

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]

Contact Number: +260-211-232456
Website: www.sbz.com.zm

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 ("Zambia Re")

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: 4 April 2024

SUMMARY OF AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 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 audited results for the year ended 31 December 2023.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER 2023

	2023 ZMW	2022 ZMW
Reinsurance Revenue	90,023,096	92,711,666
Retrocession service expenses	(44,864,695)	(51,932,106)
Reinsurance service result from reinsurance contracts issued	45,158,401	40,779,560
Reinsurance Service expense	(42,131,396)	(39,799,591)
Retrocession service Income	19,326,475	18,701,818
Net Reinsurance Service expense	(22,804,921)	(21,097,773)
Reinsurance Finance Income	7,145,916	296,903
Retrocession Finance Expense	(5,280,935)	(65,822)
Operating expenses	(25,686,176)	(22,374,750)
Total Service and Operating Expenses	(46,626,116)	(43,241,442)
Other operating income	22,024,883	10,529,119
Profit before tax	20,557,168	8,067,237
Income tax expense	(5,042,875)	(5,526,691)
Profit for the year	15,514,293	2,540,546
Gain(Loss) on investments at fair value	3,083,475	1,595,485
Total comprehensive income for the year	18,597,768	4,136,031
Basic and diluted earnings per share	0.34	0.13

Operating Environment

The weakened domestic economy presented some challenges as inflation climbed to double digits and the exchange rate continued to deteriorate against foreign currencies, more so towards the end of the year, thus negatively impacting operating expenses.

The insurance industry was impacted by the implementation of IFRS 17, a new standard that came into effect on 1st January 2023. This standard changed the presentation, recognition and measurement of insurance/reinsurance contracts, key of which is revenue recognition. The implementation process has been a long and expensive journey which the Company completed and is now fully compliant.

Against this backdrop, the Company achieved high profits even though organic growth was subdued as a result of the implementation of IFRS 17.

Financial performance

The Company recorded a revenue of K 90.023 million from K 92.711 million the previous year. The subdued revenue was caused by the implementation of IFRS17.

The Company realised a profit of K 15.514 million for the year compared to a profit of K 2.540 million in the preceding year, an increase of 510%, attributed to the exchange gains as a result of devaluation of the Kwacha against major currencies.

The total comprehensive income for the year was K 18.597 million, an increase of 350% from K4.136 million from the previous year.

As a result, the earnings per share increased from 0.13 to 0.34 at the end of the financial year.

The financial position strengthened, with total assets increasing by 8% from K 141.019 million in the previous year to K 151.652 million in 2023.

Dividend

The Directors will recommend a dividend payment to the shareholders of K0.045 per share at the next Annual General Meeting.

By Order of the Board

Choice Corporate Services Limited - SECRETARY

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	2023 ZMW	2022 ZMW
ASSETS		
Non Current Assets	18,412,596	16,333,623
Current Assets	133,239,929	124,686,260
TOTAL ASSETS	151,652,525	141,019,883
Capital and Reserves	105,392,455	88,819,689
Total Liabilities	46,260,070	52,200,194
TOTAL EQUITY AND LIABILITIES	151,652,525	141,019,883

CONDENSED STATEMENT OF CASHFLOWS AS AT 31 DECEMBER 2023

	2023 ZMW	2022 ZMW
Net cash generated from operating activities	3,320,180	5,459,411
Net cash (outflow)/inflow on investment activities	13,941,828	(6,770,848)
Net cash outflow on financing activities	(2,017,745)	(2,653,447)
Increase in cash and cash equivalents	16,078,129	3,987,626
Cash and cash equivalents at start of Period	1,480,483	5,468,115
Cash and cash equivalents at end of Period	17,558,618	1,480,489

CONDENSED STATEMENT OF CHANGE IN EQUITY AS AT 31 DECEMBER 2023

	2023 ZMW	2022 ZMW
Balance as 1 January 2023	88,819,687	86,343,391
Gain in revaluation of property	-	995,265
Total comprehensive (loss)/Income	18,597,768	4,136,031
Dividends paid	(2,025,000)	(2,655,000)
Balance as at 31 December 2023	105,392,455	88,819,687

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.

Sharetrack Zambia
 Spectrum House
 Stand No. 10, Great East Road
 P.O Box 37283
 Lusaka

Tel: +260 211 374777/78/79

Email:sharetrack@scs.co.zm
 Website: www.sharetrackzambia.com

Sponsoring Broker



STOCKBROKERS ZAMBIA LIMITED

Stockbrokers Zambia Limited

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