



CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

I am pleased to present the financial results of Zimre Holdings Limited ("ZHL") and its subsidiaries and associates (together the "Group") for the year ended 31 December 2020. The year 2020 experienced the unprecedented shock of the Coronavirus ("COVID-19") global pandemic outbreak that led to the massive disruption of economic activity which in turn led to the contraction of the global economy by a record 3.3% according to the International Monetary Fund ("IMF").

Directors responsibility

The Directors of ZHL are responsible for the preparation and presentation of the Group's consolidated financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), except for non-compliance with International Accounting Standard ("IAS") 21, 'The Effects of changes in foreign exchange rates' and consequently IAS 29, 'Financial reporting in hyper-inflationary economies'. Notwithstanding, the financial statements comply with the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange "ZSE" Listing Requirements. There were no changes to the principal accounting policies of the Group compared to those applied in the previous year.

Independent auditor's statement

The Group annual financial statements have been audited by PricewaterhouseCoopers Chartered Accountants (Zimbabwe) who have issued an adverse opinion on the basis of non-compliance with IAS 21, 'The Effects of changes in foreign exchange rates', IAS 29 'Financial reporting in hyper-inflationary economies' and property valuations. The generic adverse opinion has been issued on all market players.

Compliance with International Accounting Standard 29, 'Financial reporting in hyperinflationary economies'

In line with the pronouncement of the Public Auditors and Accountants Board ("PAAB") that Zimbabwe is a hyper-inflationary economy, the Group financial statements have been restated using the consumer price index ("CPI"). Non-monetary assets and liabilities carried at historical cost have been restated to reflect the change in the general price index. Monetary assets and liabilities and non-monetary assets and liabilities carried at revalued amounts have not been restated as they are presented at the measuring unit current at the end of the period. Items recognised in the statement of comprehensive income have been restated by applying the changes in the general price index on the dates the transactions were initially earned or incurred. A net monetary adjustment was recognised in the statement of comprehensive income. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period. Comparative amounts in the Group financial results have been adjusted to reflect the change in the general price index. Financial results prepared under the historical cost convention have been presented as supplementary information.

Business environment

Zimbabwe

The economy contracted by 8.0% ("IMF") in 2020 which was attributed to the onset of the coronavirus pandemic and the resultant lockdowns and disruption to economic activity, as well as the successive years of drought. However, there was growing optimism in business circles towards year end following signs of economic stability emanating from the return of the multicurrency regime, the introduction of the currency auction system on 23 June 2020 which brought about general exchange rate stability, declining trend in inflation and stability in prices as well as the onset of the above normal rainy season. Headwinds to full economic recovery and stability still remain, emanating from the hyperinflationary environment, the power shortages putting a strain on capacity utilisation in industry, foreign currency supply constraints, subdued aggregate demand and consumer spending as well as the debt overhang and strained international relations.

Botswana

The outbreak of the COVID-19 pandemic, the severe droughts and the volatility of the international diamond markets exposed the limitations of an undiversified economy leading to a contraction of 8.3% in 2020. However, growth is anticipated in 2021 on account of revival in the diamond, agricultural and tourism industries.

Malawi

With an undiversified economy which is largely dependent on agriculture, Malawi experienced significant challenges in 2020 exacerbated by the outbreak of the COVID-19 pandemic. The existence of a large informal sector, weakening domestic demand and lack of adequate fiscal space to respond to the challenges, coupled with weak global conditions resulted in the country's economy growing by a marginal 0.6% in 2020. The economy is expected to rebound in 2021 on account of an anticipated good agricultural season.

Zambia

The outbreak of the COVID-19 pandemic, depressed commodity markets for copper, increasing external debt servicing costs, a depreciating currency (44% in 2020), falling exports, domestic inflationary pressures and declining capital inflows, all worsened the country's macroeconomic conditions. As a result, the economy contracted by 3.5% in 2020.

Mozambique

The economy contracted by 0.5% in 2020 on account of the outbreak of the COVID-19 pandemic, the occurrence of natural disasters and the disruptions associated with the deteriorating security situation in the north of the country. Coronavirus linked travel restrictions impacted negatively on the tourism sector. Real GDP is expected to grow modestly in 2021 as coal output increases and major liquefied natural gas projects come on stream. Growth in exports and inward investment is also expected to drive economic growth in 2021.

Market overview

The outbreak of the COVID-19 pandemic forced the Group to invest in and accelerate the digitalisation strategy, improve customer supply chains, augment existing internal and external communication as physical interactions were restricted. Effective customer and other stakeholder engagements were implemented through optimisation of technology. Business continuity plans implemented during the lockdowns ensured the continuous flow of business in all operating units. Demand for insurance and rental space remained buoyant notwithstanding trends in the rationalisation of space by tenants as most business was conducted from home during the lockdowns. There was a slowdown in property sales and increased pressure on occupancies on leased premises. The onset of hyperinflation in Zimbabwe resulted in the need to constantly review sums insured by policyholders and a spike in the cost of insurance claims and operating costs. The tight liquidity situation in Zimbabwe slowed down premium and rental collection thereby impacting investment portfolio growth.

Overall Group performance

Despite the onset of the COVID-19 pandemic which brought about severe interruptions to economic activity, the Group achieved modest growth and profitability in business underpinned by strong performance in the Botswana and Mozambique operations. The regional diversification strategy became handy as the impact of the outbreak of the COVID-19 pandemic on Group performance was less severe as different fiscal and monetary interventions in each country where the Group operates were implemented to mitigate the effects of the pandemic.

Statement of comprehensive income

Total income

In inflation-adjusted terms, total income at ZWL2.8 billion grew by 11% over the ZWL2.5 billion achieved in the same period in 2019. On a historical cost basis, total income increased by 584% from ZWL0.6 billion in 2019 to ZWL4.4 billion in 2020. The increase was mainly driven by the strong top-line growth in premium income in Mozambique and Botswana as the units consolidated their respective market positions, the growth in rental income with the coming on stream of property space with high rental yield and the upward reviews of rentals as well as property revaluation gains following the change of functional currency. The regional operations contributed 57% in GPW in 2020 compared to 64% in 2019. The contribution mix is underpinned by the clawback in the Zimbabwean operations and the continued beneficial hedging effects of the regional operations.

Total claims and expenses

On an inflation-adjusted basis, total claims and expenses declined by 27% from ZWL1.9 billion in 2019 when compared to the ZWL1.4 billion registered in 2020. The decrease was driven by an overall decline in operating expenses, acquisition costs and claims. In historical cost terms, there was an overall increase in claims and expenses due to exchange rate driven inflationary pressures experienced in the domestic economy. Management remains committed to keeping operating costs and technical expenses under control and in line with revenue growth.

Profit for the year

The Group sustained growth in profitability in inflation-adjusted terms, registering an increase of 107% in profit for the year from the ZWL0.5 billion registered in 2019 to ZWL0.9 billion in 2020. In historical cost terms profit for the year increased by 578% from ZWL0.4 billion in 2019 to ZWL2.9 billion in 2020 on account of the strong top-line business growth in some business units and the investment portfolio fair valuations following the change of the functional currency in Zimbabwe.

Total comprehensive income

In inflation-adjusted terms total comprehensive income was ZWL1.4 billion against ZWL1.3 billion in 2019. On a historical cost basis it was ZWL3.9 billion against ZWL0.6 billion in 2019 and was attributed to exchange rate differences on translation of foreign operations, fair value gains on financial assets and gains on property and equipment revaluations.

Statement of financial position

Total assets

Total assets grew by 154% in inflation-adjusted terms from ZWL4.9 billion (ZWL1.1 billion in historical cost basis) in 2019 to ZWL12.5 billion (ZWL12 billion in historical cost terms) in 2020. The Group's financial position remained sound mainly due to the revaluation of investment properties and other non-monetary assets.

Shareholders' equity

At ZWL5.1 billion as at 31 December 2020 in inflation-adjusted terms, shareholders' equity grew by 98% from ZWL2.6 billion in 2019. In historical cost terms, shareholders' equity was at ZWL4.6 billion compared to ZWL0.5 billion as at 31 December 2019. The 768% increase was attributed to the profitability recorded by the Group.

Cash flow

Positive cash flows were generated from most operations mainly due to the strong business growth momentum achieved, leasing of space to quality tenants, implementation of premium warranty policies in certain markets and strengthening of the effects of moderate improvements in credit control functions in most business units. Overall, the Group generated cash of ZWL 4.8 billion from operations which was 336% up from the comparative period in 2019.

Key developments and milestones

The delisting of Zimre Property Investments Limited ("ZPI") with effect from 10 November 2020, was completed when ZHL had achieved a 100% shareholding in the company as the Group sought to consolidate its operations, strengthen the balance sheet and streamline operational costs in the face of mounting economic challenges. Fidelity Life Assurance of Zimbabwe Limited ("FLA") became a subsidiary of ZHL with effect from 4 December 2020 following the successful acquisition of a 67% equity stake in the business.

Impact of COVID-19 outbreak

Strict lockdown measures introduced towards the end of March 2020 were gradually relaxed in the course of the year. However, the infection rate rose sharply across the region in December 2020 resulting in the imposition of stricter lockdown measures in January 2021 which resulted in further disruption and reduction in business activity. However, the Group business units continued operating with minimum interruption due to the business continuity plans put in place following the first lockdown.

The Group continues to observe the Ministry of Health and Child Welfare and World Health Organization ("WHO") guidelines to ensure the safety of employees and stakeholders. The Group businesses remain resilient in the face of the risks posed by the pandemic and the impact of the virus on the financial health of the Group is expected to be minimum.

Directorate

During the year under review, there were no changes to the ZHL Board of Directors. However, on 12th April 2021, Mr. Desmond Matete was appointed to the Board of Directors.

Dividend

In line with the Company's dividend policy and after careful consideration of the Company's level of profitability and reserves, the national lockdowns as a result of the Coronavirus outbreak and associated risks to business growth, the Directors have found it prudent to declare a dividend of ZWL30 million, which despite being below the Company's expected dividend policy of two and half times cover, is a result of the Directors' recognition of the need for frequent dividend distributions particularly in the prevailing domestic economic environment. The Dividend Notice was published on the 28th of June 2021 in accordance with the Company's Articles of Association and the Zimbabwe Stock Exchange Listing Requirements.

Outlook and strategy

2021 is expected to be another challenging year given the worldwide resurgence of COVID-19 cases and the emergence of new variants. The roll out of vaccines is expected to assist in containing the spread and to mitigate the negative effects of the virus on economic activity. The above normal rainfall season in the region is expected to boost the recovery of the agricultural sector, downstream industries, and food security in support of overall economic growth. Different fiscal and monetary interventions being implemented by governments in each country to stimulate recovery will also assist economic expansion in the Southern African Development Community ("SADC"). The IMF is projecting a 3.1% GDP growth in Zimbabwe in 2021 driven by a rebound in agriculture and mining activities. Key business growth strategies will be underpinned by strong cash generation in the business units, customer focus and effective change management. The restoration of heartland investments in property and long-term insurance sectors, extracting value from synergies and ensuring sustainable re-rating of ZHL and creating value for shareholders, are on course to be achieved. Diversifying revenue streams and pursuing opportunities for mergers and acquisition in order to grow the business portfolio leveraging on the enhanced balance sheet are being implemented.

Appreciation

I would like to thank our directors throughout the Group, staff, business partners and other stakeholders who contributed to the achievement of these results.



B. N. Kumalo
CHAIRMAN
30 June, 2021

ZIMRE HOLDINGS LIMITED
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	INFLATION ADJUSTED		HISTORICAL COST	
	Audited Group 31 December 2020 ZWL	Audited Group 31 December 2019 ZWL	Unaudited Group 31 December 2020 ZWL	Unaudited Group 31 December 2019 ZWL
Profit attributable to:				
Equity holders of Zimre Holdings Limited	558 250 504	187 395 112	2 015 543 197	269 729 090
Non-controlling interests	424 904 446	288 563 626	856 095 733	149 278 807
	983 154 950	475 958 738	2 871 638 930	419 007 897
Total comprehensive income attributable to:				
Equity holders of Zimre Holdings Limited	903 618 430	968 733 415	2 888 641 224	471 037 973
Non-controlling interests	456 927 200	399 024 078	1 045 708 573	161 712 836
	1 360 545 630	1 307 757 493	3 934 349 797	632 750 809
Earnings per share attributable to owners of Zimre Holdings Limited				
Basic and diluted earnings per share (ZWL cents):	35.85	12.22	129.44	17.59

ZIMRE HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

INFLATION ADJUSTED	Share capital ZWL	Share premium ZWL	Treasury shares ZWL	Revaluation reserve ZWL	Financial assets at fair value through other comprehensive income reserve ZWL	Foreign currency translation reserve ZWL	Change in ownership reserve ZWL	Retained earnings/(accumulated losses) ZWL	Attributable equity holders of parent ZWL	Non-controlling interest ZWL	Total equity ZWL
Year ended 31 December 2019											
Balance as at 1 January 2019, as previously reported	508 539 756	379 042 460	(439 188)	390 317 016	30 559 712	(93 023 664)	-	362 850 895	1 577 846 987	411 423 563	1 989 270 550
Changes on initial application of IFRS 16	-	-	-	-	-	-	-	(1 841 085)	(1 841 085)	-	(1 841 085)
Balance as at 1 January 2019, as restated	508 539 756	379 042 460	(439 188)	390 317 016	30 559 712	(93 023 664)	-	361 009 810	1 576 005 902	411 423 563	1 987 429 465
Total comprehensive income for the year	-	-	-	87 919 128	146 311 196	547 107 979	-	187 395 112	968 733 415	339 024 078	1 307 757 493
Profit for the year	-	-	-	-	-	-	-	187 395 112	187 395 112	288 563 626	475 958 738
Other comprehensive income for the year, net of tax	-	-	-	87 919 128	146 311 196	547 107 979	-	-	781 338 303	50 460 452	831 798 755
Transactions with owners in their capacity as owners	-	-	(79 938)	-	-	-	22 682 123	-	22 602 185	(22 682 123)	(79 938)
Share buy-back	-	-	(79 938)	-	-	-	-	-	(79 938)	-	(79 938)
Change in ownership percentage	-	-	-	-	-	-	22 682 123	-	22 682 123	(22 682 123)	-
Balance as at 31 December 2019	508 539 756	379 042 460	(519 126)	478 236 144	176 870 908	454 084 315	22 682 123	548 404 922	2 567 341 502	727 765 518	3 295 107 020



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

	Share capital ZWL	Share premium ZWL	Treasury shares ZWL	Revaluation reserve ZWL	Financial assets at fair value through other comprehensive income reserve ZWL	Foreign currency translation reserve ZWL	Change in ownership reserve ZWL	Retained earnings ZWL	Attributable equity holders of parent ZWL	Non-controlling interest ZWL	Total equity ZWL
INFLATION ADJUSTED											
Year ended 31 December 2020											
Balance as at 1 January 2020	508 539 756	379 042 460	(519 126)	478 236 144	176 870 908	454 084 315	22 682 123	548 404 922	2 567 341 502	727 765 518	3 295 107 020
Total comprehensive income for the year	-	-	-	(6 901 101)	(60 596 880)	412 865 908	-	558 250 504	903 618 431	456 927 199	1 360 545 630
Profit for the year	-	-	-	-	-	-	-	558 250 504	558 250 504	424 904 446	983 154 950
Other comprehensive income for the year, net of tax	-	-	-	(6 901 101)	(60 596 880)	412 865 908	-	-	345 367 927	32 022 753	377 390 680
Write back of impairment of associate	-	-	-	-	-	-	-	407 452 977	407 452 977	-	407 452 977
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	537 962 261	537 962 261
Transactions with owners in their capacity as owners	2 848 798	776 295 078	(1 039 000)	-	-	-	425 491 471	(5 307 862)	1 198 288 485	(1 047 706 419)	150 582 066
Dividend declared and paid	-	-	-	-	-	-	-	(5 307 862)	(5 307 862)	(1 462 564)	(6 770 426)
Issue of shares	2 848 798	801 936 775	-	-	-	-	-	-	804 785 573	-	804 785 573
Issue of shares transaction costs	-	(25 641 697)	-	-	-	-	-	-	(25 641 697)	-	(25 641 697)
Share buy-back	-	-	(1 039 000)	-	-	-	-	-	(1 039 000)	-	(1 039 000)
Change in ownership percentage	-	-	-	-	-	-	425 491 471	-	425 491 471	(1 046 243 855)	(620 752 384)
Balance as at 31 December 2020	511 388 554	1 155 337 538	(1 558 126)	471 335 043	116 274 028	866 950 223	448 173 594	1 508 800 541	5 076 701 395	674 948 559	5 751 649 954

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

	Share capital ZWL	Share premium ZWL	Treasury shares ZWL	Revaluation reserve ZWL	Financial assets at fair value through other comprehensive income reserve ZWL	Foreign currency translation reserve ZWL	Change in ownership reserve ZWL	Retained earnings ZWL	Attributable equity holders of parent ZWL	Non-controlling interest ZWL	Total ZWL
HISTORICAL COST											
Year ended 31 December 2019											
Balance as at 1 January 2019, as previously reported	15 326 649	11 427 034	(8 886)	14 017 038	1 990 559	(8 165 707)	-	20 803 807	55 390 494	18 714 474	74 104 968
Change in accounting policy due to adoption of IFRS 16	-	-	-	-	-	-	-	(35 430)	(35 430)	-	(35 430)
Balance as at 1 January 2019 as restated	15 326 649	11 427 034	(8 886)	14 017 038	1 990 559	(8 165 707)	-	20 768 377	55 355 064	18 714 474	74 069 538
Total comprehensive income for the year	-	-	-	32 301 301	55 267 556	113 740 025	-	269 729 091	471 037 973	161 712 836	632 750 809
Profit for the year	-	-	-	-	-	-	-	269 729 091	269 729 091	149 278 807	419 007 898
Other comprehensive income for the year, net of tax	-	-	-	32 301 301	55 267 556	113 740 025	-	-	201 308 882	12 434 029	213 742 911
Transactions with owners in their capacity as owners	-	-	(17 046)	-	-	-	814 869	-	797 823	(814 869)	(17 046)
Share buy-back	-	-	(17 046)	-	-	-	-	-	(17 046)	-	(17 046)
Change in ownership percentage	-	-	-	-	-	-	814 869	-	814 869	(814 869)	-
Balance as at 31 December 2019	15 326 649	11 427 034	(25 932)	46 318 339	57 258 115	105 574 318	814 869	290 497 467	527 190 859	179 612 441	706 803 300
Balance as at 1 January 2020, as previously reported	15 326 649	11 427 034	(25 932)	46 318 339	57 258 115	105 574 318	814 869	290 497 467	527 190 859	179 612 441	706 803 300
Year ended 31 December 2020											
Total comprehensive income for the year	-	-	-	418 912 121	31 046 276	423 139 630	-	2 015 543 197	2 888 641 224	1 045 708 573	3 934 349 797
Profit for the year	-	-	-	-	-	-	-	2 015 543 197	2 015 543 197	856 095 733	2 871 638 930
Other comprehensive income for the year, net of tax	-	-	-	418 912 121	31 046 276	423 139 630	-	-	873 098 027	189 612 840	1 062 710 867
Write back of impairment of associate	-	-	-	-	-	-	-	49 029 027	49 029 027	-	49 029 027
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	533 591 839	533 591 839
Transactions with owners in their capacity as owners	2 848 798	776 295 078	(997 149)	-	-	-	333 686 145	(3 100 000)	1 108 732 872	(955 292 825)	153 440 047
Dividend declared and paid	-	-	-	-	-	-	-	(3 100 000)	(3 100 000)	(854 296)	(3 954 296)
Issue of shares	2 848 798	801 936 775	-	-	-	-	-	-	804 785 573	-	804 785 573
Issue of shares transaction costs	-	(25 641 697)	-	-	-	-	-	-	(25 641 697)	-	(25 641 697)
Share buy-back	-	-	(997 149)	-	-	-	-	-	(997 149)	-	(997 149)
Change in ownership percentage	-	-	-	-	-	-	333 686 145	-	333 686 145	(954 438 529)	(620 752 384)
Balance as at 31 December 2020	18 175 447	787 722 112	(1 023 081)	465 230 460	88 304 391	528 713 948	334 501 014	2 351 969 692	4 573 593 983	803 620 028	5 377 214 011



ZIMRE HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	INFLATION ADJUSTED		HISTORICAL COST	
	Audited Group 31 Dec-20 ZWL	Audited Group 31 Dec-19 ZWL	Group 31 Dec-20 ZWL	Group 31 Dec-19 ZWL
Cash flows from operating activities				
Profit before income tax	1 048 332 733	601 673 891	2 969 231 508	437 584 402
Non-cash items	3 674 589 540	85 785 836	1 488 168 896	(375 394 260)
Operating cash flow before working capital changes	4 722 922 273	687 459 727	4 457 400 404	62 190 142
Working capital changes	61 058 337	409 971 133	158 381 712	37 650 445
Cash generated from operations	4 783 980 610	1 097 430 860	4 615 782 116	99 840 587
Finance costs	(11 989 458)	(22 542 393)	(9 509 571)	(1 355 760)
Income tax paid	(13 876 390)	(8 976 951)	(13 129 865)	(1 016 213)
Net cashflow from operating activities	4 758 114 762	1 065 911 516	4 593 142 680	97 468 614
Net cash utilised in investing activities	(3 427 277 266)	(301 486 203)	(3 297 586 991)	(22 655 727)
Net cash flow from financing activities	103 968 144	9 948 444	(9 695 968)	967 518
Inflation effect	(467 694 122)	(827 222 241)	-	-
Increase/(decrease) in cash and cash equivalents during the period	967 111 518	(52 848 484)	1 285 859 721	75 780 405
Cash and cash equivalent at beginning of the year	410 188 652	272 858 292	91 440 449	9 792 554
Effect of exchange rate movement	(192 257 701)	190 178 844	(192 257 701)	5 867 490
Cash and cash equivalent at the end of the year	1 185 042 469	410 188 652	1 185 042 469	91 440 449

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

ZIMRE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 GENERAL INFORMATION

The principal activities of Zimre Holdings Limited (the "Company" or "ZHL") and its subsidiaries and associates (together "the Group") is the provision of life assurance, non life insurance (general insurance, reinsurance, healthcare, funeral assurance), property management and development services, asset management and microlending. The Group also has an associate in the agro-industrial sector.

Zimre Holdings Limited is a public company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange ("ZSE"). The registered office is located at Block D, 2nd Floor, Smatsatsa Office Park, Stand Number 10667, Borrowdale, Harare, Zimbabwe.

The abridged financial statements of the Group for the year ended 31 December 2020 were authorised for issue by a resolution of the Board of Directors on 29 June 2021.

1.1 Acquisition of Fidelity Life Assurance Company of Zimbabwe Limited

On 30 September 2020, the shareholders of Zimre Holdings Limited ("ZHL") approved the acquisition by ZHL of 38,224,928 issued shares of Fidelity Life Assurance Company of Zimbabwe Limited ("FLA") from NSSA. The shares constituted 35.09% of the entire shareholding by NSSA in FLA and was settled through the issuance of new ZHL ordinary shares on the basis of 1 ZHL ordinary share for every 0.59 FLA shares held by NSSA. The acquisition of FLA shares by ZHL was effected on the 1st of December 2020 and subsequent to the acquisition of FLA shares by ZHL, the Company now has 66.95% shareholding in FLA. Prior to this, FLA was accounted for as an associate.

2 BASIS OF PREPARATION

This abridged consolidated financial statements for the reporting period ended 31 December 2020 has been prepared in accordance with International Financial Reporting Standards ("IFRS"), except for non compliance with International Accounting Standard ("IAS") 21, 'The effects of foreign exchange rates' and IAS 29, 'Financial reporting in hyper-inflationary economies'.

The abridged financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by the Company during the reporting period.

2.1 Compliance statement

These abridged consolidated financial statements for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards and in a manner that is required by the Zimbabwe Companies and Other Business Entities Act [Chapter 24:31] except for non compliance with International Accounting Standard ("IAS") 21, 'The effects of foreign exchange rates' which also led to non compliance with IAS 29, 'Financial reporting in hyper-inflationary economies'.

2.2 Independent auditor's Statement

The inflation adjusted financial statements from which the abridged version has been extracted have been audited by PricewaterhouseCoopers Chartered Accountants (Zimbabwe). The engagement partner on the audit is Evangelista Ravasingadi. An adverse audit opinion has been issued thereon due to non compliance with International Accounting Standard 21 ("IAS 21"), 'The Effects of changes in foreign exchange rates' and the impact on the inflation adjusted amounts determined in terms of IAS 29, 'Financial reporting in hyper-inflationary economies', and valuation of properties. The auditor's report includes a section on key audit matters relating to valuation of insurance contract liabilities and adequacy of estimation of expected credit losses on trade and other receivables.

The audit report on the financial statements is available for inspection at the Company's registered office.

2.3 Hyperinflation accounting

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

For purposes of fair presentation in accordance with IAS 29, the historical cost information has been restated for changes in the general purchasing power of the Zimbabwe dollar. Accordingly the inflation adjusted financial statements represent the primary financial statements of the Group. In line with the provisions of IAS 29, the historical cost financial information has been provided by way of supplementary information only.

IAS 29 requires that the financial statements of the Group whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that the corresponding figures for the comparative periods be stated in the same terms. These financial statements and the corresponding figures for the previous years have been restated to take account of the changes in the general purchasing power of the ZWL. The restatement is based on conversion factors derived from the Zimbabwe Consumer Price Index ("CPI") compiled by the Reserve Bank of Zimbabwe from the figures published by the Zimbabwe National Statistics Agency. The indices and conversion factors used are as follows:

Dates	Index	Conversion factor
31 December 2020	2 474.51	1.0000
31 December 2019	551.63	4.49
31 December 2018	88.81	27.86
31 October 2018	74.6	33.17
31 December 2017	61.13	40.48
Averages for year-ended:		
31 December 2020	1 579.09	1.57
31 December 2019	240.27	10.30
31 December 2018	61.13	40.48
31 December 2017	67.63	36.59

Functional and presentation currency

The financial statements are presented in Zimbabwe dollar ("ZWL") which is both the functional and presentation currency of the Group. Zimbabwe witnessed significant monetary and exchange control policy changes from 2016 through to 2019. These changes resulted in the promulgation of S.I. 33 of 2019 on 22 February 2019 which introduced the RTGS dollar and the use of the interbank market.

In the current financial year up to 22 June 2020, the Group translated foreign currency denominated transactions and balances using the interbank rate in line with S.I. 33 of 2019. The rate was fixed at 1:25 for the greater part of that period of the year. However, following the introduction of the Foreign Currency Auction Trading System on 23 June 2020, foreign currency denominated transactions and balances were translated using the auction rate.

2.4 Accounting policies

The accounting policies adopted in these financial statements are consistent with those of the previous financial year.

3 LEGACY CREDITORS

In line with Statutory Instrument 142 of 2019 ("SI 142"), the Reserve of Zimbabwe ("RBZ") issued Exchange Control Directive RU102 of 2019 which authorised the registration of foreign debts incurred when the Zimbabwe dollar was pegged at 1:1 with the United States of America dollar with the RBZ for support on the same rate of 1:1. Following the issuance of the Exchange Control instrument, the Group made applications for total legacy creditors amounting to US\$2.6 million and of this, a total of US\$784 196 was approved for support on the legislated 1:1 basis. However, the total amount is carried at the closing interbank rate as at 31 December 2020 pending the allocation of the foreign currency by the RBZ.

4 SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

The Group remains well placed to grow its revenues and to service its ongoing investments and operating activities, despite the negative effects that the COVID-19 pandemic had on the economy which created a lot of uncertainties to business in all countries where the group operates.

The financial position and performance of the group was particularly affected by the following events during the year ended 31 December 2020

- Hyperinflation in Zimbabwe which has resulted in an increase in operating costs as well as the need to continuously increase rentals to keep up with inflation;
- The COVID-19 pandemic outbreak that has affected the world; and
- Challenges in accessing foreign currency following the functional currency change.

For a detailed discussion about the group's performance and financial position please refer to the Chairman's Statement.



5 INVESTMENT IN ASSOCIATES

Following an assessment carried out on 30 June 2020, the investment in CFI Holdings Limited, which was fully impaired in 2016, was re-recognised as an associate. Furthermore, following the purchase of a controlling stake in FLA by ZHL, the investment in FLA was reclassified to investment in subsidiary. As a result, the carrying amount of investment in associates changed as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	Audited Group 2020 ZWL	Audited Group 2019 ZWL	Reviewed Group 2020 ZWL	Reviewed Group 2019 ZWL
As at 1 January	155 538 660	63 126 952	26 042 624	5 352 764
Write back of investment in CFI	766 549 180	-	59 853 361	-
Share of profit for the year	98 051 834	20 384 899	121 600 187	3 648 161
Share of other comprehensive income of associate	3 693 418	72 026 809	482 915 734	17 041 699
Additions	7 576 528	-	7 576 528	-
Fair value on remeasurement of associate	51 113 672	-	19 177 952	-
Other equity changes	42 186 972	-	42 988 306	-
Reclassification to investment in subsidiaries	(146 889 468)	-	(66 178 546)	-
Closing balance	977 820 796	155 538 660	963 976 146	26 042 624

The reporting date for CFI is 30 September. The financial statements taken into account for the associate are for the year ended 30 September 2020. Management has determined that there were no significant transactions to take into account for the period 1 October 2020 to 31 December 2020.

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



6 PROPERTY AND EQUIPMENT

GROUP	INFLATION ADJUSTED				
	Freehold land ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
At 31 December 2019					
Cost or revalued amount	306 524 454	82 147 126	54 590 073	32 407 696	475 669 349
Accumulated depreciation	(18 955 389)	(44 593 821)	(33 430 143)	(11 542 231)	(108 521 584)
Net book amount	287 569 065	37 553 305	21 159 930	20 865 465	367 147 765
At 31 December 2020					
Opening net book amount	287 569 065	37 553 305	21 159 930	20 865 465	367 147 765
Additions	1 055 240	32 247 488	21 238 195	3 046 439	57 587 362
Acquisitions through business combinations	348 019 700	11 460 981	7 348 300	7 555 224	374 384 205
Reclassification to investment property	(20 111 353)	-	-	-	(20 111 353)
Depreciation charge	(5 921 897)	(7 794 260)	(10 292 904)	(4 741 707)	(28 750 769)
Accumulated depreciation on disposals	1 208 666	387 413	-	-	1 596 079
Revaluation surplus	(7 444 669)	1 146 141	-	-	(6 298 528)
Disposals	(178 620)	(148 198)	(817 814)	(12 855)	(1 157 486)
Foreign exchange movements	(22 009 887)	11 004 831	3 282 682	4 747 742	2 974 633
Closing net book amount	582 186 245	85 857 701	41 918 389	31 460 308	741 422 643
At 31 December 2020					
Cost or revalued amount	608 504 483	216 829 516	122 387 149	55 574 163	1 003 295 311
Accumulated depreciation	(26 318 239)	(130 971 815)	(80 468 760)	(24 113 855)	(261 872 668)
Net book amount	582 186 245	85 857 701	41 918 389	31 460 308	741 422 643
GROUP	HISTORICAL COST				
	Freehold land ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
At 31 December 2019					
Cost or revalued amount	63 535 180	12 347 581	5 024 700	2 953 759	83 861 219
Accumulated depreciation	(743 261)	(7 280 136)	(3 007 500)	(1 241 958)	(12 272 855)
Net book amount	62 791 919	5 067 445	2 017 200	1 711 801	71 588 364
At 31 December 2020					
Opening net book amount	62 791 919	5 067 445	2 017 200	1 711 801	71 588 364
Additions	515 716	26 011 023	16 110 592	2 469 406	45 106 737
Acquisitions through business combinations	312 324 620	334 655	121 976	262 099	313 043 349
Reclassification to investment property	(20 111 353)	-	-	-	(20 111 353)
Depreciation charge	(3 659 879)	(6 141 146)	(3 023 441)	(763 521)	(13 587 987)
Revaluation surplus	112 932 359	2 335 148	-	-	115 267 506
Disposals	(1 106 001)	(47 077)	(58 288)	(14 981)	(1 226 346)
Foreign exchange movements	123 957 741	14 044 996	10 158 245	6 495 475	154 656 458
Closing net book amount	587 645 122	41 605 044	25 326 284	10 160 279	664 736 728
At 31 December 2020					
Cost or revalued amount	590 531 195	73 086 754	42 796 963	13 088 713	719 503 625
Accumulated depreciation	(2 886 074)	(31 481 710)	(17 470 679)	(2 928 434)	(54 766 897)
Net book amount	587 645 121	41 605 044	25 326 284	10 160 279	664 736 728

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 2020. Land and buildings with a carrying amount of ZWL278 052 000 (2019 ZWL259 932 714) were pledged as collateral in respect of a borrowing facility with NMB Bank Zimbabwe Limited, which is disclosed in Note 11.



7 INVESTMENT PROPERTY	INFLATION ADJUSTED		HISTORICAL COST	
	Group	Group	Group	Group
	2020	2019	2020	2019
	ZWL	ZWL	ZWL	ZWL
As at 1 January	2 276 886 366	1 281 951 253	507 570 140	46 008 667
Improvements, acquisition, development and capitalised borrowing costs	3 180 123 613	169 737 793	2 829 204 655	11 203 014
Improvements to existing properties	5 783 439	7 514 652	5 008 206	634 483
Acquisition and development	15 189 157	162 223 141	13 153 147	9 823 877
Additions - business combinations	3 159 151 017	-	2 811 043 302	-
Capitalised borrowing costs	-	-	-	744 654
Disposals	(89 466 309)	-	(79 268 773)	-
Fair value gain recognised in profit or loss	813 137 671	774 509 637	2 671 708 387	433 304 102
Reclassifications from owner occupied property	20 111 353	-	20 111 353	-
Exchange rate movement on foreign operations	(3 203 891)	50 687 683	248 363 041	17 054 357
As at 31 December	6 197 588 803	2 276 886 366	6 197 588 803	507 570 140

Investment properties, principally freehold office buildings, are held for long term rental yields and are not occupied by the Group. They are carried at fair value.

Investment property with a total carrying amount of ZWL484,18 million (2019 ZWL290.23 million) was encumbered as at 31 December 2020. The loan was advanced by ZB Bank [See Note 11] and the interest rate ranged from 11.1% to 31.1% per annum.

8 INTANGIBLE ASSETS	INFLATION ADJUSTED		
	Goodwill	Software	Total
	ZWL	ZWL	ZWL
At 31 December 2019			
Cost	9 079 316	16 134 174	25 213 490
Accumulated amortisation and impairment	-	(12 151 746)	(12 151 746)
Net book amount	9 079 316	3 982 428	13 061 744
At 31 December 2020			
Opening net book amount	9 079 316	3 982 428	13 061 744
Additions	61 417 155	25 991 585	87 408 740
Acquisitions through business combinations	-	29 521 655	29 521 655
Amortisation charge	-	(1 978 409)	(1 978 409)
Foreign exchange movements	-	7 012 584	7 012 584
Closing net book amount	70 496 471	64 529 843	135 026 314
At 31 December 2020			
Cost	70 496 471	98 273 931	168 770 402
Accumulated amortisation and impairment	-	(33 744 088)	(33 744 088)
Net book amount	70 496 471	64 529 843	135 026 314

8 INTANGIBLE ASSETS	HISTORICAL COST		
	Goodwill	Software	Total
	ZWL	ZWL	ZWL
At 31 December 2019			
Cost	325 803	674 525	1 000 328
Accumulated amortisation and impairment	-	(334 633)	(334 633)
Net book amount	325 803	339 892	665 695
At 31 December 2020			
Opening net book amount	325 803	339 892	665 695
Additions	144 955 157	25 308 651	170 263 808
Acquisitions through business combinations	-	30 051 826	30 051 826
Amortisation charge	-	(819 336)	(819 336)
Foreign exchange movements	-	745 048	745 048
Closing net book amount	145 280 960	55 626 081	200 907 041
At 31 December 2020			
Cost	145 280 960	56 780 050	202 061 010
Accumulated amortisation and impairment	-	(1 153 969)	(1 153 969)
Net book amount	145 280 960	55 626 081	200 907 041

9 TRADE AND OTHER RECEIVABLES	INFLATION ADJUSTED		HISTORICAL COST	
	Group	Group	Group	Group
	2020	2019	2020	2019
	ZWL	ZWL	ZWL	ZWL
Reinsurance receivables	940 111 347	796 183 605	940 111 347	177 487 568
Due from policyholders under life assurance	178 796 841	-	178 796 841	-
Rental and stand sales receivables	36 569 818	32 552 867	36 569 818	7 256 781
Other receivables and prepayments	272 964 878	117 753 765	268 487 553	26 250 011
Less: allowance for expected credit losses	(178 751 312)	(145 106 234)	(178 751 312)	(32 347 505)
	1 249 691 572	801 384 003	1 245 214 247	178 646 855

The reconciliation of the allowance for credit losses for trade and other receivables is as follows:

As at 1 January	145 106 234	113 184 787	32 347 505	4 722 144
Charge for the period	126 053 819	287 732 604	146 541 931	27 908 132
Amounts written off	(160 058)	(2 911 729)	(138 124)	(282 771)
Effects of IAS 29	(92 248 683)	(252 899 428)	-	-
Closing balance	178 751 312	145 106 234	178 751 312	32 347 505



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10 FINANCIAL ASSETS

10.1 At amortised cost

Financial assets at amortised cost include the following debt investments:

Group	INFLATION ADJUSTED					
	2020			2019		
	Current ZWL	Non-current ZWL	Total ZWL	Current ZWL	Non-current ZWL	Total ZWL
Debentures	-	46 864	46 864	-	210 225	210 225
Mortgage loan	-	10 833 265	10 833 265	-	13 289 419	13 289 419
Bonds and treasury bills	330 687 363	4 587 457	335 274 820	27 727 648	15 726 477	43 454 125
Deposits with financial institutions	96 880 239	-	96 880 239	81 531 776	-	81 531 776
	427 567 602	15 467 586	443 035 188	109 259 424	29 226 121	138 485 545

Group	HISTORICAL COST					
	2020			2019		
	Current ZWL	Non current ZWL	Total ZWL	Current ZWL	Non-current ZWL	Total ZWL
Debentures	-	46 864	46 864	-	46 864	46 864
Mortgage loan	-	10 833 265	10 833 265	-	2 962 516	2 962 516
Government bonds	330 687 363	4 587 457	335 274 820	6 181 128	3 505 792	9 686 920
Deposits with financial institutions	96 880 239	-	96 880 239	18 175 301	-	18 175 301
	427 567 602	15 467 586	443 035 188	24 356 429	6 515 172	30 871 601

Analysis of movements	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2020 ZWL	Group 2019 ZWL	Group 2020 ZWL	Group 2019 ZWL
	As at 1 January	138 485 545	177 412 885	30 871 601
Additions - business combinations	316 923 519	-	316 923 519	-
Purchases	154 562 437	78 231 685	31 164 429	8 742 077
Disposals	(102 082 402)	(13 155 924)	(10 134 513)	(2 070 625)
Foreign exchange movement	74 210 152	80 939 518	74 210 152	18 043 273
Effects of IAS 29	(139 064 063)	(184 942 619)	-	-
Closing balance	443 035 188	138 485 545	443 035 188	30 871 601

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

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

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

10.2 At fair value through profit or loss

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2020 ZWL	Group 2019 ZWL	Group 2020 ZWL	Group 2019 ZWL
	As at 1 January	108 901 367	175 945 297	24 276 611
Additions - business combinations	829 080 888	-	795 485 574	-
Purchases	519 045 674	71 330 851	592 487 627	2 785 652
Disposals	(367 035 255)	(34 817 138)	(176 700 496)	(231 728)
Fair value(loss)/gain	(28 751 411)	(159 315 275)	57 171 162	3 434 226
Effects of IAS 29	231 479 215	2 045 385	-	-
Foreign exchange movement	(555 925 750)	53 712 247	(555 925 750)	11 973 691
Closing balance	736 794 728	108 901 367	736 794 728	24 276 611

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

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

10.3 At fair value through other comprehensive income

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2020 ZWL	Group 2019 ZWL	Group 2020 ZWL	Group 2019 ZWL
	As at 1 January	350 103 492	144 379 084	78 046 090
Additions - business combinations	704 693 434	-	676 138 443	-
Additions	-	25 944 452	-	2 518 957
Disposals	(336 351)	-	(336 351)	-
Fair value gains	(63 303 279)	153 404 635	36 659 604	57 658 115
Effects of IAS 29	(200 649 510)	(30 538 296)	-	-
Foreign exchange movement	(428 840 058)	56 913 617	(428 840 058)	12 687 349
Closing balance	361 667 728	350 103 492	361 667 728	78 046 090

Equity investments at FVOCI comprise the following individual investments:

Unlisted securities	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2020 ZWL	Group 2019 ZWL	Group 2020 ZWL	Group 2019 ZWL
Cell Insurance Company (Private) Limited	20 565 765	50 641 982	20 565 765	11 289 258
Guardian Reinsurance Brokers Limited	5 101 972	6 255 862	5 101 972	1 394 575
PTA Reinsurance Company	239 313 579	220 300 123	239 313 579	49 109 945
Lidwala Insurance Company	93 057 487	63 192 306	93 057 487	14 087 013
Vanguard Life Assurance Company	3 628 925	9 713 219	3 628 925	2 165 299
	361 667 728	350 103 492	361 667 728	78 046 090

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10.4 Fair value hierarchy

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

	Level 1	Level 2	Level 3	Total
	ZWL	ZWL	ZWL	ZWL
As at 31 December 2020				
Financial assets at fair value through profit or loss	736 794 728	-	-	736 794 728
Financial assets at fair value through other comprehensive income	-	-	361 667 728	361 667 728
Total	736 794 728	-	361 667 728	1 098 462 456
As at 31 December 2019				
Financial assets at fair value through profit or loss	108 901 367	-	-	108 901 367
Financial assets at fair value through other comprehensive income	-	-	350 103 492	350 103 492
Total	108 901 367	-	350 103 492	459 004 859

Level 1

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

Level 2

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

Level 3:

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

11 BORROWINGS

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2 020 ZWL	Group 2 019 ZWL	Group 2 020 ZWL	Group 2 019 ZWL
As at 1 January	64 842 518	110 404 807	14 454 883	3 962 351
Drawn downs during the year	147 862 268	42 653 902	50 566 807	3 940 000
Interest for the year	10 150 557	8 594 733	8 486 047	744 654
Capital repayments	(10 022 140)	(25 339 898)	(28 640 505)	(2 248 072)
Interest repayment	(9 053 311)	(8 594 733)	(7 388 801)	(744 654)
Effects of IAS 29	(166 301 461)	(102 354 533)	-	-
Foreign exchange movement	36 986 259	39 478 240	36 986 259	8 800 604
Balance as at 31 December	74 464 690	64 842 518	74 464 690	14 454 883
Non-current	32 221 633	51 213 447	32 221 633	11 416 651
Current	42 243 057	13 629 071	42 243 057	3 038 232
	74 464 690	64 842 518	74 464 690	14 454 883

Bank borrowings comprise loans from financial institutions listed below:-

Central Africa Building Society

The loan was ZWL2 355 522 and bore interest at 10% per annum and was secured by a first mortgage bond on Stand 16591, Harare Township. The loan was paid up during the year.

ZB Bank Limited

- The loan of ZWL2 853 959 bears interest at 31.11% (2019: 31.11%) per annum and is secured by first mortgage bonds over stands 353 Bulawayo Township, 771 Salisbury Township and 326 Fort Victoria Township. The loan is repayable over 3 years.

- The overdraft facility with ZB was acquired as a line-of-credit for the micro-finance business to increase the unit's lending capacity. The loan accrues interest at 49% per annum on a one year tenure. The loan is available for one year, expiring on 28 February 2021.

FBC Bank Limited, Infrastructure Development Bank of Zimbabwe, Standard Chartered Bank of Zimbabwe Limited.

The Group assumed CFI Holdings Limited's loans, issued by these banks amounting to ZWL16 million, when it acquired Langford Estates (1962) (Private) Limited through a land-for-debt swap arrangement in 2015. The borrowings accrue interest at 10% per annum and have a tenor of 7 years ending 30 June 2022. The debt assumption came with a 2-year principal repayment grace period which ended 30 June 2018. The first principal repayment was due in July 2018 and was settled accordingly. The loans were secured through a mortgage bond over investment property and was fully settled during the current year.

NMB Bank Limited Facility

The loan with NMB Bank was acquired to enable settlement of the Redeemable Bonds that were settled in 2018. The NMB loan accrues interest at 10% per annum and has fixed monthly repayments to 31 January 2023. The facility is secured through a first mortgage bond over property valued at ZWL57.1 million and cession of residential stand sales receivables worth ZWL12 million.

Ecobank Zimbabwe Limited loan

The micro-finance business acquired a ZWL7.9 million loan facility with Ecobank Zimbabwe Limited to increase its lending capacity. The facility amount is drawn down in tranches in line with the business' needs. Drawdowns on the facility accrue interest at varying interest rates depending on the prevailing interest rate on each drawdown date. Currently, ZWL7 969 604 of the outstanding amount accrues interest at 45% per annum. The facility is available for one year, expiring on 31 July 2021.

African Banking Corporation (Mozambique) SA

The loan of ZWL8 562 692 bears interest at 20.75% per annum and is secured by acquired asset building 141/8 Marginal Avenue, Maputo, Mozambique. The loan is repayable over 7 years.

First Capital Bank Malawi Limited

The loan with First Capital Bank Malawi Limited was used to refinance Vanguard Life Assurance through a rights issue. The loan is denominated in Malawi Kwacha and accrued interest at 23% per annum. The interest rate was revised to 18.9% as at 31 December 2020 and is subject to variation at the bank's discretion as influenced by bank rates advised by the Reserve Bank of Malawi from time to time. The facility is repayable in equal monthly installments to 31 December 2021. The terms of the loan require security of 110% of the facility amount to be kept in deposit with First Capital Bank Zimbabwe Limited for the duration of the facility, which would amount to US\$377 750. The loan is currently secured by a lien over cash amounting to ZWL377 750 after the deposit previously placed with the bank was converted to ZWL when SI33 became effective. The Group is engaged in discussions with First Capital Bank Malawi Limited to render additional security to meet the US\$377 750 requirement.

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

12 LIQUIDITY GAP

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

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

Liquidity gap analysis

Group	INFLATION ADJUSTED			Total contractual cash flows ZWL
	On demand to 3 months ZWL	3 months to 1 year ZWL	Greater than 1 year ZWL	
As at 31 December 2020				
Assets				
Financial assets:				
- at fair value through profit or loss	-	736 794 728	-	736 794 728
- at amortised cost	-	443 035 188	-	443 035 188
- at fair value through other comprehensive income	-	-	361 667 728	361 667 728
Trade and other receivables (excluding prepayments)	523 417 992	721 796 255	-	1 245 214 247
Cash and cash equivalents	1 183 389 323	-	-	1 183 389 323
Total assets	1 706 807 315	1 901 626 171	361 667 728	3 970 101 214
Liabilities				
Outstanding claims	26 183 337	51 055 532	98 662 139	175 901 007
Lease liabilities	1 507 219	12 978 936	28 871 804	43 357 960
Borrowings	21 543 959	20 699 098	32 221 633	74 464 690
Trade and other payables (excluding statutory liabilities)	1 414 917 436	-	-	1 414 917 436
Total liabilities	1 464 151 951	84 733 566	159 755 576	1 708 641 093
Liquidity gap	242 655 364	1 816 892 605	201 912 152	2 261 460 122
Cumulative liquidity gap	242 655 364	2 059 547 969	2 261 460 122	-

13 TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2 020 ZWL	Group 2 019 ZWL	Group 2 020 ZWL	Group 2 019 ZWL
Due to retrocessionaires	1 150 746 111	595 393 184	1 150 746 111	132 726 783
Accruals and other	265 072 662	243 807 645	265 072 662	54 350 311
	1 415 818 773	839 200 829	1 415 818 773	187 077 094

14 SHORT-TERM INSURANCE CONTRACT LIABILITIES

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2 020 ZWL	Group 2 019 ZWL	Group 2 020 ZWL	Group 2 019 ZWL
Outstanding claims	175 901 007	160 886 786	175 901 007	35 865 351
Provision for incurred but not reported claims	141 506 527	82 509 237	141 506 527	18 394 915
Unearned premium reserve	393 927 165	310 905 281	340 446 918	59 287 968
	711 334 699	554 301 304	657 854 452	113 548 234

15 OPERATING AND ADMINISTRATION EXPENSES

Operating and administration expenses include the following disclosable expenses:

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2020 ZWL	Group 2019 ZWL	Group 2020 ZWL	Group 2019 ZWL
Audit fees	23 775 447	16 894 337	21 943 779	1 407 383
Directors' fees	23 444 352	33 934 358	18 577 200	3 402 957
Staff costs	256 531 574	192 302 875	228 407 422	26 174 704
Depreciation	28 750 768	36 447 674	13 587 986	2 374 852

16 OTHER GAINS OR LOSSES

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2020 ZWL	Group 2019 ZWL	Group 2020 ZWL	Group 2019 ZWL
Profit from disposal of property and equipment	950 659	1 231 141	1 099 159	117 279
Gains from disposal of investment property	1 047 759	-	160 379	-
Gains from disposal of financial assets at fair value through profit or loss	-	1 926 146	-	361 782
Amounts received in share split	17 028 257	-	17 028 257	-
Realised exchange differences	38 876 807	65 873 966	24 698 238	7 997 254
Recoveries from debtors previously written off	11 159 501	985 151	10 808 197	95 649
Fair value adjustments on financial assets through profit or loss	(28 751 411)	(159 315 275)	57 171 162	3 434 226
Unrealised exchange gains/(losses)	98 435 657	(39 731 318)	98 435 657	(8 879 980)
Fair value on remeasurement of associate	51 113 672	-	19 177 952	-
Interest income from micro-lending	2 832 655	-	1 578 365	-
Fair value adjustments on unquoted equity	47 932 890	-	47 932 890	-
Other gains	38 498 589	59 910 591	35 775 300	5 581 657
	279 125 035	(69 119 598)	313 865 556	8 707 867

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17 SEGMENT RESULTS

Description of segments and principal activities

The Group's Executive Committee, consisting of the Group Chief Executive Officer, Group Finance Executive and Managing Directors of subsidiaries, examines the Group's performance both from a product and geographical perspective and has identified reportable segments of its business as detailed below. Management evaluates segment performance based on operating profit/(loss) consistent with the consolidated financial statements.

Reinsurance

The segment offers short-term reinsurance products and services to general insurance companies locally, regionally and internationally. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of the policyholder's accident. Revenue in this segment is derived primarily from insurance premiums, investment income and fair value gains and losses on financial assets.

Life reinsurance

The life reinsurance segment offers its services to life assurance companies and medical aid societies locally and regionally. The products are savings, protection products and other long-term contracts (both with and without insurance risk and with and without discretionary participating features). It comprises a wide range of whole life, term assurance, unitised pensions, guaranteed pensions, pure endowment pensions and mortgage endowment products. Revenue from this segment is derived primarily from reinsurance premium, fees and commission income, investment income and fair value gains and losses on investments.

General insurance

The segment offers short-term insurance products and services directly to policy holders locally. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of the policyholder's accident e.g. motor accident, domestic credit insurance, export credit. Revenue in this segment is derived primarily from insurance premiums, investment income and fair value gains and losses on financial assets.

Life and pensions

The segment offers life assurance, funeral assurance, asset management, actuarial consultancy and micro-financing services. The products offered are life assurance and pensions and also is involved in consumer loans, business loans and loans to farmers,

Property

This segment is engaged in leasing, developing, managing, selling and buying properties. It also offers consultancy services related to property development. It derives its revenue primarily from rentals, sales of properties, investment income and estate agency.

Other and eliminations

This segment comprises the holding company and consolidation eliminations.

17.1 Information about products and services

INFLATION ADJUSTED

	Non-life reinsurance ZWL	Life reinsurance ZWL	Life & Pensions ZWL	General insurance ZWL	Property ZWL	Other and eliminations ZWL	Total ZWL
2020							
Gross written premium	1 959 891 942	135 587 564	33 856 616	175 276 222	-	(174 979 124)	2 129 633 220
Retrocession premium	(618 363 111)	(33 191 528)	(2 139 421)	(124 658 387)	-	174 979 124	(603 373 323)
Net premium written	1 341 528 831	102 396 036	31 717 195	50 617 835	-	-	1 526 259 897
Change in unearned premium reserve	(111 994 204)	-	-	(8 383 078)	-	-	(120 377 282)
Net premium earned	1 229 534 627	102 396 036	31 717 195	42 234 757	-	-	1 405 882 615
Brokerage commission and fees	136 881 074	14 222 489	3 656 074	26 253 602	-	(53 274 676)	127 738 563
Total insurance income	1 366 415 701	116 618 525	35 373 269	68 488 359	-	(53 274 676)	1 533 621 178
Rental income from investment property and							
Income from sale of inventory property	3 001 414	-	353 805	959 421	114 630 583	-	118 945 223
Investment income	20 378 220	2 827 379	3 474 532	1 715 574	633 840	(194 355)	28 835 190
Other losses	131 853 742	71 464 733	24 094 848	32 011 346	27 146 353	(7 445 987)	279 125 035
Total income	1 521 649 077	190 910 637	63 296 454	103 174 700	142 410 776	(60 915 018)	1 960 526 626
Claims and expenses	(1 345 972 861)	(122 956 807)	(37 666 488)	(92 474 131)	(81 851 379)	341 827 171	(1 339 094 495)
Insurance benefits and claims	(472 041 743)	(53 522 386)	(8 442 682)	(11 424 299)	-	-	(545 431 110)
Commission and acquisition expenses	(440 800 830)	(34 136 308)	(1 427 729)	(33 312 071)	-	53 274 676	(456 402 262)
Net property operating costs	8 418 410	-	(6 645 616)	-	(11 941 251)	-	(10 168 457)
Operating and administrative expenses	(441 548 698)	(35 298 113)	(21 150 461)	(47 737 761)	(69 910 128)	288 552 495	(328 745 812)
Gross change in insurance and investment contract liabilities	-	-	(48 888 100)	-	-	-	(48 888 100)
Operating profit/(loss)	175 676 216	67 953 830	(23 258 134)	10 700 569	60 559 397	280 912 153	572 544 031
Finance costs	(5 526 500)	-	(1 523 094)	-	(3 177 905)	(1 761 959)	(11 989 458)
Fair value adjustment on Investment properties	6 446 761	-	33 405 468	-	773 285 442	-	813 137 671
Monetary gain/(loss)	20 983 677	(7 695 551)	(2 854 936)	(13 185 757)	20 257 957	(440 916 735)	(423 411 345)
Share of profit of associates	-	-	-	-	-	98 051 834	98 051 834
Profit before income tax	197 580 154	60 258 279	5 769 305	(2 485 188)	850 924 891	(63 714 707)	1 048 332 733
Income tax expense	(8 851 546)	81 758	(1 253 888)	(5 470 540)	(41 848 314)	(7 835 253)	(65 177 783)
Total assets	3 557 855 460	396 751 551	5 473 603 767	207 091 039	3 177 713 047	(337 938 316)	12 475 076 548
Total liabilities	1 801 547 782	46 140 184	4 746 525 610	84 326 553	185 251 986	(140 365 520)	6 723 426 594

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17.1 Information about products and services (continued)

	HISTORICAL COST						
	Non-life reinsurance ZWL	Life reinsurance ZWL	Life & Pensions ZWL	General insurance ZWL	Property ZWL	Other and eliminations ZWL	Total ZWL
2020							
Gross written premium	1 654 843 389	94 544 597	29 924 490	99 422 121	-	(111 662 774)	1 767 071 823
Retrocession premium	(590 976 316)	(26 827 125)	(1 720 536)	(70 370 592)	-	111 662 774	(578 231 795)
Net premium written	1 063 867 073	67 717 472	28 203 954	29 051 529	-	-	1 188 840 028
Change in unearned premium reserve	(68 726 636)	-	-	(5 992 281)	-	-	(74 718 917)
Net premium earned	995 140 437	67 717 472	28 203 954	23 059 248	-	-	1 114 121 111
Brokerage commission and fees	132 890 913	12 667 968	2 380 968	15 562 579	-	(33 997 187)	129 505 241
Total insurance income	1 128 031 350	80 385 440	30 584 922	38 621 827	-	(33 997 187)	1 243 626 352
Rental income from investment property and							
Income from sale of inventory property	3 001 413	-	360 448	653 818	106 050 729	-	110 066 408
Investment income	18 869 913	1 862 266	3 409 707	600 478	465 944	1 452 467	26 660 775
Other income	141 756 474	86 309 121	30 081 442	29 411 994	18 642 320	7 664 205	313 865 556
Total income	1 291 659 150	168 556 827	64 436 519	69 288 117	125 158 993	(24 880 515)	1 694 219 091
Claims and expenses	(1 116 457 745)	(85 096 660)	(53 087 373)	(59 629 313)	(62 798 856)	31 508 750	(1 345 561 197)
Insurance benefits and claims	(334 691 750)	(34 396 446)	(7 851 666)	(8 389 463)	-	-	(385 329 325)
Commission and acquisition expenses	(381 488 239)	(24 336 782)	(1 270 863)	(18 504 987)	-	33 997 187	(391 603 684)
Net property operating costs	8 418 410	-	(25 057 525)	-	(1 587 657)	-	(18 226 772)
Operating and administrative expenses	(408 696 166)	(26 363 432)	(18 907 319)	(32 734 863)	(61 211 199)	(2 488 437)	(550 401 416)
Gross change in insurance and investment contract liabilities	-	-	(163 125 389)	-	-	-	(163 125 389)
Operating profit/(loss)	175 201 405	83 460 167	(151 776 243)	9 658 804	62 360 137	6 628 235	185 532 505
Finance costs	(5 526 500)	-	(978 347)	-	(1 513 395)	(1 491 329)	(9 509 571)
Fair value adjustment on investment properties	6 446 760	-	183 775 580	-	2 481 386 047	-	2 671 608 387
Share of profit with associates	-	-	-	-	-	121 600 187	121 600 187
Profit before income tax	176 121 665	83 460 167	31 020 990	9 658 804	2 542 232 789	126 737 093	2 969 231 508
Income tax expense	33 556 124	17 726	(1 807 997)	534 056	(130 587 343)	694 855	(97 592 579)
Total assets	2 586 366 920	144 069 035	5 384 398 996	198 339 945	3 051 974 067	635 064 430	12 000 213 393
Total liabilities	1 753 291 438	46 140 184	4 745 229 261	72 674 263	176 153 027	(170 488 791)	6 622 999 382

Everyday culture determines success

17.1 Information about products and services (continued)

	INFLATION ADJUSTED					Total ZWL
	Non-life reinsurance ZWL	Life reassurance ZWL	General insurance ZWL	Property ZWL	Other and eliminations ZWL	
2019						
Gross written premium	2 117 218 281	125 298 903	134 008 467	-	(149 262 214)	2 227 263 437
Retrocession premium	(754 672 835)	(29 400 349)	(97 506 602)	-	149 262 214	(732 317 572)
Net premium written	1 362 545 446	95 898 554	36 501 865	-	-	1 494 945 865
Change in unearned premium reserve	(58 725 924)	-	(2 850 227)	-	-	(61 576 151)
Net premium earned	1 303 819 522	95 898 554	33 651 638	-	-	1 433 369 714
Brokerage commission and fees	181 829 397	22 662 864	25 506 004	-	(45 266 784)	184 731 481
Total insurance income	1 485 648 919	118 561 418	59 157 642	-	(45 266 784)	1 618 101 195
Rental income from investment property and income from sale of inventory property	5 424 013	-	554 256	118 503 727	-	124 481 996
Investment and other income	39 144 639	2 815 271	978 339	2 857 149	2 940 243	48 735 641
Other losses	(77 426 398)	20 486 243	13 918 288	51 704 951	(77 802 682)	(69 119 598)
Total income	1 452 791 173	141 862 932	74 608 525	173 065 827	(120 129 223)	1 722 199 234
Claims and expenses	(1 583 307 590)	(119 564 730)	(68 963 002)	(93 520 970)	(27 449 762)	(1 892 806 054)
Insurance benefits and claims	(525 168 262)	(59 657 924)	(8 624 690)	-	-	(593 450 876)
Commission and acquisition expenses	(539 467 134)	(28 022 797)	(29 712 818)	-	45 266 783	(551 935 966)
Net property operating costs	-	-	-	(21 634 447)	-	(21 634 447)
Operating and administrative expenses	(518 672 194)	(31 884 009)	(30 625 494)	(71 886 523)	(72 716 545)	(725 784 765)
Operating profit/(loss)	(130 516 417)	22 298 202	5 645 523	79 544 857	(147 578 985)	(170 606 820)
Finance costs	(12 867 260)	-	-	(8 594 733)	(1 080 400)	(22 542 393)
Depreciation	(26 057 317)	(105 198)	(1 867 847)	(3 830 844)	(3 079 267)	(34 940 473)
Fair value adjustment on investment properties	2 752 086	-	-	771 757 551	-	774 509 637
Monetary loss	-	-	-	-	(71 432)	(71 432)
Share of profit from associates	-	-	-	-	20 384 899	20 384 899
(Loss)/profit before income tax	(140 631 591)	22 298 202	5 645 523	842 707 675	(128 345 918)	601 673 891
Income tax expense	(10 712 748)	-	(17 443 837)	(91 931 977)	(5 626 591)	(125 715 153)
Total assets	3 731 821 567	340 926 527	205 496 930	2 358 074 583	(1 717 944 916)	4 918 374 691
Total liabilities	1 475 576 393	50 708 951	60 371 834	164 348 965	(127 738 472)	1 623 267 671
	HISTORICAL COST					
	Non-life reinsurance ZWL	Life reassurance ZWL	General insurance ZWL	Property ZWL	Other and eliminations ZWL	Total ZWL
2019						
Gross written premium	229 810 473	13 381 669	15 892 634	-	(16 120 931)	242 963 845
Retrocession premium	(80 463 474)	(4 574 542)	(12 299 010)	-	16 120 931	(81 216 095)
Net premium written	149 346 999	8 807 127	3 593 624	-	-	161 747 750
Change in unearned premium reserve	(7 096 686)	-	(280 606)	-	-	(7 377 291)
Net premium earned	142 250 313	8 807 127	3 313 018	-	-	154 370 459
Brokerage commission and fees	20 159 286	4 524 301	2 926 870	-	(3 854 243)	23 756 214
Total insurance income	162 409 599	13 331 429	6 239 888	-	(3 854 243)	178 126 673
Rental income from investment property and income from sale of inventory property	526 619	-	42 075	12 736 435	-	13 305 128
Investment income	3 899 627	250 182	128 124	206 093	291 023	4 775 049
Other (losses)/income	(4 789 760)	2 273 996	2 318 733	8 128 110	776 788	8 707 867
Total income	162 046 084	15 855 607	8 728 820	21 070 638	(2 786 432)	204 914 717
Claims and expenses	(171 988 158)	(12 094 624)	(7 425 383)	(9 384 356)	(2 034 296)	(202 926 818)
Insurance benefits and claims	(55 939 808)	(5 713 626)	(650 428)	-	-	(62 303 862)
Commission and acquisition expenses	(59 125 223)	(2 946 290)	(3 386 593)	-	3 854 244	(61 603 862)
Net property operating costs	-	-	-	(1 858 566)	-	(1 858 566)
Operating and administrative expenses	(56 923 127)	(3 434 708)	(3 388 362)	(7 525 790)	(5 888 541)	(77 160 528)
Operating profit/(loss)	(9 942 074)	3 760 983	1 303 437	11 686 282	(4 820 728)	1 987 899
Finance costs	(1 249 288)	-	-	-	(106 472)	(1 355 760)
Fair value adjustment on investment properties	267 201	-	-	433 036 901	-	433 304 102
Share of profit of associates	(635 700)	-	-	-	4 283 863	3 648 163
Profit before income tax	(11 559 861)	3 760 983	1 303 437	444 723 183	(643 337)	437 584 402
Income tax credit/(expense)	8 246 708	290	(78 176)	(26 756 000)	10 673	(18 576 505)
Total assets	672 833 519	28 755 144	44 750 024	503 209 083	(198 303 957)	1 051 243 813
Total liabilities	349 285 095	11 304 185	13 093 157	36 637 150	(65 879 075)	344 440 513

Growth in every situation

1.7.2 Geographical Information

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

2020	INFLATION ADJUSTED						Total ZWL
	Botswana ZWL	Malawi ZWL	Mozambique ZWL	Zambia ZWL	Zimbabwe ZWL	Eliminations ZWL	
Gross premium	159 633 915	439 633 620	276 433 149	134 653 289	1 294 258 371	(174 979 124)	2 129 633 220
Retrocession premium	(71 515 412)	(233 001 075)	(127 928 515)	(38 373 011)	(307 534 434)	174 979 124	(603 373 323)
Net premium written	88 118 503	206 632 545	148 504 634	96 280 278	986 723 937	-	1 526 259 897
Change in unearned premium provision	13 401 409	6 726 709	(1 724 204)	(5 424 906)	(133 356 290)	-	(120 377 282)
Net premium earned	101 519 912	213 359 254	146 780 430	90 855 372	853 367 647	-	1 405 882 615
Brokerage fees and commission	23 620 394	30 546 842	50 508 614	8 878 619	67 458 770	(53 274 676)	127 738 563
Total insurance revenue	125 140 306	243 906 096	197 289 044	99 733 991	920 826 417	(53 274 676)	1 533 621 178
Rental revenue and income from sale of inventory property	-	2 161 749	839 665	-	115 943 809	-	118 945 223
Investment and other revenue	2 123 268	7 326 732	2 984 901	4 335 740	12 258 902	(194 355)	28 835 190
Other (losses)/income	(448 912)	(7 265 416)	65 615 796	10 811 819	217 857 735	(7 445 987)	279 125 035
Total income	126 814 662	246 129 161	266 729 406	114 881 550	1 266 886 863	(60 915 018)	1 960 526 626
Total claims and expenses	(111 310 013)	(228 580 518)	(201 562 338)	(97 901 012)	(683 348 029)	(16 338 588)	(1 340 747 641)
Net benefits and claims	(30 421 043)	(58 392 892)	(46 086 703)	(13 610 820)	(396 919 653)	-	(545 431 111)
Commission and acquisition expenses	(45 702 066)	(79 899 850)	(81 986 651)	(36 117 100)	(265 971 271)	53 274 676	(456 402 262)
Net property operating costs	-	8 418 410	-	-	(18 586 867)	-	(10 168 457)
Operating and administrative expenses	(35 186 904)	(98 706 186)	(73 488 984)	(48 173 092)	(1 924 238)	(69 613 264)	(327 092 668)
Gross change in insurance and investment contract liabilities	-	-	-	-	(48 888 100)	-	(48 888 100)
Operating profit	15 504 649	17 548 643	65 167 063	16 980 538	532 943 598	(77 253 606)	570 890 885
Finance costs	-	-	(4 191 802)	(1 334 698)	(4 700 999)	(1 761 959)	(11 989 458)
Fair value adjustment on Investment property	-	6 470 305	(23 545)	-	806 690 911	-	813 137 671
Monetary gain/(loss)	-	-	-	-	18 678 252	(442 089 597)	(423 411 345)
Share of profit from associates	-	-	-	-	89 608 046	98 051 834	187 659 880
Profit before income tax	15 504 647	24 018 948	60 951 716	15 645 840	1 443 219 808	(423 053 328)	1 137 940 779
Income tax (expense)/credit	(4 161 280)	(10 790 134)	(2 119 733)	2 219 964	(42 491 347)	(7 835 253)	(65 177 783)
Total assets	1 251 874 557	839 164 503	516 206 643	190 239 150	14 139 769 802	(4 462 178 107)	12 475 076 548
Total liabilities	270 318 162	566 944 250	351 106 135	123 829 370	5 737 225 128	(325 996 450)	6 723 426 595

2020	HISTORICAL COST						Total ZWL
	Botswana ZWL	Malawi ZWL	Mozambique ZWL	Zambia ZWL	Zimbabwe ZWL	Eliminations ZWL	
Gross written premium	159 633 916	439 633 620	276 433 149	134 653 289	868 380 623	(111 662 774)	1 767 071 823
Retrocession premium	(71 515 413)	(233 001 075)	(127 928 515)	(38 373 011)	(219 076 555)	111 662 774	(578 231 795)
Net premium written	88 118 503	206 632 545	148 504 634	96 280 278	649 304 068	-	1 188 840 028
Change in unearned premium provision	13 401 409	6 726 709	(1 724 204)	(5 424 906)	(87 697 925)	-	(74 718 917)
Net premium earned	101 519 912	213 359 254	146 780 430	90 855 372	561 606 143	-	1 114 121 111
Brokerage fees and commission	23 620 394	30 546 842	50 508 614	8 878 619	49 947 960	(33 997 188)	129 505 241
Total insurance income	125 140 306	243 906 096	197 289 044	99 733 991	611 554 103	(33 997 188)	1 243 626 352
Rental revenue and income from sale of inventory property	-	2 161 749	839 665	-	107 064 994	-	110 066 408
Investment and other revenue	2 123 268	7 326 732	2 984 901	4 335 740	8 437 666	1 452 468	26 660 775
Other (losses)/income	(448 912)	(7 265 416)	65 615 796	10 811 819	237 488 064	7 664 205	313 865 556
Total revenue	126 814 662	246 129 161	266 729 406	114 881 550	964 544 827	(24 880 515)	1 694 219 091
Total claims and expenses	(111 310 013)	(228 580 518)	(201 562 338)	(97 901 012)	(727 731 485)	21 524 169	(1 345 561 197)
Net benefits and claims	(30 421 043)	(58 392 892)	(46 086 703)	(13 610 820)	(236 817 867)	-	(385 329 325)
Commission and acquisition expenses	(45 702 066)	(79 899 850)	(81 986 651)	(36 117 100)	(181 895 205)	33 997 188	(391 603 684)
Net property operating costs	-	8 418 410	-	-	(26 645 182)	-	(18 226 772)
Operating and administrative expenses	(35 186 904)	(98 706 186)	(73 488 984)	(48 173 092)	(282 373 231)	(12 473 019)	(550 401 416)
Gross change in insurance and investment contract liabilities	-	-	-	-	(163 125 389)	-	(163 125 389)
Operating profit	15 504 649	17 548 643	65 167 068	16 980 538	73 697 953	(3 356 346)	185 532 505
Finance costs	-	-	(4 191 802)	(1 334 698)	(2 491 742)	(1 491 329)	(9 509 571)
Fair value adjustment on Investment property	-	6 470 305	(23 545)	-	2 665 161 627	-	2 671 608 387
Share of profit from associates	-	-	-	-	113 183 323	8 416 864	121 600 187
Profit before income tax	15 504 649	24 018 948	60 951 721	15 645 840	2 495 551 161	3 569 189	2 969 231 508
Income tax (expense)/credit	(4 161 280)	(10 790 134)	(2 119 733)	2 219 964	(83 436 251)	694 855	(97 592 579)
Total assets	270 596 993	839 164 503	516 206 643	190 239 150	11 087 873 117	(903 867 013)	12 000 213 393
Total liabilities	270 318 162	566 944 250	351 106 135	123 829 370	5 664 286 216	(353 484 752)	6 622 999 381

17.2 Geographical Information

Information below shows operating results in the countries in which the Group operates (continued)

	INFLATION ADJUSTED						
	Botswana ZWL	Malawi ZWL	Mozambique ZWL	Zambia ZWL	Zimbabwe ZWL	Eliminations ZWL	Total ZWL
2019							
Gross premium	136 015 619	605 831 468	479 272 030	210 514 600	944 891 934	(149 262 214)	2 227 263 437
Retrocession premium	(59 603 487)	(262 172 401)	(253 448 913)	(83 442 376)	(222 912 609)	149 262 214	(732 317 572)
Net premium written	76 412 132	343 659 067	225 823 117	127 072 224	721 979 325	-	1 494 945 865
Change in unearned premium provision	(5 380 436)	(4 319 456)	3 751 805	4 091 693	(59 719 757)	-	(61 576 151)
Net premium earned	71 031 696	339 339 611	229 574 922	131 163 917	662 259 568	-	1 433 369 714
Brokerage fees and commission	20 476 991	46 329 602	69 882 148	24 922 316	68 387 207	(45 266 783)	184 731 481
Total insurance revenue	91 508 687	385 669 213	299 457 070	156 086 233	730 646 775	(45 266 783)	1 618 101 195
Rental revenue and income from sale of inventory property	-	3 043 234	2 380 779	-	119 057 983	-	124 481 996
Investment and other revenue	2 236 428	8 471 597	10 576 535	11 169 664	15 622 208	659 207	48 735 641
Other income/(losses)	2 985 041	3 651 675	51 633 692	10 960 627	(139 989 634)	1 639 001	(69 119 598)
Total income	96 730 156	400 835 719	364 048 076	178 216 524	725 337 332	(42 968 575)	1 722 199 234
Total claims and expenses	(87 233 374)	(371 638 095)	(332 743 708)	(231 084 869)	(838 284 668)	(31 821 340)	(1 892 806 054)
Net benefits and claims	(24 734 332)	(110 621 155)	(77 104 979)	(65 816 698)	(315 173 712)	-	(593 450 876)
Commission and acquisition expenses	(37 864 117)	(121 286 234)	(122 661 100)	(68 114 586)	(247 276 712)	45 266 783	(551 935 966)
Net property operating costs	-	-	-	-	(21 634 447)	-	(21 634 447)
Operating and administrative expenses	(24 634 925)	(139 730 706)	(132 977 629)	(97 153 585)	(254 199 797)	(77 088 123)	(725 784 765)
Operating profit/(loss)	9 496 782	29 197 624	31 304 368	(52 868 345)	(112 947 336)	(74 789 915)	(170 606 820)

	HISTORICAL COST						
	Botswana ZWL	Malawi ZWL	Mozambique ZWL	Zambia ZWL	Zimbabwe ZWL	Eliminations ZWL	Total ZWL
2019							
Gross written premium	30 313 465	58 820 423	46 532 715	20 438 948	102 979 225	(16 120 931)	242 963 845
Retrocession premium	(13 283 681)	(25 454 425)	(24 607 458)	(8 101 454)	(25 890 008)	16 120 931	(81 216 095)
Net premium written	17 029 784	33 365 998	21 925 257	12 337 494	77 089 217	-	161 747 750
Change in unearned premium provision	(1 199 123)	(419 378)	364 264	397 264	(6 520 318)	-	(7 377 291)
Net premium earned	15 830 661	32 946 620	22 289 521	12 734 758	70 568 899	-	154 370 459
Brokerage fees and commission	4 563 656	4 498 160	6 784 886	2 419 718	9 344 038	(3 854 244)	23 756 214
Total insurance income	20 394 317	37 444 780	29 074 407	15 154 476	79 912 937	(3 854 244)	178 126 673
Rental revenue and income from sale of inventory property	-	295 469	231 151	-	12 778 508	-	13 305 128
Investment and other revenue	498 428	822 511	1 026 880	1 084 467	1 195 848	146 915	4 775 049
Other (loss)/income	(118 020)	354 543	5 013 136	1 064 172	2 688 968	(294 932)	8 707 867
Total revenue	20 774 725	38 917 303	35 345 574	17 303 115	96 576 261	(4 002 261)	204 914 717
Total claims and expenses	(19 441 486)	(36 082 494)	(32 306 222)	(22 436 124)	(89 603 364)	(3 057 128)	(202 926 818)
Net benefits and claims	(5 512 480)	(10 740 253)	(7 486 154)	(6 390 170)	(32 174 805)	-	(62 303 862)
Commission and acquisition expenses	(8 438 682)	(11 775 730)	(11 909 216)	(6 613 273)	(26 721 205)	3 854 244	(61 603 862)
Net property operating costs	-	-	-	-	(1 858 566)	-	(1 858 566)
Operating and administrative expenses	(5 490 324)	(13 566 511)	(12 910 852)	(9 432 681)	(28 848 788)	(6 911 372)	(77 160 528)
Operating profit/(loss)	1 333 239	2 834 809	3 039 352	(5 133 009)	6 972 897	(7 059 389)	1 987 899

18 DIVIDENDS

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2020 ZWL	2019 ZWL	Group 2020 ZWL	2019 ZWL
As at 1 January	-	-	-	-
Dividends declared	5 307 862	-	3 100 000	-
Dividends paid	(5 307 862)	-	(3 100 000)	-
	-	-	-	-

19 GOING CONCERN

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

19.1 Impact of COVID 19 pandemic

There was a resurgence of the COVID-19 pandemic towards the end of the year and at the beginning of 2021 leading to the imposition of lockdowns in many countries in which the Group has operations and sources business but there was minimum impact on Group business. Notwithstanding this, the COVID-19 situation is still evolving making it difficult to quantify the full actual and potential financial impact on the Group's business operations in both the domestic and regional economies. The Group will continue to monitor developments in each jurisdiction and business operation and take appropriate measures to mitigate any emerging risks. The Group has put in place adequate mitigatory measures to minimise the impact of COVID-19 on business which in the opinion of the directors will safeguard its going concern status.

20 SUSPENSION AND RESUMPTION OF TRADING ON THE ZIMBABWE STOCK EXCHANGE

On 28 June 2020, the Zimbabwe Stock Exchange Limited ("ZSE") announced the suspension of trading following a directive from the Government of Zimbabwe. Following the engagements between the ZSE and the Ministry of Finance and Economic Development, the local bourse resumed trading effective 03 August 2020 with the exception of the following three counters in which the Group holds investments either directly or indirectly:

- Old Mutual Zimbabwe;
- PPC Limited and
- SeedCo International Limited

Subsequent to year end, the suspension on Seedco International Limited was lifted and the counter was relisted. However, Old Mutual Zimbabwe and PPC Limited remain suspended and the Group will continue to assess the situation and take appropriate measures to mitigate any emerging risks.

21 EVENTS AFTER THE REPORTING DATE

21.1 On 26 May 2021, the Government issued Statutory Instrument ("SI") -127 Presidential Powers (Temporary Measures) (Financial Laws Amendment) Regulations, 2021 which seeks to instill discipline in the foreign exchange market by imposing fines on individuals and corporates who fail to adhere to Government Policy on foreign exchange. As a law abiding corporate citizen, the Group will comply with these foreign exchange laws. However, the introduction of these regulations has created uncertainty in the economy in general. The Group will monitor developments and take appropriate action to mitigate any emerging risks.

21.2 New COVID-19 pandemic lockdown measures

In response to the advent of the second wave of the COVID-19 pandemic, the Government of Zimbabwe introduced a national lockdown in January 2021. Although the restrictions had been partially relaxed, the threat of a third wave of the pandemic has led to the imposition of another lockdown effective June 2021.

Although the pandemic and the lockdown period are expected to negatively impact on business growth, insurance claims, investment and property values and returns, this is still an evolving issue whose full financial implications can not be determined with certainty as of the date of signing of these financial statements. The Group will continue to monitor developments in each jurisdiction and business operation and take appropriate measures to mitigate any emerging risks.

21.3 Declaration of dividend

On 9 June 2021, the Directors of the Company declared a dividend of ZWL30 million for the year ended 31 December 2020.

