



## BUSINESS ENVIRONMENT

Q3 2024 has been characterised by both opportunities and challenges within the Zimbabwean and broader Sub-Saharan African markets. For Zimbabwe, the deflation that followed the introduction of the Zimbabwe Gold (ZWG) currency in April 2024 was reversed as inflationary trends resumed by August, with headline inflation reaching 1.44% for ZWG. In response to increased USD demand and ZWG depreciation, the Reserve Bank of Zimbabwe (RBZ) devalued the ZWG by 43.8% in September 2024 to help close the gap between the official and parallel market exchange rates and support business stability.

Sub-Saharan Africa continued to be plagued by climate related risks, including unpredictable weather patterns. These have underscored to the Group, the importance of strengthening risk management practices and diversifying business operations to mitigate these impacts.

## GROUP PERFORMANCE OVERVIEW

### Comprehensive income highlights

	UNAUDITED 30 September 2024 USD (million)	UNAUDITED 30 September 2023 USD (million)	Growth %
Insurance contract revenue	43.5	40.1	8%
Total income	22.6	21.1	7%
Profit for the period	9.8	6.3	56%

### Financial position highlights

	UNAUDITED 30 September 2024 USD (million)	UNAUDITED 31 December 2023 USD (million)	Growth %
Total assets	193.2	169.3	14%
Total equity	79.9	66.8	20%
Cash generated from operations	16.3	5.9	177%

### Insurance contract revenue

Insurance contract revenue grew by 8% to USD43.5 million from USD40.1 million driven by increased new business, expansion of local and external markets and products diversification. The reinsurance cluster continues to be the major contributor at 71% (2023:74%), followed by the Life and Pensions cluster at 25% (2023:23%) and the Short-term Insurance cluster at 4% (2023:3%).

### Total income

Total income increased by 7% to USD22.6 million from USD21.1 million emanating from the growth in insurance contract revenue, non-insurance income growth and positive investment income mainly fair value gains from investment properties following portfolio and strategic acquisitions during the year. All the Group businesses contributed positively to total income growth except for the insurance broking business and the reinsurance business operations in Malawi which was impacted by the depreciation of the Malawian Kwacha.

### Profit the period

The Group recorded a 56% growth in profit for the period to USD9.8 million from USD6.3 million. Profit was driven by growth in the topline and investment income compared to same period prior year with all key business units achieving profitability.

### Total assets and cashflows

Total assets at USD193.2 million grew by 14% from USD169.3 million, spurred by an increase in investment properties and financial assets. Net cash generated from operations closed the period at USD16.3 million from USD5.9 million a 177% growth, the increase is in line with the Group mantra on growing a strong cash wallet.

## OPERATIONAL REVIEW

The **Reinsurance and Reassurance** insurance cluster's contract revenue grew by 5% to USD31.0 million from USD29.4 million same period prior year. The growth was on the back of increased new business acquisitions and business expansion from both local and external markets. The cluster continues to pursue its journey into Africa with the aim of penetrating the rest of the Continent to further enhance the insurance revenue streams.

The **Short-term Insurance** cluster posted an impressive growth of 41% in insurance contract revenue to USD 1.8 million from USD1.3 million recorded same period prior year. This significant growth was driven by a strategic shift in focus towards core direct business, resulting in enhanced underwriting capacity, particularly in bonds and guarantees, which now account for 54% of total business underwritten, a substantial increase from 7% in 2023.

The **Property** cluster generated total income of USD1.9 million, a 16% growth from USD1.6 million in prior period. This robust growth underscores the cluster's resilience and appeal as a value preserving asset class. During the period, the portfolio registered a collection rate of 94%, while occupancy levels averaged 86% despite the subdued demand for CBD office space.

The **Insurance Broking** business experienced a 3% decline in net brokerage income to USD820,000 from USD842,000, due to slower account renewal rates. However, the business is poised for growth through strategic partnerships aimed at diversifying revenue streams.

The **Life and Pensions** cluster delivered a 5% increase in insurance contract revenue, rising to USD10.8 million from USD10.3 million. Its market-leading position was sustained through innovative products, seamless digital and traditional distribution channels, and a customer-centric approach to capturing new business as evidenced by the 69% retail business growth (2023: 40%).

The **Wealth Management** cluster delivered exceptional results, with total income surging 141% to USD3.1 million versus USD1.3 million in the prior period. This exceptional growth was driven by the business units' strategic focus on developing new business lines while taking advantage of the regional footprint to diversify its client base.

## BUSINESS GROWTH STRATEGY AND OUTLOOK

Looking ahead, ZHL remains focused on sustaining growth by reinforcing its diversification strategy, especially within regional markets. Key economic indicators suggest opportunities in sectors such as insurance, real estate, and wealth management, where ZHL is well-positioned to capitalize on demand for risk mitigation and inflation-resistant assets.

The Group's dedication to infrastructure development is demonstrated through the Eagle REIT, with its two flagship projects making significant progress. Mazowe Walk has reached 51% completion, and the first phase of the Victoria Falls mixed-use development is set to launch soon, introducing new innovative commercial and residential lettable spaces. Additionally, the Selbourne Park residential development in Bulawayo commenced during the third quarter aiming to address the city's growing demand of quality housing and living standards.

The Group's strategic alignment with emerging trends in digital transformation, regulatory adaptation, and sustainable investing will continue to guide its operations and support resilience in a challenging economic climate.

### By order of the board



**Ruvimbo Chidora**  
Company Secretary  
14 November 2024

