

**SENS ANNOUNCEMENT**  
(the “Notice” or “Announcement”)

**ISSUER**



**Izwe Loans Zambia PLC (“IZWE”)**

[Incorporated in the Republic of Zambia]

Company registration number: 120050059445  
Bond Security: Izwe Loans Zambia Limited MTNP  
Authorised by: Choice Corporate Services Limited – Company Secretary

**SPONSOR**



**Stockbrokers Zambia Limited**

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

Contact Person: Mchema Chinzewe  
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. Izwe Loans Zambia Plc

**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: 27 March 2025**

# AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Published in compliance with the requirements of the Securities Act (Act No. 41 of 2016) and the Listing Rules of the Lusaka Securities Exchange ("LuSE")

## Financial Highlights for the year ended 2024

	Dec-24 ZMW '000'	Dec-23 ZMW '000'	Change %
<b>Selected Key Value Drivers</b>			
Gross revenue (*)	845,924	600,176	41%
Profit after taxation	174,524	190,000	-8%
Cost to income ratio (CTI)	49%	42%	16%
Capital adequacy ratio (CAR)	>15%	>15%	
<b>Summary Statement of Financial Position</b>			
Net loans and advances	1,971,228	1,518,951	30%
Borrowings	1,384,125	1,016,147	36%
Shareholders' equity	547,327	472,803	16%

\* Gross Revenue includes interest and non-interest revenue

## Statement of Profit or Loss and Other Comprehensive Income

	Dec-24 ZMW'000'	Dec-23 ZMW'000'
Interest income calculated using the effective interest method	805,588	581,448
Interest and similar expenses	(245,634)	(113,089)
<b>Net Interest Income</b>	<b>559,954</b>	<b>468,359</b>
Net fee and commission income	16,952	9,463
<b>Net Operating Income</b>	<b>576,906</b>	<b>477,822</b>
Impairment loss on loans and advances	(43,951)	(2,256)
Operating expenses	(280,024)	(199,489)
Finance costs	(3,657)	(2,256)
<b>Profit before taxation</b>	<b>249,274</b>	<b>273,821</b>
Taxation	(74,750)	(83,821)
<b>Profit after taxation</b>	<b>174,524</b>	<b>190,000</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>174,524</b>	<b>190,000</b>
Basic and diluted earnings per share	1.78	1.93

## Summary Statement of Financial Position

	Dec-24 ZMW'000'	Dec-23 ZMW'000'
<b>Assets</b>		
Cash and cash equivalents	71,100	87,576
Other assets	278,788	122,359
Loans and advances (Net of allowance for impairment)	1,971,228	1,518,951
<b>Total Assets</b>	<b>2,321,116</b>	<b>1,728,886</b>
<b>Equity</b>		
Share capital	983	983
Share premium	26,593	26,593
Retained income	436,332	422,797
Statutory reserve	83,419	22,430
<b>Total equity</b>	<b>547,327</b>	<b>472,803</b>
<b>Liabilities</b>		
Bank overdraft	64,072	-
Other Liabilities	262,838	208,665
Borrowings	1,384,125	1,016,147
Loans from related parties	62,754	31,271
<b>Total Liabilities</b>	<b>1,773,789</b>	<b>1,256,083</b>
<b>Total Equity and Liabilities</b>	<b>2,321,116</b>	<b>1,728,886</b>

## Summary Statement of Cash Flows

	Dec-24 ZMW'000'	Dec-23 ZMW'000'
Net cash utilised in operating activities	(276,356)	(131,041)
Net cash utilised in investing activities	(15,342)	(20,871)
Net cash utilised in financing activities	207,362	185,718
<b>Total cash, cash equivalents and bank overdraft movement for the year</b>	<b>(84,336)</b>	<b>(33,806)</b>
Cash, cash equivalents and bank overdraft at 1 January	90,148	46,261
Effects of exchange rate changes on cash and cash equivalents	11,155	10,081
<b>Total cash, cash equivalents and bank overdraft at 31 December</b>	<b>16,967</b>	<b>90,148</b>

## Summary Statement of Changes in Equity

	Dec-24 ZMW'000'	Dec-23 ZMW'000'
Balance of Shareholders' Equity at 1 January	472,803	382,803
Dividends	(100,000)	(100,000)
Profit for the period	174,524	190,000
<b>Balance of Shareholders' Equity at 31 December</b>	<b>547,327</b>	<b>472,803</b>

## Commentary on Financial Year 2024 Performance

The Board of Directors ("Directors") of Izwe Loans Zambia Plc (the "Company" or "Izwe") are pleased to present the condensed audited financial results for the financial year ended 31 December 2024. This publication does not contain full or complete disclosure details. The financial statements, from which this condensed version is derived, have been audited by PricewaterhouseCoopers and a copy of the auditor's report is available on request.

## Inspiring Progress

As we approach the third year for our transformation strategy, the Directors are pleased to report that we have significantly delivered on the ambitions set to elevate Izwe into a diversified, digital-first financial services provider.

Today, Izwe can boast of a repositioned brand, a diversified product offering delivered through cutting edge technology enhancements and partnerships, optimized systems, a geographically expanded entity and a people and cultural shift that makes both our employees and stakeholders proud to be associated with the brand. It has truly been inspiring progress. This progress is reflected in our consistent financial performance in 2024 underpinned by exponential revenue growth Year on Year as a window into the bright future of the business post the period of significant investment in strategy execution.

## Financial Highlights

Izwe maintained a strong performance, achieving a 41% year-on-year increase in gross revenue from ZMW600,17 million in 2023 to ZMW845,92 million. This growth was primarily driven by a 39% rise in interest income to ZMW805,588 million (2023: ZMW581,44 million), supported by a 30% expansion in the loan book, which reached ZMW1,97 billion from ZMW1,52 billion in the prior year.

Total operating expenses increased by 41% to ZMW283,68 million compared to prior year but remained within the appetite limit in terms of cost to income ratio at 49%. The increase reflected the implementation of strategic initiatives aimed at positioning Izwe for long-term success. Additionally, rising interest rates on funding, the depreciation of the local currency and inflationary pressures contributed to higher costs, leading to an 8% decline in comprehensive income to ZMW174,52 million from the prior year's ZMW190,00 million. This reduction was also influenced by an increase in impairments brought on by rising customer repayment pressure as cost of living and effects of the 2023/24 drought season pass through. In 2024, though impairment expenses rose to ZMW4,395 million, the company remains committed to efficient credit monitoring and the origination of high-quality assets, while ensuring adequate provision to cater for the increased risk profile of both business and consumer clients.

The statement of financial position showed significant growth with total assets rising 34% year-on-year to ZMW2,32 billion. Loans and advances, which form the majority of the asset base, grew 30% to ZMW1,97 billion. This expansion was accompanied by a growing customer base aligned with the Company's market share growth strategy.

Total liabilities increased by 41% to ZMW1,77 billion, reflecting the growing confidence from our funding partners to continue supporting our growth ambitions through fresh working capital injections.

## Capital and Dividend

Izwe actively manages its capital position to safeguard shareholder value and ensure regulatory compliance. At year-end, the Capital Adequacy Ratio stood well above the regulatory threshold of 15%.

At the Board meetings held in July and November 2024, the Directors proposed an interim dividend of ZMW1.02 per share which resulted in a total dividend of ZMW 100 million being declared and paid during the financial year ended 31 December 2024 (2023: ZMW100 million).

## Driving Innovation and Sustainable Growth

The Company continues to enhance its operations, prioritising customer-centric strategies while leveraging automation and market-leading digital platforms to deliver cost-effective and innovative financial solutions. Additionally, Izwe remains committed to sustainable operations and making a positive impact on the communities in which it operates.

By order of the Board



Kulusu Chisola  
Chief Executive Officer

27 March 2025

Issued in Lusaka, Zambia on 27 March 2025

Lusaka Securities Exchange Sponsoring Broker	
	<p>T   +260-211-232456</p> <p>E   <a href="mailto:advisory@sbz.com.zm">advisory@sbz.com.zm</a></p> <p>W   <a href="http://www.sbz.com.zm">www.sbz.com.zm</a></p> <p>Stockbrokers Zambia Limited (SBZ) is a founder member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia</p>

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