

**SENS ANNOUNCEMENT**  
(the "Notice" or "Announcement")

**ISSUER**



**ZAMBIA NATIONAL COMMERCIAL BANK PLC ("ZANACO")**  
[Incorporated in the Republic of Zambia]

Company registration number: 5387  
Share Code: ZANACO  
ISIN: ZM0000000250  
Authorised by: Kaluba Gloria Kaulung'ombe-Inampasa – Company Secretary

**LEAD INDEPENDENT SPONSOR**

**JOINT SPONSOR**



**Stockbrokers Zambia Limited**

[Member of the Lusaka Securities Exchange]  
[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Contact Person: Mchemba Chinzewe  
Contact Number: +260-211-232456  
Website: [www.sbz.com.zm](http://www.sbz.com.zm)

**Zambia National Commercial Bank Plc**

[Member of the Lusaka Securities Exchange]  
[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Contact Person: Austin Chijikwa  
Contact Number: +260-211-425650  
Website: [www.zanaco.co.zm](http://www.zanaco.co.zm)

**APPROVAL**

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Stockbrokers Zambia Limited

**DISCLAIMER AND RISK WARNING**

The Notice or Announcement contained herein contains information that may be of a price sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

**ISSUED: 28 September 2022**

# ZAMBIA NATIONAL COMMERCIAL BANK PLC (“ZANACO”)

Company registration number: 5387 Share Code: ZANACO ISIN: ZM0000000250

## Summarised Unaudited Results For The Period Ended 30 June 2022

In compliance with the requirements of the Securities Act No.41 of 2016 of the Laws of Zambia and Listings Requirements of the Lusaka Securities Exchange, the Directors of Zanaco are pleased to announce the unaudited results for the period ended 30 June 2022

	Group		Bank		Change	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21	Group (+/(-) %	Bank (+/(-) %
<b>Total operating income</b>	<b>1,953,191</b>	1,751,918	<b>1,952,056</b>	1,754,592	<b>11</b>	<b>11</b>
<b>Profit before income tax</b>	<b>523,042</b>	599,581	<b>539,473</b>	614,544	<b>(13)</b>	<b>(12)</b>
<b>Income tax expense</b>	<b>(178,026)</b>	(206,778)	<b>(178,026)</b>	(206,642)	<b>(14)</b>	<b>(14)</b>
<b>Profit attributable to shareholders</b>	<b>345,016</b>	392,803	<b>361,447</b>	407,902	<b>(12)</b>	<b>(11)</b>
<b>Number of shares during the year ('000)</b>	<b>1,443,750</b>	1,443,750	<b>1,443,750</b>	1,443,750	<b>0</b>	<b>0</b>
<b>Earnings per share (Kwacha)</b>	<b>0.239</b>	0.272	<b>0.250</b>	0.283	<b>(12)</b>	<b>(11)</b>

	Group		Bank	
	2022	2021	2022	2021
<b>Assets</b>	<b>K'000</b>	<b>K'000</b>	<b>K'000</b>	<b>K'000</b>
Cash and balances with Bank of Zambia	3,161,472	2,995,174	3,161,108	2,993,454
Balances with other banks	2,385,562	1,903,863	2,385,562	1,903,863
Trading assets	1,314,082	2,060,237	1,314,082	2,060,237
Investment securities	10,608,039	6,951,859	10,608,039	6,951,859
Loans and advances to customers	9,381,872	10,061,334	9,428,994	10,095,797
Other assets	1,147,589	817,124	1,206,882	839,858
Property and equipment	830,678	811,151	815,385	792,653
<b>Total assets</b>	<b>28,829,294</b>	25,600,742	<b>28,920,052</b>	25,637,721
<b>Liabilities</b>				
Deposits from other banks	1,146,243	1,679,358	1,146,243	1,679,358
Customer deposits	22,935,071	17,901,151	22,939,466	17,905,660
Other liabilities	1,442,960	1,318,557	1,367,400	1,293,481
Borrowings	1,268,946	3,219,152	1,323,795	3,219,151
<b>Total liabilities</b>	<b>26,793,220</b>	24,118,218	<b>26,776,904</b>	24,097,650
<b>Total equity</b>	<b>2,036,074</b>	1,482,523	<b>2,143,148</b>	1,540,071
<b>Total equity and liabilities</b>	<b>28,829,294</b>	25,600,742	<b>28,920,052</b>	25,637,721

	Group		Bank	
Net cash generated from operating activities	3,650,349	47,211	3,669,555	62,063
Net cash used in investing activities	(1,750,802)	(2,462,289)	(1,749,662)	(2,465,371)
Net cash (used in) /generated from financing activities	(1,699,576)	1,923,277	(1,714,875)	1,923,220
<b>Net decrease in cash and cash equivalents</b>	<b>199,971</b>	(491,801)	<b>205,018</b>	(480,088)
Cash and cash equivalents at beginning of the period	2,186,664	2,405,513	2,186,554	2,405,299
<b>Cash and cash equivalents at end of period</b>	<b>2,386,635</b>	1,913,712	<b>2,391,572</b>	1,925,211

### Condensed Consolidated Statement of Changes In Equity

	Group 2022	Group 2021	Bank 2022	Bank 2021
	K'000	K'000	K'000	K'000
<b>Balance at the beginning of the period</b>	<b>2,054,994</b>	1,171,798	<b>2,145,638</b>	1,214,247
Profit for the period	345,016	392,803	361,447	407,902
Dividends paid	(363,936)	(82,078)	(363,937)	(82,078)
<b>Balance at end of period</b>	<b>2,036,074</b>	1,482,523	<b>2,143,148</b>	1,540,071

### Financial Highlights

The Group has continued on a strong financial trajectory with a 11% increase in total operating income from K1,752 million recorded in the prior year to K1,953 million. This performance has been fueled by the growth in investment securities income from K741 million to K950 million representing a 28% increase year on year coupled with the positive growth in fees and commission income of 21% (K57 million) year on year.

Total operating expenses increased from K1,051 million to K1,196 million representing a 14% year on year increase. The increase has been driven by the Group's business activities aimed at supporting its 2022 strategy. While the Group is on track with its strategic implementation for the year, the Group recorded a decline in its profitability year on year of K48 million representing a 12% decline.

The performance in the year has been anchored on a resilient balance sheet with a year on year growth in total assets of 13% (K3,229 million). The growth was significantly driven by the increase in investment securities which grew by 53% from K6,952 million in the prior year to K10,608 million as at close of June 2022. Total liabilities increased by 11% (2,675 million) mainly attributable to the growth in customer deposits. Customer deposits recorded a 28% growth from K17,901 million to K22,935 million supporting the Group's strategic intent of maintaining strong funding and liquidity base for strategic growth and to meet regulatory requirements at all times.

### Capital

The Group remains adequately capitalized and continues to prudently utilize its capital to ensure maximum return on investments. As at 30 June 2022, the Group retained a strong capital ratio of 17.1%, after a dividend payout of K364 million.

### Future Outlook

The Group continues to be innovative and deliberate in its strategic execution to ensure that it remains customer centric. This has been further evidenced by its commitment to ensure that the environment in which it operates is sustainable for future generations to come. It has invested and partnered with strategic players in the market to foster a green culture that responds to climate change risks.

### By Order of the Board

**KALUBA G KAULUNG'OMBE-INAMPASA**  
COMPANY SECRETARY

Issued in Lusaka, Zambia on 28<sup>th</sup> September 2022



Lusaka Securities Exchange Sponsoring Broker

T | +260-211-232456  
E | advisory@sbz.com.zm  
W | www.sbz.com.zm

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