

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS

For The Period Ended 30 June 2024



FIDELITY LIFE

ASSURANCE OF ZIMBABWE



Chairman's
Statement for the
half year ended
30 June 2024



Livingstone T Gwata
Chairman

I present to you the Fidelity Life Assurance of Zimbabwe Limited (the "Group") financial results for the half year January to June 2024.

ECONOMIC OVERVIEW

The first half of the year was a tale of two quarters. The first quarter witnessed massive depreciation of the ZWL which was retired at the beginning of April 2024. It had suffered depreciation of 80% on the official interbank market resulting in a further increase in the foreign currency proportion of domestic transactions to levels around 85%. The introduction of the gold and foreign currency backed Zimbabwe Gold (ZWG) at the beginning of the second quarter, and supportive measures for the new currency, ushered in a period of relative macroeconomic stability. Whilst the acceptance of the ZWG increased across the economic sectors, the volume of new business written in foreign currency increased from 73% as at 30 June 2023 to 89% in the period ending 30 June 2024.

CHANGE OF FUNCTIONAL CURRENCY

These interim financial results are presented in United States Dollars ("USD"). This follows a decision by the Board of Directors to change the functional and reporting currency. The decision was based on an assessment of the Group's business trends against the requirements of International Accounting Standards ("IAS") 21. This change in the Group's functional currency was implemented with effect from 1 January 2024. The comparative figures have been translated in accordance with IAS 21, which directs entities operating in hyperinflationary economies to translate their last reported inflation adjusted financial statements using the closing official exchange rate at the reporting date, to derive and present comparative financial statements under a newly assessed functional currency. While the Directors have applied the guidance of IAS 21 to present the comparative financial information it is important to note the inherent judgments involved in the translation of ZWL to USD financial statements given the different functional and presentation currencies. This has resulted in distorted comparative financial statements with pure USD revenue and expense transactions being significantly understated and pure USD non-monetary balances being significantly overstated. Due to these distortions resulting from compliance with IFRS, the Board is of the view that the 2023 comparative information is not representative of the past financial performance of the Group.

GROUP FINANCIAL PERFORMANCE REVIEW

Insurance contract revenue rose 277% to USD8.2 million from USD2.2 million during the six months to 30 June 2024, driven by robust USD business growth. Innovative product sales brought in new business and organic expansion, as customers increasingly embraced the Group's offerings. Vaka Yako's strengthening market position was a notable highlight, underpinning the Group's insurance revenue growth.

The Group's insurance service result improved significantly from negative USD4.4 million to positive USD2.0 million, driven by impressive growth in insurance contract revenue, reduced claims experience and effective expense management, which resulted in lower insurance service expenses a 7% decrease from same period in prior year which enhanced the insurance service result position for the period under review.

The Group achieved a 135% profit increase to USD5.2 million up from USD2.2 million recorded in prior year, driven by a trifecta of growth in insurance contract revenue, low insurance service expenses, and fair value gains from the property portfolio.

“

135% profit increase to USD5.2 million up from USD2.2 million recorded in prior year, driven by a trifecta of growth in insurance contract revenue”

BUSINESS OPERATIONS OVERVIEW

STRATEGY EXECUTION

The business managed to achieve the set targets despite the challenging environment. Strong performance was recorded across all the business units with the Life and Pensions business being the flagship of the Group. The actuarial and microlending units have continued to grow albeit at a slower pace. The Asset Management unit launched the Eagle Real Estate Investment Trust (REIT) which has been well received in a market as a desirable alternative investment instrument. The REIT is expected to be listed in the last quarter subject to regulatory approvals.

CUSTOMER EXCELLENCE

The business continues to focus on its lifetime solutions to policyholders. Investing strongly in digitalisation, the Group seeks to offer its customers real time service and convenience.

INNOVATIVE SOLUTIONS

Fidelity Life prides itself as the go to solutions hub through product offerings which are constantly evolving to meet the emerging needs and gaps within our society. The Vaka Yako product was born out of a deepening social need for home ownership and following the commissioning of some of the stands within this product portfolio, the Group had demonstrated its dependability. More product offerings under the "Yako" brand are in the pipeline to continue to address societies ever changing needs.

GEOGRAPHICAL FOOTPRINT

Focus has been on strengthening the existing physical and digital geographical footprint to our existing branches and distribution channels. These have seen significant facilitis to our physical branches and improved user friendliness of our digital platforms. International partnerships have been established and strengthened as we strive to cater for our loved ones in the diaspora.

SUSTAINABILITY

The business subscribes to the Sustainability Development Goals (SDGs) as prescribed by the United Nations. Various business and community initiatives have been implemented during the period under review to cater for communities we operate in through self-help projects, health and wellness initiatives and waste reduction projects among others.

BRAND POSITIONING

The 2024 positioning focus for the FLA brand remains predominantly anchored on market driven products and solutions. In an evolving marketplace where customer needs are rapidly changing, it is imperative that we reaffirm and strengthen our brand positioning to ensure we continue to provide exceptional value, trust and security to those we serve.

FLA remains steadfast in its quest to provide products that are not only relatable to target markets but aim to preserve both shareholder and policyholder's value. Our policyholders and customers are at the centre of everything we do. As such our primary focus for 2024 is to deepen those relationships by focusing on understanding their individual journeys and providing tailored life assurance solutions that meet their unique needs at every stage of life. We are enhancing our product offerings, simplifying processes and investing in digital platforms to offer more accessible and personalised services. Through this customer-first approach, we will build long-term relationships grounded in trust, empathy, and responsiveness.

As a life assurance company, we are uniquely positioned to support our clients' long-term well-being, and we understand that our responsibilities extend beyond financial security. As part of our repositioning, we are reinforcing our commitment to sustainable practices and ethical governance. This includes integrating Environmental, Social and Governance (ESG) principles into our operations, investment strategies, and product offerings. We will continue to be a responsible steward of our clients' wealth ensuring that we contribute to a healthier, more equitable and sustainable future for all.

UPDATE ON THE REGULATORY ASSET SEPARATION EXERCISE

The Asset Separation exercise is now in its final stage that will see the physical separation of assets and compensation for the same. Stakeholders will be advised of the process through appropriate announcements.

DIVIDEND

The Board resolved not to declare an interim dividend for the period under review after considering the need to strengthen the underwriting capacity of the Company.

LOOKING FORWARD

Zimbabwe's economic growth is projected to slowdown to 2% in 2024, a significant decline from the 5.3% achieved in 2023 and the initial forecast of 3.5%. The slowdown is largely a result of a sharp decline in agricultural output for the 2023/24 season on account of the El Nino weather phenomenon. The Financial and Insurance Services sector is however, projected to register 5.6% growth in the current year. Government and monetary authorities are expected to continue with policies and measures aimed at promoting use of the local currency and exchange rate stability.

While the use of the local currency in domestic transactions is expected to grow, we expect the business revenue in the second half to remain predominantly in foreign currency. Despite forecasts of a broader economic slowdown, the Group is confident that it will achieve strong revenue and profitability growth. The key driver of this performance will be the Vaka Yako/Yakha Eyakho housing scheme, which has seen a surge in demand following the successful commissioning of Stoneridge Park residential stands in August 2024.

APPRECIATION

I wish to thank my fellow Directors, Management and staff of the Group for their committed and responsible custodianship of the FLA brand. Our continued respect and gratitude go to our policyholders and stakeholders for the continued support.


Livingstone T Gwata
Chairman
27 September 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

Note	UNAUDITED	
	30-Jun-24	31-Dec-23
	USD	
Assets		
Property and equipment	4 715 574	6 231 164
Right of use asset	121 674	141 963
Investment property	45 687 104	36 792 680
Intangible assets	259 440	305 699
Other non current assets	312 611	151 445
Insurance Contract Assets	2 968 511	772 943
Inventories	260 775	272 537
Income tax asset	279 811	-
Trade and other receivables	3 267 459	5 026 556
Financials assets at fair value through other comprehensive income	17 588	17 588
Financial assets at fair value through profit or loss	13 025 438	11 037 898
Debt securities at amortised cost	217 698	3 768 003
Biological assets	92 625	75 758
Cash and deposits with banks	7 288 313	2 801 385
Total assets	78 514 621	67 395 619
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Issued share capital	1 089 233	1 089 233
Share premium	671 409	671 409
Treasury shares	(10 037)	(10 037)
Retained earnings	7 974 445	2 753 616
Revaluation reserve	3 938 828	3 938 828
Non-distributable reserve	(2 296 814)	(2 296 814)
Foreign currency translation reserve	1 025 460	1 796 447
Total ordinary shareholder's equity	12 392 524	7 942 682
Non-controlling interests	5 356 166	5 806 966
Insurance reserve	477 213	4 829 645
Total equity	18 225 903	18 579 293
Liabilities		
Insurance contract liabilities	11 32 273 341	26 808 602
Investment contracts liabilities	11 14 986 819	14 439 236
Borrowings	12 1 083 435	752 288
Deferred tax liabilities		2 087 833
Lease obligations		143 383
Trade and other payables	13 10 953 823	4 445 819
Income tax liability		139 165
Total liabilities	60 288 718	48 816 326
Total equity and liabilities	78 514 621	67 395 619

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2024

Notes	UNAUDITED	
	30-Jun-24	30-Jun-23
	USD	
Insurance contract revenue	8 231 334	2 181 855
Insurance service expenses	(6 097 970)	(6 549 408)
Insurance service result from insurance contracts issued	2 133 364	(4 367 553)
Allocation of reinsurance paid	(165 959)	-
Amount recoverable from reinsurers for incurred claims	13 054	-
Insurance service result	1 980 459	(4 367 553)
Interest revenue from financial instruments not measured at fair value through profit or loss	635 067	497 099
Net income from other financial instruments at fair value through profit or loss	234 016	5 813 423
Net gains from fair value adjustments to investment properties	5 369 310	3 419 439
Net change in investment contract liabilities	(1 044 695)	(7 655 403)
Other net investment revenue	316 126	(3 868 707)
Net gain from foreign exchange	181 160	239 633
Net investment income	5 690 984	(1 554 516)
Insurance finance expenses for insurance contracts issued	(59 459)	(860 418)
Net insurance finance expenses	(59 459)	(860 418)
Net insurance and investment result	7 611 984	(6 782 487)
Rental income from investment property	7 223	4 201
Net income from other financial instruments at fair value through profit or loss	58 900	833 999
Net gains from fair value adjustments to investment properties	42 000	11 103
Other investment income	217 088	5 622 522
Interest income from micro - lending	237 527	531 086
Other income	1 386 040	5 592 139
Operating and administrative expenses	(4 079 108)	(3 192 036)
Allowance for expected credit losses on receivables	(1 456)	(20 139)
Finance costs	(72 715)	(97 895)
Profit before income tax expense	5 407 483	2 502 493
Income tax expense	(160 283)	(266 346)
Profit for the period	5 247 200	2 236 147
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	(1 248 157)	(519 049)
	(1 248 157)	(519 049)
Other comprehensive income for the period net of tax	(1 248 157)	(519 049)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3 999 043	1 717 098
Profit for the period attributable to:		
Owners of the parent	5 220 829	1 318 017
Non-controlling interests	26 371	918 130
Total profit for the period	5 247 200	2 236 147
Total comprehensive income attributable to:		
Owners of the parent	4 449 843	1 150 652
Non-controlling interests	(450 799)	566 446
Total comprehensive income for the period	3 999 043	1 717 098
Basic and diluted earnings per share (cents)	4	1.22

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS

For The Period Ended 30 June 2024



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ASSURANCE OF ZIMBABWE



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2024

	UNAUDITED	UNAUDITED
	30-Jun-24	30-Jun-23
	USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INCOME TAX		
Profit before income tax	5 407 483	2 502 493
Adjustments:	(7 084 798)	761 858
Fair value gains on financial assets at fair value through profit or loss	(292 916)	(1 331 098)
Disposals of financial assets at fair value through profit or loss	(1 717 331)	(721 415)
Fair value gains on investment property	61 821	563 052
Amortisation of intangible assets	(5 411 310)	(3 430 542)
Depreciation of right of use asset	43 973	27 294
Finance costs	(13 114)	48 866
Depreciation of property and equipment	72 715	97 895
Changes in insurance contract assets	46 727	57 868
Changes in insurance contract liabilities	(2 195 568)	(7 586 457)
Changes in investment contract liabilities	5 464 740	(1 067 864)
Interest income	1 044 695	7 655 403
Dividend income	(639 696)	(496 466)
Unrealised exchange gains/ (losses)	(6 991)	(10 206)
	(3 542 543)	6 955 528
Changes in working capital	8 318 862	(5 984 713)
Decrease in trade and other receivables	1 759 097	536 990
Decrease/(increase) in inventories	11 761	(6 539 987)
Increase in trade and other payables	6 548 004	48 294
Cash generated/(utilised) from operations	6 641 547	(2 720 362)
Income taxes paid	(279 602)	(1 814 351)
Net cash generated/(utilised) from operations	6 361 945	(4 534 713)
Cash flows from investing activities		
Additions to and replacement of property and equipment	(104 282)	(159 175)
Additions and improvements to investment property	(3 406 971)	-
Additions to intangible assets	(8 143)	-
Additions to biological assets	(30 511)	-
Interest income	639 696	496 466
Dividend income	6 991	10 206
Proceeds from sale of investment property	103 000	138 658
Maturities debt securities held at amortised cost	-	6 994 029
Net cash generated/(utilised) from investing activities	(2 800 220)	7 480 184
Cash flows from financing activities		
Finance costs	(72 715)	(97 895)
Repayments lease obligations	(15 401)	(21 286)
Repayments of borrowings	(758 853)	(144 958)
Proceeds from borrowings	1 090 000	626 077
Net cash delete/(utilised) from financing activities	243 031	361 938
Net delete(decrease)/ in cash equivalents for the period	3 804 756	3 307 409
Cash and cash equivalents at the beginning of the period	2 151 965	1 984 834
Exchange differences on translation of a foreign operation	1 248 157	112 974
Cash and cash equivalents at the end of the period	10 7 204 878	5 405 217

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

Future of Environmental, Social and Governance (ESG)

Our GOAL is to enhance a Positive impact on the Environment, Society and Governance bodies by implementing frameworks for sustainable investing.

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FIDELITY LIFE
ASSET MANAGEMENT

FIDELITY LIFE
FINANCIAL SERVICES

FIDELITY LIFE
MEDICAL AID SOCIETY

FIDELITY LIFE
FUNERAL SERVICES

ZAC Global
ACTUARIES

Vanguard Life Assurance
Company Limited

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2024

UNAUDITED	Share capital	Share premium	Treasury shares	Retained earnings	Revaluation reserve	Foreign currency translation reserve	Non-distributable reserve	Attributable to shareholders of parent	Non-controlling interest	Insurance Reserve	"Total equity"
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Half year ended 30 June 2023											
Balance at 1 January 2023	1 089 233	671 409	(10 037)	(3 265 553)	7 008 952	3 363 763	-	8 857 767	26 114 389	-	34 972 156
Impact on initial application of IFRS 17				(60 433 849)				(60 433 849)			(60 433 849)
Restated balance at 1 January 2023	1 089 233	671 409	(10 037)	(63 699 402)	7 008 952	3 363 763	-	(51 576 082)	26 114 389	-	(25 461 693)
Profit for the period	-	-	-	1 318 017	-	-	-	1 318 017	918 130	-	2 236 147
Disposal of subsidiary	-	-	-	3 264 907	-	-	-	3 264 907	(1 016 429)	-	2 248 478
Other comprehensive income for the period	-	-	-	-	-	(320 617)	42 027 695	(320 617)	(198 433)	-	(519 050)
Comprehensive income for the period	-	-	-	4 582 924	-	(320 617)	42 027 695	4 262 307	(296 732)	-	3 965 575
Non controlling interest on acquisition of subsidiary									601 777		601 777
Balance at 30 June 2023	1 089 233	671 409	(10 037)	(59 116 478)	7 008 952	3 043 146	42 027 695	(47 313 775)	26 419 434	-	(20 894 341)
Half year ended 30 June 2024											
Balance at 1 January 2024	1 089 233	671 409	(10 037)	2 753 616	3 938 828	1 796 447	(2 296 814)	7 942 682	5 806 966	4 829 645	18 579 293
Profit for the period	-	-	-	5 220 829	-	-	-	5 220 829	26 371	-	5 247 200
Non controlling interest on disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	(770 987)	-	(770 987)	(477 171)	(4 352 432)	(5 600 590)
Comprehensive income for the period	-	-	-	5 220 829	-	(770 987)	-	4 449 842	(450 800)	(4 352 432)	(353 390)
Balance at 30 June 2024	1 089 233	671 409	(10 037)	7 974 445	3 938 828	1 025 460	(2 296 814)	12 392 524	5 356 166	477 213	18 225 903

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

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL RESULTS

For The Period Ended 30 June 2024



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ASSURANCE OF ZIMBABWE



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

1. DIRECTOR'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 REVIEWER'S STATEMENT

The interim condensed consolidated financial statements for the half year ending 30 June 2024 have not been reviewed in line with the waiver of section 38 (1) (a) of the Securities and Exchange rules by statutory instrument 134/19 granted by the Zimbabwe Stock Exchange.

3. ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

These interim condensed consolidated financial statements for the half-year ended 30 June 2024 were prepared in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting'.

The interim condensed consolidated financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these interim financial statements are to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by the Company during the interim reporting period. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

3.2 COMPLIANCE STATEMENT

These interim condensed consolidated financial statements for the half year ended 30 June 2024 have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

3.3 FUNCTIONAL AND REPORTING CURRENCY

Zimbabwe has since 2009 to date adopted a multi-currency system that includes the USD, the South African Rand other currencies within Zimbabwe. SI 33 of 2019 also added bond notes and coins to the currency basket in 2019.

In March 2020, SI 185 of 2020 "Exchange Control (Exclusive Use of Zimbabwe Dollar for Domestic Transactions) (Amendment) Regulations was pronounced introducing dual pricing and displaying, quoting, and offering of prices for goods and services in both local and foreign currency. In June 2022, SI 1164 of 2022 "Presidential Powers (Temporary Measures) (Amendment of Exchange Control Act) Regulations, 2022" was embedded into law allowing the multicurrency regime to continue till December 2025. On 27 October 2023, Statutory Instrument 218 of 2023 (SI 218/23) extended the settlement of transactions in foreign currency until 31 December 2030.

The government interventions above resulted in a rapid market-driven shift towards USD transactions in Zimbabwe, with various industries such as retail, construction, education, and local authorities adopting USD pricing for goods and services instead of the Zimbabwe dollar ("ZWL") now Zimbabwe Gold ("ZWG"), with the Government of Zimbabwe allowing payment of statutory obligations in foreign currency. This resulted in the Group's percentage of USD transactions increasing significantly compared to the local currency.

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

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

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

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

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

- Transactions that were consummated in USD are reported as USD
- Transactions consummated in Zimbabwe Gold (ZWG) were converted to USD based on the spot rate which existed on the date of the transaction
- The exchange gains/losses on ZWG transactions and balances were established then recorded in the profit and loss statement
- An independent valuer determined the USD investment properties and property, plant and equipment valuations as at 30 June 2024.

3.4 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in USD which is both the functional and presentation currency of the Group.

3.5 ACCOUNTING POLICIES

The accounting policies adopted in these condensed consolidated interim financial statements are consistent with those of the previous financial year and corresponding interim reporting period except for the new standards and interpretations adopted from 1 January 2024.

3.5.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Supplier Finance Arrangements:

Amendments to IAS 7 and IFRS 7

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

LEASE LIABILITY IN A SALE AND LEASEBACK:

AMENDMENTS TO IFRS 16

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

AMENDMENTS TO IAS 1 'PRESENTATION OF FINANCIAL STATEMENTS' ON CLASSIFICATION OF LIABILITIES AS CURRENT AND NON CURRENT

The amendment clarifies that liabilities are classified as either current or non current, depending on the rights that exist at the end of the reporting period.

Classification is unaffected by expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the settlement of a liability

The amendments had no impact on the Group's interim condensed consolidated financial statements.

4. EARNINGS PER SHARE (EPS)

EARNINGS PER SHARE (EPS)	UNAUDITED	
	USD 30-Jun-24	USD 30-Jun-23
Reconciliation of total earnings to headline earnings attributable to shareholders Numerator		
Profit/ (Loss) for the period attributable to owners of the parent and profit used in EPS	5 220 829	1 318 017
Add/(deduct) non recurring items		
Impairment of intangible assets	43 973	27 294
Bad debts written off	-	20 139
Profit on disposal of investment property	(148 856)	-
Taxation on headline earnings adjustable items	25 927	(11 725)
Headline earnings attributable to ordinary shareholders	5 141 873	1 353 725
Denominator		
Weighted number of ordinary shares in issue	108 923 291	108 923 291
Less: Shares purchased for the Employee Share Ownership Plan	(1 003 743)	(1 003 743)
Weighted average number of shares used in basic EPS	107 919 548	107 919 548
Less: Dilutive adjusting effects	-	-
Weighted average number of shares used in diluted EPS	107 919 548	107 919 548
Basic and diluted earnings per share (cents)	4.84	1.22
Headline earnings per share (cents)	4.76	1.25

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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

5. PROPERTY AND EQUIPMENT

UNAUDITED

	Land and buildings	Motor vehicles	Equipment and computers	Furniture and fittings	Total
	USD	USD	USD	USD	USD
Net carrying amount at 1 January 2023	3 148 860	24 798	40 547	27 750	3 241 955
Gross carrying amount - cost/valuation	3 165 562	207 598	209 633	73 531	3 656 184
Accumulated depreciation	(16 702)	(182 800)	(169 146)	(45 581)	(414 229)
Additions	-	91 691	157 805	42 805	292 301
Exchange rate movement on foreign operations	13 400	12 003	18 313	6 087	49 803
Disposals	-	(14 576)	(32)	-	(14 608)
Gross carrying amount - cost/valuation	-	(52 090)	(141)	-	(52 231)
Accumulated depreciation	-	37 514	109	-	37 623
Depreciation charge for the period	(2)	(22 508)	(38 296)	(7 643)	(68 449)
Revaluation surplus	2 561 535	155 519	8 341	4 767	2 730 162
Gross carrying amount - cost/valuation	2 561 535	155 519	8 341	4 767	2 730 162
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2023	5 723 793	246 928	186 678	73 765	6 231 164
Gross carrying amount - cost/valuation	5 740 497	414 721	394 011	126 989	6 676 218
Accumulated depreciation	(16 704)	(167 793)	(207 333)	(53 224)	(445 054)
Additions	6 761	-	77 561	19 960	104 282
Exchange rate movement on foreign operations	(1 433 411)	(55 257)	(62 694)	(21 783)	(1 573 145)
Depreciation charge for the period	(432)	(26 033)	(13 616)	(6 646)	(46 727)
Gross carrying amount - cost/valuation	4 296 711	165 638	187 929	65 296	4 715 574
Accumulated depreciation	4 313 847	359 464	408 878	125 166	5 207 355
Accumulated depreciation	(17 136)	(193 826)	(220 949)	(59 870)	(491 781)

Land and buildings are carried at fair value determined on an open market value basis by independent professional valuers. The latest fair value was estimated as at 30 June 2024.

6. INVESTMENT PROPERTY

	UNAUDITED 30-Jun-24 USD	UNAUDITED 31-Dec-23 USD
Balance at the beginning of the period	36 792 680	38 837 216
Additions	3 375 000	169 614
Improvements	31 971	14 072
Disposals	(103 000)	(3 911 659)
Exchange rate movement on foreign operations	179 143	252 895
Fair value gains through profit or loss	5 411 310	1 430 542
Closing balance	45 687 104	36 792 680

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

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

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7.1 SEGMENT INFORMATION

30 June 2024	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	Insurance	Micro-lending	Property Investment	Other	Consolidation adjustments	Total
	USD	USD	USD	USD	USD	USD
Insurance contract revenue	8 231 334	-	-	-	-	8 231 334
Insurance service expenses	(6 097 970)	-	-	-	-	(6 097 970)
Insurance service result from insurance contracts issued	2 133 364	-	-	-	-	2 133 364
Allocation of reinsurance paid	(165 959)	-	-	-	-	(165 959)
Amount recoverable from reinsurers for incurred claims	13 054	-	-	-	-	13 054
Insurance service result	1 980 459	-	-	-	-	1 980 459
Interest revenue from financial instruments not measured at fair value through profit or loss	635 067	-	-	-	-	635 067
Net income from other financial instruments at fair value through profit or loss	234 016	-	-	-	-	234 016
Net gains from fair value adjustments to investment properties	5 369 310	-	-	-	-	5 369 310
Net change in investment contract liabilities	(910 983)	-	-	-	(133 712)	(1 044 695)
Other net investment revenue	352 249	-	-	-	(36 123)	316 126
Net gain from foreign exchange	181 160	-	-	-	-	181 160
Net Investment Income	5 860 819	-	-	-	(169 835)	5 690 984
Insurance finance expenses for insurance contracts issued	(59 459)	-	-	-	-	(59 459)
Reinsurance finance income for reinsurance contracts held	-	-	-	-	-	-
Net insurance finance expenses	(59 459)	-	-	-	-	(59 459)
Net insurance and investment result	7 781 820	-	-	-	(169 836)	7 611 984
Rental income from investment property	-	6 180	-	1 043	-	7 223
Net income from other financial instruments at fair value through profit or loss	-	3 776	-	55 124	-	58 900
Net gains from fair value adjustments to investment properties	-	42 000	-	-	-	42 000
Other investment income	-	15	-	217 073	-	217 088
Interest income from micro - lending	-	237 527	-	-	-	237 527
Other income	188 693	306 580	-	890 767	-	1 386 040
Operating and administrative expenses	(2 081 296)	(496 230)	-	(1 501 582)	-	(4 079 108)
Allowance for expected credit losses on receivables	(1 456)	-	-	-	-	(1 456)
Finance costs	-	(72 715)	-	-	-	(72 715)
Segment assets	77 420 786	1 992 638	25 031 000	2 043 972	(27 973 775)	78 514 621
Segment liabilities	58 774 026	1 468 494	643 462	585 625	(1 182 889)	60 288 718

June 2023	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	Insurance	Micro-lending	Property Investment	Other	Consolidation adjustments	Total
	USD	USD	USD	USD	USD	USD
Insurance contract revenue	2 181 855	-	-	-	-	2 181 855
Insurance service expenses	(6 549 408)	-	-	-	-	(6 549 408)
Insurance service result from insurance contracts issued	(4 367 553)	-	-	-	-	(4 367 553)
Interest revenue from financial instruments not measured at fair value through profit or loss	497 099	-	-	-	-	497 099
Net income from other financial instruments at fair value through profit or loss	5 813 423	-	-	-	-	5 813 423
Net gains from fair value adjustments to investment properties	3 419 439	-	-	-	-	3 419 439
Net change in investment contract liabilities	(7 655 403)	-	-	-	-	(7 655 403)
Other net investment revenue	(3 868 707)	-	-	-	-	(3 868 707)
Net gain from foreign exchange	239 633	-	-	-	-	239 633
Net Investment Income	(1 554 516)	-	-	-	-	(1 554 516)
Insurance finance expenses for insurance contracts issued	(860 418)	-	-	-	-	(860 418)
Net insurance finance expenses	(860 418)	-	-	-	-	(860 418)
Net insurance and investment result	(6 782 487)	-	-	-	-	(6 782 487)
Rental income from investment property	-	4 161	-	40	-	4 201
Net income from other financial instruments at fair value through profit or loss	-	589 929	-	244 070	-	833 999
Net gains from fair value adjustments to investment properties	-	-	-	11 103	-	11 103
Other investment income	-	-	-	5 622 522	-	5 622 522
Interest income from micro - lending	-	531 086	-	-	-	531 086
Other income	4 188 967	564 718	-	838 454	-	5 592 139
Operating and administrative expenses	(1 254 111)	(646 677)	(34 763)	(1 256 485)	-	(3 192 036)
Allowance for expected credit losses on receivables	-	(20 139)	-	-	-	(20 139)
Finance costs	-	(97 895)	-	-	-	(97 895)
Segment assets	71 852 877	1 044 055	30 526 694	3 588 553	(25 104 500)	81 907 679
Segment liabilities	61 916 216	660 213	205 259	1 408 687	(601 808)	63 588 567

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7.1 GEOGRAPHICAL INFORMATION

June 2024	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	Zimbabwe	Malawi	Consolidation adjustments	Total
	USD	USD	USD	USD
Insurance contract revenue	5 424 106	2 807 228	-	8 231 334
Insurance service expenses	(3 435 538)	(2 662 432)	-	(6 097 970)
Insurance service result from insurance contracts issued	1 988 568	1 444 796	-	2 133 364
Allocation of reinsurance paid	(135 803)	(30 156)	-	(165 959)
Amount recoverable from reinsurers for incurred claims	-	13 054	-	13 054
Insurance service result	1 852 765	1 279 694	-	1 980 459
Interest revenue from financial instruments not measured at fair value through profit or loss	3 297	631 770	-	635 067
Net income from other financial instruments at fair value through profit or loss	(106 475)	340 491	-	234 016
Net gains from fair value adjustments to investment properties	5 283 729	85 581	-	5 369 310
Net change in investment contract liabilities	-	(910 983)	(133 712)	(1 044 695)
Other net investment revenue	298 846	53 403	(36 123)	316 126
Net gain from foreign exchange	181 160	-	-	181 160
Net Investment Income	5 660 557	200 262	(169 835)	5 690 984
Insurance finance expenses for insurance contracts issued	-	(59 459)	-	(59 459)
Net insurance finance expenses	-	(59 459)	-	(59 459)
Net insurance and investment result	7 513 322	268 497	(169 835)	7 611 984
Rental income from investment property	7 223	-	-	7 223
Net income from other financial instruments at fair value through profit or loss	58 900	-	-	58 900
Net gains from fair value adjustments to investment properties	42 000	-	-	42 000
Other investment income	217 088	-	-	217 088
Interest income from micro - lending	237 527	-	-	237 527
Other income	1 378 507	7 533	-	1 386 040
Operating and administrative expenses	(4 004 430)	(74 678)	-	(4 079 108)
Allowance for expected credit losses on receivables	-	(1 456)	-	(1 456)
Finance costs	(72 715)	-	-	(72 715)
Segment assets	87 360 318	19 128 078	(27 973 775)	78 514 621
Segment liabilities	42 462 662	19 008 945	(1 182 889)	60 288 718

June 2023	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	Zimbabwe	Malawi	Consolidation adjustments	Other
	USD	USD	USD	USD
Insurance contract revenue	1 676 763	505 092	-	2 181 855
Insurance service expenses	(5 490 211)	(1 059 197)	-	(6 549 408)
Insurance service result from insurance contracts issued	(3 813 448)	(554 105)	-	(4 367 553)
Interest revenue from financial instruments not measured at fair value through profit or loss	25 152	471 947	-	497 099
Net income from other financial instruments at fair value through profit or loss	2 139 899	3 673 524	-	5 813 423
Net gains from fair value adjustments to investment properties	-	3 419 439	-	3 419 439
Net change in investment contract liabilities	(7 655 403)	-	-	(7 655 403)
Other net investment revenue	225 784	(4 094 491)	-	(3 868 707)
Net gain from foreign exchange	239 633	-	-	239 633
Net Investment Income	(5 024 935)	3 470 419	-	(1 554 516)
Insurance finance expenses for insurance contracts issued	40 430	(900 848)	-	(860 418)
Reinsurance finance income for reinsurance contracts held	-	-	-	-
Net insurance finance expenses	40 430	(900 848)	-	(860 418)
Net insurance and investment result	(8 797 953)	2 015 466	-	(6 782 487)
Rental income from investment property	4 201	-	-	4 201
Net income from other financial instruments at fair value through profit or loss	833 999	-	-	833 999
Net gains from fair value adjustments to investment properties	-	11 103	-	11 103
Other investment income	5 622 522	-	-	5 622 522
Interest income from micro - lending	531 086	-	-	531 086
Other income	1 384 991	4 207 148	-	5 592 139
Operating and administrative expenses	(2 666 287)	(525 749)	-	(3 192 036)
Allowance for expected credit losses on receivables	(20 139)	-	-	(20 139)
Finance costs	(97 895)	-	-	(97 895)
Segment assets	52 719 611	29 188 068	-	81 907 679
Segment liabilities	42 508 251	21 080 316	-	63 588 567

8. TRADE AND OTHER RECEIVABLES

	UNAUDITED	UNAUDITED
	30-Jun-24	31-Dec-23
	USD	USD
Residential stand sales debtors	-	327
Micro-finance loans receivable	1 470 067	1 055 940
Other trade debtors	778 212	953 200
Trade receivables - gross	2 248 279	2 009 467
Less: allowance for expected credit losses ("ECL")	(83 491)	(80 984)
Expected credit loss on trade receivables- other debtors	(83 491)	(80 984)
Trade receivables - net	2 164 788	1 928 483
Receivables from related parties	139 056	1 048 736
Loans to employees, net of ECL	-	146 831
Total receivables classified as financial assets at amortised cost	2 303 844	3 124 050
Prepayments	217 271	24 769
Other receivables, net of ECL	746 344	1 877 737
Total trade and other receivables	3 267 459	5 026 556

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.

The total impairment allowance is made up of the following:	UNAUDITED	UNAUDITED
	30-Jun-24	31-Dec-23
	USD	USD
Allowance for expected credit loss on trade receivables	83 491	80 984
	83 491	80 984

Movements in expected credit loss are as follows:	UNAUDITED	UNAUDITED
	30-Jun-24	31-Dec-23
	USD	USD
Allowance for expected losses		
Balance at 1 January	80 984	92 412
Net decrease/(increase) during the period through profit or loss	(1 456)	(20 653)
Impact on period end ECL exposures transferred between stages during the period	3 963	9 225
Closing balance	83 491	80 984

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9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	UNAUDITED	UNAUDITED
	30-Jun-24	31-Dec-23
	USD	USD
Balance at the beginning of the period	11 037 898	4 397 315
Additions	1 717 331	1 963 029
Fair value adjustments - through profit or loss	292 916	3 911 716
Exchange rate movements from foreign operations	39 114	1 511 927
Disposals	(61 821)	(746 089)
Closing balance	13 025 438	11 037 898

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

10. CASH AND DEPOSITS WITH BANKS

	UNAUDITED	UNAUDITED
	30-Jun-24	31-Dec-23
	USD	USD
Money market investments	6 037 032	2 262 586
Bank and cash	1 251 281	538 799
Cash and deposits with banks	7 288 313	2 801 385
Bank overdraft	(83 435)	(752 288)
Cash and cash equivalents	7 204 878	2 049 097

Cash and deposits with banks

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

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

Cash and cash equivalents

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

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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:

GROUP	Direct participating contracts	Investment contracts with DPF	Investment contracts without DPF	Total	Current portion	Non current portion	Total
	USD	USD	USD	USD	USD	USD	USD
Balance as at 30 June 2024							
Insurance contract assets	2 968 511	-	-	2 968 511	2 968 511	-	2 968 511
Insurance contract liabilities	17 398 317	14 875 024	-	32 273 341	-	32 273 341	32 273 341
Investment contract liabilities	-	-	14 986 819	14 986 819	-	14 986 819	14 986 819
Balance as at 31 December 2023							
Insurance contract assets	772 943	-	-	772 943	772 943	-	772 943
Insurance contract liabilities	14 833 967	11 974 635	-	26 808 602	-	26 808 602	26 808 602
Investment contract liabilities	-	-	14 439 236	14 439 236	-	14 439 236	14 439 236
Analysis of Insurance Contract Liability and Assets by participation							
	30-Jun-24	LIC	TOTAL		31-Dec-23	LIC	TOTAL
Direct Participating Contracts	13 246 686	4 151 631	17 398 317		11 729 228	3 104 739	14 833 967
Investment contracts with direct participating contracts	12 325 166	2 549 858	14 875 024		11 042 131	932 504	11 974 635
	25 571 852	6 701 489	32 273 341		22 771 359	4 037 243	26 808 602

11.1 DIRECT PARTICIPATING CONTRACTS ISSUED RECONCILIATION OF THE LIABILITY FOR THE REMAINING COVERAGE AND LIABILITY FOR INCURRED CLAIMS

	30-Jun-24				31-Dec-23			
	Liability for remaining coverage	Loss component	Liability for incurred claims	Total	Liability for remaining coverage	Loss component	Liability for incurred claims	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Opening insurance contract liabilities	11 729 228	-	3 104 739	14 833 967	23 649 098	-	14 610	23 663 708
Balance as at 1 January	11 729 228	-	3 104 739	14 833 967	23 649 098	-	14 610	23 663 708
Insurance contract revenue	(2 837 962)	-	-	(2 837 962)	(4 126 442)	-	-	(4 126 442)
Insurance service expenses								
Incurring claims	-	-	447 801	447 801	-	-	1 182 616	1 182 616
Other directly attributable expenses	-	-	658 527	658 527	-	-	1 654 450	1 654 450
Changes that relate to past service	-	-	37 712	37 712	-	-	5 901	5 901
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	11 624	-	-	11 624	159 545	-	-	159 545
Insurance service expenses	11 624	-	1 144 040	1 155 664	159 545	-	2 842 967	3 002 512
Total net expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Insurance service result	(2 826 338)	-	1 144 040	(1 682 298)	(3 966 898)	-	2 842 967	(1 123 931)
Finance expenses from insurance contracts issued recognised in profit or loss	-	-	-	-	1 759 719	-	-	1 759 719
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	-	-	-	-	1 759 719	-	-	1 759 719
Total amounts recognised in comprehensive income	(2 826 338)	-	1 144 040	(1 682 298)	(2 207 178)	-	2 842 967	635 789
Investment components	-	-	-	-	-	-	-	-
Other changes	2 238 869	-	-	2 238 869	(8 884 467)	-	2 485 952	(6 398 515)
Cashflows								
Premiums received	2 104 928	-	-	2 104 928	13 323 174	-	-	13 323 174
Claims and other directly attributable expenses paid	-	-	(97 148)	(97 148)	(14 151 398)	-	(2 238 791)	(16 390 189)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Total cash flows	2 104 928	-	(97 148)	2 007 780	(828 224)	-	(2 238 791)	(3 067 015)
Closing balance	13 246 686	-	4 151 631	17 398 317	11 729 228	-	3 104 739	14 833 967

11.2 INVESTMENT CONTRACT LIABILITIES WITH DPF RECONCILIATION OF THE LIABILITY FOR REMAINING COVERAGE AND THE LIABILITY FOR INCURRED CLAIMS

	30-Jun-24				31-Dec-23			
	Liability for remaining coverage	Loss component	Liability for incurred claims	Total	Liability for remaining coverage	Loss component	Liability for incurred claims	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Opening investment contract liabilities with DPF	11 042 131	-	932 504	11 974 635	4 944 961	-	15 021	4 959 982
Net balance as at 1 January	11 042 131	-	932 504	11 974 635	4 944 961	-	15 021	4 959 982
Insurance contract revenue	(5 393 372)	-	-	(5 393 372)	(28 916 774)	-	-	(28 916 774)
Insurance service expenses								
Incurring claims	-	-	1 343 403	1 343 403	-	-	2 436 432	2 436 432
Other directly attributable expenses	-	-	3 026 879	3 026 879	-	-	4 003 273	4 003 273
Changes that relate to past service	-	-	25 149	25 149	-	-	34 058	34 058
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	546 874	-	-	546 874	2 780 760	-	-	2 780 760
Insurance service expenses	546 874	-	4 395 431	4 942 305	2 780 760	-	6 473 763	9 254 523
Total net expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Insurance service result	(4 846 498)	-	4 395 431	(451 067)	(26 136 014)	-	6 473 763	(19 662 251)
Finance expenses from insurance contracts issued recognised in profit or loss	-	-	-	-	4 185 980	-	-	4 185 980
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	-	-	-	-	4 185 980	-	-	4 185 980
Total amounts recognised in comprehensive income	(4 846 498)	-	4 395 431	(451 067)	(21 950 034)	-	6 473 763	(15 476 271)
Investment components	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	18 942 550	-	(4 666 257)	14 276 293
Cashflows								
Premiums received	6 129 533	-	-	6 129 533	22 072 887	-	-	22 072 887
Claims and other directly attributable expenses paid	-	-	(2 778 077)	(2 778 077)	(12 968 232)	-	(890 023)	(13 858 255)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Total cash flows	6 129 533	-	(2 778 077)	3 351 456	9 104 654	-	(890 023)	8 214 631
Closing balance	12 325 166	-	2 549 858	14 875 024	11 042 131	-	932 504	11 974 635

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

	UNAUDITED	UNAUDITED
	30-Jun-24	31-Dec-23
	USD	USD
Opening balance 1 January	14 439 236	7 367 053
Contributions received	19 405	34 024
Benefits paid	(514 263)	(607 244)
Investment return from underlying assets	1 044 695	7 649 226
Asset management fees charged	(2 254)	(3 823)
Closing balance	14 986 819	14 439 236



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11.4 INSURANCE CONTRACT REVENUE AND EXPENSES

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:

June 2024 UNAUDITED	Direct participating contracts USD	Investment contracts with DPF USD	Total USD
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	2 618 913	3 375 254	5 994 167
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	4 494	333 799	338 293
CSM recognised in profit or loss for the services provided	63 324	934 212	997 536
Insurance acquisition cash flow recovery	-	-	-
Insurance revenue from contracts not measured under the PAA	2 686 731	4 643 265	7 329 996
Insurance revenue from contracts measured under the PAA	151 231	667 955	819 186
Insurance revenue from contracts measured under VFA	-	82 152	82 152
Total insurance revenue	2 837 962	5 393 372	8 231 334
Insurance service expenses			
Incurred claims	(447 801)	(1 343 403)	(1 791 204)
Other directly attributable expenses	(658 527)	(3 026 879)	(3 685 406)
Changes that relate to past service - adjustments to the LIC	(37 712)	(25 148)	(62 860)
Insurance acquisition cashflows amortisation	(11 624)	(546 876)	(558 500)
Total insurance service expenses	(1 155 664)	(4 942 306)	(6 097 970)
Insurance service result from insurance contracts issued	1 682 298	451 066	2 133 364
Insurance service result from insurance contracts issued	(165 959)	-	(165 959)
Claims recovered	13 054	-	13 054
Insurance service result	1 529 393	451 066	1 980 459

June 2023	Direct participating contracts USD	Investment contracts with DPF USD	Total USD
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	247 192	105 940	353 132
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	30 235	12 958	43 193
CSM recognised in profit or loss for the services provided	251 150	107 636	358 786
Insurance acquisition cash flow recovery	11 017	4 721	15 738
Insurance revenue from contracts not measured under the PAA	539 594	231 255	770 849
Insurance revenue from contracts measured under the PAA	987 704	423 302	1 411 006
Insurance revenue from contracts measured under VFA	-	-	-
Total insurance revenue	1 527 298	654 557	2 181 855
Insurance service expenses			
Incurred claims	(1 145 288)	(490 838)	(1 636 126)
Other directly attributable expenses	(3 418 729)	(1 465 170)	(4 883 899)
Insurance acquisition cashflows amortisation	(20 568)	(8 815)	(29 383)
Total insurance service expenses	(4 584 585)	(1 964 823)	(6 549 408)
Insurance service result from insurance contracts issued	(3,057,286)	(1,310,266)	(4,367,553)
Reinsurance expenses-contracts not measured under the PAA	-	-	-
Claims recovered	-	-	-
Total net expenses from reinsurance contracts held	-	-	-
Total insurance service result	(3,057,286)	(1,310,266)	(4,367,553)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

12. BORROWINGS

12.1 SHORT-TERM BORROWINGS

ZB Bank Limited
National Social Security Authority

UNAUDITED 30-Jun-24 USD	UNAUDITED 31-Dec-23 USD
83 435	752 288
1 000 000	-
1 083 435	752 288

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 ZWG. The USD facility accrues interest at 15% per annum on a one year tenure and expiring on 31 July 2024 and the ZWG facility accrues interest at 195% (2023:205%) per annum and expiring on 31 July 2024.

National Social Security Authority

The loan facility with the National Social Security Authority ("NSSA") was obtained as a line of credit to bolster the microlending business unit lending capacity. The facility is denominated in USD and accrues interest at 24% per annum on a one year tenure expiring on 31 May 2025 with an option to rollover for a further one year on a mutually agreed basis by both parties. The facility is secured by a mortgage bond supported by Zimre Holdings Limited guarantee.

12.2 MOVEMENTS IN BORROWINGS DURING THE PERIOD WERE AS FOLLOWS

UNAUDITED 30-Jun-24 USD	UNAUDITED 31-Dec-23 USD
Balance at 1 January	158 648
Net cash out flow on borrowings	533 640
Proceeds from borrowings	2 375 080
Repayment of borrowings	(1 781 440)
Finance costs capitalised	230 513
Finance costs paid	(230 513)
Closing balance	752 288

13. TRADE AND OTHER PAYABLES

UNAUDITED 30-Jun-24 USD	UNAUDITED 30-Dec-23 USD
Trade payables	839 736
South View offsite works liability	485 970
Related party payables	205 517
Deferred income from sale of residential stands	454 806
Statutory liabilities	111 259
Accrued expenses	70
Other payables	126 460
10 993 823	4 445 819

14. CONTINGENCIES

14.1 CONTINGENT LIABILITY

Fidelity Life Assurance of Zimbabwe Limited agreed to unconditionally guarantee USD606 thousand 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.

ENVIRONMENTAL SOCIAL GOVERNANCE