FIDELITY LIFE

ASSURANCE OF ZIMBABWE

A member of the ZHL Group

Abridged Audited Financial Results For the year ended 31 December 2022

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 (the "Company") present summarized audited financial information of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2022.

Financial Highlights (Inflation adjusted)

▲ 3%	▲ 45%	▲ 204%	▲ 66%
Net premium earned	Total income	Comprehensive income	Total assets
ZWL 3.8 bill	ZWL 16.51 bill	ZWL 2.62 bill	ZWL 56.41 bill
▲ 81%	▲ 131%	▼ (461%)	▼ (940%)
Total equity	Cash generated from operations	Basic earnings per share (ZWL cents)	Headline earnings per share (ZWL cents)
ZWL 7.55 bill	ZWL 460.6 bill	(1299.08 cents)	(1300.28 cents)

Financial Performance

	INFLATION ADJUSTED		HISTORICAL COST	
	31 Dec 2022	% change	31 Dec 2022	% change
	ZWL	ZWL	ZWL	ZWL
Net premium earned	3 803 609 400	3%	3 245 107 852	230%
Total income	16 514 926 852	45%	31 016 578 637	523%
Comprehensive income for the year	2 616 928 271	204%	5 376 446 900	776%
Total assets	56 407 690 388	66%	55 752 418 412	471%
Total equity	7 547 517 977	81%	7 378 970 900	496%
Cash generated from operations	460 563 087	131%	302 975 039	286%
Basic earnings per share (ZWL cents)	(1 299.08)	-461%	(2 448.54)	-2614%
Headline earnings per share (ZWL cents)	(1 300.28)	-940%	(563.08)	1545%

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Dividend

Due to the need to strengthen the capital position of the Company, the Board resolved not to recommend the declaration of a dividend for the period ended 31 December 2022.

Auditor's Statement

This short form financial announcement derived from the audited consolidated inflation adjusted financial statements of Fidelity Life Assurance of Zimbabwe Limited and its subsidiaries "the Group" for the financial year ended 31 December 2022, should be read together with the complete set of audited consolidated inflation adjusted financial statements of the Group, for the year ended 31 December 2022, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe). The auditor's report was signed by Farai Chibisa, Registered Public Auditor 0547. An adverse opinion has been issued on the audited consolidated inflation adjusted financial statements of the Group, for the year then ended. The adverse opinion was issued regarding non-compliance with International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates, valuation of investment property and inclusion of the unaudited financial statements of Vanguard Life Assurance Limited in the consolidated inflation adjusted financial statements.

The auditor's report includes a section on key audit matters outlining matters that, in the auditor's professional judgement, were of most significance in the audit of the consolidated inflation adjusted financial statements. These include valuation of insurance contract liabilities and investment contract liabilities, gross premiums, interest and similar income, loans and advances, and adequacy of allowance for credit losses. The auditor's opinion is not modified in respect of these matters. The auditor's report has been lodged with the Zimbabwe Stock Exchange.

This Short-Form Financial Announcement is the responsibility of the Directors of Fidelity Life Assurance of Zimbabwe Limited 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 set of the financial statements 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 set of financial statements is also available at no cost on the Zimbabwe Stock Exchange **website:** www.zse.co.zw and the Company **website:** www.fidelitylife.co.zw

Livingstone T. Gwata
Chairman
30 March 2023

www.fidelitylife.co.zw

Directors: L. T. Gwata (Chairman), T. Chitsike, G. Dhombo, F. Dzanya, S. Kudenga, L. Mabhanga, I. Mvere, H. Nemaire, R. Chihota (Managing Director)

FIDELITY LIFE

ASSURANCE OF ZIMBABWE

A member of the ZHL Group

Audited Financial Results For the year ended 31 December 2022

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

Livingstone T. Gwata
Chairman

I am pleased to present to you the audited financial statements for Fidelity Life Assurance of Zimbabwe Limited (FLA) or the Company together with its subsidiaries (the Group) for the year ended 31 December 2022.

2022 was a year of recovery and growth for the Group as economic fundamentals improved from the tumultuous period during the Covid-19 pandemic. The easing of operational restrictions and full opening of trade the world over gave the business an opportunity to progress its strategic transformation centered on growth and value preservation.

Operating Environment

Economic activity was however constrained by poor agricultural output and price instability in 2022. Gross Domestic Product (GDP) is estimated to have registered 4% growth in 2022 down from 8.5% in 2021. Growth was largely driven by Mining and Tourism which registered growth of 10.0% and 56.3% respectively as they took advantage of high commodity prices and the relaxation of Covid-19 restrictions. Agriculture production contracted by 14.1% due to erratic rainfall after growing 17.5% in 2021.

Inflation spiked in Q2 and Q3 2022 due to external factors particularly food and energy prices, foreign currency market distortions, money supply growth and lack of confidence in the Zimbabwean Dollar (ZWL). The depreciation of the ZWL spiralled in Q2 resulting in month-on- month inflation returning to double digit figures and averaged 21.0% between April 2022 and August 2022. Inflation slowed down in the later part of 2022 due to diverse policy measures introduced by the Government and Reserve Bank of Zimbabwe (RBZ) which included interventions largely aimed at stabilising the exchange rate and taming the resurgent inflation through the introduction of the Mosi oa Tunya Gold Coins, value for money policy, and hiking of interest rates.

On the upside, Zimbabwe recorded its highest foreign currency receipts in 10 years. Foreign currency receipts for the year amounted to USD 11.6 billion which represents an increase of 17.3% in comparison to the USD 9.9 billion received in 2021. The use of the United States Dollar (USD) gained more prominence in 2022 as evidenced by the increased Foreign Currency Account (FCA) deposits, foreign currency denominated loans and proportion of foreign currency revenue to local businesses.

Group Financial Performance Review

The Group's strategic choice to focus on core business resulted in positive results, with the Group posting comprehensive income for the year of ZWL 2 616.9 million on an inflation adjusted basis and ZWL 5 376.4 million on a historical cost basis for the year ended 31 December 2022.

Total income grew by 45% in inflation adjusted terms to ZWL16 514.9 million from ZWL11 359.2 million recorded in the prior year and under historical cost a growth of 523% was recorded from ZWL4 979.2 million to ZWL 31 016.6 million recorded in the current year. The strong income growth was underpinned by core business net premium written and investment income which increased by 230% and 475% respectively. Growth in net premium written from ZWL982.1 million recorded in prior year to ZWL3 245.1 million was above the inflation rate which stood at 243.76% as at 31 December 2022. The growth is premised on regular reviews of recurring premiums, product modifications, new market segments and leaning towards generating USD revenue to keep up with the volatile economic environment. The gains on investment property show the reflective nature of this asset class in response to the macroeconomic sphere.

On an inflation adjusted basis, total benefits, claims and other expenses increased to ZWL15.678.6 million from ZWL10 060.9 million and under the historical cost terms, an increase of 571% was recorded from ZWL4 318.0 million to ZWL28 990.0 million on the back of significant movements in actuarial liabilities reflecting the growth in assets backing the policyholders' liabilities. The net claims ratio closed the year at 41%, whilst operating and administration expenses were on the increase driven by the obtaining inflationary pressures.

Business Operations Overview

The FLA Group continued to prioritize product innovation and access to new market segments. Deliberate focus was put towards understanding both broad and individual needs of selected market segments and this resulted in development and introduction of a wide array of tailor-made products during the year. In support of the product offering and roll out, the Group pursued an aggressive digital strategy to ensure maximum leveraging of best suited technological systems and platforms.

Value creation, growth and preservation of policyholders and shareholders investments remained at the center of all our operations. This broad objective influenced all investment decisions in capital, money, and real estate markets. The Group has since registered a Real Estate Investment Trust (REIT) to spearhead value creation and infrastructure development through public and private partnerships projects.

A combination of these investments coupled with a robust product offering such as 'Vaka Yako" saw the business growing in real terms fueled by organic growth and significant on-boarding of new clients. Diligent updating of products and services enabled the Group to remain relevant and served well in buttressing the continued business growth.

The Brand

The Fidelity Life Assurance of Zimbabwe brand remains grounded in the fundamental trust and service history entrenched in its heritage and rich history. The business' desire to push the brand is a direct result of decades of the trust our customers have in us to protect what they value most and deliver on our promises. The Group received several accolades across various business disciplines in recognition of its contribution to the industry namely second runner up Best Risk Management Insurance Company, Transformation Management of the Year and Internal Audit and Compliance Insurance Company of the Year. The various awards give confidence in our value proposition which we will continue to build on throughout 2023.

Business Culture

Following the integration of the business into the ZHL Group, FLA has adopted the Eagle Culture as part of its transformational journey and service commitment. The new Culture aims at inculcating the characteristics of an Eagle in daily operations with the ultimate objective of amplifying the business' value proposition to all our stakeholders. At the core of the new Culture is the desire to ensure long-term quality service delivery as part of the overall strategic intent. The Board is confident that the inward effort towards cultural transformation is in sync with the Group wide renewed focus on provision of a 360 degrees product portfolio driven by diverse individual needs. The Board strongly believes that the right culture has immeasurable benefit for all stakeholders.

Update on the Regulatory Asset Separation Exercise

The asset separation proposal and requirements were submitted to the Insurance and Pensioners Commision of Zimbabwe. A final position on the matter is expected soon.

Dividend

Due to the need to strengthen the capital position of the Company, the Board resolved not to recommend the declaration of a dividend for the period ended 31 December 2022.

Outlook

As the Zimbabwean economy continues to progress on a stable path with continued Government intervention and regulatory policies that stimulate growth, the Group is optimistic about the future. The FLA team remains focused on executing the business model of resilience and growth centered on providing adaptive insurance, health and financial services solutions driven by customer's needs in the obtaining operating environment. The focus on innovative products is intended to maximize long-term value creation for our stakeholders. The diverse and disruptive products introduced to carefully selected market segments during the year have certainly begun to bear fruit and this is a testament to the Group's drive towards innovation.

The Group remains committed to play its part in Government national programs such as the NDS1 which focuses on creating an upper middle-income society by 2030 through achieving sustainable development and products and services that are aligned to the growth trajectory. The Group will continue to seek both private and public partnerships for housing and infrastructure development projects.

We remain optimistic about future business prospects given the Group's strong fundamentals, opportunities embedded in being part of the ZHL ecosystem, demonstrated capabilities and the team spirit of our Employees, Management, and the Board of Directors.

Appreciation

In closing and on behalf of the Board of Directors, I would like to express our gratitude to our valued shareholders and stakeholders whose support and continued trust give us the confidence to keep on advancing our shared vision.

Livingstone T. Gwata
Chairman
30 March 2023

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Condensed Consolidated Statement of Financial Position

As at 31 December 2022

	Notes	INFLATION ADJUSTED 31-Dec-22 ZWL	INFLATION ADJUSTED 31-Dec-21 ZWL	HISTORICAL COST 31-Dec-22 ZWL	HISTORICAL COST 31-Dec-21 ZWL
ASSETS					
Property and equipment	5	4 118 563 340	2 731 699 245	3 897 472 350	774 216 149
Right of use asset		90 912 297	95 188 199	90 912 297	27 690 317
Investment property	6	36 096 715 231	20 853 467 809	36 096 715 231	6 066 289 056
Intangible assets		340 877 660	310 324 810	236 804 436	70 405 507
Other non current assets		47 940 189	-	47 940 190	-
Inventories		334 989 426	334 990 093	4 881 663	2 759 402
Trade and other receivables	8	3 654 064 843	1 929 450 499	3 654 064 843	560 732 635
Equities at fair value through profit or loss	9	5 586 326 587	4 056 839 792	5 586 326 587	1 180 137 666
Debt securities at amortised cost		4 667 090 105	2 147 817 235	4 667 090 105	624 801 606
Cash and deposits with banks	10	1 470 210 710	1 546 661 270	1 470 210 710	449 923 714
Total assets		**56 407 690 388**	**34 006 438 952**	**55 752 418 412**	**9 756 956 052**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Issued share capital		167 696 221	167 696 221	1 089 233	1 089 233
Share premium		103 368 838	103 368 838	671 409	671 409
Treasury shares		(1 545 278)	(1 545 278)	(10 037)	(10 037)
Retained earnings		(715 399 601)	686 560 081	(2 484 826 299)	157 627 445
Revaluation reserve		1 535 483 401	226 526 465	3 030 637 023	100 464 382
Foreign currency translation reserve		736 915 115	29 255 491	1 132 049 077	125 436 207
Total ordinary shareholder's equity		**1 826 518 696**	**1 211 861 818**	**1 679 610 406**	**385 278 639**
Non-controlling interests		5 720 999 281	2 954 233 185	5 699 360 493	852 750 657
Total equity		**7 547 517 977**	**4 166 095 003**	**7 378 970 899**	**1 238 029 296**
Liabilities					
Insurance contract liabilities with discretionary participation features	11.1	24 458 354 615	20 603 880 912	24 458 354 615	5 993 684 045
Investment contract liabilities with discretionary participation features	11.2	12 461 018 797	2 977 660 658	12 461 018 797	866 203 666
Investment contracts without discretionary participation features	11.3	5 589 813 223	3 269 671 499	5 589 813 223	951 149 833
Borrowings	12	201 545 556	228 720 126	201 545 556	66 534 852
Deferred tax liabilities		1 578 605 282	934 565 555	1 665 264 442	270 868 738
Lease obligations		24 319 337	64 264 529	24 319 337	18 694 598
Trade and other payables	13	4 523 030 255	1 645 756 148	3 949 646 197	318 097 585
Income tax liability		23 485 346	115 824 522	23 485 346	33 693 439
Total liabilities		**48 860 172 411**	**29 840 343 949**	**48 373 447 513**	**8 518 926 756**
Total equity and liabilities		**56 407 690 388**	**34 006 438 952**	**55 752 418 412**	**9 756 956 052**

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Notes	INFLATION ADJUSTED 31-Dec-22 ZWL	INFLATION ADJUSTED 31-Dec-21 ZWL	HISTORICAL COST 31-Dec-22 ZWL	HISTORICAL COST 31-Dec-21 ZWL
Gross premiums		4 082 780 792	4 032 228 615	3 403 406 422	1 066 935 975
Premiums ceded to reinsurers		(279 171 392)	(353 593 816)	(158 298 570)	(84 843 213)
Net premium written		**3 803 609 400**	**3 678 634 799**	**3 245 107 852**	**982 092 762**
Fees and commission income		80 860 998	399 366 493	63 939 126	92 480 664
Investment income		634 703 194	375 060 572	629 050 823	109 486 493
Interest income from residential stands receivables		338 968	24 896 420	338 968	5 702 277
Fair value (loss)/ gains from equities		(834 376 924)	1 095 005 052	925 824 402	468 430 775
Fair value gains from investment property		10 920 928 930	4 449 264 370	24 956 413 046	3 005 523 574
Fair value gains from other non current assets		6 384 602	-	9 478 822	-
Interest income from microlending		529 703 897	429 200 347	346 712 607	102 314 597
Non insurance income		1 372 773 787	907 752 426	839 712 991	213 145 790
Total income		**16 514 926 852**	**11 359 180 479**	**31 016 578 637**	**4 979 176 932**
Gross benefits and claims paid		(1 370 745 242)	(1 844 149 452)	(1 172 842 851)	(489 423 884)
Claims ceded to reinsurers		112 529 086	323 084 543	57 777 335	72 754 414
Net benefits and claims		**(1 258 216 156)**	**(1 521 064 909)**	**(1 115 065 516)**	**(416 669 470)**
Gross change in insurance contract liabilities with DPF		1 133 233 209	(3 988 187 536)	(8 773 170 400)	(2 180 269 106)
Gross change in investment contract liabilities with DPF		(9 483 358 139)	(453 136 810)	(11 594 815 131)	(409 317 564)
Gross change in investment contract liabilities without DPF		(925 056 559)	(1 073 032 048)	(3 429 299 258)	(553 507 748)
Fee and commission expenses, and other acquisition costs		(363 824 248)	(202 351 788)	(309 884 987)	(54 084 459)
Operating and administration expenses		(2 482 821 918)	(2 498 320 857)	(3 317 390 810)	(622 205 345)
Allowance for expected credit losses on receivables		(26 252 361)	(44 545 827)	(26 248 760)	(12 958 413)
Cost of sales of residential stands		-	(1 200 307)	-	(252 375)
Project development costs		(43 792 820)	(150 542 144)	(268 222 414)	(30 625 763)
Finance costs		(191 428 499)	(155 153 530)	(155 872 503)	(38 063 023)
(Loss)/ gain on net monetary position		(2 037 077 412)	26 606 913	-	-
Total benefits, claims and other expenses		**(15 678 594 903)**	**(10 060 928 843)**	**(28 989 969 779)**	**(4 317 953 266)**
Profit before income tax		**836 331 949**	**1 298 251 636**	**2 026 608 859**	**661 223 666**
Income tax expense		(626 817 511)	(353 237 187)	(1 162 769 554)	(166 069 670)
Profit for the year		**209 514 438**	**945 014 449**	**863 839 305**	**495 153 996**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gross gains on property revaluation		1 310 393 782	754 736 551	2 931 609 487	416 599 249
Income tax related to items that will not be reclassified to profit or loss		(1 436 846)	(4 973 811)	(1 436 846)	(1 446 885)
Gross change in insurance liabilities through OCI		-	(594 878 252)	-	(339 097 687)
Gains on property revaluation, net of income tax		**1 308 956 936**	**154 884 488**	**2 930 172 641**	**76 054 677**
Items that will or may be reclassified to profit or loss:					
Exchange differences arising on translation of foreign operations		1 098 456 897	(239 943 957)	1 582 434 954	42 305 568
Other comprehensive income for the year, net of income tax		**2 407 413 833**	**(85 059 469)**	**4 512 607 595**	**118 360 245**
Total comprehensive income for the year		**2 616 928 271**	**859 954 980**	**5 376 446 900**	**613 514 241**
Profit for the year attributable to:					
Owners of the parent		(1 401 959 682)	387 915 818	(2 642 453 744)	105 126 654
Non-controlling interests		1 611 474 120	557 098 631	3 506 293 049	390 027 342
Profit for the year		**209 514 438**	**945 014 449**	**863 839 305**	**495 153 996**
Comprehensive profit attributable to:					
Owners of the parent		614 656 878	390 150 108	1 294 331 766	206 022 806
Non-controlling interests		2 002 271 393	469 804 872	4 082 115 134	407 491 435
Comprehensive profit for the year		**2 616 928 271**	**859 954 980**	**5 376 446 900**	**613 514 241**
Earnings per share attributable to the ordinary equity holders of the parent					
Basic and diluted earnings per share (cents)	4	(1 299.08)	359.45	(2 448.54)	97.41

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ASSURANCE OF ZIMBABWE

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Audited Financial Results For the year ended 31 December 2022

Condensed Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

	INFLATION ADJUSTED								
Year ended 31 December 2021	Share capital ZWL	Treasury shares ZWL	Share premium ZWL	Retained earnings ZWL	Revaluation reserve ZWL	Foreign currency translation reserve ZWL	Attributable to shareholders of parent ZWL	Non-controlling interest ZWL	Total equity ZWL
Balance at 1 January 2021	**167 696 221**	**(1 545 278)**	**103 368 838**	**298 644 263**	**71 641 977**	**181 905 689**	**821 711 710**	**2 484 428 313**	**3 306 140 023**
Profit for the year-restated	-	-	-	387 915 818	-	-	387 915 818	557 098 631	945 014 449
Other comprehensive income for the year	-	-	-	-	154 884 488	-(152 650 198)	2 234 290	(87 293 759)	(85 059 469)
Comprehensive income for the year	-	-	-	387 915 818	154 884 488	(152 650 198)	390 150 108	469 804 872	859 954 980
Balance at 31 December 2021	**167 696 221**	**(1 545 278)**	**103 368 838**	**686 560 081**	**226 526 465**	**29 255 491**	**1 211 861 818**	**2 954 233 185**	**4 166 095 003**
Year ended 31 December 2022									
Balance at 1 January 2022	**167 696 221**	**(1 545 278)**	**103 368 838**	**686 560 081**	**226 526 465**	**29 255 491**	**1 211 861 818**	**2 954 233 185**	**4 166 095 003**
Profit for the year	-	-	-	(1 401 959 682)	-	-	1 401 959 682)	1 611 474 120	209 514 438
Non controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	764 494 703	764 494 703
Other comprehensive income for the year	-	-	-	-	1 308 956 936	707 659 624	2 016 616 560	390 797 273	2 407 413 833
Comprehensive income for the year	-	-	-	(1 401 959 682	1 308 956 936	707 659 624	614 656 878	2 766 766 096	3 381 422 974
Balance at 31 December 2022	**167 696 221**	**(1 545 278)**	**103 368 838**	**(715 399 601)**	**1 535 483 401**	**736 915 115**	**1 826 518 696**	**5 720 999 281**	**7 547 517 977**

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 2022

	HISTORICAL COST								
Year ended 31 December 2021	Share capital ZWL	Treasury shares ZWL	Share premium ZWL	Retained earnings ZWL	Revaluation reserve ZWL	Foreign currency translation reserve ZWL	Attributable to shareholders of parent ZWL	Non-controlling interest ZWL	Total equity ZWL
Balance at 1 January 2021	**1 089 233**	**671 409**	**(10 037)**	**52 500 791**	**24 409 705**	**100 594 732**	**179 255 833**	**445 259 222**	**624 515 055**
Profit for the year	-	-	-	105 126 654	-	-	105 126 654	390 027 342	495 153 996
Other comprehensive income for the year	-	-	-	-	76 054 677	24 841 475	100 896 152	17 464 093	118 360 245
Comprehensive income for the year	-	-	-	105 126 654	76 054 677	24 841 475	206 022 806	407 491 435	613 514 241
Balance at 31 December 2021	**1 089 233**	**671 409**	**(10 037)**	**157 627 445**	**100 464 382**	**125 436 207**	**385 278 639**	**852 750 657**	**1 238 029 296**
Year ended 31 December 2022									
Balance at 1 January 2022	**1 089 233**	**671 409**	**(10 037)**	**157 627 445**	**100 464 382**	**125 436 207**	**385 278 639**	**852 750 657**	**1 238 029 296**
Profit for the year	-	-	-	(2 642 453 744)	-	-	(2 642 453 744)	3 506 293 049	863 839 305
Non controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	764 494 703	764 494 703
Other comprehensive income for the year	-	-	-	-	2 930 172 641	1 006 612 870	3 936 785 511	575 822 084	4 512 607 595
Comprehensive income for the year	-	-	-	(2 642 453 744)	2 930 172 641	1 006 612 870	1 294 331 767	4 846 609 836	6 140 941 603
Balance at 31 December 2022	**1 089 233**	**671 409**	**(10 037)**	**(2 484 826 299)**	**3 030 637 023**	**1 132 049 077**	**1 679 610 406**	**5 699 360 493**	**7 378 970 899**

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

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Audited Financial Results For the year ended 31 December 2022

Condensed Consolidated Statement of Cash Flows
For the year ended 31 December 2022

	Note	INFLATION ADJUSTED 2022 ZWL	INFLATION ADJUSTED 2021 ZWL	HISTORICAL COST 2022 ZWL	HISTORICAL COST 2021 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INCOME TAX					
Profit before income tax		836 331 949	1 298 251 636	2 026 608 859	661 223 666
Adjustments:		(1 413 463 041)	(409 703 638)	(1 840 741 603)	(285 170 311)
Fair value gains on equities at fair value through				-	-
Fair value gains on equities at fair value through profit or loss		834 376 924	(1 095 005 052)	(925 824 402)	(468 430 775)
Additions to financial assets at fair value through profit or loss		(747 263 261)	(356 954 523)	(317 705 234)	(87 467 628)
Disposals of financial assets at fair value through profit or loss		284 600 677	258 994 256	170 112 655	70 116 580
Fair value gains on investment property		(10 920 928 930)	(4 449 264 370)	(24 956 413 046)	(3 005 523 574)
Fair value gains on other non current assets		(6 384 602)	-	(9 478 822)	-
Amortisation of intangible assets		39 382 011	7 468 486	30 220 478	89 184
Depreciation of right of use asset		21 445 693	27 362 688	21 445 699	7 959 826
Finance costs		191 428 499	155 153 530	155 872 503	38 063 023
Depreciation of property and equipment		49 970 791	91 296 075	22 814 948	13 512 104
Gross change in insurance contract liabilities with DPF		(1 133 233 209)	3 988 187 536	8 773 170 399	2 180 269 106
Gross change in insurance contract liabilities with DPF		9 483 358 139	453 136 810	11 594 815 131	409 317 564
Gross change in investment contract liabilities without DPF		2 320 141 725	1 073 456 880	4 638 663 391	553 680 850
Interest income		(521 869 403)	(329 265 629)	(519 150 489)	(90 217 366)
Dividend income		(112 833 790)	(45 794 941)	(109 900 335)	(19 269 127)
Effects of inflation		2 037 077 412	(26 606 913)		
Unrealised exchange gains/ (losses)		(3 274 802 147)	(11 325 772)	(675 954 919)	162 907 210
Projects development costs		43 792 820	150 542 144	268 222 414	30 625 763
Profit on disposal of investment property		-	(246 409 356)	-	(65 218 089)
Profit/(loss) on disposal of property, plant and equipment		(1 722 387)	(54 675 485)	(1 651 975)	(15 584 962)
Changes in working capital		1 082 615 248	(2 244 878 696)	241 622 969	(507 270 849)
(Increase) in trade and other receivables		(1 750 866 706)	(348 840 489)	(2 122 261)	(637 136)
Decrease/(Increase) in inventories		666	(1 551 188)	(3 119 580 967)	(280 673 304)
Increase/(decrease) in trade and other payables		2 833 481 288	(1 894 487 021)	3 363 326 197	(225 960 409)
Cash generated/ (utilised) from operations		505 484 154	(1 356 330 700)	427 490 225	(131 217 494)
Income taxes paid		(44 921 067)	(133 320 675)	(124 515 186)	(31 395 413)
Net cash generated/ (utilised) from operations		460 563 087	(1 489 651 375)	302 975 039	(162 612 907)
Cash flows from investing activities					
Additions to and replacement of property and equipment		(55 078 796)	(28 719 161)	(79 377 250)	(6 593 981)
Additions to intangible assets		(19 242 203)	(24 929 573)	(19 242 202)	(7 252 030)
Acquisition of subsidiary		(723 771 642)	-	(638 905 496)	-
Additions of other non current assets		(58 953 092)	-	(38 461 367)	-
Proceeds from sale of other non current assets		17 397 505	-	7 918 683	-
Interest income		521 869 403	329 265 629	519 150 489	90 217 366
Dividend income		112 833 790	45 794 941	109 900 335	19 269 127
Proceeds from sale of investment property		33 948 260	116 700 497	19 035 806	19 035 806
Proceeds from sale of property and equipment		173 097	595 037	670 446	670 446
Additions to debt securities held at amortised cost		(441 889 327)	(979 150 575)	(688 058 143)	(284 355 222)
Maturities debt securities held at amortised cost		121 485 647	385 891 277	-	112 265 372
Net cash utilised from investing activities		(491 227 358)	(154 551 927)	(807 368 699)	(56 743 116)
Cash flows from financing activities					
Finance costs		(191 428 499)	(155 153 530)	(155 872 503)	(38 063 023)
Repayments lease obligations		(35 852 966)	(48 791 780)	(35 852 966)	(14 193 565)
Repayments of borrowings		(267 616 983)	(71 220 948)	(204 351 342)	(3 708 652)
Proceeds from borrowings		418 338 406	532 038 633	339 362 046	88 857 012
Net cash generated/ (utilised) from financing activities		**(76 560 042)**	**256 872 375**	**(56 714 765)**	**32 891 772**
Net (decrease)/increase in cash equivalents for the year		**(107 224 313)**	**(1 387 330 927)**	**(561 108 426)**	**(186 464 251)**
Cash and cash equivalents at the beginning of the year		**1 370 792 771**	**2 998 067 653**	**398 763 439**	**542 922 122**
Exchange differences on translation of a foreign operation		**156 521 510**	**(239 943 956)**	**1 582 434 954**	**42 305 568**
Cash and cash equivalents at the end of the year	10	**1 420 089 967**	**1 370 792 770**	**1 420 089 967**	**398 763 439**

Notes to the Condensed Consolidated Financial Statements
For the year ended 31 December 2022

1 DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by the Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the 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 AUDITOR'S STATEMENT

This short form financial announcement derived from the audited consolidated inflation adjusted financial statements of Fidelity Life Assurance of Zimbabwe Limited and its subsidiaries "the Group" for the financial year ended 31 December 2022, should be read together with the complete set of audited consolidated inflation adjusted financial statements of the Group, for the year ended 31 December 2022, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Farai Chibisa, Registered Public Auditor 0547.

An adverse opinion has been issued on the audited consolidated inflation adjusted financial statements of the Group, for the year then ended. The adverse opinion was issued regarding the following:

- Non-compliance with International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates;
- Non-compliance with International Accounting Standard (IAS) 8 – Accounting Policies, Changes in Accounting Estimates and Errors;
- Valuation of investment property; and
- Inclusion of the unaudited financial statements of Vanguard Life Assurance Limited in the consolidated inflation adjusted financial statements of Fidelity Life Assurance of Zimbabwe Limited and its subsidiaries.

The auditor's report includes a section on key audit matters outlining matters that, in the auditor's professional judgement, were of most significance in the audit of the consolidated inflation adjusted financial statements. The key audit matter was with respect to valuation of insurance contract liabilities and investment contract liabilities, gross premiums, interest and similar income, loans and advances and adequacy of allowance for credit losses on trade and other receivables. The auditor's opinion is not modified in respect of this matter.

The auditor's report on the consolidated inflation adjusted financial statements and the full set of the audited consolidated inflation adjusted financial statements, is available for inspection at the company's registered office and the auditor's report has been lodged with the Zimbabwe Stock Exchange.

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 2022 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.

Notes to the Condensed Consolidated Financial Statements (continued)
For the year ended 31 December 2022

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.

3.3 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.

3 ACCOUNTING POLICIES (continued)

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

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 2022 are as given below:

	Index	Conversion factor
CPI as at 31 December 2021	3977.46	3.4376
CPI as at 31 December 2022	13672.91	1.0000

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

4 EARNINGS PER SHARE (EPS)	INFLATION ADJUSTED 2022 ZWL	INFLATION ADJUSTED 2021 ZWL	HISTORICAL COST 2022 ZWL	HISTORICAL COST 2021 ZWL
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	(1 401 959 682)	387 915 818	(2 642 453 744)	105 126 654
Add/(deduct) non recurring items				
Impairment of intangible assets	-	7 468 486	-	89 152
Profit on disposal of property	(1 722 387)	(54 460 055)	(1 651 975)	(15 584 962)
Profit on disposal of investment property	-	(246 409 356)	-	(65 218 089)
Taxation on headline earnings adjustable items	425 774	72 528 709	408 368	19 952 476
Headline earnings attributable to ordinary shareholders	**(1 403 256 295)**	**167 043 602**	**(2 643 697 351)**	**44 365 231**
Denominator				
Weighted number of ordinary shares in issue	108 923 291	108 923 291	108 923 291	108 923 291
Less: Shares purchased for the Employee Share Ownership Plan	(1 003 743)	(1 003 743)	(1 003 743)	(1 003 743)
Weighted average number of shares used in basic EPS	**107 919 548**	**107 919 548**	**107 919 548**	**107 919 548**
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 share (cents)	**(1 299.08)**	**359.45**	**(2 448.54)**	**97.41**
Headline earnings per share (cents)	**(1 300.28)**	**154.79**	**(2 449.69)**	**41.11**

5 PROPERTY AND EQUIPMENT

GROUP	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
	INFLATION ADJUSTED				
Net carrying amount at 1 January 2021	**1 943 775 777**	**69 564 980**	**54 726 882**	**43 019 640**	**2 111 087 279**
Gross carrying amount - cost/valuation	1 964 456 272	384 176 522	217 339 741	86 930 258	2 652 902 793
Accumulated depreciation	(20 680 495)	(314 611 542)	(162 612 859)	(43 910 618)	(541 815 514)
Additions	-	2 985 919	21 796 097	3 937 145	28 719 161
Exchange rate movement on foreign operations	(13 170 847)	(3 835 167)	(11 172 633)	(2 682 736)	(30 861 383)
Disposals	-	(40 417 980)	(268 308)	-	(40 686 288)
Gross carrying amount - cost/valuation	-	(157 773 268)	(1 027 193)	-	(158 800 461)
Accumulated depreciation	-	117 355 288	758 885	-	118 114 174
Depreciation charge for the year	(28 755 784)	(21 802 186)	(33 731 422)	(7 006 682)	(91 296 074)
Revaluation surplus	754 736 551	-	-	-	754 736 551
Net carrying amount at 31 December 2021	**2 656 585 697**	**6 495 562**	**31 350 619**	**37 267 367**	**2 731 699 245**
Gross carrying amount - cost/valuation	2 677 567 386	225 554 005	226 936 015	88 184 667	3 218 242 073
Accumulated depreciation	(20 981 689)	(219 058 443)	(195 585 396)	(50 917 300)	(486 542 828)
Additions	-	17 244 859	32 922 260	4 911 677	55 078 796
Exchange rate movement on foreign operations	41 830 222	(22 579 518)	6 890 054	62 513	71 362 307
Disposals	-	-	-	-	-
Gross carrying amount - cost/valuation	-	(1 646 901)	(355 091)	-	(2 001 992)
Accumulated depreciation	-	1 646 901	355 091	-	2 001 992
Depreciation charge for the year	(8 513 400)	(14 816 206)	(19 652 206)	(6 988 979)	(49 970 791)
Revaluation surplus	1 310 393 782	-	-	-	1 310 393 782
Net carrying amount at 31 December 2022	**4 000 296 300**	**31 503 734**	**51 510 729**	**35 252 577**	**4 118 563 340**
Gross carrying amount - cost/valuation	4 021 513 928	263 731 482	266 393 240	93 158 856	4 644 797 506
Accumulated depreciation	(21 217 628)	(232 227 748)	(214 882 511)	(57 906 279)	(526 234 166)

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 2022. There were no buildings pledged as collateral as at 31 December 2022.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 is 2022 ZWL68 242 709 and ZWL25 141 670 in 2021.

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FIDELITY LIFE

ASSURANCE OF ZIMBABWE

A member of the ZHL Group

Audited Financial Results For the year ended 31 December 2022

Notes to the Condensed Consolidated Financial Statements (continued)

For the year ended 31 December 2022

5 PROPERTY AND EQUIPMENT (continued)

5.1 GROUP

	HISTORICAL COST				
	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Net carrying amount at 1 January 2021	**343 627 557**	**3 989 764**	**8 968 377**	**2 270 064**	**358 855 762**
Gross carrying amount - cost/valuation	343 795 804	5 101 636	12 438 662	3 158 978	364 495 080
Accumulated depreciation	(168 247)	(1 111 872)	(3 470 285)	(888 914)	(5 639 318)
Additions	-	868 606	5 089 928	635 447	6 593 981
Exchange rate movement on foreign operations	4 520 302	642 441	1 524 786	316 970	7 004 499
Disposals	-	(1 059 723)	(54 154)	(211 350)	(1 325 227)
Gross carrying amount - cost/valuation	-	(3 672 162)	(279 838)	(211 350)	(4 163 350)
Accumulated depreciation	-	2 612 439	225 684	-	2 838 123
Depreciation charge for the year	(5 237 257)	(1 539 986)	(5 560 745)	(1 174 116)	(13 512 104)
Revaluation surplus	416 599 238	-	-	-	416 599 238
Net carrying amount at 31 December 2021	**759 509 840**	**2 901 102**	**9 968 192**	**1 837 015**	**774 216 149**
Gross carrying amount - cost/valuation	759 765 657	2 940 521	18 773 538	3 900 045	785 379 761
Accumulated depreciation	(255 817)	(39 419)	(8 805 346)	(2 063 030)	(11 163 612)
Additions	-	15 732 827	57 060 594	6 583 829	79 377 250
Exchange rate movement on foreign operations	97 910 010	10 974 989	23 450 075	3 378 830	135 713 904
Disposals	-	-	(629 491)	-	(629 491)
Gross carrying amount - cost/valuation	-	(1 646 901)	(984 582)	-	(2 631 483)
Accumulated depreciation	-	1 646 901	355 091	-	2 001 992
Depreciation charge for the year	(235 939)	(4 282 700)	(15 701 044)	(2 595 265)	(22 814 948)
Revaluation surplus	2 931 609 487	-	-	-	2 931 609 487
Net carrying amount at 31 December 2022	**3 788 793 398**	**25 326 217**	**74 148 326**	**9 204 409**	**3 897 472 350**
Gross carrying amount - cost/valuation	3 789 285 154	28 001 435	98 299 625	13 862 704	3 929 448 918
Accumulated depreciation	(491 756)	(2 675 218)	(24 151 299)	(4 658 295)	(31 976 568)

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 2022. There were no buildings pledged as collateral as at 31 December 2022.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 2022 is ZWL514,668,701 and ZWL559,312,721 in 2021.

6 INVESTMENT PROPERTY

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Balance at the beginning of the year	**20 853 467 809**	**17 227 136 208**	**6 066 289 056**	**3 117 751 895**
Additions	1 819 072 282	-	1 819 072 282	-
Disposals	(32 716 900)	(567 165 791)	(31 942 857)	(119 585 256)
Exchange rate movement on foreign operations	2 535 963 110	(255 766 978)	3 286 883 704	62 598 843
Fair value gains through profit or loss	10 920 928 930	4 449 264 370	24 956 413 046	3 005 523 574
Balance at the end of the year	**36 096 715 231**	**20 853 467 809**	**36 096 715 231**	**6 066 289 056**

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

As at 31 December 2022, the fair values of the properties are based on valuations performed by Homelux Real Estate an accredited independent valuer. Homelux Real Estate is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied.

There were no transfers between Levels 1 or 2 to Level 3 during the year. The fair value of investment properties is categorised as level 3

Significant judgements and assumptions were applied for the Group's Investment property portfolio. Land banks and residential properties were valued in Zimbabwe dollar using the market comparison method and the income capitalisation method was used to value commercial properties.

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Notes to the Condensed Consolidated Financial Statements (continued)

For the year ended 31 December 2022

7 SEGMENT REPORTING

	INFLATION ADJUSTED					
2022	Insurance ZWL	Microlending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	Group ZWL
IFRS 4 Income	3 365 321 482	-	-	-	-	3 365 321 482
IFRS 9 Income	626 288 944	250 324 016	1 076 182	8 414 250	-	886 103 392
IFRS 15 Revenue-at a point in time	40 346 518	-	-	942 495 969	(78 266 887)	904 575 600
IFRS 15 Revenue-over time	39 438 298	-	-	363 916 852	(289 101 259)	114 253 891
Other revenue	8 674 554 044	566 076 310	8 591 230 785	339 708 160	(7 644 356 120)	10 527 213 178
Total income	**12 745 949 286**	**816 400 326**	**8 592 306 967**	**1 654 535 231**	**(8 011 724 269)**	**16 514 926 852**
Total benefits, claims and other expenses	(13 338 118 011)	(787 432 723)	(21 428 679)	(628 554 266)	(185 601 913)	(15 678 594 903)
Profit before income tax	**(592 168 724)**	**28 967 603**	**8 570 878 287**	**83 942 249**	**(8 197 326 180)**	**836 331 949**
Depreciation of property and equipment	55 032 675	3 011 640	-	13 838 471	-	71 882 786
Amortisation of intangible assets	30 203 391	8 868 775	-	309 845	-	39 382 011
Finance costs	19 577 574	171 850 924	-	-	-	191 428 499
Fair value gains on equities	(744 308 496)	10 083 251	-	(100 151 678)	-	(834 376 923)
Fair value gains on investment property	3 264 215 341	55 487 520	8 591 230 784	130 318 093	(1 120 322 807)	10 920 928 931
Income tax expense	79 647 404	-	-	547 170 107	-	626 817 511
Additions to non-current assets	71 750 127	2 136 073	-	434 799	-	74 320 999
Reportable segment non-current assets	16 306 285 923	173 679 289	26 995 587 147	1 160 570 436	-	44 636 122 795
Reportable segment current assets	8 743 057 341	732 337 277	-	315 553 525	-	9 790 948 142
Reportable segment liabilities	46 414 773 556	724 927 332	2 297 747 627	297 483 197	-	49 734 931 713
Cash flows from operating activities	615 720 373	(58 053 011)	-	(97 104 275)	-	460 563 087
Cash flows from investing activities	117 240 246	15 229 057	-	(623 696 662)	-	(491 227 358)
Cash flows from financing activities	(28 997 335)	74 420 532	-	(121 983 239)	-	(76 560 042)
2021						
IFRS 4 Income	3 678 634 800	-	-	-	-	3 678 634 800
IFRS 9 Income	375 060 572	492 306 203	-	-	-	867 366 775
IFRS 15 Revenue-at a point in time	551 277 976	-	-	150 538 806	(224 030 966)	477 785 816
IFRS 15 Revenue-over time	53 122 245	-	-	105 193 685	(128 549 938)	29 765 992
Other revenue	5 488 509 566	66 632 582	3 317 019 278	413 762 387	(2 980 296 717)	6 305 627 096
Total income	**10 146 605 159**	**558 938 785**	**3 317 019 278**	**669 494 878**	**(3 332 877 621)**	**11 359 180 479**
Total benefits claims and other expenses	(9 544 797 977)	(452 749 624)	(39 258 566)	(441 281 093)	417 158 425	(10 060 928 843)
Profit before income tax	**601 807 250**	**106 189 162**	**3 277 760 712**	**228 213 717**	**(2 915 719 204)**	**1 298 251 636**
Depreciation of property and equipment	81 398 655	4 431 829	-	5 465 591	-	91 296 075
Amortisation of intangible assets	142 997	6 260 427	-	1 065 061	-	7 468 485
Finance costs	36 600 652	118 552 874	-	-	-	155 153 530
Fair value gains on equities	903 551 258	42 118 505	-	149 335 289	-	1 095 005 052
Fair value gains on investment property	1 194 095 170	24 514 078	3 317 019 278	55 902 687	(142 266 845)	4 449 264 369
Income tax expense	120 434 462	45 896 042	-	186 906 684	-	353 237 187
Additions to non-current assets	48 910 203	3 243 866	-	1 494 665	-	53 648 734
Reportable segment non-current assets	10 957 668 828	162 613 610	14 627 910 926	506 927 287	-	26 255 120 650
Reportable segment current assets	5 022 870 550	416 869 916	-	182 753 283	-	5 622 493 750
Reportable segment liabilities	29 161 653 316	427 871 786	44 348 986	206 469 857	-	29 840 343 946
Cash flows from operating activities	(956 282 881)	(97 895 084)	-	(435 473 410)	-	(1 489 651 375)
Cash flows from investing activities	328 268 852	(7 960 031)	-	(474 860 748)	-	(154 551 927)
Cash flows from financing activities	(152 098 928)	86 341 927	-	322 629 377	-	256 872 375

7.1 SEGMENT INFORMATION

	HISTORICAL COST					
2022	Insurance ZWL	Microlending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	Group ZWL
Income						
IFRS 4 Income	3 245 107 851	-	-	-	-	3 245 107 851
IFRS 9 Income	629 050 823	551 707 357	-	-	-	1 180 758 180
IFRS 15 Revenue-at a point in time	31 012 466	-	-	458 824 014	(5 339 606)	484 496 874
IFRS 15 Revenue-over time	25 696 684	-	-	122 875 099	(122 875 099)	25 696 685
Other revenue	3 105 207 678	142 233 251	18 964 947 892	139 197 965	3 728 932 261	26 080 519 047
Total income	**7 036 075 501**	**693 940 608**	**18 964 947 892**	**720 897 078**	**3 600 717 556**	**31 016 578 637**
Total benefits, claims and other expenses	(27 986 083 908)	(510 570 738)	(52 876 513)	(572 297 460)	(483 401 350)	(28 989 969 779)
Profit before income tax	**(20 950 008 407)**	**183 369 870**	**18 912 071 379**	**148 599 618**	**3 117 316 206**	**2 026 608 859**
Depreciation of property and equipment	19 377 618	656 902	-	2 780 428	-	22 814 948
Amortisation of intangible assets	30 203 391	10 164	-	6 922	-	30 220 477
Finance costs	17 644 992	138 227 511	-	-	-	155 872 503
Fair value gains on equities	834 606 153	10 083 251	-	81 134 998	-	925 824 402
Fair value gains on i nvestment property	8 438 984 029	132 150 000	18 963 871 710	348 227 307	(2 926 820 000)	24 956 413 046
Income tax expense	79 798 727	45 043 485	902 631 500	135 295 842	-	1 162 769 554
Additions to non-current assets	69 870 515	1 708 500	-	27 750 998	-	99 330 013
Reportable segment non-current assets	14 478 499 700	172 069 897	26 995 587 147	4 267 373 334	-	45 913 530 078
Reportable segment current assets	8 743 634 025	732 337 275	-	314 976 843	-	9 790 948 142
Reportable segment liabilities	45 922 494 404	724 529 490	1 133 689 995	1 467 492 924	-	49 248 206 813
Cash flows from operating activities	1 496 572 095	(67 892 368)	-	(1 125 704 688)	-	302 975 039
Cash flows from investing activities	(573 625 431)	15 656 630	-	(249 399 898)	-	(807 368 699)
Cash flows from financing activities	(27 064 753)	74 420 532	-	(104 070 544)	-	(56 714 765)
2021						
IFRS 4 Income	982 092 762	-	-	-	-	982 092 762
IFRS 9 Income	109 486 493	102 314 597	-	15 908 273	-	227 709 363
IFRS 15 Revenue-at a point in time	128 379 587	-	-	27 924 404	(52 253 837)	104 050 154
IFRS 15 Revenue-over time	-	-	-	101 031 973	(28 207 070)	72 824 903
Other revenue	3 105 207 678	29 885 365	2 208 234 820	139 197 965	(1 890 026 078)	3 592 499 750
Total income	**4 325 166 520**	**132 199 962**	**2 208 234 820**	**284 062 615**	**(1 970 486 985)**	**4 979 176 932**
Total benefits claims and other expenses	(4 202 609 715)	(105 437 192)	(11 040 172)	(93 532 144)	94 665 957	(4 317 953 266)
Profit before tax	**199 913 557**	**42 671 043**	**2 197 194 648**	**97 265 445**	**(1 875 821 027)**	**661 223 666**
Depreciation of property and equipment	13 094 845	167 142	-	250 117	-	13 512 104
Amortisation of intangible assets	41 599	40 663	-	6 891	-	89 152
Finance costs	9 144 459	28 918 564	-	-	-	11 740 163
Fair value gains on equities	401 800 956	13 564 665	-	53 065 154	-	468 430 775
Fair value gains on investment property	813 886 418	16 320 700	2 208 234 820	39 760 236	(72 678 600)	3 005 523 574
Income tax expense	34 647 910	14 997 287	110 411 741	6 012 732	-	166 069 670
Additions to non-current assets	12 044 574	776 818	-	1 024 619	-	13 846 011
Reportable segment non-current assets	3 457 723 913	46 160 342	4 255 270 000	362 761 359	-	8 121 915 614
Reportable segment current assets	1 462 985 532	118 971 773	-	53 083 135	-	1 635 040 440
Reportable segment liabilities	7 884 183 833	124 185 401	225 664 653	284 892 869	-	8 518 926 756
Cash flows from operating activities	(273 852 478)	37 747 170	-	73 492 402	-	-162 612 907
Cash flows from investing activities	90 076 650	(1 052 971)	-	(145 766 795)	-	(56 743 116)
Cash flows from financing activities	(36 814 695)	(38 932 354)	-	108 638 821	-	32 891 772

FIDELITY LIFE

ASSURANCE OF ZIMBABWE

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Audited Financial Results For the year ended 31 December 2022

Notes to the Condensed Consolidated Financial Statements (continued)

For the year ended 31 December 2022

7.2 SEGMENT INFORMATION (Cont'd)

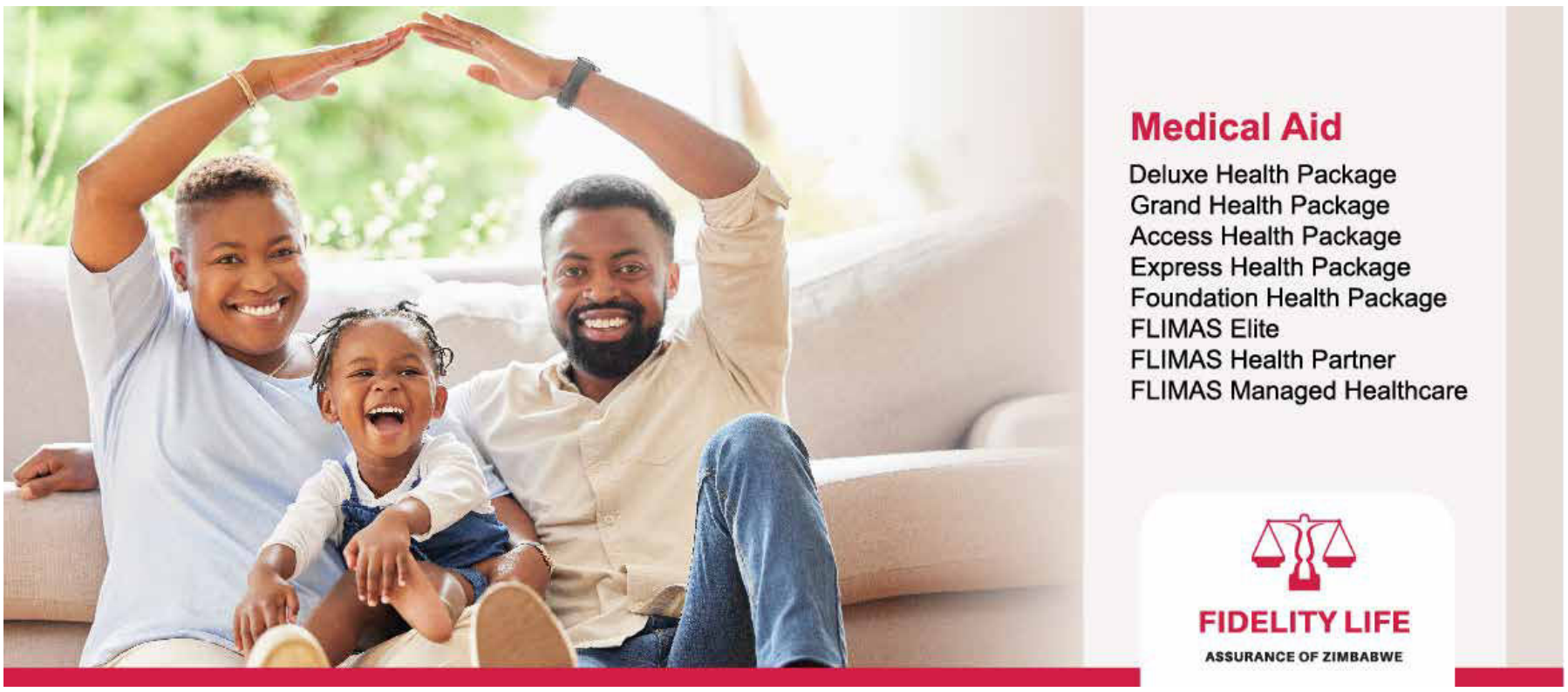
GEOGRAPHICAL INFORMATION	INFLATION ADJUSTED Zimbabwe ZWL	Malawi ZWL	Consolidation adjustments	Total ZWL
2022				
Income				
IFRS 4 income	1 998 378 861	1 805 230 540	-	3 803 609
IFRS 9 income	530 042 865	-	-	530 042 865
IFRS 15 Revenue- at a point in time	1 089 167 451	79 428 709	(161 398 071)	1 007 198 089
IFRS 15 Revenue- at a point in time	363 916 852	-	(205 970 076)	157 946 776
Other revenue	16 942 877 747	1 139 486 232	(7 066 234 258)	11 016 129 721
Total income	**20 924 383 776**	**3 024 145 481**	**(7 433 602 405)**	**16 514 926 852**
Depreciation of property and equipment	35 509 149	36 373 638	-	71 882 786
Amortisation of intangible assets	9 178 620	30 203 391	-	39 382 011
Finance costs	186 656 423	4 772 075	-	191 428 499
Fair value adjustments on equities	(1 343 086 113)	508 709 190	-	(834 376 923)
Fair value adjustments on investment property	10 844 958 900	75 970 031	-	10 920 928 931
Income tax expense	549 110 276	77 707 235	--	626 817 511
Segment profit before income tax	**888 649 911**	**(52 317 962)**	**-**	**836 331 949**
Cash flows from operating activities	615 720 373	(155 157 285)	-	460 563 087
Cash flows from investing activities	(545 805 369)	54 578 010	-	(491 227 358)
Cash flows from financing activities	(62 368 206)	(14 191 836)	-	(76 560 042)
Additions to non-current assets	58 802 275	15 518 724	-	74 320 999
Reportable segment non current assets	37 746 086 938	6 890 035 856	-	44 636 122 795
Reportable segment current assets	1 848 523 353	7 942 424 790	-	9 790 948 142
Reportable segment liabilities	35 597 602 202	14 137 329 511	-	49 734 931 713
2021				
Income				
IFRS 4 income	1 554 234 162	2 124 400 637	-	3 678 634 800
IFRS 9 income	552 816 408	314 550 367	-	867 366 775
IFRS 15 Revenue- at a point in time	674 886 338	26 930 513	(224 030 966)	477 785 886
IFRS 15Revenue-over time	158 315 934	-	(128 549 938)	29 765 996
Other revenue	8 827 789 517	458 134 223	(2 980 296 718)	6 305 627 023
Total income	**11 768 042 360**	**2 924 015 740**	**(3 332 877 621)**	**11 359 180 479**
Depreciation of property and equipment	66 476 225	24 819 848	-	91 296 072
Amortisation of intangible assets	7 325 485	142 999	-	7 468 484
Finance costs	143 246 901	11 906 629	-	155 153 530
Fair value adjustments on equities	770 997 090	324 007 962	-	1 095 005 052
Fair value adjustments on investment property	4 380 876 936	68 387 433	-	4 449 264 370
Income tax expense	310 543 562	42 693 625	-	51 724 369
Segment profit before income tax	**1 296 566 398**	**1 685 238**	**-**	**1 298 251 636**
Cash flows from operating activities	(956 282 881)	(533 368 494)	-	(1 489 651 375)
Cash flows from investing activities	(342 169 228)	187 617 301	-	(154 551 927)
Cash flows from financing activities	305 658 213	(48 785 838)	-	256 872 375
Additions to non-current assets	35 630 942	18 017 792	-	53 648 734
Reportable segment non current assets	22 786 053 763	3 469 066 888	-	26 255 120 650
Reportable segment current assets	1 315 378 815	4 307 114 935	-	5 622 493 749
Reportable segment liabilities	22 740 143 047	7 100 200 899	-	29 840 343 946

Notes to the Condensed Consolidated Financial Statements (continued)

For the year ended 31 December 2022

7.3 SEGMENT INFORMATION (Cont'd)

GEOGRAPHICAL INFORMATION	HISTORICAL COST Zimbabwe ZWL	Malawi ZWL	Consolidation adjustments ZWL	Total ZWL
2022				
Income				
IFRS 4 Income	1 439 877 309	1 805 230 543	-	3 245 107 852
IFRS 9 Income	625 951 150	554 807 030	-	1 180 758 180
IFRS 15 Revenue-at a point in time	458 800 190	25 696 684	-	484 496 874
IFRS 15 Revenue-over time	152 129 565	-	(126 432 880)	25 696 685
Other revenue	26 026 787 020	53 732 026	-	26 080 519 047
Total income	**28 703 545 234**	**2 439 466 283**	**(126 432 880)**	**31 016 578 637**
Group's income per statement of profit or loss and other comprehensive income	**-**	**-**	**-**	**31 016 578 637**
Depreciation of property and equipment	7 887 008	14 927 940	-	22 814 948
Amortisation of intangible assets	17 086	30 203 391	-	30 220 478
Finance costs	151 100 429	4 772 075	-	155 872 504
Fair value adjustments on equities	417 115 212	508 709 190	-	925 824 402
Fair value adjustments on investment property	24 880 443 016	75 970 031	-	24 956 413 046
Income tax expense	1 085 062 319	77 707 235	-	1 162 769 554
Segment profit before tax	**2 078 926 698**	**(52 317 839)**	**-**	**2 026 608 859**
Cash flows from operating activities	458 132 324	(155 157 285)	-	302 975 039
Cash flows from investing activities	(861 946 707)	54 578 008	-	(807 368 699)
Cash flows from financing activities	(42 522 929)	(14 191 836)	-	(56 714 765)
Additions to non-current assets	64 738 873	28 337 470	-	93 076 343
Reportable segment non current assets	39 023 494 221	6 890 035 856	-	45 913 530 078
Reportable segment current assets	1 848 523 352	7 942 424 790	-	9 790 948 142
Reportable segment liabilities	35 110 877 304	14 137 329 510	-	49 248 206 813
2021				
Income				
IFRS 4 Income	364 103 061	617 989 701	-	982 092 762
IFRS 9 Income	136 206 431	91 502 932	-	227 709 363
IFRS 15 Revenue-at a point in time	148 469 885	7 834 106	(52 253 837)	104 050 154
IFRS 15 Revenue-over time	101 031 973	-	(28 207 070)	72 824 903
Other revenue	5 349 254 246	133 271 581	(1 890 026 077)	3 592 499 750
Total income	**6 099 065 596**	**850 598 320**	**(1 970 486 984)**	**4 979 176 932**
Total income from external customers	**4 128 578 552**	**850 598 320**	**(1 970 486 984)**	**4 979 176 932**
Group's income per statement of profit or loss and other Comprehensive income	**4 128 578 552**	**850 598 320**	**-**	**4 979 176 932**
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	-	38 063 024
Fair value adjustments on equities	374 176 559	94 254 216	-	468 430 775
Fair value adjustments on investment property	2 985 629 620	19 893 954	-	3 005 523 575
Tax expense	153 650 061	12 419 609	-	166 069 670
Segment profit before tax	**680 503 647**	**(19 279 981)**	**-**	**661 223 666**
Cash flows from operating activities	(7 455 621)	(155 157 285)	-	(162 612 907)
Cash flows from investing activities	(111 321 124)	54 578 008	-	(56 743 116)
Cash flows from financing activities	47 083 608	(14 191 836)	-	32 891 772
Additions to non-current assets	3 366 883	10 479 128	-	13 846 011
Reportable segment non current assets	7 112 761 209	1 009 154 405	-	8 121 915 614
Reportable segment current assets	382 097 478	1 252 942 962	-	1 635 040 440
Reportable segment liabilities	6 453 475 773	2 065 450 984	-	8 518 926 757



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FIDELITY LIFE

ASSURANCE OF ZIMBABWE

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Audited Financial Results For the year ended 31 December 2022

Notes to the Condensed Consolidated Financial Statements (continued)

For the year ended 31 December 2022

8 TRADE AND OTHER RECEIVABLES	INFLATION ADJUSTED 2022 ZWL	INFLATION ADJUSTED 2021 ZWL	HISTORICAL COST 2022 ZWL	HISTORICAL COST 2021 ZWL
Residential stand sales debtors	1 520 773	8 357 940	1 520 773	2 431 331
Micro-finance loans receivable	628 967 395	383 803 366	628 967 395	111 648 680
Insurance debtors	1 560 852 154	862 049 202	1 560 852 154	250 920 787
Other trade debtors	259 049 417	199 163 437	259 049 417	57 936 790
Trade receivables - gross	**2 450 389 739**	**1 453 373 945**	**2 450 389 739**	**422 937 588**
	(234 752 598)	**(145 001 819)**	**(234 752 598)**	**(42 181 136)**
Allowance for impairement- insurance debtors	(202 711 691)	(121 030 074	(202 711 691)	(35 207 737)
Expected credit loss on other trade receivables	(32 040 907)	(23 971 745	(32 040 907)	(6 973 399)
Trade receivables - net	2 215 637 141	1 308 372 126	2 215 637 141	380 756 452
Receivables from related parties, net of ECL	188 681 870	66 874	188 681 870	2 759 644
Loans to employees, net of ECL	-	80 522	-	23 424
Total receivables classified as financial assets at amortised cost	**2 404 319 011**	**1 308 519 522**	**2 404 319 011**	**383 539 520**
	-	-		
Prepayments	1 038 369 320	474 965 671	1 038 369 320	137 511 285
Other receivables, net of ECL	211 376 512	145 965 306	211 376 512	39 681 830
Total trade and other receivables	3 654 064 843	1 929 450 499	3 654 064 843	560 732 635
Non-current portion				
Current portion	**3 654 064 843**	**1 929 450 499**	**3 654 064 843**	**560 732 635**
Total trade and other receivables	**3 654 064 843**	**1 929 450 499**	**3 654 064 843**	**560 732 635**

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

The total impairment allowance is made up of the following:	INFLATION ADJUSTED 2022 ZWL	INFLATION ADJUSTED 2021 ZWL	HISTORICAL COST 2022 ZWL	HISTORICAL COST 2021 ZWL
Allowance for expected credit loss on trade receivables	234 752 598	145 001 818	234 752 598	42 181 136
Allowance for expected credit loss on other receivables	47 614	163 678	47 614	47 614
	234 800 212	**145 165 496**	**234 800 212**	**42 228 750**
Movements in expected credit loss are as follows:				
Allowance for expected losses				
Balance at 1 January 2022	**145 165 496**	**73 070 169**	**42 228 750**	**13 224 175**
Net decrease/(increase) during the period through profit or loss	26 252 361	44 545 827	26 248 760	12 958 413
Impact on period end ECL exposures transferred between stages during the period	63 382 355	27 549 500	166 322 702	16 046 162
Balance at 31 December 2022	**234 800 212**	**145 165 496**	**234 800 212**	**42 228 750**

9 EQUITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	INFLATION ADJUSTED 2022 ZWL	INFLATION ADJUSTED 2021 ZWL	HISTORICAL COST 2022 ZWL	HISTORICAL COST 2021 ZWL
Balance at the beginning of the year	**4 056 839 792**	**3 199 198 124**	**1 180 137 666**	**578 988 050**
Additions	327 034 132	356 954 523	317 705 234	87 467 628
Fair value adjustments - through profit or loss	(834 376 924)	1 095 005 052	925 824 402	468 430 713
Exchange gains/ loss	1 901 201 123	(335 323 184)	3 332 771 940	115 367 855
Disposals	(284 600 665)	(258 994 723)	(170 112 655)	(70 116 580)
Balance at the end of the year	**5 586 326 587**	**4 056 839 792**	**5 586 326 587**	**1 180 137 666**

10 CASH AND DEPOSITS WITH BANKS	INFLATION ADJUSTED 2022 ZWL	INFLATION ADJUSTED 2021 ZWL	HISTORICAL COST 2022 ZWL	HISTORICAL COST 2021 ZWL
Money market investments	938 862 435	972 191 369	938 862 435	282 811 181
Bank and cash	531 348 275	574 469 901	531 348 275	167 112 533
Cash and deposits with banks	**1 470 210 710**	**1 546 661 270**	**1 470 210 710**	**449 923 714**
Bank overdraft	(50 120 743)	(175 868 500)	50 120 743	(51 160 275)
Cash and cash equivalents	**1 420 089 967**	**1 370 792 770**	**1 420 089 967**	**398 763 439**

Notes to the Condensed Consolidated Financial Statements (continued)

For the year ended 31 December 2022

11 INSURANCE AND INVESTMENT CONTRACT LIABILITIES

11.1 Insurance contract liabilities with discretionary participation features	INFLATION ADJUSTED 2022 ZWL	INFLATION ADJUSTED 2021 ZWL	HISTORICAL COST 2022 ZWL	HISTORICAL COST 2021 ZWL
Balance at the beginning of the year	20 603 880 912	17 173 126 315	5 993 684 045	3 093 928 925
Change in life assurance policyholder liabilities for the year	3 854 473 703	3 430 754 597	18 464 670 570	2 899 755 120
Movement through profit or loss	(1 133 233 313)	3 988 187 600	8 773 170 399	2 180 269 106
Movement through other comprehensive income	-	594 878 252	-	339 097 687
Exchange rate movement on foreign operations	4 987 707 016	(1 152 311 255)	9 691 500 171	380 388 327
Balance at the end of the year	**24 458 354 615**	**20 603 880 912**	**24 458 354 615**	**5 993 684 045**
11.2 Investment contract liabilities with discretionary participation features				
Balance at the beginning of the year	**2 977 660 658**	**2 524 523 848**	**866 203 666**	**456 886 102**
Movement through profit or loss-Investment contract liabilities with DPF	9 483 358 139	453 136 810	11 594 815 131	409 317 564
Balance at the end of the year	**12 461 018 797**	**2 977 660 658**	**12 461 018 797**	**866 203 666**
11.3 Investment contracts without discretionary participation features				
Balance at the beginning of the year	3 269 671 499	2 196 214 619	951 149 833	397 468 983
Other investment income	1 762 593	-	47 100 164	29 348
Gross premium income	1 400 982 081	15 037 982	1 166 481 538	3 391 219
Gross benefits and claims paid	(7 659 508)	(14 613 153)	(4 217 570)	(3 247 465)
Movement through profit or loss	925 056 559	1 073 032 051	3 429 299 258	553 507 748
Fair value gains from equities	(834 819)	252 481 159	(459 678)	118 305 592
Fair value gains from investment properties	2 864 791 480	855 863 989	4 497 379 302	445 474 762
Investment expenses	(1 938 900 102)	(35 313 097)	(1 067 620 366)	(10 272 606)
Balance at the end of the year	**5 589 813 223**	**3 269 671 499**	**5 589 813 223**	**951 149 833**

12 BORROWINGS	INFLATION ADJUSTED 2022 ZWL	INFLATION ADJUSTED 2021 ZWL	HISTORICAL COST 2022 ZWL	HISTORICAL COST 2021 ZWL
12.1 SHORT-TERM BORROWINGS				
ZB Bank Limited	201 545 556	175 868 500	201 545 556	51 160 275
Ecobank Zimbabwe Limited	-	52 851 626	-	15 374 577
	201 545 556	**228 720 126**	**201 545 556**	**66 534 852**

ZB bank Limited

The overdraft facility with ZB was obtained as a line of credit for the micro-finance business to increase the unit's lending capacity. The facility is denominated in USD and ZWL .The USD facility accrues interest at 15% per annum on a one year tenure expiring on 30 September 2023 and the ZWL facility accrues interest at 205% (2021:49%) per annum expiring on 31 March 2023.

12.2 MOVEMENT IN BORROWINGS Movements in borrowings during the period were as follows:	INFLATION ADJUSTED 2022 ZWL	INFLATION ADJUSTED 2021 ZWL	HISTORICAL COST 2022 ZWL	HISTORICAL COST 2021 ZWL
Balance at the beginning of the year	**228 720 126**	**179 381 425**	**66 534 852**	**32 464 290**
Net cash out flow on borrowings	150 721 423	284 949 185	135 010 704	33 988 085
Proceeds from borrowings	418 338 406	532 038 633	339 362 046	88 857 012
Repayment of borrowings	(267 616 983)	(247 089 448)	(204 351 342)	(54 868 927)
Finance costs capitalised	191 428 499	155 153 530	138 227 511	32 925 645
Finance costs paid	(191 428 499)	(155 153 530)	(138 227 511)	(32 925 645)
Exchange differences on foreign currency denominated loans	-	(9 333 616)	-	82 477
Reduction of borrowings due to inflation	(177 895 993)	(226 276 868)	-	-
Balance at the end of the year	**201 545 556**	**228 720 126**	**201 545 556**	**66 534 852**
Current borrowings	**201 545 556**	**228 720 126**	**201 545 556**	**66 534 852**
Non current borrowings	**-**	**-**	**-**	**-**
Borrowings as at 31 December	**201 545 556**	**228 720 126**	**201 545 556**	**66 534 852**

13 TRADE AND OTHER PAYABLES	INFLATION ADJUSTED 2022 ZWL	INFLATION ADJUSTED 2021 ZWL	HISTORICAL COST 2022 ZWL	HISTORICAL COST 2021 ZWL
Trade payables	2 489 656 038	417 754 953	2 489 656 038	121 525 222
South View offsite works liability	359 236 020	179 696 088	359 236 020	52 273 724
Related party payables	214 772 611	29 374 378	214 772 611	11 285 218
Deferred income from sale of residential stands	577 783 398	577 783 398	4 399 338	4 533 864
Statutory liabilities	1 278 329	61 870 951	1 278 329	17 998 305
Accrued expenses	90 024 708	176 621 125	90 024 708	51 379 212
Other payables	790 279 151	202 655 255	790 279 153	59 102 040
	4 523 030 255	**1 645 756 148**	**3 949 646 197**	**318 097 585**

14 LITIGATIONS AGAINST THE COMPANY

In 2015, Fidelity Life Assurance of Zimbabwe, (FLA) entered into a sale of shares agreement with CFI Holdings Limited (CFI) acquiring 80.77% shares in Langford Estates Private Limited, a company whose sole asset is land measuring 834 hectares. The purchase entailed the assumption of CFI Holdings' USD16million debt owed to a consortium of banks by FLA. Subsequently a Debt Assumption and Compromise Agreement was signed between Fidelity Life, 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. Fidelity assumed the CFI debt and ownership of 80.77% of Langford Estates and duly paid off the debt.

In March 2018, FLA 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 FLA 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.

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INDEPENDENT AUDITOR'S REPORT

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To the members of Fidelity Life Assurance of Zimbabwe Limited

Report on the Audit of the Consolidated Inflation Adjusted Financial Statements

Adverse Opinion

We have audited the consolidated inflation adjusted financial statements of Fidelity Life Assurance of Zimbabwe Limited, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated inflation adjusted financial statements, including a summary of the Group's significant accounting policies.

In our opinion, because of the significance of the matters described in the *Basis for Adverse Opinion* section of our report, the consolidated inflation adjusted financial statements do not present fairly, in all material respects, the financial position of Fidelity Life Assurance of Zimbabwe Limited as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rates in the prior financial years

During the period from 22 February 2019 up to 22 June 2020, the foreign currency denominated transactions and balances of the Group and Company were translated into ZWL using interbank exchange rates, which were not considered appropriate spot rates for translations as required by International Accounting Standard (IAS) 21, 'The Effects of Changes in Foreign Exchange Rates'. The opinion on the prior year consolidated inflation adjusted financial statements was modified in respect of this matter and the misstatements have not been corrected in the consolidated inflation adjusted financial statements for the year ended 31 December 2022.

Had the financial statements been prepared in accordance with the requirements of IAS 21, certain elements would have been materially different. The effects of the non-compliance with the requirements of IAS 21 have been considered to be material but not pervasive to the consolidated inflation adjusted financial statements.

Valuation of investment property

In performing the property valuations as at 31 December 2021, inappropriate void rates were used. In addition, the lettable space for multi-tenanted commercial property included common areas, for which rental per square metre had already been included in the rentals per square metre charged to tenants. In the prior year, sufficient appropriate audit evidence was not provided to support the valuator's assumptions in this regard. The opinion on the prior year consolidated inflation adjusted financial statements was modified in respect of this matter and the misstatements have not been corrected in the separate inflation adjusted financial statements for the year ended 31 December 2022 in accordance with International Accounting Standard (IAS) 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'. As a result, the opening investment property balances of the Company as at 1 January 2022 recognised in the separate statement of financial position, and the fair value gains on investment properties recognised in the separate statement of profit or loss and other comprehensive income for the year ended 31 December 2022 are misstated. The effects on the separate inflation adjusted financial statements of this misstatement have not been determined.

Inclusion of the unaudited financial statements of Vanguard Life Assurance Limited in the consolidated inflation adjusted financial statements of Fidelity Life Assurance of Zimbabwe Limited

The consolidated inflation adjusted financial statements include unaudited financial statements of Vanguard Life Assurance Limited, a significant component of Fidelity Life Assurance of Zimbabwe Limited and its subsidiaries. As a result, we were unable to satisfy ourselves that all necessary adjustments and disclosures have been made to the unaudited financial statements of Vanguard Life Assurance Limited for the year ended 31 December 2022. Accordingly, we were unable to determine the effect of this on the consolidated inflation adjusted financial statements of Fidelity Life Assurance of Zimbabwe Limited and its subsidiaries for the year ended 31 December 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated inflation adjusted financial statements of the current year. These matters were addressed in the context of our audit of the consolidated inflation adjusted financial statements as a whole and we did not provide a separate opinion on these matters. The key audit matters noted below relate to the annual consolidated inflation adjusted financial statements:

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of insurance contract liabilities and investment contract liabilities As at 31 December 2022 the Group had insurance contract liabilities amounting to ZWL 24 458 354 615, investment contract liabilities with discretionary participation features amounting to ZWL 12 461 018 797 and investment contracts without discretionary participation features amounting to ZWL 5 589 813 223. The Company had insurance contract liabilities amounting to ZWL 11 254 755 431, investment contract liabilities with discretionary participation features amounting to ZWL 12 461 018 797 and investment contracts without discretionary participation features amounting to ZWL 5 589 813 223 (Refer to **Note 11**). We considered the valuation of insurance contract liabilities and investment contract liabilities to be a matter of most significance to our current year audit of the consolidated and separate inflation adjusted financial statements due to the following: • Data is a key input into the valuation process. The calculation of insurance contract liabilities has a number of inputs, which are reliant on various processes and systems for accurate and complete data. A breakdown of these processes and systems could result in a misstatement of the value of insurance contracts. • The valuation of the Group insurance contract liabilities involves complex calculations, significant judgements, and long and short term estimates and assumptions. • The methodology involves judgements about future events, both internal and	**Our audit procedures included the following:** • We assessed the design and operating effectiveness of the key aspects of the control environment over data integrity, including an evaluation of the effectiveness of the information technology (IT) environment over the policy administration systems and the actuarial valuation systems, together with the data extraction and conversion processes. • We assessed the design and operating effectiveness of the key controls of the actuarial valuation process for the setting and updating of actuarial assumptions and the process for model and methodology changes. • Reviewed management's key assumptions around mortality, longevity, disability, morbidity, persistency and expenses and assess the results of management's experience analyses. • Compared the mortality tables against the standard actuarial mortality tables to assess the reasonableness of the assumptions. • Assessed whether discount rates used reflect the nature of the assets backing the insurance contract liabilities and also whether they reflect the conditions of the market in which these assets are held. • Compared the actual emerging claims for prior years against the provision for the same period to assess the reasonableness of management's previous provisions. • Assessed the valuation basis through discussion with the statutory actuaries and assess its appropriateness, given the

external to the Group; and the value of the Group insurance contract liabilities is significant to the Consolidated inflation adjusted financial statements. • The main valuation assumptions include mortality, expenses, expense inflation, discount rates and lapses, previous experience in claim patterns, claim settlement patterns, trends in claims frequency.	nature of the business as well as actuarial best practice. • Compared the mortality, expenses, expense inflation, discount rates and lapses, previous experience in claim patterns, claim settlement patterns and trends in claims frequency to the prior year valuation in order to test whether they were consistently applied by management. • Assessed whether discount rates used reflect the nature of the assets backing the insurance contract liabilities and also whether they reflect the conditions of the market in which these assets are held. • Compared the actual emerging claims for prior years against the provision for the same period to assess the reasonableness of management's previous provisions. • We satisfied ourselves that the valuation of insurance/reassurance contract liabilities is appropriate.
Gross premiums recognition • There is a presumed fraud risk with regards revenue recognition as guided by International Standard on Auditing (ISA 240: Revised). There is a risk that gross premiums are presented at amounts higher than what has been actually generated by the Group. This is a significant risk and accordingly a key audit matter.	Our audit procedures incorporated a combination of tests of the Group's controls relating to gross premiums recognition and the appropriateness of premiums recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but were not limited to the following: • Reviewed that gross premiums recognition criteria is appropriate and in line with the requirements of IFRS 4. • Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • Tested the design and operating effectiveness of internal controls implemented as well as test of details to

	ensure accurate processing of premiums transactions. • The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which mainly consisted of testing individual transactions by reconciling them to external sources (supporting documentation). • Performed cut-off tests on year end balances to ensure premiums are recognised in the correct period. • Analytical procedures and assessed the reasonableness of explanations provided by management. We satisfied ourselves that the recognition of gross premiums is appropriate.
Adequacy of allowance for credit losses on trade and other receivables The Group has trade and other receivables amounting to ZWL 3 654 064 843. This was considered an area of focus as IFRS 9 requires management to exercise significant judgement using subjective assumptions when determining both timing and amounts of the impairment provision for trade and other receivables. Key areas of judgement included: • The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Group's expected credit loss model; and • Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward looking macroeconomic factors (e.g. exchange rates, interest rates, gross domestic product growth, inflation).	**Our audit procedures included the following:** Assessed management's allowance for credit losses, which included the following: • We performed an assessment of the modelling techniques and methodology used against the requirements of IFRS 9; • We assessed and tested the modelling assumptions with a focus on the: i. Key modelling assumptions adopted by the Group; ii. Reliability of the historical data collected; and iii. Appropriateness of macroeconomic factors used. • We examined a sample of exposures and performed procedures to evaluate the: i. Timely identification of exposures with a significant deterioration in credit quality; and ii. Expected loss calculation for exposures assessed on an individual basis. We assessed the adequacy of the disclosures in the consolidated inflation adjusted financial statements.

	Based on our audit work performed, the assumptions used by management were appropriate.
Loans and advances Loans and advances form a major portion of the Bank's assets, and due to the significant judgement using subjective assumptions over both when and how much to record as loan impairment, and estimation of the amount of the impairment provision for loans and advances, this audit area is considered a key audit risk.	**Our audit procedures included the following:** Our audit procedures include testing of design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of loans and advances. • We obtained understanding of the Bank's key credit processes comprising granting, booking, monitoring and provisioning of loans. • We identified key controls involved in the issuance of loans and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which included recomputation of loan balances and reconciling them to loan system balances. • We reviewed the ECL model and assessed reasonableness of the provision and checked the allowance for credit losses calculations. • We performed analytical procedures and assessed the reasonableness of explanations provided by management. We satisfied ourselves that the Group's loan and advances recognition criteria is adequate and appropriate.
Interest and similar income Overstatement of interest income and similar income.	**Our audit procedures included the following:** • Our audit procedures include testing of design, existence and operating effectiveness of internal controls

Interest income is a key measure used to evaluate the performance of the Group. There is a presumed fraud risk with regards to revenue recognition as guided by International Standard on Auditing (ISA 240). There is a risk that the income is presented at amounts higher than what has been actually generated by the Group. This is a significant risk and accordingly a key audit matter.	implemented as well as test of details to ensure accurate processing of interest and similar income. • We identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which mainly consisted of testing individual transactions by reconciling them to external sources (supporting documentation). • Furthermore, we performed analytical procedures and assessed the reasonableness of explanations provided by management. We satisfied ourselves that the Group's interest and similar income recognition criteria is adequate and appropriate.

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report, 'Corporate governance', 'Chairman's report', and 'Chief Executive Officers' report', which we obtained prior to the date of this auditor's report. The other information does not include the consolidated inflation adjusted financial statements and our auditor's report thereon. Our opinion on the consolidated inflation adjusted financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated inflation adjusted financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Inflation Adjusted Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated inflation adjusted financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated inflation adjusted financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Inflation Adjusted Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated inflation adjusted financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated inflation adjusted financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated inflation adjusted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated inflation adjusted financial statements or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated inflation adjusted financial statements, including the disclosures, and whether the consolidated inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated inflation adjusted financial statements. We are responsible for the direction, supervision and performance of Group's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated inflation adjusted financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matters described in the Basis for Adverse Opinion, the consolidated inflation adjusted financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this Independent Auditor's Report is Farai Chibisa.

Grant Thornton

Farai Chibisa
Partner

Registered Public Auditor (PAAB No: 0547)

30 MARCH 2023

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
HARARE