13 Climate action
Social sustainability Pages 78 to 98	Our stakeholders, including our employees, suppliers, customers and communities, are at the heart of our approach to value creation. Supporting their livelihoods and wellbeing, and looking for opportunities to achieve equitable outcomes, strengthens both our business and the societies we serve.	We prioritise employee wellbeing, learning and development, fair remuneration and inclusion to support a motivated and future-fit workforce. We also support community upliftment through healthcare and education initiatives, local procurement and SME development.	• Human capital management • Social impact and economic dignity • Local socio-economic conditions • Responsible business (value chain)	1 No poverty 3 Good health and well-being 4 Quality education 5 Gender equality 8 Decent work and economic growth
Governance excellence Pages 99 to 112	Ethical conduct and clear accountability – particularly in managing sustainability-related risks and opportunities – are essential to sound operational decision-making and long-term value creation. Strong governance builds trust, protects reputation and ensures we do business with integrity and transparency.	We uphold high standards of ethics, comply with all applicable laws and manage sustainability-related risks and opportunities through robust internal systems. We engage actively with regulators and are guided by local and global sustainability frameworks in shaping our governance and management approach.	• Ethical conduct and governance • Responsible business (value chain)	16 Peace, justice and strong institutions 17 Partnerships for the goals

Looking ahead

We are currently developing FMHL's Group Sustainability strategy, which is focused on unlocking transformative growth while building a sustainable future for the Group and all its stakeholders. Due to be finalised in 2025, the Sustainability strategy will detail our priorities, including environmental, social and governance (ESG) targets and accountabilities across the Group.

As our maturity grows in integrating our strategic sustainability priorities within the Group business strategy, we are also formalising a Group-wide responsible business policy to ensure ethical and sustainable business principles and practices are integrated into all FMHL policies, procedures and decision-making frameworks.

BUSINESS SUSTAINABILITY

Sustainable business practices are key to how FMHL delivers value to clients across every stage of life. By designing relevant, affordable and responsible solutions, we help individuals, families and businesses manage risk, build financial resilience and pursue long-term goals. Our focus on sustainable operations also supports trust, innovation and service delivery in a fast-changing world, ensuring our offerings remain accessible, create meaningful change and support long-term prosperity for all.

RESPONSIBLE PRODUCTS AND SERVICES

Financial inclusion

Responsible insurance

- Life
- Health
- Short-term insurance
- Reinsurance

Responsible services

- Clinics
- Funerals

Responsible investments

- Property
- Microfinance
- Wealth

TECHNOLOGY AND INNOVATION

- Business process automation
- Product innovation
- Customer experience
- Data and cybersecurity

RESPONSIBLE PRODUCTS AND SERVICES

Delivering products and services that meet the needs of our diverse client base is central to FMHL's role in supporting economic dignity and building long-term financial resilience. The Group acknowledges that access, affordability and relevance are critical to driving financial inclusion, particularly in underserved and informal market segments. Through ongoing product innovation, expanded distribution channels and digital platforms, we are removing barriers and extending impactful insurance, investment and lending solutions.

Our focus areas

	Why these matter	Our response
Financial inclusion Pages 49 to 50	Large segments of our markets remain excluded from formal financial systems, limiting their economic opportunity and resilience. Access to relevant and affordable services is critical to enabling economic dignity and enhancing livelihoods and living standards.	We design affordable, fit-for-purpose insurance, microfinance and investment solutions that meet the needs of underserved clients in the informal sector and smallholder farmers. We also invest in mobile branches, containerised service points and community outreach to improve the reach and uptake of our services.
Responsible insurance Page 50	Insurance provides critical protection against life, health and asset risks and is a key part of household and enterprise security, especially amid climate and economic volatility. Responsible insurance ensures coverage is accessible, ethical and aligned to client needs.	We offer inclusive, accessible insurance solutions that address real needs and risks across the life, health, funeral, short-term and reinsurance markets. We incorporate ESG considerations into our underwriting to support underserved segments such as informal workers and address climate risks.
Responsible services Page 52	Limited public infrastructure and widespread reliance on private care, particularly among a predominantly informal workforce, create urgent gaps in affordable healthcare and dignified end-of-life support. These services are essential for societal wellbeing and economic dignity.	Our growing clinic network integrates managed care and low-cost models to reduce costs and improve access for insured and uninsured clients alike. We also operate high quality funeral homes to ensure dignified burials in times of vulnerability. These services complement our life and health insurance solutions, building in customer convenience, trust and loyalty.
Responsible investments Pages 54 to 55	The way capital is invested, managed and allocated has a material impact on long-term individual outcomes, socio-economic growth and business profitability. Ensuring this is done in a way that balances returns with sustainability helps protect clients and advance broader national goals.	We prioritise investments that deliver both financial returns and social value, including affordable housing, student accommodation and renewable energy infrastructure, while integrating ESG considerations across our wealth, microfinance and property investment offerings.

Financial inclusion

Financial inclusion is central to our purpose of enabling economic dignity. In the markets where we operate, large segments of the population remain outside the formal financial system. Access to essential financial services such as insurance, credit, savings and investment is limited, especially for low-income earners, informal traders, smallholder farmers and rural communities. This exclusion undermines resilience and reduces people's ability to manage life's risks and build sustainable livelihoods.

As a diversified financial services group, FMHL plays a critical role in bridging this gap. Through our broad portfolio of life, health and short-term insurance, investment, lending, property and reinsurance services, we aim to meet the needs of individuals and businesses across income levels and life stages. We believe responsible products and services must be not only affordable and accessible, but also relevant and responsive to the realities our clients face. Recognising that formal insurance penetration remains low across our markets, we are focused on developing tailored solutions for informal economies. This includes extending cover to underinsured and uninsured segments, with a growing emphasis on smallholder farmers and micro and small enterprises. Our microfinance programme supports informal traders and low-income individuals typically excluded from traditional banking systems – such as market vendors and small cattle farmers – by using non-traditional collateral models and simplified loan access mechanisms.

We recognise that inclusion depends on proximity. To bring our services closer to where people live and work, we continue to invest in low-cost, high-impact infrastructure, such as containerised branches and funeral offices in district centres as well as rural towns. These outlets improve accessibility, enabling rapid expansion with reduced overhead costs for both the business and our clients. In our health business, we have placed clinics and doctors within local communities, including informal marketplaces, so people can access services without travelling long distances or taking a day away from their work. We are concurrently working on incorporated telemedicine facilities for greater convenience.

Our property investments contribute to financial inclusion by improving access to dignified, affordable housing. Through our property business, we provide student accommodation that enhances access to education while offering a safe and supportive living environment for vulnerable groups. We are also rolling out affordable housing options in urban areas, with smaller, lower-cost plots designed for low-income earners.

As we deepen our reach and strengthen our relevance across the region, financial inclusion will remain a guiding principle in how we design and deliver our products and services. By supporting individuals and enterprises to help themselves, we aim to build resilience, unlock opportunity and deliver on our promise of economic dignity.

Associated material matters	Supporting our TARGETS strategy

Responsible insurance

Insurance plays a vital role in protecting individuals, families and businesses from the financial impact of unexpected events. At FMHL, we aim to provide responsible insurance solutions that are not only affordable and accessible, but also tailored to the specific risks and realities of our markets. Through continuous product innovation and close engagement with clients, we deliver cover that supports resilience and responds to evolving needs by bridging the protection gap.

Accountability and responsibility	• The boards of FMHL's insurance subsidiaries oversee management's achievement of the strategic priority to ascertain that the Group's insurance products are appropriate and responsible. • The Risk and Compliance teams confirm alignment with market realities and regulatory requirements. • The Life, Health, Funeral and Short-Term Insurance business units are responsible for product design and implementation aligned with client needs in the markets where we operate.
Regulatory compliance	• The boards of the insurance subsidiaries maintain robust systems and controls to ensure adherence to local and regional insurance regulations, including capital requirements as stipulated by the IPEC. • Compliance is monitored continuously through quarterly board reviews and internal risk assessments.
Going beyond compliance	• We are focused on developing inclusive insurance products for underserved markets, such as informal workers and smallholder farmers. • By expanding physical access points through containerised branches and satellite offices in rural and peri-urban areas, we improve accessibility and service reach. • The Group's insurance entities are embedding ESG principles into underwriting and product development, particularly in relation to climate risk.

Our approach to responsible insurance is further guided by:

- Purpose of enabling economic dignity, with financial inclusion as a core objective.
- Adoption of the Nairobi Declaration on Sustainable Insurance (NDSI), demonstrating the Group's commitment to integrating sustainable insurance principles in our business.
- Engagement with regulators and industry bodies, such as the Insurance Council of Zimbabwe (ICZ), and the Insurance Pensions Commission (IPEC) to ensure best practices are adopted.

Life assurance

Our life assurance business plays a critical role in supporting the long-term financial wellbeing of individuals and their dependants. Through both our Employee Benefits and Individual Life Benefits portfolios, we provide life cover, retirement savings products and other financial security solutions that offer protection in the event of death and income continuity during retirement.

The life insurance environment in Zimbabwe continues to present structural challenges. Repeated currency shifts and sustained periods of inflation have significantly undermined public confidence in long-term savings vehicles, eroding the value of past policies and disrupting household financial planning. In this context, we recognise the urgent need to rebuild trust by offering stable, flexible savings products that respond to the lived experiences of our clients.

Despite these headwinds, we are committed to reinvigorating this segment. Our savings and life assurance solutions are essential, not only for individuals seeking to secure their futures, but for broader economic development. The mobilisation of long-term savings remains a key enabler of social protection and intergenerational wealth creation. As such, our focus is on re-establishing the role of savings and life assurance in personal financial planning, while adapting our products to preserve value across multiple currencies and offer greater security in uncertain conditions.

We also continue to provide employee benefits that support workforce stability and wellbeing across the formal sector. These group risk and retirement solutions are supported by consulting services and expert advice to help employers structure benefit programmes that align with their financial stability and employee wealth-building goals.

Health insurance

First Mutual Health (FMH), now in its 15th year of operation, has grown into a leading medical aid provider in Zimbabwe. Our schemes support a diverse client base, including individuals, families, corporates and institutions across sectors such as mining, education, government and NGOs. We have consistently grown our membership base and contributed meaningfully to Zimbabwe's healthcare ecosystem by offering relevant, reliable and inclusive cover.

Our core focus is on improving the wellbeing of our members by making quality healthcare accessible and affordable. We provide solutions that reduce out-of-pocket health costs and improve long-term health outcomes, supporting not only individual livelihoods, but also the broader economy.

Inclusive and affordable cover

A strategic priority for FMH is expanding access to medical aid across all income levels. In response to high medical care costs and limited public healthcare capacity, we have continued to introduce new, affordable cover options tailored to the needs of lower-income earners. One of these is Micromed, a low-cost health insurance solution priced at just US$3 (or local currency equivalent) per member per month. We believe in continual product improvement for the benefit of our members and have revamped several of our existing medical aid plans to ensure they remain relevant. The Coral plan, for example, now enables access to services at Group B private hospitals. The Topaz plan, which originally covered service at public facilities only, can now access primary care services at First Mutual Health Services facilities.

We work closely with our partner network to safeguard broad acceptance of FMH medical aid cards, enabling members to access treatment without upfront payments or the administrative burden of reimbursement claims.

Read more about our First Mutual clinics and managed health services on page 53.

CASE STUDY: Expanding access through focused cover Hospital and Emergencies Only plan

In 2024, First Mutual Health launched the Hospital and Emergencies Only plan, an affordable solution designed to meet the needs of individuals and employers seeking essential medical protection without the cost of full medical aid cover. The plan provides cover for hospitalisation and emergency treatment only, offering a focused safety net for those unable to access more comprehensive benefits.

The product was developed in response to rising healthcare costs and the need for accessible options for lower-income and uninsured populations. By limiting the scope of cover to major health events, FMH is able to offer significantly reduced premiums while still providing critical financial protection when it matters most.

The plan reflects our commitment to innovation and inclusion in health financing, ensuring cost is not a barrier to accessing lifesaving care.

Wellness programmes

Our dedicated Wellness Department, led by medical professionals, plays a key role in driving preventative healthcare and early detection. Through our corporate wellness programmes, we partner with employers to deliver workshops, screenings and health education initiatives. These programmes encourage sustainable lifestyle changes, incentivise physical activity and promote mental wellbeing.

In parallel, we continue to expand our mental health and resilience offerings, including counselling for retirement and retrenchment, access to mental health professionals and stress management workshops. These initiatives have improved member satisfaction and workplace productivity, reducing burnout and promoting retention.

We also conduct wellness programmes in underserved communities, offering free fitness classes, mental health resources and access to health screening services. These efforts have expanded access to care for over 1 000 community members and helped reduce stigma around mental health, contributing to greater social equity.
We are also exploring strategic partnerships to enhance our wellness approach, drawing on international expertise to strengthen our preventative care offering.

Digital innovation in health delivery

As part of the Group's broader digital transformation, FMH has implemented a range of tools to improve member experience and operational efficiency. These include digital onboarding, online premium payments and virtual servicing options, which allow members to interact with us without needing to visit a branch. Our ICT team has built robust platforms to support claims processing, membership management and data integration, with live systems already operational across the health business.

Longer term, our digitalisation strategy includes the rollout of a centralised data warehouse, powered by national ID-based customer identifiers. This will enable a single view of each client's product portfolio and streamline cross-selling and service delivery across the Group. In health, this will support improved engagement, more accurate claims assessment and enhanced continuity of care.

Optometry wellness initiative at the Institute of People Management Zimbabwe (IPMZ) Indaba in Victoria Falls, through the use of latest technology

Short-term insurance

FMHL's short-term insurance operations – delivered primarily through NicozDiamond Insurance in Zimbabwe, Diamond Seguros in Mozambique and United General Insurance in Malawi – play a critical role in protecting businesses and individuals against financial loss. NicozDiamond is the largest short-term insurer in Zimbabwe in terms of insurance revenue, and maintains a significant market share in a highly competitive environment. Our short-term products span both personal and corporate lines, ranging from home, vehicle and travel cover to specialist solutions for aviation, marine, engineering, agriculture and financial services sectors.

Our commitment to responsible insurance means ensuring our products are both relevant and accessible, especially in underinsured and informal markets. This includes tailoring solutions to the needs of emerging businesses, individuals operating outside the formal economy and those vulnerable to climate-related and economic shocks.

Climate change has become one of the most material risks in the short-term insurance sector. We are actively mainstreaming climate awareness into our risk assessment, pricing and product development frameworks. At the same time, we are working with government and development partners to close the protection gap and make sure insurance contributes meaningfully to resilience at both household and national levels.

Read more about how our insurance business is responding to climate risk on pages 59 to 60.

Affordable and inclusive innovation

NicozDiamond continues to invest in product and service innovation that expands reach and affordability. In recent years, the business has introduced microinsurance offerings and containerised service centres in high-traffic urban and peri-urban areas to better serve informal traders and low-income clients. Through a partnership with

Zuva Petroleum, insurance products are also available at selected fuel stations, enabling convenient access for motorists and small business operators.

Case study: Taking services to the people
Insurance on wheels: Diamond Insurance Vehicle

To improve service reach and support financial inclusion, NicozDiamond launched the Diamond Insurance Vehicle (DIV), Zimbabwe's first mobile insurance contact centre. This solar-powered, mobile office brings insurance and licensing services directly to clients, including in remote and underserved communities.

The DIV offers a one-stop-shop for motor insurance, ZINARA licensing and ZBC payments. It has been deployed in high-traffic and peri-urban areas such as Chitungwiza, High Glen and Kamfinsa and at national events like the Zimbabwe International Trade Fair (ZITF).

Driven by customer feedback and informed by market research, the DIV responds to practical barriers to access, such as transport costs and time constraints, and reflects NicozDiamond's commitment to innovation, sustainability and customer-centric delivery.

While commercial agriculture forms a small part of our portfolio, we understand the social and economic importance of supporting growth in the sector, where most losses remain uninsured.

In Zimbabwe, NicozDiamond has played a leading role in the formation and rollout of the Zimbabwe Agro Pool, a parametric insurance solution designed in collaboration with other insurers, government and reinsurance partners. The product pays out based on weather triggers such as rainfall shortfalls, offering farmers a fast, transparent alternative to traditional claims processes. Initially piloted with 4 500 farmers in 2023, the scheme has since scaled up to a target of 85 000 farmers across multiple districts. This programme exemplifies how public–private collaboration and insurance innovation can support inclusive growth, strengthen rural livelihoods and reduce economic vulnerability in the face of climate shocks.

ESG integration and responsible underwriting

As a signatory to the Nairobi Declaration on Sustainable Insurance, NicozDiamond is embedding ESG considerations into its operations and decision-making processes. We have implemented internal processes to avoid insuring entities associated with terrorist financing, human rights abuses or environmentally damaging projects and apply reputational screening when evaluating new business. Our insurance business may decline certain contracts in order to protect our brand integrity and maintain credibility across the Group.

Environmental stewardship is also integrated into the insurance value chain. For example, panel beaters and repair service providers on our approved list are required to demonstrate responsible waste disposal and the use of environmentally sound materials.

Technology and operational transformation

FMHL's short-term insurance cluster has continued to invest in systems and operational innovation to drive efficiency and enhance service delivery. In 2024, NicozDiamond received ISO certification and successfully implemented the Aimsoft core operating system. In 2025, digital client and broker portals will be launched, enabling seamless onboarding, servicing and claims submission.

Reinsurance

As a reinsurer to insurers, First Mutual Reinsurance plays a vital role in strengthening the stability of the insurance industry across Zimbabwe, Botswana and other African markets. Through its two key business lines, Property & Casualty and Life & Health, the business supports a wide range of general and life insurers with both facultative and treaty reinsurance arrangements.

Operating under the FMRE brand, the reinsurance cluster underpins the Group's ability to manage risk exposure while extending protection to millions of policyholders indirectly. FMRE Property & Casualty Botswana has become an important growth and diversification node, enabling expansion into SACU, East African and SADC markets and mitigating domestic country risk.

Reinsurance is integral to financial inclusion and resilience. By absorbing the financial impact of large or catastrophic events, reinsurers enable primary insurers to offer more affordable and broader coverage to people and businesses, including those in high-risk or climate-sensitive sectors. This role has become increasingly critical in the face of climate change, which continues to elevate claims volatility across the region.

The business maintains a stable credit rating of BBB+ (Global Credit Rating Co.) and is supported by a strong retrocession panel that includes A-rated reinsurers from Africa, Asia and the Lloyd's of London market. These partnerships help maintain capacity, manage volatility and ensure regulatory compliance in markets such as Zimbabwe, where direct foreign reinsurance is restricted.

As part of FMHL's responsible insurance strategy, the reinsurance function also supports ESG-aligned underwriting by setting minimum standards for ESG risk screening. These controls help guide ethical decision-making at both reinsurance and primary insurance levels, reinforcing the Group's wider sustainability objectives.

Future focus areas

Looking ahead, our primary insurance cluster goals are as follows.

- Scaling innovations like the Agro Pool, DIV and containerised service points to broaden insurance access across our operating markets.
- Expanding and digitising customer engagement, including the rollout of client and broker portals, a unified data warehouse and omni-channel service access.
- Leveraging our reinsurance platforms to diversify Group risk and extend FMHL's presence into East and southern Africa.
- Further embedding climate, biodiversity and social risk filters into screening and product development.

Responsible services

The Group's clinics and funeral services play a vital role in supporting the dignity, health and resilience of the communities we serve. In markets where over 70% of the population works informally and public health services are under pressure, FMHL's services are meeting essential, underserved needs. By expanding access to affordable care and dignified end-of-life support, we are extending our impact beyond insurance and delivering practical, people-centred solutions where they matter most.

Accountability and responsibility	• The respective SBU boards oversee the Group's healthcare and funeral service strategy, with attention to service quality, ethics and community impact. • Group Risk and Compliance functions monitor regulatory adherence, operational risks and service standards across clinic and funeral operations. • First Mutual Health Services and First Mutual Funeral Services are responsible for day-to-day service delivery, infrastructure management, staff oversight and client experience.
Regulatory compliance	• FMH maintains robust systems and controls to ensure Group compliance with the Health Professions Act and Medical Services Act, which regulate clinical operations, licensing and professional standards. • Similarly, robust systems and control are in place to make sure funeral services adhere to public health and local authority regulations governing burial practices, waste handling and facility licensing.
Going beyond compliance	• By establishing clinics and branches in high-traffic, underserved and rural areas, we are bringing healthcare and funeral services closer to communities. • We cater to Zimbabwe's highly informal and economically diverse population through innovative low-cost service models. • Our services supports public health outcomes by integrating managed healthcare principles that promote early intervention and improve long-term community wellness.

Our approach to responsible health and funeral services is further guided by:

- Engagement with industry bodies, such as the Funeral Undertakers Directors Association of Zimbabwe, the Zimbabwe Association of Funeral Assurers (ZAFA), the Health Professions Authority (HPA) and the Medical Dental Practitioners of Zimbabwe (MDPZ).
- Zimbabwe's National Health Strategy, including universal health coverage, communicable disease control and maternal health.
- Municipal and national public health standards on the safe handling of human remains, hygiene and environmental health.

Clinics and managed health services

FMH is addressing the urgent need for affordable, accessible healthcare in Zimbabwe through its growing network of clinics and managed health services. Launched in 2021 and operational since 2022, this segment is rapidly expanding in response to the collapse of public healthcare infrastructure and the need to reduce claims costs in the medical insurance business.

Integrated, affordable care

At the heart of this strategy is First Mutual Clinic, which combines chronic disease management, wellness programmes and managed care solutions into a patient-centred offering. In just two years, our health services business has grown to include nine clinics, eight pharmacies, four dental centres and four optometry units across Zimbabwe. These facilities serve insured members and the broader uninsured public, helping to improve access and reduce the burden on overstretched public and private systems.

FMH's direct involvement in service provision allows the Group to offer more affordable, higher-quality care to members. With claims accounting for roughly 80% of expenditure in the health insurance business, controlling cost drivers through vertical integration creates long-term value and improving health outcomes for our members and their families.

Managed healthcare model

The Point of Service managed healthcare plan supports financial and operational sustainability by balancing access, quality and efficiency. Members retain the freedom to choose from a broad network of healthcare providers, while the model enables FMH to coordinate care, control costs and support better health outcomes. The Group also uses advanced data systems and artificial intelligence tools to monitor service delivery and guide decision-making. These tools help identify high-impact interventions, reduce unnecessary treatments and ensure services are aligned with members' real medical needs. This includes tackling industry-wide concerns such as over-servicing, where clinical decisions may be driven by profit incentives rather than best practice.

Digital innovation

FMH is transitioning to a fully paperless health administration process, improving security, service speed and convenience. More than 60% of service providers are enrolled on the Group's biometric identification platform, enabling members to access care with a fingerprint or facial scan. The platform links directly to provider systems and pharmacy counters, supporting seamless care delivery for over 452 000 medical aid members.

Training and skills development

Staff retention and medical training are critical priorities in a healthcare environment marked by skills shortages and emigration. FMHL supports aspiring medical professionals through bursaries, with a focus on students from disadvantaged backgrounds. These efforts are strengthened by formal partnerships with Zimbabwean universities and academic hospitals, which support student training and provide care to FMHL clients.

Funeral services

First Mutual Funeral Services (FMFS) provides compassionate, affordable and accessible funeral support that upholds the Group's commitment to economic dignity. As a newer business, FMFS has expanded rapidly from a single branch to a network of 11 locations across Zimbabwe, offering essential services to both policyholders and non-policyholders. This includes full-service funeral arrangements or customisable support such as body removal, mortuary services, embalming, transport, repatriation and cremation, allowing families to choose the level of support that meets their needs and means.

Funeral insurance has become a dominant product in Zimbabwe's life insurance sector, accounting for a significant percentage of industry revenue. FMHL's expansion into funeral services is both a strategic response to this demand and a natural extension of our life assurance business. It ensures clients receive not only a financial payout, but also the practical support needed during times of loss, reinforcing FMHL's 'cradle-to-grave' value proposition.

FMFS reflects a deliberate strategy to protect Group interests. As funeral parlour operators increasingly enter the insurance space, FMHL has moved to retain value internally and safeguard its client base by offering funeral services directly, rather than outsourcing to competitors. The business has since grown into a vital part of the Group's service portfolio, strengthening income streams, deepening customer relationships and upholding dignified end-of-life care for all clients.

Future focus areas
Looking ahead, our primary health and funeral service goals are as follows: • Increasing the use of technology and digital platforms to enhance service delivery, lower costs and increase reach.

Responsible investments

Responsible allocation of funds under management to available investment opportunities is central to FMHL's strategy for delivering long-term value. Through our property, microfinance and wealth management businesses, we channel capital to assets and enterprises that generate stable returns, enabling economic opportunity, social upliftment and sustainable development. These investments align commercial goals with national development priorities and the evolving needs of clients, members and beneficiaries.

Accountability and responsibility	• FMHL Board of Directors, supported by the Investment Committee, oversees the Group's responsible investment policies and strategies. • Risk and Compliance teams ensure ESG-aligned investment practices and regulatory adherence. • Wealth Management and Investment teams implement investment strategies. • ESG oversight committees track sustainability-related investment performance.
Regulatory compliance	• Our investments are managed in strict accordance with the Asset Management Act, the Securities Act and the Collective Investments Schemes Act, as well as investment regulations set by the Reserve Bank of Zimbabwe (RBZ), IPEC and the Zimbabwe Stock Exchange (ZSE). • Compliance is monitored through quarterly board reviews and external financial audits.
Going beyond compliance	• We are investing in non-traditional investment segments such as student accommodation and affordable housing to meet pressing social needs while delivering long-term value. • FMHL is developing innovative collateral mechanisms, including electronic tagging of livestock and vehicles, to unlock credit for underserved informal microfinance clients. • Our investment decisions increasingly incorporate ESG considerations.

FMHL's responsible investment approach is guided by:
- Investment policy statement, which outlines the principles and objectives of our responsible investment strategy at the client level.
- Investment mandate, which sets specific guidelines and criteria for asset managers in terms of selecting and managing investments on behalf of our clients, ensuring responsible investment practices are embedded in decision-making.

Property
First Mutual Properties (FMP) is a listed property investment, development and management company operating exclusively in Zimbabwe. Its diversified portfolio includes industrial properties (10%), CBD offices (18%), CBD retail (14%), land (19%), office parks (31%), suburban retail (5%) and residential assets (3%). The portfolio is valued at US$132.9 million (2023: US$ 179.8 million).

FMP's strategy centres on long-term growth and resilience through active portfolio management, a focus on high-quality assets and expansion into under-served or high-demand segments. The company has increasingly moved into non-traditional property segments, notably student accommodation through strategic partnerships, to address pressing social needs and tap into underserved markets, delivering sustainable returns.

Property investment strategy
FMP applies a structured asset management framework that classifies properties into core, value-add and non-core segments. This supports informed decisions around asset retention, reinvestment or disposal based on location, building quality, tenant mix and return potential.

The current strategic focus is on scaling up premium suburban office parks, retail centres and residential offerings, while reducing exposure to ageing and underperforming CBD assets. Proceeds from disposals are reinvested into assets with stronger long-term yield prospects.

Active developments include a mixed-use development in Zvishavane, a retail centre and SME market in Marondera, and additional residential and accommodation projects in Chinhoyi and Bindura. All new investments are subjected to rigorous financial and ESG assessments, with energy and water availability now embedded as critical site selection criteria.

Property quality
Maintaining a high standard across the portfolio is central to tenant retention and value creation. FMP conducts regular building inspections, maintenance reviews and tenant surveys to inform upgrades and asset-level strategies.

Properties are retrofitted or refurbished where necessary to meet evolving market expectations and sustainability standards. These interventions are guided by lifecycle planning and help extend asset performance, reduce vacancies and improve rental yields.

Recent improvements include energy-efficient lighting, solar power installations and upgrades to common areas that enhance comfort and reduce operating costs for tenants.

Tenant satisfaction
Tenant satisfaction is monitored through regular surveys, occupancy levels and the company's customer relationship management (CRM) system data. Across the portfolio, occupancy levels remain

high – averaging above 85% even in a depressed market – reflecting strong tenant loyalty and the consistent quality of the offering.

Tenants value FMP's prompt service, modern facilities and safe, well-maintained environments. Customer feedback is used to inform design choices, especially around energy, lighting, water and safety features. Policies are in place to ensure timely responses to queries, while annual maintenance budgets provide for responsive repairs.
FMP's suburban office parks remain fully tenanted, and prime commercial buildings in Harare continue to attract stable, long-term tenants despite macroeconomic challenges.

Sustainability and ESG integration

We integrate ESG considerations across the property lifecycle, from acquisition and design through to construction, tenant engagement and disposal/divestment. Our approach aims to balance long-term financial returns with meaningful contributions to environmental stewardship and community wellbeing.

Environmental stewardship

Read more about FMP's proactive response to climate change, green property development and initiatives to reduce our impact on natural resources on pages 63 to 64.

Social contributions

Read more about FMP's investments in infrastructure that meets social needs on page 88, as well as our sustainable procurement practices and supplier development initiatives on pages 92 to 93.

Microfinance

First Mutual Microfinance (FMM) is a registered micro-lender under the RBZ and has been in operation for five years. The business primarily serves salaried employees, small and medium enterprises (SME), agricultural groups and informal market traders. Loan products include personal loans, SME loans, agricultural loans, asset loans and order financing. Loan sizes are typically capped at US$5 000, with tenures of up to 24 months for salaried employees and 12 months for SMEs.

Product name	2024 USD	2023 USD	2022 USD	2021 USD
SMEs loans – for working capital purposes	426 752	463 256	502 642	157 358
Civil servants' loans – for consumption and school fees funding	3 775 590	3 782 357	1 369 092	767 306
Cattle fattening loans – for providing working capital to farmers	290 970	16 692	1 937	160 807
Personal loans – for enhancing employee welfare	2 141 590	1 156 531	2 207 938	1 164 762

Responsible lending

Our commitment to responsible lending is evident in FMM's deliberate focus on underserved but productive markets. Clients are assessed based on project viability rather than collateral and loans are not issued for high-risk or illegal activities such as unapproved chemical imports or the trade of illicit liquor. Instead, loan approvals prioritise socially constructive business activities that support sustainable livelihoods.

To discourage consumptive borrowing, clients are required to submit a short business plan and cash flow projection to demonstrate the feasibility of repayment. Where appropriate, FMM pays our client's suppliers directly to ensure loan funds are used as intended. Clients experiencing difficulties are encouraged to engage the business early for loan restructuring and business recovery support.

Digital transformation is another core pillar of the strategy. All disbursements are made electronically via bank transfer or mobile wallet, and cash repayments are not accepted. This supports formalisation, enhances traceability and reduces the risk of theft.

Innovative solutions

We are implementing several technology-driven solutions to improve access to credit, manage risk and lower operating costs. These include digital distribution platforms, mobile loan officers equipped with tablets and the progressive introduction of automated credit scoring.

A revolutionary development is the use of electronic tagging for movable collateral. Cattle and vehicles used to secure loans are fitted with tags that allows for tracking of assets during the loan term. In the case of livestock, tags are integrated into the RBZ's national collateral registry system. This initiative opens new channels for securitisation in traditionally underbanked sectors.

SME support and development

FMM goes beyond traditional microfinance models by providing financial literacy and business development support. Clients are invited to attend financial literacy training, budgeting and technical support sessions. FMM hosts a variety of workshops throughout the year, tailored to the needs of its target segments. For example, a two-day workshop held in Beitbridge for cattle farmers and feedlot operators incorporated training sessions by the RBZ.

We also support clients across the entire production cycle by structuring loans around viable value chains. In the beef sector, this includes assessing farmers' needs – such as livestock, feed or technical expertise – and connecting them with off-takers. FMM assists with price negotiations, feed planning and volume-based procurement to reduce input costs. Our internal agronomists, Ministry of Agriculture officers and abattoirs all contribute technical support to this model, strengthening its effectiveness and impact.

Sustainability and ESG integration

Sustainability is an increasing focus for the business, particularly as we shift our portfolio towards SME lending. FMM has introduced a sustainability screening process and avoids funding environmentally harmful activities, such as small-scale gold mining or coal extraction. We actively fund agricultural, aquacultural and renewable energy initiatives that are aligned with our commitment to responsible economic development.

A key area of focus is supporting the transition to clean energy. FMM is funding solar installations for both households and SMEs. This initiative not only advances green finance, but also responds to the pressing need for reliable power in the face of Zimbabwe's national electricity supply challenges.

Industry collaboration and advocacy

FMM plays an active role in industry-wide efforts to strengthen and professionalise Zimbabwe's microfinance sector. As a member of the Zimbabwe Association of Microfinance Institutions (ZAMFI), it contributes to collective lobbying and advocates for stronger regulation and ethical lending practices.

With around 250 players in the microfinance sector – many operating informally – self-regulation by established providers has become a stabilising force. FMM's lending rates are significantly lower than many local competitors and reflect a deliberate strategy to balance affordability with operational sustainability. We are currently exploring syndicated funding mechanisms with like-minded institutions to scale our impact.

Wealth management

First Mutual Wealth is a registered investment manager under the Securities and Exchange Commission of Zimbabwe. As at December 2024, the business managed approximately US$151 million in assets (2023: US$84 million), split almost evenly between local currency (converted to US$) and pure US$-denominated investments. Clients include pension funds, group companies, high-net-worth individuals and retail investors.

Investment options include segregated portfolios, unit trusts and high-net-worth client portfolios, each tailored to suit different investor profiles and risk appetites. Mandates range from discretionary to consultative and asset allocations are informed by regulatory requirements, investment policy statements and clients' investment goals. Portfolio reviews and reporting are conducted quarterly for institutional clients and monthly for individuals.

Although the team does not offer formal financial advisory services, investment proposals and decisions are made in consultation with clients and aligned with each mandate. The overarching goal is to deliver sustainable returns, capital preservation and long-term value creation.

Responsible investing

Zimbabwe's inflationary and energy-constrained macroeconomic context has significantly shaped First Mutual Wealth's investment philosophy. A potential return to local currency usage poses serious risks of hyperinflation, which could once again erode the value of savings, not only for shareholders, but also for communities and broader stakeholders. This uncertainty, while challenging, has driven a strategic shift in how and where capital is deployed.

Rather than relying heavily on monetary assets, we have refocused our strategy on real investments such as property, infrastructure and select equities. These assets are better positioned to preserve value in high-inflation environments and offer a natural hedge against currency devaluation. This shift enables the business to contribute more directly to economic development, particularly through infrastructure investments, which have become a growing area of focus and are aligned with some of the Sustainable Development Goals. Ultimately, First Mutual Wealth's guiding ethos is to protect and grow client value. Whether managing short-term risk products or long-term pension funds, the business balances macroeconomic realities, client-specific needs and regulatory obligations to deliver sustainable outcomes.

Incorporating sustainability

Sustainability considerations are becoming more prominent in investment decisions, although formal asset class exclusions are still rare unless specified by clients. Increasingly, the business seeks to have a positive impact through the investments we make, particularly in renewable energy and infrastructure developments.

Renewable energy investments include solar installations at First Mutual Park and Arundel Office Park, as well as the integration of solar power solutions into all new residential and student accommodation projects. These investments are seen as essential, both in reducing environmental impact and ensuring energy reliability in Zimbabwe's constrained grid environment.

Our investments in student housing and residential projects preserve long-term value for clients while meeting urgent societal needs. Using premiums collected from pension funds, insurers and other investors, we have delivered 162 residential housing units and 388-bed university student accommodation and are on course to add 600–700 more beds, thus addressing critical housing shortages and providing rental income and capital growth for investors. This approach also builds public trust in long-term savings products, which remains a challenge in a post-hyperinflation economy.

The investment team continues to build internal capacity and acknowledges that balancing economic, environmental and social outcomes is not a trade-off, but an integrated strategy aligned with delivering sustainable business outcomes that enhance dignity and prosperity for our clients and communities alike.

Future focus areas

Looking ahead, our primary responsible investing goals are:

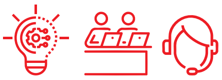
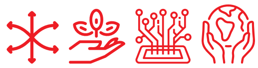
- Scale up the proportion of investments in real assets such as infrastructure, property and renewable energy to better hedge against inflation and deliver long-term value.
- Grow the share of SME clients in the microfinance loan book to at least 50% by 2028, shifting away from salary-based lending.
- Strengthen ESG screening and due diligence across all new investment projects, with a particular focus on environmental resilience and social impact.
- Leverage technology and data to enhance investment decision-making, including the use of AI in credit scoring and real-time risk analysis.

INNOVATION AND DIGITILISATION

As an investment holding company operating in a complex and evolving environment, we see innovation and digitalisation as essential to staying competitive and responsive to stakeholder needs. Through process automation, data-driven decision-making and investment in scalable digital infrastructure, we improve service delivery, reduce inefficiencies and strengthen our capacity to create long-term value. These efforts support a smarter, more resilient and client-centric business.

Our focus areas

	Why this matters	Our response
Process automation	Digital process optimisation reduces manual inefficiencies, improves turnaround times and enhances the stakeholder experience across service channels.	We are implementing next-generation core administration systems and automating key workflows, including onboarding, credit scoring, straight-through processing and API integration with payment platforms. We have introduced mobile onboarding and a unified mobile platform.
Cloud adoption	Scalable and secure cloud infrastructure underpins business continuity, enables data insight and reduces long-term ICT costs.	A strategic partnership with Microsoft Azure supports the secure hosting of core systems, advanced analytics and disaster recovery protocols. Hybrid cloud models enable agility and zero downtime for critical services.
Tools for excellence	Empowering employees with modern tools and data improves productivity, enables proactive service and strengthens decision-making.	Staff is equipped with licensed office software, standardised workstations and AI-enhanced productivity tools. A central data warehouse supports cross-functional collaboration and customer insight across business segments.
Cybersecurity	Trust and stakeholder confidence depend on robust cybersecurity practices that protect information and digital assets.	We invest in biometric and multi-factor authentication, secure coding practices and regular employee awareness training, including phishing simulations.

Associated material matters	Supporting our TARGETS strategy
	

Strategic innovation

Digital service transformation

We are eliminating inefficiencies across the business by investing in next-generation core administration systems and automating high-volume processes. From automated credit scoring to API integration and self-service onboarding, our innovations are improving speed, security and user experience for customers, employees and partners.

Proving a smarter backbone benefits all FMHL stakeholders.

For customers	For employees	For shareholders
Simplicity, speed, and security	Smarter tools, fewer inefficiencies, greater impact	Sustainable growth through digital innovation

Cloud agility and resilience

Our hybrid and multi-cloud architecture provides scalability, cost efficiency and built-in resilience. The Microsoft Azure partnership enables secure data hosting, faster product deployment, AI/ML analytics and robust disaster recovery. Automated backups and geo-redundant servers support uninterrupted business continuity.

Data infrastructure and enablement

A centralised data warehouse creates a single source of truth across our insurance, investment and loan businesses, unlocking new cross-selling opportunities and customer insight. Real-time analytics increase our ability to respond to market needs and design responsive solutions.

Secure and trusted platforms

We are strengthening our cybersecurity posture through employee cyber hygiene training, phishing simulations and secure development protocols. Biometric and multi-factor authentication protect our systems and customer data, enhancing digital trust.

Empowering our people through digital transformation

We equip our teams with modern laptops and licensed productivity tools to maintain secure, seamless collaboration. This supports a digital-first work culture and ensures technology is an enabler of employee efficiency, service excellence and innovation at every level of the business.

Change management and training

We understand digital transformation is not just a technology challenge, but a people one. FMHL prioritises structured change management to make sure employees feel supported and empowered as systems evolve.

Training sessions are conducted for each new platform, with change champions identified to support peer learning. Training attendance and feedback are tracked, helping to identify and address any adoption challenges early.

Building a culture of innovation

To support our innovation goals, we implemented an Innovation Remuneration Policy that incentivises employees to contribute ideas that enhance products, services or internal efficiency. Our Innovation Committee provides oversight, evaluating proposals and helping facilitate implementation across business units. This approach supports idea generation and cross-functional collaboration while aligning with Group strategic goals.

Future focus areas

Looking ahead, our primary technology and innovation goals are to combine self-service convenience, cloud agility, ironclad security, digitalisation and intelligent automation, to drive the business forward as a leader in the evolution of financial services in Zimbabwe and beyond.

ENVIRONMENTAL SUSTAINABILITY

Environmental stewardship is essential to FMHL's long-term business sustainability and our role in supporting thriving communities. We realise that lasting success requires responsible environmental practices and we take ownership of the impacts associated with our operations, products and services. Recognising the pervasive impact of climate change in the countries where we operate, we are actively addressing climate-related risks and opportunities as part of our path towards a more sustainable and resilient future.

RESPONDING TO CLIMATE CHANGE

- Climate change impacts on our business and value chain
- Governance and risk management
- Climate risks and opportunity management
- Greenhouse gas (GHG) emissions
- Climate action plan and roadmap

USING NATURAL RESOURCES RESPONSIBLY

- Energy management
- Water stewardship
- Waste management
- Land use and biodiversity

RESPONDING TO CLIMATE CHANGE

FMHL recognises climate change as a material risk and opportunity affecting our business, stakeholders and broader operating environment. Climate-related risks – including extreme weather events, shifting regulatory landscapes and changing consumer expectations – have significant implications for our business, investment decisions, operational strategies and financial resilience. In response, we are taking a structured, evidence-based approach to integrating climate considerations into our risk management approach and within the business strategy.

Our focus areas

	Why this matters	Our response
Climate change impacts on our business and value chain Pages 59 to 60	Climate change has a profound impact on our operations, products, services and stakeholders, influencing our underwriting, investment and lending decisions. The forthcoming adoption of IFRS S1 and IFRS S2 in Zimbabwe will introduce new compliance and reporting considerations across the Group.	We are assessing climate risks across our subsidiaries, integrating sustainability into investment strategies and strengthening climate-linked risk tracking. The Group is engaging with regulators to align our reporting with evolving disclosure expectations.
Governance and risk management Pages 61 to 62	Effective governance ensures FMHL can anticipate, assess and respond to climate-related risks and opportunities. It enables accountability, supports long-term value creation and strengthens our ability to comply with evolving regulatory requirements. Strong governance also guarantees alignment with global sustainability standards and stakeholder expectations.	The Board ESG Committee, and the ESG Steering and Management committees were established to provide leadership and management oversight of the Group's response to climate risks and opportunities. The Board Risk Committee monitors climate-related exposures, while business units consider climate risks in underwriting, investment portfolios and product development.
Climate risks and opportunity management Pages 63 to 67	Climate change presents financial risks, such as rising insurance claims, investment volatility and regulatory shifts, but creates opportunities for new financial products and sustainable investment strategies.	FMHL is expanding climate-linked insurance product offerings, assessing ESG factors in underwriting and piloting green finance initiatives, including solar energy investments. We also incorporate green building principles across the property portfolio.
GHG emissions management Pages 68 to 69	Understanding and managing our direct and indirect emissions is key to aligning with climate disclosure frameworks and supporting global efforts to mitigate climate change.	We currently measure and report our Scope 1 and 2 emissions. While Scope 3 emissions reporting is still in development, we are engaging with experts to refine our approach and data collection processes.
Climate action plan and roadmap Pages 68 to 69	A structured climate action plan ensures our business can transition towards a low-carbon business model, maintaining regulatory compliance and financial stability.	We are taking a phased approach to climate action, currently prioritising governance enhancements, systems and data collection improvements, and increasing renewable energy investments as part of managing our financed emissions. The Group is working towards full IFRS S2 alignment before it becomes mandatory.

Climate change impacts on our business and value chain

Sub-Saharan Africa is highly vulnerable to the impacts of climate change, with rising temperatures, erratic rainfall and extreme weather events threatening economic stability and livelihoods. Prolonged droughts and increasing desertification are impacting agriculture and food security while flooding and cyclones continue to cause widespread destruction. Mozambique, Zimbabwe and Malawi have seen rising insurance claims linked to severe weather, particularly from Cyclone Idai in 2019, which left hundreds of thousands of people in urgent need of assistance, followed just weeks later by Cyclone Kenneth. Floods, storms and droughts have led to numerous deaths, cost the economy billions and contributed to food insecurity, population displacement and stress on water resources. These climate risks are worsening financial insecurity for households, businesses and governments.

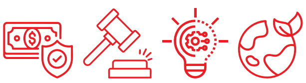
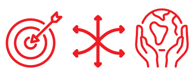
For the financial services industry, climate change presents both risks and opportunities. Insurers are facing higher claims and reinsurance costs, while investment portfolios are increasingly exposed to climate risks. At the same time, green finance solutions, sustainability-linked investments and climate-resilient insurance products are emerging as key growth areas. Banks and microfinance institutions are adapting lending criteria and risk assessments to address climate-related financial volatility, and governments and global regulatory bodies are tightening climate disclosure requirements to ensure financial institutions assess, report and mitigate climate risks.

Unlike developed economies, many African nations face the dual challenge of mitigating climate risks while still prioritising economic development, job creation and poverty reduction. This means regulatory policies must carefully balance the transition to lower-carbon economies with the need for inclusive and sustainable economic growth. Despite these challenges, Zimbabwe is proactively taking steps to drive responsible climate-related disclosures aligned with global best practice for climate reporting. The Securities and Exchange Commission of Zimbabwe (SECZ) has also moved to require securities markets intermediaries (SMIs) to disclose certain ESG disclosures in line with the IFRS Sustainability Disclosure Standards. The Zimbabwe Stock Exchange's Statutory Instrument 41 of 2019 and the related Practice Note 16 of

2024 encourage disclosures aligned with the GRI Standards, including disclosure of greenhouse gas emissions (Scopes 1 and 2).

For FMHL, these climate shifts are reshaping risk management, investment strategies and product development across all business units. To remain resilient, we are assessing climate risks across our markets, integrating sustainability considerations into insurance, investment and lending portfolios and adapting financial solutions to support climate resilience for vulnerable communities. We aim to protect and support our policyholders, enhancing long-term business sustainability across the entire Group.

Business activity	Climate change impacts	Our strategic response
Insurance and reinsurance	• Increased claims from extreme weather events (floods, cyclones, droughts) impacting short-term insurance and reinsurance pricing. • Rising reinsurance costs due to higher risk exposure. • Underinsurance and affordability challenges for clients in climate-vulnerable areas.	• Adapting our short-term insurance and reinsurance offerings to enhance climate resilience, such as expanded insurance products that better support smallholder farmers affected by climate-related losses. • Strengthening catastrophe risk modelling and reinsurance strategies. • Enhancing risk-based underwriting to incorporate climate-related exposures.
Wealth management and microfinance	• Increased exposure to investment risk owing to climate-related asset devaluation and stranded asset risks. • Economic instability from climate shocks affects SME financial health and loan repayment rates. • Investor shift to ESG-aligned investments, requiring changes in portfolio strategy.	• Expanding climate risk assessments across investment portfolios to ensure alignment with sustainable finance principles. • Developing green finance solutions for microfinance clients, including renewable energy and climate-smart agriculture loans. • Leveraging AI and technology in lending criteria to incorporate climate indicators and enhance risk evaluation in microfinance credit allocations.
Health and funeral services	• Rising health insurance claims owing to climate-sensitive diseases, such as heat-related stress, respiratory conditions and waterborne diseases. • Increased mortality risks from extreme weather events and food insecurity. • Pressure on healthcare infrastructure as a result of climate-related public health crises.	• Growing FMHL-owned medical and funeral service facilities to increase access to reliable and financially accessible funeral and medical services. • Enhancing data analytics to improve climate-linked health risk assessments and refine insurance pricing models. • Expanding preventative healthcare initiatives to mitigate climate-related health risks. • Partnering with public and private health institutions to develop affordable healthcare solutions.
Property management	• Increased risk of property damage and devaluation from extreme weather events. • Water scarcity and unreliable electricity supply impact building operating costs and tenant stability. • Regulatory shifts requiring green building standards and energy-efficient infrastructure.	• Advancing climate-smart property management by integrating green building standards, renewable energy solutions and water conservation measures across our property portfolio. • Conducting environmental impact assessments (EIA) for all property acquisitions and developments. • Exploring green finance mechanisms to support climate-resilient real estate investments. • Implementing reforestation and wetland conservation initiatives to support national biodiversity.
Governance and compliance	• Evolving climate regulations, such as IFRS S2, require extended climate-related reporting including risk disclosures. • Increased stakeholder expectations for climate risk transparency. • Global shifts towards sustainable finance and ESG-aligned regulatory frameworks.	• Aligning with national sustainability objectives, and related public reporting and disclosure requirements. Strengthening climate governance structures. • Preparing to integrate climate risk metrics into financial reporting. • Engaging with regulators and industry bodies to align with emerging climate-related compliance requirements.

Associated material matters	Supporting our TARGETS strategy
	

Governance and risk management

FMHL has established a structured ESG governance framework to integrate climate-related considerations into decision-making, operational management and financial reporting. Our climate-related risks and opportunities are governed through a multi-tiered structure, ensuring alignment with FMHL's corporate strategy as well as evolving regulatory requirements.

Our governance framework is integral in supporting our business and helping us to develop a sustainable and responsible climate change response. It provides the structure through which we set our objectives, monitor our performance and manage the risks we face. It includes a clear framework for decision-making and accountability across our business.

Through its committees, the Board guides our approach to delivering on climate change imperatives, while being sensitive to the needs of each business unit. The Board is cognisant of the climate-related impacts that affect our strategy and operations, supporting our efforts to mitigate risks and exploit opportunities.

Each committee operates under terms of reference, setting out roles and responsibilities, composition and scope of authority. The ESG Board Committee is the primary ESG decision-making body at the Board level and approves FMHL's climate strategies and policies, as well as the action plans developed by the ESG Steering Committee. Our ESG Management Committee (Manco) is the Group's operational arm, responsible for executing the Group's ESG strategy and facilitates cross-functional collaboration across FMHL's business units on sustainability initiatives.

Group-wide risk oversight is managed by the FMHL Group Risk Committee and individual business units own and implement their climate risk management strategies based on their unique exposures. The risk management function assesses climate-related financial risks in underwriting and investment portfolios. Business units, including Short-Term Insurance and Wealth Management, integrate climate considerations into product offerings.

The Board is kept abreast of management's efforts to mitigate risk and deliver against our sustainability framework on a quarterly basis. Read more about FMHL's corporate governance practices and our committee's responsibilities on page 99 to 107.

Accountability and responsibility

Below is an outline of FMHL's key governance structures and their roles in climate-related governance and sustainability oversight.

Investment Committee

- Ensures FMHL's investment decisions consider climate impacts and ESG factors
- Assesses climate risks related to real estate and wealth management investments

FMHL Holdings Board and Unit Boards

Our Board of Directors oversees the management of climate-related risks and opportunities, including our strategic approach to climate-related commitments, disclosure and risk management.

The Board holds management accountable for climate risk management and sustainability performance.

Audit Committee

- Oversees the suitability of the group's sustainability reporting policies and methodologies, and the reliability of metrics and disclosures
- Oversees group systems, processes and practices that support the accuracy and transparency and accuracy of the ESG data applied in its financial and sustainability reporting.
- Oversees climate risk integration into internal audit processes and financial reporting

ESG Board Committee

- Approves climate strategies, policies and action plans
- Ensures climate-related risks and opportunities are factored into business strategy and decision-making

Risk Committee

- Integrates climate-related risks into FMHL's enterprise risk management (ERM) framework and ensures risk mitigation is adequate
- Monitors regulatory, operational and financial risks associated with climate change

ESG Steering Committee

Composed of executive leadership, responsible for reviewing ESG initiatives, ensuring implementation across FMHL's business units and making recommendations to the ESG Board Committee.

Subsidiary business unit risk management

The risk management function assesses climate-related financial risks in underwriting and investment portfolios.

ESG Management Committee

An operational committee with representatives from all subsidiary business units, responsible for executing ESG policies, monitoring performance metrics and supporting climate reporting.

Product level risk mitigation

Business units, such as short-term insurance and wealth management, integrate climate considerations into our product offerings.

Future focus areas

Going forward, governance will be reinforced with stronger oversight through senior responsible owners (SRO) across the business, in line with regulatory requirements.

Climate risk management

We continue to embed climate risk within our ERM framework, applying a structured approach to assessing financial and operational exposures. Our Group risk management function, in collaboration with the actuarial team, plays a key role in quantifying climate exposures across our insurance, investment and real estate businesses.

Our risk management approach appreciates that climate-related risks have a significant impact on FMHL's performance and long-term viability. We therefore oversee our climate-related risks in the same way that we manage any other operational or strategic risks, taking account of the specific skills and competencies needed to evaluate climate risk and assess the related short-, medium- and long-term impacts on the business. In this context, climate risk awareness and training is ongoing throughout all our Group businesses.

FMHL's Group-wide ERM methodology guides our risk management, providing an approach to uniformly identify and evaluate potential events that may impact our ability to achieve our objectives, in line with our strategy, risk appetite and risk preferences.

A Three Lines Model is applied with a focus on proactive risk management at an operational level. Our risk management approach is built on value creation, protection and sustainability, guided by our SPEC risk management themes.

Embedding climate risk in operations

We are integrating climate risk into our daily operations to ensure it is not treated as a separate function but rather as a fundamental aspect of how we do business. FMHL has partnered with a reputable technology vendor to support the digitisation of risk management systems, including enhanced climate risk tracking and compliance monitoring. These tools are expected to streamline internal processes and support integration of climate data into enterprise-wide decision-making.

To further embed risk awareness, we have launched a Risk Champions programme to make sure that each subsidiary actively participates in climate risk management. These risk champions report to their respective subsidiary boards, with overarching oversight provided by the Group Risk Committee.

Refining climate risk analysis

While our actuarial team tracks climate risks through long-term trend analysis, full integration into financial and risk management strategies is still evolving. Currently, we analyse climate trends over five to 10-year cycles to refine risk projections, particularly in underwriting and capital planning. We collaborate with stakeholders within the Group, including the Actuarial Department, to develop appropriate scenario modelling to assist with managing these risks.

As we transition to a risk-based capital framework, climate risks will play an increasingly important role in solvency planning. We are working closely with the local and regional regulators to refine our climate risk modelling and scenario analysis, making sure our capital allocation incorporates climate-related financial exposures.

However, we appreciate the need for additional training for finance and risk teams to align with global and national disclosure expectations and we are committed to strengthening internal audit oversight of sustainability-related financial risks.

Compliance and reporting

We are in the early stages of building a sustainability reporting framework that aligns with international best practice. Although our current accounting systems are not yet fully equipped to capture ESG data, and sustainability metrics are not yet integrated into our internal audits, we recognise that robust, auditable ESG reporting is essential for long-term value creation.

Our leadership remains committed to this journey. We are investing in ESG capacity-building through ongoing training, policy development and system enhancements. Although our reporting capabilities are still evolving, we are laying the groundwork over the next three reporting cycles, to be ready for full IFRS S1 and S2 alignment, continuously building the scope and quality of our disclosures year on year.

Climate risks and opportunity management

The Group recognises climate change risks and opportunities impact our long-term growth prospects. Climate-related risks include physical risks from extreme weather events and transition risks from evolving regulations and market shifts. Conversely, climate-aligned investments, green insurance products and sustainable infrastructure development provide opportunities for business growth and resilience.

We are in the early stages of developing a dedicated climate risk management framework aligned with global best practice to identify, assess, monitor and manage the various climate-related risks and impacts for each Group business.

Our broad risks and opportunities outlined below are presented in no particular order. They reflect our proactive stance in identifying and managing climate-related risks, while positioning for emerging opportunities that support long-term sustainability and resilience.
Physical climate risks

EXTREME WEATHER EVENTS	
Description	Increased frequency and intensity of events such as cyclones, droughts and floods across FMHL's operating regions.
Implications for FMHL	Higher short-term insurance and reinsurance claims, rising costs of cover and reduced reinsurance availability, potential financial strain on FMHL's short-term insurance and reinsurance businesses and increased volatility in earnings.
Response strategy	Refining underwriting guidelines to incorporate local climate risk data, engaging actuarial teams to improve catastrophe modelling, tracking climate-related losses and expanding use of parametric insurance to improve affordability and claims efficiency.
FMHL is responding to the growing threat of extreme weather events by strengthening risk assessment, pricing and underwriting capabilities across the Group's insurance and reinsurance businesses. The increasing frequency and severity of floods, droughts and cyclones – especially in markets like Zimbabwe and Mozambique – has made it more difficult to secure affordable reinsurance, particularly in agriculture. In some cases, such as hail cover for Zimbabwean tobacco farmers, global reinsurers have deemed the risk too high, making these lines almost uninsurable under traditional models. To manage this, we are working to refine underwriting guidelines by integrating local climate data and actuarial forecasts into product pricing and risk selection. The Group's actuarial teams, supported by sector specialists such as agronomists, play a vital role in modelling potential losses and advising on exposure limits. We are expanding our use of parametric insurance products, which trigger payouts based on measurable weather indices, improving affordability and speeding up claims resolution in high-risk sectors. Other key strategies being implemented include diversifying our insurance portfolio and product innovation in terms of policy terms and exclusions. Additionally, we are enhancing our claims tracking systems to better capture and analyse climate-related losses, particularly in property and agricultural lines. This improved data will inform long-term pricing strategies and enable more responsive product development. Where risks exceed FMHL's capacity, we continue to work through our reinsurance arm to cede high-risk exposures, ensuring the Group remains protected while still offering meaningful cover to clients operating in vulnerable sectors. By embedding climate intelligence across our insurance operations, we aim to build a more resilient underwriting model that can adapt to changing weather patterns and support long-term business sustainability.	

PROPERTY AND INFRASTRUCTURE DAMAGE	
Description	FMHL's real estate assets are vulnerable to flooding, rising temperatures and unpredictable wind movements, which could damage commercial and residential properties.
Implications for FMHL	Reduced asset values, higher repair and maintenance costs, rental and income volatility, impact on investment performance and reputational risk.
Response strategy	Conducting environmental impact assessments for new developments, investing in climate-resilient infrastructure and green building certifications, prioritising sustainable upgrades to existing properties.
We are taking proactive steps to manage the growing risk of climate-related damage to physical assets. Rising temperatures, flash floods and unpredictable wind events pose a direct threat to both commercial and residential buildings, exposing the Group to higher maintenance costs, fluctuating rental income and potential asset damage and devaluation. In response, FMP is embedding climate resilience measures into property development and management. New projects undergo rigorous environmental impact assessments, with careful site selection that excludes high-risk locations such as wetlands, which are not only environmentally sensitive, but also financially impractical due to costly foundation requirements and long-term structural risks. Across the portfolio, infrastructure upgrades now prioritise stronger foundations, stormwater management systems and backup energy solutions – including generators and battery storage – to safeguard tenants and business operations from power outages. To further reduce exposure, we are investing in green building certifications and actively integrating water and power conservation strategies. These interventions help mitigate the impact of climate hazards and contribute to long-term efficiency, cost savings and tenant satisfaction. While formal sustainability risk assessments are still underway, FMHL's leadership is actively evaluating how shifting climate patterns could impact property valuations and revenue streams. The Group is committed to ensuring its real estate assets remain climate-resilient, attractive to investors and aligned with evolving expectations for sustainable infrastructure. Arranging appropriate property insurance coverage is another risk mitigation employed FMP and the Group as a whole.	

WATER SCARCITY AND ENERGY DISRUPTIONS	
Description	Reduced rainfall, prolonged dry seasons and energy supply instability leading to water shortages and power cuts.
Implications for FMHL	Business interruptions for our business units, tenants and clients, with higher operating costs for managed buildings and service facilities.
Response strategy	Installing solar power systems, water storage and efficiency mechanisms at key sites, promoting water-sensitive urban design through property development subsidiaries.

In response to worsening water scarcity and energy disruptions across its operating markets, we are implementing a range of adaptive measures to safeguard business continuity and reduce operational vulnerabilities. Prolonged dry spells, erratic rainfall and frequent electricity shortages affect our office operations, disrupt service delivery to clients and increase costs in its managed buildings and facilities.

To mitigate these challenges, we are investing in solar power systems across key sites to reduce dependence on unreliable national grids, enhancing energy efficiency through the use of modern equipment and smart energy management practices. Within our property portfolio, we are expanding the use of boreholes to ensure a stable and independent supply for tenants, especially during periods of municipal water rationing.

New developments are being guided by water-sensitive urban design principles, which include features like low-flow plumbing, rainwater harvesting and sustainable landscaping that reduces water demand. These infrastructure improvements are not only about risk mitigation, they also support our long-term goals of cost optimisation, environmental stewardship and operational resilience in a changing climate.

Transition risks

EVOLVING REGULATORY ENVIRONMENT	
Description	Stricter climate regulations and mandatory sustainability disclosures (e.g. IFRS S2).
Implications for FMHL	Reputational risk and regulatory penalties if disclosures are inadequate or misaligned, increased reporting costs and resource demands.
Response strategy	Strengthening ESG governance, aligning risk and finance teams with IFRS S1 and S2, digitising data management and developing internal climate reporting capabilities.

FMHL is taking deliberate steps to respond to an evolving regulatory environment as climate-related disclosure requirements become more stringent across our markets. With frameworks such as IFRS S1 and S2 soon to become mandatory in Zimbabwe and regulators like the Reserve Bank of Zimbabwe (RBZ), IPEC and the Zimbabwe Stock Exchange (ZSE) intensifying their expectations, we understand that inadequate or misaligned sustainability disclosures could result in reputational damage, regulatory penalties or loss of investor confidence.

The implementation of new standards remains a work in progress and we have strengthened our sustainability governance structures, with dedicated committees and working groups supporting a more cohesive and accountable reporting approach. The Group is also working closely with regulators and external advisors to better understand emerging requirements and align our processes accordingly. Internally, we are focused on building reporting capabilities across risk and finance teams so they can support the integration of climate data into financial planning and risk oversight.

FMHL is investing in the digitisation of sustainability data management. These systems will allow the Group to track and analyse climate-related performance indicators in greater detail and ultimately report with more confidence and transparency.

INVESTOR AND MARKET EXPECTATIONS	
Description	Shifting investor priorities towards low-carbon, ESG-aligned portfolios and growing scrutiny of sustainability credentials.
Implications for FMHL	Potential loss of investment capital for businesses with high-carbon exposure and exclusion from sustainability indices and responsible investment platforms.
Response strategy	Integrating ESG into investment strategies, enhancing transparency in ESG performance, actively engaging with investors on climate risk and opportunity disclosures.

FMHL is actively responding to global expectations around sustainability but acknowledges the complexity of this transition in markets where national energy supply remains heavily reliant on coal and other fossil fuels. While the Group is committed to embedding ESG principles into our investment and underwriting strategies, we must navigate the realities of operating in economies and societies where key industries, such as mining and power generation, remain carbon intensive. This balancing act requires pragmatic, context-sensitive decision-making that supports national development and social goals, aligning with global sustainability standards.

To address this, we are formalising climate risk screening in both investment and insurance processes, ensuring high-carbon exposures are flagged and assessed in terms of long-term risk and reputational impact. We are also working to enhance transparency around ESG performance, engaging more proactively with investors on our climate strategy, metrics and roadmap.

While the transition to low-carbon finance is still underway, we are positioning the Group to remain competitive and investable in a rapidly evolving market. Through clear communication and credible action, we aim to retain investor confidence, gradually shifting capital towards more climate-resilient and sustainable outcomes.

Opportunities

INNOVATIVE INSURANCE SOLUTIONS	
Description	Development of insurance products tailored to climate-sensitive sectors such as agriculture and smallholder farming.
Business benefits	Market differentiation, expansion into underserved segments and improved client retention in vulnerable communities.
Strategic actions	Scaling parametric insurance solutions, bundling insurance with risk advisory and weather forecasting services and exploring public-private insurance schemes.

We are responding to climate change by reimagining how insurance can serve those most affected by it. The challenge across much of Africa is that most climate-related losses remain uninsured, leaving individuals and businesses vulnerable in the face of increasingly frequent and severe weather events. This reality has prompted FMHL to focus on closing coverage gaps, particularly for smallholder farmers and low-income communities whose livelihoods depend on climate-sensitive sectors like agriculture and livestock.

Following the success of our participation in the Zimbabwe Agro Pool, a parametric insurance product was developed to offer targeted protection for smallholder farmers, FMHL is now working to scale up weather index insurance across more regions and product lines, including crop and livestock cover. We are exploring new models that would allow the Group to remain active in high-risk zones, like Mozambique, where traditional underwriting is increasingly difficult as a result of reinsurance constraints and climate volatility.

Recognising that affordability is a key barrier, particularly as climate-driven economic hardship increases, we are also considering bundled solutions and partnerships with government and development actors to reduce premiums and expand reach. These efforts are supported by improvements in climate-related claims tracking and risk analysis, which help refine pricing and better understand emerging patterns of loss. Through these innovations, FMHL aims not only to grow our business, but also to support resilience in vulnerable communities, ensuring those most exposed to climate change have access to meaningful financial protection.

SUSTAINABLE INVESTMENT STRATEGIES	
Description	Increasing demand for climate-aligned investments including renewable energy and sustainable infrastructure.
Business benefits	Competitive differentiation, long-term portfolio resilience and alignment with market expectations.
Strategic actions	Embedding ESG screening in investment processes, supporting clean energy and climate-resilient infrastructure projects and integrating climate risk into investment decision-making.

We acknowledge that climate-aligned investment strategies are essential for long-term portfolio resilience and increasingly expected by investors and stakeholders. While the macroeconomic environment in Zimbabwe – marked by currency volatility and infrastructure challenges – can complicate long-term investment planning, the Group is actively identifying opportunities to align our capital allocation with sustainability outcomes.

One of our flagship initiatives is sponsorship of the Mangwana Opportunities Fund, a diversified investment vehicle with a strong focus on climate-smart agriculture and low-carbon development. Investments in the fund include macadamia plantations and agro-focused enterprises, which not only contribute to emissions reductions, but also support rural economic resilience.

We are scaling up renewable energy financing, particularly for small and medium enterprises (SMEs) and agricultural clients. Solar panel financing solutions have gained traction as a hedge against Zimbabwe's unreliable grid supply and coal dependency, which, while still a reality, is expected to reduce gradually over the next decade. We acknowledge the energy transition will take time and are taking a pragmatic approach by accelerating green investments alongside the national energy mix.

Across our investment and property portfolios, we are embedding ESG screening criteria, prioritising energy-efficient and climate-resilient infrastructure. This includes support for climate-smart agricultural value chains, such as sustainable beef farming and agro-processing loans that promote food security under changing climate conditions.

Through these initiatives, FMHL aims to channel capital towards sustainable growth pathways that reflect both the risks and opportunities of climate change in the southern African context.

SUSTAINABLE REAL ESTATE DEVELOPMENT	
Description	Enhancing energy efficiency, water conservation and disaster resilience in FMHL's property portfolio.
Business benefits	Improved asset value and marketability, reduced utility and maintenance costs and stronger tenant demand.
Strategic actions	Adopting green building principles, installing solar and water-saving technologies, prioritising biodiversity conservation and ecosystem integration in new developments.

As outlined above, we are aligning with green building compliance standards to reduce the physical risks associated with climate change. Sustainable materials and eco-friendly construction practices are being prioritised to reduce the carbon footprint of new projects. These infrastructure investments promote long-term environmental stewardship and resource efficiency, and enhance asset value.

FMP's strategy to be early adopters of green building certifications is positioning the business as a market leader in sustainable property development, attracting environmentally conscious tenants and investors.

We are responding to growing demand for infrastructure that combines climate resilience with social impact, focusing on student housing developments with integrated solar energy solutions. These actions form part of a broader strategy to future-proof our real estate assets, ensuring they remain resilient, efficient and aligned with shifting market expectations in a changing climate.

TECHNOLOGICAL INNOVATION AND CLIMATE-SMART SOLUTIONS	
Description	Use of digital platforms, AI and data analytics to assess and underwrite climate risks more efficiently and explore climate-smart, energy-efficient solutions.
Business benefits	Operational efficiency and resilience, faster claims processing and improved risk pricing.
Strategic actions	Developing mobile and digital claims platforms, pioneering biometric health systems, leveraging geospatial and satellite data for underwriting and partnering with tech providers and climate data firms.

From underwriting to healthcare delivery, digital transformation is enabling the Group to operate more effectively in an increasingly complex and climate-affected landscape.

In the insurance sector, we are developing and deploying advanced catastrophe models and data-driven climate risk analytics to improve pricing accuracy and strengthen its underwriting framework. By incorporating remote sensing technologies using geospatial and satellite data, we will in future be better able to assess location-specific exposure to extreme weather events and environmental hazards, particularly relevant in agriculture, property and reinsurance lines. Risk management processes are being digitised across our subsidiaries, with system upgrades enhancing climate-related risk tracking and reporting. FMHL is also developing mobile and digital claims platforms, which reduce administrative burdens and paper use, and streamline claims processing, improve customer experience and increase operational efficiency.

On the health front, First Mutual Health is pioneering the use of biometric identification systems, eliminating paper-based processes and enabling seamless patient verification and prescription tracking. Over 60% of service providers are now connected to the platform, enhancing claims efficiency and fraud prevention. The division is also exploring how technology can support disease surveillance and early warning systems for climate-sensitive illnesses, contributing to public health resilience.

RESILIENCE FINANCING	
Description	Growing focus on financial mechanisms that support climate adaptation and community resilience.
Business benefits	New product and partnership opportunities and access to green capital flows through alignment with development finance institutions (DFI) and donor priorities.
Strategic actions	Structuring financial products linked to resilience outcomes, exploring blended finance and concessional funding opportunities, aligning with national adaptation plans and policies.

We are turning our attention to unlocking resilience financing to support climate adaptation and long-term sustainability across our operations and communities. As global capital markets place greater emphasis on ESG performance, we are working to ensure our sustainability practices are robust, recognised and investable.

We are starting to develop climate finance strategies aimed at attracting international funding for insurance innovation and infrastructure resilience, particularly in high-risk African markets. This includes exploring blended finance and concessional capital mechanisms that can de-risk investments and extend financial protection to underserved communities.

FMHL is also collaborating with Development Finance Institutions (DFIs), such as the World Bank and local stakeholders like the Insurance Council of Zimbabwe (ICZ), the Reserve Bank and the Ministry of Finance, to advance disaster risk financing frameworks. The goal of these initiatives is to strengthen national preparedness, improve government understanding of climate-related fiscal exposure and reduce sole reliance on the treasury for post-disaster recovery. The Group has contributed to this dialogue by submitting a position paper through the ICZ, helping to shape the development of a national approach to climate risk transfer and resilience.

By strengthening sustainability data collection and aligning with national adaptation plans and donor priorities, we are ensuring our capital-raising efforts are aligned with broader development objectives. Through these efforts, we are laying the foundation for financing solutions that go beyond profit generation by supporting inclusive resilience, social stability and long-term climate adaptation across the region.

Greenhouse gas emissions management

We are committed to tracking and managing our greenhouse gas (GHG) emissions and the emissions we finance through our value chain as part of our broader response to climate change and our contribution to national and global decarbonisation goals. Although the emissions from our own operations are relatively modest compared to high-carbon sectors, we recognise the need to monitor our footprint, identify reduction opportunities and disclose our performance data in line with applicable regulatory reporting requirements.

Scope 1 emissions
Scope 1 emissions refer to direct GHG emissions from sources we own or control. These primarily arise from our use of Company-owned vehicles and the diesel generators we rely on during power outages.

Scope 1 (kg tCO_2e)	Diesel (litres)	Petrol (litres)
2024	50 560	18,510
2023	83 936	67 741
2022	91 558	41 785
2021	276 721	22 516

Note: We use UK Government GHG conversion factors (DEFRA) to calculate our emissions.

Scope 2 emissions
Scope 2 emissions cover the indirect GHG emissions that result from the electricity we purchase and use at our offices, branches and facilities. These emissions are linked to energy supplied by the national power grid and contribute to FMHL's overall carbon footprint.

Scope 2 (kg CO_2e)	Electricity (kWh)
2024	930 359
2023	916 161
2022	3 543 376
2021	4 646 962

Note: Scope 2 emissions were calculated using emission factors obtained from the Southern African Power Pool 2015 using operating margin factors and the global warming potential rates from the Intergovernmental Panel on Climate Change (IPCC).

Scope 3 emissions
Although our direct emissions are relatively minimal, we recognise our broader value chain has a far greater environmental footprint. Scope 3 emissions include all other indirect emissions associated with our operations, such as those from suppliers, investments and financed activities. For insurers and reinsurers, the most material contribution typically comes from insurance-associated emissions, which reflect the environmental impact of the policies we underwrite. At present, FMHL does not have the systems or data processes in place to accurately track these emissions.

However, we understand that establishing a baseline for these emissions, particularly those linked to our insurance and investment portfolios, is critical. As part of our phased climate action plan, we will start collecting Scope 3 data in the next reporting cycle, with an initial focus on investment-related emissions. Establishing a baseline is a foundational step and will enable us to set credible targets, track progress and strengthen our engagement with suppliers, clients and subsidiaries on emissions reduction initiatives.

Carbon reduction initiatives
While we are refining our carbon reduction roadmap, the Group is actively integrating renewable energy, energy-efficient technologies and sustainable operational practices to achieve long-term emissions reductions. Key emissions reduction commitments include:

- Targeting 80% renewable energy reliance across core properties by 2030.
- Improving energy efficiency by upgrading legacy systems with modern, low-energy alternatives.
- Enhancing emissions tracking and reporting to ensure regulatory compliance and improved disclosure practices.

Read more about our energy management initiatives on pages 71 to 72.

Climate action plan and roadmap

FMHL is at the early stages of formalising the Group's climate action and transition planning strategy. During the 2024 reporting period, we adopted a structured, governance-led approach to climate integration, establishing new oversight structures to guide our alignment with incoming corporate disclosure expectations (such as those required by IFRS S1 and S2) and helping to steer the Group towards a more resilient, sustainable business model.

As part of our sustainability- and climate-related disclosure readiness journey, we have conducted an IFRS S1 and S2 gap analysis, assessing our current governance, risk management, strategy and sustainability-related disclosures. We have identified areas requiring improvement, particularly in relation to strategic sustainability and climate risk assessments, climate scenario analysis and the development of robust climate metrics and targets. We are now collaborating across business units to build internal capacity, define our priorities and establish the systems needed to track performance and ensure compliance.

FMHL's three-year sustainability and climate action strategy and roadmap is designed to lay the foundation for future climate-related disclosures and action. While detailed planning is still in progress, our indicative implementation timeline is structured as follows.

Year 1 (FY2024–2025)	**Governance and capability building** • Strengthen climate governance at Group and subsidiary levels • Roll out ESG training and sustainability competency-building initiatives • Initiate development of climate-aligned data systems to improve reporting readiness • Perform the groundwork to establish the group's approach to collecting Scope 3 data, starting with investment-related emissions • Undertake initial identification and analysis of strategic sustainability risks and opportunities (SRRO) and climate-related risks and opportunities (CRRO).
Year 2 (FY2025–2026)	**Integration and risk assessments** • Conduct formal climate risk assessments across major business clusters • Develop climate scenario models to support risk quantification • Finalise mapping of SRROs and CRROs and integrate them into business strategy • Establish short-, medium- and long-term climate-related targets for emissions, energy use and sustainable finance • Expand internal climate data collection processes and controls to support IFRS-aligned reporting
Year 3 (FY2027–onwards)	**Disclosure and performance monitoring** • Fully integrate climate risk management and disclosure across the Group • Align annual reporting with IFRS S1 and S2 core content requirements • Embed climate metrics into performance management, underwriting, investment and capital planning frameworks • Ensure readiness for assurance of sustainability disclosures

We recognise this roadmap is a temporary framework and not a substitute for a comprehensive climate strategy. The actions outlined above are critical to building a credible foundation for future disclosures. Over the next three years, FMHL will continue to refine its climate action planning to ensure it not only meets regulatory expectations, but also creates long-term value for all stakeholders.

Future focus areas

Our primary goals to enhance FMHL's climate change response:

- Completing ongoing climate risk assessment across all business clusters.
- Developing specific emissions reduction targets.
- Embedding climate-related risks and opportunities into business decision-making.

USING NATURAL RESOURCES RESPONSIBLY

In an environment marked by water scarcity, power shortages and rising environmental expectations, optimising energy use, water consumption, waste practices and land management is crucial. We acknowledge that sustainable resource use and operational efficiency impact cost management, regulatory compliance and long-term business resilience. Through targeted investments and operational improvements, we are reducing our environmental impact, enhancing financial sustainability and strengthening resilience to climate-related disruptions.

Our focus areas

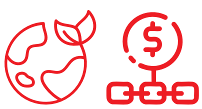
	Why this matters	Our response
Energy management **Pages 71 to 72**	Reliable and cost-effective energy is critical to our operations, particularly given Zimbabwe's grid instability and rising energy costs. A strategic focus on energy efficiency and renewable energy adoption increases business resilience and supports the transition to a low-carbon economy.	We are strategically integrating renewable energy solutions and energy-efficient design across our operations. By prioritising solar power, energy-efficient buildings and responsible energy use, we aim to reduce our environmental impact and improve operational stability.
Water stewardship **Pages 73 to 74**	Water scarcity poses a significant risk to our properties, tenants and broader business continuity. Efficient water use and long-term water security enhances resilience against climate variability and supports sustainable operations.	We take a proactive approach to water management, focusing on responsible sourcing, conservation and efficiency measures. Our initiatives include alternative water supply solutions, optimised consumption practices and investment in infrastructure that supports long-term resource sustainability.
Waste management **Pages 74 to 75**	Responsible waste management is essential to reducing environmental impact, ensuring compliance with regulations and advancing circular economy principles. Sustainable waste practices support our long-term environmental and operational sustainability.	We are embedding waste minimisation, recycling and responsible disposal into our business operations. By implementing optimised waste streams and innovative recycling solutions, we aim to reduce landfill reliance and contribute to a more circular economy.
Land use and biodiversity **Pages 75 to 77**	As a property developer and insurer, FMHL plays a key role in responsible land use and biodiversity conservation. Sustainable development practices help mitigate environmental risks and uphold compliance with regulatory requirements while preserving natural ecosystems.	We invest in sustainable development and biodiversity protection, integrating environmental impact considerations into our project planning and asset management. Our approach prioritises conservation, responsible land use and green building principles to enhance environmental and community resilience.

Challenges and opportunities

FMHL operates in a resource-constrained sub-Saharan African context, where energy insecurity and water scarcity create persistent challenges for businesses. Managing these constraints requires a proactive and adaptive approach to resource efficiency and sustainability. A key challenge is embedding sustainable practices across diverse business units, each with unique environmental footprints and operational needs. Ensuring energy efficiency, waste reduction and responsible land use are integrated into decision-making demands cross-functional alignment, infrastructure investment and ongoing capacity building. At the same time, evolving regulatory frameworks require us to strengthen our sustainability disclosures and data collection to meet investor and stakeholder expectations.

Balancing financial and operational priorities with our sustainability commitments is another challenge. Transitioning to resource-efficient buildings, waste management systems and renewable energy solutions requires significant upfront investment, which can be difficult in a constrained economic environment. Additionally, the adoption of green building standards and biodiversity conservation measures remains in early stages in our sector, meaning we must navigate emerging best practices and evolving regulatory guidance.

However, the growing emphasis on climate resilience and sustainability-linked investments aligns with our ambition to expand into green finance, sustainable insurance products and environmentally responsible real estate. As circular economy principles gain traction, we also see potential to enhance waste repurposing strategies and explore partnerships that create new value streams from resource recovery. By embedding environmental sustainability more deeply into our operations, we can reduce risk exposure, unlock competitive advantages and position FMHL as a leader in responsible business practices.

Associated material matters	Supporting our TARGETS strategy
	

Our strategic response

Although FMHL is in the early stages of developing environmental policies and targets, the Group oversees the integration of environmental considerations into business practices across all subsidiaries. The following are our strategic focus areas:

Resource efficiency	Optimising resource consumption to reduce environmental impact and minimising waste streams.
Sustainable investments	Driving long-term environmental and financial sustainability by prioritising ESG-aligned projects and green financing opportunities.
Sustainable procurement	Enhancing procurement standards and ensuring responsible sourcing across the business.
Protecting and restoring natural habitats	Safeguarding biodiversity and promoting responsible land use within FMHL's real estate and investment operations.

ENERGY MANAGEMENT

Energy efficiency is an important component of FMHL's sustainability strategy, cost management and climate resilience initiatives. The Group's energy consumption from our owned operations primarily arises from office buildings, IT infrastructure and operational facilities. We recognise that reducing energy consumption, increasing efficiency and transitioning to renewable energy will enhance business resilience, reduce costs and contribute to climate commitments.

Accountability and responsibility	• The Board and ESG Steering Committee oversee FMHL's energy efficiency and sustainability strategies. • The Property and Facilities Management teams are responsible for energy optimisation, infrastructure upgrades and renewable energy integration across our properties. • The Risk and Compliance teams confirm compliance with energy regulations and environmental sustainability goals.
Regulatory compliance	• We have established systems and controls to ensure the Group-wide compliance with Zimbabwe's energy efficiency guidelines and Environmental Management Authority (EMA) regulations on emissions reduction and sustainable energy use. • Our energy strategy aligns with the National Renewable Energy Policy, which encourages corporate adoption of solar power and other clean energy technologies. • The Group is aligning its energy performance reporting with global sustainability disclosure standards and regulatory expectations for climate-related financial reporting, RBZ guidelines and IPEC sustainability frameworks.
Going beyond compliance	• We are assessing the feasibility of greater solar energy adoption across key properties • Our commitment to energy efficiency extends to upgrading older facilities in line with green building principles where feasible. • We continue to explore corporate renewable energy partnerships and innovative financing solutions to accelerate our clean energy transition.

FMHL has no formal policies on energy management but has organisational commitments to convert all buildings into green, energy efficient buildings. Our approach to energy management is further guided by:

- Responsible business commitments within the Group insurance, wealth and investment management, lending and property businesses.
- Internal energy efficiency measures, which are implemented to drive down consumption and support cost saving
- Green construction guidelines, which provide a green framework for our property portfolio.

Energy efficiency

The Group has taken steps to optimise energy consumption across our properties, focusing on both infrastructure and operational enhancements. Our approach to energy efficiency is two-fold:

- Improving energy performance across existing buildings through retrofits, monitoring systems and optimised consumption strategies.
- Embedding energy-efficient design principles in new developments, making sure future FMHL properties integrate smart energy management from inception.

To reduce our electricity demand, we have implemented energy-efficient lighting solutions such as LED lighting, smart thermostats and automated lighting controls in key buildings. Additionally, passive cooling and natural ventilation systems have been integrated into some properties to minimise reliance on air-conditioning. We ascertain that all new equipment, appliances and facility upgrades meet energy efficiency standards.

We are also refining our energy conservation practices to promote responsible energy use across all business units. We encourage best practices, such as switching off unused appliances, optimising air-conditioning usage and ensuring buildings are operated efficiently to reduce unnecessary energy consumption.

During 2024, we installed auto changeover systems across multiple sites to mitigate disruptions caused by unstable electricity supply. These systems allow for a seamless transition between power sources, maintaining business continuity and minimising downtime. In addition, we are implementing real-time energy tracking systems to improve efficiency and identify high-consumption areas for targeted interventions.

Although implementation is still at an early stage, FMHL is committed to scaling up the use of technology to enhance our sustainability strategy. We are exploring smart metering systems, AI-driven energy management tools and cloud-based data centres to reduce electricity demand from FMHL's IT infrastructure.

We continue to explore sustainable financing options to support further energy efficiency improvements, particularly in older buildings that require retrofits to align with our energy-saving goals.

Renewable energy initiatives

Given ongoing power outages in Zimbabwe, reliable power is critical to maintaining business continuity for our business as well as our tenants. We are actively transitioning towards renewable energy, with a primary focus on solar power as a means of reducing dependency on grid electricity and enhancing energy security across our operations. Our solar installations have reduced dependency on Zimbabwe Electricity Supply Authority (ZESA) power, and we continue to expand these efforts.

First Mutual Park, our head office in Harare, now operates entirely on solar power, with a solar plant and battery bank providing reliable power supply and serving as a model for future developments. Solar system monitoring is conducted daily by caretakers to ensure efficiency and longevity. However, inefficient use of solar power has led to faster battery depletion, highlighting the need for improved employee awareness and training on energy conservation.

We have also incorporated renewable energy into our new developments. For example, we recently completed a modern 2 000 m2 office park building in Harare, where solar power, a battery bank and appropriate cabling were integrated from the outset. This deliberate approach makes certain our new buildings are aligned with modern sustainability standards.

We are currently undertaking solar feasibility assessments to identify sites best suited for solar installations, aiming to expand off-grid and hybrid energy solutions across our property portfolio. Our long-term goal is to achieve 80% reliance on natural energy sources across our property portfolio.

Innovative financing mechanisms

In addition to self-financing some of our renewable energy projects, we are exploring alternative funding mechanisms to accelerate our clean energy transition. Our Arundel Office Park project features a 115 kVA solar plant that powers the entire property, and this project was primarily internally funded, with a small loan secured for cash flow considerations. Similarly, our student accommodation project at Chinhoyi University of Technology includes a 150 kVA solar plant and was financed through equity contributions, with FMP as a shareholder alongside other Group companies and external investors.

Despite these advancements, scalability remains a challenge because of high capital costs and maintenance requirements. We have yet to tap into environmental or renewable energy funding and plan to pursue these opportunities in the future. Additionally, we are exploring carbon credits and net metering solutions, where we can sell excess energy generated by our solar systems, further enhancing the financial viability of our renewable energy projects.

Green buildings

We are embedding green building principles into our real estate strategy, ensuring sustainability considerations are integrated into both new developments and existing properties.
One of our leading green properties, Arundel Office Park, has achieved above 90% occupancy rates, demonstrating the commercial viability of sustainable buildings. Additionally, the use of green building principles has attracted premium tenants, reinforcing the business case for environmentally sustainable infrastructure.
New property development

We prioritise the use of clean energy, such as solar and sustainable materials in construction. For example, our recent developments incorporate performance glass, which acts as an advanced thermal barrier, improving energy efficiency and indoor comfort despite external temperature changes. This ensures our buildings reflect FMHL's commitment to sustainability in both design and operational efficiency.

We are also engaging architects and contractors to explore further climate-responsive solutions. One example includes integrating provisions for mobile cooling systems that can be deployed in individual rooms during extreme heat conditions, providing a practical and energy-efficient alternative to conventional air conditioning. Furthermore, we are aligning with initiatives from the Green Building Council of Zimbabwe, leveraging their insight and global best practices to future-proof our buildings for climate resilience.

Enhancing older buildings

We recognise that some older buildings in our portfolio may not meet the green standards of our newer developments. To address this, we have developed a structured approach to managing and upgrading existing properties.

- Selling buildings that are not feasible for refurbishment and removing them from our portfolio.
- Refurbishing or repurposing buildings for new uses, making certain that they align with modern sustainability standards.
- Demolishing and redeveloping outdated structures to make way for new, energy-efficient developments.

We remain committed to continually evaluating and improving our buildings, ensuring green building principles drive our property development decisions and that our portfolio remains aligned with long-term sustainability goals.

Monitoring and measuring performance

We closely monitor energy usage at all properties enabling us to identify areas for further energy conservation and optimise our energy management practices. We have set goals, targets and indicators to evaluate our progress, such as increased investment in green projects and renewable energy sources and a reduction in overall energy consumption based on the source of energy.

Energy source	2024	2023	2022	2021
Electricity (kWh)	1 818 462	1 907 723	3 543 376	4 646 962
Solar (kWh)*	170 804	178 032	-	-
Diesel (litres)	50 560	83 936	91 558	276 721
Petrol (litres)	18 510	67 741	41 785	22 516

**The tracking of solar usage commenced in 2023. No prior year data is available.*

Future focus areas

Our primary energy management goals for 2025:

- Scaling up solar energy projects, targeting additional properties for installation.
- Strengthening energy efficiency policies, ensuring standardised implementation across all FMHL-owned properties.
- Enhancing monitoring systems, introducing AI-driven analytics for better data management.
- Securing green financing opportunities, enabling further investment in energy-efficient infrastructure.

WATER STEWARDSHIP

Water is a critical resource for FMHL's operations and the communities we serve. As climate change intensifies, water scarcity and quality are becoming significant risks, affecting business continuity, operational efficiency and stakeholder wellbeing. As part of our ESG commitments, FMHL is integrating water efficiency measures into our operations, promoting responsible water consumption and exploring solutions to minimise unprocessed waste water and dependency on municipal water supplies.

Accountability and responsibility	• The Board and ESG Steering Committee provide oversight on FMHL's water stewardship strategy. • The Facilities and Procurement teams manage water consumption, conservation initiatives and infrastructure efficiency improvements. • Risk and Compliance teams monitor adherence to local water regulations and corporate sustainability commitments.
Regulatory compliance	• FMHL has established systems and controls to monitor ongoing compliance with Zimbabwe's water management regulations, ensuring responsible use and compliance with municipal water policies.
Going beyond compliance	• We invest in boreholes and water reservoirs to reduce reliance on municipal water. • FMP incorporates low-water-use building designs, drought-resistant landscaping and sustainable construction practices to support water efficiency in property developments. • Proactive leak detection and maintenance minimise water loss. • We recycle wastewater through waste management plants.

While FMHL does not have a formal policy on water stewardship, water-related initiatives are embedded within broader environmental sustainability efforts and operational risk mitigation measures. Our approach to water management is further guided by the following initiatives.

- Internal protocols for water conservation and monitoring, which guide infrastructure upgrades and daily operations
- Routine site-level water monitoring and maintenance to confirm consumption remains within acceptable thresholds and infrastructure is well maintained

Water risk management

The countries in which we operate face challenges related to water availability and quality, exacerbated by climate change, infrastructure constraints and increasing urban demand. Prolonged droughts and intermittent water supply disruptions pose operational risks for our property portfolio and broader business interests.

To mitigate these risks, particularly within FMP, we are diversifying water sources and investing in sustainable infrastructure solutions. Borehole installations, reservoir tanks, rainwater harvesting systems and efficiency measures form the backbone of our strategy to ensure water continuity and reduce reliance on municipal supply. Site assessments for new developments now routinely include investigations into both municipal and underground water availability to guide long-term planning and reduce project risk.

In locations where municipal water infrastructure is lacking or non-functional, such as Chinhoyi, we have adopted alternative solutions including boreholes and rainwater harvesting. In isolated cases where sewer lines are unavailable, we implement safe and sustainable septic tank systems, making certain that waste disposal does not compromise nearby water sources. These measures are particularly critical for high-occupancy developments, such as student housing, where service disruptions have significant consequences.

Borehole installations and water security

Given the lack of reliable municipal water supply in many of our operating regions, we continue to invest in borehole infrastructure across the Group's residential and commercial property portfolio. This includes the installation of 5 000-litre reservoir tanks to provide tenants with backup water during municipal outages and maintain operational continuity.

To manage groundwater usage responsibly, FMP has equipped boreholes with flow meters to monitor withdrawal rates and prevent over-extraction. While boreholes have proven essential for maintaining water access, we remain aware of the long-term sustainability risks associated with dependence on groundwater. In cases where drilling is not feasible, water is sourced externally and supplied to tenants, although this is not considered a sustainable long-term solution.

Through careful planning, site-specific infrastructure, responsible abstraction practices and continuous monitoring, we aim to balance water security with responsible natural resource use.

Optimising water usage across operations

We have introduced water efficiency measures across our properties to achieve water conservation and reduce costs in our operations. These measures include:

- Tenant-specific water meters, allowing occupants to track and manage their consumption effectively
- Flow regulators and pressure control mechanisms, reducing excessive water usage and minimising wastage
- Regular pipeline maintenance and leak detection, ensuring rapid response to damaged infrastructure to prevent unnecessary losses

These initiatives align with our broader environmental stewardship commitments and support operational cost management by reducing unnecessary municipal water expenditures.

Water reuse and conservation

By integrating water recycling and conservation measures into property management, we contribute to the long-term sustainability of local water ecosystems, ensuring our operations remain resilient to supply disruptions.

Our key water conservation initiatives include:

- Recycling of wastewater through on-site waste management plants, which facilitate the reuse of water resources
- Implementation of dry gardens featuring drought-resistant plants, significantly reducing irrigation requirements while maintaining an aesthetically pleasing environment
- Use of environmentally friendly chemicals in construction, reducing water pollution risks.

Monitoring and measuring our performance

FMHL employs a data-driven approach to tracking water efficiency, ensuring investments in borehole infrastructure and conservation initiatives yield measurable benefits. This includes cost comparisons at properties to evaluate water-related savings before and after the introduction of boreholes. Tenant satisfaction surveys play a key role in assessing the impact of improved water availability, with positive feedback recorded at GS Mews and Kamfinsa following borehole installations.

Our gradual expansion of boreholes is informed by these insights, making sure water security improvements are strategic, efficient and aligned with tenant needs.

	Borehole water (m3)	Municipal water (m3)
2024	2 600	1 540
2023	2 300	1 452
2022	3 490	2 489
2021	3 450	3 099

Future focus areas

Our primary water efficiency goals for 2025 are:

- Continued focus on borehole expansion to improve water self-sufficiency.
- Enhancing tracking mechanisms for monitoring water withdrawals and consumption efficiency.
- Aligning our water initiatives with FMHL's broader ESG strategy and regulatory landscape, particularly climate risk disclosure requirements.

WASTE MANAGEMENT

As a financial services provider, FMHL's primary waste streams include paper, electronic waste (e-waste) and general office waste. Effective waste management is essential to reducing the environmental impact of our own operations, optimising resource use and enhancing sustainability performance. We are committed to minimising waste generation, promoting recycling and integrating sustainable procurement practices to support a low-waste, circular economy including through value chain stakeholder engagement activity.

Accountability and responsibility	• The ESG and Risk Management committees oversee FMHL's waste reduction strategy. • The Facilities and Procurement teams implement waste management programmes, promoting efficient waste segregation, recycling and responsible disposal. • The IT Department manages e-waste disposal, ensuring proper handling of obsolete electronic equipment.
Regulatory compliance	• FMHL has established systems and controls to monitor ongoing compliance with Environmental Management Agency (EMA) regulations governing waste disposal and recycling.
Going beyond compliance	• Digital transformation initiatives are reducing paper-based processes, lowering FMHL's overall waste output. • Internal waste reduction campaigns encourage employees to reduce paper usage and minimise single-use plastics. • We encourage our suppliers to adopt waste-reduction strategies and partner with responsible vendors.

While FMHL does not have a stand-alone formal policy on waste management, our approach is guided by our commitment to reduce waste by adopting sustainable procurement and operational efficiency measures. Our approach to responsible waste management is further guided by our:

- Standard operating procedures for waste handling and disposal and reducing environmental risk
- Site-level controls for waste separation and collection, which support responsible disposal and promote recycling where feasible
- Routine waste monitoring and contractor oversight to confirm proper disposal practices

Waste risk management

Although we have made progress in reducing waste, we continue to face operational challenges that require ongoing attention. Delays in municipal waste collection have necessitated the engagement of third-party waste collectors in some areas to ensure timely disposal and minimise health risks. Additionally, inconsistent contractor compliance remains a concern, requiring closer collaboration with construction and facility management partners to align their practices with our waste reduction expectations.

To address these challenges, we are actively working to streamline and enhance our waste management efforts. Our approach focuses on minimising landfill waste, expanding recycling initiatives and ensuring responsible disposal where necessary.

Waste reduction

We are committed to reducing waste at the source, upholding responsible disposal across all business units. Our key initiatives include the following.

Paperless office transformation

We have made significant strides in reducing paper waste through our Enterprise Content Management (ECM) project and digital transformation efforts.

- Over one million documents have been scanned into a centralised digital repository, eliminating the need for physical storage.
- The adoption of cloud-based solutions has significantly reduced our reliance on printing, minimising hardware waste and excess paper use.
- Employee training initiatives have supported the transition to digital workflows, improving operational efficiency while cutting waste.
-

FMHL's shift towards paperless operations has been well received, with calls for further expansion of digital processes across our business units.

Minimising landfill disposal

We are diverting waste from landfills by improving segregation at source and enhancing responsible disposal practices across our properties. To facilitate this, we have implemented colour-coded bins at key locations, including First Mutual Park, Arundel Office Park and George Square Mews, allowing for the efficient sorting of paper, plastics and metals. This system properly collects and processes recyclable materials, reducing the environmental impact of our waste.

To maintain safe and hygienic waste storage before collection, we have introduced bin houses and bin cages at selected sites. We work closely with municipal waste collection services to ensure timely waste removal and, where necessary, engage third-party waste collectors to address any delays in municipal services. This dual approach helps us mitigate the risk of waste accumulation, particularly in high-traffic commercial properties.

Tenant engagement is playing a growing role in our waste reduction efforts. Organisations such as UNDP have influenced our adoption of enhanced waste segregation practices, helping to drive better recycling outcomes. Additionally, we conduct regular waste audits to assess the effectiveness of our segregation systems and identify areas for improvement.

Beyond day-to-day waste management, we are also focused on innovative waste repurposing initiatives. FMP has taken a practical approach to reusing construction rubble, donating it for fill for potholes in communities. This initiative supports local infrastructure improvements while significantly reducing the volume of construction waste sent to landfill.

In addition, we are exploring ways to reduce packaging waste in our facility management and office supply procurement processes. By working with suppliers to minimise excess packaging and prioritising sustainable materials, we aim to further reduce landfill dependency and align with circular economy principles.

Responsible disposal

E-waste

While our commitment to digitalisation has reduced paper waste, we remain focused on the responsible disposal of electronic waste. We work with approved third-party recyclers to safely manage obsolete IT equipment, batteries and electronic components, assessing formal e-waste recycling partnerships to enhance disposal practices. To improve accountability, we are expanding our e-waste tracking systems to strengthen reporting and transparency across our operations.

Hazardous waste

Our construction, health and funeral operations generate hazardous waste that requires careful handling and regulatory compliance. We ensure paints, solvents and cleaning chemicals are disposed of in line with environmental regulations and are strengthening our tracking systems to improve oversight and ascertain safe and responsible disposal.

As our health and funeral services offering expands, we are prioritising the formalisation of biohazardous and pharmaceutical waste disposal processes to maintain safe and compliant operations.

Recycling and circular economy initiatives

We continue to expand recycling stations at our managed properties to make sure recyclables are collected separately and processed appropriately. To ensure paper, plastic, metals and organic waste is responsibly recycled, we have formed a partnership with the Zimbabwe Sunshine group, who provide training to cleaning companies and staff members in our buildings on handling waste for recycling. The group collects sorted waste for recycling and ensures it is disposed of in designated dumpsites.

In addition, FMHL's procurement strategy contributes to waste reduction by promoting sustainable sourcing and responsible supplier practices. Aligned with this approach, we work with suppliers committed to waste reduction, recyclable materials and sustainable packaging.

To optimise resource consumption and improve operational efficiency, we have implemented the following.

- Evaluating supplier waste management practices to uphold compliance with sustainability standards
- Sourcing environmentally responsible office supplies, including eco-friendly printing materials and refillable stationery
- Partnering with suppliers that prioritise recycled and upcycled materials

By developing circular procurement strategies, we aim to extend material lifecycles, reduce waste and maximise resource efficiency.

Monitoring and measuring our performance

To track and manage waste effectively, we are closely monitoring trends in segregation efficiency and recycling rates.

	2024	2023	2022	2021
Solid waste (tonnes)	411	420	240	336

Future focus areas

Our primary waste management goals for 2025:

- Expanding waste tracking systems to improve reporting accuracy and trend analysis.
- Increasing recycling participation across our managed properties through tenant engagement.
- Exploring innovation opportunities, including the use of AI and digital tools to improve waste management efficiency.

LAND USE AND BIODIVERSITY

Biodiversity underpins ecosystem stability, climate resilience and sustainable development. While FMHL's direct impact may be limited, we acknowledge that biodiversity loss carries systemic financial risks, particularly for agriculture, infrastructure and long-term socio-economic wellbeing. We are assessing and mitigating these risks across our operations to support sustainable land use, conservation and responsible business practices.

Accountability and responsibility	• The Board ESG and Risk committees oversee biodiversity risk management and sustainability initiatives. • The Investment and Insurance teams integrate biodiversity risk considerations into underwriting and portfolio management. • The Facilities and Procurement teams ascertains that FMHL's operations and supply chain practices align with biodiversity conservation principles.
Regulatory compliance	• FMHL aligns with national environmental protection laws and biodiversity conservation frameworks, ensuring its business activities do not contribute to deforestation, land degradation or ecosystem damage. • Where applicable, the Group adheres to RBZ and other regulatory sustainability reporting guidelines, which emphasise biodiversity risk disclosure.
Going beyond compliance	• We avoid any developments on ecologically sensitive areas such as wetlands. • The Group supports reforestation efforts and nature-based solutions to offset habitat loss. • Our investment and insurance teams receive training on biodiversity risks and ecosystem valuation. • Climate-smart insurance solutions support sustainable agriculture and enhance biodiversity protection.

FMHL's approach to managing biodiversity is guided by:
- Focus on incorporating environmental landscaping and habitat-sensitive design where possible
- Green construction guidelines, which provides a green framework for our property portfolio
- Responsible business commitments within the group insurance, wealth and investment management, lending and property businesses

Property development planning and construction

We recognise that property development and construction affect natural capital management of biodiversity assets and the availability of ecosystem services to local communities through land-use changes, habitat disturbance and urban expansion. As we expand our property portfolio, we are committed to preserving natural ecosystem, by reducing our negative biodiversity impact and achieving nature positive outcomes wherever possible.

Biodiversity considerations are embedded in FMP's project planning and execution. In collaboration with Zimbabwe's EMA, we conduct environmental impact assessments (EIA) where required, especially for projects near sensitive ecological areas such as wetlands. Our site selection process deliberately avoids such high-risk zones, not only to protect the environment, but also to reduce long-term structural and financial risks.

Where development proceeds, we apply our green construction guidelines to minimise environmental disruption. This includes preserving mature trees, rehabilitating disturbed areas, installing wastewater treatment systems and maintaining green spaces within project sites. We also implement nature-based solutions and support biodiversity through tree planting initiatives and partnered with Trees of Harare to plant miombo trees on a portion of land at our Borrowdale Road property during the 2024 reporting period. In addition, FMP will monitor and maintain of a portion of wetland near the Golden Stairs Road landbank once property development commences in the year ahead.

The property team is exploring opportunities in emerging areas such as biodiversity credits and ecosystem service financing, although these markets remain underdeveloped in our operating regions.

Case study: Restoring ecosystems at Rupurara Resort

Between 2023 and 2024, FMHL undertook an environmental restoration and water sustainability project at Rupurara Resort, aimed at enhancing biodiversity and strengthening water resilience. The initiative focused on rehabilitating natural landscapes, reviving aquatic systems and securing a reliable, sustainable water supply for the property.

To restore the site's ecological integrity, the landscaping team reintroduced indigenous lawn and wild plant species sourced from the local environment. These drought-resistant plants now cover much of the area, helping to stabilise the soil and prevent erosion, while supporting the regeneration of natural ecosystems.

The project also involved the removal of invasive vegetation from the resort's small dam. This clearance work allowed for better water flow and improved the habitat quality for aquatic life. The dam was de-silted, and additional tilapia fish were introduced to help restore biodiversity and support the natural food chain within the ecosystem.

Water management formed a key component of the project. A controlled stream siphoning system was installed to draw water sustainably from a nearby stream. This system includes an auto-cutoff function that halts pumping once the reservoir is full, preventing over-extraction and maintaining the stream's natural flow. To reduce dependency on surface water, three strategically placed boreholes were integrated into the system, adding drought resilience and ensuring year-round water availability.

A semi-automated irrigation system was also implemented to maintain the rehabilitated landscape. This solution uses water efficiently, balancing inputs from the stream, boreholes and stored water to minimise waste and support healthy vegetation.

By combining ecological restoration with practical infrastructure upgrades, the Rupurara Resort project demonstrates how nature-positive solutions can be embedded into commercial operations. The result is a revitalised, biodiverse environment that benefits both the resort and the surrounding natural landscape.

Biodiversity risks and opportunities in insurance

Biodiversity-related risks such as deforestation, unsustainable agriculture and ecosystem degradation have growing relevance for our insurance and reinsurance businesses. These risks not only affect the long-term sustainability of investments, insured assets and livelihoods, but also shape the broader resilience of the communities we serve.

Through First Mutual Reinsurance, we are reducing underwriting exposure to activities that harm biodiversity, actively pursuing product innovations that support nature-positive outcomes. This includes the early-stage development of biodiversity-related policies and the exploration of biodiversity-linked insurance products. As awareness grows, we foresee evolving biodiversity-related opportunities emerging for our Group businesses, allowing us to expand our product portfolio while supporting nature-based climate solutions, ecosystem restoration projects and sustainable value chains, and helping support nature-dependent livelihoods.

Internally, we are taking steps to integrate biodiversity risks into our financial models and decision-making frameworks. Our teams continue to engage in stakeholder dialogues, including through the Insurance Council of Zimbabwe and support a coordinated approach to advancing national and regional natural capital management systems that recognise the value of biodiversity.

Monitoring and measuring our performance

FMHL is still in the early stages of formally monitoring and measuring biodiversity performance across the Group. However, we track key interventions, such as tree planting, the protection of green spaces on property sites and biodiversity considerations identified in EIAs, through project-level reporting and regulatory compliance processes. We maintain ongoing communication and engagement with the EMA to support the environmental compliance of our operations.

As our sustainability-related data and information systems mature, we aim to develop more consistent, data-driven indicators to measure biodiversity outcomes and inform future planning.

Biodiversity performance

	2024	2023	2022	2021
Number of EIAs conducted	1	1	1	1
Area (hectares) of land protected from development.	52	54	54	54
Number of trees planted in reforestation initiatives	-	-	500	-

Future focus areas

Our primary biodiversity management goals for 2025:

- Enhancing biodiversity impact screening in investments, property development and insurance underwriting.
- Exploring nature-positive financing mechanisms, such as biodiversity credits and ecosystem service funding.

SOCIAL SUSTAINABILITY

FMHL understands that thriving people and communities are vital to the long-term success of our business and country. By investing in social sustainability, we aim to create meaningful change and support long-term prosperity for all. Our efforts focus on expanding access to opportunity, supporting education and wellbeing and fostering inclusive economic growth, ensuring our impact extends beyond financial returns to improve lives across the markets we serve.

EMPLOYEE WELLNESS

- Employee relations
- Human capital development
- Employee health and wellness

SOCIAL AND ECONOMIC IMPACT

- Corporate social responsibility
- Responsible procurement
- Economic value generation
- Responsible tax contributions

HUMAN CAPITAL

FMHL's ability to create long-term value depends on the strength of our workforce. A highly skilled, engaged and well-supported team enhances business performance, strengthens stakeholder trust and drives sustainable growth. By investing in our people, we uphold organisational resilience and maintain a competitive edge in a rapidly evolving financial landscape.

Our focus areas

	Why these matter	Our response
Employee relations Pages 81 to 82	Strong employee relations are fundamental to FMHL's organisational culture, workforce stability and long-term business success. Engaged employees are more productive, which enhances the delivery of our strategic goals and supports the sustainability of our business.	We are committed to advancing a workplace environment that promotes trust, collaboration and fairness, where employees feel valued, heard and engaged. By prioritising two-way engagement, fair treatment and transparent labour practices, we aim to strengthen our position as an employer of choice in the financial services sector.
Human capital development Pages 82 to 85	Equipping employees with critical skills and leadership capabilities is essential for business continuity, competitiveness and growth. A strong focus on human capital development ensures FMHL remains agile and future-ready in an evolving operating context.	We invest in structured learning programmes, leadership development and technical upskilling to increase employee potential and ensure a strong leadership pipeline. Our approach to talent management includes succession planning, mentorship and continuous professional development to drive career growth and business sustainability.
Employee health and wellness Pages 86 to 87	A healthy and resilient workforce is key to sustaining employee satisfaction and productivity. Prioritising employee wellbeing reduces absenteeism, supports mental health and fosters a positive work environment.	We take a holistic approach to employee wellbeing, integrating physical health, mental resilience and occupational safety initiatives. Our comprehensive wellness programmes include preventative healthcare, stress management, flexible work arrangements and employee assistance programmes (EAP) to create a safe, high-performing workplace.

Workforce challenges and opportunities

FMHL operates in a dynamic environment where rapid digital transformation, shifting workforce expectations and regulatory changes are reshaping talent management. Skills migration remains a key challenge, as qualified professionals, particularly young talent, seek opportunities in international markets that offer stronger and more stable currencies, as well as greater political stability. Increasing competition for skilled professionals across our operating markets highlights the need for a strong employee value proposition, while evolving labour and ESG regulations reinforce the importance of transparent workforce management and a sustainability-focused culture. To remain competitive, we must embrace emerging technologies, attract top talent and develop a resilient workforce that aligns with our long-term goals.

Despite these challenges, we are well positioned to leverage key opportunities that strengthen our people and our business. Investments in digital upskilling, workforce analytics and employee engagement enable us to future-proof our workforce and build high-performing teams and individuals. By embedding sustainability into human capital development and aligning remuneration with long-term business and ESG goals, we are creating a workforce that is agile, innovative and committed to sustainable success.

Associated material matters	Supporting our TARGETS strategy

Our strategic response

FMHL's human resources strategy is built on three key pillars that address both immediate operational needs and long-term growth.

Pillar	Focus areas	Strategic approach
Talent management	Ensuring a pipeline of capable individuals ready to step into key roles.	We drive business continuity through structured talent development, succession planning and long-term career growth initiatives. Executive development programmes promote leadership readiness.
Remuneration and compensation	Creating an employee value proposition that attracts, retains and motivates top talent.	We balance sustainable pay structures with performance-based incentives to drive engagement and organisational success. Compensation is competitively benchmarked and linked to performance targets and long-term sustainability.
Organisational development	Optimising workforce structures to support business growth and transformation.	We continuously refine organisational structures, supporting mergers, acquisitions and new business development. Integration strategies enable smooth transitions and sustained excellence in evolving business environments.

Employee demographics

		2024	2023	2022	2021
Total employees		**711**	**632**	**611**	**580**
•	Male employees	350	337	324	301
•	Female employees	361	295	287	279
Employees with disabilities		**3**	**2**	**2**	**2**
Permanent employees		**529**	**511**	**527**	**493**
•	Permanent employees (male)	275	277	287	261
•	Permanent employees (female)	254	234	240	232
Contract employees		**182**	**121**	**84**	**87**
•	Contract employees (male)	75	61	37	40
•	Contract employees (female)	107	60	47	47

Employee relations

We prioritise proactive engagement to create a positive and supportive workplace and maintain our employee value proposition as an employer of choice.

Accountability and responsibility	• The Board HR and Governance Committee oversees employee relations policies, labour practices and workforce engagement strategies. • The Group HR Department is responsible for implementing employee engagement initiatives, labour relations management and dispute resolution. • Business unit HR representatives work closely with employees to address grievances, monitor workplace dynamics and drive engagement.
Regulatory compliance	• FMHL adheres to the Labour Act (Chapter 28:01) in Zimbabwe, as well as relevant employment legislation in the other markets that it operates in, upholding compliance with workplace rights, dispute resolution frameworks and fair employment practices. • The Group aligns with ILO conventions on Freedom of Association and Collective Bargaining.
Going beyond compliance	• Employees engage directly with leadership through regular town halls and feedback forums, fostering open communication and collaboration. • HR audits make certain our workforce management practices align with best practices and drive continuous improvement. • Diversity and inclusion training strengthens workplace equity by promoting fair treatment, unconscious bias awareness and respectful communication. • Employee awareness programmes on workplace rights, conflict resolution and grievance procedures empower employees with the tools to engage effectively. • Works Council meetings provide a proactive platform for identifying and addressing workforce concerns, reducing disputes and strengthening employee relations. • Managers receive specialised training in labour relations and dispute resolution, equipping them to effectively address workplace concerns.

Our approach to employee relations is guided by:

- Code of Conduct and Ethics Policy: Sets expectations for professional behaviour, workplace respect and ethical conduct.
- Recruitment and selection guidelines: Ensure fair employment practices, prohibiting discrimination based on race, gender, age, religion, disability or other protected characteristics.
- Grievance procedure: Prioritises training and corrective action before formal disciplinary measures to maintain a constructive workplace environment.

We also abide by the Works Council Constitution, which provides a structured framework for employee engagement and ensures fair negotiations with worker representatives.

Organisational culture and ethics

FMHL fosters a workplace culture that drives excellence, innovation, inclusivity and ethical leadership. We aim to empower our employees to explore new ideas, enhance our competitive edge and embrace proactive risk management, supporting a high-performing work environment.

A strong ethics and compliance framework underpins our culture. All employees acknowledge FMHL's Code of Conduct and Ethics annually, while the National Code of Conduct, governed by national employment councils (NEC), establishes workplace discipline standards across our business. We also provide regular ethics training to equip employees with the knowledge needed to uphold professional integrity and workplace fairness.

Employee engagement

FMHL is committed to enhancing listening strategies, leadership accessibility and feedback mechanisms to maintain an informed and motivated workforce. We leverage structured engagement surveys, feedback forums and leadership involvement to ensure employees feel valued and supported.

Employee engagement survey

Our annual employee engagement and culture survey achieved a 75% response rate in 2024, reflecting strong participation across the workforce. During 2024, we revised our employee engagement assessment framework and rebased engagement scores and are therefore unable to report meaningfully on employee engagement trends in this reporting cycle. However, key findings indicate overall engagement levels remain strong, with high scores in alignment with our purpose and strategy.

FMHL's HR team monitors engagement scores and retention trends, using insight to refine policies and address emerging workforce needs. Survey feedback highlights the need for the following measures:

- Clear career paths and mentorship initiatives to improve growth opportunities.
- Ongoing leadership development programmes to strengthen employee-manager relationships.
- More structured recognition and reward mechanisms to increase motivation.
- Communication of the Employee Value Proposition to create awareness.
- Targeted improvements in work processes and operational efficiencies.

Diversity and inclusion

Our commitment to diversity, equity and inclusion ensures all employees have equal opportunities for growth and are treated fairly. We recognise a culture of equity and belonging strengthens problem-solving, innovation and retention, mitigating risks associated with discrimination and workplace inequality.

To embed inclusivity across all operations, we actively identify and remove barriers that hinder workforce diversity. The Group provides awareness training on gender, race, age, disability and cross-cultural topics and has implemented disability enablers, including accessible transportation, parking, buildings and ablution facilities. We also partner with specialised recruitment agencies to expand opportunities for candidates from underrepresented groups.

Workforce representation targets

The Group has set clear diversity and inclusion long-term targets, focusing on gender, age representation, disability and racial inclusivity. We monitor our progress towards these targets and continually refine our policies, training programmes and recruitment practices to foster a more equitable workplace.

Focus area	2026 target	Current progress (2024)
Gender representation	50% female at managerial level; 50% at executive level	36% female at managerial level; 20% at executive level
Age representation	33.3% under 45 years in management/executive roles	40% of managers are under 45; 12% of executives are between 25–35 years
Disability inclusion	0.5% of total employees	0.4% of total employees
Racial representation	At least 1% non-black employees	0.3% of employees are non-black

Gender-focused initiatives

The Group actively supports policies and workplace practices to meet the unique needs of women in the workforce. Our current initiatives include:

- Breastfeeding and resting rooms for nursing mothers
- A dedicated breastfeeding hour for six months post-delivery
- Maternity leave policies aligned with legal requirements
- Ongoing discussions around offering childcare facilities, with implementation contingent on resource availability.

We are also committed to pay equity across the organisation. Salaries for employees covered by the National Employment Council (NEC) are governed by collective bargaining agreements (CBA), ensuring standardisation and fairness. For non-NEC employees, our internal salary structures are determined by job grade rather than gender, so that there is no gender-based wage disparity in compensation practices.

Freedom of association and collective bargaining

Worker representatives and unions have recognised FMHL's commitment to collective bargaining, reinforcing our reputation for fair and ethical labour practices. We strive to maintain harmonious labour relations, strengthen collective bargaining mechanisms and guarantee transparency in workplace relations.

We hold quarterly engagement forums where worker leadership meets with our Group CEO to discuss emerging issues and workplace concerns. This proactive approach strengthens employee relations and enables issues to be resolved efficiently.

Training and awareness on employee rights

To ensure fair labour relations, we invest in awareness and training programmes for both employees and management. Supervisors and executives receive training on labour laws and employee rights, equipping them to uphold respectful workplace policies. Employees participate in education programmes on collective bargaining and dispute resolution, empowering them to engage effectively in labour discussions. We also facilitate union and management engagement forums, fostering mutual respect, transparency and open dialogue in all workplace interactions.

Labour relations performance

	2024	2023	2022	2021
Number of unionised employees	301	268	263	245
Labour disputes reported and resolved	-	-	-	-

Discipline and grievance management

By maintaining a structured, transparent and employee-centric approach to workplace discipline, we ensure FMHL remains a trustworthy and fair employer. We have established clear grievance-handling channels that encourage employees to voice concerns and seek timely resolutions. Our goal is for employees to feel safe and supported when raising workplace concerns.

FMHL's discipline management approach is proactive, prioritising education and corrective action over punitive measures. Employees receive training on workplace ethics, conflict resolution and grievance procedures, promoting an understanding of their rights and responsibilities. When disciplinary matters arise, we begin with counselling and guidance before resorting to formal disciplinary measures.

The works council, which includes both management and employee representatives, convenes regularly to facilitate constructive discussions and dispute resolution. Since 2013, no employee has appealed a disciplinary decision, reflecting the effectiveness of our investigation processes and clear communication in resolving workplace disputes.

Grievance management performance

	2024	2023	2022	2021
Number of grievances reported	1	-	-	-
Number of grievances resolved	1	-	-	-

Future focus areas
Our primary employee engagement goals for 2025: Acting on engagement survey insights to improve workplace satisfaction. Increasing the representation of women and underrepresented groups in leadership positions and embedding inclusivity in recruitment strategies. Refining engagement platforms and work processes for better alignment between employee responsibilities and organisational goals.

Human capital development

FMHL recognises human capital development is a strategic driver of business growth, innovation and long-term competitiveness. We are investing in employee training, leadership development and career progression to ensure we attract, retain and nurture top talent.

Accountability and responsibility	• The Board Human Resources and Governance Committee provides strategic oversight on talent development and succession planning. • The Group HR Department leads employee learning and development programmes, career pathing and leadership training initiatives. • Business unit HR managers oversee role-specific skills development and team training programmes.
Regulatory compliance	• FMHL aligns its human capital development strategy with national labour regulations and skills development mandates, including financial sector competency requirements.
Going beyond compliance	• FMHL is committed to creating a learning-oriented culture, ensuring employees have access to the skills, knowledge and career opportunities needed for professional success. • Annual training audits and performance reviews track progress towards our learning and development commitments. • Employee learning platforms and e-learning tools provide on-demand training and self-paced learning. • We offer internship and work experience programmes to support talented local students.

Our approach to employee relations is guided by the following initiatives.

- Learning and Development programme: Outlines the Group's approach to skills enhancement and career progression and supports employees in meeting industry certification and professional accreditation requirements.
- Performance Management System: Defines our processes for measuring employee performance and improvement in alignment with the Group's goals.
- Leadership Development and Succession Planning framework: Ensures FMHL cultivates future leaders from within.
- Our Innovation Remuneration offering: Incentivises innovative contributions within the workforce.

Talent attraction and retention

As the financial services industry undergoes rapid technological transformation, the war for talent is intensifying, requiring a more innovative and flexible approach to workforce management. Our employee value proposition is designed to attract and retain skilled professionals by offering competitive remuneration, structured career growth opportunities and increased workplace benefits. In addition, we have implemented initiatives to promote work-life balance, flexible work arrangements and wellness benefits, ensuring our workforce remains engaged and motivated.

To future-proof our workforce and strengthen business continuity, we are implementing the following:

- Developing a formal leadership and technical competency framework to guide skills development and career progression.
- Implementing a structured performance-potential assessment model to identify and nurture high-potential employees.
- Enhancing succession management programmes to maintain a steady pipeline of leadership talent.
- Aligning remuneration policies with industry benchmarks to remain competitive in attracting and retaining top talent.
- Optimising reward structures to provide differentiated compensation that reflects employee contributions and market trends.

Maintaining a stable and engaged workforce is a key priority. We aim to keep our overall employee turnover rate at or below 7.5%, with a specific focus on retaining key talent in critical roles.

	2024	2023	2022	2021
New employees	**247**	**178**	**159**	**213**
• New male employees	101	89	80	107
• New female employees	146	89	79	106
New employees with disabilities	1	-	-	-
New employees under 30	210	133	135	148
New employees 30 to 50	37	43	24	62
New employees over 50	-	2	-	3
Turnover	**168**	**157**	**128**	**196**
• Turnover (male)	88	78	58	103
• Turnover (female)	80	79	70	93
Turnover under 30	127	104	86	87
Turnover 30 to 50	41	51	37	90
Turnover over 50	-	2	5	19

Skills development

FMHL is building a learning-oriented culture, equipping employees with the skills, knowledge and career opportunities needed to succeed. However, skills shortages in critical areas remain a challenge, particularly in digital finance and technology-driven roles.

Ensuring equitable access to training across all levels and balancing operational demands with ongoing development are key focus areas. To address these challenges, we have strengthened our Learning and Development Policy, which provides employees with structured learning pathways and access to professional development programmes.

Developing future-fit skills

To maintain an agile, future-ready and competitive workforce, we have launched several initiatives to support career growth and talent development.

- A number of targeted pipeline development programmes are offered to support graduates, actuarial professionals, chartered financial analysts, chartered accountants, sales specialists and IT professionals
- Digital skills training and upskilling programmes to prepare employees for automation-driven roles and ensure they remain relevant in the evolving financial sector.
- Leadership workshops and management training to build decision-making, strategic leadership and business acumen among high-potential employees.
- E-learning platforms and self-paced learning resources, enabling employees to continuously develop their skills while balancing their work responsibilities.
- Mentorship and coaching programmes that help employees navigate career development opportunities and prepare for leadership roles.
- Succession planning and talent pipeline development, ensuring employees are prepared to step into key positions as they become available.

Both FMHL and FMP have a target of 24 hours of training per employee per year to support our commitment to continuous learning.

Performance and training impact

	2024	2023	2022
Average training hours per employee	34.40	20.24	-
Employees participating in leadership development programmes	218	108	45
Digital skills training participation	731	1 026	457

Case study: Developing future chartered accountants

TOPP Programme success

Launched in 2022, the Training Outside Public Practice (TOPP) programme at FMHL has become a standout success in the Group's professional development efforts. Designed to support aspiring chartered accountants (CA) working in commerce and industry, the programme creates a structured pathway to qualification for accounting professionals within the organisation.

Since its inception, the programme has maintained a 100% pass rate, a reflection of its high standards and rigorous internal training. A total of 16 candidates have been supported through various stages of their journey towards becoming CAs. These trainees benefit from access to comprehensive educational resources, a well-structured training manual, and the guidance of qualified CA assessors who are committed to quality mentorship.

Crucially, the TOPP programme has received consistent backing from FMHL's executive leadership, creating a learning environment that values excellence and long-term investment in critical skills. The initiative fosters upward mobility within the accountancy profession and helps to retain scarce financial skills within the Group.

With three qualified CA (SA) candidates expected to graduate from the programme by 2025, FMHL is strengthening its internal talent pipeline and demonstrating its commitment to advancing high-impact, industry-relevant professional development.

Internships and graduate programmes

Our internship and graduate programmes play a vital role in strengthening our talent pipeline, equipping young professionals with the skills needed to succeed. These structured programmes offer hands-on experience, mentorship and career development across key business areas, ensuring interns gain practical exposure and workplace readiness. High-performing interns are offered full-time positions, contributing to workforce diversity and skills retention.

During 2024, we recruited 15 young graduate trainees into our internship programme (2023 total: 24), with one intern becoming a full-time employee (2023 total: 23).

Case study: Talent development

Testimonial: Ian Majasi

I joined First Mutual Holdings Limited as an intern in the Actuarial Department after being awarded a scholarship by the Group in 2021. Securing this placement – after nearly seven months of searching – was a turning point in my academic journey.

My time at FMHL has been incredibly rewarding. The internship has allowed me to apply the actuarial, mathematical and computer skills I learnt at university to real-world projects. I've gained hands-on experience with IFRS 17, deepened my understanding of the actuarial field, and developed a greater appreciation for how different departments work together to deliver value.

This experience has helped bridge the gap between theory and practice. I have grown both personally and professionally, and am fully committed to making the most of the remainder of my internship. I hope to continue contributing to FMHL after graduation.

– Ian Majasi

Mitigating skills-related risks

FMHL measures the impact of skills development not only through training participation rates, but also by assessing workforce resilience and business continuity. To make certain that critical roles remain filled, employees develop in-demand skills and operational disruptions are minimised is central to our strategy. We have implemented the following.

- Resilience testing, encouraging employees to take leave to make certain teams function without over-reliance on individuals
- Tracking time-to-fill for key vacancies, ensuring critical roles are replenished efficiently (target: within two months)
- Competency assessments, monitoring how well employees apply acquired skills to their roles

Sustainable remuneration

FMHL offers competitive remuneration aligned with market standards, business priorities and long-term value creation. Our balanced compensation model rewards employees for financial performance, sustainability contributions, operational excellence and organisational growth. As an employer of choice, we are consistently recognised in employee surveys as one of Zimbabwe's top employers in terms of remuneration.

FMHL follows a structured remuneration framework that defines salary ranges across different grades. This is complemented by a performance management system, which enables us to identify and appropriately reward high performers. We differentiate between employees who consistently deliver strong results and those with high potential for leadership growth, ensuring top achievers receive additional incentives.

As part of our performance-based remuneration approach, we have eliminated the traditional 13th cheque for junior employees in favour of a fully performance-driven bonus system across the Group. High performers are not only rewarded through bonuses, but may also receive supportive benefits, such as housing assistance for promising young employees. This model enhances employee motivation, retention and loyalty, contributing to a resilient and engaged workforce.

Talent retention remains a key focus and we acknowledge talent migration to international markets offering Dollar-based salaries presents a challenge, particularly in Zimbabwe. However, within Zimbabwe, our competitive and structured remuneration strategy positions FMHL as a preferred employer, supporting long-term workforce stability.

Elements of total remuneration

Category	Fixed pay	Variable incentives – short-term incentives	Variable incentives – long-term incentives
Total guaranteed package	Yes	Yes	Yes
Purpose	To attract and retain employees through competitive fixed pay.	To attract and retain employees and to drive a high-performance culture.	To align the interests of the employees with shareholders and other stakeholders by growing the value of the Company.
Who	All employees	All employees	Senior management and above, including general managers and Group executives.
Description	Basic salary plus benefits and allowances.	Annual bonuses payable on the provision that certain Group and individual performance targets are met.	Share-based compensation, where granted to an employee, vests over at least a three-year period.
Settlement method	Cash	Cash	Either cash or shares
Frequency	Monthly	Annually	Annually
Performance	Based on personal performance ratings, internal and external parity.	Performance conditions are determined annually on a Group basis. Individual performance is measured via the performance management system.	Performance conditions are determined for each allocation. Individual performance is measured via the performance management system.

Linking performance to sustainability goals

Sustainability metrics are integrated into short- and long-term incentives, with executive and management remuneration tied to measurable sustainability targets. These targets cascade throughout the organisation, ensuring sustainability remains a core priority alongside financial and operational goals.

To further align with industry benchmarks and evolving employee expectations, we are:

- Refining incentive structures to strengthen the link between reward and sustainability performance
- Enhancing transparency in performance evaluations to clarify how sustainability metrics influence remuneration
- Expanding ESG awareness to reinforce accountability and long-term value creation

Future focus areas

As we continue to evolve our talent strategy, our focus remains on ensuring employees see long-term career prospects within FMHL while contributing meaningfully to the Group's success.

Our primary employee training and development goals for 2025:

- Developing change management programmes to assure the smooth implementation of business process and digitalisation projects.
- Strengthening leadership and technical skills, enhancing succession planning and optimising reward structures to attract and retain top talent.
- Refining performance-potential assessments to identify high-potential employees.
- Ascertaining that remuneration remains competitive while rewarding strategic and sustainability performance.

Employee health and wellness

Our approach to health and wellness integrates employee wellbeing initiatives with occupational health and safety standards, ensuring a holistic framework that prioritises both preventative care and workplace safety.

Accountability and responsibility	• The Board HR and Risk committees oversee FMHL's strategic direction for employee wellness and workplace safety policies, as well as compliance with workplace safety laws. • The Group HR and Facilities teams implement wellness initiatives, health and safety procedures, workplace risk management and emergency response plans. • Line managers and employees play an active role in ensuring compliance with safety protocols and reporting potential hazards.
Regulatory compliance	• FMHL complies with Occupational Safety and Health regulations across all markets in which we operate, strictly following workplace safety regulations. • The Group adheres to global OHS standards, including ISO 45001, to enhance risk management and employee wellbeing. • Annual OHS audits and workplace inspections are conducted to identify safety risks and ensure regulatory adherence.
Going beyond compliance	• We invest in preventative health programmes, including regular health screenings, ergonomic assessments and mental wellness initiatives. • Employee assistance programmes (EAP) offer counselling and psychological support to improve workforce resilience. • The Group actively raises awareness on mental health and stress management through training sessions and leadership engagement. • FMHL is strengthening digital reporting systems to improve safety incident tracking and response efficiency.

Our employee health and wellness management approach is supported by the following.

- Occupational Health and Safety Policy: Outlines safety measures, hazard identification and emergency response protocols
- Our Workforce Wellness programme: Outlines initiatives for physical, mental and emotional wellbeing
- Crisis and Emergency Response framework: Maintains a structured approach to incident management and employee safety
- Incident Reporting and Investigation framework: Ensures thorough reviews of workplace accidents and continuous improvement in safety practices

Supporting workforce wellbeing

The COVID-19 pandemic underscored the importance of employee wellness, leading FMHL to increase our focus on initiatives that support employees' overall wellbeing, improving business continuity and resilience.
Employee wellness initiatives
To encourage employee health and work-life balance, we have implemented a range of structured wellness programmes, including:

- Preventative health screenings enable early detection of health risks and promote proactive healthcare.
- Workplace stress management and resilience training, equipping employees with tools to handle job-related pressures.
- Onsite fitness and wellness programmes that encourage physical activity and a balanced lifestyle.
- EAPs providing confidential counselling, mental health support and financial wellness coaching.
- Flexible work arrangements to improve work-life balance, enhance productivity and reduce burnout.

We conduct quarterly wellness initiatives and an annual employee health assessment , where employees consult with health practitioners to identify potential health risks and adopt corrective lifestyle measures. These assessments provide valuable feedback, helping us tailor human capital strategies to employee needs and strengthen our workforce support structures.

Employee welfare and benefits

FMHL supports employees' long term financial security through pension contributions.

Pension contributions (USD)	2024	2023	2022	2021
Contribution	995 878	621 656	291 710	64 905

FMHL also recognises the importance of family support and offers comprehensive parental leave benefits. Our parental leave policy ensures employees are supported before, during and after their leave period, reinforcing our commitment to work-life balance and gender inclusivity.

Parental leave (head count)	2024	2023	2022
Employees who took maternity leave	19	15	15
Employees who returned after maternity leave	11	12	9

Health and safety

FMHL is committed to creating a safe and compliant work environment, ensuring all employees, contractors and stakeholders operate in conditions that minimise workplace risks and promote overall wellbeing.

Our proactive approach to occupational health and safety (OHS) includes structured policies and initiatives that identify, assess and mitigate hazards before they escalate into incidents. Core elements of our workplace safety framework include:

- Comprehensive risk assessments to detect and address potential hazards in the workplace
- Mandatory health and safety training for employees and managers, reinforcing safe work practices
- Emergency preparedness drills, including annual fire drills and evacuation simulations, to test response protocols
- Incident reporting and investigation mechanisms that enable timely response and corrective action
- Technology-driven safety tracking, integrating digital reporting systems to enhance workplace safety compliance

FMHL also conducts annual emergency preparedness exercises, ensuring employees are equipped to respond to unexpected incidents efficiently and effectively. Employees receive first aid and fire safety workshops, further reinforcing their ability to identify and respond to risks in the workplace.

Hazard identification and risk management

All employees are encouraged to report hazards, which are formally assessed by the Human Resources and Risk Management departments. This process includes:

- Thorough inspections and documentation of hazards reported
- Implementation of corrective measures to reduce risks
- Continuous review of safety protocols to enhance workplace safety

Performance and compliance

FMHL employees report increased awareness of workplace safety measures, reinforcing the effectiveness of our training programmes. Regulatory stakeholders continue to emphasise the importance of transparency in OHS performance reporting, guiding our efforts in improving safety compliance across all business units.

Key OHS performance indicators for 2024

	2024	2023	2022	2021
Workplace accident and injury rate	-	-	-	-
Lost-time injury frequency rate (LTIFR)	-	-	-	-
Employee participation in OHS training	High participation			
Workplace safety audits and compliance rate	100% compliance			

Future focus areas

Our primary health and wellness goals for 2025:

- Expanding mental health and resilience programmes to improve employee wellbeing.
- Increasing awareness and leadership engagement around work-life balance and mental health.
- Enhancing data-driven risk assessments to proactively identify and address workplace hazards.
- Integrating advanced digital reporting tools for safety compliance and wellness tracking.

SOCIAL AND ECONOMIC IMPACT

FMHL understands that creating sustainable value extends beyond financial performance to encompass meaningful contributions to the societies and economies in which we operate. In Zimbabwe's dynamic socio-economic landscape, our social and economic efforts strengthen community resilience, support livelihoods drive inclusive growth and underpin our social licence to operate.

Our focus areas

	Why this matters	Our response
Corporate social responsibility Pages 89 to 93	Strong community ties enhance social stability and stakeholder trust, vital for sustainable operations in Zimbabwe's challenging context.	We invest in education, health and financial inclusion through the First Mutual Foundation and business unit-led initiatives, building resilience and opportunity.
Responsible procurement Pages 92 to 94	Ethical and sustainable supply chains bolster local economies and reduce operational risks amid market volatility.	We centralise procurement to optimise costs and quality, embedding sustainability principles to support local suppliers and resilience.
Economic value generation Pages 94 to 96	Robust financial performance drives employment, shareholder returns and community investments, essential for stability and local growth.	We pursue growth in revenue and assets under management, reinvesting profits into expansion and stakeholder value creation.
Responsible tax contributions Pages 96 to 98	Transparent tax contributions fund public services, supporting societal development while ensuring compliance in a regulated environment.	We prioritise full compliance and tax efficiency, aligning with high governance standards to sustain cash flows and public benefit.

Challenges and opportunities

FMHL operates in a complex environment shaped by macroeconomic volatility, rising stakeholder expectations and regulatory shifts towards an emphasis on long-term sustainability. Zimbabwe's multi-currency system, marked by hyperinflation and exchange rate instability, challenges our ability to sustain economic contributions and broad community support. Concurrently, the informalisation of the economy and sociopolitical uncertainties strain public infrastructure, increasing the need for private sector support in education, health and financial inclusion. These conditions test our financial resilience, as currency fluctuations impact long-term product demand, procurement costs and profitability.

Yet, these challenges present significant opportunities. FMHL's focus on growing assets under management enables us to leverage regional expansion and innovative financial products, such as microinsurance and sustainable investments, to bolster economic stability and inclusion. Rising ESG awareness among stakeholders offers a chance to deepen social impact through strategic CSR and responsible procurement, aligning with global standards while addressing local needs. By embedding sustainability across our value chain, we can enhance community resilience and position FMHL as a leader in Zimbabwe's financial sector.

Associated material matters	Supporting our TARGETS strategy

Our strategic response

Our commitment to 'Go Beyond' reflects a deep awareness of managing our business in a socially responsible manner. We believe in delivering impact that extends beyond business services, ensuring our products, engagements and investments contribute meaningfully to people's lives and the broader economy. As an organisation, we have an important role to play today, tomorrow and for generations to come. This philosophy is deeply embedded in our company culture, shaping how we innovate, serve customers and support the communities we operate in.

We aim to improve the social and economic dignity of the people and communities we serve across our host nations.

Contributing to sustainable social and economic resilience by aligning our business expansion with cradle-to-grave impact-driven solutions, such as:

- Expanding microinsurance to serve underserved communities
- Establishing clinics to improve medical access to quality care
- Investing in purpose-built accommodation at tertiary institutions to support education and economic dignity
- Developing funeral parlours to provide seamless services for insurance policyholders

Read more about how FMHL is addressing critical societal needs on pages 89 to 92.

Channelling resources into education and health initiatives through the First Mutual Foundation, targeting disadvantaged communities in Zimbabwe.

Optimising supply chains to support local economies, centralising procurement to save costs, improve quality and create jobs.

Reinvesting profits into regional projects and innovative products to enhance financial resilience and create jobs, supporting Zimbabwe's GDP.

Ensuring full tax compliance and efficiency.

Corporate social responsibility

FMHL's commitment to CSR supports delivery on our social impact and economic dignity goals, aligning with our 'Go Beyond' philosophy. By investing in education, healthcare and financial inclusion initiatives, FMHL seeks to empower communities, reduce social inequalities and support national development goals while enhancing stakeholder trust.

Accountability and responsibility	• The Board ESG Committee oversees FMHL's CSR programmes. • The CSR and Sustainability teams are responsible for designing, implementing, and monitoring CSR projects. • Business unit heads contribute by integrating social impact considerations into their respective operations.
Regulatory compliance	• We comply with corporate governance and CSR reporting requirements, ensuring transparent disclosure of social impact initiatives • The Group aligns its CSR strategy with national development priorities.
Going beyond compliance	• The First Mutual Foundation, established in 2014, targets disadvantaged communities to mitigate educational and health access gaps, as well as financial inclusion and community resilience. • Our subsidiaries independently identify and address urgent community needs, such as providing disaster relief, orphanage support, disability assistance and gender empowerment initiatives.

Our approach to CSR is guided by:
- CSR Policy: Outlines FMHL's approach to community investment, social impact measurement and stakeholder engagement.
- Financial Inclusion strategy: Supports initiatives promoting access to financial services for underserved communities.
- CSR Impact Measurement framework: Ensures CSR programmes are monitored, evaluated and aligned with sustainability goals.
- Crisis Management Committee Charter: Manages risks and ascertains structured execution of CSR initiatives.

First Mutual Foundation

The First Mutual Foundation is FMHL's primary vehicle for delivering its CSR initiatives. Rooted in the Group's purpose and values, the Foundation focuses on building resilient communities and improving quality of life across Zimbabwe through targeted investments in social and economic development.

The Foundation's activities are structured around five pillars:
- Education, the core focus area, with long-term investment in school and tertiary support.
- SBU-specific projects, nominated and implemented by FMHL's subsidiary business units.
- Community partnerships, often implemented with civil society or local government stakeholders.
- National emergency support, activated in response to significant social or environmental disruptions.
- Ad hoc giving, including philanthropic donations to registered organisations or causes aligned with FMHL's values.

In 2024, the Foundation was allocated US$138 000, with a significant portion dedicated to supporting education initiatives. This includes the First Mutual Foundation Scholarship Fund, which has been integral to FMHL's education support. Over the years, more than 1 000 students have benefited from this programme, which provides academic support as well as long-term opportunities for the recipients.

Scholarship selection is conducted in partnership with Bantwana Zimbabwe, a child welfare and education-focused NGO. Beneficiaries are selected based on humanitarian need, academic performance and community referrals. The process is overseen by the Corporate Social Investment team, with input from World Education Zimbabwe, school authorities and FMHL's subsidiary business units to ensure transparency and impact.

Education

Education plays a vital role in Zimbabwe, where economic challenges and limited public funding can make schooling less accessible for many families, contributing to ongoing disparities. Through the First Mutual Foundation, we provide financial and material support to students from underprivileged backgrounds, making sure they have the resources needed to progress through primary, secondary and tertiary education.

The Scholarship Fund, established in 2014, supports students who have lost one or both parents and face significant barriers to continuing their education. The Fund covers tuition, examination fees and school levies, and goes beyond basic support to address other unmet needs. These include stationery, uniforms, bus fare and additional educational materials. For tertiary students, the bursary covers tuition, accommodation and a monthly stipend, with laptops provided to first-year university students as part of their onboarding. The programme has helped to improve school attendance, retention and graduation outcomes.

The First Mutual Africa University Scholarship further extends our commitment to tertiary education access. In 2024, the programme expanded to include five additional state universities, bringing the total number of institutions supported to six. Fifteen new scholarships will be awarded – three at each new university – further broadening access to higher education and strengthening Fund's impact.

A key focus remains the efficient administration of all scholarships, ensuring timely payments and sustained support to beneficiaries. The positive impact of these efforts is reflected in improved transitions across education levels and in the academic success of participating students.

Our performance

Access to education	School attendance and retention	Higher education support	Graduation success
• 105 children supported with school fees, stationery and uniforms (2023: 94) • 54 students received uniforms, ensuring continued learning opportunities (2023: 49)	• 85%+ attendance rates (2023: 83%) • 93 students retained in primary and secondary education (2023: 86 students)	• 15 tertiary students across five state universities and Africa University received comprehensive aid, covering tuition, accommodation and food (2023: 15 students)	• Six students graduated in 2024 (2023: two) • 1 graduate joined FMHL as a permanent employee (2023: 2)

Case study: First Mutual Holdings Scholarship Fund

Testimonial: Eritah Kapesa

After losing my father in 2006, our family struggled financially, and I had to drop out of school in Grade 3 due to lack of support.

Six months later, I was selected for the Zimbabwe Accelerated Learning Programme (ZALP), which helped out-of-school learners return to education. While attending afternoon classes through ZALP, I received school stationery and support from teachers who believed in me.
Not long after, I was selected for the First Mutual Scholarship, delivered in partnership with Bantwana Zimbabwe. This programme allowed me to rejoin formal schooling in Grade 4 and supported me through to A-level. I received school uniforms and other essentials every year.

With this support, I passed my O-levels with 11 subjects (including three As and six Bs) and achieved 17 points at A-level with strong results in Statistics, Biology, Crop Science and Geography.

I am deeply grateful to First Mutual Holdings and Bantwana Zimbabwe for transforming my life. I hope to continue receiving support to further my studies and I promise to keep working hard and striving for excellence.

– Eritah Kapesa
Chinorumba village

Health

Healthcare access remains a critical challenge in Zimbabwe, particularly in rural areas where medical services are limited and economic barriers hinder affordability, affecting overall community wellbeing.

To address these challenges, FMHL runs community-focused preventive healthcare campaigns that promote wellness, disease prevention and maternal health through education and access to essential services. The Group supports mobile health clinics, offering free medical and dental care, including screenings, consultations, vaccinations and pharmacy services in underserved areas.
Additionally, FMHL collaborates with small businesses, cooperatives and informal sector associations to provide subsidised group health insurance, expanding access to essential healthcare services.

Programme	2024 outcomes
Hopehill Outreach	138 patients served with free medical services (GP, dental, counselling and eye checks)
Mbare Police Camp	74 patients served with free medical services (GP, dental, counselling and eye checks); primarily targeted police officers and their families
St Claire Catholic	30 patients served with free medical services (GP, dental, counselling and eye checks)
Southerton Community	86 patients served with free medical services (GP, dental, counselling and eye checks) Partnership with Population Solutions for Health (PSH)
Masvingo	236 patients served; collaborated with New Start, Zimbabwe Family Planning Council, Population Services
Chemonics	Wellness for both clinic and dental We did free BP, blood sugar checks, weighing of clients and oral healthcare talk
Barloworld	Wellness for both clinic and dental We did free BP, blood sugar checks, weighing of clients and oral healthcare talk

Financial literacy

As part of our commitment to financial inclusion, FMHL supports financial literacy initiatives that equip individuals and businesses with the knowledge needed for responsible financial management, insurance awareness and investment planning. These programmes focus on budgeting, savings, risk management and long-term planning, helping underserved communities, youth and small businesses make informed financial decisions.

In 2024, First Mutual Microfinance extended this work through grassroots training in Mhlaguneleni Ward, Beitbridge (135 participants) and Chasvingo Ward, Chiredzi (87 participants). The workshops covered practical modules such as record keeping, interest calculation, savings, modes of banking and business health, enabling participants to improve their personal and business financial practices.

FMHL also conducts free financial education workshops in schools, communities and workplaces. Youth-focused programmes offer mentorship on personal finance, credit management and wealth-building, while employee volunteering initiatives allow FMHL professionals to share their expertise through outreach activities.

By expanding access to financial education, FMHL is helping to strengthen Zimbabwe's savings and investment culture and contribute to broader economic growth through a more informed and financially capable population.

Read more about our financial education offerings at https://www.firstmutual.co.zw/ff-e-learning/

Financial access

Our products and services are designed to support Zimbabweans throughout their life stages, promoting access to appropriate financial solutions. We take this responsibility seriously, particularly in providing credit facilities to salaried individuals and SMEs who may otherwise struggle to access finance owing to inadequate records or credit histories. By assessing business plans and leveraging AI-driven scoring technologies, we continuously expand our database, enabling us to evaluate both new and existing customers. This approach fosters responsible credit behaviour, encouraging repeat business and long-term financial growth.

We are committed to responsible lending, ensuring loans are used ethically and effectively. Looking ahead, we aim to expand our SME lending portfolio, making a more sustainable contribution to economic growth and employment, ultimately improving lives and livelihoods through our financial solutions.

Read more about SME development initiatives on page 94.

Community support

Beyond our focus on education, health and financial literacy, FMHL provides community support for vulnerable groups in response to pressing social needs. These efforts are driven by subsidiary-level initiatives. Each business unit identifies local needs and initiates CSR activities that align with community priorities, allowing FMHL to remain flexible and responsive to the evolving needs of the communities it serves.

Community donations include:

- Humanitarian assistance and disaster relief in response to natural disasters, socio-economic crises and unexpected hardships
- Material and financial assistance to orphanages and child welfare organisations, including school supplies, clothing and food donations
- Mobility aids, assistive technology and healthcare support for individuals with disabilities
- Support for women's empowerment initiatives, focusing on economic independence and safety

Donor	Initiative	Value
FMHL	Education bursaries	US$138 000
	Wellness: First Mutual Marathon	US$43 000
	Community engagement: Choral Competition	US$18 000
	Philanthropy	US$3 000
	Industry body (OESAI) sponsorship	US$30 000
First Mutual Properties	Island Hospice Mutare	US$5 000
	Fairy Patch Kids Home (Goromonzi)	US$5 000
NicozDiamond Insurance	Bumhudzo Old People's Home	US$5 000
	Tariro House of Hope	US$5 000

Case study: Restoring dignity at Fairy Patch Orphanage, Goromonzi

In 2024, First Mutual Properties (FMP) partnered with the Fairy Patch Foundation, an NGO dedicated to supporting orphanages through clean energy and basic infrastructure, to uplift the lives of children at the XTREME Trans Foundation Orphanage in Goromonzi.

The orphanage was facing severe hardship. Children lacked warm clothing and basic bedding, some shared beds, and meals were often irregular. The home also had no reliable power or water supply, and one young girl had to be carried by others owing to the lack of a wheelchair.

FMP responded by donating solar panels, lithium batteries, a borehole pump, blankets and mattresses for all 35 children. These upgrades provided a stable water source, a sustainable energy supply and basic comforts to improve daily living conditions, just in time for winter.

This initiative reflects FMP's commitment to fostering social responsibility and creating lasting impact in the communities where it operates. By addressing urgent needs and investing in renewable energy and infrastructure, FMP is helping to build a safer, more nurturing environment for vulnerable children.

Looking ahead, FMP has pledged to deepen its support. A second phase of the initiative proposes the construction of two dormitories, a kitchen and a shared living space. The Company has also committed to adopting the orphanage and paying school fees for disadvantaged children, ensuring long-term care and educational access.

This project forms part of a broader strategy by the FMHL Group to embed sustainability in its core operations and contribute positively to the lives of those most in need.

Monitoring and managing CSR performance

We track the effectiveness of our CSR initiatives via financial reports from our implementation partners, monitoring visits and AI-driven impact assessment tools to measure CSR project outcomes.

To ensure effective management of potential impacts on CSR, we established a Crisis Management Committee. This committee is responsible for promptly addressing any challenges or crises that may arise within our CSR initiatives.

KPI	2024	2023	2022	2021
CSR investment (USD)	36 000	30 000	39 000	51 000
Number of beneficiaries reached	105	94	84	88

Future focus areas

Our primary CSR goals for 2025:
Expanding CSR engagement across FMHL's subsidiaries and regional markets.
Refining and formalising our strategic social impact approach.
Measuring long-term impact of social initiatives beyond short-term metrics.

Responsible procurement

We source goods and services from a variety of providers and understand that our procurement process can have a significant impact on the environment, economy and people's rights. By embedding sustainability criteria into procurement decisions, FMHL aims to drive supply chain resilience, reduce costs, create opportunities for local suppliers and enhance corporate reputation.

Accountability and responsibility	• The Board ESG and Risk committees oversee FMHL's sustainable procurement strategy and policy compliance. • The Procurement and Supply Chain teams are responsible for integrating sustainability criteria into vendor selection and contract management. • Risk and Compliance teams confirm adherence to ethical procurement standards, supplier due diligence and ESG reporting requirements.
Regulatory compliance	• We comply with Zimbabwean procurement regulations, including the Public Procurement and Disposal of Public Assets Act (PPDPA), ensuring transparent supplier selection and anti-corruption standards. • RBZ and IPEC sustainability reporting guidelines emphasise supply chain transparency.
Going beyond compliance	• ESG principles are integrated into supplier management through our Supplier Code of Ethics as well as supplier screening, audits and training. • Our suppliers are encouraged to reduce waste, incorporate recyclable materials and adopt resource-efficient production methods to align with circular economy principles. • We prioritise procurement from local SMEs and community-based suppliers.

FMHL's approach to responsible procurement is guided by:

- Procurement Policy/procedures: Defines FMHL's approach to centralised, cost-effective and sustainable sourcing, upholding supplier quality as well as local benefits.
- Green procurement preferences: Mandates supplier compliance with ESG criteria, ethical sourcing and responsible supply chain management.
- Supplier Code of Conduct: Establishes expectations on human rights, fair labour practices, environmental sustainability and anti-corruption.
- Local Supplier Development programme: Prioritises SMEs, community-based suppliers and Zimbabwe's indigenisation and economic empowerment policy

Managing our supply chain

FMHL's centralised procurement system promotes efficiency, cost-effectiveness and supplier accountability across all business units. This approach includes a competitive three-quote system, standardised procurement policies and automated tracking systems to enhance transparency and cost control. Suppliers must meet predefined delivery timelines, with penalties for delays.

We monitor supplier performance through weekly tracking of requisitions, quarterly audits, AI-driven analytics and data-driven dashboards that provide visibility into cycle times and performance.

Supply chain risk mitigation

To safeguard against supply chain disruptions, we have implemented risk management measures that address potential bottlenecks, inefficiencies and regulatory non-compliance. Key risk mitigation strategies include diversifying supplier networks for critical goods and services, ensuring supplier contracts include performance-based clauses and sustainability criteria and automating procurement workflows to reduce human error and inefficiencies. Compliance with industry regulations and ethical procurement standards is strictly enforced.
Regular feedback sessions with business units help identify procurement challenges, while open communication channels with suppliers promotes continuous improvement.

Promoting sustainable business practices

We integrate sustainability and ethical business practices into FMHL's supplier management processes to ensure our supply chain aligns with ESG principles. The Group's approach includes a Supplier Code of Ethics, supplier screening, audits, training programmes and strict compliance measures to promote responsible business conduct.

<table>
<tr><th colspan="3">Supplier Code of Ethics</th></tr>
<tr><td colspan="3">We require all suppliers to adhere to FMHLs Supplier Code of Ethics. This ensures procurement partners uphold the following:
• Compliance with anti-corruption, labour rights and fair competition laws
• Fair labour practices, including prohibition of child labour, forced labour and discrimination
• Maintenance of high health and safety standards
• Environmental responsibility through efforts to reduce waste reduction and adopt eco-friendly production processes</td></tr>
<tr><td>Supplier screening
FMHL implements a supplier vetting process to assesses all procurement partners on regulatory compliance, ESG commitments and business practices before engagement.

Only suppliers meeting these criteria are approved for contracts to ensure sustainability and operational efficiency.</td><td>Supplier audits and compliance monitoring
FMHL monitors our suppliers to evaluate ethical compliance, operational performance and environmental impact. Key supplier audit measures include quarterly compliance reviews, onsite ESG assessments and performance scorecards tracking delivery efficiency, quality and sustainability.

Non-compliant suppliers are given corrective action plans and, in cases of repeated violations, may be disqualified from our supply chain.</td><td>Supplier training and capacity building
FMHL provides supplier training programmes to educate and empower our procurement partners. These initiatives include workshops on sustainable business practices, training on our procurement policies and compliance requirements and guidance on improving labour conditions and workplace safety.</td></tr>
</table>

Developing local suppliers

FMHL prioritises support for local suppliers and SMEs as part of our responsible procurement strategy. This approach supports economic growth and job creation, reducing reliance on imports, shortening supply chains and improving operational efficiency.

Increasing procurement from local suppliers
A significant portion of our procurement spend supports Zimbabwean businesses. Efforts to increase this spend include dedicated procurement targets for local businesses, lowering entry barriers for SMEs and strengthening long-term partnerships with reliable local vendors. We are pleased to note our spend with local suppliers continued to increase in 2024.

Supporting SME growth
We appreciate that many local SMEs lack access to resources, training and market opportunities, which can limit their ability to meet corporate procurement standards. To address this, FMHL invests in supplier development through capacity-building workshops, mentorship and financial literacy training to enhance SME capabilities and competitiveness.

In addition, we aim to ensure historically underrepresented businesses gain access to corporate procurement opportunities. We encourage procurement from women-owned and youth-led businesses and form partnerships with cooperatives and small enterprises, helping these SMEs to compete alongside larger vendors.

Monitoring and measuring our performance

	2024	2023
Procurement spend (total) ZWG	117 699 450	429 406 588
Procurement spend (total) US$	5 102 725	4 450 798
% Recycled materials procured	845	494

Future focus areas

To further align procurement with ESG goals and drive positive impact across our value chain, FMHL is undertaking the following:

- Enhancing supplier data collection to track ESG-related performance metrics.
- Introducing sustainability-linked contract clauses that require measurable environmental and social commitments.
- Strengthening supplier environmental audits to improve compliance.
- Expanding green procurement across subsidiaries, aligning with regional sustainability needs.
- Exploring new financing mechanisms for SMEs, ensuring access to capital for business expansion.
- Enhancing supplier onboarding processes, making it easier for SMEs to qualify as FMHL vendors.

Economic value generation

FMHL emphasises value creation over the long term and does this in a way that generates benefits for employees, customers, investors, government and local communities. We align our value creation and distribution with stakeholder expectations and long-term financial sustainability by ensuring the following.

Accountability and responsibility	• The Board and Audit committees oversee FMHL's economic performance strategy and financial decision-making. • The Group CFO and Finance teams manage economic value generation, financial planning and reporting. • Business unit heads contribute to profitability, revenue growth and financial sustainability across FMHL's subsidiaries.
Regulatory compliance	• We comply with Zimbabwean financial regulations, including Reserve Bank of Zimbabwe (RBZ) guidelines and the Insurance and Pension Commission (IPEC), upholding transparent revenue and profit reporting. • Regular audits and financial reviews promote alignment with corporate governance and financial sustainability requirements.
Going beyond compliance	• We reinvest profits into regional projects and innovative products, creating jobs and enhancing financial resilience beyond regulatory expectations.

Our approach to sustainable economic value creation is guided by:

- Financial Strategy framework: Outlines FMHL's approach to revenue growth, asset management and profit reinvestment for economic value.
- Investment Policy: Guides sustainable wealth creation through high-performing, ESG-aligned investments.
- Risk Management framework: Mitigates financial risks, including currency volatility and market fluctuations.

Revenue growth and profit reinvestment

We generate economic value through strong revenue growth and disciplined profit reinvestment. Despite a challenging economic landscape marked by currency volatility and inflationary pressures, the Group exceeded budget targets for revenue and profit after tax in 2024. Our financial performance funded shareholder dividends supported expansion projects and strengthened liquidity to navigate macroeconomic uncertainties.

Product innovation and financial inclusion
Innovation remains central to FMHL's strategy for enhancing financial inclusion and addressing the needs of our unique markets. By leveraging digital platforms, we have introduced automated financial solutions and enhanced wealth management services, making financial tools more accessible. These initiatives improve customer experience and strengthen economic stability in an increasingly digitalised financial sector.

During 2024, we continued to invest in digital tools and platforms, including self-service platforms, mobile applications, chatbots and process automation to enable faster and more accessible services.

FMHL Group USSD service	A micro-product-based self-service platform accessible via dial *712#, enabling quick access to financial services.
FMHL Group mobile application	A digital platform offering customers account management, claims processing and premium payments, available for download on Google Play Store.
NicozDiamond Chatbots	AI-powered chatbots providing customer support, policy information and claims assistance via Facebook and WhatsApp.
First Mutual Health Chatbot (Thuso)	A WhatsApp-based self-service platform that offers policy management, FAQs and direct customer engagement.
Digital claims processing	An AI-driven system reducing turnaround time for claims assessment and settlement, improving customer experience and transparency.
Integrated digital payment platforms	Enhanced payment flexibility through multi-currency transactions, mobile wallets and online banking integrations.
Customer relationship management system	A centralised platform to track customer interactions, improving service efficiency and response times.

We also increased our microinsurance offerings, delivering tailored financial solutions to underserved communities, reaching 4 540 new customers in 2024.

Read more about how FMHL is launching innovative financial solutions on pages 49 to 56.

Infrastructure and property development
Prudent capital management has allowed FMHL to sustain growth initiatives, such as asset acquisitions and infrastructure investments, underpinning long-term financial resilience.

Delivering value to shareholders
We take a balanced approach to shareholder returns and long-term business sustainability. In 2024, we continued our dividend distribution strategy, providing stable returns while reinvesting in key growth areas. An interim dividend of US$0.6 million was declared, and a final dividend of US$1.2 million was declared, bringing the total dividend for the year to US$1.8 million. This underscores our commitment to delivering consistent value to shareholders.

Additionally, growth in assets under management (AUM) has reinforced FMHL's ability to generate sustainable wealth. As at 31 December 2024, we managed assets worth US$151 million, surpassing 2023 levels of US$83 million and enhancing long-term shareholder value. Strategic capital allocation ensures investment decisions remain aligned with our financial stability objectives.

Providing fair remuneration and benefits to employees
We recognise that talent retention and workforce stability are critical to economic value creation. In 2024, our employee value proposition and sustainable remuneration approach helped reduce staff turnover, promoting continuity and productivity. The compensation structure includes:

- Performance-driven bonuses, incentivising employees to contribute to FMHL's growth
- Share-based payments for executives, aligning leadership interests with long-term financial success
- Market-competitive salaries, based on external benchmarks, enhancing our ability to attract and retain top talent

As part of our commitment to employee wellbeing, we regularly benchmark remuneration against industry standards and adjust compensation policies to remain competitive in a fluctuating economic environment.

Read more about approach to Employee Wellness on page 86.

Monitoring and measuring our performance

FMHL employs robust governance and oversight mechanisms to ensure our financial strategies remain effective. Key performance tracking measures include:

- Quarterly strategy review sessions to assess economic performance against targets
- Monthly Exco meetings to monitor business unit performance and address emerging risks
- Board-level oversight on cash flow, capital allocation and financial sustainability
- Bi-annual external audits and ad hoc internal audits, reinforcing financial discipline and compliance

To measure the wealth we create through our operations and the subsequent allocation of our revenue by stakeholder group, we utilise direct economic value generated and distributed metrics. The difference between value created and distributed is the economic value retained by FMHL, which goes towards further developing our business.

Direct economic value generated and distributed

	Stakeholder	2024	2023 (Restated)*
		USD	USD
Direct economic value generated		153 077 740	219 080 418
Revenue from rendering insurance services	Wide variety of stakeholders	156 218 425	183 446 621
Revenue from other services		17 066 712	12 945 724
Investment income (net OCI movements)		(23 187 270)	20 126 006
Other operating income		2 979 874	2 562 067
Economic value distributed		(164 450 370)	(194 326 933)
Operating expenses	Suppliers and contractors	(129 378 473)	(155 083 068)
Wages and other payments to employees	Employees	(26 252 349)	(30 723 151)
Payments to providers of capital	Shareholders and investors		
Payments to shareholders		(1 796 360)	(1 529 839)
Payments to creditors		(1 804 977)	(1 108 103)
Payments to government	Government authorities		
Value Added Tax (VAT)		(2 075 073)	(1 231 324)
Withholding Tax – 20% on directors' fees		(393 681)	(246 773)
IMTT		(546 426)	(950 654)
Income tax expense		(2 203 031)	(3 405 557)
Economic value retained		(11 372 630)	24 753 485

**Note: The 2023 direct economic value generated and distributed was previously reported in ZWL. This was restated by converting to the Group's new presentation and functional currency, USD.*

Future focus areas
Our primary economic value creation goals for 2025: Increasing revenue above prior-year levels and at least meet budget expectations to sustain business expansion. Enhancing profit margins through cost efficiency, optimised capital allocation and higher investment returns. Investing in digital transformation initiatives to enhance efficiency, expand service offerings and streamline operations.

Responsible tax contributions

Tax transparency and responsible tax practices are essential to FMHL's financial sustainability, regulatory compliance and our contribution to national economic development. As a leading financial services provider, we ensure our tax strategy aligns with legal requirements, corporate governance best practices and ethical financial management principles.

Accountability and responsibility	• The Board Audit and Risk Committee oversees tax governance, compliance and risk management. • The Group CFO and business unit Finance Departments are responsible for tax planning, reporting and regulatory compliance. • The Risk and Compliance teams monitor tax-related financial risks and confirm adherence to regulatory frameworks
Regulatory compliance	• FMHL adheres to Zimbabwe Revenue Authority (ZIMRA) regulations and international tax reporting standards. • We ensure full compliance with corporate income tax, VAT, withholding tax and PAYE obligations.
Going beyond compliance	• We optimise tax efficiency to fund business growth and public services, enhancing societal infrastructure beyond legal obligations.

FMHL's approach to responsible tax is guided by:

- Tax Risk Management framework: Identifies and mitigates risks related to tax audits and regulatory changes.
- Cash Flow Optimisation strategy: Ensures tax planning supports liquidity and reinvestment opportunities.

Tax compliance and reporting

FMHL maintains strict compliance with Zimbabwean tax laws, with full adherence to regulatory requirements despite the complexities of economic volatility and multi-currency taxation. Our tax strategy is designed to minimise tax liability, optimise cash flow and uphold ethical business practices while leveraging legal provisions within tax legislation.

To mitigate risks associated with non-compliance, penalties and litigation, we take a proactive approach to tax management, particularly in areas such as transfer pricing regulations. The Group Legal Department plays a key role in complex tax matters, confirming regulatory alignment and risk mitigation and engaging external specialists to capture changes in tax laws.

The Group submits quarterly reports to the ZIMRA, with an internal target of achieving 100% compliance with no penalties. To ensure accuracy, our tax compliance framework includes quarterly internal reviews and external audits to further validate compliance and identify potential areas for enhancement.

Tax risk management

The Group adopts a conservative approach to tax management, upholding full compliance while avoiding aggressive tax planning that could undermine corporate contributions to the fiscus. We place a strong emphasis on monitoring transfer pricing regulations, making sure intercompany transactions align with legal requirements and do not pose compliance risks. To stay ahead of regulatory changes, we actively participate in ZIMRA tax update seminars and equip our finance team with up-to-date knowledge on evolving legislation.

A qualified tax administrator oversees timely tax return submissions and manages the tax implications of special transactions, reducing the risk of errors and non-compliance. Additionally, the Group Compliance Officer prepares monthly tax compliance reports, providing ongoing oversight preventing penalties.

Stakeholder engagement

We maintain open and structured engagement with stakeholders to ascertain that our tax management decisions are aligned with regulatory requirements, business objectives and stakeholder expectations. Formal processes for tax-related discussions are in place, including monthly Group Executive Committee meetings, quarterly Board meetings and Audit Committee meetings. These platforms facilitate constructive dialogue, risk assessment and strategic decision-making, ensuring both internal and external perspectives are considered in the Group's tax approach.

Engagement with tax authorities and public policy advocacy

We proactively engage with tax authorities to uphold accurate filings, regulatory compliance and dispute prevention, maintaining ongoing communication with ZIMRA through formal channels such as emails and letters.

In addition to direct engagement with tax authorities, we participate in public policy discussions through our Group Legal Department, which advocates for fair and sustainable tax policies that align with the Group's strategic objectives. This includes monitoring legislative developments and engaging in industry consultations to ensure FMHL's tax contributions support long-term economic growth.

Internal alignment and compliance training

We make certain our tax strategies are well integrated with business operations through regular updates to business units. Additionally, internal tax compliance training is provided to financial teams, ensuring employees remain informed of regulatory changes and evolving tax obligations.

Monitoring and measuring our performance

The table below presents FMHL's contributions to national revenue through various tax obligations. The significant increase in tax payments in 2023 reflects the impacts of hyperinflation.

Total tax Payments (USD)

Category	2024	2023	2022	2021
Value Added Tax (VAT)	2 075 073	1 231 324	1 405 017	1 066 243
PAYE	5 827 249	5 166 870	2 913 924	1 797 900
Withholding tax – 20%	393 681	230 467	140 896	198 027
Aids levy	238 775	207 506	145 828	64 795
IMTT	546 426	950 654	1 029 447	1 023 138
Total	9 081 204	6 555 497	5 635 112	4 150 103

Future focus areas

Our primary tax management goals for 2025:
Fully automating our tax compliance processes to streamline tax submissions.
Interfacing our systems with tax authority platforms to enhance accuracy in tax declarations.
Deepening stakeholder engagement with tax authorities, minimising uncertainties and potential disputes.
Eliminating tax penalties, with an internal target of maintaining a zero-penalty status.

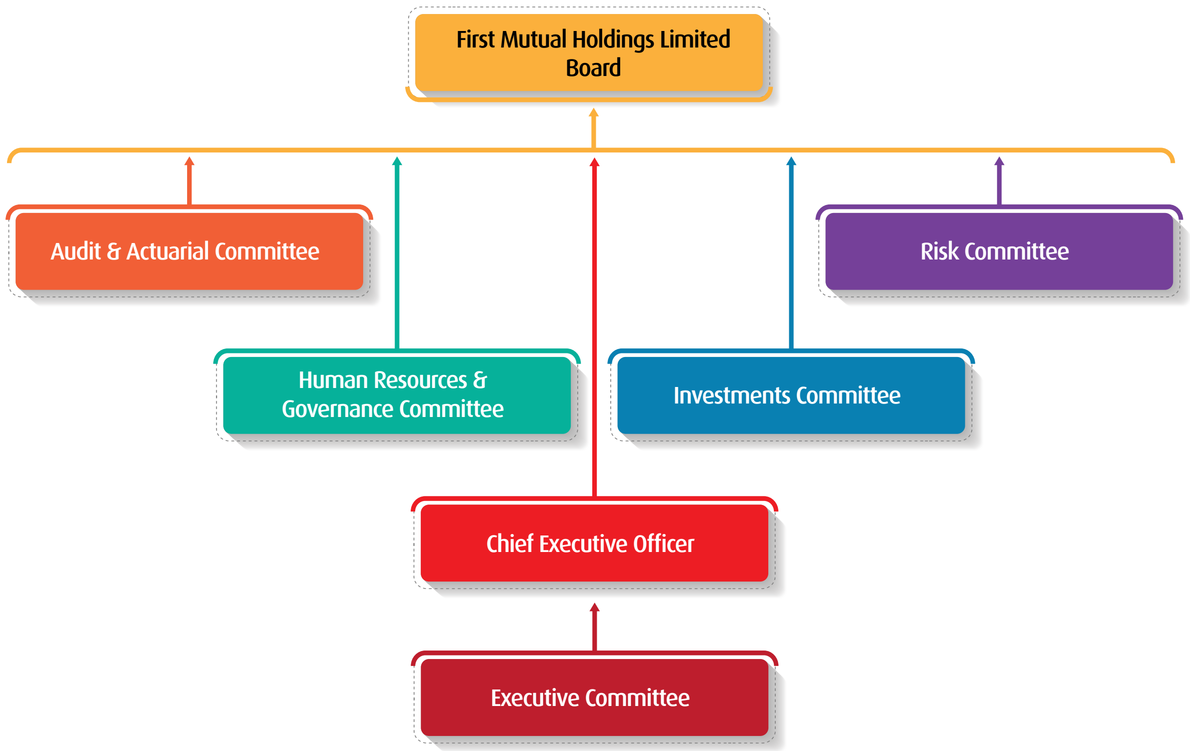
LEADING THROUGH GOOD GOVERNANCE

CORPORATE GOVERNANCE

Our governance framework is designed to promote effective decision-making, protect the interests of stakeholders and foster long-term sustainable growth. Key elements of our governance structure include a well-defined Board of Directors, with a diverse range of skills and expertise, who are responsible for overseeing the strategic direction of the Group. We adhere to the principles of fairness, integrity and ethical behaviour in all our business relationships.

Our policies and procedures are aligned with applicable laws, regulations and industry standards to maintain compliance. The Board and management firmly believe the existing governance systems and practices are well suited for the Group's operations, in accordance with the National Code on Corporate Governance Zimbabwe (ZIMCODE). Further, the Group consistently adheres to the Companies and Other Business Entities Act (24:31), SI134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Regulations, and other widely recognised frameworks on corporate governance.

Board structure

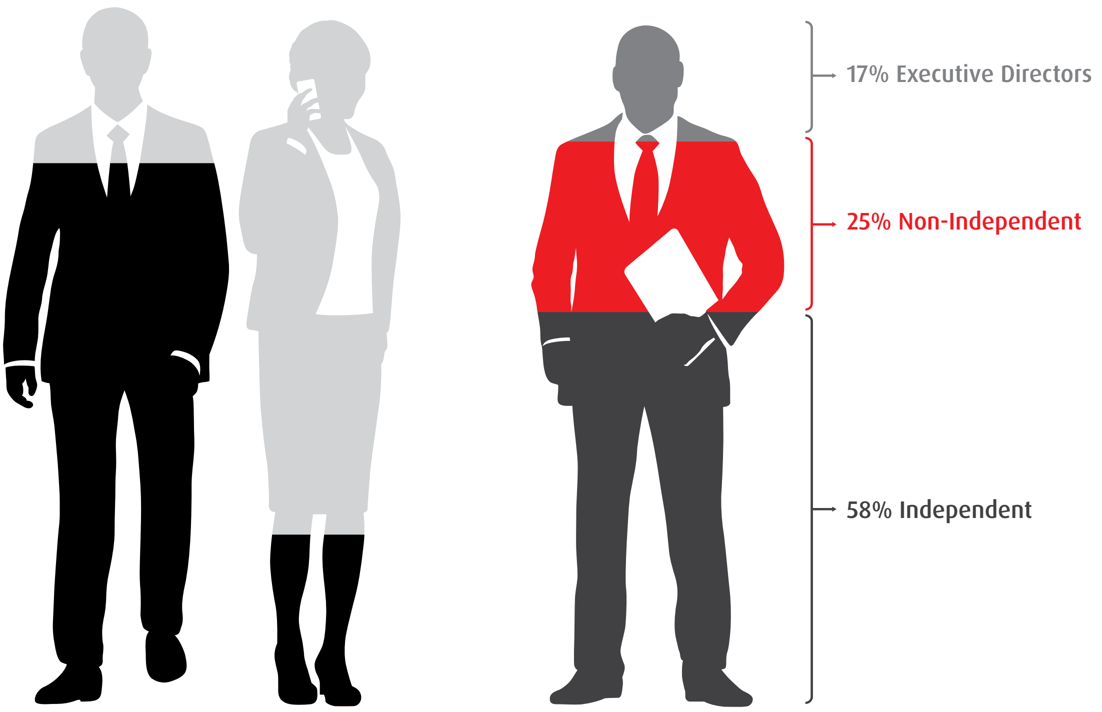


Board composition

The Board is comprised of individuals with diverse backgrounds, skills, and perspectives, representing a range of industries and disciplines relevant to our business. This diversity promotes decision-making, fosters innovation and enhances our ability to address complex challenges and opportunities.

The Board of Directors is chaired by an independent non-executive director and comprises nine other non-executive and two executive directors.

The Board composition by age, gender and skills is shown below:



Board responsibility
The Board plays a crucial role in approving the policies, plans and strategies of the Group. These decisions are made with the utmost commitment to ethical and professional standards, ensuring they are implemented effectively throughout the Group. One of the Board's key responsibilities is to safeguard the integrity of the Group's accounting and financial reporting systems. This includes overseeing independent audits to uphold transparency and accuracy in financial reporting.

To effectively carry out their responsibilities, the Board holds regular meetings and establishes committees that address specific areas of governance.

Through strategic planning, the Board collectively works towards setting the direction of the Group and confirming alignment with legal and regulatory requirements. Recognising the complexity of certain matters, directors have the right to seek independent professional advice at the Group's expense.

This allows them to obtain expert insight and guidance on intricate issues, promoting well-informed decision-making.

Board appointments
Executive directors within the Group are appointed based on their performance as outlined in their service contracts. This ensures individuals who demonstrate exceptional capabilities and contribute significantly to the Group's growth and success are appointed to these positions. To promote Board refreshment and maintain a healthy balance of perspectives, a third of the directors, including those appointed throughout the year, are required to retire on a rotating basis annually. This practice allows for new ideas to be infused into the Board, strengthening continuity and the retention of valuable institutional knowledge. When appointing new directors to the Board, careful consideration is given to various factors, including skills, expertise, age and gender diversity. The aim is to create a well-rounded and inclusive Board that reflects the diverse needs and perspectives of the Group and its stakeholders.

Board committees
The Board is supported by several committees that play a vital role in assisting with the execution of its duties and responsibilities. These committees hold meetings on a quarterly basis to assess performance, provide guidance to management, and address both operational and policy matters. Each committee operates in accordance with written terms of reference that outline their specific objectives and responsibilities.

These terms of reference assign certain tasks to the committees, ensuring they operate effectively and efficiently. To uphold compliance with legal provisions and adapt to the evolving business environment, the Group periodically evaluates the number of committees in place. The committees provide valuable insight and recommendations, contributing to the overall success and sustainability of the Group.

Audit and Actuarial Committee	**E. Mkondo (Chairperson); A. Makonese; N. Dude; I.P.Z Ndlovu** • The Committee's main responsibility is to maintain financial discipline and uphold strong corporate values within the Group. One of their key tasks is to thoroughly review and recommend the adoption of the Group's interim and annual financial statements to the Board. Additionally, the Committee is in charge of appointing and assessing the fees of external auditors. • In terms of actuarial work, the Committee plays a crucial role in safeguarding the interests of policyholders. They ensure that the assets of policyholders and shareholders of the insurance companies within the Group are accounted for separately. The Committee also devises and enforces profit participation rules, while reviewing actuarial valuation reports and monitoring the implementation of the recommendations.
Group Human Resources and Governance Committee	**S.V. Rushwaya (Chairperson); A.R.T Manzai; E. Moyo** • The Committee consists of three non-executive directors from First Mutual Holdings, with one serving as the Chairperson. Their primary role is to focus on employee development and create remuneration policies. They are responsible for approving remuneration packages for executive directors and senior executives. The Committee gathers data from independent advisors, including local and regional survey data, to ensure that the remuneration policy is suitable and in line with the current times. • In addition, the Committee plays a crucial part in reviewing and assessing the organisational structure in alignment with the Group's strategy. They provide recommendations to the Board based on their evaluations. • The Committee acts as a Nominations Committee for Directors across
Group Investments Committee	**A.R.T. Manzai (Chairperson); M. Mukondomi; A. Masiiwa; A. Chidakwa** • · The Committee is responsible for developing the investment strategy and policy for the Group. They carefully review the performance of existing investments within the business and provide recommendations for new investments to be approved by the Board. • · Additionally, the Committee plays a crucial role in supporting the Board by evaluating the implementation of the investment policies. They ensure that portfolio management aligns with the Group's established policies, thereby maintaining consistency and adherence to the set guidelines.
Group Risk Committee	**G. Baines (Chairperson); E. Moyo;. J. Katurura; J. Mberi** • The Committee's responsibilities include conducting a comprehensive review of the Group's risk strategy assessing current risk exposures, and evaluating risk governance. They play a key role in approving the scope of the risk management function and reviewing reports on significant breaches of risk limits, as well as the effectiveness of remedial actions taken. • The Committee provides valuable advice to the Board regarding the risk-related aspects of proposed strategic transactions; They collaborate with other Board Committees when necessary to ensure effective communication and coordination.

Board meetings

The Board convenes on a quarterly basis to discuss and strategise on various matters such as corporate direction, risk management practices, budgets and business plans. These meetings serve as a platform for the Board to collectively make informed decisions and set the course for the Group's future. In addition to regular meetings, the Board may also convene on an ad hoc basis to address matters that require immediate attention or decision-making. To ensure proper record-keeping, the Group Company Secretary is responsible for maintaining an attendance register of Directors for all scheduled meetings. This helps to track the participation of directors and maintain transparency of the Board's activities.

Committee meeting attendance

Board member	Board attendance	Audit Committee	Group Human Resources and Governance Committee	Investments Committee	Risk Committee
Amos Raymond Tamuonepi Manzai	6 out of 6		7 out of 7	4 out of 4	
Douglas Hoto	6 out of 6				
William Marere	6 out of 6				
Gareth Baines	5 out of 6				4 out of 4
Samuel Vengai Rushwaya	6 out of 6		7 out of 7		
Evlyn Mkondo	6 out of 6	6 out of 6			
Memory Mukondomi	6 out of 6			4 out of 4	
Elisha Moyo	6 out of 6		5 out of 7		4 out of 4
Matthew Mangoma	2 out of 2				
Agnes Masiiwa					
Israel Paul Zaba Ndlovu	6 out of 6	1 out of 1		4 out of 4	
Fredson Mabhena	6 out of 6				
Charles Shava	4 out of 4				

NOTE: Mrs Agnes Masiiwa resigned from the Board with effect from 7 December 2023.
Dr Charles Shava was appointed to the Board with effect from 11 May 2024.
Mr Matthew Mangoma resigned from the Board with effect from 18 March 2024.

BOARDS OF DIRECTORS OF SUBSIDIARY COMPANIES - as at 31 December 2024

1. FIRST MUTUAL HEALTH COMPANY (PRIVATE) LIMITED
T A Makoni Dr (Chairman)
D Hoto (Group Chief Executive Officer)*
N Dube (Mrs)
R Mandima
J Karidza
F Chaitezvi
A R T Manzai
R T Java
C Manikai
P Shiri - appointed 8 May 2024

2. FIRST MUTUAL LIFE ASSURANCE COMPANY (PRIVATE) LIMITED
S V Rushwaya (Chairman)
D Hoto (Group Chief Executive Officer)*
W M Marere (Group Finance Director)*
G Baines
Lydia Mutamuko
Jim Katurura
M M Mukonoweshuro
J M Mberi

4. FIRST MUTUAL REINSURANCE COMPANY LIMITED
O Mtasa - Chairman
D Hoto (Group Chief Executive Officer)*
C Chiswo
T Ameer
C Malaba
B Muhau - (Cluster CEO)
B Molomo

5. FMRE PROPERTY AND CASUALTY (PROPRIETARY) LIMITED
Mr D Hoto - Chairman (Group Chief Executive Officer)*
Mr S G Tumelo
Mr I Chagonda
Ms Mabu Neta
Mr B M Muhau (Cluster CEO)*
Ms S K Molosiwa
Mrs R Sebego-Walebowa

6. NICOZDIAMOND INSURANCE COMPANY LIMITED
E K Moyo - Chairman
D Nyabadza (Managing Director)*
D Hoto (Group Chief Executive Officer)*
B Campbell - resigned 13 May 2024
N Mukwehwa
F P Chatiza
T Moyo
A Makonese
J Mapani
H Vundla - appointed 30 May 2024

7. FIRST MUTUAL PROPERTIES LIMITED
E K Moyo - Chairman
D Hoto (Group Chief Executive Officer)*
C K Manyowa (Managing Director)*
Dr A Chidakwa
S T Wekwete
T Ruvingo
A Mazarire
S V Rushwaya
R T Java - appointed 1 January 2024
Dr S Jogi - resigned 25 June 2024
S Mutangadura - appointed 1 August 2024

8. FIRST MUTUAL WEALTH MANAGEMENT (PRIVATE) LIMITED
J Chikura (Chairman)
O Mtasa - resigned 22 February 2024
A Chidakwa
D Hoto (Group Chief Executive Officer)*
W Marere (Group Finance Director)*
R Kupara (Mrs)
M Khumalo (Mrs) - appointed 30 May 2024

9. FIRST MUTUAL HOLDINGS LIMITED
ART Manza (Chairman)
Elisha Moyo
S V Rushwaya
D Hoto (Group Chief Executive Officer)*
W Marere (Group Finance Director)*
M Mukondomi (Mrs)
E Mkondo
G Baines
F Mabhena
M Mangoma - resigned 18 March 2024
I Ndlovu
C Shava - appointed 11 May 2024

* Executive

DIRECTORS' REPORT

31 DECEMBER 2024

First Mutual Holdings Limited ("First Mutual" or "the Company") is the parent company of subsidiaries that provide life and funeral assurance and non-life insurance (comprising general insurance, reinsurance and healthcare insurance), microfinance and funeral services,property management and development and asset management services:

Subsidiary and the services provided

1 First Mutual Life Assurance Company (Private) Limited
Life assurance, funeral assurance, employee benefits

2 First Mutual Health Company (Private) Limited
Health insurance

3 NicozDiamond Insurance Limited
Short-term insurance

4 Diamond Companhia de Seguros
Short-term insurance

5 First Mutual Reinsurance Company Limited
Short-term general reinsurance and life and health reinsurance

6 FMRE Property & Casualty (Proprietary) Limited
Short-term reinsurance

7 First Mutual Wealth Management (Private) Limited
Fund management

8 First Mutual Properties Limited
Property ownership, management and development

9 First Mutual Wealth Property Fund One (Private) Limited
Property management

10 First Mutual Microfinance (Private) Limited
Micro lending

11 First Mutual Funeral Services (Private) Limited
Funeral services

12 First mutual Health Services (Private) limited
Health Services (Pharmacies and Clinics

Share capital

As at 31 December 2024, the authorised and issued share capital of the Company is as follows:

- Authorised - 1 000 000 000 (2023: 1 000 000 000) ordinary shares with a nominal value of ZWL0.001 each
- Issued and fully paid - 731 718 322 (2023: 731 718 322) ordinary shares with a nominal value of ZWL0.001 each

Group results

The financial statements of the Group for the year are set out on pages 121 to 220.

Directors

No directors resigned in the current year.

Mr A.R.T. Manzai, Ms E Mkondo and Mrs M Mukondomi retire as directors of the Company in terms of the Articles of Association and, being eligible, offer themselves for re-election.

Mr I.P.Z Ndlovu, who was appointed during the year, also retires and, being eligible, offers himself for re-election.

Capital commitments

Details of the Group's capital commitments are set out in note 30.1.2 of the financial statements.

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. Further details on the payment of the dividend will be communicated in a separate dividend announcement.

Director's shareholding in the Company as at 31 December 2024

		Direct interest
A R T Manzai	(Independent Non-Executive Chairman)	-
S V Rushwaya	(Independent Non -Executive Director)	10,100
D Hoto	(Group Chief Executive Officer)	250,000
E K Moyo	(Independent Non -Executive Director)	924
E Mkondo (Ms)	(Independent Non -Executive Director)	-
W M Marere	(Group Finance Director)	50,000
M. Mangoma	(Independent Non -Executive Director)	-
M Mukondomi (Mrs)	(Independent Non -Executive Director)	258
G Baines	(Independent Non -Executive Director)	-
A. Masiiwa	(Independent Non -Executive Director)	-
F Mabhena	(Independent Non -Executive Director)	3,078
I.P.Z. Ndlovu	(Independent Non -Executive Director)	684
C. Shava	(Independent Non -Executive Director)	1,178

Remuneration

- Non-executive directors' remuneration is subject to shareholder approval.

Independent auditors

At the forthcoming Annual General Meeting, shareholders will be asked to fix the remuneration of the independent auditors for the past year and appoint independent auditors for the Group for the ensuring year.

By Order Of The Board

A R T Manzai
Group Chairman
Harare
5 June 2025

Mrs S F Lorimer
Group Company Secretary
Harare
5 June 2025

CORPORATE GOVERNANCE

31 DECEMBER 2024

The Group is committed to the best global practices on corporate governance. The directors are mindful of the need to conduct the Group's operations with integrity and in accordance with generally acceptable business practices. The Board and management believe the governance systems and practices in place are appropriate for the Group operations in accordance with the National Code on Corporate Governance Zimbabwe (ZIMCODE). The Group continues to adhere to the Companies and Other Business Entities Act (24:31), SI134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Regulations, and other widely accepted standards of corporate governance.

CODE OF CORPORATE PRACTICES AND CONDUCT

The Group is committed to promoting the highest standards of ethical behaviour amongst all its employees. All employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Furthermore, all employees are required to observe the Group's Code of Ethics. The Group is a subscriber to an independently managed fraud hotline system.

In line with the Zimbabwe Stock Exchange Listing Requirements, the Group operates a "closed period" prior to publication of its interim and year-end financial results during which period executive and non-executive directors and staff of the Group are not authorised to deal in the shares of the Group.

BOARD COMPOSITION

The Board is comprised of individuals with diverse backgrounds, skills, and perspectives, representing a range of industries and disciplines relevant to our business. This diversity promotes decision-making, fosters innovation and enhances our ability to address complex challenges and opportunities

The Board of Directors is chaired by an independent non-executive director and comprises nine other non-executive and two executive directors.

Board Responsibility
The Board plays a crucial role in approving the policies, plans and strategies of the Group. These decisions are made with the utmost commitment to ethical and professional standards, ensuring they are implemented effectively throughout the Group. One of the Board's key responsibilities is to safeguard the integrity of the Group's accounting and financial reporting systems. This includes overseeing independent audits to uphold transparency and accuracy in financial reporting.

To effectively carry out their responsibilities, the Board holds regular meetings and establishes committees that address specific areas of governance.

Through strategic planning, the Board collectively works towards setting the direction of the Group and confriming alignment with legal and regulatory requirements. Recognising the complexity of certain matters, directors have the right to seek independent professional advice at the Group's expense.

This allows them to obtain expert insight and guidance on intricate issues, promoting well-informed decision-making.

Board Appointments
Executive directors within the Group are appointed based on their performance as outlined in their service contracts. This ensures individuals who demonstrate exceptional capabilities and contribute significantly to the Group's growth and success are appointed to these positions. To promote Board refreshment and maintain a healthy balance of perspectives, a third of the directors, including those appointed throughout the year, are required to retire on a rotating basis annually. This practice allows for new ideas to be infused into the Board, strengthening continuity and the retention of valuable institutional knowledge. When appointing new directors to the Board, careful consideration is given to various factors, including skills, expertise, age and gender diversity. The aim is to create a well-rounded and inclusive Board that reflects the diverse needs and perspectives of the Group and its stakeholders.

Board Meetings
The Board convenes on a quarterly basis to discuss and strategise on various matters such as corporate direction, risk management practices, budgets and business plans. These meetings serve as a platform for the Board to collectively make informed decisions and set the course for the Group's future. In addition to regular meetings, the Board may also convene on an ad hoc basis to address matters that require immediate attention or decision-making. To ensure proper record-keeping, the Group Company Secretary is responsible for maintaining an attendance register of Directors for all scheduled meetings. This helps to track the participation of directors and maintain transparency of the Board's activities.

First Mutual Holdings Limited Board members' attendance during the year:

		Number of meetings attended
Amos R. T. Manzai	(Independent Non-Executive Chairman)	6
D Hoto	(Group Chief Executive Officer)	6
W M Marere	(Group Finance Director)	6
G Baines	(Independent Non -Executive Director)	6
S V Rushwaya	(Independent Non -Executive Director)	6
E Mkondo (Ms)	(Independent Non -Executive Director)	6
M Mukondomi (Mrs)	(Independent Non -Executive Director)	6
E K Moyo	(Independent Non -Executive Director)	6
M. Mangoma (resigned)	(Independent Non -Executive Director)	2
A. Masiiwa (Resigned)	(Independent Non -Executive Director)	-
I.P.Z. Ndlovu	(Independent Non -Executive Director)	6
F Mabhena	(Independent Non -Executive Director)	6
Charles Shava	(Independent Non -Executive Director)	4

NOTE: Mrs Agnes Masiiwa resigned from the Board with effect from 7 December 2023.
Dr Charles Shava was appointed to the Board with effect from 11 May 2024.
Mr Matthew Mangoma resigned from the Board with effect from 18 March 2024

Mr A.R.T. Manzai, Ms E Mkondo and Mrs M Mukondomi retire as directors of the Company in terms of the Articles of Association and, being eligible, offer themselves for re-election.

Dr C Shava, who was appointed during the year, also retires and, being eligible, offers himself for re-election.

BOARD ACCOUNTABILITY AND DELEGATED FUNCTIONS

The Board is supported by several committees that play a vital role in assisting with the execution of its duties and responsibilities. These committees hold meetings on a quarterly basis to assess performance, provide guidance to management, and address both operational and policy matters. Each committee operates in accordance with written terms of reference that outline their specific objectives and responsibilities

These terms of reference assign certain tasks to the committees, ensuring they operate effectively and efficiently. To uphold compliance with legal provisions and adapt to the evolving business environment, the Group periodically evaluates the number of committees in place. The committees provide valuable insight and recommendations, contributing to the overall success and sustainability of the Group.

FIRST MUTUAL HOLDINGS LIMITED BOARD COMMITTEES

In order to more effectively discharge its duties and responsibilities, standing committees are placed to deal with specific issues.

I. COMBINED AUDIT AND ACTUARIAL COMMITTEE

Ms E Mkondo (Chairperson), I. Ndlovu, A Makonese, N Dube

The Committee's main responsibility is to maintain financial discipline and uphold strong corporate values within the Group. One of their key tasks is to thoroughly review and recommend the adoption of the Group's interim and annual financial statements to the Board. Additionally, the Committee is in charge of appointing and assessing the fees of external auditors.

In terms of actuarial work, the Committee plays a crucial role in safeguarding the interests of policyholders. They ensure that the assets of policyholders and shareholders of the insurance companies within the Group are accounted for separately. The Committee also devises and enforces profit participation rules, while reviewing actuarial valuation reports and monitoring the implementation of the recommendations.

Combined Audit and Actuarial Committee members' attendance during the year:

Number of	Number of meetings	meetings attended
E Mkondo (Ms)(Chairperson)	6	6
I. Ndlovu	6	1
A Makonese	6	6
N. Dube	6	6

II. GROUP HUMAN RESOURCES AND GOVERNANCE COMMITTEE

S V Rushwaya (Chairperson), E. K. Moyo and A.R.T Manzai

The Committee consists of three non-executive directors from First Mutual Holdings, with one serving as the Chairperson. Their primary role is to focus on employee development and create remuneration policies. They are responsible for approving remuneration packages for executive directors and senior executives. The Committee gathers data from independent advisors, including local and regional survey data, to ensure that the remuneration policy is suitable and in line with the current times.

In addition, the Committee plays a crucial part in reviewing and assessing the organisational structure in alignment with the Group's strategy. They provide recommendations to the Board based on their evaluations

The Committee acts as a Nominations Committee for Directors across

Group Human Resources and Governance Committee members' attendance during the year:

Number of	Number of meetings	meetings attended
S V Rushwaya (Chairperson)	7	7
E. K. Moyo	7	5
A.R.T Manzai	7	7

III. INVESTMENTS COMMITTEE

A R T Manzai (Chairperson), I Ndhlovu and M. Mukondomi

The Committee is responsible for developing the investment strategy and policy for the Group. They carefully review the performance of existing investments within the business and provide recommendations for new investments to be approved by the Board.

Additionally, the Committee plays a crucial role in supporting the Board by evaluating the implementation of the investment policies. They ensure that portfolio management aligns with the Group's established policies, thereby maintaining consistency and adherence to the set guidelines

Investments Committee members' attendance during the year:

Number of	Number of meetings	meetings attended
A R T Manzai (Chairman)	4	4
M Mukondomi	4	4
I. Ndlovu	4	4

iv. Group Board Risk Committee

Mr G Baines (Chairperson), Mr E K Moyo, J Katurura, J. Mberi

The Committee's responsibilities include conducting a comprehensive review of the Group's risk strategy assessing current risk exposures, and evaluating risk governance. They play a key role in approving the scope of the risk management function and reviewing reports on significant breaches of risk limits, as well as the effectiveness of remedial actions taken

The Committee provides valuable advice to the Board regarding the risk-related aspects of proposed strategic transactions; They collaborate with other Board Committees when necessary to ensure effective communication and coordination.

Board Risk Committee members' attendance during the year:

Number of	Number of meetings	meetings attended
Mr G Baines (Chairman)	4	4
Mr E K Moyo	4	4
J Katurura	4	
J Mberi	4	

WORKS COUNCIL
The Group holds Works Council meetings every quarter. The meeting provide a forum for employees to participate in the decision making process and discuss employees' concerns with management.

GROUP INTERNAL AUDIT
The Group Internal Audit and Risk Management Department is headed by the Group Audit and Risk Management Executive. Its main activities are to address the following issues at each of the business units of the Group:

- appraising of systems, procedures and management controls and providing recommendations for improvements;
- evaluating the integrity of management and financial information;
- assessing controls over the Group assets; and
- reviewing compliance with applicable legislation, regulations, Group policies and procedures.

The Group Internal Audit and Risk Management Department reports to the subsidiary company audit committees and to the Group Combined Audit and Actuarial Committee and has unrestricted access to these Committees. Each company within the Group is audited regularly by the internal auditors based on the annual work plan and close communication is maintained between internal and independent auditors.

FINANCIAL CONTROL
The Group's internal financial controls are set out in the relevant procedures manuals which also set the required standards and key control activities.

Adequate segregation of duties is in place to enhance the effectiveness of these controls. The accounting policies are reviewed periodically by the Group Combined Audit and Actuarial Committee, internal auditors and independent auditors.

RISK MANAGEMENT

Risk Management is practised within the Group in order to protect assets and earnings against financial losses and legal liabilities. Operational risks are managed through formalised procedures and controls, well trained personnel and where necessary back-up facilities. The Group manages risk of all forms including operational, market, reputational, liquidity and credit risks. These risks are identified and monitored through various channels and mechanisms. The Group Internal Audit and Risk Management Department is responsible for the assessment of the overall risk profile which is managed by the Managing Directors and General Managers on an on-going basis. Emphasis is placed on continuous improvement of systems and ways of working through business process re-engineering as well as internal and external audits.

The internal audit and risk management functions have recently been separated and a new Risk Management Policy has been adopted.

The subsidiaries have their own internal Risk Management Committees. Furthermore, a Group Board Risk Committee has been established.

The new Board Risk Committee works closely with the other Board Committees, particularly the Audit Committees, to ensure that risk is minimised and to assess the adequacy of the internal controls, making the necessary recommendations to the Board.

A.R.T Manzai
Group Chairman

5 June 2025

THE DIRECTORS' STATEMENT OF RESPONSIBILITY

31 DECEMBER 2024

The Group's independent auditors, Ernst and Young Chartered Accountants (Zimbabwe), have audited the financial statements and their report is set out on pages 115 to 121 (USD Opinion) and 244 to 250 (ZWG Opinion).

The Directors of the Company are responsible for maintaining adequate accounting records and for the preparation of financial statements that present fair and accurate information.

In discharging this responsibility, the Group maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that transactions are executed and recorded in accordance with Group policies.

The Directors have satisfied themselves that all the subsidiary companies in the Group are in a sound financial position and have adequate resources to continue in operational existence for the foreseeable future.

The Directors have assessed the ability of the Group, the Company and its subsidiaries to continue operating as going concerns and believe that the preparation of these financial statements on a going concern basis is appropriate.

A.R.T Manzai
Group Chairman

5 June 2025

Directors' declaration and conflict of interest

In accordance with the listing rules of the Zimbabwe Stock Exchange, the Group implements a 'closed period' before the publication of interim and year-end financial results. During this period, executives, non-executive directors and employees are prohibited from engaging in any transactions involving Group shares. During the period under review, no directors had any substantial interests that could potentially lead to significant conflicts of interest with the objectives of the Group. For detailed information regarding the beneficial ownership of First Mutual Holdings shares by directors and their families, please refer to page 104.

Share dealing

Directors, management and employees of the Group are prohibited from engaging in any direct or indirect transactions involving the Group's shares under the following circumstances:

- During the period between the conclusion of the interim or annual reporting periods and the announcement of the corresponding interim and annual report results
- Whenever they possess knowledge of ongoing negotiations or sensitive information that may impact the share price
- Whenever they have access to information that could potentially affect the share price

These restrictions are in place to ensure compliance with regulations and to prevent any potential insider trading. It is crucial for all individuals associated with the Group to adhere to these rules and maintain the highest level of ethical conduct.

Ethical conduct

The Group places a strong emphasis on upholding the highest ethical standards in all aspects of its business practices. All employees are expected to consistently conduct themselves in a manner that reflects integrity and transparency. To ensure adherence to these principles, both employees and subcontracted employees are required to comply with the Group's Code of Ethics. In order to provide a confidential and independent channel for reporting any concerns or potentially fraudulent activities, the Group implemented a fraud hotline system. This system is managed independently, allowing individuals to report any misconduct or unethical behaviour without fear of retaliation. By maintaining an ethical framework and implementing mechanisms such as the Code of Ethics and the fraud hotline system, the Group demonstrates its commitment to conducting business in an exemplary and above-board manner.

Remuneration

We are committed to continuously evaluating and incorporating both established and emerging perspectives on remuneration into our packages.

As First Mutual Holdings, our remuneration structures are designed to attract and retain talent across all levels of the Group. We align remuneration packages with factors such as the level of influence and complexity of an employee's role. In the case of executive directors, the determination of their remuneration packages falls under the purview of the Group Human Resources and Governance Committee. This ensures a fair and thorough assessment of their compensation in line with their roles and responsibilities.

Active ownership

As a responsible investor, the Group recognises its active responsibility in owning shares in various companies and entities. We understand the importance of fulfilling our role as informed investors and engaged business owners. To uphold this responsibility, we actively participate in annual general meetings and exercise our voting rights. When voting, our decisions are guided by the Investment Committee, which carefully considers the best interests of the Group and aligns our voting patterns with our principles and values as responsible investors. We strive to make informed and responsible voting choices that contribute to the long-term sustainability and success of the companies in which we hold shares.

Stakeholders' direct communication with the Board

To ensure effective communication and engagement, the Group facilitates interaction between the Board of Directors and stakeholders through various platforms. These channels serve as a means of communication to keep stakeholders well informed and engaged with the Group's activities.

Annual general meetings provide an opportunity for direct interaction between the Board and stakeholders, allowing for dialogue and the exchange of information.

Notices to stakeholders and press releases of interim and annual reports are regularly disseminated to provide updates on important developments and financial performance. Investor briefings are conducted to provide in-depth insight into the Group's operations, financial status and sustainability initiatives. Additionally, yearly reporting to shareholders offers comprehensive information on the Group's performance, strategy and future outlook.

The Group recognises the importance of digital platforms in facilitating communication. Online platforms are utilised to easily disseminate operational, financial and sustainability information to stakeholders.

These platforms provide convenient access to relevant information, enabling stakeholders to stay informed about the Group's activities and progress.

Further, the use of proxy forms allows shareholders to participate and express their views even if unable to attend meetings physically. The Group places great emphasis on effective communication and transparency, utilising a range of platforms to facilitate meaningful engagement with stakeholders.

Sustainability governance

We are dedicated to delivering sustainable finance services that prioritise accessibility, customer care, responsible marketing, integration of ESG issues in investment strategies and data protection. Our marketing team actively engages with our target markets to ensure consistent client satisfaction through informed product changes.

ETHICS AND INTEGRITY

Business ethics compliance

We acknowledge the importance of business ethics in shaping our reputation and driving our success. Our commitment to ethical behaviour creates a positive work environment therefore fostering high workplace morale and enhancing overall efficiency. This, in turn, helps us attract and retain top talent who value professionalism and integrity. Additionally, our strong emphasis on ethical conduct strengthens our governance practices, ensuring transparency, accountability and sound decision-making throughout our operations. By adhering to strict ethical standards, we minimise the risk of financial losses resulting from penalties and legal ramifications.

The Group established a Code of Ethics Policy that covers important areas such as conflicts of interest, fraud, bribery, corruption and trading in our Group's shares. Additionally, we have a Treating Customers Fairly Policy to ensure compliance with the Competition Act (Chapter 14:08). Further, our business units are obligated to adhere to the Companies and Other Business Entities Act (Chapter 24:31), which governs our operations and promotes transparency, accountability and good corporate governance.

To maintain a strong commitment to business ethics, the Group circulates the Code of Ethics Policy to all employees on an annual basis and they are required to disclose any conflicts of interest with the business each year. In our efforts to promote transparency and combat bribery and corruption, we subscribed to the Deloitte Tip-Off Anonymous platform. This platform provides a convenient and confidential channel for reporting any instances of bribery and corruption, allowing for effective whistleblowing.

We place a strong emphasis on fostering a culture of ethics and compliance and we achieve this through comprehensive employee training programmes, where we educate employees on the various laws relevant to our business and stress the importance of adherence. We promote open and transparent communication by effectively disseminating any policy updates regarding ethics and changes in legislation to all levels of management.

The management team takes an active role in setting the example and highlighting the significance of upholding good ethics in every facet of our business operations.

To stregthen accountability and effectiveness in governance and business ethics, we established a Group Internal Audit Department that operates independently and reports directly to the Board. To maintain our ISO 9001:2015 certification, our internal ISO auditors conduct audits at least twice a year, while external ISO auditors perform annual audits. We conduct quarterly Group compliance performance checks to ensure adherence to laws and regulations. Our Group Risk Department assesses the risks associated with non-compliance and evaluates the effectiveness of our processes, providing recommendations to management for continuous improvement.

Our primary objective is to achieve full compliance with all relevant laws and regulations, aiming to avoid any penalties or fines imposed by regulatory authorities. We are committed to maintaining the highest ethical standards and, as a result, we strive to minimise customer complaints regarding the conduct of our employees. We are pleased to report that during the reviewed period, we witnessed improved investor relations, underscoring our dedication to transparency and accountability. Further, we are proud to state there have been no significant customer complaints related to the ethical conduct of employees. Additionally, our internal control functions have provided favourable reports, indicating our strong governance and commitment to ethical business practices.

Anti-fraud

First Mutual Holdings Limited is committed to effectively managing anti-fraud impacts to maintain the integrity of its operations. In pursuit of responsible business practices, the Group identified a range of positive impacts resulting from its anti-fraud efforts. These include the reduction of financial leakage, protection against reputational damage, avoidance of legal penalties and assurance of corruption-free recruitment practices.

However, we acknowledge the negative impacts that may arise if anti-fraud measures are not effectively implemented. Such risks include the potential employment of unqualified or incompetent employees, and the risk of non-receipt of ordered goods or services. To comprehensively address anti-fraud impacts, First Mutual Holdings adopted a proactive approach to maintain the highest level of integrity in the Group's operations. Our mitigation measures are as follows:

- Strict adherence to procurement and human resources policies addressing employee involvement in fraud
- Integration of specific fraud detection procedures
- Conducting internal and external audits to assess fraud prevention controls
- Employee education on fraud consequences
- Regular Board reports on fraud-related matters
- Exploration of opportunities to automate business processes
- Enhancement of controls for fraud prevention
- Tracking reported fraud cases through the Tip-off Anonymous platform

Our commitment is to maintain a zero-tolerance approach towards fraud. To gauge the effectiveness of our anti-fraud measures and identify areas for improvement, we monitor the number of internal and external audit findings, as well as the number of reported fraud cases through the Tip-off Anonymous platform.

We made significant progress towards our target of zero fraud cases. FMHL recognises the importance of regularly revisiting and adapting to control procedures in response to changing circumstances. These revisions are integrated into our audit plans and Group risk management proposals, ensuring we remain proactive in addressing fraud risks. We actively involve stakeholders in this process, gaining valuable insight and feedback that assist in improving controls and processes aimed at minimising fraud. This approach ascertains that the actions we take align with stakeholders' expectations and industry best practices.

Diversity and inclusion

At First Mutual Holdings Limited, we believe diversity and inclusion are essential to building a resilient, innovative and forward-thinking business. We value the varied perspectives that come from different backgrounds, genders, generations and abilities. An inclusive workplace fosters belonging; it drives collaboration, strengthens decision-making and improves employee retention.

We continue to take deliberate steps to build a diverse workforce and eliminate barriers to inclusion across all levels of the Group. This includes providing awareness training on gender, race, disability and cross-cultural engagement, as well as investing in infrastructure that enables participation for people with disabilities, such as accessible transport, parking, facilities and workspaces.

Our recruitment practices are supported by partnerships with talent specialists who focus on increasing access for underrepresented groups, particularly in relation to race and disability. Internally, we monitor representation across seniority levels and regularly review progress against our diversity goals.

To support transparency and accountability, FMHL has adopted a set of targets focused on four core dimensions: gender, age, disability and race. These are supported by measurable goals to guide progress and align outcomes with our Group-wide transformation and talent strategies.

We remain focused on long-term representation outcomes. Our goal is to ensure inclusive representation not only at entry level, but throughout the leadership pipeline, with a particular emphasis on women and young professionals. FMHL is also working towards greater inclusion of people with disabilities in both operational and strategic roles.

Our performance against these workforce representation targets is disclosed on page 83, in the employee relations section of this report.

Human rights

At First Mutual Holdings Limited, respect for human rights is a foundational principle that informs how we treat our employees and engage with stakeholders. We are committed to promoting equality, fair treatment and a safe, inclusive working environment that supports diversity and encourages employee wellbeing. This includes upholding the right to freedom of association and actively working to eliminate all forms of discrimination across the Group.
Our business practices are aligned with both local and international labour laws, and our Recruitment Policy embeds respect for human rights throughout the employment lifecycle. We promote a culture of inclusivity, dignity and mutual respect, ensuring no employee is disadvantaged by direct or indirect discrimination. Government regulations on workplace health and safety are strictly followed and we continually improve wellness and communication initiatives to support holistic employee wellbeing.

Employee voice and dialogue are supported through an active Works Council, which serves as a formal platform for engagement between management and staff. Regular meetings allow for collaborative problem-solving and make sure employee concerns are heard and addressed constructively.

To strengthen our compliance and governance environment, we conduct routine internal and external audits, verifying adherence to laws, regulations and labour standards. These efforts, combined with focused retention and engagement initiatives, have contributed to lower employee turnover and fewer formal disputes. These results reflect steady progress in building a workplace that is ethical, inclusive and supportive.

Business competitive behaviour

Competitive behaviour involves actively engaging in strategies and actions with the aim of outperforming competitors, gaining a competitive advantage and, ultimately, achieving desired outcomes. By constantly striving to surpass industry rivals, the business can stimulate innovation and foster a creative environment. This drive for competitiveness prompts the Group to continually improve processes, leading to enhanced efficiency and overall performance. However, it is important to approach competitive behaviour with caution. While healthy competition can be beneficial, the Group is mindful of potential pitfalls. One possible risk is the emergence of price wars, where companies engage in aggressive price reductions to attract clients, eventually eroding profit margins.

Our approach to competitive behaviour is rooted in a strategic mind-set that prioritises continuous improvement and growth. We understand competition is an inherent part of the business landscape and we embrace it as an opportunity to push ourselves beyond boundaries. The management team fosters a culture of innovation, encouraging employees to think outside the box and explore new ideas that can give us a competitive edge. We believe that by staying at the forefront of industry trends and anticipating customer needs, we can proactively adapt and meet market demands.

To achieve our competitive goals, we invest in research and development, ensuring we are constantly evolving and offering cutting-edge services. We closely monitor the activities of our competitors, analysing their strategies and identifying areas where we can differentiate ourselves.

This allows us to capitalise on our strengths and exploit market gaps. While we are committed to achieving a competitive advantage, we also accept the importance of ethical conduct. We emphasise fair and transparent practices that uphold the integrity of our brand and foster trust with our stakeholders.

Cybersecurity and privacy protection

First Mutual Holdings recognises the importance of cybersecurity and data privacy in today's digital landscape. We understand that managing risks associated with the collection, storage and handling of personal information is essential to protect our clients and maintain their trust. Our focus on maintaining system availability ensures uninterrupted access to services, enhancing customer satisfaction. Moreover, by prioritising data integrity, we maintain the accuracy and reliability of the information we handle. These contribute to an increased customer base and strengthens our reputation as a secure and reliable business.

Our commitment to accuracy and data loss prevention is reflected in the verification measures put in place for authentication, ensuring the provision of services with precision and maintaining data integrity. We prioritise business continuity and availability through backup plans and disaster recovery strategies. Further, we implemented secure network solutions and technologies to protect against cyber threats and maintain the privacy of customer data.

To effectively manage cybersecurity and data privacy, we have the IT Security Policy and the Cyber, Data Protection Policy that provide clear guidelines and procedures to safeguard sensitive information. Employees are regularly trained to increase their awareness and understanding of cybersecurity, empowering them to actively contribute to the protection of our systems and data. We have non-disclosure agreements with our third-party service providers and partners, as well as a confidentiality policy for employees who handle personally identifiable information.

We implemented antivirus and firewall protection across our information assets and ICT equipment. The Group regularly conducts business impact analyses to inform its disaster recovery plans and business continuity strategies, and it has a secondary disaster recovery site to ensure the availability of critical systems.

FMHL takes a proactive stance on cybersecurity and has taken steps to shorten response timelines for cyber incidents to minimise disruptions or breaches. Our cybersecurity programme is continuously assessed, monitored and improved to guarantee its effectiveness, and we store data securely in multiple locations to safeguard against data loss or unauthorised access. We are committed to ongoing improvement and will continue to work hard to ensure our cybersecurity programme is effective and up to date. For the reporting period, we had no data breaches, which reflects the effectiveness of our actions in managing cybersecurity and data privacy.

ENTERPRISE RISK MANAGEMENT

First Mutual Holdings' enterprise risk management (ERM) framework aims to enhance business performance by maximising growth opportunities and integrate ERM into decision-making and key processes. The framework aims to anticipate and communicate uncertainties, enhance proactive risk management, comply with legal and regulatory requirements, while also creating, protecting and enhancing stakeholder value.

In support of its risk management framework, First Mutual Holdings is committed to:

- Establishing, implementing and improving a comprehensive and integrated risk management framework aligned with international and local recognised frameworks, including ISO 31000 and Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- Evaluating the alignment of the Group's risk management strategy with its external operating environment to ensure responsiveness to emerging and changing risks.
- Embedding risk management into the Group's ethos, policies and practices to integrate it into decision-making, strategic planning, capital and financial budgeting processes.
- Ensuring employees are aware of the risks the Group is exposed to and understand their obligations to report promptly any deviations of the control measures.

Financial risk

First Mutual Holdings identifies financial risk as a major risk category that requires sound and prudent management practices to ensure the Group achieves its strategic objectives. Financial risk is the possibility of a future change in one or more of a specified interest rate, financial instrument price or other variables. To manage this risk, we follow regulatory requirements and international best practices. The Group's internal financial controls are outlined in the risk management policies and procedure manuals, which state the required standards and key control activities. These controls are supported by adequate segregation of duties and appropriate risk limits. The accounting policies are periodically reviewed by the combined Audit and Actuarial Committee, internal control functions and external auditors. Additionally, the Group Investment Committee sets limits for investment risk exposures that employees can trade on.

The following were the identified financial risks and mitigatory measures.

Risk category	Risk description	Risk mitigation measures
Financial	The risk of potential financial loss or instability may arise as a result of inadequate or inefficient capital structure and inability to meet financial obligations.	Capital planning and security on external sources of funding
Underwriting and liability	The risk of financial loss owing to inadequate underwriting, claims management, product design and pricing.	Prudent underwriting by individual specialised insurance subsidiaries who monitor and assess insurance risks.
Investment	The risk of failing to meet the Group's investment objectives owing to adverse or inadequate investment performance.	Investment project appraisal Investment mandates aligned with objectives for investment Structured authority limits for fund managers
Foreign exchange	The risk of potential financial loss that may occur owing to changes in currency exchange rates.	Trading and holding investments in various currencies aligned to liability profile Prepaying for selected supplies Increasing investments in stable assets
Property management	The mismanagement of real estate can pose significant risks.	Adapting property portfolio to suit changing needs Modern property developments Tenant screening and engagements A review of the terms and conditions of tenancy
Operational	The risk of adverse changes in the value of capital resources resulting from operational events, such as failed internal systems, personnel, procedures, controls and external events.	Adherence to standard operating procedures Enforcement of approved controls Automating processes and ensuring that controls are functioning correctly
Credit	The risk of losing money in financial investments as a result of borrowers or counterparties failing to meet their obligations. The risk that arises from the value of an asset, such as government bonds, changing due to a change in the issuer's creditworthiness.	Counterparty limits Expected credit loss modelling Loans pricing modelling Credit control
Interest rate risk	The risk arising from changes in interest rates.	Financial forecasting models

Sustainability risks

The Group implements a comprehensive approach to risk management, which is structured, dynamic, integrated and inclusive. This approach is applied at all levels of the Group to identify, analyse and manage risks associated with ESG factors in the business context. The Group collaborates with its clients and business partners to increase awareness of ESG issues, manage risk and develop solutions. Additionally, the Group works with relevant regulators and other key stakeholders to promote widespread action across society on ESG issues, which are increasingly becoming an integral part of decision-making and shaping the overall strategic direction of the Group.

Internal controls

First Mutual Holdings strongly believes in adopting sustainable practices and ensuring our business operations align with them. To achieve this, we established controls that support sustainability reporting, which are detailed in our procedure manuals and include required standards and control activities. We maintained proper segregation of duties among different roles and line functions. The reporting information is compiled within a disciplined framework that generates the annual report and undergoes internal review by control functions for accuracy and reliability.

Compliance statement
First Mutual Holding Limited is dedicated to adhering to relevant legal, regulatory and industry standards. The Group proactively strives for compliance by embracing best practices that entail mandatory or voluntary obligations.

Throughout the year, the Group complied with the following regulations.
- Zimbabwe Companies and Other Business Entities Act (24:31)
- SI134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules
- Insurance and Pension Commission (IPEC)
- Real Estate Institute of Zimbabwe (REIZ)
- Institute of Actuaries Zimbabwe (IAZ)
- Public Accountants and Auditors Board Zimbabwe (PAABZ) – pronouncements
- Securities and Exchange Commission of Zimbabwe (SECZIM)
- Malawi Companies Act (40:03)
- Botswana Companies Act (20030)
- Mozambique Companies Act (Commercial code 10/2006 4th edition)
- All other applicable laws, regulations and directives.

CERTIFICATE OF COMPLIANCE BY GROUP COMPANY SECRETARY

31 DECEMBER 2024

In my capacity as Company Secretary of First Mutual Holdings Limited and its subsidiary companies, I confirm that in terms of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), the Company lodged with the Registrar of Companies all such returns as are required of a public quoted company in terms of this Act, and all such returns are true, correct and up to date.

S Lorimer

S F Lorimer (Mrs)
Company Secretary
Harare

5 June 2025

DECLARATION BY THE GROUP FINANCE DIRECTOR

These financial statements have been prepared under the supervision of the Group Finance Director, William M. Marere, a member of the Institute of Chartered Accountants of Zimbabwe, and registered with the Public Accountants and Auditors Board, as a registered public accountant, certificate number 02431.

W M Marere
Group Finance Director
Harare

5 June 2025

FIRST MUTUAL HOLDINGS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS (USD)

For the year ended 31 December 2024

Shape the future
with confidence

Chartered Accountants (Zimbabwe)
Angwa City
Cnr Julius Nyerere Way
Kwame Nkrumah Avenue
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Harare

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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 122 to 241, 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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

ASSETS		AUDITED GROUP 31-Dec-24 USD	AUDITED RESTATED* GROUP 31-Dec-23 USD	AUDITED RESTATED* GROUP 01-Jan-23 USD
Goodwill	8.2	224 767	224 767	223 296
Deferred tax asset	20.1	2 120 982	2 331 185	1 580 635
Property, plant and equipment	6	5 485 781	4 738 502	3 463 872
Investment property	7	134 188 000	182 041 771	164 394 021
Right of use of assets - IFRS 16	6.1	384 690	1 247 116	70 500
Other intangible assets	8.1	41 107	31 361	64 735
Investment in associates	10	1 537 945	904 909	2 036 895
Financial assets:				
- Equity securities at fair value through profit or loss	11.1	37 777 994	37 300 394	26 071 751
- Debt securities at amortised cost	11.2	13 880 590	8 876 211	3 709 310
Investment in gold coins	9	623 118	496 618	408 071
Non current assets held for sale	7.2	-	-	56 649
Income tax asset	20.2	367 791	66 049	17 186
Inventory	12	528 625	298 551	493 558
Reinsurance contract assets	13	17 131 541	16 872 649	11 327 292
Intermediaries tenant and other receivables	14	11 261 341	13 871 365	18 143 104
Cash and cash equivalents	15	31 254 838	17 681 468	24 596 271
TOTAL ASSETS		**256 809 110**	**286 982 915**	**256 657 145**
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital	16.2.1	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	20.1	16 979 508	12 178 871	21 794 537
Shareholder risk reserves	13.7	1 270 791	1 254 934	449 588
Member assistance fund	17	-	1 523	13 337
Lease liabilities	6.1	465 252	635 517	183 497
Compensation Reserve	13.8	2 278 649	1 619 937	-
Borrowings	18	8 227 978	5 129 836	2 479 186
Put option liability	18.1	4 399 320	4 567 300	4 752 586
Insurance contract liabilities PAA	13	103 035 023	114 123 565	107 830 874
Insurance contract liabilities VFA	13	8 434 304	14 012 070	11 371 078
Investment contract liabilities without DPF	13.6	8 624 960	7 548 598	4 780 387
Share based payment liabilities	16.4	419 485	2 120 636	320 430
Other payables	19	10 305 543	8 182 293	8 920 891
Income tax liabilities	20.2	813 931	583 299	596 971
Total liabilities		**165 254 744**	**171 958 380**	**163 493 364**
TOTAL EQUITY AND LIABILITIES		**256 809 110**	**286 982 915**	**256 657 145**

These financial statements were approved by the Board of Directors on 5 June 2025 and signed on behalf of the Directors

A R T Manzai
Chairman

D Hoto
Group Chief Executive Officer

*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. Refer to note 2.1.3 for details of the change in presentation currency.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Note	AUDITED GROUP 31-Dec-24 USD	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	**21**	**(112 442 209)**	**(158 860 586)**
-Incurred claims and insurance contract expenses	21	(76 141 041)	(92 629 249)
-Adjustments to liabilities for incurred claims	21	(1 828 462)	(18 110 510)
-Insurance contract acquisition cash flows- amortisation	21	(34 472 706)	(48 120 826)
Insurance service result before reinsurance contract held		**43 776 216**	**24 586 035**
Net expenses from reinsurance contracts held		**(16 679 919)**	**(779 763)**
Reinsurance recoveries and other income	21	11 931 260	41 821 348
Reinsurance expenses (allocated reinsurance premiums)	21	(28 611 179)	(42 601 111)
Insurance service result	**21**	**27 096 297**	**23 806 272**
Net finance income/(expenses) from insurance contracts issued	22	20 027 066	(45 106 389)
Insurance finance result	**22**	**20 027 066**	**(45 106 389)**
Net insurance & reinsurance performance		**47 123 363**	**(21 300 116)**
Net investment return from equities	23	136 061	7 540 251
Net gains from fair value adjustments to investment properties	7	(50 474 168)	89 067 177
Interest on financial assets measured at amortised cost	23	1 451 367	5 153 341
Net gains from investment in gold coins	23	115 373	234 215
Net change in investment contract liabilities	13.6	(241 537)	(4 881 250)
Movement in shareholder risk reserve	13.7	(15 857)	(1 007 966)
Net insurance & reinsurance performance after investment return		**(1 905 399)**	**74 805 652**
Rental income	24	8 298 152	6 590 174
Property expenses	25	(3 649 049)	(3 776 452)
Interest income- Microfinance	26.1	4 493 375	3 419 780
Interest expense and direct costs- Microfinance	26.1	(2 544 229)	(1 124 818)
Asset management services revenue	26.2	1 295 311	373 703
Asset management services direct costs	26.2	(679 085)	(626 832)
Other income	26.3	2 979 874	2 562 067
Foreign currency exchange gain	26.3	-	11 965 643
Regulatory provision	19.3	-	(509 150)
Pharmacies Clinics and Funeral direct costs	27	(1 903 578)	(1 675 475)
Other administration expenses	28	(25 391 983)	(25 681 985)
Movement in premium credit adjustment	28.3	(151 790)	(825 187)
Movement in allowance for credit losses	28.3	(928 065)	(833 817)
Finance costs	6.1	(80 463)	(142 019)
Net monetary losses		-	(5 387 860)
(Loss/)profit before share of (loss)/profit of associate		**(20 166 930)**	**59 133 424**
Share of profit from associate	10	544 348	388 140
(Loss)/profit before income tax		**(19 622 582)**	**59 521 565**
Income tax expense	20.3	(7 495 043)	(837 437)
(Loss)/profit for the period		**(27 117 625)**	**58 684 127**
Other comprehensive income/(loss)			

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

	Note	AUDITED GROUP 31-Dec-24 USD	AUDITED RESTATED* GROUP 31-Dec-23 USD
Other comprehensive income/(loss) that may 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	10	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		**(21 847 548)**	**27 422 614**
(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		**(27 117 625)**	**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)	29.1	(1.43)	3.47
Diluted earnings per share (cents)	29.2	(1.43)	3.47

*Note: The prior year consolidated statement of comprehensive income was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, USD. Refer to note 2.1.3 for details of the change in presentation currency

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Share capital AUDITED GROUP USD	Share premium reserves AUDITED GROUP USD	Non-distributable reserves AUDITED GROUP USD	IFRS 17 Adoption reserve AUDITED GROUP USD	Retained earnings AUDITED GROUP USD	Total equity for parent AUDITED GROUP USD	Non-controlling interest AUDITED GROUP USD	Total equity AUDITED GROUP USD
Restated balance 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**
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)
						-		
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**
Balance 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)**
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. Refer to note 2.1.3 for details of the change in presentation currency

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	AUDITED 31-Dec-24 GROUP USD	AUDITED RESTATED* 31-Dec-23 GROUP USD
(Loss)/profit before income tax		**(19 622 582)**	**59 521 565**
Adjustments for non-cash items:			
Depreciation	28	1 130 334	446 279
Fair value loss/(gains) on investment properties	7	50 474 168	(89 067 177)
Amortisation of intangible assets	28	4 130	4 199
Fair value adjustment on equity securities at FVPL	23	603 876	(10 020 930)
Gain on transaction with equity participants (Rights issue)	10	(307 282)	-
Profit from disposal of property and equipment	26.3	(9 461)	(1 227)
Fair value gain on investment in gold coins	23	(115 373)	(234 215)
Cash settled share based payment	16.4	686 719	(2 611 423)
Share of profit from associate	10	(544 348)	(388 140)
Loss on disposal of investment in associate	26.3	-	452 652
Adjustments for separately disclosed items:			
Net foreign exchange differences		(1 288 330)	4 983 115
Finance costs on lease liability	6.1	80 463	142 019
Dividend received	23	(1 836 511)	(2 791 493)
Interest charged	18	1 506 091	966 084
Interest received from investments	23	(1 451 367)	(5 153 341)
Monetary gain or loss		-	157 346 804
Operating cash flows before working capital changes		**29 322 215**	**113 594 770**
Working capital changes			
(Increase)/decrease in inventory		(230 074)	195 006
(Increase) in other receivables		(3 175 720)	(129 481)
(Increase) in rental receivables		(591 578)	(561 103)
Decrease/(increase) in premium receivables from intermediaries		6 377 322	(6 418 149)
(Increase) in reinsurance contract assets		(258 892)	(5 545 357)
Increase/(decrease) in other payables		2 123 250	(738 598)
Increase in Investment contract liabilities	13.6	241 537	4 881 250
Increase in shareholder risk reserve	13.7	15 857	1 007 966
Increase in insurance contract liabilities		(16 666 308)	(36 172 706)
Effects of inflation on working capital		-	(113 395 123)
		(11 329 782)	**(156 876 294)**
Cash generated from operations		**17 992 433**	**(43 281 524)**
Finance costs on lease liability		(80 463)	(80 463)
Cash settled share based payments		(1 002 743)	(1 002 743)
Interest received	23	1 451 367	1 451 367
Interest paid	18	(1 724 514)	(1 724 514)
Income tax paid	20.2	(2 203 031)	(2 203 031)
Net cash flows from operating activities		**14 433 049**	**(46 840 908)**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

	Note	AUDITED 31-Dec-24 GROUP USD	AUDITED RESTATED* 31-Dec-23 GROUP USD
Investing activities			
Dividends received	23	1 836 511	2 791 493
Additions to property, plant and equipment	6	(1 642 201)	(3 184 939)
Additions to investment property	7	(2 818 711)	(3 131 082)
Purchase of Gold coins		(11 126)	(38 241)
Additions to investment in associate	10	(252 482)	-
Additions of intangible assets		(13 875)	-
Proceeds from disposal of Investment property	7	198 314	524 352
Proceeds from disposal of investment in associate		-	234 018
Proceeds from disposal of property and equipment		28 733	35 495
Purchase of equity securities at FVPL	11.1	(4 585 558)	(14 112 609)
Purchase of debt securities at amortised cost	11.2	(6 445 610)	(14 982 037)
Proceeds from sale of equity securities at FVPL	11.1	3 504 082	1 154 906
Proceeds from debt securities at maturity	11.2	8 982 917	8 951 363
Cash (utilised in)/generated from investing activities		**(1 219 006)**	**(21 757 281)**
Financing activities			
Repurchase of shares-FMP		5 759	(7 485)
Lease liability repayment		(201 518)	(207 585)
Dividends paid controlling interest		(1 597 966)	(853 003)
Borrowings received		5 577 945	3 808 172
Loan repayments		(2 479 803)	(1 009 646)
Dividends paid to non-controlling interest		(198 394)	(676 836)
Cash flows generated from/(utilised in) financing activities		**1 106 022**	**1 053 616**
Net increase in cash and cash equivalents		**14 320 066**	**(67 544 573)**
Cash and cash equivalents at the beginning of the year		17 681 468	13 511 249
Net foreign exchange differences		(746 695)	6 982 527
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		-	66 404 053
Cash and cash equivalents at the end of the year		**31 254 838**	**17 681 468**

*Note: The prior year consolidated statement of cash flows was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, USD. Refer to note 2.1.3 for details of the change in presentation currency

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

1 GENERAL INFORMATION

The main business of First Mutual Holdings Limited (the "Company") and its subsidiaries and associates (together "the Group") is that of provision of life assurance, non-life insurance (comprising general insurance, reinsurance, healthcare and funeral assurance), property management and development, wealth management services, health services and micro-lending.

First Mutual Holdings Limited is a public company, incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange ("ZSE").

As at the reporting period, National Social Security Authority ("NSSA") & CBZH are major shareholders of First Mutual Holdings Limited with a total holding of 70.91% (NSSA 2023: 34.44%, 2024: 34.44%; CBZH 2023 36.47%, 2024: 36.47%) directly in First Mutual Holdings.

The registered office is located at Second Floor, First Mutual Park, 100 Liberation Legacy Road, Borrowdale , Harare, Zimbabwe.

The financial statements of the Group and Company for the year ended 31 December 2024 were authorised for issue in accordance by a resolution of the Directors' at a meeting held on 5 June 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and presentation

2.1.1 Basis of preparation

The financial statements of the Group 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 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 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 and Company changed its functional and presentation currency 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.

2.1.2 Conversion Process to Reporting Currency in United States Dollars for the prior year

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be presented in terms of a measuring unit that is current at the balance sheet date, and that corresponding figures for prior periods be restated in the same terms as the latest balance sheet date. The comparative year 2023 was prepared under hyperinflationary conditions. On 1 January 2024, the Group changed its functional and presentation currency from ZWL to USD currency. As a result, when the company converted its functional currency from the ZWL to the USD, a non-hyperinflationary currency, the income statement, balance sheet, and cash flow statement were translated using the closing spot rate of 5 935.4572 as at December 31, 2023. The financial statements for 2024 have not been restated under IAS 29, as the USD is a non- hyperinflationary currency.

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the Statement of Financial Position date, and that corresponding figures for previous periods be stated in the same terms to the latest Statement of Financial Position date. The restatement done to prior year numbers (2023) were calculated by means of conversion factors derived from the month-on-month consumer price index ("CPI") prepared by the Zimbabwe National Statistics Agency. The conversion factors used to restate the historical numbers as at 31 December 2023 were as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2.1 Basis of preparation and presentation (continued)
2.1.2 Conversion Process to Reporting Currency in United States Dollars for the prior year (continued)

Date	CPI	Conversion factor
December 2023	65 703.44	1.00
November 2023	53 915.71	1.22
October 2023	49 222.55	1.33
September 2023	44 720.86	1.47
August 2023	42 659.97	1.54
July 2023	46 633.80	1.41
June 2023	42 710.72	1.54
May 2023	18 704.62	3.51
April 2023	15 480.17	4.24
March 2023	13 949.99	4.71
February 2023	13 849.20	4.74
January 2023	13 819.67	4.75
December 2022	13 672.91	4.81
January 2022	4 190.00	15.68
December 2021	3 977.50	16.52
December 2020	2 474.51	26.55

All other items on the prior year statement of comprehensive income were restated by applying the relevant monthly conversion factors.

2.1.3 Foreign currency translation

(a) Change in functional 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 5 935.4572.

Currency developments in Zimbabwe
Following the enactment of Statutory Instrument ("SI") 185 of 2020 on 24 July 2020, the Group's Zimbabwean Business Units witnessed a gradual increase in the use of the USD. Subsequently, in June 2022, the government established the multi-currency system into law until 31 December 2025 through Statutory Instrument 118A of 2022 and was further extended to the 31st of December 2030 by the promulgation of Statutory Instrument 218 of 2023. On the 5th of April 2024, Statutory Instrument 60 of 2024, Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulations, 2024 (The S.I) was gazetted, giving effect to a new currency, Zimbabwe Gold (ZWG). The S.I. introduced the new base currency tagged ZWG.

As a result of these developments, the Groups Business unites operating in Zimbabwe re-evaluated their functional currency's in accordance with IAS 21 ("The Effects of Changes in Foreign Exchange Rates").

In assessing functional currency for the businesses, the following factors were considered:
1. The currency that mainly influences sales prices for goods and services (the currency in which sales prices for which goods and services are denominated and settled);
2. the currency which influences labour, material and other costs of providing goods and service
3. the currency in which funds from financing activities are generated.
4. the currency in which receipts from operating activities are usually retained.
5. The Country's competitive forces and regulations:

Based on the above factors, the Groups Business unites operating in Zimbabwe concluded that there had been a change in functional currency from Zimbabwe Dollar (ZWL) to United States Dollars ("USD") with effect from 1 January 2024

Prior year IAS 29 numbers were translated to the USD presentation currency as highlighted in note 2.1.2

b) Change in presentation Currency
The Group and Company changed their accounting policy from presenting using the ZWL to using the USD. Refer to note 2.1.2 for the conversion process used on prior year balances.

2.1 Basis of preparation and presentation (continued)
2.1.3 Foreign currency translation (continued)

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transaction or valuation where items are re-measured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment is repaid, the associated exchange differences are reclassified to statement of comprehensive income, as part of the gain or loss from disposal arising on repayment.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in statement of comprehensive income as part of the fair value gain or loss.

Transactions in currencies other than USD are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in currencies other than USD are re-translated at the functional currency spot rate of exchange ruling at the reporting date.

All differences arising from settlement or translation of monetary items are taken to statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.1.4 Changes in accounting policies and disclosures

a) New standards, amendments and interpretations effective for the first time post 31 December 2024 that are relevant to the Group:

Standard/interpretation	Effective date	Executive summary
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026	The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.
Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026	The pronouncement comprises the following amendments: • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a 'de facto agent' • IAS 7 Cost method
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

The Group and Company will continue to monitor the implementation of these standards and amendments and will assess their impact on the financial statements when they become effective. Any significant changes to accounting policies resulting from the adoption of these standards will be disclosed in the financial statements for the period in which they are adopted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2.1 Basis of preparation and presentation (continued)
2.1.4 Changes in accounting policies and disclosures (continued)

b) New standards, amendments and interpretations issued & effective for 31 December 2024 year ends that are relevant to the Group. That have been adopted in the current year.

Standard/interpretation	Effective date	Executive summary
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2024	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	1 January 2024	These amendments address inconsistencies in accounting for gains/ losses arising from transactions where an investor sells assets (including subsidiaries) to its associate or joint venture (JV).

The Group and Company have assessed the impact of the new standards on the financial statements of the Group and Company and the timing of their adoption. The above amendments do not have a material impact on the financial statements of the Group or Company.

2.1.5 Going concern assumption
The Directors have assessed the ability of the Group and Company to continue operating as going concerns and believe that the preparation of these financial statements on a going concern basis is appropriate. Refer to note 35 for detailed assessment.

2.2 Basis of consolidation

(a) Subsidiaries
Subsidiaries are fully consolidated from the date the Group obtains control of the investee and consolidation ceases when the Group losses control of the subsidiary

Specifically, the Group controls an investee if and only if the Group has:
- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements, and
- the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income and statement of financial position from the date the Group obtains control until the date the Group ceases to control the subsidiary.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.2 Basis of consolidation (continued)

(a) Subsidiaries (continued)
The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in statement of comprehensive income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9, Financial instruments in the profit or loss section of the statement of comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition - date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

All subsidiaries in the Group are 100% owned, except for First Mutual Properties Limited which is 70.07% (2023 : 70.04%) owned through First Mutual Life Assurance Company (Private) Limited, Diamond Seguros is 70.6% (2023: 70.6%) owned through NicozDiamond Insurance and First Mutual Reinsurance Holdings, the direct parent of FMRe Zimbabwe and FMRE P&C Botswana, which it owns 70.1% (2023: 70.1%) All subsidiaries have 31 December year ends and are consolidated in the presented financial statements.

(b) Loss of control
If the Group loses control over a subsidiary, it;
- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative transaction differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in the statement of comprehensive income; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to statement of comprehensive income or retained earnings, as appropriate.

(c) Changes in ownership interests in subsidiaries without change of control:
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant parent's share of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses from disposals to/from non-controlling interests are also recorded in equity.

(d) Non-controlling interest put options
The group entered into transactions that brought about put options which require to be accounted for in the financial statements presented. The group's elected policy to account for the non-controlling interests ("NCI") put option is such that while the NCI put remains unexercised, the accounting at the end of each reporting period is as follows:
i) The entity determines the amount that would have been recognised for the NCI, including an update to reflect allocations of profit or loss, allocations of changes in OCI and dividends declared for the reporting period;
ii) The entity derecognises the NCI as if it was acquired at that date;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.2 Consolidation (continued)

iii) The entity recognises a financial liability at the present value of the amount payable on exercise of the NCI put in accordance with IFRS 9. There is no separate accounting for the unwinding of the discount due to the passage of time. The entity accounts for the difference between (i) and (ii) as an equity transaction. If the NCI put is exercised, the same treatment is applied up to the date of exercise. The amount recognised as the financial liability at that date is extinguished by the payment of the exercise price.

If the NCI put expires unexercised, the position is unwound so that the NCI is recognised at the amount it would have been, as if the put option had never been granted (i.e., measured initially at the date of the business combination, and remeasured for subsequent allocations of profit or loss, OCI and changes in equity attributable to the NCI). The financial liability is derecognised, with a corresponding credit to the same component of equity

(e) Separate financial statements of the Company
In the Company's separate financial statements, investments in subsidiaries are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at historical cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. After initial recognition, subsidiaries are recognised at inflation adjusted amounts.

(f) Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. If the holding is less than 20%, the Group will be presumed not to have significant influence unless such influence can be clearly demonstrated. The existence of significant influence by the Group is usually evidenced in one or more of the following ways:
- representation on the board of directors or equivalent governing body of the investee.
- participation in the policy-making process.
- material transactions between the investor and the investee.
- interchange of managerial personnel.
- provision of essential technical information.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at historical cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee and movements in other reserves after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

When the investment, or portion of an investment, meets the criteria to be classified as held for sale, the portion so classified is accounted for in accordance with IFRS 5, 'Non-current assets held for sale and discontinued operations'. Any remaining portion is accounted for using the equity method until the time of disposal, at which time the retained investment is accounted under IFRS9, Financial instruments, unless the retained interest continues to be an associate.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to statement of comprehensive income where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income and its share of post- acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting polices of associates have been changed where necessary to ensure consistency with the polices adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Goodwill

Goodwill is initially measured at historical cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to an appropriate cash-generating unit that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss from disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.4 Cash and cash equivalents

In the consolidated and separate statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee which is made up of Group Chief Executive Officer, Group Finance Director, Cluster Chief Executive Officers and Managing Directors of the subsidiaries.

2.6 Property, plant and equipment

Property, plant and equipment items are initially measured at historical cost. Subsequently they are measured at cost less accumulated depreciation and impairment losses. Repairs and maintenance costs are recognised in statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

Type of asset	Class	Useful Life
Land and buildings	· Land and buildings	50 years
Motor vehicles	· Motor vehicles	5 years
Desktop computers	· Plant and equipment	5 years
Laptops	· Plant and equipment	4 years
IPads and tablets	· Plant and equipment	3 years
Solar plant	· Plant and equipment	25 years
Office furniture and fittings	· Office furniture	10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition is included in statement of comprehensive income in the year the asset is de-recognised.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year-end, and adjusted prospectively if appropriate. Changes in the asset's depreciation method, residual value or useful life are treated as a change in accounting estimates in accordance with IAS 8, 'Accounting policies, changes in accounting estimates and errors'.

Owner occupied properties comprises property which is owned by the Group but is significantly occupied by group companies, regardless of the leasing of the property being at market related rentals and terms. Such owner occupied properties are classified under property, plant and equipment and depreciated in line with the Group policy on property, plant and equipment.

2.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at historical cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in statement of comprehensive income in the period in which the expenditure is incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Intangible assets (continued)

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash- generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of comprehensive income when the asset is derecognised.

2.8 Investment properties

Investment properties comprises land and buildings that are either held for capital appreciation or to earn rentals or both. Buildings under construction to be used for rental to others or for capital appreciation or both are also classified as investment property.

Investment property is measured initially at historical cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property is included in statement of comprehensive income in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment property is derecognised either when it has been disposed of or when permanently withdrawn from use and no future economic benefit is expected from disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of comprehensive income in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. The difference between the cost based measurement and fair value is treated as a revaluation adjustment. The revaluation reserve is realised on disposal of the property.

2.9 Inventory

Inventory comprises property acquired or being constructed for sale in the ordinary course of business, consumables and other stocks. Consumables and other stocks are valued on the basis of weighted average cost and at the lower of cost or estimated net realisable value (“NRV”), property classified as inventory is valued at the lower of cost or estimated NRV, but is based on the specific identification of the property. NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and less costs to completion and the estimated costs of sale. NRV for completed inventory property is assessed with reference to market conditions and prices existing at the reporting date, and is determined by the Group in light of recent market transactions.

2.10 Investment in gold coins

Investment in gold coins comprises coins issued by the Reserve Bank of Zimbabwe through agents, who are banks. Several subsidiaries in the Group acquired these coins for the period ended 31 December 2024 as they both have prescribed asset status and can be held for value preservation and capital appreciate purposes.

Investment in gold coins are initially measured at historical cost, including the transaction costs (minting costs). Subsequent to initial recognition, investment in gold coins are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment in gold coins is included in statement of comprehensive income in the period in which they arise, including the corresponding tax effect. Fair values are determined based on publication by the Reserve Bank of Zimbabwe.

Investment in gold coins is derecognised either when they have been disposed of or on maturity. They become cash on maturity, when the RBZ redeems them. They operate the same way as TBs, just that they are not interest earning and are linked to Gold prices. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of comprehensive income in the period of derecognition.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less cost of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate representative of the circumstances that reflect current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An impairment loss is recognised in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash- generating unit) in prior years. A reversal of an impairment loss is recognised as income in profit or loss, unless the relevant asset is carried at the revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.12 Fair value

The Group measures financial assets such as quoted and unquoted equity securities and non-financial assets such as investment property and investment in gold coins at fair value at reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and incremental other costs that the Group incurs in connection with the borrowing of funds.

2.14 Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group's financial assets are classified as measured at:
1. amortised cost; and
2. fair value through profit or loss

2.14.1 Financial assets

2.14.1.1 Classification

Financial assets recognised at amortised cost
Premium receivable from intermediaries, tenant and other receivables (excluding prepayments), cash and balances with banks and debts securities are classified as financial assets at amortised cost because Group holds these financial instruments to collect contractual cashflows that are solely payment of principal and interest. The Group's cashflows from premium receivables from intermediaries, tenant and other receivables arise from the Group's operations that are concluded on credit basis and interest is only charged on tenant balances that are overdue. Cash collected in excess of the Group's daily cash needs is invested in debt securities to earn interest income, prior to the cash being deployed to meet insurance and benefit claims, daily operational costs, and dividends payments.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Premium receivable from intermediaries
Management has elected to carry premium receivables from intermediaries an IFRS 9 asset.

Financial assets at fair value through profit or loss
Equity securities at fair value through profit or loss, comprise quoted and unquoted securities The objectives of holding these investments is increase in fair value and dividend income to meet life assurance and investment contract liabilities on maturity or on the occurrence of the insured event. The Group classifies the following financial assets at fair value through profit or loss ("FVPL"):
- listed equity investments that are held for trading acquired principally for the purpose of selling in the near term and forms part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking; and
- unlisted equity investments for which the Group has not elected to recognise fair value gains and losses through other comprehensive income ("OCI").

The equity securities are classified as financial assets at fair value through profit or loss by the Group and Company as management assess performance of the financial assets on a fair value basis.

Transaction cost that are directly attributable to acquisition of financial assets are expensed in profit or loss for financial assets classified at fair value through profit and loss. For financial asset not classified at fair value through profit and loss, transaction costs are added to the fair value at initial recognition.

2.14.1.2 Measurement of financial assets
All financial assets are initially measured at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset on initial recognition.

2.14.1.3 Subsequent measurement of financial assets

Financial assets at amortised cost
These asset are subsequently measured at amortised cost using the effective interest method. The effective interest method is a technique for calculating the actual interest rate in a period based on the amount of a financial instrument's book value at the beginning of the accounting period in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.14.1.3 Subsequent measurement of financial assets (continued)

Financial assets at fair value through profit or loss

The Group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as investment income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/ (losses) in the statement of profit or loss.

2.14.1.4 Impairment of financial assets

Simplified approach

The Group applies the simplified approach that takes into account forward looking information to measure expected credit losses. The simplified approach uses a lifetime expected credit loss allowance for premiums receivables from tenant and other receivables (excluding prepayments). To measure the expected credit losses, tenant and other receivables have been grouped based on shared credit characteristics. The forward looking information adjusts the current backward-looking incurred loss based credit loss rates into a forward-looking expected credit loss rates. The expected credit loss rates are based on the payment profiles over a period of 3 years before 31 December 2024 and corresponding historical credit losses experienced within this period. The historical credit loss rates are adjusted to reflect current and forward looking information on macroeconomic factors (such as market interest rates or growth rates) affecting the ability of the cedants to settle the receivables.

General approach

The Group applies general approach on financial assets such as debt instruments measured at amortised cost, cash and cash equivalents, receivables from intermediaries and related party balances. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant
- change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making a contractual payment, without a payment plan in place. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 90 days past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss

2.14.1.5 Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.14.2 Financial liabilities

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, less directly attributable transaction costs. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

The Group and Company's financial liabilities include insurance related payables, trade and other payables, borrowings, and investment contracts. All the Group's financial liabilities are classified as other financial liabilities. The Group and Company classify all financial liabilities as subsequently measured at amortized cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.14 Financial instruments (continued)
2.14.2 Financial liabilities (continued)

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate method ("EIR") amortisation process.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in statement of comprehensive income.

2.15 Share capital and reserves
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of income tax from the proceeds.

Treasury shares (repurchase and reissue of ordinary shares)
When share capital recognised as equity is bought back the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as an equity deduction. The Company's own shares reacquired in a share buyback scheme or acquired by a subsidiary of the Group are deducted from equity and are classified as treasury shares and are presented in a separate reserve for owned shares. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within the share premium.

2.16 Leases

2.16.1 Leases - Group as a lessee
The Group leases office spaces. Rental contracts are typically made for fixed periods varying from 1 year to 5 years, but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The Group and Company leases have fixed rental arrangements, which have been reviewed periodically due to the hyperinflationary environment. There are no variable payments, residual values, purchase options nor termination penalties.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.16 Leases (continued)

2.16.1 Leases - Group as a lessee (continued)

To determine the incremental borrowing rate, the Group and Company made use of the interest rates charged by their principal bankers for such borrowings, that is interest rates for corporate mortgages.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's economic life and the lease term on a straight-line basis. If the Group and Company are reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's economic life.

The right-of-use asset is subsequently measured at cost less accumulated depreciation in line with owner occupied property policy.

The Group applies the lease of low-value assets recognition exemption to leases of agent offices that are considered to be low value. Lease payments on leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.16.2 Leases - Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.17 Revenue recognition

The Group and Company recognise revenue when the following conditions have been met;
- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- and it is probable that the consideration to which the Group and Company are entitled to in exchange for the goods or services will be collected.

The Group and Company do not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component.

The property services income, sale of completed property and funeral services income follow the above conditions inline with IFRS 15.

2.17.1 Insurance contract revenue

IFRS 17 sets out the requirements that the Group applies in accounting for insurance contracts it issues, reinsurance contracts it holds and investment contracts with discretionary participation features. An insurance contract is a contract under which the Group accepts material insurance risk from another party by agreeing to compensate that party if it is adversely affected by a specified uncertain future event.

2.17.1.1 Aggregation of insurance contracts

Individual insurance contracts that are managed together and subject to similar risks are identified as a portfolio. Contracts that are managed together usually belong to the same product group, and have similar characteristics such as being subject to a similar pricing framework or similar product management, and are issued by the same legal entity. If a contract is exposed to more than one risk, the dominant risk of the contract is used to assess whether the contract features similar risks. Each portfolio is further separated by the contracts' expected profitability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17.1.1 Aggregation of insurance contracts (continued)

The portfolios are split by their profitability into:

(i) contracts that are onerous at initial recognition;

(ii) contracts that at initial recognition have no material possibility of becoming onerous subsequently; and

(iii) the remaining contracts. These profitability groups are then divided by issue date, with most contracts the Group issues after the transition date being grouped into calendar cohorts.

The groups of insurance contracts are established at initial recognition without subsequent reassessment, and form the unit of account at which the contracts are measured. The measurement of the insurance contract liability is based on groups of insurance contracts and will include fulfilment cash flows, as well as the CSM, which represents the unearned profit.

2.17.1.2 Fulfilment cash flows

The fulfilment cash flows comprise:

- best estimates of future cash flows;
- an adjustment for the time value of money (i.e. discounting) and financial risks associated with the future cash flows; and
- a risk adjustment for non-financial risk.

2.17.1.3 Best estimates of future cash flows

These cash flows include 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.

2.17.1.4 Risk adjustment for non-financial risk

The risk adjustment reflects the compensation required for bearing the uncertainty about the amount and timing of future cash flows that arises from non-financial risk. The Group does not disaggregate changes in the risk adjustment between insurance service result (comprising insurance revenue and insurance service expense) and insurance finance income or expenses. All changes are included in insurance service result.

2.17.1.5 Measurement models

2.17.1.5.1 Premium Allocation Approach

The majority of contracts issued by the Group are accounted for under the Premium Allocation Approach measurement model, which has been elected by the group for its short term insurance contracts which met the following eligibility criteria at inception: the entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the requirements under the GMM approach; or the coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date is one year or less.

2.17.1.5.2 Variable Fee Approach

There are also contracts issued by the Group are accounted for under the VFA measurement model, which is mandatory to apply upon meeting the following eligibility criteria at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder a substantial share of the fair value returns on the underlying items. The Group considers that a substantial share is a majority of returns; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items. The Group considers that a substantial proportion is a majority proportion of change on a present value probability weight average of all scenarios.

2.17.1.5.3 Contractual Service Margin

The CSM represents the unearned profit and results in no income or expense at initial recognition when the group of contracts are profitable. The CSM is adjusted at each subsequent reporting period for changes in fulfilment cash flows relating to future service (e.g. changes in non-economic assumptions, including mortality and morbidity rates). For initial recognition of onerous groups of contracts and when groups of contracts become onerous subsequently, losses are recognised in insurance service expense immediately. For groups of contracts measured using the VFA, changes in the Group's share of the underlying items, and economic experience and economic assumption changes adjust the CSM, whereas these changes do not adjust the CSM under the GMM, but are recognised in profit or loss as they arise. However, under the risk mitigation option for VFA contracts, the changes in the fulfilment cash flows and the changes in the Group's share in the fair value return on underlying items that the instruments mitigate are not adjusted in CSM but recognised in profit or loss. The CSM is systematically recognised in insurance revenue to reflect the insurance contract services provided, based on the coverage units of the group of contracts. Coverage units are determined by the quantity of benefits and the expected coverage period of the contracts.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17.1.5.3 Contractual Service Margin (continued)

The Group identifies the quantity of the benefits provided as follows:

- For insurance coverage - based on the expected net policyholder insurance benefit at each period after allowance for decrements, where net policyholder insurance benefit refers to the amount of sum assured less the fund value or surrender value.
- For investment services (including both investment-return service and investment-related service) - based on a constant measure basis which reflects the provision of access for the policyholder to the facility. For contracts that provide both insurance coverage and investment services, coverage units are weighted according to the expected present value of the future cash outflows for each service.

2.17.1.6 Risk Adjustment

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. Risk adjustment has been calculated using 90% confidence level. For the period ended 31 December 2024, the following risk adjustments factors were adopted:

	2024		2023	
	Reinsurance issued	Reinsurance/ Retrocession held	Reinsurance issued	Reinsurance/ Retrocession held
NicozDiamond Zimbabwe	8%	11%	8%	11%
First Mutual Health	0.30%	n/a	0.30%	n/a
FMRe Botswana	11%	11%	11%	11%
FMRe Zimbabwe	11%	11%	11%	11%
First Mutual Life	10%	11%	10%	11%

2.17.1.7 Discount Rates

Discount rates refer to the interest rates used in discounting cash flows to determine the present value of future cash flows. Under IFRS 17, discount rates are primarily used to adjust the estimates of future cash flows to reflect the time value of money and to accrete interest on the CSM. FMHL used the bottom-up approach, with adjustments made for information that is not available due to the economic landscape in Zimbabwe. Adjustments will be made for the information that is not available due to the fact that risk free rates of an appropriate nature and term (especially long durations) are not available in the Zimbabwean financial market. Therefore, FMHL will rely on the available market information where applicable, but will also make long term assumptions where market information is not available (long durations). FMHL will update discount rates annually. If there are significant movements in market information, the discount rates may be updated more frequently than annually. FML currently only has products that fall under the PAA and the VFA measurement models. The PAA products will not be applying discounting. According to IFRS 17 Par 45, no interest is accreted for VFA contracts at initial recognition and subsequent measurement.

Portfolio duration	**1 year**		**5 years**		**10 years**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Life insurance contracts issued						
USD	12%	12%	12%	12%	12%	12%

2.17.1.8 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. The Group shall recognise a loss in profit or loss on day one, the net outflow for the group of onerous contracts

2.17.1.9 Reinsurance Income & expenses

The amount the Group pays for a reinsurance contract held consists of premiums it pays minus any amounts paid by the reinsurer to the Group as compensation for expenses incurred (for example, ceding commissions). The amount the Group recognizes for reinsurance contracts held can be viewed as:

- the reinsurer's share of the risk-adjusted expected present value of the cash flows generated by the underlying insurance contracts

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17.1.10 Summary of measurement approaches

The Group uses different measurement approaches, depending on the type of contracts, as follows:

Contracts issued	Disclosed as under Note 13	Product Classification	Measurement model	Product
Direct participating contracts	Life Savings VFA (13.5)	Insurance contracts with direct participation features	VFA	Growth Pension
Investment contracts with DPF	Life Savings PAA (13.4)	Insurance contracts with Direct participation features	PAA*	Flexible annuity Preservation fund
Investment contracts without DPF	Investment contract liabilities (13.6)	Financial instruments	Financial Liabilities measured at FVTPL under IFRS 9	Managed Fund Post retirement Medical care
Life Insurance	Life Risk PAA (13.3)	Insurance contracts	PAA*	Group life assurance Individual life assurance
Property and casualty and health insurance	Property and Casualty (13.1) Health (13.2)	Insurance contracts	PAA for policies issued (for coverage of one year or less)	Automobile, health, property, health & other non life products
Reinsurance contracts held				
Property and casualty, Life and Health		Reinsurance contract held	PAA (with coverage of one year or less)	Automobile, health, property, health & flexible annuities & preservation fund

*This falls under the scope of IFRS 17 as the Group also issues insurance contracts (Par 3c). This is an investment type product and would normally be measured under the VFA. However, due to FMH having the ability to review fees (with a notice period of less than 12 months), this qualifies for PAA due to the coverage period now being less than or equal to 1 year.

2.17.1.11 Insurance and reinsurance contracts classification

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Group issues insurance to individuals and businesses Non-life insurance products offered include property, marine, and personal accident. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage because of a policyholder's accident. The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

The Group assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation. Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contacts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.17.1.11 Insurance and reinsurance contracts classification (continued)

Recognition
The Group recognizes groups of insurance contracts it issues from the earliest of the following:
- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous
- The Group recognises a group of reinsurance contracts held it has entered into from the earlier of the following:
- The beginning of the coverage period of the group of reinsurance contracts held. (However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any
- underlying insurance contract is initially recognised , if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.
- The date the Group recognizes an onerous group of underlying insurance contracts if the Group entered the related reinsurance contract held in the group of reinsurance contracts held at or before that date. The
- Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Contract boundary
The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:
- The Group has the practical ability to reassess the risks of the policyholder and, as a result, can set a price or level of benefits that fully reflects those risks

Or
- Both of the following criteria are satisfied:
- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognized. Such amounts relate to future insurance contracts.

Insurance contracts – initial measurement
The Group applies the premium allocation approach (PAA) to the insurance contracts (contracts that for a period of 12 months or less) that it issues and reinsurance contracts that it holds, as:
- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary.

Or
- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:
- The extent of future cash flows related to any derivatives embedded in the contracts
- The length of the coverage period of the group of contracts

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:
- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, except for contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognized for insurance acquisition cash flows and
- Any other asset or liability previously recognized for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognized.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.17.1.11 Insurance and reinsurance contracts classification (continued)

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash.

Reinsurance contracts held – initial measurement.
The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue. Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognized on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contract held. The Group uses a systematic and rational method to determine the portion of losses recognized on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognized.

Reinsurance contracts held – subsequent measurement.
The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held. Where the Group has established a loss-recovery component, the Group subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Insurance contracts – subsequent measurement
The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:
- Plus premiums received in the period
- Minus insurance acquisition cash flows, apart from property insurance product line for which the Group chooses to expense insurance acquisition cash flows as they occur
- Plus any amounts relating to the amortization of the insurance acquisition cash flows recognized as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognized as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Contracts measured under variable fee approach (VFA)
Initial measurement
Under IFRS 17, any company that issues insurance contracts must report those contracts on the Statement of financial position as the total of:
- The expected fulfilment cash flows (FCF): the current estimates of amounts that the company expects to collect from premiums net of and payout for claims, benefits, and expenses, including an adjustment for the timing and risk of those amounts, and
- The CSM: the expected profit for providing insurance coverage recognised in profit or loss over the period of insurance coverage.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.17.1.11 Insurance and reinsurance contracts classification (continued)

Fulfilment Cash Flows (FCF)
The measurement of a group of insurance contracts includes all future cash flows expected to arise within the contract boundary of each contract in the group. Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which FMHL can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).

FCF include payments to (or on behalf) of policyholders, insurance acquisition cash flows and other costs incurred in fulfilling contracts. Other costs incurred to fulfill a group of contracts include direct costs and an allocation of fixed and variable overheads directly attributable to fulfilling the group of insurance contracts.

The estimates of these future cash flows are based on probability-weighted expected future cash flows. FMHL estimates which cash flows are expected and the probability that they will occur as at the measurement date. When estimating, FMHL uses information about past events, current conditions and forecasts of future conditions.

Reflecting The Time Value Of Money And Discount Rates
Discounting adjusts the estimates of expected cash flows to reflect the time value of money and the financial risks associated with those cash flows to the extent that the financial risks are not already included in the cash flow estimates. Note 2.18.1.8 shows discount rates that apply throughout measuring a group of insurance contracts.

Risk Adjustment
The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk as FMHL fulfils insurance contracts. It measures the compensation that the entity would require to make it indifferent between:
- Fulfilling a liability that has a range of possible outcomes arising from non-financial risk and
- Fulfilling a liability that will generate fixed cash flows with the same expected present value as the insurance contract.

A lower risk adjustment would be observed for those insurance contracts with shorter duration, high frequency and low severity type products and narrow probability of distributions. Higher risk adjustment would be observed for insurance contracts that are longer in duration, have a low frequency and high severity and have a wide probability of distributions.

IFRS 17 does not prescribe methods for determining the risk adjustment for non-financial risk. Therefore, management's judgement is necessary to determine an appropriate risk adjustment technique.

When applying a confidence level technique, the first step in the process is to calculate the best estimate reserve, where there is an equal chance that the actual amount needed to pay future claims will be higher or lower than the calculated best estimate. The risk adjustment is then calculated such that there is a specified percentage probability that the reserves will be sufficient to cover future claims. For FMHL, the determination of specified percentage has been determined per note 2.18.1.7

Contractual Service Margin (CSM)
The CSM represents the future unearned profit. On initial recognition of a group of insurance contracts, if the total of the fulfilment cash flows, including insurance acquisition cash flows:
- is a net inflow, then the group is profitable. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.
- is a net outflow, then the group is onerous. In this case, the net outflow is recognised immediately as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.

Subsequent measurement
The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).
- The LRC comprises the fulfilment cash flows related to services that will be provided under the contracts in future periods and any remaining CSM at that date.
- The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

IFRS 17 requires a company to update the expected future cashflows (EFCF) at each reporting date, using current estimates of the amount, timing, and uncertainty of cash flows and discount rates. FMHL:
- accounts for changes to estimates of future cash flows from one reporting date to another, either as an amount in profit or loss or as an adjustment to the expected profit for providing insurance coverage, depending on
- the type of change and the reason for it; and
- chooses where to present EFCF either:
  - all in profit or loss, or
  - include EFCF in profit or loss using systematic allocation. The remainder of EFCF is recognised in OCI.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.17.1.11 Insurance and reinsurance contracts classification (continued)

Changes in Future Cash Flows
Changes in expected fulfilment cash flows from the estimates at the previous reporting date or inceptions of the contracts are recognised as follows:

Nature of Change	Treatment
Changes relating to current or past services	Recognised in the insurance service results in profit or loss.
Changes relating to future services	Adjusted against the CSM (or recognised in the insurance service results in profit or loss if the group is onerous).
Effects of the time value of money, financial risk and changes therein on estimated future cash flows	Recognised as insurance finance income or expenses.
Changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items for a group of direct participating contracts VFA)	Recognised in the insurance service results in profit or loss.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the financial year, adjusted for:
1. Interest accreted on the carrying amount of the CSM during the year. Discount rates are determined on initial recognition of the group, i.e., locked-in at inception.
2. The CSM of any new contracts added to the group in the year.
3. The amount recognised as insurance revenue because of the services provided in the year, i.e., release of CSM using coverage units. For insurance contracts measured using the VFA, FMHL has elected to reflect the time value of money in the coverage units using a nominal rate of return.
4. The effect of any currency exchange differences on the CSM and changes in fulfilment cash flows that relate to future services, except to the extent that:

a.) any increases in the fulfilment cash outflows exceed the carrying amount of the CSM, in which case the excess is recognised immediately in profit or loss.

b. any decreases in the fulfilment cash outflows are allocated to the loss component, reversing losses previously recognised in profit or loss.

5. For contracts measured using the VFA, the change in the amount of the insurer's share of the fair value of the underlying item.

2.17.1.12 Insurance contract modifications and derecognition
The Group derecognises insurance contracts when:
- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired); or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

2.17.2 Rental income
The Group is the lessor on operating leases transactions. Rental income arising from operating leases on investment property is ccounted for on a straight-line basis over the lease term and is included in revenue in the statement of comprehensive income due to its operating nature, except for contingent rental income which is recognised when it arises. Services and management fees are recognised in the accounting period in which they are incurred.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option. Amounts received or receivable from tenants to terminate leases or to compensate for dilapidations as well as recovery of fixed operating costs are recognised in statement of comprehensive income when the right to receive them arises.

2.17.3 Realised and unrealised gains and losses
Realised and unrealised gains and losses recorded in statement of comprehensive income on investments include gains and losses on financial assets and investments. Gains and losses from the sale of investments are calculated as the difference between net sales proceeds and the carrying amount and are recorded on occurrence of the sale transaction.

2.17.4 Dividend income
Dividend income is recognised as follows:
Cash dividend: when the Group has received the dividend
Non - cash dividend: when the right to receive the payment is established i.e., when the investee`s Board of Directors has declared the dividend

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17.5 Interest income

Interest earned on cash invested with financial institutions and from micro-loans lent is recognised on an accrual basis using the effective interest method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in the statement of comprehensive income.

2.17.6 Property services income

Property services income comprises income received or receivable from property-related services to other parties. The income is recognised when the related services have been provided. Property services income will be generated from the following services:

- project management;
- property management;
- property purchases;
- property sales; and
- property valuations.

2.17.7 Sale of completed property

A property is regarded as sold when the conditions outlined in IFRS 15.38 for passing of control are satisfied. The factors under which control passes to the buyer include but are not limited to the following:

a. the customer has a present obligation to make payment;
b. the customer has legal title to the asset;
c. the customer has obtained physical possession of the asset;
d. the customer has the significant risks and rewards of ownership;
e. the customer has accepted the asset.

2.17.8 Sale of property under development

Where property is under development and agreement has been reached to sell such property when construction is complete, the directors consider whether the contract comprises:

- a contract to construct a property, or
- a contract for the sale of a completed property.

Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage-of-completion method as construction progresses.

Where the contract is judged to be for the sale of a completed property, revenue is recognised when control over the property has been transferred to the customer. However, an enforceable right does not arise until legal title is passed to the customer. Therefore, revenue is recognised at point in time when legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage-of-completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:

- the buyer controls the work in progress, typically when the land on which the development takes place is owned by the final customer;

and

- all significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically, when buyer cannot put the incomplete property back to the Group.

In such situations, the percentage of work completed is measured based on the cost incurred to date.

2.17.9 Fee income

Fees charged for investment management services provided in conjunction with an investment contract are recognised as revenue in the statement of comprehensive income as the services are provided. Insurance contract policyholders are charged for policy administration services and other contract fees. These fees and charges are recognised as revenue over the period in which the related services are performed.

2.17.10 Commission income

Commission income received or receivable under insurance and reinsurance contracts for non life insurance contracts is recognised in full when risk has been accepted by the reinsurer.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.18.11 Funeral services income

Funeral services income comprises income received or receivable from provision of funeral services to clients. The income is recognised when the related services have been provided, however, there is usually no material time lag between service provision and payment. Funeral services income will be generated from the following services:

- body embalming;
- hearse hire;
- church services; and
- bus hire.

2.18 Liability for incurred claims

2.18.1 Life insurance

Insurance benefits and claims relating to Group life insurance contracts are recognised in profit or loss based on the estimated liability for compensation owed to the contract holder. Death, disability and severe illness and surrender claims are accounted for when notified. These claims include adjustments to liability for incurred claims (LIC). The LIC estimate is determined taking into account the likelihood of the claim being valid and the expected severity of the claim given that the claim is valid. The proportion to be included is estimated separately for each benefit type. An estimate of the expected claim amount is charged to profit or loss and included in liabilities under insurance contracts. Maturity and income disability are recorded as incurred. Adjustments to LIC are modified to reflect actual current operating conditions. The liabilities are calculated gross of reinsurance. An asset is then raised to allow for the expected recoveries from reinsurers.

2.18.2 Non-life insurance

Benefits payable under health insurance contracts are accounted for as incurred. Liabilities are held to reflect adjustments to LIC. The adjustment to LIC calculation is performed using the chain ladder approach. This allows for the historical patterns of claims payment in determining the likely future emergence of claims. The adjustment to LIC is further modified to reflect current operational conditions or known events.

Claims are accounted for as incurred and consist of claims paid, movement in the provision for outstanding claims and related claims handling expenses. The provision for outstanding claims is based on estimates of the cost of settling all claims incurred but unpaid at the reporting date, whether reported or not. Related anticipated reinsurance recoveries are disclosed separately as assets in the statement of financial position and are included in recoveries from reinsurers in profit or loss.

2.19 Acquisition cashflows for Insurance and Reinsurance business

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

2.20 Investment contracts without discretionary participating features ("DPF")

Investment contracts without DPF are determined by applying deposit accounting where the contributions, claims and benefits paid, investment income and related expenses are not accounted through profit or loss but are accounted as direct increases or decreases to the investment contract liability and the corresponding assets.

2.21 Shareholder risk reserve

Shareholder risk reserve are funds set aside to meet claims on risk products as they fall due. Risk products are those which are underwritten by the Group and payable on death.

The measurement of the funeral assurance contract provisions is made in accordance with the Financial Soundness Valuation Basis as set out in actuarial guidance issued by the Actuarial Society of South Africa in Standard of Actuarial Practice ("SAP") 10 version 9. The provisions are calculated on a gross premium basis using realistic expectations of future experience, with margins of prudence and deferral of profit emergence. Each year the assumptions used to calculate the provisions are adjusted to reflect the change in expected experience. The contingency data risk reserve has been set at 0.1% of the non-investment linked insurance contracts for any possible of data discrepancies. This is a financial instrument that is carried at fair value through profit and loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.22 Taxation

2.22.1 Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to the tax authorities. The tax rates and laws used to compute the amounts are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised in other comprehensive income or equity is also recognised in other comprehensive income or equity and not in statement of comprehensive income.

Taxable income for the life assurance subsidiary company is calculated in accordance with the insurance formula as laid down in the Eighth Schedule of the Zimbabwe Income Tax Act (Chapter 23:06).

2.22.2 Deferred tax

Deferred tax is provided using the Statement of Financial Position approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except;

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint arrangements, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.
- deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and unused tax losses can be utilised except;
- when the deferred tax asset relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date that are expected to apply to the year when the asset is realised or the liability is settled. Deferred tax relating to items recognised in other comprehensive income or equity is also recognised in other comprehensive income or equity and not in statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period.

The Group will continue to apply the income tax rate of 25.75% (2023: 24.72%) for the purpose of recognising deferred tax for its investment properties with the exception of land, where the capital gains tax rate is applied.

2.22.3 Value added tax

Expenses and assets are recognised net of the amount of the value added tax ("VAT"), except when the value added tax incurred on purchase of assets or services is not recoverable from the tax authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

The policy relates to all companies that are VAT registered, with the exception of First Mutual Reinsurance (Private) Limited and First Mutual Health Company (Private) Limited that are VAT exempt.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.23 Employee benefits

Post employment benefits

The Group operates two defined contribution plans, the assets of which are held in separate trustee administered funds. The pension plans are funded by payments from employees and the relevant group companies. The Group's contributions to the defined contribution pension plans are charged to statement of comprehensive income in the period in which the contributions relate. Retirement benefits are also provided for the Group's employees through the National Social Security Authority ("NSSA") Scheme. The cost of retirement benefits applicable to the NSSA Scheme is determined by the systematic recognition of legislated contributions.

Short-term employee benefits

Short term employee benefits consist of salaries, accumulated leave payments, bonuses and any non-monetary benefits such as medical aid contributions.

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Profit share scheme

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.24 Share-based payments

2.24.1 Share appreciation rights

Liabilities for the Group's cash settled share based payments (share appreciation rights) are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the statement of financial position.

2.25 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in statement of comprehensive income net of any reimbursement.

Restructuring provisions are recognised only when the recognition criteria for provisions are fulfilled. The Group has a constructive obligation when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline. Furthermore, the employees affected have been notified of the plan's main features.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.26 Member assistance fund

The member assistance fund represents a provision to cover members for benefits that they would otherwise not qualify for, on the basis of the Medical Aid Fund benefit and tariff limits. The build-up of the assistance fund arises from:
- an allocation from the technical account on the basis of predetermined criteria.

The business initially recognizes a liability for member assistance fund on the basis of the following criteria:
- when a transfer has been made from the low claims' bonus for unclaimed balances in excess of a period of 5 years; and
- when an allocation has been made from the technical account and approved by the Board.

Member assistance fund build-up through shareholder contributions

The Group to set aside quarterly reserves of USD50,000 or the equivalent in ZWG provided the operating profit margin is 5% or above. To ensure that the fund does not become too high, the business has capped the annual amount of transfer to USD200,000 Were the reserve is higher and there are no qualifying clients the provision shall be reversed back through the statement of comprehensive income. Refer to note 17 for further details.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.27 Retrenchment or rationalisation accounting policy

The Group recognises termination as a liability and expense when there is a demonstrable commitment to either terminate the employment of an employee or a group of employees before normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Group will recognise such termination benefits when and only when, there is a detailed formal plan for the termination and there is no realistic possibility for withdrawal for such plans. The detailed formal plan will include the location, function and approximate number of employees whose services are to be terminated, the termination benefits for each job classification or function and the time at which the plan will be implemented.

2.28 Non-current assets held for sale

The Group and Company classify non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The Group and Company classify assets as held for sale when the following criteria are met;
- the assets must be available for immediate sale in their present condition
- sale must be highly probable
- the asset must be currently marketed actively at a price that is reasonable in relation to its current fair value
- the sale should be completed, or expected to be so, within a year from the date of the classification, and
- the actions required to complete the planned sale will have been made, and it is unlikely that the plan will be significantly changed or withdrawn.

Assets classified as held for sale cease to be depreciated at the date at which they qualify to be reclassified. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

2.29 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing;
- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.30 Dividends

Provision is made for the amount of any dividend in the form of assets declared by the directors and no longer at the discretion of the Group on or before the end of the reporting period but not distributed at the end of the reporting period. No provision is made for cash dividends.

2.31 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest dollar.

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparation of the Group's financial statements, management is required to make judgements, estimates and assumptions that affect reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However uncertainty about these assumptions, judgements and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3.1 Judgements other than estimates

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

3.1.1 Insurance contracts and investment contracts

The Group classifies contracts entered into between investment contracts and insurance contracts on the basis of whether the contract is mostly a life assurance contract or a deposit contract and the contract is considered to be insurance contract if it transfers significant insurance risk. In the event of both elements existing in the contract, judgement is applied in determining which of the two elements makes up a more significant portion of the contract, in which case it is classified as such.

3.1.2 Taxes

The Group is subject to income and capital gains taxes in Botswana, Malawi, Mozambique and Zimbabwe. Significant judgement is required to determine the total liability for current income and deferred taxes.

There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain. In particular, when calculating deferred tax, the effective tax rate applicable on the temporary differences on investment property depends on the method by which the carrying amount of investment property will be realised.

In 2024 Treasury authorised all companies earning more than 50% of their income in USD to settle their income tax obligations with a ratio of 50:50 between ZWG and USD. The group earns more than 50% of its income in USD hence it has applied the 50/50 ratio in settling its income tax obligations for 2024.

The Group applied the income tax rate of 25.75% (2023: 24.72%) for the purpose of recognising deferred tax for its investment property with the exception of land. The investment property held by the Group is for use and capital appreciation and not for sale.

3.1.3 Operating lease commitments with the group as lessor

The Group has entered into commercial property leases on its investment property. The Group has determined, based on an evaluation of the terms and conditions of the lease arrangements, that it retains all the significant risks and rewards of ownership of the property and so accounts for the contracts as operating leases. This involves the analysis of likelihood of exercising extension options, lease term analysis, etc. The lease rental in most of the lease arrears are revised on an annual basis.

3.2 Estimates and assumptions

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

3.2.1 Liability for incurred claims

The liability for incurred claims consist of an estimate of all claims incurred before the reporting date but only reported subsequent to year end and outstanding claims. The Liability for incurred claims is actuarially determined as at the reporting date.

3.2.2 Insurance contract liabilities (policyholders' funds) and actuarial assumptions.

The life policyholder funds, under un-matured policies, are computed at the reporting date by the Group's independent actuary, in accordance with prevailing legislation, and guidelines issued by the Actuarial Society of South Africa ("SAP104"). Under this method, the insurance contract liabilities are valued using realistic expectations of future experience with margins for prudence. The insurance contract liabilities reflected in the statement of financial position represent the increase or decrease in actuarial liabilities, calculated using the Financial Soundness Valuation method.

The main assumptions used relate to mortality, longevity, investment returns, expenses, lapses, surrender rates and discount rates. Estimates are also made as to future investment income arising from the assets backing the life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments. Assumptions on future expenses are based on current expense levels adjusted for expected expense inflation adjustments if necessary. Lapse and surrender rates depend on product features, policy duration and external circumstances such as sales trends. Discount rates are based on current expense levels adjusted for expected inflation adjustments if appropriate.

3.2.3 Fair value of investment property

The Group carries its investment property at fair value, with changes in fair value being recognised in statement of comprehensive income. The yield method converts anticipated future cash flow benefits in the form of rental income into present value. This approach requires careful estimation of future benefits and the application of investor yield or return requirements. One approach to value property on this basis is to capitalise net rental income on the basis of an initial yield, generally referred to as the "All Risks Yield" approach or "Net Initial Yield" approach.

The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term void rate.

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.2.3 Fair value of investment property (continued)

The property valuations have been undertaken in an environment of poor liquidity conditions and limited transaction evidence. In undertaking the valuations for commercial, industrial and retail properties, reliance has been placed on rental market evidence, void rates and area currently applying to the individual properties in the portfolio. The achieved rentals for the portfolio are generally in line and in some instances higher than the rental rates being achieved in the market. With regards to the residential properties, various properties were identified that were sold or which are on sale and situated in comparable residential suburbs. In analysing the comparable properties, the main space equivalent ("MSE") principle was applied. The total MSE of the comparable property was then used to determine a value per square meter of MSE. The objective is to arrive at a common basis of comparison. After adjustments for quality, location and size, the rates per MSE reflected by the comparable were then applied to the subject residential properties. The yields, have been obtained from the limited concluded transactions and have also been assessed taking into account asking prices and offers that may have been received for properties currently on the market, formally or otherwise, although the transactions may not have been concluded. Refer to note 7 for the carrying amount of investment property and more information on the estimates and assumptions used to determine the fair, value of investment property.

3.2.4 Useful lives and residual values of property plant and equipment

The Group assesses the useful (economic) lives and residual values of computers, laptops, tablets, vehicles and equipment each year taking to consideration past experience, technology changes and the local operating environment. No changes to the useful lives and residual values have been considered necessary during the year. Refer to note 6 for the carrying amount of property, vehicles and computer equipment and accounting policy note 2.6 for the useful (economic) lives of property, vehicles and equipment.

3.2.5 Allowances for expected credit losses

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. For receivables, the Group applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 2.13.1 for further details. Forecast on national unemployment rates, economic outlook, monetary policy changes, changes in client profiles are taken into account in determining expected credit losses.

4 GROUP FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risk through its financial assets and liabilities, insurance and reinsurance assets and liabilities. The most important components of financial risk are investment risk, equity price risk, interest rate risk, liquidity risk, currency risk, and credit risk.

4.1 Investment risk

The Group's investment risk management system operates through a hierarchy of investment limit approvals. Individual fund managers have authority to trade within certain limits. Investments in excess of the specified limits require the approval of the Group Investment Committee. In addition, the Group Investment Committee makes all decisions regarding property investments and unquoted companies' share transactions.

4.2 Equity price risk

Equity price risk is the potential loss arising from changes in the market price of a financial instrument as a result of fluctuations in the market price. A substantial part of the equity portfolio comprises listed counters. Unquoted counters are subjected to periodic financial analysis and review. The Group's equity price risk policy is to manage such risks by setting and monitoring objectives on investments, diversification of portfolios and setting limits on investment in each sector.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.2 Equity price risk (continued)

+/-10% share price movement	Shareholder 2024 Impact on profit before tax USD	Shareholder 2023 Impact on profit before tax USD	Shareholder 2024 Impact on equity USD	Shareholder 2023 Impact on equity USD	Policyholder 2024 Effect on life policyholder liabilities USD	Policyholder 2023 Effect on life policyholder liabilities USD
Commodity						
+/-10	58 928	23 741	43 754	17 627	127 292	35 023
Consumer						
+/-10	466 134	187 793	346 104	139 436	710 142	195 389
Financial						
+/-10	171 297	69 011	127 188	51 241	626 656	172 419
Manufacturing						
+/-10	80 220	32 319	59 563	23 997	25 000	6 879
Property						
+/-10	1 828 136	736 508	1 357 391	546 858	87 542	24 086
Telecommunication						
+/-10	272 056	109 604	202 002	81 381	143 355	39 443
Other						
+/-10	24 506	9 873	18 196	7 331	47 628	13 104
Total						
+/-10	**2 901 278**	**1 168 849**	**2 154 199**	**867 871**	**1 767 615**	**486 343**

4.3 Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to insured, cedants and tenants.

Risk management
Credit risk is managed on a group basis. The key areas where the Group is exposed to credit risk are:-
- amounts due from debt securities;
- reinsurers' share of insurance liabilities;
- amounts due from cedants;
- amounts due from agents, brokers and intermediaries;
- amounts due from loans and receivables; and
- amounts due from cash and balances with banks.

The Group manages and analyses credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Exposure limits are set for each counterparty or group of counterparties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis. With respect to credit risk arising from other financial assets of the Group, which comprise cash and balances with banks, and held to maturity investments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The following policies and procedures (by each financial insurance) are in place to mitigate the Group's exposure to credit risk:

4.3 Credit risk
4 GROUP FINANCIAL RISK MANAGEMENT (continued)

Insurance receivables
The following policies and procedures are in place to mitigate credit risk:
- exposure limits are set for each counterparty or group's of counterparties;
- the creditworthiness of cedants is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract;
- the exposure to individual counterparties is also managed by other mechanisms, such as the right to offset where counterparties are both debtors and creditors of the Group; and
- management information reported to the board of directors includes details of allowances for impairment on amounts due from cedants and subsequent write-offs.

Credit limits are monitored based on the financial position and history of the insured or cedant's ability to pay. In the view of management, the credit quality of insurance receivables is considered sound. Management does not expect any losses from non-performance by counter parties. The credit risk in respect of customer balances incurred on non-payment of premium will only persist during the period specified in the policy document.

Tenant receivables
Tenants are assessed according to set criteria prior to entering into lease arrangements. Credit risk is managed by requiring tenants to pay rentals in advance in addition to an upfront good tenancy deposit. The credit quality of the tenant is assessed based on an extensive credit rating criteria at the time of entering into a lease agreement. At inception of the lease tenants are classified into good, acceptable and watch list categories.

Outstanding tenants' receivables are regularly monitored and all tenants that accrue arrears are classified in the watch list category as rental obligations are payable in advance. An impairment analysis is performed at each reporting date on an individual basis for major tenants. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Cash and balances with banks and Debt securities at amortised cost
The Group has a policy that establishes counterparty trading limits for each banking institution that it trades with. These counter party limits are reviewed at least semi-annually and submitted to the Group Investments Committee for approval. In this process the financial results of the banking institutions which are published semi-annually, are reviewed and together with other qualitative factors. The limits worked out are proposed to the Group Investment Committee for approval.

The Group only trades with and receives service from banking institutions that meet regulatory requirements including minimum regulatory capital.

Key considerations in the review of limits and security requirements include:-
- compliance with minimum capital requirements as set by the Reserve Bank of Zimbabwe ("RBZ"),
- RBZ periodic capital adequacy, asset quality, management, earnings, liquidity, and sensitivity ("CAMELS") ratings,
- total shareholder equity,
- total assets,
- ratios such as loan to deposit ratio, cost to income and non-performing loans ("NPLs") to total loans ratio,
- overall profitability and cash generation,
- historical performance and outlook,
- ability of the bank to provide collateral security,
- global credit ratings, with at least a rating of A+.

The approved collateral security instruments are as follows:
- treasury bills and aftrades;
- Zimbabwe Stock Exchange ("ZSE") top ten listed equities;
- bankers acceptances; and
- property bonds for long term placements

The Group uses the following parameters in determining the trading limits:-
-10% of Group's average shareholders' equity,
-1.5% of average total deposits, and
-discounts can be further applied to the established limit based on other qualitative factors covered under the CAMELS rating system of the RBZ.

Qualitative factors include additional opinion formed through market intelligence on the financial institution, shareholder profile, management and segment of market being served.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.3 Credit risk (continued)

The banks are classified into three internal categories as set out below:

Tier 1 Banks - banks that are considered to have well above the regulatory capital, stable and have a proven performance record. No security is required from these counterparties. The counterparty limit for tier 1 Banks is set as 40% (2023: 40%) of the Group total money market investments.

Tier 2 Banks - banks that are assessed to be significantly stable but have lower performance and shareholder ratings than Tier 1 Banks. Security is required for investments with these banks. The counterparty limit for tier 2 Banks is set as 20% (2023: 20%) of Group total money market investments.

Tier 3 Banks - banks that are evaluated as currently not suitable to be classified as a trading counterparty.

The Group holds cash accounts with financial institutions with sound financial and capital cover. The financial institutions holding the cash and cash equivalents of the Group have the following internal credit ratings.

	2024 USD	2023 USD
Tier 1	24 317 886	12 023 398
Tier 2	7 162 406	5 658 070
	31 254 838	**17 681 468**

(ii) Security
The Group holds no collateral in respect of insurance, tenant and other receivables, and debt securities at amortised cost.

(iii) Impairment of financial assets
The group has four types of financial assets that are subject to the expected credit loss model:
- premium receivables from intermidiaries
- tenants receivables;
- other receivables;
- debt securities at amortised cost; and
- cash and balances with banks.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Premium receivables from intermediaries, tenant and other receivables
The Group applies the simplified approach that takes into account forward looking approach to measure expected credit losses. The simplified approach uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, premium receivables from intermediaries have been grouped based on shared credit characteristics and the days past due with the exception of the reinsurance receivables which are measured on an incurred loss model rather than an expected loss model. The forward looking approach requires the Group to adjust the current backward-looking incurred loss based credit losses into a forward-looking expected credit loss. The expected loss rates are based on the payment profiles over a period time and corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the cedants to settle the receivables, changes to underwriting through more short-term policies.

Insurance receivables for the pensions business relate to pension contributions and Group Life Assurance ("GLA") premiums that are paid a month in arrears. In the event that three months pass with the contributions still outstanding, premium receivables are impaired. The same applies for GLA premiums. The premiums for the individual life business are accounted for on a cash basis due to the lapsable nature of the life insurance contracts. In the event of default, the contract will lapse and the premium will no longer be due to the Group hence the criteria to recognise revenue only when received.

When determining allowance for credit losses in respect of past due tenant receivables, the following criteria is used:

• Occupancy status of the tenant
The tenant who relinquish occupancy of premises and honour agreed payment plans will not be considered for specific write-off.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.3 Credit risk (continued)

• Length of period of non-payment

The length of period a tenant stays without making payment towards past due balances is used as a measure of the extent of delinquency of outstanding amounts. All past due amounts over three months are referred to collection agencies and lawyers for collection while amounts that are over six months past due may qualify for specific write-off subject to the fulfilment of additional qualification criteria. All tenant account balances that are over three months are profiled with relevant percentage of general allowance applied to arrive at a general allowance for credit losses amount.

• Analysis of results of collection efforts undertaken so far in order to recover amounts that are past due

When the efforts of lawyers, collection agencies or direct approaches by the Group to tenants does not yield significant recovery of past due amounts and the prospects of significant recoveries consider remote, the outstanding balance is considered for specific write off. All material write offs are approved by the Audit and Acturial Committee. Significant managerial judgment is exercised in analysing the likelihood of success of current collection efforts with assessment of prospects of recovery rated from more highly probable to remote.

Debt securities at amortised cost

All of the Group's debt investments at amortised cost and at fair value through other comprehensive income ("FVOCI") are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risks. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

31 December 2024	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected credit loss rate	13%	27%	40%	100%	
Gross carrying amount-Insurance and reinsurance related receivables					
-Premium receivable from intermidiaries	3 913 374	1 033 358	732 477	-	4 642 200
Gross carrying amount - tenant receivables	1 437 598	439 837	387 018	-	2 264 453
Gross carrying amount - other receivables	2 939 705	2 424 396	920 292	-	6 284 392
Loss allowance	**1 077 788**	**1 045 242**	**815 762**	**-**	**2 938 792**
-Reinsurance contract assets	**6 916 246**	**5 381 165**	**3 661 326**	**1 172 804**	**17 131 541**

31 December 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected credit loss rate	7%	12%	21%	100%	
Gross carrying amount-Insurance and reinsurance related receivables					
-Premium receivable from intermidiaries	5 440 640	3 152 655	2 274 437	-	10 867 731
Gross carrying amount - tenant receivables	531 456	216 118	183 514	172 563	1 103 651
Gross carrying amount - other receivables	1 165 684	921 293	697 765	-	2 784 742
Loss allowance	**501 005**	**507 264**	**678 105**	**172 563**	**1 858 937**
-Reinsurance contract assets	**6 811 148**	**5 299 393**	**3 605 689**	**1 156 419**	**16 872 649**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.4 Interest rate risk

Cash flow interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Group analyses its interest rate exposure on a dynamic basis and various scenarios are simulated.

The Group manages interest rate risk at both Board level (through the Group Investments Committee) and management level through regular reviewing policies that relate to interest rate risk management. Key activities include daily monitoring of costs of funds, monthly analysis of interest rate re-pricing gaps and monthly interest rate simulations.

The Group's exposure to the risk of changes in the market interest rates relates primarily to the Group's cash and cash equivalents, including financial instruments earning interest at fixed interest rates.

The Group is not exposed to the risk of changes in market interest rates as a result of the fixed nature of interest rates on its financial instruments thus, no sensitivity analysis has been presented.

4.5 Liquidity risk

It is the Group's policy to ensure that cash resources are available at all times to meet commitments as they arise. Cash outflows arise from payment of insurance claims and benefits, purchase of investments and other operating commitments. Such outflows are adequately matched by inflows from premium income, maturing investments and investment income. The Group manages liquidity risk related to market through maintaining and monitoring comprehensive cash flow forecasts and budgets that are reviewed to take any changes on the market as they arise.

Where pension funds withdraw and/or transfer assets to other pension administrators the period of transferring the assets is per agreement between the Fund and the insurer as specified in the policy document and that period spans up to three years allowing for restructuring of assets to meet the cash flow requirements as permitted by the Pensions and Provident Funds Act (Chapter 24:32). The table below summarises the maturity profile of the Group's financial instruments and insurance contracts based on contractual and undiscounted expected payments.

The negative gap shown below is long-term and will be covered by investment property through either rental received or disposals to fund the long-term insurance and life contract liabilities. The insurance and life assurance contract liabilities mature in smaller amounts over period longer than 5 years.

Investment contract liabilities have different maturity periods which have been used to determine liquidity profiles. Early termination of contract results in penalties for the contract holder, hence contracts are estimated to end on maturity.

The amounts disclosed in the table below are based on expected undiscounted cashflows for insurance contract assets and contractual undiscounted cashflows for all other line items. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

For amounts in 1- 5 years the future value of the ultimate redemption values is affected by a number of factors other than interest. The carrying amount therefore estimates future contractual undiscounted expected cashflows. All financial instruments are based on contratual maturity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.5 Liquidity risk (continued)

Assets 31 December 2024	1 month USD	1 month to 3 months USD	3 months to 1 year USD	1 year to 5 years USD	Total USD
Financial and insurance assets:					
Reinsurance contract assets	2 288 956	5 232 121	9 610 464	-	17 131 541
Premium receivable from intermidiaries,tenant and other receivables (excl. prepayments)	3 035 004	2 912 709	5 313 628	-	11 261 341
Debt securities at amortised cost	1 577 408	3 799 256	5 381 953	5 204 062	15 962 679
Equity securities at fair value through profit or loss	4 999 500	13 111 398	19 667 097	-	37 777 994
Cash and balances with banks	31 254 838	-	-	-	31 254 838
Total assets	**43 155 706**	**25 055 484**	**39 973 141**	**5 204 062**	**113 388 392**
Financial and insurance related liabilities					
Investment contract liabilities without DPF	8 624 960	-	-	-	8 624 960
Investment contract liabilities with DPF	35 143	70 286	316 286	8 012 588	8 434 304
Insurance contract liabilities	4 053 751	8 107 503	36 483 763	54 390 006	103 035 023
Borrowings	457 110	914 220	4 113 989	2 742 659	8 227 978
Lease liability	15 225	30 451	137 028	282 548	465 252
Put option liability	-	-	-	4 399 320	4 399 320
Share based payment	-	-	431 174	-	431 174
Income tax	-	-	813 931	-	813 931
Other payables	10 305 543	-	-	-	10 305 543
Total liabilities	**23 491 732**	**9 122 459**	**42 296 172**	**69 827 121**	**144 725 796**
Liquidity gap	**19 663 973**	**15 933 024**	**(2 323 031)**	**(64 623 059)**	**(31 337 403)**
Cumulative liquidity gap	**19 663 973**	**35 596 997**	**33 273 967**	**(31 337 403)**	**-**

Assets 31 December 2023	1 month ZWL	1 month to 3 months ZWL	3 months to 1 year ZWL	1 year to 5 years ZWL	Total ZWL
Financial and insurance assets:					
Reinsurance contract assets	2 254 366	5 153 053	9 465 230	-	16 872 649
Premium receivable from intermidiaries,tenant and other receivables (excl. prepayments)	3 738 422	3 587 783	6 545 159	-	13 871 365
Debt securities at amortised cost	1 160 010	2 793 933	3 957 833	2 295 867	10 207 642
Equity securities at fair value through profit or loss	4 936 295	12 945 640	19 418 460	-	37 300 394
Cash and balances with banks	17 681 468	-	-	-	17 681 468
Total assets	**29 770 559**	**24 480 409**	**39 386 682**	**2 295 867**	**95 933 517**
Financial and insurance related liabilities					
Investment contract liabilities without DPF	7 548 598	-	-	-	7 548 598
Investment contract liabilities with DPF	58 384	116 767	525 453	13 311 467	14 012 070
Insurance contract liabilities	3 890 384	7 780 769	35 013 460	67 438 951	114 123 565
Borrowings	583 596	2 180 178	2 366 062	-	5 129 836
Lease liability	22 981	45 962	206 829	575 413	851 184
Put option liability	-	-	-	4 567 300	4 567 300
Share based payment	-	-	1 272 381	848 254	2 120 636
Member assistant fund	1 523	-	-	-	1 523
Income tax	-	-	583 299	-	583 299
Other payables	7 964 510	-	-	-	7 964 510
Total liabilities	**20 069 976**	**10 123 676**	**39 967 485**	**86 741 385**	**156 902 522**
Liquidity gap	**9 700 583**	**14 356 733**	**(580 803)**	**(84 445 518)**	**(60 969 005)**
Cumulative liquidity gap	**9 700 583**	**24 057 316**	**23 476 513**	**(60 969 005)**	**-**

The current year accounting aligns to the Group's strategy in light of observed liquidity constraints which have called for need to dispose of some equity shares to raise funds. The investment contract liabilities are derived as a function of monetary and non monetary assets. The non-monetary assets consists of investments in properties which are not included above. This is what would be required to be disposed to settle these. Once we factor this, the liquidity gap should reduce to manageable levels.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.6 Foreign exchange risk

The risk that the fair value of the cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Foreign exchange risks arise from recognised monetary financial assets and liabilities future commercial transactions, that are not denominated in the functional currency of the Group.

The Group operates regionally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States of America Dollar ("USD"), Botswana Pula ("BWP"), and, Mozambique Metical ("MZN").

The Group manages foreign exchange risk by making prepayments to suppliers to lock prices and increasing investments in illiquid assets such as high value unquoted equity securities in foreign currency generating investments.

The following table details the Group's sensitivity to a 10% increase or decrease in the ZWL against the relevant foreign currencies with all other variables held constant. 10% represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and is calculated by adjusting the translation of foreign currency amounts at the period end for a 10% change in foreign currency rates.

Consolidated foreign exchange gap analysis as at 31 December 2024

Base currency	Metical USD equivalent	ZWG USD equivalent	BWP USD equivalent	TOTAL USD equivalent
Assets				
Cash and balances with banks	597 178	757 397	17 790 396	19 144 970
Insurance related, tenant and other receivables	2 285 792	6 145 254	5 889 406	14 320 451
Total assets	**2 882 969**	**6 902 650**	**23 679 802**	**33 465 422**
Liabilities				
Insurance contract liabilities	2 389 804	3 801 009	6 993 336	13 184 148
Put option liability	-		4 567 300	4 567 300
Other payabes	172 596	1 863 918	1 743 451	3 779 965
Total liabilities	**2 562 400**	**5 664 927**	**13 304 087**	**21 531 414**
Net currency position	**320 570**	**1 237 723**	**10 375 715**	**11 934 008**
Consolidated foreign exchange gap analysis as at 31 December 2023				
Assets				
Cash and balances with banks	34 539	1 921 345	1 199 855	11 729 539
Insurance, tenant and other receivables	53 178	11 922 240	352 272	25 008 042
Total assets	**87 716**	**13 843 585**	**1 552 127**	**36 737 581**
Liabilities				
Insurance contract liabilities - short term	60 371	10 564 290	294 883	22 777 894
Put option liability	-	-	4 567 300	4 567 300
Other payabes	2 400	1 564 400	136 220	3 919 855
Total liabilities	**62 771**	**12 128 690**	**4 998 403**	**31 265 049**
Net currency position	**24 945**	**1 714 895**	**(3 446 276)**	**5 472 532**

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.6 Foreign exchange risk (continued)

Below are major cross rates to the USD used by the group

Currency	2024 Cross rate	2023 Cross rate
Botswana pula ("BWP")	13.97	13.39
Zimbabwe Gold ("ZWG")	25.80	13.56
Mozambique metical ("MZN")	63.91	63.75

Impact of 10% increase in exchange rates	METICAL USD	ZWG USD	BWP USD	TOTAL USD
For the year ended 31 December 2024				
Assets	288 297	690 265	2 367 980	3 346 542
Liabilities	(256 240)	(566 493)	(1 330 409)	(2 153 141)
Net position	**32 057**	**123 772**	**1 037 571**	**1 193 401**
For the year ended 31 December 2023				
Assets	8 772	1 384 359	155 213	3 673 758
Liabilities	(6 277)	(1 212 869)	(499 840)	(3 126 505)
Net position	**2 495**	**171 490**	**(344 628)**	**547 253**

	31 December 2024			31 December 2023		
Currency	Change in variables USD	Impact on profit before tax USD	Impact on equity USD	Change in variables USD	Impact on profit before tax USD	Impact on equity USD
Zimbabwe Gold ("ZWG")	+10%	123 772	91 901	+10%	171 490	127 331
Botswana pula ("BWP")	+10%	1 037 571	726 300	+10%	(344 628)	(241 239)
Mozambique metical ("MZN")	+10%	32 057	19 234	+10%	2 495	1 497
Zimbabwe Gold ("ZWG")	-10%	(123 772)	(91 901)	-10%	(171 490)	(127 331)
Botswana Pula ("BWP")	-10%	(1 037 571)	(726 300)	-10%	344 628	241 239
Mozambique metical ("MZN")	-10%	(32 057)	(19 234)	-10%	(2 495)	(1 497)

This method used for deriving sensitivity information and significant variables did not change from the previous period.
The Group trades in all currencies, some have not been been included in this disclosure note as they are not of material significance to the Group's operations.

4.7 Insurance risk

Insurance risk is the risk that actual future underwriting, policyholder behaviour and expense experience will differ from that assumed in measuring policyholder liabilities and assets and in pricing products. Insurance risk arises due to uncertainty regarding the timing and amount of future cash flows from insurance contracts. This could be due to variations in mortality, morbidity, policyholder behaviour or expense experience in the case of life products, and claims incidence, claim severity or expense experience in the case of short-term insurance products. These could have adverse impacts on the Group's earnings and capital if different from those assumed.

The Group is exposed to insurance risk arising from its insurance contracts with policyholders and other beneficiaries. The main risk that the Group faces is that the actual claims and benefits payments or the timing thereof differ from expectations. The risk exposure is mitigated by the use of careful selection procedures and implementation of underwriting procedures, use of actuarial models which calculate premiums and monitor claims patterns, as well as the use of reinsurance arrangements.

The insurance risks that the Group is exposed to that have the greatest impact on the financial position and comprehensive income are covered below.

General management of insurance risk

The insurance subsidiaries are responsible for the day to day identification, monitoring and assessment of insurance risk. In addition to the management of risk by the subsidiary companies, the Group has the following insurance risk management controls:

Group Risk Committee

The Committee advises Group's overall risk strategy, current risk exposures, and risk governance. The Committee considers and approves the remit of the risk management function and reviews reports on material breaches of risk limits, as well as the adequacy of remedial action. The Committee also advises the Board on the risks aspects of proposed strategic transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7 Insurance risk (continued)

Combined Audit and Actuarial Committee
The audit committee deals with insurance companies within the Group. The committee serves to satisfy the Group and operational boards of directors that adequate internal and financial controls are in place and that material risks are managed appropriately. More specifically, this committee is responsible for reviewing the financial statements and accounting policies, the effectiveness of the management information and systems of internal control, compliance with statutory and regulatory requirements, including actuarial input thereon, interim and final reports, the effectiveness of the internal audit function, external audit plans and findings on their respective reports. This committee reports directly to the Group board of directors. The committee meetings are attended by the external and internal auditors and are held at least quarterly.

Statutory actuary
The statutory actuary of the insurance subsidiaries reports on the capital adequacy and the financial soundness at the year-end date and for the foreseeable future. All new premium rates or premium rates where changes are required are reviewed by the statutory actuary. Dividend declarations are approved by the statutory actuary prior to payment to ensure that the insurance subsidiaries remain financially sound thereafter.

Capital adequacy requirements
A minimum level of solvency is required to be held within each insurance subsidiary to meet the regulatory capital adequacy requirements ("CAR"). For the long-term insurance subsidiaries the CAR is calculated to determine whether the excess of assets over liabilities is sufficient to provide for the possibility of actual future experience departing from the assumptions made in calculating the policyholder liabilities and against fluctuations in the value of assets. The CAR is actuarially determined taking into account forward looking information.

Pricing
Pricing risk is managed by carefully establishing criteria by which each potential customer is allocated to the appropriate risk category, applying the underwriting rules, and by establishing prices appropriate to each risk category. Underwriting performance is measured by monitoring the claims loss ratio which is the ratio of claims to premiums.

Reserving
For claims that have been reported by the financial position date, expert assessors estimate the expected cost of final settlement. For expected claims that have not been reported by the financial position date an adjustment to liability for incured claims (LIC) provision is calculated using appropriate techniques.. These provisions for claims are not discounted for the time value of money due to the expected short duration of settlement. Using the experience of a range of specialist claims assessors, provisions are reviewed regularly to ensure they are sufficient.

Catastrophic
Catastrophic risk has the potential to cause significant loss or impact on current year earnings and capital through a single event or a number of correlated events. Reinsurance and the diversification of types of short-term insurance offered are used to reduce risks from single catastrophic events or accumulations of risk. Various reinsurance arrangements are in place, with retention levels and catastrophe cover levels varying by line of business.

4.7.1 Life insurance risks
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:
(a) valuation of insurance contract liabilities; and
(b) life insurance contract liabilities

The liability for life insurance contracts is either based on current assumptions or on assumptions established at inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation.

The main assumptions used relate to mortality, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality on historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements as well as wide ranging changes to life style that could result in significant changes to the expected future mortality exposure.

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders.
Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7 Insurance risk (continued)
4.7.1 Life insurance risks (continued)

The main risks that the Group is exposed to are as follows:
- mortality risk – risk of loss arising due to policyholder death experience being different than expected
- longevity risk – risk of loss arising due to the annuitant living longer than expected
- investment return risk – risk of loss arising from actual returns being different than expected
- expense risk – risk of loss arising from expense experience being different than expected
- policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured or by industry.

4.7.1.1 Mortality and morbidity risk
Mortality risk is the risk of adverse financial impact due to actual mortality (death) claims being higher than anticipated. Morbidity risk is the risk of adverse financial impact due to policyholder health related (disablement and dread disease) claims being higher than expected.

The Group has the following processes and procedures in place to manage mortality and morbidity risk:

Pricing
Premium rates are differentiated by factors which historical experience has shown are significant determinants of mortality and morbidity claim experience. Prior to taking on individual risk policies, appropriate underwriting processes are conducted, which influence pricing on the policy prior to acceptance.

The actual claims experience is monitored on a monthly basis so that deteriorating experience can be timeously identified. At the point of issuing new policies, consideration is given to update product pricing if the change in the experience, as evidenced by the commissioned periodic investigations, has become sustained and cannot be mitigated. Further, the valuation of liabilities is periodically updated with the new parameters arising from the periodic investigations. Detailed mortality and morbidity investigations are conducted on a bi-annual basis for key products. Allowance for special effects of specified medical conditions is made in product pricing as well as in the measurement of policyholder liabilities and assets.

Terms and conditions
The policy terms and conditions contain exclusions for nonstandard and unpredictable risks that may result in severe financial loss. Terms are built into the policy contracts that permit risk premiums to be reviewed on expiry of a guarantee period. In particular:
- for individual risk business, most in-force risk premiums are subject to review; and
- for institutional risk business, the risk premiums can be reviewed annually.

Underwriting
Underwriting guidelines concerning authority limits and procedures to be followed in accepting new business are in place. For individual and institutional business, larger sums assured in excess of specified limits are subjected to underwriting and evaluated against established guidelines for accepting new business. The annually reviewable terms on institutional business enable premiums to keep pace with emerging claim experience. Part of the underwriting process involves assessing the health condition and family medical history of applicants. Terms and conditions are varied accordingly. Non-standard risks such as hazardous pursuits and medical conditions are assessed at underwriting stage. The expertise of reinsurers is used in the rating of non-standard risks. Financial underwriting is used where necessary to determine insurable interest.

Reinsurance
Reinsurance is used by the Group to reduce exposure to a particular line of business, a particular individual, a single event, and to benefit from the risk management support services and technical expertise offered by reinsurers. The Group has a centralised reinsurance function that works closely with business units and subsidiaries to optimise and monitor reinsurance at a group level and to ensure consistent governance and execution of the Group's reinsurance strategy. Regular reviews, which consider risk appetite, are conducted on reinsurance arrangements for new business. The levels of reinsurance purchased for new business written in 2017 were broadly similar to those in recent previous years. Given that large proportions of the Group's business is long term individual risk business, where the proportion of the risk that is reinsured is fixed for life at the inception of the policy, the Group's overall reinsurance result is heavily influenced by historical reinsurance arrangements. In some instances where underlying policyholder benefits are annually renewable, for example institutional business, reinsurance is annually renewable. Existing reinsurance arrangements include proportional reinsurance (quota share and surplus type arrangements) on both a treaty and facultative basis and catastrophe reinsurance which is renewed annually. Catastrophe reinsurance is consolidated across business units and is in place to reduce the risk of many claims arising from the same event. Various events are excluded from the catastrophe reinsurance (e.g. epidemics and radioactive contamination).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7 Insurance risk (continued)

4.7.1.2 Longevity risks

Longevity risk is the risk of adverse financial impact due to actual annuitant mortality being lower than anticipated, that is annuitants living longer than expected. For life annuities, the loss arises as a result of the Group having undertaken to make regular payments to policyholders for their remaining lives, and possibly to the policyholders' spouses for their remaining lives. The most significant risks on these liabilities are continued medical advances and improvements in social conditions that lead to longevity improvements being better than expected. The Group manages the longevity risk by:

- annually monitoring the actual longevity experience and identifying trends over time;
- making allowance for future mortality rates falling in the pricing of new business and the measurement of policyholder liabilities. This allowance will be based on the trends identified in experience investigations and
- external data; and
- regularly verifying annuitants are still alive.

Total gross Liability for incurred claims December 2024	Present Value of future cash flows	Risk Adjustment	Total
Health Insurance	8 949 041	25,508	8,974,549

December 2023	Present Value of future cash flows	Risk Adjustment	Total
Health Insurance	4 433 162	20,151	4,453,313

Concentration Inflation adjusted December 2024	Insurance	Reinsurance held	Net
	USD	USD	USD
Health	8 974 549	-	8 974 549
	8 974 549	**-**	**8 974 549**

December 2023	Insurance	Reinsurance held	Net
	USD	USD	USD
Health	4 453 313	-	4 453 313
	4 453 313	-	4 453 313

All health insurance business is obtained from the Zimbabwean market.

4.7.3 Short term insurance risks- Property and casualty

The principal risk the Group faces under insurance contracts is that the actual claims and payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims and actual payments made. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The diversification of risks is also improved by careful selection and implementation of underwriting guidelines, as well as the use of reinsurance arrangements. The Group purchases reinsurance as part of its risks transfer programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.7.3 Short term Insurance risk- Property and Casualty (continued)

The Group principally issues the following types of general insurance contracts: fire, engineering, motor, guarantee, marine, miscellaneous accident, aviation and agriculture. Risks usually cover twelve months duration. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors. Risk management is very vital starting from pre-risk acceptance where some large risks or business perceived risky is surveyed and improvement recommendations passed before cover commences. Selected running risks are also surveyed for risk improvement and mitigating chances and severity of losses. Risk management is thus filtered into the whole underwriting process to manage the portfolio. Furthermore, claim management policies to assess all new and on-going claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are in place to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events. The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Group's risk appetite as decided by management.

Underwriting strategy

The variability of risks is also improved by careful selection and implementation of underwriting strategies, as well as the use of reinsurance arrangements. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Commissions are payable on retroceded business in a manner consistent with retrocession costs as per the retrocession agreements.

Reinsurance

Reinsurance is used by the Group to reduce exposure to a particular line of business, a particular individual, a single event, and to benefit from the risk management support services and technical expertise offered by reinsurers. The Group has a centralised reinsurance function that works closely with business units and subsidiaries to optimise and monitor reinsurance at a group level and to ensure consistent governance and execution of the Group's reinsurance strategy. Regular reviews, which consider risk appetite, are conducted on reinsurance arrangements for new business. The levels of reinsurance purchased for new business written in 2023 were broadly similar to those in recent previous years. Given that large proportions of the Group's business are renewed short-term contracts, where the proportion of the risk that is reinsured is the same over time, the Group's overall reinsurance result is heavily influenced by historical reinsurance arrangements. In some instances where underlying policyholder benefits are annually renewable, for example institutional business, reinsurance is annually renewable. Existing reinsurance arrangements include proportional reinsurance (quota share and surplus type arrangements) on both a treaty and facultative basis and catastrophe reinsurance which is renewed annually. Catastrophe reinsurance is consolidated across business units and is in place to reduce the risk of many claims arising from the same event. Various events are excluded from the catastrophe reinsurance (e.g. epidemics and radioactive contamination).

Concentration of insurance risk and policies mitigating the concentrations

Within the insurance process, concentrations of risk may arise where a particular event or series of events could impact heavily upon the Group's resources. The Group monitors the concentration risk by geographical spread.

Territories

Local: within Zimbabwe

Regional: outside Zimbabwe but within the African continent

Concentration Risk

The concentration of insurance risk by territory in relation to risk accepted is summarised below, with reference to the insurance contract revenue:

	2024 USD	2023 USD
By territory		
Local	138 184 922	158 728 997
Regional	21 867 825	24 717 624
	160 052 747	**183 446 621**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7.3 Short term Insurance risk- Property and Casualty (continued)

Key assumptions
The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: once–off occurrence; changes in market factors such as public attitude to claiming: economic conditions: as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Sensitivities
The insurance claim liabilities are sensitive to the certain assumptions. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The analysis below is performed for reasonably possible movements in the key assumption with all other assumptions held constant, showing the impact on net liabilities, profit before income tax and equity of the movement in Liability for incurred claims (LIC). The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

Assumption	Change in assumption %	Reported value USD	Change in profit before income tax USD	Change in equity USD
December 2024				
Increase in LIC	15%	2 756 832	(3 667 983)	(2 723 478)
Decrease in LIC	15%	(2 756 832)	3 667 983	2 723 478
December 2023				
Increase in LIC	15%	2 198 788	(1 437 805)	(1 067 570)
Decrease in LIC	15%	(2 198 788)	1 437 805	1 067 570

A liability adequacy assessment was done on the impact of the 15% change in assumption. The liability is adequate.

Exposure relating to catastrophe events
The Group sets out the total aggregate exposure that it is prepared to accept in Zimbabwe and Botswana to a range of events such as natural catastrophes. The aggregate position is reviewed annually. The Group's policy for mitigating catastrophe risk exposure include the use of both proportional and excess of loss reinsurance. In the event of major catastrophe the net retained loss is US$850 108 (2023: US$755 811). This is based on the Group's risk appetite as determined by the level of capital. The Group has a retrocession program in place with various reinsurers to cushion it in the event of a catastrophe.

Claims development
The Group is liable for all insured events that occur during the term of the contract, even if the loss is discovered after the end of the contract term, subject to predetermined time scales dependent on the nature of the insurance contract. The Group is therefore exposed to the risk that claims reserves will not be adequate to fund the historical claims ("run off risk"). To manage run off risk the Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures and adopts sound reserving practices. The reserves created over time proved to be sufficient to fund the actual claims paid. Further the Group does not participate on any policies with unlimited liability. The Group is liable for all insured events in terms of the contract. All underlying policies have reporting conditions

The majority of the Group's insurance contracts are classified as short term, meaning that any claim is settled within a year after the loss date.

In terms of IFRS 17, 'Insurance contracts', an insurer need only disclose claims run off information where uncertainty exists about the amount and timing of claim payments not resolved within one year.

The table below indicates the claims development of the Group for the period 2018 to date. The presentation of the claims development is based on the actual date of the event that caused the claim (accident year basis).

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.7.3 Short term insurance risk -Property and Casualty (continued)

Total gross Liability for incurred claims **December 2024**	**Present Value of future cash flows**	**Risk Adjustment**	**Total**
Property and Casualty	16 853 574	1 525 309	18,378,882

December 2023	**Present Value of future cash flows**	**Risk Adjustment**	**Total**
Property and Casualty	12 991 455	1 667 130	14,658,585

The was no claims development table for FMRE Property and Casualty (Proprietary) Limited which is domiciled in Botswana because of the absence of sufficient historical information.

For a detailed liquidity risk management refer to Note 4.5

4.8 Capital management policies

The Group's capital comprises share capital, share premium, non distributable reserves and retained profits. It is the Group's objective to retain a capital position that supports the development of the business. The Group manages its capital structure and makes adjustments to it, in light of changes in the economic conditions. Where necessary, capital is redeployed to subsidiaries from the holding company through dividends received or its own capital.

There were no changes made to the objectives, processes, or policies during the year ended 31 December 2024 (2023: none).

The subsidiaries were capitalised as follows:

As at 31 December 2024	**Capital employed USD**	**Capital Regulatory USD**
Company		
First Mutual Reinsurance Company Limited	5 868 433	2 000 000
FMRE Property and Casualty (Proprietary) Limited	15 532 870	3 687 500
NicozDiamond Insurance Limited	9 514 344	2 000 000
First Mutual Life Assurance Company (Private) Limited	19 705 137	2 000 000
First Mutual Microfinance (Private) Limited	778 311	25 000
First Mutual Wealth (Private) Limited	945 897	150 000
First Mutual Health Company (Private) Limited	11 029 195	-

As at 31 December 2023		
Company		
First Mutual Reinsurance Company Limited	6 168 562	2 000 000
FMRE Property and Casualty (Proprietary) Limited	14 097 039	3 743 500
NicozDiamond Insurance Limited	8 208 143	2 000 000
First Mutual Life Assurance Company (Private) Limited	32 376 417	2 000 000
First Mutual Microfinance (Private) Limited	740 335	25 000
First Mutual Wealth (Private) Limited	637 385	150 000
First Mutual Health Company (Private) Limited	9 255 394	-

The operations of the Group are subject to regulatory requirements which impose certain restrictive provisions such as capital adequacy to minimise the risk of default and insolvency to meet unforeseen liabilities as these arise. SI 95 of 2017 Insurance(Amendment) Regulations Section 2 defines capital as the amount of the insurers' total admissable assets in excess of the amount of its liabilities including contingent and prospective liabilities. It is the Company's objective to retain a positive capital ratio to support the development of the business. The Group manages its capital structure and makes adjustments to it, in light of changes in the economic conditions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

5 SEGMENTAL RESULTS AND ANALYSIS
FOR THE YEAR ENDED 31 DECEMBER 2024

Segment information is presented in respect of the Group's operating segments. The Group's businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The individual businesses are aggregated into segments with similar economic characteristics.

Measurement of segment assets and liabilities and segment income, expenses and results is based on the accounting policies set out in the accounting policy notes.

Intersegment transactions, which occurred during the year, are conducted at an arm's length basis

The Group comprises five reportable operating segments:

Life, Health and pensions business (life assurance)
The insurance segment comprises life assurance, health insurance and reassurance.

Property and casualty insurance (short term insurance)
The segment comprises direct insurance and reinsurance.

Property
This relates to the property management and development.

Other segment
Other segment comprises the holding company, funeral services, microlending and wealth management.

Revenue from external customer for each product and service has not been included in the segmental analysis because it is not practical and cost effective due to the wide range of products and services offered by the Group. There is also no revenue from a single customer that represents 10% or more across all subsidiaries.

As at 31 December 2024	Life and Health USD	General Insurance USD	Reinsurance USD	Property USD	Other USD	Gross Figures USD	Consolidation Entries USD	Total Consolidated USD
Insurance contract revenue	73 826 803	46 407 499	39 818 445	-	-	160 052 747	(3 834 322)	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**
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)	16 727 574	(164 462 059)
Insurance finance result	20 027 066	-	-	-	-	20 027 066	(0)	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)	6 688 341	(19 634 271)
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	(6 541 602)	165 266 433
Cash flows from operating activities	532 404	2 508 840	3 809 599	(108 276)	6 518 744	13 261 311	438 912	13 700 223
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

5 SEGMENTAL RESULTS AND ANALYSIS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

As at 31 December 2023	AUDITED RESTATED	AUDITED RESTATED	AUDITED RESTATED	AUDITED RESTATED	AUDITED RESTATED	AUDITED RESTATED	AUDITED RESTATED	AUDITED RESTATED
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

Analysis of additions during the year

Additions to non-current assets	Land and buildings USD	Office equipment USD	Motor vehicles USD	Office furniture USD	Investment property USD	Total USD
As at 31 December 2024	-	1 513 857	90 275	38 069	2 818 711	1 642 201
As at 31 December 2023	-	2 050 972	214 995	918 973	3 162 733	6 347 673

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

5 SEGMENTAL RESULTS AND ANALYSIS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

Geographical concentration of insurance contract revenue December 2024

	Life and Health insurance USD	General Insurance USD	Reinsurance USD	Property USD	Total USD
Zimbabwe	73 826 803	41 659 193	22 698 926	-	138 184 922
Other countries	-	4 748 306	17 119 519	-	21 867 825
Total	**73 826 803**	**46 407 499**	**39 818 445**	**-**	**160 052 747**

Geographical concentration of insurance contract revenue December 2023

	Life and Health insurance USD	General Insurance USD	Reinsurance USD	Property USD	Total USD
Zimbabwe	67 152 107	54 769 175	12 768 200	-	134 689 482
Other countries	-	147 643	51 824 505	-	51 972 148
Total	**67 152 107**	**54 916 819**	**64 592 704**	**-**	**186 661 630**

6 GROUP - PROPERTY, PLANT AND EQUIPMENT

	Land and buildings USD	Plant and equipment USD	Motor vehicles USD	Office furniture USD	Total USD
Year ended 31 December 2023					
Cost					
As at 1 January 2023	1 287 798	3 399 562	2 145 472	735 473	7 568 305
Foreign exchange impact of translating to presentation currency	(580 383)	(1 532 111)	(966 919)	(331 462)	(3 410 876)
Additions	-	2 050 972	214 995	918 973	3 184 939
Effects of exchange rates	-	6 367	1 157	2 268	9 793
Disposals	-	(35 495)	-	-	(35 495)
As at 31 December 2023 (RESTATED)	**707 414**	**3 889 295**	**1 394 705**	**1 325 252**	**7 316 666**
Accumulated depreciation					
As at 1 January 2023	169 568	1 543 919	1 867 166	523 780	4 104 433
Foreign exchange impact of translating to presentation currency	(76 421)	(695 812)	(841 492)	(236 057)	(1 849 782)
Charge for the year	542	127 780	164 127	55 812	348 262
Effects of exchange rates	-	3 323	323	339	3 985
Depreciation on disposals	-	(28 733)	-	-	(28 733)
As at 31 December 2023	**93 690**	**950 477**	**1 190 123**	**343 874**	**2 578 164**
Net book amount					
As at 31 December 2023	**613 725**	**2 938 818**	**204 581**	**981 378**	**4 738 502**
Full Year ended 31 December 2024					
Cost					
As at 1 January 2024	707 414	3 889 295	1 394 705	1 325 252	7 316 666
Additions	-	1 513 857	90 275	38 069	1 642 201
Effects of foreign exchange rates	-	(10 879)	(402)	(5 584)	(16 865)
Disposals	-	(16 274)	-	(2 998)	(19 272)
As at 31 December 2024	**707 414**	**5 375 998**	**1 484 578**	**1 354 739**	**8 922 730**
Accumulated depreciation					
As at 1 January 2024	93 690	950 477	1 190 123	343 874	2 578 164
Charge for the year	-	671 035	107 512	110 674	889 221
Effects of exchange rates	-	(10 834)	(313)	(3 559)	(14 706)
Depreciation on disposals	-	(13 367)	-	(2 363)	(15 731)
As at 31 December 2024	**93 690**	**1 597 310**	**1 297 323**	**448 626**	**3 436 949**
Net book amount					
As at 31 December 2024	**613 725**	**3 778 688**	**187 255**	**906 113**	**5 485 781**

6 GROUP - PROPERTY, PLANT AND EQUIPMENT (continued)

6.1 RIGHT OF USE ASSETS

This note provides information for leases where the Group is a lessee. For leases where Group is lessor, refer to note 7 on investment properties. The Group has leases locally in Zimbabwe and regionally in Gaborone, Botswana with lease periods of 5 years and 3 years. Local lease arrangements were added during the current year. The discounted rate used for both leases is the incremental borrowing rate of 13% (2023: 10.75%). There were no modifications made to the first lease agreement during the year.

i Lease assets

	December 2024 USD	December 2023 USD
As at 1 January	1 247 116	70 500
Foreign exchange impact of translating to presentation currency	-	(31 773)
Addition- New lease	136 386	1 283 167
Exchange rate effects	(757 699)	23 238
Depreciation charge	(241 113)	(98 017)
As at the end of reporting period	**384 690**	**1 247 116**

ii Lease liabilities

	December 2024 USD	December 2023 USD
As at 1 January	635 517	183 497
Foreign exchange impact of translating to presentation currency	-	(82 698)
Addition- new lease	136 386	1 283 167
Exchange rate effects	(105 132)	1 026 260
Liability repayments	(201 518)	(207 585)
Interest accrued	80 463	142 019
Interest paid	(80 463)	(142 019)
Monetary loss adjustment		(1 567 124)
As at the end of reporting period	**465 252**	**635 517**
Of which are :		
Current lease liabilities	182 704	249 567
Non-Current lease liabilities	282 548	385 949
As at the end of reporting period	**465 252**	**635 517**

Amounts recognised in the statement of profit or loss	**Group December 2024 USD**	**Group December 2023 USD**
The profit and loss show the following amounts with respect to leases		
Depreciation charge of right of use asset	241 113	98 017
Interest expense (included under finance costs)	80 463	142 019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

7 INVESTMENT PROPERTY

	December 2024 USD	December 2023 USD
As at 1 January	182 041 771	164 394 021
Foreign exchange impact of translating to presentation currency	-	(74 088 927)
Total additions	2 818 711	3 162 733
Additions to properties under development	2 818 711	3 131 082
Improvements to existing properties	-	31 652
Transfer to or from Non-current assets held for sale		31 119
Disposals	(198 314)	(524 352)
Fair value adjustments	(50 474 168)	89 067 177
As at the end of the period	**134 188 000**	**182 041 771**

There was no investment property that was encumbered as at 31 December 2024 (2023 nil)

7.1 Fair value hierarchy
The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy;

31 December 2024	**Level 1 USD**	**Level 2 USD**	**Level 3 USD**	**Total USD**	**Total gain/ (loss) in the period in the statement of comprehensive income USD**
CBD retail	-	-	19 000 000	19 000 000	(6 003 543)
CBD offices	-	-	23 330 000	23 330 000	(4 028 973)
Office parks	-	-	31 520 000	31 520 000	(23 375 576)
Suburban retail	-	-	7 150 000	7 150 000	(3 251 895)
Industrial	-	-	12 810 000	12 810 000	(3 158 441)
Commercial lodge	-	-	150 000	150 000	(43 207)
Residential	-	-	9 146 500	9 146 500	(1 834 190)
Land*	-	-	31 081 500	31 081 500	(8 778 343)
Total	**-**	**-**	**134 188 000**	**134 188 000**	**(50 474 168)**

31 December 2023	**Level 1 RESTATED USD**	**Level 2 RESTATED USD**	**Level 3 RESTATED USD**	**Total RESTATED USD**	**Total gain/ (loss) in the period in the statement of comprehensive income RESTATED USD**
CBD retail	-	-	25 003 543	25 003 543	12 652 026
CBD offices	-	-	27 358 973	27 358 973	16 801 192
Office parks	-	-	52 076 864	52 076 864	22 833 053
Suburban retail	-	-	10 401 895	10 401 895	5 264 578
Industrial	-	-	15 968 441	15 968 441	8 053 428
Commercial lodge	-	-	193 207	193 207	76 756
Residential	-	-	11 179 004	11 179 004	2 771 937
Land*	-	-	39 859 843	39 859 843	20 614 206
Total	**-**	**-**	**182 041 771**	**182 041 771**	**89 067 177**

* This consists of land earmarked for future developments.

7 INVESTMENT PROPERTY
7.1 Fair value hierarchy

Losses and gains recorded in statement of comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to USD50.5 million loss (December 2023 USD89.1 million gain) and are presented in the consolidated statement of comprehensive income in line item; 'fair value adjustments – investment property'.

All gains and losses recorded in statement of comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

Valuation techniques used to derive level 3 fair values
The table below presents the following for each class of the investment property:

- The fair value measurements at the end of the reporting period;
- The level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorized in their entirety;
- A description of the valuation techniques applied;
- The inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
- Level 3 fair value measurements, quantitative information about the significant unobservable inputs used in the fair value measurement

Class of Property	Fair Value 31 December 2024 USD	Fair Value 31 December 2023 USD	Valuation Technique	Key unobservable Inputs	December 2024 Range	December 2023 RESTATED Range
CBD retail	19 000 000	25 003 543	Income capitalisation	Optimal Rental per square metre	US$4.00 - US$6.00	US$4-US$5
				Capital rate/ prime yield	10.00%-11%	8%-10%
				Vacancy rate	5% - 70%	5% - 50%
CBD offices	23 330 000	27 358 973	Income capitalisation	Optimal Rental per square metre	US$8.00 - US$10.00	US$8-US$10
				Capital rate/ prime yield	7.00%-9.00%	6%-8%
				Vacancy rate	6%-26%	6%-20%
Office parks	31 520 000	52 076 864	Income capitalisation	Optimal Rental per square metre	US$10.00 - US$30.00	US$5-US$20
				Capital rate/ prime yield	8.5%-10.00%	6%-12%
				Vacancy rate	0% - 69%	0% - 41%
Suburban retail	7 150 000	10 401 895	Income capitalisation	Optimal Rental per square metre	US$10.00 - US$30.00	US$5-US$15
				Capital rate/ prime yield	7.00%-10.00%	6%-10%
				Vacancy rate	5% - 70%	5% - 50%
Industrial	12 810 000	15 968 441	Income capitalisation	Optimal Rental per square metre	US$2.00 - US$5.00	US$2-US$3.50
				Capital rate/ prime yield	12% - 14%	10%-12%
				Vacancy rate	0% - 69%	0% - 41%
Commercial lodge*	150 000	193 207	Income capitalisation	Comparable transacted properties prices		
Land						
- Residential Land	3 435 000	5 548 611	Market comparable	Rate per square metre	US$20.00 - US$40.00	US$10-US$50
- Commercial Land	27 646 500	34 311 232	Market comparable	Rate per square metre	US$40.00 - US$80.00	US$50-US$120
Residential	9 146 500	11 179 004	Market comparable	Comparable transacted properties prices		
Total	**134 188 000**	**182 041 771**				

*We have not provided yield rates & void rates for the commercial lodge and residential as they are not applicable to the property which has been valued by making reference values of comparative properties as required by IFRS 13.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

7 INVESTMENT PROPERTIES (continued)
7.1 Fair value hierarchy (continued)

Descriptions and definitions
Below are descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values:

i. Income capitalisation method
Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (discounted by the investor's rate of return). Under the income capitalisation method, over (above market rent) and under-rent situations are separately capitalised (discounted on yield rate).

ii. Market comparable method
Under the market comparable method (or market comparable approach), a property's fair value is estimated based on comparable transactions. The unit of comparison applied by the Group is the price per square metre ("sqm").

iii. Rent per square metre
The rent at which space could be let in the market conditions prevailing at the date of valuation. The unit of comparison is the rental rate per square metre.

iv. Vacancy rate
The Group determines the vacancy rate which can be based on the percentage of estimated vacant space divided by the total lettable area.

v. Prime yield
The prime yield is defined as the internal rate of return of the cash flow from the property, assuming a rise to estimated rental value ("ERV") at the next review, but with no further rental growth.

vi. Annual yield
The percentage of the property value received over a year through rental earnings.

vii. Comparable of transacted property
A comparable property is a property selected to help estimate the value of a subject property in a given market.

Sensitivity analysis to significant changes in unobservable inputs within level 3 of the hierarchy.
The significant unobservable inputs used in the fair value measurement categorised within level 3 of the value hierarchy of the Group's portfolio of investment property are :

- prime yield;
- vacancy rate;
- rental per square meter; and
- comparable transacted properties.

Significant increases/(decreases) in the comparable transacted properties and rental per square metre in isolation would result in a higher/(lower) fair value measurement.

Significant increases/(decreases) in the long-term void rate and prime yield in isolation would result in a lower/(higher) fair value measurement.

Analysis of property portfolio Sector	**Lettable space m2**		**% of portfolio**	
	December 2024	**December 2023**	**December 2024**	**December 2023**
Industrial	36 997	36 997	25%	30%
CBD offices	34 298	31 681	22%	26%
Office parks	25 839	25 839	17%	21%
Suburban retail	7 723	7 723	6%	6%
CBD retail	21 948	21 948	30%	18%
Total	**126 805**	**124 189**	**100%**	**100%**

Investment property is stated at fair value, which is determined based on valuations performed by Knight Frank Zimbabwe, an accredited independent property valuer, as at 31 December 2024. Investment property is stated based on a desktop valuation. Knight Frank Zimbabwe is an industry specialist in valuing these types of investment properties. The fair values of some properties have been determined by using comparable transactions. Valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied.

7 INVESTMENT PROPERTIES (continued)
7.1 Fair value hierarchy (continued)

Valuation process

The Group's valuation policies and procedures for property are determined by a management committee. Each year, the committee decides, after advising the Audit and Actuarial Committee, which external valuer to appoint to be responsible for the external valuation of the Group's property portfolio. The selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained.

The management committee decides, after discussions with the Group's external valuers and the Group's Valuation Department:
- whether a property's fair value can be reliably determined;
- which valuation method should be applied for each property (the methods that are applied for fair value measurements categorized within level 3 of the fair value hierarchy are market comparable and the income capitalization method); and
- the assumptions made for the unobservable inputs that are used in the valuation methods (the major observable inputs are rental per square metre vacancy rate and prime yield).

As at each year-end, all properties are valued by external valuers. At each reporting date, the Valuation Department analyses the movements in each property value. For this analysis, the Valuation Department verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts (for example rent amounts in lease agreements), market reports (for example market rent, capitalisation rates in property market reports) and other relevant documents. In addition, the accuracy of the computation is tested on a sample basis. For each property, the latest valuation is compared with the valuations of the preceding annual periods. If fair value changes (positive or negative) are abnormal, the changes are further analysed for example by having discussions with external valuers.

The Internal Valuation Department also compares each property's change in fair value with relevant external sources (e.g. the investment property database or other relevant benchmark) to determine whether the change is reasonable.

On an annual basis, after the Management Committee discusses the valuations with the Valuation Department, they present the valuation results with the Group's external valuers to the Audit and Actuarial Committee and the Group's independent auditor. This includes a discussion of the major assumptions used in the valuations, with an emphasis on:
- properties with fair value changes that are abnormal; and
- investment property under construction.

Yield rate risk and sensitivity

The rental rate yield represents the net income expected in year zero divided by the current property values (historic or trailing income yield). The risk arises when void levels in the portfolio increase. This increase will consequently result in a reduction in net incomes. Where net incomes remain constant, a reduction in the yield rates will result in the increased property values. The table below highlights the sensitivity to a reasonable possible change in the yield rate applied to values of the investment properties. With all other variables held constant, the Group's profit before tax, investments property, and deferred taxation are affected through the impact on the fluctuating yield rate as follows:

	December 2024		December 2023 RESTATED	
	Decrease in yield 10%	**Increase in yield 10%**	**Decrease in yield 10%**	**Increase in yield 10%**
Sensitivity analysis.				
Investment property	120 769 200	147 606 800	198 160 164	162 131 043
Deferred tax effect	670 765	(670 765)	900 728	(900 728)
Effects of rebasing	-	-	-	-
Profit for the year	13 418 800	(13 418 800)	18 014 560	(18 014 560)
Equity	12 744 535	(12 744 535)	17 113 832	(17 113 832)

As at 31 December 2024, if the average yield was 10% higher holding other variables constant, investment property value will decrease by USD 13 million (2023: USD 18 million) and deferred tax liabilities will decrease by USD0.7 million (2023: USD0.9 million) 31 December 2024, if the average yield rate was 10% lower holding other variables constant, investment property value will increase by USD13 million (2023: USD 18 million) and the deferred tax liabilities will increase by USD0.7 million (2023: USD0.9 million)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

7 INVESTMENT PROPERTIES (continued)

7.2 Assets held for sale

During the year ended 31 December 2023, a residential parcel of land, known as 472 Goodhope, Harare was reclassified from investment property held for sale to investment property as a result of a change in intention. The directors of First Mutual Properties decided not to dispose the parcel of land for development since the area in which the land is located had seen an increase in developments and some plans for a shift of the CBD which makes the area prime. Conditions for reclassification from held for sale (as stipulated in IFRS 5 - Non-current assets held for sale and discontinued operations) were met as at 30 September 2023. The asset was reclassified from investment property held for sale to investment property as disclosed below. This is a parcel of land.

	December 2024 USD	December 2023 RESTATED USD
Opening balance	-	56 649
Foreign exchange impact of translating to presentation currency	-	(25 530)
Transfer to investment properties	-	(68 232)
Fair value gain	-	37 113
Closing balance	**-**	**-**

Investment property held for sale are under the level 3 category of the fair value hierarchy. The sensitivities on key inputs are included on note 7.1

8 INTANGIBLE ASSETS

8.1 SOFTWARE

	December 2024 USD	December 2023 RESTATED USD
Cost		
As at 1 January	222 327	404 730
Foreign exchange impact of translating to presentation currency	-	(182 403)
Additions	13 875	-
As at the end of the period	**236 202**	**222 327**
Accumulated amortisation and impairment losses		
Year ended 31 December		
As at 1 January	190 965	339 995
Foreign exchange impact of translating to presentation currency	-	(153 229)
Charge for the year	4 130	4 199
As at the end of the period	**195 095**	**190 965**
Carrying amount		
As at 31 December	**41 107**	**31 361**

Intangible assets refer to the short-term insurance business, Premia system. The intangible assets are amortised over their useful economic lives, determined by management to be seven years and amortisation is recognized in statement of comprehensive income. As at 31 December 2024, these assets were not tested for impairment, and management determined that no impairment is required in respect of these intangibles (2023: USDnil).

8.2 Goodwill

Carrying amount	December 2024 USD	December 2023 RESTATED USD
At 1 January	224,767	223,296
Foreign exchange impact of translating to presentation currency	-	(100,635)
Foreign exchange remeasurement	-	102 106
	224 767	**224 767**

Goodwill is classified as a non-current asset. The goodwill arose from the acquisition of control in Diamond Seguros Insurance Limited. The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit ("CGU") is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. The table below sets out the key assumptions in the calculation of the value in use:

Key assumptions	Approach to determine value in use
Operating cashflows	Expected growth based on the strategic change in the business model, through introduction of and reduction in operating and administration expenses.
Annual capital expenditure	These are based on the planned strategic change. These are not expected to result in an increase in gross premiums or cost savings.
Weighted average long-term growth rate (5%)	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
Pre tax discount rate (30.61%)	Discount rates represent the current market assessment of the risks specific Diamond Seguros, taking into consideration the time value of money and its individual risks that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of Diamond Seguros. This has been developed using the Capital asset pricing model (CAPM) which has estimated the Beta, Risk free return and Market return which were developed on the basis of market factors and researched. These adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. Management recognises that the continuous changes in the industry and the possibility of new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate.

The value in use determined in prior year was USD0.5 million an amount that is 9 times higher than the goodwill carrying amount plus Diamond Seguros's net assets as at 31 December 2024 of USD1.9 million. .If the future cashflows (terminal value) are assumed to be zero there will still be no impairment. Diamond Seguros business operated profitably in 2024 and amongst other projects introduced a new product- Health services which is an indicator of Company growth.

Impact of possible changes to the key assumptions
Operating cashflows
If the operating cashflows are 10% less than estimated by management (holding all other variables constant) as at 31 December 2024, there will still be no impairment.

Weighted average long term discount rate
The weighted average long-term growth of 7% is the least estimated over the company, calculated on the basis of growth in insurance contract revenue over the 5 year span. The weighted average growth of 7% have been adjusted for risk by 50%.
Any decrease in this rate,i.e by 1% to 2% (holding other variables constant) will not result in an impairment of the goodwill.

Discount rate
A rise in the pre-tax discount rate to 30.61%(i.e.,+3.19%) in the company's current rate would not result in an impairment. The Group would still not have recognised impairment. If the discount rate is increased by 20% there will still be a USDUSD0.5 million headroom over the Diamond Seguros net assets. The Directors and management have considered and assessed reasonably possible changes for other key assumptions and ha that could cause the carrying amount of Diamond Seguros Insurance Limited to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

9 Investment in gold coins

	December 2024 USD	December 2023 RESTATED USD
At 1 January	496 618	408 071
Foreign exchange impact of translating to presentation currency	-	(183 909)
Additions	11 126	38 241
Fair value gain/(loss)	115 373	234 215
At the end of the period	**623 118**	**496 618**

9.1 Fair value hierarchy

The following table shows an analysis of the fair values of investment in gold coins recognised in the statement of financial position by level of the fair value hierarchy;

31 December 2024	Level 1 USD	Level 2 USD	Level 3 USD	Total USD	Total gain/(loss) in the period in the statement of comprehensive income USD
Gold coins	623 118	-	-	623 118	115 373
Total	**623 118**	**-**	**-**	**623 118**	**115 373**

31 December 2023	Level 1 RESTATED USD	Level 2 RESTATED USD	Level 3 RESTATED USD	Total RESTATED USD	Total gain/(loss) in the period in the comprehensive income RESTATED USD
Gold coins	496 618	-	-	496 618	234 215
Total	**496 618**	**-**	**-**	**496 618**	**234 215**

The gold coins are classified under level 1 as the values for these are readily available and accessible in the international market, our reference point being the data published on the Reserve Bank of Zimbabwe website.

10 INVESTMENT IN ASSOCIATES

Investment in associates

Through its 100% share ownership in NicozDiamond Insurance, the Group holds significant influence in one associate; United General Insurance Limited ("UGI") which is involved in short-term insurance . The Acquisition of the short-term insurance associates through NDIL enhances the Group's penetration in the regional market. Management is currently reviewing the performance and strategic fit of the foreign associate with a view to increase shareholding. Set out below are the associates as at 31 December 2024 which, in the opinion of the directors, are material to the Group. The companies listed below have share capital consisting solely of ordinary shares. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest. In addition, through First Mutual Properties Limited the group holds significant influence in Builstate investments, an associated company. The Group has a 37.48% interest in Builstate Investments (Private) Limited , which is involved in Fast-moving consumer goods. Builstate Investments (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Builstate Investments (Private) Limited was accounted for using the equity method in the consolidated financial statements.

Furthermore, FMP has a 30.95% interest in Greencroft Properties (Private) Limited , which is involved in development of properties. Greencroft Properties (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Greencroft Properties (Private) Limited was accounted for at cost in the Group consolidated financial statements. Interest in Greencroft Properties (Private) Limited raised from the Group participating in purchase of land at which development is yet to start for the construction of a hospital.

10 INVESTMENT IN ASSOCIATES (continued)
Investment in associates (continued)

	December 2024 USD	December 2023 RESTATED USD
Reconciliation of the carrying amount		
Opening balance	904 909	2 036 895
Foreign exchange impact of translating to presentation currency	-	(898 017)
Additions	252 482	-
Disposal	-	(686 670)
Gain on bargain purchase (Rights issue)	307 282	-
Share of associates other comprehensive income	38 794	13 175
Share of movement in foreign currency translation reserve	(184 761)	58 405
Share of associates profit/(losses)	237 066	388 140
Dividend received	(17 826)	(7 020)
Closing balance	**1 537 945**	**904 909**
Movement Through P&L		
Gain on bargain purchase (Rights issue)	307 282	-
Share of associates other comprehensive income	237 066	13 175
	544 348	**13 175**

Name of entity	Country of incorporation	% of ownership through NDIL ,FMP and/or FMHC		Method of measurement	Carrying amount	
		2024	2023		December 2024	December 2023
United General Insurance Company Limited ("UGI")	Malawi	24%	34%	Equity method	1 154 142	501 619
Greencroft Properties (Private) Limited ("GCP")	Zimbabwe	31%	29%	Equity method	113 068	102 884
Builstate Investments (Private) Limited ("BI")	Zimbabwe	37%	37%	Equity method	270 736	300 407
					1 537 946	**904 909**

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FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

10 INVESTMENT IN ASSOCIATES (continued)
Investment in associates (continued)

The tables below provide summarised financial information for the associates.

Summarised Statement of Financial Position for associates

	GCP 2 024	GCP 2023 RESTATED	BI 2 024	BI 2023 RESTATED	UGI 2 024	UGI 2023 RESTATED	CLPB 2023 RESTATED
Non-current assets	365 325	348 876	630 693	690 764	3 364 570	2 299 116	-
Current assets	-	-	168 046	266 821	8 551 060	10 393 981	-
Non-current liabilities	-	-	(63 230)	(150 639)	(61 922)	(23 750)	-
Current liabilities	-	-	(13 160)	(5 434)	(6 824 839)	(11 193 285)	-
Total equity	**365 325**	**348 876**	**722 348**	**801 512**	**5 028 870**	**1 476 062**	**-**

Summarised Statement Comprehensive Income for associates

	GCP 2 024	GCP 2023 RESTATED	BI 2 024	BI 2023 RESTATED	UGI 2 024	UGI 2023 RESTATED	CLPB 2023 RESTATED
Total revenue	-	-	91 528	1 048 761	6 040 120	7 753 407	-
Total expenses	-	-	(83 227)	(416 053)	(4 422 889)	(7 147 600)	-
Profit/(loss) before income tax	-	-	8 301	632 709	1 617 230	605 806	-

Reconciliation of carrying amount for associates

	GCP 2 024	GCP 2023 RESTATED	BI 2 024	BI 2023 RESTATED	UGI 2 024	UGI 2023 RESTATED	CLPB 2023 RESTATED
As at 1 January	**102 884**	**187 292**	**300 407**	**227 847**	**501 619**	**408 075**	**1 213 681**
Foreign exchange impact of translating to presentation currency	-	(84 409)	-	(102 686)	-	(183 911)	(527 012)
Gain on bargain purchase (Rights issue)					307 282	-	
Disposal						-	(686 670)
Profit/(loss) for the year			(11 845)	182 266	248 911	205 875	-
Other comprehensive income			-	-	38 794	13 175	-
Investment	10 184				242 297	-	-
Dividend received			(17 826)	(7 020)		-	-
Foreign exchange differences on translation of foreign operations					(184 761)	58 405	
As at 31 December	**113 068**	**102 884**	**270 736**	**300 407**	**1 154 142**	**501 619**	**-**
Group's share in %	31%	29%	37%	37%	23%	34%	0%
Group's share of net assets	113 068	102 884	270 736	300 407	1 154 142	501 619	-
Carrying amount	**113 068**	**102 884**	**270 736**	**300 407**	**1 154 142**	**501 619**	**-**

11 CLASSIFICATION OF FINANCIAL ASSETS

The Group's financial instruments are summarised by category as follows:

	December 2024 USD	December 2023 RESTATED USD
Financial assets		
Financial assets at fair value through profit or loss (note 11.1)	37 777 994	37 300 394
Debt securities at amortised cost (note 11.2)	13 880 590	8 876 211
Total financial assets	**51 658 584**	**46 176 604**
Tenant and other receivables		
Rental receivables at amortised cost (note 14.1)	1 300 005	708 427
Other receivables excluding prepayments at amortised cost (note 14.2)	6 412 200	3 236 480
Total tenant and other receivables	7 712 205	2 970 730
Cash and balances with banks at amortised cost (note 15)	31 254 838	17 681 468
Total financial instruments	**90 625 627**	**66 828 802**

11 CLASSIFICATION OF FINANCIAL ASSETS (continued)

11.1 Financial assets at fair value through profit or loss

	December 2024 USD	December 2023 RESTATED USD
Fair value		
As 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/(loss) on quoted equities	357 334	6 954 230
As at 31 December	**37 777 994**	**37 300 394**

11.2 Debt securities at amortised cost

	December 2024 USD	December 2023 RESTATED USD
As at 1 January	8 876 211	3 709 310
Foreign exchange impact of translating to presentation currency	-	(1 671 708)
Purchases	6 445 610	14 982 037
Maturities of investments	(8 982 917)	(8 951 363)
Exchange gains or loss	3 582 110	7 443 219
Accrued interest	4 493 375	3 419 780
Excepted credit loss	(533 798)	(286 208)
Monetary loss adjustment	-	(9 768 857)
As at 31 December	**13 880 590**	**8 876 211**
Current	3 631 758	2 495 612
Non current	10 248 832	6 380 599
Total	**13 880 590**	**8 876 211**

Impairment and risk exposure

Note 4.3 sets out information about the impairment of financial assets and the Group's exposure to credit risk. During the year there were no impairment from assessment.

11.3 Determination of fair value and fair values hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique as on note 2.12.

The following table shows an analysis of financial instruments recorded at fair value of the fair value hierarchy:

	Level 1 USD	Level 2 USD	Level 3 USD	Total fair value USD
As at 31 December 2024				
Financial assets mandatorily at fair value through profit or loss	31 101 597	-	6 676 397	37 777 994
Total financial assets recorded at fair value	**31 101 597**	**-**	**6 676 397**	**37 777 994**
As at 31 December 2023				
Financial assets mandatorily at fair value through profit or loss	30 981 331	-	6 319 063	37 300 394
Total financial assets recorded at fair value	**30 981 331**	**-**	**6 319 063**	**37 300 394**

During the year there were no transfers of financial assets between levels 1, 2 and 3 (2023: USDnil).

Valuation techniques for financial assets measured at fair value

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

11 CLASSIFICATION OF FINANCIAL ASSETS (continued)
11.3 Determination of fair value and fair values hierarchy

Quoted equity investments valuation
Level 1 is made up of the Group's investments in equities securities quoted on the Zimbabwe Stock Exchange and Victoria Fall Stock Exchange. The carrying values of the financial instruments approximates their fair values because of their short term in nature.

Unquoted equity investments valuation
Level 3 is made up of unquoted equity investments, held through Mangwana Opportunities (Private) Limited, Arlington, Merspin, Sterling midlands and Property fund 2 all domiciled in Zimbabwe.

	December 2024 USD	December 2023 RESTATED USD
As at 1 January	6 319 063	5 040 915
Foreign exchange impact of translating to presentation currency	-	(2 271 835)
Additions	-	483 282
Fair value gain on unquoted investments	357 334	3 066 700
Closing balance	**6 676 397**	**6 319 063**

i) Mangwana Opportunities (Private) Limited
The value of Mangwana Opportunities was a sum of parts of the underlying investments valued using the DCF approach.

Valuation process
The Company engaged an independent consultant to assist in determining the fair values of the unlisted equities as at 31 December 2024.

Management provides the independent consultant with prior periods' audited financials statements, future projected cashflows and other non-financial strategic information and they perform the following:
- determine the free cashflows of the business;
- determine the discount rate;
- calculation of the terminal value of the investment; and
- calculation of the fair value of investment as at the reporting date.

As part of the engagement, the independent consultant provides the determined valuations for discussions.

Valuation inputs and relationship to fair value
The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements as at 31 December 2024:

11 CLASSIFICATION OF FINANCIAL ASSETS (continued)

11.3 Determination of fair value and fair values hierarchy

Description	Fair value at 31 December December 2024 USD	Fair value at 31 December December 2023 RESTATED USD	Key inputs	Range of inputs (actual rate used) 2024	Range of inputs (actual rate used) 2023	Relationship of inputs to fair value 2024	Relationship of inputs to fair value 2023
Mangwana Opportunities (Private) Limited	3 403 908	3 359 568	Earnings growth	1.80% - 2.50%(2.01%)	1.80% - 2.50%(2.01%)	Increase by 5 basis points changes value by USD170195. Decrease by 5%, USD170,195	Increase by 5 basis points changes value by USD167,978. Decrease by 5% changes value by USD167,978
			Discounting factor	15.6% - 17.0% (16.3%)	15.6% - 17.0% (16.3%)		
Arlington	116 800	167 266	Comparable transactions	USD28.64 - USD88.34 (USD51.18)	USD28.64 - USD113.72 (USD71.18)	Increase by 5 basis points changes value by USD5,840. Decrease by 5% changes value by USD5,840	Increase by 5 basis points changes value by USD8,363. Decrease by 5% changes value by USD8,363
Merspin	309 530	661 550	Comparable transactions	USD28.64 - USD88.34 (USD51.18)	USD28.64 - USD113.72 (USD71.18)	Increase by 5% changes value by USD15,477. Decrease by 5% changes value by USD15,477.	Increase by 5% changes value by USD33,077. Decrease by 5% changes value by USD33,077.
Property Fund 2	324 495	340 780	Comparable transactions	USD28.64 - USD88.34 (USD51.18)	USD28.64 - USD113.72 (USD71.18)	Increase by 10% changes value by USD16,225. Decrease by 10% changes value by -USD16,225.	Increase by 10% changes value by USD17,039. Decrease by 10% changes value by -USD17,039.
East African Exchange trade Fund	1 300 000	-	Discounting factor	9.02% - 9.84%		Increase by 10% changes value by USD130,00. Decrease by 10% changes value by -USD130,000.	
Sterling Midlands	1 126 981	395 216	Comparable transactions	USD28.64 - USD88.34 (USD51.18)	USD0.22 - USD28.64 (USD15.42)	Increase by 5% changes value by USD56,349. Decrease by 5% changes value by -USD56,349	Increase by 5% changes value by USD19,761. Decrease by 5% changes value by -USD19,761

11.4 Comparison of carrying amounts and fair values for assets and liabilities not held at fair value

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following table summarises the fair value of assets and liabilities not measured at fair value on the entity's statement of financial position.

Financial assets	2024 USD Carrying value	2023 RESTATED USD Fair value
Debt securities at amortised cost	13 880 590	8 876 211
Tenant and other receivables (excluding prepayments)	7 712 205	2 970 730
	21 592 795	**11 846 940**

The carrying amount of the debt securities and trade and other receivables closely approximates its fair value as the instruments are short term in nature.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

11 CLASSIFICATION OF FINANCIAL ASSETS (continued)
11.4 Comparison of carrying amounts and fair values for assets and liabilities not held at fair value

	2024 USD Carrying value	2023 RESTATED USD Fair value
Financial liabilities		
Trade and other payables (excluding statutory liabilities)	10 305 543	8 182 293
Borrowings	8 227 978	5 129 836
	18 533 521	**13 312 129**

The carrying amounts of financial liabilities carried at amortised cost closely approximate their fair values. The impact of discounting on borrowings and trade and other payables is not significant due to the market terms (rates and tenor) available (borrowings) and because the instruments are short term in nature (trade and other payables).

12 INVENTORY

	December 2024 USD	December 2023 RESTATED USD
Consumables	528 625	298 551
Total	**528 625**	**298 551**

There was no write off of inventories during the year ended 31 December 2024 (2023: USDnil). The cost of inventory recognised as an expense included in the income statement was USD1 948 725 (2023: USD1 103 181)

13 COMPOSITION OF THE BALANCE SHEET - INSURANCE, REINSURANCE AND INVESTMENT CONTRACTS

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

Note	Life Risk 13.3	Savings-PAA 13.4	Savings-VFA 13.5	Health 13.2	Property and Casualty 13.1	Total	Current Portion	Non-Current Portion	Total
As at 31 December 2024									
Insurance contract assets	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	(832 063)	(57 252 638)	(8 434 304)	(7 824 860)	(37 125 463)	(111 469 327)	(103 035 023)	(8 434 304)	(111 469 327)
Net insurance contract assets/(liabilities)	**(832 063)**	**(57 252 638)**	**(8 434 304)**	**(7 824 860)**	**(37 125 463)**	**(111 469 327)**	**(103 035 023)**	**(8 434 304)**	**(111 469 327)**
Reinsurance contract assets	41 955	-	-	-	17 089 586	17 131 541	17 131 541	-	17 131 541
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities)	**41 955**	**-**	**-**	**-**	**17 089 586**	**17 131 541**	**17 131 541**	**-**	**17 131 541**
RESTATED as at 31 December 2023									
Insurance contract assets	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	(848 085)	(70 988 370)	(14 012 070)	(7 961 417)	(34 325 693)	(128 135 635)	(114 123 565)	(14 012 070)	(128 135 635)
Net insurance contract assets/(liabilities)	**(848 085)**	**(70 988 370)**	**(14 012 070)**	**(7 961 417)**	**(34 325 693)**	**(128 135 635)**	**(114 123 565)**	**(14 012 070)**	**(128 135 635)**
Reinsurance contract assets	25 526	-	-	-	16 847 123	16 872 649	16 872 649	-	16 872 649
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities)	**25 526**	**-**	**-**	**-**	**16 847 123**	**16 872 649**	**16 872 649**	**-**	**16 872 649**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.1 Property and Casualty
13.1.1 Property and Casualty - Insurance contracts issued

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

	December 2024					
	Liability for remaining coverage		Liability for incurred claims for contracts under PAA			
Property and Casualty - Insurance contracts issued	**Excluding loss comp.**	**Loss comp**	**LIC for contracts not under the PAA**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	**Total**
Net balance as at 1 January	**19 667 108**	**-**	**-**	**12 991 455**	**1 667 130**	**34 325 693**
Insurance revenue	**(82 391 622)**	**-**	**-**	**-**	**-**	**(82 391 622)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	-	28 483 380	-	28 483 380
Changes that relate to past service adjustments to the LIC	-	-	-	461 486	(141 821)	319 665
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	29 135 354	-	-	-	-	29 135 354
Insurance service expenses	**29 135 354**	**-**	**-**	**28 944 866**	**(141 821)**	**57 938 399**
Insurance service result	**(53 256 267)**	**-**	**-**	**28 944 866**	**(141 821)**	**(24 453 222)**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(53 256 267)**	**-**	**-**	**28 944 866**	**(141 821)**	**(24 453 222)**
Cash flows						
Premiums received	75 919 325	-	-	-	-	75 919 325
Claims and other directly attributable expenses paid	-	-	-	(25 082 748)	-	(25 082 748)
Insurance acquisition cash flows	(23 583 585)	-	-	-	-	(23 583 585)
Total cash flows	**52 335 740**	**-**	**-**	**(25 082 748)**	**-**	**27 252 992**
Net balance as at 31 December	**18 746 581**	**-**	**-**	**16 853 574**	**1 525 309**	**37 125 463**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.1 Property and Casualty
13.1.1 Property and Casualty - Insurance contracts issued

	RESTATED December 2023					
	Liability for remaining coverage		Liability for incurred claims for contracts under PAA			
Property and Casualty - Insurance contracts issued	Excluding loss comp.	Loss comp	LIC for contracts not under the PAA	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Net balance as at 1 January	6,366,910	-	-	27,302,780	1,418,031	35,087,721
Insurance revenue	(116 521 588)	-	-	-	-	(116 521 588)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	-	42 276 031	4 533 213	46 809 243
Changes that relate to past service adjustments to the LIC	-	-	-	16 631 485	(384 501)	16 246 984
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	43 879 993	-	-	-	-	43 879 993
Insurance service expenses	43 879 993	-	-	58 907 516	4 148 712	106 936 221
Insurance service result	(72 641 595)	-	-	58 907 516	4 148 712	(9 585 368)
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	(72 641 595)	-	-	58 907 516	4 148 712	(9 585 368)
Foreign exchange impact of translating to presentation currency	(2 869 432)			(12 304 788)	(639 077)	(15 813 298)
Effects of inflation	-	-	-	(5 988 295)	(3 260 536)	(9 248 831)
Cash flows						
Premiums received	137 172 948	-	-	-	-	137 172 948
Claims and other directly attributable expenses paid	-	-	-	(54 925 757)	-	(54 925 757)
Insurance acquisition cash flows	(48 361 723)	-	-	-	-	(48 361 723)
Total cash flows	88 811 226	-	-	(54 925 757)	-	33 885 469
Net balance as at 31 December	19 667 108	-	-	12 991 455	1 667 130	34 325 693

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.1.2 Property and Casualty - Reinsurance contracts held

Reconciliation of the remaining coverage and incurred claims components

The roll-forward of the net asset or liability for reinsurance contracts held, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in property and casualty unit, is disclosed in the table below:

	December 2024				
	Asset for remaining coverage		Asset for incurred claims for contracts under PAA		
Property and Casualty - Reinsurance contracts held	Remaining coverage	Incurred claims for contracts not under the PAA	Present value of future cash flows	Risk adjustment for nonfinancial risk	Total
Net balance as at 1 January	**(6 679 577)**	**-**	**(9 165 565)**	**(1 001 981)**	**(16 847 123)**
Net income (expenses) from reinsurance contracts held					
Reinsurance expenses	28 977 592				28 977 592
Other incurred directly attributable expenses	(1 641 242)				(1 641 242)
Claims recovered			(10 757 092)		(10 757 092)
Changes that relate to past service - adjustments to incurred claims			129 341		129 341
Effect of changes in the risk of reinsurers non-performance				321 303	321 303
Net expenses (income) from reinsurance contracts held	**27 336 351**	**-**	**(10 627 751)**	**321 303**	**17 029 903**
Finance income from reinsurance contracts held					-
Total amounts recognised in comprehensive income	**27 336 351**	**-**	**(10 627 751)**	**321 303**	**17 029 903**
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(21 876 643)				(21 876 643)
Recoveries from reinsurance			4 604 277		4 604 277
Total cash flows	**(21 876 643)**	**-**	**4 604 277**	**-**	**(17 272 366)**
Net balance as at 31 December	**(1 219 869)**	**-**	**(15 189 039)**	**(680 678)**	**(17 089 586)**

	RESTATED December 2023				
	Liability for remaining coverage		Liability for incurred claims for contracts under PAA		
Property and Casualty - Reinsurance contracts held	Remaining coverage	Incurred claims for contracts not under the PAA	Present value of future cash flows	Risk adjustment for nonfinancial risk	Total
Net balance as at 1 January	**1 599 911**	**-**	**(12 077 330)**	**(800 945)**	**(11 278 364)**
Net income (expenses) from reinsurance contracts held					
Reinsurance expenses	42 338 484	-	-	-	42 338 484
Other incurred directly attributable expenses	(1 933 233)	-	-	-	(1 933 233)
Claims recovered	-	-	(30 086 625)	-	(30 086 625)
Changes that relate to past service - adjustments to incurred claims	-	-	(8 782 547)	-	(8 782 547)
Effect of changes in the risk of reinsurers non-performance	-	-	-	(966 080)	(966 080)
Net expenses (income) from reinsurance contracts held	**40 405 252**	**-**	**(38 869 172)**	**(966 080)**	**569 999**
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	**40 405 252**	**-**	**(38 869 172)**	**(966 080)**	**569 999**
Foreign exchange impact of translating to presentation currency	(721 046)	-	5 442 999	360 969	5 082 921
Effects of inflation	-	-	20 935 212	404 075	21 339 287
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(47 963 693)	-	(9 381 115)	-	(57 344 808)
Recoveries from reinsurance	-	-	24 783 841	-	24 783 841
Total cash flows	**(47 963 693)**	**-**	**15 402 727**	**-**	**(32 560 966)**
Net balance as at 31 December	**(6 679 577)**	**-**	**(9 165 565)**	**(1 001 981)**	**(16 847 123)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.2 HEALTH

13.2.1 Health - Insurance contracts issued

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

Health- Insurance contracts issued	December 2024 Liability for remaining coverage Excluding loss comp.	Loss comp	Liability for incurred claims for contracts under PAA LIC for contracts not under the PAA	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Net balance as at 1 January	**3 508 104**	**-**	**-**	**4 433 162**	**20 151**	**7 961 417**
Insurance revenue	**(61 516 567)**	**-**	**-**	**-**	**-**	**(61 516 567)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	-	43 012 612	5 866	43 018 478
Changes that relate to past service adjustments to the LIC	-	-	-	1 404 420	(509)	1 403 911
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	3 758 203	-	-	-	-	3 758 203
Insurance service expenses	**3 758 203**	**-**	**-**	**44 417 032**	**5 357**	**48 180 592**
Insurance service result	**(57 758 364)**	**-**	**-**	**44 417 032**	**5 357**	**(13 335 975)**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(57 758 364)**	**-**	**-**	**44 417 032**	**5 357**	**(13 335 975)**
Cash flows						
Premiums received	56 858 774	-	-	-	-	56 858 774
Claims and other directly attributable expenses paid	-	-	-	(39 901 153)	-	(39 901 153)
Insurance acquisition cash flows	(3 758 203)	-	-	-	-	(3 758 203)
Total cash flows	**53 100 571**	**-**	**-**	**(39 901 153)**	**-**	**13 199 418**
Net balance as at 31 December	**(1 149 689)**	**-**	**-**	**8 949 041**	**25 508**	**7 824 860**

Health- Insurance contracts issued	RESTATED December 2023 Liability for remaining coverage Non-Onerous	Loss Comp	Liability for incurred claims for contracts under PAA LIC for contracts not under the PAA	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Net balance as at 1 January	**2 429 523**	**-**	**-**	**4 645 935**	**12 688**	**7 088 146**
Insurance revenue	**(55 107 256)**	**-**	**-**	**-**	**-**	**(55 107 256)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	-	41 179 467	9 227	41 188 694
Changes that relate to past service adjustments to the LIC	-	-	-	706 416	(826)	705 590
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	2 168 279	-	-	-	-	2 168 279
Insurance service expenses	**2 168 279**	**-**	**-**	**41 885 882**	**8 401**	**44 062 563**
Insurance service result	**(52 938 977)**	**-**	**-**	**41 885 882**	**8 401**	**(11 044 694)**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(52 938 977)**	**-**	**-**	**41 885 882**	**8 401**	**(11 044 694)**
Foreign exchange impact of translating to presentation currency	(1 094 935)	-	-	(2 093 825)	(5 718)	(3 194 478)
Effects of inflation	-	-	-	(11 750)	4 780	(6 970)
Cash flows						
Premiums received	57 280 772	-	-	-	-	57 280 772
Claims and other directly attributable expenses paid	-	-	-	(39 993 081)	-	(39 993 081)
Insurance acquisition cash flows	(2 168 279)	-	-	-	-	(2 168 279)
Total cash flows	**55 112 493**	**-**	**-**	**(39 993 081)**	**-**	**15 119 412**
Net balance as at 31 December	**3 508 104**	**-**	**-**	**4 433 162**	**20 151**	**7 961 417**

13.3 Life Risk-PAA

13.3.1 Life Risk- Insurance contract issued

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

	December 2024				
Life - Insurance contracts issued	**Liabilities for remaining coverage**		**Liabilities for incurred claims for contracts under PAA**		
	Non-Onerous	**Loss Comp**	**Risk adjustment**	**PVFCF**	**Total**
Net balance as at 31 December	**365 473**	**-**	**43 874**	**438 739**	**848 085**
Insurance Services Revenue	**(10 528 110)**	**-**	**-**	**-**	**(10 528 110)**
Insurance Service Expenses	**1 411 798**	**-**	**17 735**	**4 524 630**	**5 954 163**
Incurred claims and other directly attributable expenses	-	-	19 473	4 418 860	4 438 333
Changes that relate to past service	-	-	(1 738)	105 770	104 032
Amortisation of insurance acquisition cashflows	1 411 798	-	-	-	1 411 798
Insurance service result	**(9 116 312)**	**-**	**17 735**	**4 524 630**	**(4 573 946)**
Cashflows					
Premiums Received	10 557 011	-	-	-	10 557 011
Insurance acquisition cashflows	(1 635 421)	-	-	-	(1 635 421)
Incurred claims paid and other insurance service expenses paid	-	-	-	(4 363 666)	(4 363 666)
Total Cashflows	**8 921 589**	**-**	**-**	**(4 363 666)**	**4 557 924**
Net balance as at 31 December	**170 751**	**-**	**61 609**	**599 703**	**832 063**

	RESTATED December 2023				
Life - Insurance contracts issued	**Liabilities for remaining coverage**		**Liabilities for incurred claims for contracts under PAA**		
	Non-Onerous	**Loss Comp**	**Risk adjustment**	**PVFCF**	**Total**
Net balance as at 1 January	**143 169**	**-**	**36 234**	**362 345**	**541 748**
Insurance Services Revenue	**(9 360 400)**	**-**	**-**	**-**	**(9 360 400)**
Insurance Service Expenses	**848 194**	**-**	**104 174**	**4 892 899**	**5 845 267**
Incurred claims and other directly attributable expenses	-	-	115 023	3 725 288	3 840 311
Changes that relate to past service	-	-	(10 849)	1 167 611	1 156 762
Amortisation of insurance acquisition cashflows	848 194	-	-	-	848 194
Insurance service result	**(8 512 205)**	**-**	**104 174**	**4 892 899**	**(3 515 132)**
Premiums Received	9 740 681	-	-	-	9 740 681
Insurance acquisition cashflows	(941 648)	-	-	-	(941 648)
Incurred claims paid and other insurance service expenses paid	-	-	-	(3 678 092)	(3 678 092)
Foreign exchange impact of translating to presentation currency	(64 523)		(16 330)	(163 301)	(244 154)
Effects of inflation	-	-	(80 204)	(975 112)	(1 055 316)
Net balance as at 31 December	**365 473**	**-**	**43 874**	**438 739**	**848 085**

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FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.3 Life Risk-PAA (continued)
13.3.1 Life Risk- Insurance contract issued (continued)

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

In USD	December 2024 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	302 604	-	-	-	-	-	302 604

In USD	RESTATED December 2023 Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Expected timing of derecognition of assets balance as at 31 December	78 981	-	-	-	-	-	78 981

13.3.2 Life Risk- Reinsurance contracts held

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

Life - reinsurance contracts held	December 2024 Asset for remaining coverage Non-Onerous	Loss Comp	Asset for incurred claims for contracts under PAA Risk adjustment	PVFCF	Total
Net balance as at 1 January	-	-	869	24 657	25 526
An allocation of reinsurance premiums (ceded premiums)	(366 413)	-	-	-	(366 413)
Amounts recoverable from reinsurers for incurred claims	-	-	3 289	13 140	16 429
Amounts recoverable for incurred claims and other expenses	-	-	3 289	-	3 289.05
Changes to amounts recoverable for incurred claims	-	-	-	13 140	13 140.34
Insurance service result	366 413	-	3 289	13 140	382 842
Caashflows					
Premiums paid	366 413	-	-	-	366 413
Amounts received	-	-	-	-	-
Total Cashfows	366 413	-	-	-	366 413
Net balance as at 31 December	-	-	4 158	37 798	41 955

Life - reinsurance contracts held	RESTATED December 2023 Asset for remaining coverage Non-Onerous	Loss Comp	Asset for incurred claims for contracts under PAA Risk adjustment	PVFCF	Total
Net balance as at 1 January	-	-	495	48 433	48 928
An allocation of reinsurance premiums (ceded premiums)	(262 626)	-	-	-	(262 626)
Amounts recoverable from reinsurers for incurred claims	-	-	2 732	50 131	52 863
Amounts recoverable for incurred claims and other expenses	-	-	1 678	30 786	32 463.72
Changes to amounts recoverable for incurred claims	-	-	1 054	19 345	20 398.93
Insurance service result	(262 626)	-	2 732	50 131	(209 764)
Premiums paid	262 626	-	-	-	262 626
Foreign exchange impact of translating to presentation currency			(223)	(21 828)	(22 051)
Effects of Inflation	-	-	(2 135)	(52 079)	(54 214)
Net balance as at 31 December	-	-	869	24 657	25 526

13.4 Life Savings -PAA

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

	December 2024			
	Liabilities for remaining coverage		Liabilities for incurred claims	
	Non-Onerous	Loss Component	PVFCF	Total
Net balance as at 1 January	**70 988 370**	**-**	**-**	**70 988 370**
Insurance Services Revenue	(1 536 082)	-	-	(1 536 082)
Insurance Services Expenses	**61 027**	**-**	**200 850**	**261 877**
Incurred claims and other directly attributable expenses	-	-	200 850	200 850
Amortisation of insurance acquisition cashflows	61 027	-	-	61 027
Insurance service result	**(1 475 054)**	**-**	**200 850**	**(1 274 204)**
Insurance Finance Expenses	**(14 632 934)**	**-**	**-**	**(14 632 934)**
Effect of movements in exchange rates	**(382 061)**	**-**	**-**	**(382 061)**
Total changes in the statement comprehensive income	**(16 490 049)**	**-**	**200 850**	**(16 289 199)**
Investment Component	**1 279 263**	**-**	**-**	**1 279 263**
Cashflows				
Premiums Received	1 536 082	-	-	1 536 082
Claims and other expenses paid	-	-	(200 850)	(200 850)
Insurance acquisition cash flows	(61 027)	-	-	(61 027)
Total Cashflows	**1 475 054**	**-**	**(200 850)**	**1 274 204**
Net balance as at 31 December	**57 252 638**	**-**	**-**	**57 252 638**

	RESTATED December 2023			
	Liabilities for remaining coverage		Liabilities for incurred claims	
	Non-Onerous	Loss Component	PVFCF	Total
Net balance as at 1 January	**65 140 616**	**-**	**-**	**65 140 616**
Insurance Services Revenue	(2 285 048)	-	-	(2 285 048)
Insurance Services Expenses	**1 090 086**	**-**	**791 001**	**1 881 087**
Incurred claims and other directly attributable expenses	-	-	791 001	791 001
Amortisation of insurance acquisition cashflows	1 090 086	-	-	1 090 086
Insurance service result	**(1 194 962)**	**-**	**791 001**	**(403 961)**
Insurance Finance Expenses	**37 602 495**	**-**	**-**	**37 602 495**
Total changes in the statement comprehensive income	**36 407 533**	**-**	**791 001**	**37 198 534**
Investment Component	**(3 033 082)**			**(3 033 082)**
Cashflows				
Premiums Received	2 285 048	-	-	2 285 048
Claims and other expenses paid	-	-	(657 709)	(657 709)
Insurance acquisition cash flows	(1 089 546)	-	-	(1 089 546)
Foreign exchange impact of translating to presentation currency	(29 357 505)	-	-	(29 357 505)
Effects of inflation	635 306	-	(133 292)	502 014
Net balance as at 31 December	**70 988 370**	**-**	**-**	**70 988 370**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.5 Life Savings-VFA

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

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

	December 2024			
December 2024	**Estimates of the present value of future cash flows**	**Risk Reserve**	**Contractual service margin**	**Total**
Net balance as at 1 January	**10 739 357**	**59 308**	**3 213 405**	**14 012 070**
Changes related to current service	**26 151**	**(4 454)**	**(160 581)**	**(138 884)**
Contractual service margin recognised for services provided	-	-	(160 581)	(160 581)
Risk adjustment recognised for the risk expired	-	(4 454)	-	(4 454)
Experience adjustments	26 151	-	-	26 151
	-	-	-	
Changes related to Future Service	**(5 052 553)**	**61357.07157**	**4 991 196**	**-**
Contracts initially recognised in the period	(17 114)	5	17 109	-
Changes in estimates that adjust the contractual service margin	(5 035 439)	61 352	4 974 087	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
Changes that relate to past services	**-**	**-**	**-**	**-**
Adjustments to liabilities for incurred claims	-	-	-	-
		-	-	-
Insurance service result	(5 026 402)	56 903	4 830 615	(138 884)
Insurance Finance Expenses	1 097 205	(91 221)	(6 018 055)	(5 012 071)
Total changes in the statement of profit or loss and OCI	**(3 929 197)**	**(34 318)**	**(1 187 441)**	**(5 150 956)**
Cashflows				
Premiums received	76 926	-	-	76 926
Claims and other expenses paid (including investment components and premium refunds)	(472 642)	-	-	(472 642)
Insurance acquisition cash flows	(31 095)	-	-	(31 095)
Net balance as at 31 December	**6 383 349**	**24 990**	**2 025 964**	**8 434 304**

	RESTATED December 2023			
December 2023	**Estimates of the present value of future cash flows**	**Risk Reserve**	**Contractual service margin**	**Total**
Net balance as at 1 January	**9 042 117**	**20 821**	**2 308 140**	**11 371 078**
Changes related to current service	**35 492**	**(802)**	**(71 570)**	**(36 881)**
Contractual service margin recognised for services provided	-	-	(71 570)	(71 570)
Risk adjustment recognised for the risk expired	-	(802)	-	(802)
Experience adjustments	35 492	-	-	35 492
Changes related to Future Service	**(7 852 199)**	**149 305**	**7 702 894**	**-**
Contracts initially recognised in the period	(27 234)	13	27 220	-
Changes in estimates that adjust the contractual service margin	(7 824 965)	149 291	7 675 673	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
Changes that relate to past services	**-**	**-**	**-**	**-**
Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service result	(7 816 707)	148 502	7 631 324	(36 881)
Insurance Finance Expenses	7 401 060	750	102 084	7 503 894
Total changes in the statement of profit or loss and OCI	**(415 647)**	**149 252**	**7 733 408**	**7 467 013**
Cashflows				
Premiums received	12 518	-	-	12 518
Claims and other expenses paid (including investment components and premium refunds)	(926 723)	-	-	(926 723)
Insurance acquisition cash flows	(48 775)	-	-	(48 775)
Foreign exchange impact of translating to presentation currency	(4 075 092)	(9 384)	(1 040 230)	(5 124 706)
Effects of inflation	7 150 960	(101 382)	(5 787 913)	1 261 665
Net balance as at 31 December	**10 739 357**	**59 308**	**3 213 405**	**14 012 070**

13.5.2 CSM recognition in profit or loss

	December 2024						
In USD	**<1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Total**
Insurance contract issued							
Life insurance unit	192 175	187 371	177 762	168 153	158 544	1 141 975	2 025 981
Reinsurance contract held							
Life insurance unit	-	-	-	-	-	-	-

	RESTATED December 2023						
In USD	**<1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Total**
Insurance contract issued							
Life insurance unit	321 340	313 307	297 240	281 173	265 106	1 735 239	3 213 405
Reinsurance contract held							
Life insurance unit	-	-	-	-	-	-	-

13.5.3 Life Savings-VFA Roll-forward of net asset or liability for life insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

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

	December 2024				
	Liabilities for remaining coverage		**Liabilities for incurred claims**		
	Excluding loss component	**Loss Comp**	**Liabilities for incurred claims**	**Assets for insurance acquisition cash flows**	**Total**
Net balance as at 1 January	**14 012 070**	**-**	**-**	**-**	**14 012 070**
Insurance revenue	**(246 045)**	**-**	**-**	**-**	**(246 045)**
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(246 045)	-	-	-	(246 045)
Other contracts	-	-	-	-	-
Insurance service expenses	**854**	**-**	**106 323**	**-**	**107 177**
Incurred claims and other expenses	-	-	106 323	-	106 323
Amortisation of insurance acquisition cash flows	854	-	-	-	854
Insurance service result	**(245 192)**	**-**	**106 323**	**-**	**(138 868)**
Insurance Finance Expenses	**(5 012 071)**	**-**	**-**	**-**	**(5 012 071)**
Total changes in the statement comprehensive income	**(5 257 263)**	**-**	**106 323**	**-**	**(5 150 939)**
Investment component	**(396 647)**	**-**	**396 647**	**-**	**-**
Cash flows					
Premiums received	76 997	-	-	-	76 997
Claims and other expenses paid	-	-	(502 971)	-	(502 971)
Insurance acquisition cash flows	(854)	-	-	-	(854)
Total cash flows	**76 143**	**-**	**(502 971)**	**-**	**(426 827)**
Net insurance contract (assets)/liabilities Closing Balance	**8 434 304**	**-**	**-**	**-**	**8 434 304**

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FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.5.3 Life Savings-VFA Roll-forward of net asset or liability for life insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

	RESTATED December 2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss Comp	Liabilities for incurred claims	Assets for insurance acquisition cash flows	Total
Net balance as at 1 January	**11 371 078**	**-**	**-**	**-**	**11 371 078**
Insurance revenue	**(172 329)**	**-**	**-**	**-**	**(172 329)**
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(172 329)	-	-	-	(172 329)
Other contracts	-	-	-	-	-
Insurance service expenses	**1 174**	**-**	**134 274**	**-**	**135 448**
Incurred claims and other expenses	-	-	134 274	-	134 274
Amortisation of insurance acquisition cash flows	1 174	-	-	-	1 174
Insurance service result	**(171 155)**	**-**	**134 274**	**-**	**(36 881)**
Insurance Finance Expenses	**7 503 894**	**-**	**-**	**-**	**7 503 894**
Total changes in the statement comprehensive income	**7 332 739**	**-**	**134 274**	**-**	**7 467 013**
Investment component	(517 769)	-	517 769	-	-
Cash flows					
Premiums received	8 383	-	-	-	8 383
Claims and other expenses paid	-	-	(652 042)	-	(652 042)
Insurance acquisition cash flows	(1 174)	-	-	-	(1 174)
Total cash flows	**7 209**	**-**	**(652 042)**	**-**	**(644 834)**
Effects of Inflation	**943 518**	**-**	**-**	**-**	**943 518**
Foreign exchange impact of translating to presentation currency	**(5 124 706)**	**-**	**-**	**-**	**(5 124 706)**
Net insurance contract (assets)/liabilities Closing Balance	**14 012 070**	**-**	**-**	**-**	**14 012 070**

13.5.4 Life Savings-VFA New Business

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

	December 2024				
	Contracts issued		Contracts acquired		
	Non - onerous	Onerous	Non - onerous	Onerous	Total
Estimate of present value of future cash outflows	(154 442)	-	-	-	(154 442)
Estimates of present value of future cash inflows	36 350	-	-	-	36 350
Estimates of present value of future cash flows	(118 092)	-	-	-	(118 092)
Risk adjustment	243	-	-	-	243
CSM	117,849	-	-	-	117 849
Losses on onerous contracts at initial recognition	**-**	**-**	**-**	**-**	**-**

	RESTATED December 2023				
	Contracts issued		Contracts acquired		
	Non - onerous	Onerous	Non - onerous	Onerous	Total
Estimate of present value of future cash outflows	(53 187)	-	-	-	(53 187)
Estimates of present value of future cash inflows	12 518	-	-	-	12 518
Estimates of present value of future cash flows	(40 669)	-	-	-	(40 669)
Risk adjustment	20	-	-	-	20
CSM	40,649	-	-	-	40 649
Losses on onerous contracts at initial recognition	**-**	**-**	**-**	**-**	**-**

13.6 INVESTMENT CONTRACT LIABILITIES

	December 2024 USD	December 2023 RESTATED USD
Opening balance - 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**

The investment contract liabilities are valued based on both observable and unobservable inputs, as the liabilities relate to the asset values shown below. The level 3 inputs are not significant to the valuation and therefore this is a level 2 valuation.

	December 2024 USD	December 2023 RESTATED USD
Quoted Equities Valued using level 1 inputs	7 213 644	7 119 805
Unquoted Equities Level 2 Inputs*	484 831	379 485
Money Market Investments Level 1 Inputs	781 466	206 477
Cash Level 1 Inputs	149 969	20 330
Total Assets	8 629 910	7 726 097
Fees Charged	(4 950)	(177 499)
Closing balance	**8 624 960**	**7 548 598**

13.7 SHAREHOLDER RISK RESERVE

Reconciliation of shareholder risk reserve	December 2024 USD	December 2023 RESTATED USD
As at 1 January	1 254 934	449 588
Foreign exchange impact of translating to presentation currency	-	(202 620)
Movement in shareholder risk reserve	15 857	1 007 966
Investment income	15 857	1 007 966
Closing balance	**1 270 791**	**1 254 934**

The Insurance and Pensions Commission (IPEC) issued a Final Guidance Paper on Adjusting Insurance and Pension Values in response to the 2019 Currency Reforms on 13 March 2020 ("Final Guidance Paper on Adjusting Insurance and Pension Values"). The guidance paper set 31 December 2018 as the first measurement date for the purposes of determining currency linked revaluation gains for distribution to qualifying policyholders. The Final Guidance Paper on Adjusting Insurance and Pension Values provided comprehensive guidance on revaluation processes required to be undertaken by regulated entities such as First Mutual Life Assurance Company (Private) Limited (FML) in order to ensure equitable sharing of revaluation gains to different generations of pensioners and policyholders. SI 69 of 2020 gave legal effect to the relevant circulars issued by IPEC pursuant to the revaluation processes to be undertaken by all players.

In light of the requirements of the Final Guidelines Paper on Adjusting Insurance and Pension Values and how FML contracted Funeral Cash Plan (FCP), the FML Board resolved to amend the terms of the FCP policies, with the change aligned to the effective date of 31 December 2018 ('First Determination Date') deeming the policies paid up. In response to the IPEC guidelines, the FCP Liability was included in the shareholder risk reserve. The full liability was shown separately under shareholders with the matching assets coming under shareholders. 26 602 173 FMP shares measured at market value were linked to the liability in order to maintain value for policyholders.

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13.8 Compensation Reserve

	December 2024 USD	December 2023 RESTATED USD
Reconciliation of compensation reserve		
As at 1 January	1 619 937	-
Transfer from main fund	681 085	1 292 937
Movement in the compensation reserve	-	327 000
Interest	-	327 000
As at 31 December	**2 278 649**	**1 619 937**

IPEC developed a compensation framework in line with the recommendations made by the Justice Smith Commission of Inquiry. The regulations were gazetted into law as S.I. 162 of 2023 with effect from the 1st of October 2023.

The compensation reserve was determined in accordance with SI162 of 2023. The initial levy was determined as 1% of the total assets of the guaranteed fund as at 31 December 2022. This was converted into USD equivalent using the exchange rate applicable at 31 December 2022. The subsequent levy in 2023 and 2024 was calculated as 1% of the total assets less the initial levy.

The compensation reserve is a provision in terms of IAS 37 that was created for the compensation of prejudiced policyholders during the hyperinflation period. The value of the liability is derived from the value of the one percent annual levy on the total value of the assets of the guaranteed fund as reflected in the insurer's last annual audited financial statements, which levy shall continue to be applied until the liability arising from the requirement to compensate the prejudice to its members as a result of inflation between 2000 to 2009 is extinguished.

	December 2024 USD	December 2023 RESTATED USD
Quoted Equities Valued using level 1 inputs	**2 278 649**	**1 619 937**

14 TENANT AND OTHER RECEIVABLES

	December 2024 USD	December 2023 RESTATED USD
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**

14.1 Premium receivables from intermediaries

	December 2024 USD	December 2023 RESTATED USD
Gross receivable amount	4 642 200	10 867 731
Premium credit adjustment	(1 093 064)	(941 273)
Net balance	**3 549 136**	**9 926 458**

14.1.1 Impairment and risk exposure

Note 4.3 sets out information about the impairment of financial assets and the Group's exposure to credit risk.

Movements in the allowance for credit losses of tenant receivables were as follows:

	December 2024 USD	December 2023 RESTATED USD
As at 1 January	941 273	1 016 486
Foreign exchange impact of translating to presentation currency	-	(458 109)
Charge for the year	151 790	825 187
Inflation adjustment	-	(442 290)
Closing balance	**1 093 064**	**941 273**

		December 2024 USD	December 2023 RESTATED USD
14	**TENANT AND OTHER RECEIVABLES (continued)**		
14.1	**Tenant receivables**		
	Tenant cost recoveries	928 230	867 719
	Rental receivables	1 336 223	235 932
	Gross tenant receivables	**2 264 453**	**1 103 651**
	Allowance for credit losses	(964 448)	(395 224)
	Tenant receivables	**1 300 005**	**708 427**
	Current	1 300 005	708 427
	Non current		
	Total	**1 300 005**	**708 427**
14.1.1	**Impairment and risk exposure**		
	Note 4.3 sets out information about the impairment of financial assets and the Group's exposure to credit risk.		
	Movements in the allowance for credit losses of tenant receivables were as follows:		
	As at 1 January	395 224	238 025
	Foreign exchange impact of translating to presentation currency	-	(107 273)
	Charge for the year	569 224	368 041
	Inflation adjustment	-	(103 569)
	Closing balance	**964 448**	**395 224**
14.2	**Other receivables**		
	Sundry debtors	4 350 543	1 116 048
	Staff debtors	1 933 849	1 668 694
	Total	**6 284 392**	**2 784 742**
	Allowance for expected credit losses	(881 280)	(522 439)
	Other receivables excluding prepayments	**5 403 113**	**2 262 303**
	Prepayments	1 009 087	974 177
	Total other receivables	**6 412 200**	**3 236 480**
	Current	2 532 340	1 278 168
	Non current	3 879 860	1 958 312
	Total	**6 412 200**	**3 236 480**
	Impairment and risk exposure		
	Note 4.3 sets out information about the impairment of financial assets and the group's exposure to credit risk. Movements in the allowance for credit losses of other receivables were as follows:		
	Allowance for credit losses reconciliation		
	As at 1 January	522 439	497 316
	Foreign exchange impact of translating to presentation currency	-	(224 130)
	Charge for the year	358 841	465 776
	Inflation adjustment		(216 523)
	Closing balance	**881 280**	**522 439**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

		December 2024 USD	December 2023 RESTATED USD
15	**CASH AND CASH EQUIVALENTS**		
	CASH AND CASH EQUIVALENTS		
	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 cash equivalents	**31 254 838**	**17 681 468**
	Current	31 254 838	17 681 468
	Non current		
	Cash and cash equivalents	**31 254 838**	**17 681 468**

All cash and balances with banks are classified as current.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Money market investments are made of varying periods as between one day and three months depending on the immediate cash requirements of the Group and earn interest at the short-term deposit rates. Included in cash and cash equivalents are balances with banks. These balances are used for transacting on a daily basis.

16 SHARE CAPITAL

Due to the change in currency highlighted on note 2.1.3 (a), the Group and Company redenominated the share capital from USD to ZWL on a 1:1 basis, inline with the Registrar of Deeds, Companies and Intellectual Property circular issued on 5 July 2019. After the change in functional currency, the ZWL balance was adjusted for inflation to the 31st of December 2023 and restated in USD using a rate of 1:5 935

		December 2024 USD	December 2023 RESTATED USD
16.1	**Authorised** 1 000 000 000 ordinary shares with a nominal value of USD0.0005 each	**458 893**	**458 893**
16.2	**Issued and fully paid** 731 718 322 (2023: 731 718 322) ordinary shares with a nominal value of USD0,0005 each	**335 780**	**335 780**
16.2.1	**Reconciliation of the issued capital**	**December 2024 USD**	**December 2023 RESTATED USD**
	As at 1 January	335 780	611 264
	Foreign exchange impact of translating to presentation currency	-	(275 484)
	Closing balance	**335 780**	**335 780**
16.3	**Unissued shares** 268 281 678 unissued shares, under the control of directors	**268 282**	**268 282**

16 SHARE CAPITAL (continued)

16.4 Share based payments

a) Employee share option scheme.

The Group had a Share Option Scheme that was approved by shareholders. The objective was to attract, retain and motivate key employees and agents of the Group. 19 010 038 (nineteen million ten thousand and thirty eight) shares, representing 5% of the issued ordinary share capital of the Company at the commencement of the scheme, were set aside by the Board for purposes of the Share Option Scheme. With effect from 10 August 2017, a further 8 426 271 (eight million four hundred and twenty six thousand two hundred and seventy one) shares were set aside in terms of section 11 of the Scheme Rules. All options having been granted, the Share Option Scheme is now exhausted.

Participants to whom an option has been granted under the scheme shall only be entitled to exercise the options as follows:

- On the first anniversary of the date of grant, the participant shall be entitled to exercise up to one third (1/3) of the shares offered to him/her under that particular option;
- On the second anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the shares offered to him/her under that option;
- On the third anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the shares offered to the participant under that option.
- Options not exercised within five (5) years from the date of grant shall lapse.

The fair value of the options was calculated using the Black-Scholes Merton Optional Valuation Method under the following assumptions:

Grant date	30 April 2015	30 April 2016	10 August 2017
Grant date share price (USD)	0.0300	0.022	0.117
Exercise price of option (USD)	0.0300	0.022	0.117
Risk-free interest rate	9%	9.00%	9.00%
Annualized standard deviation	82%	82.09%	82.09%
Dividend yield	0.00%	0.00%	0.00%
Weighted average remaining contractual life	3.25 years	3.25 years	3.25 years
Expected volatility	82.09%	82.09%	82.09%

The standard deviation was calculated over a 3 year period, that from January 2013 to December 2015 but it should be noted that the share is generally not very liquid on the Zimbabwe Stock Exchange. The risk free rate was determined on the power-related bonds issued by Infrastructure Development Bank of Zimbabwe ("IDBZ") on behalf of Zimbabwe Electricity Transmission and Distribution Company (Private) Limited ("ZETDC") and Zimbabwe Power Company (Private) Limited ("ZPC").

During the year all the options that were not exercised within 5 years from date of grant lapsed and below is the reconciliation for the movement in the number of shares.

Movement for the year	2024 Number of shares	2023 Number of shares
As at 1 January	10 125 661	20 415 736
Lapsed options	(1 344 893)	(988 430)
Options exercised during the year	(6 304 444)	(9 301 645)
Closing balance	**2 476 324**	**10 125 661**
Exercisable	**2 476 324**	**4 031 859**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

16 SHARE CAPITAL (continued)
16.4 Share based payments (continued)

Reconciliation of shares exercised

		2024			RESTATED 2023		
Date of grant	**Lapse date**	**Exercise price**	**Number of shares exercised**	**Cash Received Total**	**Exercise price**	**Number of shares exercised**	**Cash Received Total**
01 July 2019	21 December 2023		-	-		124 871	6 873
01 July 2020	21 December 2023		394 014	62 669		2 909 612	160 158
01 July 2021	25 June 2024		4 652 862	740 053		6 046 108	332 804
01 July 2022	27 September 2024		1 257 568	200 020		221 054	12 168
			6 304 444	**1 002 743**		**9 301 645**	**512 003**

b) Share appreciation rights ("SARs")

On 27 June 2019, the shareholders of Company at the Annual General Meeting ("AGM") approved a SAR plan for such Employees and Executive Directors of the Group (participant)\ as the Board (on the recommendation of the Human Resources and Governance Committee) shall determine from time to time. The plan has an operative period of 10 years and an initial 32 432 917 SARs were granted on inception.

The exercise of the Company's SAR entitles a participant to receive the gain for each share granted, where, "Gain" means an amount equal to the excess of the market value on the exercise date over the exercise price. The share appreciation rights were granted in three trenches as shown below:

Grant date	**Fair value Grant price(USD)**
1 July 2019	0.01
1 July 2020	0.01
1 July 2021	0.01
1 July 2022	0.01

A participant to whom SARs have been granted shall only be entitled to exercise the Rights in part as follows:

i) On the first anniversary of the date of grant, the participant shall be entitled to exercise up to one third (1/3) of the Rights granted on that particular occasion;

ii) On second anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the Rights; and

iii) On the third anniversary of the date of grant, the Participant shall be entitled to exercise an additional one third (1/3) of the Rights awarded to the Participant under that grant.

The fair value of the SARs was determined using the Black-Scholes model as at 30 December 2024 with the following inputs:

	31 December 2024	**31 December 2023**
Share price at measurement date (cents)	4	3
Exercise Price (cents)	0.01	0.49
Risk-Free Interest Rate	10%	24%
Volatility	166%	95%
Dividend Yield	1.8%	1.5%
Carrying amount of liability - included under share based payment liability	431 174	2 120 636

Carrying amount reconciliation	**December 2024 USD**	**December 2023 RESTATED USD**
As at 1 January	2 120 636	320 430
Foreign exchange impact of translating to presentation currency	-	(144 411)
Exercised	(1 002 743)	(512 003)
(Income)/expense to the income statement	(686 719)	2 611 423
Inflation adjustment		(154 803)
Closing balance	**431 174**	**2 120 636**

16 SHARE CAPITAL (continued)

16.4 Share based payments (continued)

c) Expenses arising from share based transaction	Group December 2024 USD	Group December 2023 RESTATED USD
Share option (income)/expense for the year recognised during the vesting period	-	-
Share appreciation rights (income)/expense for the year recognised during the vesting period	(686 719)	2 611 423
Total (income)/expense for the year	**(686 719)**	**2 611 423**

16.5 Group - Non distributable reserves

	Share Buyback Reserve USD	Put Option Reserve USD	Change in Ownership Reserve USD	Change in functional currency USD	Foreign currency translation reserve USD	Solvency reserve USD	Total USD
Restated as at 1 January 2023	**84**	**(2 908 788)**	**(153 107)**	**62 092**	**5 072 155**	**34 642**	**2 107 077**
Foreign exchange impact of translating to presentation currency	(38)	1 310 930	69 002	(27 983)	(2 285 914)	(15 612)	(949 615)
Redemption of shares in First Mutual Properties	50 398	-	-	-	-	-	50 398
Remeasurement of Financial liability		(2 779 619)	-	-	-	-	(2 779 619)
Other comprehensive income	-	-	-	-	12 274 570	-	12 274 570
Restated as at 31 December 2023	**50 443**	**(4 377 478)**	**(84 105)**	**34 108**	**15 060 811**	**19 029**	**10 702 810**
As at 1 January 2024	**50 443**	**(4 377 478)**	**(84 105)**	**34 108**	**15 060 811**	**19 029**	**10 702 810**
Remeasurement of Financial liability	-	751 216	-	-	-	-	751 216
Other comprehensive income	-	-	-	-	6 066 647	-	6 066 647
As at 31 December 2024	**50 443**	**(3 626 262)**	**(84 105)**	**34 108**	**19 572 257**	**19 029**	**17 520 672**

Foreign currency translation reserve
The change in functional currency reserve relates to the gains/ (losses) that arise in translating the statement of financial position of a foreign subsidiary to the reporting currency.

Revaluation reserve
The revaluation surplus arose in the prior years in respect of properties that were reclassified from owner occupied to investment property.

Solvency reserve
The solvency reserve is as a result of regulatory requirements for the foreign subsidiary.

Re-denomination of share capital and change in functional currency reserve
The reserves in respect of the redenomination of share capital and change in functional currency relate to reserves created on dollarisation when balances were converted to USD, and the related redenomination of share capital.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

17 MEMBER ASSISTANCE FUND	December 2024 USD	December 2023 RESTATED USD
As at 1 January	1 523	13 337
Foreign exchange impact of translating to presentation currency	-	(6 011)
Transfer from savings pot	(1 523)	-
Monetary loss adjustment		(5 803)
Closing balance	**-**	**1 523**

The member assistance fund is a reserve created for the medical aid members when claims ratios are below budgeted levels. The fund is meant to assist members when their benefits have been depleted and yet member meets the qualifying criteria for assistance. The reserve is calculated as a percentage of premiums contributed.

18 FINANCIAL LIABILITIES

Debentures
The Group, through First Mutual Microfinance, funds its micro lending activities from borrowings. A number of debentures were issued with maximum maturity of 90 days on a rollover basis.

The debentures are presented on the statement of financial position as follows:

	December 2024 USD	December 2023 RESTATED USD
Borrowings		
At 1 January	5 129 836	2 479 186
Foreign exchange impact of translating to presentation currency	-	(1 117 317)
At 1 January	5 129 836	1 361 869
Additions	5 577 945	3 808 172
Interest charged*	1 506 091	966 084
Interest paid	(1 724 514)	(966 084)
Loan repayment	(2 479 803)	(1 009 646)
Interest capitalised to Investment Property	218 423	-
Foreign exchange differences	-	5 396 481
Effects of inflation	-	(4 427 040)
Closing balance	**8 227 978**	**5 129 836**
Current	8 227 978	5 129 836
Non current	-	-
Total	**8 227 978**	**5 129 836**

*Interest expense is calculated by applying the effective interest rates of 28% for USD denominated borrowings to the liability component.

The initial fair value of the borrowing is the same as its face value. The liability is subsequently recognised on an amortised cost basis until extinguished by way of settlement of the principal.

Fair value of borrowings
The fair values of borrowings approximate the carrying amount as shown above.

18 FINANCIAL LIABILITIES (continued)

18.1 Put option liability	December 2024 USD	December 2023 RESTATED USD
Opening balance		
Opening balance	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 (loss)/gain	(751 216)	2 779 619
Effects of inflation	-	(2 067 931)
Closing balance	**4 399 320**	**4 567 300**

IAS32, Financial Instruments defines a financial liability as any liability that is a contractual obligation to deliver cash or another financial asset to another entity. In the case of the Aleyo NCI put option, it has been concluded that the Group has a contractual obligation to deliver cash in the form of the BWP61 million paid to FMRE Holding Company. The policy treatment adopted in the reclassification of the total of non-controlling interest balance for Aleyo to be reclassified to a financial liability

There has been remeasurement of the financial liability that has been recognised in equity as the transaction was concluded at the close of 2023. The measurement thus equates the worst case scenario that is to say the amount was to be payable immediately.

From the policy chosen NCI would continue to get an allocation of profit or loss and other subsidiary transactions, and at the end of the reporting period the NCI is reclassified to a liability and the remeasurement is taken to equity.

19 OTHER PAYABLES	December 2024 USD	December 2023 RESTATED USD
Other payables	2 599 271	2 121 755
Provisions	2 835 981	2 577 700
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
Property business related liabilities		
Amounts due to group companies (21.2)		
Total	**10 305 543**	**8 182 293**
Current	10 305 543	8 182 293
Non current		
Total	**10 305 543**	**8 182 293**

Other payables are non-interest bearing and are normally on 30 day terms. Other payables consist of motor levy, stamp duty, travel insurance and value added tax. Accrued expenses consist of deposits from tenants, actuarial fees and systems licence fees

19.1 Provision for leave days	December 2024 USD	December 2023 RESTATED USD
As at 1 January	348 594	609 617
Foreign exchange impact of translating to presentation currency	-	(274 742)
As at 1 January	348 594	334 876
Charged through profit or loss	991 987	1 110 772
Utilised	(510 268)	(274 338)
Monetary gain or loss		(822 716)
Closing balance	**830 312**	**348 594**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

		December 2024 USD	December 2023 RESTATED USD
19	**OTHER PAYABLES (continued)**		
19.2	**Provision for profit share**		
	As at 1 January	1 176 939	685 943
	Foreign exchange impact of translating to presentation currency	-	(309 140)
	As at 1 January	1 176 939	376 803
	Movement for the year	953 502	1 372 986
	Paid during the year	(1 176 939)	(241 279)
	Exchange gain or loss	-	151 807
	Effects of inflation	-	(483 377)
	Closing balance	**953 502**	**1 176 939**
19.3	**Regulatory Provision**		
	At 1 January	**1 052 167**	**988 525**
	Foreign exchange impact of translating to presentation currency	-	(445 508)
	At 1 January	1 052 167	543 018
	Provision for the year	-	509 150
	Settlement		
	Balance as at 31 December 2024	**1 052 167**	**1 052 167**

The regulatory provision relates to amounts that FML believes will be required to settle its obligation to the policyholder following the forensic investigation. Refer to note 30.3.1

20 TAX

		December 2024 USD	December 2023 RESTATED USD
20.1	**Deferred tax**		
	As 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 profit and loss	5 363 122	(912 546)
	Closing balance	**14 858 526**	**9 847 686**
	Current		
	Non current	14 858 526	9 847 686
	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**
	Analysis of deferred tax		
	Arising on property, plant and equipment and right of use asset	1 412 589	1 220 164
	Arising on investment properties	14 160 517	16 553 205
	Arising on financial assets at fair value through profit or loss	562 801	373 004
	Arising from life business (schedule 8 Income Tax Act (Chapter 23:06))	180 015	119 307
	Arising from other assets (insurance, reinsurance, inventory, tenant and other receivables)	5 675 756	3 266 364
	Arising from Insurance and reinsurance contract liabilities	(4 411 372)	(4 344 707)
	Lease liability, payables and provisions	(2 721 780)	(7 339 653)
	Closing balance	**14 858 526**	**9 847 686**

Tax rate has changed from 24.72% to 25.75% following the announcement by the Minister of Finance in the 2024 budget.

		December 2024 USD	December 2023 RESTATED USD
20.2	**Net current income tax asset**		
	As at 1 January	517 250	579 785
	Tax asset	(66 049)	(17 186)
	Tax liability	583 299	596 971
	Foreign exchange impact of translating to presentation currency		(261 297)
	Charge for the year	2 131 921	1 749 984
	Paid during the year	(2 203 031)	(3 405 557)
	Monetary gain adjustment	-	1 854 335
	Closing balance	**446 140**	**517 250**
	Disclosed as;		
	Income tax asset	(367 791)	(66 049)
	Income tax liability	813 931	583 299
	Total	**446 140**	**517 250**
20.3	**Income tax expense**		
	Deferred tax expense	5 363 122	(912 546)
	Current income tax (credit)/expense	2 131 921	1 749 984
	Total	**7 495 043**	**837 437**

		December 2024 USD	December 2023 RESTATED USD
20.4	**Reconciliation of income tax expense**		
	Profit before income tax	(19 634 271)	59 521 565
	Standard tax rate 25.75% (2023: 24.72%)	(5 055 825)	14 713 731
	Financial assets at fair value through profit or loss taxed at different rate	189 797	(293 804)
	Investment property gains taxed at different rates	2 392 689	(39 670 253)
	Non-taxable income	6 630 416	(59 891 758)
	Effect of expenses not deductible for tax purposes	3 337 966	85 427 352
	Effects of adopting new tax rate		552 170
	Tax charge for the period	**7 495 043**	**837 437**

Non taxable income includes mainly income from one of subsidiaries, First Mutual Health Company which is exempt from income tax.
Non-deductible expenses include charitable donations, IMTT,broker promotion and First Mutual Health operating expenses

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

21 INSURANCE REVENUE AND INSURANCE SERVICE RESULT

		December 2024 USD	December 2023 RESTATED USD
21.1	**Insurance Revenue**		
	Contracts not measured under the PAA		
	Amounts relating to the changes in the LRC		
	- Expected incurred claims and other expenses after loss component allocation	81 026	99 956
	- Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	4 454	802
	- CSM recognised in profit or loss for the services provided	160 565	71 570
	Insurance revenue from contracts not measured under the PAA	246 045	172 329
	Insurance revenue from contracts measured under the PAA	155 972 380	183 274 292
	Life Risk	10 528 110	9 360 400
	Life Savings	1 536 082	2 285 048
	Health	61 516 567	55 107 256
	Property and Casualty	82 391 622	116 521 588
	Total insurance contract revenue	**156 218 425**	**183 446 621**
21.2	**Insurance service expenses**		
	Incurred claims and other directly attributable expenses	(76 141 041)	(92 629 249)
	Life Risk	(4 438 333)	(3 840 311)
	Life Savings	(200 850)	(791 001)
	Health	(43 018 478)	(41 188 694)
	Property and Casualty	(28 483 380)	(46 809 243)
	Changes that relate to past service - adjustments to the LIC	(1 828 462)	(18 110 510)
	Life Risk	(104 032)	(1 156 762)
	Life Savings VFA	(854)	(1 174)
	Health	(1 403 911)	(705 590)
	Property and Casualty	(319 665)	(16 246 984)
	Amortisation of Insurance contract acquisition cash flows	(34 472 706)	(48 120 826)
	Life Risk PAA	(1 411 798)	(848 194)
	Life Savings PAA	(61 027)	(1 090 086)
	Life Savings VFA	(106 323)	(134 274)
	Health	(3 758 203)	(2 168 279)
	Property and Casualty	(29 135 354)	(43 879 993)
	Total insurance service expenses	**(112 442 209)**	**(158 860 586)**
21.3	**Net income (expenses) from reinsurance contracts held**		
	Reinsurance expenses - contracts measured under the PAA	(28 611 179)	(42 601 111)
	Claims recovered	11 931 260	41 821 348
	Total net income/(expenses) from reinsurance contracts held	**(16 679 919)**	**(779 763)**
	Insurance service result	**27 096 297**	**23 806 272**

22 NET FINANCE INCOME AND EXPENSES FROM INSURANCE CONTRACTS ISSUED

		December 2024 USD	December 2023 RESTATED USD
22.1	**Finance income (expenses) from insurance contracts issued**		
	Changes in fair value of underlying assets of contracts measured under the VFA	5 012 071	(7 503 894)
	Effect of changes in interest rates and other financial assumptions	14 632 934	(37 602 495)
	Foreign exchange differences	382 061	-
	Finance expenses from insurance contracts issued	20 027 066	(45 106 389)
	Net insurance finance expenses	**20 027 066**	**(45 106 389)**
22.2	**Breakdown of net finance income**		
	Dividend received - cash	993 721	258 834
	Fair value loss/(gain) on unquoted equities at fair value through profit or loss	(748 412)	2 237 159
	Net gains from fair value adjustments to investment properties	(19 949 189)	33 526 189
	Fair value (loss)/gain on quoted equities at fair value through profit or loss	(475 771)	8 673 141
	Net investment return (before interest, gold returns and NAV returns from associates)	(20 179 650)	44 695 324
	Interest on financial assets measured at amortised cost	524 472	413 097
	Fair value gain/(loss) on gold coins	10 174	(2 032)
	Effect of exchange rate movement	(382 061)	-
	Net finance income	**(20 027 066)**	**45 106 389**

23 NET INVESTMENT RETURN

	December 2024 USD	December 2023 RESTATED USD
Dividend received - cash	1 836 511	2 791 493
Fair value gain 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**

24 RENTAL INCOME

	December 2024 USD	December 2023 RESTATED USD
Office	4 704 198	5 539 303
Retail	2 015 745	663 516
Industry	1 318 800	199 892
Residential	259 409	187 462
Total rental income	**8 298 152**	**6 590 174**

All rental income earned is from investment property

25 Property expenses

Operating costs recoveries	933 508	839 548
Maintenance costs	866 650	946 839
Valuation fees	21 308	13 090
Employee costs	1 176 210	1 369 123
Other administration costs	565 106	523 306
Property security and utilities	86 268	84 546
Total	**3 649 049**	**3 776 452**
Property expenses arising from investment properties that generated rental income	3 266 997	3 021 162
Property expenses arising from investment properties that did not generate rental income	382 052	755 290
Total	**3 649 049**	**3 776 452**

Operating costs under recoveries relate to the operating costs attributable to the vacant spaces on buildings within the portfolio.

NOTES TO THE FINANCIAL STATEMENTS
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		December 2024 USD	December 2023 RESTATED USD
26	**OTHER INCOME AND DIRECT EXPENSES**		
26.1	**Net interest income- First Mutual Microfinance**		
	Interest income	4 493 375	3 419 780
	Interest expenses	(1 459 098)	(966 084)
	Direct administration costs	(1 085 132)	(158 734)
	Net Interest income	**1 949 146**	**2 294 962**
26.2	**Net Asset management service income**		
	Asset management service revenue	1 295 311	373 703
	Direct costs	(679 085)	(626 832)
	Net asset management service income/(expense)	**616 226**	**(253 129)**
26.3	**Other income**		
	Tenant interest	436 223	848 889
	Profit on disposal of vehicles and equipment	9 461	1 227
	Clinic fee income	787 255	598 313
	Funeral service income	90 653	50 765
	Pharmacy services income	187 614	150 091
	Other income	1 468 668	912 780
	Total before exchange gains	2 979 874	2 562 067
	Exchange gains	-	11 965 643
	Total	**2 979 874**	**14 527 709**

Other income consists of interest on staff loans, fees from fund management by FML and commission income, property sales commission, motor levy commission, valuation fees, agents fees, loss on disposal of investment in associate

26.4 Revenue from contracts with customers
Included in other income, on note 26.3 above, is revenue from contracts with customers. The Group derives revenue from the transfer of services over time and at a point in time in the following major product lines and all in Zimbabwe.

Type of good or service	Timing of recognition	December 2024 USD	December 2023 RESTATED USD
Asset management fees(note 26.2)	Over time	1 295 311	373 703
Asset management fees (Note 13.6)	Over time	12 000	177 499
Funeral services	At a point in time	90 653	50 765
Clinic services	At a point in time	787 255	598 313
Pharmacy services income	At a point in time	187 614	150 091
Total revenue from contracts with customers		**2 372 832**	**1 350 372**

Performance obligations
Information on the Group's performance obligations is summarised below:

Funeral services
The performance obligation is performed upon consumption of the service by the customer, thus at a point in time. However, there is usually no material time lag between service provision and payment and customers are usually required to pay in advance before provision of the service.

Clinic services
The Group provides general practitioner healthcare services to customers. These services are consumed by the customers at a point in time.

Pharmacy services income
The Group provides pharmacy services to customers. These services are consumed by the customers at a point in time.

Property services income
Property services include property valuations and property sales on behalf of customers. The performance obligation is satisfied after delivery of a valuation report and when a property has been sold and consideration transferred.

27 PHARMACIES, CLINICS AND FUNERAL DIRECT COSTS

	December 2024 USD	December 2023 RESTATED USD
Pharmacy and Clinic services	1 777 663	1 603 407
Funeral services	125 915	72 068
TOTAL	**1 903 578**	**1 675 475**

28 OTHER ADMINISTRATION EXPENSES

The profit before income tax is shown after charging:	December 2024 USD	December 2023 RESTATED USD
Staff costs (note 28.1)	26 264 038	30 723 151
Directors' fees - FMHL	388 814	219 687
-Group companies	1 579 590	1 014 181
Depreciation of property, vehicles and equipment	889 221	348 262
Depreciation of Right of Use asset	241 113	98 017
Amortisation of intangible assets	4 130	4 199
External Audit fees	799 293	762 709
IMT 2% tax	546 426	950 654
Other costs (note 28.5)	14 153 788	19 142 893
Transfer to directly attributable expenses	(19 462 742)	(27 581 766)
Total administration expenses	**25 403 672**	**25 681 985**

28.1 Staff costs

Wages and salaries	9 170 659	10 604 778
Non-pensionable allowances	3 012 648	3 568 836
Allowances	3 217 207	3 815 056
Social security and health insurance costs	1 579 656	1 937 287
Defined contribution pension costs	1 062 496	1 111 444
Long-term incentives	2 269 635	2 611 423
Short-term incentives	1 177 530	1 372 986
Motoring benefit	2 820 908	3 228 848
Movement in leave pay provision	991 987	1 110 772
Staff training	684 154	701 011
Rationalisation costs(28.2)	59 499	-
Other staff costs	217 659	660 710
Total staff costs	**26 264 038**	**30 723 151**

Staff Pension and Life Assurance scheme
All employees are members of the First Mutual Staff Pension and Life Assurance Scheme, which is a defined contribution pension plan. The Group's contributions to the defined contribution pension plan are charged to the statement of comprehensive income in the year in which they relate.

National Social Security Authority Scheme
The Group and its employees contribute to the National Social Security Authority Pension Scheme. This is a social security scheme, which was promulgated under the National Social Security Act (Chapter 17:04). The Group obligations under the scheme are limited to specific contributions legislated from time to time.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

28.2 Rationalisation expenses

In April 2024, there was a retrenchment within the group in order to streamline the business.

28 ADMINISTRATION EXPENSES (continued)

28.3 Allowance for credit losses

		December 2024 USD	December 2023 RESTATED USD
Premium receivables from intermediaries	-	151 790	825 187
Tenant receivables (note 14.1)		569 224	368 041
Other receivables (note 14.2)		358 841	465 776
Total		**928 065**	**833 817**

28.5 Other costs

	December 2024 USD	December 2023 RESTATED USD
Marketing and corporate relationship management	2 637 757	3 630 575
Loss on disposal of investment in associate	-	452 652
Exchange losses	1 909 649	-
Information technology expenses	1 795 539	2 564 745
Office costs	748 569	918 034
Fees and other charges	941 560	935 200
Actuarial fees	79 091	681 419
Expensed VAT	93 336	73 394
Bank charges	436 423	642 806
Communication expenses	104 587	660 962
Expenses relating to leases of low value	483 364	389 388
Subscriptions	100 597	433 838
Investor relations	93 149	109 903
Administration travel	353 881	831 980
Rates	1 284 370	1 380 247
Project costs	793 412	670 190
Staff welfare	718 880	516 132
Repairs and maintenance	197 762	160 756
Cleaning expenses	130 070	729 313
Strategy expenses	358 170	225 703
Other costs	893 620	3 135 658
Total	**14 153 788**	**19 142 893**

29 EARNINGS/(LOSS) PER SHARE ("EPS")

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

		December 2024 USD	December 2023 RESTATED USD
29.1	**Basic earnings per share**		
	Profit attributable to ordinary equity holders of the company	(10 457 630)	25 377 055
	Weighted average number of shares in issue	731 718 322	731 718 322
	Basic earnings per share (cents)	**(1.43)**	**3.47**
29.2	**Diluted earnings per share**		
	Profit attributable to ordinary equity holders of the company	(10 457 630)	25 377 055
	The following reflects the share data;		
	Weighted average number of shares in issue	731 718 322	731 718 322
	Effect of dilution of share option		
	Weighted number of shares adjusted for the effects of dilution	731 718 322	731 718 322
	Diluted earnings per share (cents)	**(1.43)**	**3.47**

30 COMMITMENT AND CONTINGENT LIABILITIES

30.1 Commitments

30.1.1 Operating lease commitments

As lessor
The Group holds operating leases with terms that expire after 3 to 5 year lease periods. Future lease payments could not be determined as rental rates are reviewed on an quarterly basis. The Group anticipates to generate rental income of USD8 713 059 (2024: USD8 298 152) out of its existing operating leases in the next 12 months.

30.1.2 Capital commitments
The Group has no capital expenditures contracted for at the end of December 2024 (2023 USD nil).

30.2 Contingent asset
In 2018, the RBZ separated local RTGS accounts from Nostro accounts which then resulted in a directive being issued to business regarding legacy liabilities. Businesses were to apply for blocked funds status with respect to the outstanding foreign liabilities that they owed so they could receive foreign currency to settle these liabilities. Since FMRE had foreign contracts arising from retrocession to ensure that these risks are mitigated properly, settlement of its dues to these parties had to be made. However FMRE could not settle the balance due as a result of the separation of the local and foreign nostro accounts. In the first quarter of 2023 the Ministry of Finance and Economic Development issued communication regarding legacy debts and their intention to have them settled. As at 31 December 2024 the business had received an amount of USD165 792 out of a possible USD828 960. Given the circumstances surrounding the nature of the savings bond that the government has promised to issue, the asset does not appear to be virtually certain in light of IAS 37. Therefore, we will treat the legacy debt as a contingent asset as it a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the FMRE.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

30.3 Legal proceedings and regulations

30.3.1 Contingent Liability

In line with Circular 19 of 2020, issued on 1 October 2020, the Insurance and Pensions Commission (IPEC or the Commission) appointed Atchison Actuarial Services ("Atchison" or "the Consultants") to carry out an analysis of the separation of assets between policyholders and shareholders accounts. This exercise was undertaken in respect of all insurance companies operating in Zimbabwe, including First Mutual Life Assurance Company (Private) Limited (FML). 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.

Atchison requested for information from insurance companies for the period 2006 to 31 December 2019. On the 18th of December 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 17 December 2021, failing which the Commission would institute a forensic investigation on FML in line with section 67 of the Insurance Act. FML in consultation with the regulator and the Consultant managed to submit all the outstanding information by the end of December 2021.

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.

In April 2023 after having made a follow up with IPEC on progress in finalising the forensic investigation, FML were availed the final report and were given 30 days to comment on the factual accuracy of the report. FML submitted their comments to Ministry of Finance copying in IPEC within the 30 day period.

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:

NB: The amounts disclosed are before currency reforms within Zimbabwe and the entity and before interest

	USD	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. FML sought input from independent third-party professionals in a bid to resolve the areas of disagreement.

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 Permanent Secretary (PS) in the Ministry of Finance, Economic Development and Investment Promotion on 4 December 2024. Following correspondence with the PS, 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.

30.4 Non-controlling interest put options

30.4.1 Recognition for put option liability

The agreement required First Mutual Holdings to reacquire an equity instrument at a specified price is an option that gives Aleyo Growth Fund 1 GP Partnership (the counterparty) the right but not the obligation to sell FMRE Holding Company's (issuer) own equity instrument to FMRE HoldCo for a fixed price. According to the Put Option Agreement between First Mutual Holdings and Aleyo Growth Fund 1 GP Partnership, the conditions that trigger the exercise of the put option are clearly stipulated and the put option will only be recognized if one or more of the stated conditions are satisfied. The detailed assessment has been shown below:

Condition precedent to the agreement	Assessment	Conclusion
The breach of warranties and indemnities contained in the Investment Agreements and in the case of any breach which is capable of being remedied by the payment of any sum of money, a failure to remedy such breach by paying the sum of money demanded in writing by Aleyo within 20 business days of such written demand therefore, or within such longer period as may be agreed between the Parties in writing. In line with management's understanding of the Investment Agreements, one material warranty that might trigger a breach is the involuntary liquidation of the foreign currency balance into USD.	The Reserve Bank of Zimbabwe and the Ministry of Finance and Economic Development have confirmed that the investment in the nostro account will be ring-fenced, such that even if the law changes, the Group will still be eligible to claim its funds in the form of foreign currency. Therefore, no material loss of value is expected to occur in this account that will not have any way impact the funds transferred.	This condition is less likely to materialise.
If, cumulatively over a continuous three-year period during the Forecast Period, the Company fails to achieve the EBITDA Target on a consolidated basis- This precedent is only applicable for the 3 years beginning 2022 per the signed agreement.	Management has considered the performance of the reinsurance subsidiaries as solid. For the year ending in 31 December 2023, the EBITDA for the two companies was BWP73,269,341 which is 101% of BWP72,518,208 (the two year cumulative per the Addendum agreement). This performance surpassed the set thresholds.	This condition is less likely to materialise.
A change in control at First Mutual Holdings level which has not been approved by Aleyo Growth Fund 1 GP Partnership would result in an obligation to settle an amount of BWP21 million within 20 days of such an occurrence. Thus resulting in Aleyo Growth Fund 1 GP Partnership forfeiting their shareholding in the Reinsurance Holding Company.	As at the reporting period, National Social Security Authority ("NSSA") & CBZH as major shareholders of First Mutual Holdings Limited with a total holding of 70.91% (NSSA 2024:34.44%, 2023: 34.44%; CBZH 2024: 36.47%, 2023: 36.47%) directly in First Mutual Holdings. It has been assessed and concluded that the ultimate beneficiary of the change in shareholding is NSSA since the acquisition of a stake in FMHL by CBZHL will result in NSSA holding more CBZHL shares. The Aleyo Growth Fund 1 GP Partnership has been briefed on the impending transaction and has not indicated that they will trigger the put option obligation as a result.	This condition is less likely to materialise.

Recognition of put option liability

In light of the above assessment the put option obligation has been concluded by the Group as a contractual obligation to deliver cash in the form of the BWP61 million paid to FMRE Holding Company. The policy treatment adopted in the reclassification of the total of non-controlling interest balance for Aleyo to be reclassified to a put option liability. There has not been remeasurement of the put option liability that has been recognised in equity as the transaction was concluded at the close of the year. The measurement thus equates the waste case scenario that is to say the amount was to be payable immediately

31 RELATED PARTY DISCLOSURES

Related companies

Related party transactions exist between First Mutual Holdings Limited and its fellow subsidiaries.

As at the reporting period, National Social Security Authority ("NSSA") & CBZH as major shareholders of First Mutual Holdings Limited with a total holding of 70.91% (NSSA 2024: 34.44%, 2023: 34.44%; CBZH 2024: 36.47%, 2023: 36.47%) directly in First Mutual Holdings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

31 RELATED PARTY DISCLOSURES (continued)

31.1 Subsidiaries and associates
The financial statements comprise the financial statements of First Mutual Holdings Limited and its subsidiaries and associate companies listed in the following table (indicating the extent of ownership):

	2024	2023
Subsidiaries		
First Mutual Life Assurance Company (Private) Limited	100.00%	100.00%
First Mutual Health Company (Private) Limited	100.00%	100.00%
First Mutual Microfinance (Pvt) Ltd	100.00%	100.00%
FMRE Property and Casualty (Proprietary) Limited*	100.00%	100.00%
First Mutual Reinsurance Holdings Limited****	70.90%	70.90%
First Mutual Properties Limited	69.88%	69.88%
First Mutual Wealth Management (Private) Limited	100.00%	100.00%
NicozDiamond Insurance Limited	100.00%	100.00%
Diamond Companhia de Seguros, SA ("Diamond Seguros")***- held through NicozDiamond Insurance Limited	71.40%	71.40%
First Mutual Property Fund One (Private) Limited	100.00%	100.00%
First Mutual Funeral Services (Private) Limited- held through First Mutual Life Assurance Company (Private) Limited	100.00%	100.00%
Infrastructure Fund Zimbabwe (Private Limited)	100.00%	100.00%
Associates		
United General Insurance Limited** - NicozDiamond Insurance Limited	23.77%	34.00%
Builstate Investments (Private) Limited	37.48%	37.48%
Greencroft Properties (Private) Limited	30.95%	29.49%
First Mutual Properties Limited is owned 69.88% by First Mutual Group as follows:		
First Mutual Holdings Limited - the company	2.53%	2.53%
First Mutual Life Assurance Company (Private) Limited - shareholders	18.01%	18.01%
First Mutual Life Assurance Company (Private) Limited - policyholders	41.91%	41.91%
First Mutual Reinsurance Company Limited	2.84%	2.84%
First Mutual Health Company (Private) Limited - shareholders	3.69%	3.69%
First Mutual Wealth Management (Private) Limited	0.43%	0.43%
First Mutual Microfinance (Pvt) Ltd	0.47%	0.47%
Total	**69.88%**	**69.88%**
First Mutual Health Company (Private) Limited is owned 100% by First Mutual Group as follows:		
First Mutual Life Assurance Company (Private) Limited	20.00%	20.00%
First Mutual Holdings Limited - the company	80.00%	80.00%
Total	**100.00%**	**100.00%**
First Mutual Property Fund One (Private) Limited is owned 100% by First Mutual Group as follows:		
First Mutual Life Assurance Company (Private) Limited	52.55%	52.55%
First Mutual Health Company (Private) Limited	20.29%	20.29%
First Mutual Reinsurance Company Limited	10.14%	10.14%
First Mutual Properties Limited	8.91%	8.91%
First Mutual Wealth Management (Private) Limited	8.11%	8.11%
Total	**100.00%**	**100.00%**

* This company is incorporated, registered and operates in Botswana
** This company is incorporated, registered and operates in Malawi
*** This company is incorporated, registered and operates in Mozambique
**** This company is incorporated, registered and operates in Botswana and it has been formed to consolidate the Group's strategy

		December 2024 USD	December 2023 RESTATED USD
31	**RELATED PARTY DISCLOSURES (continued)**		
31.2	**Compensation of key management:** Key management personnel includes executive directors and senior management of the Group		
	Short term employment benefits	4 472 691	3 072 882
	Post-employment pension and medical benefits	464 792	685 580
	Share appreciation rights	908 809	2 611 423
	Total compensation paid to key management personnel	**5 846 292**	**6 369 884**
31.3	**Loans to directors and officers**		
	Executive directors	139 439	105 511

		2024 Number of shares	2 023 Number of shares
31.4	**Directors and other key management's interest**		
	Douglas Hoto	250,000	250,000
	William Marere	100,015	100,015
	Other key management	15,044	15,044
		365,059	**365,059**

31.5 Transactions and balances with related companies:

31.5.1 Summary of related party transactions

The following table provide the total amount of transactions that have been entered into with related parties during the period ended 31 December 2024:

	Relationship to First Mutual Holdings Limited	Purchases from related parties USD	Amount owed to related parties USD	Amount owed by related parties USD	Loans owed to related parties USD	Carrying amounts of investments in subsidiaries USD
First Mutual Microfinance (Private) Limited	subsidiary	-	-	2 212	-	784 922
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	669 669	-	20 624 343
NicozDiamond Insurance Limited	subsidiary	11 839	24 327	-	-	18 803 036
First Mutual Reinsurance Company Limited	subsidiary	-	-	7 367	-	6 166 425
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	19 427	-	11 423 343
First Mutual Health Company (Private) Limited	subsidiary	5 082	21 418	-	-	10 154 308
First Mutual Funeral Services (Private) Limited	subsidiary	-	-	70	-	-
First Mutual Health Services (Private) Limited	subsidiary	-	-	1 886	-	3 496 230
First Mutual Properties Limited	subsidiary	371 785	306 909	-	-	115 510 858
First Mutual Wealth Management (Private) Limited	subsidiary	-	-	17 297	-	866 970
		388 706	**352 654**	**717 928**	**-**	**187 830 435**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

31 RELATED PARTY DISCLOSURES (continued)

31.5 Transactions and balances with related companies: (continued)

31.5.1 Summary of related party transactions (continued)

The following table provide the total amount of transactions that have been entered into with related parties during the year ended 31 December 2023

	Relationship to First Mutual Holdings Limited	Purchases from related parties RESTATED USD	Amount owed to related parties RESTATED USD	Amount owed by related parties RESTATED USD	Loans owed to related parties RESTATED USD	Carrying amounts of investments in subsidiaries RESTATED USD
First Mutual Microfinance (Private) Limited	subsidiary	-	6 174	-	-	752 338
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	-	-	32 614 271
NicozDiamond Insurance Limited	subsidiary	257 152	-	36 627	-	12 455 539
First Mutual Reinsurance Company Limited	subsidiary	-	-	41 826	-	3 623 220
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	20 760	-	3 146 878
First Mutual Health Company (Private) Limited	subsidiary	-	-	44 994	-	8 103 891
First Mutual Funeral Services (Private) Limited	subsidiary	-	-	-	-	-
First Mutual Health Services (Private) Limited	subsidiary	-	-	1 684	-	-
First Mutual Properties Limited	subsidiary	806 403	4 576	-	-	-
First Mutual Wealth Management (Private) Limited	subsidiary	395 075	-	33 438	-	750 789
		1 458 630	**10 750**	**179 329**	**-**	**61 446 927**

32.6 Material partly-owned subsidiary

Financial information of subsidiary that have material non-controlling interests are provided below;

Portion of equity interest held by non-controlling interest

Name	Country of incorporation and operation	2024	2023
First Mutual Properties Limited	Zimbabwe	29.93%	29.93%
Diamond Seguros Insurance Company Limited	Mozambique	28.60%	28.60%
First Mutual Reinsurance Holdings Limited	Botswana	29.10%	29.10%

31 RELATED PARTY DISCLOSURES (continued)
32.6 Material partly-owned subsidiary (continued)

	December 2024 USD	December 2023 RESTATED USD
Accumulated balances of material non-controlling interest		
First Mutual Properties Limited	34 707 164	51 781 683
Diamond Seguros Insurance Company Limited	479 496	497 269
First Mutual Reinsurance Holdings Limited	2 969 688	3 117 824
Total	**38 156 348**	**55 396 776**
Reconciliation of FMRE NCI		
FMRE NCI at initial recognition	-	-
Share of comprehensive income	776 128	1 695 847
Share of dividend	(192 892)	(450 929)
Reclassification to put option (Note 18.1)	(583 236)	(1 244 917)
NCI balance as at December		
Profit allocated to non-controlling interest:		
First Mutual Properties Limited	(17 074 520)	27 932 481
Diamond Seguros Insurance Company Limited	(17 773)	520 095
First Mutual Reinsurance Holdings Limited	(148 136)	4 854 496
Total	**(16 800 350)**	**33 307 072**

The summarised financial information of the subsidiaries is provided below. This information is based on amounts before intercompany eliminations.

	December 2024 USD	December 2023 RESTATED USD
First Mutual Properties Limited		
Revenue	8 235 920	6 896 240
Allowance for credit losses	(742 170)	(385 081)
Property expenses	(3 627 516)	(3 526 674)
Net property income	**3 866 234**	**2 984 485**
Employee related expenses	(1 380 070)	(1 096 983)
Other expenses	(898 621)	(974 275)
Net property income after administration expenses	**1 587 543**	**913 226**
Fair value adjustments	(51 852 681)	91 468 141
Other income	1 062 696	935 542
Finance income	(21 184)	884 143
Share of profit from associate	(11 845)	182 266
Net monetary gain/ (loss)		77 220
Profit before income tax	**(49 235 470)**	**94 460 539**
Income tax expense	(7 812 707)	(1 134 509)
Profit for the year	**(57 048 177)**	**93 326 030**
Other comprehensive (loss)/income		
Total comprehensive income	**(57 048 177)**	**93 326 030**
Attributable to non-controlling interest	(17 074 520)	27 932 481
Dividends paid to non-controlling interest	-	(754 784)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

31 RELATED PARTY DISCLOSURES (continued)
32.6 Material partly-owned subsidiary (continued)

	December 2024 USD	December 2023 RESTATED USD
Summarised statement of financial position as at		
Investment property	132 948 000	182 903 586
Property, plant and equipment and other non-current financial assets	117 137	124 032
Financial assets	1 196 961	586 263
Inventories, cash and bank, current financial assets and other receivables (current)	2 690 391	2 305 963
Non-current liabilities (deferred tax only)	(16 718 112)	(10 198 578)
Long term liabilities	(1 923 229)	-
Trade and other payable (current)	(2 601 297)	(2 711 965)
Total equity	**115 709 852**	**173 009 300**
Summarised cash flow information for the year ending 31 December		
Operating	754 839	1 509 436
Investing	(1 689 525)	(1 916 514)
Financing	1 406 778	(350 924)
Effects of inflation		(365 003)
Net increase in cash and cash equivalents	**472 091**	**(1 123 006)**
Diamond Seguros Insurance Company Limited		
Statement of comprehensive income		
Insurance contract revenue	4 748 306	2 744 455
Insurance service expenses	(4 351 601)	(3 549 786)
Net reinsurance contract result	113 861	(876 440)
Insurance service result	**510 565**	**(1 681 771)**
Profit before income tax	**62 142**	**(1 818 515)**
Statement of financial position		
Property, plant and equipment and other non-current financial assets	99 506	80 902
Financial assets		-
Reinsurance contract assets	1 658 295	789 931
Inventories, cash and bank, current financial assets and other receivables (current)	3 306 910	2 510 035
Non-current liabilities (deferred tax only)	(10 459)	(10 479)
Long term liabilities		-
Insurance contract liabilities	(3 117 184)	(1 580 787)
Trade and other payable (current)	(260 507)	(83 427)
Total equity	**1 676 560**	**1 706 175**
Statement of Cashflows		
Cashflows from Operating activities	38 585	68 875
Cashflows from investing activities	55 722	117 016
Cashflows from financing activities	-	-

31 RELATED PARTY DISCLOSURES (continued)
32.6 Material partly-owned subsidiary (continued)

	December 2024 USD	December 2023 RESTATED USD
First Mutual Reinsurance Holdings Limited		
Summarised statement of comprehensive income		
Insurance contract revenue	39 818 445	64 592 704
Insurance service expenses	(28 226 755)	(42 294 931)
Net reinsurance contract result	(6 786 415)	(1 279 144)
Movement in premium credit adjustment	(151 790)	(292 305)
Insurance service result	**4 653 483**	**20 726 324**
Administration Expenses	(3 009 978)	(5 827 111)
Movement in provision for credit losses	(286 970)	(4 486)
Profit before other items	**1 356 535**	**14 894 727**
Investment income	1 079 027	3 999 053
Other income	323 590	4 460 376
Profit before income tax	**2 759 152**	**23 354 156**
Income tax expense	(970 071)	769 752
Profit for the year	**1 789 082**	**24 123 909**
Other comprehensive (loss)/income	(2 298 140)	(7 441 792)
Total comprehensive income	**(509 059)**	**16 682 117**
Summarised statement of financial position		
Property, plant and equipment and other non-current financial assets	329 390	377 462
Financial assets	4 796 537	4 426 084
Reinsurance contract assets	13 374 101	12 289 618
Inventories, cash and bank, current financial assets and other receivables (current)	22 016 857	23 427 540
Non-current liabilities (deferred tax only)	-	-
Long term liabilities	(166 598)	(251 355)
Insurance contract liabilities	(29 467 428)	(26 952 250)
Trade and other payable (current)	(2 164 979)	(2 602 929)
Total Equity	**8 717 881**	**10 714 171**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

33 EVENTS AFTER THE REPORTING PERIOD

In accordance with IAS 10 Events After the Reporting Period, the Group has evaluated events occurring between the end of the reporting period (31 December 2024) and the date the financial statements were authorized for issue on the 5th of June 2025:

Adjusting Events:
There were no adjusting events post 31 December 2024.

Non-Adjusting Events:
There were no non-adjusting events post 31 December 2024.

34 PROPOSED DIVIDEND ON ORDINARY SHARES

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.

35 GOING CONCERN

In order to align with the requirements of International Financial Reporting Standards ("IFRS"), specifically International Accounting Standard 1 ("IAS 1"), the management of First Mutual Holdings Group Limited ("FMHL") management have assessed its ability to continue operating as a going concern in the foreseeable future. The management of FMHL have provided a detailed assessment below employing the guidance provided in International Standards for Auditing 570 "(ISA 570"). Moreover, each subsidiary has provided detailed assessments of the going concern status of their respective subsidiaries. No issues that give rise to material uncertainties were noted in these assessments.

For the period ended 31 December 2024, management has considered the geo-political tension in Europe with Russia and Ukraine being the key players. The two countries play a significant role in the global economy and the conflict between them has resulted in geo-economic tensions across the globe. In addition, the increase in global trade barriers through tariffs may result in a slow down in the global economy.

On the basis of the above assessment, management is of the opinion that the Group is able to continue in business beyond 31 December 2024 and that therefore recommend that the Separate and Consolidated Financial Statements for the period ended 31 December 2024 be prepared on a going-concern basis.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	Dec-24 USD AUDITED	Dec-23 USD AUDITED RESTATED*	Jan-23 USD AUDITED RESTATED*
ASSETS				
Non Current Assets				
Property, plant and equipment	J	28 100	14 403	31 565
Right of Use asset	K1	274 497	340 398	513 244
Investment properties	J1	560 000	866 403	1 741 971
Investment in subsidiaries	L4	50 972 140	60 309 706	50 235 570
Investment in associate	T	19 116	19 116	34 800
Financial assets at fair value through profit or loss	M	1 864 468	1 792 454	787 980
Investments held at amortised cost	V	293 780	132 577	66 025
Total Non Current Assets		**54 012 102**	**63 475 058**	**53 411 156**
Current Assets				
Investments held at amortised cost	V	24 589	22 096	13 523
Rental receivables	N1	2 291	726	-
Other receivables	N	32 021	274 833	39 016
Intercompany receivables	O	48 258	164 304	324 038
Consumable stocks	U	8 530	6 803	18 259
Short term investments	P	4 251	180 351	57 489
Bank & cash balances	P	49 578	367 464	128 424
Total Current Assets		**169 518**	**1 016 579**	**580 748**
TOTAL ASSETS		**54 181 619**	**64 491 637**	**53 991 904**
EQUITY AND LIABILITIES				
Equity				
Share capital		335 780	335 780	611 264
Share premium		6 733 913	6 733 913	12 258 611
Capital reserves	W	23 797	23 797	43 321
Retained profit		46 095 686	55 846 527	40 218 938
Total Equity		**53 189 176**	**62 940 018**	**53 132 134**
Non Current Liabilities				
Lease liability	K2	170 630	275 351	301 330
Total Non Current Liabilities		**170 630**	**275 351**	**301 330**
Current Liabilities				
Trade and other payables	Q	352 877	1 196 680	370 941
Lease liability	K2	116 237	68 838	75 333
Intercompany payables	R	352 699	10 750	112 166
Total Current Liabilities		**821 814**	**1 276 267**	**558 440**
Total Liabilities		**992 444**	**1 551 619**	**859 770**
TOTAL EQUITY AND LIABILITIES		**54 181 620**	**64 491 637**	**53 991 904**

These financial statements were approved by the Board of Directors on 5 June 2025 and signed on behalf of the Directors

A R T Manzai
Chairman

D Hoto
Group Chief Executive Officer

*Prior year numbers were restated as a result of change in the company presentation currency, refer to note 2.13b in Group financial statements.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Notes	Dec-24 USD AUDITED	Dec-23 USD *AUDITED RESTATED
INCOME			
Shared service costs recoveries	E	2 529 802	2 390 215
Rental income	F1	34 119	44 045
Fair value (loss)/gain- Investment property	J1	(226 403)	745 693
Net investment income	I	67 084	1 367 399
Share of (loss)/profit from subsidiaries	L2	(9 705 455)	38 260 133
Other income	F	2 105	288 593
Net monetary loss		-	(391 051)
Total Income		**(7 298 748)**	**42 705 027**
EXPENDITURE			
Administration expenses	G	(2 523 474)	(3 752 652)
Property expenses		(4 889)	(3 492)
Project costs	H1	-	(6,814)
Decrease/(Increase) in allowance for expected credit loss		16 140	(12 206)
Finance costs		(36 529)	(31 635)
Total Expenses		**(2 548 753)**	**(3 806 799)**
(Loss)/profit before income tax		**(9 847 500)**	**38 898 228**
Income Tax	S3		-
(Loss)/Profit after tax		**(9 847 500)**	**38 898 228**
Other comprehensive income			
Share of other comprehensive income/(loss) of subsidiaries and associates using equity method	L3	1 694 624	(4 204 389)
Foreign exchange impact of translating to presentation currency		-	(24 032 953)
Total comprehensive income attributed to shareholders		**(8 152 876)**	**10 660 887**

*Prior year numbers were restated as a result of change in the company presentation currency, refer to note 2.13b in Group financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Total
Restated balance as at 1 January 2023	**611 264**	**12 258 611**	**43 321**	**40 218 938**	**53 132 134**
Profit for the year	-	-	-	38 898 228	38 898 228
Other comprehensive loss	-	-	-	(4 204 389)	(4 204 389)
Foreign exchange impact of translating to presentation currency	(275 484)	(5 524 698)	(19 524)	(18 213 247)	(24 032 953)
Total comprehensive income	**(275 484)**	**(5 524 698)**	**(19 524)**	**16 480 592**	**10 660 887**
Transactions with shareholders in their capacity as owners:					
Dividend paid	-	-	-	(853 003)	(853 003)
As at 31 December 2023	**335 780**	**6 733 913**	**23 797**	**55 846 528**	**62 940 017**
Loss for the period	-	-	-	(9 847 500)	(9 847 500)
Other comprehensive income	-	-	-	1 694 624	1 694 624
Total comprehensive income	**-**	**-**	**-**	**(8 152 876)**	**(8 152 876)**
Transactions with shareholders in their capacity as owners:		-			-
Dividend paid	-	-	-	(1 597 966)	(1 597 966)
As at 31 December 2024	**335 780**	**6 733 913**	**23 797**	**46 095 686**	**53 189 176**

*Prior year numbers were restated as a result of change in the company presentation currency, refer to note 2.13b in Group financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Note	Dec-24 USD AUDITED	Dec-23 USD AUDITED RESTATED*
(Loss)/profit before taxation		(9 847 500)	38 898 228
Non cash items			
Depreciation	G	154 675	69 872
Finance costs		36 529	31 635
Interest received		(38 632)	(36 474)
Share of loss/(profit) of subsidiaries	L2	9 705 455	(38 260 133)
Fair value loss/(gain) on investment property	J1	226 403	(745 692)
Fair value loss/(gain) on quoted equities	I	(27 036)	(1 325 542)
Exchange loss/(gain)	F & G	19 778	(283 648)
(Decrease)/increase in share appreciation rights	G	(124 482)	921 400
Dividend received	I	(16 581)	(23 926)
Profit/(loss) from disposal of property and equipment	J	(556)	(89)
Monetary loss		-	406 541
Operating cash flow before working capital changes		**88 053**	**(347 828)**
Working capital changes			
Decrease/(increase) in other receivables		242 813	(235 818)
Increase in rental receivables		(1 565)	(726)
Decrease in intercompany receivables		116 046	159 734
(Increase)/decrease in consumable stocks		(1 727)	11 455
Increase/(decrease) in intercompany payables		341 949	(101 416)
(Decrease)/increase in other payables		(514 176)	1 156 610
Effects of inflation on working capital movements		-	(15,490)
Cash generated from operations		**271 393**	**626 521**
Finance costs on lease liability	K2	(36 529)	(31 635)
Interest received		38 632	36 474
Share appreciation rights excercised	Q1	(329 626)	(330 872)
Net cash flows from operating activities		**(56 130)**	**300 488**
Investing activities			
Purchase of vehicles and equipment	J	(28 311)	(12 936)
Recapitalisation of subsidiaries	L1	(906 807)	(1 272 403)
Purchase of quoted securities	M	(44 978)	(40 207)
Additions to debt securities at amortised cost	V	(50 018)	(329 996)
Disposal of investments	M	-	6 150
Maturities of Investments	V	-	73 336
Proceeds from the sale of property, plant & equipment		7 480	675
Dividend received	I & L1	2 250 123	2 550 405
Proceeds from disposal of investment property	J1	80 000	486 778
Cash generated from investing activities		1 307 489	1 461 802
Financing activities			
Lease liability repayment	K2	(138 406)	(112 618)
Dividend paid		(1 597 966)	(853 003)
Cash utilised from financing activities		**(1 736 372)**	**(965 621)**
Net (decrease)/increase in cash and cash equivalents		**(485 013)**	**796 669**
At beginning of year		547 816	185 913
Effects of exchange rates on cash and cash equivalents		(8 973)	20 821
Effects of inflation on cash and cash equivalents		-	(455 587)
Net (decrease)/increase for the period		(485 013)	796 669
At end of period		**53 830**	**547 816**
Disclosed as:			
Investments: Short term		4 251	180 351
Bank & Cash Balances		49 578	367 464
Cash and cash equivalents at the end of the period		**53 829**	**547 816**

*Prior year numbers were restated as a result of change in the company presentation currency, refer to note 2.13b in Group financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

A GENERAL INFORMATION

Additional general information has been presented in the Group notes to the financial statements.

B SUMMARY OF MATERIAL ACCOUNTING POLICIES

The company financial statements have been prepared in accordance with the policies detailed in the notes to the Group Financial Statements in this Annual Report. All other policies relating to the preparation of the financial statements of First Mutual Holdings, the company, not covered in the Group disclosures are presented below.

C Revenue recognition

Revenue is derived from shared service recoveries. The company provides shared services to the subsidiary companies which involve administration, procurement, secretarial, group finance and strategic management services for group companies. The revenue for the services is recognised either at a point in time or over a time depending on the nature of the service rendered to the customer.

The Company recognises revenue when the following conditions have been met;

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the services to be transferred can be identified;
- the payment terms for the services to be transferred can be identified;
- the contract has commercial substance; and
- and it is probable that the consideration to which the Company is entitled to in exchange for the services will be collected.

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds 12 months. The transaction price is there for not adjusted for the effects of a significant financing component.

Revenue stream	Satisifaction of Performance obligation	Estimation Method	Management rationale
Adminstration	over time	Input method	Based on time and resources put in providing the services
Procurement	point in time	Transaction price	Revenue is recognised when the services are transferred to the customer (date of actual purchase)
Secreterial	point in time	Transaction price	Revenue is recognised when the services are transferred to the customer (date of service)
Group finance	over time	Input method	Based on time and resources put in providing the services
Strategic management services	over time	Input method	Based on time and resources put in providing the services

D COMPANY FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are investment risk, equity price risk, interest rate risk, liquidity risk, currency risk, and credit risk.

D1 Investment risk

The Company's investment risk management system operates through a hierarchy of investment limit approvals. Individual fund managers have authority to trade within certain limits. Investments in excess of the specified limits require the approval of the Group Investment Committee. In addition, the Group Investment Committee makes all decisions regarding property investments and unquoted companies' share transactions.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)

D2 Equity price risk
Equity price risk is the potential loss arising from changes in the market price of a financial instrument as a result of fluctuations in the market price. A substantial part of the equity portfolio comprises listed counters. Unquoted counters are subjected to periodic financial analysis and review. The Company's equity price risk policy is to manage such risks by setting and monitoring objectives on investments, diversification of portfolios and setting limits on investment in each sector.

+/-10 share price movement	31-Dec-24 Impact on equity USD	31-Dec-23 Impact on equity USD
Commodity +/-10	9 792	2 365
	-	-
Consumer +/-10	337	82
	-	-
Financial +/-10	29 337	7 084
	-	-
Manufacturing +/-10	2 526	610
	-	-
Property +/-10	90 754	21 916
	-	-
Insurance +/-10	328	79
	-	-
Telecommunication +/-10	1 861	449
	-	-
Other +/-10		
Total +/-10	**134 936**	**32 585**

D3 Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to intercompany receivables, staff loans and other receivables.

Risk management
Credit risk is managed on a group basis. The key areas where the Company is exposed to credit risk are:-
- amounts due from debt securities;
- amounts due from loans and receivables; and
- amounts due from cash and balances with banks.

Credit risk arising from other financial assets of the Company, which comprise cash and balances with banks, and held to maturity investments, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Cash and balances with banks and Debt securities at amortised cost
The Company has a policy that establishes counterparty trading limits for each banking institution that it trades with. These counter party limits are reviewed at least semi-annually and submitted to the Investments Committee for approval. In this process the financial results of the banking institutions which are published semi-annually, are reviewed and together with other qualitative factors. The limits worked out are proposed to the Investment Committee for approval.

The Company only trades with and receives service from banking institutions that meet regulatory requirements including minimum regulatory capital.

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D3 Credit risk (continued)

Key considerations in the review of limits and security requirements include:-
- compliance with minimum capital requirements as set by the Reserve Bank of Zimbabwe ("RBZ"),
- RBZ periodic capital adequacy, asset quality, management, earnings, liquidity, and sensitivity ("CAMELS") ratings,
- total shareholder equity,
- total assets,
- ratios such as loan to deposit ratio, cost to income and non-performing loans ("NPLs") to total loans ratio,
- overall profitability and cash generation,
- historical performance and outlook,
- ability of the bank to provide collateral security,
- global credit ratings, with at least a rating of A+.

The approved collateral security instruments are as follows:
• treasury bills and aftrades;
• Zimbabwe Stock Exchange ("ZSE") top ten listed equities;
• bankers acceptances; and
• property bonds for long term placements

Qualitative factors include additional opinion formed through market intelligence on the financial institution, shareholder profile, management and segment of market being served.

The banks are classified into three internal categories as set out below:

Tier 1 Banks - banks that are considered to have well above the regulatory capital, stable and have a proven performance record. No security is required from these counterparties. The counterparty limit for tier 1 Banks is set as 61% (2023: 61%) of the Company total money market investments.

Tier 2 Banks - banks that are assessed to be significantly stable but have lower performance and shareholder ratings than Tier 1 Banks. Security is required for investments with these banks. The counterparty limit for tier 2 Banks is set as 50% (2023: 50%) of Company total money market investments.

Tier 3 Banks - banks that are evaluated as currently not suitable to be classified as a trading counterparty.

The Company holds cash accounts with financial institutions with sound financial and capital cover. The financial institutions holding the cash and cash equivalents of the Company have the following internal credit ratings.

	31-Dec-24 USD	31-Dec-23 USD
Tier 1	49 578	367 464
Tier 2	-	-
Tier 3	-	-
	49 578	**367 464**

(ii) Security
The Company holds no collateral in respect of debt securities at amortised cost.

(iii) Impairment of financial assets
The company has the following types of financial assets that are subject to the expected credit loss model:
- intercompany receivables,
- rental receivables,
- debt securities at amortised cost, and
- money market investments

Intercompany receivables
The company applies the simplified approach that takes into account forward looking approach to measure expected credit losses. The simplified approach uses a lifetime expected loss allowance for all intercompany receivables. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the intercompanies to settle the receivables.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D3 Credit risk (continued)

Rental receivables
The Company applies the simplified approach forward looking to measure expected credit losses. The simplified approach uses a lifetime expected credit loss allowance for all trade receivables. To measure the expected credit losses, rental receivables have been grouped based on shared credit characteristics and the days past due. The company applied the practical expedient to calculate expected credit losses using a provision matrix. However, in order to comply with the IFRS 9 requirements, The Company took into account how current and forward-looking information might affect its customers' historical default rates and, consequently, the effect of the information on current expectations and estimates of expected credit losses. The expected credit loss rates are based on the following:

The Company consider the following as constituting an event of default

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources which indicates the debtor is unlikely to pay it's creditors, including the company.

Irrespective of the above analysis, the Company consider that default has occurred when a financial asset is more than 120 days past due unless the Company have reasonable and supportable information to demostrate that default has not occurred.

(a) Occupancy status of the tenant
Where a tenant who remains in occupancy of the premises and continues to default on the payment of rent and operating costs, the past due account remains covered under general allowance for credit losses. The tenant who relinquishes occupancy of premises and honours agreed payment plans will not be considered for specific write-off and they will be provided for at 100%.

(b) Length of time of non-payment
The length of time a tenant stays without making payment towards past due balances is used as a measure of the extent of delinquency of outstanding amounts. All past due amounts over three months are referred to collection agencies and lawyers for collection while amounts that are over six months past due may qualify for specific write-off subject to the fulfilment of additional qualification criteria. All tenant account balances that are over three months are profiled with relevant percentages of general allowance applied to arrive at a general allowance for credit losses amount.

(c) Analysis of results of collection efforts undertaken so far in order to recover amounts that are past due
When the efforts of lawyers, collection agencies or direct approaches by the Company to tenants does not yield significant recovery of past due amounts and the prospects of significant recoveries consider remote, the outstanding balance is considered for specific write off. All material write offs are approved by the Audit Committee. Significant managerial judgment is exercised in analysing the likelihood of success of current collection efforts with assessment of prospects of recovery rated from more highly probable to remote.

The Unaudited Historical credit loss rates are adjusted to reflect current and forward looking information on macroeconomic factors (such as market interest rates or growth rates) affecting the ability of the cedants to settle the receivables.

Debt securities at amortised cost
The financial assets are assessed under the 12-month ECLs, as there has been no significant increases in credit risk since initial recognition. Assessment of the credit risk of these financial assets involves looking at the SBU's ability to payback, taking into consideration their ability to pay on the basis of historic information The company receives coupon payments monthly. The current levels of inflation have made it easier for the SBUs to settle their coupon obligations, and that on time. This reduces the probability of default. However management acknowledges that there will always be an element of risk, which is an area of judgment. Management has used past trends for similar instruments to determine the weighted probability of default and incorporate forward looking information such as the GDP growth rate and inflation and other uncertainties due to the political, and economic policies around the country. As a result of the factors mentioned above, management has set the probability of default (PD) at 0.00%. The company expects the amount to be owing at the end of the year to be equal to the annual coupon payment and the principal amount receivable which is the exposure at default (EAD), for the year.

The company has not experienced any default in coupon payments in the past, but due to uncertainty and considerations of other forward looking information, with prudence, management has set that the amount that would be lost in the event of a default (LGD is equal to 50% of the total annual coupon receivable.

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D3 Credit risk (continued)

Money market investments

Money market investments are assessed under the 12-month ECLs, as there has been no significant increases in credit risk since initial recognition. Assessment of the credit risk of these financial assets involves looking at the SBU's ability to payback on the basis of historic information. The company receives coupon payments monthly. The current levels of inflation have made it easier for the SBUs to settle their coupon obligations, and that on time. This reduces the probability of default. However management acknowledges that there will always be an element of risk, which is an area of judgment. Management has used past trends for similar instruments to determine the weighted probability of default and incorporate forward looking information such as the GDP growth rate and inflation and other uncertainties due to the political, and economic policies around the country. As a result of the factors mentioned above, management has set the probability of default (PD) at 0.00%. The company has not experienced any default in coupon payments in the past, but due to uncertainty and considerations of other forward looking information, with prudence, management has set that the amount that would be lost in the event of a default (LGD is equal to 50% of the total annual coupon receivable.

31/12/2024	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	0.00%	0.00%	0.00%		
Gross carrying amount - intercompany receivables	48 258	-	-	-	48 258
Rent receivables	2 291	-	-	-	2 291
Other receivables	32 021	-	-	-	32 021
Loss allowance	**-**	**-**	**-**	**-**	**-**

31/12/2023	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	2.23%	9.02%	9.02%		
Gross carrying amount - intercompany receivables	164 304	59 125	24 158	-	247 588
Rent receivables	726	-	-	-	726
Other receivables	275 752	-	-	-	275 752
Loss allowance	**8 310**	**5 333**	**2 497**	**-**	**16 140**

Movement in loss allowances

	Dec-24	Dec-23
As at 1 January	16 140	298
Increase/(decrease) in loan loss allowance recognised in profit or loss during the year	(16 140)	12 206
Inflation adjustment	-	3 636
At 31 December	**-**	**16 140**

Movement in loss allowances

First Mutual Holdings limited used a simplified approach model under the simplified approach, First Mutual Holdings Limited recognises a credit loss allowance based on a lifetime basis for its shared service receivables. Since the receivables do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL. This is in line with the practical expedient provided for in IFRS 9. A provision matrix has thus been adopted for the purposes of this exercise The standard allows for a provision matrix to be used for recognising ECL on receivables. FMHL's management has applied itself in using its historical credit loss experience and forward-looking information in order to establish the loss rates. It has set up a provision matrix based on its historical observed default rates which have been adjusted for forward-looking estimates. Various mathematical formulas and statistically sound assumptions have been employed in developing these assumptions, with forward looking data backed up by information obtained from credible sources. The changes in the credit loss allowance balance are recognised in profit or loss as an impairment gain or loss.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D3 Credit risk (continued)

Forward Looking – Intercompany Receivables
The World Bank statistics show that Real GDP for Zimbabwe has been increasing at a decreasing rate for the past two years at about 2% and 3.5% in 2024 and 2023 respectively. This has been driven by Elnino induced drought, depreciation of the local currency against the United States Dollar, monetary policy and hyperinflation, all decreasing the liquidity and general performance of companies. Recently, the IMF noted that a positive growth in GDP is expected Projections towards year end and beginning of 2025 are indicating that the GDP growth for the country at 6% The international Monetary Fund (IMF) predicts that inflation will increase to around 4.5%. Continued implementation of disinflation policies are aimed to keep inflation rates low. Annual inflation stood at 8.91% in December 2024 up from a low of 6.27% in Decembner 2023 resulting in a 2.64% increase as the government implement tight monetary policy to curb inflation. The First Mutual Holdings Limited expects this will not have a significant impact on the receivables' ability to settle their debts.

D4 Interest rate risk
Cash flow interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Company analyses its interest rate exposure on a dynamic basis and various scenarios are simulated.

The Company manages interest rate risk at both Board level (through the Group Investments Committee) and management level through regular reviewing policies that relate to interest rate risk management. Key activities include daily monitoring of costs of funds, monthly analysis of interest rate re-pricing gaps and monthly interest rate simulations.

The Company's exposure to the risk of changes in the market interest rates relates primarily to cash and cash equivalents, including financial instruments earning interest at fixed interest rates.

The Company is not exposed to the risk of changes in market interest rates as a result of the fixed nature of interest rates on its financial instruments thus, no sensitivity analysis has been presented.

D5 Liquidity risk
It is the Company's policy to ensure that cash resources are available at all times to meet commitments as they arise. Cash outflows arise from payment of purchase of investments and other operating commitments. Such outflows are adequately matched by inflows from shared service recoveries. The Company manages liquidity risk related to market through maintaining and monitoring comprehensive cash flow forecasts and budgets that are reviewed to take any changes on the market as they arise.

The Company also regularly receives dividends from subsidiary companies which ensure the liquidity risk is minimised. The liquidity analysis can be found in Note 4.5 of the Group Notes to the Financial Statements.

The table below analyses the maturity profile of the gross Company's assets and liabilities based on the remaining period as at the reporting date to the contractual maturity date.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D5 Liquidity risk (continued)

31/12/2024	Less than 1 month USD	1 to 3 months USD	Up to 6 months USD	less than 1 year USD	1 to 3 years USD	Total USD
Assets						
Financial assets at amortised cost	1 503	3 675	8 450	12 928	317 282	343 839
Equity securities at fair value through profit or loss	5 363	9 826	15 090	1 834 189	-	1 864 468
Rental Receivables	2 291	-	-	-	-	2 291
Other receivables (excluding prepayments)	22 090	9 931	-	-	-	32 021
Related party receivables	48 258	-	-	-	-	48 258
Cash and cash equivalents	53 829	-	-	-	-	53 829
Total assets	**133 223**	**23 160**	**22 914**	**1 846 159**	**293 780**	**2 319 237**
Liabilities						
Related party payables	352 699	-	-	-	-	352 699
Lease liabilities	1 867	3 255	3 480	91 438	186 827	286 867
Trade and other payables (excluding statutory liabilities)	70 100	-	-	-	-	70 100
Total liabilities	**424 666**	**3 255**	**3 480**	**91 438**	**186 827**	**709 666**
Liquidity gap	**(291 443)**	**19 906**	**19 434**	**1 754 721**	**106 953**	**1 609 571**
Cumulative liquidity gap	**(291 443)**	**(271 538)**	**(252 104)**	**1 502 618**	**1 609 571**	**-**
31/12/2023						
Assets						
Financial assets at amortised cost	992	2 403	2 824	15 877	132 577	154 673
Equity securities at fair value through profit or loss	20 987	41 974	62 961	306 932	-	432 854
Other receivables (excluding prepayments)	21 852	-	-	-	-	21 852
Related party receivables	155 986	23 796	16 721	-	-	196 503
Cash and cash equivalents	102 126	-	-	-	-	102 126
	-	-	-	-	-	-
Total assets	**301 943**	**68 173**	**82 506**	**322 809**	**132 577**	**908 009**
Liabilities						
Related party payables	61 615	-	-	-	-	61 615
Lease liability	4 171	10 845	11 929	24 451	186 616	238 012
Trade and other payables (excluding	-	-	-	-	-	-
statutory liabilities)	139 485	-	-	-	-	139 485
	-	-	-	-	-	-
Total liabilities	**205 271**	**10 845**	**11 929**	**24 451**	**186 616**	**439 111**
	-	**-**	**-**	**-**	**-**	**-**
Liquidity gap	**96 672**	**57 329**	**70 577**	**298 359**	**(54 039)**	**468 897**
	-	**-**	**-**	**-**	**-**	**-**
Cumulative liquidity gap	**96 672**	**154 000**	**224 578**	**522 936**	**468 897**	**-**

	Dec-24 USD AUDITED	Dec-23 USD AUDITED RESTATED*
E Shared service cost recoveries		
First Mutual Health	563 664	646 253
First Mutual Wealth Management	56 480	43 834
First Mutual Microfinance	105 835	88 947
First Mutual Life	674 502	702 445
First Mutual Properties	328 971	362 739
First Mutual Reinsurance	302 537	162 858
NicozDiamond Insurance	497 814	383 139
Total	**2 529 802**	**2 390 215**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

E Shared service cost recoveries (continued)

Included in this note is revenue from contracts with customers. Shared service cost recoveries relate to management fees received from the subsidiaries as listed. The company has contracts with the companies for the provision of shared services as stated under note C. The performance obligation is performed either upon consumption of the service by the customer, thus at a point in time or over a time depending on the nature of the service.

		Dec-24 USD AUDITED	Dec-23 USD AUDITED RESTATED*
F	**Other income**		
	Interest on staff loans	-	3 945
	(Profit)/loss on disposal of Property Plant Equipment	556	89
	Foreign exchange (loss)/gain	-	283 648
	Other	1 549	911
	Total	**2 105**	**288 593**
		-	-
F1	**Rental Income**		
	Residential	34 119	44 045
		34 119	**44 045**
		-	-

During the year FMHL company earned rental income from investment residential properties. Rentals are billed in advance on a monthly basis.

		Dec-24 USD AUDITED	Dec-23 USD AUDITED RESTATED*
G	**Administration expenses**		
	Staff costs	1 431 965	1 926 247
	Rent & rates	15 599	35 789
	Depreciation	154 675	69 872
	Directors fees	390 785	309 282
	Computer expenses	12 309	16 126
	Administration travel	49 229	25 712
	Insurance	8 495	4 965
	Audit fees	95 854	44 780
	Other fees	104 248	118 278
	Subscriptions	20 486	6 595
	Marketing costs - CRM	-	7 405
	Teas and refreshments	17 132	15 927
	R&M - Motor Vehicles	12 075	13 221
	R&M - Office Equipment	3 297	4 247
	Office consumables	23 203	4 688
	Communication	13 449	3 770
	Investor relations	111 019	74 270
	Cleaning expenses	12 379	10 416
	Board expenses	8 536	6 828
	Strategy expenses	28 628	18 278
	Staff welfare	6 063	1 841
	Shared costs recovery	7 499	12 845
	Other	62 884	99 284
	IMTT tax	38 368	584
	(Decrease)/increase in Share appreciation rights	(124 482)	921 400
	Foreign exchange loss	19 778	-
	Total	**2 523 474**	**3 752 652**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

		24-Dec USD AUDITED	Dec-23 USD AUDITED RESTATED*
H	**Staff costs**		
	Basic Salaries	762 712	855 864
	Non-pensionable allowance	149 030	130 073
	Bonus/Profit share	-	210 986
	Overtime	9 137	7 470
	Housing allowance	2 884	3 737
	Transport allowance	12 225	12 989
	Canteen allowance	-	1 261
	Long service award	-	1 004
	Pension	77 455	66 882
	NSSA	2 595	14 158
	Leave Pay	27 091	84 695
	Staff training	29 540	104 694
	Levies	35 113	35 789
	Medical aid	48 615	40 283
	Motoring benefit	216 419	272 767
	Security costs	5 201	6 049
	Other	53 948	77 548
	Total	**1 431 965**	**1 926 247**

H1 Project costs

Projects costs refers to the costs associated with implementation of Enterprise Content Management system. During 2023 the company incured project costs amounting to (2023 USD6,814), in 2024, there were no costs incurred

		24-Dec	Dec-23
I	**Net Investment income/(loss)**		
	Dividend received	16 581	23 926
	Interest received	38 632	32 530
	Investment expenses	(15 165)	(14 599)
	Fair value gain on equities	27 036	1 325 542
	Total	**67 084**	**1 367 399**

		Office Equipment	Office Furniture	TOTAL
J	**Property, Plant and equipment**			
	Cost			
	At 1 January 2023	140 338	21 514	161 852
	Foreign exchange impact of translating to presentation currency	(63 247)	(9 696)	(72 943)
	At 1 January 2023	77 090	11 818	88 909
	Additions	10 632	2 304	12 936
	Disposals	(1 224)	-	(1 224)
	At 31 December 2023	86 498	14 123	100 621
	Additions	20 585	7 726	28 311
	Disposals	(840)	(6 255)	(7 095)
	At 31 December 2024	**106 244**	**15 594**	**121 837**
	Accumulated Depreciation			
	At 1 January 2023	114 985	15 303	130 287
	Foreign exchange impact of translating to presentation currency	(51 821)	(6 897)	(58 718)
	At 1 January 2023	63 163	8 406	71 570
	Charge for the year	14 812	473	15 285
	Depreciation on disposal	(637)	-	(637)
	At 31 December 2023	77 338	8 879	86 218
	Charge for the year	7 261	430	7 691
	Depreciation on disposal	(143)	(28)	(171)
	At 31 December 2024	**84 456**	**9 282**	**93 737**
	Net Book Value - 31 December 2023	**9 160**	**5 243**	**14 403**
	Net Book Value - 31 December 2024	**21 788**	**6 312**	**28 100**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

J1 Investment properties

A property is regarded as sold when the conditions outlined in IFRS 15.38 for passing of control are satisfied. The factors under which control passes to the buyer include but are not limited to the following:
a. the customer is obliged to pay;
b. the customer has legal title to the asset;
c. the customer has obtained physical possession of the asset;
d. the customer has the significant risks and rewards of ownership;
e. the customer has accepted the asset.

During the year First Mutual Holdings Limited Company transferred properties to First Mutual Wealth and First Mutual Microfinance as additional investment. These subsidiaries are 100% owned by First Mutual Company.

	31-Dec-24 USD	31-Dec-23 USD
At 1 January	866 403	1 741 971
Foreign exchange impact of translating to presentation currency	-	(785 070)
Transfer to Investment in subsidiary	-	(349 413)
Disposals	(80 000)	(486 778)
Fair value gain/(loss)	(226 403)	745 692
Total	**560 000**	**866 403**

J1.1 Fair value hierarchy

The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy;

31/12/2024	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL	Total gain/(loss) in the period in the statement of comprehensive income ZWL
Residential	-	-	560 000	560 000	(226 403)
Total	**-**	**-**	**560 000**	**560 000**	**(226 403)**

31/12/2023	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL	Total gain/(loss) in the period in the statement of comprehensive income ZWL
Residential	-	-	866 403	866 403	745 692
Total	**-**	**-**	**866 403**	**866 403**	**745 692**

Refer to note 7.1 of the Group Financials Statements for valuation techniques used to derive level 3 fair values.

Leases

Leases K1 Right of use asset	Dec-24 USD AUDITED	Dec-23 USD AUDITED RESTATED*
As at 1 January	340 398	513 244
Foreign exchange impact of translating to presentation currency	-	(231 308)
Modifications	81 084	109 292
Depreciation	(146 985)	(50 830)
As at 31 December	**274 497**	**340 398**

		Dec-24 USD AUDITED	Dec-23 USD AUDITED RESTATED*
K2	**Lease liability**		
	As at 1 January	344 189	376 663
	Foreign exchange impact of translating to presentation currency	-	(169 754)
	Modifications	81 084	109 292
	Repayments	(138 406)	(112 618)
	Accrued interest	36 529	31 635
	Accrued interest paid	(36 529)	(31 635)
	Exchange loss	-	746 217
	Monetary loss adjustment	-	(605 611)
	As at 31 December	**286 867**	**344 189**
	Of which are :		
	Current lease liabilities	116 237	68 838
	Non-Current lease liabilities	170 630	275 351
	As at 31 December	**286 867**	**344 189**
L1	**INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**		
	At 1 January	60 309 706	49 098 349
	Foreign exchange impact of translating to presentation currency	-	(22 640 115)
	Adjustments due to adoption of IFRS 17 by insurance subsidiaries	-	1 049 803
	Capitalisation	906 807	1 272 403
	Dividend income	(2 233 542)	(2 526 479)
	Equity accounted earnings	(8 010 831)	34 055 744
	Total investment in subsidiaries	**50 972 140**	**60 309 706**
L2	**Share of profit from subsidiaries**		
	NicozDiamond Insurance	(333 160)	3 598 922
	First Mutual Life	(13 270 838)	19 176 926
	First Mutual Reinsurance	(209 137)	2 870 503
	FMRE Property & Casualty Botswana	1 860 954	6 537 532
	First Mutual Wealth	206 669	132 452
	First Mutual Health	1 843 179	5 403 270
	Funeral services	-	-
	First Mutual Microfinance	196 879	540 527
	Total	**(9 705 455)**	**38 260 133**
L3	**Share of other comprehensive income from subsidiaries**		
	NicozDiamond Insurance	2 665 016	1 071 842
	FMRE Property & Casualty Botswana	(970 392)	(5 276 230)
	Total	**1 694 624**	**(4 204 389)**

		Shareholding percentage			
L4	**INVESTMENT IN SUBSIDIARIES**	**1/12/2024**	**1/12/2023**		
	First Mutual Life Assurance Company (Private) Limited	100%	100%	18 368 333	30 834 210
	First Mutual Health Company (Private) Limited	80%	80%	9 141 069	8 096 947
	First Mutual Microfinance	100%	100%	949 217	752 338
	First Mutual Reinsurance Company Limited	71%	71%	3 260 472	3 469 609
	FMRE Property and Casualty (Proprietary) Limited	71%	71%	4 341 849	3 950 848
	First Mutual Wealth Management	100%	100%	1 059 304	750 789
	NicozDiamond Insurance Company Limited	100%	100%	13 851 898	12 454 965
				50 972 140	**60 309 706**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

		31-Dec-24 USD AUDITED	31-Dec-23 USD AUDITED RESTATED*
M	**Financial assets at fair value through profit or loss**		
	At 1 January	1 792 454	787 980
	Foreign exchange impact of translating to presentation currency	-	(355 126)
	Purchases	44 978	40 207
	Disposal	-	(6 150)
	Fair value adjustments	27 036	1 325 542
		-	-
	Total	**1 864 468**	**1 792 454**

Note 4.3 of the Group Financial Statements set out information about the impairment of financial assets and the Group's exposure to credit risk.

		31-Dec-24 USD AUDITED	31-Dec-23 USD AUDITED RESTATED*
N	**Other receivables**		
	Staff debtors	-	214 186
	Prepayments	-	51 383
	Sundry debtors	32 021	10 183
	Total	32 021	275 752
	Allowance for expected credit losses	-	(918)
	Net receivables	**32 021**	**274 833**
N1	**Rental receivables**		
	Tenant receivables	2 291	922
	Provision for credit loss	-	(196)
	Net rental receivables	**2 291**	**726**
O	**Intercompany receivables**		
	First Mutual Wealth	17 297	33 438
	First Mutual Health	-	44 994
	FMRE Property & Casualty Botswana	19 427	20 760
	First Mutual Reinsurance	7 367	41 826
	NicozDiamond	-	36 627
	First Mutual Microfinance	2 212	-
	First Mutual Health Services	1 886	1 684
	First Mutual Funeral services	70	-
	Total	**48 258**	**179 329**
	Allowance for expected credit losses	-	(15 025)
	Net Intercompany receivables	**48 258**	**164 304**
P	**CASH AND BALANCES WITH BANKS**		
	Money market investments with original maturities less than 90 days	4 251	180 351
	Cash at bank and on hand	49 578	367 464
	Cash and balances with banks	53 829	547 816
	Current	53 829	547 816
	Cash and balances with banks	53 829	547 816

All cash and balances with banks are classified as current. Cash at bank earns interest at floating rates based on daily bank deposit rates. Money market investments are made of varying periods as between one day and three months depending on the immediate cash requirements and earn interest at the short-term deposit rates.

		31-Dec-24 USD AUDITED	31-Dec-23 USD AUDITED RESTATED*
Q	**Trade and other payables**		
	Payroll deductions	72 972	211 790
	VAT	51 216	94 363
	Provision for leave days - Note Q1	50 986	24 520
	Provision for profit share - Note Q2	-	210 985
	Accounts payables	1 018	-
	Withholding tax	18 884	-
	Sundry creditors	44 581	87 693
	Share appreciation rights - Note Q3	113 219	567 327
	Total	**352 877**	**1 196 680**
Q1	**Provision for leave days**		
	Opening balance	24 520	39 060
	Foreign exchange impact of translating to presentation currency	-	(17 604)
	Arising from the current year	91 890	84 695
	Utilised	(65 424)	(98 136)
	Exchange loss	-	29 366
	Inflation adjusted	-	(12 861)
	Closing balance	**50 986**	**24 520**
Q2	**Provision for profit share**		
	Opening balance	210 985	158 667
	Foreign exchange impact of translating to presentation currency	-	(71 508)
	Arising from the current year	-	210 986
	Utilised	(210 985)	(95 367)
	Exchange loss	-	29 707
	Inflation adjusted	-	(21 499)
	Closing balance	**-**	**210 985**

Q3 Share appreciation rights

On 27 June 2019, the shareholders of Company at the Annual General Meeting ("AGM") approved a SAR plan for such Employees and Executive Directors of the Group (participant)\ as the Board (on the recommendation of the Human Resources and Governance Committee) shall determine from time to time. The plan has an operative period of 10 years and an initial 32 432 917 SARs were granted on inception.

The exercise of the Company's SAR entitles a participant to receive the gain for each share granted, where, "Gain" means an amount equal to the excess of the market value on the exercise date over the exercise price. The share appreciation rights were granted in three trenches as shown below:

Grant date	Fair value Grant price(USD)
1/7/2019	0.02
1/7/2020	0.27
1/7/2021	2.12

A participant to whom SARs have been granted shall only be entitled to exercise the Rights in part as follows:
i) On the first anniversary of the date of grant, the participant shall be entitled to exercise up to one third (1/3) of the Rights granted on that particular occasion;
ii) On second anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the Rights; and
iii) On the third anniversary of the date of grant, the Participant shall be entitled to exercise an additional one third (1/3) of the Rights awarded to the Participant under that grant.

	31-Dec-24	31-Dec-23
At 1 January	567 327	103 589
Foreign exchange impact of translating to presentation currency	-	(46 685)
Exercised	(329 626)	(330 872)
Share based payments fair value gain/(loss)	(124 482)	921 400
Monetary gain	-	(80 104)
Total	**113 219**	**567 327**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

		31-Dec-24 USD AUDITED	31-Dec-23 USD AUDITED RESTATED*
R	**Intercompany payables**		
	First Mutual Health	21 418	-
	First Mutual Properties	306 909	4 576
	First Mutual Microfinance	-	6 174
	Nicoz Diamond Limited	24 372	-
	Total	**352 699**	**10 750**
S	**TAX**		
S1	**Deferred tax**		
	As at 1 January	-	-
	Recognised through statement of comprehensive income	-	-
	As at 31 December	**-**	**-**
	Current	-	-
	Non current	-	-
	Total	**-**	**-**
S2	**Analysis of deferred tax**		
	Arising on furniture and equipment	1 760	3 561
	Arising on right of use asset	61 873	21 387
	Arising on financial assets at fair value through profit or loss	18 645	17 925
	Arising from investment properties	28 000	169 439
	Arising from assessable losses	(73 916)	(154 094)
	Payables and provisions	(36 362)	(58 217)
	As at 31 December	**-**	**-**
	Disclosed as:		
	Deferred tax asset	(110 278)	(212 311)
	Deferred tax liability	110 278	212 311
		-	**-**

Unrecognised deferred tax asset

The Company has unrecognised deferred tax asset arising from lease liability, cash based share appreciation rights liabilty, and assessable losses amounting to USD110 278 (2023 USD212,311) . Given the Company's current financial position and the uncertainty of its future performance, the deferred tax asset has been recognised only to the extent of available taxable temporary differences in the financial statements for the year ended 31 December 2024. Below is the list of unrecognised deffered tax asset.

		31-Dec-24 USD AUDITED	31-Dec-23 USD AUDITED RESTATED*
	Lease liability	286 867	85 084
	Cash based share appreciation rights	113 219	140 243
	Assessable losses	307 328	239 368
	Total	**707 415**	**464 695**
S3	**Reconciliation of income tax expense**		
	(Loss) /profit before income tax	(9 847 500)	38 898 228
	Standard tax rate 25.75% (2023: 24.72%)	(2 535 731)	10 017 261
	Non-taxable income	2 020 125	(10 180 905)
	Non-deductible expenses	103 807	758 320
	Non recognition of assessed losses	411 799	(594 677)
	Tax charge for the period	**-**	**-**

During the 2024 budget speech held, it was announced that the corporate income tax rate will be increased from 24% to 25% for companies with years of assessment ending 31 December 2024. This change has affected recorded deffered tax liabilities at 31 December 2023 and the standard income tax rate in the future

T Investment in associates

The company holds 13.04% in Infrastructure Fund Zimbabwe (*Private) Limited which was set up for the construction of a solar project at First Mutual Park. The company is a special purpose vehicle which was intended to generate power for Group companies resident at First Mutual Park. The investment in the SPV was made in March of 2021 and the solar plant has been commissioned for use starting 1 January 2022.

	Percentage ownership			
Reconciliation of the carrying amount	**31-Dec-24**	**31-Dec-23**		
As at 1 January	13%	13%	19 116	19 116
Additional investment			-	-
Transfer to subsidiary			-	-
Share of associates other comprehensive income			-	-
Share of associates profit/(losses)			-	-
Impairment allowance			-	-
As at 31 December			**19 116**	**19 116**

U CONSUMABLE STOCK

Inventory relates to consumables stock largely made up of office supplies and consumables including office stationery.

Consumables	8 530	6 803
Total	**8 530**	**6 803**
	-	-

During the year total amount of USD4,988 (2023: USD4,928) for consumable stocks were charged in the income statement.

V Debt securities at amortised cost	**31-Dec-24 USD AUDITED**	**31-Dec-23 USD AUDITED RESTATED***
As at 1 January	154 673	79 548
Foreign exchange impact of translating to presentation currency	-	(35 851)
Additions	50 018	329 996
Non cash additions	75 046	-
Maturities of investments	-	(73 336)
Acrued interest	38 632	32 530
Monetary loss adjustment	-	(178 214)
As at 31 December	**318 369**	**154 673**
Current	24 589	22 096
Non current	293 780	132 577
Total	**318 369**	**154 673**

These relate to funds advanced by the Holding Company to Microfinance to aid in its day to day operations. Note D3 sets out information about the impairment of financial assets and the company's exposure to credit risk. During the year there were no expected credit losses from assessment.

W Capital reserves

	Share based Payment Reserve USD	**Revaluation Reserve USD**	**Total USD**
As at 1 January 2023	**-**	**43 321**	**43 321**
Foreign exchange impact of translating to presentation currency	-	(19 524)	(19 524)
As at 31 December 2023	**-**	**23 797**	**23 797**
As at 1 January 2024	**-**	**23 797**	**23 797**
Other comprehensive income		-	-
As at 31 December 2024	**-**	**23 797**	**23 797**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

Revaluation reserve
The revaluation reserve relates to the gains/ (losses) that arise in revaluing the statement of financial position after the change in functional currency.

Share based payment reserve
The share based payment reserve relates to the gains/(losses) that arise from revaluing the granted and not yet exercised quoted equity shares.

FIRST MUTUAL HOLDINGS LIMITED

(The Group) FINANCIAL STATEMENTS (ZWG)

For the year ended 31 December 2024

Shape the future
with confidence

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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 251 to 371, 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)	
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 ZWG 3 457 917 410 (2023 - ZWG 2 468 777 679)for the Group. In determining the fair values of investment property, the directors make use of	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.

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 validating the methodologies and key assumptions which were adopted by the 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 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)	
As of December 31, 2024, the group recorded Investment property amounting to: ZWG 3 457 917 410 (2023: ZWG 2 468 777 679) 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)	
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.	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

The most significant assumptions made in the valuation of insurance contract liabilities are. • the future cash flow projections; and • Determination of Contractual Service Margin • a risk adjustment for non-financial risk ▸ 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.	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. ▸ 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)	
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. ▸ The disclosures related to the insurance and re-insurance contract liabilities and assets are included in Note 28.3 to the consolidated financial statements.	▸ 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 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

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

Date: 25 June 2025

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

ASSETS		AUDITED 31-Dec-24 ZWG	AUDITED RESTATED* 31-Dec-23 ZWG	AUDITED RESTATED* 01-Jan-23 ZWG
Goodwill	8.2	5 792 062	3 048 198	3 028 247
Deferred tax asset	20.1	54 656 009	31 614 596	21 435 935
Property, plant and equipment	6	141 364 188	64 261 665	46 975 650
Investment property	7	3 457 917 410	2 468 777 679	2 229 445 956
Right of use of assets - IFRS 16	6.1	9 913 154	16 912 882	956 092
Other intangible assets	8.1	1 059 295	425 309	877 904
Investment in associates	10	39 631 612	12 272 021	27 623 556
Financial assets:				
- Equity securities at fair value through profit or loss	11.1	973 508 683	505 853 020	353 574 661
- Debt securities at amortised cost	11.2	357 691 700	120 375 618	50 304 176
Investment in gold coins	9	16 057 252	6 734 940	5 534 093
Non current assets held for sale	7.2	-	-	768 258
Income tax asset	20.2	9 477 680	895 734	233 072
Inventory	12	13 622 243	4 048 833	6 693 430
Reinsurance contract assets	13	441 466 106	228 820 112	153 616 204
Intermediaries, tenant and other receivables	14	290 195 748	188 117 902	246 049 518
Cash and cash equivalents	15	805 412 171	239 788 990	333 564 789
TOTAL ASSETS		**6 617 765 314**	**3 891 947 498**	**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	20.1	437 548 338	165 164 973	295 568 799
Shareholder risk reserves	13.7	32 747 267	17 018 916	6 097 134
Member assistance fund	17	-	20 656	180 872
Lease liabilities	6.1	11 989 172	8 618 622	2 488 517
Compensation Reserve	13.8	58 718 962	21 968 938	-
Borrowings	18	212 028 411	69 568 785	33 621 728
Put option liability	18.1	113 366 957	61 939 901	64 452 672
Insurance contract liabilities	28.3	2 655 130 121	1 547 698 138	1 462 359 184
Investment contract liabilities with DPF	13	217 345 259	190 026 094	154 210 016
Investment contract liabilities without DPF	13.6	222 258 319	102 371 067	64 829 700
Share based payment liabilities	16.4	10 809 793	28 759 213	4 345 547
Other payables	19	265 565 594	110 964 987	120 981 553
Income tax liabilities	20.2	20 974 351	7 910 472	8 095 878
Total liabilities		**4 258 482 544**	**2 332 030 762**	**2 217 231 600**
TOTAL EQUITY AND LIABILITIES		**6 617 765 314**	**3 891 947 498**	**3 480 681 541**

These financial statements were approved by the Board of Directors on 5 June 2025 and signed on behalf of the Directors.

A R T Manzai
Chairman

D Hoto
Group Chief Executive Officer

*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 2.1.3(b) for details of the change in presentation currency.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Note	AUDITED 31-Dec-24 ZWG	AUDITED RESTATED* 31-Dec-23 ZWG
INCOME			
Insurance contract revenue	21	2 634 621 465	2 487 829 695
Insurance service expenses from insurance contracts issued	**21**	**(1 960 941 586)**	**(2 154 403 719)**
-Incurred claims and insurance contract expenses	21	(1 342 319 749)	(1 256 200 821)
-Adjustments to liabilities for incurred claims	21	(36 886 006)	(245 607 498)
-Insurance contract acquisition cash flows- amortisation	21	(581 735 831)	(652 595 401)
Insurance service result before reinsurance contract held		**673 679 879**	**333 425 976**
Net expenses from reinsurance contracts held		**(273 701 105)**	**(10 574 831)**
Reinsurance recoveries and other income	21	200 987 384	567 164 392
Reinsurance expenses (allocated reinsurance premiums)	21	(474 688 489)	(577 739 223)
Insurance service result	**21**	**399 978 774**	**322 851 145**
Net finance expenses from insurance contracts issued	22	198 712 855	(611 714 803)
Insurance finance result	**22**	**198 712 855**	**(611 714 803)**
Net insurance & reinsurance performance		**598 691 628**	**(288 863 658)**
Net investment return from equities	23	18 182 672	102 257 866
Net gains from fair value adjustments to investment properties	7	(1 324 360 327)	1 207 893 422
Interest on financial assets measured at amortised cost	23	26 213 267	69 887 550
Net gains from investment in gold coins	23	4 695 770	3 176 336
Net change in investment contract liabilities	13,6	8 058 453	(66 197 556)
Movement in shareholder risk reserve	13,7	16 666 852	(13 669 632)
Net insurance & reinsurance performance after investment return	**18**	**(651 851 685)**	**1 014 484 326**
Rental income	24	136 975 763	89 373 304
Property expenses	25	(60 095 181)	(51 214 732)
Interest income- Microfinance	26.1	75 761 406	46 377 692
Interest expense and direct costs- Microfinance	26.1	(43 097 942)	(15 254 333)
Asset management services revenue	26.2	21 170 983	5 068 010
Asset management services direct costs	26.2	(11 243 438)	(8 500 839)
Other income	26.3	152 272 079	34 745 723
Foreign currency exchange gain/(loss)	26.3	-	162 273 262
Regulatory provision	19.3	-	(6 904 884)
Pharmacies, Clinics and Funeral direct costs	27	(57 682 742)	(22 722 127)
Other administration expenses	28	(575 954 315)	(348 288 803)
Movement in premium credit adjustment	28.3	(2 414 411)	(11 190 852)
Movement in allowance for credit losses	28.3	(34 211 705)	(11 307 893)
Finance costs	6.1	(1 356 267)	(1 926 003)
Net monetary losses		-	(73 068 005)
(Loss/)profit before share of (loss)/profit of associate		**(1 051 727 454)**	**801 943 845**
Share of profit/(loss) of associate	**10**	**9 964 593**	**5 263 805**
(Loss)/profit before income tax		**(1 041 762 861)**	**807 207 650**
Income tax expense	**20.3**	**(159 388 346)**	**(11 356 989)**
(Loss)/profit for the period		(1 201 151 207)	795 850 661

*Note: The prior year consolidated statement of comprehensive income was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, ZWG. Refer to note 2.1.3(b) for details of the change in presentation currency.

STATEMENT OF COMPREHENSIVE INCOME (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Note	AUDITED 31-Dec-24 ZWG	AUDITED RESTATED* 31-Dec-23 ZWG
Other comprehensive income/(loss)			
Other comprehensive income/(loss) that may be reclassified to the statement of comprehensive income in subsequent periods			
Exchange gain/(loss) on translating foreign operations		92 224 306	145 046 844
Share of other comprehensive income from associates		694 194	178 678
Other comprehensive income to be reclassified to statement of comprehensive income in subsequent periods		**92 918 500**	**145 225 522**
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		1 905 594 421	(569 181 660)
Other comprehensive income that will not be reclassified to the statement of comprehensive income in subsequent periods		**1 905 594 421**	**(569 181 660)**
Total comprehensive (loss)/profit for the period		**797 361 714**	**941 076 183**
(Loss)/profit attributable to:			
Non-controlling interest		(447 821 378)	451 697 188
Equity holders of the parent		(753 329 829)	344 153 473
(Loss)/profit for the period		**(1 201 151 207)**	**795 850 661**
Total Comprehensive income attributable to:			
Non-controlling interest		209 551 773	145 505 851
Equity holders of the parent		587 809 941	226 388 672
Total comprehensive income for the period		**797 361 714**	**371 894 523**
Basic earnings per share (cents)	29.1	(103)	47
Diluted earnings per share (cents)	29.2	(103)	47

*Note: The prior year consolidated statement of comprehensive income was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, ZWG. Refer to note 2.1.3(b) for details of the change in presentation currency.

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

	Share capital AUDITED ZWG	Share premium reserves AUDITED ZWG	Non-distributable reserves AUDITED ZWG	IFRS 17 Adoption reserve AUDITED ZWG	Retained earnings AUDITED ZWG	Total equity for parent AUDITED ZWG	Non-controlling interest AUDITED ZWG	Total equity 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	-	-	-	-	(753 329 829)	(753 329 829)	(447 821 378)	(1 201 151 207)
Other comprehensive income	-	-	111 053 361	-	-	111 053 361	(18 134 860)	92 918 500
Foreign exchange impact of translating to presentation currency	-	-	-	-	1 230 086 409	1 230 086 409	675 508 012	1 905 594 421
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)	-
Remeasurement of Put option liability	-	-	-	-	-	-	(583 236)	(583 236)
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 chnages in equity was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, ZWG. Refer to note 2.1.3(b) for details of the change in presentation currency.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	AUDITED 31-Dec-24 GROUP ZWG	AUDITED RESTATED* 31-Dec-23 GROUP ZWG
(Loss)/profit before income tax		**(1 041 762 861)**	**807 207 650**
Adjustments for non-cash items:			
Depreciation	28	17 449 553	6 052 252
Fair value loss/(gains) on investment properties	7	1 324 360 327	(1 207 893 422)
Amortisation of intangible assets	28	75 602	56 943
Fair value adjustment on equity securities at FVPL	23	(14 136 675)	(135 899 839)
Gain on transaction with equity participants (Rights issue)	10	(5 624 970)	-
Pofit from disposal of property and equipment	26.3	(483 470)	(16 645)
Fair value gain on investment in gold coins	23	(4 695 770)	(3 176 336)
Cash settled share based payment	16.4	12 570 770	(35 415 069)
Share of profit from associate	10	(4 339 622)	(5 263 805)
Loss on disposal of investment in associate	26.3	-	6 138 680
Adjustments for separately disclosed items:			
Net foreign exchange differences		(142 368 677)	67 579 017
Finance costs on lease liability	6.1	1 356 267	1 926 003
Dividend received	23	(33 618 358)	(37 857 113)
Interest charged	18	102 107 396	13 101 645
Interest received from investments	23	(26 213 267)	(69 887 550)
Monetary gain or loss		-	73 068 005
Operating cash flows before working capital changes		**184 676 243**	**(520 279 583)**
Working capital changes			
(Increase)/decrease in inventory		(9 573 410)	2 644 597
(Increase) in other receivables		(121 345 415)	(1 755 967)
(Increase) in rental receivables		(23 892 690)	(7 609 452)
Decrease/(increase) in premium receivables from intermediaries		43 160 258	(87 040 367)
(Increase) in reinsurance contract assets		(212 645 994)	(75 203 908)
Increase/(decrease) in other payables		154 600 607	(10 016 566)
Increase in Shareholder risk reserves		15 728 351	10 921 782
Increase in investment contract liabilities without DPF		119 887 253	37 541 366
Increase in insurance contract liabilities		1 134 751 148	121 155 032
Effects of inflation on working capital		-	(54 119 754)
		1 100 670 108	**(63 483 236)**
Cash generated from operations		**1 285 346 351**	**(583 762 819)**
Finance costs on lease liability		(1 356 267)	(1 926 003)
Cash settled share based payments		(18 355 770)	(6 943 574)
Interest received	23	26 213 267	69 887 550
Interest paid	18	(27 569 837)	(13 101 645)
Income tax paid	20.2	(40 327 749)	(46 184 800)
Net cash flows from operating activities		**1 223 949 995**	**(582 031 291)**

*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 2.1.3(b) for details of the change in presentation currency.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	AUDITED 31-Dec-24 GROUP ZWG	AUDITED RESTATED* 31-Dec-23 GROUP ZWG
Investing activities			
Dividends received	23	33 618 358	37 857 113
Additions to property, plant and equipment	6	(30 061 402)	(43 192 874)
Additions to investment property	7	(51 598 082)	(42 891 727)
Purchase of Gold coins		(203 672)	(518 610)
Additions to investment in associate	10	(4 621 821)	-
Additions of intangible assets		(253 990)	-
Proceeds from disposal of Investment property	7	3 630 247	7 111 047
Proceeds from disposal of investment in associate		-	3 173 659
Proceeds from disposal of property and equipment		1 079 096	854 393
Purchase of equity securities at FVPL	11.1	(83 941 195)	(191 389 558)
Purchase of debt securities at amortised cost	11.2	(141 986 935)	(203 180 388)
Proceeds from sale of equity securities at FVPL	11.1	64 144 169	15 662 374
Proceeds from debt securities at maturity	11.2	164 437 311	121 394 802
Cash (utilised in)/generated from investing activities		**(45 757 915)**	**(295 119 768)**
Financing activities			
Repurchase of shares-FMP		(148 405)	(101 507)
Lease liability repayment		(3 688 908)	(2 815 191)
Dividends paid controlling interest		(21 670 977)	(11 568 086)
Borrowings received		149 044 187	51 644 902
Loan repayments		(31 568 192)	(13 692 411)
Dividends paid to non-controlling interest		(2 690 540)	(9 178 984)
Cash flows generated from/(utilised in) financing activities		**89 277 166**	**14 288 723**
Net increase in cash and cash equivalents		**1 267 469 246**	**(862 862 336)**
Cash and cash equivalents at the beginning of the year		239 788 990	333 564 789
Net foreign exchange differences		(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		(688 177 395)	697 064 430
Cash and cash equivalents at the end of the year		**805 412 171**	**239 788 990**

*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 2.1.3(b) for details of the change in presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

1 GENERAL INFORMATION

The main business of First Mutual Holdings Limited (the "Company") and its subsidiaries and associates (together "the Group") is that of provision of life assurance, non-life insurance (comprising general insurance, reinsurance, healthcare and funeral assurance), property management and development, wealth management services, health services and micro-lending.

First Mutual Holdings Limited is a public company, incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange ("ZSE").

As at the reporting period, National Social Security Authority ("NSSA") & CBZH are major shareholders of First Mutual Holdings Limited with a total holding of 70.91% (NSSA 2023: 34.44%, 2024: 34.44%; CBZH 2023 36.47%, 2024: 36.47%) directly in First Mutual Holdings.

The registered office is located at Second Floor, First Mutual Park, 100 Liberation Legacy Road, Borrowdale , Harare, Zimbabwe.

The financial statements of the Group and Company for the year ended 31 December 2024 were authorised for issue in accordance by a resolution of the Directors' at a meeting held on 5 June 2025.z.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and presentation

2.1.1 Basis of preparation

The financial statements of the Group have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB), in a manner required by the Companies and Other Business Entities Act (Chapter 24:31), Zimbabwe Stock Exchange (ZSE) and the Securities Exchange Commission of Zimbabwe (Sec ZIM). This set of financial statements has been prepared to assist First Mutual Holdings Limited to comply with the Regulatory Notice Number: SECZ070325; pursuant to paragraph 21 of the First Schedule of the Securities and Exchange Act [Chapter 24:25], paragraph 194 of the Monetary Policy Statement presented by the Reserve Bank Governor on 6 February 2025 and per the requirements from the Zimbabwe Stock Exchange Notice dated 12 March 2025.

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 and Company 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.

The finacial statements have been translated from the USD functional currency to the ZWG presentation currency in accordance with IAS 21

The group translated from the USD (functional currency) to the ZWG (presentation currency) as follows:

1. The prior year statement of comprehensive income, statement of financial position and current year income and expenses prior to the introduction of the ZWG on the 5th of April 2024 have been translated from USD to ZWG using a rate of 13.5616 (the opening ZWG rate)
2. Assets and liabilities as at December 2024 were translated at the closing rate at the date of the statement of financial position;
3. 3. Income and expenses for the period 5 April 2024 to December 2024 in the statement presenting profit or loss and other comprehensive income were translated at average monthly exchange rates at the dates of the transactions; and
4. 4. all resulting exchange differences were recognised in other comprehensive income.

2.1.2 Inflation adjustment

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be presented in terms of a measuring unit that is current at the balance sheet date, and that corresponding figures for prior periods be restated in the same terms as the latest balance sheet date. The comparative year 2023 was prepared under hyperinflationary conditions. On 1 January 2024, the Group changed its functional from the ZWL to USD currency and its presentation currency from the ZWL to the ZWG. As a result, when the company converted its functional currency from the ZWL to the USD, a non-hyperinflationary currency, the income statement, balance sheet, and cash flow statement were translated using the closing spot rate of 5 935.4572 as at December 31, 2023 to the USD (the functional Currency). The financial statements for 2024 have not been restated under IAS 29, as the USD is a non-hyperinflationary currency.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.1.2 Inflation adjustment (continued)

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the Statement of Financial Position date, and that corresponding figures for previous periods be stated in the same terms to the latest Statement of Financial Position date. The restatement done to prior year numbers (2023) were calculated by means of conversion factors derived from the month-on-month consumer price index ("CPI") prepared by the Zimbabwe National Statistics Agency. The conversion factors used to restate the historical numbers as at 31 December 2023 were as follows:

Date	CPI	Conversion factor
December 2023	65 703.44	1.00
November 2023	53 915.71	1.22
October 2023	49 222.55	1.33
September 2023	44 720.86	1.47
August 2023	42 659.97	1.54
July 2023	46 633.80	1.41
June 2023	42 710.72	1.54
May 2023	18 704.62	3.51
April 2023	15 480.17	4.24
March 2023	13 949.99	4.71
February 2023	13 849.20	4.74
January 2023	13 819.67	4.75
December 2022	13 672.91	4.81
January 2022	4 190.00	15.68
December 2021	3 977.50	16.52
December 2020	2 474.51	26.55

All other items on the prior year statement of comprehensive income were restated by applying the relevant monthly conversion factors.

2.1.3 Foreign currency translation

(a) Change in functional 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 the Group changed its functional currency from the ZWL to the USD in line wit International Accounting Standard 21 The Effects of Changes in Foreign Exchange Rates (IAS 21) para 9 -14.

Currency developments in Zimbabwe

Following the enactment of Statutory Instrument ("SI") 185 of 2020 on 24 July 2020,Zimbabwean Buisness Units witnessed a gradual increase in the use of the united states dollar. Subsequently, in June 2022, the government established the multi-currency system into law until 31 December 2025 through Statutory Instrument 118A of 2022 and whas further extended to the 31st of December 2030 by the promugation of Statutory Instrument 218 of 2023. On 20 February 2019, the Reserve Bank of Zimbabwe (the "RBZ") Governor. On the 5th of April 2024, Statutory Instrument 60 of 2024, Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulations, 2024 (The S.I) was gazetted, giving effect to a new currency, Zimbabwe Gold (ZWG). The S.I. introduced the new base currency tagged ZWG.

As a result of these developments, the Groups Buisness unites operating in Zimbabwe re-evaluated their functional currencys in accordance with IAS 21 ("The Effects of Changes in Foreign Exchange Rates").

In assessing functional currency for the businesses, the following factors were considered:

1. The currency that mainly influences sales prices for goods and services (the currency in which sales prices for which goods and services are denominated and settled);
2. The currency which influences labour, material and other costs of providing goods and service
3. The currency in which funds from financing activities are generated.
4. The currency in which receipts from operating activities are usually retained.
5. The Country's competitive forces and regulations:

Based on the above factors, the Groups Buisness unites operating in Zimbabwe concluded that there had been a change in functional currency from Zimbabwe Dollar (ZW$) to United States Dollars ("US$") with effect from 1 Janaury 2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.1.3 Foreign currency translation (continued)

Prior year IAS 29 numbers were translated to the ZWG presentation currency as highlighted in note 2.1.2 and 2.1.3(b)

b) Change in 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.

(c) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transaction or valuation where items are re-measured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment is repaid, the associated exchange differences are reclassified to statement of comprehensive income, as part of the gain or loss from disposal arising on repayment.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in statement of comprehensive income as part of the fair value gain or loss.

Transactions in currencies other than USD are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in currencies other than USD are re-translated at the functional currency spot rate of exchange ruling at the reporting date.

All differences arising from settlement or translation of monetary items are taken to statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Changes in accounting policies and disclosures

a) New standards, amendments and interpretations effective for the first time post 31 December 2024 that are relevant to the Group:

Standard/interpretation	Effective date	Executive summary
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026	The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.
Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026	The pronouncement comprises the following amendments: · IFRS 1: Hedge accounting by a first-time adopter · IFRS 7: Gain or loss on derecognition · IFRS 7: Disclosure of deferred difference between fair value and transaction price · IFRS 7: Introduction and credit risk disclosures · IFRS 9: Lessee derecognition of lease liabilities · IFRS 9: Transaction price · IFRS 10: Determination of a 'de facto agent' · IAS 7 Cost method

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.1.3 Foreign currency translation (continued)

Standard/interpretation	Effective date	Executive summary
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

The Group and Company will continue to monitor the implementation of these standards and amendments and will assess their impact on the financial statements when they become effective. Any significant changes to accounting policies resulting from the adoption of these standards will be disclosed in the financial statements for the period in which they are adopted.

B) New Standards, Amendments And Interpretations Issued & Effective For 31 December 2024 Year Ends That Are Relevant To The Group.

Standard/Interpretation	Effective Date	Executive Summary
Classification Of Liabilities As Current Or Non-Current (Amendments To Ias 1)	1 January 2024	The Amendments Aim To Promote Consistency In Applying The Requirements By Helping Companies Determine Whether, In The Statement Of Financial Position, Debt And Other Liabilities With An Uncertain Settlement Date Should Be Classified As Current (Due Or Potentially Due To Be Settled Within One Year) Or Non-Current
Lease Liability In A Sale And Leaseback (Amendments To Ifrs 16)	1 January 2024	The Amendment Clarifies How A Seller-Lessee Subsequently Measures Sale And Leaseback Transactions That Satisfy The Requirements In Ifrs 15 To Be Accounted For As A Sale.
Non-Current Liabilities With Covenants (Amendments To Ias 1)	1 January 2024	The Amendment Clarifies How Conditions With Which An Entity Must Comply Within Twelve Months After The Reporting Period Affect The Classification Of A Liability.
Supplier Finance Arrangements (Amendments To Ias 7 And Ifrs 7)	1 January 2024	The Amendments Add Disclosure Requirements, And 'Signposts' Within Existing Disclosure Requirements, That Ask Entities To Provide Qualitative And Quantitative Information About Supplier Finance Arrangements.
Sale Or Contribution Of Assets Between An Investor And Its Associate Or Joint Venture (Amendments To Ifrs 10 And Ias 28)	1 January 2024	These Amendments Address Inconsistencies In Accounting For Gains/ Losses Arising From Transactions Where An Investor Sells Assets (Including Subsidiaries) To Its Associate Or Joint Venture (Jv).

The Group and Company have assessed the impact of the new standards on the financial statements of the Group and Company and the timing of their adoption. The above amendments do not have a material impact on the financial statements of the Group or Company.

2.1.5 Going concern assumption
The Directors have assessed the ability of the Group and Company to continue operating as going concerns and believe that the preparation of these financial statements on a going concern basis is appropriate. Refer to note 35 for detailed assessment.

2.2 Basis of consolidation

(a) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an investee when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Group. They are deconsolidated from the date that control ceases.

Specifically, the Group controls an investee if and only if the Group has:
- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

(a) Subsidiaries (continued)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements, and
- the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income and statement of financial position from the date the Group obtains control until the date the Group ceases to control the subsidiary.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in statement of comprehensive income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9, Financial instruments in the profit or loss section of the statement of comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition - date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

All subsidiaries in the Group are 100% owned, except for First Mutual Properties Limited which is 70.07% (2023 : 70.04%) owned through First Mutual Life Assurance Company (Private) Limited, Diamond Seguros is 70.6% (2023: 70.6%) owned through NicozDiamond Insurance and First Mutual Reinsurance Holdings, the direct parent of FMRe Zimbabwe and FMRE P&C Botswana, which it owns 70.1% (2023: 70.1%) All subsidiaries have 31 December year ends and are consolidated in the presented financial statements.

(b) Loss of control

If the Group loses control over a subsidiary, it;

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative transaction differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in the statement of comprehensive income; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to statement of comprehensive income or retained earnings, as appropriate.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.2 Consolidation (continued)

(c) Changes in ownership interests in subsidiaries without change of control:
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant parent's share of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses from disposals to/ from non-controlling interests are also recorded in equity.

(d) Non-controllling interest put options
The group entered into transactions that brought about put options which require to be accounted for in the financial statements presented. The group's elected policy to account for the non-controlling interests ("NCI") put option is such that while the NCI put remains unexercised, the accounting at the end of each reporting period is as follows:

i) The entity determines the amount that would have been recognised for the NCI, including an update to reflect allocations of profit or loss, allocations of changes in OCI and dividends declared for the reporting period;
ii) The entity derecognises the NCI as if it was acquired at that date;
iii) The entity recognises a financial liability at the present value of the amount payable on exercise of the NCI put in accordance with IFRS 9. There is no separate accounting for the unwinding of the discount due to the passage of time. The entity accounts for the difference between (i) and (ii) as an equity transaction. If the NCI put is exercised, the same treatment is applied up to the date of exercise. The amount recognised as the financial liability at that date is extinguished by the payment of the exercise price.

If the NCI put expires unexercised, the position is unwound so that the NCI is recognised at the amount it would have been, as if the put option had never been granted (i.e., measured initially at the date of the business combination, and remeasured for subsequent allocations of profit or loss, OCI and changes in equity attributable to the NCI). The financial liability is derecognised, with a corresponding credit to the same component of equity

(e) Separate financial statements of the Company
In the Company's separate financial statements, investments in subsidiaries are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at historical cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. After initial recognition, subsidiaries are recognised at inflation adjusted amounts.

(f) Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. If the holding is less than 20%, the Group will be presumed not to have significant influence unless such influence can be clearly demonstrated. The existence of significant influence by the Group is usually evidenced in one or more of the following ways:
- -representation on the board of directors or equivalent governing body of the investee.
- -participation in the policy-making process.
- -material transactions between the investor and the investee.
- -interchange of managerial personnel.
- -provision of essential technical information.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at historical cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee and movements in other reserves after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

When the investment, or portion of an investment, meets the criteria to be classified as held for sale, the portion so classified is accounted for in accordance with IFRS 5, 'Non-current assets held for sale and discontinued operations'. Any remaining portion is accounted for using the equity method until the time of disposal, at which time the retained investment is accounted under IFRS9, Financial instruments, unless the retained interest continues to be an associate.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to statement of comprehensive income where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income and its share of post- acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.2 Consolidation (continued)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting polices of associates have been changed where necessary to ensure consistency with the polices adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

2.3 Goodwill

Goodwill is initially measured at historical cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in statement of comprehensive income.

After initial recognition, goodwill is measured at inflation adjusted cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to an appropriate cash-generating unit that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss from disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.4 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee which is made up of Group Chief Executive Officer, Group Finance Director, Cluster Chief Executive Officers and Managing Directors of the subsidiaries.

2.6 Property, plant and equipment

Property, plant and equipment items are initially measured at historical cost. Subsequently they are measured at inflation adjusted cost less accumulated depreciation and impairment losses. Repairs and maintenance costs are recognised in statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

Type of asset	Class	Useful Life
Land and buildings	• Land and buildings	50 years
Motor vehicles	• Motor vehicles	5 years
Desktop computers	• Plant and equipment	5 years
Laptops	• Plant and equipment	4 years
Ipads and tablets	• Plant and equipment	3 years
Solar plant	• Plant and equipment	25 years
Office furniture and fittings	• Office furniture	10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition is included in statement of comprehensive income in the year the asset is de-recognised.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year-end, and adjusted prospectively if appropriate. Changes in the asset's depreciation method, residual value or useful life are treated as a change in accounting estimates in accordance with IAS 8, 'Accounting policies, changes in accounting estimates and errors'.

Owner occupied properties comprises property which is owned by the Group but is significantly occupied by group companies, regardless of the leasing of the property being at market related rentals and terms. Such owner occupied properties are classified under property, plant and equipment and depreciated in line with the Group policy on property, plant and equipment.

2.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at historical cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at inflation adjusted cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in statement of comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash- generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of comprehensive income when the asset is derecognised.

2.8 Investment properties

Investment properties comprises land and buildings that are either held for capital appreciation or to earn rentals or both. Buildings under construction to be used for rental to others or for capital appreciation or both are also classified as investment property.

Investment property is measured initially at historical cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property is included in statement of comprehensive income in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment property is derecognised either when it has been disposed of or when permanently withdrawn from use and no future economic benefit is expected from disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of comprehensive income in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. The difference between the cost based measurement and fair value is treated as a revaluation adjustment. The revaluation reserve is realised on disposal of the property.

2.9 Inventory

Inventory comprises property acquired or being constructed for sale in the ordinary course of business, consumables and other stocks. Consumables and other stocks are valued on the basis of weighted average cost and at the lower of inflation adjusted cost or estimated net realisable value ("NRV"), property classified as inventory is valued at the lower of inflation adjusted cost or estimated NRV, but is based on the specific identification of the property. NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and less costs to completion and the estimated costs of sale. NRV for completed inventory property is assessed with reference to market conditions and prices existing at the reporting date, and is determined by the Group in light of recent market transactions.

2.10 Investment in gold coins

Investment in gold coins comprises of coins issued by the Reserve Bank fo Zimbabwe through agents, who are banks. Several subsiaries in the Group acquired these coins for the period ended 31 December 2024 as they both have prescribed asset status and can be held for value preservation and capital appreciate purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Investment in gold coins (continued)

Investment in gold coins are initally measured at historical cost, including the transaction costs (minting costs). Subsequent to initial recognition, investment in gold coins are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment in gold coins is included in statement of comprehensive income in the period in which they arise, including the corresponding tax effect. Fair values are determined based on publication by the Reserve Bank of Zimbabwe.

Investment in gold coins is derecognised either when they have been disposed of or on maturity. They become cash on maturity, when the RBZ redeems them. They operate the same way as TBs, just that they are not interest earning and are linked to Gold prices. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of comprehensive income in the period of derecognition.

2.11 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less cost of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate representative of the circumstances that reflect current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An impairment loss is recognised in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income in profit or loss, unless the relevant asset is carried at the revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.12 Fair value

The Group measures financial assets such as quoted and unquoted equity securities and non-financial assets such as investment property and investment in gold coins at fair value at reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Fair value (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and incremental other costs that the Group incurs in connection with the borrowing of funds.

2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group's financial assets are classified as measured at:

1. amortised cost; and
2. fair value through profit or loss

2.14.1 Financial assets

2.14.1.1 Classification

Financial assets recognised at amortised cost

Premium receivable from intermediaries, tenant and other receivables (excluding prepayments), cash and balances with banks and debts securities are classified as financial assets at amortised cost because Group holds these financial instruments to collect contractual cashflows that are solely payment of principal and interest. The Group's cashflows from premium receivables from intermediaries, tenant and other receivables arise from the Group's operations that are concluded on credit basis and interest is only charged on tenant balances that are overdue. Cash collected in excess of the Group's daily cash needs is invested in debt securities to earn interest income, prior to the cash being deployed to meet insurance and benefit claims, daily operational costs, and dividends payments.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Premium receivable from intermediaries

Management has elected to carry premium receivables from intermediaries an IFRS 9 asset.

Financial assets at fair value through profit or loss

Equity securities at fair value through profit or loss, comprise quoted and unquoted securities The objectives of holding these investments is increase in fair value and dividend income to meet life assurance and investment contract liabilities on maturity or on the occurrence of the insured event.

The Group classifies the following financial assets at fair value through profit or loss ("FVPL"):

- listed equity investments that are held for trading acquired principally for the purpose of selling in the near term and forms part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking; and
- unlisted equity investments for which the Group has not elected to recognise fair value gains and losses through other comprehensive income ("OCI").

The equity securities are classified as financial assets at fair value through profit or loss by the Group and Company as management assess performance of the financial assets on a fair value basis.

Transaction cost that are directly attributable to acquisition of financial assets are expensed in profit or loss for financial assets classified at fair value through profit and loss. For financial asset not classified at fair value through profit and loss, transaction costs are added to the fair value at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14.1.2 Measurement of financial assets

All financial assets are initially measured at fair value on recognition.

2.14.1.3 Subsquent measurement of financial assets

Financial assets at amortised cost

These asset are subsequently measured at amortised cost using the effective interest method. The effective interest method is a technique for calculating the actual interest rate in a period based on the amount of a financial instrument's book value at the beginning of the accounting period in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Financial assets at fair value through profit or loss

The Group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as investment income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/ (losses) in the statement of profit or loss.

2.14.1.4 Impairment of financial assets

Simplified approach

The Group applies the simplified approach that takes into account forward looking information to measure expected credit losses. The simplified approach uses a lifetime expected credit loss allowance for premiums receivables from tenant and other receivables (excluding prepayments). To measure the expected credit losses, tenant and other receivables have been grouped based on shared credit characteristics. The forward looking information adjusts the current backward-looking incurred loss based credit loss rates into a forward-looking expected credit loss rates. The expected credit loss rates are based on the payment profiles over a period of 3 years before 31 December 2024 and corresponding historical credit losses experienced within this period. The historical credit loss rates are adjusted to reflect current and forward looking information on macroeconomic factors (such as market interest ratescor growth rates) affecting the ability of the cedants to settle the receivables.

General approach

The Group applies general approach on financial assets such as debt instruments measured at amortised cost, cash and cash equivalents, receivables from intermediaries and related party balances. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant
- change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making a contractual payment, without a payment plan inplace. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 90 days past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

2.14.1 Financial assets (continued)

2.14.1.5 Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.14.2 Financial liabilities

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, less directly attributable transaction costs. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

The Group and Company's financial liabilities include insurance related payables, trade and other payables, borrowings, and investment contracts. All the Group's financial liabilities are classified as other financial liabilities. The Group and Company classify all financial liabilities as subsequently measured at amortized cost.

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate method ("EIR") amortisation process.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in statement of comprehensive income.

2.15 Share capital and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of income tax from the proceeds.

Treasury shares (repurchase and reissue of ordinary shares)
When share capital recognised as equity is bought back the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as an equity deduction. The Company's own shares reacquired in a share buyback scheme or acquired by a subsidiary of the Group are deducted from equity and are classified as treasury shares and are presented in a separate reserve for owned shares. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within the share premium.

2.16 Leases

2.16.1 Leases - Group as a lessee

The Group leases office spaces. Rental contracts are typically made for fixed periods varying from 1 year to 5 years, but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.16.1 Leases - Group as a lessee (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The Group and Company leases have fixed rental arrangements, which have been reviewed periodically due to the hyperinflationary environment. There are no variable payments, residual values, purchase options nor termination penalties.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group and Company made use of the interest rates charged by their principal bankers for such borrowings, that is interest rates for corporate mortgages.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's econominc life and the lease term on a straight-line basis. If the Group and Company are reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's economic life.

The right-of-use asset is subsequently measured at inflation adjusted cost less accumulated depreciation in line with owner occupied property policy.

The Group applies the lease of low-value assets recognition exemption to leases of agent offices that are considered to be low value. Lease payments on leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.16.2 Leases - Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.17 Revenue recognition
The Group and Company recognise revenue when the following conditions have been met;
- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- and it is probable that the consideration to which the Group and Company are entitled to in exchange for the goods or services will be collected.

The Group and Company do not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component.

The property services income, sale of completed property and funeral services income follow the above conditions inline with IFRS 15.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17.1 Insurance contract revenue

IFRS 17 sets out the requirements that the Group applies in accounting for insurance contracts it issues, reinsurance contracts it holds and investment contracts with discretionary participation features. An insurance contract is a contract under which the Group accepts material insurance risk from another party by agreeing to compensate that party if it is adversely affected by a specified uncertain future event.

2.17.1.1 Aggregation of insurance contracts

Individual insurance contracts that are managed together and subject to similar risks are identified as a portfolio. Contracts that are managed together usually belong to the same product group, and have similar characteristics such as being subject to a similar pricing framework or similar product management, and are issued by the same legal entity. If a contract is exposed to more than one risk, the dominant risk of the contract is used to assess whether the contract features similar risks. Each portfolio is further separated by the contracts' expected profitability. The portfolios are split by their profitability into:

(i) contracts that are onerous at initial recognition;

(ii) contracts that at initial recognition have no material possibility of becoming onerous subsequently; and

(iii) the remaining contracts. These profitability groups are then divided by issue date, with most contracts the Group issues after the transition date being grouped into calendar cohorts.

The groups of insurance contracts are established at initial recognition without subsequent reassessment, and form the unit of account at which the contracts are measured. The measurement of the insurance contract liability is based on groups of insurance contracts and will include fulfilment cash flows, as well as the CSM, which represents the unearned profit.

2.17.1.2 Fulfilment cash flows

The fulfilment cash flows comprise:

- best estimates of future cash flows;
- an adjustment for the time value of money (i.e. discounting) and financial risks associated with the future cash flows; and
- a risk adjustment for non-financial risk.

2.17.1.3 Best estimates of future cash flows

These cash flows include 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.

2.17.1.4 Adjustment for the time value of money (i.e. discounting) and financial risks associated with the future cash flows

The estimates of future cash flows are adjusted to reflect the time value of money and the financial risks to derive an expected present value. A bottom-up approach is used to determine the discount rate to be applied to a given set of expected future cash flows. This is derived as the sum of the risk-free yield and an illiquidity premium. The risk-free yield is determined based on observable market data, where such markets are considered to be deep, liquid and transparent. When information is not available, management judgement is applied to determine the appropriate risk-free yield. Illiquidity premiums reflect the liquidity characteristics of the associated insurance contracts.

2.17.1.5 Risk adjustment for non-financial risk

The risk adjustment reflects the compensation required for bearing the uncertainty about the amount and timing of future cash flows that arises from non-financial risk. The Group does not disaggregate changes in the risk adjustment between insurance service result (comprising insurance revenue and insurance service expense) and insurance finance income or expenses. All changes are included in insurance service result.

2.17.1.6 Measurement models

2.17.1.6.1 Premium Allocation Approach

The majority of contracts issued by the Group are accounted for under the Premium Allocation Approach measurement model, which has been elected by the group for its short term insurance contracts which met the following eligibility criteria at inception: the entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the requirements under the GMM approach; or the coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date is one year or less.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17.1.6.2 Variable Fee Approach

There are also contracts issued by the Group are accounted for under the VFA measurement model, which is mandatory to apply upon meeting the following eligibility criteria at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder a substantial share of the fair value returns on the underlying items. The Group considers that a substantial share is a majority of returns; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items. The Group considers that a substantial proportion is a majority proportion of change on a present value probability weight average of all scenarios.

2.17.1.6.3 Contractual Service Margin

The CSM represents the unearned profit and results in no income or expense at initial recognition when the group of contracts are profitable. The CSM is adjusted at each subsequent reporting period for changes in fulfilment cash flows relating to future service (e.g. changes in noneconomic assumptions, including mortality and morbidity rates). For initial recognition of onerous groups of contracts and when groups of contracts become onerous subsequently, losses are recognised in insurance service expense immediately. For groups of contracts measured using the VFA, changes in the Group's share of the underlying items, and economic experience and economic assumption changes adjust the CSM, whereas these changes do not adjust the CSM under the GMM, but are recognised in profit or loss as they arise. However, under the risk mitigation option for VFA contracts, the changes in the fulfilment cash flows and the changes in the Group's share in the fair value return on underlying items that the instruments mitigate are not adjusted in CSM but recognised in profit or loss. The CSM is systematically recognised in insurance revenue to reflect the insurance contract services provided, based on the coverage units of the group of contracts. Coverage units are determined by the quantity of benefits and the expected coverage period of the contracts. The Group identifies the quantity of the benefits provided as follows:

- For insurance coverage - based on the expected net policyholder insurance benefit at each period after allowance for decrements, where net policyholder insurance benefit refers to the amount of sum assured less the fund value or surrender value.
- For investment services (including both investment-return service and investment-related service) - based on a constant measure basis which reflects the provision of access for the policyholder to the facility. For contracts that provide both insurance coverage and investment services, coverage units are weighted according to the expected present value of the future cash outflows for each service.

2.17.1.7 Risk Adjustment

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. Risk adjustment has been calculated using 90% confidence level.

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

	Reinsurance issued	Reinsurance/ Retrocession held
Nicoz Diamond Zimbabwe	8%	11%
First Mutual Health	0.30%	n/a
FMRe Botswana	11%	11%
FMRe Zimbabwe	11%	11%
First Mutual Life	10%	11%

2.17.1.8 Discount Rates

Discount rates refer to the interest rates used in discounting cash flows to determine the present value of future cash flows. Under IFRS 17, discount rates are primarily used to adjust the estimates of future cash flows to reflect the time value of money and to accrete interest on the CSM. FMHL used the bottom-up approach, with adjustments made for information that is not available due to the economic landscape in Zimbabwe. Adjustments will be made for the information that is not available due to the fact that risk free rates of an appropriate nature and term (especially long durations) are not available in the Zimbabwean financial market. Therefore, FMHL will rely on the available market information where applicable, but will also make long term assumptions where market information is not available (long durations). FMHL will update discount rates annually. If there are significant movements in market information, the discount rates may be updated more frequently than annually. FML currently only has products that fall under the PAA and the VFA measurement models. The PAA products will not be applying discounting. According to IFRS 17 Par 45, no interest is accreted for VFA contracts at initial recognition and subsequent measurement.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17.1.8 Discount Rates (continued)

Portfolio duration

	1 year 2024	2023	5 years 2024	2023	10 years 2024	2023
Life insurance contracts issued						
USD	12%	12%	12%	12%	12%	12%

2.17.1.9 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. The Group shall recognise a loss in profit or loss on day one, the net outflow for the group of onerous contracts

2.17.1.10 Reinsurance Income & expenses

The amount the Group pays for a reinsurance contract held consists of premiums it pays minus any amounts paid by the reinsurer to the Group as compensation for expenses incurred (for example, ceding commissions). The amount the Group recognizes for reinsurance contracts held can be viewed as:

- the reinsurer's share of the risk-adjusted expected present value of the cash flows generated by the underlying insurance contracts

2.17.1.11 Summary of measurement approaches

The Group uses different measurement approaches, depending on the type of contracts, as follows:

Contracts issued	Disclosed as under Note 13	Product Classification	Measurement model	Product
Direct participating contracts	Life Savings VFA (13.5)	Insurance contracts with direct participation features	VFA	Growth Pension
Investment contracts with DPF	Life Savings PAA (13.4)	Insurance contracts with Direct participation features	PAA*	Flexible annuity Preservation fund
Investment contracts without DPF	N/A	Financial instruments	Financial Liabilities measured at FVTPL under IFRS 9	Managed Fund Post retirement Medical care
Life Insurance	Life Risk PAA (13.3)	Insurance contracts	PAA*	Group life assuarnce Individual life assuarnce
Property and casualty and health insurance	Property and Casualty (13.1) Health (13.2)	Insurance contracts	PAA for policies issued (for coverage of one year or less)	Automobile, health, property, health & other non life products
Reinsurance contracts held				
Property and casualty, Life and Health		Reinsurance contract held	PAA (with coverage of one year or less)	Automobile, health, property, health & flexible annuities & preservation fund

*This falls under the scope of IFRS 17 as the Group also issues insurance contracts (Par 3c and B27). This is an investment type product and would normally be measured under the VFA. However, due to FMH having the ability to review fees (with a notice period of less than 12 months), this qualifies for PAA due to the coverage period now being less than or equal to 1 year.

2.17.1.12 Insurance and reinsurance contracts classification

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Group issues insurance to individuals and businesses Non-life insurance products offered include property, marine, and personal accident. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage because of a policyholder's accident. The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.17.1.12 Insurance and reinsurance contracts classification (continued)

The Group assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation. Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contacts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

Recognition
The Group recognizes groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous
- The Group recognises a group of reinsurance contracts held it has entered into from the earlier of the following:
- The beginning of the coverage period of the group of reinsurance contracts held. (However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised , if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.
- The date the Group recognizes an onerous group of underlying insurance contracts if the Group entered the related reinsurance contract held in the group of reinsurance contracts held at or before that date. The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Contract boundary
The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the policyholder and, as a result, can set a price or level of benefits that fully reflects those risks

Or

- Both of the following criteria are satisfied:
- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognized. Such amounts relate to future insurance contracts.

Insurance contracts – initial measurement
The Group applies the premium allocation approach (PAA) to the insurance contracts (contracts that for a period of 12 months or less) that it issues and reinsurance contracts that it holds, as:

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17.1.12 Insurance and reinsurance contracts classification (continued)

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary.

Or

- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:
- The extent of future cash flows related to any derivatives embedded in the contracts
- The length of the coverage period of the group of contracts

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:
- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, except for contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognized for insurance acquisition cash flows and
- Any other asset or liability previously recognized for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognized.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash.

Reinsurance contracts held – initial measurement.

The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue. Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognized on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contract held. The Group uses a systematic and rational method to determine the portion of losses recognized on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognized.

Reinsurance contracts held – subsequent measurement.

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held. Where the Group has established a loss-recovery component, the Group subsequently reduces the lossrecovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.17.1.12 Insurance and reinsurance contracts classification (continued)

Insurance contracts – subsequent measurement
The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:
- Plus premiums received in the period
- Minus insurance acquisition cash flows, apart from property insurance product line for which the Group chooses to expense insurance acquisition cash flows as they occur
- Plus any amounts relating to the amortization of the insurance acquisition cash flows recognized as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognized as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Contracts measured under VFA
Initial measurement
Under IFRS 17, any company that issues insurance contracts must report those contracts on the Statement of financial position as the total of:
- The expected fulfilment cash flows (FCF): the current estimates of amounts that the company expects to collect from premiums net of and payout for claims, benefits, and expenses, including an adjustment for the timing and risk of those amounts, and
- The CSM: the expected profit for providing insurance coverage recognised in profit or loss over the period of insurance coverage.

Fulfilment Cash Flows (FCF)
The measurement of a group of insurance contracts includes all future cash flows expected to arise within the contract boundary of each contract in the group. Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which FMHL can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).

FCF include payments to (or on behalf) of policyholders, insurance acquisition cash flows and other costs incurred in fulfilling contracts. Other costs incurred to fulfil a group of contracts include direct costs and an allocation of fixed and variable overheads directly attributable to fulfilling the group of insurance contracts.

The estimates of these future cash flows are based on probability-weighted expected future cash flows. FMHL estimates which cash flows are expected and the probability that they will occur as at the measurement date. When estimating, FMHL uses information about past events, current conditions and forecasts of future conditions.

Reflecting The Time Value Of Money And Discount Rates
Discounting adjusts the estimates of expected cash flows to reflect the time value of money and the financial risks associated with those cash flows to the extent that the financial risks are not already included in the cash flow estimates.
Note 2.18.1.8 shows discount rates that apply throughout measuring a group of insurance contracts.

Risk Adjustment
The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk as FMHL fulfils insurance contracts. It measures the compensation that the entity would require to make it indifferent between:
- Fulfilling a liability that has a range of possible outcomes arising from non-financial risk and
- Fulfilling a liability that will generate fixed cash flows with the same expected present value as the insurance contract.

A lower risk adjustment would be observed for those insurance contracts with shorter duration, high frequency and low severity type products and narrow probability of distributions. Higher risk adjustment would be observed for insurance contracts that are longer in duration, have a low frequency and high severity and have a wide probability of distributions.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17.1.12 Insurance and reinsurance contracts classification (continued)

IFRS 17 does not prescribe methods for determining the risk adjustment for non-financial risk. Therefore, management's judgement is necessary to determine an appropriate risk adjustment technique.

When applying a confidence level technique, the first step in the process is to calculate the best estimate reserve, where there is an equal chance that the actual amount needed to pay future claims will be higher or lower than the calculated best estimate. The risk adjustment is then calculated such that there is a specified percentage probability that the reserves will be sufficient to cover future claims. For FMHL, the determination of specified percentage has been determined per note 2.18.1.7

Contractual Service Margin (CSM)

The CSM represents the future unearned profit. On initial recognition of a group of insurance contracts, if the total of the fulfilment cash flows, including insurance acquisition cash flows:

- is a net inflow, then the group is profitable. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.
- is a net outflow, then the group is onerous. In this case, the net outflow is recognised immediately as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.

Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).

- The LRC comprises the fulfilment cash flows related to services that will be provided under the contracts in future periods and any remaining CSM at that date.
- The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

IFRS 17 requires a company to update the EFCF at each reporting date, using current estimates of the amount, timing, and uncertainty of cash flows and discount rates. FMHL:

- accounts for changes to estimates of future cash flows from one reporting date to another, either as an amount in profit or loss or as an adjustment to the expected profit for providing insurance coverage, depending on the type of change and the reason for it; and
- • chooses where to present IFIE either:
- – all in profit or loss, or
- – include IFIE in profit or loss using systematic allocation. The remainder of IFIE is recognised in OCI.

Changes in Future Cash Flows

Changes in expected fulfilment cash flows from the estimates at the previous reporting date or inceptions of the contracts are recognised as follows:

Nature of Change	Treatment
Changes relating to current or past services	Recognised in the insurance service results in profit or loss.
Changes relating to future services	Adjusted against the CSM (or recognised in the insurance service results in profit or loss if the group is onerous).
Effects of the time value of money, financial risk and changes therein on estimated future cash flows	Recognised as insurance finance income or expenses.
Changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items for a group of direct participating contracts VFA)	Recognised in the insurance service results in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.17.1.12 Insurance and reinsurance contracts classification (continued)

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the financial year, adjusted for:
1. Interest accreted on the carrying amount of the CSM during the year. Discount rates are determined on initial recognition of the group, i.e., locked-in at inception.
2. The CSM of any new contracts added to the group in the year.
3. The amount recognised as insurance revenue because of the services provided in the year, i.e., release of CSM using coverage units. For insurance contracts measured using the VFA, FMHL has elected to reflect the time value of money in the coverage units using a nominal rate of return.
4. The effect of any currency exchange differences on the CSM and changes in fulfilment cash flows that relate to future services, except to the extent that:
   a.) any increases in the fulfilment cash outflows exceed the carrying amount of the CSM, in which case the excess is recognised immediately in profit or loss.
   b. any decreases in the fulfilment cash outflows are allocated to the loss component, reversing losses previously recognised in profit or loss.
5. For contracts measured using the VFA, the change in the amount of the insurer's share of the fair value of the underlying item.

2.17.2 Rental income
The Group is the lessor on operating leases transactions. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of comprehensive income due to its operating nature, except for contingent rental income which is recognised when it arises. Services and management fees are recognised in the accounting period in which they are incurred.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option. Amounts received or receivable from tenants to terminate leases or to compensate for dilapidations as well as recovery of fixed operating costs are recognised in statement of comprehensive income when the right to receive them arises.

2.17.3 Realised and unrealised gains and losses
Realised and unrealised gains and losses recorded in statement of comprehensive income on investments include gains and losses on financial assets and investments. Gains and losses from the sale of investments are calculated as the difference between net sales proceeds and the carrying amount and are recorded on occurrence of the sale transaction.

2.17.4 Dividend income
Dividend income is recognised when the Group has received the dividend for cash dividends and when the right to receive the payment is established, when the investee`s Board of Directors has declared the dividend for non-cash dividends.

2.17.5 Interest income
Interest earned on cash invested with financial institutions and from micro-loans lent is recognised on an accrual basis using the effective interest method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in the statement of comprehensive income.

2.17.6 Property services income
Property services income comprises income received or receivable from property-related services to other parties. The income is recognised when the related services have been provided. Property services income will be generated from the following services:
- project management;
- property management;
- property purchases;
- property sales; and
- property valuations.

2.17.7 Sale of completed property
A property is regarded as sold when the conditions outlined in IFRS 15.38 for passing of control are satisfied. The factors under which control passes to the buyer include but are not limited to the following:
a. the customer has a present obligation to make payment;
b. the customer has legal title to the asset;
c. the customer has obtained physical possession of the asset;
d. the customer has the significant risks and rewards of ownership;
e. the customer has accepted the asset.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.17 Revenue recognition (continued)

2.17.8 Sale of property under development

Where property is under development and agreement has been reached to sell such property when construction is complete, the directors consider whether the contract comprises:

- a contract to construct a property, or
- a contract for the sale of a completed property.

Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage-of-completion method as construction progresses.

Where the contract is judged to be for the sale of a completed property, revenue is recognised when control over the property has been transferred to the customer. However, an enforceable right does not arise until legal title is passed to the customer. Therefore, revenue is recognised at point in time when legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage-of-completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:

- the buyer controls the work in progress, typically when the land on which the development takes place is owned by the final customer;

and

- all significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically, when buyer cannot put the incomplete property back to the Group.

In such situations, the percentage of work completed is measured based on the cost incurred to date.

2.17.9 Fee income

Fees charged for investment management services provided in conjunction with an investment contract are recognised as revenue in the statement of comprehensive income as the services are provided. Insurance contract policyholders are charged for policy administration services and other contract fees. These fees and charges are recognised as revenue over the period in which the related services are performed.

2.17.10 Commission income

Commission income received or receivable under insurance and reinsurance contracts for non life insurance contracts is recognised in full when risk has been accepted by the reinsurer.

2.17.11 Funeral services income

Funeral services income comprises income received or receivable from provision of funeral services to clients. The income is recognised when the related services have been provided, however, there is usually no material time lag between service provision and payment. Funeral services income will be generated from the following services:

- body embalming;
- hearse hire;
- church services; and
- bus hire.

2.18 Liability for incurred claims

2.18.1 Life insurance

Insurance benefits and claims relating to Group life insurance contracts are recognised in profit or loss based on the estimated liability for compensation owed to the contract holder. Death, disability and severe illness and surrender claims are accounted for when notified. These claims include adjustments to liability for incurred claims (LIC). The LIC estimate is determined taking into account the likelihood of the claim being valid and the expected severity of the claim given that the claim is valid. The proportion to be included is estimated separately for each benefit type. An estimate of the expected claim amount is charged to profit or loss and included in liabilities under insurance contracts. Maturity and income disability are recorded as incurred. Adjustments to LIC are modified to reflect actual current operating conditions. The liabilities are calculated gross of reinsurance. An asset is then raised to allow for the expected recoveries from reinsurers.

2.18.2 Non-life insurance

Benefits payable under health insurance contracts are accounted for as incurred. Liabilities are held to reflect adjustments to LIC. The adjustment to LIC calculation is performed using the chain ladder approach. This allows for the historical patterns of claims payment in determining the likely future emergence of claims. The adjustment to LIC is further modified to reflect current operational conditions or known events.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.18.2 Non-life insurance (continued)

Claims are accounted for as incurred and consist of claims paid, movement in the provision for outstanding claims and related claims handling expenses. The provision for outstanding claims is based on estimates of the cost of settling all claims incurred but unpaid at the reporting date, whether reported or not. Related anticipated reinsurance recoveries are disclosed separately as assets in the statement of financial position and are included in recoveries from reinsurers in profit or loss.

2.19 Acquisition cashflows for Insurance and Reinsurance business

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

2.20 Investment contracts without discretionary participating features ("DPF")

Investment contracts without DPF are determined by applying deposit accounting where the contributions, claims and benefits paid, investment income and related expenses are not accounted through profit or loss but are accounted as direct increases or decreases to the investment contract liability and the corresponding assets.

2.21 Shareholder risk reserve

Shareholder risk reserve are funds set aside to meet claims on risk products as they fall due. Risk products are those which are underwritten by the Group and payable on death.

The measurement of the funeral assurance contract provisions is made in accordance with the Financial Soundness Valuation Basis as set out in actuarial guidance issued by the Actuarial Society of South Africa in Standard of Actuarial Practice ("SAP") 10 version 9. The provisions are calculated on a gross premium basis using realistic expectations of future experience, with margins of prudence and deferral of profit emergence. Each year the assumptions used to calculate the provisions are adjusted to reflect the change in expected experience. The contingency data risk reserve has been set at 0.1% of the non-investment linked insurance contracts for any possible of data discrepancies. This is a financial instrument that is carried at fair value through profit and loss.

2.22 Taxation

2.22.1 Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to the tax authorities. The tax rates and laws used to compute the amounts are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised in other comprehensive income or equity is also recognised in other comprehensive income or equity and not in statement of comprehensive income.

Taxable income for the life assurance subsidiary company is calculated in accordance with the insurance formula as laid down in the Eighth Schedule of the Zimbabwe Income Tax Act (Chapter 23:06).

2.22.2 Deferred tax

Deferred tax is provided using the Statement of Financial Position approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except;

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint arrangements, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.
- deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and unused tax losses can be utilised except;
- when the deferred tax asset relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)
2.22 Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date that are expected to apply to the year when the asset is realised or the liability is settled. Deferred tax relating to items recognised in other comprehensive income or equity is also recognised in other comprehensive income or equity and not in statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period.

The Group will continue to apply the income tax rate of 25.75% (2023: 24.72%) for the purpose of recognising deferred tax for its investment properties with the exception of land, where the capital gains tax rate is applied.

2.22.3 Value added tax

Expenses and assets are recognised net of the amount of the value added tax ("VAT"), except when the value added tax incurred on purchase of assets or services is not recoverable from the tax authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

The policy relates to all companies that are VAT registered, with the exception of First Mutual Reinsurance (Private) Limited and First Mutual Health Company (Private) Limited that are VAT exempt.

2.23 Employee benefits

Post employment benefits

The Group operates two defined contribution plans, the assets of which are held in separate trustee administered funds. The pension plans are funded by payments from employees and the relevant group companies. The Group's contributions to the defined contribution pension plans are charged to statement of comprehensive income in the period in which the contributions relate. Retirement benefits are also provided for the Group's employees through the National Social Security Authority ("NSSA") Scheme. The cost of retirement benefits applicable to the NSSA Scheme is determined by the systematic recognition of legislated contributions.

Short-term employee benefits

Short term employee benefits consist of salaries, accumulated leave payments, bonuses and any non-monetary benefits such as medical aid contributions.

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Profit share scheme

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.24 Share-based payments

2.24.1 Share appreciation rights

Liabilities for the Group's cash settled share based payments (share appreciation rights) are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.25 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in statement of comprehensive income net of any reimbursement.

Restructuring provisions are recognised only when the recognition criteria for provisions are fulfilled. The Group has a constructive obligation when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline. Furthermore, the employees affected have been notified of the plan's main features.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.26 Member assistance fund

The member assistance fund represents a provision to cover members for benefits that they would otherwise not qualify for, on the basis of the Medical Aid Fund benefit and tariff limits. The build-up of the assistance fund arises from:
- an allocation from the technical account on the basis of predetermined criteria.

The business initially recognizes a liability for member assistance fund on the basis of the following criteria:
- when a transfer has been made from the low claims' bonus for unclaimed balances in excess of a period of 5 years; and
- when an allocation has been made from the technical account and approved by the Board.

Member assistance fund build-up through shareholder contributions
The Group to set aside quarterly reserves of ZWG1 288 460 provided the operating proft margin is 5% or above. To ensure that the fund does not become too high, the business has capped the annual amount of transfer to ZWG5 153 840 Were the reserve is higher and there are no qualifying clients the provision shall be reversed back through the statement of comprehensive income. Refer to note 17 for further details.

2.27 Retrenchment or rationalisation accounting policy

The Group recognises termination as a liability and expense when there is a demonstrable commitment to either terminate the employment of an employee or a group of employees before normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Group will recognise such termination benefits when and only when, there is a detailed formal plan for the termination and there is no realistic possibility for withdrawal for such plans. The detailed formal plan will include the location, function and approximate number of employees whose services are to be terminated, the termination benefits for each job classification or function and the time at which the plan will be implemented.

2.28 Non-current assets held for sale

The Group and Company classify non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The Group and Company classify assets as held for sale when the following criteria are met;

- the assets must be available for immediate sale in their present condition
- sale must be highly probable
- the asset must be currently marketed actively at a price that is reasonable in relation to its current fair value
- the sale should be completed, or expected to be so, within a year from the date of the classification, and
- the actions required to complete the planned sale will have been made, and it is unlikely that the plan will be significantly changed or withdrawn.

Assets classified as held for sale cease to be depreciated at the date at which they qualify to be reclassified. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.29 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing;
- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.30 Dividends

Provision is made for the amount of any dividend in the form of assets declared by the directors and no longer at the discretion of the Group on or before the end of the reporting period but not distributed at the end of the reporting period. No provision is made for cash dividends.

2.31 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest dollar.

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparation of the Group's financial statements, management is required to make judgements, estimates and assumptions that affect reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However uncertainty about these assumptions, judgements and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3.1 Judgements other than estimates

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

3.1.1 Insurance contracts and investment contracts

The Group classifies contracts entered into between investment contracts and insurance contracts on the basis of whether the contract is mostly a life assurance contract or a deposit contract and the contract is considered to be insurance contract if it transfers significant insurance risk. In the event of both elements existing in the contract, judgement is applied in determining which of the two elements makes up a more significant portion of the contract, in which case it is classified as such.

3.1.2 Taxes

The Group is subject to income and capital gains taxes in Botswana, Malawi, Mozambique and Zimbabwe. Significant judgement is required to determine the total liability for current income and deferred taxes.

There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain. In particular, when calculating deferred tax, the effective tax rate applicable on the temporary differences on investment property depends on the method by which the carrying amount of investment property will be realised.

In 2019, the Zimbabwe Revenue Authority ("ZIMRA") pronounced that where an entity earns revenue in foreign currency, a component of income tax should be paid in foreign currency. The Group earns some income in USD and as such income tax has been split based on the ratio of income earned.

The Group applied the income tax rate of 25.75% (2023: 24.72%) for the purpose of recognising deferred tax for its investment property with the exception of land. The investment property held by the Group is for use and capital appreciation and not for sale.

3.1.4 Operating lease commitments with the group as lessor

The Group has entered into commercial property leases on its investment property. The Group has determined, based on an evaluation of the terms and conditions of the lease arrangements, that it retains all the significant risks and rewards of ownership of the property and so accounts for the contracts as operating leases. This involves the analysis of likelihood of exercising extension options, lease term analysis, etc. The lease rental in most of the lease arrears are revised on an annual basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

3.2 Estimates and assumptions
The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

3.2.1 Liability for incurred claims
The liability for incurred claims consist of an estimate of all claims incurred before the reporting date but only reported subsequent to year end and outstanding claims. The Liability for incurred claims is actuarially determined as at the reporting date.

3.2.2 Insurance contract liabilities (policyholders' funds) and actuarial assumptions.
The life policyholder funds, under un-matured policies, are computed at the reporting date by the Group's independent actuary, in accordance with prevailing legislation, and guidelines issued by the Actuarial Society of South Africa ("SAP104"). Under this method, the insurance contract liabilities are valued using realistic expectations of future experience with margins for prudence. The insurance contract liabilities reflected in the statement of financial position represent the increase or decrease in actuarial liabilities, calculated using the Financial Soundness Valuation method.

The main assumptions used relate to mortality, longevity, investment returns, expenses, lapses, surrender rates and discount rates. Estimates are also made as to future investment income arising from the assets backing the life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments. Assumptions on future expenses are based on current expense levels adjusted for expected expense inflation adjustments if necessary. Lapse and surrender rates depend on product features, policy duration and external circumstances such as sales trends. Discount rates are based on current expense levels adjusted for expected inflation adjustments if appropriate.

3.2.3 Fair value of investment property
The Group carries its investment property at fair value, with changes in fair value being recognised in statement of comprehensive income. The yield method converts anticipated future cash flow benefits in the form of rental income into present value. This approach requires careful estimation of future benefits and the application of investor yield or return requirements. One approach to value property on this basis is to capitalise net rental income on the basis of an initial yield, generally referred to as the "All Risks Yield" approach or "Net Initial Yield" approach.

The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term void rate.

The property valuations have been undertaken in an environment of poor liquidity conditions and limited transaction evidence. In undertaking the valuations for commercial, industrial and retail properties, reliance has been placed on rental market evidence, void rates and area currently applying to the individual properties in the portfolio. The achieved rentals for the portfolio are generally in line and in some instances higher than the rental rates being achieved in the market. With regards to the residential properties, various properties were identified that were sold or which are on sale and situated in comparable residential suburbs. In analysing the comparable properties, the main space equivalent ("MSE") principle was applied. The total MSE of the comparable property was then used to determine a value per square meter of MSE. The objective is to arrive at a common basis of comparison. After adjustments for quality, location and size, the rates per MSE reflected by the comparable were then applied to the subject residential properties. The yields, have been obtained from the limited concluded transactions and have also been assessed taking into account asking prices and offers that may have been received for properties currently on the market, formally or otherwise, although the transactions may not have been concluded. Refer to note 7 for the carrying amount of investment property and more information on the estimates and assumptions used to determine the fair, value of investment property.

3.2.4 Useful lives and residual values of property plant and equipment
The Group assesses the useful (economic) lives and residual values of computers, laptops, tablets, vehicles and equipment each year taking to consideration past experience, technology changes and the local operating environment. No changes to the useful lives and residual values have been considered necessary during the year. Refer to note 6 for the carrying amount of property, vehicles and computer equipment and accounting policy note 2.6 for the useful (economic) lives of property, vehicles and equipment.

3.2.5 Allowances for expected credit losses
The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. For receivables, the Group applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 2.13.1 for further details. Forecast on national unemployment rates, economic outlook, monetary policy changes, changes in client profiles are taken into account in determining expected credit losses.

4 GROUP FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risk through its financial assets and liabilities, insurance and reinsurance assets and liabilities. The most important components of financial risk are investment risk, equity price risk, interest rate risk, liquidity risk, currency risk, and credit risk.

4.1 Investment risk

The Group's investment risk management system operates through a hierarchy of investment limit approvals. Individual fund managers have authority to trade within certain limits. Investments in excess of the specified limits require the approval of the Group Investment Committee. In addition, the Group Investment Committee makes all decisions regarding property investments and unquoted companies' share transactions.

4.2 Equity price risk

Equity price risk is the potential loss arising from changes in the market price of a financial instrument as a result of fluctuations in the market price. A substantial part of the equity portfolio comprises listed counters. Unquoted counters are subjected to periodic financial analysis and review. The Group's equity price risk policy is to manage such risks by setting and monitoring objectives on investments, diversification of portfolios and setting limits on investment in each sector.

	Shareholder		Shareholder		Policyholder	
+/-10% share price movement	**2024 Impact on profit before tax ZWG**	**2023 Impact on profit before tax ZWG**	**2024 Impact on equity ZWG**	**2023 Impact on equity ZWG**	**2024 Effect on life policyholder liabilities ZWG**	**2023 Effect on life policyholder liabilities ZWG**
Commodity +/-10	1 518 529	321 960	1 127 508	239 056	3 280 207	474 970
Consumer +/-10	12 011 895	2 546 776	8 918 832	1 890 981	18 299 798	2 649 788
Financial +/-10	4 414 193	935 902	3 277 538	694 907	16 148 420	2 338 271
Manufacturing +/-10	2 067 205	438 291	1 534 900	325 431	644 239	93 285
Property +/-10	47 109 608	9 988 233	34 978 884	7 416 263	2 255 885	326 649
Telecommunication +/-10	7 010 672	1 486 411	5 205 424	1 103 660	3 694 151	534 909
Other +/-10	631 503	133 892	468 891	99 415	1 227 326	177 715
Total +/-10	**74 763 605**	**15 851 466**	**55 511 977**	**11 769 713**	**45 550 027**	**6 595 588**

4.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to insured, cedants and tenants.

Risk management
Credit risk is managed on a group basis. The key areas where the Group is exposed to credit risk are:-
- amounts due from debt securities;
- reinsurers' share of insurance liabilities;
- amounts due from cedants;
- amounts due from agents, brokers and intermediaries;
- amounts due from loans and receivables; and
- amounts due from cash and balances with banks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.3 Credit risk (continued)

The Group manages and analyses credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Exposure limits are set for each counterparty or group of counterparties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis. With respect to credit risk arising from other financial assets of the Group, which comprise cash and balances with banks, and held to maturity investments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The following policies and procedures (by each financial insurance) are in place to mitigate the Group's exposure to credit risk:

Insurance receivables

The following policies and procedures are in place to mitigate credit risk:

- exposure limits are set for each counterparty or group's of counterparties;
- the creditworthiness of cedants is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract;
- the exposure to individual counterparties is also managed by other mechanisms, such as the right to offset where counterparties are both debtors and creditors of the Group; and
- management information reported to the board of directors includes details of allowances for impairment on amounts due from cedants and subsequent write-offs.

Credit limits are monitored based on the financial position and history of the insured or cedant's ability to pay. In the view of management, the credit quality of insurance receivables is considered sound. Management does not expect any losses from non-performance by counter parties. The credit risk in respect of customer balances incurred on non-payment of premium will only persist during the period specified in the policy document.

Tenant receivables

Tenants are assessed according to set criteria prior to entering into lease arrangements. Credit risk is managed by requiring tenants to pay rentals in advance in addition to an upfront good tenancy deposit. The credit quality of the tenant is assessed based on an extensive credit rating criteria at the time of entering into a lease agreement. At inception of the lease tenants are classified into good, acceptable and watch list categories.

Outstanding tenants' receivables are regularly monitored and all tenants that accrue arrears are classified in the watch list category as rental obligations are payable in advance. An impairment analysis is performed at each reporting date on an individual basis for major tenants. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Cash and balances with banks and Debt securities at amortised cost

The Group has a policy that establishes counterparty trading limits for each banking institution that it trades with. These counter party limits are reviewed at least semi-annually and submitted to the Group Investments Committee for approval. In this process the financial results of the banking institutions which are published semi-annually, are reviewed and together with other qualitative factors. The limits worked out are proposed to the Group Investment Committee for approval.

The Group only trades with and receives service from banking institutions that meet regulatory requirements including minimum regulatory capital.

Key considerations in the review of limits and security requirements include:-

- compliance with minimum capital requirements as set by the Reserve Bank of Zimbabwe ("RBZ"),
- RBZ periodic capital adequacy, asset quality, management, earnings, liquidity, and sensitivity ("CAMELS") ratings,
- total shareholder equity,
- total assets,
- ratios such as loan to deposit ratio, cost to income and non-performing loans ("NPLs") to total loans ratio,
- overall profitability and cash generation,
- historical performance and outlook,
- ability of the bank to provide collateral security,
- global credit ratings, with at least a rating of A+.

The approved collateral security instruments are as follows:

- treasury bills and aftrades;
- Zimbabwe Stock Exchange ("ZSE") top ten listed equities;
- bankers acceptances; and
- property bonds for long term placements

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.3 Credit risk (continued)

The Group uses the following parameters in determining the trading limits:-
- 10% of Group's average shareholders' equity,
- 1.5% of average total deposits, and
- discounts can be further applied to the established limit based on other qualitative factors covered under the CAMELS rating system of the RBZ.

Qualitative factors include additional opinion formed through market intelligence on the financial institution, shareholder profile, management and segment of market being served.

The banks are classified into three internal categories as set out below:

Tier 1 Banks - banks that are considered to have well above the regulatory capital, stable and have a proven performance record. No security is required from these counterparties. The counterparty limit for tier 1 Banks is set as 40% (2023: 40%) of the Group total money market investments.

Tier 2 Banks - banks that are assessed to be significantly stable but have lower performance and shareholder ratings than Tier 1 Banks. Security is required for investments with these banks. The counterparty limit for tier 2 Banks is set as 20% (2023: 20%) of Group total money market investments.

Tier 3 Banks - banks that are evaluated as currently not suitable to be classified as a trading counterparty.

The Group holds cash accounts with financial institutions with sound financial and capital cover. The financial institutions holding the cash and cash equivalents of the Group have the following internal credit ratings.

	2024 ZWG	**2023 ZWG**
Tier 1	626 652 474	163 056 513
Tier 2	184 569 467	76 732 477
	811 221 941	**239 788 990**

(ii) Security
The Group holds no collateral in respect of insurance, tenant and other receivables, and debt securities at amortised cost.

(iii) Impairment of financial assets
The group has four types of financial assets that are subject to the expected credit loss model:
- premium receivables from intermidiaries
- tenants receivables;
- other receivables;
- debt securities at amortised cost; and
- cash and balances with banks.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Premium receivables from intermediaries, tenant and other receivables
The Group applies the simplified approach that takes into account forward looking approach to measure expected credit losses. The simplified approach uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, premium receivables from intermediaries have been grouped based on shared credit characteristics and the days past due with the exception of the reinsurance receivables which are measured on an incurred loss model rather than an expected loss model. The forward looking approach requires the Group to adjust the current backward-looking incurred loss based credit losses into a forward-looking expected credit loss. The expected loss rates are based on the payment profiles over a period time and corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the cedants to settle the receivables, changes to underwriting through more short-term policies.

Insurance receivables for the pensions business relate to pension contributions and Group Life Assurance ("GLA") premiums that are paid a month in arrears. In the event that three months pass with the contributions still outstanding, premium receivables are impaired. The same applies for GLA premiums. The premiums for the individual life business are accounted for on a cash basis due to the lapsable nature of the life insurance contracts. In the event of default, the contract will lapse and the premium will no longer be due to the Group hence the criteria to recognise revenue only when received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.3 Credit risk (continued)

When determining allowance for credit losses in respect of past due tenant receivables, the following criteria is used:

• Occupancy status of the tenant
The tenant who relinquish occupancy of premises and honour agreed payment plans will not be considered for specific write-off.

• Length of period of non-payment
The length of period a tenant stays without making payment towards past due balances is used as a measure of the extent of delinquency of outstanding amounts. All past due amounts over three months are referred to collection agencies and lawyers for collection while amounts that are over six months past due may qualify for specific write-off subject to the fulfilment of additional qualification criteria. All tenant account balances that are over three months are profiled with relevant percentage of general allowance applied to arrive at a general allowance for credit losses amount.

• Analysis of results of collection efforts undertaken so far in order to recover amounts that are past due
When the efforts of lawyers, collection agencies or direct approaches by the Group to tenants does not yield significant recovery of past due amounts and the prospects of significant recoveries consider remote, the outstanding balance is considered for specific write off. All material write offs are approved by the Audit and Acturial Committee. Significant managerial judgment is exercised in analysing the likelihood of success of current collection efforts with assessment of prospects of recovery rated from more highly probable to remote.

Debt securities at amortised cost
All of the Group's debt investments at amortised cost and at fair value through other comprehensive income ("FVOCI") are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risks. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

31 December 2024	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
Expected credit loss rate	13%	27%	2%	100%	
Gross carrying amount-Insurance and reinsurance related receivables					
-Premium receivable from intermidiaries	100 844 518	26 628 822	18 875 352	-	-
Gross carrying amount - tenant receivables	37 045 756	11 334 252	9 973 139	-	9 236 608
Gross carrying amount - other receivables	75 753 837	62 474 753	23 715 176	-	-
Loss allowance	**27 773 734**	**26 935 050**	**815 762**	**-**	**2 938 792**
-Reinsurance contract assets	**178 226 130**	**138 668 319**	**94 349 443**	**30 222 214**	**441 466 106**

31 December 2023	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
Expected credit loss rate	1%	1%	2%	7%	
Gross carrying amount-Insurance and reinsurance related receivables					
-Premium receivable from intermidiaries	73 783 778	42 755 050	30 844 999	-	-
Gross carrying amount - tenant receivables	7 207 391	2 930 911	2 488 741	2 340 227	17 534 298
Gross carrying amount - other receivables	15 808 534	12 494 213	9 462 812	-	-
Loss allowance	**501 005**	**507 264**	**678 105**	**172 563**	**1 858 937**
-Reinsurance contract assets	**6 811 148**	**5 299 393**	**3 605 689**	**1 156 419**	**16 872 649**

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.4 Interest rate risk

Cash flow interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Group analyses its interest rate exposure on a dynamic basis and various scenarios are simulated.

The Group manages interest rate risk at both Board level (through the Group Investments Committee) and management level through regular reviewing policies that relate to interest rate risk management. Key activities include daily monitoring of costs of funds, monthly analysis of interest rate re-pricing gaps and monthly interest rate simulations.

The Group's exposure to the risk of changes in the market interest rates relates primarily to the Group's cash and cash equivalents, including financial instruments earning interest at fixed interest rates.

The Group is not exposed to the risk of changes in market interest rates as a result of the fixed nature of interest rates on its financial instruments thus, no sensitivity analysis has been presented.

4.5 Liquidity risk

It is the Group's policy to ensure that cash resources are available at all times to meet commitments as they arise. Cash outflows arise from payment of insurance claims and benefits, purchase of investments and other operating commitments. Such outflows are adequately matched by inflows from premium income, maturing investments and investment income. The Group manages liquidity risk related to market through maintaining and monitoring comprehensive cash flow forecasts and budgets that are reviewed to take any changes on the market as they arise.

Where pension funds withdraw and/or transfer assets to other pension administrators the period of transferring the assets is per agreement between the Fund and the insurer as specified in the policy document and that period spans up to three years allowing for restructuring of assets to meet the cash flow requirements as permitted by the Pensions and Provident Funds Act (Chapter 24:32). The table below summarises the maturity profile of the Group's financial instruments and insurance contracts based on contractual and undiscounted expected payments.

The negative gap shown below is long-term and will be covered by investment property through either rental received or disposals to fund the long-term insurance and life contract liabilities. The insurance and life assurance contract liabilities mature in smaller amounts over period longer than 5 years.

Investment contract liabilities have different maturity periods which have been used to determine liquidity profiles. Early termination of contract results in penalties for the contract holder, hence contracts are estimated to end on maturity.

The amounts disclosed in the table below are based on expected undiscounted cashflows for insurance contract assets and contractual undiscounted cashflows for all other line items. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

For amounts in 1- 5 years the future value of the ultimate redemption values is affected by a number of factors other than interest. The carrying amount therefore estimates future contractual undiscounted expected cashflows. All financial instruments are based on contratual maturity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.5 Liquidity risk (continued)

Assets 31 December 2024	1 month ZWG	1 month to 3 months ZWG	3 months to 1 year ZWG	1 year to 5 years ZWG	Total ZWG
Financial and insurance assets:					
Reinsurance contract assets	58 984 572	134 827 571	247 653 963	-	441 466 106
Premium receivable from intermidiaries,tenant and other receivables (excl. prepayments)	78 209 620	75 058 187	136 927 941	-	290 195 748
Debt securities at amortised cost	40 648 542	97 903 776	138 688 627	134 104 510	411 345 455
Equity securities at fair value through profit or loss	128 833 106	337 870 231	506 805 346	-	973 508 683
Cash and balances with banks	805 412 171	-	-	-	805 412 171
Total assets	**1 112 088 012**	**645 659 766**	**1 030 075 876**	**134 104 510**	**2 921 928 164**
Financial and insurance related liabilities					
Investment contract liabilities without DPF	222 258 319	-	-	-	222 258 319
Investment contract liabilities with DPF	892 149	1 784 298	8 029 339	203 409 929	214 115 714
Insurance contract liabilities	104 475 389	208 950 778	940 278 502	1 404 654 996	2 658 359 665
Borrowings	11 779 356	23 558 712	106 014 205	70 676 137	212 028 411
Lease liability	392 346	784 691	3 531 111	7 281 024	11 989 172
Put option liability	-	-	-	113 366 957	113 366 957
Share based payment	-	-	11 111 009	-	11 111 009
Income tax	-	-	20 974 351	-	20 974 351
Other payables	265 565 594	-	-	-	265 565 594
Total liabilities	**605 363 153**	**235 078 479**	**1 089 938 517**	**1 799 389 043**	**3 729 769 192**
Liquidity gap	**506 724 859**	**410 581 286**	**(59 862 641)**	**(1 665 284 533)**	**(807 841 028)**
Cumulative liquidity gap	**506 724 859**	**917 306 145**	**857 443 505**	**(807 841 028)**	**-**

Assets 31 December 2023	1 month ZWG	1 month to 3 months ZWG	3 months to 1 year ZWG	1 year to 5 years ZWG	Total ZWG
Financial and insurance assets:					
Reinsurance contract assets	30 572 803	69 883 644	128 363 665	-	228 820 112
Premium receivable from intermidiaries,tenant and other receivables (excl. prepayments)	50 698 984	48 656 084	88 762 834	-	188 117 902
Debt securities at amortised cost	15 731 585	37 890 205	53 674 543	31 135 628	138 431 960
Equity securities at fair value through profit or loss	66 944 052	175 563 587	263 345 381	-	505 853 020
Cash and balances with banks	239 788 990	-	-	-	239 788 990
Total assets	**403 736 415**	**331 993 519**	**534 146 423**	**31 135 628**	**1 301 011 984**
Financial and insurance related liabilities					
Investment contract liabilities without DPF	102 371 067	-	-	-	102 371 067
Investment contract liabilities with DPF	791 775	1 583 551	7 125 979	180 524 789	190 026 094
Insurance contract liabilities	52 759 838	105 519 676	474 838 543	914 580 080	1 547 698 138
Borrowings	7 914 499	29 566 698	32 087 587	-	69 568 785
Lease liability	311 659	623 318	2 804 932	7 803 514	11 543 423
Put option liability	-	-	-	61 939 901	61 939 901
Share based payment	-	-	17 255 528	11 503 685	28 759 213
Member assistant fund	20 656	-	-	-	20 656
Income tax	-	-	7 910 472	-	7 910 472
Other payables	108 011 494	-	-	-	108 011 494
Total liabilities	**272 180 989**	**137 293 244**	**542 023 041**	**1 176 351 970**	**2 127 849 244**
Liquidity gap	**131 555 425**	**194 700 275**	**(7 876 618)**	**(1 145 216 342)**	**(826 837 260)**
Cumulative liquidity gap	**131 555 425**	**326 255 701**	**318 379 083**	**(826 837 260)**	**-**

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.5 Liquidity risk (continued)

The current year accounting aligns to the Group's strategy in light of observed liquidity constraints which have called for need to dispose of some equity shares to raise funds. The investment contract liabilities are derived as a function of monetary and non monetary assets. The non-monetary assets consists of investments in properties which are not included above. This is what would be required to be disposed to settle these. Once we factor this, the liquidity gap should reduce to manageable levels.

4.6 Foreign exchange risk

The risk that the fair value of the cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Foreign exchange risks arise from recognised monetary financial assets and liabilities future commercial transactions, that are not denominated in the functional currency of the Group.

The Group operates regionally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States of America Dollar ("USD"), Botswana Pula ("BWP"), and, Mozambique Metical ("MZN").

The Group manages foreign exchange risk by making prepayments to suppliers to lock prices and increasing investments in illiquid assets such as high value unquoted equity securities in foreign currency generating investments.

The following table details the Group's sensitivity to a 10% increase or decrease in the ZWL against the relevant foreign currencies with all other variables held constant. 10% represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and is calculated by adjusting the translation of foreign currency amounts at the period end for a 10% change in foreign currency rates.

Consolidated foreign exchange gap analysis as at 31 December 2024

Base currency	Metical ZWG equivalent	ZWG ZWG equivalent	BWP ZWG equivalent	TOTAL ZWG equivalent
Assets				
Cash and balances with banks	15 388 790	19 517 507	458 444 274	493 350 572
Insurance related, tenant and other receivables	58 903 020	158 358 269	151 765 284	369 026 573
Total assets	**74 291 810**	**177 875 777**	**610 209 558**	**862 377 145**
Liabilities				
Insurance contract liabilities	61 583 327	97 948 953	180 212 680	339 744 959
Put option liability	-	-	117 695 678	117 695 678
Other payabes	4 447 663	48 031 688	44 927 326	97 406 677
Total liabilities	**66 030 990**	**145 980 641**	**342 835 684**	**554 847 314**
Net currency position	**8 260 820**	**31 895 136**	**267 373 874**	**307 529 830**

Consolidated foreign exchange gap analysis as at 31 December 2023

Assets				
Cash and balances with banks	468 398	26 056 512	16 271 957	159 071 317
Insurance, tenant and other receivables	721 174	161 684 650	4 777 373	339 149 068
Total assets	**1 189 571**	**187 741 162**	**21 049 330**	**498 220 385**
Liabilities				
Insurance contract liabilities - short term	818 730	143 268 675	3 999 087	308 904 684
Put option liability	-	-	61 939 901	61 939 901
Other payabes	32 545	21 215 767	1 847 360	53 159 507
	-	-	-	-
Total liabilities	**851 275**	**164 484 442**	**67 786 348**	**424 004 092**
Net currency position	**338 296**	**23 256 720**	**(46 737 018)**	**74 216 293**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.6 Foreign exchange risk (continued)

Below are major cross rates to the USD used by the group

Currency	2024 Cross rate	2023 Cross rate
Botswana pula ("BWP")	13.97	13.39
Zimbabwe Gold ("ZWG")	25.80	13.56
Mozambique metical ("MZN")	63.91	63.75

Impact of 10% increase in exchange rates	METICAL ZWG	ZWG ZWG	BWP ZWG	TOTAL ZWG
For the year ended 31 December 2024				
Assets	7 429 181	17 787 578	61 020 956	86 237 714
Liabilities	(6 603 099)	(14 598 064)	(34 283 568)	(55 484 731)
Net position	**826 082**	**3 189 514**	**26 737 387**	**30 752 983**
For the year ended 31 December 2023				
Assets	118 957	18 774 116	2 104 933	49 822 039
Liabilities	(85 127)	(16 448 444)	(6 778 635)	(42 400 409)
Net position	**33 830**	**2 325 672**	**(4 673 702)**	**7 421 629**

	31 December 2024			31 December 2023		
Currency	Change in variables ZWG	Impact on profit before tax ZWG	Impact on equity ZWG	Change in variables ZWG	Impact on profit before tax ZWG	Impact on equity ZWG
Zimbabwe Gold ("ZWG")	+10%	3 189 514	2 368 214	+10%	2 325 672	1 726 811
Botswana pula ("BWP")	+10%	26 737 387	18 716 171	+10%	(4 673 702)	(3 271 591)
Mozambique metical ("MZN")	+10%	826 082	495 649	+10%	33 830	20 298
Zimbabwe Gold ("ZWG")	-10%	(3 189 514)	(2 368 214)	-10%	(2 325 672)	(1 726 811)
Botswana Pula ("BWP")	-10%	(26 737 387)	(18 716 171)	-10%	4 673 702	3 271 591
Mozambique metical ("MZN")	-10%	(826 082)	(495 649)	-10%	(33 830)	(20 298)

This method used for deriving sensitivity information and significant variables did not change from the previous period. The Group trades in all currencies, some have not been been included in this disclosure note as they are not of material significance to the Group's operations.

4.7 Insurance risk

Insurance risk is the risk that actual future underwriting, policyholder behaviour and expense experience will differ from that assumed in measuring policyholder liabilities and assets and in pricing products. Insurance risk arises due to uncertainty regarding the timing and amount of future cash flows from insurance contracts. This could be due to variations in mortality, morbidity, policyholder behaviour or expense experience in the case of life products, and claims incidence, claim severity or expense experience in the case of short-term insurance products. These could have adverse impacts on the Group's earnings and capital if different from those assumed.

The Group is exposed to insurance risk arising from its insurance contracts with policyholders and other beneficiaries. The main risk that the Group faces is that the actual claims and benefits payments or the timing thereof differ from expectations. The risk exposure is mitigated by the use of careful selection procedures and implementation of underwriting procedures, use of actuarial models which calculate premiums and monitor claims patterns, as well as the use of reinsurance arrangements.

The insurance risks that the Group is exposed to that have the greatest impact on the financial position and comprehensive income are covered below.

General management of insurance risk

The insurance subsidiaries are responsible for the day to day identification, monitoring and assessment of insurance risk. In addition to the management of risk by the subsidiary companies, the Group has the following insurance risk management controls:

Group Risk Committee

The Committee advises Group's overall risk strategy, current risk exposures, and risk governance. The Committee considers and approves the remit of the risk management function and reviews reports on material breaches of risk limits, as well as the adequacy of remedial action. The Committee also advises the Board on the risks aspects of proposed strategic transactions.

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.7 Insurance risk (continued)

Combined Audit and Actuarial Committee

The audit committee deals with insurance companies within the Group. The committee serves to satisfy the Group and operational boards of directors that adequate internal and financial controls are in place and that material risks are managed appropriately. More specifically, this committee is responsible for reviewing the financial statements and accounting policies, the effectiveness of the management information and systems of internal control, compliance with statutory and regulatory requirements, including actuarial input thereon, interim and final reports, the effectiveness of the internal audit function, external audit plans and findings on their respective reports. This committee reports directly to the Group board of directors. The committee meetings are attended by the external and internal auditors and are held at least quarterly.

Statutory actuary

The statutory actuary of the insurance subsidiaries reports on the capital adequacy and the financial soundness at the year-end date and for the foreseeable future. All new premium rates or premium rates where changes are required are reviewed by the statutory actuary. Dividend declarations are approved by the statutory actuary prior to payment to ensure that the insurance subsidiaries remain financially sound thereafter.

Capital adequacy requirements

A minimum level of solvency is required to be held within each insurance subsidiary to meet the regulatory capital adequacy requirements ("CAR"). For the long-term insurance subsidiaries the CAR is calculated to determine whether the excess of assets over liabilities is sufficient to provide for the possibility of actual future experience departing from the assumptions made in calculating the policyholder liabilities and against fluctuations in the value of assets. The CAR is actuarially determined taking into account forward looking information.

Pricing

Pricing risk is managed by carefully establishing criteria by which each potential customer is allocated to the appropriate risk category, applying the underwriting rules, and by establishing prices appropriate to each risk category. Underwriting performance is measured by monitoring the claims loss ratio which is the ratio of claims to premiums.

Reserving

For claims that have been reported by the financial position date, expert assessors estimate the expected cost of final settlement. For expected claims that have not been reported by the financial position date an adjustment to liability for incured claims (LIC) provision is calculated using appropriate techniques.. These provisions for claims are not discounted for the time value of money due to the expected short duration of settlement. Using the experience of a range of specialist claims assessors, provisions are reviewed regularly to ensure they are sufficient.

Catastrophic

Catastrophic risk has the potential to cause significant loss or impact on current year earnings and capital through a single event or a number of correlated events. Reinsurance and the diversification of types of short-term insurance offered are used to reduce risks from single catastrophic events or accumulations of risk. Various reinsurance arrangements are in place, with retention levels and catastrophe cover levels varying by line of business.

4.7.1 Life insurance risks

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:
(a) valuation of insurance contract liabilities; and
(b) life insurance contract liabilities

The liability for life insurance contracts is either based on current assumptions or on assumptions established at inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation.

The main assumptions used relate to mortality, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality on historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements as well as wide ranging changes to life style that could result in significant changes to the expected future mortality exposure.

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders. Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7.1 Life insurance risks (continued)

The main risks that the Group is exposed to are as follows:
- mortality risk – risk of loss arising due to policyholder death experience being different than expected
- longevity risk – risk of loss arising due to the annuitant living longer than expected
- investment return risk – risk of loss arising from actual returns being different than expected
- expense risk – risk of loss arising from expense experience being different than expected
- policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured or by industry.

4.7.1.1 Mortality and morbidity risk
Mortality risk is the risk of adverse financial impact due to actual mortality (death) claims being higher than anticipated. Morbidity risk is the risk of adverse financial impact due to policyholder health related (disablement and dread disease) claims being higher than expected.

The Group has the following processes and procedures in place to manage mortality and morbidity risk:

Pricing
Premium rates are differentiated by factors which historical experience has shown are significant determinants of mortality and morbidity claim experience. Prior to taking on individual risk policies, appropriate underwriting processes are conducted, which influence pricing on the policy prior to acceptance.

The actual claims experience is monitored on a monthly basis so that deteriorating experience can be timeously identified. At the point of issuing new policies, consideration is given to update product pricing if the change in the experience, as evidenced by the commissioned periodic investigations, has become sustained and cannot be mitigated. Further, the valuation of liabilities is periodically updated with the new parameters arising from the periodic investigations. Detailed mortality and morbidity investigations are conducted on a bi-annual basis for key products. Allowance for special effects of specified medical conditions is made in product pricing as well as in the measurement of policyholder liabilities and assets.

Terms and conditions
The policy terms and conditions contain exclusions for nonstandard and unpredictable risks that may result in severe financial loss. Terms are built into the policy contracts that permit risk premiums to be reviewed on expiry of a guarantee period. In particular:
- for individual risk business, most in-force risk premiums are subject to review; and
- for institutional risk business, the risk premiums can be reviewed annually.

Underwriting
Underwriting guidelines concerning authority limits and procedures to be followed in accepting new business are in place. For individual and institutional business, larger sums assured in excess of specified limits are subjected to underwriting and evaluated against established guidelines for accepting new business. The annually reviewable terms on institutional business enable premiums to keep pace with emerging claim experience. Part of the underwriting process involves assessing the health condition and family medical history of applicants. Terms and conditions are varied accordingly. Non-standard risks such as hazardous pursuits and medical conditions are assessed at underwriting stage. The expertise of reinsurers is used in the rating of non-standard risks. Financial underwriting is used where necessary to determine insurable interest.

Reinsurance
Reinsurance is used by the Group to reduce exposure to a particular line of business, a particular individual, a single event, and to benefit from the risk management support services and technical expertise offered by reinsurers. The Group has a centralised reinsurance function that works closely with business units and subsidiaries to optimise and monitor reinsurance at a group level and to ensure consistent governance and execution of the Group's reinsurance strategy. Regular reviews, which consider risk appetite, are conducted on reinsurance arrangements for new business. The levels of reinsurance purchased for new business written in 2017 were broadly similar to those in recent previous years. Given that large proportions of the Group's business is long term individual risk business, where the proportion of the risk that is reinsured is fixed for life at the inception of the policy, the Group's overall reinsurance result is heavily influenced by historical reinsurance arrangements. In some instances where underlying policyholder benefits are annually renewable, for example institutional business, reinsurance is annually renewable. Existing reinsurance arrangements include proportional reinsurance (quota share and surplus type arrangements) on both a treaty and facultative basis and catastrophe reinsurance which is renewed annually. Catastrophe reinsurance is consolidated across business units and is in place to reduce the risk of many claims arising from the same event. Various events are excluded from the catastrophe reinsurance (e.g. epidemics and radioactive contamination).

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.7.1 Life insurance risks (continued)

4.7.1.2 Longevity risks

Longevity risk is the risk of adverse financial impact due to actual annuitant mortality being lower than anticipated, that is annuitants living longer than expected. For life annuities, the loss arises as a result of the Group having undertaken to make regular payments to policyholders for their remaining lives, and possibly to the policyholders' spouses for their remaining lives. The most significant risks on these liabilities are continued medical advances and improvements in social conditions that lead to longevity improvements being better than expected. The Group manages the longevity risk by:

- annually monitoring the actual longevity experience and identifying trends over time;
- making allowance for future mortality rates falling in the pricing of new business and the measurement of policyholder liabilities. This allowance will be based on the trends identified in experience investigations and external data; and
- regularly verifying annuitants are still alive.

Total gross Liability for incurred claims

December 2024	Present Value of future cash flows	Risk Adjustment	Total
Health Insurance	230 609 634	657,322	231,266,956

December 2023	Present Value of future cash flows	Risk Adjustment	Total
Health Insurance	60 120 768	273,278	60,394,045

Concentration

Inflation adjusted December 2024	Insurance ZWG	Reinsurance held ZWG	Net ZWG
Health	231 266 956	-	231 266 956
	231 266 956	-	231 266 956

December 2023	Insurance ZWG	Reinsurance held ZWG	Net ZWG
Health	60 394 045	-	60 394 045
	60 394 045	-	60 394 045

All health insurance business is obtained from the Zimbabwean market.

4.7.3 Short term insurance risks- Property and casualty

The principal risk the Group faces under insurance contracts is that the actual claims and payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims and actual payments made. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The diversification of risks is also improved by careful selection and implementation of underwriting guidelines, as well as the use of reinsurance arrangements. The Group purchases reinsurance as part of its risks transfer programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7.3 Short term Insurance risk- Property and Casualty (continued)

The Group principally issues the following types of general insurance contracts: fire, engineering, motor, guarantee, marine, miscellaneous accident, aviation and agriculture. Risks usually cover twelve months duration. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors. Risk management is very vital starting from pre-risk acceptance where some large risks or business perceived risky is surveyed and improvement recommendations passed before cover commences. Selected running risks are also surveyed for risk improvement and mitigating chances and severity of losses. Risk management is thus filtered into the whole underwriting process to manage the portfolio. Furthermore, claim management policies to assess all new and on-going claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are in place to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events. The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Group's risk appetite as decided by management.

Underwriting strategy
The variability of risks is also improved by careful selection and implementation of underwriting strategies, as well as the use of reinsurance arrangements. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Commissions are payable on retroceded business in a manner consistent with retrocession costs as per the retrocession agreements.

Reinsurance
Reinsurance is used by the Group to reduce exposure to a particular line of business, a particular individual, a single event, and to benefit from the risk management support services and technical expertise offered by reinsurers. The Group has a centralised reinsurance function that works closely with business units and subsidiaries to optimise and monitor reinsurance at a group level and to ensure consistent governance and execution of the Group's reinsurance strategy. Regular reviews, which consider risk appetite, are conducted on reinsurance arrangements for new business. The levels of reinsurance purchased for new business written in 2023 were broadly similar to those in recent previous years. Given that large proportions of the Group's business are renewed short-term contracts, where the proportion of the risk that is reinsured is the same over time, the Group's overall reinsurance result is heavily influenced by historical reinsurance arrangements. In some instances where underlying policyholder benefits are annually renewable, for example institutional business, reinsurance is annually renewable. Existing reinsurance arrangements include proportional reinsurance (quota share and surplus type arrangements) on both a treaty and facultative basis and catastrophe reinsurance which is renewed annually. Catastrophe reinsurance is consolidated across business units and is in place to reduce the risk of many claims arising from the same event. Various events are excluded from the catastrophe reinsurance (e.g. epidemics and radioactive contamination).

Concentration of insurance risk and policies mitigating the concentrations
Within the insurance process, concentrations of risk may arise where a particular event or series of events could impact heavily upon the Group's resources. The Group monitors the concentration risk by geographical spread.

Territories

Local: within Zimbabwe

Regional: outside Zibwabwe but within the African continent

Concentration Risk
The concentration of insurance risk by territory in relation to risk accepted is summarised below, with reference to the insurance contract revenue:

	2024 ZWG	2023 ZWG
By territory		
Local	3 560 914 896	2 152 619 167
Regional	563 516 346	335 210 527
	4 124 431 242	**2 487 829 695**

4 GROUP FINANCIAL RISK MANAGEMENT (continued)
4.7.3 Short term Insurance risk- Property and Casualty (continued)

Key assumptions
The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: once–off occurrence; changes in market factors such as public attitude to claiming: economic conditions: as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Sensitivities
The insurance claim liabilities are sensitive to the certain assumptions. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The analysis below is performed for reasonably possible movements in the key assumption with all other assumptions held constant, showing the impact on net liabilities, profit before income tax and equity of the movement in Liability for incurred claims (LIC). The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

Assumption	Change in assumption %	Reported value ZWG	Change in profit before income tax ZWG	Change in equity ZWG
December 2024				
Increase in LIC	15%	70 712 753	(94 830 183)	(70 411 411)
Decrease in LIC	15%	(70 712 753)	94 830 183	70 411 411
December 2023				
Increase in LIC	15%	29 646 141	(18 952 743)	(14 072 412)
Decrease in LIC	15%	(29 646 141)	18 952 743	14 072 412

A liability adequacy assessment was done on the impact of the 15% change in assumption. The liability is adequate.

Exposure relating to catastrophe events
The Group sets out the total aggregate exposure that it is prepared to accept in Zimbabwe and Botswana to a range of events such as natural catastrophes. The aggregate position is reviewed annually. The Group's policy for mitigating catastrophe risk exposure include the use of both proportional and excess of loss reinsurance. In the event of major catastrophe the net retained loss is ZWL15 259 430 (2021:ZWL10 250 000). This is based on the Group's risk appetite as determined by the level of capital. The Group has a retrocession program in place with various reinsurers to cushion it in the event of a catastrophe.

Claims development
The Group is liable for all insured events that occur during the term of the contract, even if the loss is discovered after the end of the contract term, subject to predetermined time scales dependent on the nature of the insurance contract. The Group is therefore exposed to the risk that claims reserves will not be adequate to fund the historical claims ("run off risk"). To manage run off risk the Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures and adopts sound reserving practices. The reserves created over time proved to be sufficient to fund the actual claims paid. Further the Group does not participate on any policies with unlimited liability. The Group is liable for all insured events in terms of the contract. All underlying policies have reporting conditions

The majority of the Group's insurance contracts are classified as short term, meaning that any claim is settled within a year after the loss date.

In terms of IFRS 17, 'Insurance contracts', an insurer need only disclose claims run off information where uncertainty exists about the amount and timing of claim payments not resolved within one year.

The table below indicates the claims development of the Group for the period 2018 to date. The presentation of the claims development is based on the actual date of the event that caused the claim (accident year basis).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

4 GROUP FINANCIAL RISK MANAGEMENT (continued)

4.7.3 Short term insurance risk -Property and Casualty (continued)

Total gross Liability for incurred claims

December 2024	Present Value of future cash flows	Risk Adjustment	Total
Property and Casualty	432 112 367	39 305 986	471,418,353

December 2023	Present Value of future cash flows	Risk Adjustment	Total
Property and Casualty	175 031 997	22 608 945	197,640,942

The was no claims development table for FMRE Property and Casualty (Proprietary) Limited which is domiciled in Botswana because of the absence of sufficient historical information.

For a detailed liquidity risk management refer to Note 4.5

4.8 Capital management policies

The Group's capital comprises share capital, share premium, non distributable reserves and retained profits. It is the Group's objective to retain a capital position that supports the development of the business. The Group manages its capital structure and makes adjustments to it, in light of changes in the economic conditions. Where necessary, capital is redeployed to subsidiaries from the holding company through dividends received or its own capital.

There were no changes made to the objectives, processes, or policies during the year ended 31 December 2024 (2023: none).

The subsidiaries were capitalised as follows:

As at 31 December 2024	Capital employed ZWG	Capital Regulatory ZWG
Company		
First Mutual Reinsurance Company Limited	151 224 823	51 538 400
FMRE Property and Casualty (Proprietary) Limited	400 269 633	95 023 925
NicozDiamond Insurance Limited	245 177 038	51 538 400
First Mutual Life Assurance Company (Private) Limited	507 785 611	51 538 400
First Mutual Microfinance (Private) Limited	20 056 452	644 230
First Mutual Wealth (Private) Limited	24 375 004	3 865 380
First Mutual Health Company (Private) Limited	284 213 543	-

As at 31 December 2023		
Company		
First Mutual Reinsurance Company Limited	83 655 570	27 123 200
FMRE Property and Casualty (Proprietary) Limited	191 178 398	50 767 850
NicozDiamond Insurance Limited	111 618 266	27 123 200
First Mutual Life Assurance Company (Private) Limited	439 076 012	27 123 200
First Mutual Microfinance (Private) Limited	10 040 132	339 040
First Mutual Wealth (Private) Limited	8 643 956	2 034 240
First Mutual Health Company (Private) Limited	125 517 953	-

The operations of the Group are subject to regulatory requirements which impose certain restrictive provisions such as capital adequacy to minimise the risk of default and insolvency to meet unforeseen liabilities as these arise. SI 95 of 2017 Insurance(Amendment) Regulations Section 2 defines capital as the amount of the insurers' total admissable assets in excess of the amount of its liabilities including contingent and prospective liabilities. It is the Company's objective to retain a positive capital ratio to support the development of the business. The Group manages its capital structure and makes adjustments to it, in light of changes in the economic conditions.

5 SEGMENTAL RESULTS AND ANALYSIS FOR THE YEAR ENDED 31 DECEMBER 2024

Segment information is presented in respect of the Group's operating segments. The Group's businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The individual businesses are aggregated into segments with similar economic characteristics.

Measurement of segment assets and liabilities and segment income, expenses and results is based on the accounting policies set out in the accounting policy notes.

Intersegment transactions, which occurred during the year, are conducted at an arm's length basis

The Group comprises five reportable operating segments:

Life, Health and pensions business (life assurance)
The insurance segment comprises life assurance, health insurance and reassurance.

Property and casualty insurance (short term insurance)
The segment comprises direct insurance and reinsurance.

Property
This relates to the property management and development.

Other segment
Other segment comprises the holding company, funeral services, microlending and wealth management.

Revenue from external customer for each product and service has not been included in the segmental analysis because it is not practical and cost effective due to the wide range of products and services offered by the Group. There is also no revenue from a single customer that represents 10% or more across all subsidiaries.

As at 31 December 2024	Life and Health ZWG	General Insurance ZWG	Reinsurance ZWG	Property ZWG	Other ZWG	Gross Figures ZWG	Consolidation Entries ZWG	Total Consolidated ZWG
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	738 438 601	1 223 949 995
Cash flows generated from/(utilised in) investing activities	(1 397 577)	35 656	(3 531 253)	(51 762)	(5 717 613)	(10 662 549)	(24 432 816)	(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	84 909 396	89 277 166

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

5 SEGMENTAL RESULTS AND ANALYSIS
FOR THE YEAR ENDED 31 DECEMBER 2024

As at 31 December 2023	"AUDITED RESTATED"	"AUDITED RESTATED"	"AUDITED RESTATED"	"AUDITED RESTATED"	"AUDITED RESTATED"	"AUDITED RESTATED"	"AUDITED RESTATED"	"AUDITED RESTATED"
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

Analysis of additions during the year

Additions to non-current assets	Land and buildings ZWG	Office equipment ZWG	Motor vehicles ZWG	Office furniture ZWG	Investment property ZWG	Total ZWG
As at 31 December 2024	-	27 711 991	1 652 534	696 877	51 598 082	30 061 402
As at 31 December 2023	-	27 814 457	2 915 676	12 462 741	42 891 727	86 084 601

Geographical concentration of insurance contract revenue

December 2024	Life and Health insuarnce ZWG	General Insurance ZWG	Reinsurance ZWG	Property ZWG	Total ZWG
Zimbabwe	1 351 440 855	762 594 787	415 516 512	-	2 529 552 153
Other countries	-	86 920 390	313 382 349	-	400 302 739
Total	**1 351 440 855**	**792 626 592**	**728 898 861**	**-**	**2 929 854 893**

Geographical concentration of insurance contract revenue

December 2023	Life and Health insuarnce ZWG	General Insurance ZWG	Reinsurance ZWG	Property ZWG	Total ZWG
Zimbabwe	910 690 009	742 757 650	173 157 216	-	1 826 604 875
Other countries	-	2 002 281	702 823 201	-	704 825 482
Total	**910 690 009**	**744 759 931**	**875 980 417**	**-**	**2 531 430 356**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

6 GROUP - PROPERTY, PLANT AND EQUIPMENT

Year ended 31 December 2023	Land and buildings ZWG	Plant and equipment ZWG	Motor vehicles ZWG	Office furniture ZWG	Total ZWG
Cost					
As at 1 January 2023	17 464 599	46 103 505	29 096 030	9 974 193	102 638 327
Foreign exchange impact of translating to presentation currency	(7 870 928)	(20 777 880)	(13 112 969)	(4 495 159)	(46 256 935)
Additions	-	27 814 457	2 915 676	12 462 741	43 192 874
Effects of exchange rates	-	86 351	15 687	30 763	132 802
Disposals	-	(481 370)	-	-	(481 370)
As at 31 December 2023 (RESTATED)	**9 593 672**	**52 745 064**	**18 914 425**	**17 972 538**	**99 225 698**
Accumulated depreciation					
As at 1 January 2023	2 299 617	20 938 006	25 321 755	7 103 297	55 662 676
Foreign exchange impact of translating to presentation currency	(1 036 389)	(9 436 319)	(11 411 983)	(3 201 307)	(25 085 997)
Charge for the year	7 353	1 732 908	2 225 828	756 896	4 722 985
Effects of exchange rates	-	45 062	4 374	4 601	54 038
Depreciation on disposals	-	(389 668)	-	-	(389 668)
As at 31 December 2023	**1 270 582**	**12 889 989**	**16 139 975**	**4 663 488**	**34 964 033**
Net book amount					
As at 31 December 2023	**8 323 090**	**39 855 075**	**2 774 450**	**13 309 050**	**64 261 665**
Full Year ended 31 December 2024					
Cost					
As at 1 January 2024	9 593 672	52 745 064	18 914 425	17 972 538	99 225 698
Foreign exchange impact of translating to presentation currency	8 635 833	58 575 180	17 696 777	16 398 229	101 306 018
Additions	-	27 711 991	1 652 534	696 877	30 061 402
Effects of foreign exchange rates	-	(199 144)	(7 354)	(102 223)	(308 721)
Disposals	-	(297 911)	-	(54 873)	(352 784)
As at 31 December 2024	**18 229 504**	**138 535 180**	**38 256 381**	**34 910 548**	**229 931 614**
Accumulated depreciation					
As at 1 January 2024	1 270 582	12 889 989	16 139 975	4 663 488	34 964 033
Foreign exchange impact of translating to presentation currency	1 143 726	18 285 921	15 636 101	5 280 142	40 345 889
Charge for the year	-	10 359 117	1 659 725	1 708 528	13 727 370
Effects of exchange rates	-	(167 255)	(4 828)	(54 942)	(227 025)
Depreciation on disposals	-	(206 360)	-	(36 482)	(242 841)
As at 31 December 2024	**2 414 307**	**41 161 413**	**33 430 972**	**11 560 734**	**88 567 426**
Net book amount					
As at 31 December 2024	**15 815 197**	**97 373 767**	**4 825 410**	**23 349 814**	**141 364 188**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

6.1 RIGHT OF USE ASSETS

This note provides information for leases where the Group is a lessee. For leases where Group is lessor, refer to note 7 on investment properties. The Group has leases locally in Zimbabwe and regionally in Gaborone, Botswana with lease periods of 5 years and 3 years. Local lease arrangements were added during the current year. The discounted rate used for both leases is the incremental borrowing rate of 13.00% (2023: 10.75%). There were no modifications made to the first lease agreement during the year.

i Lease assets

	December 2024 ZWG	December 2023 RESTATED ZWG
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)
As at the end of reporting period	**9 913 154**	**16 912 882**

ii Lease liabilities

	December 2024 ZWG	December 2023 RESTATED ZWG
As at 1 January	8 618 622	2 488 517
Foreign exchange impact of translating to presentation currency	6 487 339	(1 121 522)
Addition- new lease	2 496 622	17 401 797
Exchange rate effects	(1 924 503)	13 917 732
Liability repayments	(3 688 908)	(2 815 191)
Interest accrued	1 356 267	1 926 003
Interest paid	(1 356 267)	(1 926 003)
Monetary loss adjustment		(21 252 710)
As at the end of reporting period	**11 989 172**	**8 618 622**
	-	
Of which are :		
Current lease liabilities	4 708 148	3 384 533
Non-Current lease liabilities	7 281 024	5 234 089
As at the end of reporting period	**11 989 172**	**8 618 622**

	Group December 2024 ZWG	Group December 2023 RESTATED ZWG
Depreciation charge of right of use asset	4 413 705	1 329 267
Interest expense (included under finance costs)	1 472 923	1 926 003

7 INVESTMENT PROPERTY

	December 2024 ZWG	December 2023 RESTATED ZWG
As 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)
Total additions	51 598 082	42 891 727
Additions to properties under development	51 598 082	42 462 479
Improvements to existing properties	-	429 247
Transfer to or from Non-current assets held for sale		422 020
Disposals	(3 630 247)	(7 111 047)
Fair value adjustments	(1 324 360 327)	1 207 893 422
As at the end of the period	**3 457 917 410**	**2 468 777 679**

There was no investment property that was encumbered as at 31 December 2024 (2023 nil)

7 INVESTMENT PROPERTY

7.1 Fair value hierarchy

The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy;

31 December 2024	Level 1 ZWG	Level 2 ZWG	Level 3 ZWG	Total ZWG	Total gain/ (loss) in the period in the statement of comprehensive income ZWG
CBD retail	-	-	489 614 800	489 614 800	(157 523 237)
CBD offices	-	-	601 195 436	601 195 436	(105 713 728)
Office parks	-	-	812 245 184	812 245 184	(613 337 201)
Suburban retail	-	-	184 249 780	184 249 780	(85 324 440)
Industrial	-	-	330 103 452	330 103 452	(82 872 379)
Commercial lodge	-	-	3 865 380	3 865 380	(1 133 686)
Residential	-	-	235 697 988	235 697 988	(48 126 175)
Land*	-	-	800 945 390	800 945 390	(230 329 482)
Total	**-**	**-**	**3 457 917 410**	**3 457 917 410**	**(1 324 360 327)**

31 December 2023	Level 1 RESTATED ZWG	Level 2 RESTATED ZWG	Level 3 RESTATED ZWG	Total RESTATED ZWG	Total gain/ (loss) in the period in the statement of comprehensive income RESTATED ZWG
CBD retail	-	-	339 088 050	339 088 050	171 581 718
CBD offices	-	-	371 031 453	371 031 453	227 851 051
Office parks	-	-	706 245 605	706 245 605	309 652 737
Suburban retail	-	-	141 066 333	141 066 333	71 396 096
Industrial	-	-	216 557 614	216 557 614	109 217 366
Commercial lodge	-	-	2 620 198	2 620 198	1 040 930
Residential	-	-	151 605 181	151 605 181	37 591 901
Land*	-	-	540 563 244	540 563 244	279 561 622
Total	**-**	**-**	**2 468 777 679**	**2 468 777 679**	**1 207 893 422**

* This consists of land earmarked for future developments.

Losses and gains recorded in statement of comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWG684.86 million loss (December 2023 ZWG1,208.34 million gain) and are presented in the consolidated statement of comprehensive income in line item; 'fair value adjustments – investment property'.

All gains and losses recorded in statement of comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

Valuation techniques used to derive level 3 fair values

The table below presents the following for each class of the investment property:

- The fair value measurements at the end of the reporting period;
- The level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorized in their entirety;
- A description of the valuation techniques applied;
- The inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
- Level 3 fair value measurements, quantitative information about the significant unobservable inputs used in the fair value measurement

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

7 INVESTMENT PROPERTIES (continued)
7.1 Fair value hierarchy (continued)

Class of Property	Fair Value 31 December 2024 ZWG	Fair Value 31 December 2023 RESTATED ZWG	Valuation Technique	Key unobservable Inputs	December 2024 Range	December 2023 RESTATED Range
CBD retail	489 614 800	339 088 050	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWG103.19 - ZWG154.79 10.00%-11% 5% - 70%	ZWG54.25- ZWG67.81 8%-10% 5% - 50%
CBD offices	601 195 436	371 031 453	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWG206.39 - ZWG257.99 7.00%-9.00% 6%-26%	ZWG108.41- ZWG136.62 6%-8% 6%-20%
Office parks	812 245 184	706 245 605	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWG257.99 - 773.96 8.5%-10.00% 0% - 69%	ZWG67.81- ZWG271.23 6%-12% 0% - 41%
Suburban retail	184 249 780	141 066 333	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWG257.99 - ZWG773.96 7.00%-10.00% 5% - 70%	ZWG67.81- ZWG203.42 6%-10% 5% - 50%
Industrial	330 103 452	216 557 614	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	ZWG51.60 - ZWG128.99 12% - 14% 0% - 69%	ZWG27.12- ZWG42.72 10%-12% 0% - 41%
Commercial lodge*	3 865 380	2 620 198	Market comparable	Comparable transacted properties prices		
Land- Residential	88 517 202	75 248 043	Market comparable	Rate per square metre	ZWG515.97 - ZWG1 031.94	ZWG135.62- ZWG678.08
- Commercial	712 428 188	465 315 202	Market comparable	Rate per square metre	ZWG1 031.94 - ZWG2 063.88	ZWG678.08- ZWG1 627.40
Residential	235 697 988	151 605 181	Market comparable	Comparable transacted properties prices		
Total	**3 457 917 410**	**2 468 777 679**				

*We have not provided yield rates & void rates for the commercial lodge as they are not applicable to the property which has been valued by making reference values of comparative properties as required by IFRS 13.

Descriptions and definitions
Below are descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values:

i. Income capitalisation method
Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitali
and under-rent situations are separately capitalised (discounted on yield rate).

ii. Market comparable method
Under the market comparable method (or market comparable approach), a property's fair value is estimated based on comparable transactions. The unit of comparison applied by the Group is the price per square metre ("sqm").

iii. Rent per square metre
The rent at which space could be let in the market conditions prevailing at the date of valuation. The unit of comparison is the rental rate per square metre.

iv. Vacancy rate
The Group determines the vacancy rate which can be based on the percentage of estimated vacant space divided by the total lettable area.

v. Prime yield
The prime yield is defined as the internal rate of return of the cash flow from the property, assuming a rise to estimated rental value ("ERV") at the next review, but with no further rental growth.

7 INVESTMENT PROPERTIES (continued)
7.1 Fair value hierarchy (continued)

vi. Annual yield
The percentage of the property value received over a year through rental earnings.

vii. Comparable of transacted property
A comparable property is a property selected to help estimate the value of a subject property in a given market.

Sensitivity analysis to significant changes in unobservable inputs within level 3 of the hierarchy.
The significant unobservable inputs used in the fair value measurement categorised within level 3 of the value hierarchy of the Group's portfolio of investment property are :
- prime yield;
- vacancy rate;
- rental per square meter; and
- comparable transacted properties.

Significant increases/(decreases) in the comparable transacted properties and rental per square metre in isolation would result in a higher/(lower) fair value measurement.

Significant increases/(decreases) in the long-term void rate and prime yield in isolation would result in a lower/(higher) fair value measurement.

Analysis of property portfolio	**Lettable space m2**		**% of portfolio**	
Sector	**December 2024**	**December 2023**	**December 2024**	**December 2023**
Industrial	953 383	501 740	30%	30%
CBD offices	883 819	429 651	26%	26%
Office parks	665 850	350 422	21%	21%
Suburban retail	199 016	104 732	6%	6%
CBD retail	565 582	297 653	18%	18%
Total	**3 267 651**	**1 684 200**	**100%**	**100%**

Investment property is stated at fair value, which is determined based on valuations performed by Knight Frank Zimbabwe, an accredited independent property valuer, as at 31 December 2024. Investment property is stated based on a desktop valuation. Knight Frank Zimbabwe is an industry specialist in valuing these types of investment properties. The fair values of some properties have been determined by using comparable transactions. Valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied.

Valuation process
The Group's valuation policies and procedures for property are determined by a management committee. Each year, the committee decides, after advising the Audit and Actuarial Committee, which external valuer to appoint to be responsible for the external valuation of the Group's property portfolio. The selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained.

The management committee decides, after discussions with the Group's external valuers and the Group's Valuation Department:
- whether a property's fair value can be reliably determined;
- which valuation method should be applied for each property (the methods that are applied for fair value measurements categorized within level 3 of the fair value hierarchy are market comparable and the income capitalization method); and
- the assumptions made for the unobservable inputs that are used in the valuation methods (the major observable inputs are rental per square metre, vacancy rate and prime yield).

As at each year-end, all properties are valued by external valuers. At each reporting date, the Valuation Department analyses the movements in each property value. For this analysis, the Valuation Department verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts (for example rent amounts in lease agreements), market reports (for example market rent, capitalisation rates in property market reports) and other relevant documents. In addition, the accuracy of the computation is tested on a sample basis. For each property, the latest valuation is compared with the valuations of the preceding annual periods. If fair value changes (positive or negative) are abnormal, the changes are further analysed for example by having discussions with external valuers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

7 INVESTMENT PROPERTIES (continued)
7.1 Fair value hierarchy (continued)

The Internal Valuation Department also compares each property's change in fair value with relevant external sources (e.g. the investment property database or other relevant benchmark) to determine whether the change is reasonable.

On an annual basis, after the Management Committee discusses the valuations with the Valuation Department, they present the valuation results with the Group's external valuers to the Audit and Actuarial Committee and the Group's independent auditor. This includes a discussion of the major assumptions used in the valuations, with an emphasis on:
- properties with fair value changes that are abnormal; and
- investment property under construction.

Yield rate risk and sensitivity
The rental rate yield represents the net income expected in year zero divided by the current property values (historic or trailing income yield). The risk arises when void levels in the portfolio increase. This increase will consequently result in a reduction in net incomes. Where net incomes remain constant, a reduction in the yield rates will result in the increased property values. The table below highlights the sensitivity to a reasonable possible change in the yield rate applied to values of the investment properties. With all other variables held constant, the Group's profit before tax, investments property, and deferred taxation are affected through the impact on the fluctuating yield rate as follows:

	December 2024		December 2023 RESTATED	
Sensitivity analysis.	**Decrease in yield 10%**	**Increase in yield 10%**	**Decrease in yield 10%**	**Increase in yield 10%**
Investment property	3 112 125 669	3 803 709 151	2 687 368 876	2 198 756 353
Deferred tax effect	17 285 078	(17 285 078)	12 215 313	(12 215 313)
Effects of rebasing	-	-	-	-
Profit for the year	345 791 741	(345 791 741)	244 306 261	(244 306 261)
Equity	328 416 475	(328 416 475)	232 090 948	(232 090 948)

As at 31 December 2024, if the average yield was 10% higher holding other variables constant, investment property value will decrease by ZWG346 million (2023: ZWG 244 million) and deferred tax liabilities will decrease by ZWG 17 million (2023: ZWG 12 million) 31 December 2024, if the average yield rate was 10% lower holding other variables constant, investment property value will increase by ZWG 346 million (2023: ZWG 244 million) and the deferred tax liabilities will increase by ZWG 17 million (2023: ZWG 12 million)

7.2 Investment property held for sale

During the year ended 31 December 2024, no property was held for sale however in 2023 a residential parcel of land which was classified as held for sale. The asset was reclassified from current assets to investment property as disclosed below.

	December 2024 ZWG	December 2023 RESTATED ZWG
Opening balance	-	768 258
Foreign exchange impact of translating to presentation currency	-	(346 231)
Transfer from investment properties	-	(925 335)
Fair value gain	-	503 308
Closing balance	-	-

Investment property held for sale are under the level 3 category of the fair value hierarchy. The sensitivities on key inputs are included on note 7.1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

		December 2024 ZWG	December 2023 RESTATED ZWG
8	**INTANGIBLE ASSETS**		
8.1	**SOFTWARE**		
	Cost		
	As at 1 January	3 015 104	5 488 784
	Foreign exchange impact of translating to presentation currency	2 817 642	(2 473 679)
	Additions	253 990	-
	As at the end of the period	**6 086 737**	**3 015 104**
	Accumulated amortisation and impairment losses		
	Year ended 31 December		
	As at 1 January	2 589 796	4 610 880
	Foreign exchange impact of translating to presentation currency	2 362 044	(2 078 027)
	Charge for the year	75 602	56 943
	As at the end of the period	**5 027 442**	**2 589 796**
	Carrying amount		
	As at 31 December	**1 059 295**	**425 309**

Intangible assets refer to the short-term insurance business, Premia system. The intangible assets are amortised over their useful economic lives, determined by management to be seven years and amortisation is recognized in statement of comprehensive income. As at 31 December 2024, these assets were not tested for impairment, and management determined that no impairment is required in respect of these intangibles (2023: ZWGnil).

		December 2024 ZWG	December 2023 RESTATED ZWG
8.2	**Goodwill**		
	Carrying amount		
	At 1 January	3 048 198	3 028 247
	Foreign exchange impact of translating to presentation currency	2 743 864	(1 364 767)
	Foreign exchange remeasurement	-	1 384 718
		5 792 062	**3 048 198**

Goodwill is classified as a non-current asset. The goodwill arose from the acquisition of control in Diamond Seguros Insurance Limited. The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit ("CGU") is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. The table below sets out the key assumptions in the calculation of the value in use:

Key assumptions	Approach to determine value in use
Operating cashflows	Expected growth based on the strategic change in the business model, through introduction of and reduction in operating and administration expenses.
Annual capital expenditure	These are based on the planned strategic change. These are not expected to result in an increase in gross premiums or cost savings.
Weighted average long-term growth rate (5%)	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
Pre tax discount rate (30.61%)	Discount rates represent the current market assessment of the risks specific Diamond Seguros, taking into consideration the time value of money and its individual risks that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of Diamond Seguros. This has been developed using the Capital asset pricing model (CAPM) which has estimated the Beta, Risk free return and Market return which were developed on the basis of market factors and researched. These adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. Management recognises that the continuous changes in the industry and the possibility of new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

8 INTANGIBLE ASSETS
8.2 Goodwill

The value in use determined in prior year was ZWG6.78 million an amount that is 9 times higher than the goodwill carrying amount plus Diamond Seguros's net assets as at 31 December 2023 of ZWG12.90 million.
.If the future cashflows (terminal value) are assumed to be zero there will still be no impairment. Diamond Seguros business operated profitably in 2024 and amongst other projects introduced a new product- Health services which is an indicator of Company growth.

Impact of possible changes to the key assumptions
Operating cashflows
If the operating cashflows are 10% less than estimated by management (holding all other variables constant) as at 31 December 2024, there will still be no impairment.

Weighted average long term discount rate
The weighted average long-term growth of 7% is the least estimated over the company, calculated on the basis of growth in insurance contract revenue over the 5 year span. The weighted average growth of 7% have been adjusted for risk by 50%. Any decrease in this rate,i.e by 1% to 2% (holding other variables constant) will not result in an impairment of the goodwill.

Discount rate
A rise in the pre-tax discount rate to 30.61%(i.e.,+3.19%) in the company's current rate would not result in an impairment. The Group would still not have recognised an impairment. If the discount rate is increased by 20% there will still be a ZWG12.9 million headroom over the Diamond Seguros net assets. The Directors and management have considered and assessed reasonably possible changes for other key assumptions and ha that could cause the carrying amount of Diamond Seguros Insurance Limited to exceed its recoverable amount.

9 Investment in gold coins

	December 2024 ZWG	December 2023 RESTATED ZWG
At 1 January	6 734 940	5 534 093
Foreign exchange impact of translating to presentation currency	4 422 871	(2 494 099)
Additions	203 672	518 610
Fair value gain/(loss)	4 695 770	3 176 336
At the end of the period	**16 057 252**	**6 734 940**

9.1 Fair value hierarchy
The following table shows an analysis of the fair values of investment in gold coins recognised in the statement of financial position by level of the fair value hierarchy;

31 December 2024	Level 1 ZWG	Level 2 ZWG	Level 3 ZWG	Total ZWG	Total gain/ (loss) in the period in the statement of comprehensive income ZWG
Gold coins	16 057 252	-	-	16 057 252	4 695 770
Total	**16 057 252**	**-**	**-**	**16 057 252**	**4 695 770**

31 December 2023	Level 1 RESTATED ZWG	Level 2 RESTATED ZWG	Level 3 RESTATED ZWG	Total RESTATED ZWG	Total gain/ (loss) in the period in the comprehensive income RESTATED ZWG
Gold coins	6 734 940			6 734 940	3 176 336
Total	**6 734 940**	**-**	**-**	**6 734 940**	**3 176 336**

The gold coins are classified under level 1 as the values for these are readily available and accessible in the international market, our reference point being the data published on the Reserve Bank of Zimbabwe website.

10 INVESTMENT IN ASSOCIATES

Investment in associates

Through its 100% share ownership in NicozDiamond Insurance, the Group holds significant influence in one associate; United General Insurance Limited ("UGI") which is involved in short-term insurance. The Acquisition of the short-term insurance associates through NDIL enhances the Group's penetration in the regional market. Management is currently reviewing the performance and strategic fit of the foreign associate with a view to increase shareholding. Set out below are the associates as at 31 December 2024 which, in the opinion of the directors, are material to the Group. The companies listed below have share capital consisting solely of ordinary shares. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest. In addition, through First Mutual Properties Limited the group holds significant influence in Builstate investments, an associated company. The Group has a 37.48% interest in Builstate Investments (Private) Limited , which is involved in Fast-moving consumer goods. Builstate Investments (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Builstate Investments (Private) Limited was accounted for using the equity method in the consolidated financial statements.

Furthermore, FMP has a 30.95% interest in Greencroft Properties (Private) Limited , which is involved in development of properties. Greencroft Properties (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Greencroft Properties (Private) Limited was accounted for at cost in the Group consolidated financial statements. Interest in Greencroft Properties (Private) Limited raised from the Group participating in purchase of land at which development is yet to start for the construction of a hospital.

		December 2024 ZWG	December 2023 RESTATED ZWG
Reconciliation of the carrying amount			
Opening balance		12 272 021	27 623 556
Foreign exchange impact of translating to presentation currency		15 461 147	(12 178 544)
Additions		4 621 821	-
Disposal		-	(9 312 339)
Gain on bargain purchase (Rights issue)		5 624 970	-
Share of associates other comprehensive income	-	694 194	178 678
Share of movement in foreign currency translation reserve		(3 382 162)	792 063
Share of associates profit/(losses)		4 339 622	5 263 805
Dividend received		-	(95 199)
Closing balance		**39 631 612**	**12 272 021**
Movement Through P&L			
Gain on bargain purchase (Rights issue)		5 624 970	-
Share of associates other comprehensive income		4 339 622	5 263 805
		9 964 593	**5 263 805**

Name of entity	Country of incorporation	% of ownership through NDIL, FMP and/or FMHC 2024	2023	Method of measurement	Carrying amount December 2024	December 2023
United General Insurance Company Limited ("UGI")	Malawi	24%	34%	Equity method	29 741 288	6 802 758
Greencroft Properties (Private) Limited ("GCP")	Zimbabwe	31%	29%	Equity method	2 913 672	1 395 266
Builstate Investments (Private) Limited ("BI")	Zimbabwe	37%	37%	Equity method	6 976 652	4 073 997
					39 631 613	**12 272 021**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

10 INVESTMENT IN ASSOCIATES

Haematology Centre (HC) was fully impaired in the prior year.
The tables below provide summarised financial information for the associates.
Summarised Statement of Financial Position for associates

	GCP 2 024	GCP 2023 RESTATED	BI 2 024	BI 2023 RESTATED	UGI 2 024	UGI 2023 RESTATED	CLPB 2023 RESTATED
Non-current assets	9 414 126	4 731 318	16 252 445	9 367 865	86 702 286	31 179 693	-
Current assets	-	-	4 330 411	3 618 514	220 353 987	140 959 012	-
Non-current liabilities	-	-	(1 629 387)	(2 042 903)	(1 595 674)	(322 091)	-
Current liabilities	-	-	(339 135)	(73 687)	(175 870 647)	(151 798 852)	-
Total equity	**9 414 126**	**4 731 318**	**18 614 334**	**10 869 788**	**129 589 952**	**20 017 762**	**-**
Summarised Statement Comprehensive Income for associates							
Total revenue	-	-	1 675 471	14 222 883	110 567 767	105 148 601	-
Total expenses	-	-	(1 523 517)	(5 642 343)	(80 963 461)	(96 932 899)	-
Profit/(loss) before income tax	-	-	151 954	8 580 541	29 604 306	8 215 703	-
Reconciliation of carrying amount for associates							
As at 1 January	**1 395 266**	**2 539 982**	**4 073 997**	**3 089 966**	**6 802 758**	**5 534 149**	**16 459 459**
Foreign exchange impact of translating to presentation currency	1 331 974	(1 144 716)	3 119 480	(1 392 583)	11 009 693	(2 494 125)	(7 147 120)
Loss on transaction with equity participants				-	5 624 970	-	-
Disposal				-		-	(9 312 339)
Profit/(loss) for the year			(216 824)	2 471 813	4 556 446	2 791 992	-
Other comprehensive income			-	-	694 194	178 678	-
Investment	186 432			-	4 435 388	-	-
Dividend received				(95 199)		-	-
Foreign exchange differences on translation of foreign operations					(3 382 162)	792 063	
As at 31 December	**2 913 672**	**1 395 266**	**6 976 652**	**4 073 997**	**29 741 288**	**6 802 758**	**-**
Group's share in %	31%	29%	37%	37%	24%	34%	0%
Group's share of net assets	2 913 672	1 395 266	6 976 652	4 073 997	29 741 288	6 802 758	-
Carrying amount	**2 913 672**	**1 395 266**	**6 976 652**	**4 073 997**	**29 741 288**	**6 802 758**	**-**

11 CLASSIFICATION OF FINANCIAL ASSETS

The Group's financial instruments are summarised by category as follows:	**December 2024 ZWG**	**December 2023 RESTATED ZWG**
Financial assets		
Financial assets at fair value through profit or loss (note 11.1)	973 508 683	505 853 020
Debt securities at amortised cost (note 11.2)	357 691 700	120 375 618
Total financial assets	**1 331 200 383**	**626 228 638**
Tenant and other receivables		
Rental receivables at amortised cost (note 14.1)	33 500 089	9 607 399
Other receivables excluding prepayments at amortised cost (note 14.2)	165 237 264	43 891 849
Total tenant and other receivables	**198 737 353**	**40 287 848**
Cash and balances with banks at amortised cost (note 15)	805 412 171	239 788 990
Total financial instruments	**2 335 349 907**	**906 305 476**

11 CLASSIFICATION OF FINANCIAL ASSETS

11.1 Financial assets at fair value through profit or loss

	December 2024 ZWG	December 2023 RESTATED ZWG
Fair value		
As 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
As at 31 December	**973 508 683**	**505 853 020**

11.2 Debt securities at amortised cost

	December 2024 ZWG	December 2023 RESTATED ZWG
As 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)
As at 31 December	**357 691 700**	**120 375 618**
Current	93 587 498	33 844 492
Non current	264 104 202	86 531 125
Total	**357 691 700**	**120 375 618**

Impairment and risk exposure
Note 4.3 sets out information about the impairment of financial assets and the Group's exposure to credit risk. During the year there were no impairment from assessment.

11.3 Determination of fair value and fair values hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique as on note 2.12.

The following table shows an analysis of financial instruments recorded at fair value of the fair value hierarchy:

	Level 1 ZWG	Level 2 ZWG	Level 3 ZWG	Total fair value ZWG
As at 31 December 2024				
Financial assets mandatorily at fair value through profit or loss	801 463 278	-	172 045 405	973 508 683
Total financial assets recorded at fair value	**801 463 278**	**-**	**172 045 405**	**973 508 683**
As at 31 December 2023				
Financial assets mandatorily at fair value through profit or loss	420 156 415	-	85 696 605	505 853 020
Total financial assets recorded at fair value	**420 156 415**	**-**	**85 696 605**	**505 853 020**

During the year there were no transfers of financial assets between levels 1, 2 and 3 (2023: ZWG nil).

Valuation techniques for financial assets measured at fair value

Quoted equity investments valuation
Level 1 is made up of the Group's investments in equities securities quoted on the Zimbabwe Stock Exchange and Victoria Fall Stock Exchange. The carrying values of the financial instruments approximates their fair values because of their short term in nature.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

11 CLASSIFICATION OF FINANCIAL ASSETS (continued)
11.3 Determination of fair value and fair values hierarchy (continued)

Unquoted equity investments valuation
Level 3 is made up of unquoted equity investments, held through Mangwana Opportunities (Private) Limited, Arlington, Merspin, Sterling midlands and Property fund 2 all domiciled in Zimbabwe

	December 2024 ZWG	December 2023 RESTATED ZWG
As at 1 January	163 022 348	68 362 877
Foreign exchange impact of translating to presentation currency	2 481 863	(30 809 711)
Additions	-	6 554 083
Fair value gain on unquoted investments	6 541 194	41 589 356
Closing balance	**172 045 405**	**85 696 605**

i) Mangwana Opportunities (Private) Limited
The value of Mangwana Opportunities was a sum of parts of the underlying investments valued using the DCF approach.

Valuation process
The Company engaged an independent consultant to assist in determining the fair values of the unlisted equities as at 31 December 2024.

Management provides the independent consultant with prior periods' audited financials statements, future projected cashflows and other non-financial strategic information and they perform the following:
- determine the free cashflows of the business;
- determine the discount rate;
- calculation of the terminal value of the investment; and
- calculation of the fair value of investment as at the reporting date.

As part of the engagement, the independent consultant provides the determined valuations for discussions.

Valuation inputs and relationship to fair value
The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements as at 31 December 2024:

11 CLASSIFICATION OF FINANCIAL ASSETS (continued)
11.3 Determination of fair value and fair values hierarchy (continued)

	Fair value at 31 December			Range of inputs (actual rate used)		Relationship of inputs to fair value	
Description	December 2024 ZWG	December 2023 RESTATED ZWG	Key inputs	2024	2023	2024	2023
Mangwana Opportunities (Private) Limited	87 715 985	45 561 124	Earnings growth	1.80% - 2.50%(2.01%)	1.80% - 2.50%(2.01%)	Increase by 5 basis points changes value by ZWG4 390 775. Decrease by 5%, ZWG4 390 775	Increase by 5 basis points changes value by ZWG2 278 050. Decrease by 5% changes value by ZWG2 278 050
			Discounting factor	15.6% - 17.0% (16.3%)	15.6% - 17.0% (16.3%)		
Arlington	3 009 843	2 268 394	Comparable transactions	ZWG738.87 - ZWG2 279.04 (ZWG1 320.37)	ZWG388.40 - ZWG1542.23 (ZWG965.31)	Increase by 5 basis points changes value by ZWG150 663. Decrease by 5% changes value by ZWG150 663	Increase by 5 basis points changes value by ZWG113 416. Decrease by 5% changes value by ZWG113 416.
Merspin	7 976 340	8 971 671	Comparable transactions	ZWG738.87 - ZWG2 279.04 (ZWG1 320.37)	ZWG388.40 - ZWG1542.23 (ZWG965.31)	Increase by 5% changes value by ZWG399 283. Decrease by 5% changes value by ZWG399 283.	Increase by 5% changes value by ZWG448 577. Decrease by 5% changes value by ZWG448 577.
Property Fund 2	8 361 977	4 621 525	Comparable transactions	ZWG738.87 - ZWG2 279.04 (ZWG1 320.37)	ZWG388.40 - ZWG1542.23 (ZWG965.31)	Increase by 10% changes value by ZWG418 581. Decrease by 10% changes value by -ZWG418 581.	Increase by 10% changes value by ZWG231 076. Decrease by 10% changes value by -ZWG231 076.
East African Exchange trade Fund	33 499 960	-	Discounting factor	9.02% - 9.84%		Increase by 10% changes value by ZWG3 353 805. Decrease by 10% changes value by -ZWG3 353 805.	
Sterling Midlands	29 041 399	5 359 761	Comparable transactions	ZWG738.87 - ZWG2 279.04 (ZWG1 320.37)	ZWG2.98 - ZWG388.40 (ZWG209.12)	Increase by 5% changes value by ZWG1 453 720. Decrease by 5% changes value by -ZWG1 453 720	Increase by 5% changes value by ZWG267 991. Decrease by 5% changes value by -ZWG267 9911

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

11 CLASSIFICATION OF FINANCIAL ASSETS (continued)

11.4 Comparison of carrying amounts and fair values for assets and liabilities not held at fair value

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following table summarises the fair value of assets andliabilities not measured at fair value on the entity's statement of financial position.

Financial assets	2024 ZWG Carrying value	2024 RESTATED ZWG Fair value
Debt securities at amortised cost	357 691 700	120 375 618
Tenant and other receivables (excluding prepayments)	198 737 353	40 287 848
	556 429 053	**160 663 466**

The carrying amount of trade and other receivables closely approximates its fair value as the instruments are short term in nature.

Financial liabilities	2024 ZWG Carrying value	2024 RESTATED ZWG Fair value
Trade and other payables (excluding statutory liabilities)	265 565 594	110 964 987
Borrowings	212 028 411	69 568 785
	477 594 005	**180 533 772**

The carrying amounts of financial liabilities carried at amortised cost closely approximate their fair values. The impact of discounting on borrowings and trade and other payables is not significant due to the market terms (rates and tenor) available (borrowings) and because the instruments are short term in nature (trade and other payables).

12 INVENTORY	December 2024 ZWG	December 2023 RESTATED ZWG
Consumables	13 622 243	4 048 833
Total	**13 622 243**	**4 048 833**

There was no write off of inventories during the year ended 31 December 2024 (2023: ZWG nil). The cost of inventory recognised as an expense included in the income statement was ZWG 35 672 499 (2023: ZWG 14 960 900)

13 COMPOSITION OF THE BALANCE SHEET- INSURANCE, REINSURANCE AND INVESTMENT CONTRACTS

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

Note	Life Risk 13.3	Savings- PAA 13.4	Savings- VFA 13.5	Health 13.2	Property and Casualty 13.1	Total	Current Portion	Non-Current Portion	Total
As at 31 December 2024									
Insurance contract assets	-	-		-	-	-	-	-	-
Insurance contract liabilities	(21 441 595)	(1 475 354 667)	(217 345 259)	(201 640 385)	(956 693 474)	(2 872 475 380)	(2 655 130 121)	(217 345 259)	(2 872 475 380)
Net insurance contract assets/ (liabilities)	**(21 441 595)**	**(1 475 354 667)**	**(217 345 259)**	**(201 640 385)**	**(956 693 479)**	**(2 872 475 380)**	**(2 655 130 121)**	**(217 345 259)**	**(2 872 475 380)**
Reinsurance contract assets	1 081 154	-	-	-	440 384 952	441 466 106	441 466 106	-	441 466 106
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets/ (liabilities)	**1 081 154**	**-**	**-**	**-**	**440 384 952**	**441 466 106**	**441 466 106**	**-**	**441 466 106**
RESTATED as at 31 December 2023									
Insurance contract assets	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	(11 501 396)	(962 715 874)	(190 026 094)	(107 969 548)	(465 511 320)	(1 737 724 232)	(1 547 698 138)	(190 026 094)	(1 737 724 232)
Net insurance contract assets/ (liabilities)	**(11 501 396)**	**(962 715 874)**	**(190 026 094)**	**(107 969 548)**	**(465 511 320)**	**(1 737 724 232)**	**(1 547 698 138)**	**(190 026 094)**	**(1 737 724 232)**
Reinsurance contract assets	346 172	-	-	-	228 473 940	228 820 112	228 820 112	-	228 820 112
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
Net reinsurance contract assets/ (liabilities)	**346 172**	**-**	**-**	**-**	**228 473 940**	**228 820 112**	**228 820 112**	**-**	**228 820 112**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.1 Property and Casualty
13.1.1 Property and Casualty - Insurance contracts issued

Reconciliation of the liability for remaining coverage and the liability for incurred claims

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

	2 024					
	Liability for remaining coverage		Liability for incurred claims for contracts under PAA			
Property and Casualty - Insurance contracts issued	**Excluding loss comp.**	**Loss comp**	**LIC for contracts not under the PAA**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	**Total**
Net balance as at 1 January	**267 870 379**	**-**	**-**	**175 031 997**	**22 608 945**	**465 511 320**
Insurance revenue	**(1 299 621 861)**	**-**	**-**	**-**	**-**	**(1 299 621 861)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	-	467 912 504	-	467 912 504
Changes that relate to past service adjustments to the LIC	-	-	-	11 876 842	(2 596 110)	9 280 732
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	485 537 396	-	-	-	-	485 537 396
Insurance service expenses	**485 537 396**	**-**	**-**	**479 789 346**	**(2 596 110)**	**962 730 632**
Insurance service result	**(814 084 465)**	**-**	**-**	**479 789 346**	**(2 596 110)**	**(336 891 229)**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(814 084 465)**	**-**	**-**	**479 789 346**	**(2 596 110)**	**(336 891 229)**
Foreign exchange impact of translating to presentation currency	282 182 252			188 572 884	19 293 151	490 048 288
Cash flows						
Premiums received	1 181 142 842	-	-	-	-	1 181 142 842
Claims and other directly attributable expenses paid	-	-	-	(409 091 118)	-	(409 091 118)
Insurance acquisition cash flows	(434 026 629)	-	-	-	-	(434 026 629)
Total cash flows	**747 116 213**	**-**	**-**	**(409 091 118)**	**-**	**338 025 095**
Net balance as at 31 December	**483 084 379**	**-**	**-**	**434 303 109**	**39 305 986**	**956 693 474**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.1 Property and Casualty (continued)
13.1.1 Property and Casualty - Insurance contracts issued (continued)

	RESTATED 2023					
	Liability for remaining coverage		Liability for incurred claims for contracts under PAA			
Property and Casualty - Insurance contracts issued	Excluding loss comp.	Loss comp	LIC for contracts not under the PAA	Present value of future cash flows	Risk adj. for non-fin. risk	Total
Net balance as at 1 January	**86 345 487**	**-**	**-**	**370 269 375**	**19 230 769**	**475 845 631**
Insurance revenue	**(1 580 219 173)**	**-**	**-**	**-**	**-**	**(1 580 219 173)**
Insurance service expenses	**-**	**-**	**-**	**-**	**-**	
Incurred claims and other directly attributable expenses	-	-	-	573 330 617	61 477 619	634 808 235
Changes that relate to past service adjustments to the LIC	-	-	-	225 549 553	(5 214 450)	220 335 103
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	595 082 913	-	-	-	-	595 082 913
Insurance service expenses	**595 082 913**	**-**	**-**	**798 880 170**	**56 263 168**	**1 450 226 252**
Insurance service result	**(985 136 260)**	**-**	**-**	**798 880 170**	**56 263 168**	**(129 992 922)**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(985 136 260)**	**-**	**-**	**798 880 170**	**56 263 168**	**(129 992 922)**
Foreign exchange impact of translating to presentation currency	(38 914 095)	-	-	(166 872 619)	(8 666 903)	(214 453 617)
Effects of inflation	-	-	-	(82 095 289)	(44 218 089)	(126 313 379)
Cash flows	**-**	**-**	**-**	**-**	**-**	
Premiums received	1 861 437 582	-	-	-	-	1 861 437 582
Claims and other directly attributable expenses paid	-	-	-	(745 149 640)	-	(745 149 640)
Insurance acquisition cash flows	(655 862 336)	-	-	-	-	(655 862 336)
Total cash flows	**1 205 575 246**	**-**	**-**	**(745 149 640)**	**-**	**460 425 606**
Net balance as at 31 December	**267 870 379**	**-**	**-**	**175 031 997**	**22 608 945**	**465 511 320**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.1 Property and Casualty (continued)

13.1.2 Property and Casualty - Reinsurance contracts held
Reconciliation of the remaining coverage and incurred claims components

The roll-forward of the net asset or liability for reinsurance contracts held, showing the liability for remaining coverage and the liability for incurred claims for portfolios included in property and casualty unit, is disclosed in the table below:

	2024				
	Asset for remaining coverage		Asset for incurred claims for contracts under PAA		
	Remaining coverage	Incurred claims for contracts not under the PAA	Present value of future cash flows	Risk adjustment for nonfinancial risk	Total
Net balance as at 1 January	**(90 585 745)**	**-**	**(124 299 728)**	**(13 588 467)**	**(228 473 940)**
Net income (expenses) from reinsurance contracts held					
Reinsurance expenses	481 395 885				481 395 885
Other incurred directly attributable expenses	(30 043 844)				(30 043 844)
Claims recovered			(177 618 970)		(177 618 970)
Changes that relate to past service - adjustments to incurred claims			2 367 661		2 367 661
Effect of changes in the risk of reinsurers non-performance				5 881 638	5 881 638
Net expenses (income) from reinsurance contracts held	**451 352 041**	**-**	**(175 251 309)**	**5 881 638**	**281 982 371**
Finance income from reinsurance contracts held					-
Total amounts recognised in comprehensive income	**451 352 041**	**-**	**(175 251 309)**	**5 881 638**	**281 982 371**
Foreign exchange impact of translating to presentation currency	(40 792 297)	-	(153 698 869)	(9 833 691)	(204 324 856)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(351 409 043)				(351 409 043)
Recoveries from reinsurance			61 840 517		61 840,517
Total cash flows	**(351 409 043)**	**-**	**61 840 517**	**-**	**(289 568 527)**
Net balance as at 31 December	**(31 435 045)**	**-**	**(391 409 389)**	**(17 540 519)**	**(440 384 952)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.1 Property and Casualty (continued)
13.1.2 Property and Casualty - Reinsurance contracts held (continued)

	RESTATED 2023				
	Liability for remaining coverage		Liability for incurred claims for contracts under PAA		Total
	Remaining coverage	Incurred claims for contracts not under the PAA	Present value of future cash flows	Risk adjustment for nonfinancial risk	
Net balance as at 1 January	**21 697 358**	**-**	**(163 787 921)**	**(10 862 095)**	**(152 952 658)**
Net income (expenses) from reinsurance contracts held	**-**	**-**	**-**	**-**	**-**
Reinsurance expenses	574 177 590	-	-	-	574 177 590
Other incurred directly attributable expenses	(26 217 731)	-	-	-	(26 217 731)
Claims recovered	-	-	(413 502 678)	-	(413 502 678)
Changes that relate to past service - adjustments to incurred claims	-	-	(119 105 392)	-	(119 105 392)
Effect of changes in the risk of reinsurers non-performance	-	-	-	(7 621 689)	(7 621 689)
Net expenses (income) from reinsurance contracts held	**547 959 859**	**-**	**(532 608 069)**	**(7 621 689)**	**7 730 100**
Finance income from reinsurance contracts held	-	-	-	-	-
Total amounts recognised in comprehensive income	**547 959 859**	**-**	**(532 608 069)**	**(7 621 689)**	**7 730 100**
Foreign exchange impact of translating to presentation currency	(9 778 543)	-	73 815 771	(584 586)	63 452 642
Effects of inflation	-	-	29 469 119	5 479 904	34 949 023
Cash flows	**-**	**-**	**-**	**-**	
Premiums paid net of ceding commissions and other directly attributable expenses paid	(650 464 420)	-	127 222 925	-	(523 241 494)
Recoveries from reinsurance	-	-	341 588 447	-	341 588 447
Total cash flows	(650 464 420)	-	468 811 372	-	(181 653 047)
Net balance as at 31 December	**(90 585 745)**	**-**	**(124 299 728)**	**(13 588 467)**	**(228 473 940)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.2 HEALTH

13.2.1 Health - Insurance contracts issued

Reconciliation of the liability for remaining coverage and the liability for incurred claims

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

	2 024					
	Liability for remaining coverage		Liability for incurred claims for contracts under PAA			Total
Health- Insurance contracts issued	**Excluding loss comp.**	**Loss comp**	**LIC for contracts not under the PAA**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	
Net balance as at 1 January	**47 575 503**	**-**	**-**	**60 120 768**	**273 278**	**107 969 548**
Insurance revenue	**(1 126 095 106)**	**-**	**-**	**-**	**-**	**(1 126 095 106)**
Insurance service expenses						**-**
Incurred claims and other directly attributable expenses	-	-	-	787 369 877	107 382	787 477 260
Changes that relate to past service adjustments to the LIC	-	-	-	25 708 694	(9 316)	25 699 378
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	68 795,999	-	-	-	-	68 795 999
Insurance service expenses	**68 795 999**	**-**	**-**	**813 078 571**	**98 066**	**881 972 637**
Insurance service result	**(1 057 299 106)**	**-**	**-**	**813 078 571**	**98 066**	**(244 122 469)**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(1 057 299 106)**	**-**	**-**	**813 078 571**	**98 066**	**(244 122 469)**
Foreign exchange impact of translating to presentation currency	8 061 431	-	-	87 823 172	285 978	96 170 581
Cash flows						
Premiums received	1 040 831 601	-	-	-	-	1 040 831 601
Claims and other directly attributable expenses paid	-	-	-	(730 412 877)	-	(730 412 877)
Insurance acquisition cash flows	(68 795 999)	-	-	-	-	(68 795 999)
Total cash flows	**972 035 602**	**-**	**-**	**(730 412 877)**	**-**	**241 622 725**
Net balance as at 31 December	**(29 626 571)**	**-**	**-**	**230 609 634**	**657 322**	**201 640 385**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.2 HEALTH (continued)

13.2.1 Health - Insurance contracts issued (continued)

	RESTATED 2023					
	Liability for remaining coverage		Liability for incurred claims for contracts under PAA			Total
Health- Insurance contracts issued	**Non-Onerous**	**Loss Component**	**LIC for contracts not under the PAA**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	
Net balance as at 1 January	**32 948 218**	**-**	**-**	**63 006 317**	**172 071**	**96 126 605**
Insurance revenue	**(747 342 569)**	**-**	**-**	**-**	**-**	**(747 342 569)**
Insurance service expenses	**-**	**-**	**-**	**-**	**-**	
Incurred claims and other directly attributable expenses	-	-	-	558 459,455	125 133	558 584 588
Changes that relate to past service adjustments to the LIC	-	-	-	9 580 128	(11 200)	9 568 928
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cash flows armotisation	29 405 334	-	-	-	-	29 405 334
Insurance service expenses	**29 405 334**	**-**	**-**	**568 039 583**	**113 934**	**597 558 851**
Insurance service result	**(717 937 235)**	**-**	**-**	**568 039 583**	**113 934**	**(149 783 718)**
Finance expenses from insurance contracts issued	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(717 937 235)**	**-**	**-**	**568 039 583**	**113 934**	**(149 783 718)**
Foreign exchange impact of translating to presentation currency	(14 849,069)	-	-	(28 395 622)	(77 549)	(43 322 239)
Effects of inflation	-	-	-	(159 344)	64 822	(94 522)
Cash flows	**-**	**-**	**-**	**-**	**-**	
Premiums received	776 818 922	-	-	-	-	776 818 922
Claims and other directly attributable expenses paid	-	-	-	(542 370 166)	-	(542 370 166)
Insurance acquisition cash flows	(29 405 334)	-	-	-	-	(29 405 334)
Total cash flows	**747 413 588**	**-**	**-**	**(542 370 166)**	**-**	**205 043 422**
Net balance as at 31 December	**47 575 503**	**-**	**-**	**60 120 768**	**273 278**	**107 969 548**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.3 Life Risk-PAA
13.3.1 Life Risk- Insurance contract issued

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

	December 2024				
	Liabilities for remaining coverage		Liabilities for incurred claims for contracts under PAA		
December 2024	**Non-Onerous ZWG**	**Loss Component ZWG**	**Risk adjustment ZWG**	**PVFCF ZWG**	**Total ZWG**
Net balance as at 31 December	**4 956 394**	**-**	**595 000**	**5 950 001**	**11 501 396**
Insurance Services Revenue	**(178 694 320)**	**-**	**-**	**-**	**(178 694 320)**
Insurance Service Expenses	**24 540 933**	**-**	**284 862**	**85 003 720**	**109 829 514**
Incurred claims and other directly attributable expenses	-	-	(25 376)	83 422 417	83 397 041
Changes that relate to past service	-	-	310 237	1 581 303	1 891 540
Amortisation of insurance acquisition cashflows	24 540 933	-	-	-	24 540 933
Insurance service result	**(154 153 387)**	**-**	**284 862**	**85 003 720**	**(68 864 806)**
Cashflows					
Premiums Received	177 555 397	-	-	-	177 555 397
Insurance acquisition cashflows	(27 505 689)	-	-	-	(27 505 689)
Incurred claims paid and other insurance service expenses paid	-	-	-	(4 653 710)	(4 653 710)
Total Cashflows	**150 049 709**	**-**	**-**	**(4 653 710)**	**145 395 998**
Foreign exchange impact of translating to presentation currency	3 125 158	-	707 749	(70 423 900)	(66 590 993)
Net balance as at 31 December	**3 977 874**	**-**	**1 587 611**	**15 876 111**	**21 441 595**

	RESTATED December 2023				
	Liabilities for remaining coverage		Liabilities for incurred claims for contracts under PAA		
Life - Insurance contracts issued	**Non-Onerous ZWG**	**Loss Component ZWG**	**Risk adjustment ZWG**	**PVFCF ZWG**	**Total ZWG**
Net balance as at 1 January	**1 941 595**	**-**	**491 398**	**4 913 976**	**7 346 968**
Insurance Services Revenue	**(126 941 994)**	**-**	**-**	**-**	**(126 941 994)**
Insurance Service Expenses	**11 502 873**	**-**	**1 412 765**	**66 355 540**	**79 271 179**
Incurred claims and other directly attributable expenses	-	-	1 559 892	50 520 869	52 080 761
Changes that relate to past service	-	-	(147 127)	15 834 672	15 687 545
Amortisation of insurance acquisition cashflows	11 502 873	-	-	-	11 502 873
Insurance service result	**(115 439 121)**	**-**	**1 412 765**	**66 355 540**	**(47 670 815)**
Cashflows					
Premiums Received	132 099 215	-	-	-	132 099 215
Insurance acquisition cashflows	(12 770 259)	-	-	-	(12 770 259)
Incurred claims paid and other insurance service expenses paid	-	-	-	(49 880 815)	(49 880 815)
Total Cashflows	**119 328 956**	**-**	**-**	**(49 880 815)**	**69 448 142**
Foreign exchange impact of translating to presentation currency	(875 036)	-	(221 463)	(2 214 626)	(3 311 124)
Effects of inflation	-	-	(1 087 700)	(13 224 075)	(14 311 775)
Net balance as at 31 December	**4 956 394**	**-**	**595 000**	**5 950 001**	**11 501 396**

13.3 Life Risk-PAA (continued)
13.3.1 Life Risk- Insurance contract issued (continued)

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

	December 2024						
In ZWG	**Up to 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Total**
Expected timing of derecognition of assets balance as at 31 December	1 234 401						1 234 401

	RESTATED December 2023						
In ZWG	**Up to 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Total**
Expected timing of derecognition of assets balance as at 31 December	1 071 103						1 071 103

13.3.2 Life Risk- Reinsurance contracts held

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

	December 2024				
Life Risk- Reinsurance contracts held	**Asset for remaining coverage**		**Asset for incurred claims for contracts under PAA**		
	Non-Onerous	**Loss Component**	**Risk adjustment**	**PVFCF**	**Total**
Net balance as at 1 January	**-**	**-**	**11 781**	**334 391**	**346 172**
An allocation of reinsurance premiums (ceded premiums)	**(6 707 395)**	**-**	**-**	**-**	**(6 707 395)**
Amounts recoverable from reinsurers for incurred claims	**-**	**-**	**18 192**	**(1 592 062)**	**(1 573 870)**
Amounts recoverable for incurred claims and other expenses	-	-	18 192	-	18 192
Changes to amounts recoverable for incurred claims	-	-	-	1 592 062	1 592 062
Insurance service result	**(6 707 395)**	**-**	**18 192**	**(1 592 062)**	**(8 281 265)**
Caashflows					
Premiums paid	6 707 395	-	-	-	6 707 395
Amounts received	-	-	-	-	-
Total Cashfows	**6 707 395**	**-**	**-**	**-**	**6 707 395**
Foreign exchange impact of translating to presentation currency	-	-	77 169	2 231 684	2 308 852
Net balance as at 31 December	**-**	**-**	**107 141**	**974 013**	**1 081 154**
	-				

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.3 Life Risk-PAA (continued)
13.3.2 Life Risk- Reinsurance contracts held (continued)

Life Risk- Reinsurance contracts held	RESTATED December 2023 Asset for remaining coverage		Asset for incurred claims for contracts under PAA		
	Non-Onerous	Loss Component	Risk adjustment	PVFCF	Total
Net balance as at 1 January	-	-	6 716	656 831	663 547
An allocation of reinsurance premiums (ceded premiums)	(3 561 633)	-	-	-	(3 561 633)
Amounts recoverable from reinsurers for incurred claims	-	-	37 046	679 856	716 902
Amounts recoverable for incurred claims and other expenses	-	-	22 750	417 510	440 260
Changes to amounts recoverable for incurred claims	-	-	14 295	262 347	276 642
Insurance service result	(3 561 633)	-	37 046	679 856	(2 844 731)
Premiums paid	3 561 633	-	-	-	3 561 633
Foreign exchange impact of translating to presentation currency	-	-	(3 027)	(296 020)	(299 046)
Effects of Inflation	-	-	(28 954)	(706 276)	(735 230)
Net balance as at 31 December	-	-	11 781	334 391	346 172

13.4 Life Savings -PAA

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

Life Savings -PAA	December 2024 Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Non-Onerous ZWG	Loss Component ZWG	PVFCF ZWG	ZWG
Net balance as at 1 January	962 715 874	-	-	962 715 874
Insurance Services Revenue	(26 072 016)	-	-	(26 072 016)
Insurance Services Expenses	1 073 279	-	3 532 945	4 606 224
Incurred claims and other directly attributable expenses	-	-	3 532 945	3 532 945
Amortisation of insurance acquisition cashflows	1 073 279	-	-	1 073 279
Insurance service result	(24 998 737)	-	3 532 945	(21 465 792)
Insurance Finance Expenses	(141 988 165)	-	-	(141 988 165)
Effect of movements in exchange rates	(6 993 842)	-	-	(6 993 842)
Total changes in the statement comprehensive income	(173 980 744)	-	3 532 945	(170 447 799)
Investment Component	21 509 526	-	-	21 509 526
Cashflows				
Premiums Received	27 630 737	-	-	27 630 737
Claims and other expenses paid	-	-	(3 378 041)	(3 378 041)
Insurance acquisition cash flows	(1 026 402)	-	-	(1 026 402)
Total Cashflows	26 604 336	-	(3 378 041)	23 226 294
Foreign exchange impact of translating to presentation currency	638 505 675		(154 903)	638 350 772
Net balance as at 31 December	1 475 354 667	-	-	1 475 354 667

13.4 Life Savings -PAA (continued)

Life Savings -PAA	RESTATED December 2023 Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Non-Onerous ZWG	Loss Component ZWG	PVFCF ZWG	ZWG
Net balance as at 1 January	**883 410 974**	**-**	**-**	**883 410 974**
Insurance Services Revenue	(30 988 907)	-	-	(30 988 907)
Insurance Services Expenses	**14 783 310**	**-**	**10 727 236**	**25 510 546**
Incurred claims and other directly attributable expenses	-	-	10 727 236	10 727 236
Amortisation of insurance acquisition cashflows	14 783 310	-	-	14 783 310
Insurance service result	**(16 205 597)**	**-**	**10 727 236**	**(5 478 360)**
Insurance Finance Expenses	**509 949 998**	**-**	**-**	**509 949 998**
Total changes in the statement comprehensive income	**493 744 401**	**-**	**10 727 236**	**504 471 637**
Investment Component	(41 133 445)	-	-	(41 133 445)
Cashflows				
Premiums Received	30 988 907	-	-	30 988 907
Claims and other expenses paid	-	-	(8 919 585)	(8 919 585)
Insurance acquisition cash flows	(14 775 989)	-	-	(14 775 989)
Total Cashflows	**16 212 918**	**-**	**(8 919 585)**	**7 293 333**
Foreign exchange impact of translating to presentation currency	(398 134 744)	-	-	(398 134 744)
Effects of inflation	8 615 769	-	(1 807 651)	6 808 119
Net balance as at 31 December	**962 715 874**	**-**	**-**	**962 715 874**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.5 Life Savings-VFA

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

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

	December 2024			
December 2024	**Estimates of the present value of future cash flows ZWG**	**Risk Reserve ZWG**	**Contractual service margin ZWG**	**Total ZWG**
Net balance as at 1 January	**145 642 870**	**804 312**	**43 578 912**	**190 026 094**
Changes related to current service	**440 110**	**(74 913)**	**(2 700 768)**	**(2 335 571)**
Contractual service margin recognised for services provided	-	-	(2 700 768)	(2 700 768)
Risk adjustment recognised for the risk expired	-	(74 913)	-	(74 913)
Experience adjustments	440 110	-	-	440 110
Changes related to future service	**(84 977 472)**	**1 031 947**	**83 945 525**	**-**
Contracts initially recognised in the period	(287 837)	91	287 746	-
Changes in estimates that adjust the contractual service margin	(84 689 635)	1 031 857	83 657 778	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
Changes related to current service	**-**	**-**	**-**	**-**
Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service result	(84 537 362)	957 034	81 244 757	(2 335 571)
Insurance Finance Expenses	10 886 706	(905 113)	(59 712 441)	(49 730 848)
Total changes in the statement of profit or loss and OCI	**(73 650 657)**	**51 922**	**21 532 316**	**(52 066 419)**
Cash Outflows	**-**	**-**	**-**	**-**
Premiums received	1 408 168	-	-	1 408 168
Claims and other expenses paid (including investment components and premium refunds)	(8 651 978)	-	-	(8 651 978)
Insurance acquisition cash flows	(569 211)	-	-	(569 211)
Foreign exchange impact of translating to presentation currency	97 085 064	(212 257)	(12 903 747)	87 198 600
Net balance as at 31 December	**164 493 797**	**643 977**	**52 207 481**	**217 345 254**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.5 Life Savings-VFA (continued)

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

	RESTATED December 2023			
December 2023 RESTATED	**Estimates of the present value of future cash flows ZWG**	**Risk Reserve ZWG**	**Contractual service margin ZWG**	**Total ZWG**
Net balance as at 1 January	**122 625 571**	**282 371**	**31 302 073**	**154 210 016**
	-	**-**	**-**	**-**
Changes related to current service	**481 323**	**(10 881)**	**(970 603)**	**(500 160)**
Contractual service margin recognised for services provided	-	-	(970 603)	(970 603)
Risk adjustment recognised for the risk expired	-	(10 881)	-	(10 881)
Experience adjustments	481 323	-	-	481 323
Changes related to future service	**(106 488 376)**	**2 024 810**	**104 463 566**	**-**
Contracts initially recognised in the period	(369 331)	178	369 153	-
Changes in estimates that adjust the contractual service margin	(106 119 045)	2 024 631	104 094 413	-
Changes in estimates that do not adjust the contractual service margin	-	-	-	-
Changes related to current service	**-**	**-**	**-**	**-**
Adjustments to liabilities for incurred claims	-	-	-	-
	-	-	-	-
Insurance service result	(106 007 052)	2 013 929	103 492 963	(500 160)
Insurance Finance Expenses	100 370 209	10 167	1 384 429	101 764 805
Total changes in the statement of profit or loss and OCI	**(5 636 843)**	**2 024 095**	**104 877 392**	**101 264 644**
Cash Outflows				
Premiums received	169 769	-	-	169 769
Claims and other expenses paid (including investment components and premium refunds)	(12 567 851)	-	-	(12 567 851)
Insurance acquisition cash flows	(661 466)	-	-	(661 466)
Foreign exchange impact of translating to presentation currency	(55 264 766)	(127 259)	(14 107 186)	(69 499 210)
Effects of inflation	96 978 454	(1 374 895)	(78 493 368)	17 110 191
Net balance as at 31 December	**145 642 870**	**804 312**	**43 578 912**	**190 026 094**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

13.5 Life Savings-VFA (continued)

13.5.2 CSM recognition in profit or loss

In ZWG	December 2024 <1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Insurance contract issued							
Life insurance unit	4 952 159	4 828 355	4 580 747	4 333 139	4 085 531	29 427 550	52 207 481
Reinsurance contract held							
Life insurance unit	-	-	-	-	-	-	-

In ZWG	RESTATED December 2023 <1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Insurance contract issued							
Life insurance unit	4 357 891	4 248 944	4 031 049	3 813 155	3 595 260	23 532 612	43 578 912
Reinsurance contract held							
Life insurance unit	-	-	-	-	-	-	-

13.5.3 Life Savings-VFA Roll-forward of net asset or liability for life insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

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

	December 2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss Component	Liabilities for incurred claims	Assets for insurance acquisition cash flows	
Net balance as at 1 January	**190 026 094**	**-**	**-**	**-**	**190 026 094**
Insurance revenue	**(4 138 163)**	**-**	**-**	**-**	**(4 138 163)**
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(4 138 163)	-	-	-	(4 138 163)
Other contracts	-	-	-	-	-
Insurance service expenses	**14 356**	**-**	**1 788 223**	**-**	**1 802 579**
Incurred claims and other expenses	-	-	1 788 223	-	1 788 223
Amortisation of insurance acquisition cash flows	14 356	-	-	-	14 356
Insurance service result	**(4 123 807)**	**-**	**1 788 223**	**-**	**(2 335 584)**
Insurance Finance Expenses	**(49 730 848)**	**-**	**-**	**-**	**(49 730 848)**
Total changes in the statement comprehensive income	**(53 854 655)**	**-**	**1 788 223**	**-**	**(52 066 432)**
Investment Component	**(6 671 098)**		**6 671 098**		**-**
Cash flows					
Premiums received	1 293 792	-	-	-	1 293 792
Claims and other expenses paid	-	-	(8 459 321)	-	(8 459 321)
Insurance acquisition cash flows	(14 356)	-	-	-	(14 356)
Total cash flows	**1 279 437**	**-**	**(8 459 321)**	**-**	**(7 179 885)**
Foreign exchange impact of translating to presentation currency	**79 894 383**		**6 671 098**		**86 565 481**
Net insurance contract (assets)/ liabilities Closing Balance	**217 345 259**	**-**	**-**	**-**	**217 345 259**

13.5 Life Savings-VFA (continued)

13.5.3 Life Savings-VFA Roll-forward of net asset or liability for life insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

December 2023 RESTATED	RESTATED December 2023 "Liabilities for remaining coverage"		"Liabilities for incurred claims"		Total
	"Excluding loss component"	Loss Component	"Liabilities for incurred claims"	"Assets for insurance acquisition cash flows"	
Net balance as at 1 January	**154 210 016**	**-**	**-**	**-**	**154 210 016**
Insurance revenue	**(2 337 052)**	**-**	**-**	**-**	**(2 337 052)**
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(2 337 052)	-	-	-	(2 337 052)
Other contracts	-	-	-	-	-
Insurance service expenses	**15 921**	**-**	**1 820 970**	**-**	**1 836 891**
Incurred claims and other expenses	-	-	1 820 970	-	1 820 970
Amortisation of insurance acquisition cash flows	15 921	-	-	-	15 921
Insurance service result	**(2 321 130)**	**-**	**1 820 970**	**-**	**(500 160)**
Insurance Finance Expenses	**101 764 805**	**-**	**-**	**-**	**101 764 805**
Total changes in the statement comprehensive income	**99 443 674**	**-**	**1 820 970**	**-**	**101 264 644**
Investment Component	(7 021 770)	-	7 021 770	-	-
Cash flows					
Premiums received	113 686	-	-	-	113 686
Claims and other expenses paid	-	-	(8 842 739)	-	(8 842 739)
Insurance acquisition cash flows	(15 921)	-	-	-	(15 921)
Total cash flows	**97 764**	**-**	**(8 842 739)**	**-**	**(8 744 975)**
Effects of Inflation	12 795 619	-	-	-	12 795 619
Foreign exchange impact of translating to presentation currency	(69 499 210)	-	-	-	(69 499 210)
Net insurance contract (assets)/ liabilities Closing Balance	190 026 094	-	-	-	190 026 094

13.5.4 Life Savings-VFA New Business

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

	2024 Contracts issued		Contracts acquired		Total
	Non - onerous	Onerous	Non - onerous	Onerous	
Estimate of present value of future cash outflows	(2 827 153)	-	-	-	(2 827 153)
Estimates of present value of future cash inflows	665 415	-	-	-	665 415
Estimates of present value of future cash flows	(2 161 738)	-	-	-	(2 161 738)
Risk adjustment	4 445	-	-	-	4 445
CSM	2 157 294	-	-	-	2 157 294
Losses on onerous contracts at initial recognition	**-**	**-**	**-**	**-**	**-**

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13.5 Life Savings-VFA (continued)
13.5.4 Life Savings-VFA New Business (continued)

	RESTATED 2023				
	Contracts issued		Contracts acquired		Total
	Non - onerous	Onerous	Non - onerous	Onerous	
Estimate of present value of future cash outflows	(721 301)	-	-	-	(721 301)
Estimates of present value of future cash inflows	169 769	-	-	-	169 769
Estimates of present value of future cash flows	(551 531)	-	-	-	(551 531)
Risk adjustment	267	-	-	-	267
CSM	551 265	-	-	-	551 265
Losses on onerous contracts at initial recognition	**-**	**-**	**-**	**-**	**-**

13.6 INVESTMENT CONTRACT LIABILITIES

	December 2024 ZWG	December 2023 RESTATED ZWG
Opening balance - 1 January	102 371 067	64 829 700
Foreign exchange impact of translating to presentation currency	112 663 776	(29 217 382)
Contributions received	15 501 597	-
Investment return from underlying assets	(8 058 453)	66 197 556
Asset management fees charged	(219 667)	(2 407 164)
Inflation adjustment	-	2 968 357
Closing balance	**222 258 319**	**102 371 067**

The investment contract liabilities are valued based on both observable and unobservable inputs, as the liabilities relate to the asset values shown below. The level 3 inputs are not significant to the valuation and therefore this is a level 2 valuation.

	December 2024 ZWG	December 2023 RESTATED ZWG
Quoted Equities Valued using level 1 inputs	185 889 835	96 555 951
Unquoted Equities Level 2 Inputs*	12 493 707	5 146 420
Money Market Investments Level 1 Inputs	20 137 754	2 800 152
Cash Level 1 Inputs	3 864 581	275 708
Total Assets	222 385 877	104 778 231
Fees Charged	(127 558)	(2 407 164)
Closing balance	**222 258 319**	**102 371 067**

13.7 SHAREHOLDER RISK RESERVE

	December 2024 ZWG	December 2023 RESTATED ZWG
Reconciliation of shareholder risk reserve		
As at 1 January	17 018 916	6 097 134
Foreign exchange impact of translating to presentation currency	32 395 203	(2 747 850)
Movement in shareholder risk reserve	(16 666 852)	13 669 632
Closing balance	**32 747 267**	**17 018 916**

The Insurance and Pensions Commission (IPEC) issued a Final Guidance Paper on Adjusting Insurance and Pension Values in response to the 2019 Currency Reforms on 13 March 2020 ("Final Guidance Paper on Adjusting Insurance and Pension Values"). The guidance paper set 31 December 2018 as the first measurement date for the purposes of determining currency linked revaluation gains for distribution to qualifying policyholders. The Final Guidance Paper on Adjusting Insurance and Pension Values provided comprehensive guidance on revaluation processes required to be undertaken by regulated entities such as First Mutual Life Assurance. Company (Private) Limited (FML) in order to ensure equitable sharing of revaluation gains to different generations of pensioners and policyholders. SI 69 of 2020 gave legal effect to the relevant circulars issued by IPEC pursuant to the revaluation processes to be undertaken by all players.

13.7 SHAREHOLDER RISK RESERVE (continued)

In light of the requirements of the Final Guidelines Paper on Adjusting Insurance and Pension Values and how FML contracted Funeral Cash Plan (FCP), the FML Board resolved to amend the terms of the FCP policies, with the change aligned to the effective date of 31 December 2018 ('First Determination Date') deeming the policies paid up. In response to the IPEC guidelines, the FCP Liability was included in the shareholder risk reserve. The full liability was shown separately under shareholders with the matching assets coming under shareholders. 26 602 173 FMP shares measured at market value were linked to the liability in order to maintain value for policyholders.

The shareholder Risk Reserve is a provision in terms of IAS 37 and the value of the liability is derived from the value of FMP's listed shares.

13.8 Compensation Reserve

Reconciliation of compensation reserve	December 2024 ZWG	December 2023 RESTATED ZWG
As at 1 January	21 968 938	-
Foreign exchange impact of translating to presentation currency	27 513 416	
Transfer from main fund	9 236 608	17 534 298
Movement in the compensation reserve	-	4 434 640
Interest	-	4 434 640
As at 31 December	**58 718 962**	**21 968 938**

IPEC developed a compensation framework in line with the recommendations made by the Justice Smith Commission of Inquiry. The regulations were gazetted into law as S.I. 162 of 2023 with effect from the 1st of October 2023.

The compensation reserve was determined in accordance with SI162 of 2023. The initial levy was determined as 1% of the total assets of the Deposit Administration Fund as at 31 December 2022. The subsequent levy in 2023 and 2024 was calculated as 1% of the total assets less the initial levy.

The compensation reserve is a provision in terms of IAS 37 that was created for the compensation of prejudiced policyholders during the hyperinflation period. The value of the liability is derived from the value of the one percent annual levy on the total value of the assets of the guaranteed fund as reflected in the insurer's last annual audited financial statements, which levy shall continue to be applied until the liability arising from the requirement to compensate the prejudice to its members as a result of inflation between 2000 to 2009 is extinguished.

14 TENANT AND OTHER RECEIVABLES

	December 2024 ZWG	December 2023 RESTATED ZWG
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**

14.1 Premium receivables from intermediaries

	December 2024 ZWG	December 2023 RESTATED ZWG
Gross receivable amount	119 625 774	147 383 827
Premium credit adjustment	(28 167 378)	(12 765 174)
Net balance	**91 458 395**	**134 618 653**

14.1.1 Impairment and risk exposure

Note 4.3 sets out information about the impairment of financial assets and the Group's exposure to credit risk.

Movements in the allowance for credit losses of tenant receivables were as follows:	December 2024 ZWG	December 2023 RESTATED ZWG
As at 1 January	12 765 174	13 785 178
Foreign exchange impact of translating to presentation currency	12 987 793	(6 212 690)
Charge for the year	2 414 411	11 190 852
Inflation adjustment	-	(5 998 167)
Closing balance	**28 167 378**	**12 765 174**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

		December 2024 ZWG	December 2023 RESTATED ZWG
14	**TENANT AND OTHER RECEIVABLES (continued)**		
14.1	**Tenant receivables**		
	Tenant cost recoveries	23 919 748	11 767 655
	Rental receivables	34 433 399	3 199 615
	Gross tenant receivables	**58 353 147**	**14 967 270**
	Allowance for credit losses	(24 853 058)	(5 359 872)
	Tenant receivables	**33 500 089**	**9 607 399**
	Current	33 500 089	9 607 399
	Non current		
	Total	**33 500 089**	**9 607 399**
14.1.1	**Impairment and risk exposure** Note 4.3 sets out information about the impairment of financial assets and the Group's exposure to credit risk.		
	Movements in the allowance for credit losses of tenant receivables were as follows:		
	As at 1 January	**5 359 872**	**3 228 003**
	Foreign exchange impact of translating to presentation currency	(1 490 398)	(1 454 793)
	Charge for the year	20 983 585	4 991 221
	Inflation adjustment	-	(1 404 559)
	Closing balance	**24 853 058**	**5 359 872**
14.2	**Other receivables**		
	Sundry debtors	112 110 016	15 135 401
	Staff debtors	49 833 750	22 630 159
	Total	161 943 766	37 765 560
	Allowance for expected credit losses	(22 709 876)	(7 085 111)
	Other receivables excluding prepayments	139 233 890	30 680 449
	Prepayments	26 003 374	13 211 400
	Total other receivables	**165 237 264**	**43 891 849**
	Current	65 256 366	17 333 999
	Non current	99 980 898	26 557 850
	Total	**165 237 264**	**43 891 849**
	Impairment and risk exposure Note 4.3 sets out information about the impairment of financial assets and the group's exposure to credit risk. Movements in the allowance for credit losses of other receivables were as follows:		
	Allowance for credit losses reconciliation		
	As at 1 January	**7 085 111**	**6 744 405**
	Foreign exchange impact of translating to presentation currency	2 396 646	(3 039 561)
	Charge for the year	13 228 120	6 316 672
	Inflation adjustment	-	(2 936 405)
	Closing balance	**22 709 876**	**7 085 111**

		December 2024 ZWG	December 2023 RESTATED ZWG
15	**CASH AND CASH EQUIVALENTS**		
	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 cash equivalents	**805 412 171**	**239 788 990**
	Current	805 412 171	239 788 990
	Non current		
	Cash and cash equivalents	**805 412 171**	**239 788 990**

All cash and balances with banks are classified as current.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Money market investments are made of varying periods as between one day and three months depending on the immediate cash requirements of the Group and earn interest at the short-term deposit rates. Included in cash and cash equivalents are balances with banks. These balances are used for transacting on a daily basis.

16 SHARE CAPITAL

Due to the change in currency highlighted on note 2.1.3 (a), the Group and Company redenominated the share capital from USD to ZWL on a 1:1 basis, inline with the Registrar of Deeds, Companies and Intellectual Property circular issued on 5 July 2019.

		December 2024 ZWG	December 2023 RESTATED ZWG
16.1	**Authorised**		
	1 000 000 000 ordinary shares with a nominal value of ZWG0.0067 each	11 825 293	6 223 317
16.2	**Issued and fully paid**		
	731 718 322 (2023: 731 718 322) ordinary shares with a nominal value of ZWG0,0067 each	8 652 783	4 553 715

		December 2024 ZWG	December 2023 RESTATED ZWG
16.2.1	**Reconciliation of the issued capital**		
	As at 1 January	4 553 715	8 289 715
	Foreign exchange impact of translating to presentation currency	4 099 068	(3 736 000)
	Closing balance	**8 652 783**	**4 553 715**
16.3	**Unissued shares**		
	268 281 678 unissued shares, under the control of directors	6 913 413	3 638 333

16.4 Share based payments

a) Employee share option scheme.

The Group had a Share Option Scheme that was approved by shareholders. The objective was to attract, retain and motivate key employees and agents of the Group. 19 010 038 (nineteen million ten thousand and thirty eight) shares, representing 5% of the issued ordinary share capital of the Company at the commencement of the scheme, were set aside by the Board for purposes of the Share Option Scheme. With effect from 10 August 2017, a further 8,426,271 (eight million four hundred and twenty six thousand two hundred and seventy one) shares were set aside in terms of section 11 of the Scheme Rules. All options having been granted, the Share Option Scheme is now exhausted.

Participants to whom an option has been granted under the scheme shall only be entitled to exercise the options as follows:

- On the first anniversary of the date of grant, the participant shall be entitled to exercise up to one third (1/3) of the shares offered to him/her under that particular option;
- On the second anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the shares offered to him/her under that option;
- On the third anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the shares offered to the participant under that option.
- Options not exercised within five (5) years from the date of grant shall lapse.

NOTES TO THE FINANCIAL STATEMENTS
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16 SHARE CAPITAL (continued)
16.4 Share based payments (continued)

The fair value of the options was calculated using the Black-Scholes Merton Optional Valuation Method under the following assumptions:

Grant date	30 April 2015	30 April 2016	10 August 2017
Grant date share price (ZWG)	0.41	0.30	1.59
Exercise price of option (ZWG)	0.41	0.30	1.59
Risk-free interest rate	9%	9.00%	9.00%
Annualized standard deviation	82%	82.09%	82.09%
Dividend yield	0.00%	0.00%	0.00%
Weighted average remaining contractual life	3.25 years	3.25 years	3.25 years
Expected volatility	82.09%	82.09%	82.09%

The standard deviation was calculated over a 3 year period, that from January 2013 to December 2015 but it should be noted that the share is generally not very liquid on the Zimbabwe Stock Exchange. The risk free rate was determined on the power-related bonds issued by Infrastructure Development Bank of Zimbabwe ("IDBZ") on behalf of Zimbabwe Electricity Transmission and Distribution Company (Private) Limited ("ZETDC") and Zimbabwe Power Company (Private) Limited ("ZPC").

During the year all the options that were not exercised within 5 years from date of grant lapsed and below is the reconciliation for the movement in the number of shares.

Movement for the year	2024 Number of shares	2023 Number of shares
As at 1 January	10 125 661	20 415 736
Lapsed options	(1 344 893)	(988 430)
Options exercised during the year	(6 304 444)	(9 301 645)
Closing balance	**2 476 324**	**10 125 661**
Exercisable	**2 476 324**	**4 031 859**

Reconciliation of shares exercised

		2024			RESTATED 2023		
Date of grant	**Lapse date**	**Exercise price**	**Number of shares exercised**	**Cash Received Total**	**Exercise price**	**Number of shares exercised**	**Cash Received Total**
1/7/2019	21/12/2023		-	-		124 871	93 215
1/7/2020	21/12/2023		394 014	1 147 196		2 909 612	2 171 993
1/7/2021	25/6/2024		4 652 862	13 547 089		6 046 108	4 513 352
1/7/2022	27/9/2024		1 257 568	3 661 485		221 054	165 014
			6 304 444	**18 355 770**		**9 301 645**	**6 943 574**

16 SHARE CAPITAL (continued)
16.4 Share based payments (continued)

b) Share appreciation rights ("SARs")

On 27 June 2019, the shareholders of Company at the Annual General Meeting ("AGM") approved a SAR plan for such Employees and Executive Directors of the Group (participant)\ as the Board (on the recommendation of the Human Resources and Governance Committee) shall determine from time to time. The plan has an operative period of 10 years and an initial 32 432 917 SARs were granted on inception.

The exercise of the Company's SAR entitles a participant to receive the gain for each share granted, where, "Gain" means an amount equal to the excess of the market value on the exercise date over the exercise price. The share appreciation rights were granted in three trenches as shown below:

Grant date	Fair value Grant price(ZWG)
1 July 2019	0.15
1 July 2020	0.15
1 July 2021	0.15
1 July 2022	0.15

A participant to whom SARs have been granted shall only be entitled to exercise the Rights in part as follows:
i) On the first anniversary of the date of grant, the participant shall be entitled to exercise up to one third (1/3) of the Rights granted on that particular occasion;
ii) On second anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the Rights; and
iii) On the third anniversary of the date of grant, the Participant shall be entitled to exercise an additional one third (1/3) of the Rights awarded to the Participant under that grant.

The fair value of the SARs was determined using the Black-Scholes model as at 30 December 2024 with the following inputs:

	31 December 2024	31 December 2023
Share price at measurement date (cents)	4	100,000
Exercise Price (cents)	0.01	0.49
Risk-Free Interest Rate	10%	24%
Volatility	166%	95%
Dividend Yield	1.8%	1.5%
Carrying amount of liability - included under share based payment liability	11 111 009	28 759 213

Carrying amount reconciliation	**December 2024 ZWG**	**December 2023 RESTATED ZWG**
As at 1 January	28 759 213	4 345 547
Foreign exchange impact of translating to presentation currency	12 977 120	(1 958 447)
Additions	-	-
Exercised	(18 355 770)	(6 943 574)
(Income)/expense to the income statement	(12 570 770)	35 415 069
Inflation adjustment		(2 099 382)
Closing balance	**10 809 793**	**28 759 213**

c) Expenses arising from share based transaction	**Group December 2024 ZWG**	**Group December 2023 RESTATED ZWG**
Share option (income)/expense for the year recognised during the vesting period	-	-
Share appreciation rights (income)/expense for the year recognised during the vesting period	(12 570 770)	35 415 069
Total (income)/expense for the year	**(12 570 770)**	**35 415 069**

NOTES TO THE FINANCIAL STATEMENTS
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16 SHARE CAPITAL (continued)

16.5 Group - Non distributable reserves

	Share Buyback Reserve ZWG	Put Option Reserve ZWG	Change in Ownership Reserve ZWG	Change in functional currency ZWG	Foreign currency translation reserve ZWG	Solvency reserve ZWG	Total ZWG
Restated as at 1 January 2023	**1 134**	**(39 447 825)**	**(2 076 375)**	**842 061**	**68 786 544**	**469 796**	**28 575 334**
Foreign exchange impact of translating to presentation currency	(511)	17 778 305	935 779	(379 499)	(31 000 648)	(211 727)	(12 878 302)
Redemption of shares in First Mutual Properties	683 471	-	-	-	-	-	683 471
Derecognition of Aleyo's share of FMRe Holdco's Comprehensive income	-	-	-	-	-	-	-
Remeasurement of Financial liability	-	(37 696 082)	-	-	-	-	(37 696 082)
Other comprehensive income	-	-	-	-	166 462 804	-	166 462 804
Share based payments	-	-	-	-	-	-	-
	-						
Restated as at 31 December 2023	**684 094**	**(59 365 603)**	**(1 140 596)**	**462 562**	**204 248 699**	**258 069**	**145 147 225**
As at 1 January 2024	684 094	(59 365 603)	(1 140 596)	462 562	204 248 699	258 069	145 147 225
Foreign exchange impact of translating to presentation currency	615 794	(60 880 941)	(1 026 719)	416 379	1 212 895 903	232 303	1 192 329 004
Remeasurement of Financial liability	-	26 800 667	-	-	-	-	26 800 667
Other comprehensive income	-	-	-	-	(912 783 188)	-	(912 783 188)
	-	-	-	-		-	
As at 31 December 2024	**1 299 888**	**(93 445 876)**	**(2 167 315)**	**878 941**	**504 361 414**	**490 372**	**451 493 708**

Foreign currency translation reserve
The change in functional currency reserve relates to the gains/ (losses) that arise in translating the statement of financial position of a foreign subsidiary to the reporting currency.

Revaluation reserve
The revaluation surplus arose in the prior years in respect of properties that were reclassified from owner occupied to investment property.

Solvency reserve
The solvency reserve is as a result of regulatory requirements for the foreign subsidiary.

Re-denomination of share capital and change in functional currency reserve
The reserves in respect of the redenomination of share capital and change in functional currency relate to reserves created on dollarisation when balances were converted to USD, and the related redenomination of share capital.

17 MEMBER ASSISTANCE FUND

	December 2024 ZWG	December 2023 RESTATED ZWG
As at 1 January	20 656	180 872
Foreign exchange impact of translating to presentation currency	-	(81 515)
Transfer from savings pot	(20 656)	-
Monetary loss adjustment		(78 701)
Closing balance	**-**	**20 656**

The member assistance fund is a reserve created for the medical aid members when claims ratios are below budgeted levels. The fund is meant to assist members when their benefits have been depleted and yet member meets the qualifying criteria for assistance. The reserve is calculated as a percentage of premiums contributed. Valuation inputs and relationship to fair value

18 FINANCIAL LIABILITIES

Debentures
The Group, through First Mutual Microfinance, funds its micro lending activities from borrowings. A number of debentures were issued with maximum maturity of 90 days on a rollover basis.

The debentures are presented on the statement of financial position as follows:

	December 2024 ZWG	December 2023 RESTATED ZWG
Borrowings		
At 1 January	69 568 785	33 621 728
Foreign exchange impact of translating to presentation currency	(8 158 105)	(15 152 606)
Additions	149 044 187	51 644 902
Interest charged*	102 107 396	13 101 645
Interest paid	(27 569 837)	(13 101 645)
Loan repayment	(31 568 192)	(13 692 411)
Interest capitalised to Investment Property	(45 394 178)	-
Foreign exchange differences	3 998 355	73 184 918
Effects of inflation		(60 037 747)
Closing balance	**212 028 411**	**69 568 785**
Current	212 028 411	69 568 785
Non current	-	-
Total	**212 028 411**	**69 568 785**

*Interest expense is calculated by applying the effective interest rates of 28% for USD denominated borrowings to the liability component.

The initial fair value of the borrowing is the same as its face value. The liability is subsequently recognised on an amortised cost basis until extinguished by way of settlement of the principal.

Fair value of borrowings
The fair values of borrowings approximate the carrying amount as shown above.

18.1 Put option liability

	December 2024 ZWG	December 2023 RESTATED ZWG
Opening balance		
Opening balance	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**

NOTES TO THE FINANCIAL STATEMENTS
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18 FINANCIAL LIABILITIES (continued)
18.1 Put option liability (continued)

IAS32, Financial Instruments defines a financial liability as any liability that is a contractual obligation to deliver cash or another financial asset to another entity. In the case of the Aleyo NCI put option, it has been concluded that the Group has a contractual obligation to deliver cash in the form of the BWP61 million paid to FMRE Holding Company. The policy treatment adopted in the reclassification of the total of non-controlling interest balance for Aleyo to be reclassified to a financial liability. There has been remeasurement of the financial liability that has been recognised in equity as the transaction was concluded at the close of 2023. The measurement thus equates the worst case scenario that is to say the amount was to be payable immediately. From the policy chosen NCI would continue to get an allocation of profit or loss and other subsidiary transactions, and at the end of the reporting period the NCI is reclassified to a liability and the remeasurement is taken to equity.

19 OTHER PAYABLES

	December 2024 ZWG	December 2023 RESTATED ZWG
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**
Current	265 565 594	110 964 987
Non current		
Total	**265 565 594**	**110 964 987**

Other payables are non-interest bearing and are normally on 30 day terms. Other payables consist of motor levy, stamp duty, travel insurance and value added tax .Accrued expenses consist of deposits from tenants, actuarial fees and systems licence fees

19.1 Provision for leave days

	December 2024 ZWG	December 2023 RESTATED ZWG
As at 1 January	4 727 490	8 267 387
Foreign exchange impact of translating to presentation currency	10 695 927	(3 725 937)
Charged through profit or loss	15 313 809	15 063 848
Utilised	(9 340 741)	(3 720 456)
Monetary gain or loss	-	(11 157 351)
Closing balance	**21 396 486**	**4 727 490**

19.2 Provision for profit share

	December 2024 ZWG	December 2023 RESTATED ZWG
As at 1 January	15 961 171	9 302 480
Foreign exchange impact of translating to presentation currency	12 699 943	(4 192 432)
Movement for the year	17 454 386	18 619 882
Paid during the year	(21 544 526)	(3 272 130)
Exchange gain or loss	-	2 058 742
Effects of inflation	-	(6 555 370)
Closing balance	**24 570 975**	**15 961 171**

19.3 Regulatory Provision

	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**

The regulatory provision relates to amounts that FML believes will be required to settle its obligation to the policyholder following the forensic investigation. Refer to note 30.3.1

20 TAX

		December 2024 ZWG	December 2023 RESTATED ZWG
20.1	**Deferred tax**		
	As at 1 January	133 550 376	274 132 864
	Foreign exchange impact of translating to presentation currency	157 615 725	(123 545 916)
	Impact of tax rate change (24.72% to 25.75%)	-	-
	Foreign exchange effects	(6 448 717)	(4 660 982)
	Recognised through profit and loss	98 174 944	(12 375 590)
	Closing balance	**382 892 328**	**133 550 376**
	Current		
	Non current	382 892 328	133 550 376
	Total	**382 892 328**	**133 550 376**
	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**
	Analysis of deferred tax		
	Arising on property, plant and equipment and right of use asset	36 401 278	16 547 379
	Arising on investment properties	273 944 938	224 487 951
	Arising on financial assets at fair value through profit or loss	14 502 935	5 058 530
	Arising from life business (schedule 8 Income Tax Act (Chapter 23:06))	4 638 846	1 618 000
	Arising from other assets (insurance, reinsurance, inventory, tenant and other receivables)	237 219 943	44 297 128
	Arising from Insurance and reinsurance contract liabilities	(113 677 522)	(58 921 179)
	Lease liability, payables and provisions	(70 138 089)	(99 537 432)
	Closing balance	**382 892 328**	**133 550 376**

Tax rate has changed from 24.72% to 25.75% following the announcement by the Minister of Finance in the 2024 budget.

		December 2024 ZWG	December 2023 RESTATED ZWG
20.2	**Net income tax asset**		
	As at 1 January	7 014 738	7 862 806
	Tax asset	(895 734)	(233 072)
	Tax liability	7 910 472	8 095 878
	Foreign exchange impact of translating to presentation currency	(16 403 721)	(3 543 601)
	Charge for the year	61 213 402	23 732 579
	Paid during the year	(40 327 749)	(46 184 800)
	Monetary gain adjustment	-	25 147 755
	Closing balance	**11 496 671**	**7 014 738**
	Disclosed as;		
	Income tax asset	(9 477 680)	(895 734)
	Income tax liability	20 974 351	7 910 472
	Total	**11 496 671**	**7 014 738**
20.3	**Income tax expense**		
	Deferred tax expense	98 174 944	(12 375 590)
	Current income tax (credit)/expense	61 213 402	23 732 579
	Total	**159 388 346**	**11 356 989**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

20 TAXATION (continued)

		December 2024 ZWG	December 2023 RESTATED ZWG
20.4	**Reconciliation of income tax expense**		
	Profit before income tax	(1 041 767 174)	807 207 650
	Standard tax rate 25.75% (2023: 24.72%)	(268 255 047)	199 541 731
	Financial assets at fair value through profit or loss taxed at different rate	4 896 483	(3 984 446)
	Investment property gains taxed at different rates	61 657 670	(537 992 109)
	Non-taxable income	121 373 474	(812 228 069)
	Effect of expenses not deductible for tax purposes	141 540 823	1 170 907 167
	Effects of adopting new tax rate		7 488 305
	Tax charge for the period	**61 213 402**	**23 732 579**

Non taxable income includes mainly income from one of subsidiaries, First Mutual Health Company which is exempt from income tax.
Non-deductible expenses include charitable donations, IMTT,broker promotion and First Mutual Health operating expenses

21 INSURANCE REVENUE AND INSURANCE SERVICE RESULT

		December 2024 ZWG	December 2023 RESTATED ZWG
21.1	**Insurance Revenue**		
	Contracts not measured under the PAA		
	Amounts relating to the changes in the LRC		
	- Expected incurred claims and other expenses after loss component allocation	1 358 169	1 355 568
	- Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	74 913	10 881
	- CSM recognised in profit or loss for the services provided	2 705 081	970 603
	Insurance revenue from contracts not measured under the PAA	**4 138 163**	**2 337 052**
	Insurance revenue from contracts measured under the PAA	**2 630 483 302**	**2 485 492 643**
	Life Risk	178 694 320	126 941 994
	Life Savings	26 072 016	30 988 907
	Health	1 126 095 106	747 342 569
	Property and Casualty	1 299 621 861	1 580 219 173
	Total insurance contract revenue	**2 634 621 465**	**2 487 829 695**
21.2	**Insurance service expenses**		
	Incurred claims and other directly attributable expenses	**(1 342 319 749)**	**(1 256 200 821)**
	Life Risk	(83 397 041)	(52 080 761)
	Life Savings	(3 532 945)	(10 727 236)
	Health	(787 477 260)	(558 584 588)
	Property and Casualty	(467 912 504)	(634 808 235)
	Changes that relate to past service - adjustments to the LIC	**(36 886 006)**	**(245 607 498)**
	Life Risk	(1 891 540)	(15 687 545)
	Life Savings VFA	(14 356)	(15 921)
	Health	(25 699 378)	(9 568 928)
	Property and Casualty	(9 280 732)	(220 335 103)
	Amortisation of Insurance contract acquisition cash flows	**(581 735 831)**	**(652 595 401)**
	Life Risk PAA	(24 540 933)	(11 502 873)
	Life Savings PAA	(1 073 279)	(14 783 310)
	Life Savings VFA	(1 788 223)	(1 820 970)
	Health	(68 795 999)	(29 405 334)
	Property and Casualty	(485 537 396)	(595 082 913)
	Total insurance service expenses	**(1 960 941 586)**	**(2 154 403 719)**
21.3	**Net income (expenses) from reinsurance contracts held**		
	Reinsurance expenses - contracts measured under the PAA	(474 688 489)	(577 739 223)
	Claims recovered	200 987 384	567 164 392
	Total net income/(expenses) from reinsurance contracts held	**(273 701 105)**	**(10 574 831)**
	Insurance service result	**399 978 774**	**322 851 145**

22 NET FINANCE INCOME AND EXPENSES FROM INSURANCE CONTRACTS ISSUED

		December 2024 ZWG	December 2023 RESTATED ZWG
22.1	**Finance income (expenses) from insurance contracts issued**		
	Changes in fair value of underlying assets of contracts measured under the VFA	49 730 848	(101 764 805)
	Effect of changes in interest rates and other financial assumptions	141 988 165	(509 949 998)
	Foreign exchange differences	6 993 842	-
	Net insurance finance expenses	**198 712 855**	**(611 714 803)**
22.2	**Breakdown of net finance income**		
	Dividend received - cash	18 190 623	3 510 208
	Fair value gain/(loss) on unquoted equities at fair value through profit or loss	(13 700 096)	30 339 451
	Net gains from fair value adjustments to investment properties	(362 638 987)	454 668 769
	Fair value gain/(loss) on quoted equities at fair value through profit or loss	(8 709 252)	117 621 676
	Net investment return (before interest, gold returns and NAV returns from associates)	(366 857 712)	606 140 104
	Interest on financial assets measured at amortised cost	9 600 751	5 602 256
	Fair value gain/(loss) on gold coins	186 235	(27 557)
	Effect of exchange rate movement	(6 993 842)	-
	Net finance income	**(364 064 568)**	**611 714 803**

23 NET INVESTMENT RETURN

	December 2024 ZWG	December 2023 RESTATED ZWG
2023		
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**

24 RENTAL INCOME

	December 2024 ZWG	December 2023 RESTATED ZWG
Office	77 651 161	75 121 818
Retail	33 273 459	8 998 334
Industry	21 769 143	2 710 862
Residential	4 281 999	2 542 291
Total rental income	**136 975 763**	**89 373 304**

All rental income earned is from investment property

25 Property expenses

	December 2024 ZWG	December 2023 RESTATED ZWG
Operating costs recoveries	(15 373 683)	(11 385 612)
Maintenance costs	(14 272 614)	(12 840 657)
Valuation fees	(350 920)	(177 516)
Employee costs	(19 370 675)	(18 567 496)
Other administration costs	(9 306 573)	(7 096 866)
Property security and utilities	(1 420 716)	(1 146 585)
Total	**(60 095 181)**	**(51 214 732)**
Property expenses arising from investment properties that generated rental income	53 101 509	(40 971 786)
Property expenses arising from investment properties that did not generate rental income	6 993 672	(10 242 946)
Total	**60 095 181**	**(51 214 732)**

Operating costs under recoveries relate to the operating costs attributable to the vacant spaces on buildings within the portfolio.

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FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

26 OTHER INCOME AND DIRECT EXPENSES

26.1 Net interest income- First Mutual Microfinance

	December 2024 ZWG	December 2023 RESTATED ZWG
Interest income	75 761 406	46 377 692
Interest expenses	(24 913 486)	(13 101 645)
Direct administration costs	(18 184 456)	(2 152 689)
Net Interest income	**32 663 464**	**31 123 359**

26.2 Net Asset management service income

	December 2024 ZWG	December 2023 RESTATED ZWG
Asset management service revenue	21 170 983	5 068 010
Direct costs	(11 243 438)	(8 500 839)
Net asset management service income/(expense)	**9 927 545**	**(3 432 829)**

26.3 Other income

	December 2024 ZWG	December 2023 RESTATED ZWG
Tenant interest	22 291 071	11 512 288
Profit on disposal of vehicles and equipment	483 470	16 645
Clinic fee income	40 228 848	8 114 088
Funeral service income	4 632 366	688 461
Pharmacy services income	9 587 117	2 035 478
Loss on disposal of investment in associate	-	(6 138 680)
Other income	75 049 208	18 517 442
Total before exchange gains	152 272 079	34 745 723
Exchange gains/(losses)	-	162 273 262
Total	**152 272 079**	**197 018 984**

Other income consists of interest on staff loans, fees from fund management by FML and commission income, property sales commission, motor levy commission, valuation fees and agents fees.

26.4 Revenue from contracts with customers

Included in other income, on note 26.3 above, is revenue from contracts with customers.
The Group derives revenue from the transfer of services over time and at
a point in time in the following major product lines and all in Zimbabwe.

Type of good or service	Timing of recognition	December 2024 ZWG	December 2023 RESTATED ZWG
Asset management fees(note 26.2)	Over time	21 170 983	5 068 010
Asset management fees (Note 13.6)	Over time	219 667	2 407 164
Funeral services	At a point in time	4 601 208	688 461
Clinic services	At a point in time	39 958 265	8 114 088
Pharmacy services income	At a point in time	9 522 633	2 035 478
Total revenue from contracts with customers		**75 472 755**	**18 313 201**

Performance obligations
Information on the Group's performance obligations is summarised below:

Funeral services
The performance obligation is performed upon consumption of the service by the customer, thus at a point in time. However, there is usually no material time lag between service provision and payment and customers are usually required to pay in advance before provision of the service.

Clinic services
The Group provides general practitioner healthcare services to customers. These services are consumed by the customers at a point in time.

Pharmacy services income
The Group provides pharmacy services to customers. These services are consumed by the customers at a point in time.

Property services income
Property services include property valuations and property sales on behalf of customers. The performance obligation is satisfied after delivery of a valuation report and when a property has been sold and consideration transferred.

27 PHARMACIES, CLINICS AND FUNERAL DIRECT COSTS

	December 2024 ZWG	December 2023 RESTATED ZWG
Pharmacy and Clinic services	53 867 218	21 744 768
Funeral services	3 815 524	977 359
TOTAL	**57 682 742**	**22 722 127**

28 OTHER ADMINISTRATION EXPENSES

The profit before income tax is shown after charging:	December 2024 ZWG	December 2023 RESTATED ZWG
Staff costs (note 28.1)	405 451 539	416 655 083
Directors' fees - FMHL	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
Depreciation of Right of Use asset	3 722 183	1 329 267
Amortisation of intangible assets	75 602	56 943
External Audit fees	12 339 100	10 343 556
IMT 2% tax	8 435 462	12 892 384
Other costs (note 28.5)	345 056 457	259 608 254
Transfer to directly attributable expenses	(243 240 676)	(374 052 882)
Total administration expenses	**575 954 315**	**348 288 803**

28.1 Staff costs

Wages and salaries	141 572 204	143 817 751
Non-pensionable allowances	46 507 800	48 399 127
Allowances	49 665 683	51 738 266
Social security and health insurance costs	24 385 974	26 272 713
Defined contribution pension costs	16 402 305	15 072 957
Long-term incentives	35 037 530	35 415 069
Short-term incentives	18 178 140	18 619 882
Motoring benefit	43 547 817	43 788 347
Movement in leave pay provision	15 313 809	15 063 848
Staff training	10 561 646	9 506 834
Rationalisation costs(28.2)	918 517	-
Other staff costs	3 360 115	8 960 289
Total staff costs	**405 451 539**	**416 655 083**

Staff Pension and Life Assurance scheme
All employees are members of the First Mutual Staff Pension and Life Assurance Scheme, which is a defined contribution pension plan. The Group's contributions to the defined contribution pension plan are charged to the statement of comprehensive income in the year in which they relate.

National Social Security Authority Scheme
The Group and its employees contribute to the National Social Security Authority Pension Scheme. This is a social security scheme, which was promulgated under the National Social Security Act (Chapter 17:04). The Group obligations under the scheme are limited to specific contributions legislated from time to time.

28.2 Rationalisation expenses

In April 2024, there was a retrechment within the group in order to streamline the business.

28.3 Allowance for credit losses

	December 2024 ZWG	December 2023 RESTATED ZWG
Premium receivables from intermediaries	2 414 411	11 190 852
Tenant receivables (note 14.1)	20 983 585	4 991 221
Other receivables (note 14.2)	13 228 120	6 316 672
Total	**34 211 705**	**11 307 893**

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FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

28 ADMINISTRATION EXPENSES (continued)

		December 2024 ZWG	December 2023 RESTATED ZWG
28.5	**Other costs**		
	Marketing and corporate relationship management	40 720 422	49 236 408
	Loss on disposal of investment in associate	-	6 138 680
	Exchange losses	156 037 347	-
	Information technology expenses	27 718 672	34 782 048
	Office costs	11 556 054	12 450 016
	Fees and other charges	14 535 350	12 682 804
	Actuarial fees	1 220 972	9 241 138
	Expensed VAT	1 440 882	995 336
	Bank charges	6 737 286	8 717 471
	Communication expenses	1 614 560	8 963 696
	Expenses relating to leases of low value	7 461 940	5 280 725
	Subscriptions	1 552 969	5 883 533
	Investor relations	1 437 988	1 490 456
	Administration travel	5 463 040	11 282 975
	Rates	19 827 489	18 718 359
	Project costs	12 248 305	9 088 846
	Staff welfare	11 097 730	6 999 579
	Repairs and maintenance	3 052 957	2 180 107
	Cleaning expenses	2 007 961	9 890 653
	Strategy expenses	5 529 260	3 060 887
	Other costs	13 795 274	42 524 536
	Total	**345 056 457**	**259 608 254**

29 EARNINGS/(LOSS) PER SHARE ("EPS")

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

		December 2024 ZWG	December 2023 RESTATED ZWG
29.1	**Basic earnings per share**		
	Profit attributable to ordinary equity holders of the company	(753 329 829)	344 153 473
	Weighted average number of shares in issue	731 718 322	731 718 322
	Basic earnings per share (cents)	**(103)**	**47**
29.2	**Diluted earnings per share**		
	Profit attributable to ordinary equity holders of the company	(753 329 829)	344 153 473
	The following reflects the share data;		
	Weighted average number of shares in issue	731 718 322	731 718 322
	Effect of dilution of share option		-
	Weighted number of shares adjusted for the effects of dilution	731 718 322	731 718 322
	Diluted earnings per share (cents)	**(103)**	**47**

30 COMMITMENT AND CONTINGENT LIABILITIES

30.1 Commitments

30.1.1 Operating lease commitments

As lessor

The Group holds operating leases with terms that expire after 3 to 5 year lease periods. Future lease payments could not be determined as rental rates are reviewed on an quarterly basis.

The Group anticipates to generate rental income of ZWG218 873 530 (2024: ZWG136 975 763) out of its existing operating leases in the next 12 months.

30 COMMITMENT AND CONTINGENT LIABILITIES (continued)
30.1 Commitments (continued)

30.1.2 Capital commitments

The Group has no capital expenditures contracted for at the end of December 2024 (2023 ZWG nil).

30.2 Contingent asset

In 2018, the RBZ separated local RTGS accounts from Nostro accounts which then resulted in a directive being issued to business regarding legacy liabilities. Businesses were to apply for blocked funds status with respect to the outstanding foreign liabilities that they owed so they could receive foreign currency to settle these liabilities. Since FMRE had foreign contracts arising from retrocession to ensure that these risks are mitigated properly, settlement of its dues to these parties had to be made. However FMRE could not settle the balance due as a result of the separation of the local and foreign nostro accounts. In the first quarter of 2023 the Ministry of Finance and Economic Development issued communication regarding legacy debts and their intention to have them settled. As at 31 December 2024 the business had received an amount of ZWG4 272 327 out of a possible ZWG21 361 636. Given the circumstances surrounding the nature of the savings bond that the government has promised to issue, the asset does not appear to be virtually certain in light of IAS 37. Therefore, we will treat the legacy debt as a contingent asset as it a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the FMRE.

30.3 Legal proceedings and regulations
30.3.1 Contingent Liability

In line with Circular 19 of 2020, issued on 1 October 2020, the Insurance and Pensions Commission (IPEC or the Commission) appointed Atchison Actuarial Services ("Atchison" or "the Consultants") to carry out an analysis of the separation of assets between policyholders and shareholders accounts. This exercise was undertaken in respect of all insurance companies operating in Zimbabwe, including First Mutual Life Assurance Company (Private) Limited (FML). 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.

Atchison requested for information from insurance companies for the period 2006 to 31 December 2019. On the 18th of December 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 17 December 2021, failing which the Commission would institute a forensic investigation on FML in line with section 67 of the Insurance Act. FML in consultation with the regulator and the Consultant managed to submit all the outstanding information by the end of December 2021.

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.

In April 2023 after having made a follow up with IPEC on progress in finalising the forensic investigation, FML were availed the final report and were given 30 days to comment on the factual accuracy of the report. FML submitted their comments to Ministry of Finance copying in IPEC within the 30 day period.

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:

NB: The amounts disclosed are before currency reforms within Zimbabwe and the entity and before interest

	ZWG	USD
Actual Loss	83 822	21 141 094
Potential Loss		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. FML sought input from independent third-party professionals in a bid to resolve the areas of disagreement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

30 COMMITMENT AND CONTINGENT LIABILITIES (continued)
30.3 Legal proceedings and regulations (continued)
30.3.1 Contingent Liability (continued)

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 Permanent Secretary (PS) in the Ministry of Finance, Economic Development and Investment Promotion on 4 December 2024. Following correspondence with the PS, 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.

30.4 Non-controlling interest put options
30.4.1 Recognition for put option liability

The agreement required First Mutual Holdings to reacquire an equity instrument at a specified price is an option that gives Aleyo Growth Fund 1 GP Partnership (the counterparty) the right but not the obligation to sell FMRE Holding Company's (issuer) own equity instrument to FMRE HoldCo for a fixed price.

According to the Put Option Agreement between First Mutual Holdings and Aleyo Growth Fund 1 GP Partnership, the conditions that trigger the exercise of the put option are clearly stipulated and the put option will only be recognized if one or more of the stated conditions are satisfied. The detailed assessment has been shown below:

Condition precedent to the agreement	Assessment	Conclusion
The breach of warranties and indemnities contained in the Investment Agreements and in the case of any breach which is capable of being remedied by the payment of any sum of money, a failure to remedy such breach by paying the sum of money demanded in writing by Aleyo within 20 business days of such written demand therefore, or within such longer period as may be agreed between the Parties in writing. In line with management's understanding of the Investment Agreements, one material warranty that might trigger a breach is the involuntary liquidation of the foreign currency balance into ZWG.	The Reserve Bank of Zimbabwe and the Ministry of Finance and Economic Development have confirmed that the investment in the nostro account will be ring-fenced, such that even if the law changes, the Group will still be eligible to claim its funds in the form of foreign currency. Therefore, no material loss of value is expected to occur in this account that will not have any way impact the funds transferred.	This condition is less likely to materialise.
If, cumulatively over a continuous three-year period during the Forecast Period, the Company fails to achieve the EBITDA Target on a consolidated basis- This precedent is only applicable for the 3 years beginning 2022 per the signed agreement.	Management has considered the performance of the reinsurance subsidiaries as solid. For the year ending in 31 December 2023, the EBITDA for the two companies was BWP73,269,341 which is 101% of BWP72,518,208 (the two year cumulative per the Addendum agreement). This performance surpassed the set thresholds.	This condition is less likely to materialise.
A change in control at First Mutual Holdings level which has not been approved by Aleyo Growth Fund 1 GP Partnership would result in an obligation to settle an amount of BWP21 million within 20 days of such an occurrence. Thus resulting in Aleyo Growth Fund 1 GP Partnership forfeiting their shareholding in the Reinsurance Holding Company.	As at the reporting period, National Social Security Authority ("NSSA") & CBZH as major shareholders of First Mutual Holdings Limited with a total holding of 70.91% (NSSA 2023:66.22%, 2024: 34.44%; CBZH 2023: 0%, 2024: 36.47%)) directly in First Mutual Holdings. It has been assessed and concluded that the ultimate beneficiary of the change in shareholding is NSSA since the acquisition of a stake in FMHL by CBZHL will result in NSSA holding more CBZHL shares. The Aleyo Growth Fund 1 GP Partnership has been briefed on the impending transaction and has not indicated that they will trigger the put option obligation as a result.	This condition is less likely to materialise.

Recognition of put option liability

In light of the above assessment the put option obligation has been concluded by the Group as a contractual obligation to deliver cash in the form of the BWP61 million paid to FMRE Holding Company. The policy treatment adopted in the reclassification of the total of non-controlling interest balance for Aleyo to be reclassified to a put option liability. There has not been remeasurement of the put option liability that has been recognised in equity as the transaction was concluded at the close of the year. The measurent thus equates the waste case scenario that is to say the amount was to be payable immediately

31 RELATED PARTY DISCLOSURES

Related companies
Related party transactions exist between First Mutual Holdings Limited and its fellow subsidiaries.

As at the reporting period, National Social Security Authority ("NSSA") & CBZH as major shareholders of First Mutual Holdings Limited with a total holding of 70.91% (NSSA 2024: 34.44%, 2023: 34.44%; CBZH 2024: 36.47%, 2023: 36.47%) directly in First Mutual Holdings.

31.1 Subsidiaries and associates

The financial statements comprise the financial statements of First Mutual Holdings Limited and its subsidiaries and associate companies listed in the following table (indicating the extent of ownership):

	2024	2023
Subsidiaries		
First Mutual Life Assurance Company (Private) Limited	100.00%	100.00%
First Mutual Health Company (Private) Limited	100.00%	100.00%
First Mutual Microfinance (Pvt) Ltd	100.00%	100.00%
FMRE Property and Casualty (Proprietary) Limited*	100.00%	100.00%
First Mutual Reinsurance Holdings Limited****	70.90%	70.90%
First Mutual Properties Limited	69.88%	69.88%
First Mutual Wealth Management (Private) Limited	100.00%	100.00%
NicozDiamond Insurance Limited	100.00%	100.00%
Diamond Companhia de Seguros, SA ("Diamond Seguros")***- held through NicozDiamond Insurance Limited	71.40%	71.40%
First Mutual Property Fund One (Private) Limited	100.00%	100.00%
First Mutual Funeral Services (Private) Limited- held through First Mutual Life Assurance Company (Private) Limited	100.00%	100.00%
Infrastructure Fund Zimbabwe (Private Limited)	100.00%	0.00%
Associates		
United General Insurance Limited** - NicozDiamond Insurance Limited	23.77%	34.00%
Builstate Investments (Private) Limited	37.48%	37.48%
Greencroft Properties (Private) Limited	30.95%	29.49%
First Mutual Properties Limited is owned 69.88% by First Mutual Group as follows:		
First Mutual Holdings Limited - the company	2.53%	2.53%
First Mutual Life Assurance Company (Private) Limited - shareholders	18.01%	18.01%
First Mutual Life Assurance Company (Private) Limited - policyholders	41.91%	41.91%
First Mutual Reinsurance Company Limited	2.84%	2.84%
First Mutual Health Company (Private) Limited - shareholders	3.69%	3.69%
First Mutual Wealth Management (Private) Limited	0.43%	0.43%
First Mutual Microfinance (Pvt) Ltd	0.47%	0.47%
Total	**69.88%**	**69.88%**
First Mutual Health Company (Private) Limited is owned 100% by First Mutual Group as follows:		
First Mutual Life Assurance Company (Private) Limited	20.00%	20.00%
First Mutual Holdings Limited - the company	80.00%	80.00%
Total	**100.00%**	**100.00%**
First Mutual Property Fund One (Private) Limited is owned 100% by First Mutual Group as follows:		
First Mutual Life Assurance Company (Private) Limited	52.55%	52.55%
First Mutual Health Company (Private) Limited	20.29%	20.29%
First Mutual Reinsurance Company Limited	10.14%	10.14%
First Mutual Properties Limited	8.91%	8.91%
First Mutual Wealth Management (Private) Limited	8.11%	8.11%
Total	**100.00%**	**100.00%**

** This company is incorporated, registered and operates in Malawi
*** This company is incorporated, registered and operates in Mozambique
**** This company is incorporated, registered and operates in Botswana and it has been formed to consolidate the Group's strategy

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

		December 2024 ZWG	December 2023 RESTATED ZWG
31	**RELATED PARTY DISCLOSURES (continued)**		
31.2	**Compensation of key management:** Key management personnel includes executive directors and senior management of the Group		
	Short term employment benefits	69 047 251	41 673 191
	Post-employment pension and medical benefits	7 175 229	9 297 562
	Share appreciation rights	14 029 756	35 415 069
	Total compensation paid to key management personnel	**104 281 992**	**86 385 822**
31.3	**Loans to directors and officers**		
	Executive directors	3 597 319	1 430 893

31.4 Directors and other key management's interest

	2024 Number of shares	2 023 Number of shares
Douglas Hoto	250 000	250 000
William Marere	100 015	100 015
Other key management	15 044	15 044
	365 059	**365 059**

31.5 Transactions and balances with related companies:

31.5.1 Summary of related party transactions

The following table provide the total amount of transactions that have been entered into with related parties during the period ended 31 December 2024:

	Relationship to First Mutual Holdings Limited	Purchases from related parties ZWG	Amount owed to related parties ZWG	Amount owed by related parties ZWG	Loans owed to related parties ZWG	Carrying amounts of investments in subsidiaries ZWG
First Mutual Microfinance (Private) Limited	subsidiary	-	-	57 066	-	20 249 814
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	17 276 456	-	532 077 113
NicozDiamond Insurance Limited	subsidiary	182 765	627 600	-	-	485 090 137
First Mutual Reinsurance Company Limited	subsidiary	-	-	190 058	-	159 084 527
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	501 187	-	294 705 106
First Mutual Health Company (Private) Limited	subsidiary	78 453	552 552	-	-	261 965 904
First Mutual Funeral Services (Private) Limited	subsidiary	-	-	1 806	-	-
First Mutual Health Services (Private) Limited	subsidiary	-	-	48 656	-	90 197 498
First Mutual Properties Limited	subsidiary	5 739 437	7 917 792	-	-	2 980 006 866
First Mutual Wealth Management (Private) Limited	subsidiary	-	-	446 237	-	22 366 520
		6 000 656	**9 097 944**	**18 521 466**	**-**	**4 845 743 486**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

31 RELATED PARTY DISCLOSURES (continued)

The following table provide the total amount of transactions that have been entered into with related parties during the year ended 31 December 2023

	Relationship to First Mutual Holdings Limited	Purchases from related parties RESTATED ZWG	Amount owed to related parties RESTATED ZWG	Amount owed by related parties RESTATED ZWG	Loans owed to related parties RESTATED ZWG	Carrying amounts of investments in subsidiaries RESTATED ZWG
First Mutual Microfinance (Private) Limited	subsidiary	-	83 724	-	-	10 202 901
First Mutual Life Assurance Company (Private) Limited	subsidiary	-	-	-	-	442 301 702
NicozDiamond Insurance Limited	subsidiary	3 487 391	-	496 723	-	168 917 035
First Mutual Reinsurance Company Limited	subsidiary	-	-	567 224	-	49 136 665
FMRE Property and Casualty (Proprietary) Limited	subsidiary	-	-	281 541	-	42 676 707
First Mutual Health Company (Private) Limited	subsidiary	-	-	610 189	-	109 901 724
First Mutual Funeral Services (Private) Limited	subsidiary	-	-	-	-	-
First Mutual Health Services (Private) Limited	subsidiary	-	-	22 841	-	-
First Mutual Properties Limited	subsidiary	10 936 122	62 063	-	-	-
First Mutual Wealth Management (Private) Limited	subsidiary	5 357 846	-	453 476	-	10 181 906
		19 781 358	**145 787**	**2 431 993**	**-**	**833 318 641**

32.6 Material partly-owned subsidiary

Financial information of subsidiary that have material non-controlling interests are provided below;

Portion of equity interest held by non-controlling interest

Name	**Country of incorporation** and operation	**2024**	**2023**
First Mutual Properties Limited	Zimbabwe	29.93%	29.93%
Diamond Seguros Insurance Company Limited	Mozambique	28.60%	28.60%
First Mutual Reinsurance Holdings Limited	Botswana	29.10%	29.10%

	December 2024 ZWG	**December 2023 RESTATED ZWG**
Accumulated balances of material non-controlling interest		
First Mutual Properties Limited	892 043 767	702 242 477
Diamond Seguros Insurance Company Limited	12 370 281	6 743 760
First Mutual Reinsurance Holdings Limited	65 448 301	42 282 678
Total	**969 862 349**	**751 268 915**
Reconciliation of FMRE NCI		
FMRE NCI at initial recognition		-
Share of comprehensive income	11 981 487	22 998 393
Share of dividend	(4 976 331)	(6 115 324)
Reclassification to put option (Note 2.2 (d))	(15 046 602)	(16 883 069)
NCI balance as at December	-	-
Profit allocated to non-controlling interest:		
First Mutual Properties Limited	(265 592 194)	378 809 130
Diamond Seguros Insurance Company Limited	(4 235 526)	7 053 325
First Mutual Reinsurance Holdings Limited	100 511 498	65 834 733
Total	**(169 316 221)**	**451 697 188**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

31 RELATED PARTY DISCLOSURES (continued)
32.6 Material partly-owned subsidiary (continued)

The summarised financial information of the subsidiaries is provided below. This information is based on amounts before intercompany eliminations.

	2024	2023
First Mutual Properties Limited		
Revenue	127 142 152	93 524 051
Allowance for credit losses	(11 457 268)	(5 222 321)
Property expenses	(55 999 836)	(47 827 342)
Net property income	3 866 234	2 984 485
Employee related expenses	(21 304 848)	(14 876 851)
Other expenses	(13 872 473)	(13 212 727)
Net property income after administration expenses	**1 587 543**	**913 226**
Fair value adjustments	(807 638 911)	1 240 454 345
Other income	16 592 578	12 687 442
Finance income	(380 239)	11 990 399
Share of profit from associate	149 788	2 471 813
Net monetary gain/ (loss)		1 047 232
Profit before income tax	**(49 669 195)**	**94 460 539**
Income tax expense	(120 608 805)	(15 385 757)
Profit for the year	**(57 481 902)**	**93 326 030**
Other comprehensive (loss)/income		
Total comprehensive income	**(57 481 902)**	**93 326 030**
Attributable to non-controlling interest	(265 592 194)	378 809 130
Dividends paid to non-controlling interest	-	(10 236 082)
Summarised statement of financial position as at		
Investment property	2 052 387 066	2 480 465 269
Property, plant and equipment and other non-current financial assets	1 808 308	1 682 077
Financial assets	18 478 111	7 950 661
Inventories, cash and bank, current financial assets and other receivables (current)	41 532 958	31 272 543
Non-current liabilities (deferred tax only)	(258 086 137)	(138 309 041)
Long term liabilities	(29 689 876)	-
Trade and other payable (current)	(40 157 574)	(36 778 591)
Total equity	**1 786 272 856**	**2 346 282 918**
Summarised cash flow information for the year ending 31 December		
Operating	11 652 833	20 470 363
Investing	(26 082 079)	(25 991 000)
Financing	21 717 161	(4 759 095)
Effects of inflation		(4 950 019)
Net increase in cash and cash equivalents	**7 287 915**	**(15 229 752)**

31 RELATED PARTY DISCLOSURES (continued)

32.6 Material partly-owned subsidiary (continued)

Diamond Seguros Insurance Company Limited	2024	2023
Statement of comprehensive income		
Insurance contract revenue	73 302 054	37 219 202
Insurance service expenses	(67 177 920)	(48 140 782)
Net reinsurance contract result	1 757 725	(11 885 931)
Insurance service result	7 881 859	(22 807 512)
Profit before income tax	959 321	(24 661 977)
Statement of financial position		
Property, plant and equipment and other non-current financial assets	2 567 093	1 097 158
Financial assets	-	-
Reinsurance contract assets	42 781 523	10 712 724
Inventories, cash and bank, current financial assets and other receivables (current)	85 313 305	34 040 097
Non-current liabilities (deferred tax only)	(269 830)	(142 118)
Long term liabilities	-	-
Insurance contract liabilities	(80 418 675)	(21 437 998)
Trade and other payable (current)	(6 720 686)	(1 131 398)
Total equity	**43 252 730**	**23 138 466**
Statement of Cashflows		
Cashflows from Operating activities	995 444	934 053
Cashflows from investing activities	1 437 542	1 586 925
Cashflows from financing activities	-	-
First Mutual Reinsurance Holdings Limited		
Summarised statement of comprehensive income		
Insurance contract revenue	614 697 931	875 980 417
Insurance service expenses	(435 751 028)	(573 586 935)
Net reinsurance contract result	(104 765 405)	(17 347 244)
Movement in premium credit adjustment	(2 343 266)	(3 964 123)
Insurance service result	71 838 232	281 082 114
Administration Expenses	(46 466 582)	(79 024 944)
Movement in provision for credit losses	(4 430 111)	(60 837)
Profit before other items	**20 941 539**	**201 996 333**
Investment income	16 657 495	54 233 556
Other income	4 995 429	60 489 839
Profit before income tax	42 594 464	316 719 729
Income tax expense	(14 975 485)	10 439 073
Profit for the year	27 618 979	327 158 801
Other comprehensive (loss)/income	(35 477 582)	(100 922 606)
Total comprehensive income	**(7 858 603)**	**226 236 196**
Summarised statement of financial position		
Property, plant and equipment and other non-current financial assets	8 497 776	5 118 991
Financial assets	123 743 470	60 024 785
Reinsurance contract assets	345 031 732	166 666 888
Inventories, cash and bank, current financial assets and other receivables (current)	568 001 888	317 714 925
Non-current liabilities (deferred tax only)	-	-
Long term liabilities	(4 297 972)	(3 408 776)
Insurance contract liabilities	(760 215 440)	(365 515 639)
Trade and other payable (current)	(55 853 203)	(35 299 876)
Total Equity	**224 908 251**	**145 301 298**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

33 EVENTS AFTER THE REPORTING PERIOD

In accordance with IAS 10 Events After the Reporting Period, the Group has evaluated events occurring between the end of the reporting period (31 December 2024) and the date the financial statements were authorized for issue on the 5th of June 2025:

Adjusting Events:
There were no adjusting events post 31 December 2024.

Non-Adjusting Events:
There were no non-adjusting events post 31 December 2024.

34 PROPOSED DIVIDEND ON ORDINARY SHARES

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.

35 GOING CONCERN

In order to align with the requirements of International Financial Reporting Standards ("IFRS"), specifically International Accounting Standard 1 ("IAS 1"), the management of First Mutual Holdings Group Limited ("FMHL") management have assessed its ability to continue operating as a going concern in the foreseeable future. The management of FMHL have provided a detailed assessment below employing the guidance provided in International Standards for Auditing 570 "(ISA 570"). Moreover, each subsidiary has provided detailed assessments of the going concern status of their respective subsidiaries. No issues that give rise to material uncertainties were noted in these assessments.

For the period ended 31 December 2024, management has considered the geo-political tension in Europe with Russia and Ukraine being the key players. The two countries play a significant role in the global economy and the conflict between them has resulted in geo-economic tensions across the globe. In addition, the increase in global trade barriers through tariffs may result in a slow down in the global economy.

On the basis of the above assessment, management is of the opinion that the Group is able to continue in business beyond 31 December 2024 and that therefore recommend that the Separate and Consolidated Financial Statements for the period ended 31 December 2024 be prepared on a going-concern basis.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	Dec-24 ZWG AUDITED	Dec-23 ZWG "AUDITED RESTATED*"	Jan-23 ZWG AUDITED RESTATED*
ASSETS				
Non Current Assets				
Property, plant and equipment	J	724 114	195 332	428 067
Right of Use asset	K1	7 073 613	4 616 345	6 960 410
Investment properties	J1	14 430 743	11 749 816	23 623 919
Investment in subsidiaries	L4	1 313 511 272	817 896 107	681 274 712
Investment in associate	T	492 613	259 248	471 943
Financial assets at fair value through profit or loss	M	48 045 851	24 308 543	10 686 276
Investments held at amortised cost	V	7 570 476	1 797 956	895 407
Total Non Current Assets		**1 391 848 681**	**860 823 346**	**724 340 733**
Current Assets				
Investments held at amortised cost	V	633 639	299 658	183 397
Rental receivables	N1	59 038	9 850	-
Other receivables	N	825 143	3 727 179	529 114
Intercompany receivables	O	1 243 572	2 228 224	4 394 473
Consumable stocks	U	219 812	92 263	247 618
Short term investments	P	109 541	2 445 853	779 637
Bank & cash balances	P	1 277 598	4 983 404	1 741 639
Total Current Assets		**4 368 342**	**13 786 432**	**7 875 879**
TOTAL ASSETS		**1 396 217 023**	**874 609 778**	**732 216 612**
EQUITY AND LIABILITIES				
Equity				
Share capital		8 652 783	4 553 715	8 289 715
Share premium		173 527 553	91 322 636	166 246 384
Capital reserves	W	613 238	322 730	587 507
Retained profit		1 187 848 943	757 368 264	545 433 149
Total Equity		**1 370 642 518**	**853 567 345**	**720 556 755**
Non Current Liabilities				
Lease liability	K2	4 396 997	3 734 207	4 086 522
Total Non Current Liabilities		**4 396 997**	**3 734 207**	**4 086 522**
Current Liabilities				
Trade and other payables	Q	9 093 395	16 228 888	5 030 555
Lease liability	K2	2 995 340	933 552	1 021 631
Intercompany payables	R	9 088 774	145 787	1 521 149
Total Current Liabilities		**21 177 509**	**17 308 227**	**7 573 335**
Total Liabilities		**25 574 506**	**21 042 434**	**11 659 857**
TOTAL EQUITY AND LIABILITIES		**1 396 217 023**	**874 609 779**	**732 216 612**

These financial statements were approved by the Board of Directors on 5 June 2025 and signed on behalf of the Directors.

A R T Manzai
Chairman

D Hoto
Group Chief Executive Officer

*Prior year numbers were restated as a result of change in the company presentation currency, refer to note 2.13b in Group financial statements.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Notes	Dec-24 ZWG AUDITED	Dec-23 ZWG AUDITED RESTATED*
INCOME			
Shared service costs recoveries	E	43 496 046	32 415 140
Rental income	F1	584 927	597 321
Fair value (loss)/gain- Investment property	J1	(5 817 570)	10 112 786
Net investment income	I	1 651 660	18 544 114
Share of (loss)/profit from subsidiaries	L2	(238 955 247)	518 868 620
Other income	F	36 187	3 913 789
Net monetary loss		-	(5 303 274)
Total Income		**(199 003 997)**	**579 148 496**
EXPENDITURE			
Administration expenses	G	(44 609 272)	(50 891 971)
Property expenses		(83 678)	(47 352)
Project costs	H1	-	(92 406)
Decrease/(Increase) in allowance for expected credit loss		306 938	(165 527)
Finance costs		(675 881)	(429 027)
Total Expenses		**(45 061 893)**	**(51 626 283)**
(Loss)/profit before income tax		**(244 065 890)**	**527 522 213**
Income Tax	S3	-	-
(Loss)/Profit after tax		**(244 065 890)**	**527 522 213**
Other comprehensive income			
Share of other comprehensive income/(loss) of subsidiaries and associates using equity method	L3	43 544 381	(57 018 242)
Foreign exchange impact of translating to presentation currency		758 774 988	(325 925 295)
Total comprehensive income attributed to shareholders		**558 253 480**	**144 578 677**

*Prior year numbers were restated as a result of change in the company presentation currency, refer to note 2.13b in Group financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Total
Restated balance as at 1 January 2023	**8 289 715**	**166 246 384**	**587 507**	**545 433 149**	**720 556 755**
Profit for the year	-	-	-	527 522 213	527 522 213
Other comprehensive loss	-	-	-	(57 018 242)	(57 018 242)
Foreign exchange impact of translating to presentation currency	(3 736 000)	(74 923 749)	(264 777)	(247 000 769)	(325 925 295)
Total comprehensive income	**(3 736 000)**	**(74 923 749)**	**(264 777)**	**223 503 202**	**144 578 677**
Transactions with shareholders in their capacity as owners:					
Dividend paid			-	(11 568 086)	(11 568 086)
As at 31 December 2023	**4 553 715**	**91 322 636**	**322 730**	**757 368 264**	**853 567 345**
Profit/ Loss for the period	-	-	-	(244 065 890)	(244 065 890)
Other comprehensive income	-	-	-	43 544 381	43 544 381
Foreign exchange impact of translating to presentation currency	4 099 069	82 204 917	290 508	672 180 467	758 774 989
Total comprehensive income	**4 099 069**	**82 204 917**	**290 508**	**471 658 959**	**558 253 480**
Transactions with shareholders in their capacity as owners:					
Dividend paid	-	-	-	(41 178 307)	(41 178 307)
As at 31 December 2024	**8 652 783**	**173 527 553**	**613 238**	**1 187 848 916**	**1 370 642 518**

COMPANY STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Note	Dec-24 ZWG AUDITED	Dec-23 ZWG AUDITED RESTATED*
(Loss)/profit before taxation		**(244 065 890)**	**527 522 213**
Non cash items			
Depreciation	G	2 734 897	896 625
Finance costs		675 881	429 021
Interest received		(951 148)	(494 646)
Share of loss/(profit) of subsidiaries	L2	238 955 247	(518 868 620)
Fair value loss/(gain) on investment property	J1	5 817 570	(10 112 777)
Fair value gain on quoted equities	I	(665 655)	(17 976 470)
Exchange loss/(gain)	F & G	340 053	(3 846 721)
(Decrease)/increase in share appreciation rights	G	(2 201 034)	12 495 657
Dividend received	I	(408 236)	(324 475)
Profit/(loss) from disposal of property and equipment	J	(9 559)	(1 207)
Monetary loss		-	5 513 346
Operating cash flow before working capital changes		**222 127**	**(4 768 052)**
Working capital changes			
Decrease/(increase) in other receivables		2 902 036	(3 198 069)
increase in rental receivables		(49 187)	(9 846)
Decrease in intercompany receivables		984 653	2 166 249
(Increase)/decrease in consumable stocks		(127 549)	155 348
Increase/(decrease) in intercompany payables		8 942 987	(1 375 363)
(Decrease)/increase in other payables		(7 135 495)	15 685 482
Effects of inflation on working capital movements		-	(210,074)
Cash generated from operations		**5 739 572**	**8 445 674**
Finance costs on lease liability	K2	(675 881)	(429 021)
Interest received		951 148	494 646
Share appreciation rights excercised	Q1	(5 510 212)	(4 487 154)
Net cash flows from operating activities		**504 627**	**4 024 145**
Investing activities			
Purchase of vehicles and equipment	J	(730 394)	(175 433)
Recapitalisation of subsidiaries	L1	(23 394 249)	(17 255 823)
Purchase of quoted securities	M	(1 160 365)	(545 271)
Additions to debt securities at amortised cost	V	(1 290 388)	(4 475 274)
Disposal of investments	M	-	83 404
Maturities of Investments	V	-	994 556
Proceeds from the sale of property, plant & equipment		192 599	26 445
Dividend received	I & L1	58 030 261	33 938 623
Disposal of investment property	J1	2 078 199	6 601 489
Cash generated from investing activities		**33 725 663**	**19 192 715**
Financing activities			
Lease liability repayment	K2	(3 570 674)	(1 527 280)
Dividend paid		(41 178 307)	(11 568 085)
Cash utilised from financing activities		**(44 748 981)**	**(13 095 366)**
Net (decrease)/increase in cash and cash equivalents		**(10 518 691)**	**10 121 494**
At beginning of year		**7 429 257**	**2 521 276**
Effects of exchange rates on cash and cash equivalents		4 476 572	914 026
Effects of inflation on cash and cash equivalents		-	(6 127 539)
Net (decrease)/increase for the period		(10 518 691)	10 121 494
At end of period		**1 387 138**	**7 429 257**
Disclosed as:			
Investments: Short term		109 541	2 445 853
Bank & Cash Balances		1 277 598	4 983 404
Cash and cash equivalents at the end of the period		**1 387 139**	**7 429 257**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

A GENERAL INFORMATION

Additional general information has been presented in the Group notes to the financial statements.

B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The company financial statements have been prepared in accordance with the policies detailed in the notes to the Group Financial Statements in this Annual Report. All other policies relating to the preparation of the financial statements of First Mutual Holdings, the company, not covered in the Group disclosures are presented below.

C Revenue recognition

Revenue is derived from shared service recoveries. The company provides shared services to the subsidiary companies which involve administration, procurement, secretarial, group finance and strategic management services for group companies. The revenue for the services is recognised either at a point in time or over a time depending on the nature of the service rendered to the customer.

The Company recognises revenue when the following conditions have been met;
• the contract has been approved by the parties to the contract;
• each party's rights in relation to the services to be transferred can be identified;
• the payment terms for the services to be transferred can be identified;
• the contract has commercial substance; and
• and it is probable that the consideration to which the Company is entitled to in exchange for the services will be collected.

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds 12 months. The transaction price is there for not adjusted for the effects of a significant financing component.

Revenue stream	Satisifaction of Performance obligation	Estimation Method	Management rationale
Adminstration	over time	Input method	Based on time and resources put in providing the services
Procurement	point in time	Transaction price	Revenue is recognised when the services are transferred to the customer (date of actual purchase)
Secreterial	point in time	Transaction price	Revenue is recognised when the services are transferred to the customer (date of service)
Group finance	over time	Input method	Based on time and resources put in providing the services
Strategic management services	over time	Input method	Based on time and resources put in providing the services

D COMPANY FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are investment risk, equity price risk, interest rate risk, liquidity risk, currency risk, and credit risk.

D1 Investment risk

The Company's investment risk management system operates through a hierarchy of investment limit approvals. Individual fund managers have authority to trade within certain limits. Investments in excess of the specified limits require the approval of the Group Investment Committee. In addition, the Group Investment Committee makes all decisions regarding property investments and unquoted companies' share transactions.

D2 Equity price risk

Equity price risk is the potential loss arising from changes in the market price of a financial instrument as a result of fluctuations in the market price. A substantial part of the equity portfolio comprises listed counters. Unquoted counters are subjected to periodic financial analysis and review. The Company's equity price risk policy is to manage such risks by setting and monitoring objectives on investments, diversification of portfolios and setting limits on investment in each sector.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D2 Equity price risk (continued)

+/-10 share price movement	**31-Dec-24** **Impact on equity ZWG**	**31-Dec-23** **Impact on equity ZWG**
Commodity +/-10	252 626 -	32 069 -
Consumer +/-10	8 707 -	1 105 -
Financial +/-10	756 847 -	96 077 -
Manufacturing +/-10	65 168 -	8 273 -
Property +/-10	2 341 314 -	297 214 -
Insurance +/-10	8 471 -	1 075 -
Telecommunication +/-10	48 011 -	6 095 -
Other +/-10		
Total +/-10	**3 481 145**	**441 908**

D3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to intercompany receivables, staff loans and other receivables.

Risk management

Credit risk is managed on a group basis. The key areas where the Company is exposed to credit risk are:-
- amounts due from debt securities;
- amounts due from loans and receivables; and
- amounts due from cash and balances with banks.

Credit risk arising from other financial assets of the Company, which comprise cash and balances with banks, and held to maturity investments, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Cash and balances with banks and Debt securities at amortised cost

The Company has a policy that establishes counterparty trading limits for each banking institution that it trades with. These counter party limits are reviewed at least semi-annually and submitted to the Investments Committee for approval. In this process the financial results of the banking institutions which are published semi-annually, are reviewed and together with other qualitative factors. The limits worked out are proposed to the Investment Committee for approval.

The Company only trades with and receives service from banking institutions that meet regulatory requirements including minimum regulatory capital.

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D3 Credit risk (continued)

Key considerations in the review of limits and security requirements include:-
- compliance with minimum capital requirements as set by the Reserve Bank of Zimbabwe ("RBZ"),
- RBZ periodic capital adequacy, asset quality, management, earnings, liquidity, and sensitivity ("CAMELS") ratings,
- total shareholder equity,
- total assets,
- ratios such as loan to deposit ratio, cost to income and non-performing loans ("NPLs") to total loans ratio,
- overall profitability and cash generation,
- historical performance and outlook,
- ability of the bank to provide collateral security,
- global credit ratings, with at least a rating of A+.

The approved collateral security instruments are as follows:
- treasury bills and aftrades;
- Zimbabwe Stock Exchange ("ZSE") top ten listed equities;
- bankers acceptances; and
- property bonds for long term placements

Qualitative factors include additional opinion formed through market intelligence on the financial institution, shareholder profile, management and segment of market being served.

The banks are classified into three internal categories as set out below:

Tier 1 Banks - banks that are considered to have well above the regulatory capital, stable and have a proven performance record. No security is required from these counterparties. The counterparty limit for tier 1 Banks is set as 61% (2023: 61%) of the Company total money market investments.

Tier 2 Banks - banks that are assessed to be significantly stable but have lower performance and shareholder ratings than Tier 1 Banks. Security is required for investments with these banks. The counterparty limit for tier 2 Banks is set as 50% (2023: 50%) of Company total money market investments.

Tier 3 Banks - banks that are evaluated as currently not suitable to be classified as a trading counterparty.
The Company holds cash accounts with financial institutions with sound financial and capital cover. The financial institutions holding the cash and cash equivalents of the Company have the following internal credit ratings.

	31-Dec-24 ZWG	31-Dec-23 ZWG
Tier 1	1 277 598	4 983 404
Tier 2	-	-
Tier 3	-	-
	1 277 598	**4 983 404**

(ii) Security
The Company holds no collateral in respect of debt securities at amortised cost.

(iii) Impairment of financial assets
The company has the following types of financial assets that are subject to the expected credit loss model:
- intercompany receivables,
- rental receivables,
- debt securities at amortised cost, and
- money market investments

Intercompany receivables
The company applies the simplified approach that takes into account forward looking approach to measure expected credit losses. The simplified approach uses a lifetime expected loss allowance for all intercompany receivables. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the intercompanies to settle the receivables.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D3 Credit risk (continued)

Rental receivables
The Company applies the simplified approach forward looking to measure expected credit losses. The simplified approach uses a lifetime expected credit loss allowance for all trade receivables. To measure the expected credit losses, rental receivables have been grouped based on shared credit characteristics and the days past due. The company applied the practical expedient to calculate expected credit losses using a provision matrix. However, in order to comply with the IFRS 9 requirements, The Company took into account how current and forward-looking information might affect its customers' historical default rates and, consequently, the effect of the information on current expectations and estimates of expected credit losses. The expected credit loss rates are based on the following:

The Company consider the following as constituting an event of default

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources which indicates the debtor is unlikely to pay it's creditors, including the company.

Irrespective of the above analysis, the Company consider that default has occurred when a financial asset is more than 120 days past due unless the Company have reasonable and supportable information to demostrate that default has not occurred.

(a) Occupancy status of the tenant
Where a tenant who remains in occupancy of the premises and continues to default on the payment of rent and operating costs, the past due account remains covered under general allowance for credit losses. The tenant who relinquishes occupancy of premises and honours agreed payment plans will not be considered for specific write-off and they will be provided for at 100%.

(b) Length of time of non-payment
The length of time a tenant stays without making payment towards past due balances is used as a measure of the extent of delinquency of outstanding amounts. All past due amounts over three months are referred to collection agencies and lawyers for collection while amounts that are over six months past due may qualify for specific write-off subject to the fulfilment of additional qualification criteria. All tenant account balances that are over three months are profiled with relevant percentages of general allowance applied to arrive at a general allowance for credit losses amount.

(c) Analysis of results of collection efforts undertaken so far in order to recover amounts that are past due
When the efforts of lawyers, collection agencies or direct approaches by the Company to tenants does not yield significant recovery of past due amounts and the prospects of significant recoveries consider remote, the outstanding balance is considered for specific write off. All material write offs are approved by the Audit Committee. Significant managerial judgment is exercised in analysing the likelihood of success of current collection efforts with assessment of prospects of recovery rated from more highly probable to remote.

The Unaudited Historical credit loss rates are adjusted to reflect current and forward looking information on macroeconomic factors (such as market interest rates or growth rates) affecting the ability of the cedants to settle the receivables.

Debt securities at amortised cost
The financial assets are assessed under the 12-month ECLs, as there has been no significant increases in credit risk since initial recognition. Assessment of the credit risk of these financial assets involves looking at the SBU's ability to payback, taking into consideration their ability to pay on the basis of historic information The company receives coupon payments monthly. The current levels of inflation have made it easier for the SBUs to settle their coupon obligations, and that on time. This reduces the probability of default. However management acknowledges that there will always be an element of risk, which is an area of judgment. Management has used past trends for similar instruments to determine the weighted probability of default and incorporate forward looking information such as the GDP growth rate and inflation and other uncertainties due to the political, and economic policies around the country. As a result of the factors mentioned above, management has set the probability of default (PD) at 0.00%. The company expects the amount to be owing at the end of the year to be equal to the annual coupon payment which is the exposure at default (EAD), for the year.

The company has not experienced any default in coupon payments in the past, but due to uncertainty and considerations of other forward looking information, with prudence, management has set that the amount that would be lost in the event of a default (LGD is equal to 50% of the total annual coupon receivable.

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D3 Credit risk (continued)

Money market investments

Money market investments are assessed under the 12-month ECLs, as there has been no significant increases in credit risk since initial recognition. Assessment of the credit risk ok of these financial assets involves looking at the SBU's ability to payback on the basis of historic information. The company receives coupon payments monthly. The current levels of inflation have made it easier for the SBUs to settle their coupon obligations, and that on time. This reduces the probability of default. However management acknowledges that there will always be an element of risk, which is an area of judgment. Management has used past trends for similar instruments to determine the weighted probability of default and incorporate forward looking information such as the GDP growth rate and inflation and other uncertainties due to the political, and economic policies around the country. As a result of the factors mentioned above, management has set the probability of default (PD) at 0.00%. The company has not experienced any default in coupon payments in the past, but due to uncertainty and considerations of other forward looking information, with prudence, management has set that the amount that would be lost in the event of a default (LGD is equal to 50% of the total annual coupon receivable.

31/12/2024	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	0.00%	0.00%	0.00%		
Gross carrying amount - intercompany receivables	1 243 572	-	-	-	1 243 572
Rent receivables	59 038	-	-	-	59 038
Other receivables	825 143	-	-	-	825 143
Loss allowance	**-**	**-**	**-**	**-**	**-**

31/12/2023	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected credit loss rate	2.23%	9.02%	9.02%		
Gross carrying amount - intercompany receivables	2 228 224	-	-	-	2 228 224
Rent receivables	9 850	-	-	-	9 850
Other receivables	3 727 179	-	-	-	3 727 179
Loss allowance	**112 692**	**72 325**	**33 861**	**-**	**16 140**

Movement in loss allowances

	Dec-24	Dec-23
As at 1 January	112 692	4 045
Increase in loan loss allowance recognised in profit or loss during the year	(112 692)	165 527
Inflation adjustment	-	(56 879)
At 31 December	**-**	**112 692**

Movement in loss allowances

First Mutual Holdings limited used a simplified approach model under the simplified approach, First Mutual Holdings Limited recognises a credit loss allowance based on a lifetime basis for its shared service receivables. Since the receivables do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL. This is in line with the practical expedient provided for in IFRS 9. A provision matrix has thus been adopted for the purposes of this exercise The standard allows for a provision matrix to be used for recognising ECL on receivables. FMHL's management has applied itself in using its historical credit loss experience and forward-looking information in order to establish the loss rates. It has set up a provision matrix based on its historical observed default rates which have been adjusted for forward-looking estimates. Various mathematical formulas and statistically sound assumptions have been employed in developing these assumptions, with forward looking data backed up by information obtained from credible sources. The changes in the credit loss allowance balance are recognised in profit or loss as an impairment gain or loss.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D3 Credit risk (continued)

Forward Looking – Intercompany Receivables
The World Bank statistics show that Real GDP for Zimbabwe has been increasing at a decreasing rate for the past two years at about 2% and 3.5% in 2024 and 2023 respectively. This has been driven by Elnino induced drought, depreciation of the local currency against the United States Dollar, monetary policy and hyperinflation, all decreasing the liquidity and general performance of companies. Recently, the IMF noted that a positive growth in GDP is expected Projections towards year end and beginning of 2025 are indicating that the GDP growth for the country at 6% The international Monetary Fund (IMF) predicts that inflation will increase to around 4.5%. Continued implementation of disinflation policies are aimed to keep inflation rates low. Annual inflation stood at 8.91% in December 2024 up from a low of 6.27% in Decembner 2023 resulting in a 2.64% increase as the government implement tight monetary policy to curb inflation. The First Mutual Holdings Limited expects this will not have a significant impact on the receivables' ability to settle their debts.

D4 Interest rate risk
Cash flow interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Company analyses its interest rate exposure on a dynamic basis and various scenarios are simulated.

The Company manages interest rate risk at both Board level (through the Group Investments Committee) and management level through regular reviewing policies that relate to interest rate risk management. Key activities include daily monitoring of costs of funds, monthly analysis of interest rate re-pricing gaps and monthly interest rate simulations.

The Company's exposure to the risk of changes in the market interest rates relates primarily to cash and cash equivalents, including financial instruments earning interest at fixed interest rates.

The Company is not exposed to the risk of changes in market interest rates as a result of the fixed nature of interest rates on its financial instruments thus, no sensitivity analysis has been presented.

D5 Liquidity risk
It is the Company's policy to ensure that cash resources are available at all times to meet commitments as they arise. Cash outflows arise from payment of purchase of investments and other operating commitments. Such outflows are adequately matched by inflows from shared service recoveries. The Company manages liquidity risk related to market through maintaining and monitoring comprehensive cash flow forecasts and budgets that are reviewed to take any changes on the market as they arise.

The Company also regularly receives dividends from subsidiary companies which ensure the liquidity risk is minimised. The liquidity analysis can be found in Note 4.5 of the Group Notes to the Financial Statements.

The table below analyses the maturity profile of the Company's assets and liabilities based on the remaining period as at the reporting date to the contractual maturity date.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)

D5 Liquidity risk (continued)

31/12/2024	Less than 1 month ZWG	1 to 3 months ZWG	Up to 6 months ZWG	less than 1 year ZWG	1 to 3 years ZWG	Total ZWG
Assets						
Financial assets at amortised cost	38 773	94 817	218 006	333 522	8 185 410	8 870 527
Equity securities at fair value through profit or loss	138 363	253 507	389 289	47 319 325	-	48 100 484
Rental Receivables	59 104	-	-	-	-	59 104
Other receivables (excluding prepayments)	569 889	256 205	-	-	-	826 094
Related party receivables	1 244 984	-	-	-	-	1 244 984
Cash and cash equivalents	1 388 707	-	-	-	-	1 388 707
Total assets	**3 439 820**	**604 528**	**607 295**	**47 652 847**	**8 185 410**	**60 489 901**
Liabilities						
Related party payables	9 099 105	-	-	-	-	9 099 105
Lease liabilities	48 170	83 964	89 781	2 358 963	4 819 856	7 400 735
Trade and other payables (excluding	-	-	-	-	-	
statutory liabilities)	1 808 475	-	-	-	-	1 808 475
Total liabilities	**10 955 750**	**83 964**	**89 781**	**2 358 963**	**4 819 856**	**18 308 315**
Liquidity gap	**(7 518 802)**	**513 541**	**501 366**	**45 269 178**	**2 759 227**	**41 524 509**
Cumulative liquidity gap	**(7 518 802)**	**(7 005 261)**	**(6 503 896)**	**38 765 282**	**41 524 509**	**-**
31/12/2023						
Assets						
Financial assets at amortised cost	13 453	32 589	38 298	215 318	1 797 956	2 097 613
Equity securities at fair value through profit or loss	284 618	569 235	853 853	4 162 491	-	5 870 196
Rental receivables	-	-	-	-	-	-
Other receivables (excluding prepayments)	296 351	-	-	-	-	296 351
Related party receivables	2 115 415	322 716	226 768	-	-	2 664 898
Cash and cash equivalents	1 384 990	-	-	-	-	1 384 990
Total assets	**4 094 826**	**924 539**	**1 118 918**	**4 377 808**	**1 797 956**	**12 314 049**
Liabilities						
Related party payables	835 599	-	-	-	-	835 599
Lease liability	56 566	147 072	161 779	331 588	2 530 812	3 227 818
Trade and other payables (excluding	-	-	-	-	-	-
statutory liabilities)	1 891 636	-	-	-	-	1 891 636
Total liabilities	**2 783 802**	**147 072**	**161 779**	**331 588**	**2 530 812**	**5 955 053**
Liquidity gap	**1 311 025**	**777 467**	**957 139**	**4 046 220**	**(732 856)**	**6 358 995**
Cumulative liquidity gap	**1 311 025**	**2 088 492**	**3 045 631**	**7 091 851**	**6 358 995**	**-**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D5 Liquidity risk (continued)

		Dec-24 ZWG AUDITED	Dec-23 ZWG AUDITED RESTATED*
E	**Shared service cost recoveries**		
	First Mutual Health	9 691 329	8 764 225
	First Mutual Wealth Management	971 078	594 459
	First Mutual Microfinance	1 819 663	1 206 264
	First Mutual Life	11 597 023	9 526 278
	First Mutual Properties	5 656 153	4 919 321
	First Mutual Reinsurance	5 201 659	2 208 615
	NicozDiamond Insurance	8 559 141	5 195 979
	Total	**43 496 046**	**32 415 141**

Included in this note is revenue from contracts with customers. Shared service cost recoveries relate to management fees received from the subsidiaries as listed. The company has contracts with the companies for the provision of shared services as stated under note C. The performance obligation is performed either upon consumption of the service by the customer, thus at a point in time or over a time depending on the nature of the service.

		Dec-24	Dec-23
F	**Other income**		
	Shared costs recoveries		
	Interest on staff loans	-	53 500
	(Profit)/loss on disposal of Property Plant Equipment	9 559	1 207
	Foreign exchange gain	-	3 846 724
	Other	26 628	12 358
	Total	**36 187**	**3 913 789**
F1	**Rental Income**		
	Residential	584 927	597 321
		584 927	**597 321**

During the year FMHL company earned rental income from investment residential properties. Rentals are billed in advance on a monthly basis.

		Dec-24	Dec-23
G	**Administration expenses**		
	Staff costs - (note H)	25 319 358	26 122 994
	Rent & rates	275 821	485 360
	Depreciation	2 734 897	947 576
	Directors fees	6 909 691	4 194 360
	Computer expenses	217 637	218 699
	Administration travel	870 444	348 702
	Insurance	150 206	67 335
	Audit fees	1 694 839	607 291
	Other fees	1 843 268	1 604 036
	Subscriptions	362 219	89 433
	Marketing costs - CRM	-	100 420
	Teas and refreshments	302 926	215 998
	R&M - Motor Vehicles	213 503	179 304
	R&M - Office Equipment	58 298	57 592
	Office consumables	410 270	63 581
	Communication	237 799	51 134
	Investor relations	1 962 984	1 007 226
	Cleaning expenses	218 884	141 263
	Board expenses	150 930	92 599
	Strategy expenses	506 186	247 874
	Staff welfare	107 197	24 973
	Shared costs recovery	132 597	174 201
	Other	1 111 886	1 346 445
	IMTT tax	678 414	7 917
	(Decrease)/increase in Share appreciation rights	(2 201 034)	12 495 657
	Foreign exchange loss	340 053	-
	Total	**44 609 272**	**50 891 971**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

D COMPANY FINANCIAL RISK MANAGEMENT (continued)
D5 Liquidity risk (continued)

		AUDITED	ZWG AUDITED RESTATED*
H	**Staff costs**		
	Basic Salaries	13 485 930	11 606 891
	Non-pensionable allowance	2 635 078	1 763 997
	Bonus/Profit share	-	2 861 302
	Overtime	161 560	101 308
	Housing allowance	50 987	50 678
	Transport allowance	216 153	176 145
	Canteen allowance	-	17 095
	Long service award	-	13 622
	Pension	1 369 523	907 025
	NSSA	45 888	192 010
	Leave Pay	479 008	1 148 597
	Staff training	522 318	1 419 812
	Levies	620 843	485 349
	Medical aid	859 595	546 299
	Motoring benefit	3 826 629	3 699 152
	Security costs	91 964	82 033
	Other	953 880	1 051 677
	Total	**25 319 358**	**26 122 994**

H1 Project costs

Projects costs refers to the costs associated with implementation of Enterprise Content Management system. During 2023 the company incured project costs amounting to (2023 ZWG 92,398), in 2024, there were no costs incurred

		AUDITED	ZWG AUDITED RESTATED*
I	**Net Investment income/(loss)**		
	Gains on disposal of quoted investments	-	-
	Dividend received	408 236	324 476
	Interest received	951 148	441 153
	Investment expenses	(373 379)	(197 991)
	Fair value gain on equities	665 655	17 976 476
	Total	**1 651 660**	**18 544 114**

J	**Property, Plant and equipment**	**Office Equipment**	**Office Furniture**	**TOTAL**
	Cost			
	At 1 January 2023	1 903 203	291 768	2 194 971
	Foreign exchange impact of translating to presentation currency	(857 734)	(131 494)	(989 227)
	At 1 January 2023	**1 045 470**	**160 274**	**1 205 744**
	Additions	144 181	31 249	175 430
	Disposals	(16 593)	-	(16 593)
	At 31 December 2023	**1 173 057**	**191 524**	**1 364 581**
	Foreign exchange impact of translating to presentation currency	1 055 360	172 359	1 227 718
	Additions	531 067	199 327	730 394
	Disposals	(21 671)	(161 370)	(183 040)
	At 31 December 2024	**2 737 813**	**401 840**	**3 139 653**
	Accumulated Depreciation			
	At 1 January 2023	1 559 375	207 529	1 766 904
	Foreign exchange impact of translating to presentation currency	(702 777)	(93 529)	(2 953 437)
	At 1 January 2023	**856 597**	**114 000**	**970 598**
	Charge for the year	200 876	6 417	207 293
	Depreciation on disposal	(8 642)	-	(8 642)
	At 31 December 2023	**1 048 831**	**120 417**	**1 169 248**
	Foreign exchange impact of translating to presentation currency	1 008 651	112 058	1 120 702
	Charge for the year	121 376	7 195	128 572
	Depreciation on disposal	(2 502)	(488)	(2 990)
	At 31 December 2024	**2 176 357**	**239 182**	**2 415 532**
	Net Book Value - 31 December 2023	**124 226**	**71 107**	**195 332**
	Net Book Value - 31 December 2024	**561 456**	**162 658**	**724 114**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

J1 Investment properties

A property is regarded as sold when the conditions outlined in IFRS 15.38 for passing of control are satisfied. The factors under which control passes to the buyer include but are
not limited to the following:
a. the customer is obliged to pay;
b. the customer has legal title to the asset;
c. the customer has obtained physical possession of the asset;
d. the customer has the significant risks and rewards of ownership;
e. the customer has accepted the asset.

During the year First Mutual Holdings Limited Company transferred properties to First Mutual Wealth and First Mutual Microfinance as additional investment. These subsidiaries are 100% owned by First Mutual Company.

	31-Dec-24 ZWG	31-Dec-23 ZWG
At 1 January	22 326 512	23 623 919
Foreign exchange impact of translating to presentation currency	-	(10 646 803)
Transfer to Investment in subsidiary	-	(4 738 597)
Disposals	(2 078 199)	(6 601 489)
Transfer from Nicozdiamond Insurance Limited	-	-
Fair value gain/(loss)	(5 817 570)	10 112 786
Total	**14 430 743**	**11 749 816**

J1.1 Fair value hierarchy

The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy;

	Level 1 ZWG	Level 2 ZWG	Level 3 ZWG	Total ZWG	Total gain/ (loss) in the period in the statement of comprehensive income ZWG
Residential	-	-	14 430 743	14 430 743	(5 817 570)
	-	-	-	-	
Total	**-**	**-**	**14 430 743**	**14 430 743**	**(5 817 570)**

45 291	Level 1 ZWG	Level 2 ZWG	Level 3 ZWG	Total ZWG	Total gain/ (loss) in the period in the statement of comprehensive income ZWG
Residential	-	-	11 749 816	11 749 816	10 112 786
	-	-	-	-	
Total	**-**	**-**	**11 749 816**	**11 749 816**	**10 112 786**

Refer to note 7.1 of the Group Financials Statements for valuation techniques used to derive level 3 fair values.

Leases
K1 Right of use asset

	Dec-24 ZWG AUDITED	Dec-23 ZWG AUDITED RESTATED*
As at 1 January	4 616 345	6 960 410
Foreign exchange impact of translating to presentation currency	3 553 041	(3 136 910)
Modifications	1 348 228	1 482 179
Depreciation	(2 444 001)	(689 333)
As at 31 December	**7 073 613**	**4 616 345**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

		Dec-24 ZWG AUDITED	Dec-23 ZWG AUDITED RESTATED*
K2	**Lease liability**		
	As at 1 January	4 667 759	5 108 154
	Foreign exchange impact of translating to presentation currency	4 947 024	(2 302 133)
	Modifications	1 348 228	1 482 179
	Repayments	(3 570 674)	(1 527 287)
	Accrued interest	675 881	429 027
	Accrued interest paid	(675 881)	(429 027)
	Exchange loss	-	10 119 899
	Monetary loss adjustment	-	(8 213 053)
	As at 31 December	**7 392 336**	**4 667 759**
	Of which are :		
	Current lease liabilities	2 995 340	68 838
	Non-Current lease liabilities	4 396 996	4 598 921
	As at 31 December	**7 392 336**	**4 667 759**
L1	**INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**		
	At 1 January	817 896 106	668 666 111
	Foreign exchange impact of translating to presentation currency	736 510 356	(309 901 391)
	Adjustments due to adoption of IFRS 17 by insurance subsidiaries	-	13 973 522
	Capitalisation	23 394 249	16 936 463
	Dividend income	(57 622 025)	(33 628 978)
	Equity accounted earnings	(206 667 414)	461 850 379
	Total investment in subsidiaries	**1 313 511 272**	**817 896 106**
L2	**Share of profit from subsidiaries**		
	NicozDiamond Insurance	(8 595 016)	48 807 147
	First Mutual Life	(342 367 711)	260 069 801
	First Mutual Reinsurance	(5 395 434)	38 928 619
	FMRE Property & Casualty Botswana	48 009 813	88 659 394
	First Mutual Wealth	5 331 741	1 796 263
	First Mutual Health	47 551 252	73 276 985
	Funeral services	-	-
	First Mutual Microfinance	5 079 183	7 330 411
	Total	**(250 386 172)**	**518 868 620**
L3	**Share of other comprehensive income from subsidiaries**		
	NicozDiamond Insurance	68 753 405	14 535 886
	FMRE Property & Casualty Botswana	(25 034 647)	(71 554 128)
	Total	**43 718 758**	**(57 018 241)**

		Shareholding percentage 45,627	45,261		
L4	**INVESTMENT IN SUBSIDIARIES**				
	First Mutual Life Assurance Company (Private) Limited	100%	100%	473 337 237	418 161 216
	First Mutual Health Company (Private) Limited	80%	80%	235 558 033	109 807 561
	First Mutual Microfinance	100%	100%	24 460 552	10 202 901
	First Mutual Reinsurance Company Limited	71%	71%	84 019 745	47 053 451
	FMRE Property and Casualty (Proprietary) Limited	71%	71%	111 885 968	53 579 817
	First Mutual Wealth Management	100%	100%	27 297 408	10 181 906
	NicozDiamond Insurance Company Limited	100%	100%	356 952 330	168 909 255
				1 313 511 272	**817 896 107**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

		31-Dec-24 ZWG AUDITED	31-Dec-23 ZWG AUDITED RESTATED*
M	**Financial assets at fair value through profit or loss**		
	At 1 January	24 308 543	10 686 276
	Foreign exchange impact of translating to presentation currency	21 879 450	(4 816 080)
	Purchases	1 160 365	545 273
	Disposal	-	(83 402)
	Fair value adjustments	697 493	17 976 476
		-	-
	Total	**48 045 850**	**24 308 543**

Note 4.3 of the Group Financial Statements set out information about the impairment of financial assets and the Group's exposure to credit risk.

		31-Dec-24	31-Dec-23
N	**Other receivables**		
	Staff debtors	-	2 904 709
	Prepayments	-	696 834
	Sundry debtors	825 143	138 093
	Total	825 143	3 739 635
	Allowance for expected credit losses	-	(12 456)
	Net receivables	**825 143**	**3 727 179**
N1	**Rental receivables**		
	Tenant receivables	59 038	12,504
	Provision for credit loss	-	(2 653)
	Net rental receivables	**59,038**	**9,850**
O	**Intercompany receivables**		
	First Mutual Wealth	445 719	453 476
	First Mutual Health	-	610 189
	FMRE Property & Casualty Botswana	500 606	281 541
	First Mutual Reinsurance	189 835	567 224
	NicozDiamond	-	496 723
	First Mutual Microfinance	56 991	-
	First Mutual Health Services	48 612	22 841
	First Mutual Funeral services	1 808	-
	Total	**1 243 572**	**2 431 993**
	Allowance for expected credit losses	-	(203 769)
	Net Intercompany receivables	**1 243 572**	**2 228 224**
P	**CASH AND BALANCES WITH BANKS**		
	Money market investments with original maturities less than 90 days		-
	Cash at bank and on hand	1 387 139	7 429 257
	Cash and balances with banks	**1 387 139**	**7 429 257**
	Current	1 387 139	7 429 257
	Cash and balances with banks	**1 387 139**	**7 429 257**

All cash and balances with banks are classified as current. Cash at bank earns interest at floating rates based on daily bank deposit rates. Money market investments are made of varying periods as between one day and three months depending on the immediate cash requirements and earn interest at the short-term deposit rates.

		31-Dec-24	31-Dec-23
Q	**Trade and other payables**		
	Payroll deductions	1 880 453	2 872 211
	VAT	1 319 804	1 279 711
	Provision for leave days - Note Q1	1 313 880	332 534
	Provision for profit share - Note Q2	-	2 861 300
	Accounts payables	26 245	-
	Withholding tax	486 618	-
	Sundry creditors	1 148 827	1 189 263
	Share appreciation rights - Note Q3	2 917 568	7 693 869
	Total	**9 093 395**	**16 228 888**

		31-Dec-24 ZWG AUDITED	31-Dec-23 ZWG AUDITED RESTATED*
Q1	**Provision for leave days**		
	Opening balance	332 534	529 719
	Foreign exchange impact of translating to presentation currency	299 335	(238 733)
	Arising from the current year	2 367 935	1 148 597
	Utilised	(1 685 924)	(1 330 879)
	Exchange loss	-	398 244
	Inflation adjusted	-	(174 413)
	Closing balance	**1 313 880**	**332 534**
Q2	**Provision for profit share**		
	Opening balance	2 861 300	2 151 782
	Foreign exchange impact of translating to presentation currency	665 650	(969 763)
	Arising from the current year		2 861 302
	Utilised	(3 526 951)	(1 293 334)
	Exchange gains or loss		402 878
	Inflation adjusted		(291 565)
	Closing balance	**-**	**2 861 300**

Q3 Share appreciation rights

On 27 June 2019, the shareholders of Company at the Annual General Meeting ("AGM") approved a SAR plan for such Employees and Executive Directors of the Group (participant)\ as the Board (on the recommendation of the Human Resources and Governance Committee) shall determine from time to time. The plan has an operative period of 10 years and an initial 32 432 917 SARs were granted on inception.

The exercise of the Company's SAR entitles a participant to receive the gain for each share granted, where, "Gain" means an amount equal to the excess of the market value on the exercise date over the exercise price. The share appreciation rights were granted in three trenches as shown below:

Grant date	Fair value Grant price (ZWG)
1/7/2019	0.27
1/7/2020	3.68
1/7/2021	28.75

A participant to whom SARs have been granted shall only be entitled to exercise the Rights in part as follows:

i) On the first anniversary of the date of grant, the participant shall be entitled to exercise up to one third (1/3) of the Rights granted on that particular occasion;
ii) On second anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the Rights; and
iii) On the third anniversary of the date of grant, the Participant shall be entitled to exercise an additional one third (1/3) of the Rights awarded to the Participant under that grant.

		31-Dec-24 ZWG AUDITED	31-Dec-23 ZWG AUDITED RESTATED*
	At 1 January	7 693 869	1 404 833
	Foreign exchange impact of translating to presentation currency	6 942 330	(633 129)
	Additions	-	-
	Exercised	(8 503 860)	(4 487 152)
	Share based payments charge	(3 211 449)	12 495 657
	Monetary gain	-	(1 086 340)
	Total	**2 920 890**	**7 693 869**
R	**Intercompany payables**		
	First Mutual Health	551 923	-
	First Mutual Properties	7 908 798	62 063
	First Mutual Microfinance	-	83 724
	Nicoz Diamond Limited	628 054	-
	Total	**9 088 774**	**145 787**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

		31-Dec-24 ZWG AUDITED	31-Dec-23 ZWG AUDITED RESTATED*
S	**TAX**		
S1	**Deferred tax**		
	As at 1 January	-	-
	Recognised through statement of comprehensive income	-	-
	As at 31 December	**-**	**-**
	Current	-	-
	Non current	-	-
	Total	**-**	**-**
S2	**Analysis of deferred tax**		
	Arising on furniture and equipment	45 416	48 287
	Arising on right of use asset	1 596 228	290 039
	Arising on financial assets at fair value through profit or loss	481 010	243 084
	Arising from investment properties	722 358	2 297 867
	Arising from assessable losses	(1 906 923)	(2 089 761)
	Payables and provisions	(938 089)	(789 516)
	As at 31 December	**-**	**-**
	Disclosed as:		
	Deferred tax asset	(2 845 012)	(2 879 277)
	Deferred tax liability	2 845 012	2 879 277
		-	**-**

Unrecognised deferred tax asset
The Company has unrecognised deferred tax asset arising from lease liability, cash based share appreciation rights liabilty, and assessable losses amounting to ZWG 2,845,012 (2023 ZWG 2,879,277). Given the Company's current financial position and the uncertainty of its future performance, the deferred tax asset has been recognised only to the extent of available taxable temporary differences in the financial statements for the year ended 31 December 2024. Below is the list of unrecognised deffered tax asset.

		31-Dec-24 ZWG AUDITED	31-Dec-23 ZWG AUDITED RESTATED*
	Lease liability	7 400 741	1 153 870
	Cash based share appreciation rights	2 917 568	1 901 924
	Assessable losses	7 928 612	3 246 218
	Total	**18 246 922**	**6 302 012**
S3	**Reconciliation of income tax expense**		
	(Loss) /profit before income tax	(244 065 890)	527 522 213
	Standard tax rate 25.75% (2023: 24.72%)	(62 846 967)	135 836 970
	Non-taxable income	33 589 846	(138 069 355)
	Non-deductible expenses	1 726 060	10 284 038
	Non recognition of assessed losses	27 531 061	(8 051 654)
	Tax charge for the period	**-**	**-**

During the 2024 budget speech held, it was announced that the corporate income tax rate will be increased from 24% to 25% for companies with years of assessment ending 31 December 2024. This change has affected recorded deffered tax liabilities at 31 December 2023 and the standard income tax rate in the future.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

T Investment in associates

The company holds 13.04% in Infrastructure Fund Zimbabwe (*Private) Limited which was set up for the construction of a solar project at First Mutual Park. The company is a special purpose vehicle which was intended to generate power for Group companies resident at First Mutual Park. The investment in the SPV was made in March of 2021 and the solar plant has been commissioned for use starting 1 January 2022.

	Percentage ownership			
Reconciliation of the carrying amount	**31-Dec-24**	**31-Dec-23**		
As at 1 January	13%	13%	492 613	259 248
Additional investment			-	-
Transfer to subsidiary			-	-
Share of associates other comprehensive income			-	-
Share of associates profit/(losses)			-	-
Impairment allowance			-	-
As at 31 December			**492 613**	**259 248**

U CONSUMABLE STOCK

Inventory relates to consumables stock largely made up of office supplies and consumables including office stationery.

Consumables	219 812	92 263
Total	**219 812**	**92 263**

During the year total amount of ZWG 82,601 (2023: ZWG 66,824) for consumable stocks were charged in the income statement.

V Debt securities at amortised cost	**31-Dec-24 ZWG AUDITED**	**31-Dec-23 ZWG AUDITED RESTATED***
As at 1 January	2 097 613	1 078 802
Foreign exchange impact of translating to presentation currency	1 928 890	(486 194)
Additions	1 290 388	4 475 279
Non cash additions	1 936 074	-
Maturities of investments	-	(994 556)
Acrued interest	951 148	441 153
Monetary loss adjustment	-	(2 416 871)
As at 31 December	**8 204 112**	**2 097 613**
Current	633 639	299 658
Non current	7 570 476	1 797 956
Total	**8 204 114**	**2 097 613**

These relate to funds advanced by the Holding Company to Microfinance to aid in its day to day operations. Note D3 sets out information about the impairment of financial assets and the company's exposure to credit risk. During the year there were no expected credit losses from assessment.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (continued)

W Capital reserves

	Share based Payment Reserve ZWG	Revaluation Reserve ZWG	Total ZWG
As at 1 January 2023	**-**	**587 507**	**587 507**
Foreign exchange impact of translating to presentation currency	-	(264 777)	(264 777)
As at 31 December 2023	**-**	**322 730**	**322 730**
As at 1 January 2024	**-**	**322 730**	**322 730**
Foreign exchange impact of translating to presentation currency		290 508	290 508
As at 31 December 2024	**-**	**613 238**	**613 238**

Revaluation reserve
The revaluation reserve relates to the gains/ (losses) that arise in revaluing the statement of financial position after the change in functional currency.

Share based payment reserve
The share based payment reserve relates to the gains/(losses) that arise from revaluing the granted and not yet exercised quoted equity shares.

ANNEXURES

GRI CONTENT INDEX

First Mutual Holdings has reported the information cited in this GRI content index for the period 01 January 2024 and 31 December 2024 with reference to the GRI Standards. The index uses GRI 1: Foundation 2021 as a reference.

GRI standard	Disclosure	Location	Page
GRI 2: General Disclosures 2021	2-1 Organisational details	About this report	5
Corporate information			
	2-2 Entities included in the organisation's sustainability reporting	Where we operate	13
	2-3 Reporting period, frequency and contact point	About this report	5
	2-4 Restatements of information	About this report, Restatements	5
	2-5 External assurance	About this report, Assurance	5
	2-6 Activities, value chain and other business relationships	What we do	12
Our value-creation business model			
	2-7 Employees	Human capital, Employee demographics	82
	2-8 Workers who are not employees	Human capital, Employee demographics	82
	2-9 Governance structure and composition	Corporate governance, Board structure and Board composition	101
	2-10 Nomination and selection of the highest governance body	Corporate governance, Board appointments	107
	2-11 Chair of the highest governance body	Our leadership, Board of Directors	14 - 21
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance, Board responsibility	107
Responding to climate change, Accountability and responsibility			
	2-13 Delegation of responsibility for managing impacts	Corporate governance, Board responsibility	107
Corporate governance, Board committees			108
Responding to climate change, Accountability and responsibility			
	2-14 Role of the highest governance body in sustainability reporting	Responding to climate change, Accountability and responsibility	61
	2-15 Conflicts of interest	Corporate governance, Directors' declaration and Conflict of interest	106
	2-16 Communication of critical concerns	Corporate governance, Board meetings	103
Responding to climate change, Accountability and responsibility			
	2-17 Collective knowledge of the highest governance body	Our leadership, Board of Directors	14
Corporate governance, Board composition			
	2-18 Evaluation of the performance of the highest governance body	Not disclosed	
	2-19 Remuneration policies	Corporate governance, Remuneration	110
	2-20 Process to determine remuneration	Human capital development, Sustainable remuneration	86
	2-21 Annual total compensation ratio	Human capital development, Sustainable remuneration	86

GRI CONTENT INDEX

GRI standard	Disclosure	Location	Page
	2-22 Statement on sustainable development strategy	Responsible business	46
	2-23 Policy commitments	Responsible business	46
	2-24 Embedding policy commitments	Responsible business	46
	2-25 Processes to remediate negative impacts	Employee relations, Discipline and grievance management	84
Ethics and integrity, Human rights			
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and integrity, Business ethics compliance	110
Employee relations, Accountability and responsibility			
	2-27 Compliance with laws and regulations	No fines or penalties in 2024	
	2-28 Membership associations	Where we operate, Business profiles	13
	2-29 Approach to stakeholder engagement	Key relationships	32
	2-30 Collective bargaining agreements	Employee relations, Freedom of association and collective bargaining	83
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material matters, Our approach to materiality	35
	3-2 List of material topics	Material matters impacting FMHL's value creation	38
	3-3 Management of material topics	Material matters impacting FMHL's value creation	38
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic value generation, Direct economic value generated and distributed	98
	201-2 Financial implications and other risks and opportunities due to climate change	Responding to climate change, Climate risks and opportunity management	66
GRI 203: Indirect Economic Impacts 2016			
	203-1 Infrastructure investments and services supported	Economic value generation, Revenue growth and profit reinvestment	96
	203-2 Significant indirect economic impacts	Economic value generation	96
Corporate social responsibility, First Mutual Foundation			
	203-3 Defined benefit plan obligations and other retirement plans	Employee health and wellness, Employee welfare and benefits	88
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		96
	Responsible procurement, Monitoring and measuring our performance		96
GRI 205: Anti-corruption 2016	205-2 Anti-corruption policies and procedures	Ethics and integrity, Anti-corruption	110
GRI 207: Tax 2019			
	207-1 Approach to tax	Responsible tax contributions	98
	207-2 Tax governance, control, and risk management	Responsible tax contributions, Tax risk management	99
	207-3 Stakeholder engagement and management of concerns related to tax	Responsible tax contributions, Stakeholder engagements	99
	207-4 Country-by-country reporting	Not disclosed	
GRI 301: Materials 2016			
	301-1 Materials used by weight or volume	Not disclosed	
	301-2 Recycled input materials used	Not disclosed	
	301-3 Reclaimed products and their packaging materials	Waste management, Recycling and circular economy initiatives	77

GRI CONTENT INDEX

GRI standard	Disclosure	Location	Page
GRI 302: Energy 2016			
	302-1 Energy consumption within the organisation	Energy management, Monitoring and measuring performance	74
	302-2 Energy consumption outside of the organisation	Energy management, Monitoring and measuring performance	74
	302-3 Energy intensity	Energy management, monitoring and measuring performance	74
	302-4 Reduction of energy consumption	Energy management, Energy efficiency, Renewable energy initiatives, and Green buildings	74
	302-5 Reduction in energy requirements of products and services	Energy management, Renewable energy initiatives, and Green buildings	74
GRI 303: Water and Effluents 2018			
	303-1 Interactions with water as a shared resource		75
	Water stewardship, Water risk management		75
	303-3 Water withdrawal	Water stewardship, Monitoring and measuring our performance	76
	303-5 Water consumption	Water stewardship, Monitoring and measuring our performance	76
GRI 304: Biodiversity 2016			
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Land use and biodiversity, Property development planning and construction	78
	304-2 Significant impacts of activities, products and services on biodiversity	Land use and biodiversity, Property development planning and construction and Biodiversity risks and opportunities in insurance	78
	304-3 Habitats protected or restored	Land use and biodiversity, Monitoring and measuring our performance	79
GRI 305: Emissions 2016			
	305-1 Direct (Scope 1) GHG emissions	Responding to climate change, Greenhouse gas emissions management	70
	305-2 Energy indirect (Scope 2) GHG emissions	Responding to climate change, Greenhouse gas emissions management	70
	305-5 Reduction of GHG emissions	Responding to climate change, Climate Action Plan and Roadmap	70
GRI 306: Waste 2020			
	306-1 Waste generation and significant waste-related impacts	Waste management, Waste risk management	76
	306-2 Management of significant waste-related impacts	Waste management, Waste reduction and responsible waste disposal	76
	306-3 Waste generated	Waste management, Monitoring and measuring our performance	77
	306-4 Waste diverted from disposal	Waste management, Monitoring and measuring our performance	77
	306-5 Waste directed to disposal	Waste management, Monitoring and measuring our performance	77

GRI CONTENT INDEX

GRI standard	Disclosure	Location	Page
GRI 401: Employment 2016			
	401-1 New employee hires and employee turnover	Human capital, Talent attraction and retention	85
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human capital, Employee welfare and benefits	88
	401-3 Parental leave	Human capital, Employee welfare and benefits	88
GRI 403: Occupational Health and Safety 2018			
	403-1 Occupational health and safety management system	Employee health and wellness, Occupational health and safety	88
	403-2 Hazard identification, risk assessment, and incident investigation	Employee health and wellness, Occupational health and safety	88
	403-3 Occupational health services	Employee health and wellness, Supporting workforce wellbeing	88
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee health and wellness, Performance and compliance	88
	403-5 Worker training on occupational health and safety	Employee health and wellness, Occupational health and safety	88
	403-6 Promotion of worker health	Employee health and wellness, Supporting workforce wellbeing	88
	403-9 Work-related injuries	Employee health and wellness, Performance and compliance	89
GRI 404: Training and Education 2016			
	404-1 Average hours of training per year per employee	Human capital development, Skills development	85
	404-2 Programs for upgrading employee skills and transition assistance programs	Human capital development, Talent attraction and retention, and Skills development	85
	404-3 Percentage of employees receiving regular performance and career development reviews	Human capital development, Sustainable remuneration (partial disclosure)	86
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		83
	Employee relations, Diversity and inclusion		83
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		95
	Responsible procurement, Promoting responsible business practices		95
GRI 413: Local Communities 2016			
	413-1 Operations with local community engagement, impact assessments, and development programs	Corporate social responsibility, Community support	93

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **nineteenth, twentieth, twenty-first and twenty-second** Annual General Meetings ("AGMs") of First Mutual Holdings Limited ("FMHL" or "the Company") are to be held physically at First Mutual Park, 100 Liberation Legacy Way, Borrowdale, Harare and virtually on **Wednesday, 30 July 2025 at 10h30**. The AGMs will be held in sequence, each successive meeting to follow immediately upon conclusion of the prior meeting.

Following a forensic investigation on First Mutual Life Assurance Company (Private) Limited ("FML") by the Insurance and Pensions Commission ("IPEC"), IPEC issued a Corrective Order which was challenged by FML. While this disagreement was being resolved the Company's external auditors, Ernst & Young Chartered Accountants, were only in a position to issue a disclaimer of opinion for the financial years ended 31 December 2021, 2022, 2023, and 2024 which management disagreed with and therefore opted to publish preliminary unaudited abridged financial statements and obtained approval from the Registrar of Companies to defer the Annual General Meetings (AGMs), for these periods, to allow the resolution process to be completed. The results of the forensic investigation and the Corrective Order subsequently culminated in a settlement agreement between IPEC and FML, which incorporated specific action items. As a result of this resolution, Ernst & Young were able to revise their audit opinion.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements and Reports of the Directors and Auditors for the financial years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024.

2. Confirmation of Dividends:

2.1 To confirm the final dividend of ZWL15.73 cents per share declared on 28 March 2022 and the interim dividend of ZWL4.82 cents per share declared on 17 September 2021 out of the profits of the Company for the year ended 31 December 2021.
2.2 To confirm the final dividend of ZWL20 and US$0.02 cents per share declared on 27 April 2023 and the interim dividend of ZWL10 and US$0.015 cents per share declared on 21 October 2022 out of the profits of the Company for the year ended 31 December 2022.
2.3 To confirm the final dividend of US$0.136 cents per share declared on 18 March 2024 and the interim dividend of US$0.068 cents per share declared on 25 September 2023 out of the profits of the Company for the year ended 31 December 2023.
2.4 To confirm the final dividend of US$0.16 cents per share declared on 28 March 2025 and the interim dividend of US$0.082 cents per share declared on 24 October 2024 out of the profits of the Company for the year ended 31 December 2024.

3. Election of Directors:

3.1 To re - elect as independent non-executive directors the following who retire by rotation in terms of the Articles of Association of the Company, and being eligible, offer themselves for re-election:

3.1.1 Nineteenth AGM: Mr Amos Manzai, Ms Evlyn Mkondo, Mrs Memory Mukondomi;
3.1.2 Twentieth AGM: Mr Elisha Moyo, Mr Samuel Rushwaya, Mr Fredson Mabhena;
3.1.3 Twenty-First AGM: Mr Gareth Baines, Mr Fredson Mabhena, Mr Israel Ndlovu;
3.1.4 Twenty-Second AGM: Mr Amos Manzai, Ms Evlyn Mkondo, Mrs Memory Mukondomi.

3.2 To re - elect as independent non-executive directors the following who were appointed after the last AGM and retire in terms of the Articles of Association of the Company, and being eligible, offer themselves for re-election:

3.2.1 Nineteenth AGM: Mr Israel Ndlovu;
3.2.2 Twenty-Second AGM: Dr Charles Shava.

4. To approve the Directors' remuneration for the financial years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024.

5. To confirm the remuneration of the Auditors, Ernst & Young Chartered Accountants (EY), for the 2021, 2022, 2023 and 2024 audits.

6. To ratify the re-appointment of Ernst & Young Chartered Accountants (EY) as Auditors of the Company for the financial years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024.

7. To note the retirement of EY as Auditors of the Company after the 2024 audit and to appoint Axcentium Chartered Accountants as Auditors of the Company until the conclusion of the next Annual General Meeting.

(NOTE: As EY have served five years as external auditors of the Company, they are standing down in accordance with section 191(11) of the Companies and Other Business Entities Act [Chapter 24:31]. The Board of Directors of the Company recommends the appointment of Axcentium).

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if deemed fit, pass with or without modification, the following additional resolutions:

8. Establishment of a Share Grant Scheme

AS AN ORDINARY RESOLUTION

THAT the Directors be and are hereby authorized to implement the First Mutual Holdings Limited Share Grant Scheme (2025) and to set aside an allocation of ordinary shares in the capital of the Company equivalent to 3% of the Company's issued share capital (equating to 21,951,550 shares at the commencement of the Scheme), subject to the Zimbabwe Stock Exchange's Listing Rules.

(NOTE: The Scheme document shall be available for inspection at the registered office of the Company for fourteen (14) days prior to the date of the Annual General Meeting.)

9. Loans to Executive Directors

AS AN ORDINARY RESOLUTION

THAT the Company be and is hereby authorized to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him to properly perform his duty as an officer of the Company as may be determined by the Group Human Resources and Governance Committee, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director. Any such loans, securities or guarantees made or provided during the six months preceding this Annual General Meeting are hereby ratified.

10. General Authority to Buy Back Shares

AS A SPECIAL RESOLUTION

THAT the Company authorises in advance, in terms of section 129 of the Companies and Other Business Entities Act [Chapter 24:31] and the Zimbabwe Stock Exchange (ZSE) Listing Requirements, the purchase by the Company of its own shares subject to the following terms and conditions:

a. The authority in terms of this resolution shall expire on the date of the Company's next Annual General Meeting; and
b. Acquisitions shall be of ordinary shares which, in the aggregate in any one financial year shall not exceed 10% of the Company's issued ordinary share capital; and
c. The maximum and minimum prices, respectively, at which such ordinary shares may be acquired will not be more than 5% (five per centum) above and 5% (five per centum) below the weighted average of the market price at which such ordinary shares are traded on the ZSE, as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company.

In terms of this share buyback renewal resolution, the Directors are seeking authority to allow use of the Company's available cash resources to purchase its own shares in the market in terms of the law and the regulations of the ZSE. The Directors will only exercise the authority if they believe that to do so would be in the best interests of shareholders generally. In exercising this authority, the Directors will duly consider following such repurchase, the ability of the Company to pay its debts in the ordinary course of business for a period of 12 months from the date of the notice of this AGM, the maintenance of an excess of assets over liabilities, and for the Company and Group, the adequacy of ordinary capital and reserves as well as working capital for a period of 12 months from the date of the notice of this AGM.

NOTICE OF ANNUAL GENERAL MEETING

11. Any Other Business

To transact any other business competent to be dealt with at a general meeting.

NOTES:

i) Shareholders who wish to join virtually may use the following link http://firstmutualholdings.fts-net.com/ and must register in advance. Login details will be sent by our transfer secretaries, First Transfer Secretaries (Private) Limited through email to shareholders.

ii) Shareholders are advised to update their contact details with the transfer secretaries on the following contacts: First Transfer Secretaries (Private) Limited 1 Armagh Avenue Eastlea, Harare Telephone: +263 242 782869/7 Email: info@fts-net.com

iii) In terms of the Companies and Other Business Entities Act [Chapter 24:31] a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company.

iv) Proxy forms must be lodged at the registered office of the Company or the transfer secretaries not less than forty-eight hours before the time for holding the meeting.

v) Members may request a copy of the 2021, 2022, 2023 and 2024 Annual Reports from the registered office of the Company or from the office of the transfer secretaries. The Annual Reports are also available for download from the Company's website https://firstmutualholdingsinvestor.com;

vi) Retiring directors' profiles are available in the annual reports.

BY ORDER OF THE BOARD

S. F. Lorimer (Mrs.)
Group Company Secretary
HARARE

8 July 2025

Registered Office

Second Floor
First Mutual Park
100 Liberation Legacy Way
Borrowdale
HARARE

CONSOLIDATED TOP 100

AS AT 31 DECEMBER 2024

Rank	AccountName	Shares	%
1	CBZ HOLDINGS DATVEST	266,854,876	36.47
2	NATIONAL SOCIAL SECURITY AUTHORITY	252,034,167	34.44
3	QUANTAFRICA WEALTH MANAGEMENT	67,810,571	9.27
4	CAPITAL BANK CORPORATION LIMITED,	38,971,348	5.33
5	STANBIC NOMINEES (PRIVATE) LIMITED	11,710,832	1.60
6	MORGAN AND CO MULTI-SECTOR ETF	10,264,432	1.40
7	ZISCO	4,220,237	0.58
8	ZIMBABWE ASSOCIATION OF CHURCH RELATED HOSPITALS (ZACH) PENSION SCHEME	3,329,940	0.46
9	FIRST MUTUAL LIFE STAFF PENSION SCHEME	2,629,900	0.36
10	COLOSSUS INVESTMENTS (PVT) LTD	2,334,566	0.32
11	LHG MALTA HOLDINGS LIMITED	1,549,083	0.21
12	COLNEST ZIMBABWE PENSION PLAN	1,281,135	0.18
13	AUTUMN GOLD GROUP PENSION PLAN	1,113,163	0.15
14	BARD SANTNER INVESTORS (PVT) L	804,964	0.11
15	PRESERVATION FUND	709,189	0.10
16	COMMUNICATION ZIMBABWE GROUP PENSION PLAN (COMMAF)	679,410	0.09
17	MUTARE MART	652,400	0.09
18	PUBLIC SERVICE COMMISS PF-ABC	526,500	0.07
19	ISAMBANE INVESTMENTS (PVT) LTD	516,283	0.07
20	OLIVINE INDUSTRIES (1960) PENSION SCHEME	473,910	0.06
	Total	668,466,906	91.36
	Other Shareholders	63,251,416	8.64
	Total Number of Shares	731,718,322	100.00

PROXY FORM

I /We, ____
(full names)

of ____
(full address)

being the registered holder/s of ____ ordinary shares in

FIRST MUTUAL HOLDINGS LIMITED, do hereby appoint:

____
(full names)

of ____
(full address)

as my/our proxy to vote for me/us on my/our behalf at the **TWENTY-SECOND ANNUAL GENERAL MEETING** of the Company to be held on **30 July 2025** and at any adjournment thereof.

Details of the above resolutions are set out in the Notice of the Annual General Meeting.

Signed this ________________________________ day of ____________________________________ 2025

____
SIGNATURE OF SHAREHOLDER

NOTES:
1. In terms of section 171 of the Companies and Other Business Entities Act [Chapter 24:31], a member of the Company is entitled to appoint one or more persons to act in the alternative as his proxy, to attend and vote and speak in his stead. A proxy need not be a shareholder of the Company.
2. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
3. This proxy form must be deposited at the Registered Office of the Company which is situated at Second Floor, First Mutual Park, Borrowdale Road, Harare so as to be received by the Secretary not less than 48 hours before the meeting.
4. The proxy form must be signed and dated for it to be valid. Any alterations or corrections to this form must be initialled.
5. Anyone signing this proxy form in a representative capacity must be authorised to do so. Please stamp this form with your company or organisation's stamp and enclose proof of authorisation.
6. The return of this proxy form will not prevent you from attending the meeting and voting in person. However, should this happen, the proxy will be revoked.

CORPORATE INFORMATION

Registered Office and Head Office
First Mutual Park
100 Borrowdale Road
Borrowdale
Harare
Zimbabwe.

Postal Address
P O Box BW 178 Borrowdale
Harare
Zimbabwe.
Telephone: +263(0) 242 886000-17
Email: info@firstmutual.co.zw

Important Contact Details
Group Company Secretary +263 (0) 242 886047
Group Marketing +263 (0) 242 850325
Group Audit and Risk Management +263 (0) 242 886046
Website www.firstmutual.co.zw

Independent Auditor
Ernst & Young Chartered Accountants (Zimbabwe)
Angwa City
Cnr Julius Nyerere Way, Kwame Nkrumah Avenue
Harare, Zimbabwe.

Sustainability Advisors
Institute for Sustainability Africa (INSAF)
65 Whitwell Road, Borrowdale West
Harare
Zimbabwe.

Principal Bankers
Standard Chartered Bank Zimbabwe Limited
Stanbic Bank Zimbabwe Limited
Barclays Bank of Zimbabwe Limited

Transfer Secretaries
First Transfer Secretaries (Private) Limited
1 Armagh Avenue
Eastlea
Harare
Zimbabwe.
Telephone: +263 (242) 782869/72, +263 (242) 782869
Email: ftsgen@mercantileholdings.co.zw

Statutory Actuary
Nico Smit
Independent Actuarial Consultant
7 West Quay Road
V&A Waterfront
Cape Town
South Africa

Principal Property Valuers
Knight Frank Zimbabwe (Private) Limited
P.O Box 3526
1st Floor Finsure House
Harare
Zimbabwe

Principal Legal Advisors
Atherstone & Cook
Praetor House
Josiah Chinamano Avenue
Harare.
Zimbabwe

FIRST MUTUAL
HOLDINGS LIMITED

Go Beyond

LIFE | HEALTH | INSURANCE | REINSURANCE | SAVINGS | PROPERTY

FIRST MUTUAL HOLDINGS LIMITED,
First Mutual Park, 100 Liberation Legacy Way, Borrowdale, Harare, Zimbabwe
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