

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 G. Kaulungombe-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. Zambia National Commercial Bank Plc

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: 15 September 2023

ZAMBIA NATIONAL COMMERCIAL BANK PLC (“ZANACO”)

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

Summarised Unaudited Results For The Period Ended 30 June 2023

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 2023

Condensed Consolidated Statement of Profit or Loss						
	Group	Group	Bank	Bank	Change	Change
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	Group	Bank
	K'000	K'000	K'000	K'000	(+/-)	(+/-)
					%	%
Total operating income	2,735,352	1,953,191	2,740,184	1,952,056	40	40
Profit before income tax	1,085,133	523,042	1,098,546	539,473	107	104
Income tax expense	(362,520)	(178,026)	(362,520)	(178,026)	104	104
Profit attributable to shareholders	722,613	345,016	736,026	361,447	109	104
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)	0.501	0.239	0.510	0.250	109	104

Condensed Consolidated Statement of Changes In Equity				
	Group	Group	Bank	Bank
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Balance at the beginning of the period	2,848,028	2,054,995	2,980,357	2,145,638
Profit for the period	722,613	345,016	736,026	361,447
Dividends paid	(421,575)	(363,937)	(421,575)	(363,937)
Balance at end of period	3,149,066	2,036,074	3,294,808	2,143,148

Condensed Consolidated Statement of Financial Position				
	Group	Group	Bank	Bank
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Assets				
Cash and balances with Bank of Zambia	7,380,910	3,161,472	7,380,800	3,161,108
Balances with other banks	460,434	2,385,562	460,434	2,385,562
Trading assets	3,931,161	1,314,082	3,931,161	1,314,082
Investment securities	11,023,322	10,608,039	11,023,322	10,608,039
Loans and advances to customers	12,201,494	9,381,872	12,269,199	9,428,994
Other assets	1,418,612	1,147,589	1,489,652	1,206,882
Property and equipment	759,812	830,678	748,094	815,385
Total assets	37,175,745	28,829,294	37,302,662	28,920,052
Liabilities				
Deposits from other banks	1,250,252	1,146,243	1,250,252	1,146,243
Customer deposits	29,787,348	22,935,071	29,787,605	22,939,466
Other liabilities	1,658,023	1,442,960	1,638,941	1,367,400
Borrowings	1,331,056	1,268,946	1,331,056	1,323,795
Total liabilities	34,026,679	26,793,220	34,007,854	26,776,904
Total equity	3,149,066	2,036,074	3,294,808	2,143,148
Total equity and liabilities	37,175,745	28,829,294	37,302,662	28,920,052

Condensed Consolidated Statement of Cash Flows				
Net cash (used in)/generated from operating activities	(189,339)	3,650,349	(179,589)	3,669,555
Net cash used in investing activities	(372,832)	(1,750,802)	(372,503)	(1,749,662)
Net cash used in financing activities	(130,476)	(1,699,576)	(137,610)	(1,714,875)
Net (decrease)/increase in cash and cash equivalents	(692,647)	199,971	(689,702)	205,018
Cash and cash equivalents at beginning of the period	3,801,051	2,186,664	3,797,738	2,186,554
Cash and cash equivalents at end of period	3,108,404	2,386,635	3,108,036	2,391,572

Financial Highlights

The Group delivered an exceptional financial performance recording a growth in profit after tax of 109% (K378 million). Profit after tax increased from K345 million to K723 million. This growth was anchored on a 40% (K782 million) increase in total operating income driven by a 26% (K244 million) increase in income earned on Government securities, 192% (K421 million) increase in trading income and a 40% (K133 million) increase in income on fees and commissions.

Total operating expenses were driven by the Group's strategic initiatives aimed at positioning the Bank to maximise shareholder value and ensure that the Bank remains relevant for the future and improving customer experience. Operating expenses increased by 32% (K374 million) while impairments reduced by 54% (K126 million) due to the prudent and proactive credit practices implemented by the Group. The Group continues to focus on cost containment measures to ensure that its prudent in its resource management.

The exceptional performance in the period was driven by a resilient balance sheet with a growth in total assets of 29% (K8,346 million). This growth was due to an increase in cash balances of 41% (K2,294 million), trading assets 199% (K2,617 million) and 30% (K2,820 million) growth in loans and advances. Total liabilities increased by 27% (K7,233 million) mainly attributable to the growth in customer deposits which recorded a 30% (K6,852 million) growth. The growth is in line with the Group's strategic intent of maintaining strong funding and liquidity base 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 2023, the Group retained a strong capital ratio of 18.7%, after a dividend payout of K422 million.

Future Outlook

The Group is committed to operate in a manner that protects and contributes positively to the environment it operates in while ensuring that it remains customer centric. The Group adopted integrated reporting and continues to align its strategy to be innovative and future-fit.

By Order of the Board

KALUBA G KAULUNG'OMBE-INAMPASA
COMPANY SECRETARY

Issued in Lusaka, Zambia on 15 September 2023



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

