



FIDELITY LIFE

ASSURANCE OF ZIMBABWE

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024



Empowering Choices, Securing Tomorrow



Livingstone T. Gwata
Chairman



I am pleased to advise of the Board's decision to recommend the declaration of a dividend of **USD300 000 or 0.002754 cents per share.**

CHAIRMAN'S STATEMENT

INTRODUCTION

It is my pleasure to present you with the financial statements for Fidelity Life Assurance of Zimbabwe Limited ("FLA" or "the Company" or "the Group") for the period ended 31 December 2024.

OPERATING ENVIRONMENT

Zimbabwe's economic growth slowed down to 2% in 2024 as agricultural output slumped due to the El Nino induced drought, and underwhelming performances in the mining and manufacturing sectors.

The first half of the year was characterized by rapid depreciation of the local currency, coupled with skyrocketing inflation. By the end of Q1 2024, year-on-year inflation had surged to 55.3% from 26.5% at the end of 2023. During the same period, the Zimbabwean Dollar suffered depreciation of 72% on the interbank market prompting the Reserve Bank of Zimbabwe ("RBZ") to retire the currency and introduce a structured currency called the Zimbabwe Gold ("ZWG") in April 2024.

Although the ZWG gained widespread acceptance, with its share in domestic transactions rising from 20% to 40% between April and August 2024, it depreciated significantly on the informal market. By September 2024, the parallel market premium had breached 100% and, in response, RBZ devalued the ZWG by 43.8%. The devaluation was meant to, amongst other objectives, restore retail sector viability and stimulate exchange rate flexibility.

The September 2024 devaluation was supported by further tightening of the monetary policy through increases in interest rates and statutory reserves. These measures stabilized the exchange rate and operating environment. Despite the relative stability that characterized the last quarter of 2024, the economy witnessed business closures in the retail sector, retrenchments in the mining and financial services sectors, and some manufacturing entities going under corporate rescue.

In a welcome development, Government requested for a Staff Monitored Program with the International Monetary Fund ("IMF"), a testament of the authorities' commitment to sustainable macroeconomic stability. The multiple currency regime has yielded a silver lining for businesses in Zimbabwe as the predominance of foreign currency revenue has introduced a layer of predictability and easier planning. Zimbabwe's housing shortage presents a compelling investment opportunity for private sector players to tap into the housing market and to address the existing demand gap. This insight inspired the creation of our Vaka Yako offering.

The Government's support and flexibility in awarding Prescribed Asset status to private sector development projects aligned with the country's economic blueprint enabled the life assurance business to improve its Prescribed Asset compliance. The business invested in the Eagle Real Estate Investment Trust (REIT)

CHANGE IN FUNCTIONAL CURRENCY

These financial results are presented in United States Dollars ("USD"). This follows a decision by the Board of Directors to change the functional and reporting currency from the discontinued ZWL to USD. The decision was based on an assessment of the Group's business trends against the requirements of International Accounting Standards ("IAS") 21. This decision was motivated by the fact that +80% of the Group's revenue was now in USD. The change in the Group's functional

currency was implemented with effect from 1 January 2024. The comparative figures have been translated in accordance with 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. While the Group has applied the guidance of IAS 21 to present comparative financial information, attention is brought to the following deviation from IAS 21 with a view to reduce distorted comparative financial statements brought about by the change in functional currency.

Foreign currency transactions in the Statement of Profit or Loss and Other Comprehensive Income were included in the prior year comparatives in USD and the ZWG transactions were translated into the functional currency using the spot exchange rates.

The investment property as well as property and equipment opening balances in the Statement of Financial Position were carried in USD, based on the property valuation reports in USD as at 31 December 2023. The respective fair value gains were derived from the reconciled movements between opening balances as at 31 December 2022. Share Capital and Share Premiums have been carried in USD reflecting the balances contained in the share certificates held.

GROUP FINANCIAL PERFORMANCE OVERVIEW

Insurance Contract Revenue grew by 44% compared to prior year from USD7.9 million to USD11.4 million in the year under review. The Group's customized service approach continues to drive uptake of the Company's products offering on the market. The Vaka Yako product performed very well and contributed significantly to the Gross Premium Written (GPW) at 85% of the premium inflows. On the premium inflows, the Zimbabwean operation contributed 68% for the year under review compared to 62% in 2023 whilst for the year under review 32% was attributable to the Malawi operation which contributed 38% in 2023.

Insurance service result declined marginally by 8% owing to higher insurance service expenses incurred compared to the earned revenue. The Insurance Service Expenses increased by 68% compared to the growth in Insurance Contract Revenue of 44%, thereby contributing to the decline in the Insurance Service Result.

Net investment income grew by 54% compared to prior year from USD5.9 million to USD9.1 million. The major drivers being fair value gains from investment property and interest income from money market investments.

The Group profit for the period increased by 178% from USD2.3 million in the prior year to USD6.4 million in the current year. The positive profit growth was driven by the increase in insurance contract revenue, investment income, and other income.

BUSINESS OPERATIONS OVERVIEW

The Fidelity Life Company, as the main operating unit of the Fidelity Life Group, continued to record strong performance. Continuous innovation resulted in its products remaining relevant and demand being consistent in its chosen market segments. Vanguard Life Assurance of Malawi ("VLA") continued to scale up its operations under new management. In order to diversify its revenue streams, the unit has entered the funeral services and asset management markets. VLA has also entered into strategic partnerships both in Malawi and South Africa which are anticipated to have a significant positive impact on its revenues in the medium term.

Locally, our Funeral Services business remained firmly on course with its turn-around strategy bolstered by the acquisition of a brand-new fleet, expansion of branches, launching of new products and conclusion of strategic partnerships locally, in South Africa and beyond.

The performance of the Asset Management Company was buoyed by the spectacular success of the Eagle REIT. ZAC Global made considerable progress in its great trek into the region.

Our focus on digitalization and financial inclusion has enabled the Company to continue to expand its customer base, improve operational efficiency and to drive business growth. During the year under review, the Company introduced micro-insurance products that cater to low-income individuals and the informal sector. We have partnered with various stakeholders, to expand our reach and provide insurance services to underserved communities within our markets. We intend to implement a mobile-based insurance platform to enable customers to purchase and manage their insurance policies with just their mobile phones.

THE BRAND

Despite the challenges posed by economic fluctuations and the changing regulatory environment, the FLA brand maintained a strong and consistent presence in the market, showcasing resilience and adaptability. At the heart of the FLA brand and subsidiaries, lies a deep commitment to our most valued asset – our people. We recognize that our success is not solely measured by financial performance but also by the trust and relationships we build with our customers, employees, and communities. Our people-driven approach is integral to how we operate, package our products and services as well as differentiate ourselves in an evolving market. Our product mantra 'Yako' loosely translates to 'Yours', encapsulates FLA's dedication to the provision of market driven practical solutions aimed at addressing some of the most basic individual needs.

REGULATORY ASSET SEPARATION EXERCISE

The Asset Separation exercise is close to completion and is set to be concluded in Q1 2025. The business is now wrapping up the paperwork required to fully execute the exercise. The exercise brings added transparency and protection to both policyholders and shareholders especially noting Zimbabwe's fluid policy environment. For policyholders, the separation of assets will unlock more, in terms of quantum and value, investment opportunities, sustainable growth and profitability.

DIRECTORATE

There have been no changes to the Company's Directorate during the period under review, in the wake of the reconstitution of the Board in 2022. The stability and continuity have given the Board time to fully integrate with the business and to make meaningful inroads into the Company's long-term strategic plan.

DIVIDEND

FLA has always been clear and resolute in its desire to create and preserve value for all its stakeholders and competitively reward its policyholders, employees and shareholders. In light of this drive and following a series of bold strategic moves, innovative product development and adoption of a results driven culture, I am pleased to advise of the Board's decision to recommend the declaration of a dividend of USD300,000 or 0.002754 cents per share. The dividend is in accordance with the Company's Dividend Policy of 40% on realized cash shareholder profit. The dividend is an acknowledgement of shareholders' continued support during the challenging years and is a testament to the Company's journey to sustainable profitability. A separate dividend notice will be published to this effect in accordance with the Company's Articles of Association and the Zimbabwe Stock Exchange (ZSE) Listing Requirements.

SUSTAINABILITY

At FLA, we embrace our role as a responsible corporate citizen, committed to creating lasting value for our customers, employees, shareholders, and broader stakeholders. Sustainability is at the heart of our business strategy, with Environmental, Social, and Governance (ESG) principles shaping our decision-making processes and operations. We recognize the interconnection between economic growth, social progress, and environmental stewardship, ensuring that our business remains resilient, inclusive, and resource efficient.

In pursuit of environmental sustainability, we have invested in solar energy, ensuring uninterrupted ICT operations, whilst the adoption of fuel-efficient hybrid vehicles has reduced emissions and operational costs. Additionally, our transition to energy-efficient lighting has significantly cut energy consumption across our facilities.

Our waste management initiatives extend into the communities we serve, with refuse bins placed in high-traffic areas such as Julius Nyerere Way and Merekwi in Warren Park, thus promoting cleaner urban spaces. We are also actively contributing to carbon offsetting through urban greening initiatives, including the planting of lawns in key urban areas to aid carbon sequestration.

As climate risks evolve, we remain committed to embedding sustainability into our policies, products, and services, driving long-term environmental and social resilience. Our governance framework upholds transparency, accountability, and ethical leadership, reinforcing trust and sustainable business practices. Looking ahead, we will continue to align with global best practices, ensuring that our operations drive long-term value creation for all stakeholders.

OUTLOOK

The World Bank has forecasted global growth of 3.3% for 2025 and 2026, a forecast that is below the historical (2000–19) average of 3.7%. It is at such times that the FLA Group has proven itself, providing almost 5 decades of award winning, relevant and consistent service. Leveraging on the ZHL ecosystem and the Company's significant investment in digitalization, data mining and analytics, the Company is expected to drive product innovation and enhance customer experience. We anticipate a continued upward trend in premium growth anchored by our investment product Vaka Yako, also being launched in Malawi, as people search for secure long-term saving options in volatile currency environments. As the life insurance market is poised for growth, with an increased demand for bespoke insurance solutions, FLA specifically intends to tailor make products aimed at the diaspora market and the local informal sector. Our strategic focus remains enhancing customer experience, creating value for our policyholders and shareholders while positively impacting our communities particularly by making financial inclusion and protections accessible.

APPRECIATION

I would like to extend my appreciation to our shareholders and policyholders for their continued support. I would also like to thank my fellow Board members, Management and Staff of FLA for their enduring commitment and concerted efforts in producing these commendable results.

Livingstone T. Gwata
Chairman
28 March 2025



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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AUDITED	RESTATED
		GROUP	GROUP
		2024	2023
		USD	USD
ASSETS			
Property and equipment	5	6,740,743	5,161,070
Right of use asset		105,224	141,961
Investment property	6	47,075,151	36,806,252
Intangible assets		175,296	413,805
Other non current assets		170,020	151,447
Insurance contract assets	12	337,153	950,620
Inventories		33,754	272,536
Income tax asset		428,031	-
Trade and other receivables	8	7,813,473	4,848,877
Financial assets at fair value through other comprehensive income		21,582	17,588
Financial assets at fair value through profit or loss	10	20,313,922	11,037,898
Debt securities at amortised cost		4,331,448	3,768,003
Biological assets		98,280	75,758
Cash and deposits with banks	11	3,771,350	2,801,386
Total assets		91,415,427	66,447,201
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued share capital		1,089,233	1,089,233
Share premium		671,409	671,409
Treasury shares		(10,037)	(10,037)
Retained earnings		18,846,436	12,817,463
Revaluation reserve		2,208,836	1,656,325
Foreign currency translation reserve		(31,939,147)	(31,987,686)
Insurance reserve		1,100,111	13,042,195
Total ordinary shareholder's equity		(8,033,159)	(2,721,098)
Non-controlling interests		8,996,366	8,525,042
Total equity		963,207	5,803,944
Liabilities			
Insurance contract liabilities	12	61,078,420	42,928,406
Investment contract liabilities	12.5	16,669,824	10,038,882
Borrowings	13	3,180,610	752,288
Deferred tax liabilities		2,114,713	2,087,215
Lease liability		91,825	143,383
Trade and other payables	14	7,316,828	4,553,917
Income tax liability		-	139,166
Total liabilities		90,452,220	60,643,257
Total equity and liabilities		91,415,427	66,447,201

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Livingstone T. Gwata
Chairman

Reginald Chihota
Managing Director

38%

“Our asset base expanded to USD91.4 million, marking a 38% increase from the prior period, reflecting robust capital allocation. This growth reflects strategic investments and improved capital efficiency”

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Notes	AUDITED	RESTATED
		GROUP	GROUP
		2024	2023
		USD	USD
Insurance contracts revenue	12.6	11,430,560	7,875,974
Insurance service expenses	12.6	(8,941,428)	(5,257,415)
Insurance service result from insurance contracts issued		2,489,132	2,618,559
Allocation of reinsurance paid		(354,078)	(305,814)
Amount recoverable from reinsurers for incurred claims		202,318	223,325
Net expenses from reinsurance contracts held		(151,760)	(82,489)
Insurance service result	12.6	2,337,372	2,536,070
Interest revenue from financial instruments not measured at fair value through profit or loss		1,862,288	1,731,724
Net income from other financial instruments at fair value through profit or loss		4,676,191	6,501,813
Net gains from fair value adjustments to investment properties		6,109,929	8,523,677
Net change in investment contract liabilities		(3,751,688)	(11,365,291)
Other net investment revenue		131,935	459,572
Net gain from foreign exchange		33,282	-
Net Investment Income		9,061,937	5,851,495
Insurance finance expenses for insurance contracts issued		1,004,828	(2,259,201)
Net insurance finance expenses		1,004,828	(2,259,201)
Net insurance and investment result		12,404,137	6,128,364
Rental income from investment property		381,166	349,692
Profit or loss on disposal of investment property		-	1,248,937
Interest income from micro - lending		637,405	532,005
Other income		4,525,657	2,305,473
Operating and administrative expenses		(10,635,723)	(7,621,673)
Allowance for expected credit losses on receivables		(297,597)	(30,259)
Finance costs		(446,771)	(177,435)
Profit before income tax expense		6,568,274	2,735,104
Income tax expense		(171,193)	(398,523)
Profit for the year		6,397,081	2,336,581
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Gains on property, plant and equipment revaluations		651,733	603,869
Finance income/finance expenses from insurance contracts		2,252,085	-
		2,903,818	603,869
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		48,539	396,906
Investments in equity instruments		3,994	-
		52,533	396,906
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,353,432	3,337,356
Profit for the year attributable to:			
Owners of the parent		6,028,973	2,327,710
Non-controlling interests		368,108	8,871
Total profit for the year		6,397,081	2,336,581
Total comprehensive income attributable to:			
Owners of the parent		8,882,108	3,172,275
Non-controlling interests		471,324	165,081
Total comprehensive income for the year		9,353,432	3,337,356
Basic and diluted earnings per share (cents)		5.59	2.16



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

RESTATED GROUP	Note	Share capital	Share premium	Treasury shares	Retained earnings	Revaluation reserve	Foreign currency translation reserve	Insurance Reserve	Attributable to shareholders of parent	Non-controlling interest	Total equity
		USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Year ended 31 December 2023											
Balance at 1 January 2023 as previously stated		1,089,233	671,409	(10,037)	129,971	1,208,666	580,068	437,660	4,106,970	3,810,221	7,917,191
Impact of change in functional currency		-	-	-	-	-	(32,964,660)	-	(32,964,660)	6,155,348	(26,809,312)
Restated balance at 1 January 2023		1,089,233	671,409	(10,037)	129,971	1,208,666	(32,384,592)	437,660	(28,857,690)	9,965,569	(18,892,121)
Profit for the year		-	-	-	2,327,710	-	-	-	2,327,710	8,871	2,336,581
Other comprehensive income for the year		-	-	-	-	447,659	396,906	-	844,565	156,210	1,000,775
Bonus Smoothing Reserve		-	-	-	10,359,782	-	-	12,604,535	22,964,317	-	22,964,317
Non controlling interest on disposal of subsidiary		-	-	-	-	-	-	-	-	(1,605,608)	(1,605,608)
Balance at 31 December 2023		1,089,233	671,409	(10,037)	12,817,463	1,656,325	(31,987,686)	13,042,195	(2,721,098)	8,525,042	5,803,944
Year ended 31 December 2024 (Restated)											
Balance at 1 January 2024		1,089,233	671,409	(10,037)	12,817,463	1,656,325	(31,987,686)	13,042,195	(2,721,098)	8,525,042	5,803,944
Transfer to Bonus Smoothing Reserve		-	-	-	-	-	-	(14,194,169)	(14,194,169)	-	(14,194,169)
Profit for the year		-	-	-	6,028,973	-	-	-	6,028,973	368,108	6,397,081
Other comprehensive income for the year		-	-	-	-	552,511	48,539	2,252,085	2,853,135	103,216	2,956,351
Comprehensive income for the year		-	-	-	6,028,973	552,511	48,539	2,252,085	8,882,108	471,324	9,353,432
Balance at 31 December 2024		1,089,233	671,409	(10,037)	18,846,436	2,208,836	(31,939,147)	1,100,111	(8,033,159)	8,996,366	963,207

CONSOLIDATED STATEMENT OF CASH FLOWS

	AUDITED		RESTATED	
	GROUP		GROUP	
	2024	2023	2024	2023
Note	USD	USD	USD	USD
Cash flows from operating activities	USD	USD		
Profit before income tax	6,568,274	2,735,104		
Non-cash movements in profit before tax	(4,439,491)	(6,144,039)		
Operating profit before working capital	2,128,783	(3,409,935)		
Working capital changes	37,097	5,168,273		
Cash generated from operations	2,165,880	1,758,338		
Income tax paid	(518,354)	(287,974)		
Net cashflow from operating activities				
Net cash (used in)/ generated from investing activities	(2,676,924)	1,328,043		
Net cash (used in)/ generated from investing activities	1,999,362	(237,853)		
Net (decrease)/increase in cash and cash equivalents	(677,562)	1,090,190		
Cash and cash equivalent at beginning of the year	2,801,386	240,832		
Effect of exchange rate movement	-	-		
Cash and cash equivalents at the end of the year	3,771,350	2,801,386		
Comprising:				
Cash on hand	3,581	3,954		
Cash at bank	942,509	690,311		
Investments maturing within 3 months	2,825,260	2,107,121		
	3,771,350	2,801,386		

2024

The Group reported a 23% increase in cash generated from operations from prior year, a strong indicator of the Group's continued ability to generate revenue, signifying strong financial health to fund growth and shareholder returns.



23%

Cash Generated From Operations



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the Group's abridged financial statements and related financial information included in this report. It is their responsibility to ensure that the Group's abridged financial statements fairly present the state of affairs of the Group as at the end of the financial reporting period and the results of its operations and cash flows for the year then ended in conformity with International Financial Reporting Standards ("IFRS's").

2 INDEPENDENT AUDITOR'S STATEMENT

These abridged consolidated financial statements derived from the audited consolidated financial statements of Fidelity Life Assurance of Zimbabwe Limited and its subsidiaries "the Group" for the financial year ended 31 December 2024, should be read together with the complete set of audited consolidated financial statements, for the year ended 31 December 2024, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Farai Chibisa, Registered Public Auditor 0547.

A qualified opinion has been issued on the audited consolidated financial statements, for the year then ended. The qualified opinion was issued regarding non-compliance with International Accounting Standard (IAS) 21- The Effects of Changes in Foreign Exchange Rates on translating comparative consolidated inflation adjusted financial statements and Implementation of information technology systems to align with the requirements of International Financial Reporting Standard (IFRS) 17 – Insurance Contracts.

The auditor's report includes a section on key audit matters outlining matters that, in the auditor's professional judgement, were of most significance in the audit of the consolidated financial statements. Other than the matters described in the Basis for Qualified Opinion section above, it was determined that there were no other key audit matters to communicate in the audit report.

The audit report contains an emphasis of matter describing the restatement of prior year comparatives to reflect the audited position of the annual financial statements for Vanguard Life Assurance Limited for the year ended 31 December 2023.

The auditor's report on the consolidated financial statements and the full set of the audited consolidated financial statements, is available for inspection at the Company's registered office and the auditor's report has been lodged with the Zimbabwe Stock Exchange.

3 ACCOUNTING POLICIES

3.1 Basis of preparation

The abridged Group Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Zimbabwe Stock Exchange listing requirements, except for non-compliance with IAS 21, The Effects of Changes in Foreign Exchange Rates. The financial statements are based on statutory records that are maintained under the historical cost convention basis, except for revaluation of investment properties, land and buildings and financial assets at fair value through profit or loss and insurance and investment contract liabilities that have been measured on a fair value basis.

The abridged Group Financial Statements do not include all the notes of the type normally included in an Annual Financial Report. Accordingly, these abridged Group Financial Statements are to be read in conjunction with the Annual Report for the year ended 31 December 2024 and any public announcements made by the Company during the financial reporting period.

3.2 Functional and presentation currency

The Group's functional currency changed from Zimbabwe Gold (ZWG) formerly the Zimbabwe Dollar (ZWL) to United States Dollar (USD) following the significant change in the percentage of USD transactions compared to local currency. In light of these developments, the Directors conducted an assessment as required by International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Currency Exchange Rates to determine whether the use of the Zimbabwe Gold as the functional currency remained appropriate and this assessment led to the conclusion that a change in functional currency from Zimbabwe Gold ("ZWG") to United States Dollars ("USD") was necessary effective 1 January 2024.

The Directors considered the following provisions of IAS 21 when determining the Group's functional currency

- The currency that mainly influences sales prices for goods or services
- The currency used by its competitive forces and regulations that mainly determine the sale price of its goods and service
- The currency that mainly influence labour materials and other costs of providing goods or services
- The currency in which funds from financing activities (i.e. issuing debt and equity instruments) are generated
- The currency in which receipts from operating activities are usually retained

In accordance with International Accounting Standard 29, Financial Reporting in Hyperinflation economies and International Accounting Standard 21, Effects of Changes in Foreign Exchange Rates, the Group applied the relevant translation procedures on the adoption of the new functional currency and the 31 December 2023 inflation adjusted figures were translated to USD using the prevailing official exchange rate except for investment property, property and equipment which are based on the USD fair values as at 1 January 2024 determined by an independent valuer as the IAS 21 converted numbers were materially different from the IFRS 13 Fair Value Measurement determined values. The resultant balances were adopted as the opening USD balances for the current year. Share capital and treasury shares were maintained at the historical figures adopted on a 1:1 basis during currency changes in 2018.

The income statement comparative numbers were based on the currency in which they were transacted in with the ZWL transactions were translated to USD using the spot exchange rate on the day the transaction was incurred.

To present a true and fair financial performance and position of the Group in the current reporting year, the following conversion methods were adopted

- Transactions that were consummated in USD are reported as USD;
- Transactions that were consummated in ZWL are reported as ZWL were converted to USD based on the spot rate which existed on the date of the transaction;
- The exchange gains/losses on the ZWG transactions and balances were established then recorded in the profit and loss statement
- An independent valuer determined the USD investment properties and property and equipment valuations as at 31 December 2024.

Statements of the regional foreign subsidiaries were dealt with in accordance with IAS 21. The items included in statement of profit or loss and comprehensive income were translated using average exchange rates and statement of financial position items were translated at the closing rates.

	AUDITED GROUP	RESTATED GROUP
	2024 USD	2023 USD

4 EARNINGS PER SHARE (EPS)

Reconciliation of total earnings to headline earnings attributable to shareholders

	2024 USD	2023 USD
Numerator		
Profit for the year attributable to owners of the parent and profit used in EPS	6,028,973	2,327,710
Add/(deduct) non recurring items		
Impairment of intangible assets	-	-
Profit on disposal of property	3,089	(19,452)
Profit on disposal of investment property	-	-
Taxation on headline earnings adjustable items	-	-
Headline earnings attributable to ordinary shareholders	6,032,062	2,308,258
Denominator		
Weighted number of ordinary shares in issue	108,923,291	108,923,291
Less: Shares purchased for the Employee Share Ownership Plan	(1,003,743)	(1,003,743)
	-	-
Weighted average number of shares used in basic EPS	107,919,548	107,919,548
Less: Dilutive adjusting effects	-	-
Weighted average number of shares used in diluted EPS	-	-
Basic and diluted earnings per share (cents)	107,919,548	107,919,548
Headline earnings per share (cents)		
Basic earnings per share	5.59	2.16
Headline earnings per share	5.59	2.14

Basic earnings per share is basic earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

Headline earnings per share is a disclosure requirement in terms of Statutory Instrument 134 of 2019 of the Zimbabwe Stock Exchange (ZSE) listing requirements for companies listed on the ZSE. Headline earnings per share is calculated by dividing the headline earnings by the weighted average number of shares in issue during the year. Disclosure of headline earnings is not a requirement of International Financial Reporting Standards (IFRS's).

Sustainability: Building a Greener Tomorrow





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5 PROPERTY AND EQUIPMENT

GROUP	Land and buildings	Motor vehicles	Equipment and computers	Furniture and fittings	Total
	USD	USD	USD	USD	USD
Net carrying amount at 1 January 2023	3,148,860	24,798	40,547	27,750	3,241,955
Gross carrying amount - cost/valuation	3,165,562	207,598	209,693	73,331	3,656,184
Accumulated depreciation	(16,702)	(182,800)	(169,146)	(45,581)	(414,229)
Additions	-	-	68,612	42,805	111,417
Exchange rate movement on foreign operations	21,220	12,004	18,313	6,087	57,624
Disposals	-	(85,882)	(32)	-	(85,914)
Gross carrying amount - cost/valuation	-	(123,396)	(141)	-	(123,537)
Accumulated depreciation	-	37,514	109	-	37,623
Depreciation charge for the year	(3,502)	(4,846)	(45,572)	(7,439)	(61,359)
Revaluation surplus	1,038,730	408,233	386,136	64,248	1,897,347
Gross carrying amount - cost/valuation	1,038,730	408,233	386,136	64,248	1,897,347
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2023 (Restated)	4,205,308	354,307	468,004	133,451	5,161,070
Gross carrying amount - cost/valuation	4,225,512	504,439	682,613	186,471	5,599,035
Accumulated depreciation	(20,204)	(150,132)	(214,609)	(53,020)	(437,965)
Additions	-	10,502	334,868	7,312	352,682
Exchange rate movement on foreign operations	23,363	13,084	19,961	6,635	63,043
Depreciation charge for the year	(2,068)	(107,128)	(150,643)	(41,301)	(301,140)
Revaluation surplus	500,000	965,088	-	-	1,465,088
Gross carrying amount - cost/valuation	500,000	965,088	-	-	1,465,088
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2024	4,726,603	1,235,853	672,190	106,097	6,740,743
Gross carrying amount - cost/valuation	4,748,875	1,493,113	1,037,442	200,418	7,479,848
Accumulated depreciation	(22,272)	(257,260)	(365,252)	(94,321)	(739,105)

6 INVESTMENT PROPERTY

	AUDITED GROUP	RESTATED GROUP
	2024 USD	2023 USD
Balance at the beginning of the year	36,806,252	28,282,575
Additions	4,277,959	-
Disposals	(117,750)	-
Exchange rate movement on foreign operations	(1,239)	-
Fair value gains through profit or loss	6,109,929	8,523,677
Balance at 31 December	47,075,151	36,806,252

The Group's fair values of investment properties are based on property valuations performed by an independent professional property valuer. Gains and losses arising from a change in fair value of investment properties are recognised in the profit or loss statement.

As at 31 December 2024, the fair values of the properties are based on valuations performed by Homelux Real Estate an accredited independent valuer. Homelux Real Estate is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied.

There were no transfers between Levels 1 or 2 to Level 3 during the year. The fair value of investment properties is categorised as level 3. Significant judgements and assumptions were applied for the Group's Investment property portfolio. Land banks and residential properties were valued in Zimbabwe dollar using the market comparison method and the income capitalisation method was used to value commercial properties.



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7.1 SEGEMENT INFORMATION

December 2024

Insurance contract revenue
Insurance service expenses
Net expenses from reinsurance contracts held

Insurance service result

Net Investment Income
Net insurance finance expenses
Net insurance and investment result
Non insurance income
Indirect expenses
Income tax expense

Profit/(loss) for the year

Segment assets
Segment liabilities

	AUDITED					Total USD
	Insurance USD	Microlending USD	Property Investment USD	Other USD	Consolidation adjustments USD	
Insurance contract revenue	11,430,560	-	-	-	-	11,430,560
Insurance service expenses	(8,941,428)	-	-	-	-	(8,941,428)
Net expenses from reinsurance contracts held	(151,760)	-	-	-	-	(151,760)
Insurance service result	2,337,372	-	-	-	-	2,337,372
Net Investment Income	10,080,419	84,731	-	243,044	(1,346,257)	9,061,937
Net insurance finance expenses	1,004,828	-	-	-	-	1,004,828
Net insurance and investment result	13,422,619	84,731	-	243,044	(1,346,257)	12,404,137
Non insurance income	1,656,717	1,432,272	-	3,254,610	-	6,343,599
Indirect expenses	(6,735,630)	(1,513,491)	(130,995)	(3,799,346)	-	(12,179,462)
Income tax expense	(204,833)	(35,847)	(49,808)	119,295	-	(171,193)
Profit/(loss) for the year	8,138,873	(32,335)	(180,803)	(182,397)	(1,346,257)	6,397,081
Segment assets	89,984,562	2,389,907	25,040,000	3,649,567	(29,648,609)	91,415,427
Segment liabilities	84,750,433	2,420,730	1,891,541	2,980,896	(1,591,380)	90,452,220

7.2 SEGEMENT INFORMATION

December 2023

Insurance contract revenue
Insurance service expenses
Net expenses from reinsurance contracts held

Insurance service result

Net Investment Income
Net insurance finance expenses
Net insurance and investment result
Non insurance income
Indirect expenses
Income tax expense

Profit/(loss) for the year

Segment assets
Segment liabilities

	RESTATED					Total USD
	Insurance USD	Microlending USD	Property Investment USD	Other USD	Consolidation adjustments USD	
Insurance contract revenue	7,875,974	-	-	-	-	7,875,974
Insurance service expenses	(5,257,415)	-	-	-	-	(5,257,415)
Net expenses from reinsurance contracts held	(82,489)	-	-	-	-	(82,489)
Insurance service result	2,536,070	-	-	-	-	2,536,070
Net Investment Income	6,330,888	(89,444)	-	6,957	(396,906)	5,851,495
Net insurance finance expenses	(2,259,201)	-	-	-	-	(2,259,201)
Net insurance and investment result	6,670,757	(89,444)	-	6,957	(396,906)	6,128,364
Non insurance income	1,757,053	842,516	-	2,595,266	-	5,194,835
Indirect expenses	(4,927,842)	(1,108,134)	(43,565)	(2,508,554)	-	(8,588,095)
Income tax expense	(216,174)	-	-	(182,349)	-	(398,523)
Profit/(loss) for the year	3,220,794	(355,062)	(43,565)	(88,680)	(396,906)	2,336,581
Segment assets	63,653,582	1,263,670	25,040,000	1,530,467	(25,040,518)	66,447,201
Segment liabilities	55,729,334	1,262,156	1,710,798	734,245	1,206,724	60,643,257

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7.3 GEOGRAPHICAL INFORMATION

December 2024	AUDITED			
	Zimbabwe	Malawi	Consolidation adjustments	Total
	USD	USD	USD	USD
Insurance contract revenue	8,772,180	2,658,380	-	11,430,560
Insurance service expenses	(6,878,625)	(2,062,803)	-	(8,941,428)
Net expenses from reinsurance contracts held	(158,331)	6,571	-	(151,760)
Insurance service result	1,735,224	602,148	-	2,337,372
Net Investment Income	7,808,186	2,600,008	(1,346,257)	9,061,937
Net insurance finance expenses	1,004,828	-	-	1,004,828
Net insurance and investment result	10,548,238	3,202,156	(1,346,257)	12,404,137
Non insurance income	6,170,435	173,164	-	6,343,599
Indirect expenses	(10,036,113)	(2,143,349)	-	(12,179,462)
Income tax expense	6,753	(177,320)	-	(171,193)
				-
Profit/(loss) for the year	6,688,687	1,054,651	(1,346,257)	6,397,081
Segment assets	97,340,595	23,723,441	(29,648,609)	91,415,427
Segment liabilities	68,808,903	23,234,697	(1,591,380)	90,452,220

7.4 GEOGRAPHICAL INFORMATION

December 2023	RESTATED			
	Zimbabwe	Malawi	Consolidation adjustments	Total
	USD	USD	USD	USD
Insurance contract revenue	5,217,594	2,658,380	-	7,875,974
Insurance service expenses	(3,194,612)	(2,062,803)	-	(5,257,415)
Net expenses from reinsurance contracts held	(89,060)	6,571	-	(82,489)
Insurance service result	1,993,922	602,148	-	2,536,070
Net Investment Income	3,648,393	2,600,008	(396,906)	5,851,495
Net insurance finance expenses	(2,259,201)	-	-	(2,259,201)
Net insurance and investment result	3,323,114	3,202,156	(396,906)	6,128,364
Non insurance income	5,021,671	173,164	-	5,194,835
Indirect expenses	(6,444,746)	(2,143,349)	-	(8,588,095)
Income tax expense	(221,203)	(177,320)	-	(398,523)
				-
Profit/(loss) for the year	1,678,836	1,054,651	(396,906)	2,336,581
Segment assets	67,764,278	23,723,441	(25,040,518)	66,447,201
Segment liabilities	36,201,836	23,234,697	1,206,724	60,643,257

8 TRADE AND OTHER RECEIVABLES

	AUDITED	RESTATED
	Group 2024 USD	Group 2023 USD
Residential stand sales debtors	10,135	327
Micro-finance loans receivable	1,824,784	1,055,940
Other trade debtors	5,350,647	2,479,880
Trade receivables - gross	7,185,566	3,536,147
Less: allowance for expected credit losses ("ECL")	(381,608)	(258,662)
Trade receivables - net		
Residential stand sales debtors	9,820	316
Micro-finance loans receivable	1,703,059	975,271
Other trade debtors	5,091,079	2,652,954
Total receivables classified as financial assets at amortised cost	6,803,958	3,628,542
Prepayments	263,385	24,769
Loans to employees	584,709	146,830
Receivables from related parties	161,421	1,048,736
Total trade and other receivables	7,813,473	4,848,877

The carrying value of trade and other receivables classified as financial assets at amortised cost approximates their fair value.

Included in other receivables balance are debtors arising from non core business activities such as rental debtors and debtors arising from disposal of non core assets from the Southview Development Project.

Receivables from related parties, loans to employees and other receivables are shown net of expected credit losses. The amount of expected credit losses for these receivables are as shown in the table below.

	Dec-24	Dec-23
	USD	USD
The total impairment allowance is made up of the following:		
Expected credit loss on trade receivables-stand sales debtors	(315)	(11)
Expected credit loss on trade receivables-micro-finance loans receivable	(121,725)	(80,669)
Allowance for expected credit loss on trade receivables	(259,568)	(177,982)
	(381,608)	(258,662)

Movements in expected credit loss are as follows:

	Dec-24	Dec-23
	USD	USD
Allowance for expected losses		
Balance at 1 January	(258,662)	(184,825)
Net decrease/(increase) during the period through profit or loss	(297,597)	(20,653)
Impact on period end ECL exposures transferred between stages during the period	(174,651)	(53,184)
Balance at 31 December	(381,608)	(258,662)





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9 PRIOR PERIOD RESTATEMENTS

9.1 CONSOLIDATION OF UNAUDITED RESULTS - MALAWI SUBSIDIARY

In the prior year, ended December 31, 2023, Fidelity Life Assurance Group consolidated unaudited results for the Malawi subsidiary. The group has restated prior year comparatives to reflect the audited position of the Malawi subsidiary annual financial statements for 2023. The effect of the change is an increase in profit for the year 2023 by USD252 336 with a corresponding increase in retained earnings by the same amount for the prior year results. Total assets decreased by USD312 586 and total liabilities decreased by USD2 865 914 which resulted in a corresponding increase in equity of USD2 553 328. The restatement is shown in the note below.

Impact on statement of profit or loss and other comprehensive income for the year ended 31 December 2023	RESTATED		
	As previously stated 2023 USD	Effect of restatement 2023 USD	2023 USD
Insurance service result	1,119,228	(248,223)	871,005
Total investment income	2,239,693	(422,444)	1,817,249
Insurance financial expense	(100,258)	(987,654)	(1,087,912)
Other income and expense	42,694	169,669	212,363
Finance Cost	-	(11,540)	(11,540)
Other operating expenses	(2,888,471)	1,716,110	(1,172,361)
Income tax expense	(237,098)	36,419	(200,679)
Impact on profit for the year	175,788	252,337	428,125
Impact on statement of financial position as at 31 December 2023			
Total assets	18,623,135	(312,586)	18,310,549
Total equity	(446,898)	(2,553,328)	(3,000,226)
Total liabilities	(18,176,236)	2,865,914	(15,310,322)
Impact on equity for the year	(271,110)	(2,300,991)	(2,572,101)

9.2 RESTATEMENT OF IFRS 17 RESULTS - FLA THE COMPANY

The IFRS 17 results for Fidelity Life Assurance Company for the year ended 31 December 2023 were based on actuarial models that performed calculations on an aggregated basis to calculate IFRS 17 numbers for the 2023 financial year. In response to recommendations from external auditors in the 2023 audit, the company implemented an actuarial engine that computes IFRS 17 numbers on a per policy basis during the 2024 financial year. The group has restated prior year audited annual financial statements to reflect these changes and the effect of the change is a decline in profit for the year 2023 by USD35 286 with a corresponding increase in retained earnings by the same amount for the prior year results. Insurance contract assets and liabilities had a net increase of USD197,459 which resulted in a corresponding increase of the same amount. The restatement is shown in the note below.

Impact on statement of profit or loss and other comprehensive income for the year ended 31 December 2023	RESTATED		
	As previously stated 2023 USD	Effect of restatement 2023 USD	2023 USD
Insurance contracts revenue	4,995,220	(141,011)	4,854,209
Allocation of reinsurance paid	(164,500)	173,949	9,449
Amount recoverable from reinsurers for incurred claims	88,532	(68,224)	20,308
Impact on profit for the year	4,919,252	(35,286)	4,883,966
Impact on statement of financial position as at 31 December 2023			
Insurance Contract Assets	198,422	39,232	237,654
Insurance contract liabilities	(35,748,492)	(236,691)	(35,985,183)
Impact on equity for the year	35,550,070	197,459	35,747,529

Note 9.2 should be read in conjunction with note 15 - IFRS 17 Implementation

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	AUDITED	RESTATED
	GROUP 2024 USD	GROUP 2023 USD
Balance at the beginning of the year	11,037,898	4,397,315
Additions	4,091,066	1,963,029
Fair value adjustments - through profit or loss	4,676,191	3,911,716
Exchange gain	615,329	1,511,927
Disposals	(106,562)	(746,089)
Financial assets at fair value through profit or loss	20,313,922	11,037,898

Listed equities are the only financial instruments held by the Group that are measured at fair value. These are shown as equities at fair value through profit or loss in the statement of financial position. The fair values of the equities are determined as Level 1 fair values in the fair value hierarchy. Level 1 fair values are determined based on observable quoted prices in active markets for identical assets that the Group can access.

11 CASH AND DEPOSITS WITH BANKS

	AUDITED	RESTATED
	GROUP 2024 USD	GROUP 2023 USD
Cash on hand	3,581	3,954
Cash at bank	942,509	690,311
Investments maturing within 3 months	2,825,260	2,107,121
Cash and deposits with banks	3,771,350	2,801,386

Cash and deposits with banks

The Group cash and cash equivalents include cash in hand, other short term highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less, and-for the purpose of the cash flow statement it includes bank overdraft.

The cash and cash equivalents is subsequently measured at amortised cost.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. In the consolidated statement of financial position bank overdrafts are shown within borrowings.





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12 INSURANCE CONTRACT ASSETS AND LIABILITIES

12.1 An analysis of the amounts presented on the consolidated statement of financial position for insurance contracts, investment contracts with DPF and investment contracts without DPF is included in the table below along with the presentation of current and non-current portions of the balances:

GROUP	AUDITED						
	Direct participating contracts	Investment contracts with DPF	Investment contracts without DPF	Total	Current portion	Non current portion	Total
	USD	USD	USD	USD	USD	USD	USD
Balance as at 31 December 2024							
Insurance contract assets	(337,153)	-	-	(337,153)	(33,715)	(303,438)	(337,153)
Insurance contract liabilities	31,889,442	29,188,978	-	61,078,420	6,107,842	54,970,578	61,078,420
Investment contract liabilities	-	-	16,669,824	16,669,824	1,666,982	15,002,842	16,669,824
	RESTATED						
Balance as at 31 December 2023							
Insurance contract assets	(950,620)	-	-	(950,620)	(95,062)	(855,558)	(950,620)
Insurance contract liabilities	26,090,234	16,838,172	-	42,928,406	4,292,841	38,635,565	42,928,406
Investment contract liabilities	-	-	10,038,882	10,038,882	1,003,888	9,034,994	10,038,882

12.2 Analysis of Insurance Contract Liability and Assets by participation

GROUP	AUDITED			RESTATED		
	USD	USD	USD	USD	USD	USD
	2024			2023		
	Liability for remaining coverage	Liability for incurred claims	TOTAL	Liability for remaining coverage	Liability for incurred claims	TOTAL
	USD	USD	USD	USD	USD	USD
Direct Participating Contracts	31,625,984	263,458	31,889,442	26,187,672	(97,438)	26,090,234
Investment contracts with direct participating contracts	32,521,126	(3,332,148)	29,188,978	17,703,890	(865,718)	16,838,172
	64,147,110	(3,068,690)	61,078,420	43,891,562	(963,156)	42,928,406

12.3 Direct participating contracts issued

Reconciliation of the liability for the remaining coverage and liability for incurred claims

	AUDITED				RESTATED			
	2024				2023			
	Liability for remaining coverage	Loss component	Liability for incurred claims	Total	Liability for remaining coverage	Loss component	Liability for incurred claims	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Balance as at 01 January	26,173,806	13,866	(97,438)	26,090,234	19,514,552	12,366	-	19,526,918
Insurance contract revenue	(2,447,424)	-	-	(2,447,424)	(1,008,177)	-	-	(1,008,177)
Insurance service expenses								
Incurred claims and other directly attributable expenses	1,523,746	-	64,347	1,588,093	1,444,773	-	48,719	1,493,492
Other directly attributable expenses	655,150	-	84,456	739,606	244,060	-	-	244,060
Losses on onerous contracts and reversal of those losses	-	(90,833)	-	(90,833)	-	-	-	-
Insurance acquisition cashflows amortisation	202,740	-	-	202,740	191,574	-	-	191,574
Insurance service expenses	2,381,636	(90,833)	148,803	2,439,606	1,880,407	-	48,719	1,929,126
Total net expenses from reinsurance contracts held	151,760	-	-	151,760	82,489	-	-	82,489
Insurance service result	(85,972)	90,833	(148,803)	(143,942)	(954,719)	-	(48,719)	(1,003,438)
Finance expenses from insurance contracts issued recognised in profit or loss	178,321	365,561	779,123	1,323,005	15,418	1,500	-	16,918
Finance expenses from insurance contracts issued recognised in OCI	96,772	-	(56,274)	40,498	-	-	-	-
Finance expenses from insurance contracts issued	275,093	365,561	722,849	1,363,503	15,418	1,500	(48,719)	16,918
Total amounts recognised in comprehensive income	189,121	456,394	574,046	1,219,561	(939,301)	1,500	(48,719)	(986,520)
Investment components	4,681,180	-	-	4,681,180	9,249,758	-	-	9,249,758
Cashflows								
Premiums received	2,293,776	-	-	2,293,776	37,630	-	-	37,630
Claims and other directly attributable expenses paid	(2,178,896)	-	(148,803)	(2,327,699)	(1,688,833)	-	(48,719)	(1,737,552)
Insurance acquisition cash flows	(3,263)	-	(64,347)	(67,610)	-	-	-	-
Total cash flows	111,617	-	(213,150)	(101,533)	(1,651,203)	-	(48,719)	(1,699,922)
Balance as at 31 December	31,155,724	470,260	263,458	31,889,442	26,173,806	13,866	(97,438)	26,090,234



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12.4 Investment contract liabilities with DPF Reconciliation of the liability for remaining coverage and the liability for incurred claims

GROUP	AUDITED				RESTATED			
	2024		2023		2023		2023	
	Liability for remaining coverage USD	Loss component USD	Liability for incurred claims USD	Total USD	Liability for remaining coverage USD	Loss component USD	Liability for incurred claims USD	Total USD
Balance as at 01 January	17,643,254	60,636	(865,718)	16,838,172	8,888,599	56,841	-	8,945,440
Insurance contract revenue	(8,983,136)	-	-	(8,983,136)	(6,867,797)	-	-	(6,867,797)
Insurance service expenses								
Incurred claims expenses	625,357	-	1,040,812	1,666,169	565,052	-	756,937	1,321,989
Other directly attributable expenses	1,803,295	-	-	1,803,295	976,643	-	-	976,643
Losses on onerous contracts and reversal of those losses	-	1,842,482	-	1,842,482	-	-	-	-
Insurance acquisition cashflows amortisation	1,189,876	-	-	1,189,876	1,029,657	-	-	1,029,657
Insurance service expenses	3,618,528	1,842,482	1,040,812	6,501,822	2,571,352	-	756,937	3,328,289
Total net expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Insurance service result	5,364,608	(1,842,482)	(1,040,812)	(2,481,314)	4,296,445	-	(756,937)	(3,539,508)
Finance expenses from insurance contracts issued recognised in profit or loss	(2,262,090)	(65,743)	-	(2,327,833)	2,328,488	3,795	-	2,242,283
Finance expenses from insurance contracts issued recognised in OCI	2,211,587	-	-	2,211,587	-	-	-	-
Finance expenses from insurance contracts issued	(50,503)	(65,743)	-	(116,246)	2,238,488	3,795	-	2,242,283
Total amounts recognised in comprehensive income	5,314,105	(1,908,225)	(1,040,812)	2,365,068	6,534,933	3,795	(756,937)	5,781,791
Investment components	8,427,904	-	-	8,427,904	295,614	-	-	295,614
Other changes	-	-	-	-	-	-	-	-
Cashflows								
Premiums received	9,734,890	-	-	9,734,890	5,542,841	-	-	5,542,841
Claims and other directly attributable expenses paid	(2,428,652)	-	(1,040,812)	(3,469,464)	(1,541,695)	-	-	(1,541,695)
Insurance acquisition cash flows	(4,322,786)	-	(384,806)	(4,707,592)	(2,077,038)	-	(108,781)	(2,185,819)
Total cash flows	2,983,452	-	(1,425,618)	1,557,834	1,924,108	-	(108,781)	1,815,327
Balance as at 31 December	34,368,715	(1,847,589)	(3,332,148)	29,188,978	17,643,254	60,636	(865,718)	16,838,172

12.5 Investment contract liabilities without DPF

Reconciliation of investment contract liabilities

The table below shows a reconciliation of the opening and closing balance for the investment contract liabilities

	AUDITED	RESTATED
	2024 USD	2023 USD
Opening balance 1 January 2023	10,038,882	5,607,893
Contributions received	5,139,799	575,654
Benefits paid	(2,161,354)	(7,020,354)
Investment return from underlying assets	3,751,688	11,365,291
Asset management fees charged	(99,191)	(489,602)
Closing balance	16,669,824	10,038,882





FIDELITY LIFE

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12.6 Insurance contract revenue and expenses

An analysis of insurance revenue, insurance service expense and net expenses from insurance contracts held by product line for 2024 and 2023 is included in the following tables:

December 2024

Insurance contract revenue

Amounts relating to the changes in the Liability for remaining coverage (LRC)

Expected incurred claims and other expenses after loss component allocation	1,211,971	2,671,734	3,883,705
Change in the risk adjustment for non- financial risk for the risk expired after loss component allocation	56,536	396,014	452,550
CSM recognised in profit or loss for the services provided	556,995	4,972,286	5,529,281
Insurance acquisition cash flow recovery	67	(877,846)	(877,779)
Insurance revenue from contracts not measured under the PAA	1,825,569	7,162,188	8,987,757
Insurance revenue from contracts measured under the PAA	-	1,820,948	1,820,948
Insurance revenue from contracts measured under VFA	621,855	-	621,855

Total insurance revenue

2,447,424 8,983,136 11,430,560

Insurance service expenses

Incurring claims	1,588,093	1,666,169	3,254,262
Directly attributable expenses	739,606	1,803,295	2,542,901
Losses on onerous contracts and reversal of those losses	(90,833)	1,842,482	1,751,649
Insurance acquisition cashflows amortisation	202,740	1,189,876	1,392,616

Total insurance service expenses

2,439,606 6,501,822 8,941,428

Reinsurance expenses-contracts measured under the PAA

354,078 - 354,078

Claims recovered

(202,318) - (202,318)

Total net expenses from reinsurance contracts held

151,760 - 151,760

Total insurance service result

7,818 2,481,314 2,337,372

December 2023

Insurance contract revenue

Amounts relating to the changes in the Liability for remaining coverage (LRC)

Expected incurred claims and other expenses after loss component allocation	234,977	2,208,682	2,443,659
Change in the risk adjustment for non- financial risk for the risk expired after loss component allocation	(33,339)	422,158	388,819
CSM recognised in profit or loss for the services provided	630,930	4,037,342	4,668,272
Insurance acquisition cash flow recovery	-	(887,327)	(887,327)
Insurance revenue from contracts not measured under the PAA	832,568	5,780,855	6,613,423
Insurance revenue from contracts measured under the PAA	-	1,086,942	1,086,942
Insurance revenue from contracts measured under VFA	175,609	-	175,609

Total insurance revenue

1,008,177 6,867,797 7,875,974

Insurance service expenses

Incurring claims	1,493,492	1,321,989	2,815,481
Directly attributable expenses	244,060	976,643	1,220,703
Losses on onerous contracts and reversal of those losses	-	-	-
Insurance acquisition cashflows amortisation	191,574	1,029,657	1,221,231

Total insurance service expenses

1,929,126 3,328,289 5,257,415

Reinsurance expenses-contracts measured under the PAA

305,814 - 305,814

Claims recovered

(223,325) - (223,325)

Total net expenses from reinsurance contracts held

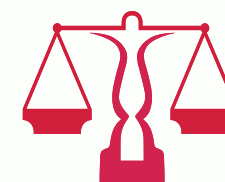
82,489 - 82,489

Total insurance service result

(1,003,438) 3,539,508 2,536,070



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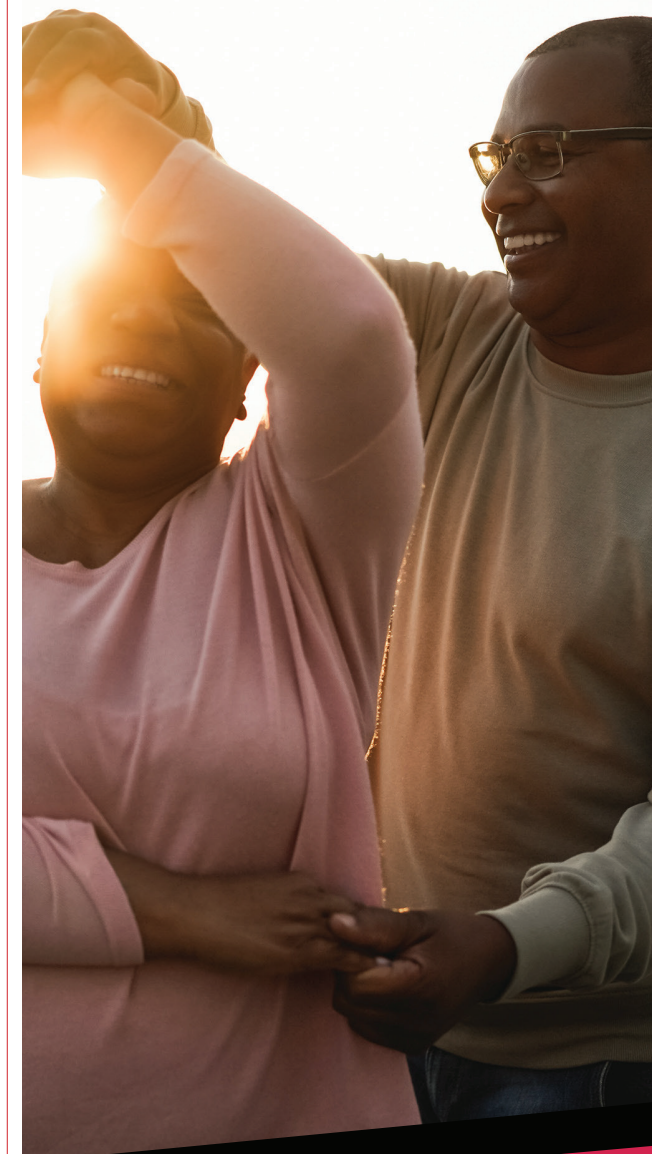


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13 BORROWINGS

	AUDITED		RESTATED	
	Dec-24		Dec-23	
	USD		USD	
13.1 SHORT-TERM BORROWINGS				
ZB Bank	568,565		752,288	
Steward Bank	511,644		-	
National Social Security Authority	1,000,000		-	
Nedbank Limited	330,566		-	
NBS Bank	769,835		-	
	3,180,610		752,288	

ZB Bank Limited

The loan facility with ZB was obtained in 2024 as a line of credit for the micro-finance business to increase the unit's lending capacity. The facility is denominated in USD and accrues interest at 18.6% per annum on a 18 month tenure expiring on 31 January 2026.

Steward Bank

The loan facility amounting to USD500,000 was obtained in 2024 as a line of credit for the micro-finance business to increase the unit's lending capacity. The facility is denominated in USD and accrues interest at 25% per annum on a one year tenure expiring on 31 October 2025.

National Social Security Authority

A loan facility with the National Social Security Authority ("NSSA") amounting to USD1,000,000 was obtained as a line of credit to bolster the microlending business unit lending capacity. The facility accrues interest at 24% per annum on a one year tenure expiring on 31 May 2025 and is secured by a mortgage bond supported by Zimre Holdings Limited guarantee.

Nedbank Limited

Fidelity Life Assurance of Zimbabwe Limited obtained a loan amounting to USD398,296 for asset financing. The facility accrues interest at the rate of 14% per annum and is repayable over 36 months. The loan is secured over the assets acquired.

NBS Bank

Fidelity Life Assurance of Zimbabwe Limited obtained an asset financing facility amounting to USD837,488.94 from NBS Bank. The facility accrues interest at 18% per annum repayable in 24 months expiring on 31 October 2027. The loan is secured over the assets acquired.

	AUDITED		RESTATED	
	Dec-24		Dec-23	
	USD		USD	
13.2				
Movements in borrowings during the period were as follows:				
Balance at 1 January	752,288		794,381	
Net cash out flow on borrowings	2,428,322		(42,093)	
Proceeds from borrowings	2,655,329		516,296	
Repayment of borrowings	(174,774)		(558,389)	
Finance costs capitalised	242,138		128,108	
Finance costs paid	(294,371)		(128,108)	
Balance at 31 December	3,180,610		752,288	

14 TRADE AND OTHER PAYABLES

	AUDITED		RESTATED	
	GROUP		GROUP	
	2024		2023	
	USD		USD	
Trade payables	611,165		839,736	
Related party payables	157,807		1,044,723	
Statutory liabilities	271,752		101,596	
Other payables	6,276,104		2,669,001	
	7,316,828		4,553,917	

15 IFRS 17 IMPLEMENTATION

During the year 2024, the company successfully implemented an IFRS 17-compliant actuarial engine, facilitating contract-level calculations. This process has now reached completion, necessitating rigorous checks and validations to ensure accuracy and compliance with the standard.

In alignment with IFRS 17, the company has refined its policies and processes related to the calculations and reporting of insurance contracts. However, it is important to note that there is potential for further enhancements in the reporting and measurement of these contracts. Such improvements may have significant implications for both liabilities and revenues in future reporting periods.

Ongoing monitoring and adjustments will be essential as the company continues to navigate the complexities of IFRS 17 to optimise its financial reporting and risk management practices.

16 CONTINGENCIES

16.1 Contingent liability

Fidelity Life Assurance of Zimbabwe Limited agreed to unconditionally guarantee ZWL37.5 million of the full debt owing to ZB Bank Limited on behalf of Fidelity Life Financial Services (Private) Limited in terms of the overdraft facility that was signed between Fidelity Life Financial Services (Private) Limited and ZB Bank Limited.

The guarantee covers part of the overdraft with the amount borrowed plus interest and any other charges and shall remain in place until the overdraft is fully paid. Fidelity Life Assurance of Zimbabwe as the Guarantor will duly pay to the Lender ZB Bank Limited the debt and liabilities in terms of the ZB Bank Limited overdraft facility agreement in the event of default by Fidelity Life Financial Services (Private) Limited up to the guaranteed amount.

16.2 Litigations against the Company

In 2015, Fidelity Life Assurance of Zimbabwe Limited, ("FLA") entered into a sale of shares agreement with CFI Holdings Limited ("CFI") acquiring 80.77% shares in Langford Estates 1962 (Private) Limited, a company whose sole asset is land measuring 834 hectares. The purchase entailed the assumption of CFI Holdings' Limited USD16million debt owed to a consortium of banks by the Company. Subsequently a Debt Assumption and Compromise Agreement was signed between the Company, Langford Estates (1962) (Private) Limited, CFI Holdings, Crest Poultry (Private) Limited t/a Agrifoods, and FBC Bank Limited, Agricultural Bank of Zimbabwe Limited, Infrastructure Development Bank of Zimbabwe Limited, Standard Chartered Bank Zimbabwe Limited and CBZ Bank Limited. The Company assumed the CFI debt and ownership of 80.77% of Langford Estates and duly paid off the debt.

"In March 2018, the Company received a letter from CFI contesting the Sale of Shares Agreement and Debt Assumption and Compromise Agreement. The parties failed to reach an amicable resolution and CFI instituted legal proceedings against the Company in the High Court and Arbitration for cancellation of the debt assumption agreement and setting aside of the agreement of sale of shares respectively. Both matters are pending resolution before the two forums. The directors have engaged external legal counsel to defend the interests of Fidelity Life."

17 DIVIDEND DECLARATION

	AUDITED		RESTATED	
	GROUP		GROUP	
	2024		2023	
As at 1 January	-		-	
Dividends declared	300,000		-	
Dividends paid	-		-	
As at 31 December	300,000		-	

The Board of Directors declared a final dividend payable of USD 300 000 or USD0.00028 per share for the year ended 31 December 2024.

18 EVENTS AFTER THE REPORTING DATE

New structured currency introduction

Subsequent to the 31 December 2024 reporting date, on 6 February 2025 the Reserve Bank of Zimbabwe (RBZ) issued a Monetary Policy Statement (MPS), announcing a requirement for all entities to adopt a common presentation currency, ZWG, for reporting purposes with immediate effect, including for the 31 December 2024 and later period audited financial statements. Subsequently The Public Accountants and Auditors Board (PAAB) issued a statement to provide guidance on the compliance with International Financial Reporting Standards (IFRS's) and the MPS 6 of 2025 RBZ directive. Companies are required to prepare two financial statements namely general purpose and special purpose financial statements. The general-purpose financial statements should comply fully with IFRS requirements for an entity to make an unreserved statement that their financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's) Accounting Standards.

