

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

SPONSOR



STOCKBROKERS ZAMBIA LIMITED

Stockbrokers Zambia Limited

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

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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: 07 March 2023



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["Zanaco" or "the Bank" or "the Company"]

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 audited results for the year ended 31 December 2022

Condensed Consolidated Statement of Profit or Loss

	Group		Bank		Change	
	31-Dec-22 K'000	31-Dec-21 K'000	31-Dec-22 K'000	31-Dec-21 K'000	Group (+/-) %	Bank (+/-) %
Total operating income	3,901,435	3,511,658	3,902,439	3,505,536	11	11
Profit before income tax	1,732,375	1,588,132	1,768,923	1,637,669	9	8
Income tax expense	(565,378)	(597,849)	(565,378)	(597,849)	(5)	(5)
Profit attributable to shareholders	1,166,997	990,283	1,203,545	1,039,820	18	16
Number of shares during the year ('000)	1,443,750	1,443,750	1,443,750	1,443,750	0	0
Earnings per share (Kwacha)	0.808	0.686	0.834	0.720	18	16

Condensed Consolidated Statement of Financial Position

	Group		Bank	
	2022 K'000	2021 K'000	2022 K'000	2021 K'000
Assets				
Cash and balances with Bank of Zambia	4,740,900	2,750,038	4,741,299	2,749,928
Balances with other banks	2,779,016	1,694,322	2,779,016	1,694,322
Trading assets	1,826,953	2,568,061	1,826,953	2,568,061
Investment securities	12,819,157	7,743,740	12,819,157	7,743,740
Loans and advances to customers	12,056,527	9,566,818	12,118,209	9,639,870
Other assets	899,822	912,831	965,263	934,154
Property and equipment	729,585	868,295	718,141	853,858
Total assets	35,851,960	26,104,105	35,968,038	26,183,933
Liabilities				
Deposits from other banks	77	499,933	77	499,933
Customer deposits	29,688,891	19,323,139	29,691,143	19,329,279
Other liabilities	1,009,025	1,582,045	994,317	1,563,747
Borrowings	2,302,144	2,645,336	2,302,144	2,645,336
Total liabilities	33,000,137	24,050,453	32,987,681	24,038,295
Total equity	2,851,823	2,053,652	2,980,357	2,145,638
Total equity and liabilities	35,851,960	26,104,105	35,968,038	26,183,933

Condensed Consolidated Statement of Cash Flows

	Group		Bank	
	2022 K'000	2021 K'000	2022 K'000	2021 K'000
Net cash generated from operating activities	7,797,594	2,396,133	7,814,972	2,225,299
Net cash used in investing activities	(4,295,764)	(3,649,149)	(4,312,948)	(3,642,667)
Net cash (used in)/generated from financing activities	(922,088)	1,389,861	(921,773)	1,554,317
Effects of exchange rate changes on cash and cash equivalents	54,399	(355,694)	54,399	(355,694)
Net increase/(decrease) in cash and cash equivalents	2,634,141	(218,849)	2,634,650	(218,745)
Cash and cash equivalents at beginning of the year	2,186,664	2,405,513	2,186,554	2,405,299
Cash and cash equivalents at end of year	4,820,805	2,186,664	4,821,204	2,186,554

Condensed Consolidated Statement of Changes in Equity

	Group		Bank	
	2022 K'000	2021 K'000	2022 K'000	2021 K'000
Balance at the beginning of the year	2,053,652	1,171,798	2,145,638	1,214,247
Profit for the year	1,166,997	990,283	1,203,545	1,039,820
Changes in other comprehensive income:	(4,889)	(26,351)	(4,889)	(26,351)
Dividends paid	(363,937)	(82,078)	(363,937)	(82,078)
Balance at end of year	2,851,823	2,053,652	2,980,357	2,145,638

Financial Highlights

The Group continued with a strong performance ending the year with 18% growth in profit after tax. This performance has been anchored on stable revenue growth coupled with prudent cost management. Total operating income increased from K3,512 million to K3,901 million representing a growth of 11%. The increase in operating income was propelled by the increase in income earned on investment securities which grew from K1,459 million to K2,050 million representing a growth of 41%. Operating income was further boosted by 18% growth in fees and commission income.

Total operating expenses increased by 5% from K1,865 million to K1,964 million. The increase was driven by the Group's business activities aimed at supporting the 2022 strategy coupled with inflationary increases. The Group continues to implement cost containment measures premised on prudent cost management.

The notable positive performance in the year was supported by a resilient balance sheet with a year on year growth in total assets of K37% (K9,747 million). The significant growth was mainly driven by increase in; cash and cash equivalent 72% (K1,991 million), Investment securities 66% (K5,075 million) and customer loans 26% (K2,490 million). The growth in assets was funded by the growth in customer deposits which grew by 54%, from K19,323 million to K29,689 million. This is in line with the Group's strategy of growing deposits to increase funds available for investments. Total liabilities recorded a growth of 37% (K8,950 million) which is mainly attributable to the growth in customer deposits.

Capital

The Group continues to prudently build and manage its capital base to ensure that it remains adequately capitalized at all times and ensure maximum return on its investments. The Group closed the year with a capital ratio of 17.6% which is comfortably above the regulatory limit.

Future Outlook

The Group continues to be customer centric, innovative and remains committed to operate in a sustainable manner by protecting the environment in which we operate in. The Group in the current year adopted integrated reporting for the first time to demonstrate its commitment to provide all stakeholders with valuable information on how the Group generates value for its shareholders, key risks and strategic direction of the Group among others.

By Order of the Board

Kaluba G Kaulung'ombe-Inampasa
Company Secretary

Issued in Lusaka, Zambia on 07 March 2023

Lusaka Securities Exchange Sponsoring Broker



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Stockbrokers Zambia Limited (SBZ) is a founder member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia

First Issued on 07 March 2023