



Reviewed Financial Results

FOR THE HALF YEAR ENDED 30 JUNE 2023

Chairman's Statement

FOR THE HALF YEAR ENDED 30 JUNE 2023



Livingstone T. Gwata
Chairman

I am pleased to present to you the Fidelity Life Assurance of Zimbabwe Limited (the "Group") financial results for the half year January to June 2023. The analysis on the financials is based on both the inflation adjusted and historical cost financial information.

Economic Overview

The first half of the year was characterised by rapid deterioration of the local currency and galloping inflation which led to increased use of foreign currency in domestic transactions. In keeping with that trend, the business experienced an increase in the proportion of foreign currency revenue and operating expenses. In response to the depreciating local currency, fiscal and monetary authorities intervened through among other measures, tightening liquidity and boosting demand for the Zimbabwe dollar to stabilise the exchange rate.

Encouragingly, the economy witnessed improved agriculture output with tobacco achieving record output during the 2023 marketing season. Improved power supply towards the end of the first half raised prospects of improved capacity utilisation in the productive sectors.

IFRS 17 Reporting

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

Group Financial Performance Review

Inflation adjusted insurance contract revenue grew by 163% compared to same period prior year from ZWL 1.7 billion to ZWL4.4 billion. Historical cost insurance contract revenue at ZWL2.8 billion grew by 740% compared to same period prior year. Insurance contract revenue was driven by significant growth in new policies written and increase in USD denominated business. The proportion of the USD business constituted 77% of the total insurance contract revenue compared to 25% in the same period prior year.

The Group recorded a negative insurance service result under both the inflation adjusted terms and historical cost terms at ZWL8.7 billion and ZWL4.1 billion respectively. The main driver was the higher than insurance revenue growth in insurance service costs due to inflationary pressures obtaining in Zimbabwe and in the regional operation.

Profit for the period grew by 123% on an inflation adjusted basis from ZWL20.3 billion to ZWL45.4 billion current period. Under historical cost, profit for the period grew by 571% from ZWL2.9 billion to ZWL19.3 billion. The real profit performance is attributable to the strong growth in insurance contract revenue and fair value gains in investment properties.

Business Operations Overview

Strategy Execution

The business has experienced another year characterised by macroeconomic instability, hyperinflation and uncertainty brought about the then impending elections and the continuously widening gap between the official and parallel market exchange rates. However, the monetary authorities have instituted a raft of measures to try to bring stability to the galloping inflation, exchange rate volatility, reduce gap between official and parallel exchange rates, enable ease of doing business and try to attract the much-desired foreign direct investment.

Despite the turbulence on international and local terrain, the Board and Management have managed to stir the ship through the rough waters and achieve the set targets for the period under review. I am pleased to announce strong performance on the core life and pensions business which has registered a strong underwriting result almost blending with the dollarizing economy, opening of three new branches to strengthen our footprint in the markets we serve for both life company and the funeral services. Significant loan book growth has been witnessed in the microlending division through the successful unlocking of funding from our financiers. Local and international partnerships continue to buttress our business performance and key leverage in delivering value to our clientele.

Customer Excellence: The critical success factor to our business success over the decades remains top notch customer experience. The business wakes up daily to put a smile on our customer's face by exploring ways to improve the value proposition to both our customer centres and the digital platforms.

Innovative solutions: While the economy may be affected by different tides and dynamics on the local and international sphere, we pride ourselves in providing short-, medium- and long-term solutions to our customers and communities we serve. The woes in the environment position our business as a solution to these challenges through our wide spectrum of products and services constantly reviewed and tailored to suit customer needs. The company won the most innovative insurance company award during the period from the Insurance survey by Zimbabwe Independent.

Geographical footprint: The business continues to broaden its wings to service its clients adequately and efficiently through the digital platforms that are constantly evolving and its new and existing customer service centres within and beyond the borders of Zimbabwe. Sustainability: The Fidelity Group remains committed to creating value in the communities it operates in. The Group has engaged in various community initiatives and environmentally friendly operations. The Group subscribes to the United Nations sustainability development goals.

Brand positioning: The 2023 positioning direction for FLA is focused on product innovation and diversity to cater for different market needs. The go-to-market strategy targets access to new market segments and demographics with individual needs at the core of the positioning drive. The main objective of this drive is to differentiate FLA as a holistic assurance company with the ability to preserve shareholder and policyholder value through a plethora of practical solutions for diverse stakeholders.

Community service remains an ideal that the FLA Group upholds as guided by the organization's principles on responsible citizenship. The FLA values are rooted in the belief that business commitment to social responsibility is instrumental in fostering sustainable development within communities. Within the first half of 2023, FLA donated funds towards the Matthew Rusike Children's Home Charity marathon aimed at improving the livelihoods of the children at the orphanage. Further donations were made to a disadvantaged rural school in Mutoko through the Ministry of National Housing and Social Amenities. After a national call to assist victims of Cyclone Freddy, donations in kind were sent to Malawi. FLA remains committed to uplifting the lives of the disadvantaged in the various communities it serves and will play its part through various Corporate Social responsibility initiatives.

Update on the Regulatory Asset Separation exercise

The Asset Separation exercise is now in its final transaction stage. We await regulatory approval to finalise the transaction which will see the distinct allocation of assets between policyholders and shareholders.

Dividend

The board resolved not to declare an interim dividend for the period under review after considering the need to build up the capital position of the Company.

Looking forward

The prevailing climate in the macroeconomic environment is expected to continue in the second half of the year and the Central Bank is expected to continue maintaining a tight monetary policy and complementary measures to stabilise the exchange rate and prices. The economy is expected to continue trading predominantly in foreign currency until confidence in the local currency improves significantly.

Appreciation

I would like to express my sincere gratitude to the board of directors, management and staff of the Fidelity Life team for the great determination and commitment to the call of duty. My deepest gratitude goes to customers and various stakeholders for their consistent support during the period under review.

Livingstone T. Gwata
Chairman
25 September 2023

Interim Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2023

	INFLATION ADJUSTED			HISTORICAL COST		
	Reviewed	Audited	Audited	Reviewed	Audited	Audited
	30-Jun-23	31-Dec-22	1-Jan-22	30-Jun-23	31-Dec-22	1-Jan-22
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
ASSETS						
Property and equipment	5	32,298,861,472	12,865,355,313	8,533,140,927	31,817,266,997	3,897,472,350
Right of use asset		-	283,987,136	297,343,977	-	90,912,297
Investment property	6	251,224,872,086	112,757,053,554	65,140,985,031	251,224,872,086	36,096,715,231
Intangible assets		1,418,965,657	1,064,816,018	969,376,604	1,418,943,408	236,804,436
Other non current assets		741,551,527	149,753,086	-	741,551,527	47,940,190
Insurance Contract Assets	11	20,023,099,516	4,875,709,294	783,344,752	20,023,099,516	1,560,852,154
Inventories		34,168,004	1,046,422,654	1,046,424,740	14,953,611	4,881,663
Trade and other receivables	8	19,596,639,688	6,538,669,622	5,243,773,002	19,583,695,441	2,093,212,689
Income tax asset		122,869,504	-	-	122,869,504	-
Deferred tax assets		1,946,220	-	-	1,197,211	-
Equities at fair value through profit or loss	9	100,420,837,428	17,450,278,290	12,672,546,484	100,420,837,428	5,586,326,587
Debt securities at amortised cost		614,287,156	14,578,814,875	6,709,240,479	614,287,156	4,667,090,105
Cash and deposits with banks	10	43,760,093,383	4,592,568,237	4,831,380,544	43,760,093,383	1,470,210,710
Total assets		470,133,375,917	176,203,428,079	106,227,556,540	469,619,600,553	55,752,418,412
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the parent						
Issued share capital		523,840,789	523,840,789	523,840,789	1,089,233	1,089,233
Share premium		322,898,234	322,898,234	322,898,234	671,409	671,409
Treasury shares		(4,827,059)	(4,827,059)	(4,827,059)	(10,037)	(10,037)
Retained earnings		1,897,918,260	(43,591,659,990)	58,731,703,218	(3,436,327,135)	(9,871,124,660)
Revaluation reserve		23,238,661,123	4,796,463,694	223,791,505	26,245,939,705	3,030,637,023
Foreign currency translation reserve		30,837,736,945	2,301,937,352	568,227,590	28,661,235,800	125,436,207
Total ordinary shareholders' equity		56,816,228,292	(35,651,346,980)	60,365,634,277	54,478,826,293	(6,713,300,825)
Non-controlling interests		48,331,735,977	17,870,961,892	7,760,728,768	44,313,803,655	852,750,657
Total equity		105,147,964,269	(17,780,385,088)	68,126,363,045	98,792,629,948	(5,860,550,168)
Liabilities						
Insurance contract liabilities	11	303,865,257,264	156,683,762,357	25,792,748,240	303,865,257,264	50,158,894,480
Investment contract liabilities	11.3	40,261,507,680	17,461,169,664	2,971,152,692	40,261,507,680	5,589,813,223
Borrowings	12	2,403,615,969	629,577,591	714,464,109	2,403,615,969	201,545,556
Deferred tax liabilities		3,653,292,893	4,931,165,598	2,919,347,584	11,295,302,430	1,665,264,441
Lease obligation		-	75,967,488	200,746,214	-	24,319,337
Trade and other payables	13	14,225,232,753	14,128,808,160	5,140,928,001	14,242,782,173	3,949,646,197
Income tax liability		576,505,089	73,362,309	361,806,655	576,505,089	23,485,346
Total liabilities		364,985,411,648	193,983,813,167	38,101,193,495	370,826,970,605	61,612,968,580
Total equity and liabilities		470,133,375,917	176,203,428,079	106,227,556,540	469,619,600,553	55,752,418,412

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

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive

AS AT 30 JUNE 2023

Notes	INFLATION ADJUSTED		HISTORICAL COST		
	Group	Group	Group	Group	
	2023	2022	2023	2022	
	Reviewed	Restated	Reviewed	Restated	
	ZWL	ZWL	ZWL	ZWL	
Insurance revenue	11.4	4,356,369,647	1,658,771,349	2,841,935,173	338,170,434
Insurance service expenses	11.4	(13,076,781,448)	(2,245,080,336)	(6,947,201,367)	(457,700,088)
Insurance service result from insurance contracts issued		(8,720,411,801)	(586,308,987)	(4,105,266,194)	(119,529,654)
Interest revenue from financial instruments not measured at fair value through profit or loss		992,525,166	-	942,729,040	-
Net income from other financial instruments at fair value through profit or loss		11,607,287,581	1,882,998,781	13,114,755,771	383,883,237
Net gains from fair value adjustments to investment properties		27,867,940,199	18,342,385,675	39,828,020,000	3,739,425,890
Net change in investment contract liabilities		(20,231,557,138)	(14,194,374,179)	(31,422,808,879)	(4,544,019,788)
Other net investment revenue		(174,181,128,448)	(53,886,702,599)	(174,756,399,059)	(10,985,775,482)
Net gain from foreign exchange		478,460,369	-	489,073,688	-
Net Investment Income		(153,466,472,271)	(47,855,692,322)	(151,804,629,439)	(11,406,486,143)
Insurance finance expenses for insurance contracts issued		(1,717,941,749)	-	(1,717,941,749)	-
Net insurance finance expenses		(1,717,941,749)	-	(1,717,941,749)	-
Net insurance and investment result		(163,904,825,821)	(48,442,001,309)	(157,627,837,382)	(11,526,015,797)
Rental income from investment property		8,388,562	57,631,556	4,085,470	11,749,231
Investment income		120,280,882,695	71,073,440,681	168,214,253,266	14,489,601,783
Interest income from micro-lending		1,060,385,351	623,597,842	404,962,575	127,131,659
Other income		11,165,462,747	748,071,680	10,521,227,216	152,507,894
Operating and administrative expenses		(2,819,598,972)	(1,622,671,100)	(1,274,196,075)	(338,628,509)
Finance costs		(195,460,698)	(87,173,029)	(86,999,192)	(9,954,032)
Net monetary gain/(loss)		83,913,988,993	(1,888,092,600)	-	-
Profit before income tax expense		49,509,222,857	20,462,803,721	20,155,495,878	2,906,392,229
Income tax expense		(4,125,739,520)	(121,061,281)	(826,514,353)	(24,680,524)
Profit for the year		45,383,483,337	20,341,742,440	19,328,981,525	2,881,711,705
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss:					
Gains on property, plant and equipment revaluations		18,442,197,429	4,827,757,435	26,221,530,000	1,082,868,454
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		46,196,858,658	1,951,014,282	46,196,858,658	397,749,423
Other comprehensive income for the period net of tax		64,639,056,087	6,778,771,717	72,418,388,658	1,480,617,877
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		110,022,539,424	27,120,514,157	91,747,370,183	4,362,329,582
Profit for the period attributable to:					
Owners of the parent		26,749,674,999	17,804,118,150	(12,305,105,726)	344,087,415
Non-controlling interests		18,633,808,338	2,537,624,290	31,634,087,251	2,537,624,290
Total profit for the period		45,383,483,337	20,341,742,440	19,328,981,525	2,881,711,705
Total comprehensive income attributable to:					
Owners of the parent		73,727,672,021	24,430,830,261	42,452,223,867	1,672,645,686
Non-controlling interests		36,294,867,403	2,689,683,896	49,295,146,316	2,689,683,896
Total comprehensive income for the period		110,022,539,424	27,120,514,157	91,747,370,183	4,362,329,582
Basic and diluted earnings per share (cents)	4	24,787	16,498	(11,402)	319



LIFE ASSURANCE

Reviewed Financial Results

FOR THE HALF YEAR ENDED 30 JUNE 2023

Interim Condensed Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 30 JUNE 2023

	Inflation Adjusted								
	Share capital	Share premium	Treasury shares	Retained earnings	Revaluation reserve	Foreign currency translation reserve	Attributable to shareholders of parent	Non-controlling interest	"Total equity"
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Balance at 1 January 2022	523,840,789	322,898,234	(4,827,059)	932,889,514	223,791,505	568,227,590	2,566,820,573	7,760,728,768	10,327,549,341
Impact on initial application of IFRS 17	-	-	-	57,798,813,704	-	-	57,798,813,704	-	57,798,813,704
Restated balance at 1 January 2022	523,840,789	322,898,234	(4,827,059)	58,731,703,218	223,791,505	568,227,590	60,365,634,277	7,760,728,768	68,126,363,045
Profit for the period	-	-	-	17,804,118,150	-	-	17,804,118,150	2,537,624,290	20,341,742,440
Comprehensive income for the period	-	-	-	-	4,088,852,030	2,210,550,560	6,299,402,590	1,220,752,325	7,520,154,915
Comprehensive income for the year	-	-	-	17,804,118,150	4,088,852,030	2,210,550,560	24,103,520,740	3,758,376,615	27,861,897,355
Balance at 30 June 2022	523,840,789	322,898,234	(4,827,059)	76,535,821,368	4,312,643,535	2,778,778,150	84,469,155,017	11,519,105,383	95,988,260,400
Balance at 1 January 2023	523,840,789	322,898,234	(4,827,059)	(2,234,728,302)	4,796,463,694	2,301,937,352	5,705,584,708	17,870,961,892	23,576,546,600
Impact on initial application of IFRS 17	-	-	-	(41,356,931,688)	-	-	(41,356,931,688)	-	(41,356,931,688)
Restated balance at 1 January 2023	523,840,789	322,898,234	(4,827,059)	(43,591,659,990)	4,796,463,694	2,301,937,352	(35,651,346,980)	17,870,961,892	(17,780,385,088)
Profit for the period	-	-	-	26,749,674,999	-	-	26,749,674,999	18,633,808,338	45,383,483,337
Disposal of subsidiary	-	-	-	18,739,903,251	-	-	18,739,903,251	(5,834,093,318)	12,905,809,933
Other comprehensive income for the period	-	-	-	-	18,442,197,429	28,535,799,593	46,977,997,022	17,661,059,065	64,639,056,087
Comprehensive income for the period	-	-	-	45,489,578,250	18,442,197,429	28,535,799,593	92,467,575,272	30,460,774,085	122,928,349,357
Balance at 30 June 2023	523,840,789	322,898,234	(4,827,059)	1,897,918,260	23,238,661,123	30,837,736,945	56,816,228,292	48,331,735,977	105,147,964,269

	Historical Cost								
	Share capital	Share premium	Treasury shares	Retained earnings	Revaluation reserve	Foreign currency translation reserve	Attributable to shareholders of parent	Non-controlling interest	"Total equity"
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Balance at 1 January 2022	1,089,233	671,409	(10,037)	52,500,791	24,409,705	100,594,732	179,255,833	445,259,222	624,515,055
Impact on initial application of IFRS 17	-	-	-	(783,584,719)	-	-	(783,584,719)	-	(783,584,719)
Restated balance at 1 January 2022	1,089,233	671,409	(10,037)	(731,083,928)	24,409,705	100,594,732	(604,328,886)	445,259,222	(159,069,664)
Profit for the year	-	-	-	344,087,415	-	-	344,087,415	2,537,624,290	2,881,711,705
Other comprehensive income for the year	-	-	-	-	-	245,689,819	245,689,819	152,059,604	397,749,423
Comprehensive income for the period	-	-	-	344,087,415	-	245,689,819	589,777,234	2,689,683,894	3,279,461,128
Balance at 30 June 2022	1,089,233	671,409	(10,037)	(386,996,513)	24,409,705	346,284,551	(14,551,652)	3,134,943,116	3,120,391,464
Balance at 1 January 2023	1,089,233	671,409	(10,037)	157,627,445	3,030,637,023	125,436,207	3,315,451,280	852,750,657	4,168,201,937
Impact on initial application of IFRS 17	-	-	-	(10,028,752,105)	-	-	(10,028,752,105)	-	(10,028,752,105)
Restated balance at 1 January 2023	1,089,233	671,409	(10,037)	(9,871,124,660)	3,030,637,023	125,436,207	(6,713,300,825)	852,750,657	(5,860,550,168)
Profit for the period	-	-	-	(12,305,105,726)	-	-	(12,305,105,726)	31,634,087,251	19,328,981,525
Disposal of subsidiary	-	-	-	18,739,903,251	-	-	18,739,903,251	(5,834,093,318)	12,905,809,933
Other comprehensive income for the period	-	-	-	-	26,221,530,000	28,535,799,593	54,757,329,593	17,661,059,065	72,418,388,658
Comprehensive income for the period	-	-	-	6,434,797,525	26,221,530,000	28,535,799,593	61,192,127,118	43,461,052,998	104,653,180,116
Balance at 30 June 2023	1,089,233	671,409	(10,037)	(3,436,327,135)	29,252,167,023	28,661,235,800	54,478,826,293	44,313,803,655	98,792,629,948

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Reviewed Financial Results

FOR THE HALF YEAR ENDED 30 JUNE 2023

Interim Condensed Consolidated Statement of Cash Flow

FOR THE HALF YEAR ENDED 30 JUNE 2023

	INFLATION ADJUSTED		HISTORICAL COST	
	30-Jun-23 Reviewed ZWL	30-Jun-22 Restated ZWL	30-Jun-23 Reviewed ZWL	30-Jun-22 Restated ZWL
Cash flows from operating activities before income tax	49,509,222,857	20,462,803,721	20,155,495,878	2,906,392,229
Adjustments for non-cash and separately disclosed items:	(14,991,890,349)	(12,034,549,964)	21,546,487,987	(198,813,388)
Fair value gains on equities at fair value through profit or loss	(13,272,479,979)	(74,377,700)	(14,440,681,359)	(524,634,121)
Fair value gains on investment property	(146,235,453,215)	(34,815,103,568)	(207,517,068,112)	(18,140,533,370)
Amortisation of intangible assets	54,496,556	29,878,030	54,494,249	9,552,143
Amortisation of right of use asset	97,566,847	21,682,230	97,566,847	6,941,094
Finance costs	195,460,698	86,376,668	86,999,192	23,296,684
Depreciation of property and equipment	115,541,269	23,594,639	60,025,709	6,454,961
Changes in insurance contract assets	(15,147,390,222)	(4,092,364,542)	(18,462,247,362)	10,161,778,732
Changes in insurance contract liabilities	(2,132,134,537)	(318,325,699)	3,145,491,553	1,492,308,338
Changes in investment contract liabilities	22,800,338,016	14,490,016,972	34,671,694,457	3,505,618,460
Interest income	(991,262,324)	(270,715,987)	(987,753,224)	(86,176,505)
Dividend income	(20,377,549)	(114,135,231)	(15,638,702)	(28,283,456)
Non cash adjustment- IAS29	(83,913,988,993)	3,720,744,289	-	-
Unrealised exchange gains	223,457,793,084	8,950,303,278	224,853,604,739	3,280,610,459
Project development costs	-	327,876,657	-	94,253,193
Changes in working capital	(11,949,290,824)	(2,500,390,386)	(9,025,418,722)	(816,261,503)
Decrease (Increase)/ in inventories	1,012,254,650	520,947	(10,071,947)	(1,188,231)
Increase in trade and other receivables	(13,057,970,067)	(2,847,790,487)	(17,490,482,752)	(1,199,780,857)
Increase in trade and other payables	96,424,593	346,879,154	8,475,135,977	384,707,585
Cash generated from operations	22,568,041,684	5,927,863,371	32,676,565,143	1,891,317,338
Income taxes paid	(3,622,596,740)	(318,385,912)	(273,494,610)	(54,015,534)
Net cash generated from operating activities	18,945,444,944	5,609,477,459	32,403,070,533	1,837,301,804
Cash flows from investing activities				
Additions and replacement to property and equipment	(317,814,363)	(58,648,334)	(223,094,799)	(17,899,605)
Proceeds from sale of property and equipment	-	2,875,504	-	920,530
Proceeds from sale of investment property	276,848,555	-	181,847,149	-
Additions to intangible assets	-	(18,716,287)	-	(5,991,612)
Interest income	991,262,324	270,715,987	987,753,224	86,176,505
Dividend income	20,377,549	114,135,231	15,638,702	28,283,456
Additions to financial assets at fair value through profit or loss	1,440,403,668	(294,923,294)	474,367,262	(92,025,373)
Proceeds from disposals of financial assets at fair value through profit or loss	1,124,210,046	248,776,080	391,715,473	53,873,537
Proceeds from disposals of debt securities held at amortised cost	13,964,527,720	4,261,138,183	4,052,802,949	621,112,616
Net cash generated from investing activities	17,499,815,499	4,525,353,070	5,881,029,960	674,450,054
Cash flows from financing activities				
Finance costs	(195,460,698)	(86,376,668)	(86,999,192)	(23,296,684)
Repayments of lease obligations	(42,499,831)	5,550,331	(42,499,831)	(2,468,312)
Repayments of borrowings	(289,428,628)	(230,817,693)	(289,428,628)	(63,681,258)
Proceeds from borrowings	1,250,047,948	286,505,380	547,128,580	81,909,439
Net cash (utilised in)/generated from financing activities	722,658,791	(25,138,650)	128,200,929	(7,536,815)
Net increase in cash and cash equivalents for the period	37,167,919,234	10,109,691,879	38,412,301,422	2,504,215,043
Cash and cash equivalents at the beginning of the period	3,962,990,646	5,014,304,717	1,268,665,154	398,763,439
Unrealised exchange differences	225,567,534	(568,214,184)	1,675,510,838	64,480,090
Cash and cash equivalents at the end of the period	41,356,477,414	14,555,782,412	41,356,477,414	2,967,458,572

The above interim condensed consolidated statement of cashflows should be read in conjunction with the accompanying notes.

Notes to the interim condensed consolidated financial statements

FOR THE HALF YEAR ENDED 30 JUNE 2023

1 GENERAL INFORMATION

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 interim condensed consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the interim condensed consolidated financial statements present fairly the Group's financial position as at the end of the half year, and the results of its operations and cash flows for the six months then ended, in conformity with International Accounting Standard 34 ("IAS 34"), Interim Financial Reporting.

2 INDEPENDENT REVIEWER'S STATEMENT

These interim condensed consolidated inflation-adjusted financial statements for the six months ended 30 June 2023 have been reviewed by Grant Thornton Chartered Accountants (Zimbabwe). An adverse review conclusion has been issued thereon with respect to the inclusion of unaudited opening balances and comparative financial information of Vanguard Life Assurance Limited in the interim condensed consolidated inflation-adjusted financial statements and misstatements in the fair value gains recognised in the comparative interim condensed consolidated inflation adjusted statement of profit or loss and other comprehensive income arising from the valuation of investment property.

The review conclusion also includes an emphasis of matter paragraph regarding the adoption of IFRS 17 – Insurance Contracts. The Engagement Partner responsible for this review is Farai Chibisa, Registered Public Auditor (PAAB Number 0547). The Independent Review Report on the interim consolidated inflation-adjusted financial statements is available for inspection at the Company's registered office.

3 ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 and the Zimbabwe Stock Exchange listing requirements. The financial statements are based on statutory records that are maintained under the historical cost convention basis, except for revaluation of investment properties, land and buildings and financial assets at fair value through profit or loss and insurance and investment contract liabilities that have been measured on a fair value basis. The inflation adjusted financial statements are the primary financial statements of the Group. Adjustments and reclassifications including the restatements to the changes in the general purchasing power of the Zimbabwe dollar for the purpose of fair presentation in accordance with IAS 29 have been made to the historical information.

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

Notes to the interim condensed consolidated financial statements

FOR THE HALF YEAR ENDED 30 JUNE 2023

3.2 FUNCTIONAL CURRENCY

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

3.3 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

IFRS 17 Insurance Contracts

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

Recognition, measurement and presentation of insurance contracts

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

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

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

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

Transition

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

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

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item and Earnings Per Share (EPS). The effects of adopting IFRS 17 on the consolidated financial statements at 1 January 2022 are presented in the statement of changes in equity.

3.4 APPLICATION OF IAS 29 (FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES)

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

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

The indices and adjustment factors used to restate the financial statements at 30 June 2023 are as given below:

	Index	Conversion factor
CPI as at 31 December 2021	3977.46	10.7382
CPI as at 30 June 2022	4707.35	4.9051
CPI as at 31 December 2022	13672.91	3.1237
CPI as at 30 June 2023	42710.72	1.0000

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



ASSURANCE L I F E

Reviewed Financial Results

FOR THE HALF YEAR ENDED 30 JUNE 2023

Notes to the interim condensed consolidated financial statements

FOR THE HALF YEAR ENDED 30 JUNE 2023

4 EARNINGS PER SHARE

Reconciliation of total earnings to headline earnings attributable to shareholders

	INFLATION ADJUSTED		HISTORICAL COST	
	30-Jun-23 ZWL	30-Jun-22 ZWL	30-Jun-23 ZWL	30-Jun-22 ZWL
Numerator	26,749,674,999	17,804,118,150	(12,305,105,726)	344,087,415
Add/(deduct) non recurring items				
Impairment of intangible assets	54,496,556	401,379	54,494,249	9,552,143
Profit on disposal of property and equipment	-	(125,732,490)	-	-
Bad debts written off	40,209,664	-	40,209,664	1,500,081.00
Income tax on headline earnings adjustable items	(2,735,239)	8,940,949	23,410,807	(2,732,110)
Headline earnings attributable to ordinary shareholders	26,841,645,981	17,687,727,988	(12,186,991,006)	352,407,529
Denominator				
Weighted number of ordinary shares in issue	108,923,291	108,923,291	108,923,291	108,923,291
Less: Shares purchased for the Employee Share Ownership Plan	(1,003,743)	(1,003,743)	(1,003,743)	(1,003,743)
Weighted average number of shares used in basic EPS	107,919,548	107,919,548	107,919,548	107,919,548
Less: Dilutive adjusting effects	-	-	-	-
	107,919,548	107,919,548	107,919,548	107,919,548
Basic and diluted earnings per share (cents)	24,786.68	16,497.58	(11,402.11)	318.84
Headline earnings per share (cents)	24,871.90	16,389.74	(11,292.66)	326.55



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Notes to the interim condensed consolidated financial statements

FOR THE HALF YEAR ENDED 30 JUNE 2023

5 PROPERTY AND EQUIPMENT

GROUP

Net carrying amount at 1 January 2022

Gross carrying amount - cost/valuation
Accumulated depreciation

Additions

Exchange rate movement on foreign operations

Disposals

Gross carrying amount - cost/valuation
Accumulated depreciation

Depreciation charge for the year

Revaluation surplus

Gross carrying amount - cost/valuation
Accumulated depreciation

Net carrying amount at 31 December 2022

Gross carrying amount - cost/valuation
Accumulated depreciation

Additions

Exchange rate movement on foreign operations

Disposals

Gross carrying amount - cost/valuation
Accumulated depreciation

Depreciation charge for the year

Revaluation surplus

Gross carrying amount - cost/valuation
Accumulated depreciation

Net carrying amount at 30 June 2023

Gross carrying amount - cost/valuation
Accumulated depreciation

INFLATION ADJUSTED

GROUP	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Net carrying amount at 1 January 2022	8 298 505 107	20 290 502	97 931 444	116 413 874	8 533 140 927
Gross carrying amount - cost/valuation	8 364 046 623	704 573 945	708 890 996	275 466 705	10 052 978 269
Accumulated depreciation	(65 541 516)	(684 283 443)	(610 959 552)	(159 052 831)	(1 519 837 342)
Additions	-	53 868 599	102 840 855	15 342 841	172 052 295
Exchange rate movement on foreign operations	130 667 086	70 532 732	21 522 795	195 275	222 917 888
Disposals	-	-	-	-	-
Gross carrying amount - cost/valuation	-	(5 144 503)	(1 109 214)	-	(6 253 717)
Accumulated depreciation	-	5 144 503	1 109 214	-	6 253 717
Depreciation charge for the year	(26 593 720)	(46 282 099)	(61 388 545)	(21 831 811)	(156 096 175)
Revaluation surplus	4 265 392 673	-	-	-	4 265 392 673
Gross carrying amount - cost/valuation	4 265 392 673	-	-	-	4 265 392 673
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2022	12 667 971 146	44 541 135	58 065 694	94 777 338	12 865 355 313
Gross carrying amount - cost/valuation	12 760 106 382	769 962 174	729 304 577	275 661 980	14 535 035 113
Accumulated depreciation	(92 135 236)	(725 421 039)	(671 238 883)	(180 884 642)	(1 669 679 800)
Additions	-	12 135 090	236 549 124	69 130 149	317 814 363
Exchange rate movement on foreign operations	518 859 281	261 929 705	76 386 912	11 247 209	868 423 107
Disposals	-	(86 539 887)	-	-	(86 539 887)
Gross carrying amount - cost/valuation	-	(118 008 937)	-	-	(118 008 937)
Accumulated depreciation	-	31 469 050	-	-	31 469 050
Depreciation charge for the year	(1 649 071)	(49 829 649)	(44 613 792)	(19 448 757)	(115 541 269)
Revaluation surplus	18 449 349 845	-	-	-	18 449 349 845
Gross carrying amount - cost/valuation	18 449 349 845	-	-	-	18 449 349 845
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 30 June 2023	31 634 531 201	182 236 394	326 387 938	155 705 939	32 298 861 472
Gross carrying amount - cost/valuation	31 728 315 508	926 018 032	1 042 240 613	356 039 338	34 052 613 491
Accumulated depreciation	(93 784 307)	(743 781 638)	(715 852 675)	(200 333 399)	(1 753 752 019)

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 2023.

There were no buildings pledged as collateral as at 30 June 2023. The value of land and buildings is categorised as a level 3 recurring fair value measurement.

HISTORICAL COST

5.1 GROUP

Net carrying amount at 1 January 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

Gross carrying amount - cost/valuation
Accumulated depreciation

Net carrying amount at 31 December 2022

Gross carrying amount - cost/valuation
Accumulated depreciation

Additions

Exchange rate movement on foreign operations

Disposals

Gross carrying amount - cost/valuation
Accumulated depreciation

Depreciation charge for the year

Revaluation surplus

Gross carrying amount - cost/valuation
Accumulated depreciation

Net carrying amount at 30 June 2023

Gross carrying amount - cost/valuation
Accumulated depreciation

GROUP	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Net carrying amount at 1 January 2021	759,509,840	2,901,102	9,968,192	1,837,015	774,216,149
Gross carrying amount - cost/valuation	759,765,657	2,940,521	18,773,538	3,900,045	785,379,761
Accumulated depreciation	(255,817)	(39,419)	(8,805,346)	(2,063,030)	(11,163,612)
Additions	-	15,732,827	57,060,594	6,583,829	79,377,250
Exchange rate movement on foreign operations	97,910,009	10,974,989	23,450,075	3,378,830	135,713,904
Disposals	-	-	(629,491)	-	(629,491)
Gross carrying amount - cost/valuation	-	(1,646,901)	(984,582)	-	(2,631,483)
Accumulated depreciation	-	1,646,901	355,091	-	2,001,992
Depreciation charge for the year	(235,939)	(4,282,700)	(15,701,044)	(2,595,265)	(22,814,948)
Revaluation surplus	2,931,609,487	-	-	-	2,931,609,487
Gross carrying amount - cost/valuation	2,931,609,487	-	-	-	2,931,609,487
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2022	3,788,793,397	25,326,218	74,148,326	9,204,409	3,897,472,350
Gross carrying amount - cost/valuation	3,789,285,153	28,001,436	98,299,625	13,862,704	3,929,448,918
Accumulated depreciation	(491,756)	(2,675,218)	(24,151,299)	(4,658,295)	(31,976,568)
Additions	-	3,963,511	170,661,790	48,469,498	223,094,799
Exchange rate movement on foreign operations	690,640,510	521,340,952	384,873,285	17,728,282	1,614,583,029
Disposals	-	(86,539,887)	-	-	(86,539,887)
Gross carrying amount - cost/valuation	-	(118,008,937)	-	-	(118,008,937)
Accumulated depreciation	-	31,469,050	-	-	31,469,050
Depreciation charge for the year	(1,649,071)	(33,768,400)	(21,406,451)	(3,201,787)	(60,025,709)
Revaluation surplus	26,228,682,415	-	-	-	26,228,682,415
Gross carrying amount - cost/valuation	26,228,682,415	-	-	-	26,228,682,415
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 30 June 2023	30,706,467,251	430,322,394	608,276,950	72,200,402	31,817,266,997
Gross carrying amount - cost/valuation	30,708,608,078	435,296,962	653,834,700	80,060,484	31,877,800,224
Accumulated depreciation	(2,140,827)	(4,974,568)	(45,557,750)	(7,860,082)	(60,533,227)

Land and buildings are carried at fair value determined on an open market value basis by independent professional valuers. The latest fair values were estimated as at 30 June 2023. There were no buildings pledged as collateral as at 30 June 2023. The value of land and buildings is categorised as a level 3 recurring fair value measurement.



ASSURANCE

Reviewed Financial Results

FOR THE HALF YEAR ENDED 30 JUNE 2023

Notes to the interim condensed consolidated financial statements

FOR THE HALF YEAR ENDED 30 JUNE 2023

6 INVESTMENT PROPERTY

	INFLATION ADJUSTED		HISTORICAL COST	
	Jun 2023 ZWL	June 2022 ZWL	Jun 2023 ZWL	Jun 2022 ZWL
	112,757,053,554	65,140,985,031	36,096,715,231	6,066,289,056
Additions	-	5,682,323,983	-	1,819,072,282
Disposals	(7,411,233,491)	(102,199,361)	(7,256,797,460)	(31,942,857)
Exchange rate movement on foreign operations	(356,401,192)	7,921,710,503	14,867,886,203	3,286,883,704
Fair value gains through profit or loss	146,235,453,215	34,114,233,398	207,517,068,112	24,956,413,046
Balance at 30 June	251,224,872,086	112,757,053,554	251,224,872,086	36,096,715,231

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

As at 30 June 2023, the fair values of the properties are based on valuations performed by Homelux Real Estate an accredited independent valuer. Homelux Real Estate is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied.

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

7.1 SEGMENT INFORMATION

Segmental performance for the period ended 30 June 2023	INFLATION ADJUSTED					
	Insurance ZWL	Microlending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	Total ZWL
Insurance revenue	4,356,369,647	-	-	-	-	4,356,369,647
Insurance service expenses	(13,076,781,448)	-	-	-	-	(13,076,781,448)
Insurance service result	(8,720,411,801)	-	-	-	-	(8,720,411,801)
Interest revenue from financial instruments not measured at fair value through profit or loss	992,525,166	-	-	-	-	992,525,166
Net income from other financial instruments at fair value through profit or loss	11,607,287,581	-	-	-	-	11,607,287,581
Net gains from fair value adjustments to investment properties	27,867,940,199	-	-	-	-	27,867,940,199
Net change in investment contract liabilities	(20,231,557,138)	-	-	-	-	(20,231,557,138)
Other net investment revenue	(174,181,128,448)	-	-	-	-	(174,181,128,448)
Net gain from foreign exchange	478,460,369	-	-	-	-	478,460,369
Net Investment Income	(153,466,472,271)	-	-	-	-	(153,466,472,271)
Insurance finance expenses for insurance contracts issued	(1,717,941,749)	-	-	-	-	(1,717,941,749)
Net insurance finance expenses	(1,717,941,749)	-	-	-	-	(1,717,941,749)
Net insurance and investment result	(163,904,825,821)	-	-	-	-	(163,904,825,821)
Rental income from investment property	-	8,307,545	-	81,017	-	8,388,562
Investment income	-	1,177,938,473	105,532,734,856	13,570,209,366	-	120,280,882,695
Interest income from micro - lending	-	1,060,385,351	-	-	-	1,060,385,351
Other income	8,363,840,433	1,127,535,395	-	1,674,086,919	-	11,165,462,747
Operating and administrative expenses expenses	1,049,730,127	(1,291,177,466)	(69,408,777)	(2,508,742,856)	-	(2,819,598,972)
Segment assets	412,420,860,328	5,992,664,724	175,217,000,000	20,597,562,612	(144,094,711,746)	470,133,375,917
Segment liabilities	355,386,455,790	3,789,488,612	1,178,146,175	8,085,578,819	(3,454,257,747)	364,985,411,648
Segmental performance for the period ended 30 June 2022						
Insurance revenue	1,658,771,349	-	-	-	-	1,658,771,349
Insurance service expenses	(2,245,080,336)	-	-	-	-	(2,245,080,336)
Insurance service result	(586,308,987)	-	-	-	-	(586,308,987)
Net income from other financial instruments at fair value through profit or loss	1,882,998,781	-	-	-	-	1,882,998,781
Net gains from fair value adjustments to investment properties	18,342,385,675	-	-	-	-	18,342,385,675
Net change in investment contract liabilities	(14,194,374,179)	-	-	-	-	(14,194,374,179)
Other net investment income	(53,886,702,599)	-	-	-	-	(53,886,702,599)
Net insurance and investment result	(48,442,001,309)	-	-	-	-	(48,442,001,309)
Rental income from investment property	-	620,293	-	57,011,262	-	57,631,556
Investment income	-	103,570,718	13,134,730,000	57,835,139,963	-	71,073,440,681
Interest income from micro - lending	-	127,131,659	-	496,466,183	-	623,597,842
Other income	(4,760,517)	10,800	-	752,821,397	-	748,071,680
Operating and administrative expenses expenses	(32,442,020)	(95,419,530)	(3,926,292)	(1,490,883,258)	-	(1,622,671,100)
Segment assets	152,690,894,850	2,830,167,724	69,684,265,144	3,254,458,453	(52,256,358,092)	176,203,428,079
Segment liabilities	145,163,143,140	2,264,490,535	3,541,362,217	1,052,893,367	(41,961,923,908)	193,983,813,167

Notes to the interim condensed consolidated financial statements

FOR THE HALF YEAR ENDED 30 JUNE 2023

7.2 SEGMENT INFORMATION

Segmental performance for the period ended 30 June 2023	HISTORICAL COST					
	Insurance ZWL	Microlending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	Total ZWL
Insurance revenue	2,841,935,173	-	-	-	-	2,841,935,173
Insurance service expenses	(6,947,201,367)	-	-	-	-	(6,947,201,367)
Insurance service result	(4,105,266,194)	-	-	-	-	(4,105,266,194)
Interest revenue from financial instruments not measured at fair value through profit or loss	942,729,040	-	-	-	-	942,729,040
Net income from other financial instruments at fair value through profit or loss	13,114,755,771	-	-	-	-	13,114,755,771
Net gains from fair value adjustments to investment properties	39,828,020,000	-	-	-	-	39,828,020,000
Net change in investment contract liabilities	(31,422,808,879)	-	-	-	-	(31,422,808,879)
Other net investment revenue	(174,756,399,059)	-	-	-	-	(174,756,399,059)
Net gain from foreign exchange	489,073,688	-	-	-	-	489,073,688
Net Investment Income	(151,804,629,439)	-	-	-	-	(151,804,629,439)
Insurance finance expenses for insurance contracts issued	(1,717,941,749)	-	-	-	-	(1,717,941,749)
Net insurance and investment result	(157,627,837,382)	-	-	-	-	(157,627,837,382)
Rental income from investment property	-	4,085,470	-	-	-	4,085,470
Revenue from sale of inventory property	-	-	-	-	-	-
Investment income	-	1,177,895,563	152,909,100,000	14,127,257,703	-	168,214,253,266
Interest income from micro - lending	-	404,962,575	-	-	-	404,962,575
Other income	9,360,090,427	995,639,357	(902,631,502)	1,068,128,934	-	10,521,227,216
Operating and administrative expenses expenses	1,049,730,127	(504,210,034)	(39,812,775)	(1,779,903,393)	-	(1,274,196,075)
Segment assets	412,420,860,328	5,957,808,421	175,217,000,000	20,118,643,552	(144,094,711,747)	469,619,600,553
Segment liabilities	358,922,906,337	3,786,557,002	8,823,601,175	7,017,782,046	(7,723,875,955)	370,826,970,605
Segmental performance for the period ended 30 June 2022						
Insurance revenue	338,170,434	-	-	-	-	338,170,434
Insurance service expenses	(457,700,088)	-	-	-	-	(457,700,088)
Insurance service result	(119,529,654)	-	-	-	-	(119,529,654)
Net income from other financial instruments at fair value through profit or loss	383,883,237	-	-	-	-	383,883,237
Net gains from fair value adjustments to investment properties	3,739,425,890	-	-	-	-	3,739,425,890
Net change in investment contract liabilities	(4,544,019,788)	-	-	-	-	(4,544,019,788)
Other net investment revenue	(10,985,775,482)	-	-	-	-	(10,985,775,482)
Net insurance and investment result	(11,526,015,797)	-	-	-	-	(11,526,015,797)
Rental income from investment property	-	620,293	-	11,128,938	-	11,749,231
Investment income	-	103,570,718	13,134,730,000	1,251,301,065	-	14,489,601,783
Interest income from micro - lending	-	127,131,659	-	-	-	127,131,659
Other income	(4,760,517)	10,800	-	157,257,611	-	152,507,894
Operating and administrative expenses expenses	(32,442,020)	(95,419,530)	(3,926,292)	(206,840,667)	-	(338,628,509)
Segment assets	48,425,898,883	904,407,172	22,307,900,000	1,014,366,805	(16,900,154,448)	55,752,418,412
Segment liabilities	45,866,682,130	724,529,490	1,133,689,995	333,802,929	(13,554,264,036)	61,612,968,580

ZIMBABWE ACTUARIAL CONSULTANTS

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FOR THE HALF YEAR ENDED 30 JUNE 2023

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7.3 GEOGRAPHICAL INFORMATION

Geographical performance for the period ended 30 June 2023

	INFLATION ADJUSTED		
	Zimbabwe	Malawi	Total
	ZWL	ZWL	ZWL
Insurance revenue	3,347,884,318	1,008,485,329	4,356,369,647
Insurance service expenses	(10,961,951,554)	(2,114,829,894)	(13,076,781,448)
Insurance service result	(7,614,067,236)	(1,106,344,565)	(8,720,411,801)
Interest revenue from financial instruments not measured at fair value through profit or loss	50,219,366	942,305,800	992,525,166
Net income from other financial instruments at fair value through profit or loss	4,272,599,163	7,334,688,418	11,607,287,581
Net gains from fair value adjustments to investment properties	27,867,940,199	-	27,867,940,199
Net change in investment contract liabilities	(20,231,557,138)	-	(20,231,557,138)
Other investment revenue	(165,485,400,711)	(8,695,727,736)	(174,181,128,448)
Net gain from foreign exchange	478,460,369	-	478,460,369
Net Investment Income	(153,047,738,753)	(418,733,518)	(153,466,472,271)
Insurance finance expenses for insurance contracts issued	80,724,367	(1,798,666,116)	(1,717,941,749)
Net insurance finance expenses	80,724,367	(1,798,666,116)	(1,717,941,749)
Net insurance and investment result	(160,581,081,622)	(3,323,744,199)	(163,904,825,821)
Rental income from investment property	8,388,562	-	8,388,562
Investment income	120,280,882,695	-	120,280,882,695
Interest income from micro - lending	1,060,385,351	-	1,060,385,351
Other income	2,765,322,981	8,400,139,766	11,165,462,747
Operating and administrative expenses expenses	(3,869,329,099)	1,049,730,127	(2,819,598,972)
Segment assets	302,599,816,625	167,533,559,293	470,133,375,917
Segment liabilities	243,988,694,229	120,996,717,419	364,985,411,648
	Zimbabwe	Malawi	Total
	ZWL	ZWL	ZWL
Insurance revenue	1,641,014,922	17,756,427	1,658,771,349
Insurance service expenses	(2,145,564,411)	(99,515,925)	(2,245,080,336)
Insurance service result	(504,549,489)	(81,759,498)	(586,308,987)
Net income from other financial instruments at fair value through profit or loss	1,882,998,781	-	1,882,998,781
Net gains from fair value adjustments to investment properties	18,342,385,675	-	18,342,385,675
Net change in investment contract liabilities	(14,194,374,179)	-	(14,194,374,179)
	(53,939,971,881)	53,269,282	(53,886,702,599)
Net Investment Income	(47,908,961,604)	53,269,282	(47,855,692,322)
Net insurance and investment result	(48,413,511,093)	(28,490,216)	(48,442,001,309)
Rental income from investment property	57,631,556	-	57,631,556
Investment income	71,073,440,681	-	71,073,440,681
Interest income from micro - lending	623,597,842	-	623,597,842
Other income	748,071,680	-	748,071,680
Operating and administrative expenses expenses	(1,590,679,081)	(31,992,019)	(1,622,671,100)
Segment assets	129,743,737,848	46,459,690,231	176,203,428,079
Segment liabilities	149,822,353,864	44,161,459,303	193,983,813,167

Geographical performance for the period ended 30 June 2022

Notes to the interim condensed consolidated financial statements

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7.4 GEOGRAPHICAL INFORMATION

Geographical performance for the period ended 30 June 2023

	HISTORICAL COST		
	Zimbabwe	Malawi	Total
	ZWL	ZWL	ZWL
Insurance revenue	1,833,449,844	1,008,485,329	2,841,935,173
Insurance service expenses	(4,832,371,473)	(2,114,829,894)	(6,947,201,367)
Net expenses from reinsurance contracts held	-	-	-
Insurance service result	(2,998,921,629)	(1,106,344,565)	(4,105,266,194)
Interest revenue from financial instruments not measured at fair value through profit or loss	423,240	942,305,800	942,729,040
Net income from other financial instruments at fair value through profit or loss	5,780,067,353	7,334,688,418	13,114,755,771
Net gains from fair value adjustments to investment properties	39,828,020,000	-	39,828,020,000
Net change in investment contract liabilities	(31,422,808,879)	-	(31,422,808,879)
Other investment revenue	(166,060,671,323)	(8,695,727,736)	(174,756,399,059)
Net gain from foreign exchange	489,073,688	-	489,073,688
Net Investment Income	(151,385,895,921)	(418,733,518)	(151,804,629,439)
Insurance finance expenses for insurance contracts issued	80,724,367	(1,798,666,116)	(1,717,941,749)
Net insurance finance expenses	80,724,367	(1,798,666,116)	(1,717,941,749)
Net insurance and investment result	(154,304,093,183)	(3,323,744,199)	(157,627,837,382)
Rental income from investment property	4,085,470	-	4,085,470
Investment income	168,214,253,266	-	168,214,253,266
Interest income from micro - lending	404,962,575	-	404,962,575
Other income	2,121,087,450	8,400,139,766	10,521,227,216
Operating and administrative expenses expenses	(2,323,926,202)	1,049,730,127	(1,274,196,075)
Segment assets	302,086,041,260	167,533,559,293	469,619,600,553
Segment liabilities	249,830,253,186	120,996,717,419	370,826,970,605
	Zimbabwe	Malawi	Total
	ZWL	ZWL	ZWL
Insurance revenue	320,414,007	17,756,427	338,170,434
Insurance service expenses	(358,184,163)	(99,515,925)	(457,700,088)
Insurance service result	(37,770,156)	(81,759,498)	(119,529,654)
Net income from other financial instruments at fair value through profit or loss	383,883,237	-	383,883,237
Net gains from fair value adjustments to investment properties	3,739,425,890	-	3,739,425,890
Net change in investment contract liabilities	(4,544,019,788)	-	(4,544,019,788)
	(11,039,044,764)	53,269,282	(10,985,775,482)
Net Investment Income	(11,459,755,425)	53,269,282	(11,406,486,143)
Net insurance and investment result	(11,497,525,581)	(28,490,216)	(11,526,015,797)
Rental income from investment property	11,749,231	-	11,749,231
Investment income	14,489,601,783	-	14,489,601,783
Interest income from micro - lending	127,131,659	-	127,131,659
Other income	152,507,894	-	152,507,894
Operating and administrative expenses expenses	(306,636,490)	(31,992,019)	(338,628,509)
Segment assets	40,879,359,664	14,873,058,748	55,752,418,412
Segment liabilities	47,475,639,070	14,137,329,510	61,612,968,580

Geographical performance for the period ended 30 June 2022

Insurance revenue	320,414,007	17,756,427	338,170,434
Insurance service expenses	(358,184,163)	(99,515,925)	(457,700,088)
Insurance service result	(37,770,156)	(81,759,498)	(119,529,654)
Net income from other financial instruments at fair value through profit or loss	383,883,237	-	383,883,237
Net gains from fair value adjustments to investment properties	3,739,425,890	-	3,739,425,890
Net change in investment contract liabilities	(4,544,019,788)	-	(4,544,019,788)
	(11,039,044,764)	53,269,282	(10,985,775,482)
Net Investment Income	(11,459,755,425)	53,269,282	(11,406,486,143)
Net insurance and investment result	(11,497,525,581)	(28,490,216)	(11,526,015,797)
Rental income from investment property	11,749,231	-	11,749,231
Investment income	14,489,601,783	-	14,489,601,783
Interest income from micro - lending	127,131,659	-	127,131,659
Other income	152,507,894	-	152,507,894
Operating and administrative expenses expenses	(306,636,490)	(31,992,019)	(338,628,509)
Segment assets	40,879,359,664	14,873,058,748	55,752,418,412
Segment liabilities	47,475,639,070	14,137,329,510	61,612,968,580



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FOR THE HALF YEAR ENDED 30 JUNE 2023

8 TRADE AND OTHER RECEIVABLES

Residential stand sales debtors	2,248,250	4,750,511	2,248,250	1,520,773
Micro-finance loans receivable	4,409,689,283	1,964,735,843	4,409,689,283	628,967,395
Other trade debtors	2,111,600,013	809,205,181	2,111,600,013	259,049,417
Trade receivables - gross	6,523,537,546	2,778,691,535	6,523,537,546	889,537,585
Less: allowance for expected credit losses ("ECL")	(34,328,792)	(733,308,035)	(34,328,792)	(234,752,598)
Trade receivables - net	6,489,208,754	2,045,383,500	6,489,208,754	654,784,987
Receivables from related parties	1,048,638,125	205,063,881	1,048,638,125	65,646,736
Loans to employees, net of ECL	1,276,383,520	384,330,793	1,276,383,520	123,035,134
Total receivables classified as financial assets at amortised cost	8,814,230,399	2,634,778,174	8,814,230,399	843,466,857
Prepayments	9,156,640,131	3,243,604,419	9,143,695,884	1,038,369,320
Other receivables, net of ECL	1,625,769,158	660,287,029	1,625,769,158	211,376,512
Total trade and other receivables	19,596,639,688	6,538,669,622	19,583,695,441	2,093,212,689

The carrying value 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 expected credit losses. The amount of expected credit losses for these receivables are as shown in the table below.

	Jun-23 ZWL	Dec-22 ZWL	Jun-23 ZWL	Dec-22 ZWL
Allowance for expected credit loss on trade receivables	34,328,792	733,308,035	34,328,792	234,752,598
Allowance for expected credit loss on loans to employees	-	-	-	-
Allowance for expected credit loss on other receivables	-	148,732	-	47,614
Allowance for expected credit loss on related party receivables	-	-	-	-
	34,328,792	733,456,767	34,328,792	234,800,212

Notes to the interim condensed consolidated financial statements

FOR THE HALF YEAR ENDED 30 JUNE 2023

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Equities at fair value through profit or loss

INFLATION ADJUSTED		HISTORICAL COST	
Jun-23 ZWL	Dec-22 ZWL	Jun-23 ZWL	Dec-22 ZWL
100,420,837,428	17,450,278,290	100,420,837,428	5,586,326,587

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

10 CASH AND DEPOSITS WITH BANKS

	Jun-23 ZWL	Dec-22 ZWL	Jun-23 ZWL	Dec-22 ZWL
Money market investments	41,128,811,406	2,932,769,956	41,128,811,406	938,862,435
Bank and cash	2,631,281,977	1,659,798,281	2,631,281,977	531,348,275
Cash and deposits with banks	43,760,093,383	4,592,568,237	43,760,093,383	1,470,210,710
Bank overdraft	(2,403,615,969)	(629,577,591)	(2,403,615,969)	(201,545,556)
Cash and cash equivalents	41,356,477,414	3,962,990,646	41,356,477,414	1,268,665,154

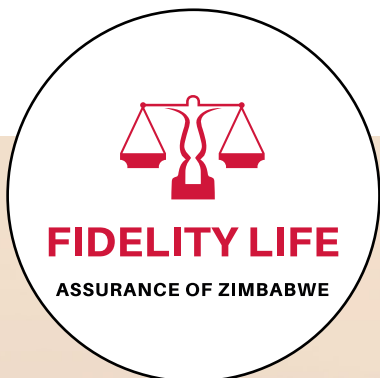
Cash and deposits with banks

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

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings.



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11 INSURANCE CONTRACT ASSETS AND LIABILITIES

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

INFLATION ADJUSTED	Direct participating contracts	Investment contracts with DPF	Investment contracts without DPF	Total	Current portion	Non current portion	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Balance as at 30 June 2023							
Insurance contract assets	15,417,786,627	4,605,312,889	-	20,023,099,516	20,023,099,516	-	20,023,099,516
Insurance contract liabilities	190,177,052,873	113,688,204,390	-	303,865,257,264	-	303,865,257,263	303,865,257,263
Investment contract liabilities	-	-	40,261,507,680	40,261,507,680	-	40,261,507,680	40,261,507,680
Balance as at 31 December 2022							
Insurance contract assets	3,754,296,156	1,121,413,138	-	4,875,709,294	4,875,709,294	-	4,875,709,294
Insurance contract liabilities	130,019,329,508	26,664,432,849	-	156,683,762,357	-	156,683,762,357	156,683,762,357
Investment contract liabilities	-	-	17,461,169,664	17,461,169,664	-	17,461,169,664	17,461,169,664
HISTORICAL COST							
Balance as at 30 June 2023							
Insurance contract assets	15,417,786,627	4,605,312,889	-	20,023,099,516	20,023,099,516	-	20,023,099,516
Insurance contract liabilities	190,177,052,873	113,688,204,390	-	303,865,257,263	-	303,865,257,263	303,865,257,263
Investment contract liabilities	-	-	40,261,507,680	40,261,507,680	-	40,261,507,680	40,261,507,680
Balance as at 31 December 2022							
Insurance contract assets	1,201,856,159	358,995,995	-	1,560,852,154	1,560,852,154	-	1,560,852,154
Insurance contract liabilities	41,622,834,576	8,536,059,904	-	50,158,894,480	-	50,158,894,480	50,158,894,480
Investment contract liabilities	-	-	5,589,813,223	5,589,813,223	-	5,589,813,223	5,589,813,223

11.1 Direct participating contracts issued Reconciliation of the liability for the remaining coverage (LRC) and liability for incurred claims (LIC)

INFLATION ADJUSTED	2023 Liability for incurred claims				2022 Liability for incurred claims			
	Excluding loss component	Loss component	LIC	Total	Excluding loss component	Loss component	LIC	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Opening insurance contract liabilities	130,019,329,508	-	-	130,019,329,508	23,086,878,829	-	-	23,086,878,829
Net balance as at 1 January	130,019,329,508	-	-	130,019,329,508	23,086,878,829	-	-	23,086,878,829
Insurance revenue	(3,049,458,753)	-	-	(3,049,458,753)	(223,192,487)	-	-	(223,192,487)
Insurance service expenses								
Incurring claims and other directly attributable expenses	9,112,680,436	-	-	9,112,680,436	844,167,210	-	-	844,167,210
Insurance acquisition cashflows amortisation	41,066,577	-	-	41,066,577	99,461,111	-	-	99,461,111
Insurance service expenses	9,153,747,013	-	-	9,153,747,013	943,628,321	-	-	943,628,321
Insurance service result	6,104,288,260	-	-	6,104,288,260	720,435,834	-	-	720,435,834
Total amounts recognised in comprehensive income	6,104,288,260	-	-	6,104,288,260	720,435,834	-	-	720,435,834
Investment components	55,560,664,462	-	-	55,560,664,462	108,503,757,735	-	-	108,503,757,735
Other changes	-	-	-	-	-	-	-	-
Cashflows								
Premiums received	16,562,003,681	-	-	16,562,003,681	8,684,338,714	-	-	8,684,338,714
Claims and other directly attributable expenses paid	(16,177,778,618)	-	-	(16,177,778,618)	(10,537,029,936)	-	-	(10,537,029,936)
Insurance acquisition cash flows	(1,891,454,420)	-	-	(1,891,454,420)	(439,051,669)	-	-	(439,051,669)
Total cash flows	(1,507,229,357)	-	-	(1,507,229,357)	(2,291,742,891)	-	-	(2,291,742,891)
Net balance as at 30 June	190,177,052,873	-	-	190,177,052,873	130,019,329,508	-	-	130,019,329,508



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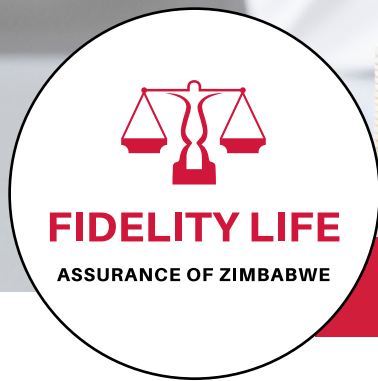
FOR THE HALF YEAR ENDED 30 JUNE 2023

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

HISTORICAL COST	2023 Liability for incurred claims				2022 Liability for incurred claims			
	Excluding loss component	Loss component	LIC	Total	Excluding loss component	Loss component	LIC	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Opening insurance contract liabilities	41,622,834,577	-	-	41,622,834,577	7,390,761,504	-	-	7,390,761,504
Net balance as at 1 January	41,622,834,577	-	-	41,622,834,577	7,390,761,504	-	-	7,390,761,504
Insurance revenue	(1,989,354,621)	-	-	(1,989,354,621)	(223,192,487)	-	-	(223,192,487)
Insurance service expenses								
Incurring claims and other directly attributable expenses	286,620,037	-	-	286,620,037	270,241,749	-	-	270,241,749
Insurance acquisition cashflows amortisation	33,770,024	-	-	33,770,024	31,840,309	-	-	31,840,309
Insurance service expenses	320,390,061	-	-	320,390,061	302,082,058	-	-	302,082,058
Insurance service result	(1,668,964,560)	-	-	(1,668,964,560)	78,889,571	-	-	78,889,571
Total amounts recognised in comprehensive income	(1,668,964,560)	-	-	(1,668,964,560)	78,889,571	-	-	78,889,571
Investment components	149,118,579,235	-	-	149,118,579,235	33,292,621,704	-	-	33,292,621,704
Other changes	-	-	-	-	-	-	-	-
Cashflows								
Premiums received	9,070,087,309	-	-	9,070,087,309	2,780,101,924	-	-	2,780,101,924
Claims and other directly attributable expenses paid	(7,131,671,356)	-	-	(7,131,671,356)	(1,778,987,296)	-	-	(1,778,987,296)
Insurance acquisition cash flows	(833,812,332)	-	-	(833,812,332)	(140,552,831)	-	-	(140,552,831)
Total cash flows	1,104,603,621	-	-	1,104,603,621	860,561,797	-	-	860,561,797
Net balance as at 30 June	190,177,052,873	-	-	190,177,052,873	41,622,834,576	-	-	41,622,834,576

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

INFLATION ADJUSTED	2023 Liability for incurred claims				2022 Liability for incurred claims			
	Excluding loss component	Loss component	LIC	Total	Excluding loss component	Loss component	LIC	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Net balance as at 1 January	26,664,432,849	-	-	26,664,432,849	2,705,869,411	-	-	2,705,869,411
Insurance revenue	(1,306,910,894)	-	-	(1,306,910,894)	(114,977,948)	-	-	(114,977,948)
Insurance service expenses								
Incurring claims and other directly attributable expenses	3,905,434,472	-	-	3,905,434,472	434,874,017	-	-	434,874,017
Insurance acquisition cashflows amortisation	17,599,962	-	-	17,599,962	51,237,542	-	-	51,237,542
Insurance service expenses	3,923,034,434	-	-	3,923,034,434	486,111,559	-	-	486,111,559
Insurance service result	2,616,123,540	-	-	2,616,123,540	371,133,611	-	-	371,133,611
Total amounts recognised in comprehensive income	2,616,123,540	-	-	2,616,123,540	371,133,611	-	-	371,133,611
Investment components	85,032,553,181	-	-	85,032,553,181	21,614,012,636	-	-	21,614,012,636
Other changes	-	-	-	-	-	-	-	-
Cashflows								
Premiums received	21,686,175,099	-	-	21,686,175,099	6,094,542,992	-	-	6,094,542,992
Claims and other directly attributable expenses paid	(14,221,698,386)	-	-	(14,221,698,386)	(2,920,898,199)	-	-	(2,920,898,199)
Insurance acquisition cash flows	(8,089,381,893)	-	-	(8,089,381,893)	(1,200,227,602)	-	-	(1,200,227,602)
Total cash flows	(624,905,180)	-	-	(624,905,180)	1,973,417,191	-	-	1,973,417,191
Net balance as at 30 June	113,688,204,390	-	-	113,688,204,390	26,664,432,849	-	-	26,664,432,849
Closing insurance contract liabilities	113,688,204,390	-	-	113,688,204,390	26,664,432,849	-	-	26,664,432,849
Closing insurance contract assets	-	-	-	-	-	-	-	-
Net balance as at 30 June	113,688,204,390	-	-	113,688,204,390	26,664,432,849	-	-	26,664,432,849



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

HISTORICAL COST	2023 Liability for incurred claims				2022 Liability for incurred claims			
	Excluding loss component	Loss component	LIC	Total	Excluding loss component	Loss component	LIC	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Opening insurance contract liabilities	8,536,059,903	-	-	8,536,059,903	866,225,167	-	-	866,225,167
Net balance as at 1 January	8,536,059,903	-	-	8,536,059,903	866,225,167	-	-	866,225,167
Insurance revenue	(852,580,552)	-	-	(852,580,552)	(114,977,948)	-	-	(114,977,948)
Insurance service expenses	-	-	-	-	-	-	-	-
Incurring claims and other directly attributable expenses	122,837,159	-	-	122,837,159	139,215,447	-	-	139,215,447
Insurance acquisition cashflows amortisation	14,472,868	-	-	14,472,868	16,402,583	-	-	16,402,583
Insurance service result	137,310,027	-	-	137,310,027	155,618,030	-	-	155,618,030
Insurance service result	(715,270,524)	-	-	(715,270,524)	40,640,082	-	-	40,640,082
Total amounts recognised in comprehensive income	(715,270,524)	-	-	(715,270,524)	40,640,082	-	-	40,640,082
Investment components	103,826,527,079	-	-	103,826,527,079	6,997,448,115	-	-	6,997,448,115
Other changes	-	-	-	-	-	-	-	-
Cashflows	-	-	-	-	-	-	-	-
Premiums received	11,876,310,699	-	-	11,876,310,699	1,951,035,221	-	-	1,951,035,221
Claims and other directly attributable expenses paid	(6,269,369,943)	-	-	(6,269,369,943)	(935,061,951)	-	-	(935,061,951)
Insurance acquisition cash flows	(3,566,052,824)	-	-	(3,566,052,824)	(384,226,730)	-	-	(384,226,730)
Total cash flows	2,040,887,932	-	-	2,040,887,932	631,746,540	-	-	631,746,540
Net balance as at 30 June	113,688,204,390	-	-	113,688,204,390	8,536,059,904	-	-	8,536,059,904
Closing insurance contract liabilities	113,688,204,390	-	-	113,688,204,390	8,536,059,904	-	-	8,536,059,904
Net balance as at 30 June	113,688,204,390	-	-	113,688,204,390	8,536,059,904	-	-	8,536,059,904

11.3 Investment contract liabilities without DPF Reconciliation of investment contract liabilities

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

	INFLATION ADJUSTED		HISTORICAL COST	
	30-Jun-23 ZWL	31-Dec-23 ZWL	30-Jun-23 ZWL	31-Dec-23 ZWL
Opening balance 1 January 2023	17,461,169,664	2,971,152,692	5,589,813,223	951,149,833
Contributions received	11,131,836,014	3,643,794,744	6,253,516,106	1,166,481,538
Benefits paid	(1,475,942,412)	(13,174,627)	(578,492,018)	(4,217,570)
Investment return from underlying assets	20,231,557,138	14,194,374,179	31,422,808,879	4,544,019,788
Asset management fees charged	(7,087,112,724)	(3,334,977,324)	(2,426,138,510)	(1,067,620,366)
Closing balance	40,261,507,680	17,461,169,664	40,261,507,680	5,589,813,223



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11.4 Insurance revenue and expenses

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

	Inflation Adjusted			HISTORICAL COST		
	Direct participating contracts	Investment contracts with DPF	Total	Direct participating contracts	Investment contracts with DPF	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
June 2023						
Insurance revenue						
Amounts relating to the changes in the Liability for remaining coverage (LRC)						
Expected incurred claims and other expenses after loss component allocation	493,553,204	211,522,802	705,076,006	297,114,761	127,334,898	424,449,659
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	60,368,025	25,872,011	86,240,036	38,163,770	16,355,901	54,519,671
CSM recognised in profit or loss for the services provided	501,455,363	214,909,442	716,364,805	460,494,043	197,354,589	657,848,632
Insurance acquisition cash flow recovery	21,996,487	9,427,066	31,423,553	20,203,193	8,658,512	28,861,705
Insurance revenue from contracts not measured under the PAA	1,077,373,079	461,731,321	1,539,104,400	815,975,767	349,703,900	1,165,679,667
Insurance revenue from contracts measured under the PAA	1,972,085,673	845,179,574	2,817,265,247	1,173,378,854	502,876,652	1,676,255,506
Total insurance revenue	3,049,458,752	1,306,910,895	4,356,369,647	1,989,354,621	852,580,552	2,841,935,173
Insurance service expenses						
Incurred claims	(2,286,723,049)	(980,024,164)	(3,266,747,213)	(1,126,963,636)	(54,412,987)	(1,181,376,623)
Other directly attributable expenses	(6,825,957,387)	(2,925,410,309)	(9,751,367,695)	(5,649,157,680)	(68,424,172)	(5,717,581,853)
Insurance acquisition cashflows amortisation	(41,066,577)	(17,599,962)	(58,666,539)	(33,770,024)	(14,472,868)	(48,242,892)
Total insurance service expenses	(9,153,747,013)	(3,923,034,435)	(13,076,781,448)	(6,809,891,340)	(137,310,027)	(6,947,201,367)
Total insurance service result	(6,104,288,261)	(2,616,123,540)	(8,720,411,801)	(4,820,536,719)	715,270,525	(4,105,266,194)
June 2022						
Insurance revenue						
Amounts relating to the changes in the Liability for remaining coverage (LRC)						
Expected incurred claims and other expenses after loss component allocation	410,688,394	211,566,748	622,255,142	83,726,230	43,131,695	126,857,925
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	1,239,506	638,533	1,878,039	252,696	130,176	382,872
Insurance acquisition cash flow recovery	219,767	113,213	332,980	44,803	23,081	67,884
Insurance revenue from contracts not measured under the PAA	83,141,687	42,830,566	125,972,253	16,949,931	8,731,783	25,681,714
Insurance revenue from contracts measured under the PAA	495,289,354	255,149,060	750,438,414	100,973,660	52,016,735	152,990,395
Total insurance revenue	599,499,738	308,833,198	908,332,936	122,218,826	62,961,213	185,180,039
Insurance service expenses						
Incurred claims	(587,186,600)	(302,490,067)	(889,676,667)	(119,708,570)	(61,668,052)	(181,376,622)
Other directly attributable expenses	(738,385,436)	(380,380,376)	(1,118,765,812)	(150,533,178)	(77,547,395)	(228,080,573)
Insurance acquisition cashflows amortisation	(156,180,986)	(80,456,872)	(236,637,858)	(31,840,310)	(16,402,583)	(48,242,892)
Total insurance service expenses	(1,481,753,022)	(763,327,315)	(2,245,080,337)	(302,082,058)	(155,618,030)	(457,700,087)
Total insurance service result	(386,963,930)	(199,345,057)	(586,308,987)	(78,889,572)	(40,640,082)	(119,529,654)

12 Borrowings

SHORT-TERM BORROWINGS

ZB Bank Limited

	INFLATION ADJUSTED		HISTORICAL COST	
	Jun-23	Dec-22	Jun-23	Dec-22
	ZWL	ZWL	ZWL	ZWL
ZB Bank Limited	2,403,615,969	629,577,591	2,403,615,969	201,545,556
Total	2,403,615,969	629,577,591	2,403,615,969	201,545,556

ZB Bank Limited

The overdraft facility with ZB was obtained as a line of credit for the micro-finance business to increase the unit's lending capacity. The facility is denominated in USD and ZWL. The USD facility accrues interest at 15% per annum on a one year tenure expiring on 31 March 2024 and the ZWL facility accrues interest at 195% (2023:205%) per annum expiring on 31 March 2024.

Movements in borrowings during the period were as follows:

	Jun-23	Dec-22	Jun-23	Dec-22
	ZWL	ZWL	ZWL	ZWL
Balance at 1 January	629,577,591	714,464,109	201,545,556	66,534,852
Net cash out flow on borrowings	960,717,294	470,815,791	257,797,925	135,010,704
Proceeds from borrowings	1,250,047,948	1,306,783,893	547,128,580	339,362,046
Repayment of borrowings	(289,428,628)	(835,968,102)	(289,428,628)	(204,351,342)
Finance costs capitalised	33,414,055	597,974,451	33,414,055	138,227,511
Finance costs paid	(33,316,081)	(597,974,451)	(33,316,082)	(138,227,511)
Exchange differences on foreign currency denominated loans	892,283,715	-	1,944,272,488	-
Reduction of borrowings due to inflation	(78,962,631)	(555,702,309)	-	-
Balance at 30 June	2,403,615,969	629,577,591	2,403,615,969	201,545,556

13 TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED		HISTORICAL COST	
	30 Jun-23	31 Dec-22	30 Jun-23	31 Dec-22
	ZWL	ZWL	ZWL	ZWL
Trade payables	5,102,624,884	7,933,553,992	5,102,624,884	2,539,754,545
South View offsite works liability	2,858,207,214	1,122,162,913	2,858,207,214	359,236,020
Related party payables	815,360,462	670,895,582	815,360,462	214,772,611
Deferred income from sale of residential stands	1,804,849,918	1,804,849,918	4,399,338	4,399,338
Statutory liabilities	1,012,980,147	3,993,179	1,012,980,147	1,278,329
Other payables	2,631,210,128	2,593,352,576	2,631,210,128	830,205,354
Total	14,225,232,753	14,128,808,160	12,424,782,173	3,949,646,197

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14 CONTINGENCIES

14.1 Contingent liability

Fidelity Life Assurance of Zimbabwe Limited agreed to unconditionally guarantee ZWL152.5 million and USD1.75 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.

15 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.

