



PRIMA REINSURANCE PLC

(Incorporated in the Republic of Zambia under company registration number: 63239)

Share Code:PRIMA

ISIN: ZMW0000000326

("Prima Re" or "the Company")

Summarised Audited Results for the Year Ended 31st December 2018

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

In compliance with the Securities Act No. 41 of 2016 of the laws of Zambia, Prima Reinsurance Plc announces the audited results for the period ended 31 December 2018

	2018 ZMW	2017 ZMW
Gross premium income	33,182,718	38,435,017
Less:		
Retrocession premium (gross)	(9,913,766)	(11,725,361)
Net premium income	23,268,952	26,709,656
Unearned premiums	929,894	(1,465,506)
Net premium earned	24,198,946	25,244,150
Gross claims	(7,882,059)	(11,717,077)
Retrocession recoveries	6,153,692	6,510,226
Commission paid	(9,131,802)	(11,044,049)
Reinsurance commission received	3,278,268	4,048,792
Deferred acquisition cost/(credit)	(119,912)	530,949
Other income	4,378,616	4,061,123
Impairment loss determined in accordance with IFRS 9	(12,794,849)	-
Expenses	(11,950,755)	(13,265,044)
Profit before taxation	(3,869,955)	4,369,070
Income tax (expense)/credit	2,314,337	(1,766,782)
Profit for the year	(1,555,618)	2,602,288
assets at fair value through income	<u>167,074</u>	<u>539,461</u>
Total comprehensive income for the year	<u>(1,388,544)</u>	<u>3,141,749</u>
Basic earnings per share	<u>(0.05)</u>	<u>0.10</u>
Shares in Issue	30,000,000	30,000,000

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT

31 DECEMBER 2018

	2018 ZMW	2017 ZMW
ASSETS		
Non – current assets	15,695,448	11,155,449
Current assets	42,005,358	54,503,605
Total assets	<u>57,700,806</u>	<u>65,659,054</u>
Capital and reserves	42,197,277	45,085,821
Non – current liabilities	-	302,260
Current liabilities	15,503,529	20,270,973
Total equity and liabilities	<u>57,700,806</u>	<u>65,659,054</u>

CONDENSED STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31

DECEMBER 2018

	2018 ZMW	2017 ZMW
Net cash outflow on operating activities	(909,935)	(585,211)
Taxation paid	(1,027,365)	(1,277,135)
Net cash inflow from returns on investments and servicing of finance	1,623,790	3,317,824
Net cash outflow on Investment activities	(518,773)	(3,361,629)
Net cash outflow on financing activities	(1,500,000)	-
(Decrease)/increase in cash and cash equivalents	(2,331,983)	(1,906,151)
Cash and cash equivalents at 1 January	<u>13,844,528</u>	<u>15,750,679</u>
Cash and cash equivalents at 31 December	<u>11,512,545</u>	<u>13,844,528</u>

CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018

	Share capital ZMW	Share premium ZMW	Revaluation reserves ZMW	Retained profits ZMW	Total ZMW
At 1 January 2017	30,000,000	2,530,642	2,688,675	6,724,755	41,944,072
Transfer to retained profit	-	-	(47,706)	47,706	-
Total comprehensive income for the year	-	-	-	<u>3,141,749</u>	<u>3,141,749</u>
At 31 December 2017	30,000,000	2,530,642	2,640,969	9,914,210	45,085,821
Transfer to retained profits	-	-	(47,706)	47,706	-
Dividends paid	-	-	-	(1,500,000)	(1,500,000)
Total comprehensive income for the year	-	-	-	<u>(1,388,544)</u>	<u>(1,388,544)</u>
At 31 December 2018	<u>30,000,000</u>	<u>2,530,642</u>	<u>2,593,263</u>	<u>7,073,372</u>	<u>42,197,277</u>

Performance Highlights

- Prima Reinsurance Plc (Prima Re) recorded a 13% contraction in Gross Written Premium (GWP) amounting to ZMW33.182 million compared to ZMW38.44 million in the previous year. The company adopted a deliberate policy to forfeit organic growth and focus on quality and credit worthy business.
- The net claims reduced from ZMW5.20 million in the previous year to ZMW1.728 million in the current year attributed to prudent underwriting.
- Due to the implementation of IFRS 9 in the year 2018, the company recognised an impairment loss of ZMW12.8 million in respect of the insurance receivables as at 31 December 2018. This resulted in the loss of ZMW1.555 million for the year compared to a profit of ZMW3.141million in the previous year.
- There was an increase in other income from ZMW4.06 million to ZMW4.38 million attributed mainly to the appreciation in the kwacha against major foreign currencies.
- Prima Re's balance sheet decreased with total assets recorded at ZMW57.70 million from ZMW65.66 million in the previous year as a result of the impairment loss.
- Current liabilities decreased from ZMW20.27 million in the previous year to ZMW15.50 million in the current year due to the decrease in the unearned premium reserves and repayment of bank overdraft.
- The company's solvency margin remains above 170%.
- The basic earnings per share declined from ZMW 0.10 to (ZMW 0.05).

Future Outlooks

- The company continues to consolidate its position in the domestic market whilst deepening its footprint across Africa doing business with over 15 countries. Prima Re is also diversifying its investment portfolio in order to maximise shareholders returns.

Dividend

- The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018 in view of the financial results recorded as highlighted.

Annual General Meeting

- The Annual General Meeting of Prima Reinsurance PLC will be held on 24 May 2019 at Taj Pamodzi Hotel at 10.00 hours.

By order of the Board
Choice Corporate Services Ltd - SECRETARY

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