

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: 18 September 2024

ZAMBIA NATIONAL COMMERCIAL BANK PLC (“ZANACO”)

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

Summarised Unaudited Results For The Period Ended 30 June 2024

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 2024.

| Condensed Consolidated Statement of Profit or Loss | | | | | | |
|--|------------------|-----------|------------------|-----------|--------|-------|
| | Group | | Bank | | Change | |
| | 30-Jun-24 | 30-Jun-23 | 30-Jun-24 | 30-Jun-23 | Group | Bank |
| | K'000 | K'000 | K'000 | K'000 | (+/-) | (+/-) |
| | | | | | % | % |
| Total operating income | 2,770,405 | 2,735,352 | 2,777,429 | 2,740,184 | 1 | 1 |
| Profit before income tax | 1,056,670 | 1,085,133 | 1,062,819 | 1,098,546 | (3) | (3) |
| Income tax expense | (350,733) | (362,520) | (350,730) | (362,520) | (3) | (3) |
| Profit attributable to shareholders | 705,937 | 722,613 | 712,089 | 736,026 | (2) | (3) |
| 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) | 0.489 | 0.501 | 0.493 | 0.510 | (2) | (3) |

| Condensed Consolidated Statement of Financial Position | | | | |
|--|-------------------|------------|-------------------|------------|
| | Group | | Bank | |
| | 2024 | 2023 | 2024 | 2023 |
| | K'000 | K'000 | K'000 | K'000 |
| Assets | | | | |
| Cash and balances with Bank of Zambia | 9,235,155 | 7,380,910 | 9,235,110 | 7,380,800 |
| Balances with other banks | 3,346,322 | 460,434 | 3,346,322 | 460,434 |
| Trading assets | 2,714,910 | 3,931,161 | 2,714,910 | 3,931,161 |
| Investment securities | 12,105,992 | 11,023,322 | 12,105,992 | 11,023,322 |
| Loans and advances to customers | 15,713,096 | 12,201,494 | 15,713,096 | 12,269,199 |
| Other assets | 2,071,079 | 1,418,612 | 2,237,404 | 1,489,652 |
| Property and equipment | 1,076,303 | 759,812 | 1,069,270 | 748,094 |
| Total assets | 46,262,856 | 37,175,745 | 46,422,104 | 37,302,662 |
| Liabilities | | | | |
| Deposits from other banks | 6,691,920 | 1,250,252 | 6,691,920 | 1,250,252 |
| Customer deposits | 31,763,972 | 29,787,348 | 31,769,753 | 29,787,605 |
| Other liabilities | 2,347,210 | 1,658,023 | 2,329,473 | 1,638,941 |
| Borrowings | 1,116,200 | 1,331,056 | 1,116,200 | 1,331,056 |
| Total liabilities | 41,919,302 | 34,026,679 | 41,907,346 | 34,007,854 |
| Total equity | 4,343,554 | 3,149,066 | 4,514,758 | 3,294,808 |
| Total equity and liabilities | 46,262,856 | 37,175,745 | 46,422,104 | 37,302,662 |

| Condensed Consolidated Statement of Cash Flows | | | | |
|--|--------------------|-----------|--------------------|-----------|
| Net cash used in operating activities | (1,827,612) | (189,339) | (1,841,259) | (179,589) |
| Net cash used in investing activities | (678,482) | (372,832) | (677,061) | (372,503) |
| Net cash used in financing activities | (1,232,924) | (130,476) | (1,226,184) | (137,610) |
| Net decrease in cash and cash equivalents | (3,739,018) | (692,647) | (3,744,504) | (689,702) |
| Cash and cash equivalents at beginning of the period | 4,535,546 | 3,801,051 | 4,535,206 | 3,797,738 |
| Cash and cash equivalents at end of period | 796,528 | 3,108,404 | 790,702 | 3,108,036 |

| Condensed Consolidated Statement of Changes In Equity | | | | |
|---|------------------|-----------|------------------|-----------|
| | Group | Group | Bank | Bank |
| | 2024 | 2023 | 2024 | 2023 |
| | K'000 | K'000 | K'000 | K'000 |
| Balance at the beginning of the period | 4,258,723 | 2,848,028 | 4,423,775 | 2,980,357 |
| Profit for the period | 705,937 | 722,613 | 712,089 | 736,026 |
| Dividends paid | (621,106) | (421,575) | (621,106) | (421,575) |
| Balance at the end of the period | 4,343,554 | 3,149,066 | 4,514,758 | 3,294,808 |

Financial Highlights

The Group recorded a profit after tax of K706 million for the period, a 2% reduction compared to the 2023 performance. The performance in the period was adversely impacted by the increase in interest expense cost due to increased borrowings to cushion the effects of the increase in statutory reserve ratio from 11.5% to 26% which materially reduced available cashflows to support operations.

Total operating income closed the period at K2.77 billion representing a marginal growth of 1%. This was supported by a 4% (K64.8m) growth in Net Interest Income and 18% (K82.2m) increase in fee and commission income.

Operating expenses grew by 10% (K150m). The Group continues to focus on investments that will maximize shareholder value and position the Bank to be future-fit. Impairments reduced by 79% (K86.2m) due to careful and forward-looking credit management practices. Cost containment remains pivotal in the Group's operations to ensure that it prudently manages its resources.

The performance in the period was anchored on a resilient balance sheet with a growth in total asset base of 24% (K9.1 billion). This was supported by 29% (K3.5 billion) growth in the loan book, 10% (K1.1 billion) growth in Investment securities. Cash and balances with Central bank grew by 25% (K1.8 billion) to ensure compliance with the increase in the statutory reserve ratio. Total liabilities grew by 23% (K7.9 billion) driven by a 7% (K1.98 billion) increase in customer deposits and 435% (K5.4 billion) growth in borrowings from other Banks to support and maintain funding and liquidity 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 2024, the Group retained a strong capital ratio of 18.18%, after a dividend payout of K621 million.

Future Outlook

The Group will continue to operate in an agile manner to respond proactively to the changing business, environment and regulatory environment. We will continue to invest in technology and enhancing our customers' experience in order to remain future-fit with a focus on the customer.

By Order of the Board

KALUBA G KAULUNG'OMBE-INAMPASA
COMPANY SECRETARY

Issued in Lusaka, Zambia on 18 September 2024



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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

