

SENS ANNOUNCEMENT
(the "Notice" or "Announcement")

ISSUER



AFRICAN BANKING CORPORATION LIMITED [T/A "ATLAS MARA"]
[Incorporated in the Republic of Zambia]

Company registration number: 42541
ISIN: ZM2000001007
Authorised by: Sandra Malupande – 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. 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:07 April 2020



AFRICAN BANKING CORPORATION ZAMBIA LIMITED

[Incorporated in the Republic of Zambia]

Company registration number: 42541

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["Atlas Mara" or "the Bank" or "the Company"]

In compliance with the requirements of the Securities Act No. 41 of 2016 of the laws of Zambia and the Listing Rules of the Lusaka Securities Exchange, the Directors of African Banking Corporation Zambia Limited, "Trading as Atlas Mara", are pleased to announce the audited results of the Group for the period ended 31 December 2019.

The Group comprise of the Bank," African Banking Corporation Zambia Limited" and its subsidiaries: ABC Investment Services Limited and Micro Finance Zambia Limited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group			Bank		
	2019 K'000	2018 K'000	Change %	2019 K'000	2018 K'000	Change %
Interest Income	842,100	633,941	33	721,088	502,617	43
Interest Expense	(402,654)	(270,148)	(49)	(348,776)	(224,209)	(56)
Net Interest Income	439,446	363,793	21	372,312	278,408	34
Loan impairment (charge) write back	(124,261)	8,622	(1,541)	(99,056)	22,005	(550)
Net interest income after loan impairment charge	315,185	372,415	(15)	273,256	300,413	(9)
Net fee and commission income	349,434	281,671	24	292,361	131,265	1
Total Operating Income	664,619	654,086	2	565,617	431,678	4
Operating expenses	(778,192)	(663,426)	(17)	(709,570)	(435,880)	(19)
Loss before taxes and extraordinary items	(113,573)	(9,340)	(1,116)	(143,953)	(4,202)	(3,326)
Taxation	(13,059)	(9,632)	(36)	4,211	12,047	(67)
Loss after taxes before extraordinary items	(126,632)	(18,972)	(557)	(139,742)	7,845	(1,881)
Extraordinary Items (Gross amounts)	-	-	-	-	-	-
Net loss after taxation	(126,632)	(18,972)	(557)	(139,742)	7,845	(1,881)
Number of shares during the year	416,000	416,000		416,000	416,000	
(Loss)/profit per share (Kwacha)	(304)	(46)		(336)	18.86	

CONDENSED CONSOLIDATE STATEMENT OF FINANCIAL POSITION

Cash and balances with Bank of Zambia	1,158,780	916,020	1,129,973	863,590
Derivative financial instrument	0	4,492	-	4,492
Investment securities - available for sale	1,161,628	919,044	1,161,628	919,044
Loans and advances to banks	331,746	237,046	331,746	237,046
Loans and advances to customers	2,671,663	2,304,009	2,355,305	1,951,837
Property and equipment	363,203	342,778	354,794	332,291
Investment property	31,048	54,470	31,048	-
Intangible assets and goodwill	273,710	304,029	268,799	297,966
Current tax asset	67,386	53,910	65,674	49,209
Deferred tax asset	218,054	220,393	153,303	143,383
Investment in subsidiaries	-	-	51,268	163,003
Other assets	989,946	851,212	1,150,982	929,544
Asset held-for-sale	-	-	-	-
Total assets	7,267,164	6,207,403	7,054,520	5,891,405
Customer deposits	4,686,123	4,159,025	4,506,725	3,917,382
Other liabilities	358,889	267,131	404,002	276,980
Borrowings	775,977	847,872	774,812	841,573
Deposits from banks	659,672	5,137	659,672	5,137
Current tax liability	-	8,831	-	-
Deferred tax liability	55,444	54,013	-	-
Total liabilities	6,536,105	5,342,009	6,345,211	5,041,072
Tier II Capital	48,300	45,090	48,300	45,090
Shareholders' equity	682,759	820,304	661,009	805,243
Total liabilities and equity	7,267,164	6,207,403	7,054,520	5,891,405

CONDENSED STATEMENT OF CASH FLOW

Cash flows from operating activities	173,366	202,405	137,256	208,032
Changes in operating assets and liabilities	731,249	(228,127)	779,306	(74,527)
Cash flows from investing activities	(331,974)	(392,481)	(325,432)	(509,264)
Cash flows from financing activities	(235,181)	205,109	(230,047)	211,307
Net increase in cash and cash equivalents	337,460	(213,094)	361,083	(164,452)
Cash and cash equivalents at beginning of year	1,153,066	1,366,160	1,100,636	1,265,088
cash and cash equivalents at end of period	1,490,526	1,153,066	1,461,719	1,100,636

CONDENSED STATEMENT OF CHANGES IN EQUITY

Balance at the beginning of the year	820,304	849,064	805,243	739,221
Adjustment on initial application of IFRS 9, net of tax	(6,421)	(179,551)	-	(111,447)
Other comprehensive income	(4,492)	(6,557)	(4,492)	(6,696)
Conversion of Tier II capital to share premium	-	176,320	-	176,320
Loss/profit for the period	(126,632)	(18,972)	(139,742)	7,845
Balance at the end of the period	682,759	820,304	661,009	805,243

Note

The financial statements have been prepared in accordance with the International financial reporting standards (IFRS)

Financial Highlights

The financial performance of the group has continued to improve year on year with net interest income growing by 21% and net fee commission income growing by 24% in the fiscal year.

The bank recorded growth in interest earning assets such as government securities growing 26%, loans to other banks 16% and loans to customers 16%.

Customer deposits grew by 13%

The gains and strides recorded in the year, have however been negated by one off operational losses and impairments on investments in Euro bonds resulting in the group recording a loss for the year.

Outlook

The outlook for the group remains bright. The group is poised to leverage on its enhanced digital offering to drive robust deposit and transactional growth.

By order of the Board

Sandra Malupande
Company Secretary

Issued in Lusaka, Zambia on 07 April 2020

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

First Issued on 07 April 2020