

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

ISSUER



zambia national building society

ZAMBIA NATIONAL BUILDING SOCIETY

[Established under the Building Societies Act of 1970]

ISIN: ZNBS ZM2000001064
Authorised by: Womba S. Kankondo – Acting Society Secretary

SPONSOR



Stockbrokers Zambia Limited

[Member of the Lusaka Securities Exchange]

[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Prepared By: Natasha Nelson
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. 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: 08 December 2020



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["ZNBS" or "the Society"]

In compliance with the requirements of the Securities Act No. 41 of 2016 of the Laws of Zambia and the Listings Rules of the Lusaka Securities Exchange, the Directors of Zambia National Building Society, are pleased to announce the audited results for the company for the period ended 31 March 2020.

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2020 K'000	2019 K'000	Change %
Interest Income	217,533	157,584	38%
Interest Expense	(105,247)	(43,063)	144%
Net Interest Income	112,286	114,521	-2%
Loan Impairment (Charge) Write Back	(5,881)	(25,609)	-77%
Net interest income after loan impairment charges	106,405	88,912	20%
Fees and Commission income	40,955	54,205	-24%
Rental income	8,383	7,588	10%
Profit (Loss) on disposal	(405)	227	-279%
Fair value gain on investment property	2,824	3,257	-13%
Exchange Gain	3,276	-	
Reversal of provision	48,160	15,645	208%
Operating Expenses	(182,322)	(160,857)	-13%
Profit/(Loss) before tax	27,276	8,976	204%
Income tax (expense)/credit	-	-	
Profit/(loss) for the year	27,276	8,976	204%
Other Comprehensive Income			
Items that will not be recycled to profit and loss			
Revaluation gains on buildings	-	-	0%
Total Comprehensive income for the year	27,276	8,976	204%
Number of shares during the year	1	1	
(Loss)/ profit per share (Kwacha)	27,276	8,976	204%

CONDENSED STATEMENT OF FINANCIAL POSITION

	2020 K'000	2019 K'000	Change %
Cash & bank balances	146,430	78,744	86%
Placements with other financial institutions	155,895	10,017	1456%
Government securities	13,427	-	
Loans and advances	639,863	639,910	0%
Property and equipment	89,663	91,335	-2%
Investment properties	137,587	133,577	3%
Intangible Assets	22,142	-	
Right of Use Asset	16,260	-	
Other assets	44,467	20,495	117%
Total Assets	1,265,736	974,078	30%
Customer deposits	493,384	373,513	32%
Provision for long service gratuity	6,272	60,884	-90%
Borrowings	343,355	175,378	96%
Other liabilities	57,629	42,431	36%
Lease Liability	17,446	-	0%
	918,088	652,206	41%
Tier II capital	56,127	58,281	-4%
Shareholders' equity	291,521	263,591	11%
Total liabilities and equity	1,265,736	974,078	30%

CONDENSED STATEMENT OF CHANGES IN EQUITY

Balance at the end of the year	321,872	310,428	4%
Adjustment on initial application of IFRS 9	-	3,668	-100%
Profit for the year	27,276	8,976	204%
Dividend paid	(1,500)	(1,200)	25%
Balance at the end of the year	347,648	321,872	8%

CONDENSED STATEMENT OF CASH FLOW

Cash from operating activities	94,718	36,632
Changes in operating assets and liabilities	60,430	(80,161)
Cash flows from investing activities	(49,311)	(23,385)
Cash flow from financing activities	107,728	46,799
Net increase (decrease) in cash and cash equivalent	213,565	(20,115)
Cash and cash equivalents at the beginning of the year	88,761	108,876
Cash and cash equivalents at the end of the year	302,326	88,761

NOTE

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

FINANCIAL HIGHLIGHTS

Total assets of the Society increased by 30% year on year. This was mainly driven by the growth in depositors' funds and borrowings. Revenue operating activities increased by 22% with the significant

increase resulting from interest from placements with banks. Interest expenses recorded significant increases due to new borrowings contracted, heightened by the increase in cost of borrowing on the market during the period under review.

CAPITAL

The Society was well capitalized during the period under review with regulatory capital exceeding the minimum capital requirement of 10% of risk weighted assets or K50million.

OUTLOOK

Projecting into the future, the Society is expected to experience stable growth from the current business levels despite the COVID 19 pandemic and is set to position itself as the main mortgage finance provider in Zambia. The growth will be precipitated by the huge housing deficit that has kept the demand for housing finance high despite the pandemic.

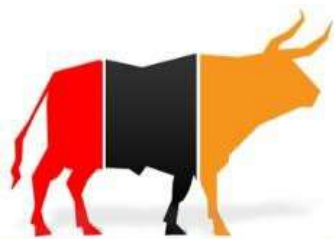
By order of the Board

Womba S. Kankondo

ACTING SOCIETY SECRETARY

Issued in Lusaka, Zambia on 8th December 2020

Lusaka Securities Exchange Sponsoring Broker



STOCKBROKERS ZAMBIA LIMITED

T | +260-211-232456

E | advisory@sbz.com.zm

W | www.sbz.com.zm

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

First Issued on 8th December 2020