



FIDELITY LIFE
ASSURANCE OF ZIMBABWE

Fidelity Life Assurance of Zimbabwe is a member of the Fidelity Group

TRADING UPDATE

For the nine months ended 30 September 2025

ECONOMIC LANDSCAPE

The Zimbabwe macroeconomic environment remained stable in the third quarter of 2025, notwithstanding the plethora of new tariffs imposed by the United States of America and the subsequent retaliatory measures imposed by its trading partners. The stability was supported by tight monetary policies and subdued inflation on account of the Reserve Bank of Zimbabwe (RBZ) maintaining its policy rate at 35%. Month-on-month inflation for the Zimbabwe Gold currency, ZWG, averaged below 1% from February 2025 to September 2025. During the quarter, the ZWG recorded a marginal appreciation of 1.1% against the US Dollar, while the parallel market premium fell below the 25% threshold, reflecting stronger convergence with the interbank rate.

Strong foreign currency inflows also buoyed the Zimbabwean economy which recorded foreign currency receipts of USD10.3 billion by end of September 2025, marking a 21.9% increase compared to the same period in 2024. The uplift was driven by mineral exports and remittances resulting in a positive trade balance and current account position. Reserves increased to USD900 million, sufficient to cover both reserve money and total ZWG deposits, while also providing one month of import cover.

FINANCIAL PERFORMANCE

The Group reported a profit after tax of USD5.1 million, down from USD8.0 million in the prior year. Despite the decrease, the profit was supported by growth in insurance contract revenue and strong investment returns from financial assets.

BUSINESS OPERATIONS REVIEW

Life and Pensions Business

The Life and Pensions business registered a 14% insurance revenue increase for the third quarter ending 30 September 2025. This resulted in revenue closing the period at USD9.7 million compared to USD8.56 million in the prior year. The revenue increase was driven by new business and organic growth from both local and regional markets (Malawi). Individual Life business portfolio accounted for 80% of revenue largely due to the widespread demand for the Vaka Yako product, with Employee Benefits contributing 20%.

Funeral business

Revenue from the funeral service business increased by 193% from prior year on the back of significant investment in service delivery channel upgrades and brand awareness initiatives.

Other non-insurance businesses

Non-insurance business contributed 2% of total income. Strategies are in place to increase contributions as the business lines provide a hedge against volatilities within the Insurance Industry. Valuable customer insights gained from the non-insurance business operations continue to improve their product and service offerings of FLA's core business.

OUTLOOK

Despite the forecasted economic tailwinds, the FLA Group remains firmly rooted in the foundation of its strategic levers and growth focus. The Group's market expansion drive has begun to take root and is expected to not only deliver additional and alternative income particularly from the diaspora, but will also go a long way in improving the financial security of underserved populations. The Group's prowess in developing innovative tailored products shall also be on show anchored by the dynamic merging of the Group's digital transformation exercise and sustainability agenda.

With over 8 decades of experience providing trusted services, financial prudence and reliability, FLA enjoys strong market recognition and loyalty across generations. The Group will continue to leverage on its strong heritage to plough back into its the communities with relevant and empowering outreaches, nurturing new talent through the Elevator Graduate Trainee Programme while delivering value to its policy and stakeholders alike.

R. CHIDORA
Company Secretary

14 November 2025

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

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