

SHORT-FORM FINANCIAL ANNOUNCEMENT

Issued in terms of practice Note 13 of the Zimbabwe Stock Exchange (ZSE)

The Board of Directors of Fidelity Life Assurance of Zimbabwe Limited Group (The Group) present the unaudited financial results for the year ended 31 December 2021.

Financial Highlights



Financial Performance

	INFLATION AD	JUSTED	HISTORICAL		
	31 December 2021	% change	31 December 2021	% change	
	ZWL		ZWL		
Net premium earned	1,070,117,557	75%	982,093,932	190%	
Total income	3,304,393,919	90%	4,979,178,102	55%	
Profit for the year	274,905,395	520%	495,154,618	46%	
Total assets	9,892,497,992	14%	449,924,896	-18%	
Total equity	1,211,920,087	26%	852,750,657	92%	
Cash generated from operations	(394,557,594)	-201%	(131,216,313)	-146%	
Basic earnings per share (ZWL cents)	104.56	193%	97.41	216%	
Headline earnings per share (ZWL cents)	45.02	136%	41.10	39%	

Dividend

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

Auditor's Opinion

Due to internal process issues at the Company's external auditor, PricewaterhouseCoopers Chartered Accountants (Zimbabwe), which have hindered their ability to timeously conclude the Company's audit, these Financial Statements are not accompanied by a signed audit opinion.

This short-form financial announcement is the responsibility of the Directors of Fidelity Life Assurance of Zimbabwe and its subsidiaries and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors or shareholders should be based on consideration of the full announcement.

A copy of the full announcement will be shared with shareholders using the latest e-mail addresses provided by the shareholders and will be available upon request, and for inspection at the Company's registered office at 66 Julius Nyerere Avenue, Harare. The full announcement is also available at no cost on the Zimbabwe Stock Exchange website: www.scec.co.zw and the company website: www.fidelitylife.co.zw

Livingstone T. Gwata

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Chairman 11 May 2022

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Preliminary report Unaudited Financial Results

For The Year Ended 31 December 2021



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CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

I am pleased to present to you the financial statements of Fidelity Life Assurance of Zimbabwe Limited Group "the Group" for the year ended 31 December 2021.

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

Operating Environment

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

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

Group Financial Performance Review-Inflation Adjusted

The Group posted a profit after tax of ZWL274.9 million on an inflation adjusted basis for the year ended 31 December 2021 representing a strong growth from a loss position of ZWL(65.8) million posted in the prior year.

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

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

Business Operations Review

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

These are some of the milestones that were achieved in 2021. We made significant progress in achieving our objectives anchored on the 3 pillars of Growth (Cash), Positioning (Customer) and Transformation (Change). The year also saw the Group reaching yet another major milestone as we saw the final completion of the

Recognition for the FLA Brand

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

- Fidelity Funeral Services awarded 1st runner up position Quality Service Awards
- 5th Southern Region Service Excellence Awards
- · Fidelity Funeral Services received the Gold award in the Leader in Funeral Assurance Sector
- · Fidelity Life Assurance received the 1st Runner Up award Best Corporate Governance Disclosures - Insurance Sector, at the Institute of Corporate Governance Zimbabwe Corporate Governance

The Board of Directors recognises the commendable work that Management and Staff have put into our brand and customer service initiatives. Management is urged to continue to build on this success and keep the brand flying high.

Update on the Regulatory Asset Separation Exercise

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

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

Board and Executive Management Changes

Stakeholders are advised of the following changes to the Management and Board of Fidelity Life Assurance.

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

In addition, to boost the range of skills and experience on the Board of Directors the following appointments were made effective 1 February 2022:

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

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

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

Looking to the Future

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

Appreciation

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

Livingstone T. Gwata Chairman 11 May 2022

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Preliminary report Unaudited Financial Results

For The Year Ended 31 December 2021



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CONDENSED CONSOLIDATED			INFLAT	ION ADJUST	ΈD	HISTORIC	CAL COST
STATEMENT OF FINANCIAL			Restated	Restated		Restated	Restated
POSITION AS AT 31		31-Dec-21	31-Dec-20	1-Jan-20	31-Dec-21	31-Dec-20	1-Jan-20
DECEMBER 2021	Notes	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
ASSETS							
Property and equipment	5	794 653 310	614 116 835	575 103 842	774 216 149	358 855 762	74,878,740
Right of use asset	_	27 690 317	47 512 833	24 756 253	27 690 317	29 559 329	3,433,421
Investment property	6	6 066 289 056		4 773 262 144		3 117 751 895	661,999,241
Intangible assets		90 273 715	95 700 391	47 981 326	70 405 507	52 865 342	5,579,065
Inventories		97 448 863	96 997 622	98 407 747	2 759 388	2 122 266	2,244,041
Deferred tax asset		_	_	154 052		_	72,534
Income tax asset		_	_	10 124 677	-	_	1,404,184
Trade and other receivables	8	561 278 563	472 759 023	463 844 481	557 842 422	293 017 745	63,703,690
Equities at fair value through profit	10						,,
orloss		1 180 137 666	930 649 077	503 880 940	1 180 137 666	578 988 050	69,882,774
Debt securities at amortised cost	11	624 801 606	509 413 934	369 455 986	624 801 606	316 923 519	51,239,503
Cash and deposits with banks		449 924 896	884 950 194	528 140 683		5 300 641 148	73,247,335
•							-,,
Total assets		9 892 497 992	8 663 486 447	7 395 112 131	9 754 067 007	5 300 641 148	1,007,684,528
EQUITY AND LIABILITIES							
Equity attributable to equity							
holders of the parent							
Issued share capital		48 782 954	48 782 954	48 782 954	1 089 233	1 089 233	1,089,233
Share premium		30 070 071	30 070 071	30 070 071	671 409	671 409	671,409
Treasury shares		(449 522)	(449 522)	(449 522)	(10 037)	(10 037)	(10 037)
Retained earnings		199 720 830	86 875 835	207 622 248	157 628 067	52 500 791	15,231,460
Revaluation reserve		65 896 714	20 840 703	13 405 079	100 464 382	24 409 705	1,744,187
Foreign currency translation reserve		8 510 447	52 916 498	31 159 692	125 436 207	100 594 732	15 256 032
Total ordinary shareholder's equit	у	352 531 494	239 036 539	330 590 522	385 279 261	179 255 833	33 982 284
Non-controlling interests		859 388 593	722 722 015	653 296 264	852 750 657	445 259 222	89 584 459
Total equity		1 211 920 087	961 758 554	983 886 786	1 238 029 918	624 515 055	123 566 743
Liabilities							
Insurance contract liabilities with							
discretionary participation							
features	12.1	5 993 684 045	4 995 675 021	3 965 955 077	5 993 684 045	3 093 928 925	550,034,582
Investment contract liabilities with							
discretionary participation features	12.2	866 203 666	734 385 836	948 092 083	866 203 666	456 886 102	131,490,000
Investment contracts without							
discretionary participation features	12.3	951 149 833	638 880 441	284 173 149	951 149 833	397 468 983	39,411,707
Borrowings	13	66 534 852	52 182 188	170 779 541	66 534 852	32 464 290	23,685,254
Deferred tax liabilities		271 865 804	239 102 219	216 993 370	270 868 738	147 457 165	29,597,882
Lease obligations		18 694 598	40 276 678	24 728 245	18 694 598	25 057 474	3,429,537
Trade and other payables	14	478 751 668	986 066 510	789 757 680	315 207 918	513 432 231	104,978,446
Income tax liability		33 693 439	15 159 000	10 746 200	33 693 439	9 430 923	1,490,377
Total liabilities		8 680 577 905	7 701 727 893	6 411 225 345	8 516 037 089	4 676 126 093	884 117 785
Total equity and liabilities		9 892 497 992	8 663 486 447	7 395 112 131	9 754 067 007	5 300 641 148	1 007 684 528

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



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Ī	CONDENSED CONSOLIDATED	INFLATION	ADJUSTED	HISTORIC	CAL COST
-	STATEMENT OF PROFIT		Restated		Restated
	OR LOSS AND OTHER COMPREHENSIVE INCOME	31-Dec-21 ZWL	31-Dec-20 ZWL	31-Dec-21 ZWL	31-Dec-20 ZWL
	FOR THE YEAR ENDED 31 DECEMBER 2021	244	2WL	2002	ZWL
	Gross premiums	1 172 978 257	653 042 050	1 066 937 145	359 093 888
	Premiums ceded to reinsurers	(102 860 700)	(41 266 139)	(84 843 213)	(20 646 432)
	Net premium written Fees and commission income	1 070 117 557	611 775 911	982 093 932	338 447 456
	Investment income	116 176 005 109 105 395	70 520 040 55 089 267	92 480 664 109 486 493	28 571 619 40 916 478
	Interest income from residential	103 103 033	30 000 207	100 400 400	40 310 470
	stands receivables Fair value gains from equities	7 242 387 318 537 772	24 400 011 478 559 341	5 702 277 468 430 775	8 194 589 392 984 222
	Fair value gains from investment property Interest income from	1 294 294 263	332 365 283	3 005 523 574	2 344 411 704
	microlending	124 854 695	54 637 562	102 314 597	18 940 383
_	Non insurance income	264 065 845	100 834 288	213 145 790	27 546 725
	Income from sale of residential stands	_	7 172 970	_	4 462 545
=	Total income	3 304 393 919	1 735 354 673	4 979 178 102	
	Gross benefits and claims paid	(536 464 426)	(192 349 581)	(489 423 884)	(111 217 750)
	Claims ceded to reinsurers Net benefits and claims	93 985 530	(160.946.345)	72 754 414	16 997 756
	Gross change in insurance contract liabilities with DPF	(442 478 896)	(162 846 345)	(416 669 470) (2 180 269 105) ((94 219 994)
	Gross change in investment contract liabilities with DPF	(131 817 830)	213 706 247	(409 317 564)	(325 396 102)
	Gross change in investment contract liabilities without DPF	(312 145 809)	5 758 668	(553 507 748)	(307 701 800)
_	Fee and commission expenses, and other acquisition costs	(58 864 283)	(27 538 691)	(54 084 459)	(15 250 362)
_	Operating and administration expenses Allowance for expected credit	(726 763 367)	(414 815 642)	(622 205 894)	(225 894 742)
=	losses on receivables Cost of sales of residential	(12 958 414)	(3 307 589)	(12 958 413)	(2 057 762)
	stands	(349 170)	(348 609)	(252 375)	(137 175)
	Project development costs	(43 792 820)	(128 183 701)	(30 625 763)	(300 690 300)
	Finance costs Gain/(loss) on net monetary	(45 134 275)	(29 378 149)	(38 063 023)	(11 740 163)
	position Total benefits, claims and	7 739 971	(183 106 924)	-	-
	other expenses	(2 926 731 568)		(4 317 953 814) (2 761 738 739)
	Profit before income tax	377 662 351	(28 140 560)	661 224 288	442 736 982
	Income tax expense Profit for the year	(102 756 956) 274 905 395	(37 368 032) (65 508 592)	(166 069 670) 495 154 618	(103 059 226) 339 677 756
	Other comprehensive income: Items that will not be	214 303 033	(03 300 332)	433 134 010	003 077 730
_	reclassified to profit or loss: Gross gains on property				
_	revaluation	219 553 415	72 344 560	416 599 249	272 401 111
_	Income tax related to items that will not be reclassified to profit or loss		_	_	
	Gross change in insurance		_	_	-
	liabilities through OCI Gains on property	(1 446 885)	(500 308)	(1 446 885)	(311 258)
	revaluation, net of income tax	(173 050 519)	(64 408 628)	(339 097 687)	(249 424 335)
	Items that will or may be reclassified to profit or loss:				
	Exchange differences arising on translation of foreign operations	45 056 011	7 435 624	76 054 677	22 665 518
	Other comprehensive income for the year, net of income tax	(69 799 873)	35 944 741	42 305 568	138 605 038
	Comprehensive profit for the year	(24 743 862)	43 380 365	118 360 245	161 270 556
	Total comprehensive income for the year		(00 400 007)	613 514 863	E00 040 040
	Profit for the year attributable to:	250 161 533	(22 128 227)	613 514 863	500 948 312
	Owners of the parent	112 844 995	(120 746 413)	105 127 276	37 269 331
	Non-controlling interests	162 060 400	55 237 821	390 027 342	302 408 425
	Profit for the year Comprehensive profit	274 905 395	(65 508 592)	495 154 618	339 677 756
	attributable to:				
	Owners of the parent	113 494 952	(91 553 978)	206 023 428	129 627 395
	Non-controlling interests Comprehensive profit for the	136 666 581	69 425 751	407 491 435	371 320 917
	year	250 161 533	(22 128 227)	613 514 863	500 948 312
	Earnings per share				
	attributable to the ordinary equity holders of the parent				
	Basic and diluted earnings per				
	share (cents)	104.56	(111.89)	97.41	30.84

For The Year Ended 31 December 2021



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021		Treasury	Share	Retained	Revaluation	Foreign currency translation	Attributable to shareholders	Non- controlling	Total
	Share capital	shares	premium	earnings	reserve	reserve	of parent	interest	equity
INFLATION ADJUSTED	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
INI EATION ADDOCTED									
Year ended 31 December 2020									
Balance at 1 January 2020, as previously stated	48 782 954	(449 522)	30 070 071	245 965 625	282 320	31 159 692	355 811 140	682 397 963	1 038 209 103
Prior period error Restated Balance at 1 January 2020	48 782 954	(449 522)	30 070 071	38 343 377) 207 622 248	13 122 759 13 405 079	31 159 692	(25 220 618) 330 590 522	(29 101 699) 653 296 264	(54 322 317) 983 886 786
nestated balance at 1 validary 2020	40 702 934	(443 322)	30 070 07 1	201 022 240	13 403 079	31 139 092	330 390 322	033 230 204	903 000 700
Profit for the year-restated	-	-	-	(120 746 413)	-	-	(120 746 413)	55 237 821	(65 508 592)
Other comprehensive income for the year	-	-	-	-	7 435 624	21 756 806	29 192 430	14 187 930	43 380 360
Comprehensive income for the year	-	-	-	(120 746 413)	7 435 624	21 756 806	(91 553 983)	69 425 751	(22 128 232)
Balance at 31 December 2020	48 782 954	(449 522)	30 070 071	86 875 835	20 840 703	52 916 498	239 036 539	722 722 015	961 758 554
Year ended 31 December 2021									
Delenes et 4 January 0004	40 700 054	(440 500)	00 070 074	00 075 005	00 040 700	E0.046.400	000 000 500	722 722 015	961 758 554
Balance at 1 January 2021	48 782 954	(449 522)	30 070 071	86 875 835	20 840 703	52 916 498	239 036 539	122 122 015	901 / 38 334
Profit for the year	-	-	-	112 844 995	_	-	112 844 995	162 060 400	274 905 395
Other comprehensive income for the year	-	-	-	-	45 056 011	(44 406 051)	649 960	(25 393 822)	(24 743 862)
Comprehensive income for the year	_	_	_	112 844 995	45 056 011	(44 406 051)	113 494 955	136 666 578	250 161 533
Completion in the first the year				112 044 000	10 000 011	(44 400 001)	110 404 000	100 000 070	200 101 000
Balance at 31 December 2021	48 782 954	(449 522)	30 070 071	199 720 830	65 896 714	8 510 447	352 531 494	859 388 593	1 211 920 087

The above separate statement of changes in equity should be read in conjunction with the accompanying notes.									
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021	Share capital	Treasury shares	Share premium	Retained earnings	Revaluation	Foreign currency translation	Attributable to shareholders	Non- controlling interest	Total
HISTORICAL COST	ZWL	ZWL	ZWL	ZWL	reserve ZWL	reserve ZWL	of parent ZWL	ZWL	equity ZWL
Year ended 31 December 2020									
Balance at 1 January 2020, as previously stated Prior period error	1,089,233	(10,037) -	671,409 -	14,187,162 1,044,298	1,744,187 -	15,256,032 -	32,937,986 1,044,298	93,620,546 (4,036,087)	126,558,532 (2,991,789)
Restated balance at 1 January 2020	1,089,233	(10,037)	671,409	15,231,460	1,744,187	15,256,032	33,982,284	89,584,459	123,566,743
Profit for the year Other comprehensive income for the year	-	- -	- -	37,269,331 -	22,665,518	- 85,338,700	37,269,331 108,004,218	302,408,425 53,266,338	339,677,756 161,270,556
Comprehensive income for the year	-	-	-	37,269,331	22,665,518	85,338,700	145,273,549	355,674,763	500,948,312
Balance at 31 December 2020	1,089,233	(10,037)	671,409	52,500,791	24,409,705	100,594,732	179,255,833	445,259,222	624,515,055
Year ended 31 December 2021									
Balance at 1 January 2021	1,089,233	(10,037)	671,409	52,500,791	24,409,705	100,594,732	179,255,833	445,259,222	624,515,055
Profit for the year Other comprehensive income for the year	-	- -	-	105,127,276 -	76,054,677	- 24,841,475	105,127,276 100,896,152	390,027,342 17,464,093	495,154,618 118,360,245
Comprehensive income for the year	-	-	-	105,127,276	76,054,677	24,841,475	206,023,428	407,491,435	613,514,863
Balance at 31 December 2021	1,089,233	(10,037)	671,409	157,628,067	100,464,382	125,436,207	385,279,261	852,750,657	1,238,029,918

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For The Year Ended 31 December 2021



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FIDELITY LIFE
ASSURANCE OF ZMRADWE

31-Dec-21

ZWL

INFLATION ADJUSTED HISTORICAL COST

Restated Resta

31-Dec-20

ZWL

31-Dec-21

ZWL

31-Dec-20

ZWL

CASH FLOWS FROM OPERATING
ACTIVITIES BEFORE INCOME

CONDENSED CONSOLIDATED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31

DECEMBER 2021

TAX

Profit before income tax	377 662 351	(28 140 560)	661 224 288	442 736 982
Adjustments:	(119 183 088)	245 841 123	(174 758 571)	(260 629 183)
Fair value gains on equities at fair				
value through profit or loss	(318 537 772)	(478 559 341)	(468 430 775)	(392 984 222)
Additions to financial assets at fair				
value through profit or loss	(103 838 332)	(80 887 515)	(87 467 628)	-
Disposals of financial assets at fair		`		
value through profit or loss	75 341 619	286 295 686	70 116 580	169 340 611
Fair value gains on investment				
property	(1 294 294 263)	(332 365 283)	(3 005 523 574)	(2 344 411 704)
Amortisation of intangible assets	2 172 588	577 146	89 184	137 526
Depreciation of right of use asset	7 959 826	3 863 972	7 959 826	2 403 907
Finance costs	45 134 275	29 378 149	38 063 023	11 740 163
Depreciation of property and	10 10 1 = 10	200701.0		
equipment	26 558 095	43 249 167	13 512 104	12 585 201
Gross change in insurance contract	20 000 000	40 240 107	10012101	12 000 20 1
liabilities with DPF	1 160 166 675	1 033 434 498	2 180 269 105	1 478 650 339
Gross change in insurance contract	1 100 100 070	1 000 404 430	2 100 200 100	1 470 000 000
liabilities with DPF	131 817 830	(213 706 247)	409 317 564	325 396 102
Gross change in investment contract	131 617 630	(213 /00 24/)	409 317 304	323 390 102
liabilities without DPF	312 269 392	(E 7E0 660)	553 680 850	307 701 800
Interest income	(95 783 613)	(5 758 668)	(90 217 366)	(36 337 873)
Dividend income	, ,	(59 119 747)	· ' /	' /
	(13 321 782)	(7 898 626)	(19 269 127)	(4 578 605)
Effects of inflation	(4 653 203)	14 667 090	100 007 010	(07.007.004)
Unrealised exchange gains/ (losses)	(6 381 442)	(17 163 514)	162 907 210	(87 967 261)
Projects development costs	43 792 820	51 851 576	30 625 763	300 565 761
Profit on disposal of investment	(74 000 000)	(00 000 050)	(05.040.000)	(4.004.554)
property	(71 680 662)	(20 209 652)	(65 218 089)	(1 924 551)
Profit on disposal of property, plant	(/	(, = == , ===)	(2.42.2-2)
and equipment	(15 905 139)	(1 807 568)	(15 584 962)	(946 378)
Ohammaa in wandinan aanital	(050,000,057)	170 000 540	(507.070.000)	101 010 070
Changes in working capital	(653 036 857)	173 829 543	(507 270 289)	181 319 270
Increase in trade and other	(404 477 054)	(00,000,444)	(077 700 004)	(007.050.000)
receivables	(101 477 954)	(23 889 411)	(277 783 091)	(227 256 293)
(Increase)/decrease in inventories	(451 241)	1 410 124	(637 122)	121 778
(Decrease)/Increase in trade and	(554 407 000)	100 000 001	(000 050 070)	400 450 705
other payables	(551 107 662)	196 308 831	(228 850 076)	408 453 785
Cash (utilised in)/ generated from	(004 557 504)	004 500 400	(404 040 040)	000 407 000
operations	(394 557 594)	391 530 106	(131 216 313)	363 427 069
Income taxes paid	(38 783 082)	(13 644 161)	(31 395 413)	(8 402 048)
Net cash (utilised in)/ generated	(400.040.070)	077 005 040	(100 011 700)	055 005 000
from operations	(433 340 676)	377 885 946	(162 611 726)	355 025 020
Cash flows from investing				
activities				
Additions to and replacement of				
property and equipment	(8 354 425)	(29 499 723)	(6 593 981)	(17 718 295)
Additions to intangible assets	(7 252 031)	(37 264 150)	(7 252 030)	(22 824 977)
Interest income	95 783 613	59 119 747	90 217 366	36 337 873
Dividend income	13 321 782	7 898 626	19 269 127	4 578 605
Proceeds from sale of investment				
property	33 948 260	18 678 025	19 035 806	10 889 755
Proceeds from sale of property and				
equipment	173 097	21 015 697	670 446	8 496 543
Additions to debt securities held at				
amortised cost	(284 835 619)	(56 537 182)	(284 355 222)	(35 173 680)
Maturities debt securities held at				
amortised cost	112 256 055	2 530 055	112 265 372	118 645
Net cash utilised in investing				
activities	(44 959 269)	(14 058 905)	(56 743 115)	(15 295 530)
Cook flows from financing		-		

(45 134 275)

 $(14\ 193\ 565)$

(20 718 226)

154 770 428

74 724 362

(403 575 582)

872 140 076

(69 799 873)

398 764 621

(29 378 149)

(1 218 049)

(40 658 590)

(26 191 162)

337 635 879

528 140 683

6 363 513

872 140 076

45 063 626

(38 063 023)

(14 193 565)

(3 708 652)

88 857 012

32 891 773

(186 463 069)

542 922 122

42 305 568

398 764 621

(11 740 163)

(13 893 055)

17 731 265

(8 659 742)

331 069 748

73 247 335

138 605 038

542 922 122

(757789)

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

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

1 DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by the Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the condensed consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the condensed consolidated financial statements present fairly the Group's financial position as at the year end, and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards ("IFRS").

2 Audit opinior

Due to internal process issues at the Company's external auditor, PricewaterhouseCoopers Chartered Accountants (Zimbabwe), which have hindered their ability to timeously conclude the Company's audit, these Financial Statements are not accompanied by a signed audit opinion.

3 ACCOUNTING POLICIES

3.1 Basis of preparation

The Group's financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ('IASB"), and in the manner required by the Zimbabwe Companies and other Business Entities Act (Chapter 24:31) except for non-compliance with IAS 21 'The effects of changes in foreign exchange rates' and IAS 8 'Accounting policies - Changes in accounting policies, estimates and errors" in 2019 and the consequent adjustments made in terms of IAS 29 Financial reporting in hyperinflationary economies. The financial statements are based on statutory records that are maintained under the historical cost convention basis, except for revaluation of investment properties, land and buildings and financial assets at fair value through profit or loss and insurance and investment contract liabilities that have been measured on a fair value basis. The Group adopted IAS 29 "Financial Reporting in hyperinflationary economies" as proclaimed by the local accounting regulatory board, Public Accountants and Auditors Board "PAAB".

Historical financial statements have been presented as supplementary information.

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

The accounting policies applied in preparing these condensed consolidated financial statements are consistent with those of the previous financial year.

3.2 Functional Currency

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

3 ACCOUNTING POLICIES

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

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

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

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

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



ASSURANCE OF ZIMBABWE

Cash flows from financing

Repayments lease obligations

Net cash generated/ (utilised) in

Net (decrease)/increase in cash equivalents for the year

Cash and cash equivalents at the

Exchange differences on translation

Cash and cash equivalents at the

Repayments of borrowings

Proceeds from borrowings

financing activities

beginning of the year

of a foreign operation

end of the year

activities

Finance costs

Stay at home, stay safe, transact on the Fidelity Life App.



Headline earnings per share

Preliminary report Unaudited Financial Results

For The Year Ended 31 December 2021

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)				
FOR THE YEAR ENDED 31 DECEMBER 2021	31-Dec-21 ZWL	31-Dec-20 ZWL	31-Dec-21 ZWL	31-Dec-20 ZWL
4 EARNINGS PER SHARE (EPS) Reconciliation of total earnings to headline earnings attributable to shareholders Numerator Profit/ (loss) for the year attributable to owners of the parent and				
profit used in EPS	112 844 995	(120 746 413)	105 127 276	33 286 068
Add/(deduct) non recurring items		,		
Impairment of intangible assets	2 172 588	577 146	73 261	137 526
Profit on disposal of property	(2 156 685)	(21 916 488)	(15 584 962)	(2 870 929)
Profit on disposal of investment	(::::,	((,	(,
property	(71 680 662)	1 261 372	(65 218 089)	784 742
Taxation on headline earnings				
adjustable items	21 098 654	4 963 274	19 952 476	481 709
Headline earnings attributable to				
ordinary shareholders	48 581 133	(135 861 109)	44 353 890	31 819 116
Denominator				
Weighted number of ordinary shares				
in issue	108 923 291	108 923 291	108 923 291	108 923 291
Less: Shares purchased for the	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(, , -)	/ · · · · · · · · · · · · · · · · · · ·	(, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Employee Share Ownership Plan	(1 003 743)	(1 003 743)	(1 003 743)	(1 003 743)
Weighted average number of	107010 510	107010 510	107010510	107010510
shares used in basic EPS	107 919 548	107 919 548	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	107 919 548	107 919 548
Basic and diluted earnings per	107 313 340	107 313 340	107 919 340	10/ 313 340
share (cents)	104.56	(111.89)	97.41	30.84
0.10.0 (00.100)	10-7.00	(111.00)	07.71	00.07

(cents)	45	.02 (12	25.89)	41.10	29.48
		INF	LATION ADJ	USTED	
			Equipment	Furniture	
5 PROPERTY AND EQUIPMENT	Land and	Motor	and	and	
GROUP	buildings	vehicles	computers	fittings	Total
Net carrying amount at	ZWL	ZWL	ZWL	ZWL	ZWL
1 January 2020	524 033 675	20 853 133	15 917 991	14 299 043	575 103 842
Gross carrying amount - cost/					
valuation	529 990 944	112 155 252	58 845 378	24 721 776	725 713 350
Accumulated depreciation	(5 957 269)	(91 302 119)	(42 927 387)	(10 422 733)	(150 609 508)
Additions	54 878	2 255 880	5 088 430	908 694	8 307 882
Exchange rate movement on foreign					
operations	2 779 008	(150 130)	(603 099)	(342 394)	1 683 385
Disposals	-	(70 298)	(3 372)	-	(73 670)
Gross carrying amount - cost/					
valuation	-	(2 503 771)	(106 419)	-	(2 610 190)
Accumulated depreciation	-	2 433 473	103 047	-	2 536 520
Depreciation charge for the year	(33 766 326)	(2 652 082)	(4 479 860)	(2 350 898)	(43 249 166)
Revaluation surplus	72 344 562	-	-	-	72 344 562
Net carrying amount at 31					
December 2020	565 445 797	20 236 503	15 920 090	12 514 445	614 116 835
Gross carrying amount - cost/					
valuation	571 461 768	111 757 231	63 224 290	25 288 076	771 731 365
Accumulated depreciation	(6 015 971)	(91 520 728)	(47 304 200)	((157 614 530)
Additions	-	868 606	6 340 501	1 145 318	8 354 425
Exchange rate movement on foreign					
operations	(3 831 409)	(1 115 653)	(3 250 127)	(780 410)	(8 977 599)
Disposals	-	(11 757 620)	(78 051)	-	(11 835 671)
Gross carrying amount - cost/					
valuation	-	(45 896 359)	(298 811)	-	(46 195 170)
Accumulated depreciation	-	34 138 739	220 760	-	34 359 500
Depreciation charge for the year	(8 365 079)	(6 342 272)	(9 812 495)	(2 038 249)	(26 558 095)
Revaluation surplus	219 553 415	-	-	-	219 553 415
Net carrying amount at 31					
December 2021	772 802 724	1 889 564	9 119 918	10 841 104	794 653 310
Gross carrying amount - cost/					
valuation	778 906 313	65 613 825	66 015 853	25 652 984	936 188 975
Accumulated depreciation	(6 103 589)	(63 724 261)	(56 895 935)	(14 811 880)	(141 535 665)

Land and buildings are carried at fair value determined on an open market value basis by independent professional valuers. The latest fair value was estimated as at 31 December 2021. There were no buildings pledged as collateral as at 31 December 2021. The value of land and buildings is categorised as a level 3

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

NOTES TO THE CONDENSED	HISTORICAL COST							
CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)		Furniture						
FOR THE YEAR ENDED 31	Land and	Motor	Equipment and	and				
DECEMBER 2021	buildings	vehicles	computers	fittings	Total			
5.1 GROUP	ZWL	ZWL	ZWL	ZWL	ZWL			
Net carrying amount at 1 January 2020	71,095,556	980,955	2,035,431	766,798	74,878,741			
Gross carrying amount - cost/ valuation	71,227,282	2,906,314	3,482,419	1,105,130	78,721,145			
Accumulated depreciation	(131,726)	(1,925,359)	(1,446,988)	(338,332)	(3,842,405)			
Additions	34,141	1,403,459	2,577,409	519,130	4,534,139			
Exchange rate movement on foreign operations	10,266,289	2,354,140	6,445,041	1,534,718	20,600,188			
Disposals Gross carrying amount - cost/	(927,381)	(43,735)	(2,098)	-	(973,214)			
valuation Accumulated depreciation	(927,381)	(1,562,277) 1,518,542	(66,207) 64,108	-	(2,555,865) 1,582,651			
Depreciation charge for the year	(9,242,157)	(705,055)	(2,087,406)	(550,583)	(12,585,201)			
Revaluation surplus	272,401,111	-	-	-	272,401,111			
Net carrying amount at 31 December 2020 Gross carrying amount - cost/	343,627,557	3,989,764	8,968,377	2,270,064	358,855,762			
valuation Accumulated depreciation	343,795,804 (168,247)	5,101,636 (1,111,872)	12,438,662 (3,470,285)	3,158,978 (888,914)	364,495,080 (5,639,318)			
Additions	-	868,606	5,089,928	635,447	6,593,981			
Exchange rate movement on foreign operations	4,520,302	642,441	1,524,786	316,970	7,004,499			
Disposals Gross carrying amount - cost/	-	(1,059,723)	(54,154)	(211,350)	(1,325,227)			
valuation Accumulated depreciation	-	(3,672,162) 2,612,439	(279,838) 225,684	(211,350)	(4,163,350) 2,838,123			
Depreciation charge for the year	(5,237,257)	(1,539,986)	(5,560,745)	(1,174,116)	(13,512,104)			
Revaluation surplus Net carrying amount at 31	416,599,238	-	-	-	416,599,238			
December 2021 Gross carrying amount - cost/	759,509,840	2,901,102	9,968,192	1,837,015	774,216,149			
valuation Accumulated depreciation	759,765,657 (255,817)	2,940,521 (39,419)	18,773,538 (8,805,346)	3,900,045 (2,063,030)	785,379,761 (11,163,612)			

Land and buildings are carried at fair value determined on an open market value basis by independent professional valuers. The latest fair value was estimated as at 31 December 2021. There were no buildings pledged as collateral as at 31 December 2021. The value of land and buildings is categorised as a level 3 recurring fair value measurement. The carrying amount of land and buildings had the assets been measured at cost as at 31 December 2021 ZWL25,141,670 and ZWL27,895,674 in 2020.

•	INFLATION ADJUSTED		HISTORICAL	COST
6 INVESTMENT PROPERTY	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Balance at the beginning of the year Disposals Exchange rate movement on foreign operations Fair value gains through profit or loss	5 011 386 538 (164 988 944) (74 402 801) 1 294 294 263	4 773 262 144 (117 530 244) 23 289 355 332 365 283	3 117 751 895 (119 585 256) 62 598 843 3 005 523 574	661 999 240 (62 921 976) 174 262 927 2 344 411 704
Balance at the end of the year	6 066 289 056	5 011 386 538	6 066 289 056	3 117 751 895

The Group 's fair values of investment properties are based on property valuations performed by an independent professional property valuer. Gains and losses arising from a change in fair value of investment properties are recognised in the profit or loss statement. As at 31 December 2021, the fair values of the properties are based on valuations performed by Bard Real Estate an accredited independent valuer. Bard Real Estate is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued.

Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied. There were no transfers between Levels 1 or 2 to Level 3 during the year. Investment properties are at Level 3. Significant judgements and assumptions were applied for the Group's Investment property portfolio. Land banks and residential properties were valued in Zimbabwe dollar using the comparison method and/or market evidence.



Preliminary report Unaudited Financial Results

For The Year Ended 31 December 2021



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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021			INFLATIO	n adjusted		
7 SEGMENT INFORMATION	Insurance	Microlending	Property Investment	Other	Consolidation adjustments	Group
2021	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Total income	2 951 654 891	162 595 702	964 923 337	194 756 530	(969 536 541)	3 304 393 919
Total benefits, claims and other expenses Profit before income tax	(2 776 588 721) 175 066 170	(131 705 197) 30 890 505	(11 420 346) 953 502 991	(128 368 993) 66 387 537	121 351 689 (848 184 852)	(2 926 731 568) 377 662 351
Depreciation of property and equipment	23 678 928	1 289 222	-	1 589 945	-	26 558 095
Amortisation of intangible assets Finance costs	41 598 10 647 157	1 821 163 34 487 118	-	309 828	-	2 172 588 45 134 275
Fair value gains on equities	262 843 723	12 252 304	-	43 441 745	-	318 537 772
Fair value gains on investment property Income tax expense	347 363 159 35 034 473	7 131 163 13 351 192	964 923 337 48 246 167	16 262 133 6 125 124	(41 385 529)	1 294 294 263 102 756 956
Additions to non-current assets	14 228 014	943 643	-	434 799	-	15 606 456
Reportable segment non-current assets Reportable segment current assets	3 187 593 886 1 461 156 721	47 304 418 121 267 764	4 255 270 000	147 465 519 53 163 064	-	7 637 633 823 1 635 587 549
Reportable segment liabilities	8 270 382 804	124 468 216	225 664 653	60 062 233	-	8 680 577 905
Cash flows from operating activities	(278 183 390)	(28 477 752)	-	(126 679 535)	-	(433 340 676)
Cash flows from investing activities Cash flows from financing activities	95 493 649 (44 245 690)	(2 315 579) 25 116 930	-	(138 137 339) 93 853 122	-	(44 959 269) 74 724 362
2020						
Total income	1 711 141 735	69 499 516	266 119 160	69 881 756	(381 287 494)	1 735 354 673
Total benefits claims and other expenses	(1 642 873 928)	(118 227 788)	(1 849 392)	(56 063 479)	55 519 354	(1 763 495 233)
Profit before income tax Depreciation of property and equipment	68 267 807 41 166 094	(48 728 272) 244 735	264 269 768	13 818 277 1 838 337	(325 768 140)	(28 140 560) 43 249 166
Amortisation of intangible assets	133 674	133 645	-	309 827	-	577 146
Finance costs Fair value gains on equities	19 996 876 462 889 622	9 381 273 1 455 555	-	- 14 214 164	-	29 378 149 478 559 341
Fair value gains on investment property	76 988 867	1 948 586	263 648 888	468 778	(10 689 836)	332 365 283
Income tax expense	15 675 713	3 001 557	13 182 459	5 508 302	-	37 368 032
Additions to non-current assets Reportable segment non-current assets	44 681 274 3 561 116 042	191 874 35 068 853	3 290 346 663	698 884 74 897 562	-	45 572 032 6 961 429 120
Reportable segment current assets	1 775 519 901	37 199 890	-	23 967 534	-	1 836 687 325
Reportable segment liabilities	7 544 019 508	47 213 903	167 508 620	38 198 095	-	7 796 940 126
Cash flows from operating activities	330 524 964	(45 774 336)	-	(87 190 263)	-	377 885 946
Cash flows from investing activities Cash flows from financing activities	(50 829 423) (27 121 481)	(3 721 996) 40 372 245	-	40 492 515 (39 441 925)	-	(14 058 904) (26 191 162)
7.1 SEGMENT INFORMATION			Property		Consolidation	
HISTORICAL COST	Insurance	Microlending	Investment	Other	adjustments	Group
2021	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Total income Total benefits, claims and other expenses	4 402 524 442 (3 793 292 699)	148 108 235 (105 437 192)	2 208 234 820 (11 040 172)	190 797 589 (93 532 144)	(1 970 486 984) (314 651 607)	4 979 178 102 (4 317 953 814)
Profit before income tax	609 231 743	42 671 043	2 197 194 648	97 265 445	(2 285 138 591)	661 224 288
Depreciation of property and equipment	13 094 845	167 142	-	250 117	-	13 512 104
Amortisation of intangible assets Finance costs	41 599 9 144 459	40 663 28 918 564	-	6 922	_	89 184 38 063 023
Fair value gains on equities	401 800 956	13 564 665	-	53 065 154	-	468 430 775
Fair value gains on investment property Income tax expense	813 886 418 34 647 910	16 320 700 14 997 287	2 208 234 820 110 411 741	39 760 236 6 012 732	(72 678 600) -	3 005 523 574 166 069 670
Additions to non-current assets	12 044 574	776 818		1 024 619		13 846 011
Reportable segment non-current assets	3 454 833 689	46 160 342	4 255 270 000	365 651 569	-	8 121 915 600
Reportable segment current assets Reportable segment liabilities	1 460 096 500 7 881 294 166	118 971 773 124 185 401	225 664 653	53 083 135 284 892 869	-	(162 611 726) (56 743 115)
	(272 951 200)	37 747 170		73 492 404		,
Cash flows from operating activities Cash flows from investing activities	(273 851 300) 90 076 650	(1 052 971)	-	(145 766 794)	-	(162 611 726) (56 743 115)
Cash flows from financing activities	(36 814 695)	(38 932 354)	-	108 638 822	-	32 891 773
2020 Total income	2 993 305 728	38 392 966	1 627 265 310	65 491 665	(1 519 979 948)	3 204 475 721
Total benefits claims and other expenses	(2 921 015 413)	(32 287 549)	(1 360 012)	(23 703 069)	216 627 304	(2 761 738 739)
Profit before income tax Depreciation of property and equipment	72 290 315 12 457 917	6 105 417 49 795	1 625 905 298	41 788 596 77 489	(1 303 352 644)	442 736 982 12 585 201
Amortisation of intangible assets	83 163	47 440	-	6 923	-	137 526
Finance costs Fair value gains on equities	8 232 125 376 493 262	3 508 038 3 145 504	-	- 13 345 456	-	11 740 163 392 984 222
Fair value gains on investment property	717 041 203	12 026 850	1 627 265 310	29 202 341	(41 124 000)	2 344 411 704
Income tax expense	16 944 238	2 622 973	81 363 266	2 128 749	-	103 059 226
Additions to non-current assets Reportable segment non-current assets	27 018 906 2 118 110 270	116 419 20 182 809	2 047 035 180	223 791 57 507 381	-	27 359 116 4 242 835 640
Reportable segment current assets	1 104 729 588	22 041 777	- 047 033 180	14 791 990	-	1 141 563 355
Reportable segment liabilities	4 693 387 933	28 951 629	104 212 739	22 889 698	-	4 849 441 999
Cash flows from operating activities	721 271 547	37 747 170	-	(172 714 968)	-	586 303 749
Cash flows from investing activities Cash flows from financing activities	(285 095 071) (15 365 828)	(1 052 971) (38 932 354)	-	47 208 902 38 003 322	-	(238 939 140) (16 294 860)
	,	,				•





For The Year Ended 31 December 2021

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FINANCIAL STATEMENTS (CONT'D) FOR THE

YEAR ENDED 31 DECEMBER 2021

INFLATION ADJUSTED

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

HISTORICAL	COST

7.2 SEGMENT INFORMATION (Cont'd) GEOGRAPHICAL INFORMATION 2021	Zimbabwe ZWL	Malawi ZWL	Total ZWL
Income Net premium earned	452 127 856	617 989 701	1 070 117 557
Investment income and fair value adjustment on investment property	2 365 617 705	205 651 040	2 571 268 745
Interest income recognised under IFRS 9	132 097 082	-	132 097 082
Income recognised under IFRS 15 Fee and commission income	74 392 769	7 004 100	74 392 769
Non insurance income	108 341 900 290 754 830	7 834 106 19 123 471	116 176 006 309 878 301
Total income Inter-segment revenue	3 423 332 142 (969 536 541)	850 598 318 -	4 273 930 460 (969 536 541)
Total income from external customers	2 453 795 601	850 598 318	3 304 393 919
Group's income per statement of profit or loss and other comprehensive income	2 453 795 601	850 598 318	3 304 393 919
Depreciation of property and equipment	19 337 983	7 220 112	26 558 095
Amortisation of intangible assets	2 130 989	41 599	2 172 588
Finance costs	41 670 628	3 463 647	45 134 275
Fair value adjustments on equities Fair value adjustments on investment property	224 283 618 1 274 400 309	94 254 154 19 893 954	318 537 772 1 294 294 263
Income tax expense	90 337 350	12 419 607	102 756 956
Segment profit before income tax	396 942 423	(19 280 071)	377 662 351
Cash flows from operating activities	(278 183 390)	(155 157 285)	(433 340 676)
Cash flows from investing activities	(99 537 279)	54 578 010	(44 959 269)
Cash flows from financing activities	88 916 198	(14 191 836)	74 724 362
Additions to non-current assets	10 365 067	5 241 389	15 606 456
Reportable segment non current assets Reportable segment current assets	6 628 479 725 382 644 661	1 009 154 098 1 252 942 889	7 637 633 823 1 635 587 550
Reportable segment liabilities	6 615 124 264	2 065 453 641	8 680 577 905
2020			
Income			
Net premium earned	262 435 289	349 340 622	611 775 911
Investment income and fair value adjustment on	1 001 333 319	117 471 064	1 118 804 383
investment property Interest income recognised under IFRS 9	76 135 305	117 47 1 004	76 135 305
Income recognised under IFRS 15	41 854 713	-	41 854 713
Fee and commission income	67 617 772	2 902 268	70 520 040
Non insurance income	66 252 830	2 801 982	69 054 812
Total income	1 515 629 228	472 515 936	1 988 145 164
Inter-segment income	(252 790 491)	-	(252 790 491)
Total income from external customers	1 262 838 737	472 515 936	1 735 354 673
Group's income per statement of profit or loss and other comprehensive income	1 262 838 737	472 515 936	1 735 354 673
Depreciation of property and equipment	38 556 360	4 692 806	43 249 166
Amortisation of intangible assets	443 471	133 675	577 146
Finance costs	26 740 049	2 638 100	29 378 149
Fair value adjustments on equities Fair value adjustments on investment property	436 604 536 323 578 814	41 954 805 8 786 469	478 559 341 332 365 283
Income tax expense	25 820 006	11 548 026	37 368 032
Segment profit before income tax	(58 801 748)	30 661 188	(28 140 560)
Cash flows from operating activities	234 105 508	143 780 438	377 885 946
Cash flows from investing activities	80 885 744	(94 944 648)	(14 058 904)
Cash flows from financing activities	(37 726 753)	11 535 591	(26 191 162)
Additions to non-current assets	34 623 075	10 948 957	45 572 032
Reportable segment non current assets	5 890 324 942	1 071 104 178	6 961 429 120
Reportable segment current assets Reportable segment liabilities	438 623 112 5 451 785 283	1 398 064 214 2 180 637 510	1 836 687 326 7 632 422 793
	2 .0 00 200	00 007 010	. 552 122 100

7.3 SEGMENT INFORMATION (Cont'd) GEOGRAPHICAL INFORMATION 2021	Zimbabwe ZWL	Malawi ZWL	Total ZWL
Income Net premium earned	364,104,170	617,989,762	982,093,931
Investment income and fair value adjustment on			
investment property Interest income recognised under IFRS 9	5,338,418,527	205,651,148	5,544,069,675
Income recognised under IFRS 15	108,016,873 51,599,624	-	108,016,873 51,599,624
Fee and commission income	84,646,558	7,834,106	92,480,664
Non insurance income	152,280,846	19,123,471	171,404,317
Total income	6,099,066,598	850,598,487	6,949,665,085
Inter-segment revenue Total income from external customers	(1,970,486,983) 4,128,579,615	- 850,598,487	(1,970,486,983) 4,979,178,102
Total II como II o III o Atoma o a storio II	4,120,070,010	000,000,407	4,373,170,102
Group's income per statement of profit or loss and other comprehensive income	4,128,579,615	850,598,487	4,979,178,102
Depreciation of property and equipment	6,291,992	7,220,112	13,512,104
Amortisation of intangible assets	47,585	41,599	89,184
Finance costs	34,599,376	3,463,647	38,063,023
Fair value adjustments on equities	374,176,559	94,254,216	468,430,775
Fair value adjustments on investment property Income tax expense	2,985,629,620 153,650,061	19,893,954 12,419,609	3,005,523,574 166,069,670
	.00,000,001	, ,	100,000,070
Segment profit before tax	680,504,269	(19,279,981)	661,224,288
Cash flows from operating activities	(7,454,441)	(155,157,285)	(162,611,726)
Cash flows from investing activities Cash flows from financing activities	(111,321,124)	54,578,008 (14,191,836)	(56,743,115)
Casi i nows nom initialicing activities	47,083,609	(14, 191,000)	32,891,773
Additions to non-current assets			
Reportable segment non current assets	3,366,883	10,479,128	13,846,011
Reportable segment current assets Reportable segment liabilities	7,112,761,196	1,009,154,405	8,121,915,600
Reportable segment liabilities	379,208,446 6,450,586,104	1,252,942,962 2,065,450,984	1,632,151,408 8,516,037,089
2020	0, 100,000, 10 1	2,000, 100,00 1	0,010,007,000
Income			
Net premium earned Investment income and fair value adjustment on	121,110,922	217,336,533	338,447,455
investment property	4,202,768,901	31,567,851	4,234,336,752
Interest income recognised under IFRS 9	27,134,972	39,771,656	66,906,629
Income recognised under IFRS 15	13,276,065	-	13,276,065
Fee and commission income	26,766,021	1,805,598	28,571,619
Non insurance income	20,538,806	1,743,207	22,282,013
Total income	4,411,595,687	292,224,845	4,703,820,532
Inter-segment income	(1,499,344,811)	-	(1,499,344,811)
Total income from external customers	2,912,250,876	292,224,845	3,204,475,721
Group's income per statement of profit or loss and other			
Comprehensive income	2,912,250,876	292,224,845	3,204,475,721
Depreciation of property and equipment	9,665,926	2,919,275	12,585,201
Amortisation of intangible assets	54,363	83,163	137,526
Finance costs	10,098,914	1,641,249	11,740,163
Fair value adjustments on equities Fair value adjustments on investment property	366,882,729 2,338,945,347	26,101,493 5,466,357	392,984,222 2,344,411,704
Tax expense	95,874,811	7,184,415	103,059,226
Segment profit before tax	320,602,382	19,075,374	339,677,756
Cash flows from operating activities	273,209,497	89,450,640	362,660,137
Cash flows from investing activities	43,772,725	(59,068,255)	(15,295,530)
Cash flows from financing activities	(23,471,539)	7,176,679	(16,294,860)
Additions to non-current assets	2,502,171	24,856,945	27,359,116
Reportable segment non current assets	3,576,465,753	666,369,887	4,242,835,640
Reportable segment current assets	271,780,647	869,782,708	1,141,563,355
Reportable segment liabilities	3,388,581,419	1,356,647,841	4,745,229,260

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

The total impairment allowance is made up of the

INFLATION ADJUSTED HISTORICAL COST

	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
8 TRADE AND OTHER RECEIVABLES	ZWL	ZWL	ZWL	ZWL
Decide affel decided a delegan	0.404.004	4.050.000	0.404.004	0.540.707
Residential stand sales debtors	2 431 331	4 050 202	2 431 331	2 519 767
Micro-finance loans receivable	111 648 680	38 801 253	111 648 680	24 139 563
Insurance debtors	250 770 744	287 393 004	250 770 764	178 796 841
Other trade debtors	57 936 790	5 954 868	57 936 790	3 704 723
Trade receivables - gross	422 787 545	336 199 327	422 787 565	209 160 894
	(42 181 135)	(21 179 632)	(42 181 136)	(13 176 561)
Allowance for impairement- insurance debtors	(35 207 737)	(13 178 171)	(35 207 738)	(1 449 422)
Expected credit loss on trade receivables- other				
debtors	(6 973 398)	(8 001 461)	(6 973 398)	(11 727 139)
Trade receivables - net	380 606 410	315 019 695	380 606 429	195 984 333
Receivables from related parties, net of allowance for				
expected credit loss (ECL)	19 454	6 394 223	19 454	3 978 061
Loans to employees, net of ECL	23 424	37 695	23 424	23 451
Total receivables classified as financial assets at				
amortised cost	380 649 288	321 451 613	380 649 307	199 985 845
Prepayments	138 167 861	125 396 028	137 511 285	76 911 559
Other receivables, net of ECL	42 461 414	25 911 382	39 681 830	16 120 341
Total trade and other receivables	561 278 563	472 759 023	557 842 422	293 017 745
Non-current portion	-	29 764 720	-	18 517 632
Current portion	561 278 563	442 994 303	557 842 422	274 500 113
Total trade and other receivables	561 278 563	472 759 023	557 842 422	293 017 745

The carrying value of trade and other receivables classified as financial assets at amortised cost approximates their fair value. There was a significant decline in residential stand sales debtors in the current period as most of the debtors settled their accounts and no new debtors were recognised as the Southview development project has reached its tail end. Included in other receivables balance are debtors arising from non core business activities such as rental debtors and debtors arising from disposal of non core assets from the Southview development project. Receivables from related parties, loans to employees and other receivables are shown net of expected credit losses. The amount of expected credit losses for these receivables are as shown in the table below.

following:	ZWL	ZWL	ZWL	ZWL i
Allowance for expected credit loss on trade receivables	42 181 136	21 179 632	42 181 136	13 176 561
Allowance for expected credit loss on loans to employees	_	-		- (
Allowance for expected credit loss on other receivables	47 614	76 534	47 614	47 614
Allowance for expected credit loss on related party				- (
receivables	42 228 750	21 256 166	42 228 750	13 224 175
Movements in expected credit loss are as follows:				
Allowance for expected losses Balance at 1 January 2021	21 256 166	44 457 775	13 224 175	6 165 808
Receivables written off during the period as	21 230 100	44 437 773	13 224 173	0 103 606
uncollectable	-	(1 261 372)	-	(784 742)
Net decrease/(increase) during the period through profit or loss	12 958 414	3 307 589	12 958 414	(2 057 762)
Impact on period end ECL exposures transferred				
between stages during the period	8 014 170	(25 247 826)	16 046 161	9 900 871
Balance at 31 December 2021	42 228 750	21 256 166	42 228 750	13 224 175

9. RESTATEMENTS

9(a) Prior period error equities

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

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

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

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

The restatement is shown in the note below

(c) Prior period error deferred revenue

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

Furthermore, opening retained earnings for 2020 have been reduced by ZWL32,750,396. The restatement is shown in the note below

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

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

(e) Presentation of investment contract liabilities with discretionary participation

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

(f) Segmental reporting

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

(g) Cash and cash equivalents

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

(h) Deferred tax

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



For The Year Ended 31 December 2021

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102 351 760

(19 682 242)

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

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

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

December 2020

IMPACT ON EARNINGS PER SHARE

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

December 2020

IMPACT ON STATEMENT OF CASH FLOW

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

IMPACT ON STATEMENT OF FINANCIAL POSITION

1 January 2020

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

December 2020

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

	INFLATION A	DJUSTED	HIS	STORICAL COST	
As previously	Effect of		As previously	Effect of	
stated	restatement	Restated	stated	restatement	Restated
2020	2020	2020	2020	2020	2020
ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
(1 156 682 494)	123 247 996	(1 033 434 498)	(1 632 108 562)	153 458 223	(1 478 650 339)
644 340 112	(165 780 771)	478 559 341	301 822 042	91 162 180	392 984 222
296 809 808	35 555 475	332 365 283	2 205 306 955	139 104 749	2 344 411 704
(404 652 265)	(10 163 377)	(414 815 642)	(219 571 764)	(6 322 978)	(225 894 742)
(101 002 200)	5 758 667	5 758 667	(210071704)	307 701 800	307 701 800
(55 067 315)	(128 039 609)	(183 106 924)	_	-	-
(24 185 572)	(13 182 444)	(37 368 017)	(21 695 960)	(81 363 266)	(103 059 226)
(24 100 072)	(10 102 444)	(07 000 017)	(21 000 000)	(01 000 200)	(100 000 220)
27.17	(139.06)	(111.89)	30.84	_	30.84
13.17	(139.06)	(125.89)	29.48	_	29.48
	(,	(/			
942 976 257	(123 247 996)	819 728 261	1 957 504 664	(153 458 223)	1 804 046 441
(644 340 112)	165 780 771	(478 559 341)	(301 822 042)	(91 162 180)	(392 984 222)
(296 809 808)	(35 555 475)	(332 365 283)	(2 205 306 955)	(139 104 749)	(2 344 411 704)
16 417 642	160 790 007	177 207 649	-	-	-
As	Effect of		As previously	Effect of	
previously	restatement	Restated	stated	restatement	Restated
stated 2019	2019	2019	2019	2019	2019
ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
245 965 624	(38 343 377)	207 622 247	14 187 162	(2 991 790)	11 195 372
282 320	13 122 759	13 405 079	-	-	-
757 007 284	32 750 396	789 757 680	-		<u>-</u>
65 658 481	151 334 889	216 993 370	8 609 388	20 988 493	29 597 881
4 095 718 046	(129 762 968)	3 965 955 078	568 031 286	(17 996 704)	550 034 582
682 397 963	(29 101 699)	653 296 264	93 620 546	(4 036 087)	89 584 459
5 248 685 996	(252 010 064)	4 005 675 020	2 005 202 050	(171 454 007)	2 002 020 005
1 065 279 082	(253 010 964) (134 630 005)	4 995 675 032 930 649 077	3 265 383 852 662 745 899	(171 454 927) (153 458 223)	3 093 928 925 509 287 676
1 000 2/9 082	(134 030 003)	930 049 077	002 /40 099	(100 400 223)	203 201 6/6

10. EQUITIES AT FAIR VALUE THROUGH **PROFIT OR LOSS**

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

Balance at the end of the year

11 CASH AND DEPOSITS WITH BANKS

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

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

45 105 405

464 941 464

INFLATI	ON ADJUSTED	HISTORICAL COST		
31-Dec-21 ZWL	31-Dec-20 ZWL	31-Dec-21 ZWL	31-Dec-20 ZWL	
282 811 181	726 199 464	282 811 181	451 793 278	
167 113 715	158 143 545	167 113 715	98 386 212	
-	607 185	-	377 750	
449 924 896	884 950 194	449 924 896	550 557 240	
(51 160 275)	(12 810 118)	(51 160 275)	(7 635 118)	
398 764 621	872 140 076	398 764 621	542 922 122	

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

825 276 501

74 584 871

754 358 698

160 790 007

164 517 333

(31 636 683)

986 066 508

239 102 204

722 722 015

INFLATION ADJUSTED



For The Year Ended 31 December 2021

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

12.1 Insurance contract liabilities with discretionary participation features

Balance at the beginning of the year
Reclassification to investment
contract liabilities
Change in life assurance
policyholder liabilities for the year
Movement through profit or loss
Movement through other
comprehensive income
Exchange rate movement on foreign
operations
Balance at the end of the

12.2 Investment contract liabilities with discretionary participation

Balance at the beginning of the year Movement through profit or loss

Balance at the end of the year

12.3 Investment contracts without discretionary participation features

Balance at the beginning of the year
Reclassification from insurance
contract liabilities
Other investment income
Gross premium income
Gross benefits and claims paid
Movement through profit or loss
Fair value gains from equities
Fair value gains from investment
properties
Investment expenses

Balance at the end of the year	951 149 833	638 880 441	951 149 833	397 468 983
nvestment expenses	(10 272 606)	(10 163 377)	(10 272 606)	(6 322 978)
properties	248 971 461	35 555 475	445 474 762	139 104 749
air value gains from investment				
air value gains from equities	73 446 954	(31 150 766)	118 305 592	174 920 029
Movement through profit or loss	312 145 809	(5 758 668)	553 507 748	307 701 800
Gross benefits and claims paid	(4 250 977)	(1 476 465)	(3 247 465)	(652 815)
Gross premium income	4 374 560	2 432 782	3 391 219	1 115 601

INFLATION ADJUSTED

INFLATION ADJUSTED

ZWL

4 995 675 021

998 009 024

173 050 519

(335 208 188)

5 993 684 045

734,385,836

131,817,830

866,203,666

638 880 441

1 160 166 693

Restated

3 965 955 077

(359 449 950)

1 389 169 894

1 033 434 498

64 408 628

291 326 768

4 995 675 021

948,092,083

734,385,836

284 173 149

359 449 950

59 693

(213,706,247)

ZWL

HISTORICAL COST

ZWL

3 093 928 925

2 899 755 121

2 180 269 105

339 097 687

380 388 329

456,886,102

409,317,564

866,203,666

397 468 983

29 348

HISTORICAL COST

5 993 684 045

Restated

550 034 582

(49 851 776)

2 593 746 119

1 478 650 339

249 424 335

865 671 445

131,490,000

325,396,102

456,886,102

39 411 707

49 851 776

40 914

3 093 928 925

ZWL

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

31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
ZWL	ZWL	ZWL	ZWL

13 BORROWINGS

13.1 LONG-TERM BORROWINGS

borrowings
Non-current portion of long term
borrowings
Current portion of long-term
First Capital Bank Malawi

rrowings	-	7 326 078	-	4 557 798
n-current portion of long term	-	(19 773 518)	-	12 301 770)
rrowings	-	27 099 596	-	16 859 568
rrent portion of long-term				
st Capital Bank Malawi	-	16 316 448	-	10 151 010
/IB Bank Limited	-	10 783 148	-	6 708 558

NMB BANK LIMITED

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

First Capital Bank Malawi

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

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

ZB bank Limited

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

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

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

year, expiring on 31 July 2022.				
13.3 MOVEMENT IN	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
BORROWINGS	ZWL	ZWL	ZWL	ZWL
Movements in borrowings during the				
period were as follows:				
Balance at the beginning of the				
year	52 182 188	170 779 541	32 464 290	23 685 254
Net cash out flow on borrowings	82 891 927	(7 867 436)	33 988 085	(3 796 908)
Proceeds from borrowings	154 770 428	45 063 626	88 857 012	17 731 265
Repayment of borrowings	(71 878 501)	(52 931 062)	(54 868 927)	(21 528 173)
Finance costs capitalised	45 134 275	29 378 149	32 925 645	11 740 163
Finance costs paid	(45 134 275)	(29 378 149)	(32 925 645)	(11 740 163)
Exchange differences on foreign				
currency denominated loans	(2 715 156)	5 490 070	82 477	12 575 944
Reduction of borrowings due to				
inflation	(65 824 107)	(116 219 987)	-	
Balance at the end of the year	66 534 852	52 182 188	66 534 852	32 464 290
Current borrowings	66 534 852	44 856 110	66 534 852	27 906 492
Non-current borrowings	-	7 326 078	-	4 557 798
Borrowings as at 31 December	66 534 852	52 182 188	66 534 852	32 464 290
44 TRADE AND OTHER	04 5 04	04 5 00	04 B 04	04.5
14 TRADE AND OTHER	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
PAYABLES	ZWL	ZWL	ZWL	ZWL
Trade payables	121 525 222	155 541 956	121 525 222	96 767 875
South View offsite works liability	52 273 724	496 584 228	52 273 724	308 941 729
Related party payables	8 545 028	1 912 136	8 545 028	1 189 604
Deferred income from sale of				
residential stands	168 077 614	168 077 614	4 533 864	4 533 864
Statutory liabilities	17 998 305	4 146 427	17 998 305	2 579 631
Accrued expenses	51 379 213	71 911 867	51 379 213	44 738 788
Other payables	58 952 562	87 892 282	58 952 562	54 680 740
	478 751 668	986 066 510	315 207 918	513 432 231

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

15 CONTINGENCIES

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

16 Litigations against the Company

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

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

17 Events after the reporting date

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