

Expanding Reach, Deepening Impact.

Unaudited Interim Condensed Consolidated Special Purpose Financial Statements

For The Half Year Ended 30 June 2025



FIDELITY LIFE
ASSURANCE OF ZIMBABWE



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CHAIRMAN’S STATEMENT

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The Group delivered a strong performance for the half-year, recording a profit of USD6.0 million.

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14%

INTRODUCTION

It is my pleasure to present you with the financial statements for Fidelity Life Assurance of Zimbabwe Limited (“FLA” or “the Company” or “the Group”) for the half year ended 30 June 2025.

ECONOMIC OVERVIEW

Zimbabwe's economy showed signs of recovery in the first half of 2025 notwithstanding the increase in weighted annual inflation which increased to 27.1% in June 2025. Supporting the recovery was the strong agricultural output and improved mining performance. Maize and tobacco are expected to post double-digit growth thanks to favorable weather and input access, and the ZWG continued to depreciate slightly against the US dollar. The country also experienced relative currency stability recording a slight depreciation of the ZWG to USD of 3% on the back of tight monetary policies and improved foreign currency inflows. External headwinds included subdued Foreign Direct Investment (FDI) and reduced development partner support, which strained the fiscal space despite strong tax collections.

Malawi experienced persistent macroeconomic challenges in the first half of 2025. Inflation persisted at high levels, reaching 30.7% in February as a result of rising food and fuel prices, with maize, an essential staple, remaining a major threat to food security. The country's current account deficit expanded to 22.0% of GDP, reflecting reduced export competitiveness, decreased foreign aid inflows, and dwindling foreign exchange reserves. Although maize production increased modestly by 5.4% compared to 2024, overall output remains about 25% below the average of 2019–2023, exacerbating food insecurity issues. Political and fiscal uncertainties have increased, as reform efforts have slowed ahead of the September 2025 general elections, compounded by fiscal slippages and the premature end of the IMF's Extended Credit Facility, all of which hinder stabilization and reform initiatives.

GROUP FINANCIAL PERFORMANCE REVIEW

Insurance contract revenue grew by 5% to USD8.6 million in the six months ended 30 June 2025, up from USD8.2 million in the prior period. This growth reflects the continued resilience of the insurance sector in the face of deepening economic uncertainty, supported by strong performance in the individual life segment.

The insurance service result recorded a notable improvement in performance, closing the half-year at USD2.9 million, a 45% increase compared to USD2.0 million in June 2024. The improvement was primarily driven by a reduction in claims expenses and effective cost containment measures implemented by the Group.

The Group delivered a strong performance for the half-year, recording a profit of USD6.0 million, a 14% increase compared to USD5.2 million in the same period last year. The strong performance was on the back of strong insurance service result coupled by significant investment income from equity investments from the Malawi operation.

BUSINESS OPERATIONS OVERVIEW

CUSTOMER EXCELLENCE

Fidelity Life Assurance (FLA) remains steadfast in upholding principles of good stewardship which are underpinned by service delivery. At the heart of our business lies a commitment to delivering customer excellence – a guiding principle that shapes every interaction, service offering, and innovation across the entire Group. In an industry built on trust, long-term relationships and peace of mind, we understand that our customers expect more than just financial products, they seek a partner who listens, understands, and acts with their best interest in mind.

During the period under review, we continued to elevate our customer experience by embedding a customer-first mindset across all levels of the organisation. We undertook comprehensive reviews of our service processes, touchpoints, and digital channels to ensure our policyholders received timely, transparent, and personalized support throughout their journey with us.

Key highlights include:

Customer Service Digitization: We expanded our digital self-service capabilities, enabling clients to access our products online and get relevant information to apply for services conveniently, anytime and anywhere. We introduced a dedicated team to serve our diaspora market through digital platforms as well.

Service experience: We improved our claims settlement turnaround time while maintaining high levels of accuracy, empathy, and fairness in every case. A seamless claims experience and access to services is the true test of our promise.

INNOVATIVE SOLUTIONS

Fidelity Life had taken a strategic decision to leverage on the rise of Artificial Intelligence and technology to further reduce the cost of doing business. These efficiencies have the potential of increasing policy and shareholder value.

GEOGRAPHICAL FOOTPRINT

During the period under review, the Group has been focused on increasing its geographical footprint particularly of its essential services. This has included the setting up of low-cost mobile one stop shop booths in high traffic informal sector hotspots and the opening up of funeral service parlors in satellite towns. Access to the diaspora market has been catapulted through the Group's extensive investment into digitalization augmenting the traditional and still sustainable agency arrangements.

SUSTAINABILITY

At Fidelity Life Assurance, sustainability is central to how we create value for our stakeholders. Our Environmental, Social, and Governance (ESG) principles shape the way we operate, ensuring that our growth is aligned with the needs of our customers, employees, shareholders, and the communities we serve.

During the period under review, we have advanced initiatives and products that expand access and affordability. Our micro insurance and medical aid products are providing financial protection and healthcare access to underserved communities, while the Vaka Yako product is enabling more families to access affordable investment models and housing solutions. These efforts are complemented by ongoing community programmes in education, wellness, and financial literacy, ensuring that our growth translates into tangible impact for those we serve.

Looking ahead, Fidelity Life Assurance will continue to expand access to inclusive financial products, invest in climate-resilient operations, and strengthen its governance systems, ensuring that sustainability remains integral to our growth and impact.

BRAND POSITIONING

Fidelity Life Assurance is more than a life assurance provider. We are a lifelong partner in our customers' financial journey. Rooted in our philosophy of providing protection and peace of mind 'from cradle to the grave', our brand is positioned as a trusted companion at every stage, from birth, education, career, and family life, through to retirement and legacy planning.

We are committed to offering holistic, flexible, and future-ready solutions that grow with our customers, adapting to their evolving needs while delivering value, security, and confidence across generations. Our brand stands for reliability, empathy, and life-long partnership, backed by strong financial expertise and a legacy of trust.

By aligning our products, services, and customer experiences with life's key milestones, we reinforce our purpose to protect today and enable tomorrow, for life!

UPDATE ON THE REGULATORY ASSET SEPARATION EXERCISE

The asset separation exercise which was mandated by the Insurance and Pensions Commission of Zimbabwe (IPEC) is progressing well with the physical transfer of shareholder assets to the policyholders underway.

DIRECTORATE

There were no changes to the Board of Directors during the period under review. The prevailing Board remains committed to guiding and nurturing the Group's efforts to regain market share and sustain profitability.

DIVIDEND

After careful and thorough consideration of our current operational strategy, the Board has decided not to declare an interim dividend for the period under review. The decision allows the Group to redirect resources towards enhancing operational efficiency and investing in key strategic initiatives that the Board believes will facilitate a stronger year-end dividend that is reflective of our commitment to delivering sustainable value to shareholders and is compliant with the Group's Dividend Policy of 40% of realised cash shareholder profit.

LOOKING FORWARD

The current market environment presents significant challenges for our industry namely, the prospects to de-dollarisation, inflation and proliferation of copycat products. Despite these obstacles, FLA will reinforce its existing strategy that focuses on creating new markets, innovation and digitalization.

The development of micro insurance products is evidence of our focus on constant innovation, adaptability and desire to bring to market, products that are accessible and relevant. Also in the pipeline is an expansion of the Group's invest-linked product offering.

The Group will also be marrying its sustainability agenda with its market expansion programme by provided financial education and literacy to the informal, underserved and rural communities. Together with its digitalization drive that enables remote access to its products, these communities are set to be ideal markets for the Group.

The Group continues to focus on strengthening the FLA brand across the Zimbabwean borders by targeting the diaspora market with both invest-linked products as well as funeral services thanks to strategic partnerships entered during the first half of the year.

FLA remains a committed and reliable life partner to its customers constantly seeking opportunities for mutual growth notwithstanding uncertain times.

APPRECIATION

I wish to thank my fellow directors, management, and staff of the Group for their committed and responsible custodianship of the FLA brand.

Our continued respect and gratitude go to our policyholders and stakeholders for their continued support.



Livingstone T. Gwata
Chairman

16 September 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	GROUP	
		UNAUDITED	AUDITED
		30-Jun-25 USD	31-Dec-24 USD
ASSETS			
Property and equipment	5	6 998 009	6 740 743
Right of use asset		241 837	105 224
Investment property	6	53 138 293	47 075 151
Intangible assets		131 304	175 296
Other non current assets - gold coins		213 310	170 020
Insurance contract assets	11	2 256 085	337 153
Inventories		35 471	33 754
Income tax asset		582 290	428 031
Trade and other receivables	8	6 143 312	7 813 473
Financial assets at fair value through other comprehensive income		21 733	21 582
Financial assets at fair value through profit or loss	9	27 778 823	20 313 922
Debt securities at amortised cost		3 675 192	4 331 448
Biological assets		106 470	98 280
Cash and deposits with banks	10	3 675 538	3 771 350
Total assets		104 997 667	91 415 427
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued share capital		1 089 233	1 089 233
Share premium		671 409	671 409
Treasury shares		(10 037)	(10 037)
Retained earnings		24 022 543	18 846 436
Revaluation reserve		2 278 836	2 208 836
Foreign currency translation reserve		(31 971 346)	(31 939 147)
Insurance reserve		1 015 438	1 100 111
Total ordinary shareholder-s equity		(2 903 924)	(8 033 159)
Non-controlling interests		9 504 147	8 996 366
Total equity		6 600 223	963 207
Liabilities			
Insurance contract liabilities	11	64 039 523	61 078 420
Investment contract liabilities	11.3	23 646 718	16 669 824
Borrowings	12	1 041 062	3 180 610
Deferred tax liabilities		2 244 840	2 114 713
Lease liability		233 850	91 825
Trade and other payables	13	7 191 451	7 316 828
Total liabilities		98 397 444	90 452 220
Total equity and liabilities		104 997 667	91 415 427

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



LT. Gwata
Chairman



R. Chihota
Managing Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2025

	Notes	GROUP	
		UNAUDITED	
		30-Jun-25 USD	30-Jun-24 USD
Insurance contracts revenue	11.4	8 635 215	8 231 334
Insurance service expenses	11.4	(5 522 361)	(6 097 970)
Insurance service result from insurance contracts issued		3 112 854	2 133 364
Allocation of reinsurance paid	11.4	(259 968)	(165 959)
Amount recoverable from reinsurers for incurred claims	11.4	13 301	13 054
Net expenses from reinsurance contracts held		(246 667)	(152 905)
Insurance service result		2 866 187	1 980 459
Interest revenue from financial instruments not measured at fair value through profit or loss		1 069 191	635 067
Net income from other financial instruments at fair value through profit or loss	9	7 681 229	234 016
Net gains from fair value adjustments to investment properties	6	657 433	5 369 310
Net change in investment contract liabilities	11.3	(6 976 894)	(1 044 695)
Other net investment revenue		3 924 118	316 126
Net gain from foreign exchange		(77 286)	181 160
Rental income from investment property		233 559	7 223
Net Investment Income		6 511 350	5 698 207
Insurance finance expenses for insurance contracts issued		(399 682)	(59 459)
Reinsurance finance income for reinsurance contracts held		-	-
Net insurance finance expenses		(399 682)	(59 459)
Net insurance and investment result		8 977 855	7 619 207
Non-insurance revenue		834 362	1 008 918
Net (loss)/income from other financial instruments at fair value through profit or loss	9	(1 645)	58 900
Net gains from fair value adjustments to investment properties		-	42 000
Other income		1 314 991	831 737
Operating and administrative expenses expenses		(4 962 282)	(4 080 564)
Finance costs		(148 407)	(72 715)
Profit before income tax expense		6 014 874	5 407 483
Income tax expense		(11 058)	(160 283)
Profit for the period		6 003 816	5 247 200
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Gains on property, plant and equipment revaluations		70 000	-
Finance expenses from insurance contracts		(84 673)	-
		(14 673)	-
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(52 127)	(1 248 157)
		(52 127)	(1 248 157)
Other comprehensive income for the period net of tax		(66 800)	(1 248 157)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		5 937 016	3 999 043
Profit for the period attributable to:			
Owners of the parent		5 476 107	5 220 829
Non-controlling interests		527 709	26 371
Total profit for the period		6 003 816	5 247 200
Total comprehensive income attributable to:			
Owners of the parent		5 429 235	4 449 842
Non-controlling interests		507 781	(450 799)
Total comprehensive income for the period		5 937 016	3 999 043
Basic and diluted earnings per share (cents)		5.07	4.84

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2025

						UNAUDITED					
	Share capital USD	Share premium USD	Treasury shares USD	Retained earnings USD	Revaluation reserve USD	Foreign currency translation reserve USD	Non- distributable reserve USD	Insurance Reserve USD	Attributable to shareholders of parent USD	Non-controlling interest USD	Total equity USD
Half year ended 30 June 2024											
Balance at 1 January 2024	1 089 233	671 409	(10 037)	2 753 616	3 938 828	1 796 447	(2 296 814)	4 829 645	12 772 327	5 806 966	18 579 293
Profit for the period	-	-	-	5 220 829	-	-	-	-	5 220 829	26 371	5 247 200
Other comprehensive income for the period	-	-	-	-	-	(770 987)	-	-	(770 987)	(477 170)	(1 248 157)
Balance as at 30 June 2024	1 089 233	671 409	(10 037)	7 974 445	3 938 828	1 025 460	(2 296 814)	4 829 645	17 222 169	5 356 167	22 578 336
Half year ended 30 June 2025											
Balance at 1 January 2025	1 089 233	671 409	(10 037)	18 846 436	2 208 836	(31 939 147)	-	1 100 111	(8 033 159)	8 996 366	963 207
Profit for the period	-	-	-	5 476 107	-	-	-	-	5 476 107	527 709	6 003 816
Other comprehensive income for the period	-	-	-	-	70 000	(32 199)	-	(84 673)	(46 872)	(19 928)	(66 800)
Dividend Paid	-	-	-	(300 000)	-	-	-	-	(300 000)	-	(300 000)
Balance as at 30 June 2025	1 089 233	671 409	(10 037)	24 022 543	2 278 836	(31 971 346)	-	1 015 438	(2 903 924)	9 504 147	6 600 223

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2025

	GROUP	
	UNAUDITED	
	30-Jun-25 USD	30-Jun-24 USD
Notes		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	6 014 874	5 407 483
Non-cash movements in profit before tax	(6 938 228)	(7 084 798)
Operating profit before working capital	(923 354)	(1 677 315)
Working capital changes	1 243 067	8 318 862
Cash generated from operations	319 713	6 667 775
Income taxes paid	(34 805)	(279 602)
Net cashflow from operating activities	284 908	6 388 173
Net cash generated from /(utilised) in investing activities	29 221	(2 800 220)
Net cash (utilised in)/ generated from financing activities	(462 068)	243 031
Net (decrease)/increase in cash and cash equivalents	(147 939)	3 830 984
Cash and cash equivalents at the beginning of the period	3 771 350	2 151 965
Exchange differences on translation of a foreign operation	52 127	1 248 157
Cash and cash equivalents at the end of the period	3 675 538	7 231 106

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2025

1 DIRECTORS'S RESPONSIBILITY STATEMENT

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

2 INDEPENDENT REVIEWER'S STATEMENT

The interim condensed consolidated financial statements for the half year ending 30 June 2025 have not been reviewed by external auditors in line with the waiver of section 38 (1) (a) of the Securities and Exchange rules by statutory instrument 134/19 granted by the Zimbabwe Stock Exchange.

3 ACCOUNTING POLICIES

3.1 Basis of preparation

These interim condensed consolidated financial statements for the halfyear ended 30 June 2025 were prepared in accordance with International Accounting Standard ("IAS") 34, 'Interim financial reporting'.

The interim condensed consolidated financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly,these interim financial statements are to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the Company during the interim reporting period. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period,unless otherwise stated.

3.2 Compliance statement

These interim condensed consolidated financial statements for the half year ended 30 June 2025 have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

3.3 Functional and reporting currency

The interim condensed consolidated financial statements are presented in United States Dollar (USD) which is both the functional and presentation currency of the Group.

3.4 Material Accounting Policies

The accounting policies adopted in these condensed consolidated interim financial statements are consistent with those of the previous financial year and corresponding interim reporting period except for the new standards and interpretations adopted from 1 January 2025.

3.4.1 New and amended standards and interpretations

Amendments to IAS 21 - Lack of Exchangeability

Applicable to annual reporting periods beginning on or after 1 January 2025. The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

Effective date is annual periods beginning on or after 1 January 2026 (early adoption is available). The ammendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements Applicable to annual periods beginning or after 1 January 2027 with early adoption possible subject to local endorsement where required. This standard, issued in April 2024, replaces IAS 1 and introduces new requirements for the statement of profit or loss, disclosure of management-defined performance measures, and principles for grouping information.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective date is for annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

4 EARNINGS PER SHARE (EPS)

	UNAUDITED	
GROUP	30-Jun-25 USD	30-Jun-24 USD
Reconciliation of total earnings to headline earnings attributable to shareholders		
Numerator		
Profit for the year attributable to owners of the parent and profit used in EPS	5 476 107	5 220 829
Add/(deduct) non recurring items		
Impairment of intangible assets	44 595	43 973
Bad debts written off	-	-
Non-recurring income	(3 892 515)	-
Profit on disposal of investment property	-	(148 856)
Taxation on headline earnings adjustable items	(951 206)	25 927
Headline earnings attributable to ordinary shareholders	676 981	5 141 873
Denominator		
Weighted number of ordinary shares in issue	108 923 291	108 923 291
Less: Shares purchased for the Employee Share Ownership Plan	1 003 743	1 003 743
Weighted average number of shares used in basic EPS	107 919 548	107 919 548
Less: Dilutive adjusting effects	-	-
Weighted average number of shares used in diluted EPS	107 919 548	107 919 548
Basic and diluted earnings per share (cents)	5.07	4.84
Headline earnings per share (cents)	0.63	4.76

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 ZSE. Headline earnings per share is calculated by dividing 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).

5 PROPERTY AND EQUIPMENT

	Land and buildings USD	Motor vehicles USD	Equipment and computers USD	Furniture and fittings USD	Total USD
GROUP					
Net carrying amount at 1 January 2024	4 205 308	354 307	468 004	133 451	5 161 070
Gross carrying amount cost/valuation	4 225 512	504 439	682 613	186 471	5 599 035
Accumulated depreciation	(20 204)	(150 132)	(214 609)	(53 020)	(437 965)
Additions	-	10 502	334 868	7 312	352 682
Exchange rate movement on foreign operations	23 363	13 084	19 961	6 635	63 043
Depreciation charge for the year	(2 068)	(107 128)	(150 643)	(41 301)	(301 140)
Revaluation surplus	500 000	965 088	-	-	1 465 088
Gross carrying amount cost/valuation	500 000	965 088	-	-	1 465 088
Accumulated depreciation	-	-	-	-	-
Audited					
Net carrying amount at 31 December 2024	4 726 603	1 235 853	672 190	106 097	6 740 743
Gross carrying amount cost/valuation	4 748 875	1 493 113	1 037 442	200 418	7 479 848
Accumulated depreciation	(22 272)	(257 260)	(365 252)	(94 321)	(739 105)
Additions	-	456 861	52 424	31 370	540 655
Exchange rate movement on foreign operations	-	-	-	-	-
Disposals	-	(40 950)	(50 518)	(27 806)	(119 274)
Gross carrying amount cost/valuation	-	(44 868)	(110 933)	(52 539)	(208 340)
Accumulated depreciation	-	3 918	60 415	24 733	89 066
Depreciation charge for the year	(653)	(138 264)	(74 242)	(20 956)	(234 115)
Revaluation surplus	70 000	-	-	-	70 000
Gross carrying amount cost/valuation	70 000	-	-	-	70 000
Accumulated depreciation	-	-	-	-	-
Unaudited					
Net carrying amount at 30 June 2025	4 795 950	1 513 500	599 854	88 705	6 998 009
Gross carrying amount cost/valuation	4 818 875	1 905 106	978 933	179 249	7 882 163
Accumulated depreciation	(22 925)	(391 606)	(379 079)	(90 544)	(884 154)

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 30 June 2025. There were no buildings pledged as collateral as at 30 June 2025. The value of land and buildings is categorised as a level 3 recurring fair value measurement.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2025 (CONTINUED)

6 INVESTMENT PROPERTY	UNAUDITED		AUDITED
	30-Jun-25 USD		31-Dec-24 USD
GROUP			
Balance at the beginning of the year	47 075 151		36 806 252
Additions	5 699 709		4 277 959
Disposals	(294 000)		(117 750)
Exchange rate movement on foreign operations	-		(1 239)
Fair value gains through profit or loss	657 433		6 109 929
Closing balance	53 138 293		47 075 151

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

As at 30 June 2025, the fair values of the properties are based on valuations performed by Homelux Real Estate an accredited independent valuer. Homelux Real Estate is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied.

There were no transfers between Levels 1 or 2 to Level 3 during the year. The fair value of investment properties is categorised as level 3. Significant judgements and assumptions were applied for the Group's Investment property portfolio. Land banks and residential properties were valued in United States Dollars (USD) using the market comparison method and the income capitalisation method was used to value commercial properties.

7.1 Segment Information		UNAUDITED				
GROUP	Insurance	Property	Other	Consolidation	Total	
30-Jun-25	USD	Investment USD	USD	adjustments USD	USD	
Insurance contract revenue	8 635 215	-	-	-	8 635 215	
Insurance service expenses	(5 522 361)	-	-	-	(5 522 361)	
Net expenses from reinsurance contracts held	(246 667)	-	-	-	(246 667)	
Insurance service result	2 866 187	-	-	-	2 866 187	
Net Investment Income	7 496 068	-	-	(984 718)	6 511 350	
Net insurance finance expenses	(399 682)	-	-	-	(399 682)	
Net insurance and investment result	9 962 573	-	-	(984 718)	8 977 855	
Non insurance income	-	-	1 160 565	(326 203)	834 362	
Other income	1 316 000	-	(2 654)	-	1 313 346	
Indirect expenses	(3 846 394)	-	(1 442 090)	326 202	(4 962 282)	
Finance costs	(148 407)	-	-	-	(148 407)	
Income tax expense	(11 058)	-	-	-	(11 058)	
Profit/(loss) for the period	7 272 714	-	(284 179)	(984 719)	6 003 816	
Segment assets	106 882 692	25 040 000	3 085 698	(30 010 723)	104 997 667	
Segment liabilities	94 839 509	1 891 542	3 351 675	(1 685 282)	98 397 444	

7.2 Segment Information		UNAUDITED				
GROUP	Insurance	Property	Other	Consolidation	Total	
30-Jun-24	USD	Investment USD	USD	adjustments USD	USD	
Insurance contract revenue	8 231 334	-	-	-	8 231 334	
Insurance service expenses	(6 097 970)	-	-	-	(6 097 970)	
Net expenses from reinsurance contracts held	(152 905)	-	-	-	(152 905)	
Insurance service result	1 980 459	-	-	-	1 980 459	
Net Investment Income	5 868 043	-	-	(169 836)	5 698 207	
Net insurance finance expenses	(59 459)	-	-	-	(59 459)	
Net insurance and investment result	7 789 043	-	-	(169 836)	7 619 207	
Non insurance income	-	596 078	-	412 840	1 008 918	
Other income	181 469	-	-	751 168	932 637	
Indirect expenses	(2 082 752)	(496 230)	-	(1 501 582)	(4 080 564)	
Finance costs	-	(72 715)	-	-	(72 715)	
Income tax expense	(160 283)	-	-	-	(160 283)	
Profit/(loss) for the period	5 727 477	27 133	-	(337 574)	(169 836)	
5 247 200						
Segment assets	89 984 562	2 389 907	25 040 000	3 649 567	(29 648 609)	91 415 427
Segment liabilities	84 750 433	2 420 730	1 891 541	2 980 896	(1 591 380)	90 452 220

7.3 Geographical Information		UNAUDITED			
GROUP	Zimbabwe	Malawi	Consolidation	Total	
30-Jun-25	USD	USD	adjustments USD	USD	
Insurance contract revenue	6 141 765	2 493 450	-	8 635 215	
Insurance contract revenue	6 141 765	2 493 450	-	8 635 215	
Insurance service expenses	(4 233 109)	(1 289 252)	-	(5 522 361)	
Net expenses from reinsurance contracts held	(219 841)	(26 826)	-	(246 667)	
Insurance service result	1 688 815	1 177 372	-	2 866 187	
Net Investment Income	6 227 884	1 268 184	(984 718)	6 511 350	
Net insurance finance expenses	(399 682)	-	-	(399 682)	
Net insurance and investment result	7 517 017	2 445 556	(984 718)	8 977 855	
Non insurance income	797 303	363 262	(326 203)	834 362	
Other income	1 313 346	-	-	1 313 346	
Indirect expenses	(3 884 296)	(1 404 189)	326 203	(4 962 282)	
Finance costs	(127 943)	(20 464)	-	(148 407)	
Income tax expense	(7 247)	(3 811)	-	(11 058)	
Profit/(loss) for the period	5 608 180	1 380 354	(984 718)	6 003 816	
Segment assets	103 648 888	31 359 502	(30 010 723)	104 997 667	
Segment liabilities	71 330 404	28 752 322	(1 685 282)	98 397 444	

7.4 Geographical Information		UNAUDITED			
GROUP	Zimbabwe	Malawi	Consolidation	Total	
30-Jun-24	USD	USD	adjustments USD	USD	
Insurance contract revenue	5 424 106	2 807 228	-	8 231 334	
Insurance service expenses	(3 435 538)	(2 662 432)	-	(6 097 970)	
Net expenses from reinsurance contracts held	(135 803)	(17 102)	-	(152 905)	
Insurance service result	1 852 765	127 694	-	1 980 459	
Net Investment Income	5 667 781	200 262	(169 836)	5 698 207	
Net insurance finance expenses	-	(59 459)	-	(59 459)	
Net insurance and investment result	7 520 546	268 497	(169 836)	7 619 207	
Non insurance income	1 001 385	7 533	-	1 008 918	
Other income	932 637	-	-	932 637	
Indirect expenses	(4 004 430)	(76 134)	-	(4 080 564)	
Finance costs	(72 715)	-	-	(72 715)	
Income tax expense	(160 283)	-	-	(160 283)	
Profit/(loss) for the period	5 217 140	199 896	(169 836)	(169 836)	
5 247 200					
Segment assets	97 340 595	23 723 441	(29 648 609)	91 415 427	
Segment liabilities	68 808 903	23 234 697	(1 591 380)	90 452 220	

8 TRADE AND OTHER RECEIVABLES		UNAUDITED	AUDITED
GROUP		30-Jun-25 USD	31-Dec-24 USD
Residential stand sales debtors		10 074	10 135
Micro-finance loans receivable		-	1 824 784
Other trade debtors		5 317 773	5 350 647
Trade receivables - gross		5 327 847	7 185 566
Less: allowance for expected credit losses ("ECL")		(278 232)	(381 608)
Trade receivables - net		10 074	9 820
Residential stand sales debtors		-	1 703 059
Micro-finance loans receivable		5 039 541	5 091 079
Other trade debtors		-	-
Total receivables classified as financial assets at amortised cost		5 049 615	6 803 958
Prepayments		265 364	263 385
Loans to employees		604 512	584 709
Receivables from related parties		223 821	161 421
Total trade and other receivables		6 143 312	7 813 473

The carrying value of trade and other receivables classified as financial assets at amortised cost approximates their fair value.

Included in other receivables balance are debtors arising from non core business activities such as rental debtors and debtors arising from disposal of non core assets from the Southview Development Project.

Receivables from related parties, loans to employees and other receivables are shown net of expected credit losses. The amount of expected credit losses for these receivables are as shown in the table below.

		UNAUDITED	AUDITED
		30-Jun-25 USD	31-Dec-24 USD
The total impairment allowance is made up of the following:		(315)	(315)
Expected credit loss on trade receivables- stand sales debtors		-	(121 725)
Expected credit loss on trade receivables- micro-finance loans receivable		(277 917)	(259 568)
Expected credit loss on trade receivables- other debtors		(278 232)	(381 608)
Closing balance		(278 232)	(381 608)
Movements in expected credit loss are as follows:			
Allowance for expected losses			
Balance at 1 January		(381 608)	(258 662)
Net increase during the period through profit or loss		(18 349)	(297 597)
Impact on period end ECL exposures transferred between stages during the period		121 725	174 651
Closing balance		(278 232)	(381 608)

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		UNAUDITED	AUDITED
GROUP		30-Jun-25 USD	31-Dec-24 USD
Balance at the beginning of the year		20 313 922	11 037 898
Additions		145 557	4 091 066
Fair value adjustments - through profit or loss		7 679 584	4 676 191
Exchange (loss)/gain		(14 950)	615 329
Disposals		(345 290)	(106 562)
Financial assets at fair value through profit or loss		27 778 823	20 313 922

Listed equities are the only financial instruments held by the Group that are measured at fair value. These are shown as equities at fair value through profit or loss in the statement of financial position. The fair values of the equities are determined as Level 1 fair values in the fair value hierarchy. Level 1 fair values are determined based on observable quoted prices in active markets for identical assets that the Group can access.

10 CASH AND DEPOSITS WITH BANKS		UNAUDITED	AUDITED
GROUP		30-Jun-25 USD	31-Dec-24 USD
Cash on hand		44 557	3 581
Cash at bank		470 402	942 509
Investments maturing within 3 months		3 160 579	2 825 260
Cash and deposits with banks		3 675 538	3 771 350

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 subsequently measured at armotised cost.

Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. In the consolidated statement of financial position bank overdrafts are shown within borrowings.

11 INSURANCE CONTRACT ASSETS AND LIABILITIES							
11.1		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:					

		Direct participating contracts USD	Investment contracts with Discretionary Participation Features USD	Investment contracts without Discretionary Participation Features USD	Total USD	Current portion USD	Non Current portion USD	Total USD
GROUP								
Unaudited								
Balance as at 30 Jun 2025					(2 256 085)	(225 609)	(2 030 476)	(2 256 085)
Insurance contract assets	(2 256 085)	-	-	-	(2 256 085)			(2 256 085)
Insurance contract liabilities	38 522 220	25 517 303	-	-	64 039 523	6 403 952	57 635 571	64 039 523
Investment contract liabilities	-	-	23 646 718	-	23 646 718	2 364 672	21 282 046	23 646 718
Audited								
Balance as at 31 Dec 2024					(337 153)	(33 715)	(303 438)	(337 153)
Insurance contract assets	(337 153)	-	-	-	(337 153)			(337 153)
Insurance contract liabilities	31 889 442	29 188 978	-	-	61 078 420	6 107 842	54 970 578	61 078 420
Investment contract liabilities	-	-	16 669 824	-	16 669 824	1 666 982	15 002 842	16 669 824

		UNAUDITED			AUDITED		
		30-Jun-25			31-Dec-24		
GROUP		Liability for remaining coverage USD	Liability for incurred claims USD	Total USD	Liability for remaining coverage USD	Liability for incurred claims USD	Total USD
11.2	Analysis of Insurance Contract Liability and Assets by participation						
Direct Participating Contracts		38 131 326	390 894	38 522 220	31 625 984	263 458	31 889 442
Investment contracts with direct participating contracts		25 517 303	-	25 517 303	32 521 126	(3 332 148)	29 188 978
		63 648 629	390 894	64 039 523	64 147 110	(3 068 690)	61 078 420



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2025 (CONTINUED)

11 INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

11.3 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

	UNAUDITED	AUDITED
GROUP	30-Jun-25 USD	31-Dec-24 USD
Opening balance as at 1 January	16 669 824	10 038 882
Contributions received	1 037 136	5 139 799
Benefits paid	(767 939)	(2 161 354)
Investment return from underlying assets	6 976 894	3 751 688
Asset management fees charged	(269 197)	(99 191)
Closing balance	23 646 718	16 669 824

11.4 Insurance contract revenue and expenses

An analysis of insurance revenue, insurance service expensive and net expenses from insurance contracts held by product line for the half year ended 30 June 2025 and 2024 is included in the following tables

	UNAUDITED		
GROUP	Direct participating contracts USD	Investment contracts with DPF USD	Total USD
30-Jun-25			
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	3 302 132	1 773 879	5 076 011
Change in the risk adjustment for non- financial risk for the risk expired after loss component allocation	284 962	183 331	468 293
CSM recognised in profit or loss for the services provided	732 983	2 582 612	3 315 595
Insurance acquisition cash flow recovery	(1 144 873)	35 991	(1 108 882)
Insurance revenue from contracts not measured under the PAA	3 175 204	4 575 813	7 751 017
Insurance revenue from contracts measured under the PAA	-	714 284	714 284
Insurance revenue from contracts measured under VFA	169 914	-	169 914
Total insurance revenue	3 345 118	5 290 097	8 635 215
Insurance service expenses			
Incurred claims	1 770 979	1 164 807	2 935 786
Directly attributable expenses	197 173	1 897 906	2 095 079
Insurance acquisition cashflows amortisation	127 385	364 111	491 496
Total insurance service expenses	2 095 537	3 426 824	5 522 361
Reinsurance expenses-contracts measured under the PAA	259 968	-	259 968
Other incurred directly attributable expenses	(13 301)	-	(13 301)
Total net expenses from reinsurance contracts held	246 667	-	246 667
Total insurance service result	1 002 914	1 863 273	2 866 187

	UNAUDITED		
GROUP	Direct participating contracts USD	Investment contracts with DPF USD	Total USD
30-Jun-24			
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	2 618 913	3 375 254	5 994 167
Change in the risk adjustment for non- financial risk for the risk expired after loss component allocation	4 494	333 799	338 293
CSM recognised in profit or loss for the services provided	63 324	934 212	997 536
Insurance revenue from contracts not measured under the PAA	2 686 731	4 643 265	7 329 996
Insurance revenue from contracts measured under the PAA	151 231	667 955	819 186
Insurance revenue from contracts measured under VFA	-	82 152	82 152
Total insurance revenue	2 837 962	5 393 372	8 231 334
Insurance service expenses			
Incurred claims	447 801	1 343 403	1 791 204
Directly attributable expenses	658 527	3 026 879	3 685 406
Changes that relate to past service -adjustments to the LIC	37 712	25 148	62 860
Insurance acquisition cashflows amortisation	11 624	546 876	558 500
Total insurance service expenses	1 155 664	4 942 306	6 097 970
Reinsurance expenses-contracts measured under the PAA	(165 959)	-	(165 959)
Claims recovered	13 054	-	13 054
Total net expenses from reinsurance contracts held	(152 905)	-	(152 905)
Total insurance service result	1 529 393	451 066	1 980 459 129

12 BORROWINGS

	UNAUDITED	AUDITED
GROUP	30-Jun-25 USD	31-Dec-24 USD
12.1 Short-Term Borrowings		
ZB Bank	-	568 565
Steward Bank	-	511 644
National Social Security Authority	-	1 000 000
Nedbank Limited	406 014	330 566
NBS Bank	635 048	769 835
	1 041 062	3 180 610

ZB Bank Limited

The loan facility with ZB was obtained in 2024 as a line of credit for the micro-finance business to increase the unit's lending capacity. The facility is denominated in USD and accrues interest at 18.6% per annum on a 18 month tenure expiring on 31 January 2026.

Steward Bank

The loan facility amounting to USD500,000 was obtained in 2024 as a line of credit for the micro-finance business to increase the unit's lending capacity. The facility is denominated in USD and accrues interest at 25% per annum on a one year tenure expiring on 31 October 2025.

National Social Security Authority

A loan facility with the National Social Security Authority ("NSSA") amounting to USD1,000 000 was obtained as a line of credit to bolster the microlending business unit lending capacity. The facility accrues interest at 24% per annum on a one year tenure expiring on 31 May 2025 and is secured by a mortgage bond supported by Zimre Holdings Limited guarantee.

Nedbank Limited

Fidelity Life Assurance of Zimbabwe Limited obtained a loan amounting to USD398,296 for asset financing. The facility accrues interest at the rate of 14% per annum and is repayable over 36 months. The loan is secured over the assets acquired.

NBS Bank

Fidelity Life Assurance of Zimbabwe Limited obtained an asset financing facility amounting to USD837 488,94 from NBS Bank. The facility accrues interest at 18% per annum repayable in 24 months expiring on 31 October 2027. The loan is secured over the assets acquired.

	UNAUDITED	AUDITED
GROUP	30-Jun-25 USD	31-Dec-24 USD
12.2 Movements in borrowings during the period were as follows:		
Balance at 1 January	3 180 610	752 288
Net cash out flow on borrowings	(2 139 548)	2 428 322
Proceeds from borrowings	134 455	2 655 329
Repayment of borrowings	(193 794)	(174 774)
Disposals	(2 080 209)	-
Finance costs capitalised	(105 407)	242 138
Finance costs paid	105 407	(294 371)
Closing balance	1 041 062	3 180 610

	UNAUDITED	AUDITED
GROUP	30-Jun-25 USD	31-Dec-24 USD
13 TRADE AND OTHER PAYABLES		
Trade payables	411 726	611 165
Related party payables	171 360	157 807
Statutory liabilities	241 645	271 752
Other payables	6 366 720	6 276 104
	7 191 451	7 316 828

14 DECLARATION OF DIVIDEND

The Board of Directors declared a dividend of USD USD300,000 or USD0.002754 per share in respect of the 2024 financial year which was subsequently paid in June 2025.

15 CONTINGENCIES

15.1 Litigations against the Company

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

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

There is a high probability that the matter will be determined in FLA's favour given that the transaction met all the regulatory compliance conditions including director and shareholder approvals, prior to its conclusion.



Your Future,
Our Commitment

At Fidelity Life Assurance, we're dedicated to expanding our reach to underserved communities. With innovative products tailored just for you, we aim to make financial security accessible to all. Join us as we grow together, building a brighter future.

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