

# ANNOUNCEMENT

(The “Notice” or “Announcement”)

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## ISSUER

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PRIMA REINSURANCE PLC [“PRIMA”]

[Incorporated in the Republic of Zambia]

Company registration number: 63239

Share Code: PRIMA

ISIN: ZM0000000326

Authorised by: Choice Corporate Services- Company Secretary

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## SPONSOR

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### MADISON ASSET MANAGEMENT COMPANY LIMITED

[MEMBER OF THE LuSE and REGULATED BY THE SECURITIES AND EXCHANGE COMMISSION OF ZAMBIA]

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## APPROVAL

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The captioned Notice or Announcement has been approved by:

- i. the Lusaka Stock Exchange
  - ii. the Securities and Exchange Commission
  - iii. Madison Asset Management Company Ltd
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## RISK WARNING

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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.

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# PRIMA REINSURANCE PLC

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

Share Code: PRIMA

ISIN: ZMW0000000326

("Prima Re" or "the Company")

## Summary of Unaudited Results for the Six Months Ended 30 June 2018

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2018

In compliance with the requirements of the Securities Act No.41 of 2016 and the Listing Rules of the Lusaka Securities Exchange (LuSE), Prima Reinsurance Plc. announces the unaudited results for the half year ended 30 June 2018.

	2018 ZMW	2017 ZMW
Gross Written Premium	18,447,730	22,548,433
Retrocession cost	(5,505,941)	(7,479,131)
Net Written Premium	12,941,789	15,069,302
Unearned Premiums	(4,251,521)	(6,671,526)
<b>Net Earned Premium</b>	<b>8,690,268</b>	<b>8,397,776</b>
Net Claims	(2,063,701)	(1,981,199)
Net Commissions	(2,379,928)	(1,884,243)
<b>Underwriting surplus</b>	<b>4,246,639</b>	<b>4,532,332</b>
Expenses	(9,301,280)	(5,657,172)
Other Income	1,057,795	1,238,150
Profit/(Loss) before Tax	(3,996,846)	113,312
Taxation	(484,172)	(600,213)
<b>Profit/(Loss) after Tax</b>	<b>(4,481,018)</b>	<b>(486,901)</b>
Fair value	860,310	400,589
Total Comprehensive Income/(loss)	(3,620,708)	(86,312)
(Loss)/Earnings per share	(0.121)	(0.003)

### CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	2018 ZMW	2017 ZMW
Total Non-Current Assets	11,634,074	8,259,564
Total Current Assets	50,336,029	52,470,585
<b>Total Assets</b>	<b>61,970,103</b>	<b>60,730,149</b>
Total Equity	39,965,102	41,857,759
Total Non-Current Liabilities	302,260	(290,437)
Total Current Liabilities	21,702,741	19,162,827
<b>Total Equity and Liabilities</b>	<b>61,970,103</b>	<b>60,730,149</b>

### CONDENSED STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 30 JUNE 2018

	2018 ZMW	2017 ZMW
Net Cash from operating activities	(1,996,281)	(716,619)
Net Cash used in investment activities	(1,949,493)	1,569,188
Net cash generated utilised financing activities	(1,500,000)	-
Decrease in cash and cash equivalents	(5,445,774)	852,569
Cash and cash equivalents at the beginning of the year	16,603,367	15,750,798
Cash and cash equivalents at the end of June	11,157,593	16,603,367

Shareholders are advised to exercise caution when dealing in the Company's securities until publication of the results of the year-end audited financial

**CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT  
30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>ZMW</b>	<b>ZMW</b>
Balance at 1 January	45,085,811	41,944,071
Total comprehensive income	(3,620,709)	(86,312)
<b>Dividends paid</b>	(1,500,000)	-
<b>Balance as at June</b>	<u>39,965,102</u>	<u>41,857,759</u>

**Performance Overview**

The Company operated in a stable environment given the challenge of increasing debtors in the industry compounded by tight liquidity. In view of this, the Company is concentrating on selected business for which premiums will be paid. This has resulted in a drop in Gross Written Premium (GWP). However, the Company recorded an underwriting surplus as the Company focuses on writing quality business. The Net Earned Premium increased as the retrocession cost came down.

In compliance with the new standard for financial instruments, IFRS 9, which came into effect on 1 January 2018, there was an increased impairment provision of K 3.270 million and the Company recorded a loss before tax of K 3.9 million.

The Company's financial position remains robust with total assets increasing from K 60.73 million to K 61.97 million.

**Outlook**

The Company is committed to providing increased capacity for the industry so as to retain more risks locally. Both the Board and Management are confident about the Company's future prospects as the Company continues to partner with local and international insurance companies in Africa to enhance growth and widen its operating horizons.

By order of the Board  
Choice Corporate Services Ltd - SECRETARY

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Sponsoring Broker  
[MEMBER OF THE LuSE and REGULATED BY THE SECURITIES  
AND EXCHANGE COMMISSION OF ZAMBIA]