

BUSINESS ENVIRONMENT

For 2025, the African Development Bank has projected a 3% growth for Southern Africa while the Government of Zimbabwe anticipates a 6% growth in Gross Domestic Product (GDP). While both are stretch targets, given the persistent energy challenges and tense geo-political environment, the favorable 2024-25 rainy season has revived the country's anchor industry, agriculture. While the Targeted Finance Facility implemented by the Reserve Bank of Zimbabwe is boosting production and capacity utilization in the productive sectors particularly agriculture, manufacturing and mining, currency stability remained a limiting factor to the country's anticipated growth. Similarly, Southern Africa's 2025 economic performance showed signs of reinforced resilience with governments prioritizing economic liberalization, private sector empowerment and fiscal discipline notwithstanding the pressures of climate related disasters, structural weaknesses, prolonged global conflicts.

GROUP FINANCIAL PERFORMANCE OVERVIEW

Comprehensive income highlights

Insurance contract revenue
Total income
Profit for the period

UNAUDITED	
31 March 2025	Growth %
USD (million)	

15.82	21 %
20.96	24 %
1.69	203 %

UNAUDITED	
31 March 2025	Growth %
ZWG (million)	

423.32	21 %
561.12	24 %
45.27	203 %

Financial position highlights

Total assets
Total equity

31 March 2025	Growth %
USD (million)	

223.04	7 %
65.93	1 %

31 March 2025	Growth %
ZWG (million)	

5,969.84	7 %
1,764.53	1 %

Insurance contract revenue

Insurance contract revenue grew by 21% from USD13.03 million (ZWG348.85 million) to USD15.82 million (ZWG423.32 million) driven by increased business acquisition, expansion of local and external markets and products diversification. The reinsurance cluster continued to be the major contributor to insurance revenue at 73% (2024:74%), followed by the Life and Pensions cluster at 22% (2024:22%) and the Short-term Insurance cluster at 5% (2024:4%).

Total income

Total income increased by 24% from USD16.87 million (ZWG451.61 million) to USD20.96 million (ZWG561.12 million) emanating from the growth in insurance revenue, non-insurance income growth and positive investment income, mainly fair value gains from equity investments. All the Group businesses contributed positively to total income growth.

Profit for the period

The Group achieved a 203% growth in profit for the period from USD0.56 million (ZWG14.94 million) to USD1.69 million (ZWG45.27 million) driven by growth in the topline and investment income.

Total assets and cashflows

Total assets were at USD223.04 million (ZWG5,969.84 million) from USD208.08 million (ZWG5,569.30 million), a 7% growth. In line with the Group's Strategy Triangle to pursue a strong cash wallet, net cash generated from operations closed the period in a net positive position.

OPERATIONAL REVIEW

The **Reinsurance** and **Reassurance** cluster's insurance contract revenue soared 19% over prior period, fuelled by strategic business expansion and increased underwriting capacity. With the ambitious plans to further penetrate the African market well underway, the cluster is primed for accelerated growth and poised to make significant strides to bolster its contribution to the Group profitability and cashflows.

The **Short-term Insurance** cluster's strategic refocus to core direct business yielded positive returns as 55% of business underwritten during the period emanated from core business.

The **Property** cluster recorded a 22% increase in rental income driven by retail and office leases. Occupancy levels were at 86% while the average portfolio yield was 7%. The cluster's impressive performance demonstrated its enduring stability and attractiveness as a reliable value protector.

The **Insurance Broking** cluster recorded a 28% increase in net brokerage income driven by organic growth, new business wins and improved account renewal rates. The business plans to further boost income through strategic partnerships and alliances.

The **Life and Pensions** cluster posted a 22% increase in insurance contract revenue emanating from innovative product launches and enhanced market engagements. The individual life business segment retained its anchor position contributing 79% of the total insurance revenue. New products targeting the diaspora market and informal sector were in the pipeline.

The **Wealth Management** cluster's total income grew by 12%. This steady growth was driven by organic growth and strategic partnerships resulting in diversified revenue streams. The cluster sought to expand into the region leveraging on cutting edge technology to enhance reach and service delivery.

BUSINESS GROWTH STRATEGY AND OUTLOOK

In anticipation of the decline in Official Development Assistance (ODA), ZHL has structured opportunities to capture and grow local and regional capital. The first of these opportunities is the Eagle Real Estate Investment Trust (REIT), a developmental REIT applying modern technologies to bring urbanisation and structural transformation to Zimbabwe. The REIT is scheduled to be listed on the Victoria Falls Stock Exchange on 16 May 2025.

The second is the capital raise for Emeritus International which seeks to take advantage of regional insurance regulations departure from placing risk outside the continent to advocating for exhaustion of local capacity. The transaction will also connect the investment feedback loop ensuring return on investment to the shareholders while also attending to the Emeritus brand's market competitiveness and the Group's expansion into new African markets.

ZHL will continue to drive its Strategy Triangle making particular use of data to bring about organizational efficiencies, capture untapped markets and strengthen the Group ecosystem.

By order of the Board



Ruvimbo Chidora
Group Company Secretary
16 May 2025

