

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

**ISSUER**



**ZAMBIA REINSURANCE PLC**  
**(Formerly Prima Reinsurance PLC)**

[Incorporated in the Republic of Zambia]

Company registration number: 63239  
Share Code: ZAMBIA RE  
ISIN: ZM0000000011  
Authorised by: Choice Corporate Services Limited - Company Secretary

**SPONSOR**



**Stockbrokers Zambia Limited**

[Member of the Lusaka Securities Exchange]

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

Contact Number: +260-211-232456  
Website: [www.sbz.com.zm](http://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

**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.

## SUMMARISED AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

In compliance with the Securities Act No. 41 of 2016 of the laws of Zambia, Zambia Reinsurance PLC announces the audited results for the period ended 31 December 2020

Kwacha	2020	2019
<b>Revenue</b>		
Premiums written in the Year	50,693,422	43,443,076
Premiums ceded to reinsurers	(13,695,111)	(17,698,003)
Net change in unearned premium reserve	(668,258)	38,813
<b>Net premiums</b>	<b>36,330,053</b>	<b>25,783,886</b>
<b>Other operating income</b>	<b>21,350,698</b>	<b>12,602,704</b>
<b>Total revenue</b>	<b>57,680,751</b>	<b>38,386,590</b>

### CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

Kwacha	2020	2019
<b>ASSETS</b>		
Non-Current Assets	13,844,019	15,782,322
Current Assets	93,902,021	45,196,499
<b>TOTAL ASSETS</b>	<b>107,746,040</b>	<b>60,978,821</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves		
Total equity	89,376,002	47,404,239
Total Liabilities	18,370,038	13,574,582
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>107,746,040</b>	<b>60,978,821</b>

### CONDENSED STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31 DECEMBER 2020

<b>Net insurance claims</b>	<b>(7,912,185)</b>	(5,778,993)		
<b>Total operating expenses</b>	<b>(37,891,840)</b>	(29,438,592)		<b>2020</b>
<b>Total claims and other expenses</b>	<b>(45,804,025)</b>	(35,217,585)	<b>Cash generated from operating activities</b>	3,166,541
<b>Profit/(loss) before tax</b>	<b>11,876,726</b>	3,169,005	Income tax paid	(2,605,576)
Income tax credit	<b>(5,142,581)</b>	442,872	<b>Net cash generated from (used in) operating activities</b>	560,965
<b>Profit/(loss) for the year</b>	<b>6,734,145</b>	3,611,877	<b>Net cash (used in)/ generated from investing activities</b>	<b>(35,291,906)</b>
<b>Other comprehensive income (net of tax)</b>			<b>Net cash used in financing activities</b>	<b>35,347,909</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>	<b>(110,289)</b>	1,595,085	<b>Net cash inflows/(outflows)</b>	<b>9,286,241</b>
<b>Total comprehensive income/loss for the year</b>	<b>6,623,856</b>	5,206,962	Net cash and cash equivalents at beginning of the year	<b>1,502,302</b>
<b>Basic Earnings per share</b>	<b>0.15</b>	0.12	Impact on foreign currency exchange rate changes	<b>670,072</b>
			<b>Net cash and cash equivalents at end of the year</b>	<b>11,458,615</b>
			<b>Comprised of:</b>	
			Bank and cash balances	<b>1,368,199</b>
			Bank term deposits maturing within 90 days	<b>10,090,416</b>
				<b>11,458,615</b>

## CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 20

	Share capital	Share Premium	Revaluation reserves	Retained earnings	Total
<b>Balance at 1 January 2019</b>	<b>30,000,000</b>	<b>2,530,642</b>	<b>4,256,308</b>	<b>10,617,289</b>	<b>47,404,239</b>
Profit for the year	-	-	-	6,734,145	6,734,145
Other comprehensive income, net of taxes:					
Issue of shares	15,000,000	-	-	-	15,000,000
Issue of share premium	-	22,447,909	-	-	22,447,909
Transfer to retained earnings	-	-	(99,116)	99,116	-
Deferred tax on revalued properties	-	-	104,075	-	104,075
Loss on investments at fair value	-	-	(214,366)	-	(214,366)
Dividends paid	-	-	-	(2,100,000)	(2,100,000)
<b>Balance at 31 December 2020</b>	<b>45,000,000</b>	<b>24,978,551</b>	<b>4,046,901</b>	<b>15,350,550</b>	<b>89,376,002</b>

### Operating Environment

Over the last year, the onset of the Covid-19 pandemic introduced global challenges of an unparalleled nature. The pandemic affected economic activity worldwide due to severe disruptions of global supply chains. Zambia's economy suffered a contraction in real GDP as macro-economic factors were negatively impacted and fiscal pressures remained high.

As a company, the impact on our business and results has not been significant as we continue to conduct business electronically in the domestic market as well as in the markets on the continent.

### Financial Results

- Despite the impact of COVID-19, Zambia Re witnessed growth in Gross Written Premium (GWP) of 17% from ZMW43.443 million in 2019 to ZMW50.693 million in 2020. The strategic focus of the Company continues to be growth, profitability and expansion of the international business.
- There was an increase in other operating income from ZMW12.602 million to ZMW21.351 million attributed mainly to exchange gains on the back of depreciation of the kwacha against major foreign currencies as well as an increase in investment income.
- The Company reported a profit for the year of K6.734 million compared to a profit of ZMW 3.611 million in the previous year.
- The total assets increased to ZMW 107.746 million from ZMW 60.979 million in the previous year mainly as a result of the increase in investments at amortised cost from ZMW10.765 million in 2019 to ZMW42.850 million in 2020.
- Further, the Company's shareholders funds increased from ZMW47.404 million in 2019 to ZMW89.376 million in 2020 following recapitalization and profit after tax of ZMW 6.73 million in the year.
- The Company's regulatory solvency margin was computed at 487%.
- The basic earnings per share increased from ZMW 0.12 to ZMW 0.15.

## Dividend

The Directors do not recommend the payment of a dividend for the year ended 31 December 2020.

By order of the Board  
Choice Corporate Services Ltd - SECRETARY

Postnet Box 658, P/B E891, Lusaka. No. 7, Namambozi Road, Fairview, Lusaka, Zambia. Tel: +260 211 221158, +260 971 695149. Email: [info@zambiare.co.zm](mailto:info@zambiare.co.zm)  
[www.zambiare.co.zm](http://www.zambiare.co.zm)

Issued in Lusaka, Zambia on 9 April 2021

### Lusaka Securities Exchange Sponsoring Broker



T | +260-211-232456

E | [advisory@sbz.com.zm](mailto:advisory@sbz.com.zm)

W | [www.sbz.com.zm](http://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 9 April 2021



View or download this notice on [www.enotices.co.zm](http://www.enotices.co.zm)