



# FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES

## AUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

### CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

It gives me great pleasure to present the audited financial performance of the Fidelity Life Assurance Group for the year ended 31 December 2016.

#### Operating environment

The operating environment remained difficult during the year under review. The Gross Domestic Product (GDP) growth that was originally forecast at 2.7% was revised downwards to 0.6%. The El Nino induced weather phenomenon resulted in the country experiencing drought and recording lower agricultural output than desired. Liquidity problems continued to be experienced with chronic shortages of cash across the entire economy. The country remains a net importer with the 2016 trade deficit being \$2 billion as imports continued to outstrip exports.

The insurance sector continues to be affected by high claims, low uptake of products, cancellations, policy surrenders and failure by employers to remit contributions deducted from employees.

#### Financial performance

The Group recorded net insurance premiums of \$14.8 million against \$16.6 million in the prior year. The difficult operating environment impacted on the Group's premium income and collection ability.

With the Southview Park project now in its final stages, income from sale of stands was lower than 2015. Total revenue generated by the Group closed the year at \$36.6 million.

Insurance claims were \$7.2 million against \$6.7 million in the prior year. Property development expenses were significantly lower at \$4.5 million compared to \$20 million in the prior year reflecting the near completion of the Fidelity Life Southview Park project.

The acquisition of the Langford Estates land bank resulted in the Group assuming debts of \$14 million in a land for debt swap transaction that increased the finance costs incurred to \$2 million in against \$0.5 million in prior year. Profit for the year amounted to \$2.3 million.

#### Insurance subsidiaries

##### Fidelity Life Assurance

The anchor company recorded a decline of 8% in premium income to \$12.4 million compared to \$13.5 million in 2015. Total revenues were 33% lower at \$29.9 million as the remaining stands at Fidelity Life Southview Park were sold out.

##### Vanguard Life Assurance

The Malawi based unit recorded premium income of \$2.5 million down 24% from the \$3.1 million recorded in the prior year. Profit for the period amounted to \$1.5 million.

##### Non insurance subsidiaries

The micro finance unit posted profits of \$1 million, a significant increase from \$0.38 million in the prior year.

The actuarial consultancy business contributed \$26,000 while the asset management posted a loss of \$190,000 due to fair value adjustments on its property portfolio.

#### Dividend

Due to the need to preserve internal resources to fund Group operations the Board resolved to pass the dividend.

#### Forensic audit issues

The Company's Board, at the request of the Insurance and Pensions Commission (IPEC), authorized a forensic audit of the Company on the 6th of April 2016, to investigate allegations of corporate governance malpractices. The audit was carried out by KPMG Chartered Accountants.

The Board also instituted additional investigations in areas not covered by the forensic audit.

The report came out with unfavourable findings on:

- Corporate Governance Deficiencies
- Compliance with Prescribed asset thresholds
- Merging of Funeral and Life Businesses
- Recognition of income from sale of stands
- Profit allocation between Policyholders and Shareholders
- Systems of internal control on the administration of the Fidelity Life Southview Park project.

In consultation with IPEC and the new auditors, the Board has taken action to correct the issues which were raised and significant strides have been made to strengthen the Group's policies, systems of internal control, various operating procedures, and taken appropriate provisions. The Board has also made changes to management and is in the process of recruiting a substantive Chief Executive Officer and a Financial Director.

The daily operations of the Company have continued as normal.

I would like to thank all our stakeholders for their patience and continued support during the forensic audit.

#### Outlook

The economy is anticipated to fare better in 2017 on the back of an improved agricultural season. GDP growth for 2017 is forecast at 3.7%.

The Group will be completing the Fidelity Life Southview Park project in the new financial year. The next project the Group will embark on is the Langford Estates project that is expected to yield over 12,000 residential stands.

Focus for 2017 will be customer satisfaction, retention, new business acquisition, cost containment and adoption of agile responses to the operating environment so as to ensure not only survival but sustained value creation for stakeholders.

#### Board changes

Messrs Fungai Ruwende, Stanley Kudenga, and Ignatius Mvere joined the Board in 2016.

Mr Timothy Nyika resigned from the Board. We are sincerely grateful for the invaluable contribution he made to the Group as a Director.

The Group was immensely saddened by the passing on of Mr. Simon Blaimu Chapereka, the Group's long serving Managing Director in 2016. Mr Chapereka was instrumental in growing the Fidelity Group over a period of more than 16 years.

Mr. German Mushoma The Finance and Projects Director resigned from the Company during the course of the year.

#### Appreciation

I would like to convey special thanks to our customers, my fellow directors and boards of subsidiary companies, management, staff and other stakeholders for all the support. We look forward to continuously delivering value for our policyholders and shareholders.

F. Ruwende  
CHAIRMAN  
27 May 2017

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	GROUP	
	Audited 31 Dec 2016 US\$	Audited 31 Dec 2015 US\$
<b>ASSETS</b>		
Intangible assets	329,245	412,952
Property and equipment	7,241,473	7,659,653
Investment property	16,728,216	14,349,389
Deferred tax	139,588	139,232
Inventories	24,930,061	25,098,303
Deferred acquisition costs	229,448	295,549
Non current trade and other receivables	24,299,292	35,798,897
Current trade and other receivables	25,668,205	11,031,974
Financial assets at fair value through profit or loss	5,847,752	5,448,039
Cash and short term deposits	7,140,619	5,565,400
<b>Total assets</b>	<b>112,553,899</b>	<b>105,799,388</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Issued share capital	1,089,233	1,089,233
Share premium	671,409	671,409
Treasury shares	(10,037)	(10,037)
Retained earnings	19,027,571	17,784,427
Revaluation reserve	940,857	814,443
Foreign currency translation reserve	(1,840,376)	(1,124,180)
<b>Total ordinary shareholder's equity</b>	<b>19,878,657</b>	<b>19,225,295</b>
Non-controlling interests	4,218,543	4,138,727
<b>Total equity</b>	<b>24,097,200</b>	<b>23,364,022</b>
<b>Liabilities</b>		
Deferred tax liability	1,438,541	1,245,653
Insurance contract liabilities	48,249,395	43,668,363
Non current borrowings	13,970,000	26,725,813
Current borrowings	15,352,758	2,635,673
Non current finance lease obligations	-	18,736
Current finance lease obligations	16,126	15,284
Trade and other payables	8,337,327	6,426,131
Corporate tax liability	1,092,552	1,699,713
<b>Total liabilities</b>	<b>88,456,699</b>	<b>82,435,366</b>
<b>Total equity and liabilities</b>	<b>112,553,899</b>	<b>105,799,388</b>

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

As at 31 December 2016

	GROUP	
	Audited 31 Dec 2016 US\$	Audited 31 Dec 2015 US\$
Gross premiums	15,385,282	17,203,335
Premiums ceded to reinsurers	(548,177)	(580,300)
<b>Net premiums</b>	<b>14,837,105</b>	<b>16,623,035</b>
Fees and commission income	907,352	1,410,717
Investment income	366,171	1,729,016
Interest income from residential stands receivables	3,076,088	2,296,785
Fair value gains and losses from equities and investment property	3,730,005	(1,860,246)
Interest from microlending	2,552,928	2,096,376
Other operating income	2,029,602	2,287,681
Income from sale of residential stands	9,055,561	27,528,014
<b>Total revenue</b>	<b>36,554,892</b>	<b>52,111,378</b>
Gross benefits and claims paid	(7,189,132)	(6,746,090)
Claims ceded to reinsurers	60,304	176,347
Gross change in contract liabilities	(4,933,298)	(4,405,526)
<b>Net benefits and claims</b>	<b>(12,062,126)</b>	<b>(10,975,269)</b>
Fee and commission expenses, and other acquisition costs	(858,180)	(534,340)
Operating and administration expenses	(13,572,885)	(11,180,058)
Cost of sales of residential stands	(4,457,951)	(20,348,614)
Finance costs	(2,001,233)	(492,787)
<b>Total benefits claims and other expenses</b>	<b>(32,952,375)</b>	<b>(43,531,068)</b>
<b>Profit before tax</b>	<b>3,602,517</b>	<b>8,580,310</b>
Income tax expense	(1,276,851)	(3,427,633)
<b>Profit for the year</b>	<b>2,325,666</b>	<b>5,152,677</b>
<b>Other comprehensive income:</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Gross gains /(losses) on property revaluation	223,039	(230,077)
Tax	(1,261)	(2,081)
<b>Gains /(losses) on property revaluation, net of tax</b>	<b>221,779</b>	<b>(232,158)</b>
<i>Items that will or may be reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(1,256,484)	(2,352,154)
<b>Other comprehensive income for the year, net of tax</b>	<b>(1,034,705)</b>	<b>(2,584,312)</b>
<b>Total comprehensive income for the year</b>	<b>1,290,961</b>	<b>2,568,365</b>
<b>Profit for the year attributable to:</b>		
Owners of the parent	1,785,626	5,108,708
Non-controlling interests	540,041	43,969
<b>Total profit for the year</b>	<b>2,325,666</b>	<b>5,152,677</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	1,288,185	3,530,752
Non-controlling interests	2,777	(962,387)
<b>Total comprehensive income for the year</b>	<b>1,290,961</b>	<b>2,568,365</b>
<b>Earnings per share attributable to the ordinary equity holders of the parent</b>		
Basic earnings per share (cents)	1.64	4.74
Diluted earnings per share (cents)	1.65	4.73
Headline earnings per share (cents)	1.64	4.74

### CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2016

	GROUP	
	Audited 31 Dec 2016 US\$	Audited 31 Dec 2015 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,602,517	8,580,310
Adjustments:	3,805,832	9,803,982
<b>Changes in working capital</b>	<b>(1,057,188)</b>	<b>(40,001,906)</b>
Decrease / (increase) in inventories	168,242	(15,697,771)
(Increase) / decrease in trade and other receivables	(14,636,231)	3,529,634
Increase in other receivables	11,499,605	(23,633,842)
Increase / (decrease) in trade and other payables	1,911,196	(4,199,927)
<b>Cash generated from / (utilised in) operations</b>	<b>6,351,160</b>	<b>(21,617,614)</b>
Income taxes paid	(1,887,354)	(1,393,259)
<b>NET CASH GENERATED FROM / (UTILISED IN) OPERATING ACTIVITIES</b>	<b>4,463,806</b>	<b>(23,010,873)</b>
NET CASH GENERATED / (UTILISED) IN INVESTING ACTIVITIES	586,971	(1,382,801)
NET CASH (UTILISED) / GENERATED FROM FINANCING ACTIVITIES	(2,615,639)	12,978,743
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,435,139</b>	<b>(11,414,931)</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5,565,400	14,656,098
EXCHANGE DIFFERENCES ON TRANSLATION OF A FOREIGN OPERATION	(859,920)	2,324,233
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>7,140,619</b>	<b>5,565,400</b>

### NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016

#### DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by the Companies Act (Chapter 24:03) and Insurance Act (Chapter 24:07) to maintain adequate accounting records and are responsible for the content and integrity of the abridged Group financial statements and related financial information included in this report. It is their responsibility to ensure that the abridged Group financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the year ended 31 December 2016, in conformity with International Financial Reporting Standards. The audited financial statements were authorised for issue by the board of directors on 27 May 2017.

#### Auditor's Statement

These abridged consolidated financial statements should be read in conjunction with the complete set of financial statements for the year ended 31 December 2016, which have been audited by Ernst & Young Chartered Accountants (Zimbabwe). The auditors have issued a qualified audit opinion in respect of the Group's revenue recognition principles from sale of residential stands which are not in line with principles set out in International Accounting Standard (IAS) 18 'Revenue', in addition the auditor's report incorporates a section of key audit matters which include valuation of investment property, valuation of insurance contract liabilities, adequacy of allowance for credit losses and accounting treatment of Fidelity Southview Park. These matters were resolved as detailed in the auditor's report on the abridged consolidated financial statements which is available for inspection at the Company's registered office, 66 Julius Nyerere Way, Harare.

#### 1. ACCOUNTING POLICIES

##### Basis of Preparation

The abridged consolidated financial statements have been prepared under policies consistent with International Financial Reporting Standards ('IFRS'). The abridged consolidated financial statements are based on statutory records that are maintained under the historical cost convention as modified by the revaluation of property and equipment, financial assets at fair value through profit or loss and investment property.

The abridged consolidated financial statements are presented in United States Dollars (US\$), the Group's functional and presentation currency and all figures are rounded to the nearest dollar.

##### Statement of compliance

The abridged consolidated financial statements for the year ended 31 December 2016 have been prepared in accordance with International Financial Reporting Standards, the Zimbabwe Stock Exchange Listing Rules, the Companies Act (Chapter 24:03) and the Insurance Act (Chapter 24:07).

The abridged consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.



# FIDELITY LIFE ASSURANCE OF ZIMBABWE LIMITED AND ITS SUBSIDIARIES

## AUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

#### GROUP

	Share capital US\$	Treasury shares US\$	Share premium US\$	Retained earnings US\$	Revaluation reserve US\$	Non-distributable reserves US\$	Foreign Currency translation reserve US\$	Attributable to shareholders of parent US\$	Non-controlling interest US\$	Total equity US\$
Balance at 31 December 2014	1,089,233	(47,756)	445,096	12,976,258	1,041,531	174,461	226,688	15,905,511	832,165	16,737,676
Profit for the year	-	-	-	5,108,708	-	-	-	5,108,708	43,969	5,152,677
Other comprehensive income for the year	-	-	-	-	(227,088)	-	(1,350,868)	(1,577,956)	(1,006,356)	(2,584,312)
Total comprehensive income for the year	-	-	-	5,108,708	(227,088)	-	(1,350,868)	3,530,752	(962,387)	2,568,365
Reclassification of non distributable reserve	-	-	-	174,461	-	(174,461)	-	-	-	-
Acquisition of a subsidiary during the year	-	-	-	-	-	-	-	-	4,288,600	4,288,600
Dividend paid	-	-	-	(475,000)	-	-	-	(475,000)	(19,651)	(494,651)
Allocation of shares held by employee share ownership plan to employees	-	37,719	226,313	-	-	-	-	264,032	-	264,032
Balance at 31 December 2015	1,089,233	(10,037)	671,409	17,784,427	814,443	-	(1,124,180)	19,225,295	4,138,727	23,364,022
Profit for the year	-	-	-	1,785,626	-	-	-	1,785,626	540,041	2,325,666
Other comprehensive income for the year	-	-	-	-	126,414	-	(716,196)	(589,782)	(444,923)	(1,034,705)
Total comprehensive income for the year	-	-	-	1,785,626	126,414	-	(716,196)	1,195,844	95,118	1,290,961
Dividend paid	-	-	-	(542,482)	-	-	-	(542,482)	(15,302)	(557,784)
Balance at 31 December 2016	1,089,233	(10,037)	671,409	19,027,571	940,857	-	(1,840,376)	19,878,657	4,218,543	24,097,200

### 2. SIGNIFICANT TRANSACTIONS

	Audited 31 Dec 2016 US\$	Audited 31 Dec 2015 US\$
2.1 Investment property movements		
Opening balance	14,349,389	19,065,721
Additions	2,462,163	-
Improvements	20,643	125,215
Disposals	(3,176,920)	-
Reclassification (to)/from property and equipment	90,000	(800,000)
Edowment payment	-	(1,731,333)
Exchange rate movement on foreign operations	(151,629)	(138,594)
Fair value gain/(loss)	3,134,570	(2,171,620)
Closing balance	16,728,216	14,349,389
2.2 Additions to property and equipment	461,033	996,039
2.3 Income from sale of residential stands	9,055,561	27,528,014
2.4 Cost of sales on residential stands	4,457,951	20,348,614
2.5 Fair value gains / (losses) on investment properties	3,134,570	(2,171,620)
2.6 Capitalised finance costs	1,793,882	1,751,813
2.7 Capital expenditure commitments	1,318,214	1,424,783
Authorised and contracted for	461,033	996,039
Authorised but not contracted for	857,181	428,744
2.8 Deferred acquisition costs		
Deferred acquisition costs are made up of commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts that are capitalized. These amounted to US\$ 229,448 (31 December 2015: US\$295,549) as at 31 December 2016		
2.9 Gross premiums written during the period	15,385,282	17,203,335

### 3. EARNINGS PER SHARE

	Audited 31-Dec-2016 US\$	Audited 31-Dec-2015 US\$
Basic earnings per share		
Numerator		
Profit for the year and earnings used in basic EPS and diluted EPS	1,785,626	5,108,708
(Profit)/Loss on disposal of property and equipment	(15,205)	11,898
Headline earnings	1,770,421	5,120,606
Denominator		
Weighted number of ordinary shares in issue	108,923,291	108,923,291
Less: Shares purchased for the Employee Share Ownership Plan	(4,775,618)	(4,775,618)
Add: shares allocated to employees under the Share Ownership Plan	3,771,875	3,771,875.00
Weighted average number of shares used in basic EPS	107,919,548	107,919,548
Less: Dilutive adjusting effects	-	-
Weighted average number of shares used in diluted EPS	107,919,548	107,919,548
Weighted average number of shares used in headline EPS	107,919,548	107,919,548
Basic earnings per share (cents)	1.64	4.74
Diluted earnings per share (cents)	1.65	4.73
Headline earnings per share (cents)	1.64	4.74

### 4. SEGMENT INFORMATION

2016	Insurance	Microlending	Other	Group
Total revenue	33,436,426	2,887,896	723,858	37,048,180
Inter-segment revenue	(86,182)	(103,386)	(303,720)	(493,288)
Total revenue from external customers	33,350,244	2,784,510	420,138	36,554,892
Total benefits claims and other expenses	(30,837,124)	(1,481,577)	(965,164)	(32,952,375)
Profit/(loss) for the year	1,665,259	1,037,690	(404,629)	2,325,665
Depreciation of property and equipment	947,362	9,633	3,685	960,680
Amortisation of intangible assets	40,721	40,663	6,888	88,272
Amortisation of deferred acquisition costs	140,568	-	-	140,568
Finance costs	1,959,529	41,704	-	2,001,233
Fair value adjustments on investment property and equities	3,698,765	6,950	24,370	3,730,085
Tax expense / (credit)	934,041	368,629	(25,820)	1,276,850
Additions to non-current assets	2,985,831	5,428	63,652	3,054,911
Reportable segment non current assets	47,469,298	406,778	1,091,186	48,967,262
Reportable segment current assets	55,789,300	6,722,093	1,075,245	63,586,638
Reportable segment liabilities	85,325,923	955,125	2,175,651	88,456,699
2015				
Total revenue	49,073,706	2,465,107	703,702	52,242,515
Inter-segment revenue	-	(33,179)	(97,958)	(131,138)
Total revenue from external customers	49,073,706	2,431,928	605,744	52,111,378
Total benefits claims and other expenses	(41,054,714)	(1,706,335)	(770,018)	(43,531,068)
Profit/(loss) for the year	4,661,003	481,830	9,843	5,152,677
Depreciation of property and equipment	1,042,003	16,198	113,445	1,171,646
Amortisation of intangible assets	46,663	40,663	7,568	94,894
Amortisation of deferred acquisition costs	256,722	-	-	256,722
Finance costs	431,274	61,513	-	492,787
Fair value adjustments on investment property and equities	(1,943,680)	(26,601)	110,035	(1,860,246)
Tax expense	3,210,307	293,486	(76,160)	3,427,633
Additions to non-current assets	1,055,524	7,068	352,372	1,414,964
Reportable segment non current assets	57,047,661	455,446	1,152,565	58,655,672
Reportable segment current assets	39,857,592	6,286,001	1,000,123	47,143,716
Reportable segment liabilities	78,677,290	1,605,391	2,152,686	82,435,366

### GEOGRAPHICAL INFORMATION

	Zimbabwe US\$	Malawi US\$	Total US\$
2016			
Revenue			
Total revenue	33,032,839	3,522,053	36,554,892
Inter-segment revenue	-	-	-
Total revenue from external customers	33,032,839	3,522,053	36,554,892
Group's revenue per statement of profit or loss and other comprehensive income		3,522,053	36,554,892
Depreciation of property and equipment	913,009	47,671	960,680
Amortisation of intangible assets	61,120	27,152	88,272
Amortisation of deferred acquisition costs	-	140,568	140,568
Finance costs	1,980,888	20,345	2,001,233
Fair value adjustments on investment property and equities	3,333,850	396,235	3,730,085
Tax expense	1,074,529	202,321	1,276,850
Segment profit before tax	2,081,200	1,521,317	3,602,517
2015			
Revenue			
Total revenue	48,307,383	4,020,715	52,328,098
Inter-segment revenue	(216,720)	-	(216,720)
Total revenue from external customers	48,090,663	4,020,715	52,111,378
Group's revenue per statement of profit or loss and other comprehensive income		4,020,715	52,111,378
Depreciation of property and equipment	1,109,391	62,255	1,171,646
Amortisation of intangible assets	61,800	33,094	94,894
Amortisation of deferred acquisition costs	-	256,722	256,722
Finance costs	463,711	29,076	492,787
Fair value adjustments on investment property and equities	(2,251,001)	390,755	(1,860,246)
Tax expense	3,264,660	162,973	3,427,633
Segment profit before tax	8,229,914	350,396	8,580,310

### 5. BORROWINGS

	Audited 31-Dec-2016 US\$	Audited 31-Dec-2015 US\$
5.1 NON-CURRENT BORROWINGS		
Redeemable bond	-	12,696,954
FBC Bank Limited, Infrastructure Development Bank of Zimbabwe, Standard Chartered Bank of Zimbabwe Limited, CBZ Bank Limited and Agribank Limited	13,970,000	13,970,000
People's Own Savings Bank (POSB)	-	58,859
	13,970,000	26,725,813
FBC Bank Limited, Infrastructure Development Bank of Zimbabwe, Standard Chartered Bank of Zimbabwe Limited, CBZ Bank Limited and Agribank Limited		
The Group assumed CFI Holdings Limited's bank loans amounting to US\$16 million when it acquired Langford Estates (1962) (Private) Limited through a land-for-debt swap arrangement in 2015. The loans currently amount to US\$13,970,000 (2015: US\$13,970,000). The bank loans were acquired from FBC Bank Limited, Infrastructure Development Bank of Zimbabwe, Standard Chartered Bank of Zimbabwe Limited, CBZ Bank Limited and Agribank Limited. The borrowings accrue interest at 10% per annum, have a tenor of 7 years with a 2-year principal repayment grace period. They are secured through a mortgage bond over land inventory.		

### 5.2 CURRENT BORROWINGS

	Audited 31-Dec-2016 US\$	Audited 31-Dec-2015 US\$
5.2 CURRENT BORROWINGS		
Redeemable bond	12,696,954	-
African Banking Corporation of Zimbabwe Limited (BancABC)	2,373,128	2,034,187
People's Own Savings Bank (POSB)	282,676	601,486
	15,352,758	2,635,673
Redeemable bond		
The bond which has a prescribed asset status was issued to fund offsite infrastructure and bulky water pipelines for the Fidelity Life Southview Park residential stands development. The bond accrues interest at 11% per annum and is secured by sinking fund cash flows and a limited guarantee by the Company to the extent of the outstanding bond amount and accrued interest. The bond is redeemable at par on 30 June 2017.		

**African Banking Corporation of Zimbabwe Limited (BancABC) facility**  
The bankers' acceptance with BancABC accrues interest at 13% per annum and expire on 31 March 2017. The bankers' acceptance is secured by land and buildings with a carrying amount of US\$ 4,100,000 as at 31 December 2016.

**People's Own Savings Bank (POSB) facility**  
The facility with POSB accrues interest at 16.5% per annum and expires on 20 March 2017. It is secured by a mortgage bond over an investment property with a carrying amount of US\$ 830,000.

### 6. DIRECTORS' SHAREHOLDING

The following directors have shareholding in the company as follows:-

	Number of shares 2016	2015
F. Ruwende	348	348
G.C. Mataka	1,831	1,831
	2,179	2,179



**FIDELITY LIFE**  
ASSURANCE OF ZIMBABWE

