



### Economic Landscape

Zimbabwe's economy remained relatively stable during the first quarter of 2026, supported by the tight monetary policy, improved exchange rate management, and strong foreign currency inflows from key export sectors. Inflation remained subdued during the quarter, reflecting improved currency stability and prudent liquidity control measures implemented by the Reserve Bank of Zimbabwe (RBZ). However, towards the end of the quarter, geopolitical risk heightened, particularly in the Middle East, contributing to increased oil and energy prices internationally.

The agricultural sector benefited from improved rainfall during the quarter, increasing expectations of strong crop output for the 2025/26 season. Improved maize and tobacco production prospects are expected to positively impact food security, agro-industrial activity, and export earnings over the course of the year. Meanwhile, the mining sector continued to anchor economic activity, with gold exports and mineral production contributing significantly to foreign currency generation and overall economic stability.

### Financial Performance

The Group reported a profit of USD2.95 million (ZWG74.73 million), up from USD1.38 million (ZWG34.94 million) in the same period last year. This growth was driven by insurance contract revenue, investment income, alongside effective management of insurance service expenses and administrative costs. The growth in profit is evidence of the positive contribution of the Group's market expansion strategy, which includes extensive penetration of under-served segments in Zimbabwe and targeted regional growth initiatives.

### Business Operations Review

#### Life and Pensions Business

The Life and Pensions business recorded a 15% increase in insurance contract revenue, closing the period at USD3.87 million (ZWG97.99 million), compared to USD3.36 million (ZWG85.08 million) in the prior year driven by organic growth, new business from strategic partnerships, and product diversification. While Individual Life remained the primary contributor to total written premium, accounting for 72% (2025: 79%), the business is actively pursuing market expansion initiatives aimed at boosting the premium income contribution from various insurance and non-insurance product lines. The Malawi operation contributed 27% (2025: 29%) to the overall insurance contract revenue performance, following the recent launch of the Manga Vako product, a Malawi variant of Vaka Yako in Zimbabwe, whose contribution is expected to increase as the product scales.

#### Funeral Services Business

Revenue from funeral services rose by 79% compared to same period prior year, supported by an upgraded fleet that has enhanced the unit's capacity to serve customers more effectively and efficiently with a strong customer-focus. This operational improvement combined with the introduction of additional service lines, advances the objective of providing a one-stop-shop funeral services solution to the market. The outlook remains favourable as the business continues to expand its geographical presence.

#### Non-insurance Businesses

During the period under review, the asset separation exercise took effect. Accordingly, the Group will no longer report on the asset management and financial services units. The Group's two remaining non-insurance units, actuarial services and medical services, recorded a 38% growth in revenue compared to the prior period. These businesses remain strategically important to the Group as they provide specialised critical support to the attainment of the Group's long-term strategy, ethos and ability to diversify earnings.

### Outlook

In line with FLA's strategy of providing security at every stage of life (from cradle to the grave), the Group continues to execute its expansion agenda with a deliberate focus on untapped and under-served markets across Zimbabwe and selected regional jurisdictions. This growth trajectory will be reinforced by continuous product innovation anchored on sustainability, affordability and customer-centricity, ensuring that our solutions remain responsive and dependable in an increasingly uncertain operating environment. As the Group celebrates 90 years of service, these strategic pillars underpin its resilience as an enduring brand for the people.

### By order of the board

Ruviimbo Chidora



Company Secretary  
14 May 2026