

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

ISSUER



ZAMBIA REINSURANCE PLC

[Incorporated in the Republic of Zambia]

Company registration number: 63239
Share Code: ZAMBIA RE
ISIN: ZM0000000326
Authorised by: Choice Corporate Services Limited - Company Secretary

SPONSOR



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. Zambia Reinsurance Plc

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: 11 September 2023

SUMMARY OF UNAUDITED RESULTS FOR THE PERIOD ENDED 30 JUNE 2023

In compliance with the requirements of the Securities Act No.41 of 2016 and the Listing Rules of the Lusaka Securities Exchange (LuSE), Zambia Reinsurance Plc announces the unaudited results for the period ended 30 June 2023.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2023

	2023 ZMW	2022 ZMW
Reinsurance Premium Revenue	60,215,048	72,473,662
Retrocession Premium	(39,520,524)	(38,137,233)
Net Reinsurance Premium	20,694,524	34,336,429
Other Operating income	14,523,410	14,877,606
Reinsurance Service Expense	(25,750,596)	(23,233,332)
Retrocession Service Expense	3,028,178	1,170,296
Net Reinsurance Service Expense	(22,722,418)	(22,063,036)
Operating Expenses	(10,922,383)	(10,569,889)
Total Service and Operating Expenses	(33,644,801)	(32,632,925)
Profit before tax	1,573,133	16,581,110
Income tax expense	(1,257,500)	(1,211,600)
Profit for the year	315,633	15,369,510
Other comprehensive income (net of tax) Item that will not be reclassified subsequently to profit or loss	1,160,600	1,018,601
Total comprehensive income for the year	1,476,233	16,388,111
Basic and Diluted earning per share	0.03	0.36

Economic and Regulatory Environment

There has been relative stability in the macroeconomic parameters for the first half of the year, which has had a positive impact on the operations of the Company.

The new Insurance Act No. 38 of 2021 came into effect in December 2022, and changed the landscape of the insurance industry. One of the key components is the localization of the placement of risks in Zambia which is expected to act as a catalyst in the Company's growth of business in the domestic market.

The new financial reporting standard, IFRS 17, came into effect on 1st January 2023, to replace IFRS 4. IFRS 17 sets out principles for the recognition, measurement, presentation, and disclosure of insurance contracts and has had a major impact on the financial statements of insurance and reinsurance companies. One of the key impacts in compliance with IFRS 17, is that reinsurance revenue reflects the consideration to which the reinsurer expects to be entitled in exchange for the services provided on an earned basis, i.e., the Company can only state the revenue that has been collected.

Financial Highlights

Zambia Reinsurance Plc has published its first half year results which are compliant with IFRS 17, using the premium allocation approach. Accordingly, the half year results for 2022 have been re-presented from those previously published in order to allow for the comparability of financial statements.

In this regard, the financial highlights are summarised below:

- The revenue for the period ending 30 June 2023 was K 60.215 million compared to the restated revenue for the same period in 2022 of K 72.473 million. This shows a regression of 17% over the same period in 2022 driven by uncollected premiums and unearned premiums.
- The Company reported a half year profit before tax of K1.573 million in 2023, and the total assets grew by 1% from K156.9 million in 2022 to K 158.8 million in 2023.
- There was an improvement in the cash and cash equivalent position from K63.878 million as at 30 June 2022 to K66.00 million as at 30 June 2023 due to an increase in investment funds.
- The earnings per share declined from K 0.36 in 2022 to K 0.03 in 2023 as a result of the direct impact of IFRS 17 where the revenue reduced compared to the previous year's restated figures.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	2023 ZMW	2022 ZMW
ASSETS		
Non Current Assets	18,564,356	13,643,749
Current Assets	140,278,975	143,266,344
TOTAL ASSETS	158,843,331	156,910,093
Capital and Reserves	116,143,551	113,840,696
Total Liabilities	42,699,780	43,069,397
TOTAL EQUITY AND LIABILITIES	158,843,331	156,910,093

CONDENSED STATEMENT OF CASHFLOWS AS AT 30 JUNE 2023

	2023 ZMW	2022 ZMW
Net cash generated from operating activities	8,955,400	(1,820,597)
Net cash (outflow)/inflow on investment activities	(4,822,188)	11,789,033
Net cash outflow on financing activities	(2,017,150)	(485,072)
Increase in cash and cash equivalents	2,116,062	9,483,364
Cash and cash equivalents at start of Period	63,878,938	54,395,574
Cash and cash equivalents at end of Period	65,995,000	63,878,938

CONDENSED STATEMENT OF CHANGE IN EQUITY AS AT 30 JUNE 2023

	2023 ZMW	2022 ZMW
Balance as 1 January 2023	116,692,317	100,107,584
Total comprehensive (loss)/Income	1,476,233	16,388,111
Dividends paid	(2,025,000)	(2,655,000)
Balance as 30 June 2023	116,143,550	113,840,695

Shareholders are advised to exercise caution when dealing in the company's securities until publication of the results of the year-end audited financial statements.

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Sponsoring Broker



STOCKBROKERS ZAMBIA LIMITED

Stockbrokers Zambia Limited

[MEMBERS OF THE "LuSE" and REGULATED BY THE SECURITIES AND EXCHANGE COMMISSION OF ZAMBIA]

Outlook

The outlook of the Company is positive, with anticipated growth arising from a significant boost in the gross written premium and improved premium collections, as a result of the operationalization of the Insurance Act No. 38 of 2021.

Dividend

The Directors have recommended that no interim dividend be proposed for the period ended 30 June 2023.

By Order of the Board
 Choice Corporate Services Limited - SECRETARY