



FIDELITY LIFE

ASSURANCE OF ZIMBABWE



Your Life Partner



Audited Financial Results

FOR THE YEAR ENDED 31 DECEMBER 2023

CHAIRMAN'S STATEMENT



Livingstone T. Gwata
Chairman

I am pleased to present to you the audited financial statements for Fidelity Life Assurance of Zimbabwe Limited ("FLA") or the ("Company") together with its subsidiaries ("the Group") for the year ended 31 December 2023.

Operating Environment

Zimbabwe's economy is estimated to have registered growth of 5.5% in 2023, which represents a slowdown from the 6.5% growth achieved in 2022. The marginal growth was anchored by Agriculture which registered growth of 11.1% and contributed 12.6% to economic growth. The mining sector was hampered by depressed commodity prices thereby achieving a 4.8% growth against expected growth of 10.4%. Despite the subdued growth, the mining sector remained the highest contributor to GDP at 13.2%.

The macroeconomic environment was highly volatile particularly in the first half of the year. The local currency rapidly depreciated and prices of goods and services sky-rocketed. The preference and use of foreign currency further grew as businesses sought refuge in the stability of the United States Dollar. The increased use of foreign currency was reflected in the Group's revenue for the year. The proportion of foreign currency revenue grew to over 80% from the prior year of 25%. The economy witnessed a relatively stable second half following fiscal and monetary policy interventions that slowed down the depreciation of the ZWL.

Government extended the multiple currency regime to 2030 through SI 218 of 2023. The move ended the uncertainty that had gripped the market as government buttressed the need for a mono-currency as a precursor for economic development. The extension of the multiple currency regime in an environment that is predominantly transacting in foreign currency eased business planning.

The pronouncements by several Western governments indicating some easing of restrictive measures/sanctions on Zimbabwe and their call for foreign businesses and financial institutions to have a new look at Zimbabwe's markets are causes for optimism. Although the proposed reconfigurations fall short of the desired full, unconditional lifting of restrictive measures, it opens an opportunity for further engagement with the global community.

Government projects that economic growth will slow down to 3.5% due to depressed agriculture output arising from the El-Nino phenomenon. The global economic slowdown and resultant decline in mineral commodity prices is also expected to take a toll on the Zimbabwe economy. Demand for foreign currency is set to increase as the country imports grain to supplement local production. We expect the use of foreign currency in domestic transactions to remain on upward trajectory despite government efforts to stabilise the exchange rate and introduction of a new currency. Our businesses are however geared to grow the proportion of foreign currency revenue for sustainability and profitability.

IFRS 17 Reporting

The Group has adopted IFRS 17 Insurance Contracts from 1 January 2023 replacing IFRS 4 Insurance Contracts. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfills the contracts, an explicit risk adjustment for non-financial risk and a Contract Service Margin (CSM).

Group Financial Performance Review

Inflation adjusted insurance contract revenue recorded a strong growth of 242% compared to prior year from ZWL34.1 billion to ZWL116.6 billion. Historical cost insurance contract revenue grew by 962% compared to prior year from ZWL4.6 billion to ZWL48.5 billion. The impressive growth in insurance contract revenue was on the back of the Group's innovative product development bearing fruits and increased uptake of the company's products offering on the market. Significant growth in premium inflows was witnessed through the Vaka Yako product contributing 83% of the Individual life premiums. The Zimbabwe operation contributed 62% (2022:56%) of the premium inflows whilst 38% (2022: 44%) is attributable to the Malawi operation.

Insurance service result increased by 280% on an inflation adjusted basis and increased by 1598% under historical cost underpinned by real growth in insurance contract revenue. This is despite an increase in insurance service expenses propelled by the increase in claims and directly attributable costs due to the inflationary environment prevailing in Zimbabwe and the regional business operation.

Net investment income grew by 91% compared to prior year from ZWL37.0 billion to ZWL70.8 billion on an inflation adjusted basis. Historical cost net investment income grew by 241% compared to prior year from ZWL20.8 billion to ZWL71.0 billion. The major drivers being fair value gains from investment property, equities and interest income from money market investments.

The Group profit for the period increased by 9945% on an inflation adjusted basis from ZWL1.0 billion to ZWL101.1 billion. Under historical cost, profit for the period grew by 541% from ZWL38 billion to ZWL243.4 billion. The positive profit growth was driven by the increase in insurance contract revenue and investment income.

Business Operations Overview

Notwithstanding the challenges in the operating environment, the business witnessed yet another year of growth anchored by organic growth of the existing book as well as acquisition of new business. The Group also expanded its distribution channels through both traditional and digital means to provide convenience and enable ease of doing business with its various stakeholders. Products for the policyholders continued to be improved and enhanced in response to evolving policyholder expectations as well as conditions obtaining in the environment.

Creativity and innovation were also extended to the choice of our markets and investments as we sought to create and preserve value for our policyholders and shareholders. One of the flagship investments was the registration of a Real Estate Investment Trust (REIT) which has since been awarded Prescribed Asset status.

The Brand

The FLA brand continues to diligently uphold its commitment to providing market driven products to meet customer's needs. Through innovation and an unwavering dedication, we have strengthened our position as a trusted partner. With over 80 years' experience in the business, the FLA brand stands as a beacon of stability and integrity in an ever-evolving industry landscape.

As we continue to adapt to changing market dynamics and embrace emerging technologies, we have embarked on a Group wide digitalization and systems upgrade aimed at enhancing convenience at all our customer touch points. We continue to seek both private and public partnerships with market players that align to our brand ethos of exceptional service delivery and value. This is in line with our dedication to offer relevant, all-inclusive products which cut across peak and bottom of the market spectrum.

During the reporting period, the FLA brand received several accolades including 1st Runner up- Best Governance and Best Internal Audit and Compliance from the Chartered Governance and Accountancy Institute of Zimbabwe. Our 'Vaka Yako' product was the Corporate Shared Value (CSV Investment) 2023 Best Product winner. This recognition bears testimony to the brand's commitment to providing unmatched service quality and people-driven solutions in all our operations.

Regulatory Asset Separation Exercise

On the 27th of March 2024, the Regulator, the Insurance and Pensions Commission of Zimbabwe (IPEC) granted its approval for our asset separation proposal, and we are now proceeding to operationalize the approved proposal.

Dividend

Having regard to the Group's dividend policy, the board resolved not to recommend a final dividend for the year ended 31 December 2023 on account of the Group's capital requirements position.

Sustainability

Delivering positive impacts on society, economy, and the environment for a better world is an imperative and reality for the insurance sector. As FLA, we have a responsibility to ensure sustainability anchors our business value chains and the services we offer. Our goal is to leverage on building and delivering sustainable insurance products and services to our clients and stakeholders. The Company remains committed to integrate environmental, social, and governance excellence in our strategy, policies, products, and services.

Directorate

There were no changes to the Board of Directors during the reporting period.

Outlook

The global space is likely to remain characterized by the two major ongoing conflicts, the Russia-Ukraine and Israel-Palestine wars. These current epicenters of geopolitical tensions have the potential to cause far reaching adverse effects in terms of food shortages, supply chain disruptions and rise in global petroleum products which in turn can cause an increase in production costs and cause volatility in international markets globally.

Locally, the Zimbabwean economy continues to grapple with a depreciating local currency. It is expected that the multi currency regime will be maintained though the majority of transactions in the private sector are currently taking place in the United States dollars. The local currency may continue to be the dominant mode of payment in government transactions.

The central government remains committed to the attainment of the vision 2030 goals under NDS1 and NDS2 through various projects which include among others infrastructure projects in road and dam construction and rehabilitation, as well as irrigation projects. This is commendable given aggregate demand created in the value chain and beneficiation in the steel and chrome mining sector.

Given the above, the business remains on high alert to these activities and will continue to monitor and carefully adapt to these changing circumstances to deliver value to its key stakeholders. The business will be preserving its cash wallet through responsible spending and targeted investment into products that survive the test of time. Innovation will be key in also driving the products that create and preserve shareholder and policyholder value.

Appreciation

I extend my sincere gratitude to management and staff for their great commitment to the call of duty and wish them well in steering our great business in a turbulent operating environment. Our stakeholders and my fellow directors have demonstrated an unwavering support and commitment to the success of the business and for this we are all truly thankful.

Livingstone T. Gwata
Chairman
24 April 2024

Condensed Consolidated Statement of Financial Position AS AT 31 DECEMBER 2023

	Notes	INFLATION ADJUSTED		GROUP		HISTORICAL COST	
		31-Dec-23 ZWL	31-Dec-22 ZWL	31-Dec-21 ZWL	31-Dec-23 ZWL	31-Dec-22 ZWL	31-Dec-21 ZWL
ASSETS							
Property and equipment	5	38 039 526 906	19 791 239 399	13 126 837 331	36 437 590 923	3 897 472 350	774 216 149
Right of use asset		866 635 315	436 867 614	457 414 926	562 523 249	90 912 297	27 690 317
Investment property	6	296 952 282 425	173 458 227 447	100 208 718 136	296 952 282 425	36 096 715 231	6 066 289 056
Intangible assets		1 866 206 514	1 638 044 745	1 491 226 866	1 154 406 120	236 804 436	70 405 507
Other non current assets		924 537 008	230 370 554	-	924 537 008	47 940 190	-
Insurance Contract Assets	11	5 803 273 861	7 500 478 817	4 144 947 626	5 803 273 861	1 560 852 154	250 920 787
Inventories		1 663 760 577	1 609 749 572	1 609 752 780	29 129 901	4 981 663	2 759 402
Other receivables	8	29 601 051 417	10 058 670 451	5 126 784 200	29 601 051 417	2 093 212 689	309 811 848
Financial assets at fair value through other comprehensive income		107 371 060	-	-	107 371 060	-	-
Financial assets at fair value through profit or loss	9	67 383 303 831	26 844 390 175	19 494 633 647	67 383 303 831	5 586 326 587	1 180 337 666
Debt securities at amortised cost		23 002 612 402	22 427 114 814	10 321 065 727	23 002 612 402	4 667 090 105	624 801 606
Biological assets		462 478 523	-	-	462 478 523	-	-
Cash and deposits with banks	10	17 101 678 476	7 064 912 754	7 432 286 308	17 101 678 476	1 470 210 710	449 923 714
Total assets		483 774 718 315	271 060 065 342	163 413 667 547	479 522 239 196	55 752 418 412	9 756 956 052
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the parent							
Issued share capital		805 843 711	805 843 711	805 843 711	1 089 233	1 089 233	1 089 233
Share premium		496 725 957	496 725 957	496 725 957	671 409	671 409	671 409
Treasury shares		(1 742 638)	(1 742 638)	(1 742 638)	(1 10 037)	(1 10 037)	(1 10 037)
Retained earnings		84 523 648 176	793 435 568	3 299 178 163	245 049 942 033	34 629 390 353	157 627 445
Revaluation reserve		24 045 452 772	7 378 572 463	1 088 544 451	33 901 166 537	3 279 586 229	100 464 382
Foreign currency translation reserve		10 966 813 479	3 341 152 947	140 583 583	1 132 265 947	1 132 049 077	125 436 207
Total ordinary shareholder's equity		120 831 057 807	13 008 304 408	5 823 449 627	287 086 125 122	39 043 046 265	385 278 639
Non-controlling interests		35 449 914 325	23 260 344 452	14 196 196 203	38 078 478 833	5 456 386 127	852 750 657
Insurance reserve		98 130 363 607	2 671 794 124	14 252 376 266	(71 833 645 519)	(20 294 223 394)	(656 950 767)
Total Equity		254 411 335 739	38 940 442 984	34 272 022 096	253 330 958 436	24 205 208 998	581 078 529
Liabilities							
Insurance contract liabilities	11	163 659 007 584	174 739 613 807	99 065 757 401	163 659 007 584	20 093 135 315	7 516 838 479
Investment contracts liabilities	11.3	19 500 810 198	26 861 144 769	15 711 995 367	19 500 810 198	5 589 813 223	951 149 833
Borrowings	12	4 592 510 981	968 501 832	1 099 085 813	4 592 510 981	201 545 556	66 534 852
Deferred tax liabilities		12 745 685 337	7 585 789 241	4 490 937 292	12 745 685 337	1 665 264 441	270 868 738
Lease obligations		875 311 354	116 863 517	308 815 114	875 311 354	24 319 353	18 694 598
Trade and other payables	13	27 140 490 836	21 734 853 316	7 908 474 285	24 368 639 197	3 949 646 197	318 097 584
Income tax liability		849 586 286	112 855 876	556 580 179	849 586 286	23 485 346	33 693 439
Total liabilities		229 363 382 576	232 119 622 358	129 141 645 451	226 191 280 760	31 547 209 413	9 175 877 523
Total equity and liabilities		483 774 718 315	271 060 065 342	163 413 667 547	479 522 239 196	55 752 418 412	9 756 956 052

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

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	INFLATION ADJUSTED		GROUP		HISTORICAL COST	
		31-Dec-23 ZWL	31-Dec-22 ZWL	31-Dec-23 ZWL	31-Dec-22 ZWL	31-Dec-23 ZWL	31-Dec-22 ZWL
Insurance contract revenue	11.4	116,976,468,962	34,277,052,963	48,484,116,979	4,567,050,088	4,567,050,088	4,567,050,088
Insurance service expenses	11.4	(34,143,338,424)	(2,090,119,086)	(24,081,034,989)	(3,063,115,770)	(3,063,115,770)	(3,063,115,770)
Insurance service result from insurance contracts issued		82,433,130,538	22,036,933,877	24,403,081,990	1,503,934,318	1,503,934,318	1,503,934,318
Allocation of reinsurance paid		(1,599,484,555)	(1,871,614,214)	(903,280,948)	(158,298,570)	(158,298,570)	(158,298,570)
Amount recoverable from reinsurers for incurred claims		485,363,611	513,311,442	331,586,569	57,777,334	57,777,334	57,777,334
Insurance service result	11.4	81,329,009,594	21,395,631,105	23,831,386,311	1,403,413,082	1,403,413,082	1,403,413,082
Interest revenue from financial instruments not measured at fair value through profit or loss		3,105,324,620	183,181,280	3,075,257,982	66,276,692	66,276,692	66,276,692
Net income from other financial instruments at fair value through profit or loss		24,084,809,034	(5,518,291,162)	20,158,432,294	816,179,361	816,179,361	816,179,361
Net gains from fair value adjustments to investment properties		46,504,042,931	15,396,682,085	72,667,916,500	8,438,984,029	8,438,984,029	8,438,984,029
Net change in investment contract liabilities		(1,298,770,261)	(4,868,058,299)	(29,339,218,800)	(3,852,114,553)	(3,852,114,553)	(3,852,114,553)
Other net investment revenue		76,790,579,004	31,800,879,586	2,675,702,809	15,337,941,778	15,337,941,778	15,337,941,778
Net gain from foreign exchange		1,652,092,657	-	1,713,530,551	-	-	-
Net investment income		70,838,077,986	36,994,393,490	70,961,621,336	20,807,806,707	20,807,806,707	20,807,806,707
Insurance finance expenses for insurance contracts issued		(20,976,426,906)	(3,833,264,586)	(8,120,944,832)	(625,076,452)	(625,076,452)	(625,076,452)
Reinsurance finance income for insurance contracts held		-	-	-	-	-	-
Net insurance finance expenses		(20,976,426,906)	(3,833,264,586)	(8,120,944,832)	(625,076,452)	(625,076,452)	(625,076,452)
Net insurance and investment result		131,190,660,674	54,553,760,009	86,662,062,815	21,586,143,337	21,586,143,337	21,586,143,337
Net income from other financial instruments at fair value through profit or loss		(368,606,341)	(432,811,858)	730,308,463	103,323,670	103,323,670	103,323,670
Net gains from fair value adjustments to investment properties		2,651,004,929	42,234,306,714	184,895,610,000	19,444,249,077	19,444,249,077	19,444,249,077
Other investment income		435,837,234	45,605,077	137,556,285	8,272,008	8,272,008	8,272,008
Interest income from micro-lending		5,407,928,288	2,545,425,490	3,469,511,590	346,712,607	346,712,607	346,712,607
Other income		2,607,369,939	7,703,930,932	1,779,924,132	1,112,193,967	1,112,193,967	1,112,193,967
Operating and administrative expenses		(29,358,322,262)	(7,156,340,094)	(22,297,039,574)	(3,271,702,991)	(3,271,702,991)	(3,271,702,991)
Allowance for expected credit losses on receivables		(126,080,462)	(126,152,421)	(22,845,596)	(6,248,760)	(6,248,760)	(6,248,760)
Finance costs		(1,407,220,592)	(919,885,588)				



FIDELITY LIFE

ASSURANCE OF ZIMBABWE



Audited Financial Results

FOR THE YEAR ENDED 31 DECEMBER 2023

Condensed Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2023

INFLATION ADJUSTED

GROUP	Share capital	Share premium	Treasury shares	Retained earnings	Revaluation reserve	Foreign currency translation reserve	Attributable to shareholders of parent	Non-controlling interest	Insurance Reserve	"Total equity"
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Year ended 31 December 2022										
Balance at 1 January 2022 as previously stated	805 843 111	496 725 957	(7 425 638)	3 299 178 163	1 088 544 451	140 583 583	5 823 449 627	14 196 196 203	-	20 019 645 830
Impact on initial application of IFRS 17	-	-	-	-	-	-	-	-	14 252 376 266	14 252 376 266
Restated balance at 1 January 2022	805 843 111	496 725 957	(7 425 638)	3 299 178 163	1 088 544 451	140 583 583	5 823 449 627	14 196 196 203	14 252 376 266	34 272 022 096
Profit for the year	-	-	-	(2 505 742 595)	-	-	(2 505 742 595)	3 512 537 888	-	1 006 795 293
Other comprehensive income for the year	-	-	-	-	6 290 028 011	3 400 569 364	9 690 597 376	1 877 927 170	(11 580 582 142)	(12 057 596)
Comprehensive income for the year	-	-	-	(2 505 742 595)	6 290 028 011	3 400 569 364	7 184 854 781	5 390 465 058	(11 580 582 142)	994 737 697
Non controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	3 673 683 191	-	3 673 683 191
Balance at 31 December 2022	805 843 111	496 725 957	(7 425 638)	793 435 568	7 378 572 463	3 541 152 947	13 008 304 408	23 260 344 452	2 671 794 124	38 940 442 984
Year ended 31 December 2023										
Balance at 1 January 2023	805 843 111	496 725 957	(7 425 638)	793 435 568	7 378 572 463	3 541 152 947	13 008 304 408	23 260 344 452	2 671 794 124	38 940 442 984
Profit for the year	-	-	-	83 730 212 608	-	-	83 730 212 608	17 403 354 625	-	101 133 567 234
Other comprehensive income for the year	-	-	-	-	16 666 880 259	7 425 660 532	24 092 540 791	4 588 007 876	95 458 569 483	124 139 118 150
Comprehensive income for the year	-	-	-	83 730 212 608	16 666 880 259	7 425 660 532	107 822 753 399	21 991 362 501	95 458 569 483	225 272 685 384
Non controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	(9 801 792 628)	-	(9 801 792 628)
Balance at 31 December 2023	805 843 111	496 725 957	(7 425 638)	84 523 648 176	24 045 452 722	10 966 813 479	120 831 057 807	35 449 914 325	98 130 363 607	254 411 335 739

The above consolidated statement of changes in equity should be read in conjunction with the accompanying

HISTORICAL COST

GROUP	Share capital	Share premium	Treasury shares	Retained earnings	Revaluation reserve	Foreign currency translation reserve	Attributable to shareholders of parent	Non-controlling interest	Insurance Reserve	"Total equity"
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Year ended 31 December 2022										
Balance at 1 January 2022 as previously stated	1,089,233	671,409	(10,037)	157,627,445	100,464,382	125,436,207	385,278,639	852,750,657	-	1,238,029,296
Impact on initial application of IFRS 17	-	-	-	-	-	-	-	-	(656,950,767)	(656,950,767)
Restated balance at 1 January 2022	1,089,233	671,409	(10,037)	157,627,445	100,464,382	125,436,207	385,278,639	852,750,657	(656,950,767)	581,078,529
Profit for the year	-	-	-	34,471,762,908	-	-	34,471,762,908	3,512,537,889	-	37,984,300,797
Other comprehensive income for the year	-	-	-	-	3,179,391,847	1,006,612,870	4,186,004,717	328,039,723	(19,637,272,627)	(15,123,228,186)
Comprehensive income for the year	-	-	-	34,471,762,908	3,179,391,847	1,006,612,870	38,657,767,626	3,840,577,612	(19,637,272,627)	22,861,072,611
Non controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	763,057,859	-	763,057,859
Balance at 31 December 2022	1,089,233	671,409	(10,037)	34,629,390,353	3,279,856,229	1,132,049,077	39,043,046,265	5,456,386,127	(20,294,223,394)	24,205,208,998
Year ended 31 December 2023										
Balance at 1 January 2023	1,089,233	671,409	(10,037)	34,629,390,353	3,279,856,229	1,132,049,077	39,043,046,265	5,456,386,127	(20,294,223,394)	24,205,208,998
Profit for the year	-	-	-	210,411,551,679	-	-	210,411,551,679	32,958,126,634	-	243,369,678,314
Other comprehensive income for the year	-	-	-	-	30,621,310,308	7,010,216,870	37,631,527,178	4,330,886,115	(51,539,422,125)	(9,577,008,833)
Comprehensive income for the year	-	-	-	210,411,551,679	30,621,310,308	7,010,216,870	248,043,078,857	37,289,012,750	(51,539,422,125)	233,792,669,480
Non controlling interest on disposal of subsidiary	-	-	-	-	-	-	-	(4,666,920,043)	-	(4,666,920,043)
Balance at 31 December 2023	1,089,233	671,409	(10,037)	245,040,942,033	33,901,166,537	8,142,265,947	287,086,125,123	38,078,478,833	(71,833,645,519)	253,330,958,436

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Audited Financial Results

FOR THE YEAR ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	INFLATION ADJUSTED — GROUP		HISTORICAL COST	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES				
BEFORE INCOME TAX				
Profit before income tax	108 556 861 062	4 018 888 046	254 268 485 970	39 147 070 352
Adjustments:	(94 287 136 523)	(7 115 077 075)	(240 309 502 030)	(39 998 029 120)
Fair value gains on equities at fair value through profit or loss	(23 879 942 438)	4 009 493 419	(20 775 174 360)	(925 824 402)
Additions to financial assets at fair value through profit or loss	(11 983 747 538)	(3 590 879 669)	(9 568 652 318)	(3 317 705 234)
Disposals of financial assets at fair value through profit or loss	4 554 668 470	1 367 612 719	1 876 605 391	170 112 655
Fair value gains on investment property	(144 708 438 661)	(52 479 151 142)	(257 563 526 500)	(24 956 413 046)
Fair value gains from other non-current assets	(342 326 624)	(30 680 401)	(685 275 802)	(9 478 822)
Amortisation of intangible assets	59 758 957	189 245 304	8 744 905	30 220 478
Depreciation of right of use asset	46 849 377	103 054 580	77 061 399	21 445 699
Finance costs	1 407 220 592	919 885 588	1 082 599 785	155 872 503
Depreciation of property and equipment	417 859 273	240 128 354	270 860 138	22 814 948
Changes in insurance contract assets	1 697 204 955	(3 355 531 191)	(4 242 421 707)	(1 309 931 367)
Changes in insurance contract liabilities	(11 080 606 222)	75 673 856 405	143 565 872 269	12 576 296 834
Changes in investment contract liabilities	(7 360 334 571)	11 149 149 402	13 910 996 975	4 638 663 391
Interest income	(1 365 459 514)	(1 773 330)	(1 177 436 865)	(7 062 221)
Dividend income	-	-	-	-
Effects of inflation	2 575 710 345	94 428 950 215	-	-
Unrealised exchange gains/(losses)	94 553 679 725	(135 714 620 614)	(108 606 141 994)	(30 085 388 560)
Projects development costs	-	-	-	-
equipment	(79 232 649)	(8 276 714)	(83 613 358)	(1 651 975)
Changes in working capital	(14 316 834 913)	8 557 902 670	(17 939 932 922)	1 551 554 336
Increase in trade and other receivables	(19 668 401 428)	(5 058 038 669)	(24 248 238)	(2 122 261)
(Increase)/decrease in inventories	(54 011 005)	3 199	(27 534 684 684)	(1 809 619 600)
(Decrease)/increase in trade and other payables	5 405 637 520	13 615 938 140	20 418 993 000	3 363 326 197
Cash (utilised)/ generated from operations	(1 147 110 374)	5 461 713 641	6 819 044 018	700 595 568
Income taxes paid	(1 758 002 816)	(215 862 542)	(888 416 758)	(124 515 185)
Net cash (utilised)/ generated from operations	(1 905 113 190)	5 245 851 099	5 930 627 260	576 080 382
Cash flows from investing activities				
Additions to and replacement of property and equipment	(1 784 414 383)	(264 674 228)	(1 340 688 141)	(79 377 250)
Additions and improvements to investment property	(1 121 351 356)	-	(921 127 999)	-
Additions to intangible assets	(1 744 004 080)	(92 465 988)	(35 808 010)	(19 242 202)
Acquisition of subsidiary	-	(3 218 521 007)	-	(638 905 496)
Additions to other non-current assets	(351 839 828)	(283 291 680)	(191 321 016)	(38 461 368)
Proceeds from sale of other non-current assets	-	83 601 525	-	7 918 683
Interest income	165 459 514	17 313 330	117 436 865	7 062 221
Dividend income	-	-	-	-
Proceeds from sale of investment property	1 271 366 027	-	1 220 594 516	-
Proceeds from sale of property and equipment	-	3 647 626	-	759 072
Additions to debt securities held at amortised cost	-	(2 122 597 977)	-	(44 713 350)
Maturities debt securities held at amortised cost	1 076 617 884	583 784 004	1 076 617 884	121 485 647
Net cash utilised from investing activities	(918 166 232)	(5 393 204 395)	(74 295 901)	(1 080 474 043)
Cash flows from financing activities				
Finance costs	(1 407 220 592)	(919 885 588)	(1 082 599 785)	(1 558 872 503)
Repayments lease obligations	(11 870 762)	(172 286 921)	(11 870 762)	(35 852 966)
Repayments of borrowings	(2 981 854 766)	(1 285 999 772)	(1 136 825 595)	(204 351 342)
Proceeds from borrowings	14 499 207 323	2 010 272 623	5 527 791 020	339 362 046
Net cash generated/ (utilised) from financing activities	9 998 261 203	(367 899 658)	3 196 484 878	(56 714 765)
Net (decrease)/increase in cash equivalents for the year	7 174 981 781	(515 252 954)	9 052 826 237	(561 108 426)
Cash and cash equivalents at the beginning of the year	6 824 063 822	6 587 172 336	1 420 089 967	398 763 439
Exchange differences on translation of a foreign operation	(861 893 452)	752 144 440	2 664 235 947	1 582 434 954
Cash and cash equivalents at the end of the year	10 13 137 152 151	6 824 063 822	13 137 152 151	1 420 089 967

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the condensed consolidated financial statements FOR THE YEAR ENDED 31 DECEMBER 2023

1 DIRECTORS'S 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 condensed consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the condensed consolidated financial statements present fairly the Group's financial position as at the end of the year, and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards ("IFRS").

2 INDEPENDENT AUDITOR'S STATEMENT

This abridged financial announcement derived from the audited consolidated inflation adjusted financial statements of Fidelity Life Assurance of Zimbabwe Limited and its subsidiaries "the Group" for the financial year ended 31 December 2023, should be read together with the complete set of audited consolidated inflation adjusted financial statements of the Group, for the year ended 31 December 2023, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe). The auditor's report was signed by Farai Chibisa, Registered Public Auditor 0547. An adverse opinion has been issued on the audited consolidated inflation adjusted financial statements of the Group regarding the upgrade of its accounting, administration and information technology infrastructure to align with the requirements of IFRS 17 - Insurance contracts, non-compliance with International Accounting Standard (IAS) 29 - Financial Reporting in Hyperinflationary Economies, misstatement of fair value gains recognised in comparative consolidated inflation adjusted statement of profit or loss and other comprehensive income for the year ended 31 December 2022 and inclusion of the unaudited financial statements of Vanguard Life Assurance Limited in the consolidated inflation adjusted financial statements.

The auditors determined that there were no key audit matters to be communicated in their report. The auditor's report has been lodged with the Zimbabwe Stock Exchange.

3 ACCOUNTING POLICIES

3.1 Basis of preparation

The Group's consolidated inflation adjusted financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and in the manner required by the Zimbabwe Companies and Other Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange listing requirements. 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 consolidated inflation adjusted financial statements are the primary financial statements of the Group. Adjustments and reclassifications including the restatements to the changes in the general purchasing power of the Zimbabwe dollar for the purpose of fair presentation in accordance with IAS 29 have been made to the historical information.

Notes to the condensed consolidated financial statements FOR THE YEAR ENDED 31 DECEMBER 2023

3.1 Basis of preparation (Continued)

Historical financial statements have been presented as supplementary information. The consolidated inflation adjusted financial statements do not include all the notes normally included in an annual financial report. The accounting policies applied in preparing these consolidated inflation adjusted financial statements are consistent with those of the previous financial year.

3.2 Functional Currency

The Group's condensed consolidated financial statements are expressed in the Zimbabwe dollar ("ZWL") which is the functional and the presentation currency of the Company.

3.3 Changes in significant accounting policies

IFRS 17 Insurance Contracts

The Group has initially applied IFRS 17 from 1 January 2023. The standards have brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated comparative amounts linked to the insurance contracts and presented a third statement of financial position as at 1 January 2022. Except for the changes below, the Group has consistently applied the accounting policies as set out in Note 3 to all periods presented in these consolidated interim financial statements.

Recognition, measurement and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a Contractual Service Margin (CSM). Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

The Group no longer applies shadow accounting to insurance-related assets and liabilities. Insurance finance income and expenses, disaggregated between profit or loss and Other Comprehensive Income OCI for life risk and life savings contracts, are presented separately from insurance revenue and insurance service expenses.

The Group applied either the General Measurement Model (GMM), Premium Allocation Approach (PAA), or Variable Fee Approach (VFA) measurement models to its groups of contracts. Contracts accounted for using the PAA model had to meet the eligibility test. The Group applied significant judgement in concluding the PAA approach for the reinsurance contracts and general insurance portfolios. These portfolios have contracts that have a duration of 12 months, however annually renewable. Significant judgement was applied in determining whether the renewal period cash flows fall within the contract boundary for these portfolios. Full consideration was given to facts and conditions at point of renewal including the factoring of insurance risk in the renewal price. The conclusion on this judgement has been to exclude the renewal period in the coverage period as it constitutes a new contract. This has an implication of the portfolios qualifying in the PAA measurement approach.

The PAA is similar to the Group's previous accounting treatment when measuring liabilities for remaining coverage. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk. Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ("deferred acquisition costs") until those costs were included in profit or loss and OCI. Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised. Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

Summary of measurement approaches

Contracts issued	Product classification	Measurement model
Direct participating contracts	Insurance contracts with direct participation features	GMM
Investment contracts with DPF	Insurance contracts with direct participation features	GMM and VFA
Investment contracts without DPF	Financial instruments	Financial liabilities measured at fair value through profit and loss

Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022 the Group:

- identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied;
- recognised any resulting net difference in equity.

The GMM was applied to insurance contracts that are not eligible for the PAA with a coverage period of greater than one year. The VFA was applied to insurance contracts with direct participating features where the Group holds the pool of underlying assets.

3.4 Application of IAS 29 (Financial reporting in hyperinflationary Economies)

These condensed consolidated financial results have been prepared in accordance with IAS 29 which requires that the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

The Public Accountants and Auditors Board concluded in May 2019 on the conditions for applying International Accounting Standard 29 (IAS 29) "Financial Reporting in Hyperinflationary Economies" had been met in Zimbabwe. The Ministry of Finance and Economic Development introduced a blended inflation rate based on a combination of the Zimbabwe dollar and American dollar inflation rates and stopped reporting ZWL inflation and Consumer Price Index (CPI) figures in February 2023. There was need for businesses to estimate the ZWL inflation index to continue complying with IAS 29 requirements. As a result, the estimated Consumer Price Index (CPI) for financial reporting purposes from February 2023 was calculated by adjusting the last published CPI based on the monthly movement of the Total Consumption Poverty Line (TCPL).

The indices and adjustment factors used to restate the financial statements at 31 December 2023 are as given below:

	Index	Conversion factor
CPI as at 31 December 2020	2474.51	26.5521
CPI as at 31 December 2021	3977.46	16.5189
CPI as at 31 December 2022	13672.91	4.8054
CPI as at 31 December 2023	65703.44	1.0000

The financial statements of the subsidiary in Malawi which does not report in the currencies of hyper-inflationary economies 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.



FIDELITY LIFE

ASSURANCE OF ZIMBABWE



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Audited Financial Results

FOR THE YEAR ENDED 31 DECEMBER 2023

Notes to the condensed consolidated financial statements

FOR THE YEAR ENDED 31 DECEMBER 2023

4 EARNINGS PER SHARE

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Reconciliation of total earnings to headline earnings attributable to shareholders				
Numerator				
Profit/(Loss) for the year attributable to owners of the parent and profit used in EPS	83,730,212,608	(2,505,742,595)	210,411,551,679	34,471,762,908
Add/(deduct) non recurring items				
Impairment of intangible assets	-	-	-	-
Profit on disposal of property	(79,232,649)	(8,276,714)	(83,613,358)	(1,651,975)
Taxation on headline earnings adjustable items	19,586,311	2,046,004	20,669,222	408,368
Headline earnings attributable to ordinary shareholders	83,670,566,270	(2,511,973,305)	210,348,607,544	34,470,519,301
Denominator				
Weighted number of ordinary shares in issue	108,923,291	108,923,291	108,923,291	108,923,291
Less: Shares purchased for the Employee Share Ownership Plan	(1,003,743)	(1,003,743)	(1,003,743)	(1,003,743)
Weighted average number of shares used in basic EPS	107,919,548	107,919,548	107,919,548	107,919,548
Less: Dilutive adjusting effects	-	-	-	-
Weighted average number of shares used in diluted EPS	107,919,548	107,919,548	107,919,548	107,919,548
Basic and diluted earnings per share (cents)	77,585.77	(2,321.86)	194,970.75	31,942.09
Headline earnings per share (cents)	77,530.50	(2,327.64)	194,912.42	31,940.94

Basic earnings per share

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

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).

Notes to the condensed consolidated financial statements

FOR THE YEAR ENDED 31 DECEMBER 2023

5 PROPERTY AND EQUIPMENT

GROUP

Net carrying amount at 1 January 2022

Gross carrying amount - cost/valuation
Accumulated depreciation

Additions

Exchange rate movement on foreign operations

Disposals

Gross carrying amount - cost/valuation
Accumulated depreciation

Depreciation charge for the year

Revaluation surplus

Gross carrying amount - cost/valuation
Accumulated depreciation

Net carrying amount at 31 December 2022

Gross carrying amount - cost/valuation
Accumulated depreciation

Additions

Exchange rate movement on foreign operations

Disposals

Gross carrying amount - cost/valuation
Accumulated depreciation

Depreciation charge for the year

Revaluation surplus

Gross carrying amount - cost/valuation
Accumulated depreciation

Net carrying amount at 31 December 2023

Gross carrying amount - cost/valuation
Accumulated depreciation

INFLATION ADJUSTED

GROUP	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Net carrying amount at 1 January 2022	12 765 888 619	31 213 608	150 651 459	179 083 645	13 126 837 331
Gross carrying amount - cost/valuation	12 866 713 483	1 083 871 419	1 090 512 493	423 760 330	15 464 857 725
Accumulated depreciation	(1 000 824 864)	(1 052 657 811)	(939 861 034)	(244 676 685)	(2 338 020 394)
Additions	-	82 868 001	158 203 783	23 602 444	264 674 228
Exchange rate movement on foreign operations	201 009 874	108 503 036	33 109 289	300 401	342 922 600
Disposals	-	-	-	-	-
Gross carrying amount - cost/valuation	-	(7 913 974)	(1 706 344)	-	(9 620 318)
Accumulated depreciation	-	7 913 974	1 706 344	-	9 620 318
Depreciation charge for the year	(40 910 075)	(7 119 746)	(94 436 204)	(33 584 659)	(240 128 354)
Revaluation surplus	6 296 932 594	-	-	-	6 296 932 594
Gross carrying amount - cost/valuation	6 296 932 594	-	-	-	6 296 932 594
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2022	19 222 921 007	151 387 229	247 528 332	169 401 831	19 791 238 399
Gross carrying amount - cost/valuation	19 324 879 651	1 267 328 482	1 280 119 226	447 663 175	22 319 990 534
Accumulated depreciation	(1 019 958 644)	(1 115 941 253)	(1 032 590 894)	(278 261 344)	(2 528 752 135)
Additions	-	559 747 286	963 356 297	261 310 800	1 784 414 383
Exchange rate movement on foreign operations	81 801 271	73 275 329	111 796 574	37 161 437	304 034 611
Disposals	-	(88 983 640)	(197 833)	-	(89 181 473)
Gross carrying amount - cost/valuation	-	(317 996 717)	(861 673)	-	(318 858 389)
Accumulated depreciation	-	229 013 077	663 840	-	229 676 916
Depreciation charge for the year	(13 375)	(137 402 832)	(233 784 471)	(46 658 595)	(417 859 273)
Revaluation surplus	15 637 461 704	949 401 589	50 918 232	29 098 734	16 666 880 259
Gross carrying amount - cost/valuation	15 637 461 704	949 401 589	50 918 232	29 098 734	16 666 880 259
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2023	34 942 170 607	1 507 424 961	1 139 617 131	450 314 206	38 039 526 906
Gross carrying amount - cost/valuation	35 044 142 626	2 531 755 969	2 405 328 656	775 234 146	40 756 461 399
Accumulated depreciation	(1 019 972 019)	(1 024 331 008)	(1 265 711 525)	(324 919 940)	(2 716 934 493)

HISTORICAL COST

GROUP

Net carrying amount at 1 January 2022

Gross carrying amount - cost/valuation
Accumulated depreciation

Additions

Exchange rate movement on foreign operations

Disposals

Gross carrying amount - cost/valuation
Accumulated depreciation

Depreciation charge for the year

Revaluation surplus

Gross carrying amount - cost/valuation
Accumulated depreciation

Net carrying amount at 31 December 2022

Gross carrying amount - cost/valuation
Accumulated depreciation

Additions

Exchange rate movement on foreign operations

Disposals

Gross carrying amount - cost/valuation
Accumulated depreciation

Depreciation charge for the year

Revaluation surplus

Gross carrying amount - cost/valuation
Accumulated depreciation

Net carrying amount at 31 December 2023

Gross carrying amount - cost/valuation
Accumulated depreciation

GROUP	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Net carrying amount at 1 January 2022	759,509,840	2,901,102	9,968,192	1,837,015	774,216,149
Gross carrying amount - cost/valuation	759,765,657	2,940,521	18,773,538	3,900,045	785,379,761
Accumulated depreciation	(255,817)	(39,419)	(8,805,346)	(2,063,030)	(11,163,612)
Additions	-	15,732,827	57,060,594	6,583,829	79,377,250
Exchange rate movement on foreign operations	97,910,010	10,974,989	23,450,075	3,378,829	135,713,903
Disposals	-	-	(629,491)	-	(629,491)
Gross carrying amount - cost/valuation	-	(1,646,901)	(984,582)	-	(2,633,483)
Accumulated depreciation	-	1,646,901	355,091	-	2,001,992
Depreciation charge for the year	(235,939)	(4,282,700)	(15,701,044)	(2,595,265)	(22,814,948)
Revaluation surplus	2,931,609,487	-	-	-	2,931,609,487
Gross carrying amount - cost/valuation	2,931,609,487	-	-	-	2,931,609,487
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2022	3,788,793,398	25,326,218	74,148,326	9,204,408	3,897,472,350
Gross carrying amount - cost/valuation	3,789,285,154	28,001,436	98,299,625	13,862,703	3,929,448,918
Accumulated depreciation	(491,756)	(2,675,218)	(24,151,299)	(4,658,295)	(31,976,568)
Additions	8,449,392	500,493,862	624,600,377	207,144,510	1,340,688,141
Exchange rate movement on foreign operations	550,811,352	312,729,048	215,132,564	50,576,176	1,129,249,140
Disposals	-	(278,408,890)	(1,063,944)	(796,044)	(280,268,878)
Gross carrying amount - cost/valuation	-	(317,978,046)	(1,785,524)	(1,950,551)	(321,714,121)
Accumulated depreciation	-	39,569,156	721,580	1,154,507	41,445,243
Depreciation charge for the year	(13,375)	(121,371,948)	(126,725,624)	(22,749,191)	(270,860,138)
Revaluation surplus	29,576,623,848	949,401,589	30,766,551	64,518,320	30,621,310,308
Gross carrying amount - cost/valuation	29,576,623,848	949,401,589	30,766,551	64,518,320	30,621,310,308
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2023	33,924,664,615	1,388,169,879	816,858,250	307,898,180	36,437,590,923
Gross carrying amount - cost/valuation	33,925,169,746	1,472,647,889	967,013,593	334,151,158	36,698,982,386
Accumulated depreciation	(505,131)	(84,478,010)	(150,155,343)	(26,252,979)	(261,391,463)

Land and buildings are carried at fair value determined on an open market value basis by independent professional valuers. The latest fair values were estimated as at 31 December 2023. There were no buildings pledged as collateral as at 31 December 2023. The value of land and buildings is categorised as a level 3 recurring fair value measurement.



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Audited Financial Results

FOR THE YEAR ENDED 31 DECEMBER 2023

Notes to the condensed consolidated financial statements FOR THE YEAR ENDED 31 DECEMBER 2023

6 INVESTMENT PROPERTY

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Balance at the beginning of the year	173,458,227,447	100,208,718,136	36,096,715,231	6,066,289,056
Additions	1,035,447,873	8,741,323,181	835,224,505	1,819,072,282
Improvements	85,903,494	-	85,903,494	-
Disposals	(23,879,591,131)	(157,216,950)	(5,693,597,147)	(31,942,857)
Exchange rate movement on foreign operations	1,543,856,081	12,186,251,938	8,064,509,842	3,286,883,704
Fair value gains through profit or loss	144,708,438,661	52,479,151,142	257,563,526,500	24,956,413,046
Balance at 31 December	296,952,282,425	173,458,227,447	296,952,282,425	36,096,715,231

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 2023, 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.

7 SEGMENT INFORMATION

7.1 Information about products and services

The Group is organised into four operating segments by major product lines. The Group reports information about operating segments that meet a quantitative threshold or where disclosure results in useful information. There were four reportable segments as at 31 December 2023 and 2022.

December 2023	INFLATION ADJUSTED					Total ZWL
	Insurance ZWL	Micro-lending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	
Insurance contract revenue	116,576,468,962	-	-	-	-	116,576,468,962
Insurance service expenses	(34,143,338,424)	-	-	-	-	(34,143,338,424)
Insurance service result from insurance contracts issued	82,433,130,538	-	-	-	-	82,433,130,538
Allocation of reinsurance paid	(1,599,484,555)	-	-	-	-	(1,599,484,555)
Amount recoverable from reinsurers for incurred claims	495,363,611	-	-	-	-	495,363,611
Insurance service result	81,329,009,594	-	-	-	-	81,329,009,594
Interest revenue from financial instruments not measured at fair value through profit or loss	3,105,324,620	-	-	-	-	3,105,324,620
Net income from other financial instruments at fair value through profit or loss	24,084,809,034	-	-	-	-	24,084,809,034
Net gains from fair value adjustments to investment properties	46,504,042,931	-	-	-	-	46,504,042,931
Net change in investment contract liabilities	(81,298,770,261)	-	-	-	-	(81,298,770,261)
Other net investment revenue	76,790,579,004	-	-	-	-	76,790,579,004
Net gain from foreign exchange	1,652,092,657	-	-	-	-	1,652,092,657
Net Investment Income	70,838,077,986	-	-	-	-	70,838,077,986
Insurance finance expenses for insurance contracts issued	(20,976,426,906)	-	-	-	-	(20,976,426,906)
Net insurance finance expenses	(20,976,426,906)	-	-	-	-	(20,976,426,906)
Net insurance and investment result	131,190,660,674	-	-	-	-	131,190,660,674
Other investment income	-	-	95,553,390,801	1,133,516,420	(96,251,069,987)	435,837,234
Interest income from micro - lending	-	5,407,928,288	-	-	-	5,407,928,288
Other income	(17,926,050,278)	2,538,778,430	-	19,172,213,507	(1,177,571,720)	2,607,369,939
Operating and administrative expenses	(11,682,872,069)	(5,890,021,045)	(552,132,912)	(13,274,092,751)	2,040,796,515	(29,358,322,262)
Allowance for expected credit losses on receivables	(126,080,462)	-	-	-	-	(126,080,462)
Finance costs	(235,689,822)	(1,171,530,770)	-	-	-	(1,407,220,592)
Segment assets	422,154,336,503	8,983,909,810	202,751,200,000	11,584,113,707	(161,698,841,705)	483,774,718,315
Segment liabilities	204,269,182,218	8,193,868,601	10,360,669,497	6,114,086,895	425,575,366	229,363,382,576

Notes to the condensed consolidated financial statements FOR THE YEAR ENDED 31 DECEMBER 2023

7 SEGMENT INFORMATION

7.1 Information about products and services (Continued)

December 2022	INFLATION ADJUSTED					Total ZWL
	Insurance ZWL	Micro-lending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	
Insurance contract revenue	34,127,052,963	-	-	-	-	34,127,052,963
Insurance service expenses	(12,090,119,086)	-	-	-	-	(12,090,119,086)
Insurance service result from insurance contracts issued	22,036,933,877	-	-	-	-	22,036,933,877
Allocation of reinsurance paid	(1,157,614,214)	-	-	-	-	(1,157,614,214)
Amount recoverable from reinsurers for incurred claims	513,311,442	-	-	-	-	513,311,442
Insurance service result	21,392,631,105	-	-	-	-	21,392,631,105
Interest revenue from financial instruments not measured at fair value through profit or loss	183,181,280	-	-	-	-	183,181,280
Net income from other financial instruments at fair value through profit or loss	(5,518,291,162)	-	-	-	-	(5,518,291,162)
Net gains from fair value adjustments to investment properties	15,396,682,085	-	-	-	-	15,396,682,085
Net change in investment contract liabilities	(4,868,058,299)	-	-	-	-	(4,868,058,299)
Other net investment revenue	31,800,879,586	-	-	-	-	31,800,879,586
Net gain from foreign exchange	-	-	-	-	-	-
Net Investment Income	36,994,393,490	-	-	-	-	36,994,393,490
Insurance finance expenses for insurance contracts issued	(3,833,264,586)	-	-	-	-	(3,833,264,586)
Net insurance finance expenses	(3,833,264,586)	-	-	-	-	(3,833,264,586)
Net insurance and investment result	54,553,760,009	-	-	-	-	54,553,760,009
Other investment income	-	151,352,329	41,289,251,018	406,496,586	(41,801,494,856)	45,605,077
Interest income from micro - lending	-	2,545,425,490	-	-	-	2,545,425,490
Other income	34,289,032	1,062,591,552	-	5,924,857,638	682,192,711	7,703,930,932
Operating and administrative expenses	(11,258,254,664)	(2,298,851,555)	(254,091,438)	(3,378,625,838)	10,033,483,401	(7,156,340,094)
Property operating costs	-	-	-	-	-	-
Allowance for expected credit losses on receivables	-	(120,458,754)	-	-	(5,693,667)	(126,152,421)
Finance costs	(71,145,964)	(825,808,007)	-	-	(22,931,617)	(919,885,588)
Segment assets	234,889,890,533	4,353,748,716	129,723,900,510	7,100,134,045	(105,007,608,462)	271,060,065,342
Segment liabilities	223,309,679,579	3,481,635,384	11,041,537,379	1,429,518,108	(7,142,748,092)	232,119,622,358

7.2 Information about products and services

December 2023	HISTORICAL COST					Total ZWL
	Insurance ZWL	Micro-lending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	
Insurance contract revenue	48,484,115,679	-	-	-	-	48,484,115,679
Insurance service expenses	(24,081,034,989)	-	-	-	-	(24,081,034,989)
Insurance service result from insurance contracts issued	24,403,080,690	-	-	-	-	24,403,080,690
Allocation of reinsurance paid	(903,280,948)	-	-	-	-	(903,280,948)
Amount recoverable from reinsurers for incurred claims	331,586,569	-	-	-	-	331,586,569
Insurance service result	23,831,386,311	-	-	-	-	23,831,386,311
Interest revenue from financial instruments not measured at fair value through profit or loss	3,075,257,982	-	-	-	-	3,075,257,982
Net income from other financial instruments at fair value through profit or loss	20,158,432,294	-	-	-	-	20,158,432,294
Net gains from fair value adjustments to investment properties	72,667,916,500	-	-	-	-	72,667,916,500
Net change in investment contract liabilities	(29,339,218,800)	-	-	-	-	(29,339,218,800)
Other net investment revenue	2,675,702,809	-	-	-	-	2,675,702,809
Net gain from foreign exchange	1,713,530,551	-	-	-	-	1,713,530,551
Net Investment Income	70,951,621,336	-	-	-	-	70,951,621,336
Insurance finance expenses for insurance contracts issued	(8,120,944,832)	-	-	-	-	(8,120,944,832)
Net insurance finance expenses	(8,120,944,832)	-	-	-	-	(8,120,944,832)
Net insurance and investment result	86,662,062,815	-	-	-	-	86,662,062,815
Other investment income	-	-	180,443,300,000	2,095,245,520	(182,400,991,235)	137,554,285
Interest income from micro - lending	-	3,469,511,590	-	-	-	3,469,511,590
Other income	(8,357,191,444)	499,628,409	-	10,335,257,270	(697,770,102)	1,779,924,132
Operating and administrative expenses	(9,544,525,547)	(3,803,283,330)	(200,171,096)	(8,975,014,811)	225,955,210	(22,927,039,574)
Allowance for expected credit losses on receivables	(26,845,956)	-	-	-	-	(26,845,956)
Finance costs	(218,732,030)	(863,867,755)	-	-	-	(1,082,599,785)
Segment assets	420,168,020,732	8,957,558,631	202,751,200,000	10,931,529,580	(163,286,069,747)	479,522,239,196
Segment liabilities	201,493,667,159	8,167,583,296	10,360,669,497	6,118,136,770	51,224,038	226,191,280,760

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7 SEGMENT INFORMATION

7.2 Information about products and services

December 2022	HISTORICAL COST					Total ZWL
	Insurance ZWL	Micro-lending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	
Insurance contract revenue	4,567,050,088	-	-	-	-	4,567,050,088
Insurance service expenses	(3,063,115,770)	-	-	-	-	(3,063,115,770)
Insurance service result from insurance contracts issued	1,503,934,318	-	-	-	-	1,503,934,318
Allocation of reinsurance paid	(158,298,570)	-	-	-	-	(158,298,570)
Amount recoverable from reinsurers for incurred claims	57,777,334	-	-	-	-	57,777,334
Insurance service result	1,403,413,082	-	-	-	-	1,403,413,082
Interest revenue from financial instruments not measured at fair value through profit or loss	66,276,692	-	-	-	-	66,276,692
Net income from other financial instruments at fair value through profit or loss	816,719,361	-	-	-	-	816,719,361
Net gains from fair value adjustments to investment properties	8,438,984,029	-	-	-	-	8,438,984,029
Net change in investment contract liabilities	(3,852,114,553)	-	-	-	-	(3,852,114,553)
Other net investment revenue	15,337,941,178	-	-	-	-	15,337,941,178
Net Investment Income	20,807,806,707	-	-	-	-	20,807,806,707
Insurance finance expenses for insurance contracts issued	(625,076,452)	-	-	-	-	(625,076,452)
Net insurance finance expenses	(625,076,452)	-	-	-	-	(625,076,452)
Net insurance and investment result	21,586,143,337	-	-	-	-	21,586,143,337
Other investment income	-	142,233,251	18,963,871,710	449,739,734	(19,547,572,687)	8,272,008
Interest income from micro - lending	-	346,712,607	-	-	-	346,712,607
Other income	34,289,032	204,994,750	-	1,077,904,935	(204,994,750)	1,112,193,967
Operating and administrative expenses	(2,117,266,213)	(341,603,612)	(52,876,513)	(754,280,945)	(5,675,708)	(3,271,702,991)
Allowance for expected credit losses on receivables	-	(25,063,907)	-	-	(1,184,853)	(26,248,760)
Finance costs	(12,872,917)	-	-	-	(142,999,586)	(155,872,503)
Segment assets	48,455,855,391	904,407,172	27,000,806,513	1,918,773,977	(22,527,424,641)	55,752,418,412
Segment liabilities	26,191,360,444	724,529,490	3,629,860,345	333,802,929	667,656,204	31,547,209,413

7.3 Geographical Information

December 2023	INFLATION ADJUSTED				Total ZWL
	Zimbabwe ZWL	Malawi ZWL	Consolidation adjustments ZWL	Zimbabwe ZWL	
Insurance revenue	116,576,468,962	6,528,415,472	(6,528,415,472)	116,576,468,962	
Insurance service expenses	(34,143,338,424)	(4,296,531,552)	4,296,531,552	(34,143,338,424)	
Insurance service result from insurance contracts issued	82,433,130,538	2,231,883,919	(2,231,883,919)	82,433,130,538	
Allocation of reinsurance paid	(1,599,484,555)	(326,524,105)	326,524,105	(1,599,484,555)	
Amount recoverable from reinsurers for incurred claims	495,363,611	21,184,040	(21,184,040)	495,363,611	
Insurance service result	81,329,009,594	1,926,543,854	(1,926,543,854)	81,329,009,594	
Interest revenue from financial instruments not measured at fair value through profit or loss	3,105,324,620	2,638,152,295	(2,638,152,295)	3,105,324,620	
Net income from other financial instruments at fair value through profit or loss	24,084,809,034	11,460,454,233	(11,460,454,233)	24,084,809,034	
Net gains from fair value adjustments to investment properties	46,504,042,931	467,296,499	(467,296,499)	46,504,042,931	
Net change in investment contract liabilities	(81,298,770,261)	(11,993,179,821)	11,993,179,821	(81,298,770,261)	
Other net investment revenue	76,790,579,004	1,893,508,799	(1,893,508,799)	76,790,579,004	
Net gain from foreign exchange	1,652,092,657	-	-	1,652,092,657	
Net Investment Income	70,838,077,986	4,466,232,006	(4,466,232,006)	70,838,077,986	
Insurance finance expenses for insurance contracts issued	(20,976,426,906)	(199,926,892)	199,926,892	(20,976,426,906)	
Net insurance finance expenses	(20,976,426,906)	(199,926,892)	199,926,892	(20,976,426,906)	
Net insurance and investment result	131,190,660,674	6,192,848,968	(6,192,848,968)	131,190,660,674	
Other investment income	-	-	435,837,234	435,837,234	
Interest income from micro - lending	-	-	5,407,928,288	5,407,928,288	
Other income	(17,926,050,278)	85,137,061	20,448,283,156	2,607,369,939	
Operating and administrative expenses	(11,682,872,069)	(5,759,978,627)	(11,915,471,567)	(29,358,322,262)	
Allowance for expected credit losses on receivables	(126,080,462)	-	-	(126,080,462)	
Finance costs	(235,689,821)	-	(1,171,530,771)	(1,407,220,592)	
Segment assets	532,114,105,627	113,359,454,393	(161,698,841,705)	483,774,718,315	
Segment liabilities	118,298,632,463	110,639,174,747	425,575,366	229,363,382,576	

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7 SEGMENT INFORMATION

7.3 Geographical Information (Continued)

December 2022	INFLATION ADJUSTED			Total ZWL
	Zimbabwe ZWL	Malawi ZWL	Consolidation adjustments ZWL	
Insurance revenue	33,385,541,789	741,511,774	-	34,127,053,563
Insurance service expenses	(11,399,175,571)	(690,943,515)	-	(12,090,119,086)
Insurance service result from insurance contracts issued	21,986,366,218	50,567,659	-	22,036,933,877
Allocation of reinsurance paid	(1,109,285,509)	(48,328,705)	-	(1,157,614,214)
Amount recoverable from reinsurers for incurred claims	506,102,443	7,208,998	-	513,311,442
Insurance service result	21,383,183,153	9,447,952	-	21,392,631,105
Interest revenue from financial instruments not measured at fair value through profit or loss	144,371,692	38,809,588	-	183,181,280
Net income from other financial instruments at fair value through profit or loss	(6,021,218,982)	502,927,820	-	(5,518,291,162)
Net gains from fair value adjustments to investment properties	15,320,712,054	75,970,031	-	15,396,682,085
Net change in investment contract liabilities	(4,445,243,004)	(422,815,295)	-	(4,868,058,299)
Other net investment revenue	31,331,996,521	468,883,064	-	31,800,879,586
Net Investment Income	36,330,618,282	663,775,208	-	36,994,393,490
Insurance finance expenses for insurance contracts issued	(4,051,255,828)	217,991,243	-	(3,833,264,586)
Net insurance finance expenses	(4,051,255,828)	217,991,243	-	(3,833,264,586)
Net insurance and investment result	53,662,545,606	891,214,403	-	54,553,760,009
Other investment income	41,847,099,933	-	(41,801,494,856)	45,605,077
Interest income from micro - lending	2,545,425,490	-	-	2,545,425,490
Other income	6,987,449,190	34,289,032	682,192,711	7,703,930,932
Operating and administrative expenses	(16,226,460,660)	(963,362,835)	10,033,483,401	(7,156,340,094)
Allowance for expected credit losses on receivables	(120,458,754)	-	(5,693,667)	(126,152,421)
Finance costs	(896,953,971)	-	(22,931,617)	(919,885,588)
Segment assets	304,597,062,792	71,470,611,011	(105,007,608,462)	271,060,065,342
Segment liabilities	171,327,210,648	67,935,159,802	(7,142,748,092)	232,119,622,358

7.4 Geographical Information (Continued)

December 2023	HISTORICAL COST			Total ZWL
	Zimbabwe ZWL	Malawi ZWL	Consolidation adjustments ZWL	
Insurance revenue	41,955,700,207	6,528,415,472	-	48,484,115,679
Insurance service expenses	(20,134,882,310)	(4,296,531,552)	350,378,873	(24,081,034,989)
Insurance service result from insurance contracts issued	21,820,817,898	2,231,883,919	350,378,873	24,403,080,690
Allocation of reinsurance paid	(576,756,843)	(326,524,105)	-	(903,280,948)
Amount recoverable from reinsurers for incurred claims	310,402,529	21,184,040	-	331,586,569
Insurance service result	21,554,463,584	1,926,543,854	350,378,872	23,831,386,311
Interest revenue from financial instruments not measured at fair value through profit or loss	437,105,687	2,638,152,295	-	3,075,257,982
Net income from other financial instruments at fair value through profit or loss	8,697,978,060	11,460,454,233	-	20,158,432,294
Net gains from fair value adjustments to investment properties	101,787,996,506	467,296,499	(29,587,376,506)	72,667,916,500
Net change in investment contract liabilities	(17,346,038,979)	(11,993,179,821)	-	(29,339,218,800)
Other net investment revenue	144,226,120,154	1,893,508,799	(143,443,926,144)	2,675,702,809
Net gain from foreign exchange	1,713,530,551	-	-	1,713,530,551
Net Investment Income	239,516,691,979	4,466,232,006	(173,031,302,649)	70,951,621,336
Insurance finance expenses for insurance contracts issued	(7,921,017,940)	(199,926,892)	-	(8,120,944,832)
Net insurance finance expenses	(7,921,017,940)	(199,926,892)	-	(8,120,944,832)
Net insurance and investment result	253,150,137,623	6,192,848,968	(172,680,923,777)	86,662,062,815
Other investment income	182,538,545,520	-	(182,400,991,235)	137,554,285
Interest income from micro - lending	3,469,511,590	-	-	3,469,511,590
Other income	2,392,557,174	85,137,061	(697,770,102)	1,779,924,132
Operating and administrative expenses	(16,763,016,157)	(5,759,978,627)	225,955,210	(22,297,039,574)
Allowance for expected credit losses on receivables	(26,845,956)	-	-	(26,845,956)
Finance costs	(1,082,599,786)	-	-	(1,082,599,786)
Segment assets	529,448,854,618	113,359,454,325	(163,286,069,747)	479,522,239,196
Segment liabilities	115,500,881,974	110,639,174,747	51,224,038	226,191,280,760

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7 SEGMENT INFORMATION

7.4 Geographical Information (Continued)

December 2022	HISTORICAL COST			
	Zimbabwe	Malawi	Consolidation adjustments	Total
	ZWL	ZWL	ZWL	ZWL
Insurance revenue	4,567,050,088	741,511,174	(741,511,174)	4,567,050,088
Insurance service expenses	(3,063,115,770)	(690,943,515)	690,943,515	(3,063,115,770)
Insurance service result from insurance contracts issued	1,503,934,318	50,567,659	(50,567,659)	1,503,934,318
Allocation of reinsurance paid	(158,298,570)	(48,328,705)	48,328,705	(158,298,570)
Amount recoverable from reinsurers for incurred claims	57,777,334	7,208,998	(7,208,998)	57,777,334
Insurance service result	1,403,413,082	9,447,952	-	1,403,413,082
Interest revenue from financial instruments not measured at fair value through profit or loss	27,467,105	38,809,588	-	66,276,692
Net income from other financial instruments at fair value through profit or loss	313,791,542	502,927,820	-	816,719,361
Net gains from fair value adjustments to investment properties	8,363,013,998	75,970,031	-	8,438,984,029
Net change in investment contract liabilities	(3,429,298,258)	(422,815,295)	-	(3,852,114,553)
Other net investment revenue	14,869,058,114	468,883,064	-	15,337,941,178
Net investment income	20,144,031,500	663,775,207	-	20,807,806,707
Insurance finance expenses for insurance contracts issued	(843,067,695)	217,991,243	-	(625,076,452)
Net insurance finance expenses	(843,067,695)	217,991,243	-	(625,076,452)
Net insurance and investment result	20,694,928,936	891,214,402	-	21,586,143,337
Other investment income	591,972,985	-	(583,700,977)	8,272,008
Interest income from micro - lending	346,712,607	-	-	346,712,607
Other income	1,282,899,685	34,289,032	(204,994,750)	1,112,193,967
Operating and administrative expenses	(2,249,787,935)	(963,362,835)	(58,552,221)	(3,271,702,991)
Allowance for expected credit losses on receivables	(25,063,907)	-	(1,184,853)	(26,248,760)
Finance costs	(12,872,917)	-	(142,999,586)	(155,872,503)
Segment assets	63,406,784,962	14,873,058,090	(22,527,424,641)	55,752,418,412
Segment liabilities	16,742,223,699	14,137,329,510	667,656,204	31,547,209,413

8 OTHER RECEIVABLES

	INFLATION ADJUSTED		HISTORICAL COST	
	Dec-23 ZWL	Dec-22 ZWL	Dec-23 ZWL	Dec-22 ZWL
Residential stand sales debtors	1,994,491	7,307,882	1,994,491	1,520,773
Micro-finance loans receivable	6,446,218,667	3,022,423,750	6,446,218,667	628,967,395
Other trade debtors	5,819,019,517	1,244,829,409	5,819,019,517	259,049,417
Trade receivables - gross	12,267,232,675	4,274,561,041	12,267,232,675	889,537,585
Less: allowance for expected credit losses ("ECL")	(1,579,057,048)	(1,128,074,096)	(1,579,057,048)	(234,752,598)
Trade receivables - net	10,688,175,627	3,146,486,945	10,688,175,627	654,784,987
Receivables from related parties	6,402,245,142	315,457,139	6,402,245,142	65,646,736
Loans to employees, net of ECL	896,363,464	591,229,870	896,363,464	123,035,134
Total receivables classified as financial assets at amortised cost	17,986,784,233	4,053,173,954	17,986,784,233	843,466,857
Prepayments	151,205,289	4,989,753,238	151,205,289	1,038,369,320
Other receivables, net of ECL	11,463,061,895	1,015,743,259	11,463,061,895	211,376,512
Total trade and other receivables	29,601,051,417	10,058,670,451	29,601,051,417	2,093,212,689

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-23 ZWL	Dec-22 ZWL	Dec-23 ZWL	Dec-22 ZWL
The total impairment allowance is made up of the following:				
Allowance for expected credit loss on trade receivables	1,579,057,048	1,128,074,096	1,579,057,048	234,752,598
Allowance for expected credit loss on other receivables	-	228,804	-	47,614
	1,579,057,048	1,128,302,900	1,579,057,048	234,800,212

Movements in expected credit loss are as follows:

	Dec-23 ZWL	Dec-22 ZWL	Dec-23 ZWL	Dec-22 ZWL
Allowance for expected losses				
Balance at 1 January	1,128,302,900	697,574,542	234,800,212	42,228,750
Net decrease/(increase) during the period through profit or loss	126,080,462	126,152,419	26,845,956	26,248,760
Impact on period end ECL exposures transferred between stages during the period	324,673,686	304,575,939	1,317,410,880	166,322,702
Balance at 31 December	1,579,057,048	1,128,302,900	1,579,057,048	234,800,212

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9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	INFLATION ADJUSTED		HISTORICAL COST	
	Dec-23 ZWL	Dec-22 ZWL	Dec-23 ZWL	Dec-22 ZWL
Balance at the beginning of the year	26,844,390,175	19,494,633,647	5,586,326,587	1,180,137,666
Additions	11,983,747,538	3,590,879,669	9,568,652,318	317,705,234
Fair value adjustments - through profit or loss	23,879,942,438	(4,009,493,419)	20,175,174,360	925,824,402
Exchange gains/ loss	9,229,892,149	9,135,982,997	33,929,755,957	3,332,771,939
Disposals	(4,554,668,470)	(1,367,612,719)	(1,876,605,391)	(170,112,655)
Financial assets at fair value through profit or loss	67,383,303,831	26,844,390,175	67,383,303,831	5,586,326,587

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.

10 CASH AND DEPOSITS WITH BANKS

	Dec-23 ZWL	Dec-22 ZWL	Dec-23 ZWL	Dec-22 ZWL
	Money market investments	13,812,461,831	4,511,585,410	13,812,461,831
Bank and cash	3,289,216,645	2,553,327,344	3,289,216,645	531,348,275
Cash and deposits with banks	17,101,678,476	7,064,912,754	17,101,678,476	1,470,210,710
Bank overdraft	(3,964,526,325)	(240,848,932)	(3,964,526,325)	(50,120,743)
Cash and cash equivalents	13,137,152,151	6,824,063,822	13,137,152,151	1,420,089,967

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 amounts 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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11 INSURANCE CONTRACT ASSETS AND LIABILITIES

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:

INFLATION ADJUSTED		Direct participating contracts	Investment contracts with DPF	Investment contracts without DPF	Total	Current portion	Non current portion	Total
Group		ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Balance as at 31 December 2023								
Insurance contract assets		5,803,273,861	-	-	5,803,273,861	5,803,273,861	-	5,803,273,861
Insurance contract liabilities		90,557,214,044	73,101,793,540	-	163,659,007,584	-	163,659,007,584	163,659,007,584
Investment contract liabilities		-	-	19,500,810,198	19,500,810,198	-	19,500,810,198	19,500,810,198
Balance as at 31 December 2022								
Insurance contract assets		7,500,478,817	-	-	7,500,478,817	7,500,478,817	-	7,500,478,817
Insurance contract liabilities		144,460,311,827	30,279,301,980	-	174,739,613,807	-	174,739,613,807	174,739,613,807
Investment contract liabilities		-	-	26,861,144,769	26,861,144,769	-	26,861,144,769	26,861,144,769

HISTORICAL COST		Direct participating contracts	Investment contracts with DPF	Investment contracts without DPF	Total	Current portion	Non current portion	Total
Group		ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Balance as at 31 December 2023								
Insurance contract assets		5,803,273,861	-	-	5,803,273,861	5,803,273,861	-	5,803,273,861
Insurance contract liabilities		90,557,214,044	73,101,793,540	-	163,659,007,584	-	163,659,007,584	163,659,007,584
Investment contract liabilities		-	-	19,500,810,198	19,500,810,198	-	19,500,810,198	19,500,810,198
Balance as at 31 December 2022								
Insurance contract assets		1,560,852,154	-	-	1,560,852,154	1,560,852,154	-	1,560,852,154
Insurance contract liabilities		13,752,773,820	6,340,361,495	-	20,093,135,315	-	20,093,135,315	20,093,135,315
Investment contract liabilities		-	-	5,589,813,223	5,589,813,223	-	5,589,813,223	5,589,813,223

INFLATION ADJUSTED

Analysis of Insurance Contract Liability and Assets by participation

	2023			2022		
	LFRC	LIC	TOTAL	LFRC	LIC	TOTAL
Direct Participating Contracts	90,190,716,914	366,497,130	90,557,214,044	144,371,119,029	89,192,798	144,460,311,827
Investment contracts with direct participating contracts	71,920,599,725	1,181,193,815	73,101,793,540	30,187,603,936	91,698,044	30,279,301,980
	162,111,316,639	1,547,690,945	163,659,007,584	174,558,722,965	180,890,842	174,739,613,807

HISTORICAL COST

Analysis of Insurance Contract Liability and Assets by participation

	2023			2022		
	LFRC	LIC	TOTAL	LFRC	LIC	TOTAL
Direct Participating Contracts	90,190,716,914	366,497,130	90,557,214,044	13,663,581,022	89,192,798	13,752,773,820
Investment contracts with direct participating contracts	71,920,599,725	1,181,193,815	73,101,793,540	6,248,663,450	91,698,044	6,340,361,494
	162,111,316,639	1,547,690,945	163,659,007,584	19,912,244,472	180,890,842	20,093,135,314

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11.3 Direct participating contracts issued Reconciliation of the liability for the remaining coverage and liability for incurred claims

INFLATION ADJUSTED	2023				2022			
	LFRC	Loss component	LIC	Total	LFRC	Loss component	LIC	Total
GROUP	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Opening insurance contract liabilities	144,371,119,029	-	89,192,798	144,460,311,827	23,291,506,033	-	14,297,309,547	37,588,815,580
Net balance as at 1 January	144,371,119,029	-	89,192,798	144,460,311,827	23,291,506,033	-	14,297,309,547	37,588,815,580
Insurance contract revenue	(14,558,088,951)	-	-	(14,558,088,951)	(6,292,005,223)	-	-	(6,292,005,223)
Insurance service expenses								
Incurring claims and other directly attributable expenses	-	-	2,725,130,408	2,725,130,408	-	-	1,239,840,674	1,239,840,674
Changes that relate to past service	-	-	208,187,961	208,187,961	-	-	768,546,495	768,546,495
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	562,873,913	-	-	562,873,913	280,324,447	-	-	280,324,447
Insurance service expenses	562,873,913	-	2,933,318,370	3,496,192,283	280,324,447	-	2,008,387,170	2,288,711,617
Total net expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Insurance service result	(13,995,215,038)	-	2,933,318,370	(11,061,896,668)	(6,011,680,775)	-	2,008,387,170	(4,003,293,605)
Finance expenses from insurance contracts issued recognised in profit or loss	6,208,289,933	-	-	6,208,289,933	1,149,979,376	-	-	1,149,979,376
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	6,208,289,933	-	-	6,208,289,933	1,149,979,376	-	-	1,149,979,376
Total amounts recognised in comprehensive income	(7,786,925,105)	-	2,933,318,370	(4,853,606,735)	(4,861,701,399)	-	2,008,387,170	(2,853,314,230)
Investment components	-	-	-	-	-	-	-	-
Other changes	(43,471,502,068)	-	5,242,439,168	(38,229,062,900)	169,546,929,766	-	(6,300,496,709)	163,246,433,057
Cashflows								
Premiums received	47,004,157,140	-	-	47,004,157,140	6,320,516,710	-	-	6,320,516,710
Claims and other directly attributable expenses paid	(49,926,132,081)	-	(7,898,453,206)	(57,824,585,287)	(49,926,132,081)	-	(9,916,007,210)	(59,842,139,291)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Total cash flows	(2,921,974,941)	-	(7,898,453,206)	(10,820,428,147)	(43,605,615,371)	-	(9,916,007,210)	(53,521,622,581)
Balance as at 31 December 2023	90,190,716,914	-	366,497,130	90,557,214,044	144,371,119,029	-	89,192,798	144,460,311,827

11.3 Direct participating contracts issued Reconciliation of the liability for the remaining coverage and liability for incurred claims (Continued)

HISTORICAL COST	2023				2022			
	LFRC	Loss component	LIC	Total	LFRC	Loss component	LIC	Total
GROUP	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Opening insurance contract liabilities	13,663,581,022	-	89,192,798	13,752,773,820	3,630,713,121	-	1,297,309,547	4,928,022,668
Net balance as at 1 January	13,663,581,022	-	89,192,798	13,752,773,820	3,630,713,121	-	1,297,309,547	4,928,022,668
Insurance contract revenue	(7,542,331,877)	-	-	(7,542,331,877)	(1,054,237,089)	-	-	(1,054,237,089)
Insurance service expenses								
Incurring claims and other directly attributable expenses	-	-	4,480,965,065	4,480,965,065	-	-	705,725,822	705,725,822
Changes that relate to past service	-	-	208,187,961	208,187,961	-	-	24,417,215	24,417,215
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	256,698,118	-	-	256,698,118	182,210,891	-	-	182,210,891
Insurance service expenses	256,698,118	-	4,689,153,026	4,945,851,144	182,210,891	-	730,143,037	912,353,928
Total net expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Insurance service result	(7,285,633,759)	-	4,689,153,026	(2,596,480,733)	(872,026,198)	-	730,143,037	(141,883,161)
Finance expenses from insurance contracts issued recognised in profit or loss	2,436,283,450	-	-	2,436,283,450	187,522,936	-	-	187,522,936
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	2,436,283,450	-	-	2,436,283,450	187,522,936	-	-	187,522,936
Total amounts recognised in comprehensive income	(4,849,350,310)	-	4,689,153,026	(160,197,284)	(684,503,263)	-	730,143,037	45,639,774
Investment components	-	-	-	-	-	-	-	-
Other changes	93,293,730,830	-	256,698,118	93,550,428,948	12,231,259,589	-	53,076,716	12,284,336,305
Cashflows								
Premiums received	34,857,969,846	-	-	34,857,969,846	1,513,888,426	-	-	1,513,888,426
Claims and other directly attributable expenses paid	(46,775,214,473)	-	(4,668,546,812)	(51,443,761,285)	(3,027,776,852)	-	(1,991,336,502)	(5,019,113,354)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Total cash flows	(11,917,244,627)	-	(4,668,546,812)	(16,585,791,439)	(1,513,888,426)	-	(1,991,336,502)	(3,505,224,928)
Balance as at 31 December 2023	90,190,716,914	-	366,497,130	90,557,214,044	13,663,581,022	-	89,192,798	13,752,773,820



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

INFLATION ADJUSTED	2023				2022			
	LFRC	Loss component	LIC	Total	LFRC	Loss component	LIC	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
GROUP								
Opening investment contract liabilities with DPF	30,187,603,936	-	91,698,044	30,279,301,980	43,678,532,675	-	17,798,409,147	61,476,941,822
Net balance as at 1 January	30,187,603,936	-	91,698,044	30,279,301,980	43,678,532,675	-	17,798,409,147	61,476,941,822
Insurance contract revenue	(102,018,380,011)	-	-	(102,018,380,011)	(27,835,047,741)	-	-	(27,835,047,741)
Insurance service expenses								
Incurring claims and other directly attributable expenses	-	-	20,571,892,926	20,571,892,926	-	-	4,004,976,202	4,004,976,202
Changes that relate to past service	-	-	120,157,579	120,157,579	-	-	1,279,467,522	1,279,467,522
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	9,810,521,527	-	-	9,810,521,527	6,499,911,042	-	-	6,499,911,042
Insurance service expenses	9,810,521,527	-	20,692,050,505	30,502,572,032	6,499,911,042	-	5,284,443,725	11,784,354,767
Total net expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Insurance service result	(92,207,858,484)	-	20,692,050,505	(71,515,807,979)	(21,335,136,699)	-	5,284,443,725	(16,050,692,974)
Finance expenses from insurance contracts issued recognised in profit or loss	14,768,136,972	-	-	14,768,136,972	2,683,285,210	-	-	2,683,285,210
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	14,768,136,972	-	-	14,768,136,972	2,683,285,210	-	-	2,683,285,210
Total amounts recognised in comprehensive income	(77,439,721,512)	-	20,692,050,505	(56,747,671,007)	(18,651,851,489)	-	5,284,443,725	(13,367,407,764)
Investment components	-	-	-	-	-	-	-	-
Other changes	87,051,497,410	-	(16,462,554,605)	70,588,942,805	(64,329,293,795)	-	(1,238,818,019)	(65,568,111,814)
Cashflows								
Premiums received	77,873,144,034	-	-	77,873,144,034	97,386,451,053	-	3,720,037,829	101,106,488,882
Claims and other directly attributable expenses paid	(45,751,924,144)	-	(3,140,000,128)	(48,891,924,272)	(27,896,234,509)	-	(25,472,374,638)	(53,368,609,147)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Total cash flows	32,121,219,890	-	(3,140,000,128)	28,981,219,762	69,490,216,544	-	(21,752,336,809)	47,737,879,735
Balance as at 31 December 2023	71,920,599,725	-	1,181,193,815	73,101,793,540	30,187,603,936	-	91,698,044	30,279,301,980

HISTORICAL COST	2023				2022			
	LFRC	Loss component	LIC	Total	LFRC	Loss component	LIC	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
GROUP								
Opening investment contract liabilities	6,248,663,450	-	91,698,044	6,340,361,494	2,291,506,264	-	297,309,547	2,588,815,811
Net balance as at 1 January	6,248,663,450	-	91,698,044	6,340,361,494	2,291,506,264	-	297,309,547	2,588,815,811
Insurance contract revenue	(40,941,783,802)	-	-	(40,941,783,802)	(3,512,812,999)	-	-	(3,512,812,999)
Insurance service expenses								
Incurring claims and other directly attributable expenses	-	-	14,786,727,834	14,786,727,834	-	-	1,494,443,185	1,494,443,185
Changes that relate to past service	-	-	608,205,393	608,205,393	-	-	40,649,503	40,649,503
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	3,740,250,618	-	-	3,740,250,618	744,803,328	-	-	744,803,328
Insurance service expenses	3,740,250,618	-	15,394,933,227	19,135,183,845	744,803,328	-	1,535,092,689	2,279,896,017
Total net expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Insurance service result	(37,201,533,184)	-	15,394,933,227	(21,806,599,957)	(2,768,009,672)	-	1,535,092,689	(1,232,916,983)
Finance expenses from insurance contracts issued recognised in profit or loss	5,684,661,382	-	-	5,684,661,382	437,553,517	-	-	437,553,517
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	5,684,661,382	-	-	5,684,661,382	437,553,517	-	-	437,553,517
Total amounts recognised in comprehensive income	(31,516,871,801)	-	15,394,933,227	(16,121,938,574)	(2,330,456,155)	-	1,535,092,689	(795,363,466)
Investment components	-	-	-	-	-	-	-	-
Other changes	73,097,893,159	-	(9,636,890,644)	63,461,002,515	(45,830,049,067)	-	14,573,548,416	(31,256,500,651)
Cashflows								
Premiums received	58,404,858,025	-	-	58,404,858,025	73,039,838,290	-	2,790,028,371	75,829,866,661
Claims and other directly attributable expenses paid	(34,313,943,108)	-	(4,668,546,812)	(38,982,489,920)	(20,922,175,882)	-	(19,104,280,979)	(40,026,456,860)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Total cash flows	24,090,914,918	-	(4,668,546,812)	19,422,368,106	52,117,662,408	-	(16,314,252,608)	35,803,409,801
Balance as at 31 December 2023	71,920,599,725	-	1,181,193,816	73,101,793,540	6,248,663,450	-	91,698,044	6,340,361,494



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11.3 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

	INFLATION ADJUSTED		HISTORICAL COST	
	Dec-23 ZWL	Dec-22 ZWL	Dec-23 ZWL	Dec-22 ZWL
Opening balance 1 January 2023	26,861,144,769	15,711,995,367	5,589,813,223	951,149,833
Contributions received	504,180,052	23,265,942,572	192,204,764	1,858,386,773
Benefits paid	(83,429,355,599)	(7,667,710,761)	(13,434,378,614)	(4,217,570)
Investment return from underlying assets	81,298,770,261	4,868,058,299	29,339,218,800	3,852,114,553
Asset management fees charged	(5,733,929,285)	(9,317,140,708)	(2,186,047,975)	(1,067,620,366)
Closing balance	19,500,810,198	26,861,144,769	19,500,810,198	5,589,813,223

11.4 Insurance contract revenue and expenses

An analysis of insurance contract revenue, insurance service expense and net expenses from insurance contracts held by product line for 2023 and 2022 is included in the following tables

DECEMBER 2023	INFLATION ADJUSTED			HISTORICAL COST		
	Direct participating contracts ZWL	Investment contracts with DPF ZWL	Total ZWL	Direct participating contracts ZWL	Investment contracts with DPF ZWL	Total ZWL
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	12,996,100,858	36,048,755,742	49,044,856,601	6,548,412,738	14,333,518,690	20,881,931,428
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	463,968,584	311,599,026	775,567,610	224,765,699	174,813,858	399,579,557
CSM recognised in profit or loss for the services provided	498,474,511	47,427,658,381	47,926,132,892	498,474,511	18,098,668,668	18,597,143,180
Insurance acquisition cash flow recovery	599,544,998	1,043,017,179	1,642,562,177	270,678,929	399,351,096	670,030,026
Insurance revenue from contracts not measured under the PAA	14,558,088,951	84,831,030,328	99,389,119,279	7,542,331,877	33,006,352,314	40,548,684,191
Insurance revenue from contracts measured under the PAA	-	12,708,921,985	12,708,921,985	-	5,918,380,047	5,918,380,047
Insurance revenue from contracts measured under the VFA	-	4,478,427,698	4,478,427,698	-	2,017,051,441	2,017,051,441
Total insurance revenue	14,558,088,951	102,018,580,011	116,576,468,962	7,542,331,877	40,941,783,802	48,484,115,679
Insurance service expenses						
Other directly attributable expenses	(2,725,130,408)	(20,571,892,926)	(23,297,023,335)	(4,480,965,065)	(15,319,154,398)	(19,800,119,463)
Changes that relate to past service - adjustments to the LIC	-	-	-	-	-	-
Changes Related to Past Services - IBNR	(208,187,962)	(71,319,798)	(279,507,759)	(208,187,962)	(71,319,798)	(279,507,759)
Changes Related to Past Services - Cross Outstanding Claims	(144,574,110)	(48,837,781)	(193,411,891)	(144,574,110)	(48,837,781)	(193,411,891)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	(562,873,913)	(9,810,521,527)	(10,373,395,440)	(256,698,118)	(3,551,297,758)	(3,807,995,876)
Total insurance service expenses	(3,640,766,393)	(30,502,572,032)	(34,143,338,424)	(5,090,425,255)	(18,990,609,734)	(24,081,034,989)
Reinsurance expenses-contracts measured under the PAA	(610,680,130)	(988,804,425)	(1,599,484,555)	-	(903,280,948)	(903,280,948)
Claims recovered	-	495,363,611	495,363,611	-	331,586,569	331,586,569
Total net expenses from reinsurance contracts held	(610,680,130)	(493,440,814)	(1,104,120,944)	-	(571,694,379)	(571,694,379)
Total insurance service result	10,306,642,428	71,022,367,165	81,329,009,594	2,451,906,623	21,379,479,689	23,831,386,311
DECEMBER 2022						
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	5,090,155,656	9,951,100,675	15,041,256,332	841,878,850	2,041,741,009	2,883,619,859
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	221,926,914	92,956,145	314,883,059	29,784,348	25,531,872	55,316,220
CSM recognised in profit or loss for the services provided	671,787,016	9,636,823,996	10,308,611,011	139,799,103	1,107,760,347	1,247,559,450
Insurance acquisition cash flow recovery	308,135,636	558,477,218	866,612,855	42,774,787	64,270,605	107,045,392
Insurance revenue from contracts not measured under the PAA	6,292,005,222	20,239,358,035	26,531,363,257	1,054,237,089	3,239,303,833	4,293,540,922
Insurance revenue from contracts measured under the PAA	-	4,673,041,794	4,673,041,794	-	213,071,751	213,071,751
Insurance revenue from contracts measured under the VFA	-	2,922,647,913	2,922,647,913	-	60,437,416	60,437,416
Total insurance revenue	6,292,005,222	27,835,047,741	34,127,052,963	1,054,237,089	3,512,812,999	4,567,050,088
Insurance service expenses						
Incurred claims and other directly attributable expenses	(1,239,840,674)	(3,912,059,561)	(5,151,900,235)	(705,725,822)	(1,494,443,185)	(2,200,169,007)
Changes that relate to past service - adjustments to the LIC	-	-	-	-	-	-
Changes Related to Past Services - IBNR	(25,838,306)	(28,651,408)	(54,489,714)	(5,376,960)	(28,651,408)	(34,028,368)
Changes Related to Past Services - Cross Outstanding Claims	(91,495,552)	(11,998,096)	(103,493,648)	(19,040,255)	(11,998,096)	(31,038,350)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	(280,324,447)	(6,499,911,042)	(6,780,235,489)	(53,076,716)	(744,803,328)	(797,880,044)
Total insurance service expenses	(1,637,498,979)	(10,452,620,107)	(12,090,119,086)	(783,219,753)	(2,279,896,017)	(3,063,115,770)
Net income (expenses) from reinsurance contracts held						
Reinsurance expenses-contracts measured under the PAA	-	(1,157,614,214)	(1,157,614,214)	-	(158,298,570)	(158,298,570)
Claims recovered	-	513,311,442	513,311,442	-	57,777,334	57,777,334
Total net expenses from reinsurance contracts held	-	(644,302,772)	(644,302,772)	-	(100,521,236)	(100,521,236)
Total insurance service result	4,747,422,886	16,645,208,220	21,392,631,105	271,017,336	1,132,395,746	1,403,413,082

12 BORROWINGS

SHORT-TERM BORROWINGS	INFLATION ADJUSTED		HISTORICAL COST	
	Dec-23 ZWL	Dec-22 ZWL	Dec-23 ZWL	Dec-22 ZWL
ZB Bank Limited	4,592,510,981	968,501,832	4,592,510,981	201,545,556
	4,592,510,981	968,501,832	4,592,510,981	201,545,556

ZB Bank Limited

The overdraft facility with ZB was obtained as a line of credit for the micro-finance business to increase the unit's lending capacity. The facility is denominated in USD and ZWL. The USD facility accrues interest at 15% per annum on a one year tenure expiring on 31 March 2024 and the ZWL facility accrues interest at 195% (2022:205%) per annum expiring on 31 March 2024.

Notes to the condensed consolidated financial statements

FOR THE YEAR ENDED 31 DECEMBER 2023

12.2 Movements in borrowings during the period were as follows:

Balance at 1 January

Net cash out flow on borrowings	11,517,352,558	724,272,851	4,390,965,425	135,010,704
Proceeds from borrowings	14,499,207,323	2,010,272,623	5,527,791,020	339,362,046
Repayment of borrowings	(2,981,854,766)	(1,285,999,772)	(1,136,825,595)	(204,351,342)
Finance costs capitalised	1,407,220,592	919,885,587	828,323,936	138,227,511
Finance costs paid	(1,407,220,592)	(919,885,587)	(828,323,936)	(138,227,511)
Exchange differences on foreign currency denominated loans	-	-	-	-
Reduction of borrowings due to inflation	(7,893,343,409)	(854,856,832)	-	-
Balance at 30 June	4,592,510,981	968,501,832	4,592,510,981	201,545,556

13 TRADE AND OTHER PAYABLES

Trade payables	5,126,356,850	12,204,471,200	5,126,356,850	2,539,754,545
South View offsite works liability	2,966,711,226	1,726,263,534	2,966,711,226	359,236,020
Related party payables	6,377,744,657	1,032,062,782	6,377,744,657	214,772,610
Deferred income from sale of residential stands	2,776,465,488	2,776,465,488	4,613,849	4,399,338
Statutory liabilities	2,789,551	6,142,851	2,789,551	1,278,329
Other payables	9,890,423,064	3,989,447,461	9,890,423,064	830,205,355
	27,140,490,836	21,734,853,316	24,368,639,197	3,949,646,197

14 CONTINGENCIES

14.1 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.

14.2 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.

15 EVENTS AFTER THE REPORTING DATE New structured currency introduction

The Reserve Bank of Zimbabwe (RBZ) introduced a structured currency, with effect from 5 April 2024 named the Zimbabwe Gold (ZiG) replacing the Zimbabwe dollar (ZWL). Zimbabwe Gold (ZiG) currency is backed by a composite basket of foreign currency and precious metals held as reserves by RBZ. All Zimbabwe dollar balances shall be converted to the new currency at the rate of ZiG1: ZWL2,498.7242 obtained from a combination of the prevailing interbank exchange rate of US\$1:ZWL\$33,903.9916 and gold price of US\$2,293.50 as at 5 April 2024. This implies an exchange rate of ZiG13.56 per US\$. The event does not warrant an adjustment on the current set of financial statements in accordance with IASIO events after the reporting date.

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