FIDELITY LIFE

ASSURANCE OF ZIMBABWE

Annual REPORT 2023

VISION

A life partner to a great financial legacy.

MISSION

We deliver value to our stakeholders through:

- Responsive financial solutions
- Superior customer experience
- Consistent and superior stakeholder returns

VALUES

- Teamwork — We win together
- Integrity — Right things all the time
- Commitment — Exceeding expectations
- Empathy — Understanding and fulfilling needs
- Recognition — Rewarding excellence

ABOUT THIS REPORT

Fidelity Life Assurance of Zimbabwe Limited, a Zimbabwe Stock Exchange listed Group of Companies since 2007, present the annual report for the period ended 31 December 2023. This report integrates financial and sustainability information, exemplifying our commitment to responsible business practices.

REPORTING SCOPE

This report encompasses information for Fidelity Life Assurance of Zimbabwe Limited incorporated and domiciled in Zimbabwe but with operations in Malawi. In this report all references to 'our', 'we', 'us', 'the business', 'FLA', 'Fidelity', and 'the Group' refer to Fidelity Life Assurance of Zimbabwe Limited.

REPORTING FRAMEWORKS

In developing this report, we adhered to the following:

- The Companies and Other Business Entities Act [Chapter 24:31].
- Insurance Act [Chapter 24:07]
- Insurance and Pensions Commission of Zimbabwe (IPEC) Directive on Systems of Governance and Risk Management
- The SI.134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules.
- The International Financial Reporting Standards (IFRS) Accounting Standards.
- The Global Reporting Initiative (GRI) Standards.

SUSTAINABILITY DATA

The report integrates both qualitative and quantitative data gathered from multiple sources, including company policy documents, records, and individuals accountable for the material issues in this document. In cases where estimations were made, they were verified for consistency with business activities.

ASSURANCE

The financial statements were audited by Grant Thornton Chartered Accountants (Zimbabwe) in accordance with the International Standards of Auditing (ISAs). The independent auditors' report is on page 61 of the report.
To ensure compliance with the GRI Standards, the sustainability information was validated by the Institute for Sustainability Africa (INSAF), an independent subject matter expert. A GRI Content Index is provided on pages 215 to 216. The sustainability data provided in this report has not been externally assured.

REPORT DECLARATION

The Directors affirm their responsibility in confirming that this report has been prepared in accordance with the GRI Standards.

REPORT CURRENCY

All financial figures in this report are stated in ZWL and US$.

RESTATEMENTS

Fidelity Life Assurance has made restatements of previously published data due to improved system for sustainability data collection.

FORWARD LOOKING STATEMENTS

The report might contain forward-looking statements that rely on current estimates and projections from Fidelity Life Assurance. However, it is important to note that these statements do not guarantee future outcomes. Various anticipated and unanticipated risks, events and uncertainties could potentially impact the results. Stakeholders are advised not to over rely on these forward-looking statements, and any revisions to these statements will be publicly disclosed to reflect changes in circumstances or events after the report's publication, which will be communicated through trading updates and website revisions.

FEEDBACK ON THE REPORT

The Group welcomes feedback from all stakeholders to enhance future reporting and operational practices. For any suggestions or inquiries, please reach contact our Group Secretary via email on marketing@fidelitylife.co.zw

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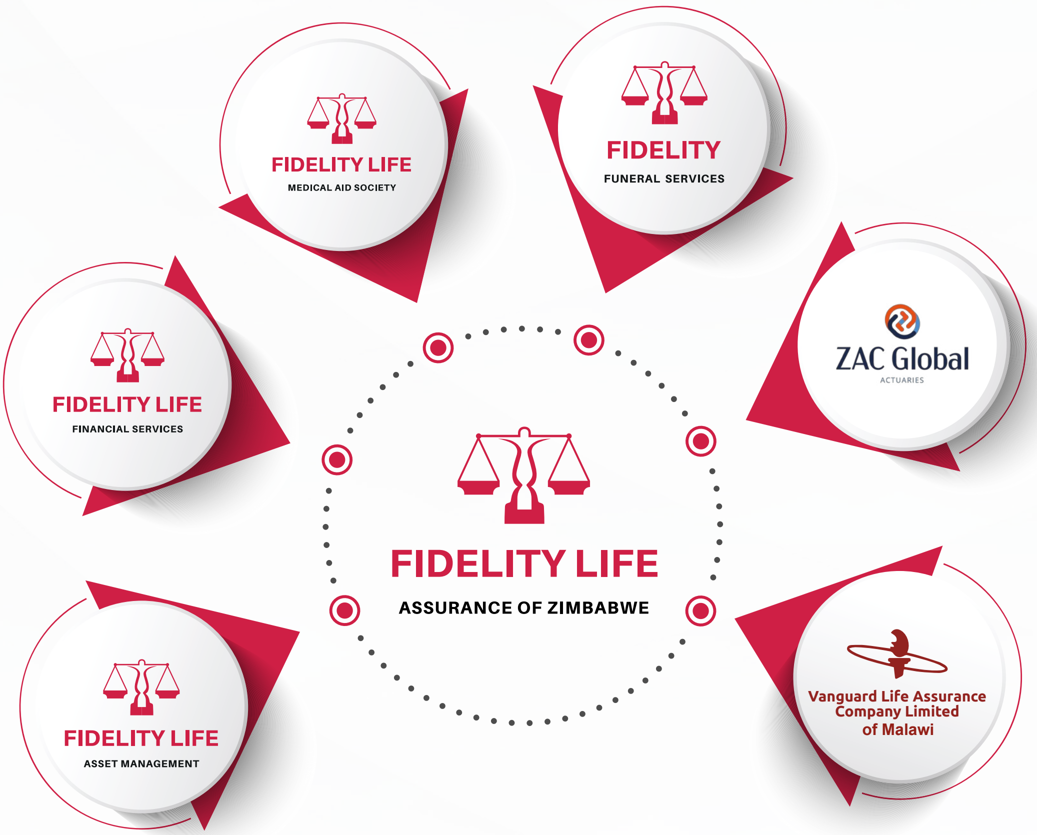
GROUP OVERVIEW

FIDELITY LIFE ASSURANCE ZIMBABWE LIMITED AT A GLANCE

Fidelity Life Assurance Zimbabwe Limited is a financial services Group that offers a wide range of solutions to individuals throughout their entire financial journey. The Group ensures that clients receive the necessary assistance at every stage of their financial planning. From early financial planning to retirement preparation, we offer services such as life assurance, medical insurance, funeral services, asset management, and pension fund administration.

Through these services, Fidelity Life Assurance aims to empower individuals, enhance financial security, and promote long-term prosperity. Our operations are centred in Zimbabwe, and we have service offices spread across the country as well as in Malawi.



OUR PRODUCTS AND SERVICES

LIFE ASSURANCE
- Whole Life Plan
- Group Pension Schemes
- Group Life Assurance Schemes
- Endowment and Educational Policies
- Group Funeral Schemes and Assurance
- Group Mortgage and Loan Protection
- Annuity and Funeral Cash Plans
- Preservation Fund

MEDICAL AID SERVICES
- Deluxe Health Package
- Grand Health Package
- Access Health Package
- Foundation Health Package
- FLIMAS Elite
- Express Health Package
- FLIMAS Health Partner
- FLIMAS Managed Healthcare
- Express Health Package

FINANCIAL SERVICES
- Individual Loans
- Salary Based Loans
- Farmers Loans

ASSET AND PROPERTY MANAGEMENT

- Portfolio Management
- Unit Trusts
- Money Market Funds
- Equity Funds
- Balanced Funds
- Advisory Services
- Fidelity South View Park
- Preservation Fund

ACTURIAL SERVICES

- Dedlictual Claims
- Pension and Employee Benefits
- Life and Funeral Assurance
- Health and General Insurance
- Investments and Finance
- IFRS 17
- Data Analytics

FUNERAL SERVICES

- Funeral Services

BUSINESS MEMBERSHIPS

- Zimbabwe Association of Micro Finance Institutions (ZAMFI)
- Institute of Chartered Accountants of Zimbabwe (ICAZ)
- Chartered Governance and Accountancy Institute of Zimbabwe
- Institute of Chartered Secretaries and Administrators Zimbabwe
- Zimbabwe Association of Pension Funds (ZAPF)
- Life Offices Association (LOA)
- Insurance Institute of Zimbabwe (IIZ)
- Zimbabwe Association of Funeral Assurers (ZAFA)
- Actuarial Society of Zimbabwe (ASZ)
- Association of Health Care Funders Zimbabwe (AFHoZ)

Get in touch with us for Assistance

customercare@fidelitylife.co.zw

PERFORMANCE HIGHLIGHTS

242%
Insurance contract revenue
ZWL 116.6 Billion

280%
Insurance service result
ZWL 81.3 Billion

9945%
Profit for the year
ZWL 101.1 Billion

553%
Total equity
ZWL 254.4 Billion

142%
Cash and deposits with banks
ZWL 17.1 Billion

3442%
Basic earnings per share(ZWL cents)
77586

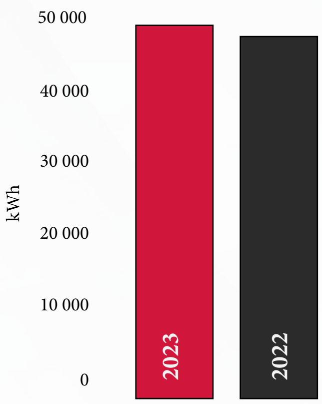
78%
Total Assets
ZWL 483.8 Billion

3431%
Headline earnings per share(ZWL cents)
77538

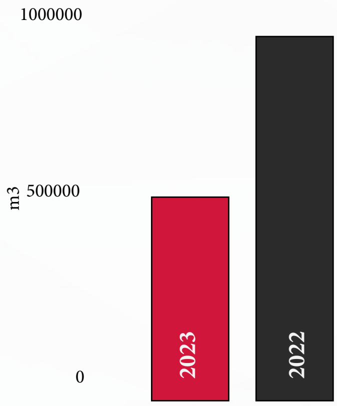
	INFLATION ADJUSTED		HISTORICAL	
	31 December 2023	% change	31 December 2023	% change
	ZWL(Billion)		ZWL(Billion)	
Insurance contract revenue	116.6	242%	48.5	962%
Insurance service result	81.3	280%	23.8	1598%
Profit for the period	101.1	9945%	243.4	541%
Total assets	483.8	78%	479.5	760%
Total equity	254.4	553%	253.3	947%
Cash and deposits with banks	17.1	142%	17.1	1063%
Basic earnings per share (ZWL cents)	77,586	3442%	194,971	510%
Headline earnings per share (ZWL cents)	77,538	3431%	194,912	510%

SUSTAINABILITY HIGHLIGHTS

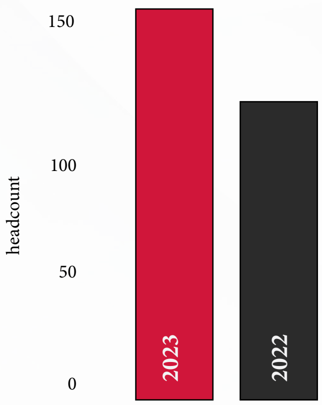
ELECTRICITY



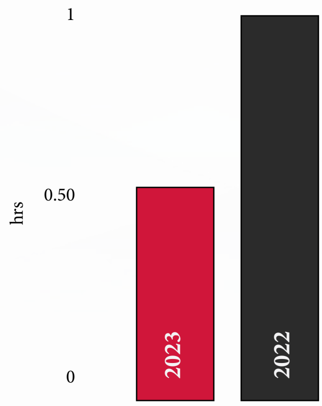
WATER CONSUMPTION



TOTAL EMPLOYEES



AVERAGE TRAINING HOURS



	2023	2022
Electricity usage (kWh)	49,700	48,515
Water Consumption (m3)	500,000	960,000
Total Number of employees (headcount)	155	128
Average hours of training per employee (hrs)	0.58	1

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023.

OPERATING ENVIRONMENT

Zimbabwe's economy is estimated to have registered growth of 5.5% in 2023, which represents a slowdown from the 6.5% growth achieved in 2022. The marginal growth was anchored by Agriculture which registered growth of 11.1% and contributed 12.6% to economic growth. The mining sector was hampered by depressed commodity prices thereby achieving a 4.8% growth against expected growth of 10.4%. Despite the subdued growth, the mining sector remained the highest contributor to GDP at 13.2%.

The macroeconomic environment was highly volatile particularly in the first half of the year. The local currency rapidly depreciated and prices of goods and services sky-rocketed. The preference and use of foreign currency further grew as businesses sought refuge in the stability of the United States Dollar. The increased use of foreign currency was reflected in the Group's revenue for the year. The proportion of foreign currency revenue grew to over 80% from the prior year of 25%. The economy witnessed a relatively stable second half following fiscal and monetary policy interventions that slowed down the deprecation of the ZWL.

Government extended the multiple currency regime to 2030 through Statutory Instrument (SI) 218 of 2023. The move ended the uncertainty that had gripped the market as government buttressed the need for a mono-currency as a precursor for economic development. The extension of the multiple currency regime in an environment that is predominantly transacting in foreign currency eased business planning.

The pronouncements by several Western governments indicating some easing of restrictive measures/sanctions on Zimbabwe and their call for foreign businesses and financial institutions to have a new look at Zimbabwe's markets are causes for optimism. Although the proposed reconfigurations fall short of the desired full, unconditional lifting of restrictive measures, it opens an opportunity for further engagement with the global community.

Government projects that economic growth will slow down to 3.5% due to depressed agriculture output arising from the El-Nino phenomenon. The global economic slowdown and resultant decline in mineral commodity prices is also expected to take a toll on the Zimbabwe economy. Demand for foreign currency is set to increase as the country imports grain to supplement local production. We expect the use of foreign currency in domestic transactions to remain on upward trajectory despite government efforts to stabilise the exchange rate and introduction of a new currency. Our businesses are however geared to grow the proportion of foreign currency revenue for sustainability and profitability.

IFRS 17 REPORTING

The Group has adopted IFRS 17 Insurance Contracts from 1 January 2023 replacing IFRS 4 Insurance Contracts. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a Contract Service Margin (CSM).

GROUP FINANCIAL PERFORMANCE REVIEW

Inflation adjusted insurance contract revenue recorded a strong growth of 242% compared to prior year from ZWL34.1 billion to ZWL116.6 billion. Historical cost insurance contract revenue grew by 962% compared to prior year from ZWL4.6 billion to ZWL48.5 billion. The impressive growth in insurance contract revenue was on the back of the Group's innovative product development bearing fruits and increased uptake of the company's products offering on the market. Significant growth in premium inflows was witnessed through the Vaka Yako product contributing 83% of the Individual Life premiums. The Zimbabwe operation contributed 62% (2022:56%) of the premium inflows whilst 38% (2022: 44%) is attributable to the Malawi operation.

Insurance service result increased by 280% on an inflation adjusted basis and increased by 1598% under historical cost underpinned by real growth in insurance contract revenue. This is despite an increase in insurance service expenses propelled by the increase in claims and directly attributable costs due to the inflationary environment prevailing in Zimbabwe and the regional business operation.

Net investment income grew by 91% compared to prior year from ZWL37.0 billion to ZWL70.8 billion on an inflation adjusted basis. Historical cost net investment income grew by 241% compared to prior year from ZWL20.8 billion to ZWL71.0 billion. The major drivers being fair value gains from investment property, equities and interest income from money market investments.

The Group profit for the period increased by 9945% on an inflation adjusted basis from ZWL1.0 billion to ZWL101.1 billion. Under historical cost, profit for the period grew by 541% from ZWL38 billion to ZWL243.4 billion. The positive profit growth was driven by the increase in insurance contract revenue and investment income.

BUSINESS OPERATIONS OVERVIEW

Notwithstanding the challenges in the operating environment, the business witnessed yet another year of growth anchored by organic growth of the existing book as well as acquisition of new business. The Group also expanded its distribution channels through both traditional and digital means to provide convenience and enable ease of doing business with its various stakeholders. Products for the policyholders continued to be improved and enhanced in response to evolving policyholder expectations as well as conditions obtaining in the environment.

Creativity and innovation were also extended to the choice of our markets and investments as we sought to create and preserve value for our policyholders and shareholders. One of the flagship investments was the registration of a Real Estate Investment Trust (REIT) which has since been awarded Prescribed Asset status.

THE BRAND

The FLA brand continues to diligently uphold its commitment to providing market driven products to meet customer's needs. Through innovation and an unwavering dedication, we have strengthened our position as a trusted partner. With over 80 years' experience in the business, the FLA brand stands as a beacon of stability and integrity in an ever-evolving industry landscape.

As we continue to adapt to changing market dynamics and embrace emerging technologies, we have embarked on a Group wide digitalization and systems upgrade aimed at enhancing convenience at all our customer touch points.
We continue to seek both private and public partnerships with market players that align to our brand ethos of exceptional service delivery and value. This is in line with our dedication to offer relevant, all-inclusive products which cut across peak and bottom of the market spectrum.

During the reporting period, the FLA brand received several accolades including 1st Runner up– Best Governance and Best Internal Audit and Compliance from the Chartered Governance and Accountancy Institute of Zimbabwe. Our 'Vaka Yako' product was the Corporate Shared Value (CSV Investment) 2023 Best Product winner. This recognition bears testimony to the brand's commitment to providing unmatched service quality and people-driven solutions in all our operations.

REGULATORY ASSET SEPARATION EXERCISE

On the 27th of March 2024, the Regulator, the Insurance and Pensions Commission of Zimbabwe (IPEC) granted its approval for our asset separation proposal, and we are now proceeding to operationalize the approved proposal.

DIVIDEND

Having regard to the Group's dividend policy, the board resolved not to recommend a final dividend for the year ended 31 December 2023 on account of the Group's capital requirements position.

SUSTAINABILITY

Delivering positive impacts on society, economy, and the environment for a better world is an imperative and reality for the insurance sector. As FLA, we have a responsibility to ensure sustainability anchors our business value chains and the services we offer. Our goal is to leverage on building and delivering sustainable insurance products and services to our clients and stakeholders. The Company remains committed to integrate environmental, social, and governance excellence in our strategy, policies, products, and services.

DIRECTORATE

There were no changes to the Board of Directors during the reporting period.

OUTLOOK

The global space is likely to remain characterized by the two major ongoing conflicts, the Russia-Ukraine and Israel-Palestine wars. These current epicenters of geopolitical tensions have the potential to cause far reaching adverse effects in terms of food shortages, supply chain disruptions and rise in global petroleum product prices which in turn can cause an increase in production costs and cause volatility in international markets globally.

Locally, the Zimbabwean economy continues to grapple with a depreciating local currency. It is expected that the multi currency regime will be maintained as the majority of transactions in the private sector are currently taking place in the United States dollars. The local currency may continue to be the dominant mode of payment in government transactions.

The central government remains committed to the attainment of the vision 2030 goals under NDS1 and NDS2 through various projects which include among others infrastructure projects in road and dam construction and rehabilitation, as well as irrigation projects. This is commendable given aggregate demand created in the value chain and beneficiation in the steel and chrome mining sector.

Given the above, the business remains on high alert to these activities and will continue to monitor and carefully adapt to these changing circumstances to deliver value to its key stakeholders. The business will be preserving its cash wallet through responsible spending and targeted investment into products that survive the test of time. Innovation will be key in also driving the products that create and preserve shareholder and policyholder value.

APPRECIATION

I extend my sincere gratitude to management and staff for their great commitment to the call of duty and wish them well in steering our great business in a turbulent operating environment. Our stakeholders and my fellow directors have demonstrated an unwavering support and commitment to the success of the business and for this we are all truly thankful.

LIVINGSTONE T. GWATA
CHAIRMAN
24 APRIL 2024

MANAGING DIRECTOR'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

TRADING ENVIRONMENT

International growth forecast was historically lower than average at 3.1%. This was on the backdrop of uncertainty caused by geopolitical tensions, supply chain disruptions, adverse weather conditions, funding squeeze and tight monetary conditions. These difficult global conditions have not spared the local operating environment.

The domestic market was characterized by high inflation, exchange rate volatility, currency instability and a poor agriculture season brought about by the El-Nino weather phenomenon. This directly impacted disposable incomes and foreign currency earnings from agriculture exports. At the same time, the minerals market did not perform well. The rapid depreciation of the local currency also saw the economy rapidly dollarizing.

Despite the harsh operating climate in the global and local environment, the business showed great resilience by continuing to grow in real terms. The business strengthened its product offering through innovation and continued enhancement of the digital distribution channels. Efficient client servicing remained at the core of our focus as we exploited market segments with growth potential. Quality investments were done to create intergenerational wealth and ensure sustainable growth of the asset base of the company.

FINANCIAL PERFORMANCE OVERVIEW

Summary of Performance (Inflation Adjusted)

	Fidelity Life Assurance		Vanguard Life Assurance		Fidelity Life Financial Services		Other Operating Subsidiaries		Adjustments	Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022		2023	2022
(Billions)	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Insurance contract revenue	110.05	33.39	6.53	0.74	-	-	-	-	-	116.58	34.13
Other revenue	151.33	40.78	16.54	1.12	8.66	3.92	21.42	42.01	(35.08)	162.87	93.96
Total revenue	261.37	74.16	23.07	1.86	8.66	3.92	21.42	42.01	(35.08)	279.45	128.09
Profit for the year	258.12	(15.23)	0.05	(0.11)	0.01	2.45	1.21	2.48	(158.26)	101.13	1.01

FIDELITY LIFE ASSURANCE (FLA, THE COMPANY)

Fidelity Life Assurance spurred the Group's revenue growth, achieving an impressive ZWL261.37 billion in total revenue. This exceptional performance was fueled by a remarkable 230% increase in insurance contract revenue and a significant 271% surge in other income, largely driven by investment income. The Company's strategic focus on new business acquisitions and innovative product development ignited market demand, resulting in a substantial uptake of products. The investment strategy delivered impressive returns, preserving and enhancing policyholder and shareholder value.

Management's cost containment efforts yielded positive results, with total expenses growing at a slower rate of 118% compared to the 230% growth in insurance contract revenue.

Notably, the Company achieved an inflation-adjusted profit of ZWL258.12 billion, a turnaround from the loss of ZWL15.23 billion in 2022.

VANGUARD LIFE ASSURANCE COMPANY (VLA) – MALAWI

The regional business unit VLA recorded total revenue of ZWL23.07 billion in 2023 compared to ZWL1.86 billion in 2022. The investment portfolio returns anchored the total revenue base with a 71% contribution of the total revenue at ZWL 16.5 billion in 2023 from ZWL1.12 billion in 2022. The business unit posted a profit of ZWL0.05 billion from a loss position of ZWL0.11 billion recorded in 2022. The business showcased remarkable resilience in the face of economic and environmental adversity in Malawi, defying challenges to achieve a positive growth trajectory

FIDELITY LIFE FINANCIAL SERVICES (FLFS)

The micro-lending business unit achieved a notable growth, with total revenue surging 121% to ZWL8.66 billion in 2023, up from ZWL3.92 billion in the previous year. The significant increase was primarily driven by a 112% rise in interest income, amounting to ZWL5.4 billion, fueled by new business growth and strategic partnerships. Fidelity Life Financial Services (FLFS) reported a modest profit of ZWL0.01 billion for the year 2023, demonstrating a positive trend in the business unit's performance.

OTHER NON-INSURANCE SUBSIDIARIES

The Group's non-insurance subsidiaries, comprising ZAC Global, Fidelity Life Asset Management (FLAM), Fidelity Life Medical Services Company (FLIMESCO), and Fidelity Funeral Services (FFS), continued to make a significant contribution to the Group's total revenue, reporting ZWL21.42 billion in revenue for the year 2023. This growth was driven by new business and strategic partnerships. These business units remain integral to the Group's strategy, providing essential services to both internal and external customers, aligning with the 'cradle to grave' approach.

OPERATIONS

Customer Experience

The business continued to exponentially enhance its customers` experience. This included giving a facelift to our client services infrastructure and enhancing our digital experience platforms. Our efforts have been well received by the market, thereby positively impacting our service excellence, financial inclusion and sustainable growth strategy.

OUTLOOK

The Fidelity Life Group anticipates delivering another year of wealth creation and preservation for its policyholders and shareholders. The focus will remain on providing lifetime solutions and enabling positive futures for our valued stakeholders. The Group is optimistic of the raft of measures that have been implemented by the monetary and fiscal authorities to continue building confidence and encourage a culture of saving and investments.

I would like to extend my gratitude to the Fidelity Life Assurance Board of Directors, management and staff for their unwavering commitment in the delivery of meaningful products and services to our diverse and valued stakeholders. More importantly, special mention goes to our policyholders and shareholders who make our responsibilities easier with their continued support throughout the years. We look forward to brighter years of excellence ahead.

Reginald S. Chihota
Managing Director
24 April 2024

AWARDS AND RECOGNITION

Second Runner Up

OVERALL BEST INSURANCE COMPANY

Chartered Governance and Accountancy Institute in Zimbabwe

First Runner Up

BEST GOVERNANCE PRACTICES

Chartered Governance and Accountancy Institute in Zimbabwe

First Runner Up

INTERNAL AUDIT AND COMPLIANCE

Chartered Governance and Accountancy Institute in Zimbabwe

Second Runner Up

BEST RISK MANAGEMENT

Chartered Governance and Accountancy Institute in Zimbabwe

Second Runner Up

HEALTH INSURANCE SECTORS FOR SUPERBRAND 2023

Marketers Association Zimbabwe

Winner

2023 BEST CSV INVESTMENT AWARD IN RECOGNITION OF THE VAKA YAKO HOUSING SCHEME PROJECT

Corporate Shared Value Awards

GOVERNANCE

DIRECTORATE

Livingstone T. Gwata

Independent Chairman

TENURE: 2 YEARS
Key Skills: Leadership and Investment Banking
Qualifications: Bachelor of Administration

Takudzwa Chitsike

Independent Director

TENURE: 2 YEARS
Key Skills: : Legal, Compliance and Governance
Qualifications: LLM

Garikai Dhombo

Independent Director

TENURE: 7 YEARS
Key Skills: Insurance and Risk Management
Qualifications: MBA

Francis Dzanya

Non-Executive Director

TENURE: 7 YEARS
Key Skills: Corporate Finance and Risk Management
Qualifications: BA Banking and Insurance

Stanley Kudenga

Non -Executive Director

TENURE: 8 YEARS
Key Skills: Financial Structuring and Insurance
Qualifications: CA(Z) MBL

Langton Mabhanga

Independent Director

TENURE: 2 YEARS
Key Skills: Governance and Strategy
Qualifications: DBA

Ignatius Mvere

Non-Executive Director

TENURE: 8 YEARS
Key Skills: Accounting and Public Finance
Qualifications: Bachelor of Commerce

Henry Nemaire

Independent Executive Director

TENURE: 6 YEARS
Key Skills: Audit and Tax
Qualifications: Chartered Accountant, MSc Acc (UOL)

Reginald Chihota

Managing Director

TENURE: 2 YEARS
Key Skills: Life Assurance and Marketing
Qualifications: MBA

GOVERNANCE (CONTINUED)

SENIOR MANAGEMENT

Reginald Chihota
Managing Director

Zvenyika Zvenyika
Chief Finance Officer

Ruvimbo Chidora - Paradzai
Company Secretary

Blessing Mushori
Finance Manager

Valerie Ndudzo
Head Group Marketing and Public Relations

Claudius Chikundura
Group Head –Risk and Compliance

Chipo Matongo
Head Internal Audit

Kupang Dube
Head of IT

Nickson Vamwe
Human Capital Manager

GOVERNANCE (CONTINUED)

SUBSIDIARY MANAGEMENT

Bevin Ngara

Managing Director
Fidelity Life Asset Management (FLAM)

Brighton Wesley

Managing Director
Fidelity Life Financial Services (FLFS)

Lovemore Madzinga

Managing Director
Fidelity Life Medical Aid Society (FLIMAS)

Takaenda Matambo

General Manager
Life and Pensions and Fidelity Funeral Services (FFS)

Sonwell Mudzengi

Managing Director
ZAC Global

Lilian Moyo

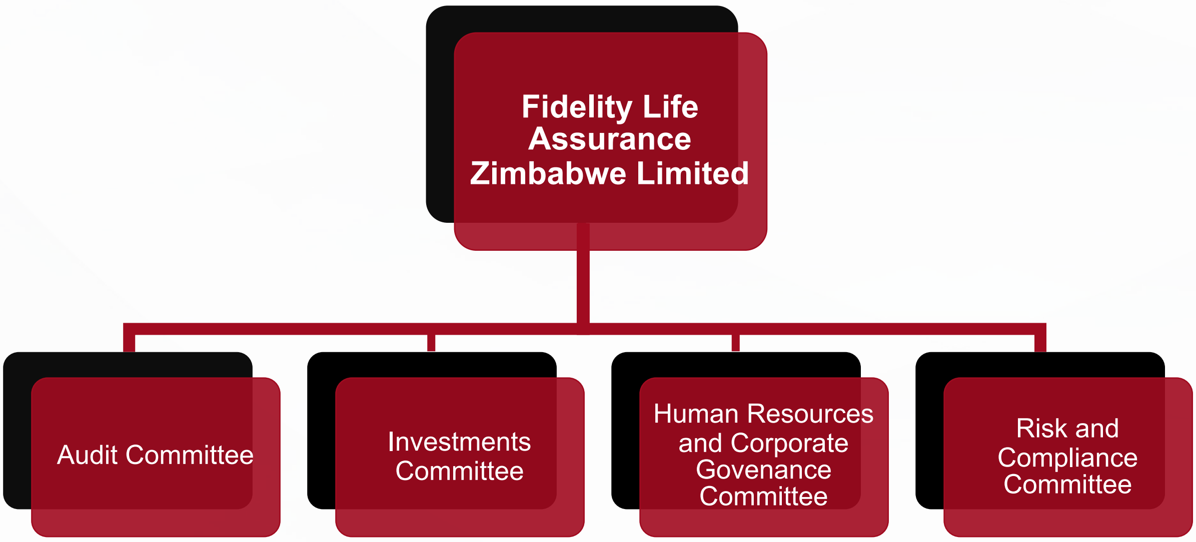
Managing Director
Vanguard Life Assurance of Malawi (VLA)

CORPORATE GOVERNANCE

Corporate governance remains a crucial aspect of the leadership, decision-making, success, and strategic direction of Fidelity Life Assurance. The Board adopted the King Code (as amended) and the National Code on Corporate Governance of Zimbabwe (ZIMCODE) as the primary and secondary, respectively, governance codes. The Board firmly believes that the internal governance systems and practices in place are appropriate and aligned with these codes.

Fidelity Life Assurance is committed to adhering to globally recognised codes of corporate governance, as well as the Companies and Other Business Entities Act [Chapter 24:31], Statutory Instrument (SI) 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules and the Insurance and Pensions Comission of Zimbabwe's (IPEC) Directive on Governance and Risk Management for Insurance Companies. The Board of Directors is responsible for upholding good governance practices throughout all operations of the Group. This commitment is supported by a governance framework that emphasises principles of integrity, strong ethical values, and professionalism.

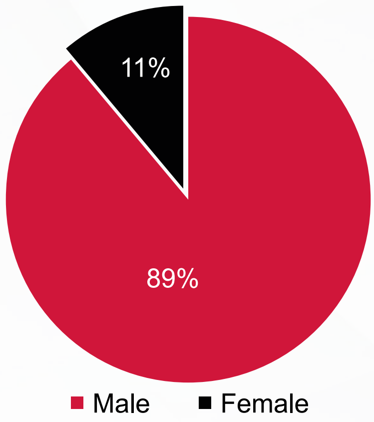
BOARD STRUCTURE



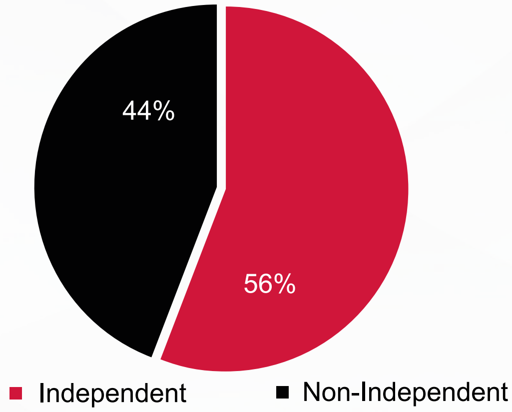
BOARD DIVERSITY AND INCLUSION

The Board has nine (9) directors comprising of-:-
one (1) executive director;
three (3) non-executive directors;
five (5) independent non-executive directors.
The Board is chaired by an independent non-executive director. The Board has a strong mix of skills and experience.

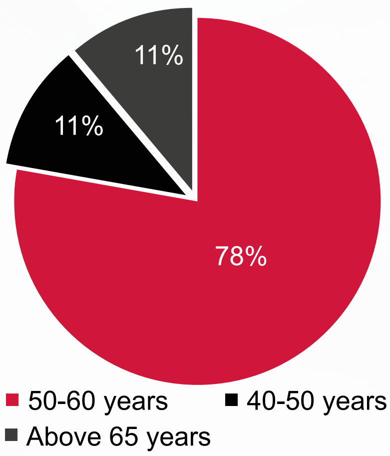
Gender



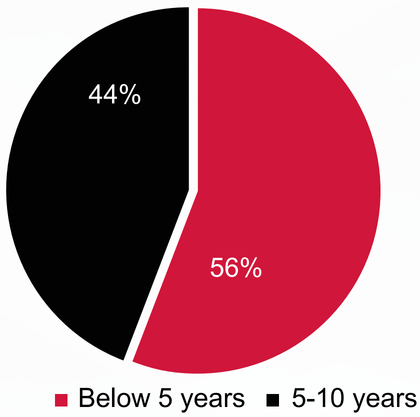
Composition



Age



Tenure



BOARD RESPONSIBILITY

The Board holds the responsibility for developing strategies, monitoring performance, overseeing management, and formulating policies that enable the Group to achieve its desired objectives in a responsible manner. It ensures that the Group conducts its affairs with integrity to safeguard stakeholder interests. In an environment of increasing change and regulatory complexity, the Board strives to strike a balance between governance expectations of shareholders and other stakeholders, and the need to produce competitive financial returns.

BOARD STAKEHOLDER ENGAGEMENT

The Board actively engages with both internal and external stakeholders through a range of platforms. These include Annual General Meetings, stakeholder notices, press releases of interim and annual reports, investor road shows, yearly reports to shareholders, and online statement releases. Shareholders have the opportunity to exercise their rights through proxy forms to ensure their voices are heard and represented.

BOARD COMMITTEES

The Board Committees convenes quarterly to evaluate performance, offer guidance to management, and address crucial operational and policy-related matters. They operate in strict accordance with written terms of reference that clearly define their specific objectives and responsibilities. These terms of reference assign designated tasks to each Committee, ensuring their effective and efficient operation in support of the Board's overall objectives.

Committee	Members	Responsibilities
Audit Committee	H Nemaire (Chairperson) I Mvere F Dzanya	The Audit Committee comprises of three non-executive directors and is chaired by an indepedent director. It is tasked with ensuring financial discipline within the Group, sound corporate values and financial procedures. This Committee is further tasked with reviewing and recommending for adoption by the Board the interim and annual financial statements of the Group. The Committee also recommends the appointment and reviews the fees of the independent auditor.
Human Resources and Corporate Governance Committee	I Mvere (Chairperson) T Chitsike S Kudenga LT Gwata	The Committee is mandated to deal with employee development and formulate remuneration policies as well as approve remuneration packages for non- executive directors and senior executives. The Committee acts as a Nominations Committee to the boards of the subsidiaries of the Group.
Investments Committee	S Kudenga (Chairperson) G Dhombo L Mabhanga LT Gwata	The Committee formulates investments strategy and policy, reviews the performance of investments within the Group and recommends new investment opportunities for approval by the Board.
Risk and Compliance Committee	F Dzanya (Chairperson) T Chitsike G Dhombo	The Committee reviews the Group's overall risk and compliance strategy, current risk exposures as well as risk governance. In addition the Committee advises the Board on the risks associaed with proposed transactions.

BOARD MEETINGS

In accordance with the Memorandum and Articles of Association of the Group, the Board convenes quarterly meetings. These meetings serve as a platform for the Board to provide guidance on critical aspects such as corporate strategy, risk management practices, annual budgets, and business plans. Additionally, special Board meetings are promptly organised when urgent decision-making is required on specific issues. To ensure transparency and accountability, Fidelity Board members have unrestricted access to information pertaining to the Group's operations. This information is made available through Board meetings, Committee meetings, and Strategic Planning workshops. To keep a systematic record of Directors' attendance, the Group Company Secretary maintains an attendance register for all meetings held during the year. This register enables Directors to assess their level of commitment to the Group by gauging their attendance at the scheduled Board meetings.

COMMITTEE MEETING ATTENDANCE

For the reporting period our meeting attendance were as follows:

Board Member	Board Attendance	Audit Committee	Human Resource and Corporate Governance Committee	Investments Committee	Risk and Compliance Committee
Livingstone Gwata	4/4		4/4	4/4	
Takudzwa Chitsike	4/4	1/5^	4/4		4/4
Garikai Dhombo	4/4			4/4	4/4
Francis Dzanya	2/4	3/5			2/4
Stanley Kudenga	4/4		3/4	4/4	
Langton Mabhanga	4/4			4/4	
Ignatius Mvere	3/4	5/5	3/4		
Henry Nemaire	3/4	4/5			
Reginald Chihota*	4/4	5/5	4/4	4/4	4/4

* Executive
^ Seconded

ETHICAL CONDUCT

In accordance with the Zimbabwe Stock Exchange (ZSE) Listing Requirements, the Group observes a "closed period" prior to the publication of its interim and year-end financial results. During this period, employees, executives, and non-executive directors of the Group are not permitted to trade in shares of the Company. This restriction is to ensure regulatory compliance and uphold fairness and transparency in the trading of the Company's shares.

DIRECTOR'S REMUNERATION

The remuneration structures are designed to effectively attract and retain exceptional talent at all Group levels. The determination of remuneration packages for the Group's Executives and Non-Executive Directors is conducted by the Human Resources and Corporate Governance Committee. This Committee assumes the responsibility of assessing and establishing appropriate remuneration levels for these key positions, considering industry benchmarks, and prioritising the retention of highly valuable individuals within the Group.

SUSTAINABILITY GOVERNANCE

The sustainability efforts at Fidelity are split between two committees. The Investment Committee ensures that all projects undertaken are carried out with sustainable practices at their core. The Group Risk and Compliance Committee verifies that these practices are implemented and adhered to throughout the project's lifespan. The Group Risk and Compliance Committee also ensures that the Group complies with its sustainability ethos and regulatory protocols. Additionally, sustainability champions within the Group actively promote and advocate for sustainable initiatives across the business.

All these matters, including the leadership of the Board and the contributions of sustainability champions, are reported during the main board meeting.

BUSINESS PRACTICES

Business conduct and values are the foundation of our business. We are dedicated to upholding ethical standards, integrity, and transparency in all our operations.

BUSINESS ETHICS AND COMPLIANCE

Fidelity Life Assurance considers business ethics and compliance as essential elements of its operations. By adhering to ethical standards and complying with regulations, we ensure that our business practices align with principles of integrity, fairness, and responsibility. Our commitment to business ethics and compliance resulted in enhanced reputation, improved trust from stakeholders, sustainability and long-term success through risk mitigation, increased customer loyalty, and stronger stakeholder relationships. However, it is crucial to be aware of the potential adverse impacts such as penalties for non-compliance, and loss of stakeholder trust.

We have a Whistleblowing Policy that provides a platform for stakeholders to report any unethical or illegal practices. This policy ensures confidentiality, protection against retaliation, and a clear process for addressing reported concerns. We have a well-defined Code of Ethics and Business Conduct Policy that outlines the expected standards of behaviour for all employees. This code covers areas such as integrity, honesty, respect, transparency, and compliance with laws and regulations. To reinforce our commitment to business ethics and compliance, we implemented accountability policies that establish clear responsibilities and consequences for non-compliance.

We have a dedicated compliance team that monitors regulatory changes and implement a compliance management system. This system ensures that the Group adheres to legal requirements and proactively addresses potential compliance risks. Additionally, we provide regular reporting and public disclosures to communicate our commitment to business ethics and compliance. In instances of misconduct, we take prompt and appropriate disciplinary action which include the termination of employees involved in unethical or illegal practices. Further, we offer awards and recognition to employees who consistently demonstrate ethical practices.

Fidelity implements a range of processes which include regular audits and the use of an audit tracker to track issues raised by internal and external auditors. Our goals are to conform to the regulations of the jurisdictions in which we operate and achieve 100% compliance with laws and regulations. Key performance indicators (KPIs) such as assessing negative press, penalties for non-compliance, Global Credit Ratings (GCR), and employee dismissals are used to evaluate the effectiveness of our actions and measure progress towards our goals. Our actions have proven highly effective, with sustained compliance and a commitment to ethical conduct.

ANTI-CORRUPTION

Fidelity Life Assurance recognises the importance of anti-corruption practices and has implemented measures to ensure transparent and integrity-driven operations. This approach has resulted in several benefits, including sustainable growth, prevention of improper outflow of funds, risk reduction, and mitigation of penalties. However, we acknowledge that negative impacts could still occur, such as discouraging investments, poor quality service provision, loss of public trust, and damage to reputation.

The Group conducts fraud awareness trainings and criminal vetting of all employees before assuming employment. Additionally, Fidelity Life Assurance has implemented an Anti-fraud and Corruption Policy and a Whistle-blowing Policy. We are committed to managing anti-corruption and ensuring strict adherence to the Anti-corruption Commission Act [Chapter 9.22] as well as the ZIMCODE, and Risk Management ISO 31000:2018. In the event of identifying corruption, we file reports to the regulator against corrupt service providers and dismiss employees involved in corrupt practices. Fidelity Life Assurance aims to maintain a clean record by ensuring that no cases of corruption are reported. To achieve this, we employ specific KPIs, which include the number of corruption charges filed, and cases of employee dismissal due to corruption charges.

We use insights gathered from engagement with stakeholders to evaluate the effectiveness of our actions. During the period under review, the Group only levied corruption charges against service providers who were inflating medical bills for medical aid clients. We continue to train our employees on a regular basis to detect and report corrupt practices.

HUMAN RIGHTS

As FLA, we strive to empower employees and recognise their inherent dignity with a focus on creating a work environment that is free from harassment and discrimination while ensuring respect for Human Rights. While promoting empowerment, we prioritise the implementation of measures that ensure the safety and security of the Group and its stakeholders.

We uphold and respect fundamental Human Rights, including the right to life, freedom of opinion and expression, and the right to work and education. We are committed to abstaining from any form of interference or discrimination that limits or undermines the exercise of these rights. Whenever there is a violation of Human Rights, we take prompt action to address the issue and ensure appropriate mitigation measures are implemented. As part of our commitment, we provide Human Rights awareness and trainings to employees, fostering a culture of respect and understanding.

Human Rights monitoring or fact-finding initiatives are undertaken to gather insights that enable a comprehensive assessment of the Group's adherence to Human Rights principles. The goal is to create an environment free from harassment and where everyone is entitled to their rights without any form of discrimination. Progress towards the goals and targets is evident in the improved awareness and understanding of Human Rights principles and policies by our employees.

DIVERSITY AND INCLUSION

Our Impacts	Diversity encompasses a multitude of dimensions, including but not limited to race, ethnicity, gender, age, and abilities. When employees from different backgrounds come together, they bring a diverse range of ideas, insights, and problem-solving approaches. This synergy promotes innovation and enables us to adapt to the ever-changing needs of our stakeholders. Poorly managed diversity aspects can lead to high employee turnover and communication problems. This, in turn, can affect our ability to meet our goals. As such, we prioritise fair treatment, effective communication, and resolving conflicts promptly.
Management Approach	The Group is dedicated to upholding principles of Diversity, Equity, and Inclusion (DEI) and maintains a policy against any form of discrimination. It proactively seeks to raise awareness on DEI matters among all stakeholders. In line with this commitment, we ensure that all programs are designed to involve and engage every individual across the Group. We provide comprehensive training on the topic and foster an open-door policy that encourages unrestricted expression from all employees without fear of retribution or constraints.
Monitoring System	We implemented various strategies to advance diversity, equity, and inclusivity. These include conducting surveys to gauge employee satisfaction, performance reviews, and gathering stakeholder feedback. We made notable progress, as evidenced by improved teamwork, productivity, and employee retention.

CYBERSECURITY AND DATA PRIVACY

Our Impacts	As Fidelity Life Assurance, we are fully committed to ensuring the protection of our clients and Group's information through responsible use and strong security measures. Our approach to cybersecurity has numerous benefits, including data privacy, enhancing our reputation, and preventing financial losses. We understand that a data breach can harm our clients' trust and affect our business operations thus, we strive to maintain high standards of cybersecurity. Despite our efforts to enhance our cybersecurity measures continually, we understand that there are risks associated with cybersecurity and data privacy, one of which is the high costs associated with cybersecurity skills and software tools.
Management Approach	We implemented various mitigation measures to prevent and mitigate the negative impacts of cybersecurity and data privacy. These measures include conducting regular vulnerability assessments, penetration testing, and advanced antivirus solutions. The Group engages vendors and outsources cybersecurity experts to enhance our security measures. Fidelity Life Assurance implemented policies, such as Information Communication and Technology (ICT) Security Policy and Cybersecurity Policy, to protect client data, minimise cyber risks, and ensure high uptime for client engagement systems. We ensure that all employees are aware of our cybersecurity policies and are trained to identify and mitigate cybersecurity risks. The Group engages with clients to raise awareness of the importance of cybersecurity and provide them with the necessary resources to protect their information.
Monitoring System	Our goals as Fidelity Life Assurance are to: • Achieve a zero percent downtime due to cyber-attacks; • Maintain a 95% vulnerability assessment and penetration testing monitoring rate; and • Minimise security incidents and intrusion attempts to less than 5% per month. To ensure the effectiveness of our cybersecurity initiatives, we engage with Group Risk and Compliance and Group Internal Audit. We regularly conduct audits and self-assessments to track and assess the effectiveness of our actions and progress towards our goals and incorporate any lessons learned into our policies and procedures.

BUSINESS RESILIENCE

We built a resilient business through ethical competitive behaviour, innovation and digitalisation to drive growth and meet the evolving needs of our stakeholders in a dynamic business landscape.

BUSINESS MODEL RESILIENCE

Fidelity is committed to adapting to changes and risks while continuing to deliver value to our stakeholders. Our approach of implementing a business model resilience has yielded positive impacts. We have been able to provide affordable housing, increase disposable income for our clients, encourage savings through alternative savings products, and provide tangible benefits to policyholders and pension fund members. Our efforts helped to reduce post-retirement poverty, and we invested in value-preserving assets such as landbanks, biological assets, and gold coins.

We acknowledge that our approach may have negative impacts on our operations, products, or services. These impacts could result in the loss of value on long-term products, loss of confidence in the business, depleted revenue lines, and slow business growth. However, we have measures to mitigate these negative impacts, for instance, targeting new business lines to increase revenue. The Group is providing alternative products such as Vaka Yako and low-cost funeral cover. Our efforts are geared towards client retention programs and client relationship management activities.

We implemented policies that are relevant and flexible to meet changing client needs, and we are committed to upholding the principles of treating clients fairly in all our business conduct. Our goals are to be in the top three insurers by 2025 and grow our market share. We track the effectiveness of our actions through internal and external audits, employee appraisals, and regular inspections and reports. During the period under review, we made strategic investments in assets to maintain their value.

ANTI-COMPETITIVE PRACTICES

Our Impacts	Fidelity Life Assurance adopts a proactive approach to innovation and agility, which enables the Group to seize and maximise on opportunities is a responsible manner. We are aware of the negative impacts of anti-competitive behaviours may have on our market share, benefit payout, negative publicity, conflicts with competitors and unnecessary regulatory attention. To mitigate these effects, we implemented several measures.
Management Approach	We constantly strive to develop attractive products and explore new. Our 'Eagle Culture' mentality allows us to cultivate excellence for reward, while our development of an alternative investment, 'Eagle REIT', enabled us to create new investment opportunities for our clients. Additionally, our employee retention programs helps us retain top talent and excel against the competition. We regularly conduct periodic audits, risk and compliance assessment to ensure that we are operating ethically. Moreover, we continuously improve our products, branding and visibility to attract investors and increase client satisfaction.

Monitoring System	We track the effectiveness of our actions using competitor analysis, client feedback, and employee surveys. To evaluate our progress, we use key performance indicators such as growth, digitalisation, Group performance, and customer retention. We are continuously improving our processes, removing bureaucracy, and promoting a collaborative culture among business units. The Group is committed to maintaining open and transparent communication with our stakeholders to ensure that we are always meeting their needs and delivering on our promises.

INNOVATION AND DIGITALISATION

As a business that values innovation and digitalisation, we understand the importance of staying up to date with digital databases to streamline management. Our efforts in this area have led to increased productivity, operational efficiency, and improved interaction with clients. Further, digital systems allow us to engage in targeted brand marketing, potentially expanding our market share. However, implementing specialised digital products can be expensive and may strain our capital base. There is also a risk of reduced market share if increased prices resulting from digitalisation prompt clients to switch to competitors. To mitigate these risks, we prioritise implementing digitalisation in compliance with relevant regulations, such as the Cybersecurity and Data Protection Act [Chapter 12:07].

We engage our Group internal audit and Group risk and compliance teams as the assurance arm of our innovation and digitalisation projects. This allows for thorough assessments of potential risks and the implementation of appropriate controls. We also utilise user project management tools such as the Critical Path Method (CPM) to closely monitor and ensure that project deadlines are met. We employ project management techniques like resource levelling to identify and mitigate any constraints on resourcing, ensuring smooth implementation and minimising disruptions.

Our targets included enabling digital payment channels for all business units by implementing business process reengineering and establishing a fully functional contact centre. Regular progress reports, which are presented to the audit committees of our strategic business units, provide an assessment of our efforts.

We adopted an agile approach to implementing digitalisation of products and leveraged existing platforms to expedite solution deployment. Through monthly meetings, we receive feedback on the market response to our digitalised products, evaluate the user-friendliness of our digital solutions, and gather requirements for new products or features.

ASSET AND PROPERTY MANAGEMENT

As Fidelity, we believe in responsible asset and property management that creates a positive impact on the environment, economy and people. We maximise the value of real estate properties through effective operation, maintenance, and enhancement. Our aim is to create value for our clients while minimising negative impacts and promoting responsible practices.

We have strategies to manage our asset and properties, these include investing in resilient sectors, ensuring regulatory compliance, regular property maintenance and implementing a risk management framework.. We maximise returns through strategic investments, diversified properties, conducting extensive market research, and negotiating long contracts to minimise vacant rates.

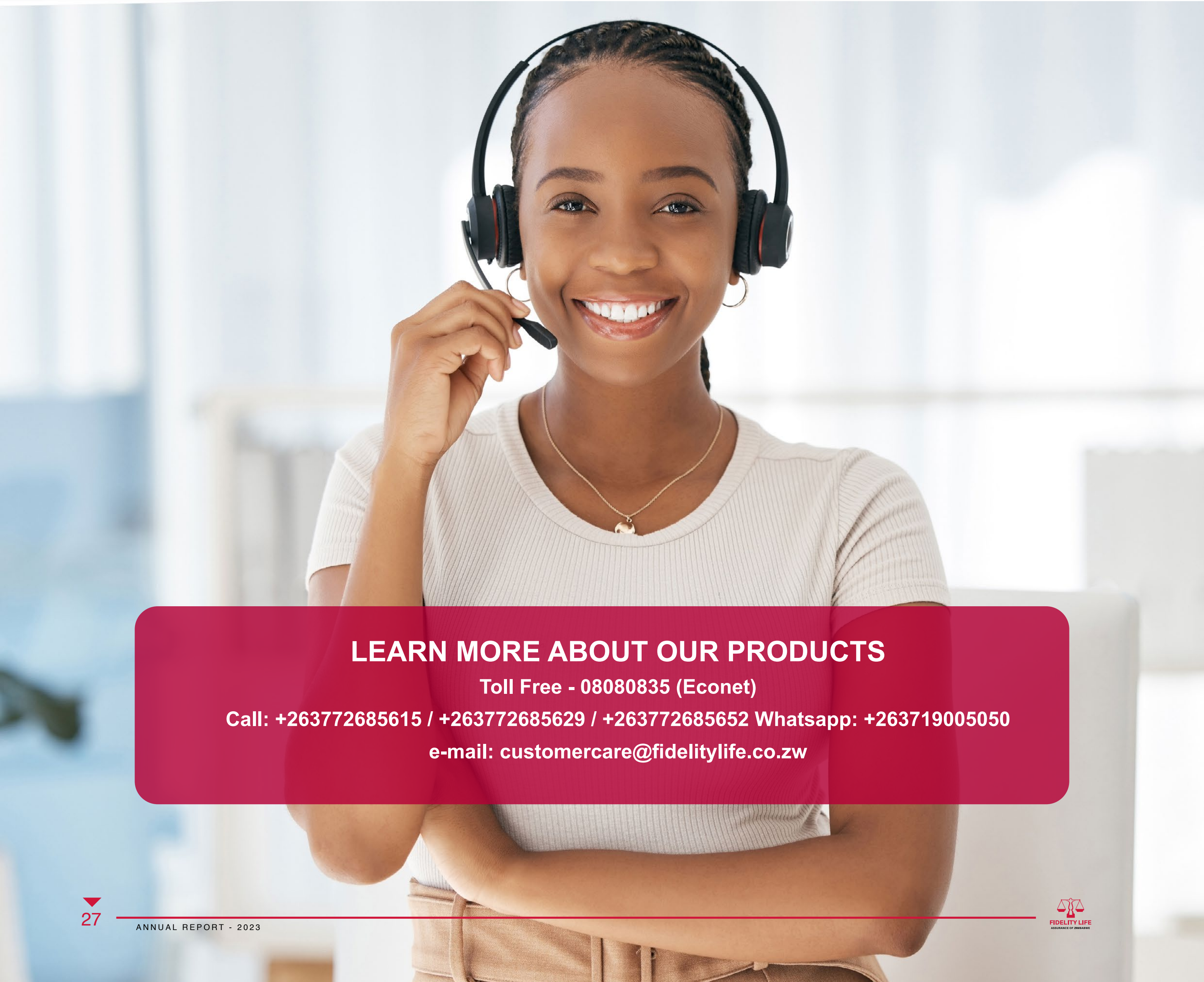
The Group employs various processes to ensure compliance with established standards and business policies. This includes conducting internal audits quarterly and external audits to verify financial returns. Our primary goal is to achieve a 100% occupancy rate while managing maintenance and repair costs. We set targets for metrics, such as cap rates, operating expense ratio, and rent collection efficiency. By maintaining high occupancy rates and meeting their targets, Fidelity Life Assurance continues to provide top-notch services to its clients.

RESPONSIBLE INVESTING

Fidelity is committed to responsible investing, recognising the importance of generating positive impacts alongside financial returns. Our approach encompasses several key pillars, including, risk mitigation through diversification and promotion of innovation and growth. Through community engagement and fundraising events, we strive to make a meaningful difference in the communities we operate in.

We aim to achieve a double bottom line, which involves generating positive financial returns while making a significant impact on the society and environment. We conduct due diligence with investors and investments to ensure alignment with our policies, values, principles, mission, and vision. We proactively address any negative impacts associated with our investments and carefully calculate the net impact to minimise, avoid, and mitigate potential adverse effects. Further, we integrate Environmental, Social, and Governance (ESG) factors into our investment decisions to effectively manage risk and maximise long-term sustainability.

Regular internal audits are conducted to review and enhance our processes and procedures. Our goals include long-term value creation and the promotion of sustainable practices. To achieve these goals, we implemented responsible investing principles within our investment space and fully integrated ESG factors into our investment analysis and decision-making processes. We made significant strides in promoting ESG practices through our investments, demonstrating our commitment to social responsibility. These efforts have reinforced the importance of responsible investing and its impact on creating a sustainable future.



RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT

As Fidelity Life Assurance, we understand that identifying, analysing, and evaluating risks is a crucial aspect of running a successful business. Our risk management framework helps us in continuously monitoring and reviewing risks to ensure that our risk management strategies remain effective and relevant. This approach helps us identify new risks that may arise and adjust our risk management strategies accordingly. Our risk management framework is guided by the following steps:

Approach to Financial Risk

Our main goal is to recognise, evaluate, and reduce financial risks that may affect our business. These risks may include credit, liquidity, interest rate and operational risks. We conduct a thorough analysis of each identified financial risk and assess the probability of its occurrence, severity, and the correlation between different risks. We use historical data, industry benchmarks, and market analysis to quantify and qualify the risks. Once we have identified and assessed the financial risks, we develop strategies to mitigate them, aiming to minimise the impact of any potential risks on our business.

Top Risks Identified

During the year we identified the following residual risks:

Risk Category	Risk Description	Risk Mitigation Measures
Liquidity	The risk of unavailability of funding for onward lending.	Revenue diversification streams.
Interest rate	The risk of banks increasing interest rates.	We adjust our lending rates basing with the current interest rates.

Financial crime	• The risk of the Group being exploited by criminals for money laundering or terrorism financing.	• The Group have a Anti-Money Laundering (AML)/ Countering the Financing of Terrorism (CFT) Policy which stipulate the procedures that employees should take to evaluate the money laundering risk for each client. • The business through risk function conducts regular AML training to ensure that employees are up to date with the trends in money laundering and are better equipped to combat it. • Know Your Client (KYC) verification is also done.
Reputational	• The loss of financial capital, social capital and market share resulting from damage to the Group's reputation.	• Compliance with regulatory requirements, • An active whistleblowing platform for reporting any malpractices which could affect the Group.
Compliance	• Potential legal and financial risks if industry regulations are not followed by the Group.	• The Group has a stand-alone compliance function which tracks all regulatory and industry requirements.
Fraud	• The possibility of any unexpected loss due to fraudulent activities.	• Fraud awareness training, policies, and procedure manuals. • Regular internal and external audits.
Operational	• The risk of processes, policies, systems, or events failing, which could cause disruptions to business operations. • Failure to meet forecasted revenues and targets.	• Regular review of policies and procedure manuals. • Employment of qualified personnel. • Strategy documents are done yearly which gives a road map on how targets will be met.

APPROACH TO SUSTAINABILITY RELATED RISKS MANAGEMENT

As a responsible and ethical business, Fidelity Life Assurance is committed to managing sustainability risks through a comprehensive approach. This involves promoting environmentally sustainable practices among borrowers, conducting social impact assessments, engaging with stakeholders, and developing a sustainability reporting framework.

To ensure compliance with environmental regulations, we encourage energy efficiency and promote renewable energy projects among borrowers. The Group assesses and manages the environmental impact of its operations, such as reducing paper usage or adopting green office practices. Additionally, environmental criteria are considered in lending decisions, such as financing environmentally friendly businesses or projects.

Fidelity Life Assurance incorporates social impact assessments into the lending process. The Group established a code of conduct or social performance standards for borrowers to encourage fair labour practices, inclusivity, and responsible business practices. We engage with stakeholders to understand their expectations, concerns, and feedback regarding sustainability practices. Stakeholder perspectives are incorporated into decision-making processes, and opportunities for collaboration and partnerships are sought to address sustainability risks.

Internal controls on sustainability reporting

We implemented various internal controls to improve the integrity and credibility of sustainability reporting. These controls include regular audits, verification of data sources, and validation of data collection methods. This helps to ensure our data is collected consistently and accurately.

SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

Recognising the significance of incorporating sustainability risks and opportunities into strategic decision-making, Fidelity Life Assurance acknowledges the importance of effectively addressing risks related to environmental, economic, social, and governance factors. We aim to capitalise on opportunities that enhance long-term sustainability and value for our stakeholders.

For the year 2023, our sustainability risks and opportunities were as follows.

SRRO	Risks	Opportunities
Climate change	Climate change can have negative impacts on various systems.	• Resource efficiencies and cost savings. • The adoption of low-emission energy sources.
Social	Non-compliance with labour standards such as health and safety, working hours, wages, and freedom of association.	• Fair working conditions and promoting diversity.
Corruption	Potential risk of individuals engaging in dishonest or unethical practices, such as bribery, and embezzlement.	• Enhanced integrity and ethical behaviour.
Environmental	The release of several pollutants into the environment due to deficiencies in waste management, transport, treatment, and disposal poses a threat.	• Promote sustainable waste management practices. • Implement pollution control technologies and practices, such as air and water treatment systems. • Encourage sustainable transport options and compliance with environmental regulations.

COMPLIANCE STATEMENT

The Group maintains a steadfast commitment to uphold legal, regulatory, and industry standards. It places an emphasis on fostering transparency and accountability across all facets of its operations. Throughout the year, we made efforts to comply with and adhere to the following:

- Companies and Other Business Entities Act [Chapter 24:31].
- SI134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules.
- Insurance and Pension Commission (“IPEC”).
- Securities and Exchange Commission of Zimbabwe (“SECZIM”).
- All other applicable laws, regulations, and directives.

Prepared by: and

INSURANCE ACT 1987 (Sections 24 and 30)

INSURANCE REGULATIONS, 1989 (Sections 3 and 8)

CERTIFICATE AS TO SOLVENCY OF A LIFE INSURANCE COMPANY

I hereby certify that, to the best of my knowledge and belief, the value of the assets, including shareholders' funds, in respect of all classes of insurance business carried on at **31 December 2023,** of **FIDELITY LIFE ASSURANCE Limited** exceed the amount of **ZWL$75,000,000** in respect of those classes of insurance business, based on audited financial information and data and estimates supplied by management.

The laws and regulations of Zimbabwe have been applied in the calculation of the solvency of **FIDELITY LIFE ASSURANCE Limited**.

My primary regulator is the Actuarial Society of South Africa.

Robert Oketch
FASSA
For and on behalf of Independent Actuaries & Consultants
26 June 2023

assisted by

Sonwell Mudzengi
Managing Director
For and on behalf of ZAC Global Actuaries

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Authorised Financial Services Provider | **REG No.** 2002/000342/07 | **FSP No.** 6832
Directors: W.M. Tshaka (Non-Executive Director) |A. Gani (MD)
Prof C.J.B. Greeff | V. Faria | K.S. Lewis

SUSTAINABILITY

OUR STRATEGY

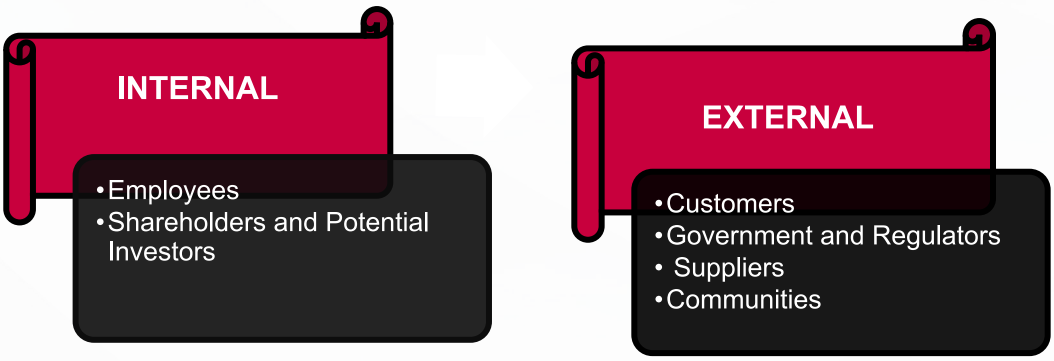
Our operations are guided by internal policies and procedures inspired by international best practices. We adopted the Global Reporting Initiatives (GRI) Standards for identifying, quantifying, and disclosing our impacts across the Group. The Group integrates the standards as a strategy through a line-up of activities that includes training, strategy, and policy reviews.

STAKEHOLDER ENGAGEMENT

Fidelity Life Assurance recognises the importance of stakeholder engagement as a strategic approach to understanding and addressing the needs and expectations of different groups or individuals affected by our operations and products. We consider stakeholders as strategic business partners who can provide valuable insight into potential business risks and opportunities.

Key stakeholder groups

The stakeholders are categorised as follows:



For the year under review, our stakeholders highlighted the following issues:

Stakeholder	Key Issues Raised	Mitigation Measure	Engagement Method	Frequency of Engagement
Employees	• Employee welfare.	• Remuneration increase implemented per NEC Insurance's CBA.	• Emails. • Meetings.	Quarterly.
Government and Regulators	• Inspection of policies and procedures on anti-money laundering. • Combating financing of terrorism.	• Conducting anti -money laundering trainings. • Gantt charts for effective planning and use of resources	• Meetings. • Letters. • Emails.	Adhoc.
Shareholders and Potential Investors	• Return on investment.	• Loan book growth.	• Board meetings.	Quarterly.

Suppliers	• Quality. • Late deliveries.	• Substandard goods are returned. • Implementation of payment after delivery method to motivate vendors to deliver on time.	• Telephone. • Meetings. • Emails.	Daily

SUSTAINABILITY MATERIALITY ASSESSMENT

Sustainability materiality assessment is a crucial process that helps us to identify the key issues that matter to the Fidelity Life Assurance and its stakeholders. We prioritise key issues aligned with GRI Standards and Sustainability Accounting Standards Board (SASB) on sector specific, including environmental, social, economic, and governance considerations by other companies in the insurance sector. Through targeted measures, we effectively manage these issues and uphold our commitment to sustainability. Materiality determines which ESG issues are reported to investors and stakeholders. Our transparent process for identifying and evaluating material ESG risks demonstrates our dedication to addressing stakeholder concerns.

The materiality process for 2023 was conducted as follows:

Topic Identification	Topic Prioritisation	Topic Selection and Matrix Generation
This process involves a review of materiality topics from the previous year, engaging with stakeholders, and evaluating material topics identified by other companies in our industry.	Topics identified are ranked as material based on their significance to the business and stakeholders' interests.	Topics are validated and approved, ensuring alignment with Fidelity Life Assurance's business activities, and plot them on a matrix to depict their importance to the Group and external stakeholders.

Our material topics were categorised into economic, environmental, social and governance and are as presented below:

Economic
Topics that cover the flow of capital among different stakeholders, and the main economic impacts of the business throught its value chain.

Environmental
Topics that cover the effects of our operations on both living and non-living elements of the ecosystems.

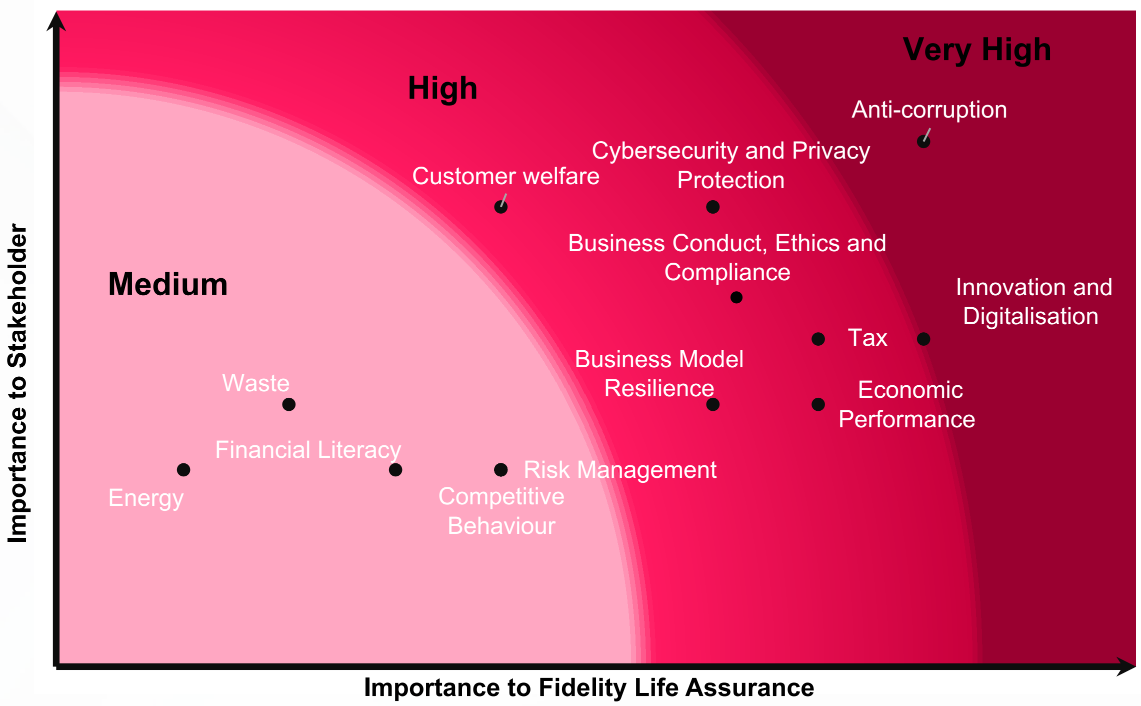
Social
Topics that cover the impacts on the communities, societies, and individuals affected by our activities and the measures we take to uphold and respect Human Rights.

Governance
Topics that cover the effects on the system of rules, practices, and processes that guide and govern our operations.

Economic	Environmental	Social	Governance
• Supply Chain Management and Responsible Sourcing • Financial Literacy • Economic Performance • Tax • Risk Management • Business Model Resilience	• Climate Change Mitigation • Energy • Water • Waste	• Corporate Social Responsibility • Employment • Diversity, Equity and Inclusion • Occupational Health and Safety • Employee Relations • Human Rights • Customer welfare • Access and Affordability • Competitive Behaviour	• Cybersecurity and Privacy Protection • Innovation and Digitalisation • Business Conduct, Ethics and Compliance • Anti-corruption

Materiality Matrix

The matrix presented in the scatter graph below represents the results of issues identified and prioritised based on their importance to the Group and their potential influence on stakeholder decisions. The issues are plotted on the priority of the total number of topics surveyed which were narrowed to the top thirteen (13) topics.



VERY HIGH – reflects those regarded by Fidelity Life Assurance and stakeholders to be of significant interest. As such, they represent both risks and opportunities for the business.
HIGH- reflects those where measures are in place to manage the impacts while improvements continue to be implemented.
MEDIUM -reflects those where significant effort was made to address them.

For the reporting period, the following topics were identified as the most significant for both business and stakeholders:

- Anti-corruption
- Innovation and Digitalisation
- Business Conduct, Ethics and Compliance
- Cybersecurity and privacy protection
- Tax

MATERIALITY LINK TO SDGS

Relevance to Sustainable Development

	Medium	High	Very High
Energy	7 Affordable and Clean Energy		
Economic Performance		8 Decent Work and Economic Growth	
Tax		16 Peace, Justice and Strong Institutions	
Waste	12 Responsible Consumption and Production		
Financial Literacy	1 No Poverty; 4 Quality Education		
Business Conduct, Ethics and Compliance		16 Peace, Justice and Strong Institutions	
Anti-corruption			16 Peace, Justice and Strong Institutions
Business Model Resilience		8 Decent Work and Economic Growth	
Innovation and Digitalisation			9 Industry, Innovation and Infrastructure
Cybersecurity and Privacy Protection		16 Peace, Justice and Strong Institutions	

SUSTAINABLE FINANCIAL SERVICE ACCESSIBILITY

As Fidelity Life Assurance, we are committed to sustainable financial access, ensuring inclusive and responsible financial services that promote economic empowerment and drive positive social impact in the communities we serve. We aim to bridge the gap and create opportunities for financial inclusion, fostering sustainable development.

ACCESS AND AFFORDABILITY

The Group is dedicated to providing affordable insurance products especially making them accessible to more people, especially the vulnerable populations. We offer affordable insurance products that have positive impacts, such as enhancing financial security, promoting social welfare, achieving financial inclusion, and reducing inequality. Our affordable coverage enables more people to protect themselves and their families from unexpected events and mitigate the financial impact of such events. Further, it reduces the burden on public assistance programs, allowing the Government to allocate resources more efficiently.

However, there are negative impacts faced by Fidelity Life Assurance to providing affordable insurance products. One of the challenges is the risk of adverse selection, where individuals who are more likely to use the insurance coverage are more inclined to purchase it, leading to higher claims costs for the insurer. This can affect the affordability of premiums for the broader pool of policyholders and potentially necessitate premium increases. Additionally, offering affordable life assurance to a broader segment of the population may strain the financial stability of our Group. If we do not manage the balance between affordability and risk, we could face challenges in meeting our obligations to policyholders and maintaining solvency.

To manage the negative impacts associated with access and affordability, we implemented strict underwriting practices to prevent adverse selection. Fidelity Life Assurance offers various insurance products that cater to the specific needs of underserved populations, such as Group funeral policies, savings, and medical aid cover distributed through affinity groups. Additionally, we collaborate with community groups to penetrate underserved populations, streamlining distribution channels, and opening satellite offices in remote and marginalised towns.

We set several goals to achieve our commitment to providing affordable insurance products and managing the negative impacts associated with access and affordability. These goals include increasing insurance coverage, improving customer satisfaction, growing market share, and reducing coverage disparities. Our commitments include innovation, transparency, technological advancements, and affordability. To achieve these objectives, we continuously review our product offerings and distribution channels to ensure that they cater to the needs of underserved populations. We invest in technology to streamline our operations, reduce costs, and improve efficiencies. Further, we promote transparency in our underwriting practices and pricing structure to ensure that our products are fair and affordable.

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CREDIT CONTROL MANAGEMENT

Our Impacts	Credit control plays a significant role in our approach to budgeting, cash flow and debt management. With effective cash flow management, we can optimise our income and expenses, ensuring that we have enough funds to cover our financial obligations and achieve our goals. Financial acumen enables us to develop better budgeting skills which helps track our income and expenses, make necessary adjustments, and save for the future. This focus on savings improves our portfolio by providing the means to invest.
Management Approach	Our Credit Policy includes a key measure known as the instalment to income ratio, which is set at 35%. This ratio helps to prevent over borrowing by ensuring that the monthly loan instalment does not exceed 35% of the borrower's income. We aim to safeguard individuals' cash flows and ensure that they can comfortably manage their loan repayments without undue financial strain. Before on- boarding a client, we provide them with a clear understanding of the monthly repayments associated with the loan. This allows them to make an informed decision about their borrowing capacity and ensures that they are fully aware of their financial obligations.
Monitoring System	The credit management process includes regular reviews conducted by the Group internal audit on a quarterly basis, as well as half-year reviews by external audit. To measure our performance in credit management, we use KPIs such as the Expected Credit Loss (ECL) computations and Non-Performing Loan (NPL) ratios. We have seen improvements in our collections, leading to a positive impact on our ECL and overall credit management.

CUSTOMER WELFARE

Customer welfare covers our commitment to prioritise the well-being and satisfaction of our valued clients. We strive to meet their needs by providing high-quality products and services while ensuring a positive and seamless client experience. Our focus is on promptly addressing stakeholder concerns, offering fair and transparent pricing, delivering reliable and safe products, and fostering strong and lasting stakeholder relationships.

We have policies to ensure that we consistently provide satisfactory service experiences, addressing factors such as response time, complaint resolution, and fair treatment. Additionally, our procedure manual provides detailed instructions for executing specific tasks and processes, ensuring consistency and efficiency in our operations. Our service charter serves as a formal statement of our commitments and service standards, reinforcing our dedication to meeting client needs. We establish Service Level Agreements (SLAs) to clearly define the level of service our stakeholders can expect from us. Our Non-disclosure agreements (NDAs) protects sensitive information that may be shared between parties. We maintain complaints register to track and address client concerns effectively.

We measure service turnaround time against approved service standards to ensure timely delivery of services.

Regular reporting on our service performance and activities helps us assess our progress and identify areas for improvement. Our promotional materials are designed to effectively communicate the value and benefits of our products and services to clients. Active participation on social media platforms enables us to engage with our stakeholders, build relationships, and enhance our brand presence.

We prioritise effective management through strategies such as internal and external audits, cost effectiveness, and group performance evaluations using rating scales. Our goals include increasing market position and achieving high client retention. Key performance indicators, such as client satisfaction and employee engagement surveys, assess the effectiveness of our actions. We made progress by expanding client-centric products and increasing market share. Additionally, we implemented strategies to mitigate risks within our value chain process. These efforts contribute to enhancing operational efficiency, client loyalty, and market competitiveness.

HUMAN CAPITAL

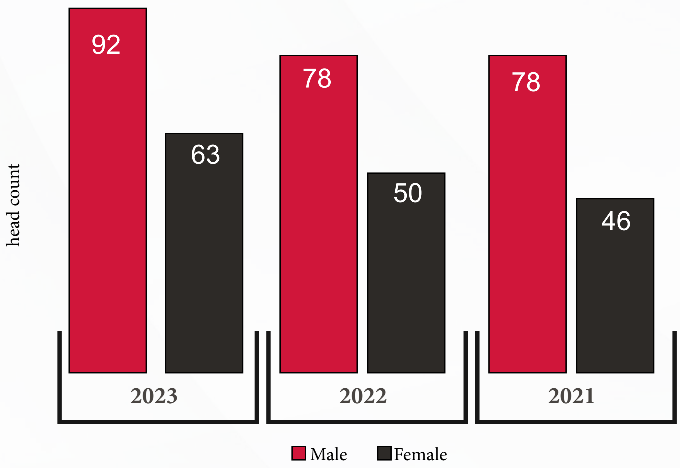
EMPLOYEES

Our employees are the backbone of our Group. We prioritise their engagement, development, and well-being, recognising that their dedication and expertise drive our success and ensure exceptional customer service.

Our Impacts	Employment is a vital aspect of sustainable development and serves as a platform for personal growth, skill building, and knowledge acquisition. Additionally, it plays a crucial role in providing individuals with the means to support themselves and explore their interests. The sense of pride that comes with having a job helps individuals recognise and celebrate their personal accomplishments. We understand that unemployment often contributes to an increase in crime rates and a decrease in living standards. If financial difficulties stemming from joblessness are not effectively dealt with, they can lead to economic recessions or even depressions.
Management Approach	To foster employee growth and development, the Group follows a structured approach to recruitment and selection. Whenever possible, internal vacancies are advertised and filled through promotions or transfers of existing employees. We prioritise open communication to cultivate a positive and dynamic work environment, ensuring employee motivation. This is achieved through frequent communication, encouraging the sharing of viewpoints, and emphasising equal opportunities for all. We recognise and reward achievements, assuming a positive intent and creating a supportive and nurturing work environment. Our focus is on encouraging open communication, collaboration, providing necessary resources, and supporting our team members.
Evaluation System	Performance reviews, time tracking, and project-based evaluations are integral components of our approach to employee performance management. These assessments aim to promote the growth and development of employees while ensuring timely remuneration, contributing to the reduction of the overall unemployment rate in the country, and achieving 100% employee satisfaction. Our progress towards goals and targets is evident as we successfully filled most vacant positions within the Group, resulting in a low turnover rate. These accomplishments demonstrate the effectiveness of our actions in creating a positive and professional work environment.

During the reporting period, our employees base was as follows:

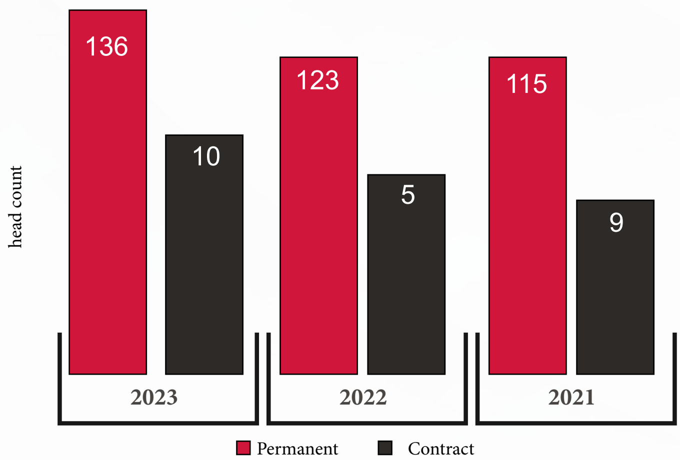
EMPLOYEES BY GENDER



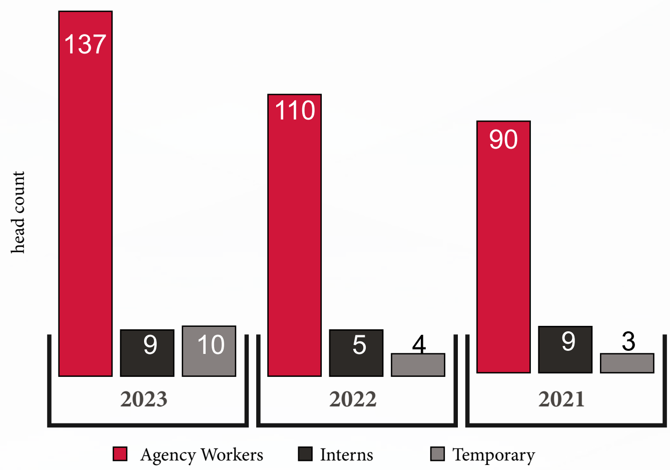
EMPLOYEE BY CONTRACT TYPE

Our employees at Fidelity Life Assurance comprise of permanent and temporary staff. Additionally, we engage third-party employees, including agency workers, interns, and graduate trainees.

EMPLOYEES BY TYPE



THIRD PARTY EMPLOYEES



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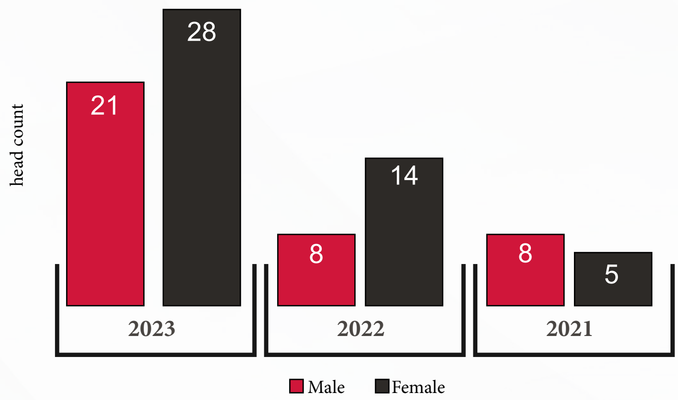
EMPLOYMENT

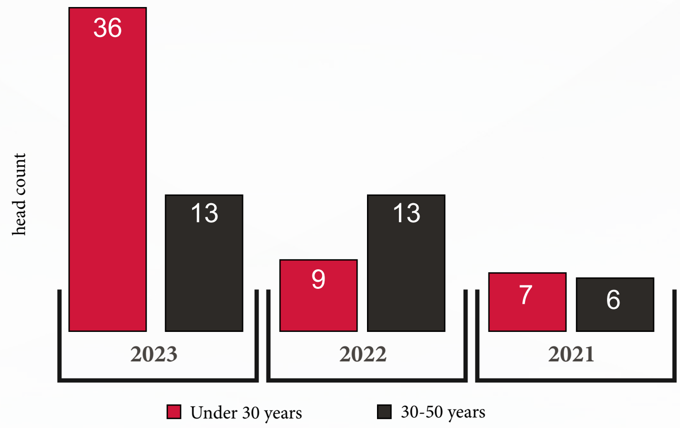
As Fidelity Life Assurance, we prioritise employee hire and retention while promoting diversity in gender and age. We recruit individuals who align with our values and possess the necessary skills and qualifications.

During the reporting period, our employee movement was as follows:

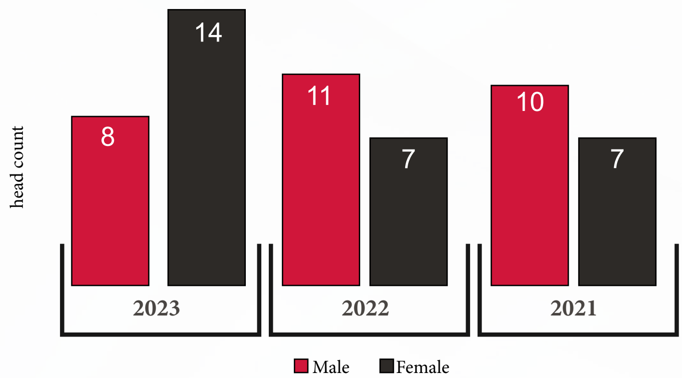
EMPLOYEE HIRE BY GENDER



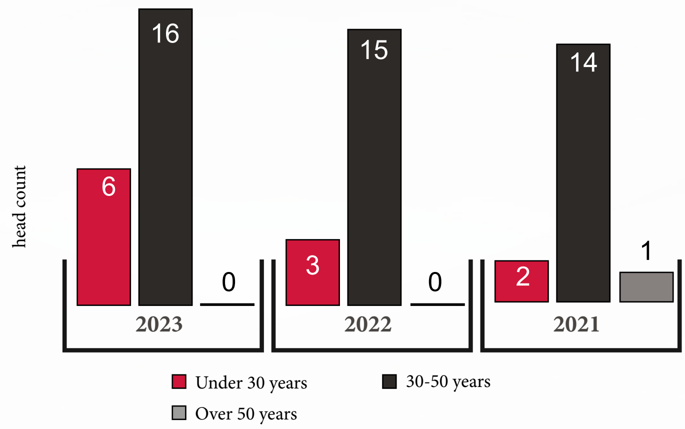
EMPLOYEE HIRE BY AGE



EMPLOYEE TURNOVER BY GENDER



EMPLOYEE TURNOVER BY AGE



EMPLOYEE RELATIONS

Fidelity Life Assurance acknowledges the significance of maintaining positive relations between the management and employees. We believe that effective communication, regular feedback, and conflict management training are essential to promote a healthy work environment and reduce turnover and recruitment costs. Our approach has resulted in increased employee motivation, and commitment, fewer labour conflicts, higher productivity, and profits. However, poor employee management relations can lead to low work morale, increased stress, and high employee turnover rates. To prevent or mitigate such negative impacts, we promote open communication, conduct team-building activities, and encourage a healthy work-life balance. Additionally, we recognise and address difficult situations, and identify underlying needs to find common ground and workable solutions.

The Group complies with the Labour Relations Act [Chapter 28:01], and we established a Works Council. To monitor the effectiveness of our actions, we conduct both internal and external audits, track employee turnover rates, job satisfaction rates, absenteeism rates, and the number of disputes or grievances filed. Our objectives are to guarantee efficient communication of matters related to collective bargaining, grievance procedures, and modifications in labour regulations between all concerned parties. We aim to establish and reinforce the connection between employers and employees, and to enable team members at all levels to collaborate more effectively with greater job satisfaction.

Fidelity Life Assurance has consistently prioritised employee engagement as an important aspect of its decision-making process. As a result, we have seen a reduction in conflicts, which has improved the productivity of our operations. Moreover, our employees have demonstrated a higher level of loyalty, as they feel that their voices are heard, and their concerns are addressed.

EMPLOYEE WELFARE

As FLA, we recognise the significance of a fair and equitable compensation and benefits structure in motivating and retaining employees. Over the years, we have made continuous improvements to our compensation systems to align with industry and economic standards. Our approach is driven by market and economic forces, as well as Group policies approved by Management and the Board. Additionally, we consider input from employment councils like the National Employment Council (NEC) when developing initiatives related to Compensation and Benefits. Sustainability and economic factors are carefully considered to ensure the effectiveness of these initiatives.

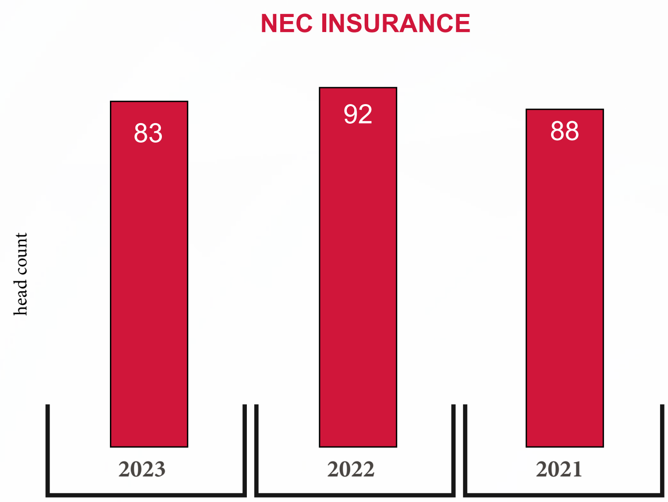
Our pension contributions for 2023 were as follows:

	2023 (ZWL)	2022 (ZWL)	2020(ZWL)
National Social Security Authority (NSSA)	248,156,040	9,998,213	1,075,107
Fidelity Life Pension Fund	622,902,826	47,146,929	19,375,265
Total	**871,058,866**	**57,145,142**	**20,450,372**

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Fidelity Life Assurance upholds policies and Collective Bargaining Agreements (CBA) in accordance with the Labour Act [28:01]. Our aim is to become an employer of choice, providing value to our employees through a competitive, sustainable, and affordable reward system that fosters healthy competition and drives results. Worker representative committees facilitate effective communication and collaboration between management and employees.

For the reporting period our CBA was as follows



OCCUPATIONAL HEALTH AND SAFETY

Fidelity is committed to ensuring a safe and secure work environment for employees. By implementing safety measures, we aim to reduce accidents and injuries, enhance operational efficiency, and foster a positive workplace culture. We prioritise employee well-being, knowing that a safe environment improves productivity, boosts morale, and strengthens employee relations. Neglecting safety can lead to higher costs, reduced quality of life, and increased exposure to hazards. As such, we continually invest in safety to protect employees and drive sustainable business growth.

To achieve our commitment, we conduct routine spot checks and workplace inspections to identify and address any potential safety risks. We prioritise regular auditing and compliance assessments to ensure adherence to safety policies and regulations. Through our efforts, we have made significant progress in improving the living and working environment for employees. Increased awareness regarding health precautions and safety measures has contributed to a reduction in accidents, risks, and injuries.

HAZARD IDENTIFICATION AND RISK ASSESSMENT (HIRA)

This process involves identifying, assessing, controlling, and reviewing hazards and risk factors to ensure a safe working environment. To initiate the hazard evaluation process, individuals are required to notify the person in charge, such as the Head of Department (HOD), either verbally or in writing. This communication helps to bring attention to the hazard and initiates the necessary actions. Subsequently, the details of the hazard are recorded to maintain a comprehensive record and facilitate further analysis. Following the identification and recording of the hazard, it is essential to ensure appropriate measures are taken to prevent its recurrence. This involves a follow-up process to verify that the necessary control measures have been implemented effectively, minimising the risk of harm to individuals or the workplace. Incident reporting is another critical aspect of the hazard evaluation process. It provides a mechanism to report any incidents or accidents that have occurred, allowing for a thorough investigation and analysis. Incident reporting helps to identify the root causes and contributes to ongoing efforts to enhance safety measures.

TRAINING AND EDUCATION

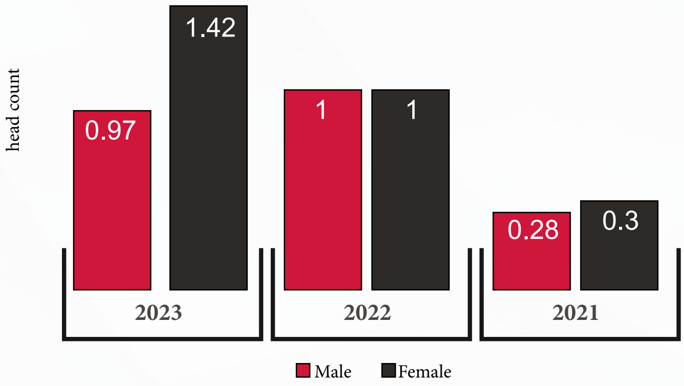
Fidelity's training and education approach has been instrumental in driving positive impacts across various domains, including the environment, the economy, people, and Human Rights. We firmly believe that investing in the development of our human capital is not only crucial for individual growth but also for achieving excellence within the entire Group. By equipping employees with the necessary skills and knowledge, we are fostering a culture of continuous learning and professional growth. This empowers employees to be adaptable, innovative, and capable of meeting evolving challenges in the global marketplace.

The Group established comprehensive policies and commitments to effectively manage training and education. These policies are integrated within our general conditions of employment policy framework, which emphasises the importance of human capital development and continuous improvement. We are dedicated to providing processes, structures, and systems that promote employee development and growth, both internally and externally. We ensure that all employees are trained and equipped with the necessary knowledge and resources outlined in our policy framework. We continuously monitor and evaluate our training and education initiatives to ensure they align with our commitment to positive impacts and contribute to the overall success of the Group.

Compliance audits are conducted regularly to ensure that our policies and procedures are being followed consistently. Skills audits are performed to assess the competency and proficiency of employees, identifying areas for improvement, and tailoring our training programs accordingly. We utilise performance cycles and career planning processes to monitor individual progress and provide opportunities for growth and advancement. Our goals in managing training and education revolve around creating an environment that fosters continuous human capital development. We have set targets to ensure 100% compliance with our human capital development standards and measure progress through key performance indicators such as the percentage of identified successors and promotions.

For the reporting period, our average training hours were as follows:

AVERAGE TRAINING HOURS PER EMPLOYEE



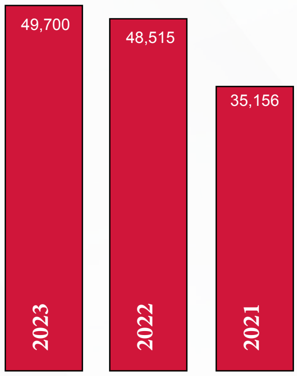
SUSTAINABILITY IN OUR OPERATIONS

We are committed to managing and conserving water, energy, and waste throughout our value chain, while ensuring responsible sourcing practices are followed, promoting sustainability, and minimising environmental impact.

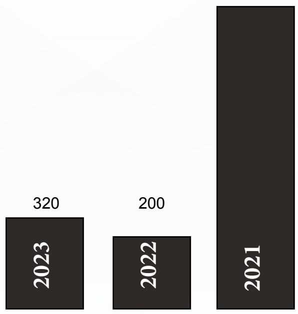
ENERGY

Our Impacts	Energy management is an important aspect of our sustainability efforts, focusing on optimising energy usage and reducing environmental impact. It involves implementing strategies to enhance energy efficiency, utilising renewable energy sources, and adopting practices that promote responsible energy consumption. While energy management brings numerous positive impacts such as cost savings, increased productivity, and reduced air pollution, it also addresses potential negative consequences including higher energy costs and increased carbon footprint.
Management Approach	We prioritise training employees on efficient energy usage to promote sustainable consuption. Continual improvement in energy usage is achieved through ongoing monitoring, analysis, and implementation of energy-saving measures. More so, we purchase energy-efficient products such as Light Emmiting Diode (LED) lights to reduce consumption and environmental impact. Our commitment to adopting green energy is evident through our ongoing solar installation projects, which help transition to renewable energy sources. Additionally, we ensure regular servicing of electrical equipment, such as generators and pool vehicles, to minimise air pollution. Effective policy management provides a framework for consistent energy-saving practices, setting targets, and ensuring accountability.
Evaluation System	Internal and external audits help us assess and identify areas for improvement, ensuring that our energy management practices are effective. Surveys provide valuable insights from employees and stakeholders, allowing us to understand their perspectives and incorporate their feedback into our energy management approach. Monitoring electricity usage is a key practice to track our progress and identify opportunities for reducing consumption. Our goals for energy management include adopting a green energy system and reducing electricity usage. To achieve these goals, we set targets such as avoiding the usage of fossil fuel and transitioning our business to rely on solar energy in the long run. Key performance indicators such as electricity consumption and fossil fuel consumption are used to assess our progress and measure the effectiveness of our actions. We made noteworthy progress towards our goals, as we commenced the initial stages of implementing solar projection, with the installation of a solar backup system underway.

ELECTRICITY CONSUMPTION

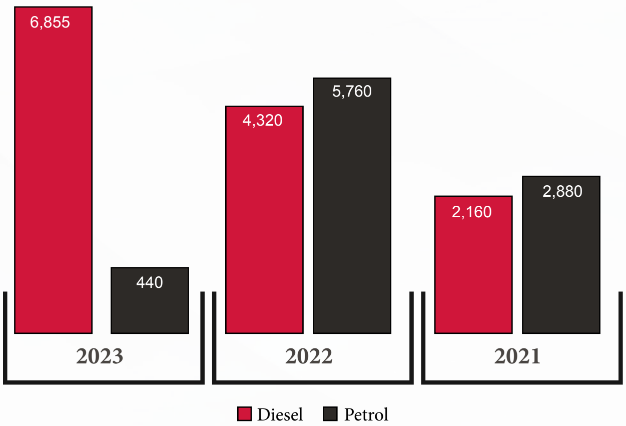


DIESEL FOR GENERATORS



ENERGY CONSUMPTION OUTSIDE THE GROUP

Energy consumed outside the Group relate to petrol and diesel used for distribution and service delivery outside the Group's operational premises. Consumption for the period is below:



The consumption of diesel increased by 59% due to the increase in the number of pool cars and outreach programs. Petrol consumption also significantly decreased by 92% as petrol pool cars were disposed of. Only one is left.

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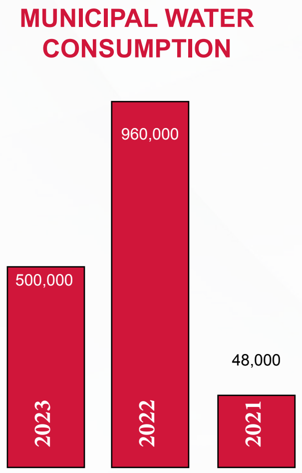
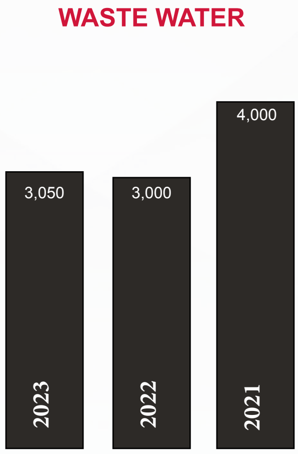
WATER

Our Impacts	As Fidelity Life Assurance, we recognise the importance of responsible water management and the impacts it can have on our operations, the environment, and the community. One of the key positive impacts of our water management efforts is the promotion of corporate social responsibility which helps us build a positive reputation. Furthermore, our water management practices can contribute to avoidance of fines and penalties associated with non-compliance of water usage regulations, which demonstrates our commitment to operate within the bounds of environmental regulations.
Management Approach	To achieve these positive impacts, we have implemented a range of strategies and initiatives. Regular inspections and maintenance of our water systems help us identify and address any leaks or inefficiencies that may contribute to water waste. We consult with experts, such as plumbers, to ensure that our water infrastructure is properly maintained and functioning optimally. In addition, we have taken steps to reduce water consumption by implementing water-saving technologies and practices. For example, we manged to install water-saving fixtures such as urinals and replaced old toilets with models that use less water per flush. This helps us significantly reduce our overall water usage while maintaining the necessary hygiene standards. Further, we have implemented water recycling and reuse initiatives wherever possible. This allows us to maximise the use of available water resources by treating and reusing water for non-potable purposes such as irrigation.
Evaluation System	As part of our water management evaluation process, we conduct internal and external audits to assess our practices and identify areas for improvement. Our goals include ensuring the supply and security of clean and sufficient drinking water, as well as improving water quality by reducing pollution. We target increasing recycling and safe reuse of water resource. Key performance indicators such as water security and capacity to ensure supply continuity are used to assess the effectiveness of our actions. Through our efforts, we achieved significant progress, including a reduction in water usage, zero disease outbreaks, and zero fines from local authorities. Compliance with water management policies is key to our efficiency, and we closely monitor our compliance dashboard to enhance our practices.

For the reporting period, our water consumption was follows:





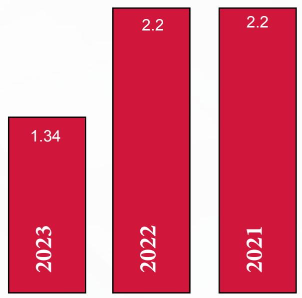
WASTE

Our Impacts	As we navigate an increasingly resource-constrained world, it is essential to implement waste management strategies that minimise environmental impact, promote resource conservation, and uphold regulatory compliance. Our diligent adherence to proper waste disposal regulations has ensured that our corporate entity remains free from fines and penalties. Through partnerships with reputable waste management companies, maintenance of municipal infrastructure, and the transition to electronic documents, we continue to enhance our waste management practices and strive towards a more sustainable future.
Management Approach	Employees undergo proper training to ensure they are equipped with the knowledge and skills necessary for effective waste management. They are provided with protective clothing to ensure their safety during handling and disposal operations. Further, we strictly adhere to applicable laws and regulations governing waste management to maintain compliance and uphold our commitment to responsible corporate citizenship. Moreover, we invest in the maintenance of municipal infrastructure, ensuring that waste management systems are in optimal condition for efficient and effective waste collection and disposal. To further promote waste management awareness and best practices, we engage in community campaigns to educate and involve the public in sustainable waste management practices.
Evaluation System	We conduct internal audits to ensure adherence to waste management protocols and engage with customers through social media to gather valuable feedback. Our goals encompass minimising hazardous and non-hazardous waste, promoting recycling, and fostering sustainable development. To achieve these goals, we target improved resource efficiency and waste reduction. Key performance indicators, adherence to waste management protocols, track our progress. Our actions have been effective in reducing waste and maintaining a record of zero disease outbreaks and fines from authorities.

WASTE GENERATED

As commitment towards responsible production, we track our waste production and ensure proper disposal of waste For the reporting period, our waste generated was as follows:

PAPER AND FOOD WASTE



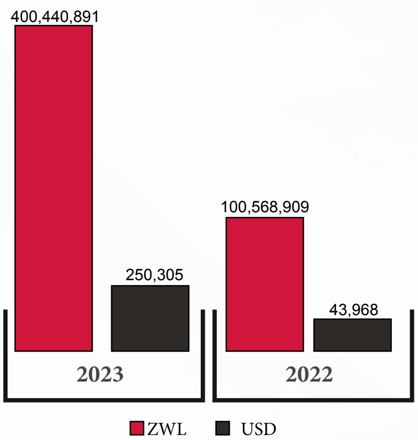
RESPONSIBLE SOURCING

Our Impacts	Through responsible sourcing, we strive to ensure that our supply chain operates in an ethical and sustainable manner. This involves creating long-lasting relationships with suppliers that adhere to regulations. Embracing sustainable sourcing enables us to reduce costs and make efficient use of resources. Though implementing these strategies can be time-consuming, we believe the long-term benefits far outweigh the initial effort
Management Approach	We implemented several measures and policies to ensure accountability, and environmental stewardship. Our Scheme of Delegated Authority (SODA) provides a clear framework for decision-making within our procurement procedures, promoting transparency and proper governance. Additionally, our Procurement Procedure Manual outlines standardised processes, ensuring efficiency and consistency in our supply chain operations. Further, our Procedure Manual for Corporate Administration guides supplier selection and evaluation, enabling us to build relationships with suppliers who uphold principles of good governance, social responsibility, and environmental sustainability. Our commitment to responsible practices extends throughout our entire supply chain, contributing to a more ethical and sustainable business ecosystem.

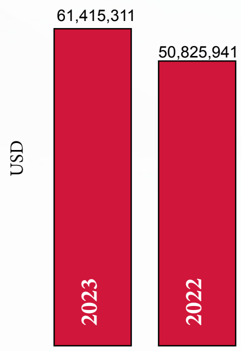
Evaluation System	Our goals include adding value to our products and services while reducing operational costs. To measure our performance, we rely on key performance indicators such as profit levels, the number of clients, and costs incurred. One effective action we have taken is conducting audits to ensure that vendors charging the lowest amount for goods or services are awarded orders, as long as they meet our user requirements. This helps in reducing costs and optimising our procurement processes. We made significant progress towards our goals and targets. This is evidenced by the increase in the number of clients we have acquired and the opening of new branches. These achievements have resulted in a notable increase in revenues. Moreover, successfully reduced our total costs, contributing to improved profitability.

Our spending and suppliers for 2023 was as follows:

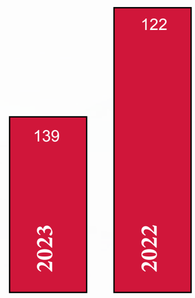
SPENDING ON LOCAL SUPPLIERS



SPENDING ON FOREIGN SUPPLIERS



TOTAL NUMBER OF SUPPLIERS



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CLIMATE CHANGE

As a responsible business, we are dedicated to effective environmental impact management to mitigate effect on climate change by reducing emissions. Through strategic initiatives and sustainable practices, we strive to mitigate our carbon footprint and contribute to a resilient and low-carbon economy.

Our Impacts	There are several factors driving the increased interest in sustainable businesses, such as the growing concern for the environment and recognising the need to address negative impact of climate change. We understand that climate change poses significant challenges and risks, including physical risk, rising insurance costs, exacerbation of poverty, and supply chain disruptions. To effectively manage these issues, we have implemented various strategies tailored to our operations and goals on climate change.
Management Approach	One key aspect is engaging in awareness campaigns to educate employees, partners, and stakeholders about the impacts of climate change and the importance of sustainable practices. This helps foster a climate-conscious workplace culture and encourages everyone to participate in mitigating our carbon footprint. Another important focus area for us is reducing our employee carbon footprint. We actively promote initiatives such as promoting energy-efficient practices, encouraging telecommuting, and supporting carpooling or the use of public transportation. Additionally, we are committed to nurturing biodiversity through initiatives such as reforestation and conservation efforts.
Monitoring System	One of our primary goals is sustainable development, which involves balancing economic growth with environmental protection and social well-being. In order to track our progress in climate mitigation, adaptation, and resilience, we use global greenhouse gas emissions as a key performance indicator. We are actively working towards creating a green ecosystem environment by using appliances and equipment that are environmentally friendly and we managed to purchase green ecosystem-friendly vehicles to reduce our carbon footprint. We place a strong emphasis on reducing our greenhouse gas emissions. This includes closely monitoring and managing our Scope 3 emissions, which encompass emissions from our suppliers and customers. By working collaboratively with our supply chain partners and encouraging sustainable practices, we aim to collectively reduce our carbon footprint and contribute to climate change mitigation efforts.

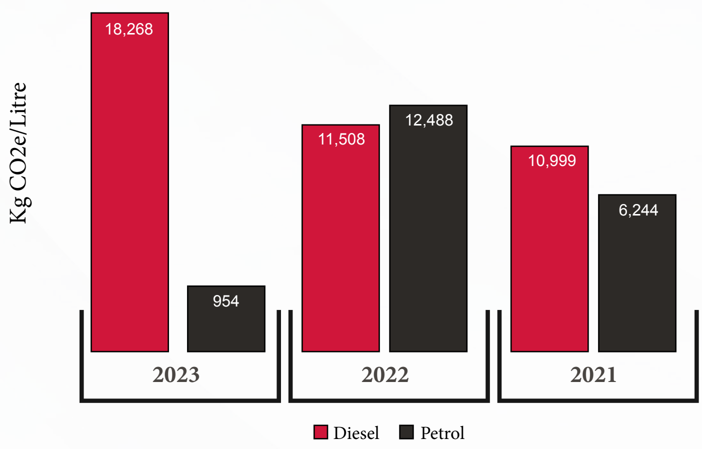
EMISSIONS

The Group recognise its contributions to climate change and is committed to track and lessen its greenhouse gas emissions head-on through innovative solutions and sustainable practices, We calculate our carbon footprint by converting energy consumption into carbon dioxide (CO2e) equivalency using internationally accepted conversion factors.

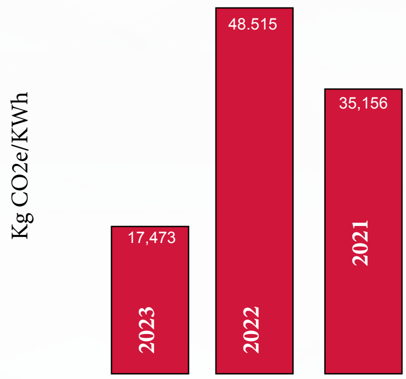
Our Scope 1 is the direct emissions based on our consumption of liquid biofuels (diesel and petrol) in all operations that are directly under our control. We calculate Scope 1 by applying United Kingdom (UK) Government GHG Conversion Factors. Our Scope 2 is the indirect Emissions is calculated by converting electricity consumption to emissions equivalency using the Southern African Power Pool 2015 factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change (IPCC).

Our emissions for the reporting period were as follows:

SCOPE 1: LIQUID BIO-FUELS



SCOPE 2: ELECTRICITY



CLIMATE-RELATED RISKS

Climate-related risks present significant challenges for Fidelity. By conducting thorough assessments and implementing risk management strategies, the Group can safeguard its operations, investments, and stakeholders.
Below are the climate related risk and opportunities identified by the Group for the reporting period.

Risk/Opportunity	Description	Classification	Mitigation measures
Renewable energy	• Transitioning to renewable energy sources, such as solar presents opportunities for investment.	• Environmental	• Investing in renewable energy infrastructure and technologies.
Investment costs	• Potential costs pertaining to the risk of financial difficulties that can hinder the implementation of climate-related projects and initiatives.	• Financial	• Conducting thorough project assessments, secure financing from diverse sources and developing robust financial management strategies.
Low premium collection	• The challenge of collecting sufficient premiums for climate-related insurance products, which can affect the availability and affordability of coverage for climate-related risks.	• Financial	• Developing risk-based pricing models, improve risk assessment and underwriting practices.
Climate change	• The potential risk of infrastructure damage due extreme weather events or changing climate patterns.	• Physical	• Regular maintenance and monitoring of infrastructure systems to identify vulnerabilities and address potential risks.
Transition	• The shift towards a low carbon economy poses significant risks for policy and regulatory changes.	• Regulatory	• Developing and implementing strategies to ensure compliance with existing and future policies.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is an essential aspect of our values and operations. We recognise the importance of contributing positively to society and the environment beyond our core business activities. Through CSR initiatives, we aim to make a meaningful impact by addressing social, economic, and environmental challenges, and fostering sustainable development for the benefit of all stakeholders involved.

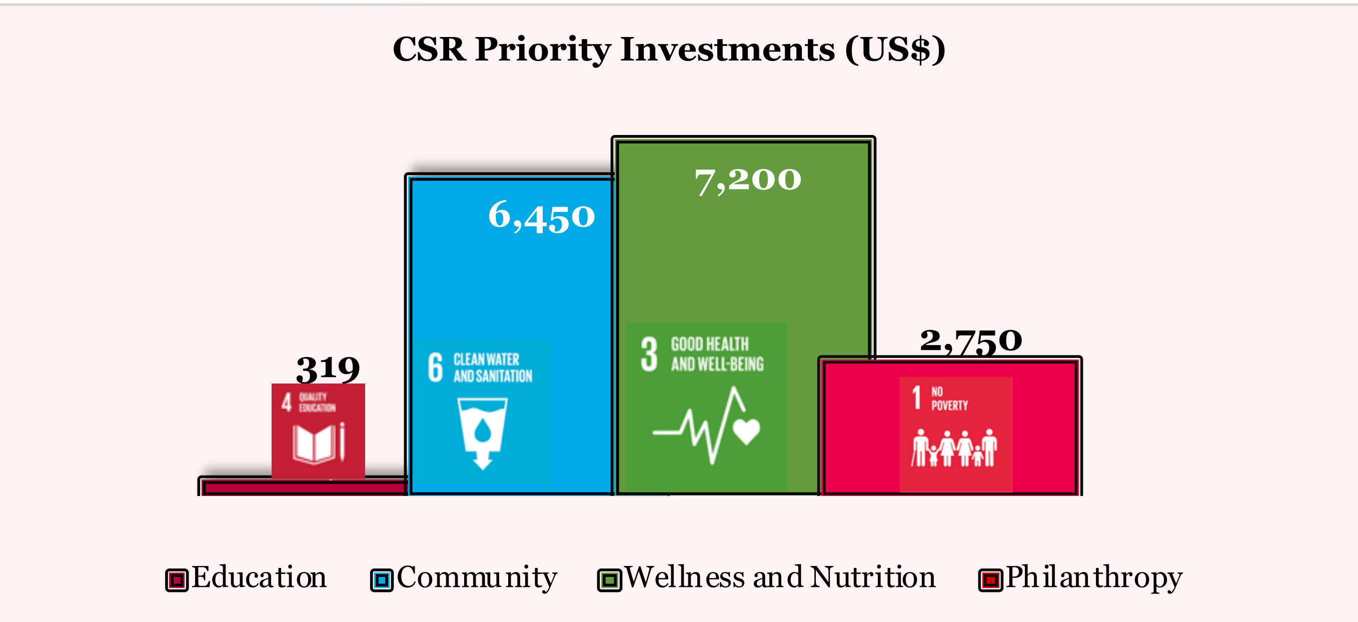
POSITIVE IMPACTS IN THE COMMUNITY

Fidelity Life Assurance is committed to making a positive impact through Corporate Social Responsibility (CSR) initiatives. We carefully select projects that address community issues and uplift beneficiaries, while also promoting sustainable development. Our focus is on creating lasting change and improving the well-being of the communities we serve. Through strategic decision-making and thoughtful project selection, we aim to make a meaningful difference in people's lives.

We prioritise collaboration and guidance from relevant authorities when undertaking our CSR initiatives. We engage with the authorities of selected institutions to ensure that our projects align with their guidance and expertise. This collaborative approach helps us address identified needs within the communities we serve and eliminates the possibility of any negative impact. The Group donated a borehole with an installed tank to the community of Epworth, ensuring access to clean water. The Kadoma Business Club received our support through the donation of chicks, chicken feed, and vaccines, enabling them to start a chicken project. Our wellness programs provided free health consultations to various communities, improving access to healthcare. Additionally, we donated clothing to the children from Mathew Rusike, ensuring their well-being.

We believe in setting specific objectives with measurable deliverables for each CSR initiative. These objectives are established before authorisation to provide a clear direction and purpose for our projects. We ensure that our action plans are carefully implemented, and once completed, we evaluate their success by measuring the outcomes against the initial objectives. This evaluation process allows us to assess the effectiveness of our initiatives, identify areas of improvement, and make data-driven decisions to continuously enhance the impact of our CSR efforts.

For the period under review, we spend a total of US$ 16,719 on the following priorities:



EDUCATION: **TARGET 4.7**	**PURPOSE** Assisting students reach their goals in areas we operate. **BENEFICIARIES** Kendra Kadhanga **ITEMS DONATED** School Fees and school uniforms.
COMMUNITY: **TARGET 6.1**	**PURPOSE** Providing water to communities that support our business. **BENEFICIARIES** Epworth Community **ITEMS DONATED** Borehole and tank
WELLNESS AND NUTRITION: **TARGET 3.8**	**PURPOSE** Providing health services to the community **BENEFICIARIES** 1. Platinum Lithium of Zimbabwe 2. Island Hospice 3. Citimed 4. St Giles **ITEMS DONATED** 1. First Aid kits 2. Funds towards mental health services 3. Sponsorship for Mbare hospital Launch 4. Funds towards ward launch.
PHILANTHROPY: **TARGET 1.2**	**PURPOSE** Giving back to the community. **BENEFICIARIES** 1. Kadoma Business Club 2. Mathew Rusike **ITEMS DONATED** Day old chicks, feed and vaccines, Branded t-shirts.

FINANCIAL IMPACTS AND CONTRIBUTIONS

Financial impacts and contributions are integral to the success of businesses as they shape strategies and outcomes. This involves evaluating and analysing the financial consequences and optimising financial resources. It also includes assessing the effects of financial decisions and providing guidance aimed at making informed choices that have a positive impact on financial outcomes and contribute to overall growth and success.

FINANCIAL IMPACTS

Our Impacts	The economic performance of Fidelity significantly influences its overall success and achievements. A strong economic performance directly influences our ability to create and preserve value for both policyholders and shareholders, ensuring their long-term satisfaction and confidence. Additionally, it enables us to improve the welfare of our internal and external stakeholders, fostering positive relationships and enhancing trust. A thriving business with solid economic performance enjoys increased brand visibility, attracting more customers and expanding our market share. This growth potential not only leads to recurring business and increased customer base but also contributes to national development by promoting savings and investment. However, it is important to be mindful of potential environmental impacts associated with economic activities, such as pollution and climate change.
Management Approach	We carefully assess investment opportunities, considering not only their potential financial returns but also their social and environmental impacts. We actively seek out investments that align with our values, such as sustainable energy projects, socially responsible enterprises, and businesses that prioritise ethical practices. The Group makes a significant contribution towards national development through job creation, tax contributions, and support for local businesses. Moreover, we actively contribute to the maintenance of public infrastructure. Through partnerships with local authorities and active involvement in infrastructure projects, we help ensure that the community has access to reliable and modern infrastructure that supports their needs..
Monitoring System	Our commitment to economic performance rests on the foundation of creating value for all stakeholders while minimising harm to the natural ecosystem. Throughout the reporting period, we made significant strides towards this goal, witnessing notable growth in savings and investments. Lessons learned along the way have shaped our strategies, reinforcing the importance of responsible investments, stakeholder engagement, and community contributions..

ECONOMIC VALUE GENERATION AND DISTRIBUTION

For detailed information on the direct economic value generated and distributed, please refer to pages 66 to 213 of our financial statements. These pages provide a comprehensive overview of the economic impact we have achieved.

TAX

The business takes pride in its contribution to the national revenue authority, playing a significant role in national development through participation in various projects. Fulfilling our tax obligations and complying with national tax acts demonstrates our commitment to being a loyal corporate citizen. Timely payment of taxes, along with staying updated on statutory tax developments, ensures compliance and avoids any potential erosion of policyholder and shareholder value. Moreover, the Group recognises that tax compliance contributes to national development by eliminating tax revenue leakages and promoting a level playing field.

APPROACH TO TAX

We conduct an annual review of our tax practices to ensure compliance with applicable statutes and this is supervised by the Group Finance Director. Our approach is rooted on risk-based management, aimed at minimising and eliminating any potential losses that may arise from non-compliance. In addition to our commitment to tax compliance, we actively promote eco-friendly practices within the communities we operate in. We leverage allowable deductions to support charitable causes and projects of national interest, such as national housing initiatives and donations to charities. Our management approach to tax compliance revolves around a set of documented procedures that guide our adherence to tax regulations.

These procedures undergo an annual review to ensure their effectiveness and alignment with the latest developments in taxation. Tax planning is a key component of our strategy, enabling us to optimise our tax obligations while remaining compliant. Our actions to manage tax compliance have been effective in achieving our goals and targets. Adherence to payment dates and the implementation of our tax strategy have ensured timely and accurate tax payments, avoiding any penalties or interest levied against the business. Regular tax reviews and consultations have helped us stay informed and compliant with new policies, minimising the risk of misinterpretation of statutes. Training initiatives have been successful in cascading knowledge across the Group, enhancing our understanding of tax regulations and facilitating smooth compliance.

STAKEHOLDER ENGAGEMENT ON TAX MATTERS

We understand the importance of maintaining a strong relationship with tax authorities and actively participate in corporate functions. These functions provide valuable opportunities for knowledge sharing, networking, and staying updated on the latest tax regulations and requirements. To further enhance our understanding and compliance with tax regulations, we invest in training and seminars for employees. These initiatives help to keep our team informed and equipped with the necessary knowledge and skills to navigate the complexities of tax compliance. In addition to internal training, we engage with external consultants who specialise in tax matters.

Their expertise and guidance assist us in ensuring that we are adhering to all applicable tax laws and regulations. We actively participate in surveys and engage in forums and meetings organised by tax authorities. These platforms provide us with valuable insights and feedback, allowing us to better understand the expectations and requirements of the tax authorities, as well as to address any concerns or queries they may have. Further, we maintain open channels of communication with tax authorities through various mediums. This includes utilising feedback platforms such as Facebook as well as conducting meetings, seminars, and exchanging emails. These interactions enable us to address any inquiries, provide necessary documentation, and maintain a transparent and cooperative relationship with tax authorities.

PAYMENTS TO THE GOVERNMENT

As our commitment towards national development, our payments to the Government for the reporting period were as follows:

Payment		2023 (ZWL)	2022 (ZWL)	2021 (ZWL)
Corporate Tax		888,416,758	59,917,927	19,564,670
Value Added Tax		541,254,525	52,243,714	3,333,882
Other Taxes	PAYE	1,857,433,766	111,403,059	32,646,465
	Withholding tax	102,696,833.09	9,013,190	973,001
	Aids Levy	55,721,847	3,445,445	1,009,684
	IMTT	362,436,940	25,052,972	3,810,395
Total		**3,807,960,669**	**261,076,317**	**61,338,097**

DIRECTORS' STATEMENT OF RESPONSIBILITY

Responsibilities of Management and Those Charged with Governance for the Financial Statements for the year ended 31 December 2023

It is the Directors' responsibility to ensure that the financial statements fairly present the state of affairs of the Group. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The Directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

The financial statements set out in this report have been prepared by management in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

The Group's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the Directors have been addressed and the Directors confirm that the system of accounting and internal control is operating in a satisfactory manner.

The Group's financial statements which are set out on pages 66 to 213 were, in accordance with their responsibilities, approved by the Board of Directors on 2 May 2024 and are signed on its behalf by:

L. T Gwata
Chairman

R. Chihota
Managing Director

Our GOAL is to enhance a Positive impact on the Environment, Society and Governance bodies by implementing frameworks for sustainable investing.

SEE YOUR FUTURE TODAY

FIDELITY LIFE ASSET MANAGEMENT

FIDELITY LIFE FINANCIAL SERVICES

FIDELITY LIFE MEDICAL AID SOCIETY

FIDELITY FUNERAL SERVICES

ZAC Global ACTUARIES

Vanguard Life Assurance Company Limited

INDEPENDENT AUDITOR'S REPORT

To the members of Fidelity Life Assurance of Zimbabwe Limited

Grant Thornton

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

ADVERSE OPINION

We have audited the consolidated inflation adjusted financial statements of Fidelity Life Assurance of Zimbabwe Limited set out on pages 66 to 213, which comprise the consolidated statement of financial position as at 31 December 2023, 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 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 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

BASIS FOR ADVERSE OPINION

Implementation of IFRS 17 Insurance contracts – Group yet to align its accounting, administration and information technology infrastructure with the requirements of IFRS 17

As disclosed in Note 2.4 to these consolidated inflation adjusted financial statements, the Group adopted IFRS 17 - Insurance Contracts with effect from 1 January 2023. The Group is still in the process of upgrading its accounting, administration and information technology infrastructure to align with the requirements of IFRS 17. In preparing these consolidated inflation adjusted financial statements, the Group utilised simplified models in accounting for insurance contracts and these do not track onerous and profitable contracts at policy level. Once the upgrade of the accounting, administration and information technology infrastructure to align with the requirements of IFRS 17 is complete, significant adjustments may have to be made to the amounts recognised in these financial statements with respect to the Group's insurance contracts.

Accordingly, we were not able to determine the adjustments that might be necessary to the following financial statement line items:
- Insurance contract revenue;
- Insurance service expenses;
- Insurance finance expenses for insurance contracts issued;
- Insurance reserve; and
- Insurance contract liabilities.

Non-compliance with International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies

The Group did not maintain monthly IFRS 17 financial reports given the ongoing upgrade to its accounting, administration and information technology infrastructure as described above. As a result, in applying IAS 29 – Financial Reporting in Hyperinflationary Economies, management used average inflation indices for the year ended 31 December 2023 to restate insurance contract revenue included in the consolidated inflation adjusted statement of profit or loss and other comprehensive income. This constitutes a departure from IAS 29, which requires that all amounts in the statement of profit or loss and other comprehensive income be restated by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements.

The financial effects of the non-compliance on these consolidated inflation adjusted financial statements have not been determined.

Valuation of investment property

The opening investment property balances of the Company as at 1 January 2022, recognised in the consolidated inflation adjusted financial statements for the year ended 31 December 2022 were misstated. Management could not provide sufficient appropriate audit evidence to support the valuator's assumptions applied in the valuation of the properties as at 31 December 2021. As a result of the misstatement of the opening balances, the fair value gains on properties recognised in the comparative consolidated inflation adjusted statement of profit or loss and other comprehensive income for the year ended 31 December 2022 are misstated.

The opinion for the year ended 31 December 2022 was modified in respect of this matter, and the misstatement has not been corrected in these consolidated inflation adjusted financial statements in accordance with the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

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 2023. 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 2023.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and we did not provide a separate opinion on these matters. Other than the matters described in the Basis for Adverse Opinion section above, we have determined that there are no other key audit matters to communicate in our report.

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 'Managing Director's report', which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 financial statements. We are responsible for the direction, supervision and performance of Fidelity Life Assurance of Zimbabwe Limited 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 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 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)

03 MAY
....2024

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
HARARE


FIDELITY LIFE
ASSURANCE OF ZIMBABWE
Get in touch with us, so we may assist you in starting a
SAVINGS PLAN
towards getting a Residential Stand
VAKA
YAKO
neFidelity
Contact us today for more information
Toll Free - 08080835 (Econet)
Call: +263772685615 / +263772685629 / +263772685652 Whatsapp: +263719005050
e-mail: customercare@fidelitylife.co.zw

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		GROUP					
		INFLATION ADJUSTED			HISTORICAL COST		
				Restated			Restated
		31-Dec-23	31-Dec-22	1-Jan-22	31-Dec-23	31-Dec-22	1-Jan-22
ASSETS	**Note**	**ZWL**	**ZWL**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Property and equipment	5	38 039 526 906	19 791 238 399	13 126 837 331	36 437 590 923	3 897 472 350	774 216 149
Right of use asset	7	866 635 315	436 867 614	457 414 926	562 523 249	90 912 297	27 690 317
Investment property	6	296 952 282 425	173 458 227 447	100 208 718 136	296 952 282 425	36 096 715 231	6 066 289 056
Intangible assets	4	1 866 206 514	1 638 044 745	1 491 226 866	1 154 406 120	236 804 436	70 405 507
Other non current assets	4.1	924 537 008	230 370 554	-	924 537 008	47 940 190	-
Insurance Contract Assets	14	5 803 273 861	7 500 478 817	4 144 947 626	5 803 273 861	1 560 852 154	250 920 787
Inventories	10	1 663 760 577	1 609 749 572	1 609 752 780	29 129 901	4 881 663	2 759 402
Trade and other receivables	9	29 601 051 417	10 058 670 451	5 126 784 200	29 601 051 417	2 093 212 689	309 811 848
Financials assets at fair value through other comprehensive income		107 371 060	-	-	107 371 060	-	-
Financial assets at fair value through profit or loss	11.1	67 383 303 831	26 844 390 175	19 494 633 647	67 383 303 831	5 586 326 587	1 180 137 666
Debt securities at amortised cost	11.2	23 002 612 402	22 427 114 814	10 321 065 727	23 002 612 402	4 667 090 105	624,801,606
Biological assets		462 478 523	-	-	462 478 523	-	-
Cash and deposits with banks	12	17 101 678 476	7 064 912 754	7 432 286 308	17 101 678 476	1 470 210 710	449 923 714
Total assets		**483 774 718 315**	**271 060 065 342**	**163 413 667 547**	**479 522 239 196**	**55 752 418 412**	**9 756 956 052**
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the parent							
Issued share capital	13	805 843 111	805 843 111	805 843 111	1 089 233	1 089 233	1 089 233
Share premium		496 725 957	496 725 957	496 725 957	671 409	671 409	671 409
Treasury shares		(7 425 638)	(7 425 638)	(7 425 638)	(10 037)	(10 037)	(10 037)
Retained earnings		84 523 648 176	793 435 568	3 299 178 163	245 040 942 033	34 629 390 353	157 627 445
Revaluation reserve		24 045 452 722	7 378 572 463	1 088 544 451	33 901 166 537	3 279 856 229	100 464 382
Foreign currency translation reserve		10 966 813 479	3 541 152 947	140 583 583	8 142 265 947	1 132 049 077	125 436 207
Total ordinary shareholder's equity		**120 831 057 807**	**13 008 304 408**	**5 823 449 627**	**287 086 125 122**	**39 043 046 265**	**385 278 639**
Non-controlling interests		35 449 914 325	23 260 344 452	14 196 196 203	38 078 478 833	5 456 386 127	852 750 657
Insurance reserve		98 130 363 607	2 671 794 124	14 252 376 266	(71 833 645 519)	(20 294 223 394)	(656 950 767)
Total equity		**254 411 335 739**	**38 940 442 984**	**34 272 022 096**	**253 330 958 436**	**24 205 208 998**	**581 078 529**
Liabilities							
Insurance contract liabilities	14.1	163 659 007 584	174 739 613 807	99 065 757 401	163 659 007 584	20 093 135 315	7 516 838 479
Investment contracts liabilities	14.2	19 500 810 198	26 861 144 769	15 711 995 367	19 500 810 198	5 589 813 223	951 149 833
Borrowings	15	4 592 510 981	968 501 832	1 099 085 813	4 592 510 981	201 545 556	66 534 852
Deferred tax liabilities	17	12 745 685 337	7 585 789 241	4 490 937 292	12 345 435 160	1 665 264 441	270 868 738
Lease obligations	16	875 311 354	116 863 517	308 815 114	875 311 354	24 319 335	18 694 598
Trade and other payables	18	27 140 490 836	21 734 853 316	7 908 474 285	24 368 639 197	3 949 646 197	318 097 584
Income tax liability	17.2	849 566 286	112 855 876	556 580 179	849 566 286	23 485 346	33 693 439
Total liabilities		**229 363 382 576**	**232 119 622 358**	**129 141 645 451**	**226 191 280 760**	**31 547 209 413**	**9 175 877 523**
Total equity and liabilities		**483 774 718 315**	**271 060 065 342**	**163 413 667 547**	**479 522 239 196**	**55 752 418 412**	**9 756 956 052**

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

L. T Gwata
Chairman

R. Chihota
Managing Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

		GROUP			
		INFLATION ADJUSTED		HISTORICAL COST	
	Note	2023 ZWL	2022 Restated ZWL	2023 ZWL	2022 Restated ZWL
Insurance contract revenue	14.4	116 576 468 962	34 127 052 963	48 484 115 679	4 567 050 088
Insurance service expenses	14.4	(34 143 338 424)	(12 090 119 086)	(24 081 034 989)	(3 063 115 770)
Insurance service result from insurance contracts issued		**82 433 130 538**	**22 036 933 877**	**24 403 080 690**	**1 503 934 318**
Allocation of reinsurance paid		(1 599 484 555)	(1 157 614 214)	(903 280 948)	(158 298 570)
Amount recoverable from reinsurers for incurred claims		495 363 611	513 311 442	331 586 569	57 777 334
Insurance service result		**81 329 009 594**	**21 392 631 105**	**23 831 386 311**	**1 403 413 082**
Interest revenue from financial instruments not measured at fair value through profit or loss		3 105 324 620	183 181 280	3 075 257 982	66 276 692
Net income from other financial instruments at fair value through profit or loss		24 084 809 034	(5 518 291 162)	20 158 432 294	816 719 361
Net gains from fair value adjustments to investment properties		46 504 042 931	15 396 682 085	72 667 916 500	8 438 984 029
Net change in investment contract liabilities	14.3	(81 298 770 261)	(4 868 058 299)	(29 339 218 800)	(3 852 114 553)
Other net investment revenue		76 790 579 004	31 800 879 586	2 675 702 809	15 337 941 178
Net gain from foreign exchange		1 652 092 657	-	1 713 530 551	-
Net Investment Income		**70 838 077 986**	**36 994 393 490**	**70 951 621 336**	**20 807 806 707**
Insurance finance expenses for insurance contracts issued		(20 976 426 906)	(3 833 264 586)	(8 120 944 832)	(625 076 452)
Reinsurance finance income for reinsurance contracts held		-	-	-	-
Net insurance finance expenses		(20 976 426 906)	(3 833 264 586)	(8 120 944 832)	(625 076 452)
Net insurance and investment result		**131 190 660 674**	**54 553 760 009**	**86 662 062 815**	**21 586 143 337**
Net income from other financial instruments at fair value through profit or loss	21	(368 606 341)	(432 811 858)	730 308 463	103 323 670
Net gains from fair value adjustments to investment properties	21	2 651 004 929	42 234 306 714	184 895 610 000	19 444 249 017
Other investment income		435 837 234	45 605 077	137 554 285	8 272 008
Interest income from micro - lending		5 407 928 288	2 545 425 490	3 469 511 590	346 712 607
Other income	22	2 607 369 939	7 703 930 932	1 779 924 132	1 112 193 967
Operating and administrative expenses expenses	24	(29 358 322 262)	(7 156 340 094)	(22 297 039 574)	(3 271 702 991)
Allowance for expected credit losses on receivables		(126 080 462)	(126 152 421)	(26 845 956)	(26 248 760)
Finance costs	25	(1 407 220 592)	(919 885 588)	(1 082 599 785)	(155 872 503)
Net monetary gain/(loss)		(2 575 710 345)	(94 428 950 215)	-	-
Profit before income tax expense		**108 456 861 062**	**4 018 888 046**	**254 268 485 970**	**39 147 070 352**
Income tax expense	26	(7 323 293 828)	(3 012 092 754)	(10 898 807 657)	(1 162 769 555)
Profit for the year		**101 133 567 233**	**1 006 795 293**	**243 369 678 314**	**37 984 300 797**
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss:					
Gains on property, plant and equipment revaluations		16 666 880 259	6 296 932 594	30 621 310 308	2 931 609 487
Movement in insurance reserve		95 458 569 483	(11 580 582 142)	(51 539 422 125)	(19 637 272 627)
Income tax relating to components of other comprehensive income		-	(6 904 583)	-	-
		112 125 449 742	(5 290 554 131)	(20 918 111 817)	(16 705 663 140)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		12 013 668 408	5 278 496 535	11 341 102 984	1 582 434 954
Income tax relating to components of other comprehensive income		-	-	-	-
		12 013 668 408	5 278 496 535	11 341 102 984	1 582 434 954
Other comprehensive income for the period net of tax		**124 139 118 150**	**(12 057 596)**	**(9 577 008 833)**	**(15 123 228 186)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**225 272 685 384**	**994 737 696**	**233 792 669 480**	**22 861 072 611**
Profit for the period attributable to:					
Owners of the parent		83 730 212 608	(2 505 742 595)	210 411 551 679	34 471 762 908
Non-controlling interests		17 403 354 625	3 512 537 888	32 958 126 634	3 512 537 889
Total profit for the period		**101 133 567 233**	**1 006 795 293**	**243 369 678 314**	**37 984 300 797**
Total comprehensive income attributable to:					
Owners of the parent		112 654 007 713	8 734 742 226	251 629 274 039	38 657 767 626
Non-controlling interests		17 160 108 188	3 840 577 612	33 702 817 567	3 840 577 612
Insurance reserve		95 458 569 483	(11 580 582 142)	(51 539 422 125)	(19 637 272 627)
Total comprehensive income for the period		**225 272 685 384**	**994 737 696**	**233 792 669 480**	**22 861 072 611**
Basic and diluted earnings per share (cents)	27	**77 586**	**(2 322)**	**194 971**	**31 942**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

GROUP

INFLATION ADJUSTED

	Note	Share capital	Share premium	Treasury shares	Retained earnings	Revaluation reserve	Foreign currency translation reserve	Attributable to shareholders of parent	Non-controlling interest	Insurance Reserve	Total equity
		ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Year ended 31 December 2022											
Balance at 1 January 2022 as previously stated		**805 843 111**	**496 725 957**	**(7 425 638)**	**3 299 178 163**	**1 088 544 451**	**140 583 583**	**5 823 449 627**	**14 196 196 203**	**-**	**20 019 645 830**
Impact on initial application of IFRS 17								-		14 252 376 266	14 252 376 266
Restated balance at 1 January 2022		**805 843 111**	**496 725 957**	**(7 425 638)**	**3 299 178 163**	**1 088 544 451**	**140 583 583**	**5 823 449 627**	**14 196 196 203**	**14 252 376 266**	**34 272 022 096**
Profit for the year		-	-	-	(2 505 742 595)	-	-	(2 505 742 595)	3 512 537 888	-	1 006 795 293
Other comprehensive income for the year		-	-	-	-	6 290 028 012	3 400 569 364	9 690 597 376	1 877 927 170	(11 580 582 142)	(12 057 596)
Comprehensive income for the year		-	-	-	(2 505 742 595)	6 290 028 012	3 400 569 364	7 184 854 781	5 390 465 058	(11 580 582 142)	994 737 697
Non controlling interest on acquisition of subsidiary		-	-	-	-	-	-	-	3 673 683 191	-	3 673 683 191
Balance at 31 December 2022		**805 843 111**	**496 725 957**	**(7 425 638)**	**793 435 568**	**7 378 572 463**	**3 541 152 947**	**13 008 304 408**	**23 260 344 452**	**2 671 794 124**	**38 940 442 984**
Year ended 31 December 2023											
Balance at 1 January 2023		**805 843 111**	**496 725 957**	**(7 425 638)**	**793 435 568**	**7 378 572 463**	**3 541 152 947**	**13 008 304 408**	**23 260 344 452**	**2 671 794 124**	**38 940 442 984**
Profit for the year		-	-	-	83 730 212 608	-	-	83 730 212 608	17 403 354 625	-	101 133 567 233
Non controlling interest on disposal of subsidiary											-
Other comprehensive income for the year		-	-	-	-	16 666 880 259	7 425 660 532	24 092 540 791	4 588 007 876	95 458 569 483	124 139 118 150
Comprehensive income for the year		-	-	-	83 730 212 608	16 666 880 259	7 425 660 532	107 822 753 399	21 991 362 501	95 458 569 483	225 272 685 383
Non controlling interest on disposal of subsidiary		-	-	-	-	-	-	-	(9 801 792 628)	-	(9 801 792 628)
Balance at 31 December 2023		**805 843 111**	**496 725 957**	**(7 425 638)**	**84 523 648 176**	**24 045 452 722**	**10 966 813 479**	**120 831 057 807**	**35 449 914 325**	**98 130 363 607**	**254 411 335 739**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		GROUP			
		INFLATION ADJUSTED		HISTORICAL COST	
		2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INCOME TAX	**Note**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Profit before income tax		**108 456 861 062**	**4 018 888 046**	**254 268 485 970**	**39 147 070 352**
Adjustments:		**(94 287 136 523)**	**(7 115 077 075)**	**(240 309 502 030)**	**(39 998 029 120)**
Fair value gains on equities at fair value through profit or loss	11.1	(23 879 942 438)	4 009 493 419	(20 175 174 360)	(925 824 402)
Additions to financial assets at fair value through profit or loss	11.1	(11 983 747 538)	(3 590 879 669)	(9 568 652 318)	(317 705 234)
Disposals of financial assets at fair value through profit or loss	11.1	4 554 668 470	1 367 612 719	1 876 605 391	170 112 655
Fair value gains on investment property	6	(144 708 438 661)	(52 479 151 142)	(257 563 526 500)	(24 956 413 046)
Fair value gains from other non current assets		(342 326 624)	(30 680 401)	(685 275 802)	(9 478 822)
Amortisation of intangible assets	4	59 758 957	189 245 304	8 744 905	30 220 478
Depreciation of right of use asset		46 849 377	103 054 580	17 061 399	21 445 699
Finance costs		1 407 220 592	919 885 588	1 082 599 785	155 872 503
Depreciation of property and equipment	5	417 859 273	240 128 354	270 860 138	22 814 948
Changes in insurance contract assets		1 697 204 955	(3 355 531 191)	(4 242 421 707)	(1 309 931 367)
Changes in insurance contract liabilities		(11 080 606 222)	75 673 856 405	143 565 872 269	12 576 296 836
Changes in investment contract liabilities		(7 360 334 571)	11 149 149 402	13 910 996 975	4 638 663 391
Interest income		(165 459 514)	(17 313 330)	(117 436 865)	(7 062 221)
Effects of inflation		2 575 710 345	94 428 950 215	-	-
Unrealised exchange gains/ (losses)		94 553 679 725	(135 714 620 614)	(108 606 141 994)	(30 085 388 560)
equipment		(79 232 649)	(8 276 714)	(83 613 358)	(1 651 975)
Changes in working capital		**(14 316 834 913)**	**8 557 902 670**	**(7 139 939 922)**	**1 551 554 336**
Increase in trade and other receivables		(19 668 461 428)	(5 058 038 669)	(24 248 238)	(2 122 261)
(Increase)/decrease in inventories		(54 011 005)	3 199	(27 534 684 684)	(1 809 649 600)
(Decrease)/Increase in trade and other payables		5 405 637 520	13 615 938 140	20 418 993 000	3 363 326 197
Cash (utilised)/ generated from operations		**(147 110 374)**	**5 461 713 641**	**6 819 044 018**	**700 595 568**
Income taxes paid		(1 758 002 816)	(215 862 542)	(888 416 758)	(124 515 186)
Net cash (utilised)/ generated from operations		**(1 905 113 190)**	**5 245 851 099**	**5 930 627 260**	**576 080 382**
Cash flows from investing activities					
Additions to and replacement of property and equipment	5	(1 784 414 383)	(264 674 228)	(1 340 688 141)	(79 377 250)
Additions and improvements to investment property	6	(1 121 351 366)	-	(921 127 999)	-
Additions to intangible assets	4	(174 004 080)	(92 465 988)	(35 808 010)	(19 242 202)
Acquisition of subsidiary		-	(3 318 521 009)	-	(638 905 496)
Additions to other non current assets		(351 839 830)	(283 291 680)	(191 321 016)	(38 461 368)
Proceeds from sale of other non current assets		-	83 601 527	-	7 918 683
Interest income		165 459 514	17 313 330	117 436 865	7 062 221
Proceeds from sale of investment property		1 271 366 025	-	1 220 594 516	-
Proceeds from sale of property and equipment		-	3 647 626	-	759 072
Additions to debt securities held at amortised cost		-	(2 122 597 977)	-	(441 713 350)
Maturities debt securities held at amortised cost		1 076 617 884	583 784 004	1 076 617 884	121 485 647
Net cash utilised from investing activities		**(918 166 232)**	**(5 393 204 395)**	**(74 295 901)**	**(1 080 474 043)**
Cash flows from financing activities					
Finance costs		(1 407 220 592)	(919 885 588)	(1 082 599 785)	(155 872 503)
Repayments lease obligations		(111 870 762)	(172 286 921)	(111 870 762)	(35 852 966)
Repayments of borrowings	15.2	(2 981 854 766)	(1 285 999 772)	(1 136 825 595)	(204 351 342)
Proceeds from borrowings	15.2	14 499 207 323	2 010 272 623	5 527 791 020	339 362 046
Net cash generated/ (utilised) from financing activities		**9 998 261 203**	**(367 899 658)**	**3 196 494 878**	**(56 714 765)**
Net (decrease)/increase in cash equivalents for the year		**7 174 981 781**	**(515 252 954)**	**9 052 826 237**	**(561 108 426)**
Cash and cash equivalents at the beginning of the year		**6 824 063 822**	**6 587 172 336**	**1 420 089 967**	**398 763 439**
Exchange differences on translation of a foreign operation		(861 893 452)	752 144 440	2 664 235 947	1 582 434 954
Cash and cash equivalents at the end of the year	12	**13 137 152 151**	**6 824 063 822**	**13 137 152 151**	**1 420 089 967**

The above consolidated statement of cashflow should be read in conjunction with the accompanying notes.

SEPARATE STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

COMPANY

		INFLATION ADJUSTED			HISTORICAL COST		
			Restated	Restated			
		31-Dec-23	31-Dec-22	1-Jan-22	31-Dec-23	31-Dec-22	1-Jan-22
ASSETS	Note	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Investment in subsidiaries	8	162 674 346 023	101 067 283 526	58 896 313 374	163 153 131 934	21 044 637 535	3,595,812,170
Property and equipment	5	781 638 884	191 088 475	259 041 239	497 453 744	33 068 554	1,596,768
Investment property	6	113 195 034 503	50 388 722 343	35 068 008 617	113 195 034 503	10 485 909 997	2,122,895,999
Intangible assets	4	659 958 195	645 656 698	576 932 649	68 513 045	32 705 034	18,403,533
Other non current assets	4.1	909 882 304	223 881 242	-	909 882 304	46 589 762	-
Insurance Contract Assets		1 211 313 649	404 287 581	402 385 717	1 211 313 649	84 132 381	24,359,039
Deferred tax assets		-	-	-	572 971	572 971	-
Income tax asset		(733 473)	141 202 056	-	(733 473)	29 384 195	-
Inventories	10	1 591 961 405	1 591 961 405	1 591 961 405	1 756 608	1 756 608	1,756,608
Trade and other receivables	9	10 032 367 434	3 584 069 767	1 680 688 809	10 032 367 434	745 846 118	100,608,004
Financial assets at fair value through profit or loss	11.1	14 835 098 644	3 473 563 305	8 383 684 191	14 835 098 644	722 849 687	507,519,229
Debt securities at amortised cost	11.2	52 323	251 433	845 638	52 323	52 323	52,323
Biological assets		462 478 522	-	-	462 478 522	-	-
Cash and deposits with banks	12	2 441 483 697	1 707 311 691	2 073 284 923	2 441 483 697	355 292 135	125,509,495
Total assets		**308 794 882 110**	**163 419 279 522**	**108 933 146 562**	**306 808 405 905**	**33 582 797 300**	**6 498 513 168**
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the parent							
Issued share capital	13	805 843 111	805 843 111	805 843 111	1 089 233	1 089 233	1,089,233
Share premium		496 725 957	496 725 957	496 725 957	671 409	671 409	671,409
Treasury shares		(7 425 638)	(7 425 638)	(7 425 638)	(10 037)	(10 037)	(10,037)
Retained earnings		246 826 907 430	(11 294 016 032)	3 925 673 067	260 390 182 043	19 785 662 349	259,601,199
Revaluation reserve		125 090 834	123 442 560	113 490 985	27 356 824	18 224 596	16,153,670
Foreign currency translation reserve		11 504 546 246	3 667 822 623	261 094 141	8 452 036 882	1 135 950 250	128,055,666
Total ordinary shareholders' equity		259 751 687 937	(6 207 607 419)	5 595 401 623	268 871 326 354	20 941 587 800	405 561 140
Non-controlling interests		-	-	-	-	-	-
Insurance reserve		(44 586 813 297)	14 252 367 163	14 252 367 163	(52 917 252 359)	587 178 565	(38 169 842)
Total equity		**215 164 874 640**	**8 044 759 744**	**19 847 768 786**	**215 954 073 995**	**21 528 766 365**	**367 391 298**
Liabilities							
Insurance contract liabilities	14.1	61 534 202 862	113 963 171 822	67 189 430 232	61 534 202 862	7 445 537 381	5 587 155 930
Investment contract liabilities	14.2	19 500 810 198	26 861 144 769	15 711 995 367	19 500 810 198	2 154 771 219	332 368 357
Deferred tax liabilities	17	3 823 923	3 823 923	(6 731 890)	-	-	377 607
Trade and other payables	18	12 591 170 487	14 546 379 264	5 850 292 815	9 819 318 850	2 453 722 335	190 612 733
Income tax liability	17.2	-	-	340 391 252	-	-	20 607 243
Total liabilities		**93 630 007 470**	**155 374 519 778**	**89 085 377 776**	**90 854 331 910**	**12 054 030 935**	**6 131 121 870**
Total equity and liabilities		**308 794 882 110**	**163 419 279 522**	**108 933 146 562**	**306 808 405 905**	**33 582 797 300**	**6 498 513 168**

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

L. T Gwata
Chairman

R. Chihota
Managing Director

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

		COMPANY			
		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	**2023**	**2022 Restated**	**2023**	**2022 Restated**
		ZWL	**ZWL**	**ZWL**	**ZWL**
Insurance contract revenue	**14.4**	110 048 053 490	33 385 541 789	41 955 700 207	3 825 538 914
Insurance service expenses	**14.4**	(30 430 517 787)	(11 399 175 571)	(20 134 882 310)	(2 372 172 254)
				-	-
Insurance service result from insurance contracts issued		**79 617 535 703**	**21 986 366 218**	**21 820 817 897**	**1 453 366 660**
Allocation of reinsurance paid		(1 272 960 450)	(1 109 285 509)	(576 756 843)	(109 969 865)
Amount recoverable from reinsurers for incurred claims		474 179 571	506 102 444	310 402 530	50 568 335
Insurance service result		**78 818 754 824**	**21 383 183 153**	**21 554 463 584**	**1 393 965 130**
				-	-
Interest revenue from financial instruments not measured at fair value through profit or loss		467 172 326	144 371 692	437 105 687	27 467 104
Net income from other financial instruments at fair value through profit or loss	**11.1**	12 624 354 801	(6 021 218 982)	8 697 978 060	313 791 542
Net gains from fair value adjustments to investment properties	**6**	61 684 960 793	15 320 712 054	101 787 996 506	8 363 013 998
Net change in investment contract liabilities	**14.3**	(17 346 038 979)	(4 445 243 004)	(17 346 038 979)	(3 429 299 258)
Other net investment revenue	**21**	74 897 070 205	31 331 996 521	144 226 120 154	14 869 058 114
Net gain from foreign exchange		1 652 092 657		1 713 530 551	-
Net Investment Income		**133 979 611 803**	**36 330 618 281**	**239 516 691 979**	**20 144 031 500**
Insurance finance expenses for insurance contracts issued		(20 776 500 014)	(4 051 255 828)	(7 921 017 940)	(843 067 695)
Reinsurance finance income for reinsurance contracts held		-		-	-
Net insurance finance expenses		(20 776 500 014)	(4 051 255 828)	(7 921 017 940)	(843 067 695)
				-	-
Net insurance and investment result		**192 021 866 613**	**53 662 545 606**	**253 150 137 623**	**20 694 928 936**
Other income	**22**	(18 011 187 339)	-	(8 442 328 505)	-
Operating and administrative expenses expenses	**24**	(5 922 893 442)	(10 294 891 830)	(3 784 546 920)	(1 153 903 378)
Allowance for expected credit losses on receivables		(126 080 462)	-	(26 845 956)	-
Finance costs	**25**	(235 689 821)	(71 145 964)	(218 732 031)	(12 872 917)
Net monetary gain/(loss)		90 503 602 659	(58 516 196 911)	-	-
Profit/(loss) before share of profit of associates accounted for using the equity method		**258 229 618 209**	**(15 219 689 099)**	**240 677 684 212**	**19 528 152 640**
Profit before income tax expense		**258 229 618 209**	**(15 219 689 099)**	**240 677 684 212**	**19 528 152 640**
Income tax expense	**26**	(108 694 750)	(9 323 229)	(73 164 518)	(2 091 490)
Profit for the year		**258 120 923 458**	**(15 229 012 328)**	**240 604 519 694**	**19 526 061 150**
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss:					
Gains on property, plant and equipment revaluations		1 648 274	9 951 575	16 916 179	-
Share of revaluation gains on property		(7 783 951)	-	(7 783 951)	2 070 926
Movement in insurance reserve				-	-
Finance income/finance expenses from insurance contracts		-	(90 271 693 314)	-	-
		(6 135 677)	(90 261 741 739)	9 132 228	2 070 926
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		7 836 723 624	3 406 728 481	7 316 086 632	1 007 894 584
		7 836 723 624	3 406 728 481	7 316 086 632	1 007 894 584
Other comprehensive income for the period net of tax		**7 830 587 946**	**(86 855 013 258)**	**7 325 218 859**	**1 009 965 510**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**265 951 511 405**	**(102 084 025 586)**	**247 929 738 553**	**20 536 026 660**
Profit for the period attributable to:					
Owners of the parent		258 120 923 458	(15 229 012 328)	240 604 519 694	19 526 061 150
Non-controlling interests		-	-	-	-
Total profit for the period		**258 120 923 458**	**(15 229 012 328)**	**240 604 519 694**	**19 526 061 150**
Total comprehensive income attributable to:					
Owners of the parent		265 951 511 405	(102 084 025 586)	247 929 738 553	20 536 026 660
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		**265 951 511 405**	**(102 084 025 586)**	**247 929 738 553**	**20 536 026 660**
Basic and diluted earnings per share (cents)	**27**	**239 179**	**(14 111)**	**174 345**	**18 093**

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

COMPANY

INFLATION ADJUSTED

	Share capital	Treasury shares	Share premium	Retained earnings	Insurance Reserve	Revaluation reserve	Foreign currency translation reserve	Total equity
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Year ended 31 December 2022								
Balance at 1 January 2022, as previously stated	**805 843 111**	**(7 425 638)**	**496 725 957**	**3 925 673 067**		**113 490 985**	**261 094 141**	**5 595 401 623**
Prior period error	-	-	-		14 252 367 163	-	-	14 252 367 163
Restated balance at 1 January 2022	**805 843 111**	**(7 425 638)**	**496 725 957**	**3 925 673 067**	**14 252 367 163**	**113 490 985**	**261 094 141**	**19 847 768 786**
Profit for the year-restated	-	-	-	(15 219 689 099)		-	-	(15 219 689 099)
Other comprehensive income for the year	-	-	-	-		9 951 575	3 406 728 482	3 416 680 057
Comprehensive income for the year	-	-	-	(15 219 689 099)	-	9 951 575	3 406 728 482	(11 803 009 042)
Balance at 31 December 2022	**805 843 111**	**(7 425 638)**	**496 725 957**	**(11 294 016 032)**	**14 252 367 163**	**123 442 560**	**3 667 822 623**	**8 044 759 744**
Year ended 31 December 2023								
Balance at 1 January 2023	**805 843 111**	**(7 425 638)**	**496 725 957**	**(11 294 016 032)**	**14 252 367 163**	**123 442 560**	**3 667 822 623**	**8 044 759 744**
Profit for the year	-	-	-	258 120 923 458	(58 839 180 460)	-	-	258 120 923 458
Other comprehensive income for the year	-	-	-	-		1 648 274	7 836 723 624	7 838 371 898
Comprehensive income for the year	-	-	-	258 120 923 458	(58 839 180 460)	1 648 274	7 836 723 624	207 120 114 896
Balance at 31 December 2023	**805 843 111**	**(7 425 638)**	**496 725 957**	**246 826 907 426**	**(44 586 813 297)**	**125 090 834**	**11 504 546 247**	**215 164 874 640**

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

SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		COMPANY			
		INFLATION ADJUSTED		HISTORICAL COST	
			Restated		Restated
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE		2023	2022	2023	2022
INCOME TAX	Note	ZWL	ZWL	ZWL	ZWL
Profit before income tax		**258 229 618 209**	**(15 219 689 099)**	**240 677 684 212**	**19 528 152 640**
Adjustments:		**(246 380 056 705)**	**12 112 859 208**	**(234 726 729 837)**	**(19 926 414 416)**
Fair value gains on equities at fair value through profit or loss		(12 624 354 801)	6 021 218 980	(8 026 006 534)	(313 791 542)
Additions to financial assets at fair value through profit or loss		(3 138 809 256)	(2 120 777 223)	(7 872 005 397)	(12 356 470)
Disposals of financial assets at fair value through profit or loss		4 401 628 719	1 009 679 128	1 785 762 974	110 817 554
Fair value gains on investment property	7	(61 684 960 793)	(15 320 712 053)	(101 787 996 506)	(8 363 013 998)
Fair value gains from other non current assets		(334 161 231)	(38 573 296)	(671 971 526)	(9 053 425)
Finance costs		235 689 821	71 145 966	218 732 031	12 872 917
Depreciation of property and equipment	5	137 398 837	49 887 360	59 289 305	3 807 589
Changes in insurance contract assets		(807 026 068)	(1 901 864)	(1 127 181 268)	(59 773 342)
Changes in insurance contract liabilities		(52 428 968 960)	46 773 741 590	54 088 665 481	1 858 381 451
Changes in investment contract liabilities		(7 360 334 571)	11 149 149 402	17 346 038 979	1 822 402 862
Equity accounted earnings		(74 006 952 462)	(32 105 327 303)	(143 443 926 144)	(15 031 895 653)
Non cash adjustment-IAS29		(90 503 602 659)	58 516 196 911	-	
Unrealised exchange gains/ (losses)		51 813 629 368	(61 890 868 391)	(45 212 517 874)	55 187 641
of property, plant and equipment		(79 232 649)	-	(83 613 358)	-
Changes in working capital		**(8 529 586 906)**	**6 576 570 934**	**(1 947 770 757)**	**1 348 464 219**
Decrease/ (increase) in inventories		-	-	-	-
Decrease/(Increase) in trade and other receivables		(6 574 378 129)	(1 909 074 623)	(9 313 367 271)	(646 422 968)
Decrease in trade and other payables		(1 955 208 777)	8 485 645 557	7 365 596 514	1 994 887 187
Cash (utilised)/ generated from operations		**3 319 974 598**	**3 469 741 043**	**4 003 183 619**	**950 202 443**
Income taxes paid		(112 910 422)	(5 482 514)	(43 046 851)	(52 082 928)
Net cash (utilised)/ generated from operations		**3 207 064 176**	**3 464 258 529**	**3 960 136 768**	**898 119 515**
Cash flows from investing activities					
Additions to and replacement of property and equipment	5	(726 498 806)	(27 060 131)	(506 956 149)	35 279 375
Additions and improvements to investment property	6	(1 121 351 365)	-	(921 127 999)	-
Additions to intangible assets	4	(37 512 349)	(68 724 065)	(35 808 011)	(14 301 501)
Acquisition of subsidiary		-	(3 477 993 643)	-	(638 905 496)
Additions to other non current assets		(351 839 828)	(185 307 949)	(191 321 016)	(37 536 337)
Net cash generated from in investing activities		**(2 237 202 348)**	**(3 759 085 788)**	**(1 655 213 175)**	**(655 463 959)**
Cash flows from financing activities					
Finance costs		(235 689 821)	(71 145 966)	(218 732 031)	(12 872 917)
Net cash (utilised)/ generated from financing activities		**(235 689 821)**	**(71 145 966)**	**(218 732 031)**	**(12 872 917)**
Net (decrease)/increase in cash equivalents for the year		**734 172 006**	**(365 973 225)**	**2 086 191 562**	**229 782 640**
Cash and cash equivalents at the beginning of the year		**1 707 311 691**	**2 073 284 916**	**355 292 135**	**125 509 495**
Cash and cash equivalents at the end of the year	12	**2 441 483 697**	**1 707 311 691**	**2 441 483 697**	**355 292 135**

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

FIDELITY LIFE
ASSURANCE OF ZIMBABWE

Fidelity Life Assurance Zimbabwe Limited recognizes the importance of **Environmental, Social** and **Governance** (ESG) guidelines in driving growth and creating long-term value for our stakeholders.

FLA committed to:

Environmental

Reduce our environmental footprint by implementing sustainable practices, reducing emissions, and conserving resources.

Social

Prioritize the well being of our employees, fostering a diverse and inclusive workplace and supporting communities where we operate.

Governance

Uphold high standards of corporate governance and operate with integrity, transparency, and responsibility in all aspects of our business.

SEE YOUR FUTURE TODAY

FIDELITY LIFE ASSET MANAGEMENT
FIDELITY LIFE FINANCIAL SERVICES
FIDELITY LIFE MEDICAL AID SOCIETY
FIDELITY FUNERAL SERVICES
ZAC Global ACTUARIES
Vanguard Life Assurance Company Limited

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

1.1. NATURE OF BUSINESS

The consolidated financial statements (the “Group financial statements”) of Fidelity Life Assurance of Zimbabwe Limited (the “Company”) and its subsidiaries (together, the “Group”), and the separate financial statements of Fidelity Life Assurance of Zimbabwe Limited alone (the “Company financial statements”), (together, the “financial statements”), for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 24 April 2024. Fidelity Life Assurance of Zimbabwe is a limited company incorporated and domiciled in Zimbabwe and is listed on the Zimbabwe Stock Exchange. It has subsidiaries which are domiciled in Zimbabwe and Malawi. The Group provides life assurance, funeral assurance, asset management, actuarial consultancy and micro – financing services.

1.2. CORPORATE INFORMATION

The ultimate parent of the Group is Zimre Holdings Limited ("ZHL") with direct shareholding of 66.5%, 95% as at 31 December 2023 (2022: 66.95%). ZHL is listed on the Zimbabwe Stock Exchange.

2 ACCOUNTING POLICIES

2.1 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).

The financial statements are based on statutory records that are maintained Financial reporting in hyperinflationary economies 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.

2.2 FUNCTIONAL CURRENCY

The Group’s functional and presentation currency is the Zimbabwe dollar ("ZWL"). All amounts presented are rounded to the nearest Zimbabwe dollar. Exchange gains and losses on translation of the results and financial positions of the Group's foreign operations are recognised in other comprehensive income.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION (CONTINUED)

2.3. APPLICATION OF IAS 29 (FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES)

The Group and Company continues to apply IAS 29 which came into effect from 1 July 2019, when Zimbabwe was considered to be a hyperinflationary economy as the three – year cumulative inflation figure was above 100 %. IAS 29 Financial Reporting in Hyperinflationary Economies requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the statement of financial position date.

The Public Accountants and Auditors Board concluded in May 2019 on the conditions for applying International Accounting Standard 29 (IAS 29) “Financial Reporting in Hyperinflation Economies” had been met in Zimbabwe. The Ministry of Finance and Economic Development introduced a blended inflation rate based on a combination of the Zimbabwe dollar and American dollar inflation rates and stopped reporting ZWL inflation and Consumer Price Index (CPI) figures in February 2023. There was need for businesses to estimate the ZWL inflation index to continue complying with IAS 29 requirements. As a result, the estimated Consumer Price Index (CPI) for financial reporting purposes from February 2023 was calculated by adjusting the last published CPI based on the monthly movement of the Total Consumption Poverty Line (TCPL) reported on the Reserve Bank of Zimbabwe website. The indices and adjustment factors used to restate the financial statements at 31 December 2023 are as given below:

		Conversion
	Index	**factor**
CPI as at 31 December 2020	2474.51	26.5521
CPI as at 31 December 2021	3977.46	16.5189
CPI as at 31 December 2022	13672.91	4.8054
CPI as at 31 December 2023	65703.44	1.0000

The main procedures applied in the above restatement of transactions and balances are as follows:

Financial statements prepared in the currency of a hyperinflationary economy are stated in terms of a measuring unit current at the balance sheet date, and corresponding figures for the previous year are restated in the same terms.All comparative figures as of and for the year ended 31 December 2022 are restated by applying the change in the index from 31 December 2022 to 31 December 2023. The opening revaluation reserve was eliminated against retained earnings. The line items in the statement of profit or loss and other comprehensive income except for depreciation charge were segregated into monthly totals and an applicable monthly adjustment factor was factored to hyper inflate the amounts. Monetary assets and liabilities that are carried at amounts current at the statement of financial position date are not restated since they are already stated in terms of the monetary unit current at the balance sheet date.

Non monetary assets and liabilities that are not carried at amounts current at statement of financial position date and components of shareholders equity are restated by applying the relevant monthly conversion factors. Property and equipment is restated by applying the change in the index from the date of purchase to 31 December 2023. Depreciation amounts is calculated applying the index from the depreciation date. Owner occupied buildings are revalued annually at the statement of financial position date, and therefore are being carried at amounts current at the statement of financial position date, are not restated.

The depreciation amounts are based on the opening revalued amounts. Additions to equipment and vehicles are restated using the relevant conversion factors. The investment property was fair valued at 31 December and thus no inflation adjustment on the closing fair values. The difference between the inflation adjusted opening balance and the closing fair value was accounted for as the fair value adjustment. Deferred tax was calculated on restated carrying amounts, Borrowings constitute a monetary liability and thus there was no inflation adjustment on the balances. The effect of inflation on the net monetary position of the Group is included in the income statement as a net monetary gain / loss.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION (CONTINUED)

2.3. APPLICATION OF IAS 29 (FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES) (CONTINUED)

The main procedures applied in the above restatement of transactions and balances are as follows: (continued)

All items in the cash flow statement are expressed in terms of the measuring unit current at the balance sheet date. The financial statements of the subsidiary in Malawi which does not report in the currency of a hyper-inflationary economy were dealt with in accordance with IAS 21. The items included in statement of profit or loss and comprehensive income were translated using average exchange rates and statement of financial position items were translated at the closing rates. The opening balances were restated by applying the adjustment factor as at 31 December 2022.

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

2.4.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

IFRS 17 INSURANCE CONTRACTS

The Group has initially applied IFRS 17 from 1 January 2023. The standards have brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated comparative amounts linked to the insurance contracts and presented a third statement of financial position as at 1 January 2022. Except for the changes below, the Group has consistently applied the accounting policies as set out in Note 2 to all periods presented in these consolidated interim financial statements.

RECOGNITION, MEASUREMENT AND PRESENTATION OF INSURANCE CONTRACTS

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a Contractual Service Margin (CSM). Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

The Group no longer applies shadow accounting to insurance-related assets and liabilities. Insurance finance income and expenses, disaggregated between Profit or Loss and Other Comprehensive Income OCI for life risk and life savings contracts, are presented separately from insurance revenue and insurance service expenses.

The Group applied either the General Measurement Model (GMM), Premium Allocation Approach (PAA), or Variable Fee Approach (VFA) measurement models to its groups of contracts. Contracts accounted for using the PAA model had to meet the eligibility test. The Group applied significant judgement in concluding the PAA approach for the reinsurance contracts and general insurance portfolios. These portfolios have contracts that have a duration of 12 months, however annually renewable. Significant judgement was applied in determining whether the renewal period cash flows fall within the contract boundary for these portfolios. Full consideration was given to facts and conditions at point of renewal including the factoring of insurance risk in the renewal price. The conclusion on this judgement has been to exclude the renewal period in the coverage period as it constitutes a new contract. This has an implication of the portfolios qualifying in the PAA measurement approach.

The PAA is similar to the Group's previous accounting treatment when measuring liabilities for remaining coverage. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk. Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs') until those costs were included in profit or loss and OCI. Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

2.4.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

IFRS 17 INSURANCE CONTRACTS(CONTINUED)

recognised. Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

TRANSITION

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022 the Group:

— identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
— identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied,
— recognised any resulting net difference in equity.

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item and Earnings Per Share (EPS). The effects of adopting IFRS 17 on the consolidated financial statements at 1 January 2022 are presented in the statement of changes in equity. The IFRS 17 numbers disclosed may change as the implementation of the IFRS 17 model is still being modified and updated for adoption.

SUMMARY OF MEASUREMENT APPROACHES

Contracts issued	Product classification	Measurement model
Direct participating contracts	Insurance contracts with direct participation features	GMM
Investment contracts with DPF	Insurance contracts with direct participation features	GMM, PAA and VFA
Investment contracts without DPF	Financial instruments	Financial liabilities measured at fair value through profit and loss

International Financial Reporting Standards and amendments effective for the first time for December 2023 year-end

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

2.4.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

IFRS 17 INSURANCE CONTRACTS

RECOGNITION, MEASUREMENT AND PRESENTATION OF INSURANCE CONTRACTS(CONTINUED)

Service Margin (CSM). Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

The Group no longer applies shadow accounting to insurance-related assets and liabilities. Insurance finance income and expenses, disaggregated between profit or loss and Other Comprehensive Income OCI for life risk and life savings contracts, are presented separately from insurance revenue and insurance service expenses.
The Group applied either the General measurement Model (GMM), Premium Allocation Approach (PAA), or Variable Fee Approach (VFA) measurement models to its groups of contracts. Contracts accounted for using the PAA model had to meet the eligibility test. The Group applied significant judgement in concluding the PAA approach for the reinsurance contracts and general insurance portfolios. These portfolios have contracts that have a duration of 12 months, however annually renewable. Significant judgement was applied in determining whether the renewal period cash flows fall within the contract boundary for these portfolios. Full consideration was given to facts and conditions at point of renewal including the factoring of insurance risk in the renewal price. The conclusion on this judgement has been to exclude the renewal period in the coverage period as it constitutes a new contract. This has an implication of the portfolios qualifying in the PAA measurement approach.

The PAA is similar to the Group's previous accounting treatment when measuring liabilities for remaining coverage. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk. Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs') until those costs were included in profit or loss and OCI. Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised. Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

METHODS USED AND JUDGEMENTS APPLIED IN DETERMINING THE IFRS 17 TRANSITION AMOUNTS

The Group has adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was applied to the insurance contracts in force at the transition date that were originated less than three years prior to transition. The modified retrospective approach was applied to the insurance contracts that were originated from three to five years prior to transition. The fair value approach was applied to insurance contracts that were originated more than five years prior to transition

The transition approach was determined at a group of insurance contracts level and affected the approach to calculating the CSM on initial adoption of IFRS 17:

a. full retrospective approach - the CSM at inception is based on initial assumptions when groups of contracts were incepted and rolled forward to the date of transition as if IFRS 17 had always been applied;

b. modified retrospective approach - the CSM at inception is calculated based on assumptions at transition using some simplifications and taking into account the actual pre-transition FCF; and

c. fair value approach - the pre-transition FCF and experience are not considered.

The Group has determined that it would be impracticable to apply the full retrospective approach where any of the following conditions existed:

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

2.4.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

IFRS 17 INSURANCE CONTRACTS

METHODS USED AND JUDGEMENTS APPLIED IN DETERMINING THE IFRS 17 TRANSITION AMOUNTS (CONTINUED)

1. The effects of the full retrospective application were not determinable, for example:

   a. Some reasonable and supportable information about actual historical cash flows may have been available from the Group's systems, but in many cases such information was only available at higher levels or different levels of aggregation compared to the groups required by IFRS 17. This lack of information makes it impracticable to accurately calculate the FCF on a retrospective basis and segregate groups based on profitability.

   b. The information necessary to estimate the effect of contracts derecognised before the transition date on allocation of the CSM between past and future periods on the transition date was not available in many cases. This was particularly challenging for large portfolios of long-term contracts for which terms and circumstances (for example, size and number of contracts issued in prior reporting periods) often change.

2. The full retrospective application required assumptions that would have been made in an earlier period, for example:

   a. For contracts with direct participation features, the Group's expectations regarding the policyholder's share of underlying assets at contract inception would not have been possible to recreate without the use of hindsight.
   b. Difficulties in retrieving relevant reliable information existed where assumptions developed at the date of initial recognition were not on an IFRS 17 basis (e.g. discount rates, risk adjustment for non-financial risk, expenses).
   c. Changes in assumptions have not been historically documented on an ongoing basis.

   d. The older the in force contracts (e.g. term life products), the more challenging it would have been to retrieve data from the past on assumptions.

3. The full retrospective application required significant estimates of amounts, and it was impossible to distinguish objectively between information about those estimates that provided evidence of circumstances that (i) existed on the date at which those amounts were to be recognised, measured or disclosed; and (ii) would have been available when the consolidated financial statements for that prior period were authorised for issue, and other information, for example:
   a. The Group had limited or no information required for the allocation of acquisition costs and other overhead expenses to respective groups under IFRS 17. Systems have not been tracking or allocating acquisition costs as previous accounting policies did not require this. In addition, the allocation of applicable overheads to groups of contracts could require information that has not historically been tracked/recorded."

   b. The Group has not historically been accumulating information about the changes in estimates that would have been recognised in profit or loss for each accounting period because they did not relate to future service, and the extent to which changes in the FCF would have been allocated to the loss component."

FULL RETROSPECTIVE APPROACH

The Group has determined that reasonable and supportable information was available for all contracts in force at the transition date that were issued within three years prior to the transition. In addition, for insurance contracts originated by the Group that are eligible for the PAA, the Group has concluded that only current and prospective information was required to reflect circumstances at the transition date, which made the full retrospective application practicable and, hence, the only available option for automobile insurance contracts issued by the Group.

Accordingly, the Group has recognised and measured each group of insurance contracts in this category as if IFRS 17 had always applied; derecognised any existing balances that would not exist had IFRS 17 always applied; and recognised any resulting net difference in equity."

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

2.4.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

IFRS 17 INSURANCE CONTRACTS

MODIFIED RETROSPECTIVE AND FAIR VALUE APPROACHES

After making reasonable efforts to gather necessary historical information, the Group has determined that for certain groups of contracts, such information was not available or not available in a form that would enable it to be used without undue cost and effort. It was therefore impracticable to apply the full retrospective approach, and either the modified retrospective approach or the fair value approach has been used for these groups. The Group applied significant judgement in determining the transition amounts under these approaches.

JUDGEMENTS IN APPLYING THE MODIFIED RETROSPECTIVE APPROACH

The Group has determined that transactional level data and annual actuarial assumptions are available as far as five years prior to the IFRS 17 transition date. The Group has used that threshold to apply the modified retrospective approach to all groups of contracts in force as at transition and originated within five to three years prior to the transition date, where the full retrospective approach has not been applied as it was impracticable but the closest possible outcome could have been achieved using reasonable and supportable information. The modified retrospective approach was applied as follows:

Aggregation of contracts	Groups of contracts were divided into annual cohorts. Aggregation of insurance contracts by expected profitability was assessed as at the transition date to the extent that reasonable and supportable information was not available to perform this assessment as at initial recognition. For this assessment, the Group estimated the FCF at the initial recognition as described below. Further, to aggregate non-onerous insurance contracts issued into groups of contracts that had no significant possibility of becoming onerous subsequently or groups of remaining contracts, the Group assessed the likelihood of changes in insurance, financial and other exposures on the FCF prospectively as at the transition date. Similarly, to aggregate reinsurance contracts held in a net cost position into groups of contracts for which there is no significant possibility of a net gain arising subsequently or groups of remaining contracts, the Group assessed the likelihood of changes in insurance, financial and other exposures on the FCF prospectively as at the transition date.
Future cash flows	To the extent that reasonable and supportable information was not available to estimate future cash flows at initial recognition, future cash flows at the date of initial recognition of a group of insurance contracts were estimated as the future cash flows at the transition date, adjusted by the actual cash flows that have occurred between the transition (or earlier) date and the date of initial recognition. Actual cash flows included cash flows from contracts derecognised before the transition date.
Risk adjustment for non-financial risk	Similar to the cash flow simplification above, the risk adjustment for non-financial risk was estimated at the transition date by adjusting the risk adjustment for non-financial risk at the transition date by the expected release of risk before the transition date. In estimating the release of risk, reference was made to the release of risk for similar insurance contracts that were issued at the transition date.
Discount rates	The Group did not apply the modification for discount rates determination as permitted by IFRS.

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

2.4.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

IFRS 17 INSURANCE CONTRACTS

JUDGEMENTS IN APPLYING THE MODIFIED RETROSPECTIVE APPROACH

CSM or loss component	a. For contracts measured under the GMM, the CSM or loss component of the LRC at the transition date was determined applying modifications in the FCF estimation as described above. The CSM was reduced for the allocation to profit or loss for services provided before the transition date, by comparing the remaining coverage units as at the transition date with the coverage units provided under the group of contracts before the transition date. Where the calculated CSM resulted in a loss component, the Group used the systematic approach described in note 2.1.(d)(iii) to determine amounts allocated to the loss component before the transition date. b. For contracts measured under the VFA, a proxy for the CSM or loss component of the LRC at the transition date was calculated based on: i. the total fair value of the underlying assets at the transition date; minus ii. the FCF at that date, adjusted for: • amounts charged to policyholders before that date; • amounts paid before the transition date that would not have varied based on the returns on the underlying items; and • the estimated release of the risk adjustment for non-financial risk before the transition date." The CSM was reduced for the allocation to profit or loss for services provided before the transition date, by comparing the remaining coverage units as at the transition date with the coverage units provided under the group of contracts before the transition date. Where the calculated CSM resulted in a loss component, the Group adjusted the loss component to nil and increased the LRC excluding the loss component by the same amount.
Insurance finance income or expenses	For the insurance contracts measured under the VFA, the Group determined the cumulative amount of insurance finance income or expenses recognised in accumulated other comprehensive income (OCI) at the transition date as equal to the cumulative amount recognised in OCI on the respective underlying assets.

JUDGEMENTS IN APPLYING THE FAIR VALUE APPROACH

The Group applied the fair value approach to insurance contracts that were originated more than five years prior to transition.

Applying the fair value approach, the Group determined the CSM to be the difference between the fair value of a group of insurance contracts, measured in accordance with IFRS 13, Fair Value Measurement (IFRS 13), and its FCF at the transition date. The Group did not apply the deposit floor when measuring insurance contracts when using the fair value approach on transition.

The fair value of an insurance liability is the price a market participant would be willing to pay to assume the obligation and the remaining risks of the in force contracts as at the transition date. Where available, recent market transactions were used to estimate the fair value of groups of contracts. Absent recent market transactions of similar contracts, a present value technique was used to value groups of contracts.

In estimating the fair value of groups of insurance contracts, the following considerations were applied:

a. only future cash flows within the boundaries of the insurance contracts were included in the fair value estimation excluding future renewals and new business that would be outside the contract boundary of the contracts under IFRS 17;

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

2.4.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

IFRS 17 INSURANCE CONTRACTS

JUDGEMENTS IN APPLYING THE FAIR VALUE APPROACH(CONTINUED)

b. assumptions about expected future cash flows and risk allowances were adjusted for the market participant's view
as required by IFRS 13; and

c. profit margins were included to reflect what a market participant would require for accepting obligations under insurance contracts, beyond the risk adjustment for non-financial risk.

The Group used significant judgement to determine adjustments required to reflect market participant's view and considered the following:

Aggregation of contracts	Groups of contracts include contracts issued more than one year apart. Aggregation of insurance contracts by expected profitability was assessed as at the transition date. For this assessment, the Group estimated the FCF at the transition date. Further, to aggregate nononerous insurance contracts issued into groups of contracts that had no significant possibility of becoming onerous subsequently or groups of remaining contracts, the Group assessed the likelihood of changes in insurance, financial and other exposures on the FCF prospectively as at the transition date. Similarly, to aggregate reinsurance contracts held in a net cost position into groups of contracts for which there is no significant possibility of a net gain arising subsequently or groups of remaining contracts, the Group assessed the likelihood of changes in insurance, financial and other exposures on the FCF prospectively as at the transition date."
Discount rates	The discount rates at the dates of initial recognition were determined at the transition date
FCF	The Fulfilment cash flows (FCF) were estimated prospectively as at the transition date.
CSM	The Contractual service margin (CSM) was estimated to be the difference between the fair value of a group of insurance contracts, measured in accordance with IFRS 13 as described above, and its FCF at the transition date.
Insurance finance income or expenses	For the insurance contracts measured under the VFA, the Group determined the cumulative amount of insurance finance income or expenses recognised in OCI at the transition date as equal to the cumulative amount recognised in OCI on the respective underlying assets.

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

2.4.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

IFRS 17 INSURANCE CONTRACTS

ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below together with information about the basis of calculation for each affected line item in the consolidated financial statements.

In applying IFRS 17 measurement requirements, the following inputs and methods were used that include significant estimates. The present value of future cash flows is estimated using deterministic scenarios. The assumptions used in the deterministic scenarios are derived to approximate the probability weighted mean of a full range of scenarios. For the sensitivities with regard to the assumptions made that have the most significant impact on measurement under

DISCOUNT RATES

A mix of the bottom-up and top-down approaches was applied in the determination of the discount rates for different products. The bottom-up approach was used to derive the discount rate for the cash flows that do not vary based on the returns on underlying items in the Participating contracts (excluding investment contracts without DPF that are not in the scope of IFRS 17). Under this approach, the discount rate is determined as the risk free yield adjusted for differences in liquidity characteristics between the financial assets used to derive the risk free yield and the relevant liability cash flows (known as an illiquidity premium). The risk free yield was derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a AAA credit rating were used. Management uses judgement to assess liquidity characteristics of the liability cash flows. Direct participating contracts and investment contracts with DPF are considered less liquid than the financial assets used to derive the risk free yield. For these contracts, the illiquidity premium was estimated based on market observable liquidity premium in financial assets adjusted to reflect the illiquidity characteristics of the liability cash flows.

The top-down approach was used to derive the discount rates for the cash flows that do not vary based on the returns on underlying items in all other contracts within the scope of IFRS 17. Under this approach, the discount rate is determined as the yield implicit in the fair value of a reference portfolio adjusted for differences between the reference portfolio of assets and respective liability cash flows. The reference portfolio comprises a mix of sovereign and corporate bonds available on the markets. The assets were selected in order to match the liability cash flows. The yield from the reference portfolio was adjusted to remove both expected and unexpected credit risk. These adjustments were estimated using information from observed historic levels of default and credit default swaps relating to the bonds included in the reference portfolio.

For both the bottom-up and top-down approaches, observable market information is available for up to 20 years. For the unobservable period, the yield curve was interpolated between an ultimate rate and the last observable point using the Smith-Wilson method. Cash flows varying based on underlying items are discounted using a discount rate that reflects the variability of the underlying assets. The Savings and Participating contracts include investment components where cash flows vary based on the return of investment assets. The cash flows arising from the investment component are discounted using the expected return of the assets supporting the investment component. There are limited financial guarantees in these products. The liabilities associated with these guarantees are measured using a market consistent stochastic model.

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

2.4.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

IFRS 17 INSURANCE CONTRACTS

INVESTMENT ASSETS RETURNS

For Savings and Participating contracts (excluding investment contracts without DPF not in the scope of IFRS 17), assumptions about future underlying investment returns are made. Due to the measurement models applied and the nature of the products, particularly the determination of the discount rates used to discount future estimates of cash flows that vary with returns on underlying items, assumptions about future underlying investment returns do not impact contract measurement significantly. There are limited financial guarantees in these products. The liabilities associated with these guarantees are measured using a market consistent stochastic model.

ESTIMATES OF FUTURE CASH FLOWS TO FULFIL INSURANCE CONTRACTS

Included in the measurement of each group of contracts in the scope of IFRS 17 are all the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability weighted expected future cash flows. The Group estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Group uses information about past events, current conditions and forecasts of future conditions. The Group's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability weighted average of the future cash flows is calculated using a deterministic scenario representing the probability weighted mean of a range of scenarios.

Where estimates of expenses related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis such as activity based costing method. The Group has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Acquisition cash flows are typically allocated to groups of contracts based on gross premiums written.Expenses of an administrative policy maintenance nature are allocated to groups of contracts based on the number of contracts in force within groups. Claims settlement related expenses are allocated based on the number of claims expected for all groups except for Property and Casualty insurance where such expenses are allocated based on claims costs.

For the Life Risk and Savings contracts, uncertainty in the estimation of future claims and benefit payments and premium receipts arises primarily from the unpredictability of long-term changes in the mortality rates, the variability in the policyholder behaviour and uncertainties regarding future inflation rates and expenses growth. For the Participating contracts, uncertainty in the estimation of future claims and benefit payments arises primarily from the variability in policyholder behaviour. The interest rate guarantee embedded in investment contracts with DPF was measured using stochastic modelling because the gurantantee does not move symmetrically with different interest rate scenarios. The guarantee was measured using a full range of scenarios representing possible future interest rate environments.

For the Property and Casualty contracts, uncertainty in the estimation of future claims and benefit payments arises primarily from the severity and frequency of claims and uncertainties regarding future inflation rates leading to claims and claims-handling expenses growth. Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

Significant methods and assumptions used are discussed below.

MORTALITY - LIFE RISK, SAVINGS AND PARTICIPATING CONTRACTS (EXCLUDING INVESTMENT CONTRACTS WITHOUT DPF)

The Group derives mortality rates assumptions from the recent credible national mortality tables published by the Life Insurance Actuarial Society. An investigation into the Group's experience over the most recent five years is performed, and statistical methods are used to adjust the mortality tables to produce the probability weighted expected mortality rates in the future over the duration of the insurance contracts. Mortality rates are differentiated between policyholder groups based on gender and smoker status.

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

2.4.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

IFRS 17 INSURANCE CONTRACTS

PERSISTENCY - LIFE RISK, SAVINGS AND PARTICIPATING CONTRACTS (EXCLUDING INVESTMENT CONTRACTS WITHOUT DPF)

The Group derives assumptions about lapse and surrender rates based on the Group's own experience. Historical lapse and surrender rates are derived from the Group's policy administration data. An analysis is then performed of the Group's historical rates in comparison to the assumptions previously used. Statistical methods are used to derive adjustments to reflect the Group's own experience and any trends in the data to arrive at the probability weighted expected lapse and surrender rates. Analysis is performed and assumptions are set by major product line.

Possible increases in lapse and surrender rates may increase or decrease estimates of future cash outflows and thus decrease or increase the CSM depending on the product specifics.

EXPENSES - LIFE RISK, SAVINGS AND PARTICIPATING CONTRACTS (EXCLUDING INVESTMENT CONTRACTS WITHOUT DPF) AND PROPERTY AND CASUALTY CONTRACTS

The Group projects estimates of future expenses relating to fulfilment of contracts in the scope of IFRS 17 using current expense levels adjusted for inflation. Expenses comprise expenses directly attributable to the groups of contracts including an allocation of fixed and variable overheads. In addition, under certain methods used to assess claims incurred for the Property and Casualty contracts, estimates of future claim payments are adjusted for inflation.

Where asset management services are provided for the insurance operational segments as part of contractual arrangements with policyholders, the Group projects future expenses based on the direct costs as incurred by the Group rather than based on management fees charged explicitly to the policyholder account values or internal fees charged to the insurance operating segments for providing these services.

The expense inflation assumption is based on Oneland's retail price inflation swap curve adjusted to the Group's own (B128)(b) experience and is considered to be a non-financial risk. The Group has not changed its methods or assumptions used to project expenses in 2023.

Possible increases in expense assumptions increase estimates of future cash outflows and thus decrease the CSM within the LRC for contracts measured under the GMM and increase the LIC for Property and Casualty contracts measured under the PAA.

METHODS USED TO MEASURE THE RISK ADJUSTMENT FOR NON-FINANCIAL RISK

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates.

The risk adjustment was calculated at the issuing entity level and then allocated down to each group of contracts in accordance with their risk profiles. The cost of capital method was used to derive the overall risk adjustment for non-financial risk. In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of projected capital relating to non-financial risk. The cost rate is set at 6% per annum representing thereturn required to compensate for the exposure to non-financial risk. The capital is determined at a 99.5% confidence level and is projected in line with the run-off of the business. The diversification benefit is included to reflect the diversification in contracts sold across geographies as this reflects the compensation that the entity requires.

2 ACCOUNTING POLICIES (CONTINUED)

2.4.2 INTERNATIONAL FINANCIAL REPORTING STANDARDS AND AMENDMENTS EFFECTIVE FOR THE FIRST TIME FOR DECEMBER 2023 YEAR-END

Number	Effective date	Executive summary
IFRS 17, 'Insurance contracts'	Annual periods beginning on or after 1 January 2023 Early application is permitted for entities that apply IFRS 9, 'Financial Instruments', and IFRS 15, Revenue from Contracts with Customers', at or before the date of initial application of IFRS 17.	The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new approach of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract. The Group commenced preparations for the implementation of IFRS 17 a project team was set up and the following have been done • A project charter and detailed implementation plan was drafted • Performance of gap analysis on products, systems, and business processes to enable full project documentation. • Data categorisation defining starting points to align to the current system. • Aligning and upgrading existing operating and accounting systems to the new user requirements arising from implementing IFRS 17. • Aligning actuarial models currently in use to IFRS 17 requirements and integrating the actuarial systems to the Group's operating systems and accounting systems. • Reviewing and updating accounting policies and updating business processes for financial reporting purposes. • Training sessions were organised for the project team and these will be held continuously until project is fully implemented. The full quantitative impact of applying this standard is still being assessed to determine the impact on the Group's and Company's financial statements.
IFRS 17, Insurance contracts, amendments	Annual periods beginning on or after 1 January 2023	In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.

2 ACCOUNTING POLICIES (CONTINUED)

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

2.4.2 INTERNATIONAL FINANCIAL REPORTING STANDARDS AND AMENDMENTS EFFECTIVE FOR THE FIRST TIME FOR DECEMBER 2023 YEAR-END (CONTINUED)

Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Annual periods beginning on or after 1 January 2023. Earlier application is permitted.	The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
Definition of Accounting Estimates - to IAS 8	Effective for annual periods beginning on or after 1 January 2023.	The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

2.4.2 INTERNATIONAL FINANCIAL REPORTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT EFFECTIVE

Number	Effective date	Executive summary
Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	Effective for annual periods beginning on or after 1 January 2024.	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	Effective for annual periods beginning on or after 1 January 2024.	The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.
Lease Liability in a Sale and Leaseback –Amendments to IFRS 16	Effective for annual periods beginning on or after 1 January 2024.	The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.
Lack of exchangeability – Amendments to IAS 21	Effective for annual periods beginning on or after 1 January 2025.	The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.
IFRS S1 General Requirements for Disclosure of Sustainability related Financial Information	Annual periods beginning on or after 1 January 2024 (Published June 2023)	IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about Its sustainability-related risks and opportunities that is useful to primary users of general- purpose financial reports in making decisions relating to providing resources to the entity.
IFRS S2 Climate-related Disclosures	Annual periods beginning on or after 1 January 2024 (Published June 2023)	IFRS S1 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

2 ACCOUNTING POLICIES (CONTINUED)

2.5 BASIS OF CONSOLIDATION

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The consolidated financial statements present the results of the Company and its subsidiaries together ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date such that control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of profit or loss and other comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

2.5.1 NON-CONTROLLING INTERESTS

For business combinations completed prior to 1 January 2010, the Group initially recognised any subsidiary non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. For business combinations completed on or after 1 January 2010 the Group has the choice, on a transaction by transaction basis, to initially recognise any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value. The Group has not elected to take the option to use fair value in acquisitions completed to date.
From 1 January 2010, the total profit or loss and other comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non- controlling interests in proportion to their relative ownership interests. Before this date, unfunded losses in such subsidiaries were attributed entirely to the Group. In accordance with the transitional requirements of IAS 27 (2008), the carrying value of non-controlling interests at the effective date of the amendment has not been restated.

2.5.1.1 SEPARATE FINANCIAL STATEMENTS OF THE COMPANY

In the Company's separate financial statements, investments in subsidiaries are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at historical cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. After initial recognition, subsidiaries are recognised at inflation adjusted amounts.

2.5.2 CLAIMS AND BENEFITS

Claims and benefits represent the ultimate cost of settling all claims and benefits arising from events that have occurred up to the reporting date. Claims and benefits incurred but not reported are those which arise out of events which have occurred by the reporting date but have not yet been reported. Death claims are recognised when reported and a provision is made for deaths that have not been reported. Claims relating to annuities and surrenders are recognised when due and when paid, respectively. Maturity claims are recognised on maturity of the related policies.

2 ACCOUNTING POLICIES (CONTINUED)

2.5.2 CLAIMS AND BENEFITS (CONTINUED)

OUTSTANDING CLAIMS

The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim project techniques, based on empirical data and current assumptions that include a margin for adverse variation. The liability is not discounted for the time value of money. No provision for equalisation or catastrophe reserves is recognised. The liabilities are derecognised when the obligation to pay a claim expires, is discharged or has been cancelled.

2.5.3 REINSURANCE

The Group and Company cede insurance risk in the normal course of business for all of its businesses. Gross outward reinsurance premiums are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective. Reinsurance premiums ceded comprise the total premiums payable for the whole cover provided by contracts entered into in the period and are recognised on the date on which the policy incepts. Reinsurance assets represent balances due from reinsurance companies, for the primary insurers and balances due from retrocession companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract. Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group and Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group and Company will receive from the reinsurer. The impairment loss is recorded in profit or loss.

Gains or losses on buying reinsurance are recognised in statement of comprehensive income immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Group and Company from its obligations to policyholders.

Claims are recognised as expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance assets represent balances due to the Group and Company. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

2.5.4 INVESTMENT CONTRACT LIABILITIES

Investment contracts are classified between contracts with and without Discretionary Participating Features ("DPF"). Investment contracts without DPF are determined by applying deposit accounting where the contributions, claims and benefits paid, investment income and related expenses are not accounted through profit or loss but are accounted as direct increases or decreases to the investment contract liability and the corresponding assets.

Investment contract liabilities without DPF are recognised when contracts are entered into and premiums are charged. These liabilities are initially recognised at fair value Subsequent to initial recognition, the investment contract liabilities are measured at fair value which represents the fair value of assets and liabilities backing the contracts, with fair value adjustments being recognised directly against the investment contract liabilities. Any other additions to the liabilities by contract holders are recorded directly against the liability.

The liability is derecognised when the contract expires, is discharged or is cancelled. For a contract that can be cancelled by the policyholder, the fair value of the contract cannot be less than the surrender value. When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position.

2 ACCOUNTING POLICIES (CONTINUED)

2.5.5 DISCRETIONARY PARTICIPATION FEATURES ("DPF")

In line with the profit-sharing arrangements between the shareholders and policyholders, 6% of the excess assets (surplus), is transferred to shareholders account and 94% is transferred to policyholder Bonus Stabilisation Reserve (BSR). The distribution of the BSR in the form of bonus to policyholders who hold with- profits contracts remains at the discretion of the Board in consultation with Statutory Actuary.

2.5.6 PROPERTY AND EQUIPMENT

Items of property and equipment are initially recognised at historical cost. The purchase price includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The assets residual values, useful lives and methods of depreciation are reviewed and adjusted if appropriate at each financial year end. Items of property and equipment other than land and buildings are subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Land and buildings are subsequently carried at fair value, based on valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in profit or loss.

Land is not depreciated. Depreciation is provided on all other items of property and equipment so as to write off their carrying values over their expected useful economic lives. Depreciation is provided at the following rates on a straight line basis:-

Motor vehicles	5 years
Equipment and computers	3-4 years
Furniture and fittings	5-10 years
Buildings	50 years

At the date of revaluation, the accumulated depreciation on the revalued buildings is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus is included in the revaluation reserve until the asset is disposed or derecognised and the revaluation surplus balance is transferred to retained earnings.

An asset is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in profit or loss in the year the asset is derecognized. The Group and Company assesses at each reporting date whether there is an indication that an item property, plant and equipment may be impaired. If such indication exists, the Group and Company makes an estimate of its recoverable amount. Property, plant and equipment's recoverable amount is the higher of the assets fair value less costs to sell or its value in use and is determined for an individual item of property, plant and equipment, unless it does not generate cash inflows that are largely independent of those from other items of property, plant and equipment or groups of property, plant and equipment.

Where the carrying amount of an item of property, plant and equipment exceeds its recoverable amount, the property, plant and equipment is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the property, plant and equipment.

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices of investments or other available fair value indicators. Impairment losses on continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired property, plant and equipment except for property previously revalued where there valuation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and Company makes estimates of recoverable amounts. A previously recognise impairment loss.

2 ACCOUNTING POLICIES (CONTINUED)

2.5.6 PROPERTY AND EQUIPMENT (CONTINUED

is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case the carrying amount of property, plant and equipment is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment been recognized for the property, plant and equipment asset in prior years.

2.5.7 INVESTMENT PROPERTY

Investment property comprises residential houses, commercial buildings and developed residential stands which are held to earn rentals and for capital appreciation. The Group and Company's investment property is initially recorded at cost and subsequently at fair value, with changes in the carrying value recognised in profit or loss. Transfers are made to Investment property when and only when there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Undeveloped land that is initially recognised as investment property is transferred to inventory or property and equipment when the property ceases to meet the definition of investment property, and there is evidence of the change in use from holding such land for capital appreciation to either developing the land for sale as trading stock or to developing owner occupied building on such land.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in the income statement in the year of retirement or disposal. Gains or losses on the disposal of investment property are determined as the difference between net disposal proceed and the carrying value of the assets in the previous full period financial statements.

2.5.8 INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss (operating and administration expenses).

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit ("CGU") level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Our GOAL is to enhance a Positive impact on the Environment, Society and Governance bodies by implementing frameworks for sustainable investing.

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FIDELITY LIFE ASSET MANAGEMENT

FIDELITY LIFE FINANCIAL SERVICES

FIDELITY LIFE MEDICAL AID SOCIETY

FIDELITY FUNERAL SERVICES

ZAC Global ACTUARIES

Vanguard Life Assurance Company Limited

2 ACCOUNTING POLICIES (CONTINUED)

2.5.8 INTANGIBLE ASSETS (CONTINUED)

The significant intangibles recognised by the Group and Company, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:-

Computer software	4-10 years

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. The assets residual values, useful lives and methods of depreciation are reviewed and adjusted if appropriate at each financial year end.

2.5.9 INVENTORIES

Inventories comprise developed stands and land under development for sale as stands, funeral services consumables such as caskets and other consumables such as fuel. Inventories are initially measured at cost and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, development, conversion and bringing the inventories to their present location and condition. Weighted average cost is used to determine the cost of ordinarily interchangeable items (such as funeral services consumables). Net realisable value represents the estimated selling price less all estimated cost of completion to make the necessary sale.

2.5.10 TRADE AND OTHER RECEIVABLES

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arose principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporated other types of contractual monetary assets. They were initially recognised at fair value plus transaction costs that were directly attributable to their acquisition or issue, and were subsequently carried at amortised cost using the effective interest method, less expected credit losses. Insurance debtors were assessed to be outside the scope of IFRS 9's requirements. As such, the impairment allowance for insurance debtors continues to be measured on an incurred loss model. The Group elected to provide in full all insurance debtors in the 120+ days and 10% on all insurance debtors in the 60 to 90+ days category. There were therefore no changes in the measurement of the impairment allowance on insurance debtors.

2.5.11 CASH AND DEPOSITS WITH BANKS

The Group and Company's cash and cash equivalents include cash in hand, other short term highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less, and-for the purpose of the cash flow statement it includes bank overdraft. The cash and cash equivalents is subsequantly measured at armotised cost.

CASH AND CASH EQUIVALENTS

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings.

2 ACCOUNTING POLICIES (CONTINUED)

2.6 FINANCIAL INSTRUMENTS

2.6.1 FINANCIAL ASSETS

2.6.1.1 CLASSIFICATION

(a) Classification and measurement under IFRS 9

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group and Company's financial assets are classified as measured at:

- Financial assets at amortised cost
- Financial assets fair value through profit or loss ("FVPL").

A financial asset is classified at amortised cost if it is held in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest on the principal amount owing. The Group and Company's debt instruments are currently classified as financial assets at amortised cost. The equity securities are classified as financial assets at fair value through profit or loss by the Group and Company as management assess performance of the financial assets on a fair value basis. Dividend income from such assets is recorded in 'investment income' when the right to the payment has been established. For an equity instrument that are held for reasons other than to generate investment returns that would otherwise be classified as assets at fair value through profit or loss, the Group and Company may make an irrevocable election at the time of initial recognition to account for the equity investment as an asset at fair value through other comprehensive income. When this election is made, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit and loss. The Group has not taken this election on any of its assets.

CLASSIFICATION OF DEBT INSTRUMENTS

Debt instruments are contracts that entitle the Group and Company to fixed or determinable payments from another entity, such as loans, government and corporate bonds and trade receivables. The Group's debt instruments include trade, loan and other receivables, cash and deposits with banks, and bonds and other similar instruments. Based on the factors indicated above, all of the debt instruments currently held by the Group and Company were classified as financial assets at mortised cost as they are all held in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest on the principal amount owing. The Group and Company reclassifies debt instruments between amortised cost and fair value categories only if its business model for managing those assets changes.

SUBSEQUENT MEASUREMENT

Financial assets at fair value through profit and loss are subsequently measured at fair value. Net gains and losses including any interest on dividend income are recognised in profit and loss. Financial asset at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gain and losses and impairment are recognised in profit or loss.

2.6.2 IMPAIRMENT

(A) IMPAIRMENT OF FINANCIAL ASSETS UNDER IFRS 9

The Group and Company uses forward looking probability weighted expected credit loss models to determine the impairment allowance on the financial assets at amortised cost. The Group and Company recognises a separate loss allowance for such losses at each reporting date. Refer notes 9.1 to 9.3 for the impairment methodology applied for each major class of financial assets.

2 ACCOUNTING POLICIES (CONTINUED)

2.6.3 FINANCIAL LIABILITIES

The Group and Company's financial liabilities include borrowings and trade and other payables. These are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such liabilities are subsequently measured at amortised cost using the effective interest method, which ensures that any interest expense on the balance of the liability carried in the statement of financial position is at a constant rate over the period to the date of repayment. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

There were no changes to the classification and measurement of the Group and Company's financial liabilities following the Group's adoption of IFRS 9 as at 1 January 2018.

2.6.4 DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

2.6.5 FAIR VALUE MEASUREMENT

The Group and Company measures financial instruments and non-financial assets such as investment properties, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability

Or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset orliability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group and Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets, liabilities and equity items for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting

2 ACCOUNTING POLICIES (CONTINUED)

2.6.5 FAIR VALUE MEASUREMENT (CONTINUED)

period. For all the significant assets such as properties each year, The Audit, Risk and Compliance Committee approves which external valuer to appoint to be responsible for the external valuations. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.6.7 IMPAIRMENT OF NON-FINANCIAL ASSETS (EXCLUDING INVENTORIES, PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND DEFERRED TAX ASSETS)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows. Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.
Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in profit or loss. An impairment loss recognised for goodwill is not reversed.

2.6.8 INCOME TAX

2.6.8.1 CURRENT TAX

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date as per the Income Tax Act (Chapter 23:06) Income tax assets arising from companies within the Group are not offset against liabilities in other entities within the Group. Income tax liabilities and assets are disclosed separately in the statement of financial position. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to setoff current tax assets against current income tax liabilities and the deferred tax assets relates to the same taxable entity and the same taxation authority.

2.6.8.2 VALUE ADDED TAXED (VAT)

Revenues, expenses and assets are recognised net of the amount of Value Added Taxes except:

(i) Where the Value Added Tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

(ii) Receivables and payables that are stated with the amount of VAT included.

Outstanding net amounts of VAT recoverable from, or payable to, the taxation authority are included as part of receivables or payables in the statement of financial position.

2.6.8.3 DEFERRED TAX

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except;

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2 ACCOUNTING POLICIES (CONTINUED)

2.6.8.3 DEFERRED TAX (CONTINUED)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint arrangements, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.Only where there is an agreement in place that gives the Group and Company the ability to control the reversal of the temporary difference not recognised.

- deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and unused tax losses can be utilised except;

- when the deferred tax asset relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date that are expected to apply to the year when the asset is realised, or the liability is settled. Deferred tax relating to items recognised in other comprehensive income or equity is also recognised in other comprehensive income or equity and not in statement of comprehensive income. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. The Group and Company applied the income tax rate of 24.72% (2020: 24.72%) for the purpose of recognising deferred tax for its investment properties with the exception of land, where the capital gains tax rate is applied.

2.6.9 FOREIGN CURRENCY

Transactions entered into by Group and Company in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at average rates for statement of income statement transactions. The exchange rates used are obtained from the Reserve Bank of Zimbabwe ("RBZ") website. Exchange gains and losses on non-monetary financial assets form part of the overall gain or loss recognised in respect of that financial instrument. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss. On consolidation, the results of the subsidiary in Malawi are translated into ZWL at rates approximating those ruling when the transactions took place. All assets and liabilities arising on the acquisition of the foreign subsidiary were translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of the foreign subsidiary at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve. On disposal of a foreign subsidiary, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to profit or loss.

2.6.10 RETIREMENT BENEFITS: DEFINED CONTRIBUTION SCHEMES

Contributions to defined contribution pension schemes are charged to profit or loss in the year to which they relate.

2 ACCOUNTING POLICIES (CONTINUED)

2.6.11 REVENUE

REVENUE RECOGNITION

The Group and Company recognise revenue when the following conditions have been met as per IFRS 15;

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- and it is probable that the consideration to which the Group and Company are entitled to in exchange for the goods or services will be collected.

The Group and Company do not expect to have any new contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds 12 months. The transaction price is there for not adjusted for the effects of a significant financing component. The property services income, sale of completed property and funeral services income follow the above conditions in line with IFRS 15.

2.6.11.1 MANAGEMENT FEE INCOME

Fees charged for investment management services provided in conjunction with an investment contract are recognised as revenue in the statement of comprehensive income as the services are provided per IFRS 15. Insurance contract policyholders are charged for policy administration services and other contract fees. These fees and charges are recognised as revenue over the period in which the related services are performed.

2.6.11.2 FUNERAL SERVICES INCOME

Funeral services income comprises income received or receivable from provision of funeral services to clients. The income is recognised when the related services have been provided per IFRS 15, however, there is usually no material time lag between service provision and payment. Funeral services income will be generated from the following services:

- body embalming;
- hearse hire;
- church services; and
- bus hire.

2.6.11.3 INVESTMENT MANAGEMENT FEES

Fees charged for investment management services are recognised as revenue as the services are provided per IFRS 15. Initial fees which exceed the level of recurring fees and relate to the future provision of services are deferred and amortised over the anticipated period in which the services will be provided.

2.6.11.4 INVESTMENT INCOME

Investment income is interest receivable on money market financial instruments, dividends from listed and unlisted companies and fair value gains on investment property. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and effective interest rate applicable per IFRS 9.

2 ACCOUNTING POLICIES (CONTINUED)

2.6.11.5 REVENUE FROM SALE OF STANDS

The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer per IFRS 15. The revenue is measured at the transaction price agreed under the contract. The consideration is due upon signing the sale contract. Deferred payment terms may be agreed in some cases for periods up to 36 months. In such cases, the transaction price is adjusted for the effects of a significant financing component. The Group has contracts with customers where the period between signing of the sale contract and payment by the customer exceeds one year. As a consequence, the Group adjusts the transaction prices for the time value of money at the effective interest rate.

2.6.11.6 DEFERRED INCOME

Where conditions precedent to the sale of completed stands have not been met, any related revenue is recognised as deferred income. Amounts recognised in deferred income will only be recognised as revenue after all conditions precedent have been met and significant risks and rewards have been transferred to the buyer, and the buyer has accepted the property.

2.7 BORROWING COSTS

Interest incurred on bank loans used to fund acquisition of additional investment property or development of existing investment property and inventory developments is capitalised as part of the acquired or developed property or developed inventory. Interest on borrowings that were obtained for lending by micro–finance subsidiary and also for operations by the holding Group is recognised in profit or loss as an expense when incurred.

2.8 DIVIDENDS

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when approved by the directors. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

2.9 LEASES

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement

2.9.1 GROUP AS A LESSEE

A right of use asset and a corresponding lease liability are recognised on the Group's statement of financial position at the date the leased asset becomes available for use by the Group and Company. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and Company uses their incremental borrowing rate.

Subsequently, each rental payment is allocated between finance costs and a reduction of the lease liability over the term of the lease. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.The remaining lease term currently range from 13 to 53 months and the lease liabilities are measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate. The incremental borrowing rate applied on these leases was 21% per annum.

2 ACCOUNTING POLICIES (CONTINUED)

2.9.2 LEASES ASSESSED AS SHORT TERM OR LOW-VALUE LEASES

Lease agreements in Zimbabwe and a few other leases in Malawi were assessed as meeting the criteria for classification as short term. Short-term leases are leases with a lease term of 12 months or less. Rental payments on these leases continue to be recognised as an expense in the income statement on a straight-line basis.

2.10 SHARE CAPITAL

Financial instruments issued by the Group and Company are classified as equity only to the extent that they do not meet the definition of a financia liability or financial asset. The Group and Company’s ordinary shares are classified as equity instruments.

2.11 TREASURY SHARES

Consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve (the treasury share reserve). Any excess of the consideration paid/received on the purchase/sale of treasury shares over the nominal cost price of the shares purchased/sold is adjusted to the share premium reserve.

2.12 EMPLOYEE SHARE OWNERSHIP PLAN ("ESOP")

As the Group has control of its ESOP trust, it is treated as a subsidiary and consolidated for the purposes of the consolidated financial statements. The ESOP's assets (other than investments in the Group's shares), liabilities, income and expenses are included on a line-by-line basis in the consolidated financial statements. The ESOP's investment in the Group's shares is deducted from equity in the consolidated statement of financial position as if they were treasury shares.

2.13 PROVISIONS

The Group and Company has recognised within trade and other payables, provisions of uncertain timing or amount. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

2.14 DEFERRED INCOME FROM SALE OF RESIDENTIAL STANDS

The Group and Company accounts for proceeds from sale of residential stands that have not yet been developed as deferred income. Once the residential stands have been developed and allocated to customers, proceeds associated with such stands are transferred from deferred income to income from sale of residential stands as the Group and Company will have discharged its obligations to the customers concerned.

2.15 REINSURANCE

The Group and Company cede insurance risk in the normal course of business for all of its insurance businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer’s policies and are in accordance with the related reinsurance contract. Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group and Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group and Company will receive from the reinsurer. The impairment loss is recorded in profit or loss.

Gains or losses on buying reinsurance are recognised in statement of comprehensive income immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Group and Company from its obligations to policyholders. Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into

2 ACCOUNTING POLICIES (CONTINUED)

2.15 REINSURANCE (CONTINUED)

account the product classification of the reinsured business. Reinsurance assets represent balances due to the Group and Company. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or have expired or when the contract is transferred to another party. Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statement of financial position.

3 CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

3.1 FAIR VALUES

The fair value of the Group's land and buildings and investment properties is based on valuations performed by Homelux Real Estate, an accredited independent valuer. Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied. The key assumptions in coming up with fair values are future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. Due to the stabilisation of the local currency there has been an increase in the number of ZWL property transactions with rental and property sales being recorded in the ZWL. The users of the financial statements must therefore note that whilst management has taken the necessary steps in coming up with the fair valuation, significant judgements were applied in the current year as a result of the uncertainties resulting from the volatile economic environment, currency shifts, excessive market volatility.

The fair values of land and buildings and investment property as well as the valuation techniques and assumptions are disclosed on Notes 5 and 6.

3.2 ACTUARIAL VALUATION FOR INSURANCE LIABILITIES

At the reporting date, an independent valuation of policyholder liabilities is carried out to establish a proper value of the liabilities in accordance with the registration and licensing requirements of the Commissioner of Insurance in the respective jurisdictions. The process of establishing insurance liabilities is both complex and subjective, requiring the use of informed estimates and judgements. The significant assumptions and other factors used in the Group valuation include, but are not limited to:-

- the effects of inflation;
- estimation of underlying exposures;
- changes in the mix of business;
- amendments to contract terms and coverage;
- the impact of major events;
- movements in industry benchmarks;
- the incidence of incurred claims;
- the extent to which all claims have been reported;
- changes in the legal environment;
- damage awards; and
- changes in both internal and external processes which might accelerate or slow down both reporting and settlement of claims.

The carrying amount of life assurance liabilities that have been actuarially valued is disclosed on Note 14. 3

3 CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

3.2 ACTUARIAL VALUATION FOR INSURANCE LIABILITIES (CONTINUED)

As part of the valuation the actuary gives advice to the Group and Company on the reserve capital to keep above the regulatory capital in order to keep the Group and Company solvent. The value of policyholder liabilities is then deducted from the value of total assets. Any surplus (i.e. excess of assets over liabilities) is split between the policyholders and shareholders as per the advice of the independent actuary.

3.3 OTHER NON-CURRENT ASSETS

Other non-current assets comprise of gold coins that are held for capital appreciation or value preservation. The Group's other non-current assets are initially recorded at cost and subsequently measured at fair value, with changes in the carrying value recognised in the statement of profit or loss. Other non-current assets are derecognised when disposed. Any gains and losses on disposal of other non-current assets are recognised in the statement of profit or loss in the year of disposal. Gains or losses on the disposal are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous financial period.

3.4 CLASSIFICATION OF PROPERTY

The Group and Company determines whether property is classified as investment property or property plant and equipment.

- Investment property comprises land and buildings (principally offices, commercial warehouses and retail property) which are not occupied substantially for use by, or in the operations of, the Group and Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

The Company implemented a space rationalisation exercise which resulted in a significant decrease in space occupied for the production of services and for administration purposes to 13% of the total floor area of the building a level that was considered constitutes an insignificant portion.

A significant judgement was made to determine the 13% occupied by the Company constitutes an insignificant portion. A decision was made to reclassify the building from property plant and equipment to investment property since the building was being held to earn rentals and capital appreciation.

4. INTANGIBLE ASSETS

	GROUP COMPUTER SOFTWARE 2023 ZWL	GROUP COMPUTER SOFTWARE 2022 ZWL	COMPANY COMPUTER SOFTWARE 2023 ZWL	COMPANY COMPUTER SOFTWARE 2022 ZWL
Net carrying amount at the beginning of the year	**1 638 044 745**	**1 491 226 866**	**645 656 698**	**576 932 649**
Gross carrying amount - Cost	2 276 931 275	1 940 868 092	685 811 510	617 087 461
Accumulated amortisation	(638 886 530)	(449 641 226)	(40 154 812)	(40 154 812)
Additions	174 004 080	92 465 988	14 301 497	68 724 049
Exchange rate movement on foreign operations	113 916 646	243 597 195	-	-
Impairment	-	-	-	-
Amortisation charge for the year	(59 758 957)	(189 245 304)	-	-
Net carrying amount at the end of the year	**1 866 206 514**	**1 638 044 745**	**659 958 195**	**645 656 698**
Gross carrying amount - Cost	2 564 852 001	2 276 931 275	700 113 007	685 811 510
Accumulated amortisation/impairment	(698 645 487)	(638 886 530)	(40 154 812)	(40 154 812)

A software with a cost of ZWL 174,004,080 and 2022 ZWL92,465,988 was acquired during the year, it has an estimated useful life of 4 years.

4.1 OTHER NON CURRENT ASSETS

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Balance at the beginning of the year	**230 370 554**	**-**	**223 881 245**	**-**
Additions	351 839 830	283 291 680	351 839 828	185 307 946
Disposals	-	(83 601 527)	-	-
Fair value gains through profit or loss	342 326 624	30 680 401	334 161 231	38 573 296
Balance at the end of the year	**924 537 008**	**230 370 554**	**909 882 304**	**223 881 242**

Gold coins with a cost of ZWL351,839,828 (2022-ZWL283,291,680) were purchased during the year.

5. PROPERTY AND EQUIPMENT

GROUP

	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Net carrying amount at 1 January 2022	**12 765 888 619**	**31 213 608**	**150 651 459**	**179 083 645**	**13 126 837 331**
Gross carrying amount - cost/valuation	12 866 713 483	1 083 871 419	1 090 512 493	423 760 330	15 464 857 725
Accumulated depreciation	(100 824 864)	(1 052 657 811)	(939 861 034)	(244 676 685)	(2 338 020 394)
Additions	-	82 868 001	158 203 783	23 602 444	264 674 228
Exchange rate movement on foreign operations	201 009 874	108 503 036	33 109 289	300 401	342 922 600
Disposals	-	-	-	-	-
Gross carrying amount - cost/valuation	-	(7 913 974)	(1 706 344)	-	(9 620 318)
Accumulated depreciation	-	7 913 974	1 706 344	-	9 620 318
Depreciation charge for the year	(40 910 075)	(71 197 416)	(94 436 204)	(33 584 659)	(240 128 354)
Revaluation surplus	6 296 932 594	-	-	-	6 296 932 594
Gross carrying amount - cost/valuation	6 296 932 594	-	-	-	6 296 932 594
Accumulated depreciation		-	-	-	
Net carrying amount at 31 December 2022	**19 222 921 007**	**151 387 229**	**247 528 332**	**169 401 831**	**19 791 238 399**
Gross carrying amount - cost/valuation	19 324 879 651	1 267 328 482	1 280 119 226	447 663 175	22 319 990 534
Accumulated depreciation	(101 958 644)	(1 115 941 253)	(1 032 590 894)	(278 261 344)	(2 528 752 135)
Additions	-	559 747 286	963 356 297	261 310 800	1 784 414 383
Exchange rate movement on foreign operations	81 801 271	73 275 329	111 796 574	37 161 437	304 034 611
Disposals	-	(88 983 640)	(197 833)	-	(89 181 473)
Gross carrying amount - cost/valuation	-	(317 996 717)	(861 673)	-	(318 858 389)
Accumulated depreciation	-	229 013 077	663 840	-	229 676 916
Depreciation charge for the year	(13 375)	(137 402 832)	(233 784 471)	(46 658 595)	(417 859 273)
Revaluation surplus	15 637 461 704	949 401 589	50 918 232	29 098 734	16 666 880 259
Gross carrying amount - cost/valuation	15 637 461 704	949 401 589	50 918 232	29 098 734	16 666 880 259
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2023	**34 942 170 607**	**1 507 424 961**	**1 139 617 131**	**450 314 206**	**38 039 526 906**
Gross carrying amount - cost/valuation	35 044 142 626	2 531 755 969	2 405 328 656	775 234 146	40 756 461 399
Accumulated depreciation	(101 972 019)	(1 024 331 008)	(1 265 711 525)	(324 919 940)	(2 716 934 493)

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 2023. There were no buildings pledged as collateral as at 31 December 2023.The value of land and buildings is categorised as a level 3 recurring fair value measurement, as disclosed in Note 32.

5. PROPERTY AND EQUIPMENT

COMPANY

	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Net carrying amount at 1 January 2022	**67 969 292**	**83 078 234**	**107 993 713**	**259 041 239**
Gross carrying amount - cost/valuation	470 309 131	473 556 978	171 204 809	1 115 070 918
Accumulated depreciation	(402 339 839)	(390 478 744)	(63 211 096)	(856 029 679)
Additions	-	26 044 515	1 015 616	27 060 131
Disposals	(45 125 534)	-	-	(45 125 534)
Gross carrying amount - cost/valuation	(188 582 387)	-	-	(188 582 387)
Accumulated depreciation	143 456 853	-	-	143 456 853
Depreciation charge for the year	(21 367 313)	(27 082 735)	(1 437 312)	(49 887 360)
Transfer to investment property				-
Revaluation surplus	-	-	-	-
Gross carrying amount - cost/valuation	-	-	-	-
Accumulated depreciation	-	-	-	-
Net carrying amount at 31 December 2022	**1 476 445**	**82 040 014**	**107 572 016**	**191 088 475**
Gross carrying amount - cost/valuation	281 726 744	499 601 493	172 220 424	953 548 661
Accumulated depreciation	(280 250 299)	(417 561 479)	(64 648 408)	(762 460 186)
Additions	247 376 988	384 747 565	94 374 253	726 498 806
Disposals	-	(197 833)	-	(197 833)
Gross carrying amount - cost/valuation	-	(861 872)	-	(861 872)
Accumulated depreciation	-	663 839	-	663 839
Depreciation charge for the year	(30 053 872)	(100 759 092)	(6 585 874)	(137 398 837)
Transfer to investment property				-
Revaluation surplus	-	1 648 274	-	1 648 274
Gross carrying amount - cost/valuation	-	1 648 274	-	1 648 274
Accumulated depreciation	-	-	-	-
Net carrying amount at 31 December 2023	**218 799 561**	**367 478 928**	**195 360 395**	**781 638 884**
Gross carrying amount - cost/valuation	529 103 732	885 135 860	266 594 677	1 680 834 069
Accumulated depreciation	(310 304 171)	(517 656 732)	(71 234 282)	(899 195 185)

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 2023. There were no buildings pledged as collateral as at 31 December 2023.The value of land and buildings is categorised as a level 3 recurring fair value measurement, as disclosed in Note 32.

6. INVESTMENT PROPERTY

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Balance at the beginning of the year	**173 458 227 447**	**100 208 718 136**	**50 388 722 343**	**35 068 008 617**
Additions	1 035 447 873	8 741 323 181	1 035 447 873	-
Improvements	85 903 494	-	85 903 494	-
Disposals	(23 879 591 131)	(157 216 950)	-	-
Exchange rate movement on foreign operations	1 543 856 081	12 186 251 938	-	-
Fair value gains through profit or loss	144 708 438 661	52 479 151 142	61 684 960 793	15,320,713,726
Balance at the end of the year	**296 952 282 425**	**173 458 227 447**	**113 195 034 503**	**50 388 722 343**

Management determined that the investment properties consist of four classes of property − office and retail buildings, residential houses, and land investment properties are held for long term rental yields and capital appreciation. The property fair values are as shown below:

Class of property	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
CBD offices	3 999 289 115	3 492 538 151	3 728 120 000	17 915 012 011
Residential properties	8 451 480 427	17 213 665 113	2 667 540 000	12 818 528 142
Land	284 501 512 883	152 752 024 183	106 799 374 503	19 655 182 190
	296 952 282 425	173 458 227 447	113 195 034 503	50 388 722 343

As at 31 December 2023, 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. Investment properties are at Level 3. Refer to Note 32 for relevant fair value hierarchy disclosures.

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

7 RIGHT OF USE ASSET

The Group leases several offices in major towns and cities in Zimbabwe and Malawi and motor vehicles. Each lease is negotiated separately and will have terms and conditions that vary widely from those agreed for other lease arrangements. The lease agreements do not impose any covenants, and leased assets may not be used as security for borrowings. Lease contracts are usually signed for fixed periods of 1 to 5 years. The Group disclosed the office building under lease separately from property and equipment. The motor vehicles lease periods approximated the estimated useful economic lives of the motor vehicles and the Group has a right to purchase the motor vehicles outright at the end of the minimum lease term by paying a nominal amount.The lease liability is disclosed on note 16.

	GROUP		
	Office buildings ZWL	Motor Vehicles ZWL	Total ZWL
Net carrying amount at 1 January 2022	**-**	**457 414 926**	**457 414 926**
Cost	-	687 626 164	687 626 164
Accumulated armotisation	-	(230 211 238)	(230 211 238)
Additions	-	-	-
Exchange rate movement on foreign operations	-	82 507 268	82 507 268
Derecognition of right of use asset	-	-	-
Cost	-	-	-
Amortisation	-	-	-
Amortisation for the year	-	(103 054 580)	(103 054 580)
Net carrying amount at 31 December 2022	**-**	**436 867 614**	**436 867 614**
Cost	-	770 133 432	770 133 432
Accumulated amortization	-	(333 265 818)	(333 265 818)
Additions	421 644 396	-	421 644 396
Exchange rate movement on foreign operations	-	54 972 683	54 972 683
Derecognition of right of use asset	-	-	-
Cost	-	-	-
Amortisation	-	-	-
Amortisation for the year	(46 849 377)	-	(46 849 377)
Net carrying amount at 31 December 2023	**374 795 018**	**491 840 297**	**866 635 315**
Cost	421 644 396	825 106 115	1 246 750 511
Accumulated amortization	(46 849 378)	(333 265 818)	(380 115 196)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

7.1 MOVEMENT ANALYSIS TO 31 DECEMBER 2023

Movements in right of use assets and lease liabilities as included in note 7.1 and 16 during the year were as follows:

	GROUP	
	2023 Right-Of-Use Asset ZWL	2022 Right-Of-Use Asset ZWL
Balance as at 1 January 2023	436 867 614	457 414 926
Additions	421 644 396	-
Amortization	(46 849 377)	(103 054 580)
Derecognition of right of use asset	-	-
Exchange rate movement on foreign operations	54 972 682	82 507 268
Balance at 31 December 2023	866 635 315	436 867 614

7.2 THE FOLLOWING AMOUNTS ARE RECOGNISED IN PROFIT AND LOSS

	GROUP		COMPANY	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Armotisation of right of use assets	46 849 377	103 054 580	-	-
Interest expense on lease liabilities	10 456 085	22 931 609	-	-
Expense relating to short term leases	832 979 866	702 045 032	-	251 613 326

8 INVESTMENT IN SUBSIDIARIES

The Company accounts for Investment in subsidiaries applying the equity method. The share of losses in Fidelity Funeral Services Company (Private) Limited exceeded the Company's interest in the subsidiary resulting in the accounting of share of losses to the extent of profit made in the current year.

	2023 ZWL	2022 ZWL
Fidelity Life Asset Management Company (Private) Limited	2 974 256 938	1 980 695 146
Fidelity Funeral Services Company (Private) Limited	-	-
Fidelity Life Medical Services Company (Private) Limited	1 184 577 729	855 420 103
Fidelity Life Financial Services (Private) Limited	1 275 100 904	1 261 730 476
Zimbabwe Actuarial Consultants (Private) Limited	1 277 915 156	1 323 299 630
Zambezi Properties (Private) Limited	-	12 071 724 694
Langford Estates 1962 (Private) Limited	154 741 502 135	81 841 167 334
Vanguard Life Assurance Company Limited	1 220 993 161	1 733 246 143
	162 674 346 023	101 067 283 526

8.1 RECONCILIATION OF CARRYING AMOUNT

	2023 ZWL	2022 ZWL
Opening balance	**101 067 283 526**	**58 896 313 374**
Equity accounted earnings	74 006 952 462	32 105 327 303
Share of revaluation gains on property	(7 783 951)	9 951 575
Share of exchange differences arising on translation of foreign operations	7 836 723 624	3 406 728 482
Disposal of subsidiary	(20 228 829 638)	6 822 554 501
Dividends	-	(173 591 709)
closing balance	**162 674 346 023**	**101 067 283 526**

9 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Residential stand sales debtors	1 994 491	7 307 882	1,994,491	7 307 882
Micro-finance loans receivable	6 446 218 667	3 022 423 750	-	-
Other trade debtors	5 819 019 517	1 244 829 409	2,266,872,072	388 291 972
Trade receivables - gross	**12 267 232 675**	**4 274 561 041**	**2 268 866 563**	**395 599 854**
	(1 579 057 048)	(1 128 074 096)	(30 092 463)	(15 600 683)
Allowance for impairement- insurance debtors	(1 084 673 995)	(974 105 546)	(28 172 240)	(10 994 148)
Expected credit loss on trade receivables- other debtors	(494 383 053)	(153 968 550)	(1 920 223)	(4 606 535)
Trade receivables - net	**10 688 175 627**	**3 146 486 945**	**2 238 774 100**	**379 999 171**
Receivables from related parties, net of expected credit loss ("ECL") (note 34.3.1)	6 402 245 142	315 457 139	5 894 978 824	2 100 463 578
Loans to employees, net of ECL	896 363 464	591 229 870	896 363 464	591 229 870
Total receivables classified as financial assets at amortised cost	**17 986 784 233**	**4 053 173 954**	**9 030 116 388**	**3 071 692 619**
Prepayments	151 205 290	4 989 753 238	239 496 378	222 788 836
Other receivables, net of ECL	11 463 061 894	1 015 743 259	762 754 668	289 588 312
Total trade and other receivables	**29 601 051 417**	**10 058 670 451**	**10 032 367 434**	**3 584 069 767**
Non-current portion				
Current portion	29 601 051 417	10 058 670 451	10 032 367 434	3 584 069 767
				-
Total trade and other receivables	**29 601 051 417**	**10 058 670 451**	**10 032 367 434**	**3 584 069 767**

There was a significant decline in stand debtors in the current year 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 shown in the table below. Residential stands sales debtors were issued on terms of 5 to 10 years.

The total expected credit loss is made up of the following:

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

Expected credit loss on trade receivables	1 579 057 048	1 128 074 096	30 092 463	15 600 683
Expected credit loss on loans to employees	-	-	-	-
Expected credit loss on other receivables	-	228 804	-	228 804
Expected credit loss on related party receivables	-	-	-	-
	1 579 057 048	1 128 302 900	30 092 463	15 829 487

	GROUP		COMPANY	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Impact on year end ECL exposures transferred between stages during the year				
Movements in expected credit losses were as follows:				
Opening credit loss allowance as at 1 January 2023	**1 128 302 900**	**697 574 542**	**15 829 483**	**34 842 878**
Receivables written off during the year as uncollectable	-	-	-	-
Net (decrease)/ increase during the year through profit or loss	126 080 462	126 152 421	126 080 462	5 693 666
Monetary loss adjustment	324 673 686	304 575 937	(111 817 482)	(24 707 061)
				-
Balance at the end of the year	**1 579 057 048**	**1 128 302 900**	**30 092 463**	**15 829 483**

The decrease in expected credit losses has been disclosed separately on the face of the statement of profit or loss and other comprehensive income.

9.1 IMPAIRMENT - EXPECTED CREDIT LOSS MODELS

With the adoption of IFRS 9, the Group revised its impairment methodology for each class of assets held at amortised cost that bear similar credit risk characteristics. The IFRS 9 methodology requires the use of forward looking probability weighted expected credit loss models to determine the impairment allowance on the financial assets held at amortised cost. The impairment methodology applied for each material class of financial assets is indicated below.

(I) TRADE RECEIVABLES: MICRO-FINANCE LOANS RECEIVABLE

In determining impairment allowances for micro-finance loans and advances, the Group applies the full expected credit loss model under IFRS 9. This model starts with establishing a 3 stage loan grading model, which grades each loan based on whether there has been a significant increase in the credit risk and/or a default event observed since the initial recognition of that loan. Under the current model, credit risk of each loan is tracked using the ageing of the receivable. The loan is graded into stage 1, stage 2 or stage 3 based on the age of the oldest outstanding instalment. The grade into which the loan is categorised determines how the impairment loss on the loan is calculated. The stages are as defined below:

Stage 1 - Performing loans - all micro-finance loans advanced by the Group start off in this stage. In the absence of a significant deterioration in credit risk, the loans remain in Stage 1. For loans in Stage 1, ECL is estimated based on the loan's risk of default in the twelve months after the year end (12-month ECL).

Stage 2 - Non-performing loans - a micro-finance loan advances into Stage 2 if it experiences a significant increase in credit risk. For the Group, a micro-finance loan is assessed as having experienced a significant increase in credit risk when one or more instalment is overdue at the point of measuring the ECL. This is consistent with the rebuttable presumption in IFRS 9 that suggests that a debtor has experienced a significant increase in credit risk when it carries a balances that is 30 days overdue. For Stage 2 loans, the ECL represents losses expected over the remaining contractual life of the loan (lifetime expected credit loss). Interest is earned on gross value

Stage 3 - Loans in default - the loan reaches default when it carries an instalment older than 90days. IFRS 9 carries a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due. For Stage 3 loans, the ECL represents losses expected over the remaining contractual life of the loan (lifetime expected credit loss). Penalty interest is charged on the overdue amounts and interest is recognised of the net carrying amounts.

After staging, the model then calculates the expected credit loss as a product of Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure At Default ("EAD"). The methods applied by the Group to determine these inputs are described below:

(I) TRADE RECEIVABLES: MICROFINANCE LOANS RECEIVABLE (CONTINUED)

PD - Probability of default is the estimation of the likelihood of a loan reaching default state over a given time horizon. The determination of PD considers all reasonable and supportable information relating to the loan book that the Group can obtain without undue cost or effort. This includes information about past performance of the loan portfolio, current conditions and forecasts of future conditions that may affect the loans. This information is a combination of information that is internal and external to the Group. PDs were calculated for the 3 stages using Markov Chains.

Regression analysis was done for unemployment risk against factors such gender, marital status, age. The linear coefficient and the intercept were used to estimate the percentage change in PD over the year. An adjustment of 0.28% was applied on the estimated PD to incorporate changes in the PD.

LGD - Loss given default is the financial loss that the Group could suffer when a borrower defaults on their loan. The Group used run-off triangles to model the progression of loans in default state from the year they were disbursed. The run-off triangles were tabulated starting with loans disbursed from 2012 through to 2022 as part of the determination of loss given default. A weighted average LGD ratio was calculated for the entire portfolio, adjusted for macro-economic factors and discounted at the original effective interest rate applicable to the micro-finance loans.

A small percentage of the micro-finance loan book is secured. LGD for the secured loans was estimated separately for each loan, rather than at portfolio level. For secured loans, the LGD is defined as the expected ultimate loss on the loan expressed as a proportion of the outstanding loan balance at the point of default. The ultimate loss is the difference between outstanding loan balance at default and the amount recovered from sale of the security held. The fair value of the assets held as security is determined through management estimates. Where the estimated fair value of the asset equals or exceeds the outstanding loan amount, LGD is estimated as zero.

The calculated LGDs were adjusted for inflation based on the correlation that was established between LGD and inflation indices.

EAD - Exposure at default is an estimation of the expected financial exposure to the Group at the point a loan reaches default state. EAD has been calculated as the amortised cost of each loan at the end of the minimum number of months that would be required for the loan to reach default state from its current state, assuming no collections are made on the loan.

ECL is then calculated as a probability weighted average of a range of possible loss outcomes, with the key variables being PD and LGD.

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2023				
Micro-finance loans receivable				
Performing	3,281,568,719	-	-	3 281 568 719
Overdue	-	379,184,594	-	379 184 594
Default	-	-	2,785,465,354	2 785 465 354
Gross carrying amount	**3 281 568 719**	**379 184 594**	**2 785 465 354**	**6 446 218 667**
Expected credit loss on micro-finance loans receivable	(13 374 001)	(21 765 829)	(457 322 671)	(492 462 500)
Net carrying amount	**3 268 194 718**	**357 418 766**	**2 328 142 683**	**5 953 756 167**
As at 31 December 2022				
Micro-finance loans receivable				
Performing	1 778 471 765	-	-	1 778 471 765
Overdue	-	826 254 039	-	826 254 039
Default	-	-	417 697 945	417 697 945
Gross carrying amount	**1 778 471 765**	**826 254 039**	**417 697 945**	**3 022 423 750**
Expected credit loss on micro-finance loans receivable	(3 805 746)	(27 022 128)	(118 534 135)	(149 362 009)
Net carrying amount	**1 774 666 020**	**799 231 911**	**299 163 810**	**2 873 061 742**

The ECL calculated on the loans in the 3 stages is as follows:

Analysis of changes in the gross carrying amount in relation to micro-finance loans receivable is as follows:

9.1 IMPAIRMENT - EXPECTED CREDIT LOSS MODELS (CONTINUED)

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2023				
Gross carrying amount at beginning of the year	1 712 681 577	836 197 789	473 544 384	3 022 423 750
Categorisation of new receivables originated during the year	3 276 312 070	375 978 695	610 777 558	4 263 068 323
Receivables derecognised or matured (excluding written off)	(22,097,085)	(11,048,542)	(3,682,847)	(36 828 474)
Receivables written off	-	-	-	-
Monetary (loss)/gain adjustment	(1 357 787 724)	(693 611 976)	(311 300 364)	(2 362 700 064)
Receivables transferred between stages during the year	(343 133 331)	(157 885 098)	2 061 273 560	1 560 255 131
Gross loan and advances to customers at year end	**3 265 975 508**	**349 630 867**	**2 830 612 291**	**6 446 218 667**
As at 31 December 2022				
Gross carrying amount at beginning of the year	1 868 207 646	34 935 149	196 203 994	2 099 346 789
Categorisation of new receivables originated during the year	2 693 069 173	813 246 846	422 217 917	3 928 533 936
Repayments	(1 346 754 099)	(22 445 408)	(55 003 160)	(1 424 202 667)
Receivables written off	-	-	-	-
Monetary loss adjustment	(1 483 352 442)	12 397 284	(88 252 568)	(1 559 207 727)
Receivables transferred between stages during the year	(18 488 702)	(1 936 080)	(1 621 799)	(22 046 582)
Gross loan and advances to customers at year end	**1 712 681 577**	**836 197 789**	**473 544 384**	**3 022 423 750**

Movements in expected credit losses for micro-finance loans receivable were as follows:

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2023				
Balance at the beginning of the year	3 805 746	27 022 128	118 534 135	149 362 009
Allowances written off on uncollectable receivables	-	-	-	-
Categorisation of new receivables originated during the year	13 352 199	21 467 591	48 286 298	83 106 088
Repayments	(135 487)	(67 743)	(22 581)	(225 811)
Monetary loss adjustment	(634 688)	(5 257 332)	384 391 961	378 499 941
Impact on year end ECL of exposures transferred between stages during the year	(3 013 768)	(21 398 814)	(93 867 142)	(118 279 724)
Balance at the end of the year	**13 374 001**	**21 765 829**	**457 322 671**	**492 462 500**
As at 31 December 2022				
Balance at the beginning of the year	4 108 998	17 066 846	78 181 985	99 357 829
Categorisation of new receivables originated during the year	-	-	-	-
New allowances originated	4 187 374	4 134 755	2 626 565	10 948 694
Repayments	(3 572 210)	(1 933 149)	(25 991 616)	(31 496 974)
Monetary loss adjustment	(2 913 671)	(13 980 998)	(53 559 891)	(70 454 560)
Impact on year end ECL of exposures transferred between stages	-	-	-	-
during the year	1 995 255	21 734 674	117 277 092	141 007 022
Balance at the end of the year	**3 805 746**	**27 022 128**	**118 534 135**	**149 362 009**

(II) TRADE RECEIVABLES: RESIDENTIAL STAND SALES

The stand sales debtors represent trade debtors with a significant financing component. The IFRS 9 practical expedient for trade debtors requires that for such debtors, a policy choice be taken to either apply the simplified approach under the practical expedient, or the full three-stage approach under the general model. The Group elected to apply the simplified approach on its stands sales debtors. Under this approach, lifetime expected credit losses are recognised from initial recognition of the receivables, on a portfolio basis. The residential stand debtors are secured by the respective residential stands sold, significantly reducing the risk of outright loss. Credit loss is however expected from delayed payment of instalments by these debtors.

The expected loss rate is a significant estimate and has been calculated as a probability weighted average of a range of possible loss outcomes estimated based on historic, current and forward looking internal and macro-economic information that is readily available without undue cost or effort. Each scenario was adjusted to factor in time value of money at the original effective interest rate of the debtors, and inflation based on its correlation with the performance of the debtors' book.

There was no material change in the impairment allowances on these debtors from prior year . However, due to significant increases in inflation rates at the end of the year, there was a significant reduction in the expected loss rate due to the inverse relationship established between inflation and expected losses on the stand sales debtors' book.

The residential stand sales debtors are analysed below:

9.1 IMPAIRMENT - EXPECTED CREDIT LOSS MODELS (CONTINUED)

(II) TRADE RECEIVABLES: RESIDENTIAL STAND SALES (CONTINUED)

As at 31 December 2023	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Residential stand sales debtors			
Performing	-	-	-
Overdue	76,844	-	76 844
Default	-	1,917,647	1 917 647
Gross carrying amount	**76 844**	**1 917 647**	**1 994 491**
Expected credit loss on residential stand sales debtors	(27,309)	(1,892,913)	(1 920 223)
Net carrying amount	**49 535**	**24 734**	**74 269**
As at 31 December 2022			
Residential stand sales debtors			
Performing	-	-	-
Overdue	1 755 201	-	1 755 201
Default	-	5 552 681	5 552 681
Gross carrying amount	**1 755 201**	**5 552 681**	**7 307 882**
Expected credit loss on residential stand sales debtors	(328 078)	(4 278 460)	(4 606 538)
Net carrying amount	**1 427 123**	**1 274 221**	**2 701 343**

Analysis of changes in the gross carrying amount in relation to stand sales receivables is as follows:

As at 31 December 2023	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Balance at the beginning of the year	**1 755 201**	**5 552 681**	**7 307 882**
Categorisation of new receivables originated during the year	-	-	-
Repayments	(288,414)	762,132	473 719
Monetary loss adjustment	(1 389 943)	(4 397 166)	(5 787 109)
Receivables written off	-	-	-
Impact on year end of exposures transferred between stages during the year	-	-	-
Balance at the end of the year	**76 844**	**1 917 647**	**1 994 491**
As at 31 December 2022			
Balance at the beginning of the year	**9 646 317**	**30 516 710**	**40 163 026**
Categorisation of new receivables originated during the year	-	-	-
Repayments	(1 442 141)	(4 562 298)	(6 004 439)
Monetary loss adjustment	(6 448 975)	(20 401 731)	(26 850 706)
Receivables written off	-	-	-
Impact on year end exposures transferred between stages during the year	-	-	-
Balance at the end of the year	**1 755 201**	**5 552 681**	**7 307 882**

There were no loans that were credit impaired at origination , however there were loans that originated and became impaired during the year.

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(II) TRADE RECEIVABLES: RESIDENTIAL STAND SALES (CONTINUED)

Movements in expected credit losses for stand sales receivables are as follows:

As at 31 December 2023	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Opening loss allowance as at 1 January 2023	**328 080**	**4 278 458**	**4 606 538**
Allowances written off on uncollectable receivables	-	-	-
Categorisation of new receivables originated during the year	-	-	-
Monetary loss adjustment	(259 804)	(3 388 109)	(3 647 913)
Repayments	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	(40,967)	1,002,564	961 598
Balance at the end of the year	**27 309**	**1 892 913**	**1 920 223**
As at 31 December 2022			
Opening loss allowance as at 1 January 2022	**1 127 798**	**14 707 630**	**15 835 428**
Allowances written off on uncollectable receivables	-	-	-
Categorisation of new receivables originated during the year	-	-	-
Monetary loss adjustment	(799 718)	(10 429 172)	(11 228 890)
Repayments	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-
Balance at the end of the year	**328 080**	**4 278 458**	**4 606 538**

There were no loans that were credit impaired at origination , however there were loans that originated and became impaired during the year.

(III) CASH AND SHORT TERM DEPOSITS

The expected credit loss model under the IFRS 9 also applies to the Group's cash and short term deposits. Credit risk associated with counterparties hold the Group and Company's short term and demand deposits is assessed based on credit ratings determined by the Global Credit Rating Company, which ratings are external to the Group. Were these ratings are not available, counterparty credit risk is assessed through internal mechanisms designed to assess the strength of the counterparty's capacity to meet their contractual cash obligations in the near term. As the deposits are for periods less than 3 months, no significant increases in credit risk was noted as at 1 January 2022 and over the course of the year. As such, the cash and short term deposits were classified within Stage 1, prompting a 12 month expected credit loss assessment per IFRS 9. The probability of default on these instruments was assessed as insignificant due to their short tenure, resulting in an immaterial ECL which has not been recognised.

(IV) DEBT SECURITIES AT AMORTISED COST

These are instruments in prescribed assets with a long tenure, issued by both government and private entities. The assets pay fixed interest coupons at half yearly or quarterly intervals. The principal amount is settled on maturity of the instrument. There has been no indication of a lack of capacity by the counterparties to settle the coupons and principal amounts as they fall due, particularly because of their prescribed asset status. As such, PD is estimated to approximate zero. No ECL has been recognised on these instruments.

(V) INSURANCE DEBTORS

Insurance debtors were assessed to be outside the scope of IFRS 9's requirements. As such, the impairment allowance for insurance debtors continues to be measured on an incurred loss model. The Group has elected to provide in full all insurance debtors in the 120+ days and 10% on all insurance debtors in the 60 to 90+ days category.

(VI) RELATED PARTY RECEIVABLES

Expected credit losses on related party receivables were assessed as immaterial.There has been no indication of lack of capacity by the related parties to settle the balances when they fall due. As such the PD is estimated to approximate zero. No ECL has been recognised on these balancies

10 INVENTORIES

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Projects under development	1 309 121 933	1 309 121 937	1 309 121 932	1 309 121 932
Residential stands	282 839 473	282 839 473	282 839 473	282 839 473
Consumables	71 799 171	17 788 162	-	-
Closing balance	**1 663 760 577**	**1 609 749 572**	**1 591 961 405**	**1 591 961 405**

Inventories recognised as an expense during the year ended 31 December 2023 amounted to ZWLNil (2022: ZWLNil).

There were no borrowing costs capitalised during the current financial year.

11 FINANCIAL ASSETS

11.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Balance at the beginning of the year	**26 844 390 175**	**19 494 633 647**	**3 473 563 305**	**8 383 684 191**
Additions	11 983 747 538	3 590 879 669	3 138 809 257	2 120 777 223
Fair value adjustments - through profit or loss	23 879 942 438	(4 009 493 419)	12 624 354 801	(6 021 218 982)
Exchange gains/ loss	9 229 892 150	9 135 982 997	-	-
Disposals	(4 554 668 470)	(1 367 612 719)	(4 401 628 719)	(1 009 679 127)
Balance at the end of the year	**67 383 303 831**	**26 844 390 175**	**14 835 098 644**	**3 473 563 305**

Financial assets at fair value through profit or loss relate to shares held in various listed companies in Zimbabwe and Malawi. Refer to note 30 for relevant fair value hierarchy disclosures.

11.2 DEBT SECURITIES AT AMORTISED COST

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Balance at the beginning of the year	**22 427 114 814**	**10 321 065 727**	**251 433**	**845 639**
Additions	-	2 122 597 977	-	-
Interest		1 771 588 739	-	-
Exchange (loss)/gain	1 652 314 582	8 796 240 582	-	-
Maturities	(1 076 617 884)	(583 784 004)	-	-
Impact of inflation	(199 110)	(594 207)	(199 110)	(594 206)
Balance at the end of the year	**23 002 612 402**	**22 427 114 814**	**52 323**	**251 433**

Debt securities at amortised cost include development bonds and treasury bills that carry prescribed asset status. Interest rates on these instruments range from 5% to 16%. 99% of the bonds will have matured by 31 December 2023, and the remaining 1% extend as far as 2026. Further disclosure on prescribed assets is provided in Note 38.

12 CASH AND DEPOSITS WITH BANKS

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Money market investments	13 812 461 831	4 511 585 410	459 423 579	762 316 823
Bank and cash	3 289 216 645	2 553 327 344	1 982 060 118	944 994 868
Cash and deposits with banks	**17 101 678 476**	**7 064 912 754**	**2 441 483 697**	**1 707 311 691**
Bank overdraft	(3 964 526 325)	(240 848 932)	-	-
Cash and cash equivalents	**13 137 152 151**	**6 824 063 822**	**2 441 483 697**	**1 707 311 691**

The credit quality of cash and cash equivalents held is disclosed in note 30.

13 SHARE CAPITAL

Authorised share capital				
200,000,000 ordinary shares with a norminal value of ZWL0.01 each	1 479 652 382	1 479 652 382	1 479 652 382	1 479 652 382
Issued and fully paid share capital				
108,923,291 ordinary shares with a norminal value of ZWL0.01 each	805 843 111	805 843 111	805 843 111	805 843 111

91 076 709 unissued shares and 1 003 743 treasury shares are under the control of the Directors subject to the limitations imposed by the Articles and Memorandum of Association of the Company, the Zimbabwe Companies and Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements.

The following describes the nature and purpose of each reserve within equity

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value
Treasury shares	Cost of own shares held in treasury
Revaluation reserve	Gains/losses arising on the revaluation of property (other than investment property)
Foreign currency translation reserve	Gains/losses arising on retranslating the net assets of foreign operations into Zimbabwe Dollars.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

14 INSURANCE CONTRACT ASSETS AND LIABILITIES

An analysis of the amounts presented on the consolidated statement of financial position for insurance contracts, investment contracts with DPF and investment contracts without DPF is included in the table below along with the presentation of current and non-current portions of the balances:

GROUP

	Direct participating contracts	Investment contracts with DPF	Investment contracts without DPF	Total	Current portion	Non current portion	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Balance as at 31 December 2023							
Insurance contract assets	5 803 273 861	-	-	5 803 273 861	5 803 273 861	-	5 803 273 861
Insurance contract liabilities	90 557 214 044	73 101 793 540	-	163 659 007 584	-	163 659 007 584	163 659 007 584
Investment contract liabilities	-	-	19 500 810 198	19 500 810 198	-	19 500 810 198	19 500 810 198
Balance as at 31 December 2022							
Insurance contract assets	7 500 478 817	-	-	7 500 478 817	7 500 478 817	-	7 500 478 817
Insurance contract liabilities	144 460 311 827	30 279 301 980	-	174 739 613 807	-	174 739 613 807	174 739 613 807
Investment contract liabilities	-	-	26 861 144 769	26 861 144 769	-	26 861 144 769	26 861 144 769

COMPANY

	Direct participating contracts	Investment contracts with DPF	Investment contracts without DPF	Total	Current portion	Non current portion	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Balance as at 31 December 2023							
Insurance contract assets	1 211 313 649	-	-	1 211 313 649	1 211 313 649	-	1 211 313 649
Insurance contract liabilities	21 084 743 457	40 449 459 405	-	61 534 202 862	-	61 534 202 862	61 534 202 862
Investment contract liabilities	-	-	19 500 810 198	19 500 810 198	-	19 500 810 198	19 500 810 198
	-	-					
Balance as at 31 December 2022	-	-		-			
Insurance contract assets	404 287 581	-	-	404 287 581	404 287 581	-	404 287 581
Insurance contract liabilities	38 512 379 603	75 450 792 219	-	113 963 171 822	-	113 963 171 822	113 963 171 822
Investment contract liabilities	-	-	26 861 144 769	26 861 144 769	-	26 861 144 769	26 861 144 769

GROUP

Analysis of Insurance Contract Liability by participation

	2023 LFRC	LIC	TOTAL	2022 LFRC	LIC	TOTAL
Direct Participating Contracts	90 190 716 914	366 497 130	90 557 214 044	144 371 119 029	89 192 798	144 460 311 827
Investment contracts with direct participating contracts	71 920 599 725	1 181 193 815	73 101 793 540	30 187 603 936	91 698 044	30 279 301 980
	162 111 316 639	1 547 690 945	163 659 007 584	174 558 722 965	180 890 842	174 739 613 807

COMPANY

Analysis of Insurance Contract Liability by participation

	2023 LFRC	LIC	TOTAL	2022 LFRC	LIC	TOTAL
Direct Participating Contracts	20 920 979 069	163 764 388	21 084 743 457	38 449 944 644	62 434 959	38 512 379 603
Investment contracts with direct participating contracts	39 807 830 275	641 629 130	40 449 459 405	75 386 603 588	64 188 631	75 450 792 219
	60 728 809 344	805 393 518	61 534 202 862	113 836 548 233	126 623 589	113 963 171 822

14.1 DIRECT PARTICIPATING CONTRACTS ISSUED
RECONCILIATION OF THE LIABILITY FOR THE REMAINING COVERAGE AND LIABILITY FOR INCURRED CLAIMS

GROUP

	2023				2022			
	Liability for remaining coverage ZWL	Loss component ZWL	Liability for incurred claims ZWL	Total ZWL	Liability for remaining coverage ZWL	Loss component ZWL	Liability for incurred claims ZWL	Total ZWL
Opening insurance contract liabilities	144 371 119 029	-	89 192 798	144 460 311 827	23 291 506 033	-	14 297 309 547	37 588 815 580
Net balance as at 1 January	**144 371 119 029**	**-**	**89 192 798**	**144 460 311 827**	**23 291 506 033**	**-**	**14 297 309 547**	**37 588 815 580**
	-	-	-	-	-	-	-	-
Insurance contract revenue	**(14 558 088 951)**	**-**	**-**	**(14 558 088 951)**	**(6 292 005 223)**	**-**	**-**	**(6 292 005 223)**
	-	-	-	-	-	-	-	-
Insurance service expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Incurred claims and other directly attributable expenses	-	-	2 725 130 408	2 725 130 408	-	-	1 239 840 674	1 239 840 674
Changes that relate to past service	-	-	208 187 961	208 187 961	-	-	768 546 495	768 546 495
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	562 873 913	-	-	562 873 913	280 324 447	-	-	280 324 447
Insurance service expenses	**562 873 913**	**-**	**2 933 318 370**	**3 496 192 283**	**280 324 447**	**-**	**2 008 387 170**	**2 288 711 617**
Total net expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Insurance service result	**(13 995 215 038)**	**-**	**2 933 318 370**	**(11 061 896 668)**	**(6 011 680 775)**	**-**	**2 008 387 170**	**(4 003 293 605)**
	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued recognised in profit or loss	6 208 289 933	-	-	6 208 289 933	1 149 979 376	-	-	1 149 979 376
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	**6 208 289 933**	**-**	**-**	**6 208 289 933**	**1 149 979 376**	**-**	**-**	**1 149 979 376**
	-	-	-	-	-	-	-	-
Total amounts recognised in comprehensive income	**(7 786 925 105)**	**-**	**2 933 318 370**	**(4 853 606 735)**	**(4 861 701 399)**	**-**	**2 008 387 170**	**(2 853 314 230)**
	-	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-
Other changes	(43 471 502 068)	-	5 242 439 168	(38 229 062 900)	169 546 929 766	-	(6 300 496 709)	163 246 433 057
	-	-	-	-	-	-	-	-
Cashflows	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Premiums received	47 004 157 140	-	-	47 004 157 140	6 320 516 710	-	-	6 320 516 710
Claims and other directly attributable expenses paid	(49 926 132 081)	-	(7 898 453 206)	(57 824 585 287)	(49 926 132 081)	-	(9 916 007 210)	(59 842 139 291)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Total cash flows	**(2 921 974 941)**	**-**	**(7 898 453 206)**	**(10 820 428 147)**	**(43 605 615 371)**	**-**	**(9 916 007 210)**	**(53 521 622 581)**
	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	**90 190 716 914**	**-**	**366 497 130**	**90 557 214 044**	**144 371 119 029**	**-**	**89 192 798**	**144 460 311 827**

14.1 DIRECT PARTICIPATING CONTRACTS ISSUED
RECONCILIATION OF THE LIABILITY FOR THE REMAINING COVERAGE AND LIABILITY FOR INCURRED CLAIMS

COMPANY

	2023	-	-	-	2022	-	-	-
	Liability for remaining coverage ZWL	Loss component ZWL	Liability for incurred claims ZWL	Total ZWL	Liability for remaining coverage ZWL	Loss component ZWL	Liability for incurred claims ZWL	Total ZWL
Opening insurance contract liabilities	38 449 944 644	-	62 434 959	38 512 379 603	3 680 982 987	-	5 263 735 032	8 944 718 019
Net balance as at 1 January	**38 449 944 644**	**-**	**62 434 959**	**38 512 379 603**	**3 680 982 987**	**-**	**5 263 735 032**	**8 944 718 019**
	-	-	-	-	-	-	-	-
Insurance contract revenue	**(13 412 926 201)**	**-**	**-**	**(13 412 926 201)**	**(5 468 107 310)**	**-**	**-**	**(5 468 107 310)**
Insurance service expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Incurred claims and other directly attributable expenses	-	-	2 316 360 847	2 316 360 847	-	-	1 205 053 514	1 205 053 514
Changes that relate to past service	-	-	268 091 385	268 091 385	-	-	64 046 885	64 046 885
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	394 011 740	-	-	394 011 740	241 631 410	-	-	241 631 410
Insurance service expenses	**394 011 740**	**-**	**2 584 452 232**	**2 978 463 972**	**241 631 410**	**-**	**1 269 100 399**	**1 510 731 809**
Total net expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Insurance service result	**(13 018 914 461)**	**-**	**2 584 452 232**	**(10 434 462 229)**	**(5 226 475 900)**	**-**	**1 269 100 399**	**(3 957 375 501)**
Finance expenses from insurance contracts issued recognised in profit or loss	4 345 802 953	-	-	2 436 283 450	804 985 563	-	-	804 985 563
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	**4 345 802 953**	**-**	**-**	**2 436 283 450**	**804 985 563**	**-**	**-**	**804 985 563**
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total amounts recognised in comprehensive income	**(8 673 111 508)**	**-**	**2 584 452 232**	**(7 998 178 780)**	**(4 421 490 337)**	**-**	**1 269 100 399**	**(3 152 389 938)**
Investment components	-	-	-	-	-	-	-	-
Other changes	(6 810 471 609)	-	3 045 794 442	93 550 428 948	69 714 382 754	-	470 804 574	70 185 187 329
Cashflows	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Premiums received	32 902 909 998	-	-	34 857 969 846	4 424 361 697	-	-	4 424 361 697
Claims and other directly attributable expenses paid	(34 948 292 457)	-	(5 528 917 244)	(51 443 761 285)	(34 948 292 457)	-	(6 941 205 047)	(41 889 497 504)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Total cash flows	**(2 045 382 459)**	**-**	**(5 528 917 244)**	**(16 585 791 439)**	**(30 523 930 760)**	**-**	**(6 941 205 047)**	**(37 465 135 807)**
Balance as at 31 December 2023	**20 920 979 069**	**-**	**163 764 388**	**21 084 743 457**	**38 449 944 644**	**-**	**62 434 959**	**38 512 379 603**

14.2 INVESTMENT CONTRACT LIABILITIES WITH DPF
RECONCILIATION OF THE LIABILITY FOR REMAINING COVERAGE AND THE LIABILITY FOR INCURRED CLAIMS

GROUP

	2023				2022			
	Liability for remaining coverage ZWL	Loss component ZWL	Liability for incurred claims ZWL	Total ZWL	Liability for remaining coverage ZWL	Loss component ZWL	Liability for incurred claims ZWL	Total ZWL
Opening investment contract liabilities with DPF	30 187 603 936	-	91 698 044	30 279 301 980	43 678 532 675	-	17 798 409 147	61 476 941 822
Net balance as at 1 January	**30 187 603 936**	**-**	**91 698 044**	**30 279 301 980**	**43 678 532 675**	**-**	**17 798 409 147**	**61 476 941 822**
Insurance contract revenue	**(102 018 380 011)**	**-**	**-**	**(102 018 380 011)**	**(27 835 047 741)**	**-**	**-**	**(27 835 047 741)**
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	-	20 571 892 926	20 571 892 926	-	-	4 004 976 202	4 004 976 202
Changes that relate to past service	-	-	120 157 579	120 157 579	-	-	1 279 467 522	1 279 467 522
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	9 810 521 527	-	-	9 810 521 527	6 499 911 042	-	-	6 499 911 042
Insurance service expenses	**9 810 521 527**	**-**	**20 692 050 505**	**30 502 572 032**	**6 499 911 042**	**-**	**5 284 443 725**	**11 784 354 767**
Total net expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Insurance service result	**(92 207 858 484)**	**-**	**20 692 050 505**	**(71 515 807 979)**	**(21 335 136 699)**	**-**	**5 284 443 725**	**(16 050 692 974)**
	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued recognised in profit or loss	14 768 136 972	-	-	14 768 136 972	2 683 285 210	-	-	2 683 285 210
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	**14 768 136 972**	**-**	**-**	**14 768 136 972**	**2 683 285 210**	**-**	**-**	**2 683 285 210**
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total amounts recognised in comprehensive income	**(77 439 721 512)**	**-**	**20 692 050 505**	**(56 747 671 007)**	**(18 651 851 489)**	**-**	**5 284 443 725**	**(13 367 407 764)**
	-	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-
Other changes	87 051 497 410	-	(16 462 554 605)	70 588 942 805	(64 329 293 795)	-	(1 238 818 019)	(65 568 111 814)
Cashflows								
Premiums received	77 873 144 034	-		77 873 144 034	97 386 451 053	-	3 720 037 829	101 106 488 882
Claims and other directly attributable expenses paid	(45 751 924 144)	-	(3 140 000 128)	(48 891 924 272)	(27 896 234 509)	-	(25 472 374 638)	(53 368 609 147)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Total cash flows	**32 121 219 890**	**-**	**(3 140 000 128)**	**28 981 219 762**	**69 490 216 544**	**-**	**(21 752 336 809)**	**47 737 879 735**
Balance as at 31 December 2023	**71 920 599 725**	**-**	**1 181 193 816**	**73 101 793 540**	**30 187 603 936**	**-**	**91 698 044**	**30 279 301 980**

14.2 INVESTMENT CONTRACT LIABILITIES WITH DPF
RECONCILIATION OF THE LIABILITY FOR REMAINING COVERAGE AND THE LIABILITY FOR INCURRED CLAIMS

COMPANY

	2023				2022			
	Liability for remaining coverage	Loss component	Liability for incurred claims	Total	Liability for remaining coverage	Loss component	Liability for incurred claims	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Opening investment contract liabilities	75 386 603 588	-	64 188 631	75 450 792 219	7 800 207 708	-	8 024 964 296	15 825 172 004
Net balance as at 1 January	**75 386 603 588**	**-**	**64 188 631**	**75 450 792 219**	**7 800 207 708**	**-**	**8 024 964 296**	**15 825 172 004**
Insurance contract revenue	**(96 635 127 289)**	**-**	**-**	**(96 635 127 289)**	**(27 917 434 479)**	**-**	**-**	**(27 917 434 479)**
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	-	18 411 844 169	18 411 844 169	-	-	3 795 088 562	3 795 088 562
Changes that relate to past service	-	-	101 590 973	101 590 973	-	-	33 851 382	33 851 382
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	8 938 618 673	-	-	8 938 618 673	6 059 503 818	-	-	6 059 503 818
Insurance service expenses	**8 938 618 673**	**-**	**18 513 435 142**	**27 452 053 815**	**6 059 503 818**	**-**	**3 828 939 944**	**9 888 443 762**
Total net expenses from reinsurance contracts held	-		798 780 879	798 780 879	-		603 183 066	603 183 066
Insurance service result	**(87 696 508 616)**	**-**	**19 312 216 021**	**(68 384 292 595)**	**(21 857 930 661)**	**-**	**4 432 123 010**	**(17 425 807 652)**
Finance expenses from insurance contracts issued recognised in profit or loss	10 337 695 881	-	-	10 337 695 881	1 878 299 647	-	-	1 878 299 647
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	**10 337 695 881**	**-**	**-**	**10 337 695 881**	**1 878 299 647**	**-**	**-**	**1 878 299 647**
Total amounts recognised in comprehensive income	**(77 358 812 735)**	**-**	**19 312 216 021**	**(58 046 596 715)**	**(19 979 631 014)**	**-**	**4 432 123 010**	**(15 547 508 005)**
Investment components	-	-	-	-	-	-	-	-
Other changes	19 295 185 499	-	3 245 225 374	22 540 410 873	38 922 875 313	-	2 833 737 091	41 756 612 404
				-				
Cashflows				**-**				
Premiums received	54 511 200 824	-		54 511 200 824	68 170 515 737	-	2 604 026 480	70 774 542 218
Claims and other directly attributable expenses paid	(32 026 346 900)	-	(21 980 000 896)	(54 006 347 796)	(19 527 364 156)	-	(17 830 662 247)	(37 358 026 403)
Insurance acquisition cash flows	-	-	-		-	-	-	-
Total cash flows	**22 484 853 923**	**-**	**(21 980 000 896)**	**504 853 027**	**48 643 151 581**	**-**	**(15 226 635 766)**	**33 416 515 815**
Balance as at 31 December 2023	**39 807 830 275**	**-**	**641 629 130**	**40 449 459 405**	**75 386 603 588**	**-**	**64 188 631**	**75 450 792 219**

14.3 INVESTMENT CONTRACT LIABILITIES WITHOUT DPF
RECONCILIATION OF INVESTMENT CONTRACT LIABILITIES

The table below shows a reconciliation of the opening and closing balance for the investment contract liabilities

	GROUP		COMPANY	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Opening balance 1 January 2023	**26 861 144 769**	**15 711 995 367**	**26 861 144 769**	**15 711 995 367**
Contributions received	504 180 052	23 265 942 572	504 180 052	23 265 942 572
Benefits paid	(83 429 355 599)	(7 667 710 761)	(83 429 355 599)	(7 667 710 761)
Investment return from underlying assets	81 298 770 261	4 868 058 299	81 298 770 261	4 868 058 299
Asset management fees charged	(5 733 929 285)	(9 317 140 708)	(5 733 929 285)	(9 317 140 708)
Closing balance	**19 500 810 198**	**26 861 144 769**	**19 500 810 198**	**26 861 144 769**

14.4 INSURANCE CONTRACT REVENUE AND EXPENSES

An analysis of insurance revenue, insurance service expensive and net expenses from insurance contracts held by product line for 2023 and 2022 is included in the following tables

December 2023	GROUP			COMPANY		
	Direct participating contracts ZWL	Investment contracts with DPF ZWL	Total ZWL	Direct participating contracts ZWL	Investment contracts with DPF ZWL	Total ZWL
Insurance contract revenue						
Amounts relating to the changes in the Liability for remaining coverage (LRC)						
Expected incurred claims and other expenses after loss component allocation	12 996 100 858	36 048 755 742	49 044 856 601	12 494 836 581	35 355 012 592	47 849 849 173
Change in the risk adjustment for non- financial risk for the risk expired after loss component allocation	463 968 584	311 599 026	775 567 610	386 589 839	221 066 547	607 656 386
CSM recognised in profit or loss for the services provided	498 474 511	47 427 658 381	47 926 132 892	-	47 083 303 955	47 083 303 955
Insurance acquisition cash flow recovery	599 544 998	1 043 017 179	1 642 562 177	531 499 781	1 040 266 581	1 571 766 361
Insurance revenue from contracts not measured under the PAA	14 558 088 951	84 831 030 328	99 389 119 279	13 412 926 201	83 699 649 674	97 112 575 875
Insurance revenue from contracts measured under the PAA	-	12 708 921 985	12 708 921 985	-	9 779 675 089	9 779 675 089
Insurance revenue from contracts measured under VFA	-	4 478 427 698	4 478 427 698	-	3 155 802 526	3 155 802 526
Total insurance revenue	**14 558 088 951**	**102 018 380 011**	**116 576 468 962**	**13 412 926 201**	**96 635 127 289**	**110 048 053 490**
Insurance service expenses						
Other directly attributable expenses	(2 725 130 408)	(20 571 892 926)	(23 297 023 335)	(2 316 360 847)	(18 411 844 169)	(20 728 205 016)
Changes that relate to past service -adjustments to the LIC	-	-	-	-	-	-
Changes Related to Past Services - IBNR	(208 187 962)	(71 319 798)	(279 507 759)	(145 731 573)	(49 923 858)	(195 655 431)
Changes Related to Past Services - Gross Oustanding Claims	(144 574 110)	(48 837 781)	(193 411 891)	(122 359 812)	(51 667 115)	(174 026 926)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	(562 873 913)	(9 810 521 526)	(10 373 395 439)	(394 011 740)	(8 938 618 673)	(9 332 630 413)
Total insurance service expenses	**(3 640 766 393)**	**(30 502 572 031)**	**(34 143 338 424)**	**(2 978 463 972)**	**(27 452 053 815)**	**(30 430 517 787)**
Reinsurance expenses-contracts measured under the PAA	(610 680 130)	(988 804 425)	(1 599 484 555)	-	(1 272 960 450)	(1 272 960 450)
Claims recovered	-	495 363 611	495 363 611	-	474 179 571	474 179 571
Total net expenses from reinsurance contracts held	**(610 680 130)**	**(493 440 814)**	**(1 104 120 944)**	**-**	**(798 780 879)**	**(798 780 879)**
Total insurance service result	**10 306 642 429**	**71 022 367 166**	**81 329 009 594**	**10 434 462 229**	**68 384 292 595**	**78 818 754 824**

December 2022	GROUP			COMPANY		
	Direct participating contracts ZWL	Investment contracts with DPF ZWL	Total ZWL	Direct participating contracts ZWL	Investment contracts with DPF ZWL	Total ZWL
Insurance contract revenue						
Amounts relating to the changes in the Liability for remaining coverage (LRC)						
Expected incurred claims and other expenses after loss component allocation	5 090 155 656	9 951 100 675	15 041 256 332	4 951 395 609	9 912 187 148	14 863 582 757
Change in the risk adjustment for non- financial risk for the risk expired after loss component allocation	221 926 914	92 956 145	314 883 059	217 008 898	76 150 057	293 158 955
CSM recognised in profit or loss for the services provided	671 787 016	9 636 823 996	10 308 611 011	-	10 127 072 780	10 127 072 780
Insurance acquisition cash flow recovery	308 135 636	558 477 218	866 612 855	299 702 803	502 348 394	802 051 197
Insurance revenue from contracts not measured under the PAA	6 292 005 222	20 239 358 035	26 531 363 257	5 468 107 310	20 617 758 379	26 085 865 690
Insurance revenue from contracts measured under the PAA	-	4 673 041 794	4 673 041 794	-	4 459 970 046	4 459 970 046
Insurance revenue from contracts measured under VFA	-	2 922 647 913	2 922 647 913	-	2 839 706 053	2 839 706 053
Total insurance revenue	**6 292 005 222**	**27 835 047 741**	**34 127 052 963**	**5 468 107 310**	**27 917 434 479**	**33 385 541 789**
Insurance service expenses						
Incurred claims and other directly attributable expenses	(1 239 840 674)	(3 912 059 561)	(5 151 900 235)	(1 205 053 514)	(3 795 088 562)	(5 000 142 075)
Changes that relate to past service -adjustments to the LIC	-	-	-	-	-	-
Changes Related to Past Services - IBNR	(25 838 306)	(28 651 408)	(54 489 714)	-	(25 779 635)	(25 779 635)
Changes Related to Past Services - Gross Oustanding Claims	(91 495 552)	(11 998 096)	(103 493 648)	(64 046 885)	(8 071 748)	(72 118 633)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	(280 324 447)	(6 499 911 042)	(6 780 235 489)	(241 631 410)	(6 059 503 818)	(6 301 135 228)
Total insurance service expenses	**(1 637 498 979)**	**(10 452 620 107)**	**(12 090 119 086)**	**(1 510 731 809)**	**(9 888 443 762)**	**(11 399 175 571)**
Reinsurance expenses-contracts measured under the PAA	-	(1 157 614 214)	(1 157 614 214)	-	(1 109 285 509)	(1 109 285 509)
Claims recovered	-	513 311 442	513 311 442	-	506 102 443	506 102 443
Total net expenses from reinsurance contracts held	**-**	**(644 302 772)**	**(644 302 772)**	**-**	**(603 183 066)**	**(603 183 066)**
Total insurance service result	**4 654 506 243**	**16 738 124 862**	**21 392 631 105**	**3 957 375 501**	**17 425 807 652**	**21 383 183 153**

15 BORROWINGS

15.1 CURRENT BORROWINGS

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
ZB Bank Limited	4 592 510 981	968 501 832	-	-
	4 592 510 981	968 501 832	-	-

ZB BANK LIMITED LOAN

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 31 March 2024 and the ZWL facility accrues interest at 195% (2022:205%) per annum expiring on 31 March 2024.

15.2 MOVEMENT IN BORROWINGS

Movements in borrowings during the year were as follows for both the Group and the Company:

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Balance at the beginning of the year	**968 501 832**	**1 099 085 813**	**-**	**-**
Net cash out flow on borrowings	11 517 352 558	724 272 851	-	-
Proceeds from borrowings	14 499 207 323	2 010 272 623	-	-
Repayment of borrowings	(2 981 854 766)	(1 285 999 772)	-	-
Finance costs capitalised	1 407 220 592	919 885 587	-	-
Finance costs paid	(1 407 220 592)	(919 885 587)	-	-
Exchange differences on foreign currency denominated loans	-	-	-	-
Reduction of borrowings due to inflation	(7 893 343 409)	(854 856 832)	-	-
Balance at the end of the year	**4 592 510 981**	**968 501 832**	**-**	**-**
Current borrowings	4 592 510 981	968 501 832	-	-
Non-current borrowings	-	-	-	-
Borrowings as at 31 December	**4 592 510 981**	**968 501 832**	**-**	**-**

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ZAC Global ACTUARIES
Vanguard Life Assurance Company Limited

16 LEASE OBLIGATIONS

The Group leased motor vehicles and buildings with a net carrying value of ZWL875,311,354 (2022: ZWL116,863,517). The transaction was generally classified as a lease liability in accordance with IFRS 16. The lease periods approximated the estimated useful economic lives of the motor vehicles and the Group has a right to purchase the motor vehicles outright at the end of the minimum lease term by paying a nominal amount.

Set out below are the carrying amounts of the lease liability and the movements during the year

	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Balance as at 1 January	**116 863 517**	**308 815 114**	**-**	**-**
additions	257 324 359	-	-	-
Derecognition of right of use asset	-	-	-	-
Interest	10 456 085	22 931 609	-	-
Payments	(111 870 762)	(172 286 921)	-	-
Exchange rate movement on foreign operations	602 538 155	(42 596 284)	-	-
Balance as at 31 December	**875 311 354**	**116 863 517**	**-**	**-**

	Minimum lease payments ZWL	Interest payments ZWL	Present value ZWL
2023			
Not later than one year	213 288 155	4 990 098	208 298 057
Between one year and five years	306 916 676	-	306 916 676
Later than five years	-	-	-
	520 204 832	4 990 097	515 214 733
Current liabilities			**131 568 888**
Non-current liabilities			**-**
			515 214 733
2022			
Not later than one year	121 295 874	4 432 357	116 863 517
Between one year and five years			
Later than five years	-	-	-
	121 295 874	4 432 357	116 863 517
Current liabilities			
Non-current liabilities			**116 863 517**
			116 863 517

17 DEFERRED TAX LIABILITY

	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Property and equipment	549 896 219	117 957 159	3 823 923	6 523 049
Investment property	12 095 645 661	7 264 027 733	-	-
Provisions	100 143 457	203 804 349	-	(2 699 126)
Total	**12 745 685 337**	**7 585 789 241**	**3 823 923**	**3 823 923**
Reconciliation				
Balance at the beginning of the year	**7 585 789 241**	**4,490,937,292**	**3 823 923**	**(13 056 675)**
Movement through profit or loss	4 828 580 602	358 721 823	-	16 880 598
Movement through other comprehensive income	-	6 904 564	-	-
Other temporary differences	-	(867 529)	-	-
Exchange rate movements	331 315 494	2,730,093,091	-	-
Balance at the end of the year	**12 745 685 337**	**7 585 789 241**	**3 823 923**	**3 823 923**
		-		

17.1 DEFERRED INCOME TAX IMPACT ON PROFIT OR LOSS

Decrease/(increase) in deferred tax asset through profit or loss	-		-	
Increase in deferred tax liability through profit or loss	4 828 580 602	358 721 823	-	16 880 598
Deferred income tax charge/(credit) included in profit or loss	4 828 580 602	358 721 823	-	16 880 598

17.2 INCOME TAX LIABILITY / (ASSET)

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Balance as at 1 January 2023	**112 855 876**	**556 580 179**	**-**	**340 391 252**
Charge for the year	7 323 293 828	3 012 092 754	108 694 750	9 323 229
Paid during the year	(1 758 002 816)	(215 862 542)	(112 910 422)	(5 482 514)
Monetary gain/loss adjustment	(4 828 580 601)	(3 239 954 509)	4 949 143	(485 434 026)
Balance as at 31 December 2023	**849 566 286**	**112 855 876**	**733 473**	**(141 202 054)**

18 TRADE AND OTHER PAYABLES

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Trade payables	5 126 356 850	12 204 471 200	1 468 640 777	64 781 275
South View offsite works liability	2 966 711 226	1 726 263 534	2 966 711 226	1 726 263 534
Related party payables (note 34.3.2)	6 377 744 657	1 032 062 782	2 224 909 699	1 048 999 942
Deferred income from sale of residential stands (note 18.1)	2 776 465 488	2 776 465 488	2 776 465 488	2 776 465 488
Statutory liabilities	2 789 551	6 142 851	2 789 551	6 142 851
Accrued expenses	772 002 119	432 602 420	609 600 205	407 832 685
Other payables	9 118 420 945	3 556 845 041	2 542 053 542	8 515 893 489
	27 140 490 836	**21 734 853 316**	**12 591 170 487**	**14 546 379 264**

Included in the trade and other payables is the South View offsite works liability which is due for payment after completion of the project including the retension. It also includes deferred revenue from sale of stands which will be recognised when the conditions of transfer of title has been met.

18.1 DEFERRED INCOME RECONCILIATION

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Balance at the beginning of the year	**2 776 465 488**	**2 776 465 488**	**2 776 465 488**	**2 776 465 488**
Capitalised	-	-	-	-
Movement through profit or loss	-	-	-	-
		-		-
Balance at the end of the year	**2 776 465 488**	**2 776 465 488**	**2 776 465 488**	**2 776 465 488**

Trade payables represent liabilities for goods and services provided to the Group and Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually due within 30 days of invoice or statement date. Other payables mainly relate to accrued finance costs, accrued value added tax, accrued staff expenses and accrued audit fees.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. As these are mostly payable within twelve months of provision of the goods or services, the impact of discounting is not expected to be material. Their carrying amounts are considered to be the same as their fair values, due to their short-term nature.

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022

21 OTHER INVESTMENT INCOME

	2023	2022	2023	2022
Interest income	165 459 514	17 313 330	-	-
Fair value gains and losses from equities	(368 606 341)	(432 811 858)	-	-
Fair value gains and losses from investment property	2 651 004 929	42 234 306 714	-	-
Other investment income	270 377 720	28 291 747	-	-
	2 718 235 822	41 847 099 933	-	-

22 OTHER INCOME

	2023	2022	2023	2022
Actuarial fees-recognised over time	5 933 848 584	758 993 378	-	-
Management fees-recognised at a point in time	11 023 116 288	3 724 545 936	-	-
Rental and other property income	(641 343 479)	15 136 645	-	-
Profit on disposal of property and equipment	79 232 649	8 276 714	79 232 649	-
Sale of funeral services- recognised at a point in time	1 711 038 064	716 481 742	-	-
Sundry	(15 498 522 168)	2 480 496 517	(18 090 419 987)	-
	2 607 369 939	7 703 930 932	(18 011 187 339)	-

Sundry income includes land sale agreement withdrawal charges, charges for funeral services provided to parties not insured by the Group and other miscellaneous income.

24 OPERATING AND ADMINISTRATIVE EXPENSES

	2023	2022	2023	2022
Staff costs	9 676 632 463	5 923 952 456	-	-
Auditors' remuneration	296 703 555	927 754 892	-	-
Directors' remuneration - fees	994 063 765	347 897 541	763 129 069	270 930 854
- other services	-	7 485 552	-	-
Depreciation of property and equipment	417 859 273	240 128 354	137 398 837	49 887 360
Computer and data expenses	312 953 304	183 603 715	-	-
Marketing expenses	337 471 011	441 975 452	182 220 262	262 366 444
Actuarial, legal and other professional fees	1 758 607 094	822 030 666	648 240 343	1 140 094 081
Motor vehicle maintenance costs	1 145 196 552	436 977 600	741 964 403	265 526 725
Amortisation and impairement of intangibles	59 758 957	189 245 304	-	-
Net exchange loss on foreign translations	-	(3 989 438 863)	-	-
Depreciation of right of use asset	46 849 377	103 054 580	-	-
Bad debts written off	-	67 312 095	-	-
Rental from short term leases	832 979 866	702 045 032	-	-
Other operating expenses	13 479 247 044	752 315 718	3 449 940 528	8 306 086 366
	29 358 322 262	7 156 340 094	5 922 893 442	10 294 891 830

25 FINANCE COSTS

	2023	2022	2023	2022
Interest expense- Micro lending	1 171 530 771	825 808 007	-	-
Other interest expenses	235 689 821	94 077 581	235 689 821	71 145 964
Total finance costs	**1 407 220 592**	**919 885 588**	**235 689 821**	**71 145 964**

26 INCOME TAX EXPENSE/(CREDIT)

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Current	2 494 713 226	2 653 370 931	108 694 750	(7 557 364)
Deferred	4 828 580 602	358 721 823	-	1 765 865
		-		
	7 323 293 828	3 012 092 754	108 694 750	9 323 229
Tax rate reconciliation				
Profit for the year	108 456 861 062	4 018 888 046	258 229 618 209	(15 219 689 099)
Tax at Zimbabwe statutory rate of 24.72%	26 810 536 055	993 469 125	63 834 361 621	(3 762 307 145)
				-
Tax effect of amounts not deductible/(taxable) in calculating				-
taxable income:				-
Items not deductible for tax:				-
Other disallowable expenses	48,313,427,642	3 631 054 725	-	-
Non-taxable items:		-	-	-
Other non-taxable income	(4 102 353 789)	(1 841 499 283)	-	-
Other adjustments:		-	-	-
Differences arising from 8th schedule tax for life assurance	(63 725 666 871)	242 342 317	(63 725 666 871)	3 771 630 374
Deferral of unutilised tax losses	-	-	-	-
Difference in tax rate applied in foreign jurisdiction	27 350 791	(13 274 130)	-	-
				-
	7 323 293 828	3 012 092 754	108 694 750	9 323 229

The effective tax rate was calculated adding all the non deductable expenses and subtracting all the non taxable items from the accounting income tax computed.

27 EARNINGS PER SHARE (EPS)

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 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	83 730 212 608	(2 505 742 595)	258 120 923 458	(15 229 012 328)
Add/(deduct) non recurring items				
Impairment of intangible assets	-	-	-	-
Profit on disposal of property	(79 232 649)	(8 276 714)	(79 232 649)	-
Profit on disposal of investment property	-	-	-	-
Taxation on headline earnings adjustable items	19 586 311	2 046 004	19 586 311	-
Headline earnings attributable to ordinary shareholders	**83 670 566 270**	**(2 511 973 305)**	**258 061 277 120**	**(15 229 012 328)**
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**
Less: Dilutive adjusting effects	-	-	-	-
				-
Weighted average number of shares used in diluted EPS	**107 919 548**	**107 919 548**	**107 919 548**	**107 919 548**
27.1 BASIC AND DILUTED EARNINGS PER SHARE (CENTS)	77,585.77	(2,321.86)	239,179.03	(14,111.45)
27.2 HEADLINE EARNINGS PER SHARE (CENTS)	77,530.50	(2,327.64)	239,123.76	(14,111.45)

BASIC EARNINGS PER SHARE

Basic earnings per share is basic earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

HEADLINE EARNINGS PER SHARE

Headline earnings per share is a disclosure requirement in terms of Statutory Instrument 134 of 2019 of the Zimbabwe Stock Exchange ("ZSE") listing requirements for companies listed on the headline earnings by the weighted average number of shares in issue during the year. Disclosure of headline earnings is not a requirement of International Financial Reporting Standards (IFRS).

28 CAPITAL EXPENDITURE COMMITMENTS

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Authorised and contracted for	-	-	-	-
Authorised but not contracted for	7 383 271 282	2,689,848,824	4 221 855 218	1 595 899 602
	7 383 271 282	2 689 848 824	4 221 855 218	1 595 899 602

Capital expenditure will be financed from the Group and Company's own resources and borrowings.

29 MANAGEMENT OF CAPITAL

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to other stakeholders. The capital of the Group comprise reserves and share capital. The Group's strategy has been to maintain capital that is higher than the minimum required by the regulatory authorities. The Group's compliance with the capital requirements as set out by the regulatory authorities is as follows :

	Capital	Minimum capital requirement	Surplus/ (deficit)
31 December 2023			
Fidelity Life Assurance of Zimbabwe Limited	215 164 874 639	75 000 000	215 089 874 639
Vanguard Life Assurance Company Limited	2 720 279 646	2 892 786 115	(172 506 469)
Fidelity Life Asset Management Company (Private) Limited	2 831 412 705	2 250 000 000	581 412 705
Fidelity Life Financial Services (Private) Limited	790 041 209	152 618 065	637 423 144
31 December 2022			
Fidelity Life Assurance of Zimbabwe Limited	8 762 540 020	360 403 072	8 402 136 948
Vanguard Life Assurance Company Limited	3 535 451 209	2 569 461 240	965 989 972
Fidelity Life Asset Management Company (Private) Limited	1 786 164 723	528 591 172	1 257 573 551
Fidelity Life Financial Services (Private) Limited	864 379 584	82 212 013	782 167 571

The regulatory capital position for Fidelity Life Assurance of Zimbabwe Limited, as defined in Section 24 of the Insurance Act (Chapter 24:07) (the “Insurance Act”), amended by Statutory Instrument 95 of 2017, Insurance (Amendment) Regulations, 2017 (No. 19) (“SI 95 of 2017”) read with Instrument 59 of 2020, section (3) requires a provider of life and funeral assurance in Zimbabwe to maintain a minimum unencumbered statutory capital (as defined in the Statutory Instrument) of ZWL75million. Further disclosure on the Company's capital position is included in Note 39. The Company is fully compliant with the minimum capital requirements.The Company continues to pursue plans disclosed in Note 39 to improve its solvency position.

The Group endeavours to preserve a strong cash base and achieve a debt to capital ratio of less than 100%. The objective of this strategy is to secure access to finance at reasonable cost by maintaining a high credit rating. The Group also constantly scouts for opportunities that enable it to acquire strategic assets such as land banks. Such opportunities may entail an increase in the debt to capital ratio. Under such circumstances, the Group's cap on the debt to capital ratio will be 200%. The debt to capital ratios at 31 December were as follows:-

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Debt				
Borrowings	4 592 510 981	968 501 832	-	-
Equity				
Capital	254 411 335 739	38 940 442 984	215 164 874 639	8 044 759 744
Debt to capital ratio (%)	2%	2%	0%	0%

30 FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:-

a. Credit risk
b. Fair value or cash flow interest rate risk
c. Liquidity risk
d. Foreign exchange risk
e. Equity price risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated and separate financial statements. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note.

PRINCIPAL FINANCIAL INSTRUMENTS

The principal financial instruments held by the Group, from which financial instrument risk arises, are as follows:-

i) Trade and other receivables (excluding prepayments and statutory assets)
ii) Debt securities at amortised cost
iii) Bank and cash
iv) Money market investments
v) Equities at fair value through profit or loss
vi) Trade and other payables (excluding deferred income and statutory liabilities)
vii) Borrowings

(I) FINANCIAL INSTRUMENTS BY CATEGORY

A summary of the financial instruments held by category is provided below:-

	GROUP		COMPANY	
Financial assets	Financial assets at fair value through profit or loss ZWL	Financial assets at amortised cost ZWL	Financial assets at fair value through profit or loss ZWL	Financial assets at amortised cost ZWL
2023				
Trade and other receivables (excluding prepayments and statutory assets)	-	23 790 058 094	-	10 241 430 037
Financial assets at fair value through profit or loss	67 383 303 831	-	14 835 098 644	-
Debt securities at amortised cost	-	23 002 612 402	-	52 323
Cash and deposits with banks	-	17 101 678 476	-	2 441 483 697
	67 383 303 831	63 894 348 972	14 835 098 644	12 682 966 057
2022				
Trade and other receivables (excluding prepayments and statutory assets)	-	11 553 652 770	-	3 475 980 200
Financial assets at fair value through profit or loss	26 844 390 175	-	3 473 563 305	-
Debt securities at amortised cost	-	22 427 114 814	-	251 433
Cash and deposits with banks	-	7 064 912 754	-	1 707 311 691
	26 844 390 175	41 045 680 338	3 473 563 305	5 183 543 324

30 FINANCIAL INSTRUMENTS - RISK MANAGEMENT (CONTINUED)

(I) FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Financial liabilities				
Trade and other payables (excluding statutory liabilities and deferred income)	24 361 235 797	18 952 244 977	9 811 915 448	11 763 770 920
Borrowings	4 592 510 981	968 501 832	-	-
	28 953 746 778	19 920 746 809	9 811 915 448	11 763 770 920

(II) FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

Financial instruments not measured at fair value include cash and cash equivalents, debt securities at amortised cost, trade and other receivables (excluding prepayments and statutory assets), trade and other payables (excluding deferred income and statutory liabilities), borrowings and investment contract liabilities without discretionary participation features. that compare to the market, their carrying values.

(III) FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Financial instruments were measured at fair value at 31 December using:-

Group	Level 1 2023 ZWL	Level 1 2022 ZWL	Level 2 2023 ZWL	Level 2 2022 ZWL	Level 3 2023 ZWL	Level 3 2022 ZWL
Financial assets						
Financial assets at fair value through profit or loss	67 383 303 831	26 844 390 175	-	-	-	-

Company	Level 1 2023 ZWL	Level 1 2022 ZWL	Level 2 2023 ZWL	Level 2 2022 ZWL	Level 3 2023 ZWL	Level 3 2022 ZWL
Financial assets						
Financial assets at fair value through profit or loss	14 835 098 644	3 473 563 305	-	-	-	-

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

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

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

GENERAL OBJECTIVES, POLICIES AND PROCESSES

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to Management. The Board receives quarterly reports from the Chief Executive Officer ("CEO") through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group's internal audit and risk and compliance departments also review the risk management policies and processes and report their findings to the Audit, Risk and Compliance Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:-

(A) CREDIT RISK

Credit risk is the risk of financial loss to the Group and Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group and Company are mainly exposed to credit risk from trade and other receivables , debt securities at amortised cost and cash and deposits with banks. Credit risk from trade and other receivables mainly emanates from residential stand sales debtors and microfinance loans receivable. The residential stand debtors are secured by the properties sold on credit by the Group to the respective customers. The microfinance loan book is predominantly comprised of customers in formal employment. A pre-condition of extending such loans is the establishment of an agreement with the employer wherein the employer is obliged to deduct the loans repayments through their monthly payroll process from any of their employees to whom such loans are extended. Further disclosures regarding the credit quality of trade and other receivables are provided in Note 9.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Credit quality of cash and cash equivalents is reflected in the table below, based on credit ratings determined by the Global Credit Rating Company:

The financial institutions holding the cash and cash equivalents of the Group and Company have the following external credit ratings:

	GROUP		COMPANY	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
A	-	48 558 899	-	48 558 899
A+	100 374 956	100 423 989	100 088 689	37 703 641
A-	172 134 098	16 343 383	172 134 098	16 343 383
AA	189 272 247	200 320 392	182 873 846	180 686 893
AA-	195 120 776	(339 032 820)	130 101 640	335 154 801
BBB	280 709 236	3 671 661	621 020	54 700
BBB+	-	160 559 347	-	1 532 822
Cash	278 656 597	437 606 495	233 107 506	218 174 227
Unrated	15 885 410 566	6 436 461 408	1 622 556 898	869 102 325
	17 101 678 476	7 064 912 754	2 441 483 697	1 707 311 691

Included in the unrated balance of ZWL15,885,410,566 is ZWL13,812,461,831 money market investments deposited with asset managers that are not rated.

The Group only trades with and receives service from financial institutions that meet regulatory requirements including minimum regulatory capital.
Key considerations include:-
• compliance with minimum capital requirements as set by the Reserve Bank of Zimbabwe (“RBZ”), and the Reserve Bank of Malawi (“RBM”).
• RBZ and RBM periodic capital adequacy, asset quality, management, earnings, liquidity, and sensitivity (“CAMELS”) ratings,
• total shareholder equity,
• total assets,
• ratios such as loan to deposit ratio, cost to income and non-performing loans (“NPLs”) to total loans ratio,

• overall profitability and cash generation,
• historical performance and outlook,
• ability of the bank to provide financial support,

Quantitative disclosures of the risk exposure in relation to financial assets are set out below:-

	GROUP Carrying value ZWL	GROUP Maximum exposure ZWL	COMPANY Carrying value ZWL	COMPANY Maximum exposure ZWL
At 31 December 2023				
Trade and other receivables (excluding prepayments and statutory assets)	35 253 119 988	35 253 119 988	10 997 479 705	10 997 479 705
Debt securities at amortised cost	23 002 612 402	23 002 612 402	52 323	52 323
Cash and cash equivalents	17 101 678 476	17 101 678 476	2 441 483 697	2 441 483 697
	75 357 410 866	75 357 410 866	13 439 015 725	13 439 015 725
At 31 December 2022				
Trade and other receivables (excluding prepayments and statutory assets)	12 569 396 029	12 569 396 029	3 733 348 481	3 733 348 481
Debt securities at amortised cost	22 427 114 814	22 427 114 814	251 433	251 433
Cash and cash equivalents	7 064 912 754	7 064 912 754	1 707 311 691	1 707 311 691
	42 061 423 597	42 061 423 597	5 440 911 605	5 440 911 605

(B) LIQUIDITY RISK

Liquidity risk arises from the Group management of working capital and the finance charges and principal repayments on its borrowings. It is the risk that the Group and Company will encounter difficulties in meeting its financial obligations as they fall due. In order to mitigate any liquidity risk that the Group and Company faces, the Group and Company's policy has been throughout the year ended 31 December 2021, to maintain substantial facilities and reserves as well as significant liquid resources. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:-

GROUP

	Up to 3 months ZWL	Between 3 and 12 months ZWL	Between 1 and 2 years ZWL	Over 2 years ZWL	Total ZWL
At 31 December 2023					
Trade and other payables (excluding deferred income and statutory liabilities)	24 361 235 797	-	-	-	24 361 235 797
Insurance contract liabilities	-	-	-	163 659 007 584	163 659 007 584
Investment contracts without discretionary participation features	-	-	-	19 500 810 198	19 500 810 198
Borrowings	-	4 592 510 981	-	-	4 592 510 981
	24 361 235 797	4 592 510 981	-	183 159 817 782	212 113 564 560
At 31 December 2022					
Trade and other payables (excluding deferred income and statutory liabilities)	18 952 244 977	-	-	-	18 952 244 977
Insurance contract liabilities	-	-	-	174 739 613 807	174 739 613 807
Investment contracts without discretionary participation features	-	-	-	26 861 144 769	26 861 144 769
Borrowings	-	968 501 832	-	-	968 501 832
	18 952 244 977	968 501 832	-	201 600 758 575	221 521 505 385

The following table sets out the expected amounts to be recovered or settled after more than twelve months for each asset and liability

GROUP

	Between 1 and 12 months ZWL	Over 1 year ZWL	Total ZWL
At 31 December 2023			
Assets			
Inventories	1 076 833	1 662 683 744	1 663 760 577
Trade and other receivables	29 601 051 417	-	29 601 051 417
Financial Assets at fair value through profit or loss	-	67 383 303 831	67 383 303 831
Debt securities at amortised cost	22 772 586 278	230 026 124	23 002 612 402
Cash and deposits with banks	17 101 678 476	-	17 101 678 476
	69 476 393 004	69 276 013 699	138 752 406 703

(B) LIQUIDITY RISK (CONTINUED)

GROUP

	Between 1 and 12 months ZWL	Over 1 year ZWL	Total ZWL
Liabilities			
Insurance contract liabilities	-	163 659 007 584	163 659 007 584
Investment contracts without discretionary participation features	-	19 500 810 198	19 500 810 198
Borrowings	4 592 510 981	-	4 592 510 981
Deferred tax liabilities	-	12 745 685 337	12 745 685 337
Lease obligations	213 288 155	306 916 676	520 204 831
Trade and other payables	27 140 490 836	-	27 140 490 836
Income tax liability	849 566 286	-	849 566 286
	32 795 856 258	**196 212 419 796**	**229 008 276 053**
At 31 December 2022			
Assets			
Inventories	5 174 587	1 604 574 985	1 609 749 572
Trade and other receivables	10 058 670 451	-	10 058 670 451
Income tax asset	-	-	-
Deferred tax assets	-	-	-
Deferred acquisition costs	-	-	-
Financial Assets at fair value through profit or loss	-	26 844 390 175	26 844 390 175
Debt securities at amortised cost	22 202 843 666	224 271 148	22 427 114 814
Cash and deposits with banks	7 064 912 754	-	7 064 912 754
	39 331 601 458	**28 673 236 309**	**68 004 837 766**
Liabilities			
Insurance contract liabilities	-	174 739 613 807	174 739 613 807
Investment contracts without discretionary participation features	-	26 861 144 769	26 861 144 769
Borrowings	968 501 832	-	968 501 832
Deferred tax liabilities	-	7 585 789 241	7 585 789 241
Lease obligations	121 295 874	-	121 295 874
Trade and other payables	21 734 853 316	-	21 734 853 316
Income tax liability	112 855 876	-	112 855 876
	22 937 506 898	**209 186 547 817**	**232 124 054 715**

COMPANY

	Up to 3 months ZWL	Between 3 and 12 months ZWL	Between 1 and 2 years ZWL	Over 2 years ZWL	Total ZWL
At 31 December 2023					
Trade and other payables (excluding deferred income and statutory liabilities)	9 811 915 448	-	-	-	9 811 915 448
Borrowings	-	-	-	-	-
	9 811 915 448	-	-	-	9 811 915 448
At 31 December 2022					
Trade and other payables (excluding deferred income and statutory liabilities)	11 763 770 920	-	-	-	11 763 770 920
Borrowings					-
	11 763 770 921	-	-	-	11 763 770 920

(C) MARKET RISK

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in the market prices. The Group and Company's market risk arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent that these are exposed to general and specific market movements. Market risk comprises three types of risks: foreign exchange risk, interest rate risk and equity price risk.

EQUITY PRICE RISK

The Group and Company holds some strategic equity investments in other companies these include development bonds and treasury bills that carry prescribed asset status. Directors believe that the exposure to market price risk from this activity is acceptable in the Group and Company circumstances.

SENSITIVITY ANALYSIS

A 10% increase in value of the equity instruments held at the reporting date would, all other variables held constant will result in the impact as shown below

	GROUP		COMPANY	
	Impact on profit 10% increase ZWL	Impact on net assets for the year 10% increase ZWL	Impact on profit 10% increase ZWL	Impact on net assets for the year 10% increase ZWL
2023				
Financial Assets at fair value through profit or loss	6 738 330 383	6 738 330 383	1 483 509 864	1 483 509 864
2022				
Financial Assets at fair value through profit or loss	2 684 439 018	2 684 439 018	347 356 330	347 356 330

A 10% decrease in their value would on the same basis have decreased profit and assets by the same amount Risk is managed through investing in diverse equity portifolio of perfoming Companies listed on the Zimbabwe Stock Exchange.

(C) FAIR VALUE OR CASH FLOW INTEREST RATE RISK

The fair value risk is the risk of changes in the fair value assets and liabilities that are sensitive to changes in market interest rates. Cashflow interest risk is a risk that results when the cash flow timing or amount is altered due to interest rate changes. The Group seeks to manage this risk through the monitoring of adherence to established set of investment guidelines, which are reviewed and updated periodically by the Investments Committee. The Group's borrowings are at fixed interest rates.

(D) FOREIGN EXCHANGE RISK

The risk that the fair value of the cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Foreign exchange risks arise from recognised monetary financial assets and liabilities future commercial transactions, that are not denominated in the functional currency of the Group and Company.

(D) FOREIGN EXCHANGE RISK (CONTINUED)

The Group also operates in Malawi and is exposed to foreign exchange risk arising from exposure to the fluctuation of the Malawi Kwacha ("MWK"), with respect to the Zimbabwe dollar ("ZWL"). Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The following table details the Group's sensitivity to a 10% increase or decrease in the Zimbabwe dollar ZWL against the Malawian Kwacha with all other variables held constant. 10% represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and is calculated by adjusting the translation of foreign currency amounts at the period end for a 10% change in foreign currency rates.

Consolidated foreign exchange gap analysis as at 31 December 2023

Base Currency	2023 USD ZWL equivalent	2022 USD ZWL equivalent	2023 ZWL equivalent	2022 ZWL equivalent
Assets				
Cash and deposits with banks	2 323 645	13 281 038	14 185 209 923	4 852 335 337
Loans and receivables	2 018 322	14 790 445	12 321 297 695	11 082 211 111
Total assets	**4 341 967**	**28 071 483**	**26 506 507 618**	**15 934 546 448**
Liabilities				
Trade and other payables	998 253	422 869 273	6 094 055 416	2 908 381 961
Total liabilities	**998 253**	**422 869 273**	**6 094 055 416**	**2 908 381 961**
Net currency position	**3 343 714**	**(394 797 789)**	**20 412 452 202**	**13 026 164 487**
Exchange rates as at 31 December	6,104.72	684.33	0.28	1.50
Impact of 10% increase in exchange rates				
Assets	394 724	2 551 953	2 409 682 511	1 448 595 132
Liabilities	(90 750)	(270 071)	(554 005 038)	(264 398 360)
Net position	**303 974**	**2 281 881**	**1 855 677 473**	**1 184 196 772**

Impact of change in exchange rates	2023 10% increase ZWL	2023 10% decrease ZWL	2022 10% increase ZWL	2022 10% decrease ZWL
Impact of profit before tax	119 302 547 169	(97 611 174 956)	4 420 776 851	(3 616 999 242)
Impact on equity	111 246 923 957	(91 020 210 510)	1 107 474 822	(906 115 763)

This method used for deriving sensitivity information and significant variables did not change from previous period.

31 ASSURANCE RISK MANAGEMENT

31.1 INSURANCE RISK

Insurance risk is the risk that actual future underwriting, policyholder behaviour and expense experience will differ from that assumed in measuring policyholder liabilities and assets and in pricing products. Insurance risk arises due to uncertainty regarding the timing and amount of future cash flows from insurance contracts. This could be due to variations in mortality, morbidity, policyholder behaviour or expense experience in the case of life products, and claims incidence, claim severity or expense experience in the case of short-term insurance products. These could have adverse impacts on the Group and Company's earnings and capital if different from those assumed. The Group and Company are exposed to insurance risk arising from its insurance contracts with policyholders and other beneficiaries. The main risk that the Group faces is that the actual claims and benefits payments or the timing thereof differ from expectations. The risk exposure is mitigated by the use of careful selection "procedures and implementation of underwriting procedures, use of actuarial models which calculate premiums and monitor claims patterns, as well as the use of reinsurance arrangements." The insurance risks that the Group and Company is exposed to that have the greatest impact on the financial position and comprehensive income are covered below.

31.2 GENERAL MANGEMENT OF INSURANCE RISK

The insurance subsidiaries are responsible for the day to day identification, monitoring and assessment of insurance risk. In addition to the management of risk by the subsidiary companies, the Group has the following insurance risk management controls:

31.3 GROUP RISK AND COMPLIANCE COMMITTEE

The Committee advises Group's overall risk strategy, current risk exposures, and risk governance. The Committee considers and approves the remit of the risk management function and reviews reports on material breaches of risk limits, as well as the adequacy of remedial action. The Committee also advises the Board on the risks aspects of proposed strategic transactions.

31.4 AUDIT COMMITTEE

The Audit Committee deals with insurance companies within the Group. The committee serves to satisfy the Group and operational boards of directors that adequate internal and financial controls are in place and that material risks are managed appropriately. More specifically, this committee is responsible for reviewing the financial statements and accounting policies, the effectiveness of the management information and systems of internal control, compliance with statutory and regulatory requirements, including actuarial input thereon, interim and final reports, the effectiveness of the internal audit function, external audit plans and findings on their respective reports. This committee reports directly to the board of directors of the Company. The committee meetings are attended by the external and internal auditors and are held at least quarterly.

31.5 STATUTORY ACTUARY

The statutory actuary of the insurance subsidiaries reports on the capital adequacy and the financial soundness at the year-end date and for the foreseeable future. All new premium rates or premium rates where changes are required are reviewed by the statutory actuary. Dividend declarations are recommended to the Audit Committee for approval by the statutory actuary prior to payment to ensure that the insurance subsidiaries remain financially sound thereafter.

31.6 CAPITAL ADEQUACY REQUIREMENTS

A minimum level of solvency is required to be held within each insurance subsidiary to meet the regulatory capital adequacy requirements (“CAR”). For the long-term insurance subsidiaries the CAR is calculated to determine whether the excess of assets over liabilities is sufficient to provide for the possibility of actual future experience departing from the assumptions made in calculating the policyholder liabilities and against fluctuations in the value of assets. The CAR is actuarially determined taking into account forward looking information.

The main risks that the Group is exposed to are as follows:
► Mortality risk – risk of loss arising due to policyholder death experience being different than expected
► Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
► Longevity risk – risk of loss arising due to the annuitant living longer than expected
► Investment return risk – risk of loss arising from actual returns being different than expected
► Expense risk – risk of loss arising from expense experience being different than expected
► Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

31.7 MORTALITY AND MORBIDITY RISK

Mortality risk is the risk of adverse financial impact due to actual mortality (death) claims being higher than anticipated. Morbidity risk is the risk of adverse financial impact due to policyholder health related (disablement and dread disease) claims being higher than expected. The Group and Company have the following processes and procedures in place to manage mortality and morbidity risk:

31.8 PRICING

Premium rates are differentiated by factors which historical experience has shown are significant determinants of mortality and morbidity claim experience. Prior to taking on individual risk policies, appropriate underwriting processes are conducted, which influence pricing on the policy prior to acceptance. The actual claims experience is monitored on a monthly basis so that deteriorating experience can be timeously identified. At the point of issuing new policies, consideration is given to update product pricing if the change in the experience, as evidenced by the commissioned periodic investigations, has become sustained and cannot be mitigated. Further, the valuation of liabilities is periodically updated with the new parameters arising from the periodic investigations. Detailed mortality and morbidity investigations are conducted on a bi-annual basis for key products. Allowance for special effects of specified medical conditions is made in product pricing as well as in the measurement of policyholder liabilities and assets.

31.9 TERMS AND CONDITIONS

The policy terms and conditions contain exclusions for nonstandard and unpredictable risks that may result in severe financial loss. Terms are built into the policy contracts that permit risk premiums to be reviewed on expiry of a guarantee period. In particular:
- for individual risk business, most in-force risk premiums are subject to review; and
- for institutional risk business, the risk premiums can be reviewed annually.

31.10 UNDERWRITING

Underwriting guidelines concerning authority limits and procedures to be followed in accepting new business are in place. For individual and institutional business, larger sums assured in excess of specified limits are subjected to underwriting and evaluated against established guidelines for accepting new business. The annually reviewable terms on institutional business enable premiums to keep pace with emerging claims experience. Part of the underwriting process involves assessing the health condition and family medical history of applicants. Terms and conditions are varied accordingly. Non-standard risks such as hazardous pursuits and medical conditions are assessed at underwriting stage. The expertise of reinsurers is used in the rating of non-standard risks. Financial underwriting is used where necessary to determine insurable interest.

31.11 CLAIMS MANAGEMENT

For mortality, claims are validated against policy terms and conditions. For morbidity, experienced claims assessors determine the merits of the claim in relation to the policy terms and conditions. In the case of disability annuitants, claim management ensures the continued eligibility for monthly income and includes interventions that may result in the full or partial medical recovery of the claimant. The actual disability experience is highly dependent on the quality of the claim assessment

31.12 REINSURANCE

Reinsurance is used by the Group to reduce exposure to a particular line of business, a particular individual, a single event, and to benefit from the risk management support services and technical expertise offered by reinsurers. Regular reviews, which consider risk appetite, are conducted on reinsurance arrangements for new business. Given that large proportions of the Group's business is long term individual risk business, where the proportion of the risk that is reinsured is fixed for life at the inception of the policy, the Group's overall reinsurance result is heavily influenced by historical reinsurance arrangements. In some instances where underlying policyholder benefits are annually renewable, for example institutional business, reinsurance is annually renewable. Existing reinsurance arrangements include proportional reinsurance (quota share and surplus type arrangements) on both a treaty and facultative basis and catastrophe reinsurance which is renewed annually. Catastrophe reinsurance is consolidated across business units and is in place to reduce the risk of many claims arising from the same event. Various events are excluded from the catastrophe reinsurance (e.g. epidemics and radioactive contamination).

31.13 LONGEVITY RISKS

Longevity risk is the risk of adverse financial impact due to actual annuitant mortality being lower than anticipated, that is annuitants living longer than expected. For life annuities, the loss arises as a result of the Group having undertaken to make regular payments to policyholders for their remaining lives, and possibly to the policyholders' spouses for their remaining lives. The most significant risks on these liabilities are continued medical advances and improvements in social conditions that lead to longevity improvements being better than expected. The Group manages the longevity risk by:

- annually monitoring the actual longevity experience and identifying trends over time;
- making allowance for future mortality rates falling in the pricing of new business and the measurement of policyholder liabilities. This allowance will be based on the trends identified in experience investigations and external data; and
- regularly verifying annuitants are still alive   These risks do not vary significantly in relation to the location of the risk insured by the Group and type of risk insured.

31.14 LIFE INSURANCE CONTRACT LIABILITY SENSITIVITY ANALYSIS

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before income tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

Below is the impact on profit and net assets and liabilities of changes in the life insurance contract liability as a result of changes in key inputs used to calculate the liability.

Base	Change in assumptions (increase decrease)	Impact on liabilities	Impact on profit before tax	Impact on profit after tax
2023				
Mortality	+10%	24 140 139 387	582 122 050	582 367 079
Morbidity	-10%	22 956 825 867	(601 191 470)	(601 444 526)
Lapse	-10%	23 958 637 404	400 620 066	400 788 697
Expense	+10%	24 751 705 035	1 193 687 698	1 194 190 148
Discount rate	+1%	22 310 100 733	(1 247 916 604)	(1 248 441 881)
2022				
Mortality	+10%	(976 565 940)	976 565 940	(9 503 930)
Morbidity	-10%	(862 859 429)	862 859 429	(8 397 339)
Lapse	-10%	1 533 096 930	(1 533 096 930)	14 920 082
Expense	+10%	2 706 042 331	(2 706 042 331)	26 335 176
Discount rate	+1%	6 944 756 973	(6 944 756 973)	67 586 306

The above risk exposure is mitigated by the following strategies:

(I) UNDERWRITING STRATEGY

The underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a large portfolio of similar risks over a number of years and as such, it is believed that this reduces the variability of the outcome. The Group and Company manage its assurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralized management of reassurance and monitoring of emerging issues. The Group uses several methods to assess and monitor assurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity and scenario analyses.

(II) PRICING STRATEGY

The theory of probability is applied to the pricing and provisioning for a portfolio of assurance contracts. The principal risk is that the frequency and severity of claims is greater than expected. Assurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

(III) VALUATION PROCESS

The Group and Company engaged an independent Actuary for the valuation of actuarial liabilities as at 31 December 2023. Management provides the independent Actuary with the following information for the current valuation:
-In force policy data as at 31 December 2023
-Product descriptions
-Audited financial statements as at 31 December 2023
-Written and oral communication from management regarding queries that arose on the information provided.

As part of the engagement, the independent Actuary provides the determined valuations for discussions.

KEY ASSUMPTIONS

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations. The key assumptions to which the estimation is particularly sensitive are as follows:

MORTALITY RATES

Assumptions are based on standard tables, according to the type of contract written. An investigation into the actual mortality experience of the Group and Company is used to compare the experience to the standard table. Adjustment to the standard table may be made where justified by the experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.

The valuation basis carries an extra mortality loading of 10% which is in line with the 10% Covid loading being used in the region. An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated) which will increase the expenditure and reduce profits for the shareholders.

LONGEVITY

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group and Company's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number on annuity payments to be made, which will increase the expenditure and reduce profits for the shareholders.

INVESTMENT RETURN AND INFLATION

Economic assumptions are based on the existing investment portfolio, and take account of the expected future medium to long-term economic environment. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

EXPENSES

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

31.15 CONCENTRATION RISK

The Group and Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and number of contracts written per product type. The following tables show the concentration of life insurance liabilities and investment contract liabilities by type of contract.

As at 31 December 2023	Insurance contract liabilities ZWL	Investment contract liabilities with DPF ZWL	Investment contract liabilities without DPF ZWL
Individual life business			
Conventional	78 520 615 000	-	-
Investments	-	54 727 204 000	-
Funeral	26 015 756 000	-	-
Group Life business			
Funeral			
Risk business	-	3,783,406,000	-
Deposit administration	-	50 538 952 000	70 735 493 000
Annuity business	-	-	-
Total	**104 536 371 000**	**109 049 562 000**	**70 735 493 000**
As at 31 December 2022			
Individual life business			
Conventional	41,265,632,310	-	-
Investments	-	15,152,053,271	-
Funeral	12,817,680,114	-	-
Group Life business			
Funeral	-	-	-
Risk business	-	-	-
Deposit administration	-	11,709,091,495	59,879,859,397
Annuity business	-	-	-
Total	**54 083 312 424**	**26 861 144 766**	**59 879 859 397**

(II) PRICING STRATEGY (CONTINUED)

Lapse and surrender ratesLapse relates rates to the termination of policies on premiums not paid up. Surrenders relate to the voluntary termination of policies bypolicyholders. Policy termination assumptions are determined using statistical measures based on the Group and Company's experience and vary byproduct type, policy duration and sales trends. For lapses, the Group and Company's actual lapse experience is investigated. The lapse assumptionis set based on this assumption but at a level that is expected to be consistent from year to year. An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutralin effect.

DISCOUNT RATE

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expensesdirectly linked to the contract, less the discounted value of the theoretical premiums that would be required to meet these future cashoutflows. Discount rates are based on current industry risk rates, adjusted for the Group and Company's own risk exposure.A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

32 FAIR VALUE DISCLOSURES

The Group and Company measures investment property, land and buildings, which are disclosed as part of property and equipment, and investments inlisted equities at fair value.

VALUATION PROCESS - LISTED EQUITIES

The Group and Company obtains values of listed equities based on the prices quoted on the Zimbabwe Stock Exchange for counters listed in Zimbabweand the Malawi Stock Exchange for counters listed in Malawi.

VALUATION PROCESS - PROPERTIES

The Group and Company's properties (investment property, land and buildings) are valued by independent external valuers in order to determine their fairvalues. Valuations were performed by Homelux Real Estate, an accredited independent property valuer, as at 31 December 2023.Valuations of the Group and Company's commercial and industrial properties were based on comparative and investment methods .The investmentmethod involves the capitalization of expected rental income by an appropriate yield. The comparative approach seeks to ascribe to the subject property a value similar to that achieved in transactions for comparable properties. The comparative method makes use ofassessed rental value rates and capitalization rates for similar properties sold and after appropriate adjustments, such rates are applied toeach property to determine its value. The valuation is based on market evidence. Residential stands and small pieces of undeveloped stands were valued based on sales evidence on similar properties situated incomparable residential suburbs as those of the subject properties. For large tranches of undeveloped land, the valuer adopted the development/residual value method. The assessment was based on theassumption that it is subdivided into smaller stands and fully serviced. The total estimated costs of development and disposal, whichinclude servicing costs, agency fees, interest on servicing costs, contingency costs and the developer's profit, were then deducted from thevalue determined.

Depending on the valuation method applied, valuations are based upon assumptions that include transaction prices on similar properties,market related rental income and market yields.

Fair value hierarchy - Group	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL	Total gain/(loss) for the period in statement of profit or loss and other comprehensive income ZWL	Total gain/(loss) for the period in through investment contract liabilities ZWL
31 December 2023						
Commercial	-	-	3 999 289 115	3 999 289 115	1 948 901 955	-
Residential	-	-	8 451 480 427	8 451 480 427	4 118 508 627	-
Land	-	-	284 501 512 883	284 501 512 883	138 641 028 080	17 099 210 000
Total investment properties	-	-	296 952 282 425	296 952 282 425	144 708 438 661	17 099 210 000
Financial Assets at fair value through profit or loss	**67 383 303 831**	**-**	**-**	**67 383 303 831**	**23 879 942 438**	**-**
Land and buildings	**-**	**-**	**34 942 170 607**	**34 942 170 607**	**15 637 461 704**	**-**
31 December 2022						
Commercial	-	-	3 492 538 151	3 492 538 151	46,098,838,883	-
Residential	-	-	17 213 665 113	17 213 665 113	1,172,380,952	-
Land	-	-	152 752 024 183	152 752 024 183	5,207,931,307	13,766,395,329
Total investment properties	**-**	**-**	**173 458 227 447**	**173 458 227 447**	**52 479 151 142**	**13 766 395 329**
Equities at fair value through profit or loss	**26 844 390 175**	**-**	**-**	**26 844 390 175**	**(4 009 493 419)**	**-**
Land and buildings	**-**	**-**	**19 222 921 007**	**19 222 921 007**	**6 296 932 594**	**-**

Gains recorded in the statement of profit or loss and other comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL144,708,438,661 (December 2022: ZWL52,479,151,142). Fair value gains of ZWL17,009,210,000(December 2022:ZWL13,766,395,329) allocated to investment contract liabilities.

All gains recorded in the statement of profit or loss and other comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to equities and fair value hrough profit and loss and other properties held at the end of the reporting period.

32 FAIR VALUE DISCLOSURES (CONTINUED)

Valuation techniques and key unobservable inputs used to derive level 3 fair values
The table below presents the following for each class of the investment property:

- The fair value measurements at the end of the reporting period;
- The level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorised in their entirety;
- A description of the valuation techniques applied;
- The inputs used in the fair value measurement
- Quantitative information about the significant observable inputs used in the fair value measurement

Valuation technique	Key unobservable inputs	Range (Weighted average) 2023	Range (Weighted average) 2022	Class of property valued using this technique	Fair value 31-Dec-2023 ZWL	Fair value 31-Dec-2022 ZWL	Inter-relationship between unobservable inputs and key fair value measurement
Income capitalisation	- Rental per square metre	ZWL42,600 – 67,500	ZWL1300 - 1900	CBD retail	-	-	Increase or decrease in fair value would result from the following movements in these inputs respectively:
	-Capitalisation rate	7%	7%				
	- Void rate	0%	0%	CBD offices	3 999 289 116	3,492,538,151	"- decrease or increase in prime yield - decrease or increase in void rates "
Market comparison method	- Rate per square metre	ZWL550,000 - 711,000	ZWL55000 - 76500	Residential properties	8 451 480 427	17 213 665 113	The estimated fair value would increase if prices for comparable properties increased, and decrease if prices for comparable properties decreased.
		ZWL550,000 - 711,000	ZWL55000 - 76500	Land	284 501 512 883	152 752 024 183	
Total					**296 952 282 425**	**173 458 227 447**	

DESCRIPTIONS AND DEFINITIONS

The table above includes the following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values:

I. INCOME CAPITALISATION METHOD

Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (discounted by the investor's rate of return). Under the income capitalisation method, over (above market rent) and under-rent situations are separately capitalised (discounted).

II. MARKET COMPARISON METHOD

Under the market comparable method (or market comparable approach), a property's fair value is estimated based on comparable transactions. The unit of comparison applied by the Group and Company is the price per square metre (sqm).

III. RENT PER SQUARE METRE

The rent at which space could be let in the market conditions prevailing at the date of valuation. The unit of comparison is the rental rate per square metre.

IV. VOID RATE

The Group determines the void rate which can be experienced based on the percentage of estimated vacant space divided by the total lettable area.

V. CAPITALISATION RATE

The prime yield is defined as the internal rate of return of the cash flow from the property, assuming a rise to estimated rental value (“ERV”) at the next review, but with no further rental growth.

SENSITIVITY ANALYSIS TO SIGNIFICANT CHANGES IN UNOBSERVABLE INPUTS WITHIN LEVEL 3 OF THE HIERARCHY.

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the value hierarchy of the Group’s portfolio of investment properties and land and buildings were as follows:

- Capitalisation rate;
- Void rate;
- Rental per square metre; and
- Comparable transacted properties.

SENSITIVITY ANALYSIS

	Impact on property value 10% increase ZWL	Impact on property value 10% decrease ZWL	Impact on profit for the year 10% increase ZWL	Impact on profit for the year 10% decrease ZWL	Impact on equity 10% increase ZWL	Impact on equity 10% decrease ZWL
Rental per square metre	29 695 228 243	(29 695 228 243)	4 454 284 236	(4 454 284 236)	4 454 284 236	(4 454 284 236)
Capitalisation rate	(26 995 662 039)	32 994 698 047	(4 049 349 306)	4 949 204 707	(4 049 349 306)	4 949 204 707

Increases/(decreases) in the transaction prices on comparable properties and rental per square metre in isolation would result in a higher/(lower) fair value measurement.

Increases/(decreases) in the long-term void rate and prime yield in isolation would result in a lower/(higher) fair value measurement.

Analysis of property portfolio	Lettable space m2 December 2023	Lettable space m2 December 2022
Sector		
CBD retail and offices	9,031	9,031
Total	**9,031**	**9,031**

33 RETIREMENT BENEFITS

33.1 FIDELITY LIFE PENSION FUND

All eligible employees are members of the Fidelity Life Defined Contribution Pension Scheme which is administered by the Company. Employees in the subsidiary in Malawi are members of the Vanguard Life Assurance Pension Scheme which is administered by the Company.The fund is financed by Group and employee contributions.

Contributions were made as follows during the year:

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Employer's contribution	181 226 917	87 254 571	87 011 426	43 360 345

33.2 NATIONAL SOCIAL SECURITY SCHEME

The Group employees in Zimbabwe contribute to the National Social Security Scheme, a Defined Contribution Pension Scheme promulgated under the National Social Security Act of 1989. The obligation under the scheme is limited to specific contributions legislated from time to time.The contribution rates were reviewed following the gazetting of Statutory Instrument 108 and 109 of 2020 on 15 May 2020 increasing the contributions from 3.5% to 4.5% of basic salary per employee per month limited to ZWL 2 414 896.

Contributions were made as follows during the year:

	GROUP		COMPANY	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Employer's contribution	181 226 917	87 254 571	87 011 426	43 360 345

34 RELATED PARTY INFORMATION

34.1 RELATED PARTIES

The following are the related parties of the Company:

Related party	Nature of relationship	
Fidelity Life Financial Services (Private) Limited	Wholly owned subsidiary	
Zimbabwe Actuarial Consultants (Private) Limited	Wholly owned subsidiary	
Vanguard Life Assurance Company Limited	Subsidiary	
Fidelity Funeral Assurance (Private) Limited	Subsidiary	
Fidelity Life Asset Management Company (Private) Limited	Subsidiary	
Fidelity Life Medical Services Company (Private) Limited	Subsidiary	
Langford Estates 1962 (Private) Limited	Subsidiary	
Zambezi Properties (Private) Limited	Subsidiary	
Fidelity Life Medical Aid Society	Society managed by Fidelity Life Medical Services Company (Private) Limited	
Zimre Holdings Limited	Shareholder	
Turismo Investments (Private) Limited	Shareholder	
Credsure	Common shareholder	
Zimre Property Investments Limited	Common shareholder	
Emeritus Reinsurance (Private) Limited	Common shareholder	
WFDR Risk Services	Common shareholder	
Zimre Property Investments	Common shareholder	
Zimbabwe Insurance Brokers Limited	Common shareholder	
L.T Gwata	Non Executive Chairman	Appointed 1 February 2022
Langton Mabhanga	Independent Non Executive Director	Appointed 1 February 2022
Takudzwa Chitsike	Independent Non Executive Director	Appointed 1 February 2022
S. Kudenga	Non Executive Director	
I. Mvere	Non Executive Director	
F. Dzanya	Non Executive Director	
G. Dhombo	Independent Non Executive Director	
H. Nemaire	Independent Non Executive Director	
B. Wesley	Key management	
S. Mudzengi	Key management	
L.Moyo	Key management	
R. Chihota	Managing Director	Appointed 1 March 2022
K. Dube	Key management	
C. Matongo	Key management	
C.Chikundura	Key management	
Z.Zvenyika	Group Chief Finance Officer	

34.2 RELATED PARTY TRANSACTIONS

The following represent transactions with related parties during the year:-

Related party	Nature of transaction	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Income					
Vanguard Life Assurance Company Limited	Management fee income	-	-	-	-
Fidelity Life Financial Services (Private) Limited	Dividend income	-	-	-	-
Zimre Property Investments Limited	Pension contributions	188 091 563	9 847 433	188 091 563	9 847 433
Credsure	Pension contributions	162 016 976	7 940 166	162 016 976	7 940 166
WFDR	Pension contributions	171 604 222	13 114 641	171 604 222	13 114 641
Emeritus Reinsurance (Private) Limited	Pension contributions	729 739 513	396 450	729 739 513	396 450
			-		-
			-		-
Expenses			**-**		**-**
Fidelity Life Medical Aid Society	Medical aid contributions	(534 090 109)	(10 634 274)	(533 618 253)	(8 366 829)
Zimbabwe Actuarial Consultants (Private) Limited	Actuarial fees	-	-	(2 432 552 550)	(8 945 874)
Fidelity Life Asset Management Company (Private) Limited	Management fees	-	-	(59 609 327)	(2 904 661)
Emeritus Reinsurance (Private) Limited	Reassurance premiums	(2 254 325 048)	(59 381 081)	(2 254 325 048)	(59 381 081)
			-		-
			-		-
			-		-

34.3 RELATED PARTY BALANCES

34.3.1 RELATED PARTY RECEIVABLES

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
		-		-
		-		-
Included in trade and other receivables are the following balances:-		-		-
Fidelity Life Asset Management Company (Private) Limited	-	-	17 949 922	98 468 264
Langford Estates 1962 (Private) Limited	-	-	306 020 457	105 378 861
Fidelity Life Financial Services (Private) Limited	-	-	1 879 521 385	1 137 083 613
Fidelity Funeral Services Company (Private) Limited	-	-	10 237 891	98 207 295
Fidelity Life Medical Aid Society	5 063 941 780	315 457 139	(1 546 066)	1 455 147
Fidelity Life Medical Services Company (Private) Limited	-	-	-	(61 653 395)
Zimbabwe Actuarial Consultants (Private) Limited	-	-	-	(282 273 173)
Zimre Holdings Limited	1 332 005 604	-	1 332 005 604	973 507 304
Credsure	6 297 757	-	6 297 757	30 263 079
Vanguard Life Assurance Company Limited	-	-	2 344 491 875	26 582
	6 402 245 142	315 457 139	5 894 978 824	2 100 463 578

34.3.2 RELATED PARTY PAYABLES

Included in related party payables

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Fidelity Life Medical Aid Society	5 281 649 133	1 032 062 782	-	(33 311 933)
Fidelity Life Medical Services Company (Private) Limited	-	-	(5 499 482)	2 687 061
Fidelity Funeral Services Company (Private) Limited	-	-	-	-
Fidelity Life Financial Services (Private) Limited	-	-	-	50 191 891
Fidelity Life Asset Management Company (Private) Limited	-	-	-	12 212 171
Langford Estates 1962 (Private) Limited	-	-	-	-
Vanguard Life Assurance Company Limited	-	-	747 207 956	71 691 104
WFDR Risk Services	18 347 235	-	18 347 235	(25 172 667)
Zimre Property Investments	783 725 508	-	783 725 508	317 330 275
Credsure	294 022 781	-	294 022 781	-
Zimbabwe Actuarial Consultants	-	-	387 105 700	653 372 041
	6 377 744 657	1 032 062 782	2 224 909 699	1 048 999 942

The related party payables are interest free and have no fixed repayment terms. Related party payables are unsecured.

34.4 COMPENSATION TO KEY MANAGEMENT

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The compensation to key management was as follows during the year:-

Short term benefits	4 655 728 097	495 362 947	1 740 754 791	24 534 996
Post employment benefits	282 408 060	47 914 254	87 745 725	2 422 627
Total	**4 938 136 157**	**543 277 201**	**1 828 500 516**	**26 957 623**

The remuneration of directors and key management is determined by the Human Resources and Corporate Governance Committee of the Board having regard to the performance of the individuals and market trends.

34.5 LOANS TO KEY MANAGEMENT

Included in trade and other receivables as at year end are loans to key management as follows:-

Loans receivable	604 748 839	724 477	139 313 262	81 172

The loans are payable over 5 years, attract interest at 15% per annum and are secured against the properties and motor vehicles that were acquired by the employees.

35 SUBSIDIARIES

The principal business of each of the subsidiaries of Fidelity Life Assurance of Zimbabwe, all of which have been included in the consolidated financial statements, is as follows:-

Description	Business	Location
Fidelity Life Asset Management Company (Private) Limited	Asset management	Zimbabwe
Fidelity Life Medical Services Company (Private) Limited	Medical aid management	Zimbabwe
Vanguard Life Assurance Company Limited	Life assurance	Malawi
Zimbabwe Actuarial Consultants (Private) Limited	Actuarial consultants	Zimbabwe
Fidelity Life Financial Services (Private) Limited	Micro-lending	Zimbabwe
Fidelity Funeral Services Company (Private) Limited	Funeral services	Zimbabwe
Zambezi Properties (Private) Limited	Property development	Zimbabwe
Langford Estates 1962 (Private) Limited	Property development	Zimbabwe

The shareholding of the company in each of the subsidiaries is as follows:-

Description	Shareholding 2023	2022
Fidelity Life Asset Management Company (Private) Limited	96%	96%
Vanguard Life Assurance Company Limited	62%	62%
Zimbabwe Actuarial Consultants (Private) Limited	100%	100%
Fidelity Life Financial Services (Private) Limited	100%	100%
Fidelity Funeral Services Company (Private) Limited	91%	91%
Zambezi Properties (Private) Limited	-	65%
Fidelity Life Medical Services Company (Private) Limited	100%	100%
Langford Estates 1962 (Private) Limited	81%	81%

During the year the Investment held in a subsidiary Zambezi Properties Pvt (Ltd) was transferred to the Eagle REIT portfolio. The fair value of the assets transferred were reclassified from investment in subsidiary to financial assets at fair value through profit or loss.

36 NON-CONTROLLING INTERESTS

Vanguard Life Assurance Company Limited and Langford Estates1962 (Private) Limited are the only subsidiaries of the Company that have material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

Summarised financial information in relation to the NCI of Vanguard Life Assurance Company Limited and Langford Estates (Private) Limited before intra-group eliminations, is presented below:

	Vanguard Life		Langford Estates	
	2023	2022	2023	2022
For the period ended 31 December	ZWL	ZWL	ZWL	ZWL
Insurance contract revenue	6,528,415,472	741,511,174	-	-
Insurance service expenses	(4,296,531,552)	(690,943,515)	-	-
Insurance service result from insurance contracts issued	**2,231,883,919**	**50,567,659**	**-**	**-**
Allocation of reinsurance paid	(326,524,105)	(48,328,705)	-	-
Amount recoverable from reinsurers for incurred claims	21,184,040	7,208,998	-	-
Net expenses from reinsurance contracts held	-	-	-	-
Insurance service result	**1,926,543,854**	**9,447,952**	**-**	**-**
Interest revenue from financial instruments not measured at fair value through profit or loss	2,638,152,295	38,809,588	-	-
Net income from other financial instruments at fair value through profit or loss	11,460,454,233	502,927,820	-	-
Net gains from fair value adjustments to investment properties	467,296,499	75,970,031	-	-
Net gain/(loss) from derecognition of financial assets measured at amortised cost	-	-	-	-
Net gain/(loss) from derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	-
Impairment loss on financial assets	-	-	-	-
Net change in investment contract liabilities	(11,993,179,821)	(422,815,295)	-	-
Other net investment revenue	1,893,508,799	468,883,064	-	-
Net gain from foreign exchange	-	-	-	-
Net Investment Income	**4,466,232,006**	**663,775,208**	**-**	**-**
Insurance finance expenses for insurance contracts issued	(199,926,892)	217,991,243	-	-
Reinsurance finance income for reinsurance contracts held	-	-	-	-
Net insurance finance expenses	(199,926,892)	217,991,243	-	-
Net insurance and investment result	**6,192,848,968**	**891,214,403**	**-**	**-**
Other investment income	-	-	95,553,390,801	36,905,222,071
Interest income from micro - lending	-	-	-	
Other income	85,137,061	34,289,032	-	
Operating and administrative expenses expenses	(5,759,978,627)	(963,362,835)	(552,132,912)	(33,903,912)
Net monetary gain/(loss)	-	-	33,109,436	159,103,099
Profit before income tax expense	**518,007,402**	**(37,859,400)**	**95,034,367,325**	**37,030,421,258**
Income tax expense	(472,803,331)	(75,830,755)	(4,777,669,540)	(1,845,261,104)
Profit for the year	**45,204,070**	**(113,690,156)**	**90,256,697,785**	**35,185,160,155**

36 NON-CONTROLLING INTERESTS (CONTINUED)

	Vanguard Life		Langford Estates	
	2023	2022	2023	2022
For the year ended 31 December	ZWL	ZWL	ZWL	ZWL
Profit attributable to NCI	17 281 516	(238 868 588)	17 357 617 674	6 766 595 419
Other comprehensive income allocated to NCI	(334 319 423)	293 703 936	-	-
Total comprehensive income allocated to NCI	**(317 037 907)**	**54 835 348**	**17 357 617 674**	**6 766 595 419**
		-		-
Cash flows from operating activities	(155 157 285)	(745 588 831)	-	-
Cash flows from investing activities	54 578 008	262 267 758	-	-
Cash flows generated from/ utilised from financing activities	(14 191 836)	(68 197 083)	-	-
Net cash flows attributable to NCI	**(114 771 113)**	**(551 518 154)**	**-**	**-**
Assets:				
Property and equipment	1 284 920 160	811 236 960	-	-
Investment property	10 245 344 422	8 234 191 845	202 751 200 000	107 197 809 199
Intangible assets	1 085 890 187	980 707 487	-	-
Right of use assets	491 840 297	436 867 631	-	-
Trade and other receivables	12 321 297 695	11 082 211 111	-	-
Financial assets at fair value through profit or loss	50 742 390 985	22 646 197 278	-	-
Debt securities at armotised cost	23 002 560 724	22 426 863 381	-	-
Cash and cash equivalents	14 185 209 923	4 852 335 337	-	-
	113 359 454 392	71 470 611 025	202 751 200 000	107 197 809 199
Liabilities:				
Life assurance policyholder liabilities	102 124 804 722	63 448 233 682	-	-
Deferred tax	1 928 649 101	1 461 680 643	-	-
Trade and other payables	6 094 055 416	2 908 381 961	223 109 497	87 914 298
Lease obligation	491 665 509	116 863 517	-	-
Income tax liability	-	-	-	-
	110 639 174 746	67 935 159 797	223 109 497	87 914 298
Accumulated non-controlling interests	2 705 293 088	2 954 971 904	21 493 939 951	20 085 809 178

37 SEGMENT REPORTING

SEGMENT INFORMATION

The Group has three main reportable segments as follows:

INSURANCE

This segment is involved in life assurance and pensions. The segment accounts for 82% (2022: 38%) of the Group's external income.

MICROLENDING

This segment is involved in consumer loans, business loans and loans to farmers. It accounts for 5% (2022: 2%) of the Group's externa income. The segment has experienced steady growth since its formation in 2010.

PROPERTY INVESTMENT

This segment holds a land bank as investment property and the total income in this segment arises from fair value adjustments on property held.

OTHER

Included in this segment are the actuarial, asset management and funeral services units. These are individually immaterial and reported as other income.

FACTORS THAT MANAGEMENT USED TO IDENTIFY THE GROUP'S REPORTABLE SEGMENTS

The Group's reportable segments are strategic business units that offer more or less similar services. The segment described as other comprises business units that have combined income significantly less than 10% of the combined revenue of all operating segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the executive management team including the Managing Director and the Chief Finance Officer.

37.1 SEGMENT INFORMATION

37.1.1 INFORMATION ABOUT PRODUCTS AND SERVICES

			INFLATION ADJUSTED			
December 2023	**Insurance**	**Microlending**	**Property Investment**	**Other**	**Consolidation adjustments**	**Total**
	ZWL	**ZWL**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Insurance contract revenue	116,576,468,962	-	-	-	-	116,576,468,962
Insurance service expenses	(34,143,338,424)	-	-	-	-	(34,143,338,424)
Insurance service result from insurance contracts issued	**82,433,130,538**	**-**	**-**	**-**	**-**	**82,433,130,538**
Allocation of reinsurance paid	(1,599,484,555)	-	-	-	-	(1,599,484,555)
Amount recoverable from reinsurers for incurred claims	495,363,611	-	-	-	-	495,363,611
Net expenses from reinsurance contracts held	-	-	-	-	-	-
Insurance service result	**81,329,009,594**	**-**	**-**	**-**	**-**	**81,329,009,594**
Interest revenue from financial instruments not measured at fair value through profit or loss	3,105,324,620	-	-	-	-	3,105,324,620
Net income from other financial instruments at fair value through profit or loss	24,084,809,034	-	-	-	-	24,084,809,034
Net gains from fair value adjustments to investment properties	46,504,042,931	-	-	-	-	46,504,042,931
Net change in investment contract liabilities	(81,298,770,261)	-	-	-	-	(81,298,770,261)
Other net investment revenue	76,790,579,004	-	-	-	-	76,790,579,004
Net gain from foreign exchange	1,652,092,657	-	-	-	-	1,652,092,657
Net Investment Income	**70,838,077,986**	**-**	**-**	**-**	**-**	**70,838,077,986**
Insurance finance expenses for insurance contracts issued	(20,976,426,906)	-	-	-	-	(20,976,426,906)
Reinsurance finance income for reinsurance contracts held	-	-	-	-	-	-
Net insurance finance expenses	**(20,976,426,906)**	**-**	**-**	**-**	**-**	**(20,976,426,906)**
Net insurance and investment result	**131,190,660,674**	**-**	**-**	**-**	**-**	**131,190,660,674**
Other investment income	-	-	95,553,390,801	1,133,516,420	(96,251,069,987)	435,837,234
Interest income from micro - lending	-	5,407,928,288	-	-	-	5,407,928,288
Other income	(17,926,050,278)	2,538,778,430	-	19,172,213,507	(1,177,571,720)	2,607,369,939
Operating and administrative expenses expenses	(11,682,872,069)	(5,890,021,045)	(552,132,912)	(13,274,092,751)	2,040,796,515	(29,358,322,262)
Allowance for expected credit losses on receivables	(126,080,462)	-	-	-	-	(126,080,462)
Finance costs	(235,689,822)	(1,171,530,770)	-	-	-	(1,407,220,592)
Segment assets	422,154,336,503	8,983,909,810	202,751,200,000	11,584,113,707	(161,698,841,705)	483,774,718,315
Segment liabilities	204,269,182,218	8,193,868,601	10,360,669,497	6,114,086,895	425,575,366	229,363,382,576

37.1 SEGMENT INFORMATION (CONTINUED)

37.1.1 INFORMATION ABOUT PRODUCTS AND SERVICES (CONTINUED)

December 2022	Insurance ZWL	Microlending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	Total ZWL
Insurance contract revenue	34 127 052 963	-	-	-	-	34 127 052 963
Insurance service expenses	(12 090 119 086)	-	-	-	-	(12 090 119 086)
Insurance service result from insurance contracts issued	**22 036 933 877**	**-**	**-**	**-**	**-**	**22 036 933 877**
Allocation of reinsurance paid	(1 157 614 214)	-	-	-	-	(1 157 614 214)
Amount recoverable from reinsurers for incurred claims	513 311 442	-	-	-	-	513 311 442
Net expenses from reinsurance contracts held	-	-	-	-	-	-
Insurance service result	**21 392 631 105**					**21 392 631 105**
Interest revenue from financial instruments not measured at fair value through profit or loss	183 181 280	-	-	-	-	183 181 280
Net income from other financial instruments at fair value through profit or loss	(5 518 291 162)	-	-	-	-	(5 518 291 162)
Net gains from fair value adjustments to investment properties	15 396 682 085	-	-	-	-	15 396 682 085
Net change in investment contract liabilities	(4 868 058 299)	-	-	-	-	(4 868 058 299)
Other net investment revenue	31 800 879 586	-	-	-	-	31 800 879 586
Net Investment Income	**36 994 393 490**	**-**	**-**	**-**	**-**	**36 994 393 490**
Insurance finance expenses for insurance contracts issued	(3 833 264 586)	-	-	-	-	(3 833 264 586)
Reinsurance finance income for reinsurance contracts held	-	-	-	-	-	-
Net insurance finance expenses	**(3 833 264 586)**	**-**	**-**	**-**	**-**	**(3 833 264 586)**
Net insurance and investment result	**54 553 760 009**	**-**	**-**	**-**	**-**	**54 553 760 009**
Other investment income	-	151 352 329	41 289 251 018	406 496 586	(41 801 494 856)	45 605 077
Interest income from micro - lending	-	2 545 425 490	-	-	-	2 545 425 490
Other income	34 289 032	1 062 591 552	-	5 924 857 638	682 192 711	7 703 930 932
Operating and administrative expenses expenses	(11 258 254 664)	(2 298 851 555)	(254 091 438)	(3 378 625 838)	10 033 483 401	(7 156 340 094)
Property operating costs	-	-	-	-	-	-
Allowance for expected credit losses on receivables	-	(120 458 754)	-	-	(5 693 667)	(126 152 421)
Finance costs	(71 145 964)	(825 808 007)	-	-	(22 931 617)	(919 885 588)
Segment assets	234 889 890 533	4 353 748 716	129 723 900 510	7 100 134 045	(105 007 608 462)	271 060 065 342
Segment liabilities	223 309 679 579	3 481 635 384	11 041 537 379	1 429 518 108	(7 142 748 092)	232 119 622 358

37.2 GEOGRAPHICAL INFORMATION

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

December 2023	Zimbabwe	Malawi	Consolidation adjustments	Total
	ZWL	ZWL	ZWL	ZWL
Insurance contract revenue	110 048 053 490	6 528 415 472	-	116 576 468 962
Insurance service expenses	(30 430 517 787)	(4 296 531 552)	583 710 915	(34 143 338 424)
Insurance service result from insurance contracts issued	**79 617 535 703**	**2 231 883 919**	**583 710 915**	**82 433 130 538**
Allocation of reinsurance paid	(1 272 960 450)	(326 524 105)	-	(1 599 484 555)
Amount recoverable from reinsurers for incurred claims	474 179 571	21 184 040	-	495 363 611
Net expenses from reinsurance contracts held	-	-	-	-
Insurance service result	**78 818 754 824**	**1 926 543 854**	**583 710 916**	**81 329 009 594**
Interest revenue from financial instruments not measured at fair value through profit or loss	467 172 325	2 638 152 295	-	3 105 324 620
Net income from other financial instruments at fair value through profit or loss	12 624 354 801	11 460 454 233	-	24 084 809 034
Net gains from fair value adjustments to investment properties	61 684 960 793	467 296 499	(15 648 214 362)	46 504 042 931
Net change in investment contract liabilities	(17 346 038 979)	(11 993 179 821)	(51 959 551 461)	(81 298 770 261)
Other net investment revenue	74 897 070 205	1 893 508 799	-	76 790 579 004
Net gain from foreign exchange	1 652 092 657	-	-	1 652 092 657
Net Investment Income	**133 979 611 803**	**4 466 232 006**	**(67 607 765 823)**	**70 838 077 986**
Insurance finance expenses for insurance contracts issued	(20 776 500 014)	(199 926 892)	-	(20 976 426 906)
Reinsurance finance income for reinsurance contracts held	-	-	-	-
Net insurance finance expenses	**(20 776 500 014)**	**(199 926 892)**	**-**	**(20 976 426 906)**
Net insurance and investment result	**192 021 866 613**	**6 192 848 968**	**(67 024 054 907)**	**131 190 660 674**
Other investment income	-	-	435 837 234	435 837 234
Interest income from micro - lending	-	-	5 407 928 288	5 407 928 288
Other income	(17 926 050 278)	85 137 061	20 448 283 156	2 607 369 939
Operating and administrative expenses expenses	(11 682 872 069)	(5 759 978 627)	(11 915 471 567)	(29 358 322 262)
Property operating costs	-	-	-	-
Allowance for expected credit losses on receivables	(126 080 462)	-	-	(126 080 462)
Finance costs	(235 689 821)	-	(1 171 530 771)	(1 407 220 592)
Segment assets	532 114 105 627	113 359 454 392	(161 698 841 705)	483 774 718 315
Segment liabilities	118 298 632 463	110 639 174 746	425 575 366	229 363 382 576

37.2 GEOGRAPHICAL INFORMATION

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

December 2022	Zimbabwe ZWL	Malawi ZWL	Consolidation adjustments ZWL	Total ZWL
Insurance contract revenue	33 385 541 789	741 511 174	-	34 127 052 963
Insurance service expenses	(11 399 175 571)	(690 943 515)	-	(12 090 119 086)
Insurance service result from insurance contracts issued	**21 986 366 218**	**50 567 659**	**-**	**22 036 933 877**
Allocation of reinsurance paid	(1 109 285 509)	(48 328 705)	-	(1 157 614 214)
Amount recoverable from reinsurers for incurred claims	506 102 443	7 208 998	-	513 311 442
Net expenses from reinsurance contracts held	-	-	-	-
Insurance service result	**21 383 183 153**	**9 447 952**		**21 392 631 105**
Interest revenue from financial instruments not measured at fair value through profit or loss	144 371 692	38 809 588	-	183 181 280
Net income from other financial instruments at fair value through profit or loss	(6 021 218 982)	502 927 820	-	(5 518 291 162)
Net gains from fair value adjustments to investment properties	15 320 712 054	75 970 031	-	15 396 682 085
Net change in investment contract liabilities	(4 445 243 004)	(422 815 295)	-	(4 868 058 299)
Other net investment revenue	31 331 996 521	468 883 064	-	31 800 879 586
Net gain from foreign exchange	-	-	-	-
Net Investment Income	**36 330 618 282**	**663 775 208**	**-**	**36 994 393 490**
Insurance finance expenses for insurance contracts issued	(4 051 255 828)	217 991 243	-	(3 833 264 586)
Reinsurance finance income for reinsurance contracts held	-	-	-	-
Net insurance finance expenses	**(4 051 255 828)**	**217 991 243**	**-**	**(3 833 264 586)**
Net insurance and investment result	**53 662 545 606**	**891 214 403**	**-**	**54 553 760 009**
Other investment income	41 847 099 933	-	(41 801 494 856)	45 605 077
Interest income from micro - lending	2 545 425 490	-	-	2 545 425 490
Other income	6 987 449 190	34 289 032	682 192 711	7 703 930 932
Operating and administrative expenses expenses	(16 226 460 660)	(963 362 835)	10 033 483 401	(7 156 340 094)
Allowance for expected credit losses on receivables	(120 458 754)	-	(5 693 667)	(126 152 421)
Finance costs	(896 953 971)	-	(22 931 617)	(919 885 588)
Segment assets	304 597 062 792	71 470 611 025	(105 007 608 462)	271 060 065 342
Segment liabilities	171 327 210 648	67 935 159 797	(7 142 748 092)	232 119 622 358

38 PRESCRIBED ASSETS

The Pension and Provident Funds Act (Chapter 24:09) as amended by the Government of Zimbabwe Statutory Instrument 206 of 2019 requires companies in the life assurance industry to hold 15% of their assets as investments in prescribed stocks and bonds. The Company's investment in such assets is summarised below:-

Counterparty	2023 ZWL	2022 ZWL
Inventories-South View Stands	1 591 961 405	1 591 961 405
Residential Stand Debtors	1 994 491	7 307 882
Development Bonds	52 323	251 433
Other non current assets	909 882 304	223 881 242
REIT	20 822 899 401	-
Investment Properties	48 548 210 000	22 529 516 837
	71 874 999 924	24 352 918 799
Total assets	**308 794 882 110**	**163 419 279 522**
Percentage of total assets	**23%**	**15%**

The Company is fully compliant with the prescribed assets requirements in the current year.

39 STATUTORY INSTRUMENT 95 OF 2017, INSURANCE (AMENDMENT) REGULATIONS 2017 (19)

The financial statements of the Company must comply with the provisions of Insurance Regulations 1989, promulgated as Statutory Instrument 95 of 2017 read with Instrument 59 of 2020, section (3).

The following are the details on compliance with the said provisions of the statute:

Section 3 (1) (a)
The minimum unencumbered capital requirement for an insurer for registration or ongoing operations shall be the equivalent of Seventy Five Million Zimbabwe Dollars in the case of an insurer which carries on life assurance business including funeral assurance.

	2023 ZWL	2022 ZWL
Investments	306 808 406 000	161 236 708 284
Allowance for inadmissible assets	(173 092 340 000)	(96 647 869 428)
Value of Assets	**133 716 066 000**	**64 588 838 857**
Actuarial values of policy liabilities	78 769 477 000	53 476 896 146
Other liabilities	9 819 319 000	3 693 929 662
Total	**88 588 796 000**	**57 170 825 808**
FLA statutory capital per SI95 requirement	**45 127 270 000**	**7 418 013 048**
SI95 minimum statutory capital requirement	**75 000 000**	**360 403 072**
Statutory capital surplus	**45 052 270 000**	**7 057 609 976**

The Company is fully compliant with the minimum capital requirements. Although this solvency position is healthy by international standards in a normal economy, the economic instability in Zimbabwe demands even higher solvency levels. To improve underwriting capacity and strengthen financial soundness of the Company, Management are still pursuing balance sheet restructuring initiatives of the equity and property portfolios to unlock value.

40 CONTINGENCIES

40.1 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 debtassumption 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.

40.2 CONTINGENT LIABILITY

Fidelity Life Assurance of Zimbabwe Limited agreed to unconditionally guarantee USD 1.75 million and ZWL 152million of the full debt owing to ZB Bank Limited on behalf of Fidelity Life Financial Services (Private) Limited in terms of the overdraft facility that was signed between Fidelity Life Financial Services (Private) Limited and ZB Bank Limited.

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

41 EVENTS AFTER THE REPORTING DATE

41.1 DIVIDEND

At a board meeting held on 24 April 2024, the directors recommended not to declare a dividend for the year ended 31 December 2023. This decision was reached due to a need to preserve internal resources to fund the Group's growth strategy. No dividend was declared for the year ended 31 December 2023.

41.2 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors for issue on 24 April 2024 and the directors have power to amend and/or reissue the financial statements should circumstances requiring that arise.

41.3 NEW STRUCTURED CURRENCY INTRODUCTION

The Reserve Bank of Zimbabwe (RBZ) introduced a structured currency, with effect from 5 April 2024 named the Zimbabwe Gold (ZWG) replacing the Zimbabwe dollar (ZWL). Zimbabwe Gold (ZWG) currency is backed by a composite basket of foreign currency and precious metals held as reserves by RBZ. All Zimbabwe dollar balances shall be converted to the new currency at the rate of ZWG1: ZWL2,498.7242 obtained from a combination of the prevailing interbank exchange rate of US$1:ZW$33,903.9916 and gold price of US$2,293.50 as at 5 April 2024. This implies an exchange rate of ZWG13.56 per US$1. The event does not warrant an adjustment on the current set of financial statements in accordance with IAS10 events after the reporting date .

REGULATORY DISCLOSURES

1 POLICYHOLDER AND SHAREHOLDER FUNDS

Fidelity Life Assurance of Zimbabwe conducted an asset separation between policyholders and shareholders in compliance with the requirements of the Insurance Act (Chapter 24:07) and the Pension and Provident funds Act (Chapter 24:09). Investments returns and assets allocation are disclosed as shown below representing policyholder and shareholder funds separately.

2022 Assets and liabilities allocation	2023 ZWL	2023 ZWL	2023 ZWL
Assets	**Policyholder**	**Shareholder**	**Total**
Property and equipment	-	781 638 884	781 638 884
Intangible assets	659 958 195	-	659 958 195
Investment property	113 195 034 503	-	113 195 034 503
Inventories	1 591 961 405	-	1 591 961 405
Investments in subsidiaries	152 913 885 261	9 760 460 761	162 674 346 023
Other assets	12 615 308 436	-	12 615 308 436
Financial assets at fair value through profit or loss	14 835 098 644	-	14 835 098 644
Debt securities at amortised cost	52 323	-	52 323
Cash and deposits with banks	2 335 021 090	106 462 607	2 441 483 697
Total assets	**298 146 319 856**	**10 648 562 253**	**308 794 882 110**
Liabilities			
Borrowings	-	-	-
Trade and other payables	12 594 994 410	-	12 594 994 410
Total liabilities	**12 594 994 410**	**-**	**12 594 994 410**
Net assets value			**296 199 887 700**
Allocated closing fund balance	**285 551 325 446**	**10 648 562 253**	**296 199 887 699**

1 INSURANCE AND INVESTMENT CONTRACT LIABILITIES (CONTINUED)

POLICYHOLDER AND SHAREHOLDER FUNDS

1.2 ASSETS AND LIABILITIES ALLOCATION (CONTINUED)

ASSETS

2022 Assets and liabilities allocation	2022 ZWL	2022 ZWL	2022 ZWL
Assets	**Policyholder**	**Shareholder**	**Total**
Property and equipment	-	191 088 477	191 088 477
Intangible assets	-	645 656 697	645 656 697
Investment property	50 388 722 342	-	50 388 722 342
Inventories	1 591 961 407	-	1 591 961 407
Investments in subsidiaries	93 251 297 110	7 815 986 415	101 067 283 525
Other assets	4 353 440 643	-	4 353 440 643
Equities at fair value through profit or loss	3 473 563 304	-	3 473 563 304
Debt securities at amortised cost	251 432	-	251 432
Cash and deposits with banks	1 674 624 719	32 686 975	1 707 311 695
Total assets	**154 733 860 957**	**8 685 418 565**	**163 419 279 522**
Liabilities			
Borrowings	-	-	-
Trade and other payables	13 677 190 994	873 012 189	14 550 203 183
Total liabilities	**13 677 190 994**	**873 012 189**	**14 550 203 183**
Net assets value			**148 869 076 338**
Allocated closing fund balance	**141 056 669 963**	**7 812 406 376**	**148 869 076 338**

1.2 INVESTMENT RETURNS ALLOCATION

	2023 ZWL	2022 ZWL
Direct revenue		
Insurance contracts revenue	110 048 053 490	33 385 541 789
Insurance service expenses	(30 430 517 787)	(11 399 175 571)
Net reinsurance paid	(798 780 879)	(603 183 066)
Net direct growth in fund	**78 818 754 824**	**21 383 183 153**
Fair value gains	74 309 315 594	9 299 493 071
Net monetary gain/loss	90 503 602 659	(58 516 196 911)
Other investment income	75 364 242 530	31 476 368 214
Insurance finance expenses for insurance contracts issued	(20 776 500 014)	(94 322 949 142)
Other operating expenses	(24 060 161 242)	(10 294 891 830)
Finance costs	(235 689 821)	(71 145 964)
Income tax expense	(108 694 750)	(9 323 229)
Gains on property and equipment revaluations	1 648 274	9 951 575
Share of revaluation gains on property	(7 783 951)	-
Net gains from foreign exchange	1 652 092 657	-
Exchange differences arising on translation of foreign operations	7 836 723 624	3 406 728 481
Net investment returns	**204 478 795 560**	**(119 021 965 734)**
Net profit before change in policyholder liability	**283 297 550 384**	**(97 638 782 581)**
Allocation of profit (94:6)		
Policyholder	266 299 697 361	(91 780 455 627)
Shareholder	16 997 853 023	(5 858 326 955)

2 IPEC CURRENCY REFORM GUIDELINE COMPLIANCE

The Insurance and Pensions Commission (IPEC) issued currency reform guidelines in 2020 to compensate policyholders for the loss of value due to the change in currency from USD to ZWL. The following describe the steps taken by the Company to comply with the guideline for each product class and the split of assets and operating profits per each sub account thereof.

Insurance contract liabilities and investment contract liabilities with discretionary participation features

Policyholders who were present as at the determination date were identified and the policies have been made paid up as at the determination date. The paid-up values become the Sum Assured of the member as at 31 December 2018. Assets were split into Sub Account 1 and Sub Account 2 in compliance with the IPEC Guideline. The paid-up members participate in Sub Account 1 and benefit from bonuses allocated to participants in Sub Account 1.

Contributions that were remitted post the Determination Date went towards purchasing a new policy at the policyholders' current age and the remaining term. The policyholders will benefit from bonuses allocated to Sub Account 2.

Policyholders who bought policies before the Determination Date will participate in both Sub Accounts whilst those who bought policies after the Determination Date participates only in Sub Account 2.

1 INSURANCE AND INVESTMENT CONTRACT LIABILITIES (CONTINUED)

1.2 IPEC CURRENCY REFORM GUIDELINE COMPLIANCE (CONTINUED)

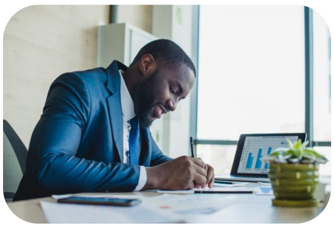
Insurance contract liabilities and investment contract liabilities without discretionary participation features

The investment products have been split between Sub Account 1 and Sub Account 2. The members who were participating in the Fund before the determination date participate in Sub Account 1 and benefit from interest awarded to Sub Account 1. Contributions that were remitted post the Determination Date went invested in a separate Fund that is in Sub Account 2. The policyholders will benefit from interest awarded to Sub Account 2.

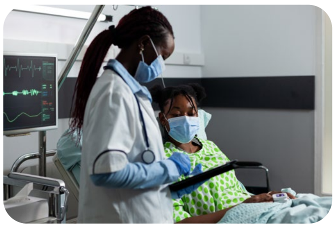
FIDELITY LIFE

ASSURANCE OF ZIMBABWE

INDIVIDUAL LIFE

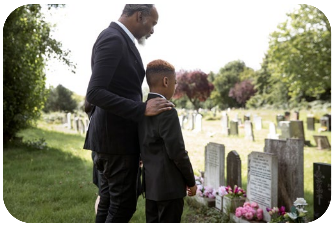


ASSET MANAGEMENT



MEDICAL AID SERVICES

FINANCIAL SERVICES



FUNERAL SERVICES

ACTUARIAL CONSULTANTS

EMPLOYEE BENEFITS

YOUR ONE STOP SHOP

HISTORICAL COST FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

HISTORICAL COST

GROUP

ASSETS	Note	31-Dec-23 ZWL	31-Dec-22 ZWL	31-Dec-21 ZWL
Property and equipment	5	36 437 590 923	3 897 472 350	774 216 149
Right of use asset	7	562 523 249	90 912 297	27 690 317
Investment property	6	296 952 282 425	36 096 715 231	6 066 289 056
Intangible assets	4	1 154 406 120	236 804 436	70 405 507
Other non current assets	4.1	924 537 008	47 940 190	-
Insurance Contract Assets	14	5 803 273 861	1 560 852 154	250 920 787
Inventories	10	29 129 901	4 881 663	2 759 402
Other receivables	9	29 601 051 417	2 093 212 689	309 811 848
Financials assets at fair value through other comprehensive income		107 371 060	-	-
Financial assets at fair value through profit or loss	11.4	67 383 303 831	5 586 326 587	1 180 137 666
Debt securities at amortised cost	11.5	23 002 612 402	4 667 090 105	624 801 606
Biological assets		462 478 523	-	-
Cash and deposits with banks	12	17 101 678 476	1 470 210 710	449 923 714
Total assets		**479 522 239 196**	**55 752 418 412**	**9 756 956 052**
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Issued share capital	13	1 089 233	1 089 233	1 089 233
Share premium		671 409	671 409	671 409
Treasury shares		(10 037)	(10 037)	(10 037)
Retained earnings		245 040 942 033	34 629 390 353	157 627 445
Revaluation reserve		33 901 166 537	3 279 856 229	100 464 382
Foreign currency translation reserve		8 142 265 947	1 132 049 077	125 436 207
Total ordinary shareholder's equity		287 086 125 122	39 043 046 265	385 278 639
Non-controlling interests		38 078 478 833	5 456 386 127	852 750 657
Insurance reserve		(71 833 645 519)	(20 294 223 394)	(656 950 767)
Total equity		**253 330 958 436**	**24 205 208 998**	**581 078 529**
Liabilities				
Insurance contract liabilities	14.1	163 659 007 584	20 093 135 315	7 516 838 479
Investment contracts liabilities	14.2	19 500 810 198	5 589 813 223	951 149 833
Borrowings	15	4 592 510 981	201 545 556	66 534 852
Deferred tax liabilities	17	12 345 435 160	1 665 264 441	270 868 738
Lease obligations	16	875 311 354	24 319 335	18 694 598
Trade and other payables	18	24 368 639 197	3 949 646 197	318 097 584
Income tax liability	17.2	849 566 286	23 485 346	33 693 439
Total liabilities		**226 191 280 760**	**31 547 209 413**	**9 175 877 523**
Total equity and liabilities		**479 522 239 196**	**55 752 418 412**	**9 756 956 052**

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

L. T Gwata
Chairman

R. Chihota
Managing Director

SEPARATE STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

HISTORICAL COST **COMPANY**

ASSETS	Note	Audited 31-Dec-23 ZWL	31-Dec-22 ZWL	Audited 31-Dec-21 ZWL
Investment in subsidiaries	8	163 153 131 934	21 044 637 535	3 595 812 170
Property and equipment	5	497 453 744	33 068 554	1 596 768
Investment property	6	113 195 034 503	10 485 909 997	2 122 895 999
Intangible assets	4	68 513 045	32 705 034	18 403 533
Other non current assets	4.1	909 882 304	46 589 762	-
Insurance Contract Assets		1 211 313 649	84 132 381	24 359 039
Deferred tax assets		572 971	572 971	-
Income tax asset		(733 473)	29 384 195	-
Inventories	10	1 756 608	1 756 608	1 756 608
Other receivables	9	10 032 367 434	745 846 118	100 608 004
Financial assets at fair value through profit or loss	11.1	14 835 098 644	722 849 687	507 519 229
Debt securities at amortised cost	11.2	52 323	52 323	52 323
Biological assets		462 478 522	-	-
Cash and deposits with banks	12	2 441 483 697	355 292 135	125 509 495
Total assets		**306 808 405 905**	**33 582 797 301**	**6 498 513 168**
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Issued share capital	13	1 089 233	1 089 233	1 089 233
Share premium		671 409	671 409	671 409
Treasury shares		(10 037)	(10 037)	(10 037)
Retained earnings		260 390 182 043	19 785 662 349	259 601 199
Revaluation reserve		27 356 824	18 224 596	16 153 670
Foreign currency translation reserve		8 452 036 882	1 135 950 250	128 055 666
Total ordinary shareholders' equity		268 871 326 354	20 941 587 801	405 561 140
Non-controlling interests				
Insurance reserve		(52 917 252 359)	587 178 565	(38 169 842)
Total equity		**215 954 073 995**	**21 528 766 366**	**367 391 298**
Liabilities				
Insurance contract liabilities	14.1	61 534 202 862	7 445 537 381	5 587 155 930
Investment contract liabilities	14.2	19 500 810 198	2 154 771 219	332 368 357
Borrowings	15	-	-	-
Deferred tax liabilities	17	-	-	377 607
Trade and other payables	18	9 819 318 849	2 453 722 335	190 612 733
Income tax liability	17.2	-	-	20 607 243
Total liabilities		**90 854 331 910**	**12 054 030 935**	**6 131 121 870**
Total equity and liabilities		**306 808 405 905**	**33 582 797 301**	**6 498 513 168**

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

L. T Gwata
Chairman

R. Chihota
Managing Director

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

HISTORICAL COST

		GROUP		COMPANY	
	Note	2023 ZWL	2022 Restated ZWL	2023 ZWL	2022 Restated ZWL
Insurance contracts revenue	14.4	48 484 115 679	4 567 050 088	41 955 700 207	3 825 538 914
Insurance service expenses	14.4	(24 081 034 989)	(3 063 115 770)	(20 134 882 310)	(2 372 172 254)
Insurance service result from insurance contracts issued		**24 403 080 690**	**1 503 934 318**	**21 820 817 898**	**1 453 366 659**
			-	-	-
Allocation of reinsurance paid		(903 280 948)	(158 298 570)	(576 756 843)	(109 969 865)
Amount recoverable from reinsurers for incurred claims		331 586 569	57 777 334	310 402 529	50 568 336
Net expenses from reinsurance contracts held		-	-	-	-
				-	-
Insurance service result		**23 831 386 311**	**1 403 413 082**	**21 554 463 584**	**1 393 965 130**
Interest revenue from financial instruments not measured at fair value through profit or loss		3 075 257 982	66 276 692	437 105 687	27 467 105
Net income from other financial instruments at fair value through profit or loss		20 158 432 294	816 719 361	8 697 978 060	313 791 542
Net gains from fair value adjustments to investment properties		72 667 916 500	8 438 984 029	101 787 996 506	8 363 013 998
Net gain/(loss) from derecognition of financial assets measured at amortised cost		-	-	-	
Net gain/(loss) from derecognition of financial assets measured at fair value through other comprehensive income		-	-	-	
Impairment loss on financial assets		-	-	-	
Net change in investment contract liabilities		(29 339 218 800)	(3 852 114 553)	(17 346 038 979)	(3 429 299 258)
Other net investment revenue		2 675 702 809	15 337 941 178	144 226 120 154	14 869 058 114
Net gain from foreign exchange		1 713 530 551	-	1 713 530 551	
Net Investment Income		**70 951 621 336**	**20 807 806 707**	**239 516 691 979**	**20 144 031 500**
Insurance finance expenses for insurance contracts issued		(8 120 944 832)	(625 076 452)	(7 921 017 940)	(843 067 695)
Reinsurance finance income for reinsurance contracts held		-	-	-	-
Net insurance finance expenses		(8 120 944 832)	(625 076 452)	(7 921 017 940)	(843 067 695)
Net insurance and investment result		**86 662 062 815**	**21 586 143 337**	**253 150 137 623**	**20 694 928 936**
Net income from other financial instruments at fair value through profit or loss	21	730 308 463	103 323 670	-	-
Net gains from fair value adjustments to investment properties	21	184 895 610 000	19 444 249 017		
Other investment income		137 554 285	8 272 008	-	-
Interest income from micro - lending		3 469 511 590	346 712 607	-	-
Other income	22	1 779 924 132	1 112 193 967	(8 442 328 505)	-
Operating and administrative expenses expenses	24	(22 297 039 574)	(3 271 702 991)	(3 784 546 920)	(1 153 903 378)
Allowance for expected credit losses on receivables		(26 845 956)	(26 248 760)	(26 845 956)	
Finance costs	25	(1 082 599 785)	(155 872 503)	(218 732 031)	(12 872 917)
Net monetary gain/(loss)		-	-	-	
Profit before income tax expense		**254 268 485 970**	**39 147 070 352**	**240 677 684 212**	**19 528 152 640**
Income tax expense	26	(10 898 807 657)	(1 162 769 555)	(73 164 518)	(2 091 490)
Profit for the year		**243 369 678 314**	**37 984 300 797**	**240 604 519 694**	**19 526 061 150**
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss:					
Gains on property, plant and equipment revaluations		30 621 310 308	2 931 609 487	16 916 179	-
Share of revaluation gains on property		-		(7 783 951)	2 070 926
Movement in insurance reserve		(51 539 422 125)	(19 637 272 627)		
		(20 918 111 817)	(16 705 663 140)	9 132 228	2 070 926
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		11 341 102 984	1 582 434 954	7 316 086 632	1 007 894 584
		11 341 102 984	1 582 434 954	7 316 086 632	1 007 894 584
Other comprehensive income for the period net of tax		**(9 577 008 833)**	**(15 123 228 186)**	**7 325 218 859**	**1 009 965 510**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**233 792 669 480**	**22 861 072 611**	**247 929 738 553**	**20 536 026 660**
Profit for the period attributable to:					
Owners of the parent		210 411 551 679	34 471 762 908	240 604 519 694	19 526 061 150
Non-controlling interests		32 958 126 634	3 512 537 889	-	-
Total profit for the period		**243 369 678 314**	**37 984 300 797**	**240 604 519 694**	**19 526 061 150**
Total comprehensive income attributable to:					
Owners of the parent		251 629 274 039	38 657 767 626	247 929 738 553	20 536 026 660
Non-controlling interests		33 702 817 567	3 840 577 612	-	-
Insurance reserve		(51 539 422 125)	(19 637 272 627)		
Total comprehensive income for the period		**233 792 669 480**	**22 861 072 611**	**247 929 738 553**	**20 536 026 660**
Basic and diluted earnings per share (cents)	27.1	**194 971**	**31 942**	**222 948**	**18 093**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

GROUP

	Note	Share capital	Share premium	Treasury shares	Retained earnings	Revaluation reserve	Foreign currency translation reserve	Attributable to shareholders of parent	Non-controlling interest	Insurance Reserve	Total equity
		ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Year ended 31 December 2022											
Balance at 1 January 2022 as previously stated		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
Impact on initial application of IFRS 17								-		(656 950 767)	(656 950 767)
Restated 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	(656 950 767)	581 078 529
Profit for the year		-	-	-	34 471 762 908	-	-	34 471 762 908	3 512 537 889	-	37 984 300 797
Other comprehensive income for the year		-	-	-	-	3 179 391 847	1 006 612 870	4 186 004 717	328 039 723	(19 637 272 627)	(15 123 228 186)
Comprehensive income for the year		-	-	-	34 471 762 908	3 179 391 847	1 006 612 870	38 657 767 626	3 840 577 612	(19 637 272 627)	22 861 072 611
Non controlling interest on acquisition of subsidiary									763 057 859	-	763 057 859
Balance at 31 December 2022		**1 089 233**	**671 409**	**(10 037)**	**34 629 390 353**	**3 279 856 229**	**1 132 049 077**	**39 043 046 265**	**5 456 386 127**	**(20 294 223 394)**	**24 205 208 998**
Year ended 31 December 2023											
Balance at 1 January 2023		**1 089 233**	**671 409**	**(10 037)**	**34 629 390 353**	**3 279 856 229**	**1 132 049 077**	**39 043 046 265**	**5 456 386 127**	**(20 294 223 394)**	**24 205 208 998**
Profit for the year		-	-	-	210 411 551 679	-	-	210 411 551 679	32 958 126 634	-	243 369 678 314
										-	-
Other comprehensive income for the year		-	-	-	-	30 621 310 308	7 010 216 870	37 631 527 178	4 330 886 115	(51 539 422 125)	(9 577 008 833)
Comprehensive income for the year		-	-	-	210 411 551 679	30 621 310 308	7 010 216 870	248 043 078 857	37 289 012 750	(51 539 422 125)	233 792 669 482
Non controlling interest on disposal of subsidiary									(4 666 920 043)		(4 666 920 043)
Balance at 31 December 2023		**1 089 233**	**671 409**	**(10 037)**	**245 040 942**	**33 901 166 537**	**8 142 265 947**	**287 086 125**	**38 078 478 833**	**(71 833 645 519)**	**253 330 958 436**

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

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

COMPANY

	Share capital ZWL	Treasury shares ZWL	Share premium ZWL	Retained earnings ZWL	Insurance Reserve ZWL	Revaluation reserve ZWL	Foreign currency translation reserve ZWL	Total equity ZWL
Balance at 1 January 2022	**1 089 233**	**(10 037)**	**671 409**	**259 601 199**	**-**	**16 153 670**	**128 055 666**	**405 561 140**
Impact on initial application of IFRS 17					(38 169 842)			(38 169 842)
Restated balance at 1 January 2022	**1 089 233**	**(10 037)**	**671 409**	**259 601 199**	**(38 169 842)**	**16 153 670**	**128 055 666**	**367 391 298**
Profit for the year	-	-	-	19 526 061 150		-	-	19 526 061 150
Other comprehensive income for the year	-	-	-	-	625 348 407	2 070 926	1 007 894 584	1 635 313 917
Comprehensive income for the year	-	-	-	19 526 061 150	625 348 407	2 070 926	1 007 894 584	21 161 375 067
Balance at 31 December 2022	**1 089 233**	**(10 037)**	**671 409**	**19 785 662 349**	**587 178 565**	**18 224 596**	**1 135 950 250**	**21 528 766 365**
Impact on initial application of IFRS 17								-
Balance at 31 December 2022	**1 089 233**	**(10 037)**	**671 409**	**19 785 662 349**	**587 178 565**	**18 224 596**	**1 135 950 250**	**21 528 766 365**
Year ended 31 December 2023								
Balance at 1 January 2023	**1 089 233**	**(10 037)**	**671 409**	**19 785 662 349**	**587 178 565**	**18 224 596**	**1 135 950 250**	**21 528 766 365**
Profit for the year	-	-	-	240 604 519 694		-	-	240 604 519 694
Other comprehensive income for the year	-	-	-		(53 504 430 925)	9 132 228	7 316 086 632	(46 179 212 065)
Comprehensive income for the year	-	-	-	240 604 519 694	(53 504 430 925)	9 132 228	7 316 086 632	194 425 307 629
Balance at 31 December 2023	**1 089 233**	**(10 037)**	**671 409**	**260 390 182 043**	**(52 917 252 359)**	**27 356 824**	**8 452 036 882**	**215 954 073 994**

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

The following describes the nature and purpose of each reserve within equity

RESERVE	DESCRIPTION AND PURPOSE
Share premium	Amount subscribed for share capital in excess of nominal value
Treasury shares	Cost of own shares held in treasury
Revaluation reserve	Gains/losses arising on the revaluation of property (other than investment property)
Foreign currency translation reserve	Gains/losses arising on retranslating the net assets of foreign operations into Zimbabwe Dollars.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INCOME TAX					
Profit before income tax		**254,268,485,970**	**39,147,070,352**	**240,677,684,212**	**19,528,152,640**
Adjustments:		(240,309,502,030)	(39,998,029,120)	(234,726,729,837)	(19,926,414,416)
Fair value gains on equities at fair value through profit or loss	11.1	(20,175,174,360)	(925,824,402)	(8,026,006,534)	(313,791,542)
Additions to financial assets at fair value through profit or loss	11.1	(9,568,652,318)	(317,705,234)	(7,872,005,397)	(12,356,470)
Disposals of financial assets at fair value through profit or loss	11.1	1,876,605,391	170,112,655	1,785,762,974	110,817,554
Fair value gains on investment property	6	(257,563,526,500)	(24,956,413,046)	(101,787,996,506)	(8,363,013,998)
Fair value gains from other non current assets		(685,275,802)	(9,478,822)	(671,971,526)	(9,053,425)
		-	-	-	-
Amortisation of intangible assets	4	8,744,905	30,220,478	-	-
Depreciation of right of use asset	7.1	17,061,399	21,445,699	-	-
Finance costs		1,082,599,785	155,872,503	218,732,031	12,872,917
Depreciation of property and equipment	5	270,860,138	22,814,948	59,289,305	3,807,589
Changes in insurance contract assets		(4,242,421,707)	(1,309,931,367)	(1,127,181,268)	(59,773,342)
Changes in insurance contract liabilities		143,565,872,269	12,576,296,836	54,088,665,481	1,858,381,451
Changes in investment contract liabilities		13,910,996,975	4,638,663,391	17,346,038,979	1,822,402,862
Interest income		(117,436,865)	(7,062,221)	-	-
Dividend income		-	-	-	-
Equity accounted earnings		-	-	(143,443,926,144)	(15,031,895,653)
Non cash adjustment-IAS29		-	-	-	-
Unrealised exchange gains/ (losses)		(108,606,141,994)	(30,085,388,560)	(45,212,517,874)	55,187,641
Projects development costs		-	-	-	-
Profit on disposal of investment property		-	-	-	-
Profit/(loss) on disposal of property, plant and equipment		(83,613,358)	(1,651,975)	(83,613,358)	-
Changes in working capital		**(7,139,939,922)**	**1,551,554,336**	**(1,947,770,757)**	**1,348,464,219**
Decrease/ (increase) in inventories		(24,248,238)	(2,122,261)	-	-
Increase/(decrease) in trade and other receivables		(27,534,684,684)	(1,809,649,600)	(9,313,367,271)	(646,422,968)
Increase/(decrease) in trade and other payables		20,418,993,000	3,363,326,197	7,365,596,514	1,994,887,187
Cash (utilised)/ generated from operations		**6,819,044,018**	**700,595,568**	**4,003,183,619**	**950,202,443**
Income taxes paid		(888,416,758)	(124,515,186)	(43,046,851)	(52,082,928)
Net cash (utilised)/ generated from operations		**5,930,627,260**	**576,080,382**	**3,960,136,768**	**898,119,515**
Cash flows from investing activities					
Additions to and replacement of property and equipment	5	(1,340,688,141)	(79,377,250)	(506,956,149)	35,279,375
Additions and improvements to investment property	6	(921,127,999)	-	(921,127,999)	-
Additions to intangible assets	4	(35,808,010)	(19,242,202)	(35,808,011)	(14,301,501)
Acquisition of subsidiary		-	(638,905,496)	-	(638,905,496)
Additions to other non current assets		(191,321,016)	(38,461,368)	(191,321,016)	(37,536,337)
Proceeds from sale of other non current assets		-	7,918,683	-	-
Interest income		117,436,865	7,062,221	-	-
Proceeds from sale of investment property		1,220,594,516	-	-	-
Proceeds from sale of property and equipment		-	759,072	-	-
Additions to debt securities held at amortised cost		-	(441,713,350)	-	-
Maturities debt securities held at amortised cost		1,076,617,884	121,485,647	-	-
Net cash generated from in investing activities		**(74,295,901)**	**(1,080,474,043)**	**(1,655,213,176)**	**(655,463,958)**
Cash flows from financing activities					
Finance costs		(1,082,599,785)	(155,872,503)	(218,732,031)	(12,872,917)
Repayments of lease obligations		(111,870,762)	(35,852,966)	-	-
Repayments of borrowings	15.3	(1,136,825,595)	(204,351,342)	-	-
Proceeds from borrowings	15.3	5,527,791,020	339,362,046	-	-
Net cash (utilised)/ generated from financing activities		**3,196,494,878**	**(56,714,765)**	**(218,732,031)**	**(12,872,917)**
Net (decrease)/increase in cash equivalents for the year		**9,052,826,237**	**(561,108,426)**	**2,086,191,562**	**229,782,640**
Cash and cash equivalents at the beginning of the year		**1,420,089,967**	**398,763,439**	**355,292,135**	**125,509,495**
Exchange differences on translation of a foreign operation		2,664,235,947	1,582,434,954	-	-
Cash and cash equivalents at the end of the year	12	**13,137,152,151**	**1,420,089,967**	**2,441,483,697**	**355,292,135**

4. INTANGIBLE ASSETS

	GROUP		COMPANY	
	2023	2022	2023	2022 Restated
	ZWL	ZWL	ZWL	ZWL
	Computer software		Computer software	
Net carrying amount at the beginning of the year	**236 804 436**	**70 405 507**	**32 705 034**	**18 403 533**
Gross carrying amount - Cost	267 830 148	71 210 741	32 759 310	18 457 809
Accumulated amortisation	(31 025 712)	(805 234)	(54 276)	(54 276)
Additions	35 808 010	19 242 202	35 808 011	14 301 501
Exchange rate movement on foreign operations	890 538 579	177 377 205	-	-
Impairement	-	-	-	-
Amortisation charge for the year	(8 744 905)	(30 220 478)	-	-
Net carrying amount at the end of the year	1 154 406 120	236 804 436	68 513 045	32 705 034
Gross carrying amount - Cost	1 194 176 737	267 830 148	68 567 321	32 759 310
Accumulated amortisation	(39 770 617)	(31 025 712)	(54 276)	(54 276)

Software with a cost of ZWL35,808,010 and 2022 ZWL19,242,202 acquired has an estimated useful life of 4 years.

4.1 OTHER NON CURRENT ASSETS

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022 Restated
Balance at the beginning of the year	**47 940 190**	**-**	**46 589 762**	**-**
Additions	191 321 016	55 858 873	191 321 016	37 536 337
Disposals	-	(17 397 505)	-	-
Fair value gains through profit or loss	685 275 802	9 478 822	671 971 526	9 053 425
Balance at the end of the year	**924 537 008**	**47 940 190**	**909 882 304**	**46 589 762**

Gold coins with a cost of ZWL191,321,016 (2022-ZWL55,858,873) were purchased during the year.year.

5. PROPERTY AND EQUIPMENT

GROUP

	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Net carrying amount at 1 January 2022	**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	3 378 829	135 713 903
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
Gross carrying amount - cost/valuation	2 931 609 487	-	-	-	2 931 609 487
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2022	**3 788 793 398**	**25 326 218**	**74 148 326**	**9 204 408**	**3 897 472 350**
Gross carrying amount - cost/valuation	3 789 285 154	28 001 436	98 299 625	13 862 703	3 929 448 918
Accumulated depreciation	(491 756)	(2 675 218)	(24 151 299)	(4 658 295)	(31 976 568)
Additions	8 449 392	500 493 862	624 600 377	207 144 510	1 340 688 141
Exchange rate movement on foreign operations	550 811 352	312 729 048	215 132 564	50 576 176	1 129 249 140
Disposals	-	(278 408 890)	(1 063 944)	(796 044)	(280 268 878)
Gross carrying amount - cost/valuation	-	(317 978 046)	(1 785 524)	(1 950 551)	(321 714 121)
Accumulated depreciation	-	39 569 156	721 580	1 154 507	41 445 243
Depreciation charge for the year	(13 375)	(121 371 948)	(126 725 624)	(22 749 191)	(270 860 138)
Revaluation surplus	29 576 623 848	949 401 589	30 766 551	64 518 320	30 621 310 308
Gross carrying amount - cost/valuation	29 576 623 848	949 401 589	30 766 551	64 518 320	30 621 310 308
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2023	**33 924 664 615**	**1 388 169 879**	**816 858 250**	**307 898 179**	**36 437 590 923**
Gross carrying amount - cost/valuation	33 925 169 746	1 472 647 889	967 013 593	334 151 158	36 698 982 386
Accumulated depreciation	(505 131)	(84 478 010)	(150 155 343)	(26 252 979)	(261 391 463)

Land and buildings are carried at fair value determined on an open market value basis by independent professional valuers. The latest fair values were estimated as at 31 December 2023. There were no buildings pledged as collateral as at 31 December 2023.The value of land and buildings is categorised as a level 3 recurring fair value measurement, as disclosed in Note 32.

5. PROPERTY AND EQUIPMENT

COMPANY	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Net carrying amount at 1 January 2022	**-**	**17 329**	**1 378 491**	**200 948**	**1 596 768**
Gross carrying amount - cost/valuation	-	502 403	2 503 903	343 633	3 349 939
Accumulated depreciation	-	(485 074)	(1 125 412)	(142 685)	1 753 171
Additions	-	-	31 810 965	3 468 409	35 279 375
Disposals	-				
Gross carrying amount - cost/valuation					
Accumulated depreciation					
Depreciation charge for the year	-	(9 900)	(3 666 992)	(130 697)	(3 807 589)
Transfer to investment property					
Revaluation surplus	-	-	-	-	-
Gross carrying amount - cost/valuation					
Accumulated depreciation					
		-	-	-	
Net carrying amount at 31 December 2022	**-**	**7 429**	**29 522 465**	**3 538 660**	**33 068 554**
Gross carrying amount - cost/valuation	-	502 403	34 314 869	3 812 042	38 629 314
Accumulated depreciation	-	(494 974)	(4 792 404)	(273 382)	(5 560 760)
Additions	-	217 240 222	195 577 140	94 138 787	506 956 149
Disposals	-	-	(197 833)	-	(197 833)
Gross carrying amount - cost/valuation	-	-	(861 673)	-	(861 673)
Accumulated depreciation	-	-	663 839	-	663 839
Depreciation charge for the year	-	(16 469 719)	(36 653 112)	(6 166 474)	(59 289 305)
Transfer to investment property	-				-
Revaluation surplus	-	-	10 011 740	6 904 438	16 916 179
Gross carrying amount - cost/valuation	-	-	10 011 740	6 904 438	16 916 179
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2023	**-**	**200 777 932**	**198 260 399**	**98 415 413**	**497 453 744**
Gross carrying amount - cost/valuation	-	217 742 625	239 042 076	104 855 268	561 639 969
Accumulated depreciation	-	(16 964 693)	(40 781 677)	(6 439 855)	(64 186 225)

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 2023. There were no buildings pledged as collateral as at 31 December 2023.The value of land and buildings is categorised as a level 3 recurring fair value measurement, as disclosed in Note 32.

6. INVESTMENT PROPERTY

	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Balance at the beginning of the year	**36 096 715 231**	**6 066 289 056**	**10 485 909 997**	**2 122 895 999**
Additions	835 224 505	1 819 072 282	835 224 505	-
Improvements	85 903 494	-	85 903 494	-
Transfer from inventory	-	-	-	-
Reclassification from property and equipment	-	-	-	-
Disposals	(5 693 597 147)	(31 942 857)	-	-
Exchange rate movement on foreign operations	8 064 509 842	3 286 883 704	-	-
Fair value gains through profit or loss	257 563 526 500	24 956 413 046	101 787 996 506	8 363 013 998
Balance at the end of the year	**296 952 282 425**	**36 096 715 231**	**113 195 034 503**	**10 485 909 997**

Management determined that the investment properties consist of four classes of property − office and retail buildings, residential houses, developed residential stands, undeveloped land and developed commercial and institutional stands. Investment properties are held for long term rental yields and capital appreciation.

Class of property	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
CBD offices	3 999 289 115	726 798 359	3 728 120 000	3 728 120 000
Residential properties	8 451 480 427	3 582 169 476	2 667 540 000	2 667 540 000
Land	284 501 512 883	31 787 747 396	106 799 374 503	4 090 249 997
	296,952,282,425	36,096,715,231	113,195,034,503	10,485,909,997

As at 31 December 2023, 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 Refer to Note 32 for relevant fair values. Significant judgements and assumptions were applied for the Group's Investment property portfolio. Land banks and residential properties were valued in Zimbabwe dollar using the market comparison method and the income capitalisation method was used to value commercial properties .

7 RIGHT OF USE ASSET

The Group leases several offices in major towns and cities in Zimbabwe and Malawi and motor vehicles. Each lease is negotiated separately and will have terms and conditions that vary widely from those agreed for other lease arrangements. The lease agreements do not impose any covenants, and leased assets may not be used as security for borrowings. Lease contracts are usually signed for fixed periods of 1 to 5 years. The Group disclosed the office building under lease separately from property and equipment. In the 2020 year of assessement the Subsidiary in Malawi negotiated the lease from the five year period to one year resulting in the derecognition of the right of use asset as the lease is now being accounted as a short term lease.The motor vehicles lease periods approximated the estimated useful economic lives of the motor vehicles and the Group has a right to purchase the motor vehicles outright at the end of the minimum lease term by paying a nominal amount.The lease liability is disclosed on note 16.

		GROUP	
	Office buildings ZWL	Motor Vehicles ZWL	Total ZWL
Net carrying amount at 1 January 2022	**-**	**27 690 317**	**27 690 317**
Cost	-	38 260 580	38 260 580
Accumulated armotisation	-	(10 570 263)	(10 570 263)
Additions	-	-	-
Exchange rate movement on foreign operations	-	84 667 679	84 667 679
Derecognition of right of use asset	-	-	-
Cost			-
Amortisation			-
Amortisation for the year	-	(21 445 699)	(21 445 699)
Net carrying amount at 31 December 2022	**-**	**90 912 297**	**90 912 297**
Cost	-	122 928 260	122 928 260
Accumulated amortization	-	(32 015 962)	(32 015 962)
Additions	87 744 340	-	87 744 340
Exchange rate movement on foreign operations	-	400 928 011	400 928 011
Amortization	(17 061 399)	-	(17 061 399)
Net carrying amount at 31 December 2023	**70 682 941**	**491 840 308**	**562 523 249**
Cost	87 744 340	523 856 271	611 600 611
Accumulated amortization	(17 061 399)	(32 015 963)	(49 077 362)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

7.1 MOVEMENT ANALYSIS TO 31 DECEMBER 2023

Movements in right of use assets and lease liabilities as included in note 7.1 and 16 during the year were as follows:

	GROUP	
	2023 Right-Of-Use Asset ZWL	2022 Right-Of-Use Asset ZWL
Balance as at 1 January 2023	**90 912 297**	**27 690 317**
Additions	87 744 340	-
Amortization	(17 061 399)	(21 445 699)
Derecognition of right of use asset	-	-
Exchange rate movement on foreign operations	400 928 011	84 667 679
Balance at 31 December 2023	**562 523 249**	**90 912 297**

7.2 THE FOLLOWING AMOUNTS ARE RECOGNISED IN PROFIT AND LOSS

	GROUP		COMPANY	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Armotisation of right of use assets	17 061 399	21 445 699	-	-
Interest expense on lease liabilities	10 456 085	4 772 075	-	-
Expense relating to short term leases	459 432 746	130 916 196	-	-

8 INVESTMENT IN SUBSIDIARIES

The Company accounts for Investment in subsidiaries applying the equity method. The share of losses in Fidelity Funeral Services Company (Private) Limited exceeded the Company's interest in the subsidiary resulting in the accounting of share of losses to the extent of profit made in the current year.

	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Fidelity Life Asset Management Company (Private) Limited	-	-	2 329 197 869	357 772 482
Fidelity Funeral Services Company (Private) Limited	-	-	-	-
Fidelity Life Medical Services Company (Private) Limited	-	-	918 961 155	182 659 687
Fidelity Life Financial Services (Private) Limited	-	-	744 430 694	179 844 672
Zimbabwe Actuarial Consultants (Private) Limited	-	-	2 239 469 212	270 333 940
Zambezi Properties (Private) Limited	-	-	-	2 512 129 953
Langford Estates 1962 (Private) Limited	-	-	155 397 146 374	17 101 973 829
Vanguard Life Assurance Company Limited	-	-	1 523 926 630	439 922 972
	-	-	163 153 131 934	21 044 637 535

8.1 RECONCILIATION OF CARRYING AMOUNT

	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Opening balance	**-**	**-**	**21 044 637 535**	**3 595 812 170**
Equity accounted earnings	-	-	143 443 926 144	15 031 895 653
Share of revaluation gains on property	-	-	(7 783 951)	2 070 926
Share of exchange differences arising on translation of foreign operations	-	-	7 316 086 632	1 007 894 584
Disposal of subsidiary	-	-	(8 643 734 426)	1 419 775 878
Dividends	-	-	-	(12 811 676)
closing balance	**-**	**-**	**163 153 131 934**	**21 044 637 535**

9 OTHER RECEIVABLES

	GROUP		COMPANY	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Residential stand sales debtors	1 994 491	1 520 773	1 994 491	1 520 773
Micro-finance loans receivable	6 446 218 667	628 967 395	-	-
Other trade debtors	5 819 019 517	259 049 417	2 266 872 071	(3 328 692)
Trade receivables - gross	**12 267 232 675**	**889 537 585**	**2 268 866 563**	**(1 807 919)**
	(1 579 057 048)	(234 752 598)	(30 092 463)	(3 246 508)
Allowance for impairement- insurance debtors	(1 084 673 995)	(202 711 691)	(28 172 241)	(2 287 886)
Expected credit loss on trade receivables- other debtors	(494 383 053)	(32 040 907)	(1 920 222)	(958 622)
Trade receivables - net	**10 688 175 627**	**654 784 987**	**2 238 774 100**	**(5 054 427)**
Receivables from related parties, net of ECL (**Note 34.3.1**)	6 402 245 142	65 646 736	5 894 978 824	521 239 555
Loans to employees, net of ECL	896 363 464	123 035 134	896 363 464	123 035 134
Total receivables classified as financial assets at amortised cost	**17 986 784 233**	**843 466 857**	**9 030 116 388**	**639 220 262**
Prepayments	151 205 290	1 038 369 320	239 496 378	46 362 431
Other receivables, net of ECL	11 463 061 894	211 376 512	762 754 668	60 263 425
Total trade and other receivables	**29 601 051 417**	**2 093 212 689**	**10 032 367 434**	**745 846 118**
Current portion	29 601 051 417	2 093 212 689	10 032 367 434	745 846 118
Total trade and other receivables	**29 601 051 417**	**2 093 212 689**	**10 032 367 434**	**745 846 118**

There was a significant decline in stand 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 shown in the table below.

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

Expected credit loss on trade receivables	1 579 057 048	234 752 598	30 092 463	3 246 508
Expected credit loss on loans to employees	-	-	-	-
Expected credit loss on other receivables	-	47 614	-	47 614
Expected credit loss on related party receivables	-	-	-	-
	1 579 057 048	234 800 212	30 092 463	3 294 122

	GROUP		COMPANY	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Movements in expected credit losses were as follows:				
Opening credit loss allowance as at 1 January 2022	**234 800 212**	**42 228 750**	**3 294 122**	**2 109 268**
Receivables written off during the year as uncollectable	-	-	-	-
Net (decrease)/ increase during the year through profit or loss	26 845 956	26 248 760	26 845 956	-
Impact on year end ECL exposures transferred between stages during the year	1 317 410 880	166 322 702	(47 615)	1 184 854
Balance at the end of the year	**1 579 057 048**	**234 800 212**	**30 092 463**	**3 294 122**

The decrease in expected credit losses has been disclosed separately on the face of the statement of profit or loss and other comprehensive income.

9.1 IMPAIRMENT - EXPECTED CREDIT LOSS MODELS

With the adoption of IFRS 9, the Group revised its impairment methodology for each class of assets held at amortised cost that bear similar credit risk characteristics. The IFRS 9 methodology requires the use of forward looking probability weighted expected credit loss models to determine the impairment allowance on the financial assets held at amortised cost. The impairment methodology applied for each material class of financial assets is indicated below.

(I) TRADE RECEIVABLES: MICRO-FINANCE LOANS RECEIVABLE

In determining impairment allowances for micro-finance loans and advances, the Group applies the full expected credit loss model under IFRS 9. This model starts with establishing a 3 stage loan grading model, which grades each loan based on whether there has been a significant increase in the credit risk and/or a default event observed since the initial recognition of that loan. Under the current model, credit risk of each loan is tracked using the ageing of the receivable. The loan is graded into stage 1, stage 2 or stage 3 based on the age of the oldest outstanding instalment. The grade into which the loan is categorised determines how the impairment loss on the loan is calculated. The stages are as defined below:

Stage 1 - Performing loans - all micro-finance loans advanced by the Group start off in this stage. In the absence of a significant deterioration in credit risk, the loans remain in Stage 1. For loans in Stage 1, ECL is estimated based on the loan's risk of default in the twelve months after the year end (12-month ECL).

Stage 2 - Non-performing loans - a micro-finance loan advances into Stage 2 if it experiences a significant increase in credit risk. For the Group, a micro-finance loan is assessed as having experienced a significant increase in credit risk when one or more instalment is overdue at the point of measuring the ECL. This is consistent with the rebuttable presumption in IFRS 9 that suggests that a debtor has experienced a significant increase in credit risk when it carries a balances that is 30 days overdue. For Stage 2 loans, the ECL represents losses expected over the remaining contractual life of the loan (lifetime expected credit loss). Interest is earned on gross value

Stage 3 - Loans in default - the loan reaches default when it carries an instalment older than 90days. IFRS 9 carries a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due. For Stage 3 loans, the ECL represents losses expected over the remaining contractual life of the loan (lifetime expected credit loss). Penalty interest is charged on the overdue amounts and interest is recognised of the net carrying amounts.

After staging, the model then calculates the expected credit loss as a product of Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure At Default ("EAD"). The methods applied by the Group to determine these inputs are described below:

(I) TRADE RECEIVABLES: MICROFINANCE LOANS RECEIVABLE (CONTINUED)

PD - Probability of default is the estimation of the likelihood of a loan reaching default state over a given time horizon. The determination of PD considers all reasonable and supportable information relating to the loan book that the Group can obtain without undue cost or effort. This includes information about past performance of the loan portfolio, current conditions and forecasts of future conditions that may affect the loans. This information is a combination of information that is internal and external to the Group. PDs were calculated for the 3 stages using Markov Chains.

Regression analysis was done for unemployment risk against factors such gender, marital status, age. The linear coefficient and the intercept were used to estimate the percentage change in PD over the year. An adjustment of 0.28% was applied on the estimated PD to incorporate changes in the PD.

LGD - Loss given default is the financial loss that the Group could suffer when a borrower defaults on their loan. The Group used run-off triangles to model the progression of loans in default state from the year they were disbursed. The run-off triangles were tabulated starting with loans disbursed from 2012 through to 2022 as part of the determination of loss given default. A weighted average LGD ratio was calculated for the entire portfolio, adjusted for macro-economic factors and discounted at the original effective interest rate applicable to the micro-finance loans.

A small percentage of the micro-finance loan book is secured. LGD for the secured loans was estimated separately for each loan, rather than at portfolio level. For secured loans, the LGD is defined as the expected ultimate loss on the loan expressed as a proportion of the outstanding loan balance at the point of default. The ultimate loss is the difference between outstanding loan balance at default and the amount recovered from sale of the security held. The fair value of the assets held as security is determined through management estimates. Where the estimated fair value of the asset equals or exceeds the outstanding loan amount, LGD is estimated as zero.

The calculated LGDs were adjusted for inflation based on the correlation that was established between LGD and inflation indices.

EAD - Exposure at default is an estimation of the expected financial exposure to the Group at the point a loan reaches default state. EAD has been calculated as the amortised cost of each loan at the end of the minimum number of months that would be required for the loan to reach default state from its current state, assuming no collections are made on the loan.

ECL is then calculated as a probability weighted average of a range of possible loss outcomes, with the key variables being PD and LGD.

The ECL calculated on the loans in the 3 stages is as follows:

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Micro-finance loans receivable				
Performing	3 281 568 719	-	-	3 281 568 719
Overdue	-	379 184 594	-	379 184 594
Default	-	-	2 785 465 354	2 785 465 354
Gross carrying amount	**3 281 568 719**	**379 184 594**	**2 785 465 354**	**6 446 218 667**
Expected credit loss on micro-finance loans receivable	(13 374 001)	(21 765 829)	(457 322 671)	(492 462 500)
Net carrying amount	**3 268 194 718**	**357 418 766**	**2 328 142 683**	**5 953 756 167**
As at 31 December 2022				
Micro-finance loans receivable				
Performing	354 893 854	-	-	354 893 854
Overdue	-	142 585 813	-	142 585 813
Default	-	-	131 487 728	131 487 728
Gross carrying amount	**354 893 854**	**142 585 813**	**131 487 728**	**628 967 395**
Expected credit loss on micro-finance loans receivable	(791 977)	(5 623 314)	(24 666 993)	(31 082 284)
Net carrying amount	**354 101 877**	**136 962 499**	**106 820 735**	**597 885 111**

Analysis of changes in the gross carrying amount in relation to micro-finance loans receivable is as follows:

9.1 IMPAIRMENT - EXPECTED CREDIT LOSS MODELS (CONTINUED)

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2023				
Gross carrying amount at beginning of the year	**354 893 854**	**142 585 813**	**131 487 728**	**628 967 395**
New receivables originated	3 276 312 070	375 978 695	610 777 558	4 263 068 323
Receivables derecognised or matured (excluding written off)	(22 097 085)	(11 048 542)	(3 682 847)	(36 828 474)
Receivables written off				-
Receivables transferred between stages during the year	(343 133 331)	(157 885 098)	2 092 029 852	1 591 011 423
Gross loan and advances to customers at year end	**3 265 975 508**	**349 630 867**	**2 830 612 291**	**6 446 218 667**
As at 31 December 2022				
Gross carrying amount at beginning of the year	**93 280 710**	**9 908 229**	**8 459 741**	**111 648 680**
New receivables originated	560 428 597	169 236 941	87 863 690	817 529 228
Receivables derecognised or matured (excluding written off)	(280 259 979)	(4 670 897)	(11 446 176)	(296 377 052)
Receivables written off				-
Receivables transferred between stages during the year	(18 555 474)	(31 888 460)	46 610 473	(3 833 461)
Gross loan and advances to customers at year end	**354 893 854**	**142 585 813**	**131 487 728**	**628 967 395**

Movements in expected credit losses for micro-finance loans receivable were as follows:

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2023				
Balance at the beginning of the year	**791 977**	**5 623 314**	**24 666 993**	**31 082 284**
Allowances written off on uncollectable receivables	-	-	-	-
New allowances originated	13 352 199	21 467 591	48 286 298	83 106 088
Allowances derecognised or matured (excluding written off)	(135 487)	(67 743)	(22 581)	(225 811)
Impact on year end ECL of exposures transferred between stages during the year	(634 688)	(5 257 332)	384 391 961	378 499 939
Balance at the end of the year	**13 374 001**	**21 765 829**	**457 322 671**	**492 462 500**
As at 31 December 2022				
Balance at the beginning of the year	**266 336**	**2 614 978**	**2 742 461**	**5 623 775**
Allowances written off on uncollectable receivables	-	-	-	-
New allowances originated	871 394	860 444	546 589	2 278 427
Allowances derecognised or matured (excluding written off)	(743 375)	(402 289)	(5 408 864)	(6 554 528)
Impact on year end ECL of exposures transferred between stages during the year	397 622	2 550 181	26 786 807	29 734 610
Balance at the end of the year	**791 977**	**5 623 314**	**24 666 993**	**31 082 284**

The stand sales debtors represent trade debtors with a significant financing component. The IFRS 9 practical expedient for trade debtors requires that for such debtors, a policy choice be taken to either apply the simplified approach under the practical expedient, or the full three-stage approach under the general model. The Group elected to apply the simplified approach on its stands sales debtors. Under this approach, lifetime expected credit losses are recognised from initial recognition of the receivables, on a portfolio basis. The residential stand debtors are secured by the respective residential stands sold, significantly reducing the risk of outright loss. Credit loss is however expected from delayed payment of instalments by these debtors.

The expected loss rate is a significant estimate and has been calculated as a probability weighted average of a range of possible loss outcomes estimated based on historic, current and forward looking internal and macro-economic information that is readily available without undue cost or effort. Each scenario was adjusted to factor in time value of money at the original effective interest rate of the debtors, and inflation based on its correlation with the performance of the debtors' book.

There was no material change in the impairment allowances on these debtors from prior year . However, due to significant increases in inflation rates at the end of the year, there was a significant reduction in the expected loss rate due to the inverse relationship established between inflation and expected losses on the stand sales debtors' book.

The residential stand sales debtors are analysed below:

9.1 IMPAIRMENT - EXPECTED CREDIT LOSS MODELS (CONTINUED)

(II) TRADE RECEIVABLES: RESIDENTIAL STAND SALES (CONTINUED)

As at 31 December 2023	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Residential stand sales debtors			
Performing	-	-	-
Overdue	76 844	-	76 844
Default	-	1 917 647	1 917 647
Gross carrying amount	**76 844**	**1 917 647**	**1 994 491**
Expected credit loss on residential stand sales debtors	(27 309)	(1 892 913)	(1 920 223)
Net carrying amount	**49 535**	**24 734**	**74 269**
As at 31 December 2022			
Residential stand sales debtors			
Performing	-	-	-
Overdue	365 258	-	365 258
Default	-	1 155 515	1 155 515
Gross carrying amount	**365 258**	**1 155 515**	**1 520 773**
Expected credit loss on residential stand sales debtors	(68 273)	(890 349)	(958 622)
Net carrying amount	**296 985**	**265 166**	**562 151**

Analysis of changes in the gross carrying amount in relation to stand sales receivables is as follows:

As at 31 December 2023	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Balance at the beginning of the year	**365 258**	**1 155 515**	**1 520 773**
New receivables originated	-	-	-
Receivables derecognised or matured (excluding written off)	(288 414)	762 132	473 719
Receivables written off	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-
Balance at the end of the year	**76 844**	**1 917 647**	**1 994 491**
As at 31 December 2022			
Balance at the beginning of the year	**2 384 221**	**47 110**	**2 431 331**
New receivables	-	-	-
Receivables derecognised or matured (excluding written off)	(2 018 963)	1 108 405	(910 558)
Receivables written off	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-
Balance at the end of the year	**365 258**	**1 155 515**	**1 520 773**

9.1 IMPAIRMENT - EXPECTED CREDIT LOSS MODELS (CONTINUED

(II) TRADE RECEIVABLES: RESIDENTIAL STAND SALES (CONTINUED)

Further disclosures on the debtors impairment allowance are included in Note 9.

Movements in expected credit losses for stand sales receivables are as follows:

As at 31 December 2023	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Opening loss allowance as at 1 January 2023	**68 273**	**890 349**	**958 622**
Allowances written off on uncollectable receivables	-	-	-
New allowances originated	-	-	-
Allowances derecognised or matured (excluding written off)	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	(40 964)	1 002 564	961 601
Balance at the end of the year	**27 309**	**1 892 913**	**1 920 223**

As at 31 December 2022	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Opening loss allowance as at 1 January 2022	**68 273**	**890 349**	**958 622**
Allowances written off on uncollectable receivables	-	-	-
New allowances originated	-	-	-
Allowances derecognised or matured (excluding written off)	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-
Balance at the end of the year	**68 273**	**890 349**	**958 622**

There were no loans that were credit impaired at origination , however there were loans that originated and became impaired during the year.

(III) CASH AND SHORT TERM DEPOSITS

The expected credit loss model under the IFRS 9 also applies to the Group's cash and short term deposits. Credit risk associated with counterparties hold the Group and Company's short term and demand deposits is assessed based on credit ratings determined by the Global Credit Rating Company, which ratings are external to the Group. Were these ratings are not available, counterparty credit risk is assessed through internal mechanisms designed to assess the strength of the counterparty's capacity to meet their contractual cash obligations in the near term. As the deposits are for periods less than 3 months, no significant increases in credit risk was noted as at 1 January 2022 and over the course of the year. As such, the cash and short term deposits were classified within Stage 1, prompting a 12 month expected credit loss assessment per IFRS 9. The probability of default on these instruments was assessed as insignificant due to their short tenure, resulting in an immaterial ECL which has not been recognised.

(IV) DEBT SECURITIES AT AMORTISED COST

These are instruments in prescribed assets with a long tenure, issued by both government and private entities. The assets pay fixed interest coupons at half yearly or quarterly intervals. The principal amount is settled on maturity of the instrument. There has been no indication of a lack of capacity by the counterparties to settle the coupons and principal amounts as they fall due, particularly because of their prescribed asset status. As such, PD is estimated to approximate zero. No ECL has been recognised on these instruments.

(V) INSURANCE DEBTORS

Insurance debtors were assessed to be outside the scope of IFRS 9's requirements. As such, the impairment allowance for insurance debtors continues to be measured on an incurred loss model. The Group has elected to provide in full all insurance debtors in the 120+ days and 10% on all insurance debtors in the 60 to 90+ days category.

(VI) RELATED PARTY RECEIVABLES

Expected credit losses on related party receivables were assessed as immaterial.There has been no indication of lack of capacity by the related parties to settle the balances when they fall due. As such the PD is estimated to approximate zero. No ECL has been recognised on these balancies

10 INVENTORIES

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Projects under development	1 736 115	1 736 115	1 736 115	1 736 115
Land inventory	-	-	-	-
Residential stands	20 493	20 493	20 493	20 493
Consumables	27 373 293	3 125 055	-	-
	29 129 901	4 881 663	1 756 608	1 756 608

Inventories recognised as an expense during the year ended 31 December 2023 amounted to ZWLNil (2022: ZWL Nil).

There were no borrowing costs capitalised during the current financial year.

11 FINANCIAL ASSETS

11.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Balance at the beginning of the year	**5 586 326 587**	**1 180 137 666**	**722 849 687**	**507 519 229**
Additions	9 568 652 318	317 705 234	7 872 005 397	12 356 470
Fair value adjustments - through profit or loss	20 175 174 360	925 824 402	8 026 006 534	313 791 542
Exchange gain/(loss)	33 929 755 957	3 332 771 939	-	-
Disposals	(1 876 605 391)	(170 112 655)	(1 785 762 974)	(110 817 554)
Balance at the end of the year	**67 383 303 831**	**5 586 326 587**	**14 835 098 644**	**722 849 687**

Financial assets at fair value through profit and loss relate to shares held in various listed counters. Refer to note 30 for relevant fair value hierarchy disclosures.

11.2 DEBT SECURITIES AT AMORTISED COST

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Balance at the beginning of the year	**4 667 090 105**	**624 801 606**	**52 323**	**52 323**
Additions	-	441 713 350	-	-
Interest	-	367 830 703	-	-
Exchange gain	19 412 140 182	3 354 230 092	-	-
Maturities	(1 076 617 884)	(121 485 647)	-	-
Balance at the end of the year	**23 002 612 402**	**4 667 090 105**	**52 323**	**52 323**

Debt securities at amortised cost include development bonds and treasury bills that carry prescribed asset status. Interest rates on these instruments range from 5% to 16%. 99% of the bonds will have matured by 31 December 2023, and the remaining 1% extend as far as 2026. Further disclosure on prescribed assets is provided in Note 38.

12 CASH AND DEPOSITS WITH BANKS

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Money market investments	13 812 461 831	938 862 435	459 423 579	158 638 386
Bank and cash	3 289 216 645	531 348 275	1 982 060 118	196 653 749
Cash and deposits with banks	**17 101 678 476**	**1 470 210 710**	**2 441 483 697**	**355 292 135**
Bank overdraft	(3 964 526 325)	(50 120 743)	-	-
Cash and cash equivalents	**13 137 152 151**	**1 420 089 967**	**2 441 483 697**	**355 292 135**

The credit quality of cash and cash equivalents held is disclosed in note 30.

13 SHARE CAPITAL

	GROUP		COMPANY	
Authorised share capital				
200,000,000 ordinary shares of ZWL0.01 each	2 000 000	2 000 000	2 000 000	2 000 000
Issued and fully paid share capital				
108,923,291 ordinary shares of ZWL0.01 each	1 089 233	1 089 233	1 089 233	1 089 233

91 076 709 Unissued shares and 1 003 743 treasury shares are under the control of the Directors subject to the limitations imposed by the Articles and Memorandum of Association of the Company, the Zimbabwe Companies and Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements.

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14 INSURANCE CONTRACT ASSETS AND LIABILITIES

An analysis of the amounts presented on the consolidated statement of financial position for insurance contracts, investment contracts with DPF and investment contracts without DPF is included in the table below along with the presentation of current and non-current portions of the balances:

GROUP

GROUP

	Direct participating contracts	Investment contracts with DPF	Investment contracts without DPF	Total	Current portion	Non current portion	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Balance as at 31 December 2023							
Insurance contract assets	5 803 273 861	-	-	5 803 273 861	5 803 273 861	-	5 803 273 861
Insurance contract liabilities	90 557 214 044	73 101 793 540	-	163 659 007 584	-	163 659 007 584	163 659 007 584
Investment contract liabilities	-	-	19 500 810 198	19 500 810 198	-	19 500 810 198	19 500 810 198
	-	-					
	-	-					
Balance as at 31 December 2022	**-**	**-**		**-**			
Insurance contract assets	1 560 852 154	-	-	1 560 852 154	1 560 852 154	-	1 560 852 154
Insurance contract liabilities	13 752 773 820	6 340 361 495	-	20 093 135 315	-	20 093 135 315	20 093 135 315
Investment contract liabilities	-	-	5 589 813 223	5 589 813 223	-	5 589 813 223	5 589 813 223

COMPANY

GROUP

	Direct participating contracts	Investment contracts with DPF	Investment contracts without DPF	Total	Current portion	Non current portion	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Balance as at 31 December 2023							
Insurance contract assets	1 211 313 649	-	-	1 211 313 649	1 211 313 649	-	1 211 313 649
Insurance contract liabilities	21 084 743 457	40 449 459 405	-	61 534 202 862	-	61 534 202 862	61 534 202 862
Investment contract liabilities	-	-	19 500 810 198	19 500 810 198	-	19 500 810 198	19 500 810 198
	-	-					
Balance as at 31 December 2022	**-**	**-**		**-**			
Insurance contract assets	84 132 381	-	-	84 132 381	84 132 381	-	84 132 381
Insurance contract liabilities	2 516 123 037	4 929 414 344	-	7 445 537 381	-	7 445 537 381	7 445 537 381
Investment contract liabilities	-	-	2 154 771 219	2 154 771 219	-	2 154 771 219	2 154 771 219

GROUP

Analysis of Insurance Contract Liability and Assets by participation

	2023 LFRC	LIC	TOTAL	2022 LFRC	LIC	TOTAL
Direct Participating Contracts	90 190 716 914	366 497 130	90 557 214 044	13 663 581 021	89 192 799	13 752 773 820
Investment contracts with direct participating contracts	71 920 599 725	1 181 193 815	73 101 793 540	6 248 663 450	91 698 045	6 340 361 495
	162 111 316 639	1 547 690 945	163 659 007 584	19 912 244 471	180 890 844	20 093 135 315

COMPANY

Analysis of Insurance Contract Liability and Assets by participation

	2023 LFRC	LIC	TOTAL	2022 LFRC	LIC	TOTAL
Direct Participating Contracts	20 920 979 069	163 764 388	21 084 743 457	2 496 932 759	19 190 278	2 516 123 037
Investment contracts with direct participating contracts	39 807 830 275	641 629 130	40 449 459 405	4 861 510 495	67 903 849	4 929 414 344
	60 728 809 344	805 393 518	61 534 202 862	7 358 443 254	87 094 127	7 445 537 381

14.1 DIRECT PARTICIPATING CONTRACTS ISSUED
RECONCILIATION OF THE LIABILITY FOR THE REMAINING COVERAGE AND LIABILITY FOR INCURRED CLAIMS

GROUP

	2023				2022			
	Liability for remaining coverage	Loss component	Liability for incurred claims	Total	Liability for remaining coverage	Loss component	Liability for incurred claims	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Opening insurance contract liabilities	13 663 581 022	-	89 192 798	13 752 773 820	3 630 713 121	-	1 297 309 547	4 928 022 668
Net balance as at 1 January	**13 663 581 022**	**-**	**89 192 798**	**13 752 773 820**	**3 630 713 121**	**-**	**1 297 309 547**	**4 928 022 668**
Insurance contract revenue	**(7 542 331 877)**	**-**	**-**	**(7 542 331 877)**	**(1 054 237 089)**	**-**	**-**	**(1 054 237 089)**
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	-	4 480 965 065	4 480 965 065	-	-	705 725 822	705 725 822
Changes that relate to past service	-	-	208 187 961	208 187 961	-	-	24 417 215	24 417 215
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	256 698 118	-	-	256 698 118	182 210 891	-	-	182 210 891
Insurance service expenses	**256 698 118**	**-**	**4 689 153 026**	**4 945 851 144**	**182 210 891**	**-**	**730 143 037**	**912 353 928**
Insurance service result	**(7 285 633 759)**	**-**	**4 689 153 026**	**(2 596 480 733)**	**(872 026 198)**	**-**	**730 143 037**	**(141 883 161)**
Finance expenses from insurance contracts issued recognised in profit or loss	2 436 283 450	-	-	2 436 283 450	187 522 936	-	-	187 522 936
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	**2 436 283 450**	**-**	**-**	**2 436 283 450**	**187 522 936**	**-**	**-**	**187 522 936**
Total amounts recognised in comprehensive income	**(4 849 350 310)**	**-**	**4 689 153 026**	**(160 197 284)**	**(684 503 263)**	**-**	**730 143 037**	**45 639 774**
Investment components	-	-	-	-	-	-	-	-
Other changes	93 293 730 830	-	256 698 118	93 550 428 948	12 231 259 589	-	53 076 716	12 284 336 305
Cashflows								
Premiums received	34 857 969 846	-	-	34 857 969 846	1 513 888 426	-	-	1 513 888 426
Claims and other directly attributable expenses paid	(46 775 214 473)	-	(4 668 546 812)	(51 443 761 285)	(3 027 776 852)	-	(1 991 336 501)	(5 019 113 353)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Total cash flows	**(11 917 244 627)**	**-**	**(4 668 546 812)**	**(16 585 791 439)**	**(1 513 888 426)**	**-**	**(1 991 336 501)**	**(3 505 224 927)**
Balance as at 31 December 2023	**90 190 716 914**	**-**	**366 497 130**	**90 557 214 044**	**13 663 581 021**	**-**	**89 192 799**	**13 752 773 820**

COMPANY

	2023	-	-	-	2022	-	-	-
	Liability for remaining coverage	Loss component	Liability for incurred claims	Total	Liability for remaining coverage	Loss component	Liability for incurred claims	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Opening insurance contract liabilities	2 496 932 759	-	19 190 278	2 516 123 037	766 013 793	-	1 095 385 023	1 861 398 816
Net balance as at 1 January	**2 496 932 759**	**-**	**19 190 278**	**2 516 123 037**	**766 013 793**	**-**	**1 095 385 023**	**1 861 398 816**
Insurance contract revenue	**(4 322 820 204)**	**-**	**-**	**(4 322 820 204)**	**(689 612 799)**	**-**	**-**	**(689 612 799)**
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	-	1 661 604 309	1 661 604 309	-	-	494 008 075	494 008 075
Changes that relate to past service	-	-	101 201 877	101 201 877	-	-	13 328 178	13 328 178
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	202 635 061	-	-	202 635 061	50 283 577	-	-	50 283 577
Insurance service expenses	**202 635 061**	**-**	**1 762 806 186**	**1 965 441 248**	**50 283 577**	**-**	**507 336 254**	**557 619 831**
Total net expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Insurance service result	**(4 120 185 143)**	**-**	**1 762 806 186**	**(2 357 378 957)**	**(639 329 222)**	**-**	**507 336 254**	**(131 992 968)**
Finance expenses from insurance contracts issued recognised in profit or loss	1 705 398 415	-	-	1 705 398 415	131 266 055	-	-	131 266 055
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	**1 705 398 415**	**-**	**-**	**1 705 398 415**	**131 266 055**	**-**	**-**	**131 266 055**
Total amounts recognised in comprehensive income	**(2 414 786 728)**	**-**	**1 762 806 186**	**(651 980 542)**	**(508 063 167)**	**-**	**507 336 254**	**(726 913)**
Investment components	-	-	-	-	-	-	-	-
Other changes	43 422 559 476	-	43 372 233	43 465 931 708	3 298 704 031	-	37 153 701	3 335 857 732
Cashflows								
Premiums received	10 158 923 694	-	-	10 158 923 694	1 059 721 898	-	-	1 059 721 898
Claims and other directly attributable expenses paid	(32 742 650 131)	-	(1 661 604 309)	(34 404 254 440)	(2 119 443 796)	-	(1 620 684 700)	(3 740 128 496)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Total cash flows	**(22 583 726 437)**	**-**	**(1 661 604 309)**	**(24 245 330 746)**	**(1 059 721 898)**	**-**	**(1 620 684 700)**	**(2 680 406 598)**
Balance as at 31 December 2023	**20 920 979 069**	**-**	**163 764 388**	**21 084 743 457**	**2 496 932 759**	**-**	**19 190 278**	**2 516 123 037**

14.2 INVESTMENT CONTRACT LIABILITIES WITH DPF
RECONCILIATION OF THE LIABILITY FOR REMAINING COVERAGE AND THE LIABILITY FOR INCURRED CLAIMS

GROUP

	2023				2022			
	Liability for remaining coverage ZWL	Loss component ZWL	Liability for incurred claims ZWL	Total ZWL	Liability for remaining coverage ZWL	Loss component ZWL	Liability for incurred claims ZWL	Total ZWL
Opening investment contract liabilities with DPF	6 248 663 450	-	91 698 044	6 340 361 494	2 291 506 264	-	297 309 547	2 588 815 811
Net balance as at 1 January	**6 248 663 450**	**-**	**91 698 044**	**6 340 361 494**	**2 291 506 264**	**-**	**297 309 547**	**2 588 815 811**
Insurance contract revenue	**(40 941 783 802)**	**-**	**-**	**(40 941 783 802)**	**(3 512 812 999)**	**-**	**-**	**(3 512 812 999)**
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	-	14 786 727 834	14 786 727 834	-	-	1 494 443 185	1 494 443 185
Changes that relate to past service	-	-	608 205 393	608 205 393	-	-	40 649 503	40 649 503
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	3 740 250 618	-	-	3 740 250 618	744 803 328	-	-	744 803 328
Insurance service expenses	**3 740 250 618**	**-**	**15 394 933 227**	**19 135 183 845**	**744 803 328**	**-**	**1 535 092 689**	**2 279 896 017**
Total net expenses from reinsurance contracts held	-			-	-			
Insurance service result	**(37 201 533 184)**	**-**	**15 394 933 227**	**(21 806 599 957)**	**(2 768 009 672)**	**-**	**1 535 092 689**	**(1 232 916 983)**
Finance expenses from insurance contracts issued recognised in profit or loss	5 684 661 382	-	-	5 684 661 382	437 553 517	-	-	437 553 517
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	**5 684 661 382**	**-**	**-**	**5 684 661 382**	**437 553 517**	**-**	**-**	**437 553 517**
Total amounts recognised in comprehensive income	**(31 516 871 801)**	**-**	**15 394 933 227**	**(16 121 938 574)**	**(2 330 456 155)**	**-**	**1 535 092 689**	**(795 363 466)**
Investment components	-	-	-	-	-	-	-	-
Other changes	73 097 893 159	-	(9 636 890 644)	63 461 002 515	(45 830 049 067)	-	14 573 548 416	(31 256 500 651)
Cashflows								
Premiums received	58 404 858 025	-	-	58 404 858 025	73 039 838 290	-	2 790 028 371	75 829 866 661
Claims and other directly attributable expenses paid	(34 313 943 108)	-	(4 668 546 812)	(38 982 489 920)	(20 922 175 882)	-	(19 104 280 979)	(40 026 456 860)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Total cash flows	**24 090 914 918**	**-**	**(4 668 546 812)**	**19 422 368 106**	**52 117 662 408**	**-**	**(16 314 252 608)**	**35 803 409 801**
Balance as at 31 December 2023	**71 920 599 725**	**-**	**1 181 193 815**	**73 101 793 540**	**6 248 663 450**	**-**	**91 698 045**	**6 340 361 495**

	COMPANY							
	2023				2022			
	Liability for remaining coverage ZWL	Loss component ZWL	Liability for incurred claims ZWL	Total ZWL	Liability for remaining coverage ZWL	Loss component ZWL	Liability for incurred claims ZWL	Total ZWL
Opening investment contract liabilities	4 861 510 496	-	67 903 849	4 929 414 345	1 623 225 837	-	1 669 997 758	3 293 223 595
Net balance as at 1 January	**4 861 510 496**	**-**	**67 903 849**	**4 929 414 345**	**1 623 225 837**	**-**	**1 669 997 758**	**3 293 223 595**
Insurance contract revenue	**(37 632 880 003)**	**-**	**-**	**(37 632 880 003)**	**(3 135 926 115)**	**-**	**-**	**(3 135 926 115)**
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	-	14 621 762 862	14 621 762 862	-	-	1 337 315 250	1 337 315 250
Changes that relate to past service	-	-	87 875 006	87 875 006	-	-	35 222 420	35 222 420
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	3 459 803 194	-	-	3 459 803 194	442 014 754	-	-	442 014 754
Insurance service expenses	**3 459 803 194**	**-**	**14 709 637 868**	**18 169 441 062**	**442 014 754**	**-**	**1 372 537 670**	**1 814 552 423**
Total net expenses from reinsurance contracts held	-		266 354 313	266 354 313	-		59 401 530	59 401 530
Insurance service result	**(34 173 076 809)**	**-**	**14 975 992 181**	**(19 197 084 628)**	**(2 693 911 361)**	**-**	**1 431 939 200**	**(1 261 972 161)**
Finance expenses from insurance contracts issued recognised in profit or loss	3 979 262 968	-	-	3 979 262 968	306 287 462	-	-	306 287 462
Finance expenses from insurance contracts issued recognised in OCI	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	**3 979 262 968**	**-**	**-**	**3 979 262 968**	**306 287 462**	**-**	**-**	**306 287 462**
Total amounts recognised in comprehensive income	**(30 193 813 842)**	**-**	**14 975 992 181**	**(15 217 821 660)**	**(2 387 623 900)**	**-**	**1 431 939 200**	**(955 684 700)**
Investment components	-	-	-	-	-	-	-	-
Other changes	48 276 493 179	-	(11 134 284 132)	37 142 209 047	(30 856 455 127)	-	8 727 842 440	(22 128 612 687)
				-				
Cashflows				**-**				
Premiums received	40 883 400 618	-	-	40 883 400 618	51 127 886 803	-	1 953 019 860	53 080 906 663
Claims and other directly attributable expenses paid	(24 019 760 175)	-	(3 267 982 768)	(27 287 742 944)	(14 645 523 117)	-	(13 714 895 409)	(28 360 418 526)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-
Total cash flows	**16 863 640 442**	**-**	**(3 267 982 768)**	**13 595 657 674**	**36 482 363 686**	**-**	**(11 761 875 549)**	**24 720 488 137**
Balance as at 31 December 2023	**39 807 830 275**	**-**	**641 629 130**	**40 449 459 405**	**4 861 510 495**	**-**	**67 903 849**	**4 929 414 344**

14.3 INVESTMENT CONTRACT LIABILITIES WITHOUT DPF
RECONCILIATION OF INVESTMENT CONTRACT LIABILITIES

The table below shows a reconciliation of the opening and closing balance for the investment contract liabilities

	GROUP		COMPANY	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Opening balance 1 January 2023	**5 589 813 223**	**951 149 833**	**2 154 771 219**	**332 368 357**
Contributions received	192 204 764	1 858 386 773	15 620 426 589	1 858 386 773
Benefits paid	(13 434 378 614)	(4 217 570)	(13 434 378 614)	(4 217 570)
Investment return from underlying assets	29 339 218 800	3 852 114 553	17 346 038 979	3 429 299 258
Asset management fees charged	(2 186 047 975)	(1 067 620 366)	(2 186 047 975)	(3 461 065 599)
Closing balance	**19 500 810 198**	**5 589 813 223**	**19 500 810 198**	**2 154 771 219**

14.4 INSURANCE CONTRACT REVENUE AND EXPENSES

An analysis of insurance revenue, insurance service expensive and net expenses from insurance contracts held by product line for 2023 and 2022 is included in the following tables

December 2023	GROUP			COMPANY		
	Direct participating contracts ZWL	Investment contracts with DPF ZWL	Total ZWL	Direct participating contracts ZWL	Investment contracts with DPF ZWL	Total ZWL
Insurance contract revenue						
Amounts relating to the changes in the Liability for remaining coverage (LRC)						
Expected incurred claims and other expenses after loss component allocation	6 548 412 738	14 333 518 690	20 881 931 428	3 972 799 540	13 186 036 897	17 158 836 437
Change in the risk adjustment for non- financial risk for the risk expired after loss component allocation	224 765 699	174 813 858	399 579 557	147 386 954	84 281 379	231 668 333
CSM recognised in profit or loss for the services provided	498 474 511	18 098 668 668	18 597 143 180	-	17 400 954 389	17 400 954 389
Insurance acquisition cash flow recovery	270 678 929	399 351 096	670 030 026	202 633 710	396 600 498	599 234 208
Insurance revenue from contracts not measured under the PAA	7 542 331 877	33 006 352 314	40 548 684 191	4 322 820 204	31 067 873 163	35 390 693 367
Insurance revenue from contracts measured under the PAA	-	5 918 380 047	5 918 380 047	-	4 184 051 924	4 184 051 924
Insurance revenue from contracts measured under VFA	-	2 017 051 441	2 017 051 441	-	2 380 954 916	2 380 954 916
Total insurance revenue	**7 542 331 877**	**40 941 783 802**	**48 484 115 679**	**4 322 820 204**	**37 632 880 003**	**41 955 700 207**
Insurance service expenses						
Other directly attributable expenses	(4 480 965 065)	(15 319 154 398)	(19 800 119 463)	(1 661 604 309)	(14 621 762 862)	(16 283 367 171)
Changes that relate to past service -adjustments to the LIC	-	-	-	-	-	-
Changes Related to Past Services - IBNR	(208 187 962)	(71 319 798)	(279 507 759)	-	(53 688 560)	(53 688 560)
Changes Related to Past Services - Gross Oustanding Claims	(144 574 110)	(48 837 781)	(193 411 891)	(101 201 877)	(34 186 447)	(135 388 323)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	(256 698 118)	(3 551 297 758)	(3 807 995 876)	(202 635 061)	(3 459 803 194)	(3 662 438 255)
Total insurance service expenses	**(5 090 425 255)**	**(18 458 183 170)**	**(24 081 034 989)**	**(1 965 441 248)**	**(18 169 441 062)**	**(20 134 882 310)**
Reinsurance expenses-contracts measured under the PAA	-	(903 280 948)	(903 280 948)	-	(576 756 843)	(576 756 843)
Claims recovered	-	331 586 569	331 586 569	-	310 402 529	310 402 529
Total net expenses from reinsurance contracts held		**(571 694 379)**	**(571 694 379)**	**-**	**(266 354 313)**	**(266 354 313)**
Total insurance service result	**2 451 906 622**	**21 911 906 253**	**23 831 386 311**	**2 357 378 957**	**19 197 084 628**	**21 554 463 584**

December 2022	GROUP			COMPANY		
	Direct participating contracts ZWL	Investment contracts with DPF ZWL	Total ZWL	Direct participating contracts ZWL	Investment contracts with DPF ZWL	Total ZWL
Insurance contract revenue						
Amounts relating to the changes in the Liability for remaining coverage (LRC)						
Expected incurred claims and other expenses after loss component allocation	841 878 850	2 041 741 009	2 883 619 859	630 404 513	1 795 153 272	2 425 557 784
Change in the risk adjustment for non- financial risk for the risk expired after loss component allocation	29 784 348	25 531 872	55 316 220	24 866 333	8 725 783	33 592 116
CSM recognised in profit or loss for the services provided	139 799 103	1 107 760 347	1 247 559 450	-	1 076 632 374	1 076 632 374
Insurance acquisition cash flow recovery	42 774 787	64 270 605	107 045 392	34 341 954	63 958 269	98 300 223
Insurance revenue from contracts not measured under the PAA	1 054 237 089	3 239 303 833	4 293 540 922	689 612 799	2 944 469 698	3 634 082 497
Insurance revenue from contracts measured under the PAA	-	213 071 751	213 071 751	-	149 150 225	149 150 225
Insurance revenue from contracts measured under VFA	-	60 437 416	60 437 416	-	42 306 191	42 306 191
Total insurance revenue	**1 054 237 089**	**3 512 812 999**	**4 567 050 088**	**689 612 799**	**3 135 926 115**	**3 825 538 914**
Insurance service expenses						
Incurred claims and other directly attributable expenses	(705 725 822)	(1 494 443 185)	(2 200 169 007)	(494 008 075)	(1 337 315 250)	(1 831 323 325)
Changes that relate to past service -adjustments to the LIC	-	-	-	-	-	-
Changes Related to Past Services - IBNR	(5 376 960)	(28 651 408)	(34 028 368)	-	(26 823 753)	(26 823 753)
Changes Related to Past Services - Gross Oustanding Claims	(19 040 255)	(11 998 096)	(31 038 350)	(13 328 178)	(8 398 667)	(21 726 845)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Insurance acquisition cashflows amortisation	(53 076 716)	(744 803 328)	(797 880 044)	(50 283 577)	(442 014 754)	(492 298 331)
Total insurance service expenses	**(783 219 753)**	**(2 279 896 017)**	**(3 063 115 770)**	**(557 619 831)**	**(1 814 552 423)**	**(2 372 172 254)**
Reinsurance expenses-contracts measured under the PAA	-	(158 298 570)	(158 298 570)	-	(109 969 865)	(109 969 865)
Claims recovered	-	57 777 334	57 777 334	-	50 568 335	50 568 335
Total net expenses from reinsurance contracts held	**-**	**(100 521 236)**	**(100 521 236)**	**-**	**(59 401 530)**	**(59 401 530)**
Total insurance service result	**271 017 336**	**1 132 395 746**	**1 403 413 082**	**131 992 968**	**1 261 972 162**	**1 393 965 130**

15 BORROWINGS

15.1 CURRENT BORROWINGS

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
ZB Bank Limited	4 592 510 981	201 545 556	-	-
Ecobank	-	-	-	-
Current portion of non-current borrowings	-	-	-	-
	4 592 510 981	**201 545 556**	**-**	**-**

ZB Bank Limited Loan

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 31 March 2024 and the ZWL facility accrues interest at 195% (2022:205%) per annum expiring on 31 March 2024.

15.2 MOVEMENT IN BORROWINGS

Movement in borrowings

Movements in borrowings during the year were as follows for both the Group and the Company:

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Balance at the beginning of the year	**201 545 556**	**66 534 852**	**-**	**-**
Net cash out flow on borrowings	4 390 965 425	135 010 704	-	-
Proceeds from borrowings	5 527 791 020	339 362 046	-	-
Repayment of borrowings	(1 136 825 595)	(204 351 342)	-	-
Finance costs capitalised	863 867 755	138 227 511	-	-
Finance costs paid	(863 867 755)	(138 227 511)	-	-
Exchange differences on foreign currency denominated loans	-	-	-	-
Balance at the end of the year	**4 592 510 981**	**201 545 556**	**-**	**-**
Current borrowings	4 592 510 981	201 545 556	-	-
Non-current borrowings	-	-	-	-
Borrowings as at 31 December	**4 592 510 981**	**201 545 556**	**-**	**-**

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Vanguard Life Assurance Company Limited

16 LEASE OBLIGATIONS

The Group leased motor vehicles with a net carrying value of ZWL$875,311,354 (2022: ZWL$24,319,337). The transaction was generally classified as a lease liability in accordance with IFRS 16. The lease periods approximated the estimated useful economic lives of the motor vehicles and the Group has a right to purchase the motor vehicles outright at the end of the minimum lease term by paying a nominal amount.

Set out below are the carrying amounts of the lease liability and the movements during the year

	GROUP		COMPANY	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Balance as at 1 January	**24 319 335**	**18 694 598**	**-**	**-**
additions	257 324 359	-	-	-
Derecognition of right of use asset	-	-	-	-
Interest	10 456 085	4 772 075	-	-
Payments	(111 870 762)	(35 852 966)	-	-
Exchange rate movement on foreign operations	695 082 337	36 705 628	-	-
Balance as at 31 December	**875 311 354**	**24 319 335**	**-**	**-**

	Minimum lease payments ZWL	Interest payments ZWL	Present value ZWL
2023			
Not later than one year	213 288 155	4 990 098	208 298 057
Between one year and five years	847 061 607	180 048 310	667 013 296
Later than five years	-	-	-
	1 060 349 762	**185 038 407**	**875 311 354**
Current liabilities			**131 568 888**
Non-current liabilities			**743 742 465**
			875 311 354
2022			
Not later than one year	25 241 710	922 375	24 319 335
Between one year and five years	-	-	-
Later than five years	-	-	-
	25 241 710	**922 375**	**24 319 335**
Current liabilities			**24 319 335**
Non-current liabilities			**-**
			24 319 335

17 DEFERRED TAX LIABILITY

	Group 2023 ZWL	Group 2022 ZWL	Company 2023 ZWL	Company 2022 ZWL
Property and equipment	1 665 264 442	19 800 857	(572 971)	(11 282)
Investment property	10 538 501 129	1 627 203 749	-	-
Provisions	141 669 590	18 259 835	-	(561 689)
Total	**12 345 435 160**	**1 665 264 442**	**(572 971)**	**(572 971)**
Reconciliation				
Balance at the beginning of the year	**1 665 264 441**	**270 868 738**	**(572 971)**	**377 607**
Movement through profit or loss	9 184 309 959	1 065 377 767	-	(950 578)
Movement through other comprehensive income	-	1 436 846	-	-
Other temporary differences	-	-	-	-
IFRS 9 adjustment	-	-	-	-
Exchange rate movements	1 495 860 761	327 581 090	-	-
Balance at the end of the year	**12 345 435 160**	**1 665 264 441**	**(572 971)**	**(572 971)**

17.1 DEFERRED INCOME TAX IMPACT ON PROFIT OR LOSS

	Group 2023 ZWL	Group 2022 ZWL	Company 2023 ZWL	Company 2022 ZWL
Decrease/(Increase) in deferred tax asset through profit or loss	-	-	-	-
Increase in deferred tax liability through profit or loss	9 184 309 959	1 065 377 767	-	950 577
Deferred income tax charge/(credit) included in profit or loss	**9 184 309 960**	**1 065 377 767**	**-**	**950 577**

17.2 INCOME TAX LIABILITY / (ASSET)

Balance as at 1 January	23 485 346	33 693 439	20 607 243	20 607 243
Charge for the year	10 898 807 657	1 162 769 554	73 164 518	2 091 490
Paid during the year	(888 416 758)	(124 515 186)	(94 505 234)	(52 082 928)
Exchange rate movements	(9 184 309 960)	(1 048 462 462)	-	-
Balance as at 31 December 2023	**849 566 286**	**23 485 346**	**(733 473)**	**(29 384 195)**
				-
				-

18 TRADE AND OTHER PAYABLES

				-
				-
Trade payables	5 126 356 850	2 539 754 545	1 468 640 777	13 481 005
South View offsite works liability	2 966 711 226	359 236 020	2 966 711 226	359 236 020
Related party payables (Note 34.3.2)	6 377 744 657	214 772 611	2 224 909 699	218 297 239
Deferred income from sale of residential stands	4 613 850	4 399 338	4 613 850	4 399 338
Statutory liabilities	2 789 551	1 278 329	2 789 551	1 278 329
Accrued expenses	772 002 119	90 024 708	609 600 205	84 870 118
Other payables	9 118 420 944	740 180 646	2 542 053 543	1 772 160 286
	24 368 639 197	3 949 646 197	9 819 318 849	2 453 722 335

18.1 DEFERRED INCOME RECONCILIATION

Balance at the beginning of the year	**4 399 338**	**4 533 864**	**4 399 338**	**4 533 864**
Movement through profit and loss	349 038	(134 526)	349 038	(134 526)
Balance at the end of the year	**4 613 850**	**4 399 338**	**4 613 850**	**4 399 338**

Trade payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually due within 30 days of invoice or statement date.

Other payables mainly relate to accrued finance costs, accrued value added tax, accrued staff expenses and accrued audit fees.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. As these are mostly payable within twelve months of provision of the goods or services, the impact of discounting is not expected to be material. Their carrying amounts are considered to be the same as their fair values, due to their short-term nature."

21 OTHER INVESTMENT INCOME

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Interest income	117 436 865	7 062 221		
Fair value gains and losses from equities	730 308 463	103 323 670		
Fair value gains and losses from investment property	184 895 610 000	19 444 249 017		
Other investment income	20 117 420	1 209 788		
	185 763 472 748	**19 555 844 696**	-	-

22 OTHER INCOME

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Actuarial fees-recognised over time	2 837 402 068	122 875 099	-	-
Management fees-recognised at a point in time	5 424 201 006	343 667 984	-	-
Sale of funeral services- recognised at a point in time	1 081 281 806	115 156 030	-	-
Income recognised under IFRS 15	9 342 884 880	581 699 113	-	-
Rental and other property income	(347 391 230)	13 086 709	-	-
Profit on disposal of property and equipment	83 613 358	1 651 975	83 613 358	-
Sundry	(7 299 182 877)	515 756 169	(8 525 941 863)	-
	1 779 924 132	**1 112 193 967**	**(8 442 328 505)**	**-**

Sundry income includes land sale agreement withdrawal charges, charges for funeral services provided to parties not insured by the Group and other miscellaneous income.

24 OPERATING AND ADMINISTRATIVE EXPENSES

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Staff costs	6 253 654 402	1 124 117 560	-	-
Auditors' remuneration	151 239 404	158 258 683	-	-
Directors' remuneration - fees	649 035 394	52 041 030	467 973 461	38 443 155
- other services	-	1 557 746	-	-
Depreciation of property and equipment	270 860 138	22 833 622	59 289 305	3 807 589
Computer and data expenses	110 806 116	34 841 359	-	-
Marketing expenses	171 743 697	78 884 024	63 063 367	44 217 046
Actuarial, legal and other professional fees	828 596 284	139 356 133	436 287 883	171 552 905
Motor vehicle maintenance costs	687 270 038	85 293 540	471 569 645	45 206 629
Amortisation and impairement of intangibles	-	30 220 478	-	-
Depreciation right of use asset	17 061 399	21 445 699	-	-
Bad debts written off	-	14 007 670	-	-
Net exchange (losses)/gains on foreign translations	-	598 793 033	-	-
Rental from short term leases	459 432 746	130 916 196	-	-
Other operating expenses	12 697 339 956	779 136 218	2 286 363 259	850 676 054
	22 297 039 574	**3 271 702 991**	**3 784 546 920**	**1 153 903 378**

Other operating expenses comprise mainly of electricity charges, rates, telephone expenses, printing and stationery costs.
Net exchange losses on foreign translations arose from exchange differences on foreign denominated assets and liabilities held by the Group. Refer to Note 30(d).

25 FINANCE COSTS

	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Other interest expenses	1 082 599 785	155 872 503	218 732 031	12 872 917
Total finance costs	**1 082 599 785**	**155 872 503**	**218 732 031**	**12 872 917**

26 INCOME TAX EXPENSE/(CREDIT)

Current	1 714 497 698	97 391 788	73 164 518	1 140 913
Deferred	9 184 309 959	1 065 377 767	-	950 577
	10 898 807 657	**1 162 769 555**	**73 164 518**	**2 091 490**
Tax rate reconciliation				
Profit for the year	254 268 485 970	39 147 070 352	240 677 684 212	19 528 152 640
Tax at Zimbabwe statutory rate of 24.72%	62 855 169 732	9 677 155 791	59 495 523 537	4 827 359 333
Tax effect of amounts not deductible/(taxable) in calculating taxable income: Items not deductible for tax:				
Other disallowable expenses	4 942 303 358	816 110 180	-	-
Non-taxable items:	-	-	-	-
Differences arising from movements in unrealised fair value (gains)/losses	-	-	-	-
Other non-taxable income	(39 056 450 088)	(52 282 503)	-	-
Other adjustments:	-	-	-	-
Differences arising from 8th schedule tax for life assurance	(17 869 566 136)	(99 273 450)	(59 422 359 020)	(99 273 450)
Deferral of unutilised tax losses	-	-	-	-
Difference in tax rate applied in foreign jurisdiction	27 350 791	(2 762 382)	-	-
	10 898 807 657	**1 162 769 555**	**73 164 518**	**2 091 490**

The effective tax rate was calculated adding all the non deductable expenses and subtracting all the non taxable items from the accounting income tax computed.

27 EARNINGS PER SHARE (EPS)

	GROUP		COMPANY	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 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	**210 411 551 679**	**34 471 762 908**	**240 604 519 694**	**19 526 061 150**
Add/(deduct) non recurring items				
Impairment of intangible assets	-	-	-	-
Profit on disposal of property	(83 613 358)	(1 651 975)	(83 613 358)	-
Profit on disposal of investment property	-	-	-	-
Taxation on headline earnings adjustable items	20 669 222	408 368	20 669 222	-
Headline earnings attributable to ordinary shareholders	**210 348 607 544**	**34 470 519 301**	**240 541 575 558**	**19 526 061 150**
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**
Less: Dilutive adjusting effects	-	-	-	-
Weighted average number of shares used in diluted EPS	**107 919 548**	**107 919 548**	**107 919 548**	**107 919 548**
27.1 BASIC AND DILUTED EARNINGS PER SHARE (CENTS)	**194 970.75**	**31 942.09**	**222 948.04**	**18 093.16**
27.2 HEADLINE EARNINGS PER SHARE (CENTS)	**194 912.42**	**31 940.94**	**222 889.72**	**18 093.16**

BASIC EARNINGS PER SHARE

Basic earnings per share is basic earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

HEADLINE EARNINGS PER SHARE

Headline earnings per share is a disclosure requirement in terms of Statutory Instrument 134 of 2019 of the Zimbabwe Stock Exchange ("ZSE") listing requirements for companies listed on the headline earnings by the weighted average number of shares in issue during the year. Disclosure of headline earnings is not a requirement of International Financial Reporting Standards (IFRS).

28 CAPITAL EXPENDITURE COMMITMENTS

Authorised and contracted for	-	-	-	-
Authorised but not contracted for	7 383 271 282	559 758 441	4 221 855 218	332 107 242
	7 383 271 282	**559 758 441**	**4 221 855 218**	**332 107 242**

Capital expenditure will be financed from the Group and Company's own resources and borrowings.

29 MANAGEMENT OF CAPITAL

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to other stakeholders. The capital of the Group comprise reserves and share capital. The Group's strategy has been to maintain capital that is higher than the minimum required by the regulatory authorities. The Group's compliance with the capital requirements as set out by the regulatory authorities is as follows :

31 December 2023	**Capital**	**Minimum capital requirement**	**Surplus/ (deficit)**
Fidelity Life Assurance of Zimbabwe Limited	215 954 073 995	75 000 000	215 879 073 995
Vanguard Life Assurance Company Limited	2 720 279 646	2 892 786 115	(172 506 469)
Fidelity Life Asset Management Company (Private) Limited	2 418 447 104	2 250 000 000	168 447 104
Fidelity Life Financial Services (Private) Limited	789 975 335	152 618 065	637 357 270
31 December 2022			
Fidelity Life Assurance of Zimbabwe Limited	1 823 487 515	75 000 000	1 748 487 515
Vanguard Life Assurance Company Limited	735 728 581	534 705 745	201 022 837
Fidelity Life Asset Management Company (Private) Limited	371 701 477	110 000 000	261 701 477
Fidelity Life Financial Services (Private) Limited	179 877 681	17 108 348	162 769 334

The regulatory capital position for Fidelity Life Assurance, as defined in Section 24 of the Insurance Act (Chapter 24:07) (the "Insurance Act"), amended by Statutory Instrument 95 of 2017, Insurance (Amendment) Regulations, 2017 (No. 19) ("SI 95 of 2017") read with Instrument 59 of 2020, section (3) requires a provider of life and funeral assurance in Zimbabwe to maintain a minimum unencumbered statutory capital (as defined in the Statutory Instrument) of ZWL$75million. Further disclosure on FLA's capital position is included in Note 39.

The Company is fully compliant with the minimum capital requirements.The Company continues to pursue plans disclosed in Note 39 to improve the solvency position of the Company.

The Group endeavours to preserve a strong cash base and achieve a debt to capital ratio of approximately 100%. The objective of this strategy is to secure access to finance at reasonable cost by maintaining a high credit rating. The Group also constantly scouts for opportunities that enable it to acquire strategic assets such as land banks. Such opportunities may entail an increase in the debt to capital ratio. Under such circumstances, the Group's cap on the debt to capital ratio will be 200%. The debt to capital ratios at 31 December were as follows:-

	GROUP		COMPANY	
	2023 ZWL	**2022 ZWL**	**2023 ZWL**	**2022 ZWL**
Debt				
Borrowings	4 592 510 981	201 545 556	-	-
Equity				
Capital	253 330 958 436	24 205 208 998	268 871 326 354	19 933 693 216
Debt to capital ratio (%)	2%	5%	0%	0%

30 FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:-

a. Credit risk
b. Fair value or cash flow interest rate risk
c. Liquidity risk
d. Foreign exchange risk
e. Equity price risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated and separate financial statements. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note.

PRINCIPAL FINANCIAL INSTRUMENTS

The principal financial instruments held by the Group, from which financial instrument risk arises, are as follows:-

i) Trade and other receivables (excluding prepayments and statutory assets)
ii) Debt securities at amortised cost
iii) Bank and cash
iv) Money market investments
v) Equities at fair value through profit or loss
vi) Trade and other payables (excluding deferred income and statutory liabilities)
vii) Borrowings

(I) FINANCIAL INSTRUMENTS BY CATEGORY

A summary of the financial instruments held by category is provided below:-

	GROUP		COMPANY	
Financial assets	**Financial assets at fair value through profit or loss ZWL**	**Financial assets at amortised cost ZWL**	**Financial assets at fair value through profit or loss ZWL**	**Financial assets at amortised cost ZWL**
2023				
Trade and other receivables (excluding prepayments and statutory assets)	-	23 790 058 093	-	10 241 430 036
Financial assets at fair value through profit or loss	67 383 303 831	-	14 835 098 644	-
Debt securities at amortised cost	-	23 002 612 402	-	52 323
Cash and deposits with banks	-	17 101 678 476	-	2 441 483 697
	67 383 303 831	63 894 348 971	14 835 098 644	12 682 966 056
2022				
Trade and other receivables (excluding prepayments and statutory assets)	-	2 404 319 011	-	723 352 644
Financial assets at fair value through profit or loss	5 586 326 587	-	722 849 687	-
Debt securities at amortised cost	-	4 667 090 105	-	52 323
Cash and deposits with banks	-	1 470 210 710	-	355 292 135
	5 586 326 587	8 541 619 826	722 849 687	1 078 697 102

30 FINANCIAL INSTRUMENTS - RISK MANAGEMENT (CONTINUED)

(I) FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Financial liabilities				
Trade and other payables (excluding statutory liabilities and deferred income)	24 361 235 797	3 943 968 529	9 811 915 448	2 448 044 667
Borrowings	4 592 510 981	201 545 556	-	-
	28 953 746 778	**4 145 514 085**	**9 811 915 448**	**2 448 044 667**

(II) FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

Financial instruments not measured at fair value include cash and cash equivalents, debt securities at amortised cost, trade and other receivables (excluding prepayments and statutory assets), trade and other payables (excluding deferred income and statutory liabilities), borrowings and investment contract liabilities without discretionary participation features. that compare to the market, their carrying values.

(III) FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Financial instruments were measured at fair value at 31 December using:-

Group	Level 1 2023 ZWL	2022 ZWL	Level 2 2023 ZWL	2022 ZWL	Level 3 2023 ZWL	2022 ZWL
Financial assets						
Financial assets at fair value through profit or loss	67 383 303 831	5 586 326 587	-	-	-	-

Company	Level 1 2023 ZWL	2022 ZWL	Level 2 2023 ZWL	2022 ZWL	Level 3 2023 ZWL	2022 ZWL
Financial assets						
Financial assets at fair value through profit or loss	14 835 098 644	722 849 687	-	-	-	-

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

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

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

GENERAL OBJECTIVES, POLICIES AND PROCESSES

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to Management. The Board receives quarterly reports from the Chief Executive Officer ("CEO") through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group's internal audit and risk and compliance departments also review the risk management policies and processes and report their findings to the Audit, Risk and Compliance Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:-

(A) CREDIT RISK

Credit risk is the risk of financial loss to the Group and Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group and Company are mainly exposed to credit risk from trade and other receivables , debt securities at amortised cost and cash and deposits with banks. Credit risk from trade and other receivables mainly emanates from residential stand sales debtors and microfinance loans receivable. The residential stand debtors are secured by the properties sold on credit by the Group to the respective customers. The microfinance loan book is predominantly comprised of customers in formal employment. A pre-condition of extending such loans is the establishment of an agreement with the employer wherein the employer is obliged to deduct the loans repayments through their monthly payroll process from any of their employees to whom such loans are extended. Further disclosures regarding the credit quality of trade and other receivables are provided in Note 9.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Credit quality of cash and cash equivalents is reflected in the table below, based on credit ratings determined by the Global Credit Rating Company:

The financial institutions holding the cash and cash equivalents of the Group and Company have the following external credit ratings:

	GROUP		COMPANY	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
A	-	10 105 123	-	10 105 123
A+	100 374 956	20 898 266	100 088 689	7 846 140
A-	172 134 098	3 401 063	172 134 098	3 401 063
AA	189 272 247	41 686 741	182 873 846	37 601 003
AA-	195 120 776	(70 552 844)	130 101 640	69 745 826
BBB	280 709 236	764 074	621 020	11 383
BBB+	-	33 412 454	-	318 981
Cash	278 656 597	91 066 058	233 107 506	45 402 130
Unrated	15 885 410 566	6 934 131 819	1 622 556 898	1 532 880 040
	17 101 678 476	**7 064 912 754**	**2 441 483 697**	**1 707 311 689**

Included in the unrated balance of ZWL15,885,410,565 is ZWL13,812,461,831 money market investments deposited with asset managers that are not rated.

The Group only trades with and receives service from financial institutions that meet regulatory requirements including minimum regulatory capital.
Key considerations include:-
• compliance with minimum capital requirements as set by the Reserve Bank of Zimbabwe (“RBZ”), and the Reserve Bank of Malawi (“RBM”).
• RBZ and RBM periodic capital adequacy, asset quality, management, earnings, liquidity, and sensitivity (“CAMELS”) ratings,
• total shareholder equity,
• total assets,
• ratios such as loan to deposit ratio, cost to income and non-performing loans (“NPLs”) to total loans ratio,

• overall profitability and cash generation,
• historical performance and outlook,
• ability of the bank to provide financial support,

Quantitative disclosures of the risk exposure in relation to financial assets are set out below:-

	GROUP		COMPANY	
	Carrying value ZWL	Maximum exposure ZWL	Carrying value ZWL	Maximum exposure ZWL
At 31 December 2023				
Trade and other receivables (excluding prepayments and statutory assets)	35 253 119 987	35 253 119 987	10 997 479 705	10 997 479 705
Debt securities at amortised cost	23 002 612 402	23 002 612 402	52 323	52 323
Cash and cash equivalents	17 101 678 476	17 101 678 476	2 441 483 697	2 441 483 697
	75 357 410 865	**75 357 410 865**	**13 439 015 725**	**13 439 015 725**
At 31 December 2022				
Trade and other receivables (excluding prepayments and statutory assets)	2 615 695 524	2 615 695 524	776 911 069	776 911 069
Debt securities at amortised cost	4 667 090 105	4 667 090 105	52 323	52 323
Cash and cash equivalents	1 470 210 710	1 470 210 710	355 292 135	355 292 135
	8 752 996 339	**8 752 996 339**	**1 132 255 527**	**1 132 255 527**

(B) LIQUIDITY RISK

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its borrowings. It is the risk that the Group will encounter difficulties in meeting its financial obligations as they fall due. In order to mitigate any liquidity risk that the Group faces, the Group's policy has been throughout the year ended 31 December 2023, to maintain substantial facilities and reserves as well as significant liquid resources. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:-

GROUP

	Up to 3 months ZWL	Between 3 and 12 months ZWL	Between 1 and 2 years ZWL	Over 2 years ZWL	Total ZWL
At 31 December 2023					
Trade and other payables (excluding deferred income and statutory liabilities)	24 361 235 796	-	-	-	24 361 235 796
Borrowings	-	4 592 510 981	-	-	4 592 510 981
	24 361 235 796	**4 592 510 981**	**-**	**-**	**28 953 746 777**
At 31 December 2022					
Trade and other payables (excluding deferred income and statutory liabilities)	3 943 968 529	-	-	-	3 943 968 529
Borrowings	-	201 545 556	-	-	201 545 556
	3 943 968 529	**201 545 556**	**-**	**-**	**4 145 514 085**

The following table sets out the expected amounts to be recovered or settled after more than twelve months for each asset and liability

GROUP

At 31 December 2023	Between 1 and 12 months ZWL	Over 1 year ZWL	Total ZWL
Assets			
Inventories	27 373 292	1 756 609	29 129 901
Trade and other receivables	29 601 051 417	-	29 601 051 417
Financial Assets at fair value through profit or loss	-	67 383 303 831	67 383 303 831
Debt securities at amortised cost	22 772 586 278	230 026 124	23 002 612 402
Cash and deposits with banks	17 101 678 476	-	17 101 678 476
	69 502 689 463	**67 615 086 564**	**137 117 776 027**

(B) LIQUIDITY RISK (CONTINUED)

GROUP

	Between 1 and 12 months ZWL	Over 1 year ZWL	Total ZWL
Liabilities			
Insurance contract liabilities	-	163 659 007 584	163 659 007 584
Investment contracts without discretionary participation features	-	19 500 810 198	19 500 810 198
Borrowings	4 592 510 981	-	4 592 510 981
Deferred tax liabilities	-	12 345 435 160	12 345 435 160
Lease obligations	213 288 155	847 061 607	1 060 349 762
Trade and other payables	24 368 639 197	-	24 368 639 197
Income tax liability	849 566 286	-	849 566 286
	30 024 004 619	**196 352 314 549**	**226 376 319 168**
At 31 December 2022			
Assets			
Inventories	3 125 055	1 756 608	4 881 663
Trade and other receivables	2 093 212 689	-	2 093 212 689
Financial Assets at fair value through profit or loss	-	5 586 326 587	5 586 326 587
Debt securities at amortised cost	4 620 419 204	46 670 901	4 667 090 105
Cash and deposits with banks	1 470 210 710	-	1 470 210 710
	8 186 967 658	**5 634 754 096**	**13 821 721 754**
Liabilities			
Insurance contract liabilities	-	20 093 135 315	20 093 135 315
Investment contracts without discretionary participation features	-	5 589 813 223	5 589 813 223
Borrowings	201 545 556	-	201 545 556
Deferred tax liabilities	-	1 665 264 441	1 665 264 441
Lease obligations	25 241 712	-	25 241 712
Trade and other payables	3 949 646 197	-	3 949 646 197
Income tax liability	23 485 346	-	23 485 346
	4 199 918 811	**27 348 212 979**	**31 548 131 790**

COMPANY

	Up to 3 months ZWL	Between 3 and 12 months ZWL	Between 1 and 2 years ZWL	Over 2 years ZWL	Total ZWL
At 31 December 2023					
Trade and other payables (excluding deferred income and statutory liabilities)	9 811 915 448		-	-	9 811 915 448
Insurance contract liabilities	-	-	-	61 534 202 862	61 534 202 862
Investment contracts without discretionary participation features	-	-	-	19 500 810 198	19 500 810 198
Borrowings	-	-	-	-	-
	9 811 915 448	**-**	**-**	**81 035 013 060**	**90 846 928 508**
At 31 December 2022					
Trade and other payables (excluding deferred income and statutory liabilities)	2 448 044 667	-	-	-	2 448 044 667
Insurance contract liabilities	-	-	-	7 445 537 381	7 445 537 381
Investment contracts without discretionary participation features	-	-	-	2 154 771 219	- 2 154 771 219
Borrowings	-	-	-	-	-
	2 448 044 667	**-**	**-**	**9 600 308 600**	**12 048 353 267**

(C) MARKET RISK

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in the market prices. The Group and Company's market risk arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent that these are exposed to general and specific market movements. Market risk comprises three types of risks: foreign exchange risk, interest rate risk and equity price risk.

EQUITY PRICE RISK

The Group holds some strategic equity investments in other companies these include development bonds and treasury bills that carry prescribed asset status. Directors believe that the exposure to market price risk from this activity is acceptable in the Group's circumstances. A 10% increase in value of the equity instruments held at the reporting date would, all other variables held constant, have resulted in an increase in profit before tax and net assets of ZWL$118,013,767 (2020: ZWL$66,274,589) for the Group and ZWL$51,108,026 (2020: ZWL$29,295,043) for the Company. A 10% decrease in their value would on the same basis have decreased retained earnings and assets by the same amount.

A 10% decrease in their value would on the same basis have decreased profit and assets by the same amount Risk is managed through investing in diverse equity portifolio of perfoming Companies listed on the Zimbabwe Stock Exchange.

(C) FAIR VALUE OR CASH FLOW INTEREST RATE RISK

The fair value risk is the risk of changes in the fair value assets and liabilities that are sensitive to changes in market interest rates. Cashflow interest risk is a risk that results when the cash flow timing or amount is altered due to interest rate changes. The Group seeks to manage this risk through the monitoring of adherence to established set of investment guidelines, which are reviewed and updated periodically by the Investments Committee. The Group's borrowings are at fixed interest rates.

(D) FOREIGN EXCHANGE RISK

The risk that the fair value of the cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Foreign exchange risks arise from recognised monetary financial assets and liabilities future commercial transactions, that are not denominated in the functional currency of the Group and Company.

The Group also operates in Malawi and is exposed to foreign exchange risk arising from exposure to the fluctuation of the Malawi Kwacha ("MWK"), with respect to the Zimbabwe dollar ("ZWL"). Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The following table details the Group’s sensitivity to a 10% increase or decrease in the Zimbabwe dollar ZWL against the Malawian Kwacha with all other variables held constant. 10% represents management’s assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and is calculated by adjusting the translation of foreign currency amounts at the period end for a 10% change in foreign currency rates.

CONSOLIDATED FOREIGN EXCHANGE GAP ANALYSIS AS AT 31 DECEMBER 2023

Base Currency	2023 USD ZWL equivalent	2022 USD ZWL equivalent	2023 ZWL equivalent	2022 ZWL equivalent
Assets				
Cash and deposits with banks	2 323 645	2 763 789	14 185 209 855	1 009 772 609
Loans and receivables	2 018 322	3 077 897	12 321 297 695	2 306 211 844
Total assets	**4 341 967**	**5 841 686**	**26 506 507 550**	**3 315 984 453**
Liabilities				
Trade and other payables	998 253	618 198	6 094 055 416	605 235 260
Total liabilities	**998 253**	**618 198**	**6 094 055 416**	**605 235 260**
Net currency position	**3 343 715**	**5 223 488**	**20 412 452 134**	**2 710 749 193**
Exchange rates as at 31 December	6 104.72	684	0.28	1.50
Impact of 10% increase in exchange rates				
Assets	394 724	531 062	2 409 682 505	301 453 132
Liabilities	(90 750)	(56 200)	(554 005 038)	(55 021 387)
Net position	**303 974**	**474 862**	**1 855 677 467**	**246 431 745**

Impact of change in exchange rates	2023 10% increase ZWL	2023 10% decrease ZWL	2022 10% increase ZWL	2022 10% decrease ZWL
Impact of profit before tax	279 695 334 568	(228 841 637 373)	43 061 777 387	(35 232 363 317)
Impact on equity	267 706 646 145	(228 841 637 373)	41 782 730 877	(34 185 870 717)

This method used for deriving sensitivity information and significant variables did not change from previous period.

31 ASSURANCE RISK MANAGEMENT

31.1 INSURANCE RISK

Insurance risk is the risk that actual future underwriting, policyholder behaviour and expense experience will differ from that assumed in measuring policyholder liabilities and assets and in pricing products. Insurance risk arises due to uncertainty regarding the timing and amount of future cash flows from insurance contracts. This could be due to variations in mortality, morbidity, policyholder behaviour or expense experience in the case of life products, and claims incidence, claim severity or expense experience in the case of short-term insurance products. These could have adverse impacts on the Group and Company's earnings and capital if different from those assumed. The Group and Company are exposed to insurance risk arising from its insurance contracts with policyholders and other beneficiaries. The main risk that the Group faces is that the actual claims and benefits payments or the timing thereof differ from expectations. The risk exposure is mitigated by the use of careful selection "procedures and implementation of underwriting procedures, use of actuarial models which calculate premiums and monitor claims patterns, as well as the use of reinsurance arrangements." The insurance risks that the Group and Company is exposed to that have the greatest impact on the financial position and comprehensive income are covered below.

31.2 GENERAL MANGEMENT OF INSURANCE RISK

The insurance subsidiaries are responsible for the day to day identification, monitoring and assessment of insurance risk. In addition to the management of risk by the subsidiary companies, the Group has the following insurance risk management controls:

31.3 GROUP RISK AND COMPLIANCE COMMITTEE

The Committee advises Group's overall risk strategy, current risk exposures, and risk governance. The Committee considers and approves the remit of the risk management function and reviews reports on material breaches of risk limits, as well as the adequacy of remedial action. The Committee also advises the Board on the risks aspects of proposed strategic transactions.

31.4 AUDIT COMMITTEE

The Audit Committee deals with insurance companies within the Group. The committee serves to satisfy the Group and operational boards of directors that adequate internal and financial controls are in place and that material risks are managed appropriately. More specifically, this committee is responsible for reviewing the financial statements and accounting policies, the effectiveness of the management information and systems of internal control, compliance with statutory and regulatory requirements, including actuarial input thereon, interim and final reports, the effectiveness of the internal audit function, external audit plans and findings on their respective reports. This committee reports directly to the board of directors of the Company. The committee meetings are attended by the external and internal auditors and are held at least quarterly.

31.5 STATUTORY ACTUARY

The statutory actuary of the insurance subsidiaries reports on the capital adequacy and the financial soundness at the year-end date and for the foreseeable future. All new premium rates or premium rates where changes are required are reviewed by the statutory actuary. Dividend declarations are recommended to the Audit Committee for approval by the statutory actuary prior to payment to ensure that the insurance subsidiaries remain financially sound thereafter.

31.6 CAPITAL ADEQUACY REQUIREMENTS

A minimum level of solvency is required to be held within each insurance subsidiary to meet the regulatory capital adequacy requirements (“CAR”). For the long-term insurance subsidiaries the CAR is calculated to determine whether the excess of assets over liabilities is sufficient to provide for the possibility of actual future experience departing from the assumptions made in calculating the policyholder liabilities and against fluctuations in the value of assets. The CAR is actuarially determined taking into account forward looking information.

The main risks that the Group is exposed to are as follows:
► Mortality risk – risk of loss arising due to policyholder death experience being different than expected
► Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
► Longevity risk – risk of loss arising due to the annuitant living longer than expected
► Investment return risk – risk of loss arising from actual returns being different than expected
► Expense risk – risk of loss arising from expense experience being different than expected
► Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

31.7 MORTALITY AND MORBIDITY RISK

Mortality risk is the risk of adverse financial impact due to actual mortality (death) claims being higher than anticipated. Morbidity risk is the risk of adverse financial impact due to policyholder health related (disablement and dread disease) claims being higher than expected. The Group and Company have the following processes and procedures in place to manage mortality and morbidity risk:

31.8 PRICING

Premium rates are differentiated by factors which historical experience has shown are significant determinants of mortality and morbidity claim experience. Prior to taking on individual risk policies, appropriate underwriting processes are conducted, which influence pricing on the policy prior to acceptance. The actual claims experience is monitored on a monthly basis so that deteriorating experience can be timeously identified. At the point of issuing new policies, consideration is given to update product pricing if the change in the experience, as evidenced by the commissioned periodic investigations, has become sustained and cannot be mitigated. Further, the valuation of liabilities is periodically updated with the new parameters arising from the periodic investigations. Detailed mortality and morbidity investigations are conducted on a bi-annual basis for key products. Allowance for special effects of specified medical conditions is made in product pricing as well as in the measurement of policyholder liabilities and assets.

31.9 TERMS AND CONDITIONS

The policy terms and conditions contain exclusions for nonstandard and unpredictable risks that may result in severe financial loss. Terms are built into the policy contracts that permit risk premiums to be reviewed on expiry of a guarantee period. In particular:
• for individual risk business, most in-force risk premiums are subject to review; and
• for institutional risk business, the risk premiums can be reviewed annually.

31.10 UNDERWRITING

Underwriting guidelines concerning authority limits and procedures to be followed in accepting new business are in place. For individual and institutional business, larger sums assured in excess of specified limits are subjected to underwriting and evaluated against established guidelines for accepting new business. The annually reviewable terms on institutional business enable premiums to keep pace with emerging claims experience. Part of the underwriting process involves assessing the health condition and family medical history of applicants. Terms and conditions are varied accordingly. Non-standard risks such as hazardous pursuits and medical conditions are assessed at underwriting stage. The expertise of reinsurers is used in the rating of non-standard risks. Financial underwriting is used where necessary to determine insurable interest.

31.11 CLAIMS MANAGEMENT

For mortality, claims are validated against policy terms and conditions. For morbidity, experienced claims assessors determine the merits of the claim in relation to the policy terms and conditions. In the case of disability annuitants, claim management ensures the continued eligibility for monthly income and includes interventions that may result in the full or partial medical recovery of the claimant. The actual disability experience is highly dependent on the quality of the claim assessment

31.12 REINSURANCE

Reinsurance is used by the Group to reduce exposure to a particular line of business, a particular individual, a single event, and to benefit from the risk management support services and technical expertise offered by reinsurers. Regular reviews, which consider risk appetite, are conducted on reinsurance arrangements for new business. Given that large proportions of the Group's business is long term individual risk business, where the proportion of the risk that is reinsured is fixed for life at the inception of the policy, the Group's overall reinsurance result is heavily influenced by historical reinsurance arrangements. In some instances where underlying policyholder benefits are annually renewable, for example institutional business, reinsurance is annually renewable. Existing reinsurance arrangements include proportional reinsurance (quota share and surplus type arrangements) on both a treaty and facultative basis and catastrophe reinsurance which is renewed annually. Catastrophe reinsurance is consolidated across business units and is in place to reduce the risk of many claims arising from the same event. Various events are excluded from the catastrophe reinsurance (e.g. epidemics and radioactive contamination).

31.13 LONGEVITY RISKS

Longevity risk is the risk of adverse financial impact due to actual annuitant mortality being lower than anticipated, that is annuitants living longer than expected. For life annuities, the loss arises as a result of the Group having undertaken to make regular payments to policyholders for their remaining lives, and possibly to the policyholders' spouses for their remaining lives. The most significant risks on these liabilities are continued medical advances and improvements in social conditions that lead to longevity improvements being better than expected. The Group manages the longevity risk by:

• annually monitoring the actual longevity experience and identifying trends over time;
• making allowance for future mortality rates falling in the pricing of new business and the measurement of policyholder liabilities. This allowance will be based on the trends identified in experience investigations and external data; and
• regularly verifying annuitants are still alive These risks do not vary significantly in relation to the location of the risk insured by the Group and type of risk insured.

31.14 LIFE INSURANCE CONTRACT LIABILITY SENSITIVITY ANALYSIS

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before income tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

Below is the impact on profit and net assets and liabilities of changes in the life insurance contract liability as a result of changes in key inputs used to calculate the liability.

BASE

	Change in assumptions (increase decrease)	Impact on liabilities	Impact on profit before tax	Impact on profit after tax
2023				
Mortality	+10%	24 140 139 387	582 122 050	176 961
Morbidity	-10%	22 956 825 867	(601 191 470)	(182 758)
Lapse	-10%	23 958 637 404	400 620 066	121 786
Expense	+10%	24 751 705 035	1 193 687 698	362 874
Discount rate	+1%	22 310 100 733	(1 247 916 604)	(379 359)
2022				
Mortality	+10%	(203 223 699)	203 223 699	1 036 552
Morbidity	-10%	(179 561 336)	179 561 336	915 861
Lapse	-10%	319 037 985	(319 037 985)	(1 627 268)
Expense	+10%	563 128 316	(563 128 316)	(2 872 261)
Discount rate	+1%	1 445 206 252	(1 445 206 252)	(7 371 339)

The above risk exposure is mitigated by the following strategies:

(I) UNDERWRITING STRATEGY

The underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a large portfolio of similar risks over a number of years and as such, it is believed that this reduces the variability of the outcome. The Group and Company manage its assurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralized management of reassurance and monitoring of emerging issues. The Group uses several methods to assess and monitor assurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity and scenario analyses.

(II) PRICING STRATEGY

The theory of probability is applied to the pricing and provisioning for a portfolio of assurance contracts. The principal risk is that the frequency and severity of claims is greater than expected. Assurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

KEY ASSUMPTIONS

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations. The key assumptions to which the estimation is particularly sensitive are as follows:

MORTALITY RATES

Assumptions are based on standard tables, according to the type of contract written. An investigation into the actual mortality experience of the Group and Company is used to compare the experience to the standard table. Adjustment to the standard table may be made where justified by the experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.

The valuation basis carries an extra mortality loading of 10% which is in line with the 10% Covid loading being used in the region. An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated) which will increase the expenditure and reduce profits for the shareholders.

LONGEVITY

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group and Company's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number on annuity payments to be made, which will increase the expenditure and reduce profits for the shareholders.

INVESTMENT RETURN AND INFLATION

Economic assumptions are based on the existing investment portfolio, and take account of the expected future medium to long-term economic environment. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

EXPENSES

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

31.15 CONCENTRATION RISK

The Group and Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and number of contracts written per product type. The following tables show the concentration of life insurance liabilities and investment contract liabilities by type of contract.

As at 31 December 2023	Insurance contract liabilities ZWL	Investment contract liabilities with DPF ZWL	Investment contract liabilities without DPF ZWL
Individual life business			
Conventional	78 520 615 000		
Investments		54 727 204 000	
Funeral	26 015 756 000		
Group Life business			
Funeral			
Risk business		3 783 406 000	
Deposit administration		50 538 952 000	70 735 493 000
Total	**104 536 371 000**	**109 049 562 000**	**70 735 493 000**
As at 31 December 2022			
Individual life business			
Conventional	8 587 391 906		
Investments		3 153 147 361	
Funeral	2 667 363 525		
Group Life business			
Funeral			
Risk business			
Deposit administration		2 436 665 862	12 461 018 797
Total	**11 254 755 431**	**5 589 813 223**	**12 461 018 797**

(II) PRICING STRATEGY (CONTINUED)

Lapse and surrender ratesLapse relates rates to the termination of policies on premiums not paid up. Surrenders relate to the voluntary termination of policies bypolicyholders. Policy termination assumptions are determined using statistical measures based on the Group and Company's experience and vary byproduct type, policy duration and sales trends. For lapses, the Group and Company's actual lapse experience is investigated. The lapse assumptionis set based on this assumption but at a level that is expected to be consistent from year to year. An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutralin effect.

DISCOUNT RATE

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expensesdirectly linked to the contract, less the discounted value of the theoretical premiums that would be required to meet these future cashoutflows. Discount rates are based on current industry risk rates, adjusted for the Group and Company's own risk exposure.A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

32 FAIR VALUE DISCLOSURES

The Group and Company measures investment property, land and buildings, which are disclosed as part of property and equipment, and investments inlisted equities at fair value.

VALUATION PROCESS - LISTED EQUITIES

The Group and Company obtains values of listed equities based on the prices quoted on the Zimbabwe Stock Exchange for counters listed in Zimbabweand the Malawi Stock Exchange for counters listed in Malawi.

VALUATION PROCESS - PROPERTIES

The Group and Company's properties (investment property, land and buildings) are valued by independent external valuers in order to determine their fairvalues. Valuations were performed by Homelux Real Estate, an accredited independent property valuer, as at 31 December 2022.Valuations of the Group and Company's commercial and industrial properties were based on comparative and investment methods .The investmentmethod involves the capitalization of expected rental income by an appropriate yield. The comparative approach seeks to ascribe to the subject property a value similar to that achieved in transactions for comparable properties. The comparative method makes use ofassessed rental value rates and capitalization rates for similar properties sold and after appropriate adjustments, such rates are applied toeach property to determine its value. The valuation is based on market evidence. Residential stands and small pieces of undeveloped stands were valued based on sales evidence on similar properties situated incomparable residential suburbs as those of the subject properties. For large tranches of undeveloped land, the valuer adopted the development/residual value method. The assessment was based on theassumption that it is subdivided into smaller stands and fully serviced. The total estimated costs of development and disposal, whichinclude servicing costs, agency fees, interest on servicing costs, contingency costs and the developer's profit, were then deducted from thevalue determined.

Depending on the valuation method applied, valuations are based upon assumptions that include transaction prices on similar properties,market related rental income and market yields.

Fair value hierarchy - Group	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL	Total gain/(loss) for the period in statement of profit or loss and other comprehensive income ZWL	Total gain/(loss) for the period in through investment contract liabilities ZWL
31 December 2023						
Commercial	-	-	3 999 289 116	3 999 289 116	3 468 809 870	-
Residential	-	-	8 451 480 427	8 451 480 427	7 330 447 455	-
Land	-	-	284 501 512 882	284 501 512 882	246 764 269 175	17 099 210 000
Total investment properties	**-**	**-**	**296 952 282 425**	**296 952 282 425**	**257 563 526 500**	**17 099 210 000**
Financial Assets at fair value through profit or loss	**67 383 303 831**	**-**	**-**	**67 383 303 831**	**3 361 354 292**	**-**
Land and buildings	**-**	**-**	**33 924 664 615**	**33 924 664 615**	**29 576 623 848**	**-**
31 December 2022						
Commercial	-	-	806 398 359	806 398 359	557 524 706	-
Residential	-	-	3 582 169 476	3 582 169 476	2 476 627 041	-
Land	-	-	31 708 147 396	31 708 147 396	21 922 261 299	4 497 379 302
Total investment properties	**-**	**-**	**36 096 715 231**	**36 096 715 231**	**24 956 413 046**	**4 497 379 302**
Equities at fair value through profit or loss	**5 586 326 587**	**-**	**-**	**5 586 326 587**	**925 824 402**	**-**
Land and buildings	**-**	**-**	**3 788 793 398**	**3 788 793 398**	**2 931 609 487**	**-**

Gains recorded in the statement of profit or loss and other comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL257,563,526,499 (December 2022: ZWL24,956,413,046). Fair value gains of ZWL17,099,210,000(ZWL4,497,379,302) were recorded directly in investment contract liabilities.

All gains and losses recorded in the statement of profit or loss and other comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment and other properties held at the end of the reporting period.

32 FAIR VALUE DISCLOSURES (CONTINUED)

Valuation techniques and key unobservable inputs used to derive level 3 fair values
The table below presents the following for each class of the investment property:

- The fair value measurements at the end of the reporting period;
- The level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorised in their entirety;
- A description of the valuation techniques applied;
- The inputs used in the fair value measurement
- Quantitative information about the significant observable inputs used in the fair value measurement

Valuation technique	Key unobservable inputs	Class of property valued using this technique	Fair value 31-Dec-2023	Fair value 31-Dec-2022	Inter-relationship between unobservable inputs and key fair value measurement
			ZWL	ZWL	
Income capitalisation	- Rental per square metre - Prime yield - Void rate	CBD retail	-	-	Increase or decrease in fair value would result from the following movements in these inputs respectively:
		CBD offices	3 999 289 116	726 798 359	- decrease or increase in prime yield - decrease or increase in void rates
Comparative method	- Rate per square metre	Residential properties	8 451 480 427	3 582 169 476	The estimated fair value would increase if prices for comparable properties increased, and decrease if prices for comparable properties decreased.
		Land	284 501 512 883	31 787 747 396	
			296 952 282 425	36 096 715 231	

DESCRIPTIONS AND DEFINITIONS

The table above includes the following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values:

I. INCOME CAPITALISATION METHOD

Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (discounted by the investor's rate of return). Under the income capitalisation method, over (above market rent) and under-rent situations are separately capitalised (discounted).

II. MARKET COMPARISON METHOD

Under the market comparable method (or market comparable approach), a property's fair value is estimated based on comparable transactions. The unit of comparison applied by the Group and Company is the price per square metre (sqm).

III. RENT PER SQUARE METRE

The rent at which space could be let in the market conditions prevailing at the date of valuation. The unit of comparison is the rental rate per square metre.

IV. VOID RATE

The Group determines the void rate which can be experienced based on the percentage of estimated vacant space divided by the total lettable area.

32 FAIR VALUE DISCLOSURES (CONTINUED)

V. CAPITALISATION RATE

The prime yield is defined as the internal rate of return of the cash flow from the property, assuming a rise to estimated rental value ("ERV") at the next review, but with no further rental growth.

SENSITIVITY ANALYSIS TO SIGNIFICANT CHANGES IN UNOBSERVABLE INPUTS WITHIN LEVEL 3 OF THE HIERARCHY.

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the value hierarchy of the Group's portfolio of investment properties and land and buildings were as follows:

- Capitalisation rate;
- Void rate;
- Rental per square metre; and
- Comparable transacted properties.

SENSITIVITY ANALYSIS

	Impact on property value 10% increase ZWL	Impact on property value 10% decrease ZWL	Impact on profit for the year 10% increase ZWL	Impact on profit for the year 10% decrease ZWL	Impact on equity 10% increase ZWL	Impact on equity 10% decrease ZWL
Rental per square metre	29 695 228 243	(29 695 228 243)	4 454 284 236	(4 454 284 236)	4 454 284 236	(4 454 284 236)
Capitalisation rate	(26 995 662 039)	32 994 698 047	(4 049 349 306)	4 949 204 707	(4 049 349 306)	4 949 204 707

Increases/(decreases) in the transaction prices on comparable properties and rental per square metre in isolation would result in a higher/(lower) fair value measurement.

Increases/(decreases) in the long-term void rate and prime yield in isolation would result in a lower/(higher) fair value measurement.

Analysis of property portfolio	Lettable space m2 December 2023	Lettable space m2 December 2022	% of portfolio December 2023	December 2021
Sector				
Commercial	9 031	9 031	100.00%	100.00%
Total	**9 031**	**9 031**	**100.00%**	**100.00%**

33 RETIREMENT BENEFITS

33.1 FIDELITY LIFE PENSION FUND

All eligible employees are members of the Fidelity Life Defined Contribution Pension Scheme which is administered by the Company. Employees in the subsidiary in Malawi are members of the Vanguard Life Assurance Pension Scheme which is administered by the Company.The fund is financed by Group and employee contributions.

Contributions were made as follows during the year:

	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Employer's contribution	736 918 686	394 025 889	233 895 727	24 812 649

33 RETIREMENT BENEFITS(CONTINUED)

33.2 NATIONAL SOCIAL SECURITY SCHEME

The Group employees in Zimbabwe contribute to the National Social Security Scheme, a Defined Contribution Pension Scheme promulgated under the National Social Security Act of 1989. The obligation under the scheme is limited to specific contributions legislated from time to time.The contribution rates were reviewed following the gazetting of Statutory Instrument 108 and 109 of 2020 on 15 May 2020 increasing the contributions from 3.5% to 4.5% of basic salary per employee per month limited to ZWL 2 414 896.

Contributions were made as follows during the year:

	GROUP		COMPANY	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Employer's contribution	108 951 086	9 998 213	53 765 265	4 968 519

34 RELATED PARTY INFORMATION

34.1 RELATED PARTIES
THE FOLLOWING ARE THE RELATED PARTIES OF THE COMPANY:

Related party	Nature of relationship	
Fidelity Life Financial Services (Private) Limited	Wholly owned subsidiary	
Zimbabwe Actuarial Consultants (Private) Limited	Wholly owned subsidiary	
Vanguard Life Assurance Company Limited	Subsidiary	
Fidelity Funeral Assurance (Private) Limited	Subsidiary	
Fidelity Life Asset Management Company (Private) Limited	Subsidiary	
Fidelity Life Medical Services Company (Private) Limited	Subsidiary	
Langford Estates 1962 (Private) Limited	Subsidiary	
Zambezi Properties (Private) Limited	Subsidiary	
Fidelity Life Medical Aid Society	Society managed by Fidelity Life Medical Services Company (Private) Limited	
Zimre Holdings Limited	Shareholder	
Turismo Investments (Private) Limited	Shareholder	
Credsure	Common shareholder	
Zimre Property Investments Limited	Common shareholder	
Emeritus Reinsurance (Private) Limited	Common shareholder	
WFDR Risk Services	Common shareholder	
Zimre Property Investments	Common shareholder	
Zimbabwe Insurance Brokers Limited	Common shareholder	
L.T Gwata	Non Executive Chairman	Appointed 1 February 2022
Langton Mabhanga	Independent Non Executive Director	Appointed 1 February 2022
Takudzwa Chitsike	Independent Non Executive Director	Appointed 1 February 2022
S. Kudenga	Non Executive Director	
I. Mvere	Non Executive Director	
F. Dzanya	Non Executive Director	
G. Dhombo	Independent Non Executive Director	
H. Nemaire	Independent Non Executive Director	
B. Wesley	Key management	
S. Mudzengi	Key management	
L.Moyo	Key management	
R. Chihota	Managing Director	Appointed 1 March 2022
K. Dube	Key management	
C. Matongo	Key management	
C.Chikundura	Key management	
Z.Zvenyika	Group Chief Finance Officer	

34 RELATED PARTY INFORMATION (CONTINUED)

34.2 RELATED PARTY TRANSACTIONS

The following represent transactions with related parties during the year:-

Related party	Nature of transaction	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Income					
Vanguard Life Assurance Company Limited	Management fee income	-	-	-	-
Fidelity Life Financial Services (Private) Limited	Dividend income	-	-	-	-
Fidelity Life Medical Services Company (Private) Limited	Dividend income	-	-	-	12 811 676
Zimbabwe Insurance Brokers Limited	Pension contributions	-	-	-	-
Zimre Property Investments Limited	Pension contributions	71 709 496	6 565 266	71 709 496.10	6 565 266
Credisure	Pension contributions	61 768 617	1 652 351	61 768 617	1 652 351
WFDR	Pension contributions	65 423 734	2 729 161	65 423 734	2 729 161
Emeritus Reinsurance (Private) Limited	Pension contributions	278 211 590	11 948 652	278 211 590.13	11 948 652
Expenses					
Fidelity Life Medical Aid Society	Medical aid contributions	(63 836 302)	(63 836 302)	(347 021 234)	(26 254 962)
Zimbabwe Actuarial Consultants (Private) Limited	Actuarial fees	-	-	(1 867 754 900)	(130 631 686)
Fidelity Life Asset Management Company (Private) Limited	Management fees	-	-	(22 725 925)	(4 826 238)
Emeritus Reinsurance (Private) Limited	Reassurance premiums	(859 456 484)	(75 975 999)	(859 456 484)	(75 975 999)

34.3 RELATED PARTY BALANCES

34.3.1 RELATED PARTY RECEIVABLES

Included in trade and other receivables are the following balances:-	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Fidelity Life Asset Management Company (Private) Limited	-	-	17 949 922	20 491 279
Langford Estates 1962 (Private) Limited	-	-	306 020 457	21 929 376
Fidelity Life Financial Services (Private) Limited	-	-	1 879 521 385	236 627 481
Fidelity Funeral Services Company (Private) Limited	-	-	10 237 891	20 436 971
Fidelity Life Medical Aid Society	5 063 941 780	65 646 736	(1 546 066)	302 817
Fidelity Life Medical Services Company (Private) Limited	-	-	-	(12 830 092)
Zimbabwe Actuarial Consultants (Private) Limited	-	-	-	(58 741 142)
Zimre Holdings Limited	1 332 005 604	-	1 332 005 604	286 719 577
Credsure	6 297 758	-	6 297 757	6 297 757
Vanguard Life Assurance Company Limited	-	-	2 344 491 874	5 532
	6 402 245 142	**65 646 736**	**5 894 978 824**	**521 239 555**

34.3.2 RELATED PARTY PAYABLES

Included in related party payables	GROUP 2023 ZWL	GROUP 2022 ZWL	COMPANY 2023 ZWL	COMPANY 2022 ZWL
Fidelity Life Medical Aid Society	5 281 649 133	214 772 611	-	(6 932 224)
Fidelity Life Medical Services Company (Private) Limited	-	-	(5 499 482)	559 178
Fidelity Funeral Services Company (Private) Limited	-	-	-	-
Fidelity Life Financial Services (Private) Limited	-	-	-	10 444 949
Fidelity Life Asset Management Company (Private) Limited	-	-	-	2 541 357
Langford Estates 1962 (Private) Limited	-	-	-	-
Vanguard Life Assurance Company Limited	-	-	747 207 956	14 918 943
WFDR Risk Services	18 347 235	-	18 347 235	(5 238 440)
Zimre Property Investments	783 725 508	-	783 725 508	66 036 536
Credsure	294 022 781	-	294 022 781	-
Zimbabwe Actuarial Consultants	-	-	387 105 700	135 966 940
	6 377 744 657	**214 772 611**	**2 224 909 699**	**218 297 239**

The related party payables are interest free and have no fixed repayment terms. Related party payables are unsecured.

34.4 COMPENSATION TO KEY MANAGEMENT

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The compensation to key management was as follows during the year:-

Short term benefits	2 247 793 181	101 567 278	663 658 950	9 389 301
Post employment benefits	154 948 159	8 921 382	33 452 865	464 064
Total	**2 402 741 340**	**110 488 660**	**697 111 815**	**9 853 365**

The remuneration of directors and key management is determined by the Human Resources and Corporate Governance Committee of the Board having regard to the performance of the individuals and market trends.

34.5 LOANS TO KEY MANAGEMENT

Included in trade and other receivables as at year end are loans to key management as follows:-

Loans receivable	604,748,839	107,113,602	139,313,262	55,783,572

The loans are payable over 5 years, attract interest at 15% per annum and are secured against the properties and motor vehicles that were acquired by the employees.

35 SUBSIDIARIES

The principal business of each of the subsidiaries of Fidelity Life Assurance of Zimbabwe, all of which have been included in the consolidated financial statements, is as follows:-

Description	Business	Location
Fidelity Life Asset Management Company (Private) Limited	Asset management	Zimbabwe
Fidelity Life Medical Services Company (Private) Limited	Medical aid management	Zimbabwe
Vanguard Life Assurance Company Limited	Life assurance	Malawi
Zimbabwe Actuarial Consultants (Private) Limited	Actuarial consultants	Zimbabwe
Fidelity Life Financial Services (Private) Limited	Micro-lending	Zimbabwe
Fidelity Funeral Services Company (Private) Limited	Funeral services	Zimbabwe
Zambezi Properties (Private) Limited	Property development	Zimbabwe
Langford Estates 1962 (Private) Limited	Property development	Zimbabwe

The shareholding of the company in each of the subsidiaries is as follows:-

Description	Shareholding 2023	2022
Fidelity Life Asset Management Company (Private) Limited	96%	96%
Vanguard Life Assurance Company Limited	62%	62%
Zimbabwe Actuarial Consultants (Private) Limited	100%	100%
Fidelity Life Financial Services (Private) Limited	100%	100%
Fidelity Funeral Services Company (Private) Limited	91%	91%
Fidelity Life Medical Services Company (Private) Limited	100%	100%
Zambezi Properties (Private) Limited	-	65%
Langford Estates 1962 (Private) Limited	81%	81%

36 NON-CONTROLLING INTERESTS

Vanguard Life Assurance Company Limited and Langford Estates1962 (Private) Limited are the only subsidiaries of the Company that have material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

Summarised financial information in relation to the NCI of Vanguard Life Assurance Company Limited and Langford Estates (Private) Limited before intra-group eliminations, is presented below:

	Vanguard Life		Langford Estates	
For the period ended 31 December	**2023 ZWL**	**2022 ZWL**	**2023 ZWL**	**2022 ZWL**
Insurance contract revenue	6 528 415 472	741 511 174	-	-
Insurance service expenses	(4 296 531 553)	(690 943 515)	-	-
Insurance service result from insurance contracts issued	**2 231 883 919**	**50 567 659**	**-**	**-**
Allocation of reinsurance paid	(326 524 105)	(48 328 705)	-	-
Amount recoverable from reinsurers for incurred claims	21 184 040	7 208 998	-	-
Net expenses from reinsurance contracts held	-	-	-	-
Insurance service result	**1 926 543 854**	**9 447 952**	**-**	**-**
Interest revenue from financial instruments not measured at fair value through profit or loss	2 638 152 295	38 809 588	-	-
Net income from other financial instruments at fair value through profit or loss	11 460 454 233	502 927 820	-	-
Net gains from fair value adjustments to investment properties	467 296 499	75 970 031	-	-
Net gain/(loss) from derecognition of financial assets measured at amortised cost	-	-	-	-
Net gain/(loss) from derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	-
Impairment loss on financial assets	-	-	-	-
Net change in investment contract liabilities	(11 993 179 821)	(422 815 295)	-	-
Other net investment revenue	1 893 508 799	468 883 064	-	-
Net gain from foreign exchange	-	-	-	-
Net Investment Income	**4 466 232 006**	**663 775 208**	**-**	**-**
Insurance finance expenses for insurance contracts issued	(199 926 892)	217 991 243	-	-
Reinsurance finance income for reinsurance contracts held	-	-	-	-
Net insurance finance expenses	(199 926 892)	217 991 243	-	-
Net insurance and investment result	**6 192 848 968**	**891 214 403**	**-**	**-**
Rental income from investment property	-	-	-	-
Revenue from sale of inventory property	-	-	-	-
Net income from other financial instruments at fair value through profit or loss	-	-	-	-
Net gains from fair value adjustments to investment properties	-	-	-	-
Other investment income	-	-	180 443 300 000	18 052 630 000
Interest income from micro - lending	-	-	-	-
Other income	85 137 061	34 289 032	-	-
Operating and administrative expenses expenses	(5 759 978 627)	(963 362 835)	(200 171 096)	(5 393 841)
Property operating costs	-	-	-	-
Allowance for expected credit losses on receivables	-	-	-	-
Finance costs	-	-	-	-
Net monetary gain/(loss)	-	-	-	-
Profit/(loss) before share of profit of associates accounted for using the equity method	**518 007 402**	**(37 859 400)**	**180 243 128 904**	**18 047 236 159**
Share of (loss)/profit of associates	-	-		
Profit before income tax expense	**518 007 402**	**(37 859 400)**	**180 243 128 904**	**18 047 236 159**
Income tax expense	(472 803 331)	(75 830 755)	(9 022 165 000)	(902 631 500)
Profit for the year	**45 204 070**	**(113 690 156)**	**171 220 963 904**	**17 144 604 659**

36 NON-CONTROLLING INTERESTS (CONTINUED)

For the year ended 31 December	Vanguard Life 2023 ZWL	Vanguard Life 2022 ZWL	Langford Estates 2023 ZWL	Langford Estates 2022 ZWL
Profit attributable to NCI	17 281 516	(49 708 586)	32 928 171 560	3 297 145 809
Other comprehensive income allocated to NCI	653 617 947	246 144 699	-	-
Total comprehensive income allocated to NCI	**670 899 463**	**196 436 113**	**32 928 171 560**	**3 297 145 809**
Cash flows from operating activities	4 678 065 449	740 316 283	-	-
Cash flows from investing activities	(6 377 099 982)	(933 600 003)	-	-
Cash flows from financing activities	(432 959 682)	(80 028 602)	-	-
Net cash flows attributable to NCI	**(2 131 994 215)**	**(273 312 322)**	**-**	**-**
Assets:				
Property and equipment	1 284 920 149	168 818 682	-	-
Investment property	10 245 344 422	1 713 538 081	202 751 200 000	22 307 900 000
Intangible assets	1 085 890 187	204 085 557	-	-
Right of use assets	491 840 308	90 912 297		
Trade and other receivables	12 321 297 695	2 306 211 844	-	-
Financial assets at fair value through profit or loss	50 742 390 985	4 712 681 239		
Debt securities at armotised cost	23 002 560 724	4 667 038 427	-	-
Cash and cash equivalents	14 185 209 855	1 009 772 621		
	113 359 454 325	**14 873 058 748**	**202 751 200 000**	**22 307 900 000**
Liabilities:				
Life assurance policyholder liabilities	102 124 804 722	13 203 598 681		
Deferred tax	1 928 649 101	304 176 231		
Trade and other payables	6 094 055 416	605 235 260	10 360 669 497	1 133 689 995
Lease obligation	491 665 509	24 319 337		
Income tax liability	-	-		
	110 639 174 746	**14 137 329 509**	**10 360 669 497**	**1 133 689 995**
Accumulated non-controlling interests	893 728 546	209 809 705	37 019 931 554	4 091 759 994

37 SEGMENT REPORTING

SEGMENT INFORMATION

The Group has three main reportable segments as follows:

INSURANCE

This segment is involved in life assurance and pensions. The segment accounts for 23% (2021: 61%) of the Group's external revenue.

MICROLENDING

This segment is involved in consumer loans, business loans and loans to farmers. It accounts for 2% (2021: 1%) of the Group's external revenue. The segment has experienced steady growth since its formation in 2010.

PROPERTY INVESTMENT

This segment holds a land bank as investment property and the total income in this segment arises from fair value adjustments on property held.

OTHER

Included in this segment are the actuarial, asset management and funeral services units. These are individually immaterial and reported as other income.

37 SEGMENT REPORTING(CONTINUED)

FACTORS THAT MANAGEMENT USED TO IDENTIFY THE GROUP'S REPORTABLE SEGMENTS

The Group's reportable segments are strategic business units that offer more or less similar services. The segment described as other comprises business units that have combined income significantly less than 10% of the combined revenue of all operating segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the executive management team including the Managing Director and the Chief Finance Officer.

MEASUREMENT OF OPERATING SEGMENT PROFIT OR LOSS, ASSETS AND LIABILITIES

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance on the basis of profit or loss from operations but excluding non-recurring losses, such as goodwill impairment. Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior year. The Group has no transactions with a single external customer that exceeds 10% of its total revenue.

37.1 SEGMENT INFORMATION

37.1.1 INFORMATION ABOUT PRODUCTS AND SERVICES(CONTINUED)

	HISTORICAL					
December 2023	**Insurance**	**Microlending**	**Property Investment**	**Other**	**Consolidation adjustments**	**Total**
	ZWL	**ZWL**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Insurance contract revenue	48 484 115 679	-	-	-	-	48 484 115 679
Insurance service expenses	(24 081 034 989)	-	-	-	-	(24 081 034 989)
	-	-	-	-	-	-
Insurance service result from insurance contracts issued	**24 403 080 690**	**-**	**-**	**-**	**-**	**24 403 080 690**
	-	-	-	-	-	-
Allocation of reinsurance paid	(903 280 948)	-	-	-	-	(903 280 948)
Amount recoverable from reinsurers for incurred claims	331 586 569	-	-	-	-	331 586 569
Net expenses from reinsurance contracts held	-	-	-	-	-	-
	-	-	-	-	-	-
Insurance service result	**23 831 386 311**	**-**	**-**	**-**	**-**	**23 831 386 311**
	-	-	-	-	-	-
Interest revenue from financial instruments not measured at fair value through profit or loss	3 075 257 982	-	-	-	-	3 075 257 982
Net income from other financial instruments at fair value through profit or loss	20 158 432 294	-	-	-	-	20 158 432 294
Net gains from fair value adjustments to investment properties	72 667 916 500	-	-	-	-	72 667 916 500
Net gain/(loss) from derecognition of financial assets measured at amortised cost	-	-	-	-	-	-
Net gain/(loss) from derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
Impairment loss on financial assets	-	-	-	-	-	-
Net change in investment contract liabilities	(29 339 218 800)	-	-	-	-	(29 339 218 800)
Other net investment revenue	2 675 702 809	-	-	-	-	2 675 702 809
Net gain from foreign exchange	1 713 530 551	-	-	-	-	1 713 530 551
	-	-	-	-	-	-
Net Investment Income	**70 951 621 336**	**-**	**-**	**-**	**-**	**70 951 621 336**
	-	-	-	-	-	-
Insurance finance expenses for insurance contracts issued	(8 120 944 832)	-	-	-	-	(8 120 944 832)
Reinsurance finance income for reinsurance contracts held	-	-	-	-	-	-
Net insurance finance expenses	**(8 120 944 832)**	**-**	**-**	**-**	**-**	**(8 120 944 832)**
	-	**-**	**-**	**-**	**-**	**-**
Net insurance and investment result	**86 662 062 815**	**-**	**-**	**-**	**-**	**86 662 062 815**
		-	-	-	-	-
Rental income from investment property	-	-	-	-	-	-
Revenue from sale of inventory property	-	-	-	-	-	-
Other investment income	-	-	180 443 300 000	2 095 245 520	(182 400 991	137 554 285
Interest income from micro - lending	-	3 469 511 590	-	-	-	3 469 511 590
Other income	(8 357 191 444)	499 628 409	-	10 335 257 270	(697 770 102)	1 779 924 132
Operating and administrative expenses expenses	(9 544 525 547)	(3 803 283 330)	(200 171 096)	(8 975 014 811)	225 955 210	(22 297 039 574)
Property operating costs	-	-	-	-	-	-
Allowance for expected credit losses on receivables	(26 845 956)	-	-	-	-	(26 845 956)
Finance costs	(218 732 030)	(863 867 755)	-	-	-	(1 082 599 785)
					-	
Segment assets	420 168 020 732	8 957 558 631	202 751 200 000	10 931 529 580	(163 286 069	479 522 239 196
Segment liabilities	201 493 667 159	8 167 583 296	10 360 669 497	6 118 136 770	51 224 038	226 191 280 760

37.1 SEGMENT INFORMATION (CONTINUED)

37.1.1 INFORMATION ABOUT PRODUCTS AND SERVICES (CONTINUED)

December 2022	**Insurance** **ZWL**	**Microlending** **ZWL**	**Property Investment** **ZWL**	**Other** **ZWL**	**Consolidation adjustments** **ZWL**	**Total** **ZWL**
Insurance contract revenue	4 567 050 088	-	-	-	-	4 567 050 088
Insurance service expenses	(3 063 115 770)	-	-	-	-	(3 063 115 770)
	-					-
Insurance service result from insurance contracts issued	**1 503 934 318**	**-**	**-**	**-**	**-**	**1 503 934 318**
	-	-	-	-	-	-
Allocation of reinsurance paid	(158 298 570)	-	-	-	-	(158 298 570)
Amount recoverable from reinsurers for incurred claims	57 777 334	-	-	-	-	57 777 334
Net expenses from reinsurance contracts held	-	-	-	-	-	-
	-					-
Insurance service result	**1 403 413 082**					**1 403 413 082**
	-					-
Interest revenue from financial instruments not measured at fair value through profit or loss	66 276 692	-	-	-	-	66 276 692
Net income from other financial instruments at fair value through profit or loss	816 719 361	-	-	-	-	816 719 361
Net gains from fair value adjustments to investment properties	8 438 984 029	-	-	-	-	8 438 984 029
Net gain/(loss) from derecognition of financial assets measured at amortised cost	-	-	-	-	-	-
Net gain/(loss) from derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
Impairment loss on financial assets	-	-	-	-	-	-
Net change in investment contract liabilities	(3 852 114 553)	-	-	-	-	(3 852 114 553)
Other net investment revenue	15 337 941 178	-	-	-	-	15 337 941 178
Net gain from foreign exchange	-	-	-	-	-	-
	-					-
Net Investment Income	**20 807 806 707**	**-**	**-**	**-**	**-**	**20 807 806 707**
	-					-
Insurance finance expenses for insurance contracts issued	(625 076 452)	-	-	-	-	(625 076 452)
Reinsurance finance income for reinsurance contracts held	-	-	-	-	-	-
Net insurance finance expenses	**(625 076 452)**	**-**	**-**	**-**	**-**	**(625 076 452)**
	-					-
Net insurance and investment result	**21 586 143 337**	**-**	**-**	**-**	**-**	**21 586 143 337**
						-
Rental income from investment property	-	-	-	-	-	-
Revenue from sale of inventory property	-	-	-	-	-	-
Other investment income	-	142 233 251	18 963 871 710	449 739 734	(19 547 572 687)	8 272 008
Interest income from micro - lending	-	346 712 607	-	-	-	346 712 607
Other income	34 289 032	204 994 750	-	1 077 904 935	(204 994 750)	1 112 193 967
Operating and administrative expenses expenses	(2 117 266 213)	(341 603 612)	(52 876 513)	(754 280 945)	(5 675 708)	(3 271 702 991)
Property operating costs	-	-	-	-	-	-
Allowance for expected credit losses on receivables	-	(25 063 907)	-	-	(1 184 853)	(26 248 760)
Finance costs	(12 872 917)	-	-	-	(142 999 586)	(155 872 503)
Segment assets	48 455 855 391	904 407 172	27 000 806 513	1 918 773 977	(22 527 424 641)	55 752 418 412
Segment liabilities	26 191 360 444	724 529 490	3 629 860 345	333 802 929	667 656 204	31 547 209 413

37.2 GEOGRAPHICAL INFORMATION

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

	HISTORICAL			
December 2023	**Zimbabwe ZWL**	**Malawi ZWL**	**Consolidation adjustments ZWL**	**Total ZWL**
Insurance contract revenue	41 955 700 207	6 528 415 472	-	48 484 115 679
Insurance service expenses	(20 134 882 310)	(4 296 531 552)	350 378 873	(24 081 034 989)
	-	-	-	-
Insurance service result from insurance contracts issued	**21 820 817 898**	**2 231 883 919**	**350 378 873**	**24 403 080 690**
	-	-	-	-
Allocation of reinsurance paid	(576 756 843)	(326 524 105)	-	(903 280 948)
Amount recoverable from reinsurers for incurred claims	310 402 529	21 184 040	-	331 586 569
Net expenses from reinsurance contracts held	-	-	-	-
	-	-	-	-
Insurance service result	**21 554 463 584**	**1 926 543 854**	**350 378 872**	**23 831 386 311**
	-	-	-	-
Interest revenue from financial instruments not measured at fair value through profit or loss	437 105 687	2 638 152 295	-	3 075 257 982
Net income from other financial instruments at fair value through profit or loss	8 697 978 060	11 460 454 233	-	20 158 432 294
Net gains from fair value adjustments to investment properties	101 787 996 506	467 296 499	(29 587 376 506)	72 667 916 500
Net gain/(loss) from derecognition of financial assets measured at amortised cost	-	-	-	-
Net gain/(loss) from derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	-
Impairment loss on financial assets	-	-	-	-
Net change in investment contract liabilities	(17 346 038 979)	(11 993 179 821)	-	(29 339 218 800)
Other net investment revenue	144 226 120 154	1 893 508 799	(143 443 926 144)	2 675 702 809
Net gain from foreign exchange	1 713 530 551	-	-	1 713 530 551
Net Investment Income	**239 516 691 979**	**4 466 232 006**	**(173 031 302 649)**	**70 951 621 336**
	-	-	-	-
Insurance finance expenses for insurance contracts issued	(7 921 017 940)	(199 926 892)	-	(8 120 944 832)
Reinsurance finance income for reinsurance contracts held	-	-	-	-
Net insurance finance expenses	**(7 921 017 940)**	**(199 926 892)**	**-**	**(8 120 944 832)**
Net insurance and investment result	**253 150 137 623**	**6 192 848 968**	**(172 680 923 777)**	**86 662 062 815**
	-	-	-	-
Rental income from investment property	-	-	-	-
Revenue from sale of inventory property	-	-	-	-
Other investment income	182 538 545 520	-	(182 400 991 235)	137 554 285
Interest income from micro - lending	3 469 511 590	-	-	3 469 511 590
Other income	2 392 557 174	85 137 061	(697 770 102)	1 779 924 132
Operating and administrative expenses expenses	(16 763 016 157)	(5 759 978 627)	225 955 210	(22 297 039 574)
Property operating costs	-	-	-	-
Allowance for expected credit losses on receivables	(26 845 956)	-	-	(26 845 956)
Finance costs	(1 082 599 786)	-	-	(1 082 599 785)
			-	
Segment assets	529 448 854 618	113 359 454 325	(163 286 069 747)	479 522 239 196
Segment liabilities	115 500 881 974	110 639 174 746	51 224 038	226 191 280 760

37.2 GEOGRAPHICAL INFORMATION

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

December 2022	Zimbabwe ZWL	Malawi ZWL	Consolidation adjustments ZWL	Total ZWL
Insurance contract revenue	3 825 538 914	-	(741 511 174)	4 567 050 088
Insurance service expenses	(2 372 172 254)	-	690 943 515	(3 063 115 770)
Insurance service result from insurance contracts issued	**1 453 366 659**	**-**	**(50 567 659)**	**1 503 934 318**
	-	-	-	-
Allocation of reinsurance paid	(109 969 865)	-	48 328 705	(158 298 570)
Amount recoverable from reinsurers for incurred claims	50 568 336	-	(7 208 998)	57 777 334
Net expenses from reinsurance contracts held	-	-	-	-
Insurance service result	**1 393 965 130**	**-**		**1 403 413 082**
	-	-		-
Interest revenue from financial instruments not measured at fair value through profit or loss	27 467 105	38 809 588	-	66 276 692
Net income from other financial instruments at fair value through profit or loss	313 791 542	502 927 820	-	816 719 361
Net gains from fair value adjustments to investment properties	8 363 013 998	75 970 031	-	8 438 984 029
Net gain/(loss) from derecognition of financial assets measured at amortised cost	-	-	-	-
Net gain/(loss) from derecognition of financial assets measured at fair value through other comprehensive income	-	-	-	-
Impairment loss on financial assets	-	-	-	-
Net change in investment contract liabilities	(3 429 299 258)	(422 815 295)	-	(3 852 114 553)
Other net investment revenue	14 869 058 114	468 883 064	-	15 337 941 178
Net gain from foreign exchange	-	-	-	-
Net Investment Income	**20 144 031 500**	**663 775 207**	**-**	**20 807 806 707**
	-	-		-
Insurance finance expenses for insurance contracts issued	(843 067 695)	217 991 243	-	(625 076 452)
Reinsurance finance income for reinsurance contracts held	-	-	-	-
Net insurance finance expenses	**(843 067 695)**	**217 991 243**	**-**	**(625 076 452)**
Net insurance and investment result	**20 694 928 936**	**891 214 402**	**-**	**21 586 143 337**
		-		-
Rental income from investment property	-	-	-	-
Revenue from sale of inventory property	-	-	-	-
Other investment income	591 972 985	-	(583 700 977)	8 272 008
Interest income from micro - lending	346 712 607	-	-	346 712 607
Other income	1 282 899 685	34 289 032	(204 994 750)	1 112 193 967
Operating and administrative expenses expenses	(2 249 787 935)	(963 362 835)	(58 552 221)	(3 271 702 991)
Property operating costs	-	-	-	-
Allowance for expected credit losses on receivables	(25 063 907)	-	(1 184 853)	(26 248 760)
Finance costs	(12 872 917)	-	(142 999 586)	(155 872 503)
Segment assets	63 406 784 962	14,873,058,748	(22,527,425,298)	55 752 418 412
Segment liabilities	16 742 223 699	14,137,329,509	667,656,205	31 547 209 413

38 PRESCRIBED ASSETS

The Pension and Provident Funds Act (Chapter 24:09) as amended by the Government of Zimbabwe Statutory Instrument 206 of 2019 requires companies in the life assurance industry to hold 15% of their assets as investments in prescribed stocks and bonds. The Company's investment in such assets is summarised below:-

Counterparty	2023 ZWL	2022 ZWL
Inventories-South View stands	1 756 608	1 756 608
Residential stand debtors	1 994 491	1 520 773
Development bonds	52 323	52 323
Other non current assets	909 882 304	46 589 762
REIT	20 822 899 401	-
Investment properties	48 548 210 000	4 688 400 000
	70 284 795 127	**4 738 319 466**
Total assets	**304 301 438 858**	**33 407 816 490**
Percentage of total assets	**23%**	**14%**

The Company is fully compliant with the prescribed assets requirements in the current year.

39 STATUTORY INSTRUMENT 95 OF 2017, INSURANCE (AMENDMENT) REGULATIONS 2017 (19)

The financial statements of the Company must comply with the provisions of Insurance Regulations 1989, promulgated as Statutory Instrument 95 of 2017 read with Instrument 59 of 2020, section (3).

The following are the details on compliance with the said provisions of the statute:

SECTION 3 (1) (A)

The minimum unencumbered capital requirement for an insurer for registration or ongoing operations shall be the equivalent of Seventy Five Million Zimbabwe Dollars in the case of an insurer which carries on life assurance business including funeral assurance.

	2023 ZWL	2022 ZWL
Investments	306 808 406 000	33 553 413 000
Allowance for inadmissible assets	(173 092 340 000)	(20 112 454 000)
Value of Assets	**133 716 066 000**	**13 440 959 000**
Actuarial values of policy liabilities	78 769 477 000	11 128 560 000
Other liabilities	9 819 319 000	768 708 000
Total	**88 588 796 000**	**11 897 268 000**
FLA statutory capital per SI95 requirement	**45 127 270 000**	**1 543 691 000**
SI95 minimum statutory capital requirement	**75 000 000**	**75 000 000**
Statutory capital surplus /(deficit)	**45 052 270 000**	**1 468 691 000**

The Company is fully compliant with the minimum capital requirements. Although this solvency position is healthy by international standards in a normal economy, the economic instability in Zimbabwe demands even higher solvency levels. To improve underwriting capacity and strengthen financial soundness of the Company, Management are still pursuing balance sheet restructuring initiatives of the equity and property portfolios to unlock value.

40 CONTINGENCIES

40.1 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 debtassumption 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.

40.2 CONTINGENT LIABILITY

Fidelity Life Assurance of Zimbabwe Limited agreed to unconditionally guarantee USD 1.75 million and ZWL 152million of the full debt owing to ZB Bank Limited on behalf of Fidelity Life Financial Services (Private) Limited in terms of the overdraft facility that was signed between Fidelity Life Financial Services (Private) Limited and ZB Bank Limited.

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

41 EVENTS AFTER THE REPORTING DATE

41.1 DIVIDEND

At a board meeting held on 24 April 2024, the directors recommended not to declare a dividend for the year ended 31 December 2023. This decision was reached due to a need to preserve internal resources to fund the Group's growth strategy. No dividend was declared for the year ended 31 December 2023.

41.2 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors for issue on 24 April 2024 and the directors have power to amend and/or reissue the financial statements should circumstances requiring that arise.

41.3 NEW STRUCTURED CURRENCY INTRODUCTION

The Reserve Bank of Zimbabwe (RBZ) introduced a structured currency, with effect from 5 April 2024 named the Zimbabwe Gold (ZWG) replacing the Zimbabwe dollar (ZWL). Zimbabwe Gold (ZWG) currency is backed by a composite basket of foreign currency and precious metals held as reserves by RBZ. All Zimbabwe dollar balances shall be converted to the new currency at the rate of ZWG1: ZWL2,498.7242 obtained from a combination of the prevailing interbank exchange rate of US$1:ZW$33,903.9916 and gold price of US$2,293.50 as at 5 April 2024. This implies an exchange rate of ZWG13.56 per US$1. The event does not warrant an adjustment on the current set of financial statements in accordance with IAS10 events after the reporting date .

1.1 POLICYHOLDER AND SHAREHOLDER FUNDS

Fidelity Life Assurance of Zimbabwe conducted an asset separation between policyholders and shareholders in compliance with the requirements of the Insurance Act (Chapter 24:07) and the Pension and Provident funds Act (Chapter 24:09). Investments returns and assets allocation are disclosed as shown below on an IPEC approved basis of 94:6.

2022

1.1.1 ASSETS AND LIABILITIES ALLOCATION

	2023 ZWL Policyholder	2023 ZWL Shareholder	2023 ZWL Total
Assets			
Property and equipment	-	497 453 744	497 453 744
Intangible assets	68 513 045	-	68 513 045
Investment property	113 195 034 503	-	113 195 034 503
Inventories	1 756 608	-	1 756 608
Investments in subsidiaries	153 363 944 018	9 789 187 916	163 153 131 934
Other assets	12 615 881 407	-	12 615 881 407
Financial assets at fair value through profit or loss	14 835 098 644	-	14 835 098 644
Debt securities at amortised cost	52 323	-	52 323
Cash and deposits with banks	2 335 021 090	106 462 607	2 441 483 697
Total assets	**296 415 301 637**	**10 393 104 267**	**306 808 405 905**
Liabilities			
Borrowings	-	-	-
Trade and other payables	9 819 318 849	-	9 819 318 849
Total liabilities	**9 819 318 849**	**-**	**9 819 318 849**
Net assets value			**296 989 087 055**
Allocated closing fund balance	**286 595 982 788**	**10 393 104 267**	**296 989 087 055**

ASSETS AND LIABILITIES ALLOCATION

2022 **Assets and liabilities allocation**	2022 ZWL Policyholder	2022 ZWL Shareholder	2022 ZWL Total
Assets			
Land and buildings	-	33 068 554	33 068 554
Intangible assets	32 705 034	-	32 705 034
Investment property	10 485 909 997	-	10 485 909 997
Inventories	1 756 608	-	1 756 608
Investments in subsidiaries	19 130 075 816	1 914 561 719	21 044 637 535
Other assets	906 525 426	-	906 525 426
Equities at fair value through profit or loss	722 849 687	-	722 849 687
Debt securities at amortised cost	52 323	-	52 323
Cash and deposits with banks	333 974 609	21 317 528	355 292 137
Total assets	**31 613 849 500**	**1 968 947 801**	**33 582 797 301**
Liabilities			
Borrowings	-	-	-
Trade and other payables	2 306 498 995	147 223 340	2 453 722 335
Total liabilities	**2 306 498 995**	**147 223 340**	**2 453 722 335**
Net assets value			**31 129 074 966**
Allocated closing fund balance	**29 307 350 505**	**1 821 724 461**	**31 129 074 966**

1.1.2 INVESTMENT RETURNS ALLOCATION

	2023 ZWL	2022 ZWL
Direct revenue		
Insurance contracts revenue	41 955 700 207	3 825 538 914
Insurance service expenses	(20 134 882 310)	(2 372 172 254)
Net reinsurance paid	(266 354 313)	(59 401 529)
Net direct growth in fund	**21 554 463 584**	**1 393 965 130**
Fair value gains	110 485 974 567	8 676 805 540
Other investment income	144 663 225 840	14 896 525 218
Insurance finance expenses for insurance contracts issued	(7 921 017 940)	(843 067 695)
Other operating expenses	(12 253 721 380)	(1 153 903 378)
Finance costs	(218 732 031)	(12 872 917)
Income tax expense	(73 164 518)	(2 091 490)
Gains on property and equipment revaluations	16 916 179	-
Share of revaluation gains on property	(7 783 951)	2 070 926
Net gains from foreign exchange	1 713 530 551	-
Exchange differences arising on translation of foreign operations	7 316 086 632	1 007 894 584
Net investment returns	**243 721 313 948**	**22 571 360 788**
Net profit before change in policyholder liability	**265 275 777 533**	**23 965 325 918**
Allocation of profit (94:6)		
Policyholder	249 359 230 881	22 527 406 363
Shareholder	15 916 546 652	1 437 919 555

2 IPEC CURRENCY REFORM GUIDELINE COMPLIANCE

The Insurance and Pensions Commission (IPEC) issued currency reform guidelines in 2020 to compensate policyholders for the loss of value due to the change in currency from USD to ZWL. The following describe the steps taken by the Company to comply with the guideline for each product class and the split of assets and operating profits per each sub account thereof.

Insurance contract liabilities and investment contract liabilities with discretionary participation features

Policyholders who were present as at the determination date were identified and the policies have been made paid up as at the determination date. The paid-up values become the Sum Assured of the member as at 31 December 2018. Assets were split into Sub Account 1 and Sub Account 2 in compliance with the IPEC Guideline. The paid-up members participate in Sub Account 1 and benefit from bonuses allocated to participants in Sub Account 1.

Contributions that were remitted post the Determination Date went towards purchasing a new policy at the policyholders' current age and the remaining term. The policyholders will benefit from bonuses allocated to Sub Account 2.

Policyholders who bought policies before the Determination Date will participate in both Sub Accounts whilst those who bought policies after the Determination Date participates only in Sub Account 2.

INSURANCE CONTRACT LIABILITIES AND INVESTMENT CONTRACT LIABILITIES WITHOUT DISCRETIONARY PARTICIPATION FEATURES

The investment products have been split between Sub Account 1 and Sub Account 2. The members who were participating in the Fund before the determination date participate in Sub Account 1 and benefit from interest awarded to Sub Account 1.

Contributions that were remitted post the Determination Date went invested in a separate Fund that is in Sub Account 2. The policyholders will benefit from interest awarded to Sub Account 2.

FIDELITY LIFE ASSURANCE TOP 20 SHAREHOLDERS

HOLDER NUMBER	HOLDER NAME	AS AT 31 DECEMBER 2023 NUMBER OF SHARES	AS AT 31 DECEMBER 2023 PERCENTAGE OF TOTAL ISSUED SHARES	AS AT 31 DECEMBER 2022 NUMBER OF SHARES	AS AT 31 DECEMBER 2022 PERCENTAGE OF TOTAL ISSUED SHARES
3857	ZIMRE HOLDINGS LIMITED	72 925 578	66.95	72 925 578	66.95
957824	TURISMO INVESTMENTS (PVT) LTD	24 980 900	22.93	24 980 900	22.93
959514	MEGA MARKET (PVT) LTD	1 433 566	1.32	1 433 566	1.32
960745	SUMMERTON RHYS DRENNAN	1 355 077	1.24	1 359 577	1.25
940747	FLAM MANAGEMENT SPECIAL FUND	886 653	0.81	886 653	0.81
957339	FARID EL-KHOURY PHILLPPE ELIAS	360 000	0.33	360 000	0.33
959574	MORGAN AND COMPANY (PVT) LTD	304 388	0.28	304 388	0.28
956762	STANBIC NOMINEES (PVT)LTD-AC 140043470003	238 288	0.22	238 288	0.22
692948	FIDELITY FINANCIAL SERVICES FUND	235 484	0.22	235 484	0.22
957423	OLD MUTUAL LIFE ASSURANCE OF ZIMBABWE LIMITED	204 392	0.19	204 392	0.19
32911	MATAURE CHARLES ALBERT	198 200	0.18	198 000	0.18
959512	CORPSERVE NOMINEES (PVT) LTD	134 229	0.12	118 920	0.11
618208	FIDELITY LIFE ASSURANCE NOMINEES (PRIVATE) LTD	113 811	0.10	113 811	0.10
559812	ENG ASSET MANAGEMENT	112 836	0.10	112 836	0.10
456757	NATIONAL INVESTMENT TRUST	101 152	0.09	101 152	0.09
851838	REMO INVESTMENT BROKERS (PVT) LTD	88 317	0.08	88 317	0.08
667163	MACHIWENYIKA LODY	88 056	0.08	85 456	0.08
957371	STANBIC NOMINEES (PVT) LTD AC 110008040007	83 829	0.08	83 829	0.08
957915	KUNYONGANA LOICE	81 673	0.07	81 673	0.07
402284	ZIMBABWE INSURANCE BROKERS LIMITED	79 438	0.07	79 438	0.07
	TOTAL HOLDING OF TOP SHAREHOLDERS	**104 005 867**	**95.49**	**103 992 258**	**95.47**
	REMAINING HOLDING	**4 917 424**	**4.51**	**4 931 033**	**4.53**
	TOTAL ISSUED SHARES	**108 923 291**	**100**	**108 923 291**	**100**

SHAREHOLDER ANALYSIS

The information above reveal a remarkable consistency in the top shareholders between 2022 and 2023. Firstly, the largest shareholder, Zimre Holdings Limited, maintained its commanding stake of 66.95% in both years, underscoring its unwavering dominance in the company's ownership structure. Secondly, the second-largest shareholder, Turismo Investments (Pvt) Ltd, also retained its substantial 22.93% share, showcasing the stability and continuity of the major investors.

The composition of the top 20 shareholders remained largely unchanged, with only minor fluctuations in the individual shareholdings. Summerton Rhys Drennan's shareholding decreased slightly from 1.25% to 1.24%, while Machiwenyika Lody's holding increased from 85,456 to 88,056.

Furthermore, the analysis reveals that the remaining shareholding, comprising the shares not held by the top 20 shareholders, declined marginally from 4.53% in 2022 to 4.51% in 2023, indicating a slight increase in the concentration of ownership among the major investors.

GRI CONTENT INDEX

Statement of use	**Fidelity Life Assurance has reported the information cited in this GRI content index for the period 01 January 2023 and 31 December 2023 with reference to the GRI Standards.**			
GRI used	**GRI 1: Foundation 2021**			
GRI STANDARD	**DISCLOSURE**	**LOCATION**	**Omission**	
			Part Omitted	**Reason**
GRI 2: General Disclosures 2021	2-1 Organisational details	Front Cover		
	2-2 Entities included in the organisation's sustainability reporting	5		
	2-3 Reporting period, frequency and contact point	3		
	2-4 Restatements of information	3		
	2-5 External assurance	3		
	2-6 Activities, value chain and other business relationships	5-6		
	2-7 Employees	8,40		
	2-8 Workers who are not employees	40		
	2-9 Governance structure and composition	18-19		
	2-10 Nomination and selection of the highest governance body	18		
	2-11 Chair of the highest governance body	18		
	2-12 Role of the highest governance body in overseeing the management of impacts	19-21		
	2-13 Delegation of responsibility for managing impacts	19-21		
	2-14 Role of the highest governance body in sustainability reporting	3,21		
	2-15 Conflicts of interest	21		
	2-16 Communication of critical concerns	19		
	2-17 Collective knowledge of the highest governance body	15		
	2-18 Evaluation of the performance of the highest governance body	19		
	2-19 Remuneration policies	21		
	2-20 Process to determine remuneration	21		
	2-21 Annual total compensation ratio	-	To be included in the next report	
	2-22 Statement on sustainable development strategy	10,32		
	2-23 Policy commitments	-		
	2-24 Embedding policy commitments	21,30		
	2-25 Processes to remediate negative impacts	28-30,53		
	2-26 Mechanisms for seeking advice and raising concerns	32		
	2-27 Compliance with laws and regulations	31		
	2-28 Membership associations	8		
	2-29 Approach to stakeholder engagement	32		
	2-30 Collective bargaining agreements	42		

GRI 3: Material Topics 2021	3-1 Process to determine material topics	33		
	3-2 List of material topics	33-35		
	3-3 Management of material topics	33-35	See management approach for each topic	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	56,66-213		
	201-2 Financial implications and other risks and opportunities due to climate change	53		
	201-3 Defined benefit plan obligations and other retirement plans	42		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	54-55		
	203-2 Significant indirect economic impacts	55		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	50		
GRI 207: Tax 2019	207-1 Approach to tax	57		
	207-2 Tax governance, control, and risk management	57		
	207-3 Stakeholder engagement and management of concerns related to tax	57		
	207-4 Country-by-country reporting	57		
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	46		
	302-2 Energy consumption outside of the organisation	46		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	47		
	303-2 Management of water discharge-related impacts	47		
	303-5 Water consumption	48		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	52		
	305-2 Energy indirect (Scope 2) GHG emissions	52		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	48		
	306-2 Management of significant waste-related impacts	48		
	306-3 Waste generated	49		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	41		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	42		
	401-3 Parental leave	-		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	43		
	403-2 Hazard identification, risk assessment, and incident investigation	43		
	403-3 Occupational health services	43		
	403-6 Promotion of worker health	43		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	43		
	403-8 Workers covered by an occupational health and safety management system	43		
	403-9 Work-related injuries	-		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	44		
	404-2 Programs for upgrading employee skills and transition assistance programs	-		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	19,40		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	-		

Corporate Information

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Fidelity House, 66 Julius Nyerere Way, Harare

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MAIN BANKERS

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Nedbank Zimbabwe Limited,
99 Jason Moyo Avenue, Harare

Stanbic Bank Limited,
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COMPANY SECRETARY
Ruvimbo Chidora - Paradzai

TRANSFER SECRETARIES
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LAWYERS
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FIDELITY LIFE
ASSURANCE OF ZIMBABWE

NOTICE OF ANNUAL GENERAL MEETING 2024

Notice is hereby given that the **45th Annual General Meeting** of the Members of Fidelity Life Assurance of Zimbabwe will be held virtually on Tuesday, 25 July 2024 at 10.00 hours on the following link
https://teams.microsoft.com/l/meetupjoin/19%3ameeting_ZjhmYjNjYTYtZTdiMy00Y2I0LTkyZWYtMWI1MzI2ZGY3MDRj%40thread.v2/0?context=%7b%22Tid%22%3a%22050c1ec0-6f87-4689-97a2-4729bf6b7ca5%22%2c%22Oid%22%3a%227144d259-a862-4e18-9257-d214c4a4dbc8%22%7d
for the purpose of transacting the following business:

Ordinary Business

1. **Financial Statements**
To receive and adopt the financial statements and reports of the Directors and Auditor for the financial year ended 31 December 2023.

2. **Corporate Governance**
To receive, consider and approve the Corporate Governance Statement for the period 1 January 2023 to 31 December 2023.

3. **Directorate**
   a) To re-elect Mr. Stanley Kudenga who retires by rotation in terms of Article 77 and 78 of the Company's Articles of Association, and being eligible, offers himself for re-election.
(Mr. Kudenga is a registered Chartered Accountant and Investment Banker with over 20 years experience handling some of the country's largest privatization mandates, investment promotions and corporate restructures. His respect for corporate governance and creative attitude to finance have made him a reputable strategist in Zimbabwe. He is a holder of a Masters degree in Business Leadership and is the current Group Chief Executive Officer of Zimre Holdings Limited. He joined the Board in 2016 and is a member of the Human Resources and Governance Committee and chairs the Investments Committee.)

   b) To re-elect Dr. Langton Mabhanga who retires by rotation in terms of Article 77 and 78 of the Company's Articles of Association, and being eligible, offers himself for re-election.
(Dr. Mabhanga is an electrical engineer by profession with a passion for business strategy, corporate governance and business and economic intelligence. He holds a Doctorate Degree in Business Administration, majoring in Strategy and Leadership with the IIC University of Technology Cambodia, jointly with The Chartered Institute of Management and Leadership. He also holds a Master's Degree in Business and Economic Intelligence, Graduate Diploma in Business Intelligence and is on the cusp of completing another Master's Degree in Leadership and Corporate Governance with the Bindura University of Science and Education and a second PhD by Research. Dr. Mabhanga is currently Chief Executive Officer of Africa True North Strategy Holding, a member of the Technical Committee of ESG Exchanges (South Africa), sits on Board of Trustees of Zimbabwe YMCA and as a non-executive director at Rainbow Tourism Group (RTG). He joined the Board in 2022 and is a member of the Audit and Investments Committee.)

   c) To re-elect Mr. Livingstone T Gwata who retires by rotation in terms of Article 77 and 78 of the Company's Articles of Association, and being eligible, offers himself for re-election.

   (Mr. Gwata holds a Bachelor of Administration from the University of Zimbabwe. He is a Certificated Associate of the Institute of Bankers in South Africa by examination, and an Associate of the Institute of Bankers of Zimbabwe. He is also a Fellow of the Institute of Bankers of Zimbabwe. Mr. Gwata's career in corporate, retail and merchant banking spans 38 years, holding senior positions at Standard Chartered PLC and at FBC Holdings Limited. He is currently the non-executive Chairman of ABC Holdings Limited, *Chairman of the Zimbabwe Open Golf Committee and a non-executive director for Tanganda Tea Company Limited. He joined the Board in 2022 and is a member of the Investments and Human Resources and Governance Committees.)*

4. **Directors' Remuneration**
To approve the remuneration of the Directors for the year ended 31 December 2023 amounting to ZWL994,063,765.
(In terms of Practice Note 4 issued by the Zimbabwe Stock Exchange on the 17th of January 2020, the FLA Directors Remuneration Report shall be available for inspection at the Company's registered office during the Annual General Meeting.)

5. **Auditor's Fees**
To approve the remuneration of the External Auditor, Grant Thornton Zimbabwe, for the past audit for the year ended 31 December 2023, amounting to ZWL1,611,463,382.

6. **Appointment of External Auditor**
To appoint Grant Thornton Zimbabwe as the External Auditor for the Company for the ensuing year until the conclusion of the next Annual General Meeting.
(In terms of the Insurance and Pension Commission (IPEC) Guidelines insurers are required to change their audit firm every five years. Grant Thornton Zimbabwe have been the Company's External Auditor since 2022)

7. To transact any other business that may be transacted at an Annual General Meeting.

Proxies

A member entitled to attend and vote at the meeting may appoint any person or persons to attend and vote on his or her behalf. A proxy need not be a member of the Company. Proxy forms together with a copy of the notice can be obtained at the registered office of the Company or on the Fidelity Life Assurance of Zimbabwe website on the following link www.fidelitylife.co.zw/dowloads or at the office of the Transfer Secretaries, ZB Transfer Secretaries (Private) Limited, 21 Natal Road, Avondale, Harare, Zimbabwe. Proxy forms must be lodged with the Company Secretary or Transfer Secretary not less than 48 hours before the meeting.

Meeting Details

Shareholders are advised to contact ZB Transfer Secretaries for meeting ID details. Robert Mutakwa (rmutakwa@zb.co.zw) or phone on 08677002001 or 0242 2934 585

BY ORDER OF THE BOARD
R Chidora

Group Company Secretary
4 July 2024

Board of 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

ANNUAL GENERAL MEETING

PROXY FORM

We, ...

being a member of..

holding .... shares, hereby appoint ....

.... of ....

Or failing him/ .... of ....

As my / our proxy to vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on 27th of July 2024 at 10:00 hours electronically via Microsoft Teams, and at any adjournment thereof.

Signed this ....day of 2024

Signature of member: ....

NOTE:

In terms of the Companies and Other Business Entities Act [Chapter 24:31] a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend, vote a poll and speak in his stead. A proxy need not be a member of the Company.

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