



Audited Financial Results

For The Year Ended 31 December 2021



FIDELITY LIFE

ASSURANCE OF ZIMBABWE

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CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

I am pleased to present to you the audited financial statements of Fidelity Life Assurance of Zimbabwe Limited ("FLA or the "Company") and its subsidiaries together ("the Group") for the year ended 31 December 2021.

At the time of writing this update to you, it is unfortunate that we are still dealing with the effects of the Covid-19 pandemic and this is expected to continue for the foreseeable future. The Covid-19 pandemic continues to impact livelihoods and businesses all over the world and our business and stakeholders have not been spared. Our business has however weathered the storm and our continuous strategic review has proved invaluable in this regard.

Operating Environment

The economy suffered from the adverse impact of Covid-19 in 2021 and registered GDP growth of 7.8% which was largely driven by a strong agriculture output and improved capacity utilization in industry. In announcing the 2022 National Budget, the Minister of Finance projected that Zimbabwe is set for GDP growth of 5.5% in 2022 anchored by agriculture, mining, construction, manufacturing, accommodation, and food services. The erratic 2021-22 rainfall season has, however, dented the country's growth prospects for 2022. Inflation assumed an upward trend in Q4 2021 owing to the depreciation of the local currency and ended the year at 60.7%; some 10.5 percentage points higher than the 3-year low of 50.2% recorded in August 2021.

The Zimbabwe Dollar ("ZWL") suffered depreciation of nearly 25% on the Foreign Currency Auction System ("FCAS"). The local currency suffered heavier depreciation on the parallel market resulting in the gap between the official rate and the alternative market rate surpassing 80% in comparison to around 20% at the end of 2020. The resultant arbitrage opportunity has seen the Central Bank and its Financial Intelligence Unit clamping down on suspected abusers of the FCAS and those alleged to be fuelling trading of foreign currency on the parallel market. The instability of the local currency remains the largest threat to the containment of the spiralling rate of inflation. The Group has adopted strategies aimed at ensuring revenue growth above the rate of inflation while value preservation is the overriding objective in our investment strategy. All strategic business units are now offering foreign currency denominated products or services. The Group is aggressively pursuing alternative investments as a way of diversifying the investment portfolio.

Group Financial Performance Review- Inflation Adjusted

The Group posted a profit for the year of ZWL274.9 million on an inflation adjusted basis for the year ended 31 December 2021 representing a strong growth from a loss position of ZWL 65.5 million posted in the prior year.

Inflation adjusted Group's total revenue increased by 90% from ZWL1 735.4 million recorded in the prior year to ZWL3 304.4 million recorded in the current year. Revenue was driven by investment income and net premium written which increased by 99% and 75% respectively. Investment income increased from ZWL866.0 million to ZWL1 722.3 million and net premium written increased from ZWL611.8 million to ZWL1 070.1 million. The growth in net premium written was driven by aggressive premium reviews and strong organic growth of the life book as well as significant inflows from new products launched which were supported by market diversification and enhancement of the distribution channels. Investment income was mainly driven by fair value gains on investment properties and equities. The subsidiary in Malawi continues to provide a good hedge to the Group against the unstable currency movements and the adverse impact of the rate of inflation in Zimbabwe.

Inflation adjusted Group's total expenses increased by 66% from ZWL1 763.5 million recorded in the prior year to ZWL2 926.7 million in the current year. The increase in the Group's total expenses was driven by net benefits and claims, changes in insurance contract liabilities and operating expenses which grew by 172%, 97% and 75% respectively. Operating expenses were mainly driven by the increase in the rate of inflation and the exchange rate movements whilst net benefits and claims were driven by high covid 19 related claims resulting from retrenchments and death claims.

Business Operations Review

The knock-on effects of repeated national lockdowns on the economy cascaded down to adversely affect corporates and individuals at all levels. Our business inevitably experienced reduced economic activity at all levels that impacted the performance of all our business units. The Management and staff have commendably pulled together as a team and managed to maintain our business performance at a satisfactory level. It was pleasing to note that the core revenue lines registered strong growth over the year, and this leaves us in a good position to regain ground going forward. On strategy execution, we had several successes on key milestones in the year under review. We launched a fully-fledged contact centre; we witnessed the creation and launch of an online Micro lending on-boarding platform; our Life and Pensions business launched new products such as Vaka Yako and Covid-19 cover under the Employee Benefits business. On the customer service front, we opened a new service centre in Beitbridge for our Funeral Services business and FLIMAS managed to get their members vaccinated against Covid-19. We have seen enhanced customer communications through online and social media platforms for the Life and Pensions and Medical Health businesses, while the Bureaux De Change started disbursing the USD50 allowances to members of the public.

These are some of the milestones that were achieved in 2021. We made significant progress in achieving our objectives anchored on the 3 pillars of Growth (Cash), Positioning (Customer) and Transformation (Change). The year also saw the

Group reaching yet another major milestone as we saw the final completion of the Southview offsite works.

Recognition for the FLA Brand

During the year under review the Group was recognised through three awards, which is testament to the work being done to reposition the brand.

- Fidelity Funeral Services (Private) Limited awarded 1st runner up position – Quality Service Awards - 5th Southern Region Service Excellence Awards
 - Fidelity Funeral Services (Private) Limited received the Gold award in the Leader in Funeral Assurance Sector
 - Fidelity Life Assurance of Zimbabwe Limited received the 1st Runner Up award - Best Corporate Governance Disclosures – Insurance Sector, at the Institute of Corporate Governance Zimbabwe Corporate Governance
- The Board of Directors recognises the commendable work that Management and Staff have put into our brand and customer service initiatives. Management is urged to continue to build on this success and keep the brand flying high.

Update on the Regulatory Asset Separation Exercise

The Asset Separation exercise has now entered the final transaction stage where there will be a physical separation of assets between Policyholders and Shareholders. Final reports and assessments by the appointed financial advisor and Policyholder representative Actuary have been completed and it is expected that the exercise will be finalised by 30 June 2022.

Dividend

In view of the need to preserve internal resources to strengthen the capital position of the Group through the deployment of earnings to increase business underwriting capacity, the Board resolved not to recommend the declaration of a dividend.

Board and Executive Management Changes

Stakeholders are advised of the following changes to the Management and Board of FLA.

Fungai Ruwende retired from the Board effective 31 January 2022. The Board, Management, and Staff of FLA wish to thank Fungai for his invaluable leadership, wise counsel and service during his tenure as Chairman.

To boost the range of skills and experience on the Board of Directors the following appointments were made effective 1 February 2022:

- Livingstone Takudzwa Gwata - Independent Non-Executive Chairman
- Takudzwa Chitsike – Independent Non-Executive Director
- Langton Mabhanga – Independent Non-Executive Director

We welcome them to the Board of Directors, and we look forward to their combined experience, guidance and input to the Group's affairs. Rueben Java resigned as Group Chief Executive effective 30 September 2021. The Board wishes to thank Rueben for his years of service and leadership and wish him much success in his future endeavours.

The Board of Directors is pleased to announce and welcome the appointment of Reginald Chihota as the Managing Director of FLA with effect from 1 March 2022. Reginald assumes the executive leadership position after an illustrious stint as General Manager Life Assurance and Pensions within the Group. We wish him continued success in his new role.

Looking to the Future

Erratic rains have characterized the 2021-22 agriculture season throwing into doubt the attainment of the projected 5.1% growth in agricultural output and, in turn, the GDP growth of 5.5% in 2022. Government has already lifted the ban on maize imports in a development that signals the country may not have adequate stocks to last into 2022-23. Maize imports increase the demand for the scarce foreign currency resulting in some depreciation of the local currency, and the resultant increase in the foreign exchange rate and foreign currency induced inflation. The global economy is battling soaring prices as a result of supply chain disruptions caused by the COVID-19 pandemic and the Russia/Ukraine war. The Russia/Ukraine war is further fuelling inflation as the two nations are key players on the global commodities market, in particular, crude oil, sunflower and wheat – commodities in which Zimbabwe is a net importer and is at the risk of imported inflation. The resurgence of high inflation is, in our view, the biggest threat to the economy in 2022 and the challenge on management is to ensure that revenue grows faster than costs. That growth is set to be achieved through a combination of new financial solutions and new markets. High inflation places on us the responsibility to ensure that we preserve value for our policyholders and all stakeholders. To that end, investment portfolio diversification is a priority in the current financial year.

Appreciation

Finally, on behalf of the Board of Directors, I would like to thank all of our employees across the business for all of their commitment and teamwork during the year. We are grateful for the guidance and commitment of our Board of Directors as we steer our business to deliver performance for the benefit of our stakeholders. As a performance driven team, we remain confident of the prospects of our business as we strive to improve our fortunes on a sustainable basis.

Livingstone T. Gwata
Chairman
29 July 2022

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

Notes	INFLATION ADJUSTED			HISTORICAL COST			
	Restated	Restated	Restated	Restated	Restated	Restated	
	31-Dec-21	31-Dec-20	1-Jan-20	31-Dec-21	31-Dec-20	1-Jan-20	
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	
ASSETS							
Property and equipment	5	794 653 310	614 116 835	575 103 842	774 216 149	358 855 762	74,878,740
Right of use asset		27 690 317	47 512 833	24 756 253	27 690 317	29 559 329	3,433,421
Investment property	6	6 066 289 056	5 011 386 538	4 773 262 144	6 066 289 056	3 117 751 895	661,999,241
Intangible assets		90 273 714	95 700 391	47 981 326	70 405 507	52 865 342	5,579,065
Inventories		97 448 865	96 997 622	98 407 747	2 759 402	2 122 266	2,244,041
Deferred tax asset		-	-	154 052	-	-	72,534
Income tax asset		-	-	10 124 677	-	-	1,404,184
Trade and other receivables	8	564 168 775	472 759 023	463 844 481	560 732 635	293 017 745	63,703,690
Equities at fair value through profit or loss	10	1 180 137 666	930 649 077	503 880 940	1 180 137 666	578 988 050	69,882,774
Debt securities at amortised cost	11	624 801 606	509 413 934	369 455 986	624 801 606	316 923 519	51,239,503
Cash and deposits with banks		449 923 714	884 950 194	528 140 683	449 923 714	550 557 240	73,247,335
Total assets		9 895 387 023	8 663 486 447	7 395 112 131	9 756 956 052	5 300 641 148	1,007,684,528
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the parent							
Issued share capital		48 782 954	48 782 954	48 782 954	1 089 233	1 089 233	1,089,233
Share premium		30 070 071	30 070 071	30 070 071	671 409	671 409	671,409
Treasury shares		(449 522)	(449 522)	(449 522)	(10 037)	(10 037)	(10 037)
Retained earnings		199 720 193	86 875 835	207 622 248	157 627 445	52 500 791	15,231,460
Revaluation reserve		65 896 714	20 840 703	13 405 079	100 464 382	24 409 705	1,744,187
Foreign currency translation reserve		8 510 447	52 916 498	31 159 692	125 436 207	100 594 732	15 256 032
Total ordinary shareholder's equity		352 530 857	239 036 539	330 590 522	385 278 639	179 255 833	33 982 284
Non-controlling interests		859 388 593	722 722 015	653 296 264	852 750 657	445 259 222	89 584 459
Total equity		1 211 919 450	961 758 554	983 886 786	1 238 029 296	624 515 055	123 566 743
Liabilities							
Insurance contract liabilities with discretionary participation features	12.1	5 993 684 045	4 995 675 021	3 965 955 077	5 993 684 045	3 093 928 925	550,034,582
Investment contract liabilities with discretionary participation features	12.2	866 203 666	734 385 836	948 092 083	866 203 666	456 886 102	131,490,000
Investment contracts without discretionary participation features	12.3	951 149 833	638 880 441	284 173 149	951 149 833	397 468 983	39,411,707
Borrowings	13	66 534 852	52 182 188	170 779 541	66 534 852	32 464 290	23,685,254
Deferred tax liabilities		271 865 804	239 102 219	216 993 370	270 868 738	147 457 165	29,597,882
Lease obligations		18 694 598	40 276 678	24 728 245	18 694 598	25 057 474	3,429,537
Trade and other payables	14	481 641 336	986 066 510	789 757 680	318 097 585	513 432 231	104,978,446
Income tax liability		33 693 439	15 159 000	10 746 200	33 693 439	9 430 923	1,490,377
Total liabilities		8 683 467 573	7 701 727 893	6 411 225 345	8 518 926 756	4 676 126 093	884 117 785
Total equity and liabilities		9 895 387 023	8 663 486 447	7 395 112 131	9 756 956 052	5 300 641 148	1 007 684 528

Further information on the restatement is included in Note 9 to the financial statements.



FIDELITY LIFE

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED		HISTORICAL COST	
	Restated	Restated	Restated	Restated
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	ZWL	ZWL	ZWL	ZWL
Gross premiums	1 172 978 257	653 042 050	1 066 935 975	359 093 888
Premiums ceded to reinsurers	(102 860 700)	(41 266 139)	(84 843 213)	(20 646 432)
Net premium written	1 070 117 557	611 775 911	982 092 762	338 447 456
Fees and commission income	116 176 005	70 520 040	92 480 664	28 571 619
Investment income	109 105 395	55 089 267	109 486 493	40 916 478
Interest income from residential stands receivables	7 242 387	24 400 011	5 702 277	8 194 589
Fair value gains from equities	318 537 772	478 559 341	468 430 775	392 984 222
Fair value gains from investment property	1 294 294 263	332 365 283	3 005 523 574	2 344 411 704
Interest income from microlending	124 854 695	54 637 562	102 314 597	18 940 383
Non insurance income	264 065 845	100 834 288	213 145 790	27 546 725
Income from sale of residential stands	-	7 172 970	-	4 462 545
Total income	3 304 393 919	1 735 354 673	4 979 176 932	3 204 475 721
Gross benefits and claims paid	(536 464 426)	(192 349 581)	(489 423 884)	(111 217 750)
Claims ceded to reinsurers	93 985 530	29 503 236	72 754 414	16 997 756
Net benefits and claims	(442 478 896)	(162 846 345)	(416 669 470)	(94 219 994)
Gross change in insurance contract liabilities with DPF	1 160 166 675	(1 033 434 498)	(2 180 269 106)	(1 478 650 339)
Gross change in investment contract liabilities with DPF	(131 817 830)	213 706 247	(409 317 564)	(325 396 102)
Gross change in investment contract liabilities without DPF	(312 145 809)	5 758 668	(553 507 748)	(307 701 800)
Fee and commission expenses, and other acquisition costs	(58 864 283)	(27 538 691)	(54 084 459)	(15 250 362)
Operating and administration expenses	(726 763 367)	(414 815 642)	(622 205 345)	(225 894 742)
Allowance for expected credit losses on receivables	(12 958 414)	(3 307 589)	(12 958 413)	(2 057 762)
Cost of sales of residential stands	(349 170)	(348 609)	(252 375)	(137 175)
Project development costs	(43 792 820)	(128 183 701)	(30 625 763)	(300 690 300)
Finance costs	(45 134 275)	(29 378 149)	(38 063 023)	(11 740 163)
Gain/(loss) on net monetary position	7 739 334	(183 106 924)	-	-
Total benefits, claims and other expenses	(2 926 732 205)	(1 763 495 233)	(4 317 953 266)	(2 761 738 739)
Profit before income tax	377 661 714	(28 140 560)	661 223 666	442 736 982
Income tax expense	(102 756 956)	(37 368 032)	(166 069 670)	(103 059 226)
Profit for the year	274 904 758	(65 508 592)	495 153 996	339 677 756
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Gross gains on property revaluation	219 553 415	72 344 560	416 599 249	272 401 111
Income tax related to items that will not be reclassified to profit or loss	(1 446 885)	(500 308)	(1 446 885)	(311 258)
Gross change in insurance liabilities through OCI	(173 050 519)	(64 408 628)	(339 097 687)	(249 424 335)
Gains on property revaluation, net of income tax	45 056 011	7 435 624	76 054 677	22 665 518
Items that will or may be reclassified to profit or loss:				
Exchange differences arising on translation of foreign operations	(69 799 873)	35 944 741	42 305 568	138 605 038
Other comprehensive income for the year, net of income tax	(24 743 862)	43 380 365	118 360 245	161 270 556
Total comprehensive income for the year	250 160 896	(22 128 227)	613 514 241	500 948 312
Profit for the year attributable to:				
Owners of the parent	112 844 358	(120 746 413)	105 126 654	37 269 331
Non-controlling interests	162 060 400	55 237 821	390 027 342	302 408 425
Profit for the year	274 904 758	(65 508 592)	495 153 996	339 677 756
Comprehensive profit attributable to:				
Owners of the parent	113 494 315	(91 553 978)	206 022 806	129 627 395
Non-controlling interests	136 666 581	69 425 751	407 491 435	371 320 917
Comprehensive profit for the year	250 160 896	(22 128 227)	613 514 241	500 948 312
Earnings per share attributable to the ordinary equity holders of the parent				
Basic and diluted earnings per share (cents)	104.56	(111.89)	97.41	30.84

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

INFLATION ADJUSTED

Year ended 31 December 2020

Balance at 1 January 2020, as previously stated

Prior period error

Restated balance at 1 January 2020

Profit for the year as restated

Other comprehensive income for the year

Comprehensive income for the year

Balance at 31 December 2020

Year ended 31 December 2021

Balance at 1 January 2021

Profit for the year

Other comprehensive income for the year

Comprehensive income for the year

Balance at 31 December 2021

	Share capital ZWL	Treasury shares ZWL	Share premium ZWL	Retained earnings ZWL	Revaluation reserve ZWL	Foreign currency translation reserve ZWL	Attributable to shareholders of parent ZWL	Non- controlling interest ZWL	Total equity ZWL
Year ended 31 December 2020									
Balance at 1 January 2020, as previously stated	48 782 954	(449 522)	30 070 071	245 965 625	282 320	31 159 692	355 811 140	682 397 963	1 038 209 103
Prior period error	-	-	-	38 343 377	13 122 759	-	(25 220 618)	(29 101 699)	(54 322 317)
Restated balance at 1 January 2020	48 782 954	(449 522)	30 070 071	207 622 248	13 405 079	31 159 692	330 590 522	653 296 264	983 886 786
Profit for the year as restated	-	-	-	(120 746 413)	-	-	(120 746 413)	55 237 821	(65 508 592)
Other comprehensive income for the year	-	-	-	-	7 435 624	21 756 806	29 192 430	14 187 930	43 380 360
Comprehensive income for the year	-	-	-	(120 746 413)	7 435 624	21 756 806	(91 553 983)	69 425 751	(22 128 232)
Balance at 31 December 2020	48 782 954	(449 522)	30 070 071	86 875 835	20 840 703	52 916 498	239 036 539	722 722 015	961 758 554
Year ended 31 December 2021									
Balance at 1 January 2021	48 782 954	(449 522)	30 070 071	86 875 835	20 840 703	52 916 498	239 036 539	722 722 015	961 758 554
Profit for the year	-	-	-	112 844 358	-	-	112 844 358	162 060 400	274 904 758
Other comprehensive income for the year	-	-	-	-	45 056 011	(44 406 051)	649 960	(25 393 822)	(24 743 862)
Comprehensive income for the year	-	-	-	112 844 358	45 056 011	(44 406 051)	113 494 318	136 666 578	250 160 896
Balance at 31 December 2021	48 782 954	(449 522)	30 070 071	199 720 193	65 896 714	8 510 447	352 530 857	859 388 593	1 211 919 450

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

HISTORICAL COST

Year ended 31 December 2020

Balance at 1 January 2020, as previously stated

Prior period error

Restated balance at 1 January 2020

Profit for the year as restated

Other comprehensive income for the year

Comprehensive income for the year

Balance at 31 December 2020

Year ended 31 December 2021

Balance at 1 January 2021

Profit for the year

Other comprehensive income for the year

Comprehensive income for the year

Balance at 31 December 2021

	Share capital ZWL	Treasury shares ZWL	Share premium ZWL	Retained earnings ZWL	Revaluation reserve ZWL	Foreign currency translation reserve ZWL	Attributable to shareholders of parent ZWL	Non- controlling interest ZWL	Total equity ZWL
Year ended 31 December 2020									
Balance at 1 January 2020, as previously stated	1,089,233	(10,037)	671,409	14,187,162	1,744,187	15,256,032	32,937,986	93,620,546	126,558,532
Prior period error	-	-	-	1,044,298	-	-	1,044,298	(4,036,087)	(2,991,789)
Restated balance at 1 January 2020	1,089,233	(10,037)	671,409	15,231,460	1,744,187	15,256,032	33,982,284	89,584,459	123,566,743
Profit for the year as restated	-	-	-	37,269,331	-	-	37,269,331	302,408,425	339,677,756
Other comprehensive income for the year	-	-	-	-	22,665,518	85,338,700	108,004,218	53,266,338	161,270,556
Comprehensive income for the year	-	-	-	37,269,331	22,665,518	85,338,700	145,273,549	355,674,763	500,948,312
Balance at 31 December 2020	1,089,233	(10,037)	671,409	52,500,791	24,409,705	100,594,732	179,255,833	445,259,222	624,515,055
Year ended 31 December 2021									
Balance at 1 January 2021	1,089,233	(10,037)	671,409	52,500,791	24,409,705	100,594,732	179,255,833	445,259,222	624,515,055
Profit for the year	-	-	-	105,126,654	-	-	105,126,654	390,027,342	495,153,996
Other comprehensive income for the year	-	-	-	-	76,054,677	24,841,475	100,896,152	17,464,093	118,360,245
Comprehensive income for the year	-	-	-	105,126,654	76,054,677	24,841,475	206,022,806	407,491,435	613,514,241
Balance at 31 December 2021	1,089,233	(10,037)	671,409	157,627,445	100,464,382	125,436,207	385,278,639	852,750,657	1,238,029,296

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

INFLATION ADJUSTED HISTORICAL COST

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INCOME TAX

	31-Dec-21 ZWL	Restated 31-Dec-20 ZWL	31-Dec-21 ZWL	Restated 31-Dec-20 ZWL
Profit before income tax	377 661 714	(28 140 560)	661 223 666	442 736 982
Adjustments:	(119 183 088)	245 841 124	(285 170 311)	(260 629 182)
Fair value gains on equities at fair value through profit or loss	(318 537 772)	(478 559 341)	(468 430 775)	(392 984 222)
Additions to financial assets at fair value through profit or loss	(103 838 332)	(80 887 515)	(87 467 628)	-
Disposals of financial assets at fair value through profit or loss	75 341 619	286 295 686	70 116 580	169 340 611
Fair value gains on investment property	(1 294 294 263)	(332 365 283)	(3 005 523 574)	(2 344 411 704)
Amortisation of intangible assets	2 172 588	577 146	89 184	137 526
Depreciation of right of use asset	7 959 826	3 863 972	7 959 826	2 403 907
Finance costs	45 134 275	29 378 149	38 063 023	11 740 163
Depreciation of property and equipment	26 558 095	43 249 167	13 512 104	12 585 201
Gross change in insurance contract liabilities with discretionary participation	1 160 166 675	1 033 434 498	2 180 269 106	1 478 650 339
Gross change in investment contract liabilities with discretionary participation features	131 817 830	(213 706 247)	409 317 564	325 396 102
Gross change in investment contract liabilities without discretionary participation	312 269 392	(5 758 668)	553 680 850	307 701 800
Interest income	(95 783 613)	(59 119 747)	(90 217 366)	(36 337 873)
Dividend income	(13 321 782)	(7 898 626)	(19 269 127)	(4 578 605)
Effects of inflation	(4 653 203)	14 667 091	-	-
Unrealised exchange gains/ (losses)	(6 381 442)	(17 163 514)	162 907 210	(87 967 259)
Projects development costs	43 792 820	51 851 576	30 625 763	300 565 761
Profit on disposal of investment property	(71 680 662)	(20 209 652)	(65 218 089)	(1 924 551)
Profit on disposal of property, plant and equipment	(15 905 139)	(1 807 568)	(15 584 962)	(946 378)
Changes in working capital				
Increase in trade and other receivables	(653 037 403)	173 829 544	(507 270 849)	181 319 270
Increase in trade and other receivables	(104 368 166)	(23 889 411)	(280 673 304)	(227 256 293)
(Increase)/decrease in inventories	(451 243)	1 410 124	(637 136)	121 778
(Decrease)/Increase in trade and other payables	(548 217 994)	196 308 831	(225 960 409)	408 453 785
Cash (utilised in)/ generated from operations	(394 558 777)	391 530 108	(131 217 494)	363 427 070
Income taxes paid	(38 783 082)	(13 644 161)	(31 395 413)	(8 402 048)
Net cash (utilised in)/ generated from operations	(433 341 859)	377 885 947	(162 612 907)	355 025 022
Cash flows from investing activities				
Additions to and replacement of property and equipment	(8 354 425)	(29 499 723)	(6 593 981)	(17 718 295)
Additions to intangible assets	(7 252 031)	(37 264 150)	(7 252 030)	(22 824 977)
Interest income	95 783 613	59 119 747	90 217 366	36 337 873
Dividend income	13 321 782	7 898 626	19 269 127	4 578 605
Proceeds from sale of investment property	33 948 260	18 678 025	19 035 806	10 889 755
Proceeds from sale of property and equipment	173 097	21 015 697	670 446	8 496 543
Additions to debt securities held at amortised cost	(284 835 619)	(56 537 182)	(284 355 222)	(35 173 680)
Maturities debt securities held at amortised cost	112 256 055	2 530 055	112 265 372	118 645
Net cash utilised in investing activities	(44 959 268)	(14 058 905)	(56 743 116)	(15 295 531)
Cash flows from financing activities				
Finance costs	(45 134 275)	(29 378 149)	(38 063 023)	(11 740 163)
Repayments lease obligations	(14 193 565)	(1 218 049)	(14 193 565)	(757 789)
Repayments of borrowings	(20 718 226)	(40 658 590)	(3 708 652)	(13 893 055)
Proceeds from borrowings	154 770 428	45 063 626	88 857 012	17 731 265
Net cash generated/ (utilised) in financing activities	74 724 362	(26 191 162)	32 891 772	(8 659 742)
Net (decrease)/increase in cash equivalents for the year	(403 576 765)	337 635 880	(186 464 251)	331 069 749
Cash and cash equivalents at the beginning of the year	872 140 076	528 140 683	542 922 122	73 247 335
Exchange differences on translation of a foreign operation	(69 799 872)	6 363 513	42 305 568	138 605 038
Cash and cash equivalents at the end of the year	398 763 439	872 140 076	398 763 439	542 922 122

1 DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by the Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the 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 year end, and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards ("IFRS").

2 Audit opinion

The condensed audited inflation adjusted financial results should be read in conjunction with the complete set of Group's Annual Financial Statements for the year ended 31 December 2021. The Group's Annual Financial statements have been audited by PricewaterhouseCoopers Chartered Accountants (Zimbabwe) who have issued an adverse opinion on the consolidated financial statements due to non-compliance with IAS 21, "The effects of changes in foreign exchange rates" and IAS 29, "Financial reporting in hyper-inflationary economies", and the application of a conversion rate to United States of America dollar ("USD") valuation inputs and a USD based valuation to calculate ZWL investment property and land and buildings values is not an accurate reflection of market dynamics as risks associated with currency trading do not reflect the risks associated with property trading at 31 December 2020 and the year then ended.

Inappropriate void rate was applied in the valuation of investment property. Furthermore the lettable space for multi-tenanted commercial property included common areas which rentals per square meter had already been included in rentals per square meter charged to tenants. The Independent Auditor's report on the Group's Annual Financial Statements is available for inspection at the Company's registered office. The engagement partner for the review is Mr Clive Mukondiwa (PAAB Practising Number 253168).

3 ACCOUNTING POLICIES

3.1 Basis of preparation

The Group's 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 Business Entities Act (Chapter 24:31) except for non-compliance with IAS 21 'The effects of changes in foreign exchange rates' and IAS 8 'Accounting policies - Changes in accounting policies, estimates and errors' and the consequent adjustments made in terms of IAS 29 Financial reporting in hyperinflationary economies. 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 Group adopted IAS 29 "Financial Reporting in hyperinflationary economies" as proclaimed by the local accounting regulatory board, Public Accountants and Auditors Board ("PAAB").

Historical financial statements have been presented as supplementary information.

The condensed consolidated financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report of Fidelity Life Assurance of Zimbabwe Limited for the year ended 31 December 2021 and any public announcements made by Company during the period.

The accounting policies applied in preparing these condensed consolidated 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 dollars ("ZWL") which is the functional and presentation currency of the Company.

3 ACCOUNTING POLICIES

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

These 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 restatement has been calculated by means of conversion factors derived from the Consumer Price Index ("CPI") reported on the Reserve Bank of Zimbabwe website. The indices and adjustment factors used to restate the financial statements at 31 December 2021 are as given below:

	Index	Conversion factor
CPI as at 31 December 2019	551.63	7.210
CPI as at 31 December 2020	2474.41	1.6074
CPI as at 31 December 2021	3977.4	1.0000

The financial statements of the subsidiary in Malawi which does not report in the currency of hyper-inflationary economy were dealt with in accordance with IAS 21. The items included in statement of profit or loss and comprehensive income were translated using average exchange rates and statement of financial position items were translated at the closing rates.



Audited Financial Results

For The Year Ended 31 December 2021



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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

4 EARNINGS PER SHARE (EPS)
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

Add/(deduct) non recurring items

Impairment of intangible assets
Profit on disposal of property
Profit on disposal of investment property
Other non recurring items
Taxation on headline earnings adjustable items

Headline earnings attributable to ordinary shareholders

Denominator

Weighted number of ordinary shares in issue

Less: Shares purchased for the Employee Share Ownership Plan

Weighted average number of shares used in basic EPS

Less: Dilutive adjusting effects

Weighted average number of shares used in diluted EPS

Basic and diluted earnings per share (cents)

Headline earnings per share (cents)

INFLATION ADJUSTED

	31-Dec-21 ZWL	31-Dec-20 ZWL	31-Dec-21 ZWL	31-Dec-20 ZWL
112 844 358	(120 746 413)	105 126 654	33 286 068	
2 156 685	577 146	89 152	137 526	
(15 842 470)	(1 706 836)	(15 584 962)	(2 870 929)	
(71 680 662)	(20 209 652)	(65 218 089)	-	
-	1 261 372	-	784 742	
21 102 586	4 963 274	19 952 476	481 709	
48 580 498	(135 861 109)	44 365 231	31 819 116	
108 923 291	108 923 291	108 923 291	108 923 291	
(1 003 743)	(1 003 743)	(1 003 743)	(1 003 743)	
107 919 548	107 919 548	107 919 548	107 919 548	
107 919 548	107 919 548	107 919 548	107 919 548	
104.56	(111.89)	97.41	30.84	
45.02	(125.89)	41.11	29.48	

INFLATION ADJUSTED

5 PROPERTY AND EQUIPMENT GROUP

Net carrying amount at 1 January 2020

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

Net carrying amount at 31 December 2020

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

Net carrying amount at 31 December 2021

Gross carrying amount - cost/valuation

	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
524 033 675	20 853 133	15 917 991	14 299 043	575 103 842	
529 990 944	112 155 252	58 845 378	24 721 776	725 713 350	
(5 957 269)	(91 302 119)	(42 927 387)	(10 422 733)	(150 609 508)	
54 878	2 255 880	5 088 430	908 694	8 307 882	
2 779 008	(150 130)	(603 099)	(342 394)	1 683 385	
-	(70 298)	(3 372)	-	(73 670)	
-	(2 503 771)	(106 419)	-	(2 610 190)	
-	2 433 473	103 047	-	2 536 520	
(33 766 326)	(2 652 082)	(4 479 860)	(2 350 898)	(43 249 166)	
72 344 562	-	-	-	72 344 562	
565 445 797	20 236 503	15 920 090	12 514 445	614 116 835	
571 461 768	111 757 231	63 224 290	25 288 076	771 731 365	
(6 015 971)	(91 520 728)	(47 304 200)	(12 773 631)	(157 614 530)	
-	868 606	6 340 501	1 145 318	8 354 425	
(3 831 409)	(1 115 653)	(3 250 127)	(780 410)	(8 977 599)	
-	(11 757 620)	(78 051)	-	(11 835 671)	
-	(45 896 359)	(298 811)	-	(46 195 170)	
-	34 138 739	220 760	-	34 359 499	
(8 365 079)	(6 342 272)	(9 812 495)	(2 038 249)	(26 558 095)	
219 553 415	-	-	-	219 553 415	
772 802 724	1 889 564	9 119 918	10 841 104	794 653 310	
778 906 313	65 613 825	66 015 853	25 652 984	936 188 975	
(6 103 589)	(63 724 261)	(56 895 935)	(14 811 880)	(141 535 665)	

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 31 December 2021. There were no buildings pledged as collateral as at 31 December 2021. The value of land and buildings is categorised as a level 3 recurring fair value measurement.

The carrying amount of land and buildings had the assets been measured at cost as at 31 December 2021 ZWL162,704,480 and ZWL107,136,783 in 2020.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

5.1 GROUP

Net carrying amount at 1 January 2020

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

Net carrying amount at 31 December 2020

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

Net carrying amount at 31 December 2021

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

Net carrying amount at 31 December 2021

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

Net carrying amount at 31 December 2021

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

Net carrying amount at 31 December 2021

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

Net carrying amount at 31 December 2021

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

Net carrying amount at 31 December 2021

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

Net carrying amount at 31 December 2021

Gross carrying amount - cost/valuation

Accumulated depreciation

Additions

Exchange rate movement on foreign operations

HISTORICAL COST

	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
71,095,556	980,955	2,035,431	766,798	74,878,741	
71,227,282	2,906,314	3,482,419	1,105,130	78,721,145	
(131,726)	(1,925,359)	(1,446,988)	(338,332)	(3,842,405)	
34,141	1,403,459	2,577,409	519,130	4,534,139	
10,266,289	2,354,140	6,445,041	1,534,718	20,600,188	
(927,381)	(43,735)	(2,098)	-	(973,214)	
(927,381)	(1,562,277)	(66,207)	-	(2,555,865)	
-	1,518,542	64,108	-	1,582,651	
(9,242,157)	(705,055)	(2,087,406)	(550,583)	(12,585,201)	
272,401,111	-	-	-	272,401,111	
343,627,557	3,989,764	8,968,377	2,270,064	358,855,762	
343,795,804	5,101,636	12,438,662	3,158,978	364,495,080	
(168,247)	(1,111,872)	(3,470,285)	(888,914)	(5,639,318)	
-	868,606	5,089,928	635,447	6,593,981	
4,520,302	642,441	1,524,786	316,970	7,004,499	
-	(1,059,723)	(54,154)	(211,350)	(1,325,227)	
-	(3,672,162)	(279,838)	(211,350)	(4,163,350)	
-	2,612,439	225,684	-	2,838,123	
(5,237,257)	(1,539,986)	(5,560,745)	(1,174,116)	(13,512,104)	
416,599,238	-	-	-	416,599,238	
759,509,840	2,901,102	9,968,192	1,837,015	774,216,149	
759,765,657	2,940,521	18,773,538	3,900,045	785,379,761	
(255,817)	(39,419)	(8,805,346)	(2,063,030)	(11,163,612)	

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 31 December 2021. There were no buildings pledged as collateral as at 31 December 2021. The value of land and buildings is categorised as a level 3 recurring fair value measurement. The carrying amount of land and buildings had the assets been measured at cost as at 31 December 2021 ZWL25,141,670 and ZWL27,895,674 in 2020.

INFLATION ADJUSTED

HISTORICAL COST

2021
ZWL

2020
ZWL

2021
ZWL

2020
ZWL

6 INVESTMENT PROPERTY

Balance at the beginning of the year

Disposals

Exchange rate movement on foreign operations

Fair value gains through profit or loss

Balance at the end of the year

5 011 386 538	4 773 262 144	3 117 751 895	661 999 240
(164 988 944)	(117 530 244)	(119 585 256)	(62 921 976)
(74 402 801)	23 289 355	62 598 843	174 262 927
1 294 294 263	332 365 283	3 005 523 574	2 344 411 704
6 066 289 056	5 011 386 538	6 066 289 056	3 117 751 895

The Group's fair values of investment properties are based on property

Audited Financial Results

For The Year Ended 31 December 2021



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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

INFLATION ADJUSTED

7 SEGMENT INFORMATION

2021

	Insurance ZWL	Microlending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	Group ZWL
IFRS 4 Income	1 070 117 557	-	-	-	-	1 070 117 557
IFRS 9 Income	109 105 395	143 212 235	-	-	-	252 317 630
IFRS 15 Revenue-at a point in time	160 367 187	-	-	43 791 849	(65 170 772)	138 988 264
IFRS 15 Revenue-over time	15 453 300	-	-	30 600 920	(37 395 271)	8 658 949
Other revenue	1 596 611 452	19 383 467	964 923 337	120 363 761	(866 970 498)	1 834 311 519
Total income	2 951 654 891	162 595 702	964 923 337	194 756 530	(969 536 541)	3 304 393 919
Total benefits, claims and other expenses	(2 776 589 359)	(131 705 197)	(11 420 346)	(128 368 993)	121 351 690	(2 926 732 205)

Profit before income tax

	175 065 531	30 890 505	953 502 991	66 387 537	(848 184 851)	377 661 713
Depreciation of property and equipment	23 678 928	1 289 222	-	1 589 945	-	26 558 095
Amortisation of intangible assets	41 598	1 821 163	-	309 828	-	2 172 588
Finance costs	10 647 157	34 487 118	-	-	-	45 134 275
Fair value gains on equities	262 843 723	12 252 304	-	43 441 745	-	318 537 772
Fair value gains on investment property	347 363 159	7 131 163	964 923 337	16 262 133	(41 385 529)	1 294 294 263
Income tax expense	35 034 473	13 351 192	48 246 167	6 125 124	-	102 756 956
Additions to non-current assets	14 228 014	943 643	-	434 799	-	15 606 456
Reportable segment non-current assets	3 190 484 098	47 304 418	4 255 270 000	147 465 520	-	7 640 524 036
Reportable segment current assets	1 464 045 753	121 267 764	-	53 163 064	-	1 638 476 580
Reportable segment liabilities	8 273 272 472	124 468 216	225 664 653	60 062 233	-	8 683 467 573
Cash flows from operating activities	(278 184 574)	(28 477 752)	-	(126 679 535)	-	(433 341 859)
Cash flows from investing activities	95 493 648	(2 315 579)	-	(138 137 337)	-	(44 959 268)
Cash flows from financing activities	(44 245 689)	25 116 930	-	93 853 121	-	74 724 362

2020

IFRS 4 Income	611 775 911	-	-	-	-	611 775 911
IFRS 9 Income	55 089 267	54 637 562	-	-	-	109 726 829
IFRS 15 Revenue-at a point in time	66 543 957	-	-	25 178 482	(26 690 125)	65 032 314
IFRS 15 Revenue-over time	3 976 083	-	-	16 676 231	(15 251 500)	5 400 814
Other revenue	973 756 519	14 861 954	266 119 160	28 027 042	(339 345 870)	943 418 805
Total income	1 711 141 737	69 499 516	266 119 160	69 881 755	(381 287 495)	1 735 354 673
Total benefits claims and other expenses	(1 642 873 928)	(118 227 788)	(1 849 392)	(56 063 479)	55 519 354	(1 763 495 233)

Profit before income tax

	68 267 809	(48 728 272)	264 269 768	13 818 276	(325 768 141)	(28 140 560)
Depreciation of property and equipment	41 166 094	244 735	-	1 838 337	-	43 249 166
Amortisation of intangible assets	133 674	133 645	-	309 827	-	577 146
Finance costs	19 996 876	9 381 273	-	-	-	29 378 149
Fair value gains on equities	462 889 622	1 455 555	-	14 214 164	-	478 559 341
Fair value gains on investment property	76 988 867	1 948 586	263 648 888	468 778	(10 689 836)	332 365 283
Income tax expense	15 675 713	3 001 557	13 182 459	5 508 302	-	37 368 032
Additions to non-current assets	44 681 274	191 874	-	698 884	-	45 572 032
Reportable segment non-current assets	3 561 116 042	35 068 853	3 290 346 663	74 897 562	-	6 961 429 120
Reportable segment current assets	1 775 519 901	37 199 890	-	23 967 534	-	1 836 687 325
Reportable segment liabilities	7 544 019 508	47 213 903	167 508 620	38 198 095	-	7 796 940 126
Cash flows from operating activities	510 850 545	(45 774 336)	-	(87 190 263)	-	377 885 947
Cash flows from investing activities	(50 829 423)	(3 721 996)	-	40 492 514	-	(14 058 905)
Cash flows from financing activities	(27 121 481)	40 372 245	-	(39 441 925)	-	(26 191 162)

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For The Year Ended 31 December 2021



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INFLATION ADJUSTED

7.1 SEGMENT INFORMATION

HISTORICAL COST

2021

	Insurance ZWL	Microlending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	Group ZWL
IFRS 4 Income	982 092 762	-	-	-	-	982 092 762
IFRS 9 Income	109 486 493	118 222 870	-	-	-	227 709 363
IFRS 15 Revenue-at a point in time	128 379 587	-	-	27 924 404	(52 253 837)	104 050 154
IFRS 15 Revenue-over time	77 356 752	-	-	23 675 220	(28 207 070)	72 824 902
Other revenue	3 105 207 678	29 885 365	2 208 234 820	139 197 965	1 890 026 077	3 592 499 751

Total income	4,402,523,272	148,108,235	2,208,234,820	190,797,589	(1,970,486,984)	4 979 176 932
Total benefits, claims and other expenses	(4,202,609,715)	(105,437,192)	(11,040,172)	(93,532,144)	94,665,957	(4,317,953,266)
Profit before income tax	199,913,557	42,671,043	2,197,194,648	97,265,445	(1,875,821,027)	661,223,666

Depreciation of property and equipment	13,094,845	167,142	-	250,117	-	13,512,104
Amortisation of intangible assets	41,599	40,663	-	6,922	-	89,184
Finance costs	9,144,459	28,918,564	-	-	-	38,063,023
Fair value gains on equities	401,800,956	13,564,665	-	53,065,154	-	468,430,775
Fair value gains on investment property	813,886,418	16,320,700	2,208,234,820	39,760,236	(72,678,600)	3,005,523,574
Income tax expense	34,647,910	14,997,287	110,411,741	6,012,732	-	166,069,670

Additions to non-current assets	12,044,574	776,818	-	1,024,619	-	13,846,011
Reportable segment non-current assets	3,457,723,913	46,160,342	4,255,270,000	362,761,359	-	8,121,915,614
Reportable segment current assets	1,462,985,532	118,971,773	-	53,083,135	-	1,635,040,440
Reportable segment liabilities	7,884,183,833	124,185,401	225,664,653	284,892,869	-	8,518,926,756

Cash flows from operating activities	(273,852,478)	37,747,170	-	73,492,402	-	(162,612,907)
Cash flows from investing activities	90,076,650	(1,052,971)	-	(145,766,795)	-	(56,743,116)
Cash flows from financing activities	(36,814,695)	(38,932,354)	-	108,638,821	-	32,891,772

2020

IFRS 4 Income	338,447,456	-	-	-	-	338,447,456
IFRS 9 Income	40,916,478	18,940,383	-	-	-	59,856,861
IFRS 15 Revenue-at a point in time	44,088,921	-	-	6,372,793	(17,138,213)	33,323,501
IFRS 15 Revenue-over time	11,933,065	-	-	6,903,272	(4,829,633)	14,006,704
Other revenue	2,557,919,807	19,452,583	1,627,265,310	52,215,600	(1,498,012,102)	2,758,841,198

Total income	2,993,305,727	38,392,966	1,627,265,310	65,491,665	(1,519,979,948)	3,204,475,721
Total benefits claims and other expenses	(2,921,015,413)	(32,287,549)	(1,360,012)	(23,703,069)	216,627,304	(2,761,738,739)

Profit before income tax	72,290,315	6,105,417	1,625,905,298	41,788,596	(1,303,352,644)	442,736,982
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Depreciation of property and equipment	12,457,917	49,795	-	77,489	-	12,585,201
Amortisation of intangible assets	83,163	47,440	-	6,923	-	137,526
Finance costs	8,232,125	3,508,038	-	-	-	11,740,163
Fair value gains on equities	376,493,262	3,145,504	-	13,345,456	-	392,984,222
Fair value gains on investment property	717,041,203	12,026,850	1,627,265,310	29,202,341	(41,124,000)	2,344,411,704
Income tax expense	16,944,238	2,622,973	81,363,266	2,128,749	-	103,059,226

Additions to non-current assets	27,018,906	116,419	-	223,791	-	27,359,116
Reportable segment non-current assets	2,118,110,270	20,182,809	2,047,035,180	57,507,381	-	4,242,835,640
Reportable segment current assets	1,104,729,588	22,041,777	-	14,791,990	-	1,141,563,355
Reportable segment liabilities	4,693,387,933	28,951,629	104,212,739	22,889,698	-	4,849,441,999

Cash flows from operating activities	489,992,820	37,747,170	-	(172,714,968)	-	355,025,022
Cash flows from investing activities	(61,451,461)	(1,052,971)	-	47,208,901	-	(15,295,531)
Cash flows from financing activities	(7,730,710)	(38,932,354)	-	38,003,322	-	(8,659,742)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

7.2 SEGMENT INFORMATION (Cont'd) GEOGRAPHICAL INFORMATION 2021

	Zimbabwe ZWL	Malawi ZWL	Consolidation adjustments ZWL	Total ZWL
Income				
IFRS 4 Income	452 127 856	617 989 701	-	1 070 117 557
IFRS 9 Income	160 814 698	91 502 932	-	252 317 630
IFRS 15 Revenue-at a point in time	196 324 930	7 834 106	(65 170 772)	138 988 264
IFRS 15 Revenue-over time	46 054 221	-	(37 395 271)	8 658 950
Other revenue	2 568 010 435	133 271 581	(866 970 498)	1 834 311 518
Group's income per statement of profit or loss and other comprehensive income	3 423 332 140	850 598 320	(969 536 541)	3 304 393 919

Depreciation of property and equipment	19 337 983	7 220 112	-	26 558 095
Amortisation of intangible assets	2 130 989	41 599	-	2 172 588
Finance costs	41 670 628	3 463 647	-	45 134 275
Fair value adjustments on equities	224 283 618	94 254 154	-	318 537 772
Fair value adjustments on investment property	1 274 400 309	19 893 954	-	1 294 294 263
Income tax expense	90 337 350	12 419 607	-	102 756 956

Segment profit before income tax **396 941 785** **(19 280 071)** **-** **377 661 714**

Cash flows from operating activities	(278 184 574)	(155 157 285)	-	(433 341 859)
Cash flows from investing activities	(99 537 278)	54 578 010	-	(44 959 268)
Cash flows from financing activities	88 916 198	(14 191 836)	-	74 724 362

Additions to non-current assets	10 365 067	5 241 389	-	15 606 456
Reportable segment non current assets	6 631 219 915	1 009 154 098	-	7 640 374 013
Reportable segment current assets	385 384 850	1 252 942 889	-	1 638 327 740
Reportable segment liabilities	6 617 864 454	2 065 453 641	-	8 683 318 095

2020

	Zimbabwe ZWL	Malawi ZWL	Consolidation adjustments ZWL	Total ZWL
Income				
IFRS 4 Income	262 435 289	349 340 622	-	611 775 911
IFRS 9 Income	71 198 309	38 528 520	-	109 726 829
IFRS 15 Revenue-at a point in time	84 756 671	6 965 768	(26 690 125)	65 032 315
IFRS 15 Revenue-over time	20 652 314	-	(15 251 500)	5 400 814
Other revenue	1 207 885 630	74 879 045	(339 345 870)	943 418 805

Group's income per statement of profit or loss and other comprehensive income **1 646 928 213** **469 713 955** **(381 287 494)** **1 735 354 673**

Depreciation of property and equipment	38 556 360	4 692 806	-	43 249 166
Amortisation of intangible assets	443 471	133 675	-	577 146
Finance costs	26 740 049	2 638 100	-	29 378 149
Fair value adjustments on equities	436 604 536	41 954 805	-	478 559 341
Fair value adjustments on investment property	323 578 814	8 786 469	-	332 365 283
Income tax expense	25 820 006	11 548 026	-	37 368 032

Segment profit before income tax **(58 801 748)** **30 661 188** **-** **(28 140 560)**

Cash flows from operating activities	234 105 508	143 780 438	-	377 885 947
Cash flows from investing activities	80 885 743	(94 944 648)	-	(14 058 905)
Cash flows from financing activities	(37 726 753)	11 535 591	-	(26 191 162)

Additions to non-current assets	34 623 075	10 948 957	-	45 572 032
Reportable segment non current assets	5 890 324 942	1 071 104 178	-	6 961 429 120
Reportable segment current assets	438 623 112	1 398 064 214	-	1 836 687 326
Reportable segment liabilities	5 451 785 283	2 180 637 510	-	7 632 422 793

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

7.3 SEGMENT INFORMATION (Cont'd) GEOGRAPHICAL INFORMATION 2021

	Zimbabwe ZWL	Malawi ZWL	Consolidation adjustments ZWL	Total ZWL
Income				
IFRS 4 Income	364,103,061	617,989,701	-	982,092,762
IFRS 9 Income	136,206,431	91,502,932	-	227,709,363
IFRS 15 Revenue-at a point in time	148,469,885	7,834,106	(52,253,837)	104,050,154
IFRS 15 Revenue-over time	101,031,973	-	(28,207,070)	72,824,903
Other revenue	5,349,254,246	133,271,581	(1,890,026,077)	3,592,499,750
Group's income per statement of profit or loss and other comprehensive income	6,099,065,596	850,598,320	(1,970,486,984)	4,979,176,932

Depreciation of property and equipment	6,291,992	7,220,112	-	13,512,104
Amortisation of intangible assets	47,585	41,599	-	89,184
Finance costs	34,599,376	3,463,647	-	38,063,023
Fair value adjustments on equities	374,176,559	94,254,216	-	468,430,775
Fair value adjustments on investment property	2,985,629,620	19,893,954	-	3,005,523,574
Income tax expense	153,650,061	12,419,609	-	166,069,670

Segment profit before income tax **680,503,647** **(19,279,981)** **-** **661,223,665**

Cash flows from operating activities	(7,455,621)	(155,157,285)	-	(162,612,907)
Cash flows from investing activities	(111,321,124)	54,578,008	-	(56,743,116)
Cash flows from financing activities	47,083,608	(14,191,836)	-	32,891,772

Additions to non-current assets	3,366,883	10,479,128	-	13,846,011
Reportable segment non current assets	7,112,761,209	1,009,154,405	-	8,121,915,614
Reportable segment current assets	382,097,478	1,252,942,962	-	1,635,040,440
Reportable segment liabilities	6,453,475,773	2,065,450,984	-	8,518,926,757

2020

	Zimbabwe ZWL	Malawi ZWL	Consolidation adjustments ZWL	Total ZWL
Income				
IFRS 4 Income	121,110,922	217,336,533	-	338,447,455
IFRS 9 Income	20,085,205	39,771,656	-	59,856,861
IFRS 15 Revenue-at a point in time	48,656,116	1,805,598	(17,138,213)	33,323,501
IFRS 15 Revenue-over time	18,836,337	-	(4,829,633)	14,006,704
Other revenue	4,223,542,244	33,311,058	(1,498,012,102)	2,758,841,200
Group's income per statement of profit or loss and other Comprehensive income	4,432,230,824	292,224,845	(1,519,979,948)	3,204,475,721

Group's income per statement of profit or loss and other Comprehensive income **9,665,926** **2,919,275** **-** **12,585,201**

Depreciation of property and equipment	54,363	83,163	-	137,526
Amortisation of intangible assets	10,098,914	1,641,249	-	11,740,163
Finance costs	366,882,729	26,101,493	-	392,984,222
Fair value adjustments on equities	2,338,945,347	5,466,357	-	2,344,411,704
Fair value adjustments on investment property	95,874,811	7,184,415	-	103,059,226
Tax expense	-	-	-	-

Segment profit before income tax **320,602,382** **19,075,374** **-** **339,677,756**

Cash flows from operating activities	265,574,382	89,450,640	-	355,025,022
Cash flows from investing activities	43,772,724	(59,068,255)	-	(15,295,531)
Cash flows from financing activities	(15,836,421)	7,176,679	-	(8,659,742)

Additions to non-current assets	2,502,171	24,856,945	-	27,359,116
Reportable segment non current assets	3,576,465,753	666,369,887	-	4,242,835,640
Reportable segment current assets	271,780,647	869,782,708	-	1,141,563,355
Reportable segment liabilities	3,388,581,419	1,356,647,841	-	4,745,229,260



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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

8 TRADE AND OTHER RECEIVABLES

Residential stand sales debtors
Micro-finance loans receivable
Insurance debtors
Other trade debtors

Trade receivables - gross

Allowance for impairment- insurance debtors
Expected credit loss on trade receivables- other debtors

Trade receivables - net
Receivables from related parties, net of allowance for expected credit loss (ECL)

Loans to employees, net of ECL

Total receivables classified as financial assets at amortised cost

Prepayments
Other receivables, net of ECL

Total trade and other receivables

Non-current portion
Current portion

Total trade and other receivables

The carrying values of trade and other receivables classified as financial assets at amortised cost approximates their fair value. There was a significant decline in residential stand sales debtors in the current period as most of the debtors settled their accounts and no new debtors were recognised as the Southview development project has reached its tail end. 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 allowance expected credit losses. The allowance for expected credit losses for these receivables are as shown in the table below.

The total impairment allowance is made up of the following:

Allowance for expected credit loss on trade receivables

Allowance for expected credit loss on loans to employees

Allowance for expected credit loss on other receivables

Allowance for expected credit loss on related party receivables

Movements in expected credit loss are as follows:

Allowance for expected losses

Balance at 1 January 2021

Receivables written off during the period as uncollectable

Net decrease/(increase) during the period through profit or loss

Impact on period end ECL exposures transferred between stages during the period

Balance at 31 December 2021

	INFLATION ADJUSTED		HISTORICAL COST	
	31-Dec-21 ZWL	31-Dec-20 ZWL	31-Dec-21 ZWL	31-Dec-20 ZWL
Residential stand sales debtors	2 431 331	4 050 202	2 431 331	2 519 767
Micro-finance loans receivable	111 648 680	38 801 253	111 648 680	24 139 563
Insurance debtors	250 920 767	287 393 004	250 920 787	178 796 841
Other trade debtors	57 936 790	5 954 868	57 936 790	3 704 723
Trade receivables - gross	422 937 568	336 199 327	422 937 588	209 160 894
	(42 181 136)	(21 179 632)	(42 181 136)	(13 176 561)
Allowance for impairment- insurance debtors	(35 207 737)	(13 178 171)	(35 207 737)	(1 449 422)
Expected credit loss on trade receivables- other debtors	(6 973 399)	(8 001 461)	(6 973 399)	(11 727 139)
Trade receivables - net	380 756 432	315 019 695	380 756 453	195 984 333
Receivables from related parties, net of allowance for expected credit loss (ECL)	2 759 644	6 394 223	2 759 644	3 978 061
Loans to employees, net of ECL	23 424	37 695	23 424	23 451
Total receivables classified as financial assets at amortised cost	383 539 500	321 451 613	383 539 520	199 985 845
Prepayments	138 167 861	125 396 028	137 511 285	76 911 559
Other receivables, net of ECL	42 461 414	25 911 382	39 681 830	16 120 341
Total trade and other receivables	564 168 775	472 759 023	560 732 635	293 017 745
Non-current portion	-	29 764 720	-	18 517 632
Current portion	564 168 775	442 994 303	560 732 635	274 500 113
Total trade and other receivables	564 168 775	472 759 023	560 732 635	293 017 745

(c) Prior period error deferred revenue

The Company restated deferred revenue and monetary gain or loss as a result of an error on the IAS 29 restatement of deferred revenue. In prior year deferred revenue was treated as a monetary item for inflation adjustment restatements. The error has been accounted for retrospectively and comparative information for 2020 restated. The effect is an increase in trade and other payables by ZWL160,790,007 and the net monetary gain reduced by ZWL128,039,609. Furthermore, opening retained earnings for 2020 have been reduced by ZWL32,750,396.

The restatement is shown in the note 9.1

(d) Investments in financial assets at fair value through profit or loss

Investments in financial assets at fair value through profit or loss and disinvestments in financial assets at fair value through profit or loss for the Group and Company were in prior years, presented in the statement of cash flows under investing activities. In the current period it was identified that these financial assets are invested for the purpose of preserving funds to pay future claims from the insurance business written. These investments are therefore managed as part of the operations of the Group and Company's insurance business, as claims settlement is an ordinary operating activity of the Group and Company. Thus the investments and disinvestments in financial assets at fair value through profit or loss for the current, and prior period were reclassified and presented as operating activities instead of investing activities on the statement of cash flows.

(e) Presentation of investment contract liabilities with discretionary participation features.

The Group and Company presented insurance contract liabilities with discretionary participation features (measured under IFRS 4) and investment contract liabilities with discretionary participation features (measured under IFRS 9) in one financial statement line item instead of being presented as two distinct financial statements line items on the statement of financial position. IAS 1 stipulates that items measured applying different accounting standards should not be aggregated. The balances were separately disclosed on the statement of financial position in the current and prior year financial statements.

(f) Segmental reporting

In prior years, the Group disclosed the segmental reporting at a lesser disaggregated level than is required as they did not meet the quantitative requirements in IFRS 8 par 13 and only disclosed insurance, microlending and other operating segments. The "Property investment" segment was required to have separate segment disclosure per IFRS 8 par 13 to be compliant. This has been restated in the current period.

(g) Cash and cash equivalents

The Group presented bank overdraft in prior year under financing activities instead of being included as part of the cash and cash equivalents on the statement of cash flow. These overdrafts are used for the management of cash. In terms of IAS 7 these are supposed to be presented as part of the cash and cash equivalents on the statement of cash flows.

The cash flow statement has been restated to correct this error.

(h) Deferred tax

In prior years Langford Estates 1962 (Private) Limited was not accounting for deferred tax on investment property as required by IAS 12. The error has been accounted for retrospectively and comparative information for 2020 has been restated. The effect is an increase in deferred tax liability, income tax expense, and retained earnings, in addition a reduction in investment in subsidiary, non controlling interests and insurance contract liabilities.

9. RESTATEMENTS

9(a) Prior period error equities

The Company restated financial assets at fair value through profit or loss after an error was discovered on the equities balances disclosed in 2020. The error emanated from duplications of equities that were maintained in the general fund. The prior period error has been accounted for retrospectively, and comparative information for 2020 has been restated. The effect of the change is a decrease of ZWL134,630,005 in equities, changes in actuarial liabilities and the insurance contract liabilities and investment contract liabilities with discretionary participation features. The restatement is shown in the note 9.1

(b) Prior period change in presentation of Investment contract liabilities

The Company restated investment property and equities fair value gains, investment income, operating and administration expenses as a result of a change in presentation of the investment contract liabilities income statement items to being presented on the face of the statement of profit or loss and other comprehensive income. In prior year the investment contracts were determined by applying deposit accounting where the investment property and equities fair value gains, investment income and related expenses were not accounted through profit or loss but accounted as direct increases or decreases to the investment contract liability and the corresponding assets.

This resulted in no movement linked to the investment contract liabilities in the statement of profit or loss and other comprehensive income. The investment contract liabilities are accounted applying IFRS 9 and for the Company to be in compliance with IAS 1 presentation of financial statements, the movement on these investment contracts should be disclosed separately on the face of the statement of profit or loss and other comprehensive income. The change in the presentation of the amounts will result in a decrease of fair value gains equities by ZWL31,150,766, increase in fair value gains on properties by ZWL35,555,475 and increase in operating and administration expenses ZWL10,163,377.

The restatement is shown in the note 9.1



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9.1 IMPACT ON STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED 31 DECEMBER 2020

Gross change in insurance contract liabilities
Fair value gains from equities
Fair value gains from properties
Operating and administration expenses
Gross change in investment contract liabilities
(Loss)/gain on net monetary position
Income tax expense

December 2020

IMPACT ON EARNINGS PER SHARE

Basic/diluted earnings per share (cents)
Headline earnings per share (cents)

December 2020

IMPACT ON STATEMENT OF CASH FLOW

Gross change in insurance contract liabilities with DPF
Fair value gains from equities
Fair value gains from properties
Trade and other payables

IMPACT ON STATEMENT OF FINANCIAL POSITION

1 January 2020

Retained earnings
Revaluation reserve
Trade and other payables
Deferred tax liabilities
Insurance contract liabilities with discretionary participation features
Non controlling interests

December 2020

Insurance contract liabilities with discretionary participation features
Equities at fair value through profit or loss
Trade and other payables
Deferred tax liabilities
Non controlling interests

10. EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Balance at the beginning of the year
Additions
Fair value adjustments - through profit or loss
Exchange gains/ loss
Disposals

Balance at the end of the year

11 CASH AND DEPOSITS WITH BANKS

Money market investments
Bank and cash
Restricted cash
Cash and deposits with banks
Bank overdraft
Cash and cash equivalents

INFLATION ADJUSTED

HISTORICAL COST

	As previously stated 2020 ZWL	Effect of restatement 2020 ZWL	Restated 2020 ZWL	As previously stated 2020 ZWL	Effect of restatement 2020 ZWL	Restated 2020 ZWL
Gross change in insurance contract liabilities	(1 156 682 494)	123 247 996	(1 033 434 498)	(1 632 108 562)	153 458 223	(1 478 650 339)
Fair value gains from equities	644 340 112	(165 780 771)	478 559 341	301 822 042	91 162 180	392 984 222
Fair value gains from properties	296 809 808	35 555 475	332 365 283	2 205 306 955	139 104 749	2 344 411 704
Operating and administration expenses	(404 652 265)	(10 163 377)	(414 815 642)	(219 571 764)	(6 322 978)	(225 894 742)
Gross change in investment contract liabilities	-	5 758 668	5 758 668	-	307 701 800	307 701 800
(Loss)/gain on net monetary position	(55 067 315)	(128 039 609)	(183 106 924)	-	-	-
Income tax expense	(24 185 588)	(13 182 444)	(37 368 032)	(21 695 960)	(81 363 266)	(103 059 226)
December 2020						
IMPACT ON EARNINGS PER SHARE						
Basic/diluted earnings per share (cents)	27.17	(139.06)	(111.89)	30.84	-	30.84
Headline earnings per share (cents)	13.17	(140.23)	(127.06)	29.48	-	29.48
December 2020						
IMPACT ON STATEMENT OF CASH FLOW						
Gross change in insurance contract liabilities with DPF	942 976 257	(123 247 996)	819 728 261	1 957 504 664	(153 458 223)	1 804 046 441
Fair value gains from equities	(644 340 112)	165 780 771	(478 559 341)	(301 822 042)	(91 162 180)	(392 984 222)
Fair value gains from properties	(296 809 808)	(35 555 475)	(332 365 283)	(2 205 306 955)	(139 104 749)	(2 344 411 704)
Trade and other payables	16 417 642	160 790 007	177 207 649	-	-	-
December 2020						
IMPACT ON STATEMENT OF FINANCIAL POSITION						
1 January 2020						
Retained earnings	245 965 624	(38 343 376)	207 622 248	14 187 162	1 044 298	15 231 460
Revaluation reserve	282 320	13 122 759	13 405 079	-	-	-
Trade and other payables	757 007 284	32 750 396	789 757 680	-	-	-
Deferred tax liabilities	65 658 481	151 334 889	216 993 370	8 609 389	20 988 493	29 597 882
Insurance contract liabilities with discretionary participation features	4 095 718 045	(129 762 968)	3 965 955 077	568 031 286	(17 996 704)	550 034 582
Non controlling interests	682 397 963	(29 101 699)	653 296 264	93 620 546	(4 036 087)	89 584 459
December 2020						
Insurance contract liabilities with discretionary participation features	5 248 685 996	(253 010 964)	4 995 675 032	3 265 383 852	(171 454 927)	3 093 928 925
Equities at fair value through profit or loss	1 065 279 082	(134 630 005)	930 649 077	662 745 899	(153 458 223)	509 287 676
Trade and other payables	825 276 501	160 790 007	986 066 508	-	-	-
Deferred tax liabilities	74 584 871	164 517 333	239 102 204	45 105 405	102 351 760	147 457 165
Non controlling interests	754 358 698	(31 636 683)	722 722 015	464 941 464	(19 682 242)	445 259 222

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INFLATION ADJUSTED

HISTORICAL COST

31-Dec-21 ZWL	31-Dec-20 ZWL	31-Dec-21 ZWL	31-Dec-20 ZWL
930 649 077	503 880 940	578 988 050	69 882 774
103 838 332	80 887 515	87 467 628	46 169 093
318 537 772	478 559 341	468 430 713	392 984 222
(97 545 760)	153 616 959	115 367 855	239 991 375
(75 341 755)	(286 295 678)	(70 116 580)	(170 039 414)
1 180 137 666	930 649 077	1 180 137 666	578 988 050

INFLATION ADJUSTED

HISTORICAL COST

31-Dec-21 ZWL	31-Dec-20 ZWL	31-Dec-21 ZWL	31-Dec-20 ZWL
282 811 181	726 199 464	282 811 181	451 793 278
167 112 533	158 143 545	167 112 533	98 386 212
-	607 185	-	377 750
449 923 714	884 950 194	449 923 714	550 557 240
(51 160 275)	(12 810 118)	(51 160 275)	(7 635 118)
398 763 439	872 140 076	398 763 439	542 922 122

Restricted cash refers to a fixed deposit that was kept by First Capital Bank Zimbabwe as security for a loan received from First Capital Bank Malawi. The loan was paid off during the year, as disclosed in Note 13.

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12.1 Insurance contract liabilities with discretionary participation features

	INFLATION ADJUSTED		HISTORICAL COST	
	2021 ZWL	2020 Restated ZWL	2021 ZWL	2020 Restated ZWL
Balance at the beginning of the year	4 995 675 021	3 965 955 077	3 093 928 925	550 034 582
Reclassification to investment contract liabilities	-	(359 449 950)	-	(49 851 776)
Change in life assurance policyholder liabilities for the year	998 009 024	1 389 169 894	2 899 755 120	2 593 746 119
Movement through profit or loss	1 160 166 693	1 033 434 498	2 180 269 106	1 478 650 339
Movement through other comprehensive income	173 050 519	64 408 628	339 097 687	249 424 335
Exchange rate movement on foreign operations	(335 208 188)	291 326 768	380 388 327	865 671 445
Balance at the end of the year	5 993 684 045	4 995 675 021	5 993 684 045	3 093 928 925

12.2 Investment contract liabilities with discretionary participation features

Balance at the beginning of the year	734,385,836	948,092,083	456,886,102	131,490,000
Movement through profit or loss	131,817,830	(213,706,247)	409,317,564	325,396,102
Balance at the end of the year	866,203,666	734,385,836	866,203,666	456,886,102

12.3 Investment contracts without discretionary participation features

Balance at the beginning of the year	638 880 441	284 173 149	397 468 983	39 411 707
Reclassification from insurance contract liabilities	-	359 449 950	-	49 851 776
Other investment income	-	59 693	29 348	40 914
Gross premium income	4 374 560	2 432 782	3 391 219	1 115 601
Gross benefits and claims paid	(4 250 977)	(1 476 465)	(3 247 465)	(652 815)
Movement through profit or loss	312 145 809	(5 758 668)	553 507 748	307 701 800
Fair value gains from equities	73 446 954	(31 150 766)	118 305 592	174 920 029
Fair value gains from investment properties	248 971 461	35 555 475	445 474 762	139 104 749
Investment expenses	(10 272 606)	(10 163 377)	(10 272 606)	(6 322 978)
Balance at the end of the year	951 149 833	638 880 441	951 149 833	397 468 983

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

13 BORROWINGS

13.1 LONG-TERM BORROWINGS

	INFLATION ADJUSTED		HISTORICAL COST	
	31-Dec-21 ZWL	31-Dec-20 ZWL	31-Dec-21 ZWL	31-Dec-20 ZWL
NMB Bank Limited	-	10 783 148	-	6 708 558
First Capital Bank Malawi	-	16 316 448	-	10 151 010
Current portion of long-term borrowings	-	27 099 596	-	16 859 568
Non-current portion of long term borrowings	-	(19 773 518)	-	12 301 770)
	-	7 326 078	-	4 557 798

NMB BANK LIMITED

The loan with NMB Bank Limited was obtained by Fidelity Life Assurance of Zimbabwe Limited to enable settlement of redeemable bonds that were acquired in 2018. The loan accrued interest at 10% per annum and had fixed monthly repayments to 31 January 2023. The facility was secured through a first mortgage bond over property valued at ZWL290.4 million and cession of residential stand sales receivables worth ZWL12 million. The loan was fully paid during the year.

First Capital Bank Malawi

The loan with First Capital Bank Malawi Limited was obtained by Fidelity Life Assurance of Zimbabwe Limited to refinance Vanguard Life Assurance Limited a subsidiary of Fidelity Life through a rights issue. The loan was denominated in Malawi Kwacha and accrued interest at 23% per annum. The terms of the loan required security of 110% of the facility amount to be kept in deposit with First Capital Bank of Zimbabwe for the duration of the facility. The facility was fully settled during the year.

For the long-term borrowings, their fair values are not materially different to carrying amounts as the interest rates on these borrowings approximate market rates.

ZB bank Limited

The overdraft facility with ZB Bank Limited was acquired as a line-of-credit for the micro-finance business to increase the unit's lending capacity. The loan accrues interest at 49% per annum on a one year tenure. The loan is available for one year, expiring on 28 February 2022.

13.2 SHORT-TERM BORROWINGS

	31-Dec-21 ZWL	31-Dec-20 ZWL	31-Dec-21 ZWL	31-Dec-20 ZWL
ZB Bank Limited	51 160 275	12 272 473	51 160 275	7 635 118
Ecobank Zimbabwe Limited	15 374 577	12 810 118	15 374 577	7 969 604
Current portion of non-current borrowings	-	19 773 519	-	12 301 770
	66 534 852	44 856 110	66 534 852	27 906 492

Ecobank Zimbabwe Limited

The micro-finance business acquired a loan facility with Ecobank Zimbabwe Limited to increase its lending capacity. The facility amount is drawn down in tranches in line with the business' needs. Drawdowns on the facility accrue interest at varying interest rates depending on the prevailing interest rate on each drawdown date. Currently the outstanding amount accrues interest at 45% per annum. The facility is available for one year, expiring on 31 July 2022.

13.3 MOVEMENT IN BORROWINGS

Movements in borrowings during the period were as follows:

Balance at the beginning of the year

	31-Dec-21 ZWL	31-Dec-20 ZWL	31-Dec-21 ZWL	31-Dec-20 ZWL
Net cash out flow on borrowings	82 891 927	(7 867 436)	33 988 085	(3 796 908)
Proceeds from borrowings	154 770 428	45 063 626	88 857 012	17 731 265
Repayment of borrowings	(71 878 501)	(52 931 062)	(54 868 927)	(21 528 173)
Finance costs capitalised	45 134 275	29 378 149	32 925 645	11 740 163
Finance costs paid	(45 134 275)	(29 378 149)	(32 925 645)	(11 740 163)
Exchange differences on foreign currency denominated loans	(2 715 156)	5 490 070	82 477	12 575 944
Reduction of borrowings due to inflation	(65 824 107)	(116 219 987)	-	-
Balance at the end of the year	66 534 852	52 182 188	66 534 852	32 464 290

Current borrowings

Non-current borrowings

Borrowings as at 31 December

14 TRADE AND OTHER PAYABLES

	31-Dec-21 ZWL	31-Dec-20 ZWL	31-Dec-21 ZWL	31-Dec-20 ZWL
Trade payables	121 525 222	155 541 956	121 525 222	96 767 875
South View offsite works liability	52 273 724	496 584 228	52 273 724	308 941 729
Related party payables	11 285 218	1 912 136	11 285 218	1 189 604
Deferred income from sale of residential stands	168 077 614	168 077 614	4 533 864	4 533 864
Statutory liabilities	17 998 305	4 146 427	17 998 305	2 579 631
Accrued expenses	51 379 213	71 911 867	51 379 213	44 738 788
Other payables	59 102 040	87 892 282	59 102 040	54 680 740
	481 641 336	986 066 510	318 097 585	513 432 231

15 CONTINGENCIES

Contingent liability

Fidelity Life Assurance of Zimbabwe Limited agreed to unconditionally guarantee ZWL37.5 million of the full debt owing to ZB Bank Limited on behalf of Fidelity Life Financial Services (Private) Limited in terms of the overdraft facility that was signed between Fidelity Life Financial Services (Private) Limited and ZB Bank Limited. The guarantee covers part of the overdraft with the amount borrowed plus interest and any other charges and shall remain in place until the overdraft is fully paid. Fidelity Life Assurance of Zimbabwe as the Guarantor will duly pay to the Lender ZB Bank Limited the debt and liabilities in terms of the ZB Bank Limited overdraft facility agreement in the event of default by Fidelity Life Financial Services (Private) Limited up to the guaranteed amount.

16 Litigations against the Company

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

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

17 Events after the reporting date

On 7 May 2022, the Government announced measures to restore confidence, preserve value and restore macro-economic stability. These measures seek to stabilize the foreign exchange rate, inflation and macro-economic stability through confidence building, clearance of foreign auction backlogs, continuation of partial dollarisation, exchange rate management and strengthening demand for local currency. The Group will monitor the developments from the announcement and take appropriate action to mitigate any emerging risks.