

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

[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: 14 March 2018



Zambia National Commercial Bank Plc
 [Incorporated in the Republic of Zambia]
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 ISIN:ZM0000000250 (ZANACO)

Summarised Audited Results for the period ended 31 December 2017

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 period ended 31 December 2017

Condensed Income Statement

	31-Dec-17 K'000	31-Dec-16 K'000	Change (+/-) %
Net income	1,189,330	1,002,138	19
Profit /(Loss) before income tax	179,585	(59,744)	401
Tax charge	(65,466)	(2,058)	3,081
Profit /(Loss) attributable to shareholders	114,119	(61,802)	
Number of shares during the year ('000)	1,443,750	1,443,750	0.0
Earnings/(loss) per share (Kwacha)	0.079	(0.043)	285

Condensed Financial Position

	2017 K'000	2016 K'000
Assets		
Cash and balances with Bank of Zambia	1,598,457	2,541,635
Balances with other banks	804,773	838,507
Loans and advances to customers	3,223,173	3,187,597
Financial Investments - available for sale	3,099,659	769,742
Property and equipment	290,063	237,868
Other assets	526,963	426,455
Total Assets	9,543,088	8,001,804
Liabilities		
Customer deposits	7,454,624	6,256,182
Other liabilities	379,550	314,026
Borrowings	684,862	560,656



Total Liabilities	8,519,036	7,130,864
Total Equity	1,024,052	870,940
Total Equity and Liabilities	9,543,088	8,001,804

Condensed cash flow statement

	2017	2016
Cash flows from operating activities	456,651	155,353
Net cash generated from operating activities	(1,330,224)	528,926
Cash flows from investing activities	(61,825)	(24,216)
Cash flows from financing activities	122,948	(85,042)
Net increase/(decrease) in cash and cash equivalents	(812,450)	575,021
Cash and cash equivalents at beginning of year	2,325,162	1,750,141
Cash and cash equivalents at end of year	1,512,712	2,325,162

Condensed consolidated statement of changes in equity

	2017	2016
Balance at the beginning of the year	870,940	1,040,284
Change in other comprehensive income	38,993	3,393
Profit for the year	114,119	(61,802)
Dividend paid	-	(43,313)
Impact on restatement	-	(67,622)
Balance at end of year	1,024,052	870,940

Note

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

Financial Highlights

The Bank continues to grow its revenue with an impressive 18.7% growth recorded on prior year. This is mainly attributed to:

- 26.5% growth in fees and commission income on the back of improved business growth in line with Banks strategy to grow non-funded income.
- 132% growth in investment income compared from K174 million in 2016 to K401 million in 2017. Investment securities balances grew substantially and were funded by the 19% growth in customer deposits.

Operational costs marginally increased by 5% during the year. This is lower than inflation due to improved cost control which resulted in Operating Profit before tax increasing from a loss of K60 million to a profit of K180 million.

Capital

During the period under review, the Bank remained capitalized above the minimum required ratio of 10%. The shareholders' funds increased by 17.6% compared to December 2016.

Future Outlook

The favorable economic conditions experienced towards the end of 2017 are expected to continue in 2018. Furthermore, the loan book challenges experienced in the industry will continue but the Bank is confident that with the approved strategy, the right measures taken and positive economic developments, the loan book shall start to grow again.

BY ORDER OF THE BOARD

Issued in Lusaka, Zambia on Wednesday, 14th March 2018

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First Issued on Wednesday, 14th March 2018