

Security Growth and Profitability

CONDENSED REVIEWED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

INTRODUCTION

I am pleased to present the reviewed ZimRe Holdings Limited ("ZHL" or the "Company") Group financial results for the half year ended 30 June 2020.

BUSINESS ENVIRONMENT

Zimbabwe

The economic environment was adversely affected by the Coronavirus ("Covid-19") pandemic outbreak which disrupted economic activity. This was further exacerbated by rising inflation which peaked at 837.53% in July 2020; a rapidly depreciating local currency against hard currencies despite attempts to stabilize the currency through the foreign currency auction system. Weather related shocks triggered a second successive drought which led to a food deficit in the 2019/20 agricultural season thus necessitating the importation of basic food requirements. According to the International Monetary Fund ("IMF"), the economy is projected to contract by 10.4% in 2020 compared to a decline of 6.5% in 2019.

Botswana

Economic performance remained largely depressed on account of subdued demand for diamonds and recurring droughts affecting agricultural output. Coupled with the disruptive effects of the Covid-19 pandemic on economic output and sovereign credit rating downgrades, the economy is expected to contract by 9.6% in 2020 compared to growth of 3% in 2019. The Botswana Pula exchange rate to the United States of America dollar ("USD") has remained relatively stable and average inflation of about 1% is expected in 2020.

Zambia

The Zambian economy was already in a fragile state after recent years of weaker demand for copper and lower prices on the international market, sovereign credit rating downgrades, low electricity generation, climate change induced weather related shocks and high external debt servicing obligations, when the Covid-19 outbreak took place. The Kwacha remained unstable resulting in double digit inflation. The economy is projected to contract by 5.1 % (IMF) in 2020 compared to a muted growth of 1.5% in 2019.

Mozambique

Prior to the Covid-19 outbreak, the economy had gained strong momentum on account of improving investor confidence after successful debt restructuring efforts and increased investment in coal and gas projects. Despite the downside risks which include drought, disputed elections and sporadic insurgent attacks in the Central and Northern provinces, the economy is expected to remain resilient and GDP growth of 1,4% is projected in 2020 compared to 2.2% in 2019. The Metical remained largely stable and average inflation of 2.8% is expected in 2020.

Malawi

Despite the Covid-19 outbreak, the Malawi economy is expected to remain stable on account of a conducive political environment following a successful presidential election re-run, return of donor funding, increased agricultural output, improving power generation benefitting the manufacturing sector, a stable exchange rate and low inflation. The economy is expected to grow by 1% in 2020 from 4.5% in 2019.

MARKET OVERVIEW

The outbreak of the Covid-19 pandemic resulted in unprecedented disruption to economic activity and created material uncertainty for business in all countries where the Group conducts operations. Although there is gradual easing of restrictions, recovery is expected to be extremely slow in some economic sectors such as tourism.

The onset of hyperinflation in Zimbabwe exerted pressure on purchasing power and resulted in the need to constantly increase sums insured and rentals and a spike in the cost of insurance claims and operating costs. Challenges in accessing foreign currency resulted in the slow discharge of new foreign currency denominated liabilities and accumulated legacy creditors by market players. This limited the business confidence of external business partners fearing increasing foreign exchange risk. The tight liquidity situation slowed down premium collection thereby negatively impacting investment portfolio growth. The suspension of all trading on the Zimbabwe Stock Exchange ("ZSE") on 28 June 2020, though subsequently lifted, is also expected to diminish investor confidence and negatively impact the performance of the investment portfolio. The challenging business environment also resulted in a slowdown in property sales and increased pressure on occupancies of leased premises.

OVERALL GROUP PERFORMANCE

The business growth momentum achieved at the beginning of the year continued into the second quarter though at a slower pace with most operations trading profitably during the period under review. There was significant positive recovery and turnaround at Emeritus Re Zambia, while all the other regional and domestic entities continued a positive business growth trajectory.

STATEMENT OF COMPREHENSIVE INCOME

Total incom

In inflation adjusted terms, total income at ZWL 1.5 billion grew by 49% over the ZWL 1.02 billion recorded in the same period in 2019. On a historical cost basis, total income increased by 1220% from ZWL 167 million in 2019 to ZWL 2.2 billion, driven by investment property revaluation gains following change of functional currency, growth in insurance revenue of 747%, and increase in rental revenue of 888%.

Total claims and expenses

At ZWL 452 million on an inflation adjusted basis, total claims and expenses grew by 24% when compared to the ZWL 387 million registered in the same period in 2019. At 795% on a historical cost basis, growth in claims and expenses was below growth in total income of 1220%. Claims and expenses increased from ZWL 40.6 million to ZWL 363 million mainly due to the inflationary pressure on claims and operating expenses in the domestic market. Increases in commissions and business acquisition costs were in line with the growth in insurance business. Prices of goods and services in the domestic market reflected the speculative pass-through effect of the exchange rate which is being gradually eliminated by the auction exchange rate management system. Debtor impairments also contributed to the marked increase in costs.

Profit for the period

In inflation adjusted terms, profit for the period increased to ZWL 1.2 billion in 2020 from ZWL 533 million in 2019, an increase of ZWL 685 million in absolute terms. In historical cost terms, profit for the period increased by 1491% from ZWL 117 million to ZWL 1.9 hillion

on account of the strong and profitable performance of most business units, and the investment property fair valuations following change of functional currency.

Total comprehensive income

Total comprehensive income increased to ZWL 1.4 billion in inflation adjusted terms from ZWL 718 million in 2019. On a historical cost basis, total comprehensive income was ZWL 2.3 billion (2019: ZWL 185 million). The growth is attributed to exchange differences on translation of foreign operations, fair value gains on financial assets as well as gains on property and equipment revaluations.

STATEMENT OF FINANCIAL POSITION

Total assets

Total assets grew by 64% in inflation adjusted terms from the restated level of ZWL 2.9 billion in 2019 to ZWL 4.7 billion as at 30 June 2020. On a historical cost basis, the Group's financial position remained sound with total assets at ZWL 4.4 billion compared to ZWL1.05 billion as 31 December 2019. The growth was mainly attributed to the revaluation of the investment properties and other non-monetary assets.

Shareholders' equity

Shareholders' equity grew from ZWL 1.5 billion as at 31 December 2019 to ZWL 2.5 billion as at 30 June 2020 in inflation adjusted terms. In historical cost terms, shareholders' equity increased to ZWL 2.2 billion from ZWL 527 million as 31 December 2019 due to the profitability recorded.

Cash flow

Positive cash flows were generated from operations mainly due to writing collectible business from quality cedants and clients, as well as the strengthening of the credit control function in most business units.

CONSOLIDATING AND STRENTHENING ZHL HEARTLAND INVESTMENTS

As previously advised in cautionary statements issued in terms of the Zimbabwe Stock Exchange("ZSE") Listing Requirements and at the Annual General Meeting held on 14 August 2020, ZHL is currently working on value adding transactions that will result in the Company holding controlling shares in Fidelity Life Assurance of Zimbabwe Limited ("FLA") and the acquisition of the entire issued share capital of ZimRe Property Investments ("ZPI"), culminating in the delisting of ZPI from the ZSE. In the current volatile and uncertain business environment, characterized by among other things, the slow economic recovery in the post Covid-19 pandemic era and the decimation of capital in real terms largely due to a depreciating local currency and hyperinflation, the Group has seen opportunities for business growth and profitability through consolidation of its heartland investments and mergers and acquisitions. The transaction contemplated has been motivated by the following key strategic considerations -

- Growing the balance sheet size thereby strengthening the underwriting capacity of the insurance arms
 of the Group and enhancing business retention and competitiveness of the businesses in both the
 regional and domestic market and thus enhancing overall profitability.
- Capacitating the Group to leverage the increased asset base to fund future business expansion and diversify Group's revenue streams.
- Enabling the Group to exploit synergies arising from business portfolio diversification, vertical and horizontal integration of businesses, economies of scale and scope, and operational efficiencies. The acquisitions will fast track the implementation of the Group wealth management business strategy.
- Enabling the Group to apply its tried and tested corporate parenting policy and philosophy and thus leverage on the diverse skills base to implement its wider digitalisation strategy and create value and efficiencies through shared services.
- The delisting of ZPI is expected to eliminate duplicated governance and other costs associated with listing of holding companies and their subsidiaries (pyramid listing).

Post the transaction, the Group is expected to undertake business portfolio restructuring and diversification as well as organic balance sheet growth through mergers and acquisitions. The Group will also broaden its resource mobilization strategy, undertake property portfolio realignment, attract strategic partners, capacitate insurance operations to enable them to consolidate market positions, optimize the use of digital

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2020

		Reviewed	Audited	Reviewed	Audited	
У		Group	Group	Group	Group	
	Note	30 June 2020	31 Dec 2019	30 June 2020	31 Dec 2019	
b	ASSETS	ZWL	ZWL	ZWL	ZWL	
า	Property and equipment 5	236 503 626	214 426 609	207 167 709	71 588 364	
	Right of use of assets	19 721 818	26 167 122	8 602 976	4 420 507	
s	Investment properties 6	2 307 416 795	1 329 778 007	2 307 416 795	507 570 140	
	Intangible assets 7	8 591 263	7 628 496	2 416 053	665 695	
У	Investment in associates 4	406 128 773	90 839 794	210 936 585	26 042 624	
b	Deferred tax assets	38 841 951	41 702 987	38 565 073	14 382 180	
S	Inventories	49 597 805	49 377 664	3 645 156	2 914 960	
g	Trade and other assets 8	688 078 329	468 035 137	688 078 329	178 646 855	
ď	Life reassurance contract asset	3 657 700	3 756 398	3 657 700	1 433 800	
t	Current income tax assets	38 741 333	19 556 739	38 741 333	7 464 716	
	Deferred acquisition costs	76 536 095	32 708 464	64 077 960	11 479 221	
9	Financial assets :	10 000 000	02 700 101	0.0000		
١,	- at amortised cost	52 731 170	80 880 203	52 731 170	30 871 601	
У	- at fair value through profit or loss	103 735 032	63 602 051	103 735 032	24 276 611	
g	at fair value through other comprehensive income	269 642 826	204 472 182	269 642 826	78 046 090	
S	Cash and cash equivalents	422 850 729	239 563 934	422 850 729	91 440 449	
3	Cash and Cash equivalents	422 030 123	235 303 534	422 030 723	31 440 443	
	Total assets	4 722 775 245	2 872 495 787	4 422 265 428	1 051 243 813	
2	EQUITY AND LIABILITIES					
n	TAUTH.					
/.	EQUITY					
S	Equity attributable to equity holders of the parent					
S	Share capital	297 004 274	297 004 274	15 326 649	15 326 649	
	Share premium	221 373 509		11 427 034	11 427 034	
	Treasury shares	(303 187)	(303 187)	(25 932)	(25 932)	
	Revaluation reserve	274 300 403	279 305 949	83 650 218	46 318 339	
	Financial assets at fair value through other					
	comprehensive income reserve	159 425 773	103 298 543	206 921 442	57 258 115	
	Foreign currency translation reserve	369 734 227		346 402 715	105 574 319	
У	Change in ownership reserve	13 247 122	13 247 122	814 869	814 869	
١.	Retained earnings	1 194 737 521	320 286 871	1 551 750 801	290 497 467	
L						
У	Total equity attributable to equity holders of the parent	2 529 519 642			527 190 860	
1	Non-controlling interest	778 172 729	425 039 475	819 245 242	179 612 441	
	Total equity	3 307 692 371	1 924 453 024	3 035 513 038	706 803 302	
	LIABILITIES					
b	EINDIETTEO					
n	Deferred tax liability	135 938 272	33 529 810	126 500 812	5 393 357	
t	Short term insurance contract liabilities 13	454 163 115	323 730 553	435 270 091	113 548 234	
i	Life reassurance contract liabilities	30 551 100	16 993 917	30 551 100	6 486 500	
6	Borrowings 10	29 925 401	37 870 206	29 925 401	14 454 883	
	Lease liability	11 269 687	13 836 973	11 269 687	5 281 509	
9	Other provisions	39 612 706	31 959 872	39 612 706	12 198 936	
S	Trade and other payables 12	713 622 593	490 121 432	713 622 593	187 077 093	
9						
e f	Total liabilities	1 415 082 874	948 042 763	1 386 752 390	344 440 512	
'n	TOTAL EQUITY AND LIABILITIES	4 722 775 245	2 872 495 787	4 422 265 428	1 051 243 813	
1						

3. L. B.N. Kumalo

Chairman

19 October 2020

The notes below are an integral part of these condensed financial statements.



19 October 2020

technology for service delivery in operations, rationalize and strengthen its skills base as it endeavours to enhance profitability and create value for its shareholders. Accordingly, ZHL will, in the short to medium term, be transformed into a robust diversified group that controls the strategic direction of its business portfolios and maximizes synergistic benefits.

DIRECTORATE

There were no changes in the composition of the ZHL Board in the period under review.

DIVIDEND

After careful consideration of the uncertainities arising from Covid-19 and the need to strengthen the capital position, the directors have deemed it fit not to declare an interim dividend for the half year ended 30 June 2020.

OUTLOOK AND STRATEGY

Despite the extremely difficult period ahead, the projected recession and expected slow recovery of global economies following gradual re-opening post the lockdowns due to the outbreak of the Covid-19 pandemic, the Board is confident that the Group will survive and grow buttressed by its strong balance sheet with a sizeable property portfolio, the hedging effect provided by the regional operations, restoration and strengthening of ZHL heartland investments and pursuit of opportunities for mergers and acquisitions. Value preservation, expenditure control and management, business innovation and increased digitalization for operational efficiency, remain key strategic focus areas for the Group. Your board foresees a significant increase in demand for insurance especially in Mozambique where the multi-billion gas projects and downstream industries to support them are being commissioned.

APPRECIATION

I would like to extend my heartfelt gratitude to all stakeholders including business partners and service providers for their continued support. I would also like to pay tribute to my fellow board members, management and staff throughout the Group for their contributions, continued hard work and commitment which have combined to enable the Group to achieve the forgoing results in spite of the mounting business

BN Kumalo



CHAIRMAN 19 October 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

roi the han year ended 30 June 2020

			_	on adjusted		orical cost	
			Reviewed	Unaudited	Reviewed	Unaudited	ı
			Group	Group	Group	Group	ı
	No	ote			30 June 2020		ı
	INCOME	,,,,	ZWL	ZWL	ZWL	ZWL	ı
;	INCOME		ZVVL	ZVVL	ZVVL	ZVVL	
'	Gross written premium		570 207 624	500 022 123	444 763 177	50 919 160	
	Retrocession premium		(160 439 369)	(150 631 638)	(142 145 874)	(16 365 141)	
	Net premium written		409 768 255	349 390 485	302 617 303	34 554 019	
	Change in unearned premium reserve		(54 395 728)	(54 917 517)	(60 374 548)	(4 669 373)	
	Net premium earned		355 372 527	294 472 968	242 242 755	29 884 646	
	Brokerage, commission and fees		38 867 557	41 435 936	36 691 063	4 607 075	
1	Total insurance income		394 240 084	335 908 904	278 933 818	34 491 721	
1	Rental income from investment property		25 229 751	20 075 105	15 849 811	1 620 122	
			963 023 753		1 756 022 233		
,	Fair value adjustments on investment property					121 802 052	
	Revenue from sale of inventory property		2 060 518	13 484 348	1 922 530	1 753 841	
	Property operating cost recoveries		-	2 351 855		625 520	
	Investment income		7 273 599	12 993 541	6 973 634	1 380 669	
		5	133 936 969	(2 719 626)	146 864 366	5 410 210	
	Other income/(iosses)	J	100 000 000	(2 / 13 020)	140 004 300	3410210	
	T 4-12		4 505 704 074	4 004 040 000	0 000 500 000	407.004.405	
	Total income		1 525 /64 6/4	1 021 813 906	2 206 566 392	167 084 135	
	EXPENDITURE						
1	Insurance benefits and claims:						
L			(000 400 704)	(404 504 000)	(004 004 400)	(04 =04 =00)	
L	Non-life insurance claims			(194 534 038)	(204 024 468)	(21 524 708)	
1	Life reassurance benefits and claims	sact liabilities (36 793 215) (9 369 777) (25 722 925) (703 879) act liabilities (185 673 157) (112 375 322) (139 022 966) (11 469 613) (5 46 704) (5 947 373) 25 477 (322 514) (110 99 77 437) (111 516 691) (91 777 216) (11 734 527) ses on receivables (131 499 271) (168 800 54) (110 306 685) (17 154 603) (937 037) (224 501) (13 007 883) (664 635) (937 037) (224 501) (14 686 6131) (14 686 6134) (15 666 6131) (15 666 6					
1	Movement in life reassurance contract liabilities	185 573 157 (112 375 322) (139 022 966) (11 469 613) (546 704) (5 947 373) (137 022 966) (11 469 613) (5 46 704) (5 947 373) (19 177 216) (11 734 527) (11 516 681) (9 1777 216) (11 734 527) (11 516 681) (19 1777 216) (17 174 527) (11 516 681) (19 1777 216) (17 174 527) (11 516 681) (19 1777 216) (17 174 527) (17 186 80) (18 18 98 654) (17 154 603) (18 18 67 623) (387 384 976) (363 281 598) (40 583 244) (19 18 57 372 41 14 147 86 516 326 899 662 12 55 139 984 604 031 947 199 801 120 127 370 533 (37 103 646) (71 019 184) (59 447 527) (9 814 199) (12 18 036 338 15 726 21 870 353 593) (17 556 354 159 12 18 03 6338 15 726 21 870 353 593) (17 15 56 354 159) (19 18 18 15 572 647 76 593 299 6 346 348 15 572 647 76 593 299 77 18 366 563 346 2478 785 68 087 278					
4	Claims ceded to reinsurers		89 412 852	91 528 404	90 724 429	10 758 074	
	Oranno odubu to romaurora		03 412 032	31 320 434	30 124 420	10 130 314	
		laims (238 192 794) (194 534 038) (204 024 468) (21 524 708 (703 879 ontract liabilities (703 879 215) (9 369 777) (25 722 925) (703 879 ontract liabilities (703 879 215) (9 369 777) (25 722 925) (703 879 215) (9 369 777) (25 722 925) (703 879 215) (185 573 157) (112 375 322) (139 022 966) (11 469 613 (322 514 215) (199 77 437) (115 16 616 691) (9 177 72 61) (17 45 603 215 614 615) (19 77 72 61) (17 45 603 215 614 615) (19 77 72 61) (17 45 603 215 614 615) (19 77 72 61) (17 45 603 215 614 615) (19 77 72 61) (17 45 603 215 614 615) (19 77 261) (17 45 603 215 614 615) (19 77 261) (17 45 603 215 614 615) (19 77 261) (17 45 603 215 614 615) (19 77 261) (17 45 603 215 614 615) (19 77 261) (17 45 603 215 614 615) (19 77 261) (17 45 603 215 614 615) (19 77 261) (17 45 603 215 614 615) (19 77 261) (17 45 603 215 614 615) (19 77 261) (17 45 603 215 614 615) (19 77 27 27 27 27 27 27 27 27 27 27 27 27					
						(11 469 613)	
	Net property operating costs		(546 704)	(5 947 373)	25 477	(322 514)	
	Commission and acquisition expenses						
	Operating and administrative expenses			(100 000 904)		(17 154 605)	
	Allowance for expected credit losses on receivables				(21 263 171)	-	
	Finance costs		(3 007 883)	(664 635)	(937 037)	(224 501)	
	TOTAL EXPENDITURE		(451 867 623)	(387 384 976)	(363 281 598)	(40 583 244)	
	Gain/(loss) on net monetary position				((
			32 007 301	(34 340 131)			
	Profit before share of loss of associate						
	accounted for using the equity method		1 166 564 612			126 500 891	
	Share of profit of associates		88 575 372	4 149 147	86 516 326	869 662	
	Profit before income tax						
	Income tax expense						
	Profit for the period		1 218 036 338	533 012 762	1 870 353 593	117 556 354	
	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
			2 156 007	12 660 110	E0 746 757	0.262.500	
	Gains on property and equipment revaluations						
	Share of other comprehensive income of associates		67 771 888	15 5/2 64/	76 593 299	6 346 348	
	Income tax relating to components of other comprehensive inco	me	(157 850)	(2 183 021)	(2 537 338)	(468 125)	
				,	,		
			70 771 035	57 050 074	124 802 718	15 240 723	
				01 000 014	124 002 1 10	10 240 120	
	Items that may be reclassified subsequently to profit or lo)55					
	Exchange gains on translation of foreign operations		73 722 568	17 032 361	217 185 112	34 640 721	
	Changes in fair value of financial assets at fair value through	1					
			26 120 000	11C OCE ECO	100 000 004	10 205 024	
	other comprehensive income					10 200 004	
	Income tax relating to components of other comprehensive inco	me					
			98 554 617	128 304 559	337 676 067	52 846 555	
	Other comprehensive income for the period net of tax		169 325 652	185 354 633	462 478 785	68 087 278	
	Other comprehensive modific for the period fiet of tax		100 020 002	100 004 000	402 410 100	00 001 210	
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1 387 361 990	/18 36/ 396	2 332 832 378	185 643 632	
	Profit/(loss) for the period attributable to:						
	Equity holders of Zimre Holdings Limited		877 550 650	533 887 928	1 264 353 333	75 609 446	
	Non-controlling interests						
	Tron conduming interests			(073 100)	300 000 200	T 1 040 300	
			1 218 036 338	533 012 762	1 870 353 593	117 556 354	
	Total comprehensive income/(loss) attributable to:						
			1 033 206 093	710 450 602	1 602 176 024	120 705 040	
	Equity holders of Zimre Holdings Limited				1 692 176 934	138 705 049	
	Non-controlling interests		354 155 897	(92 207)	640 655 444	46 938 583	
			1 387 361 990	718 367 396	2 332 832 378	185 643 632	
					222 202 070		
	Formings now share from no-fittim-tim-						
	Earnings per share from profit on continuing operations	•					
	attributable to owners of Zimre Holdings Limited						
	Basic and diluted earnings per share (ZWL cents):		67.38	0.28	110.36	0.28	
	Headline earnings per share (ZWL cents)		16.63	(6.96)	7.46	(0.28)	
			.0.50	(0.00)		(0.20)	
	Fornings per chare from less an discontinued and the						
	Earnings per share from loss on discontinued operations						
	attributable to owners of Zimre Holdings Limited						
	Basic and diluted earnings per share (ZWL cents):					-	
	•						
	Foreigns per chara attributable to access of 7: 11 11	Lier	itad				
	Earnings per share attributable to owners of Zimre Holdings	LIM					
	Basic and diluted earnings per share (ZWL cents):		67.38	0.28	110.36	0.28	
	Number of shares for basic EPS		1 533 339 027	1 533 339 027	1 533 339 027	1 533 338 937	
	NUMBER OF STREET OF DASIC EPS		1 000 000 937	1 000 000 93/	1 333 336 937	1 000 000 93/	

The notes below are an integral part of these condensed financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2020

		Histo	orical cost
Reviewed	Unaudited	Reviewed	Unaudited
30 June	30 June	30 June	30 June
2020	2019	2020	2019
ZWL	ZWL	ZWL	ZWL
1 255 139 984	604 031 947	1 929 801 120	127 370 553
(1 239 664 097)	(310 259 463)	[1 777 600 884]	(117 649 083)
15 475 887	293 772 484	152 200 236	9 721 470
3 237 828	172 561 745	16 383 831	9 497 000
18 713 715	374 688 361	168 584 067	19 218 470
(3 007 883)	(664 635)	(937 037)	(224 501)
(1 501 661)	(2 350 126)	(1 423 576)	(280 673)
14 204 171	371 673 600	166 223 454	18 713 296
6 432 231	(6 880 884)	2 536 434	(7 228 842)
(8 318 108)	9 706 338	(8 318 108)	(546 338)
12 318 295	374 499 054	160 441 780	10 938 116
239 563 934	24 417 087	91 440 449	24 417 087
251 882 229	398 916 141	251 882 229	35 355 204
170 968 500	13 953 396	170 968 500	13 953 397
od 422 850 729	412 869 537	422 850 729	49 308 600
	Reviewed 30 June 2020 2WL 1 255 139 984 (1 239 664 097) 15 475 887 3 237 828 18 713 715 (3 007 883) (1 501 661) 14 204 171 6 432 231 (8 318 108) 12 318 295 239 563 934 251 882 229	30 June 2019 ZWL 2019 ZWL 2019 ZWL 2019 ZWL 2019 ZWL 2019 ZWL 1 255 139 984 604 031 947 (1 239 664 097) (310 259 463) 15 475 887 293 772 484 3 237 828 172 561 745 18 713 715 374 688 361 (3 007 883) (664 635) (1 501 661) (2 350 126) 14 204 171 371 673 600 6 432 231 (6 880 884) (8 318 108) 9 706 338 12 318 295 374 499 054 239 563 934 24 417 087 251 882 229 388 916 141 170 966 500 13 953 396 16 141 170 966 500 13 953 396 394 24 395 395 395 395 395 395 395 395 395 395	Reviewed 30 June 2020 2WL Unaudited 30 June 2019 2020 2WL Reviewed 30 June 2019 2020 2WL Reviewed 30 June 2019 2020 2WL 1 255 139 984 (1 239 664 097) 604 031 947 1 929 801 120 (310 259 463)(1 777 600 884) 15 475 887 3 237 828 293 772 484 152 200 236 3 237 683 61 (3 030 883) 166 4635 (3 307 037) (1 501 661) 168 584 067 (2 350 126) (1 423 576) 14 204 171 371 673 600 3 (8 318 108) 166 223 454 6 432 231 (6 880 884) 9 706 338 2 536 434 (8 318 108) 9 706 338 (8 318 108) 12 318 295 374 499 054 39 563 934 160 441 780 239 563 934 24 170 986 500 24 147 087 179 986 500 13 953 396 179 986 500

DIRECTORS' RESPONSIBILITY STATEMENT

Investments maturing within 3 months

Comprising: Cash on hand

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 Company's abridged inflation-adjusted financial statements and related financial information included in this report. It is their responsibility to ensure that the Company's abridged inflation-adjusted financial statements fairly present the state of affairs of the Company as at the end of the reporting period and the results of its operations and cash flows for the period then ended in conformity with International Financial Reporting Standards.

303 974

422 850 729 412 869 537

1 873 643

244 968 312 195 830 666 244 968 312 23 387 863 177 578 444 215 165 228 177 578 444 25 696 970

303 974

422 850 729 49 308 600

223 767

Independent Reviewer's Statement

The condensed interim financial results for the six months ended 30 June 2020 have been reviewed by PricewaterhouseCoopers Chartered Accountants (Zimbabwe).

- A report on the review has been issued and has an adverse conclusion with respect to the following: The audit report issued on the consolidated financial statements for the year ended 31 December 2019 included the following matters, which resulted in an adverse audit opinion being issued. These matters affect the comparability of the current period balances to those of the prior period:

 Non compliance with IAS 21, with respect to date of functional currency change and use of
 - interbank exchange rates which is not considered as an appropriate exchange rate; Non compliance with IAS 29, 'Financial reporting in hyperinflationary
 - Economies as a result of non compliance with IAS21; and
 Valuation of investment properties;
 Valuation of investment properties in the current period, and
- Use of interbank exchange rates which is not considered as an appropriate exchange rate in the current

The Engagement Partner responsible for this review is Evangelista Ravasingadi. The review report on these condensed interim financial results is available for inspection at the Company's registered office

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

The principal activity of Zimre Holdings Limited (the "Company") and its subsidiaries and associates (together "the Group") is the provision of insurance, reinsurance and reassurance and property management and development services. The Group also has an associate that operates in the agro

Zimre Holdings Limited is a public company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange ("ZSE").

The registered office is located at 2nd Floor, Block D, Smatsatsa Office Park, Borrowdale, Harare

The condensed interim financial statements of the Group for half year ended 30 June 2020 were authorised for issue by a resolution of the Board of Directors on 28 September 2020

been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim financial

The condensed interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by the Company during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Compliance statement

Compinance statement These interim financial statements for the half year ended 30 June 2020 have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim financial reporting" except for non-compliance with International Accounting Standard 21, ("IAS 21"), 'The effects of foreign exchange rates' which also led to non-compliance with International Accounting Standard 29 ("IAS 29"), 'Financial reporting for hyper-inflationary economies'.

The historical cost amounts of property and equipment and inventories acquired before 22 February 2019 are reflected at parity with the US\$, which is not considered an appropriate exchange rate in accordance with IAS 21. As a result of this, the inflation adjusted amounts relating to property and equipment and inventories, accounted for in accordance with IAS 29, are also misstated

Hyperinflation accounting

On 9 July 2019, the Public Accountants and Auditors Board ("PAAB") issued Pronouncement 01/2019, which advised that Zimbabwe had met all the conditions for the application of IAS 29 effective for financial reporting periods ending on or after 1 July 2019. These hyper-inflationary conditions persisted into the current interim reporting period, making the application of IAS 29

For purposes of fair presentation in accordance with IAS 29, the historical cost information has been restated for changes in the general purchasing power of the Zimbabwe dollar. Accordingly the inflation adjusted interim financial statements represent the primary financial statements of the

In line with the provisions of IAS 29, the historical cost financial information has been provided by way of supplementary information only

IAS 29 requires that the financial statements of the Group, 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 the corresponding figures for the comparative periods be stated in the same terms. These interim financial statements and the corresponding figures for the previous years have been restated internal internal statements and uter corresponding injuries for the previous years have been restained to take account of the changes in the general purchasing power of the ZWI. The restatement is based on conversion factors derived from the Zimbabwe Consumer Price Index ("CPI") published by the Reserve Bank of Zimbabwe from the figures provided by the Zimbabwe National Statistics Agency. The indices and conversion factors used are as follows:

Dates	Index	Conversion factor
30 June 2020	1445.21	1.0000
31 December 2019	551.63	2.6199
30 June 2019	172.61	8.3727
31 December 2018	88.81	16.2731

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the period ended 30 June 2020

	Inflation adjusted	Share capital ZWL	Share premium ZWL	Treasury shares ZWL	Revaluation reserve ZWL		Fair value through other comprehensive income reserve ZWL	Foreign currency translation reserve ZWL	Retained earnings ZWL	Total attributable to equity holders of parent ZWL	Non- controlling interest ZWL	Total equity ZWL
3	Period ended 30 June 2020 Balance as at 1 January 2020	297 004 274	221 373 509	(303 187)	279 305 949	13 247 122	103 298 543	265 200 468	320 286 871	1 499 413 549	425 039 475	1 924 453 025
'	Total comprehensive income for the period Profit for the period Other comprehensive income for the period net of tax	-		-	(5 005 546) (5 005 546)		-	104 533 759 104 533 759	877 550 650 877 550 650 155 655 443	1 033 206 093 877 550 650 13 670 209	354 155 897 340 485 688	1 387 361 990 1 218 036 338 169 325 652
	Transactions with owners in their capacity as owners : Dividend declared and paid			-	(5 005 546)		50 127 230	104 555 759	(3 100 000)	(3 100 000) (3 100 000)	(1 022 643) (1 022 643)	(4 122 643) (4 122 643)
	Balance as at 30 June 2020	297 004 274	221 373 509	(303 187)	274 300 403		159 425 773	369 734 227	1 194 737 521	2 529 519 642	778 172 729	3 307 692 371
	Period ended 30 June 2019 Balance as at 1 January 2019, as previously reported Changes on initial application of IFRS 16	297 004 272	221 373 509	(256 495)	227 958 228	-	17 847 898	(54 328 940)	211 917 093 25 477	921 515 565 (25 230)	240 285 164	1 161 800 729 (25 230)
	Balance as at 1 January 2019, as restated	297 004 272	221 373 509	(256 495)	227 958 228	-	17 847 898	(54 328 940)	211 891 863	921 490 336	240 285 164	1 161 775 499
	Total comprehensive income for the period Profit for the period Other comprehensive income for the period net of tax	<u>-</u> - -		-	35 181 153 35 181 153	-	32 639 525 32 639 525	54 267 149 54 267 149	449 601 787 449 601 787	571 689 614 449 601 787 122 087 827	146 677 782 138 795 656 7 882 126	718 367 396 588 397 443 129 969 953
	Transactions with owners in their capacity as owners	ı: -	-			4 672 994				4 672 994	(4 672 994)	-
	Change in ownership percentage			-	-	4 672 994	-	-	-	4 672 994	(4 672 994)	-
	Balance as at 30 June 2019	297 004 272	221 373 509	(256 495)	180 536 094	4 672 994	164 434 938	244 328 006	624 487 150	1 736 780 469	545 051 540	2 281 632 009
	Historical cost											
	Period ended 30 June 2020											
	Balance as at 1 January 2020, as previously reported Total comprehensive income for the period	15 326 649	11 427 034	(25 932)		1						
		_	_	(23 332)	46 318 339	814 869		105 574 318	290 497 468	527 190 860 1 602 176 036	179 612 441	706 803 301
	Profit for the period Other comprehensive income for the period net of tax	-	-		46 318 339 37 331 879 37 331 879	814 869 - - -		240 828 397	290 497 468 1 264 353 333 1 264 353 333	527 190 860 1 692 176 936 1 264 353 333 427 823 603	179 612 441 640 655 444 606 000 260 34 655 184	706 803 301 2 332 832 380 1 870 353 593 462 478 787
n d		-	-		37 331 879	-	149 663 327	240 828 397	1 264 353 333	1 692 176 936 1 264 353 333	640 655 444 606 000 260	2 332 832 380 1 870 353 593
n d ir nt	Other comprehensive income for the period net of tax Transactions with owners in their capacity as owners	5: - - 15 326 649	- 11 427 034		37 331 879	-	149 663 327 149 663 327	240 828 397 240 828 397 - -	1 264 353 333 1 264 353 333 - (3 100 000)	1 692 176 936 1 264 353 333 427 823 603 (3 100 000)	640 655 444 606 000 260 34 655 184 (1 022 643)	2 332 832 380 1 870 353 593 462 478 787 (4 122 643)
n d ir nt d	Other comprehensive income for the period net of tax Transactions with owners in their capacity as owners Dividend declared and paid Balance as at 30 June 2020 Period ended 30 June 2019	15 326 649		- (25 932)	37 331 879 37 331 879 - - - 83 650 218	-	149 663 327 	240 828 397 240 828 397 - - 346 402 715	1 264 353 333 1 264 353 333 (3 100 000) (3 100 000) 1 551 750 801	1 692 176 936 1 264 353 333 427 823 603 (3 100 000) (3 100 000) 2 216 267 796	640 655 444 606 000 260 34 655 184 (1 022 643) (1 022 643) 819 245 242	2 332 832 380 1 870 353 593 462 478 787 (4 122 643) (4 122 643) 3 035 513 038
n d ir nt d	Other comprehensive income for the period net of tax Transactions with owners in their capacity as owners Dividend declared and paid Balance as at 30 June 2020	15 326 649	11 427 034		37 331 879 - 37 331 879 - -	-	149 663 327 149 663 327	240 828 397 240 828 397 - -	1 264 353 333 1 264 353 333 - (3 100 000) (3 100 000)	1 692 176 936 1 264 353 333 427 823 603 (3 100 000) (3 100 000)	640 655 444 606 000 260 34 655 184 (1 022 643) (1 022 643)	2 332 832 380 1 870 353 593 462 478 787 (4 122 643) (4 122 643)
n d ir nt d	Other comprehensive income for the period net of tax Transactions with owners in their capacity as owners Dividend declared and paid Balance as at 30 June 2020 Period ended 30 June 2019 Balance as at 1 January 2019, as previously reported Changes on initial application of IFRS 16 Balance as at 1 January 2019, as restated	15 326 649		- (25 932)	37 331 879 37 331 879 - 83 650 218 14 017 038	- - - - 814 869	149 663 327 149 663 327 - - 206 921 442 1 990 559	240 828 397 240 828 397	1 264 353 333 1 264 353 333 - (3 100 000) (3 100 000) 1 551 750 801 20 803 807 (3 676) 20 800 131	1 692 176 936 1 264 353 333 427 823 603 (3 100 000) (3 100 000) 2 216 267 796 55 390 494 (3 676) 55 386 818	640 655 444 606 000 260 34 655 184 (1 022 643) (1 022 643) 819 245 242 18 714 474	2 332 832 380 1 870 353 593 462 478 787 (4 122 643) (4 122 643) 3 035 513 038 74 104 968 (3 676) 74 101 292
n d ir nt d	Other comprehensive income for the period net of tax Transactions with owners in their capacity as owners Dividend declared and paid Balance as at 30 June 2020 Period ended 30 June 2019 Balance as at 1 January 2019, as previously reported Changes on initial application of IFRS 16	15 326 649 15 326 649	11 427 034	(25 932)	37 331 879 37 331 879 - - 83 650 218	814 869	149 663 327 149 663 327 - - 206 921 442 1 990 559	240 828 397 240 828 397 - 346 402 715 (8 165 707) - (8 165 707) 37 345 559	1 264 353 333 1 264 353 333 2 (3 100 000) (3 100 000) 1 551 750 801 20 803 807 (3 676)	1 692 176 936 1 264 353 333 427 823 603 (3 100 000) (3 100 000) 2 216 267 796 55 390 494 (3 676)	640 655 444 606 000 260 34 655 184 (1 022 643) (1 022 643) 819 245 242	2 332 832 380 1 870 353 593 462 478 787 (4 122 643) (4 122 643) 3 035 513 038 74 104 968 (3 676)
n d ir nt d	Other comprehensive income for the period net of tax Transactions with owners in their capacity as owners Dividend declared and paid Balance as at 30 June 2020 Period ended 30 June 2019 Balance as at 1 January 2019, as previously reported Changes on initial application of IFRS 16 Balance as at 1 January 2019, as restated Total comprehensive income for the period Profit for the period	15 326 649 15 326 649 15 326 649	11 427 034	(25 932)	37 331 879 37 331 879 - 83 650 218 14 017 038 - 14 017 038 7 544 209	814 869	149 663 327 149 663 327 - - 206 921 442 1 990 559 1 990 559 18 205 834	240 828 397 240 828 397 - 346 402 715 (8 165 707) - (8 165 707) 37 345 559	1 264 353 333 1 264 353 333 (3 100 000) (3 100 000) 1 551 750 801 20 803 807 (3 676) 20 800 131 75 609 446	1 692 176 936 1 264 353 333 427 823 603 (3 100 000) (3 100 000) 2 216 267 796 55 390 494 (3 676) 55 386 818 138 75 609 446	640 655 444 606 000 260 34 655 184 (1 022 643) (1 022 643) 819 245 242 18 714 474 46 938 583 41 946 908	2 332 832 380 1 870 353 593 462 478 787 (4 122 643) (4 122 643) 3 035 513 038 74 104 968 (3 676) 74 101 292 185 643 631 117 556 354

(8 886) 21 561 247

2.3 Functional and reporting currency

The financial statements are presented in Zimbabwe dollars ("ZWL") which is both the functional and presentation currency of the Group. The change in functional and presentation currency was implimented in the prior year following the introduction of the Zimbabwe dollar as the sole currency on 24 June 2019.

15 326 649 11 427 034

Legacy creditors

Balance as at 30 June 2019

To line with Statutory Instrument 142 of 2019 ("SI 142"), the Reserve of Zimbabwe issued Exchange Control Directive RU102 of 2019 which authorised the registration of foreign debts incurred when the Zimbabwe dollar was pegged at 1:1 with the United States of America dollar with the RBZ for support on the same rate of 1:1. Following the issuance of the Exchange Control instrument, the Group made applications for total legacy creditors amounting to US\$2.6 million and of this, a total of US\$784 196 was approved for support on the legislated 1:1 basis. The total amount is carried at the closing interbank rate as at 30 June 2020.

Following an assessment carried out on 30 June 2020, the investment in CFI Holdings Limited, which was fully impaired in 2015, was re-recognised as an associate. Accordingly, the carrying amount of the investment in associates changed as follows:-

	Reviewed Group 2020 ZWI	Group 2019	Group	Unaudited Group 2019 ZWL
As at 1 January Write back of investment in CFI Profit for the period Other comprehensive income of associate Closing balance	90 839 79 175 385 72 102 274 83 37 628 41 406 128 77	11 905 465 42 066 072	26 042 624 24 724 028 86 516 326 73 653 607 210 936 585	5 352 764 3 648 161 17 041 699 26 042 624

The reporting date of CFI Holdings Limited is 30 September. The financial statements taken into account for the associate are for the half year ended 30 March 2020. Management has determined that there were no significant transactions to take into account for the period 1 April 2020 to 30 June 2020.

CFI Holdings Limited was suspended from trading on the Zimbabwe Stock Exchange in January 2018 due to non-compliance with the ZSE Listing Requirements. Efforts to resolve the impasse with the ZSE are currently in

PROPERTY AND EQUIPMENT

		INFL	LATION ADJUST	TED	
	Freehold		Equipment	Furniture	
	land and	Motor	and	and	
GROUP	buildings ZWL	vehicles ZWL	computers ZWL	fittings ZWL	Total ZWL
At 31 December 2019					
Cost or fair value	179 020 562	47 976 677	31 882 433	18 927 182	277 806 854
Accumulated depreciation	(11 070 583)	(26 044 287)	(19 524 325)	(6 741 050)	(63 380 245)
Net book amount	167 949 979	21 932 390	12 358 108	12 186 132	214 426 608
Half year ended 30 June 2020					
Opening net book amount	167 949 980	21 932 390	12 358 108	12 186 132	214 426 609
Additions	265 326	5 237	4 715 936	691 935	5 678 434
Depreciation charge	(2 606 639)	(2 055 995)	(1 867 914)	(920 859)	(7 451 407)
Revaluation surplus	2 999 147	-	-	-	2 999 147
Disposals	-	-	(114 137)	(7 508)	(121 645)
Foreign exchange movements	7 903 036	7 446 152	4 007 000	1 616 301	20 972 489
Closing net book amount	176 510 850	27 327 784	19 098 993	13 566 000	236 503 626
At 30 June 2020					
Cost or fair value	191 020 649	71 549 023	45 610 283	23 037 879	331 217 833
Accumulated depreciation	(14 509 799)	(44 221 238)	(26 511 290)	(9 471 879)	(94 714 207)
Net book amount	176 510 850	27 327 784	19 098 993	13 566 000	236 503 626

INCL DOOK dilloulit	170 310 030	21 321 104	10 000 000	13 300 000	230 303 020
		Н	ISTORICAL CO	ST	
	Freehold		Equipment	Furniture	
	land and	Motor	and	and	
GROUP	buildings	vehicles	computers	fittings	Total
	ZWL	ZWL	ZWL	ZWL	ZWL
At 31 December 2019					
Cost or fair value	63 535 180	12 347 581	5 024 700	2 953 758	83 861 219
Accumulated depreciation	(743 261)	(7 280 136)	(3 007 500)	(1 241 958)	(12 272 855)
Net book amount	62 791 919	5 067 445	2 017 200	1 711 800	71 588 364
Half year ended 30 June 2020	00 704 040	5 007 445	0.047.000	4 744 000	74 500 004
Opening net book amount	62 791 919	5 067 445	2 017 200	1 711 800	71 588 364
Additions	143 243	2 320	3 953 039	348 925	4 447 527
Depreciation charge	(1 302 330)	(1 280 462)	(712 337)	(244 491)	(3 539 620)
Revaluation surplus	62 411 200	-		-	62 411 200
Disposals			(31 407)		(31 407)
Foreign exchange movements	57 669 019	7 951 599	5 109 394	1 561 633	72 291 645
01 : 11 1	101 710 051	44.740.000	40.005.000	0.077.007	007 407 700
Closing net book amount	181 713 051	11 740 902	10 335 889	3 377 867	207 167 709
At 30 June 2020					
Cost or fair value	184 591 219	35 991 085	18 067 797	6 727 403	245 377 504
Accumulated depreciation	(2 878 167)	(24 250 183)	(7 731 908)	(3 349 537)	(38 209 795)
Accumulated depreciation	(2 0/0 10/)	(24 200 100)	(1 131 900)	(0 048 007)	(30 209 795)
Net book amount	181 713 052	11 740 902	10 335 889	3 377 867	207 167 709
Hot book amount	101710002	11 1-10 302	10 000 000	0 011 001	201 101 103

INVESTMENT PROPERTY

Carrying amount as at 1 January Improvements, acquisition, development and capitalised borrowing costs Improvements to existing properties Acquisition and development Capitalised borrowing costs Fair value and/loss irreconsised in profit of the companies of the Fair value gain/(loss) recognised in profit or loss Exchange rate movement on foreign operations

20 196 393 29 179 852 96 409 577

ZWL	ZWL	ZWL	ZWL
1 329 778 007	120 537 653	507 570 140	46 008 667
1 387 694	29 350 666	856 967	11 203 014
1 387 694	1 662 275	856 967	634 483
-	25 737 479	-	9 823 877
-	1 950 912	-	744 654
963 023 753	1 135 209 146	1 756 022 233	433 304 102
13 227 341	44 680 542	42 967 455	17 054 357
2 307 416 795	1 329 778 007	2 307 416 795	507 570 140

INFLATION ADJUSTED

194 649 957 65 094 966 259 744 923

HISTORICAL COST

558 091

Investment properties with a total carrying amount of ZWL435.1million (2019: 169.5 million) were encumbered as at 30 June 2020. Freehold office buildings, are held for long term rental yields and are not occupied by the Group Investment properties are carried at fair value

The determination of fair value for the domestic properties was done under the following circumstances.

Limited market evidence with regards to capitalisation rates in ZWL as at 30 June 2020 for purposes of the valuation using the income capitalisation method

For residential properties and land, in order to determine the ZWL values of the investment properties as at 30 June 2020, US\$ inputs were used and then translated into ZWL using the closing interbank exchange rate. The application of a conversion rate to US\$ valuation inputs to calculate ZWL property values is not an accurate reflection of market dynamics as the risks associated with currency trading do not reflect the risks associated with currency trading.

risks associated with property trading.
Use of the interbank exchange rate which is not considered an appropriate spot rate for translation as

	required by IAS 21. There were no changes in the fair values of p	roperties domiciled in	n the foreign juri	sdictions.	
			INF	LATION ADJUS	STED
7.	INTANGIBLE ASSETS		Goodwill ZWL	Software ZWL	Total ZWL
	At 31 December 2019				
	Cost Accumulated amortisation and impairment		5 302 380	9 422 899 (7 096 783)	14 725 279 (7 096 783)
	Net book amount		5 302 380	2 326 116	7 628 496
	Half year ended 30 June 2020				
	Opening net book amount Additions Amortisation charge Foreign exchange movements		5 302 380	2 326 117 168 001 (162 389) 957 154	7 628 497 168 001 (162 389) 957 154
	Closing net book amount		5 302 380	3 288 883	8 591 263
	At 30 June 2020	:	0 002 000	0 200 000	0 001 200
	Cost Accumulated amortisation and impairment		5 302 380	10 548 054 (7 259 171)	15 850 434 (7 259 171)
	Net book amount		5 302 380	3 288 883	8 591 263
				TORICAL COS	
			Goodwill ZWL	Software ZWL	Total ZWL
	At 31 December 2019				
	Cost Accumulated amortisation and impairment		325 803	871 092 (531 200)	1 196 895 (531 200)
	Net book amount		325 803	339 892	665 695
	Half year ended 30 June 2020				
	Opening net book amount Additions		325 803	339 892 168 001	665 695 168 001
	Amortisation charge Foreign exchange movements		-	(173 377) 1 755 734	(173 377) 1 755 734
	Closing net book amount		325 803	2 090 250	2 416 053
	At 30 June 2020 Cost Accumulated amortisation and impairment		325 803	2 794 827 (704 577)	3 120 630 (704 577)
	Net book amount	:	651 606	2 090 250	2 416 053
			ADJUSTED	HISTORIC	
8.	TRADE AND OTHER RECEIVABLES	Group 2020 ZWL	2019	Group 2020 ZWL	2019
	Reinsurance receivables Rental and stand sales receivables Other receivables and prepayments*	559 591 854 14 940 449 213 176 643	19 011 966	554 966 056 15 011 513 217 731 377	

84 746 909 66 103 712 21 263 171 168 045 492

(52 416 243) (1 700 547) 46 036 780 (147 701 747)

99 630 617 84 746 909 99 630 617 32 347 505

32 347 505 21 263 171 (16 838) 4 722 144 27 908 132 (282 771)

Less: allowance for expected credit losses

Foreign exchange movement

Closing balance

The reconciliation of the allowance for expected credit

FINANCIAL ASSETS

9.1 At amortised cost

Financial assets at amortised cost include the following debt investments:

11	NFL	ATIC	N A	DJU	STED

Group	Current ZWL	2020 Non-current ZWL	Total ZWL	Current ZWL	2019 Non-current ZWL	Total ZWL
Debentures		46 864	46 864		122 778	122 778
Mortgage loan		5 805 000	5 805 000	-	7 761 467	7 761 467
Bonds and treasury bills	100 000	3 666 923	3 766 923	16 193 876	9 184 790	25 378 666
Deposits with financial institutions	43 112 383	-	43 112 383	47 617 292	-	47 617 292
	43 212 383	9 518 787	52 731 170	63 811 168	17 069 035	80 880 203

INFLATION ADJUSTED

<u>52 731 170</u> <u>80 880 203</u> <u>52 731 170</u> <u>30 871 601</u>

INFLATION ADJUSTED HISTORICAL COST

INFLATION ADJUSTED HISTORICAL COST

Group	Current ZWL	2020 Non current ZWL	Total ZWL	Current ZWL	2019 Non-current ZWL	Total ZWL
Debentures		46 864	46 864	-	46 864	46 864
Mortgage loan	-	6 699 429	6 699 429	-	2 962 516	2 962 516
Government bonds	100 000	2 772 494	2 872 494	6 181 128	3 505 792	9 686 920
Deposits with financial institutions	43 112 383	-	43 112 383	18 175 301	-	18 175 301
	43 212 383	9 518 787	52 731 170	24 356 429	6 515 172	30 871 601

.1.1	Analysis of movements	2020 ZWL	2019 ZWL	2020	2019 ZWL
	As at 1 January Purchases Disposals Foreign exchange movement	80 880 203 4 103 160 (4 585 672) 24 295 258	103 615 075 45 689 928 (7 683 501) 47 271 393	8 096 272 (10 531 960)	6 156 876 8 742 077 (2 070 625) 18 043 273
	Effects of IAS 29	(51 961 779)		-	10 040 270

The debentures mature in 2023 and accrue interest at a rate of 5% (2019:5%) per annum.

Bonds and treasury bills mature between 1-2 years and accrue interest of between 5% -15% (2019:5% -15%) per annum depending on

jurisdiction.

Mortgage loans mature in 2025 and accrue interest of 10% (2019:10%) per annum.

9.2	At fair value through profit or loss	Group 2020 ZWL	Group 2019 ZWL	Group 2020 ZWL	Group 2019 ZWL
	As at 1 January Purchases	63 602 051 3 964 233	102 776 586 41 659 609	24 276 611 15 569 398	6 314 770 2 785 652
	Disposals	(10 184 466)	(20 334 377)	(8 144 998)	(231 728)
	Fair value gain/(loss) Effects of IAS 29	30 020 451 (6 949 877)	(93 045 464) 1 175 943	48 751 381	3 434 226
	Foreign exchange movement	23 282 640	31 369 754	23 282 640	11 973 691
	Closing balance	103 735 032	63 602 051	103 735 032	24 276 611

All financial assets at fair value through profit or loss are classified as current assets.

At fair value through profit or loss financial assets are equity securities listed either on the Zimbabwe Stock Exchange or other stock exchanges in the region.

9.3	At fair value through other comprehensive income	Group 2020 ZWL	Group 2019 ZWL	Group 2020 ZWL	Group 2019 ZWL
	As at 1 January	204 472 182	84 322 228	78 046 090	5 181 669
	Additions		15 152 430	-	2 518 957
	Disposals		-	-	-
	Fair value gains	26 138 999	780 765 179	126 832 584	57 658 115
	Effects of IAS 29	(25 732 507)	(709 007 116)	-	-
	Foreign exchange movement	64 764 152	33 239 461	64 764 152	12 687 349
	Closing balance	269 642 826	204 472 182	269 642 826	78 046 090
	Equity investments at FVOCI comprise the following individ	ual investments:			

Equity investments at 1 voor comprise the following individual	ilivestilielits.			
Unlisted securities				
Cell Insurance Company (Private) Limited	17 990 065	29 576 616	17 990 065	11 289 258
Guardian Reinsurance Brokers Limited	3 161 657	3 653 633	3 161 657	1 394 575
ZEP-RE (PTA Reinsurance Company)	167 474 640	128 662 661	167 474 640	49 109 945
Lidwala Insurance Company	72 304 967	36 906 427	72 304 967	14 087 012
Vanguard Life Assurance Company (Limited) Malawi	8 711 497	5 672 845	8 711 497	2 165 299
	269 642 826	204 472 182	269 642 826	78 046 090

9.4 Fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value of the fair value hierarchy:

	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	ZWL
As at 30 June 2020 Financial assets at fair value through profit or loss Financial assets at fair value through other comprehensive income	103 735 032	-	269 642 825	103 735 032 269 642 825
Total	103 735 032		269 642 825	373 377 857
As at 31 December 2019 Financial assets at fair value through profit or loss Financial assets at fair value through other comprehensive income	63 602 051	-	204 472 182	63 602 051 204 472 182
Total	63 602 051		204 472 182	268 074 233

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price for financial assets held by the Group is the current bid price. These instruments are included in level 1

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques which maximise use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include: - the use of quoted market prices.

		INFLAT	INFLATION ADJUSTED		HISTORICAL COST	
1	BORROWINGS	Group 2020 ZWL	Group 2019 ZWL	Group 2020 ZWL	Group 2019 ZWL	
	As at 1 January	37 870 206	64 480 110	14 454 883	3 962 351	
	Drawn downs during the period	-	24 911 309	-	3 940 000	
	Interest for the year	778 101	5 019 613	778 101	744 654	
	Capital repayments	(3 507 144)	(14 799 350)	(3 507 144)	(2 248 072)	
	Interest repayment	(778 101)	(5 019 613)	(778 101)	(744 654)	
	Effects of IAS 29	(23 415 323)	(59 778 479)	-	-	
	Foreign exchange movement	18 977 662	23 056 616	18 977 662	8 800 604	
	Net book amount	29 925 401	37 870 206	29 925 401	14 454 883	
	Non-current	24 606 965	29 910 372	24 606 965	11 416 651	
	Current	5 318 436	7 959 834	5 318 436	3 038 232	
		29 925 401	37 870 206	29 925 401	14 454 883	

The borrowings are at an average interest rate of 13.95% (2019:13.95%) and are secured against stand 16591 Harare Township, stand 353 Bulawayo Township and building 141/8 Marginal Avenue Maputo.

There were no changes to the terms and conditions of these borrowings during the interim reporting period.

The table below summarises the maturity profile of the Group's financial assets and financial liabilities based on contractual and undiscounted payments on a worst case scenario.

The assets and liabilities disclosed are on a contractual undiscounted basis. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

		INIC	LATION AD HIGTED	
As at 30 June 2020	On demand to	3 months to 1	LATION ADJUSTED Greater than	Total contractual
Assets Financial assets:	3 months ZWL	year ZWL	1 year ZWL	cash flows ZWL
- rinancial assets: - at fair value through profit or loss - at amortised cost - at fair value through other comprehensive income	:	103 735 032 52 731 170	- 269 642 825	103 735 032 52 731 170 269 642 825
Trade and other receivables (excluding prepayments and statutory receivables) Cash and cash equivalents	135 101 875 422 850 729	543 240 421	-	678 342 296 422 850 729
Total assets	557 952 604	699 706 622	269 642 825	1 527 302 053
Liabilities Outstanding claims	102 023 876			102 023 876
Lease liabilities Bornwings Trade and other payables (excluding statutory liabilities)	450 787 12 549 552 713 622 593	3 268 209 12 057 413	7 550 690 5 318 436	11 269 687 29 925 401 713 622 593
Total liabilities	828 646 809	15 325 622	12 869 126	856 841 557
Liquidity gap	(270 694 204)	684 381 001	256 773 699	670 460 496
Cumulative liquidity gap	(270 694 204)	413 686 796	670 460 496	-
As at 31 December 2019		INF	LATION ADJUSTED	Total
Assets	On demand to 3 months	3 months to 1 year	Greater than 1 year	contractual cash flows
Financial assets:	ZWL	ZWL	ZWL	ZWL
at fair value through profit or loss at amortised cost		63 602 051 80 880 203	-	63 602 051 80 880 203
- at fair value through other comprehensive income	202 450 522	200 550 275	204 472 182	204 472 182
Trade and other receivables (excluding prepayments and statutory receivables) Cash and cash equivalents	203 450 522 239 563 931	280 559 375		484 009 896 239 563 931
Total assets	443 014 453	425 041 629	204 472 182	1 072 528 263
Liabilities Outstanding claims Lease liabilities	93 963 280 481 004	4 142 012	- 9 213 957	93 963 280 13 836 973
Borrowings Trade and other payables (excluding statutory liabilities)	4 091 485 487 760 027	3 868 349	29 910 371	37 870 205 487 760 027
Total liabilities	586 295 796	8 010 361	39 124 328	633 430 486
Liquidity gap	(143 281 343)	417 031 268	165 347 854	439 097 778
Cumulative liquidity gap	(143 281 343)	273 749 924	439 097 778	-
As at 30 June 2020		HIST	ORICAL COST	Total
Assets	On demand to 3 months ZWL	3 months to 1 year ZWL	Greater than 1 year ZWL	contractual cash flows ZWL
Financial assets: - at fair value through profit or loss	ZWL	103 735 032	ZWL -	103 735 032
- at amortised cost - at fair value through other comprehensive income	-	52 731 170 -	269 642 825	52 731 170 269 642 825
Trade and other receivables (excluding prepayments and statutory receivables) Cash and cash equivalents	291 687 187 422 850 729	386 655 109	-	678 342 296 422 850 729
Total assets	714 537 916	543 121 311	269 642 825	1 527 302 052
Liabilities Outstanding claims	15 020 351	29 039 345	56 075 976	100 135 672
Lease liabilities Borrowings Trade and other payables (excluding statutory liabilities)	450 787 2 712 402 713 622 594	3 268 209 2 606 034	7 550 690 24 606 965	11 269 687 29 925 401 713 622 594
read and other payables (excitating statutory nationales)				7 10 022 004
Total liabilities	731 806 134	34 913 588	88 233 632	854 953 354
Liquidity gap Cumulative liquidity gap	(17 268 218)	508 207 723 490 939 505	181 409 193 672 348 698	672 348 698
As at 31 December 2019				
Assets Financial assets:				
- at fair value through profit or loss - at amortised cost	-	24 276 611 30 871 601	-	24 276 611 30 871 601
 at fair value through other comprehensive income Trade and other receivables (excluding prepayments and statutory receivables) 	77 656 127	107 088 221	78 046 090 -	78 046 090 184 744 348
Cash and cash equivalents Total assets	91 440 449 169 096 576	162 236 433	78 046 090	91 440 449 409 379 099
Liabilities				
Outstanding claims Lease liabilities Borrowings	5 338 654 183 597	10 409 972 1 580 987 1 476 531	20 116 725 3 516 925 11 416 651	35 865 351 5 281 509 14 454 883
Trade and other payables (excluding statutory liabilities)	1 561 701 186 175 756	-	-	186 175 756
Total liabilities	193 259 708	13 467 490	35 050 301	241 777 499
Liquidity gap Cumulative liquidity gap	(24 163 131)	148 768 942	42 995 789 167 601 599	167 601 599
Cumulative inquicity gap	INFLAT	ION ADJUSTED		ICAL COST
2 TRADE AND OTHER PAYABLES	Group 2020 ZWL	Group 2019 ZWL	Group 2020 ZWL	Group 2019 ZWL
Due to retrocessionaires	472 780 708	347 729 589	472 780 708	132 726 783
Accruals and other	240 841 885 713 622 593	142 391 843 490 121 432	240 841 886 713 622 594	54 350 310 187 077 093
3 SHORT TERM INSURANCE CONTRACT LIABILITIES				
Outstanding claims Provision for incurred but not reported claims	100 135 672 77 516 832	93 963 280 48 188 161	100 135 672 77 516 832	35 865 351 18 394 915
Unearned premium provision	276 510 611 454 163 115	181 579 112 323 730 553	257 617 587 435 270 091	59 287 968 113 548 234
4 OPERATING AND ADMINISTRATION EXPENSES				
Operating and administration expenses include the following disclosable expenses: Audit fees	2 196 772	5 241 008	2 177 294	435 722
Audit fees Directors' fees Staff costs	6 669 270 61 085 110	9 099 753 64 427 723	5 575 822 52 479 223	881 020 6 324 306
Depreciation	7 451 407	5 573 205	3 539 620	521 783
5 OTHER GAINS/(LOSSES) Profit from disposal of property and equipment	140 161	140 161	69 415	(7 141)
Gain from disposal on financial assets at fair value Reversal of impairment in associate	12 701 517 10 824 334	1 241 951	8 633 674 10 824 334	148 334
Realised exchange differences* Recoveries from debtors previously written off	12 744 407 155 941	12 744 407 1 807 642	11 009 778 147 613	4 629 952 199 915
Gains from disposal of financial assets through profit or loss Unrealised exchange (losses)/gains Other gains	30 020 451 63 842 362 3 507 796	(7 027 049) (24 150 628) 12 523 890	48 751 381 63 842 362 3 585 809	2 527 543 (2 725 364) 636 971
сила ушно	133 936 969	(2 719 626)	3 585 809 146 864 366	5 410 210

133 936 969

(2 719 626)

146 864 366

5 410 210

16.1 Information about products and services

	INFLATION ADJUSTED					
For the period ended 30 June 2020	Non-life reinsurance ZWL	Life reassurance ZWL	General insurance ZWL	Property ZWL	Other and eliminations ZWL	Total ZWL
Total insurance revenue	349 074 367	32 200 637	20 184 260	-	(7 219 180)	394 240 084
Total income	382 158 481	61 809 686	44 172 851	999 732 404	37 891 252	1 525 764 674
Claims and expenses Net benefits and claims Commission and acquisition expenses Property costs Other operating and administrative expenses	(336 567 045) (144 251 978) (98 699 135) - (93 615 932)	(53 411 064) (36 793 215) (8 465 905) - (8 151 944)	(28 502 818) (4 527 964) (10 031 578) - (13 943 276)	(18 945 068) - (546 704) (18 398 364)	(11 433 745) 7 219 181 - (18 652 926)	(448 859 740) (185 573 157) (109 977 437) (546 704) (152 762 442)
Profit for the period	25 561 020	8 469 386	12 394 461	946 666 648	224 944 823	1 218 036 338
Total assets	2 339 097 359	221 156 525	133 158 483	2 340 533 191	(311 170 313)	4 772 775 245
Total liabilities	1 250 706 984	19 055 597	33 006 119	128 650 579	(16 336 405)	1 415 082 874

For the period ended 30 June 2020
Total insurance revenue
Total income
Claims and expenses Net benefits and claims Commission and acquisition expenses Property costs Other operating and administrative expenses
Profit for the period
Total assets
Total liabilities

		HISTORICAL C	OST		
Non-life reinsurance ZWL	Life reassurance ZWL	General insurance ZWL	Property ZWL	Other and eliminations ZWL	Total ZWL
249 969 450	22 905 828	10 646 424	-	(4 587 884)	278 933 818
285 545 422	56 773 232	33 092 933	1 784 161 406	46 993 398	2 206 566 392
(284 843 710)	(37 604 676)	(16 666 637)	(19 490 978)	(3 738 560)	(362 344 561)
(110 860 144) (85 778 826)	(25 722 925) (5 855 080)	(2 439 897) (4 731 195)	-	4 587 885	(139 022 966) (91 777 216)
(88 204 740)	(6 026 671)	(9 495 545)	25 477 (19 516 455)	(8 326 445)	25 477 (131 569 856)
23 096 391	19 169 629	17 593 733	1 680 819 851	129 673 989	1 870 353 593
1 850 323 867	76 740 784	124 854 594	2 274 859 908	95 486 275	4 422 265 428
1 218 891 656	43 120 197	27 394 575	124 217 749	(26 871 787)	1 386 752 390

For the period ended 30 June 2019
Total insurance revenue
Total income
Claims and expenses Net benefits and claims Commission and acquisition expenses Property expenses Other operating and administrative expenses
Profit for the period
Total assets
Total liabilities

Non-life	Life	FLATION ADJUS General		Other and	
reinsurance ZWL	reassurance ZWL	insurance ZWL	Property ZWL	eliminations ZWL	Total ZWL
301 224 452	33 869 664	14 373 688	-	(13 558 900)	335 908 904
293 816 527	53 052 604	28 059 588	680 358 175	(33 472 988)	1 021 813 906
(310 214 477)	(26 194 337)	(16 105 328)	(28 352 017)	(5 854 181)	(386 720 340)
(100 762 293) (109 925 115)	(9 310 159) (8 482 269)	(2 302 870) (6 668 207)	-	13 558,900	(112 375 322) (111 516 691)
(99 527 069)	(8 401 909)	(7 134 251)	(5 947 373) (22 404 644)	(19 413 081)	(5 947 373) (156 880 954)
(37 499 888)	23 005 791	2 172 795	580 672 985	(35 338 921)	533 012 762
1 809 281 969	199 123 356	120 446 744	1 372 400 340	(628 756 622)	2 872 495 787
869 178 304	29 617 338	35 684 212	94 748 251	(81 185 341)	948 042 763

For the period ended 30 June 2019	
Total insurance revenue	
Total income	
Claims and expenses Net benefits and claims Commission and acquisition expenses Property expenses Other operating and administrative expenses	
Profit for the period	
Total assets	
Total liabilities	

Total	Other and eliminations	Property	General insurance	Life reassurance	Non-life reinsurance
ZWL	ZWL	ZWĹ	ZWL	ZWL	ZWL
34 491 721	(1 619 327)	-	1 225 515	2 763 762	32 121 771
167 084 135	(728 843)	128 159 627	2 454 624	4 999 902	32 198 825
(40 681 257)	(510)	(2 279 270)	(1 325 764)	(2 274 401)	(34 802 312)
(11 469 613)	-	-	(174 581)	(812 383)	(10 482 649)
(11 734 527)	1 619 326	-	(538 133)	(719 073)	(12 096 647)
(322 514)	-	(322 514)	-	-	-
(17 154 603)	(1 619 836)	(1 956 756)	(613 050)	(742 945)	(12 222 016)
117 756 354	294 839	116 389 908	838 179	2 725 235	(2 691 807)
1 051 243 813	(42 932 326)	501 350 629	44 750 024	25 755 144	522 320 342
344 440 512	(36 749 729)	34 778 696	13 093 157	11 304 185	322 014 203

ZIMRE HOLDINGS LIMITED **CONDENSED REVIEWED** FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

Information below shows operating results in the countries in which the Group operates.

			IN	FLATION ADJUS	TED		
For the period ended 30 June 2020	Zimbabwe ZWL	Malawi ZWL	Zambia ZWL	Mozambique ZWL	Botswana ZWL	eliminations ZWL	Total ZWL
Total insurance revenue	239 013 058	52 255 021	30 297 971	51 503 091	28 390 124	(7 219 181)	394 240 084
Total income	1 320 379 706	55 473 096	31 925 385	50 858 643	29 236 594	37 891 250	1 525 764 674
Total claims and expenses	(275 184 766)	(53 250 784)	(29 731 987)	(51 742 422)	(27 516 036)	(11 433 745)	(448 859 740)
Net benefits and claims	(147 940 841)	(14 689 419)	(6 561 060)	(9 425 043)	(6 956 794)	-	(185 573 157)
Commission and acquisition expenses	(49 858 523)	(18 649 707)	(14 664 423)	(22 153 152)	(11 870 813)	7 219 181	(109 977 437)
Property costs	(546 704)	-			· · ·	-	(546 704)
Operating and administrative expenses	(76`838 698)	(19 911 658)	(8 506 504)	(20 164 227)	(8 688 429)	(18 652 926)	(152 762 442)
Profit for the period	990 404 572	1 274 728	1 814 403	(2 122 747)	1 720 558	224 944 823	1 218 036 338
Total assets	3 713 887 796	535 195 618	145 605 232	454 062 674	185 194 238	(311 170 313)	4 722 775 245
Total liabilities	534 336 535	340 009 239	104 008 858	343 500 197	116 031 692	(22 803 647)	1 415 082 874

			н	STORICAL COST	Ť		
For the period ended 30 June 2020	Zimbabwe ZWL	Malawi ZWL	Zambia ZWL	Mozambique ZWL	Botswana ZWL	eliminations ZWL	Total ZWL
Total insurance revenue	121 075 495	52 255 021	30 297 971	51 503 091	28 390 124	(4 587 884)	278 933 818
Total income	1 992 079 276	55 473 096	31 925 385	50 858 643	29 236 594	46 993 398	2 206 566 392
Total claims and expenses	(196 424 997)	(53 250 784)	(29 731 987)	(51 742 420)	(27 516 037)	(3 678 336)	(362 344 561)
Net benefits and claims	(101 390 650)	(14 689 419)	(6 561 060)	(9 425 042)	(6 956 795)	-	(139 022 966)
Commission and acquisition expenses	(29 027 006)	(18 649 707)	(14 664 423)	(22 153 152)	(11 870 813)	4 587 885	(91 777 216)
Property costs	25 477	-	-	-	-	-	25 477
Operating and administrative expenses	(66 032 818)	(19 911 658)	(8 506 504)	(20 164 226)	(8 688 429)	(8 266 221)	(131 569 856)
Profit for the period	1 737 932 438	1 274 728	1 814 403	(2 122 747)	1 720 558	129 734 213	1 870 353 593
Total assets	3 006 721 390	535 195 618	145 605 232	454 062 674	185 194 239	95 486 273	4 422 265 426
Total liabilities	510 074 192	340 009 239	104 008 858	343 500 197	116 031 692	(26 871 788)	1 386 752 390

			IN	FLATION ADJUS	TED		
For the period ended 30 June 2019	Zimbabwe ZWL	Malawi ZWL	Zambia ZWL	Mozambique ZWL	Botswana ZWL	eliminations ZWL	Total ZWL
Total insurance revenue	166 388 685	61 576 221	28 156 487	58 606 385	34 740 026	(13 558 900)	335 908 904
Total income	853 929 088	66 054 753	31 493 171	67 833 073	35 976 809	(33 472 988)	1 021 813 906
Total claims and expenses	(177 614 844)	(73 277 612)	(38 128 194)	(56 052 823)	(35 792 686)	(5 854 181)	(386 720 340)
Net benefits and claims	(56 292 184)	(28 185 191)	(7 912 727)	(9 714 088)	(10 271 132)	-	(112 375 322)
Commission and acquisition expenses	(46 987 034)	(21 804 609)	(15 031 212)	(24 701 152)	(16 551 584)	13 558 900	(111 516 691)
Property costs	(5 947 373)			-		-	(5 947 373)
Operating and administrative expenses	(68 388 253)	(23 287 812)	(15 184 255)	(21 637 583)	(8 969 970)	(19 413 081)	(156 880 954)
Profit for the period	572 783 841	(5 660 848)	(6 675 590)	7 720 158	184 121	-	533 012 762
Total assets	2 584 809 562	366 782 842	127 374 887	288 177 312	134 107 806	(628 756 622)	2 872 495 787
Total liabilities	422 571 666	221 485 760	89 805 966	216 127 873	79 236 839	(81 185 341)	948 042 763

			HI	STORICAL COST			
For the period ended 30 June 2019	Zimbabwe ZWL	Malawi ZWL	Zambia ZWL	Mozambique ZWL	Botswana ZWL	eliminations ZWL	Total ZWL
Total insurance revenue	14 246 090	7 353 987	3 362 701	6 999 303	4 148 967	(1 619 327)	34 491 721
Total income	143 765 015	7 888 854	3 761 198	8 101 237	4 296 675	(728 844)	167 084 135
Total claims and expenses	(16 416 316)	(8 751 472)	(4 553 613)	(6 694 333)	(4 274 685)	9 162	(40 681 257)
Net benefits and claims	(4 771 660)	(3 366 129)	(945 009)	(1 160 144)	(1 226 671)		(11 469 613)
Commission and acquisition expenses	(4 027 814)	(2 604 103)	(1 795 163)	(2 950 034)	(1 976 739)	1 619 326	(11 734 527)
Property costs	(322 514)				` _		(322 514)
Operating and administrative expenses	(7 294 328)	(2 781 240)	(1 813 441)	(2 584 155)	(1 071 275)	(1 610 164)	(17 154 603)
Profit for the period	117 964 650	(676 070)	(797 259)	922 011	21 990	-	117 556 354
Total assets	744 402 463	139 991 708	48 615 763	109 989 971	51 176 234	(42 932 326)	1 051 243 813
Total liabilities	149 654 181	84 535 497	34 276 659	82 490 527	30 233 378	(36 749 730)	344 440 512

The Group has adequate resources to continue operating for the foreseeable future. The Directors are satisfied that the Group is in a sound financial position and has access to facilities and resources which enable it to meet its foreseeable cash requirements. The Directors have therefore continued to adopt the going concern basis in preparing these interim financial statements.

Subsequent events

18.1 Shareholder transactions

At an Extra Ordinary General Meeting (EGM) held on 30 September 2020, the Directors proposed the following to the shareholders:

(a) Acquisition of 38 224 928 Fidelity Life Assurance of Zimbabwe Limited ("FLA") ordinary shares held by the National Social Security Authority ("NSSA"), constituting 35.09% of the entire issued ordinary share capital of FLA, through a share swap on the basis of 1 ZHL share for every 0.59 FLA shares held by NSSA in FLA. The transaction will result in FLA changing its status from an associate to a subsidiary of ZHL which will resultantly hold a controlling stake of 55.66% made up of its current 20.57% shareholding in FLA and the additional 35.09% acquired from NSSA.

In terms of the Companies and Other Business Entities Act ("COBE") (Chapter 24.31) and the ZSE Listing Requirements ZHL will be required to make an offer within 60 days of the approval of the acquisition of FLA, to the remaining 44.34% shareholders on terms and conditions which are the same or better than those on which the FLA

(b) Acquisition of up to 613 166 867 Zimre Property Investments Limited ("ZPI") shares ,constituting 35.7% of ZPI's issued ordinary shares currently held by non-controlling shareholders 'through an open market offer to be settled through the issuance of new ZHL shares on the basis of 1 ZHL ordinary share for every 2.78 ZPI ordinary shares

The transaction will result in ZPI becoming a wholly owned subsidiary of ZHL.

Both proposals were unanimously approved by the shareholders.

18.2 Trading on the Zimbabwe Stock Exchange

The suspension of trading on the Zimbabwe Stock Exchange ("ZSE") which was imposed on 28 June 2020 was lifted on 3 August following consultations between the Ministry of Finance and Economic Development and the ZSE. However, trading in the following three fungible counters in which the Group holds investments either

	Number of	Price per share on last day of	
	shares held	trading	Total vaue
Counter		ZWL	ZWL
Old Mutual	28 445	81.99	2 332 205
PPC Limited	332	7.95	2 639
Seedco International	320 102	29.95	9 587 055
			11 921 899





Report on review of interim financial information

To the shareholders of Zimre Holdings Limited

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Zimre Holdings Limited and its subsidiaries ("the Group") as at 30 June 2020 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the sixmonth period then ended, and explanatory notes. The directors are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, 'Interim financial reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for adverse conclusion

The audit report issued on the consolidated financial statements for the year ended 31 December 2019 included the following matters, which resulted in an adverse audit opinion being issued. These matters affect the comparability of the current period balances to those of the prior period:

- In order to comply with legislation, Real Time Gross Settlement ("RTGS") transactions conducted between 1 January 2019 and 22 February 2019 were translated at parity with the United States Dollar ("US\$), rather than an appropriate exchange rate in terms of International Accounting Standard ("IAS") 21, 'The effects of changes in foreign exchange rates'. Furthermore, the Group changed their functional currency on 22 February 2019 to comply with legislation, which is not in compliance with IAS 21, which would have required a functional currency change on 1 October 2018.
- As a result of the non-compliance with IAS 21, the historical amounts that were used in the
 calculation of inflation adjusted amounts in accordance with IAS 29, 'Financial reporting in
 hyperinflationary economies' were misstated, resulting in misstatements to the inflation adjusted
 amounts.
- Market evidence for the capitalisation rates in the Zimbabwe dollar ("ZWL") did not exist for purposes
 of the valuation of commercial and industrial properties using the income capitalisation method. For
 residential properties and land, in order to determine the ZWL values of the investment property at
 30 June 2020, US\$ inputs were used and then translated into ZWL using the closing interbank
 exchange rate.

As described in note 2.1 of the condensed consolidated interim financial information, the historical cost amounts of property and equipment and inventories acquired before 22 February 2019 are reflected at parity

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T I Rwodzi – Senior Partner

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with the US\$, which is not considered an appropriate exchange rate in accordance with IAS 21. As a result of this, the inflation adjusted amounts relating to property and equipment and inventories, accounted for in accordance with IAS 29, are also misstated.

Furthermore, the Group performed a valuation of investment properties as at 30 June 2020. Valuations rely on observable and sufficiently frequent historical transactional market evidence. Monetary policy changes, specifically Statutory Instrument 142 of 2019, which introduced the Zimbabwe dollar ("ZWL") as the sole legal tender effective 24 June 2019, resulted in a limited period for observable transactional evidence.

Market evidence for capitalisation rates in ZWL was limited as at 30 June 2020 for purposes of the valuation of commercial and industrial properties using the income capitalisation method. For residential properties and land, in order to determine the ZWL values of the investment properties as at 30 June 2020, US\$ inputs were used and then translated into ZWL using the closing interbank exchange rate. The application of a conversion rate to US\$ valuation inputs to calculate ZWL property values is not an accurate reflection of market dynamics as the risks associated with currency trading do not reflect the risks associated with property trading. In addition the interbank exchange rate is not considered an appropriate spot rate for translation as required by IAS 21.

In addition, foreign denominated transactions and balances were translated using the interbank exchange rate which is not considered an appropriate spot rate for translation as required by IAS 21.

It was not practicable to quantify the financial effects of this matter on the consolidated financial statements.

Adverse conclusion

Our review indicates that because of the significance of the effects on the condensed consolidated interim financial information of the matters described in the preceding paragraphs, the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with 'International Accounting Standard 34, "Interim financial reporting".

Other matter

The comparative information for the statement of financial position is based on the audited financial statements as at 31 December 2019. The comparative information for the statements of comprehensive income, changes in equity and cash flows, and related explanatory notes, for the period ended 30 June 2020 has not been audited or reviewed.

PricewaterhouseCoopers

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Registered Public Auditor
Public Accountants and Auditors Board, Public Auditor Registration Number 0391
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Partner for and on behalf of
PricewaterhouseCoopers Chartered Accountants (Zimbabwe)

21 October 2020 Harare, Zimbabwe