

# TRADING UPDATE

## For the first quarter ended 31 March 2026



### BUSINESS ENVIRONMENT

The tight monetary policy measures implemented by the Reserve Bank of Zimbabwe (RBZ), characterized by high interest rates and controlled liquidity, have stabilized both the exchange rate and inflation. The Zimbabwe Gold (ZWG) appreciated marginally by 2.61% against the USD, while month-on-month inflation averaged 0.4% and year-on-year inflation stood at 4.4%. Consequently, in Q1 2026, Zimbabwe was operating within a broadly stable macroeconomic environment.

Towards the end of the quarter, the operating environment was disrupted by the escalation of the conflict in the Middle East, triggering a surge in global oil prices and further straining global supply chains. This external shock, compounded by prevailing domestic monetary policy tightening, has intensified cost pressures resulting in a constrained business environment.

### GROUP PERFORMANCE OVERVIEW

#### Comprehensive Income highlights 31 March 2026

INSURANCE CONTRACT REVENUE UNAUDITED	TOTAL INCOME UNAUDITED	PROFIT FOR THE PERIOD UNAUDITED
▲ 28%	▲ 41%	▲ 142%
USD(m) 20.25	USD(m) 29.67	USD(m) 4.12
ZWG(m) 512.75	ZWG(m) 751.27	ZWG(m) 104.32

#### Financial Position highlights 31 March 2026

TOTAL ASSETS UNAUDITED	TOTAL EQUITY UNAUDITED
▲ 7%	▼ 1%
USD(m) 319.48	USD(m) 88.60
ZWG(m) 8,089.52	ZWG(m) 2,243.43

### Insurance contract revenue

Insurance contract revenue increased by 28% from USD15.82 million (ZWG400.58 million) to USD20.25 million (ZWG512.75 million) on the back of new business acquisition, increased inflows from external markets and increased product variety. The reinsurance cluster contributed 75% of insurance revenue (2025: 73%), while the Life and Pensions cluster contributed 19% (2025: 22%), with the short-term insurance cluster contributing 6% (2025: 5%).

### Total income

Total income grew by 41% from USD20.97 million (ZWG530.98 million) to USD29.67 million (ZWG751.27 million) supported by a surge in insurance revenue and positive investment income derived from fair value gains from financial assets.

### Profit for the period

The Group posted a 142% growth in profit for the period from USD1.70 million (ZWG43.05 million) to USD4.12 million (ZWG104.32 million) driven by strong topline performance from all key business segments.

### Total assets and cashflows

The Group recorded total assets growth of 7% from USD298.28 million (ZWG7,552.72 million) to USD319.48 million (ZWG8,089.52 million). Cash generated from operations improved from USD2.15 million (ZWG54.44 million) to USD4.98 (ZWG126.10 million) during the period under review. The growth reflects the Group's continued focus on strengthening its cash position in line with its Three Cs Strategic Triangle of Cash, Customer and Change.

### OPERATIONAL REVIEW

Insurance contract revenue for the **Reinsurance** and **Reassurance** businesses increased by 32% compared to the prior period. This growth was driven by new business acquisition, organic expansion and a strong contribution from external markets, reflecting management's efforts to expand the Group's market footprint across Africa.

The **Short-term Insurance cluster's** insurance contract revenue jumped by 43% compared to the same period prior year. The primary driver of this growth was core direct business which grew from 51% in the prior period to 68%. The bonds, guarantees and credit business lines were the significant contributors to this revenue expansion.

The **Property cluster** recorded a 6% improvement in rental income supported by office, retail and industrial leases. Occupancy levels stood at 85%, with an 8% average portfolio yield. Despite the challenging operating and illiquid environment, the unit achieved a 93% rental collections rate for the quarter, underscoring the quality and strategic positioning of the portfolio.

The **Insurance Broking cluster** achieved significant improvement in new business acquisition following intensified efforts to diversify revenue streams both locally and through regional partnerships.

The **Life and Pensions cluster** recorded a 15% growth in insurance contract revenue supported by organic expansion, new business from strategic partnerships and product diversification. Although Individual Life continued to account for the largest share of total written premiums at 72% (2025: 79%), the business continued to implement targeted market outreach and product initiatives to diversify revenue streams and reduce concentration.

The **Wealth Management cluster** recorded a 31% growth in total income compared to the same period in the prior year. The cluster remains well positioned to capture emerging opportunities in local wealth and investment markets, while leveraging its existing infrastructure to build a regional pipeline for the next phase of growth across key African markets.

### BUSINESS GROWTH STRATEGY AND OUTLOOK

The global financial and trade landscape has become increasingly fragmented, exacerbated by ongoing geopolitical tensions. Despite this setback, ZHL remains resilient, consistently leveraging crisis for opportunity.

Anchored by its portfolio of well-established brands, with legacies spanning 4-9 decades, the Group's strong market positioning, innovative culture and strategic investment expertise are catalysts for its Great Africa Trek expansion exercise. Enabling the exercise is the opportunity to capitalise on the evolving protectionist laws through the Group's diverse jurisdictions and strategic alliances.

The recently established ZHL Academy is expected to be instrumental in harnessing Africa's youthful talent to advance the development of digital architecture and knowledge sharing, in alignment with the Customer and Change pillars within the Group's Three Cs Strategic Triangle.

Through disciplined execution of the Group strategy, ZHL is poised to deliver on its commitment to providing long term Security, Growth and Profitability to all its stakeholders, notwithstanding the headwinds.

### By order of the board



**RUVIMBO CHIDORA**  
Company Secretary

15 May 2026

