



# FIDELITY LIFE

REVIEWED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2022



## CHAIRMAN'S STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2022

I am pleased to present to you Fidelity Life Assurance of Zimbabwe Limited's (the "Group") financial results for the half year January to June 2022. The analysis on the financials is based on both the inflation adjusted and historical cost financial information.

### Operating environment in the country

The first half of 2022 was characterised by massive depreciation of the Zimbabwe dollar and a resurgence in runaway inflation. The local currency depreciated by 70% on the Foreign Currency Auction System while monthly inflation returned to double digit figures and averaged 22.4% in the second quarter. Year-on-year inflation increased sharply to 191.6% in June 2022. The global food and energy prices soared due to supply chain constraints induced by the Russia-Ukraine conflict have compounded Zimbabwe's economic fragility.

In the mid-term Budget Review, the Minister of Finance and Economic Development revised the GDP growth projections for 2022 downwards to 4.6% from an initial projection of 5.5% owing to the slowdown in global economic growth, decline in Agriculture output for the 2021-22 season, and declining aggregate demand due to rising inflation. In response to the prevailing economic environment theme, our business is pursuing alternative financial solutions in housing, property development, agriculture, and renewable energy.

### Group Financial Performance

The Group recorded net premium written of ZWL1,242 million in inflation adjusted terms and ZWL1,027.9 million in historical cost terms, an increase of 3% and 137% respectively from an inflation adjusted ZWL1,285.8 million and ZWL433.5 million in historical cost terms recorded prior year. The growth is mainly emanating from regular reviews of recurring premiums, new business acquisition and organic growth from the existing book. The Life Insurance businesses are currently the major contributor to total core income growth contributing 80% of the total core income. Total income grew by 379% in inflation adjusted terms to ZWL13,029.5 million from ZWL2,722.7 million recorded in prior period and under historical cost a growth of 1220% was recorded from ZWL1,530.0 million to ZWL20,190.7 million. The growth was underpinned by positive investment returns driven by fair value gains on investment properties and exchange gains on foreign currency denominated assets.

On an inflation adjusted basis, total benefits, claims and other expenses increased by 300% from ZWL2,683.1 million in 2021 to ZWL10,659.3 million in 2022 and under the historical cost terms an increase of 1142% was recorded from ZWL1,312.9 million to ZWL16,309.2 million on the back of significant movements in actuarial liabilities reflecting the growth in assets backing the policyholder's liabilities. Operating and administration expenses were also on the increase mainly driven by inflationary pressures currently obtaining in the operating environment.

The Group recorded an inflation adjusted profit for the period of ZWL2,325.7 million from ZWL934.1 thousand recorded in prior period and a historical profit of ZWL3,845.0 million was posted from ZWL203.5 million recorded in prior period representing a positive growth in the business.

### Successful Execution of Strategy

The business has not been spared from the economic effects of the Covid-19 pandemic, the Russia-Ukraine war and the hyperinflationary local environment. However, our management and staff have managed to maintain our business performance at a satisfactory position. We believe the strategies we adopted in our Business Units are increasingly bearing fruit. Our endeavours to grow USD revenue, increase product offering, and customer base have created a strong platform to launch our growth into the future. Key milestones in the period under review include launching a micro-finance product that provides USD loans to vendors in various cities and the solid commercial traction of the Vaka Yako product since its launch to the public on the 22nd of March 2022. These milestones have increased our USD market share in terms of Loan Book Size and Gross Written Premium respectively. We gained new customers and partners, secured new contracts, expanded into new territories, and continued to grow our market share in our target markets.

**Delivering a superior client experience:** We will continue to focus on delivering an exceptional client experience across the Group, and ensure we continue to serve our customers round the clock through the physical and digital customer touch points.

**Creating value for our customers and meeting their evolving needs:** New product development remains a critical part of our strategy for this year and going forward as we aim to continually add value to our customers' at every stage of their lives. Our product range continues to evolve in tandem with our customers' ever-changing needs and market conditions. Our priority remains that of incorporating financially inclusive products into our portfolio.

**Geographical footprint:** As part of our growth strategy, we continue to seek opportunities for the diverse business portfolio growth within Zimbabwe and the region.

**Market positioning:** With the expansion of our value chain, we will continue to explore the synergies created by our diverse Group as part of the multi-brand integration strategy.

**Corporate social investments:** The group remains mindful of the environment in which it operates, and community enriching programmes and donations remain at the core of our Corporate Social Responsibility (CSR) activities.

### 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. The transaction is expected to be completed by 31 December 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 declare an interim dividend for the period under review.

### Looking forward

The country has enjoyed relative stability following the introduction of the Gold Coins as an alternative value preservation instrument by the Central Bank at the end of July 2022. New Gold Coins have mopped up liquidity from the market and provided an alternative investment class. The hike in interest rates to 200% per annum has certainly curbed borrowing however it has the real potential of stifling growth and choking genuine business activity. Should the relative currency stability of the past month persist into the last quarter of 2022, we anticipate that Central Bank will review the policy rate downwards to make borrowings more affordable and drive the economic growth agenda. Overall, we expect the macroeconomic environment to remain challenging with inflation remaining undesirably high through to the year end.

### Appreciation

On behalf of the Board of Directors, I would like to acknowledge and appreciate the determination and commitment of the Fidelity Life team during the period under review. I would like to extend my gratitude to all our stakeholders for their continued commitment and support of the business. Lastly, I wish to thank my fellow Board members for their unstinting support for the success of all our endeavours as a business.

Livingstone T Gwata  
Chairman  
8 September 2022



**FIDELITY LIFE**

REVIEWED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2022

**FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES**

Interim condensed consolidated statement of financial position as at 30 June 2022

	Notes	INFLATION ADJUSTED		HISTORICAL COST	
		30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
		ZWL	ZWL	ZWL	ZWL
<b>ASSETS</b>					
Property and equipment	5	2,574,398,780	1,739,634,562	2,559,485,320	774,216,149
Right of use asset		62,395,749	60,618,929	62,395,749	27,690,317
Investment property	6	24,753,418,455	13,280,163,783	24,753,418,455	6,066,289,056
Intangible assets		148,645,891	197,624,889	147,739,159	70,405,507
Inventories		213,165,776	213,332,546	3,947,633	2,759,404
Trade and other receivables	8	1,795,118,790	1,235,063,754	1,760,513,492	560,732,635
Equities at fair value through profit or loss	9	2,838,332,571	2,583,526,988	2,838,332,571	1,180,137,666
Debt securities at amortised cost		3,688,991	1,367,799,587	3,688,991	624,801,606
Cash and deposits with banks	10	3,047,614,030	984,961,409	3,047,614,030	449,923,714
<b>Total assets</b>		<b>35,436,779,033</b>	<b>21,662,726,447</b>	<b>35,177,135,400</b>	<b>9,756,956,054</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the parent</b>					
Issued share capital		106,794,386	106,794,386	1,089,233	1,089,233
Share premium		65,828,624	65,828,624	671,409	671,409
Treasury shares		(984,083)	(984,083)	(10,037)	(10,037)
Retained earnings		1,153,791,401	437,222,303	1,464,973,665	157,627,445
Revaluation reserve		144,259,388	144,259,388	100,464,382	100,464,382
Foreign currency translation reserve		264,320,670	18,630,851	371,126,026	125,436,207
<b>Total ordinary shareholders' equity</b>		<b>1,734,010,386</b>	<b>771,751,469</b>	<b>1,938,314,678</b>	<b>385,278,639</b>
Non-controlling interests		3,642,564,169	1,881,351,376	3,542,434,552	852,750,657
<b>Total equity</b>		<b>5,376,574,555</b>	<b>2,653,102,845</b>	<b>5,480,749,230</b>	<b>1,238,029,296</b>
<b>Liabilities</b>					
Insurance contract liabilities with discretionary participation features	11.1	22,387,346,839	13,121,218,762	22,387,346,839	5,993,684,045
Investment contract liabilities with discretionary participation features	11.2	1,483,653,668	1,896,270,759	1,483,653,668	866,203,666
Investment contracts without discretionary participation features	11.3	4,631,085,702	2,082,232,721	4,631,085,702	951,149,833
Borrowings	12	84,921,935	145,656,385	84,921,935	66,534,852
Deferred tax liabilities		351,040,983	595,161,618	350,639,994	270,868,738
Lease obligations		39,675,049	40,925,740	39,675,049	18,694,600
Trade and other payables	13	1,066,222,489	1,054,396,809	702,805,170	318,097,585
Income tax liability		16,257,813	73,760,808	16,257,813	33,693,439
<b>Total liabilities</b>		<b>30,060,204,478</b>	<b>19,009,623,602</b>	<b>29,696,386,170</b>	<b>8,518,926,758</b>
<b>Total equity and liabilities</b>		<b>35,436,779,033</b>	<b>21,662,726,447</b>	<b>35,177,135,400</b>	<b>9,756,956,054</b>

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

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REVIEWED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2022

**FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES**

Interim condensed consolidated statement of Profit or Loss and other comprehensive Income for the half year ended 30 June 2022

	INFLATION ADJUSTED		HISTORICAL COST		
	30-Jun-22 ZWL	30-Jun-21 ZWL	30-Jun-22 ZWL	30-Jun-21 ZWL	
Gross premiums	1,325,833,323	1,401,199,711	1,083,294,685	470,598,978	
Premiums ceded to reinsurers	(83,848,609)	(115,364,022)	(55,350,420)	(37,138,625)	
<b>Net premium written</b>	<b>1,241,984,714</b>	<b>1,285,835,689</b>	<b>1,027,944,265</b>	<b>433,460,353</b>	
Fees and commission income	123,749,372	99,891,242	112,329,642	32,168,061	
Investment income	177,957,680	157,400,567	161,095,908	59,997,916	
Interest income from residential stands receivables	332,574	8,079,660	332,574	2,695,584	
Fair value gains from equities	23,810,401	59,827,569	524,634,121	101,320,672	
Fair value gains from investment property	11,145,297,253	754,081,160	18,140,533,370	764,104,335	
Interest income from microlending	194,784,654	109,618,121	127,131,659	36,076,784	
Non insurance revenue	121,542,744	169,051,491	96,739,951	74,130,501	
Income from sale of residential stands	-	78,911,089	-	26,053,546	
<b>Total income</b>	<b>13,029,459,392</b>	<b>2,722,696,588</b>	<b>20,190,741,490</b>	<b>1,530,007,752</b>	
Gross benefits and claims paid	(400,572,922)	(423,784,398)	(338,496,004)	(143,553,740)	
Claims ceded to reinsurers	4,246,796	-	4,246,796	-	
<b>Net benefits and claims</b>	<b>(396,326,126)</b>	<b>(423,784,398)</b>	<b>(334,249,208)</b>	<b>(143,553,740)</b>	
Gross change in insurance contract liabilities with DPF	(6,931,606,438)	(951,724,121)	(11,036,637,067)	(746,865,204)	
Gross change in investment contract liabilities with DPF	412,617,091	(55,382,869)	(617,450,002)	(36,172,645)	
Gross change in investment contract liabilities without DPF	(2,343,698,030)	(130,121,086)	(3,505,618,460)	(124,863,266)	
Fee and commission expenses, and other acquisition costs	(93,329,063)	(63,743,827)	(78,390,452)	(21,486,144)	
Operating and administration expenses	(789,437,334)	(618,875,420)	(619,296,005)	(193,352,101)	
Allowance for expected credit losses on receivables	-	(11,370,349)	-	1,414,540	
Cost of sales of residential stands	-	(764,394)	-	(252,375)	
Project development costs	(104,962,572)	(114,107,166)	(94,253,193)	(37,836,199)	
Finance costs	(27,651,609)	(27,906,547)	(23,296,684)	(9,954,032)	
Loss on net monetary position	(384,921,704)	(285,287,790)	-	-	
<b>Total benefits, claims and other expenses</b>	<b>(10,659,315,785)</b>	<b>(2,683,067,967)</b>	<b>(16,309,191,071)</b>	<b>(1,312,921,166)</b>	
<b>Profit before income tax</b>	<b>2,370,143,607</b>	<b>39,628,621</b>	<b>3,881,550,419</b>	<b>217,086,586</b>	
Income tax expense	(44,421,320)	(38,694,545)	(36,579,908)	(13,593,556)	
<b>Profit for the period</b>	<b>2,325,722,287</b>	<b>934,076</b>	<b>3,844,970,511</b>	<b>203,493,030</b>	
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Gross gains on property revaluation	984,225,360	25,905,894	1,712,000,000	17,360,774	
Gross change in insurance liabilities through other comprehensive income	(984,225,360)	(25,905,894)	(1,712,000,000)	(17,360,774)	
<b>Gains on property revaluation, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Items that will or may be reclassified to profit or loss:</b>					
Exchange differences arising on translation of foreign operations	397,749,423	79,699,204	397,749,423	(227,209)	
<b>Other comprehensive income for the period, net of tax</b>	<b>397,749,423</b>	<b>79,699,204</b>	<b>397,749,423</b>	<b>(227,209)</b>	
<b>Comprehensive income for the period</b>	<b>2,723,471,710</b>	<b>80,633,280</b>	<b>4,242,719,934</b>	<b>203,265,821</b>	
<b>Profit for the period attributable to:</b>					
Owners of the parent	716,569,098	(165,957,846)	1,307,346,220	64,749,250	
Non-controlling interests	1,609,153,189	166,891,922	2,537,624,291	138,743,780	
<b>Profit for the period</b>	<b>2,325,722,287</b>	<b>934,076</b>	<b>3,844,970,511</b>	<b>203,493,030</b>	
<b>Comprehensive income attributable to:</b>					
Owners of the parent	962,258,917	(116,727,648)	1,553,036,039	64,608,900	
Non-controlling interests	1,761,212,793	197,360,927	2,689,683,895	138,656,921	
<b>Comprehensive income for the period</b>	<b>2,723,471,710</b>	<b>80,633,280</b>	<b>4,242,719,934</b>	<b>203,265,821</b>	
<b>Earnings per share attributable to the ordinary equity holders of the parent</b>					
Basic and diluted earnings per share (cents)	4	663.98	(153.78)	1,211.41	60.00
Headline earnings per share (cents)	4	671.70	(188.30)	1,219.12	50.03

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



**FIDELITY LIFE**

REVIEWED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2022

**FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES**

Interim condensed consolidated statement of changes in equity for the half year ended 30 June 2022


	Share capital ZWL	Share premium ZWL	Treasury shares 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
<b>INFLATION ADJUSTED</b>									
Balance at 1 January 2021	106,794,386	65,828,624	(984,083)	602,654,038	16,895,928	115,843,437	907,032,330	1,651,422,642	2,558,454,972
Profit for the period	-	-	-	(165,957,846)	-	-	(165,957,846)	166,891,922	934,076
Other comprehensive income for the period	-	-	-	-	-	49,230,198	49,230,198	30,469,006	79,699,204
Comprehensive income for the period	-	-	-	(165,957,846)	-	49,230,198	(116,727,648)	197,360,928	80,633,280
<b>Balance at 30 June 2021</b>	<b>106,794,386</b>	<b>65,828,624</b>	<b>(984,083)</b>	<b>436,696,192</b>	<b>16,895,928</b>	<b>165,073,635</b>	<b>790,304,682</b>	<b>1,848,783,570</b>	<b>2,639,088,252</b>
Balance at 1 January 2022	106,794,386	65,828,624	(984,083)	437,222,303	144,259,388	18,630,851	771,751,469	1,881,351,376	2,653,102,845
Profit for the period	-	-	-	716,569,098	-	-	716,569,098	1,609,153,189	2,325,722,287
Other comprehensive income for the period	-	-	-	-	-	245,689,819	245,689,819	152,059,604	397,749,423
Comprehensive income for the period	-	-	-	716,569,098	-	245,689,819	962,258,917	1,761,212,793	2,723,471,710
<b>Balance at 30 June 2022</b>	<b>106,794,386</b>	<b>65,828,624</b>	<b>(984,083)</b>	<b>1,153,791,401</b>	<b>144,259,388</b>	<b>264,320,670</b>	<b>1,734,010,386</b>	<b>3,642,564,169</b>	<b>5,376,574,555</b>

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

**Interim consolidated statement of changes in equity for the six months ended 30 June 2022**

	Share capital ZWL	Share premium ZWL	Treasury shares 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
<b>HISTORICAL</b>									
Balance at 1 January 2021	1,089,233	671,409	(10,037)	47,473,230	24,409,705	100,594,732	174,228,272	464,941,464	639,169,736
Profit for the period	-	-	-	64,749,250	-	-	64,749,250	138,743,780	203,493,030
Other comprehensive income for the period	-	-	-	-	-	(139,896)	(139,896)	(87,313)	(227,209)
Comprehensive income for the period	-	-	-	64,749,250	-	(139,896)	64,609,354	138,656,467	203,265,821
<b>Balance at 30 June 2021</b>	<b>1,089,233</b>	<b>671,409</b>	<b>(10,037)</b>	<b>112,222,480</b>	<b>24,409,705</b>	<b>100,454,836</b>	<b>238,837,626</b>	<b>603,597,931</b>	<b>842,435,557</b>
Balance at 1 January 2022	1,089,233	671,409	(10,037)	157,627,445	100,464,382	125,436,207	385,278,639	852,750,657	1,238,029,296
Profit for the period	-	-	-	1,307,346,220	-	-	1,307,346,220	2,537,624,291	3,844,970,511
Other comprehensive income for the period	-	-	-	-	-	245,689,819	245,689,819	152,059,604	397,749,423
Comprehensive income for the period	-	-	-	1,307,346,220	-	245,689,819	1,553,036,039	2,689,683,895	4,242,719,934
<b>Balance at 30 June 2022</b>	<b>1,089,233</b>	<b>671,409</b>	<b>(10,037)</b>	<b>1,464,973,665</b>	<b>100,464,382</b>	<b>371,126,026</b>	<b>1,938,314,678</b>	<b>3,542,434,552</b>	<b>5,480,749,230</b>

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



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## FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES

Interim condensed consolidated statement of cash flows for the half year ended 30 June 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	30-Jun-22 ZWL	30-Jun-21 ZWL	30-Jun-22 ZWL	30-Jun-21 ZWL
<b>Cash flows from operating activities before income tax</b>	<b>2,370,143,607</b>	<b>39,628,621</b>	<b>3,881,550,419</b>	<b>217,086,586</b>
<b>Adjustments for non-cash and separately disclosed items:</b>	<b>(379,882,058)</b>	<b>1,226,859,433</b>	<b>(711,742,065)</b>	<b>232,507,891</b>
Fair value gains on equities at fair value through profit or loss	(23,810,401)	(59,827,569)	(524,634,121)	(101,320,672)
Fair value gains on investment property	(11,145,297,253)	(754,081,160)	(18,140,533,370)	(764,104,335)
Amortisation of intangible assets	9,564,801	128,493	9,552,143	53,255
Amortisation of right of use asset	6,941,094	11,168,473	6,941,094	3,830,554
Finance costs	27,651,609	27,906,547	23,296,684	9,954,032
Depreciation of property and equipment	7,553,310	15,418,317	6,454,961	3,924,045
Gross change in insurance contract liabilities with DPF	6,931,606,438	951,724,121	11,036,637,067	746,865,204
Gross change in investment contract liabilities with DPF	(412,617,091)	55,382,869	617,450,002	36,172,645
Gross change in investment contract liabilities without DPF	2,343,698,030	130,121,086	3,505,618,460	124,863,266
Interest income	(86,663,828)	(129,685,448)	(86,176,505)	(43,538,199)
Dividend income	(36,537,909)	(6,341,804)	(28,283,456)	(2,163,235)
Non cash adjustment-IAS29	(874,615,213)	583,645,615	-	-
Unrealised exchange gains	2,767,681,783	327,443,246	2,767,681,783	194,479,031
Project development costs	104,962,572	114,107,166	94,253,193	37,836,199
Profit from disposal of investment property	-	(40,250,519)	-	(14,343,899)
<b>Changes in working capital</b>	<b>(832,492,408)</b>	<b>(952,162,297)</b>	<b>(816,261,503)</b>	<b>(300,428,414)</b>
Decrease/(Increase) in inventories	166,770	(732,741)	(1,188,231)	(265,002)
Increase in trade and other receivables	(911,658,109)	(8,599,324)	(1,199,780,857)	(65,895,187)
Increase/(Decrease) in trade and other payables	78,998,931	(942,830,232)	384,707,585	(234,268,225)
<b>Cash generated from operations</b>	<b>1,157,769,141</b>	<b>314,325,757</b>	<b>2,353,546,851</b>	<b>149,166,063</b>
Income taxes paid	(101,924,316)	(54,137,087)	(54,015,534)	(15,517,903)
<b>Net cash generated from operating activities</b>	<b>1,055,844,825</b>	<b>260,188,670</b>	<b>2,299,531,317</b>	<b>133,648,160</b>
<b>Cash flows from investing activities</b>				
Additions and replacement to property and equipment	(18,774,987)	(9,171,207)	(17,899,605)	(3,016,938)
Proceeds from sale of property and equipment	920,530	-	920,530	-
Proceeds from sale of investment property	-	2,317,639	-	794,902
Additions to intangible assets	(5,991,612)	(17,228,275)	(5,991,612)	(5,908,940)
Interest income	86,663,828	129,685,448	86,176,505	43,538,199
Dividend income	36,537,909	6,341,804	28,283,456	2,163,235
Additions to financial assets at fair value through profit or loss	(94,413,270)	(251,750,620)	(92,025,373)	(129,137,220)
Proceeds from disposals of financial assets at fair value through profit or loss	79,640,245	115,921,549	53,873,537	26,242,157
Proceeds from disposals of debt securities held at amortised cost	1,364,110,596	513,737,782	621,112,616	176,201,377
<b>Net cash generated from /(utilised) in investing activities</b>	<b>1,448,693,239</b>	<b>489,854,120</b>	<b>674,450,054</b>	<b>110,876,772</b>
<b>Cash flows from financing activities</b>				
Finance costs	(27,651,609)	(33,373,486)	(23,296,684)	(9,954,032)
Repayments of lease obligations	(2,468,312)	(28,973,977)	(2,468,312)	(3,822,207)
Repayments of borrowings	(73,891,258)	(89,352,211)	(63,681,258)	(20,250,044)
Proceeds from borrowings	91,718,458	139,671,307	81,909,439	44,500,000
<b>Net cash (utilised in)/generated from financing activities</b>	<b>(12,292,721)</b>	<b>(12,028,367)</b>	<b>(7,536,815)</b>	<b>10,473,717</b>
<b>Net increase in cash and cash equivalents for the period</b>	<b>2,492,245,343</b>	<b>738,014,423</b>	<b>2,966,444,556</b>	<b>254,998,649</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>872,962,652</b>	<b>1,605,220,461</b>	<b>398,763,439</b>	<b>550,557,240</b>
Unrealised exchange differences	(397,749,423)	(181,901,397)	(397,749,423)	(62,388,399)
<b>Cash and cash equivalents at the end of the period</b>	<b>2,967,458,572</b>	<b>2,161,333,487</b>	<b>2,967,458,572</b>	<b>743,167,490</b>

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



## FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial statements for the half year ended 30 June 2022

### 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 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 fairly present 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

The interim condensed consolidated financial statements for the six months ended 30 June 2022 have been reviewed by Grant Thornton Chartered Accountants (Zimbabwe). An adverse review conclusion has been issued thereon with respect to non-compliance with International Accounting Standard (IAS21) the "Effects of changes in foreign exchange rate" and misstatements arising from valuation of investment properties as at 31 December 2021. The Engagement Partner responsible for this review is Farai Chibisa. The review report on these interim condensed financial results 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, except for non-compliance with IAS 21. 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.

#### 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 Group.

#### 3.3 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 the same terms.

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 30 June 2022 are as given below:

	Index	Conversion factor
CPI as at 31 December 2020	2474.51	3.5188
CPI as at 30 June 2021	2986.44	2.9156
CPI as at 31 December 2021	3977.46	2.1892
CPI as at 30 June 2022	8707.35	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.

### 4 EARNINGS PER SHARE

#### Reconciliation of total earnings to headline earnings attributable to shareholders

##### Numerator

Profit for the period attributable to owners of the parent and profit used to calculate earnings per share ("EPS")

Add/(deduct) non recurring items

Impairment of intangible assets

Profit on disposal of property and equipment

Bad debts written off

Income tax 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		HISTORICAL COST	
	Reviewed 30-Jun-22 ZWL	Reviewed 30-Jun-21 ZWL	Reviewed 30-Jun-22 ZWL	Reviewed 30-Jun-21 ZWL
Profit for the period attributable to owners of the parent and profit used to calculate earnings per share ("EPS")	716,569,098	(165,957,846)	1,307,346,220	64,749,250
Add/(deduct) non recurring items				
Impairment of intangible assets	9,564,801	128,493	9,552,143	53,255
Profit on disposal of property and equipment	-	(40,250,519)	-	(14,343,899)
Bad debts written off	1,500,081	-	1,500,081	-
Income tax on headline earnings adjustable items	(2,735,239)	2,862,250	(2,732,110)	3,532,647
<b>Headline earnings attributable to ordinary shareholders</b>	<b>724,898,741</b>	<b>(203,217,622)</b>	<b>1,315,666,334</b>	<b>53,991,253</b>
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)
<b>Weighted average number of shares used in basic EPS</b>	<b>107,919,548</b>	<b>107,919,548</b>	<b>107,919,548</b>	<b>107,919,548</b>
Less: Dilutive adjusting effects	-	-	-	-
<b>Weighted average number of shares used in diluted EPS</b>	<b>107,919,548</b>	<b>107,919,548</b>	<b>107,919,548</b>	<b>107,919,548</b>
<b>Basic and diluted earnings per share (cents)</b>	<b>663.98</b>	<b>(153.78)</b>	<b>1211.41</b>	<b>60.00</b>
<b>Headline earnings per share (cents)</b>	<b>671.70</b>	<b>(188.30)</b>	<b>1219.12</b>	<b>50.03</b>



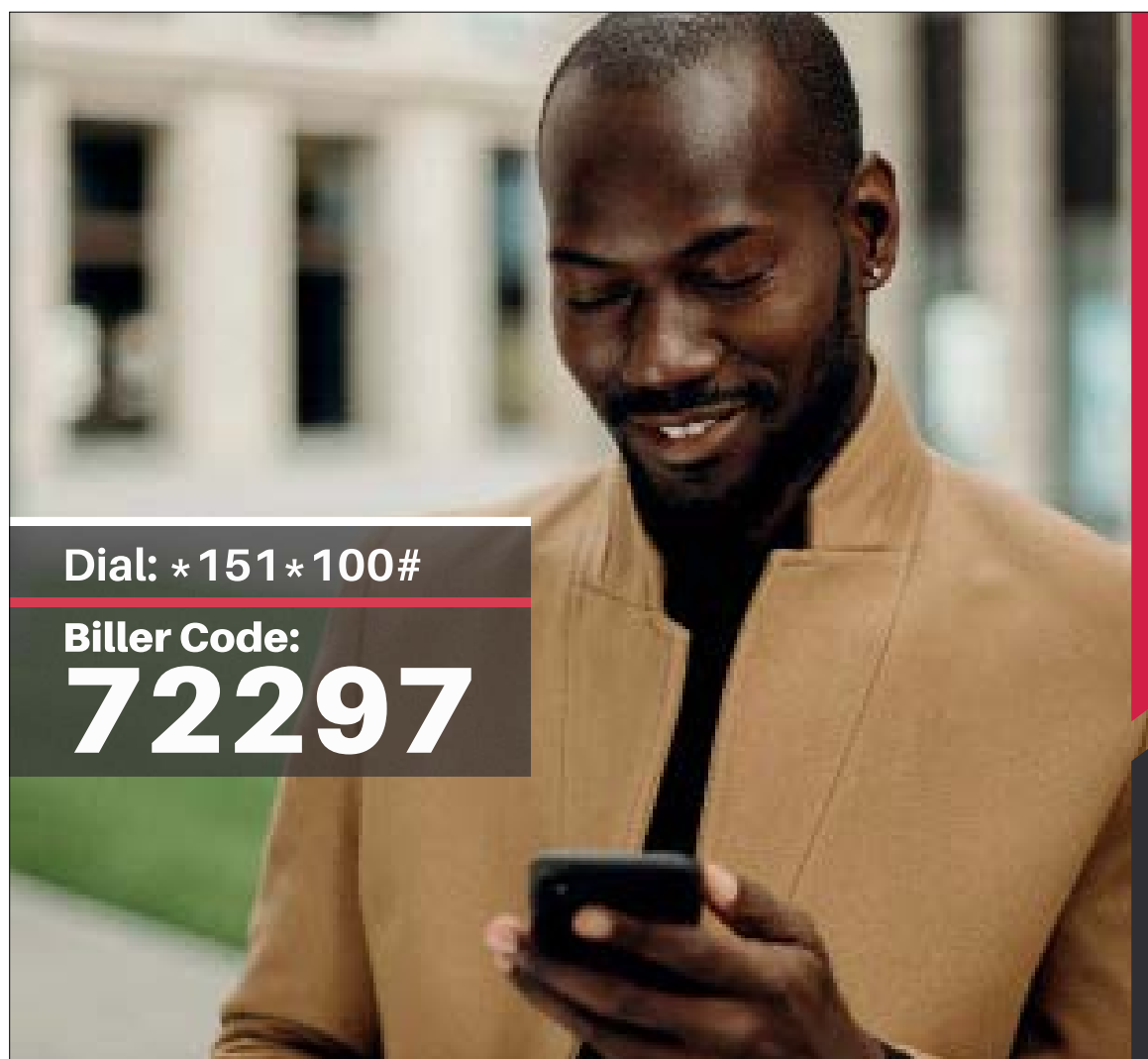
**FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES**

Notes to the interim condensed consolidated financial statements for the half year ended 30 June 2022

**5 PROPERTY AND EQUIPMENT  
INFLATION ADJUSTED**

GROUP	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
<b>Carrying amount at 31 December 2020</b>	<b>1,237,859,377</b>	<b>44,301,232</b>	<b>34,851,851</b>	<b>27,396,300</b>	<b>1,344,408,760</b>
Gross carrying amount - cost/valuation	1,251,029,386	244,656,053	138,408,987	55,360,004	1,689,454,430
Accumulated depreciation	(13,170,009)	(200,354,821)	(103,557,136)	(27,963,704)	(345,045,670)
Additions	-	1,901,530	13,880,460	2,507,301	18,289,291
Exchange rate movement on foreign operations	(8,387,622)	(2,442,359)	(7,115,094)	(1,708,453)	(19,653,528)
Disposals	-	(25,739,479)	(170,867)	-	(25,910,346)
Gross carrying amount - cost/valuation	-	(100,475,128)	(654,150)	-	(101,129,278)
Accumulated depreciation	-	74,735,649	483,283	-	75,218,932
Depreciation charge for the year	(18,312,615)	(13,884,338)	(21,481,262)	(4,462,084)	(58,140,299)
Revaluation surplus	480,640,684	-	-	-	480,640,684
Gross carrying amount - cost valuation	462,519,879	-	-	-	462,519,879
Accumulated depreciation	18,120,805	-	-	-	18,120,805
<b>Carrying amount at 31 December 2021</b>	<b>1,691,799,824</b>	<b>4,136,586</b>	<b>19,965,088</b>	<b>23,733,064</b>	<b>1,739,634,562</b>
Gross carrying amount - cost/valuation	1,705,161,643	143,640,096	144,520,203	56,158,852	2,049,480,794
Accumulated depreciation	(13,361,819)	(139,503,510)	(124,555,115)	(32,425,788)	(309,846,232)
Additions	-	2,832,398	12,139,751	3,802,838	18,774,987
Exchange rate movement on foreign operations	(161,785,102)	504,986	284,121	313,176	(160,682,819)
Disposals	-	-	-	-	-
Gross carrying amount - cost/valuation	-	(1,997,204)	(430,620)	-	(2,427,824)
Accumulated depreciation	-	1,997,204	430,620	-	2,427,824
Depreciation charge for the year	(74,979)	(1,014,315)	(5,586,360)	(877,656)	(7,553,310)
Revaluation surplus	984,225,360	-	-	-	984,225,360
<b>Carrying amount at 30 June 2022</b>	<b>2,514,164,103</b>	<b>6,459,655</b>	<b>26,802,600</b>	<b>26,971,422</b>	<b>2,574,398,780</b>
Gross carrying amount - cost/valuation	2,527,601,901	144,980,276	156,513,455	60,274,866	2,889,370,498
Accumulated depreciation	(13,436,798)	(138,520,621)	(129,710,855)	(33,303,444)	(314,971,718)


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 2022. The value of land and buildings is categorised as a level 3 recurring fair value measurement.




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**FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES**

Notes to the interim condensed consolidated financial statements for the half year ended 30 June 2022 (Cont'd)

**5 PROPERTY AND EQUIPMENT  
HISTORICAL COST**

	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
<b>GROUP</b>					
Carrying amount at 31 December 2020	343,627,557	3,989,764	8,968,377	2,270,064	358,855,762
Gross carrying amount - cost/valuation	343,795,804	5,101,636	12,438,662	3,158,978	364,495,080
Accumulated depreciation	(168,247)	(1,111,872)	(3,470,285)	(888,914)	(5,639,318)
Additions	-	868,606	5,089,928	635,447	6,593,981
Exchange rate movement on foreign operations	4,520,302	642,441	1,524,786	316,970	7,004,499
Disposals	-	(1,059,723)	(54,154)	(211,350)	(1,325,227)
Gross carrying amount - cost/valuation	-	(3,672,162)	(279,838)	(211,350)	(4,163,350)
Accumulated depreciation	-	2,612,439	225,684	-	2,838,123
Depreciation charge for the year	(5,237,257)	(1,539,986)	(5,560,745)	(1,174,116)	(13,512,104)
Revaluation surplus	416,599,238	-	-	-	416,599,238
Gross carrying amount - cost valuation	411,449,551	-	-	-	411,449,551
Accumulated depreciation	5,149,687	-	-	-	5,149,687
<b>Carrying amount at 31 December 2021</b>	<b>759,509,840</b>	<b>2,901,102</b>	<b>9,968,192</b>	<b>1,837,015</b>	<b>774,216,149</b>
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	-	2,832,398	11,264,369	3,802,838	17,899,605
Exchange rate movement on foreign operations	47,292,080	4,238,561	8,362,858	1,931,028	61,824,527
Disposals	-	-	-	-	-
Gross carrying amount - cost/valuation	-	(1,046,735)	(430,620)	-	(1,477,355)
Accumulated depreciation	-	1,046,735	430,620	-	1,477,355
Depreciation charge for the year	(74,979)	(1,011,833)	(4,559,416)	(808,733)	(6,454,961)
Revaluation surplus	1,712,000,000	-	-	-	1,712,000,000
<b>Carrying amount at 30 June 2022</b>	<b>2,518,726,941</b>	<b>8,960,228</b>	<b>25,036,003</b>	<b>6,762,1478</b>	<b>2,559,485,320</b>
Gross carrying amount - cost/valuation	2,519,057,737	8,964,745	37,970,145	9,633,911	2,575,626,538
Accumulated depreciation	(330,796)	(4,517)	(12,934,142)	(2,871,763)	(16,141,218)

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 2022. The value of land and buildings is categorised as a level 3 recurring fair value measurement.



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**FIDELITY LIFE**  
FINANCIAL SERVICES



## FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial statements for the half year ended 30 June 2022 (Cont'd)

### 6 INVESTMENT PROPERTY

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Balance at 1 January	13,280,163,783	10,970,798,355	6,066,289,056	3,117,751,895
Disposals	-	(361,189,547)	-	(119,585,257)
Exchange rate movement on foreign operations	327,957,419	(162,880,695)	546,596,029	62,598,844
Fair value gains through profit or loss	11,145,297,253	2,833,435,670	18,140,533,370	3,005,523,574
Balance at 30 June 2021	24,753,418,455	13,280,163,783	24,753,418,455	6,066,289,056

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 2022, the fair values of the properties are based on valuations performed by Homelux Real Estate an accredited independent valuer. Homelux Real Estate is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied.

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

### 7 SEGMENT INFORMATION

	INFLATION ADJUSTED					Group ZWL
	Insurance ZWL	Microlending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	
<b>Segmental performance for the period ended 30 June 2022</b>						
Total income	11,410,666,815	261,897,677	8,074,472,498	358,953,533	(7,076,531,131)	13,029,459,392
Total benefits, claims and other expenses	(9,031,402,277)	(135,384,769)	242,205,643	(109,955,256)	(1,624,779,126)	(10,659,315,785)
Profit before income tax	<b>2,379,264,538</b>	<b>126,512,908</b>	<b>8,316,678,141</b>	<b>248,998,277</b>	<b>(8,701,310,257)</b>	<b>2,370,143,607</b>
Depreciation of property and equipment	6,949,894	179,699	-	423,717	-	7,553,310
Amortisation of intangible assets	9,532,893	29,601	-	2,307	-	9,564,801
Amortisation of right of use asset	6,941,094	-	-	-	-	6,941,094
Finance costs	-	27,651,609	-	-	-	27,651,609
Fair value (losses)/ gains on equities	(67,119,922)	9,020,718	-	81,909,605	-	23,810,401
Fair value (losses)/ gains on investment property	3,846,075,663	57,150,470	8,074,472,498	151,823,982	(984,225,360)	11,145,297,253
Income tax expense/(credit)	27,053,154	344,374	-	10,202,792	-	37,600,320
Additions to non-current assets	19,704,013	825,000	-	4,237,586	-	24,766,599
Reportable segment non-current assets	9,677,537,849	127,910,097	17,390,000,000	343,410,929	-	27,538,858,875
Reportable segment current assets	7,625,744,250	212,085,089	-	337,191,265	(277,100,448)	7,897,920,156
Reportable segment liabilities	29,825,666,062	160,650,906	229,590,946	153,443,888	(309,147,325)	30,060,204,477
Cash flows from operating activities	1,018,293,325	4,017,346	-	33,534,154	-	1,055,844,825
Cash flows from investing activities	1,466,574,337	(2,004,144)	-	(15,876,954)	-	1,448,693,239
Cash flows from financing activities	(2,178,699)	(10,114,022)	-	-	-	(12,292,721)
<b>Segmental performance for the period ended 30 June 2021</b>						
<b>Total income</b>	2,406,587,380	128,400,427	824,778,888	216,034,434	(853,104,541)	2,722,696,588
Total benefits claims and other expenses	(2,284,456,465)	(96,492,985)	862,006	(559,762,917)	256,782,394	(2,683,067,967)
<b>Profit before income tax</b>	<b>122,130,915</b>	<b>31,907,442</b>	<b>825,640,894</b>	<b>(343,728,483)</b>	<b>(596,322,147)</b>	<b>39,628,621</b>
Depreciation of property and equipment	15,167,611	24,770	-	225,936	-	15,418,317
Amortisation of intangible assets	97,463	22,620	-	8,410	-	128,493
Amortisation of deferred acquisition costs	11,168,473	-	-	-	-	11,168,473
Finance costs	7,999,308	25,374,178	-	-	-	33,373,486
Fair value gains on equities	(19,800,611)	13,372,357	-	66,255,823	-	59,827,569
Fair value gains on investment property	(103,715,724)	4,331,838	824,778,888	28,686,158	-	754,081,160
Income tax expense	30,557,814	(52,143)	-	8,188,874	-	38,694,545
Additions to non-current assets	144,457,928	79,015	-	758,742	-	145,295,685
Reportable segment non-current assets	4,660,150,554	49,738,171	8,027,921,070	156,752,828	-	12,894,562,623
Reportable segment current assets	5,893,962,932	214,228,705	-	258,801,653	-	6,366,993,290
Reportable segment liabilities	16,510,903,903	198,030,792	-	126,610,403	-	16,835,545,098
Cash flows from operating activities	(1,022,146,072)	1,233,185	-	15,649,631	-	(1,005,263,256)
Cash flows from investing activities	494,620,070	12,944,486	-	(17,710,438)	-	489,854,118
Cash flows from financing activities	(32,053,407)	43,986,279	-	(23,961,237)	-	(12,028,365)



**FIDELITY LIFE**

REVIEWED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2022

**FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES**

Notes to the interim condensed consolidated financial statements for the half year ended 30 June 2022 (Cont'd)

**7.1 SEGMENT INFORMATION**

	HISTORICAL COST					Group ZWL
	Insurance ZWL	Microlending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	
<b>Segmental performance for the period ended 30 June 2022</b>						
Total income	17,362,333,023	231,333,470	13,134,730,000	414,053,957	(10,951,708,960)	20,190,741,490
Total benefits, claims and other expenses	(13,692,338,885)	(95,419,530)	(3,926,292)	(91,076,063)	(2,426,430,301)	(16,309,191,071)
<b>Profit before income tax</b>	<b>3,669,994,138</b>	<b>135,913,940</b>	<b>13,130,803,708</b>	<b>322,977,894</b>	<b>(13,378,139,261)</b>	<b>3,881,550,419</b>
Depreciation of property and equipment	6,090,641	130,131	-	234,189	-	6,454,961
Amortisation of intangible assets	9,532,893	16,943	-	2,307	-	9,552,143
Amortisation of right of use asset	6,941,094	-	-	-	-	6,941,094
Finance costs	-	23,296,684	-	-	-	23,296,684
Fair value gains on equities	437,115,966	9,020,718	-	78,497,437	-	524,634,121
Fair value gains on investment property	6,370,568,920	94,550,000	13,134,730,000	252,684,450	(1,712,000,000)	18,140,533,370
Income tax expense	25,624,534	-	-	10,955,374	-	36,579,908
Additions to non-current assets	18,828,631	825,000	-	4,237,586	-	23,891,217
Reportable segment non-current assets	9,663,386,626	127,416,414	17,390,000,000	342,235,643	-	27,523,038,683
Reportable segment current assets	7,416,526,108	212,367,689	-	303,872,465	(278,669,545)	7,654,096,717
Reportable segment liabilities	29,488,859,378	162,923,445	229,590,946	93,681,948	(278,669,545)	29,696,386,172
Cash flows from operating activities	2,237,178,047	12,052,038	-	50,301,232	-	2,299,531,317
Cash flows from investing activities	686,370,786	(1,336,096)	-	(10,584,636)	-	674,450,054
Cash flows from financing activities	7,634,217	(15,171,032)	-	-	-	(7,536,815)
<b>Segmental performance for the period ended 30 June 2021</b>						
Total income	1,328,260,919	43,958,645	706,374,820	83,953,754	(632,540,386)	1,530,007,752
Total benefits claims and other expenses	(1,265,924,620)	(31,349,554)	(88,344)	(32,919,421)	17,360,773	(1,312,921,166)
<b>Profit before income tax</b>	<b>62,336,299</b>	<b>12,609,091</b>	<b>706,286,476</b>	<b>51,034,333</b>	<b>(615,179,613)</b>	<b>217,086,586</b>
Depreciation of property and equipment	3,805,648	43,550	-	74,847	-	3,924,045
Amortisation of intangible assets	33,427	16,943	-	2,885	-	53,255
Amortisation of right of use asset	3,830,554	-	-	-	-	3,830,554
Finance costs	801,489	9,152,543	-	-	-	9,954,032
Fair value gains on equities	73,902,617	5,901,301	-	21,516,754	-	101,320,672
Fair value gains on investment property	43,591,401	1,154,070	706,374,820	12,984,044	-	764,104,335
Income tax expense	10,415,904	369,038	-	2,808,614	-	13,593,556
Additions to non-current assets	49,546,065	27,100	-	260,233	-	49,833,398
Reportable segment non-current assets	1,582,513,197	17,551,556	2,753,410,000	52,102,005	-	4,405,576,758
Reportable segment current assets	2,026,953,704	72,175,678	-	89,403,137	-	2,188,532,519
Reportable segment liabilities	5,646,241,907	64,074,426	-	42,454,218	-	5,752,770,551
Cash flows from operating activities	127,857,707	422,957	-	5,367,498	-	133,648,162
Cash flows from investing activities	112,511,394	4,439,690	-	(6,074,312)	-	110,876,772
Cash flows from financing activities	14,566,445	(4,092,728)	-	-	-	10,473,717



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REVIEWED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2022

**FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES**

Notes to the interim condensed consolidated financial statements for the half year ended 30 June 2022 (Cont'd)

**7.2 SEGMENT INFORMATION (Cont'd)**

**GEOGRAPHICAL INFORMATION**

Segmental performance for the period ended 30 June 2022

Income

Total income

Inter-segment income

Total income from external customers

Group's income per statement of profit or loss and other comprehensive income

Depreciation of property and equipment

Amortisation of intangible assets

Amortisation of right of use asset

Finance costs

Fair value adjustments on equities

Fair value adjustments on investment property

Income tax expense

Profit before income tax

Cash flows from operating activities

Cash flows from investing activities

Cash flows from financing activities

Segmental performance for the period ended 30 June 2021

Income

Total income

Inter-segment income

Total income from external customers

Group's income per statement of profit or loss and other Comprehensive income

Depreciation of property and equipment

Amortisation of intangible assets

Amortisation of right of use asset

Finance costs

Fair value adjustments on equities

Fair value adjustments on investment property

Income tax expense

Profit before income tax

Cash flows from operating activities

Cash flows from investing activities

Cash flows from financing activities

Segmental performance for the period ended 30 June 2022

Additions to non-current assets

Reportable segment non current assets

Reportable segment current assets

Reportable segment liabilities

Segmental performance for the period ended 30 June 2021

Additions to non-current assets

Reportable segment non current assets

Reportable segment current assets

Reportable segment liabilities

	INFLATION ADJUSTED		
	Zimbabwe ZWL	Malawi ZWL	Total ZWL
<b>Income</b>			
<b>Total income</b>	12,222,384,180	807,075,212	13,029,459,392
Inter-segment income	-	-	-
<b>Total income from external customers</b>	12,222,384,180	807,075,212	13,029,459,392
<b>Group's income per statement of profit or loss and other comprehensive income</b>	12,222,384,180	807,075,212	13,029,459,392
Depreciation of property and equipment	2,165,855	5,387,455	7,553,310
Amortisation of intangible assets	31,908	9,532,893	9,564,801
Amortisation of right of use asset	-	6,941,094	6,941,094
Finance costs	27,651,609	-	27,651,609
Fair value adjustments on equities	(27,061,711)	50,872,112	23,810,401
Fair value adjustments on investment property	11,121,792,331	23,504,922	11,145,297,253
Income tax expense	25,700,936	11,899,384	37,600,320
<b>Profit before income tax</b>	<b>2,346,276,362</b>	<b>23,867,245</b>	<b>2,370,143,607</b>
Cash flows from operating activities	880,397,731	175,447,094	1,055,844,825
Cash flows from investing activities	1,404,852,752	43,840,487	1,448,693,239
Cash flows from financing activities	(8,749,252)	(3,543,469)	(12,292,721)
<b>Income</b>			
<b>Total income</b>	1,644,265,160	1,078,431,428	2,722,696,588
Inter-segment income	-	-	-
<b>Total income from external customers</b>	1,644,265,160	1,078,431,428	2,722,696,588
<b>Group's income per statement of profit or loss and other Comprehensive income</b>	1,644,265,160	1,078,431,428	2,722,696,588
Depreciation of property and equipment	5,461,851	9,956,466	15,418,317
Amortisation of intangible assets	31,030	97,463	128,493
Amortisation of right of use asset	-	11,168,473	11,168,473
Finance costs	27,906,548	5,466,938	33,373,486
Fair value adjustments on equities	3,506,264	56,321,305	59,827,569
Fair value adjustments on investment property	728,320,380	25,760,780	754,081,160
Income tax expense	9,149,294	29,545,251	38,694,545
<b>Profit before income tax</b>	<b>(6,775,137)</b>	<b>46,403,760</b>	<b>39,628,623</b>
Cash flows from operating activities	206,719,047	74,379,107	281,098,154
Cash flows from investing activities	683,339,276	(193,485,158)	489,854,118
Cash flows from financing activities	205,513,524	(193,485,158)	(12,028,366)
Additions to non-current assets	23,347,895	1,418,704	24,766,599
Reportable segment non current assets	26,373,405,539	1,165,453,336	27,538,858,875
Reportable segment current assets	2,079,199,790	5,818,720,367	7,897,920,157
Reportable segment liabilities	23,716,794,288	6,343,410,189	30,060,204,477
Additions to non-current assets	123,930,997	21,364,6887	145,295,684
Reportable segment non current assets	11,949,032,352	945,530,271	12,894,562,623
Reportable segment current assets	2,367,979,372	3,999,013,919	6,366,993,291
Reportable segment liabilities	12,455,906,060	4,379,639,039	16,835,545,099



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REVIEWED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2022

**FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES**

Notes to the interim condensed consolidated financial statements for the half year ended 30 June 2022 (Cont'd)

**7.3 SEGMENT INFORMATION (Cont'd)**  
**GEOGRAPHICAL INFORMATION**

**Segmental performance for the period ended 30 June 2022**

	HISTORICAL COST		
	Zimbabwe ZWL	Malawi ZWL	Total ZWL
<b>Total income</b>	<b>19,383,666,278</b>	<b>807,075,212</b>	<b>20,190,741,490</b>
Inter-segment income	-	-	-
<b>Total income from external customers</b>	<b>19,383,666,278</b>	<b>807,075,212</b>	<b>20,190,741,490</b>
<b>Group's income per statement of profit or loss and other comprehensive income</b>	<b>19,383,666,278</b>	<b>807,075,212</b>	<b>20,190,741,490</b>
Depreciation of property and equipment	1,067,506	5,387,455	6,454,961
Amortisation of intangible assets	19,250	9,532,893	9,552,143
Amortisation of right of use asset	-	6,941,094	6,941,094
Finance costs	23,296,684	-	23,296,684
Fair value adjustments on equities	473,762,009	50,872,112	524,634,121
Fair value adjustments on investment property	18,117,028,448	23,504,922	18,140,533,370
Income tax expense	24,680,524	11,899,384	36,579,908
<b>Profit before income tax</b>	<b>3,857,683,174</b>	<b>23,867,245</b>	<b>3,881,550,419</b>
Cash flows from operating activities	2,124,084,223	175,447,094	2,299,531,317
Cash flows from investing activities	630,609,567	43,840,487	674,450,054
Cash flows from financing activities	(3,993,346)	(3,543,469)	(7,536,815)

**Segmental performance for the period ended 30 June 2021 Income**

	Zimbabwe ZWL	Malawi ZWL	Total ZWL
<b>Total income</b>	<b>1,159,031,273</b>	<b>370,976,479</b>	<b>1,530,007,752</b>
Inter-segment income	-	-	-
<b>Total income from external customers</b>	<b>1,159,031,273</b>	<b>370,976,479</b>	<b>1,530,007,752</b>
<b>Group's income per statement of profit or loss and other Comprehensive income</b>	<b>1,159,031,273</b>	<b>370,976,479</b>	<b>1,530,007,752</b>
Depreciation of property and equipment	509,184	3,414,861	3,924,045
Amortisation of intangible assets	19,827	33,428	53,255
Amortisation of deferred acquisition costs	-	3,830,554	3,830,554
Finance costs	9,954,032	-	9,954,032
Fair value adjustments on equities	82,003,636	19,317,036	101,320,672
Fair value adjustments on investment property	755,268,923	8,835,412	764,104,335
Income tax expense	3,460,150	10,133,406	13,593,556
<b>Profit before income tax</b>	<b>201,171,065</b>	<b>15,915,524</b>	<b>217,086,589</b>
Cash flows from operating activities	338,612,419	(204,964,257)	133,648,162
Cash flows from investing activities	114,936,146	(4,059,374)	110,876,772
Cash flows from financing activities	(17,670,808)	(7,197,091)	10,473,717

**Segmental performance for the period ended 30 June 2022**

Additions to non-current assets	22,472,513	1,418,704	23,891,217
Reportable segment non current assets	26,357,585,347	1,165,453,336	27,523,038,683
Reportable segment current assets	1,835,376,349	5,818,720,368	7,654,096,717
Reportable segment liabilities	23,352,975,983	6,343,410,189	29,696,386,172

**Segmental performance for the period ended 30 June 2021**

Additions to non-current assets	48,414,695	1,418,704	49,833,399
Reportable segment non current assets	4,081,279,537	324,297,222	4,405,576,759
Reportable segment current assets	816,953,897	1,371,578,622	2,188,532,519
Reportable segment liabilities	4,250,645,427	1,502,125,124	5,752,770,551



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REVIEWED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2022

**FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES**

Notes to the interim condensed consolidated financial statements for the half year ended 30 June 2022 (Cont'd)

**8 TRADE AND OTHER RECEIVABLES**

	INFLATION ADJUSTED		HISTORICAL COST	
	Jun-22 ZWL	Dec-21 ZWL	Jun-22 ZWL	Dec-21 ZWL
Residential stand sales debtors	1,955,029	5,322,607	1,955,029	2,431,331
Micro-finance loans receivable	192,377,104	244,418,416	192,377,104	111,648,680
Insurance debtors	1,025,912,402	549,309,282	1,025,912,402	250,920,787
Other trade debtors	200,377,449	126,833,728	167,414,804	57,936,790
<b>Trade receivables - gross</b>	<b>1,420,621,984</b>	<b>925,884,033</b>	<b>1,387,659,339</b>	<b>422,937,588</b>
Less: allowance for expected credit losses ("ECL")	(8,076,431)	(92,341,857)	(8,076,431)	(42,181,136)
<b>Trade receivables - net</b>	<b>1,412,545,553</b>	<b>833,542,176</b>	<b>1,379,582,908</b>	<b>380,756,452</b>
Receivables from related parties, net of ECL	20,509,218	6,041,341	20,509,218	2,759,644
Loans to employees, net of ECL	81,799,229	51,279	81,799,229	23,424
<b>Total receivables classified as financial assets at amortised cost</b>	<b>1,514,854,000</b>	<b>839,634,796</b>	<b>1,481,891,355</b>	<b>383,539,520</b>
Prepayments	268,292,976	302,473,524	268,322,976	137,511,285
Other receivables, net of ECL	11,971,814	92,955,434	10,299,161	39,681,830
<b>Total trade and other receivables</b>	<b>1,795,118,790</b>	<b>1,235,063,754</b>	<b>1,760,513,492</b>	<b>560,732,635</b>

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.

The total impairment allowance is made up of the following:

	Jun-22 ZWL	Dec-21 ZWL	Jun-22 ZWL	Dec-21 ZWL
Allowance for expected credit loss on trade receivables	8,076,431	92,341,857	8,076,431	42,181,136
Allowance for expected credit loss on loans to employees	-	-	-	-
Allowance for expected credit loss on other receivables	-	104,236	-	47,614
Allowance for expected credit loss on related party receivables	-	-	-	-
	<b>8,076,431</b>	<b>92,446,093</b>	<b>8,076,431</b>	<b>42,228,750</b>

Movements in expected credit loss are as follows:

	Jun-22 ZWL	Dec-21 ZWL	Jun-21 ZWL	Dec-21 ZWL
<b>Allowance for expected losses Balance at 1 January</b>	<b>92,446,093</b>	<b>46,533,451</b>	<b>42,228,750</b>	<b>13,224,175</b>
Receivables written off during the period as uncollectable	(1,500,081)	-	(1,500,081)	-
Net decrease/(increase) during the period through profit or loss	(82,869,581)	28,368,225	(32,652,238)	12,958,413
Impact on period end ECL exposures transferred between stages during the period	-	17,544,417	-	16,046,162
<b>Balance at 30 June</b>	<b>8,076,431</b>	<b>92,446,093</b>	<b>8,076,431</b>	<b>42,228,750</b>

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REVIEWED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2022

## FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial statements for the half year ended 30 June 2022 (Cont'd)

### 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	INFLATION ADJUSTED		HISTORICAL COST	
	Jun-22 ZWL	Dec-21 ZWL	Jun-22 ZWL	Dec-21 ZWL
Equities at fair value through profit or loss	2,838,332,571	2,583,526,988	2,838,332,571	1,180,137,666

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. The Group holds equities listed on the Zimbabwe and Malawi Stock Exchanges.

### 10 CASH AND DEPOSITS WITH BANKS

Money market investments	2,644,343,474	619,122,955	2,644,343,474	282,811,181
Bank and cash	403,270,556	365,838,454	403,270,556	167,112,533
Cash and deposits with banks	3,047,614,030	984,961,409	3,047,614,030	449,923,714
Bank overdraft	(80,155,458)	(111,998,757)	(80,155,458)	(51,160,275)
Cash and cash equivalents	2,967,458,572	872,962,652	2,967,458,572	398,763,439

### 11 INSURANCE AND INVESTMENT CONTRACT LIABILITIES

#### 11.1 Insurance contract liabilities with discretionary participation features

	Jun-22 ZWL	Dec-21 ZWL	Jun-22 ZWL	Dec-21 ZWL
<b>Balance at the beginning of the year</b>	<b>13,121,218,762</b>	<b>10,936,403,106</b>	<b>5,993,684,045</b>	<b>3,093,928,925</b>
Change in life assurance policyholder liabilities for the period	9,266,128,077	2,184,815,656	16,393,662,794	2,899,755,120
Movement through profit or loss	6,931,606,438	2,539,807,053	11,036,637,067	2,180,269,106
Movement through other comprehensive income	984,225,360	378,837,740	1,712,000,000	339,097,687
Exchange rate movement on foreign operations	1,350,296,279	(733,829,137)	3,645,025,727	380,388,327
<b>Balance at 30 June 2022</b>	<b>22,387,346,839</b>	<b>13,121,218,762</b>	<b>22,387,346,839</b>	<b>5,993,684,045</b>

#### 11.2 Investment contract liabilities with discretionary participation features

<b>Balance at the beginning of the year</b>	<b>1,896,270,759</b>	<b>1,607,698,561</b>	<b>866,203,666</b>	<b>456,886,102</b>
Movement through profit or loss-Investment contract liabilities with DPF	(412,617,091)	288,572,198	617,450,002	409,317,564
<b>Balance at 30 June 2022</b>	<b>1,483,653,668</b>	<b>1,896,270,759</b>	<b>1,483,653,668</b>	<b>866,203,666</b>

#### 11.3 Investment contracts without discretionary participation features

<b>Balance at the beginning of the year</b>	<b>2,082,232,721</b>	<b>1,398,620,609</b>	<b>951,149,833</b>	<b>397,468,983</b>
Other investment income	520,790	-	388,896	29,348
Gross premium income	206,468,464	9,576,674	175,432,550	3,391,219
Gross benefits and claims paid	(1,834,303)	(9,306,129)	(1,504,037)	(3,247,465)
Movement through profit or loss	2,343,698,030	683,341,567	3,505,618,460	553,507,748
Fair value gains from equities	122,829,711	160,788,180	199,949,716	118,305,592
Fair value gains from investment properties	2,278,309,416	545,041,911	3,363,109,841	445,474,762
Investment expenses	(57,441,097)	(22,488,524)	(57,441,097)	(10,272,606)
<b>Balance at 30 June 2022</b>	<b>4,631,085,702</b>	<b>2,082,232,721</b>	<b>4,631,085,702</b>	<b>951,149,833</b>



**FIDELITY LIFE**



REVIEWED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2022

**FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES**

Notes to the interim condensed consolidated financial statements for the half year ended 30 June 2022 (Cont'd)

**12 BORROWINGS**

**12.1 SHORT-TERM BORROWINGS**

ZB Bank Limited  
Ecobank Zimbabwe Limited

INFLATION ADJUSTED		HISTORICAL COST	
Jun-22 ZWL	Dec-21 ZWL	Jun-22 ZWL	Dec-21 ZWL
80,155,458	111,998,756	80,155,458	51,160,275
4,766,477	33,657,629	4,766,477	15,374,577
84,921,935	145,656,385	84,921,935	66,534,852

**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 loan accrues interest at 65% (2020 49%) per annum on a one year tenure.

**Ecobank Zimbabwe Limited**

Fidelity Life Financial Services (Private) Limited obtained a ZWL20 million loan facility with Ecobank Zimbabwe Limited to increase the micro-finance business 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. The facility was available for one year, expired on 30 June 2022.

**12.2 MOVEMENT IN BORROWINGS**

Movements in borrowings during the period were as follows:

Balance at 1 January  
Net cash out flow on borrowings  
Proceeds from borrowings  
Repayment of borrowings  
Finance costs capitalised  
Finance costs paid  
Exchange differences on foreign currency denominated loans  
Reduction of borrowings due to inflation  
Balance at 30 June

Jun-22 ZWL	Dec-21 ZWL	Jun-22 ZWL	Dec-21 ZWL
145,656,385	114,235,902	66,534,852	32,464,290
17,827,200	181,464,872	18,387,083	33,988,085
91,718,458	338,819,436	81,909,439	88,857,012
(73,891,258)	(157,354,564)	(63,681,258)	(54,868,927)
27,651,609	98,806,793	18,877,879	32,925,645
(27,651,609)	(98,806,793)	(18,718,977)	(32,925,645)
-	(5,943,949)	-	82,477
(78,561,650)	(144,100,440)	-	-
84,921,935	145,656,385	84,921,935	66,534,852



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REVIEWED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2022

**FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES**

Notes to the interim condensed consolidated financial statements for the half year ended 30 June 2022 (Cont'd)

**13 TRADE AND OTHER PAYABLES**

	INFLATION ADJUSTED		HISTORICAL COST	
	30-Jun-22 ZWL	31-Dec-21 ZWL	30-Jun-22 ZWL	31-Dec-21 ZWL
Trade payables	190,591,270	266,039,886	190,591,270	121,525,222
South View offsite works liability	178,452,331	114,436,290	178,452,331	52,273,724
Related party payables	16,185,754	24,705,308	16,185,754	11,285,218
Deferred income from sale of residential stands	367,951,183	367,951,183	4,533,864	4,533,864
Statutory liabilities	14,790,957	39,401,426	14,790,957	17,998,305
Other payables	298,250,994	241,862,716	298,250,994	110,481,252
	1,066,222,489	1,054,396,809	702,805,170	318,097,585

**14 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.

**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.

**Dial: \*151\*2\*1\***

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