



2024 Annual Report

Resilience Through Service - Empowering Those
Who Serve in an Ever - Evolving Environment

“ With access to
affordable loans, I
can focus on shaping
young minds.”

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Operations
and product
performance

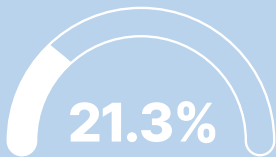
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Annual financial
statements

Page 114

**K148.1
Billion**

Total revenue
and grants



Representing
GDP

**K198.6
Billion**

Total
expenditures

**K50.7
Billion**

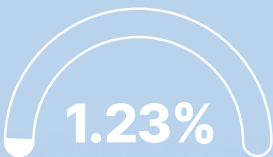
Overall fiscal
deficit

**K19.94
Million**

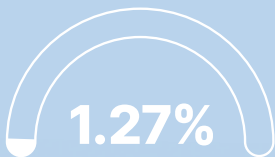
Net profit.
Strongest financial
performance

**K15.06
Million**

Cash and cash
equivalents



Return on
Assets



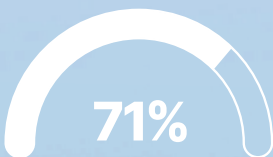
Return on
Equity



Loan Portfolio
Expansion



Net Profit Margin



Operational
Efficiency

**K70.8
Million**

Operating
expenses



01 Introduction

Theme for the Year:

Resilience Through Service - Empowering Those Who Serve in an Ever-Evolving Environment

The theme for 2024 reflects Public Service Microfinance Company Limited's unwavering commitment to serving Zambia's public service workers while adapting to unprecedented challenges and opportunities. This comprehensive theme captures multiple dimensions of the Company's mission and operational reality during a transformative year.

About this Report



This Annual Report presents the performance, strategy, governance, and financial position of Public Service Microfinance Company Limited (Public Service Microfinance Company Limited) for the year ended 31st December 2024. It is intended for the shareholder, the Government of the Republic of Zambia-and for all stakeholders, including regulators, clients, partners, and the general public. The report is prepared in accordance with the International Financial Reporting Standards (IFRS), the International Integrated Reporting Framework (IIRC), and the Global Reporting Initiative (GRI) Standards.

It is designed to communicate clearly how Public Service Microfinance Company Limited creates and sustains value in service to public service workers, while maintaining transparency, accountability, and resilience in a shifting financial and operational landscape.

Scope and Boundary

The scope of this report covers all operations of Public Service Microfinance Company Limited for the period 1st January 2024 to 31st December 2024. It encompasses all loan schemes and financial services offered, institutional developments, strategic outcomes, workforce changes, risk management updates, and governance mechanisms across the company's footprint.

The boundaries of the report include activities of the Board of Directors, Executive Management, and regional operations across all ten provinces and 116 districts of Zambia.

Materiality

This report prioritises issues and outcomes considered material to our stakeholders and to the fulfilment of Public Service Microfinance

Company Limited's strategic mandate. The 2024 materiality assessment was informed by inputs from departmental directors, provincial feedback, and alignment with the 2022–2026 Strategic Plan. Key material matters identified include:

- ✓ Equitable financial inclusion of public service workers;
- ✓ Strengthened governance and board oversight;
- ✓ Loan processing efficiency and disbursement coverage;
- ✓ Transparency and compliance across loan pricing and interest practices;
- ✓ Risk management and audit responsiveness.

The table below summarises where these key issues are addressed within the Annual Report and the corresponding reporting standards applied:

Key issues reported

Material Issue	Location in Report	Reporting Standards Applied
Equitable financial inclusion of public service workers	• Leadership Reflections • Client Impact and Outreach • Operations and Product Performance	GRI Standards, IIRC Framework
Strengthened governance and board oversight	• Statement on Legal, Compliance and Corporate Governance • Risk Management and Strategy	IIRC Framework, Companies Act No. 10 of 2017
Loan processing efficiency and disbursement coverage	• Five Year Performance Overview • Operations and Product Performance	GRI Standards, IFRS, IIRC Framework
Transparency in loan pricing and interest practices	• Statement on Legal, Compliance and Corporate Governance	Companies Act No. 10 of 2017, IIRC Framework
Risk management and audit responsiveness	• Risk Management and Internal Audit	IIRC Framework, Companies Act No. 10 of 2017

Frameworks, Standards and Report Preparation Process

Frameworks

This report is prepared in accordance with the following frameworks:

- ✓ International Financial Reporting Standards (IFRS);
- ✓ Global Reporting Initiative (GRI) Standards;
- ✓ International Integrated Reporting Council (IIRC) Framework;
- ✓ Zambian Companies Act No. 10 of 2017.

Report Preparation Process

To ensure a high-quality and transparent Annual Report, Public Service Microfinance Company Limited followed a structured and collaborative internal process. Each step below reflects how the report was compiled, reviewed, and validated:

1. Departmental Contributions: Inputs were sourced from all departments: Finance, Operations, HR, ICT, Legal, Risk & Compliance, and Internal Audit.

- 2. Source Material Compilation:** Content was drawn from departmental submissions, performance dashboards, audited financials, and strategic plan implementation updates.
- 3. Drafting and Coordination:** The Office of the CEO led the drafting process with technical support and editorial input from department heads.
- 4. Internal Review and Quality Checks:** Initial drafts were reviewed by the Executive Management Team to ensure alignment with strategy and compliance expectations.
- 5. Board Review and Approval:** The final draft was presented to the Board of Directors for review, feedback, and formal adoption.
- 6. External Audit and Assurance:** The financial statements were externally audited by the appointed independent auditor, whose opinion is included in the financial section of the report.

Theme for the Year:



Resilience Through Service - Empowering Those Who Serve in an Ever - Evolving Environment

The theme for 2024 reflects Public Service Microfinance Company Limited's unwavering commitment to serving Zambia's public service workers while adapting to unprecedented challenges and opportunities. This comprehensive theme captures multiple dimensions of the Company's mission and operational reality during a transformative year.

- ✓ **Resilience as Foundation:** The past few years have seen Public Service Microfinance Company Limited operate in an environment faced with numerous challenges that have

caused businesses in the Republic to cease operations. From the COVID-19 pandemic and global economic disruptions to the 2024 national drought and resultant power deficit, the operating landscape has been particularly challenging for any business. Yet Public Service Microfinance Company Limited has not merely survived but thrived, demonstrating institutional resilience while "weathering the storm" and emerging stronger.

- ✓ **Service-Centred Mission:** At the heart of Public Service Microfinance Company Limited's identity lies an unwavering commitment to those who serve the nation. The theme emphasizes the shared journey between Public Service Microfinance Company Limited and its clients,

reaffirming unity and support for public servants across all sectors from teachers and nurses to police officers and administrative personnel. This service orientation drives every strategic decision and operational improvement.

✓ **Empowerment Through Financial Inclusion:**

The Company's mandate extends beyond simple loan provision to genuine empowerment of public service workers. By providing affordable finance to people who serve, Public Service Microfinance Company Limited enables clients to build financial futures, acquire productive assets, and achieve economic resilience. This empowerment approach ensures that financial inclusion translates into meaningful life improvements and enhanced public service capacity.

✓ **Innovation Amidst Adversity:** The challenging 2024 economic environment, marked by rising inflation, currency pressures, power outages, and volatile fuel prices, fostered innovation in Public Service Microfinance Company Limited's approach to service delivery. From expanding agricultural loan products to include solar equipment and livestock, to optimizing digital service channels, the Company demonstrated that adversity can drive creative solutions that better serve client needs.

✓ **Climate Change Resilience:** Recognizing the growing impact of climate change on Zambia's development trajectory, Public Service Microfinance Company Limited positioned itself as a partner in building climate resilience. Through financing solar energy systems, drought-resistant agricultural equipment, and other climate-adaptive technologies, the Company supports both individual household resilience and national environmental objectives.

✓ **Ever-Evolving Environment Response:** The theme acknowledges that change is constant, and Public Service Microfinance Company Limited's success depends on institutional agility and responsiveness. Whether adapting to new regulatory requirements, embracing digital transformation, or responding to shifting economic conditions, the Company maintains its ability to evolve while staying true to its core mission.

✓ **Collaborative Selection Process:** This theme was developed through collaborative input from leadership across all departments, including the Board of Directors and departmental heads. Alternative themes considered included "Together We Rise: Strength in Service," "Building Resilience and Innovation Amidst Economic Adversity," "Financial Inclusion for All Public Service Workers," and "Finance That Supports Service and Growth." The chosen theme synthesizes these perspectives into a comprehensive narrative that captures Public Service Microfinance Company Limited's multifaceted role in supporting Zambia's public sector.

✓ **Strategic Alignment:** The theme aligns directly with the 2022-2026 Strategic Plan pillars and supports national development objectives under the Eighth National Development Plan (8NDP). It reinforces Public Service Microfinance Company Limited's position as both a financial services provider and a development partner committed to strengthening Zambia's public service capacity and resilience.

This theme serves as the unifying narrative for all activities and achievements reported in this Annual Report, demonstrating how Public Service Microfinance Company Limited continues to evolve

and adapt while maintaining unwavering focus on empowering those who serve the nation.

External Assurance

Our external auditors, Messrs. iABC Associates, appointed by the Office of the Auditor General and approved by our shareholders, provided independent assurance on the fair presentation of the financial statements for the year ended 31st December 2024. In addition to auditing the financial statements, they also reviewed the broader content of this Annual Report to confirm consistency between the narrative sections and the audited numbers.

How to Navigate the Report

To support ease of use and clarity, this report is structured to reflect both strategic and operational dimensions of Public Service Microfinance Company Limited’s performance. Each section aligns to a specific pillar of the 2022–2026 Strategic Plan and is colour-coded for quick reference. Navigation aids include:

- ✓ Section dividers and numbered headers;
- ✓ Tables summarising key issues and indicators;
- ✓ Visual data where appropriate;
- ✓ A full Table of Contents provided at the beginning of the report.

Approval by the Board

The Board of Directors of Public Service Microfinance Company Limited (Public Service Microfinance Company Limited) is committed to ensuring the integrity and accuracy of our external

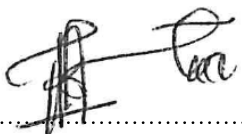
reporting. Our internal reporting processes are robust and supported by multiple levels of oversight to guarantee the reliability of the information presented.

A combined assurance model is utilised to evaluate and verify various aspects of our operations. This model includes the internal controls associated with elements of external reporting. Assurance is provided through:

- 1. Management (First Line):** Responsible for implementing and maintaining effective internal controls and processes.
- 2. Relevant Functions (Second Line):** Provide additional oversight and review to ensure compliance and accuracy.
- 3. Internal Audit (Third Line):** Conducts independent assessments of the internal controls and reporting processes to ensure they are effective and reliable.

The Board believes that the preparation and presentation of this report are materially in accordance with the guidelines of the International Integrated Reporting Framework. The Board is confident that the report provides a balanced and comprehensive assessment of Public Service Microfinance Company Limited’s governance, strategy, risks, opportunities, performance, and outlook, highlighting how these factors impact the company’s ability to create and preserve value while mitigating potential risks.

On behalf of the Board:

Board Chairperson: 

Chief Executive Officer: 

02 Leadership Reflections



Chairman's Statement

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Chief Executive Officer's Report

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"The operations of Public Service Microfinance Company Limited are of strategic national importance, particularly in enhancing equitable access to finance for public service workers. As guided by the Public Finance Management Act No. 1 of 2018, the Companies Act No. 10 of 2017, and the Republican Constitution, the Ministry of Finance and National Planning holds a fiduciary responsibility to oversee the performance and governance of state-owned enterprises, including the submission and disclosure of Annual Reports such as this..."

Leadership Reflections

Chairman's Statement



Reflection on the Year

It is with great honour that I present this statement as Chairman of Public Service Microfinance Company Limited for the year ended 31 December 2024.

This year was significant in the life of the Company, marking the beginning of a new era of institutional governance. Following the formal appointment of the Board in late 2023, 2024 was dedicated to laying the operational and governance groundwork necessary to enable structured Board oversight in the years ahead. While no Board meetings were held during the period under review, substantial work was undertaken to finalise the Board Charter, Committee Terms of Reference, and preparatory materials to ensure full functionality in 2025.

Institutional Governance and Board Effectiveness

The appointment of the Board in late 2023 was a critical development for Public Service Microfinance Company Limited. While the Board did not convene formally during the 2024 financial year, the period was used to prepare the necessary governance instruments and structures to support its effective functioning from 2025 onwards.

Key groundwork included the drafting of the Board Charter, establishment of Committee Terms of Reference, and preliminary orientation materials for Directors. These tools are essential to ensure that Board oversight is aligned with the provisions of the Public Finance Management Act, the Companies Act, and the expectations of the shareholder.

Even in the absence of formal meetings, the presence of an appointed Board gave Management a reference point for institutional accountability and reinforced the importance of acting with transparency and alignment to governance principles.

Looking ahead, the Board is committed to ensuring that its role is not symbolic but substantive. The activation of standing committees and a clear annual Board calendar will be among the immediate priorities in 2025.

Strategic Alignment with National Priorities

Public Service Microfinance Company Limited's operations in 2024 were well aligned with Zambia's

national development agenda, particularly the objectives of the Eighth National Development Plan. The Company continued to promote financial inclusion for public service workers – a critical group in sustaining public service delivery, national stability, and household-level resilience.

Through its lending products and digital service platforms, Public Service Microfinance Company Limited supported government priorities in several ways. These included enhancing the welfare of civil servants, expanding access to finance in rural areas, and empowering vulnerable segments, especially women in the public service.

The Company's decentralised outreach model, combined with responsible lending practices, contributed to social equity while reducing informal borrowing and financial vulnerability among government employees. These outcomes directly support the country's goals of inclusive growth, human capital development, and financial sector deepening.

As a state-owned enterprise, Public Service Microfinance Company Limited's role in the fiscal ecosystem remains critical. The Board recognises that its future decisions must reflect both commercial prudence and the strategic imperatives of national policy.

Client-Centric Focus and Operational Resilience

One of the most notable aspects of Public Service Microfinance Company Limited's performance in 2024 was the deliberate focus on improving client experience and responsiveness. The Company implemented digital loan application platforms that allowed public service workers to access financial products through WhatsApp and email, reducing physical barriers and enhancing service speed.

This shift was particularly impactful for clients in remote districts, where access to branch infrastructure remains limited. The simplicity and convenience of the new platforms were matched by an effort to strengthen internal service delivery systems, ensuring faster turnaround times and more consistent communication with borrowers.

Operationally, the Company also demonstrated resilience. Despite macroeconomic shocks and limited external resources, Public Service Microfinance Company Limited maintained uninterrupted service, expanded loan disbursements, and kept its non-performing loan ratio within acceptable limits. This was a reflection of sound internal controls, proactive risk management, and a staff culture anchored in service to public sector clients.

The Board recognises that the public servant remains the central focus of the Company's mandate. Future investments in systems, processes, and personnel must continue to be driven by the goal of enhancing value and trust among clients.

Board Oversight and Risk Governance

Although the Board did not convene during the 2024 financial year, the importance of oversight and structured risk management was not lost on the institution. The preparation of core governance documents and the designation of oversight responsibilities were essential steps in building a framework that will enable the Board to function effectively going forward.

From a risk perspective, the Company improved its internal monitoring systems, with greater visibility over disbursement trends, portfolio quality, and operating expenditures. These developments, while management-driven in 2024, are expected to be reviewed and strengthened by the Board and its

Committees once regular meetings commence.

Stakeholder Engagement and Accountability

The Public Service Micro Finance Company exists to serve a defined public interest, and its success depends not only on internal performance but also on the trust and expectations of its stakeholders. In 2024, the Company maintained open engagement with key partners, including the Ministry of Finance and National Planning as shareholder, various line ministries, and public service unions.

Looking ahead, the Board recognises its role in strengthening institutional accountability. This will include regular interaction with the shareholder, review of audit findings, and structured performance evaluations of both Board and management functions.

Transparency, integrity, and accountability will remain central to how the Company governs itself and delivers on its mandate.

Appreciation and Forward Outlook

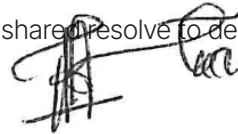
On behalf of the Board, I wish to express sincere appreciation to the Secretary to the Treasury for the guidance provided during this transitional period, and to the Management and staff of Public

Service Microfinance Company Limited for their commitment, discipline, and service throughout the year.

The achievements recorded in 2024 provide a strong foundation for the work ahead. With governance structures now in place, the Board will assume its full oversight responsibilities in 2025. Priorities will include the activation of Committees, regular Board meetings, and sustained alignment with the Strategic Plan and national development goals.

Our commitment is to build on the gains made, deepen institutional accountability, and support the continued transformation of Public Service Microfinance Company Limited into a financially sound, client-focused, and governance-driven institution.

We look forward to contributing to the next phase of the Company's journey, with clarity of purpose and a shared resolve to deliver value to all stakeholders.



Kufanga A. Imataa

Chairman of the Board

Public Service Microfinance Company Limited



“

As Chief Executive Officer, my role in 2024 was not only to guide day-to-day operations but also to ensure that every initiative undertaken reflected the larger vision of Public Service Microfinance Company Limited's transformation into a dynamic, inclusive, and digitally enabled public financial institution...

”

Chief Executive Officer's Report



Opening Remarks and Leadership Context

I am honoured to present this report on the performance of Public Service Microfinance Company Limited for the financial year ended 31 December 2024. It is with deep appreciation for the resilience of our clients, the dedication of our staff, and the guidance of our Board that I reflect on a year defined by both external adversity and institutional progress.

The 2024 operating environment was among the most complex in recent memory. Widespread drought, inflationary pressure, and liquidity constraints posed significant challenges for public service households the very segment we are mandated to support. Yet, it is in such times that our institutional mission is most essential. Public Service Microfinance Company Limited stood firm in delivering responsible, affordable credit to public

servants who, despite economic strain, remained at the frontline of national service.

This was also a year of internal renewal. With a fully functional Board in place, a more agile management structure, and enhanced client-facing systems, Public Service Microfinance Company Limited took meaningful steps to strengthen its foundations and accelerate its service delivery model. These developments reflect not only strategic intent but an unwavering commitment to the values upon which this institution was founded: accessibility, transparency, and public impact.

As Chief Executive Officer, my role in 2024 was not only to guide day-to-day operations but also to ensure that every initiative undertaken reflected the larger vision of Public Service Microfinance Company Limited's transformation into a dynamic, inclusive, and digitally enabled public financial institution.

This report details the operational highlights, strategic breakthroughs, and impact stories that defined our year and sets the tone for our continued evolution as a key player in Zambia's public sector financing ecosystem.

Institutional Highlights and Strategic Breakthroughs

The year 2024 marked a turning point in the institutional evolution of Public Service Microfinance Company Limited. Underpinned by a clarified governance structure, strengthened operational systems, and sharper strategic focus, the Company registered notable gains across both service delivery and institutional capability.

Among the year's most important achievements was the consolidation of a decentralised service model. Through the successful rollout of WhatsApp and email-based loan application platforms, Public Service Microfinance Company Limited improved turnaround times for loan processing, enhanced client convenience, and extended access to borrowers in remote and peri-urban districts. This digital reorientation was not merely technological, it was client-centred by design and impact-driven in execution.

The appointment and operationalisation of the full Board of Directors provided new levels of institutional stability, strategic guidance, and oversight. With Board Committees scheduled for activation in 2025, the groundwork laid during 2024 will enable structured engagement and governance continuity going forward.

Operationally, the Company continued its presence in all ten provinces and maintained visibility in all 116 districts. Outreach efforts were complemented by improved partnerships with government ministries and suppliers, facilitating a seamless experience for asset-based financing.

Internally, process improvements were implemented in finance, risk management, and human resources. These included enhanced internal audit responsiveness, more regular performance tracking against strategic targets, and stronger staff engagement around core values and ethics.

These institutional gains reflect a broader cultural shift underway at Public Service Microfinance Company Limited a shift towards agility, innovation, and responsiveness, all while remaining firmly anchored in the Company's public service mission.

Macroeconomic and Operational Challenges

The operating environment in 2024 was significantly shaped by adverse macroeconomic conditions, most notably one of the most severe droughts the country has experienced in decades. This had widespread implications for agricultural output, electricity generation, and rural livelihoods, ultimately affecting the financial capacity of many public service households.

Inflation remained elevated, averaging 12.6% percent for the year, and was largely driven by rising food prices and fuel-related cost increases. The weakening of the kwacha and regional currency volatility further contributed to input cost pressures for suppliers and constrained liquidity across multiple sectors.

These factors created a challenging backdrop for a Company that serves clients whose incomes are typically fixed and whose financial flexibility is limited. Loan affordability, repayment capacity, and demand patterns all shifted during the year, requiring Public Service Microfinance Company Limited to remain agile in its approach to credit assessment, disbursement timing, and portfolio monitoring.

In parallel, public-sector liquidity tightened due to budgetary realignments, leading to occasional delays in payroll-based loan recoveries. While these disruptions were managed without breaching financial obligations, they did call for heightened monitoring and cash flow controls.

Internally, the Company navigated growing demand for services amidst constrained resources. Staff had to adjust to changing borrower behaviours, high volumes of off-site loan applications, and the pressures of system migration in the ICT

space. These operational demands were met with professionalism and a commitment to service continuity, even in periods of uncertainty.

Despite these challenges, Public Service Microfinance Company Limited did not deviate from its mandate. Instead, the Company used the year as an opportunity to deepen its understanding of client realities, improve system resilience, and reaffirm its role as a stabilising force for public sector workers during periods of economic stress.

Client-Centric Transformation and Digital Access

At the heart of Public Service Microfinance Company Limited's mission is the belief that public service workers deserve efficient, transparent, and accessible financial solutions. In 2024, the Company took deliberate steps to reorient its service delivery model around this principle, placing the needs and experiences of clients at the centre of institutional transformation.

One of the most impactful developments during the year was the successful implementation of

digital access channels for loan applications. Clients were able to submit applications via WhatsApp and email, significantly reducing dependence on physical branch visits and manual paperwork. This innovation did not merely improve processing speed; it expanded reach, especially to districts with limited infrastructure, and empowered clients to interact with Public Service Microfinance Company Limited on their own terms.

The introduction of simplified application forms and real-time application status tracking further improved transparency and client confidence. These changes reduced the number of follow-up queries and complaints while raising overall satisfaction levels.

In parallel, Public Service Microfinance Company Limited continued to refine its internal workflows to shorten turnaround times, reduce administrative bottlenecks, and ensure consistency in client engagement. Service charters were reviewed, and staff were retrained to align with the Company's evolving client service philosophy.



Crucially, these enhancements were not seen as standalone upgrades but as part of a broader cultural shift one that positions the client not merely as a recipient of services but as a stakeholder in institutional performance.

This client-first approach is now embedded into how we design products, structure repayment terms, deploy staff, and allocate resources. It is a philosophy that will continue to guide Public Service Microfinance Company Limited's operations as we scale and deepen our impact across the public sector.

Loan Portfolio and Asset-Based Financing Performance

In 2024, Public Service Microfinance Company Limited's loan portfolio continued to grow both in volume and complexity, reflecting the evolving financial needs of public service workers across Zambia. Total loan disbursements stood at ZMW 549.21 million (2023 restated: ZMW 515.90 million), with increased uptake in both personal and asset-based financing.

Asset-based loans including those for furniture, electronics, and household equipment saw strengthened performance, aided by supplier relationship optimisation and refinements in pricing structures. These products are helping clients turn salaries into lasting value, particularly in underserved areas.

Portfolio quality improved, with the non-performing loan ratio decreasing to 2.06% (2023 restated: 3.76%). This was the result of enhanced affordability assessments, tighter application screening, and improved cooperation with payroll centres.

Gender and provincial equity remained central to lending strategy:

- ✓ Female borrowers comprised 50.9% of the total loan portfolio
- ✓ Loans were disbursed in all 10 provinces and 116 districts
- ✓ Key sectors served included education, health, and public safety

These results reflect an inclusive, mission-aligned portfolio that continues to meet the Company's social impact objectives while remaining financially viable.

Green Finance and Environmental Initiatives

Solar Energy Investment

In alignment with national environmental goals and operational efficiency objectives, Public Service Microfinance Company Limited engaged relevant authorities to facilitate the installation of solar power generation equipment at its office park. This initiative represents:

- ✓ **Environmental Impact:** Significant reduction in the company's carbon footprint through renewable energy adoption
- ✓ **Operational Efficiency:** Decreased dependence on grid electricity and enhanced energy security
- ✓ **Cost Management:** Long-term operational cost savings through sustainable energy solutions
- ✓ **Demonstration Effect:** Leading by example in promoting green finance and environmental responsibility within the public sector

This investment reinforces Public Service Microfinance Company Limited's commitment to sustainable operations while supporting Zambia's broader environmental and energy diversification objectives.

Organisational Capacity and Human Capital

The success of Public Service Microfinance Company Limited in 2024 was underpinned not only by the strength of its products and systems but also by the capacity, commitment, and cohesion of its workforce. As the Company expanded its reach and modernised its service delivery model, investments in human capital became central to ensuring sustainable growth and effective client service.

During the year, the Company undertook a number of strategic initiatives to build institutional capacity:

- ✓ Reorganisation of core functions to support decentralised delivery
- ✓ Training in digital tools, customer service, and ethics
- ✓ Streamlined performance management linked to strategic KPIs
- ✓ Staff wellness initiatives to support morale and retention

These actions led to improved internal responsiveness, higher service satisfaction ratings, and a culture that prioritises innovation and accountability. With a diverse and mission-aligned workforce, Public Service Microfinance Company Limited is well-positioned to scale its public service mandate.

Governance and Oversight Enhancements

The governance landscape at Public Service Microfinance Company Limited entered a transition phase in 2024, marked by the formal appointment of a new Board of Directors late in the prior year. While this appointment was a critical milestone in restoring structured oversight, the Board had not yet convened any formal meetings during the 2024 financial year. As such, the Company operated

without direct Board resolutions or committee deliberations throughout the reporting period.

Despite this, Management maintained governance continuity by adhering to the provisions of the Public Finance Management Act No. 1 of 2018 and the Companies Act No. 10 of 2017. The Legal and Company Secretariat function, under the guidance of the Director Legal, focused on preparing the institution for full board operationalisation in 2025. This included:

- ✓ Drafting governance instruments such as the Board Charter and Committee Terms of Reference
- ✓ Ensuring compliance with regulatory disclosures and filings
- ✓ Supporting Management on internal policy reviews and ethical conduct frameworks

Major decisions during the year, including those relating to the annual report, were channelled through the shareholder representative for oversight and alignment.

Financial Position and Capitalisation

Public Service Microfinance Company Limited posted its strongest financial performance to date in 2024, with net profit reaching ZMW 19.94 million (2023 restated: ZMW 3.37 million). This growth was fuelled by an increase in total operating income, which rose to ZMW 97.69 million (2023 restated: ZMW 72.85 million), largely due to loan book expansion and improved repayment performance.

Operating expenditure was contained at ZMW 65.32 million (2023 restated: ZMW 65.86 million), reflecting discipline in cost management despite inflationary pressures. EBITDA stood at ZMW 40.60 million (2023 restated: ZMW 14.08 million), and the cost-to-income ratio improved to 54.9% (2023 restated: 71.1%).



Shareholder Investment

During the financial year ending 2024, shareholders demonstrated continued confidence in Public Service Microfinance Company Limited’s mission by making substantial capital contributions totalling ZMW 109.611 million. This investment was strategically directed toward:

- ✓ **Loan Portfolio Funding:** Primary allocation to expand lending capacity and meet growing client demand
- ✓ **Operational Sustainability:** Supporting working capital requirements and operational expansion
- ✓ **Service Enhancement:** Enabling improved service delivery capabilities across all provinces

Stakeholder Promotional Support

Beyond financial contributions, shareholders and stakeholders provided invaluable operational support through:

- ✓ **Policy Integration:** Mentions in cabinet minutes highlighting Public Service Microfinance Company Limited’s role in public service welfare
- ✓ **Public Awareness:** National broadcast announcements promoting loan products and accessibility
- ✓ **Direct Engagement:** Facilitated direct interaction with civil servants to increase product awareness and uptake

This comprehensive support framework enabled Public Service Microfinance Company Limited to strengthen its market position while maintaining its public service mandate and social impact objectives.

Other highlights include:

- ✓ Cash and cash equivalents of ZMW 15.06 million (2023 restated: ZMW 7.89 million)
- ✓ Return on Assets of 1.23% (2023 restated: 0.21%)
- ✓ Return on Equity of 1.27% (2023 restated: 0.22%)



Financial Innovation and Technology Enhancement

a. 2025 System Upgrades

Public Service Microfinance Company Limited has committed to significant technological investments to enhance financial management and reporting capabilities:

b. Accounting System Enhancement

- ✓ Implementation of an upgraded accounting system for FYE 2025
- ✓ Automation of interdepartmental processes to ensure efficient and effective accounting
- ✓ Integration capabilities to streamline financial workflows and reduce manual processes

c. Business Intelligence Implementation

- ✓ Adoption of advanced business intelligence systems
- ✓ Enhanced financial and business reporting capabilities
- ✓ Real-time data analytics to support strategic decision-making

- ✓ Improved performance monitoring and trend analysis capabilities

d. Operational Impact

These technological enhancements will:

- ✓ Maximize operational efficiencies through automation
- ✓ Improve accuracy and timeliness of financial reporting
- ✓ Enable data-driven decision making across all departments
- ✓ Support scalable growth while maintaining financial control and oversight

e. Strategic Alignment

All technology investments align with Public Service Microfinance Company Limited's strategic objectives of digital transformation, operational excellence, and enhanced stakeholder value creation, positioning the institution for continued growth and improved service delivery in 2025 and beyond.

Economic Resilience and Strategic Response

Despite facing a challenging 2024 economic environment characterized by rising inflation, a weakened Kwacha, persistent power outages, and volatile fuel prices, Public Service Microfinance Company Limited demonstrated remarkable institutional resilience and adaptive capacity.

Economic Challenge Response

The adverse economic conditions fostered innovation across multiple operational areas:

- ✓ **Marketing Innovation:** Development of new client engagement strategies and promotional approaches tailored to economic realities
- ✓ **Product Portfolio Expansion:** Strategic expansion of agricultural loan products to include:
 - Solar equipment financing to help clients mitigate power disruptions
 - Livestock financing to enable income stream diversification
 - Enhanced asset-based lending options supporting productive investments
- ✓ **Client Empowerment:** These product innovations enabled clients to build resilience against economic shocks while creating additional income-generating opportunities.

2025 Economic Outlook

While anticipating a more stable economic environment in 2025, Public Service Microfinance Company Limited remains strategically prepared to navigate unforeseen challenges through:

- ✓ Continued product innovation and diversification
- ✓ Enhanced risk management capabilities
- ✓ Flexible operational frameworks

- ✓ Strong liquidity management and capital adequacy

This proactive approach ensures Public Service Microfinance Company Limited's continued ability to serve public service workers effectively regardless of economic conditions.

Strategic Outlook and 2025 Commitments

As Public Service Microfinance Company Limited looks ahead to 2025, its strategic direction will remain guided by the 2022–2026 Strategic Plan, while building on the momentum and lessons of 2024. The coming year is expected to see the operationalisation of newly introduced governance structures, scale-up of digital innovations, and broader financial access for public service workers across Zambia.

Key strategic priorities for 2025 include:

- ✓ **Operationalising the Board of Directors and Committees:** With the full Board appointed, the Company will institutionalise governance meetings, performance evaluations, and committee oversight in line with best practice and statutory obligations.
- ✓ **Scaling digital platforms:** Public Service Microfinance Company Limited will enhance its digital loan application ecosystem, with potential integration into the Government Service Bus and expansion of mobile service delivery for payroll-linked products.
- ✓ **Client engagement and retention:** Emphasis will be placed on improving feedback mechanisms, automating client communication, and increasing visibility through provincial outreach programmes.

- ✓ **Loan product innovation:** New asset financing products particularly those supporting productivity and household resilience will be introduced or refined in response to client needs.
- ✓ **Strengthening capital adequacy:** In consultation with the shareholder, the Company will explore options to boost its capital base to support long-term institutional growth and mitigate rising operational risks.
- ✓ **Embedding performance culture:** Internally, Public Service Microfinance Company Limited will deepen the use of KPIs at all levels, formalise staff development pathways, and align HR systems to strategic outcomes.

While economic uncertainties may persist in 2025, the Company is confident in its resilience and mission clarity. As a public service financial institution, Public Service Microfinance Company Limited enters the year ahead not only with stronger systems and a broader footprint but also with a renewed commitment to inclusive, responsible, and transformative service to Zambia's civil service.

Closing Reflections

As we close the 2024 financial year, I remain deeply proud of the resilience and progress demonstrated across every level of the Public Service Micro Finance Company. Despite a year marked by economic uncertainty, system transformation, and governance restructuring, the Company delivered its strongest operational and financial results to date evidence of both institutional maturity and the dedication of our team.

Our clients, Zambia's public service workers, continue to inspire and drive our mission. They are not only borrowers, but nation-builders, community anchors, and the reason this Company exists. Their trust in our services is not taken for granted, and

every strategic improvement made in 2024 was aimed at serving them better.

I am particularly grateful to the Ministry of Finance and National Planning for their continued support as shareholder representative, and to the newly appointed Board of Directors whose operationalisation will usher in a new phase of structured oversight and strategic guidance in 2025.

To the staff and leadership team of Public Service Microfinance Company Limited: your adaptability, ethics, and perseverance have made this progress possible. You have shown that a public institution can be both mission-driven and performance-oriented.

Looking forward, we will carry this momentum into the next financial year. We will deepen digital service delivery, invest in our people, strengthen partnerships, and ensure that every product and process reflect the trust placed in us by Zambia's public sector.

Together, we are building a stronger, more inclusive Public Service Microfinance Company Limited; one that empowers, protects, and enables public service workers to thrive.



Mubanga Mwiko

Chief Executive Officer

Public Service Microfinance Company Limited

03 Five-year Performance Overview



Financial and Operational Metrics (2019–2024)

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Budget Management and Performance

Page 35

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"By the end of 2024, the Company had surpassed 100,000 active client records, with significant growth in districts that previously relied solely on central processing. This was enabled by digital onboarding, decentralised support via WhatsApp and email platforms, and ongoing collaboration with provincial client focal points..."

Financial and Operational Metrics (2019–2024)



Public Service Microfinance Company Limited delivered exceptional financial performance in 2024, marked by significant growth and operational efficiency improvements:

Portfolio and Profitability Metrics

- ✓ **Loan Portfolio Expansion:** 25% growth in loan portfolio, indicating robust lending activity and client confidence
- ✓ **Net Profit Margin:** Achieved an outstanding 26% net profit margin, demonstrating efficient cost management and strong earnings capacity
- ✓ **Liquidity Position:** Maintained an exceptionally high current ratio of 32x, reflecting excellent liquidity management and financial stability
- ✓ **Operational Efficiency:** Operating expenses represented 71% of revenue, showing disciplined cost control despite inflationary pressures

Revenue Growth Drivers

Total revenue reached ZMW 97.6 million, representing remarkable growth of 34% compared to ZMW 72.8 million in 2023. This increase was primarily driven by high-demand asset loan products:

- ✓ Building Materials Loans
- ✓ Household Furniture Loans
- ✓ Motor Vehicle Loans

These products significantly bolstered top-line performance while meeting critical client needs for asset acquisition and household development.

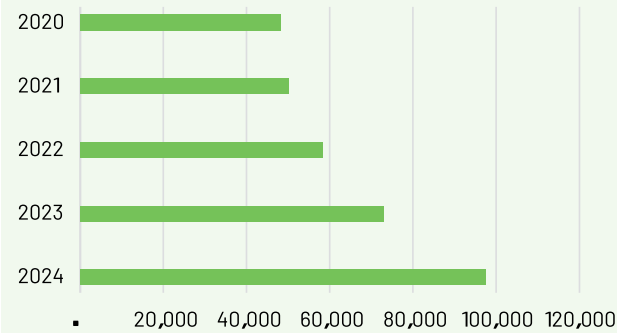
Cost Management Excellence

Operating expenses totalled ZMW 70.8 million, representing only a modest 1.56% increase compared to ZMW 69.7 million in 2023. This limited cost growth underscores management's commitment to operational discipline while accommodating expanding business volumes.

Profit Performance

Net profit surged from ZMW 3.3 million in 2023 to ZMW 19.8 million in 2024, marking an extraordinary growth of 488%. This substantial increase reflects the success of revenue enhancement strategies combined with prudent expense management, resulting in enhanced profitability and strengthened financial position.

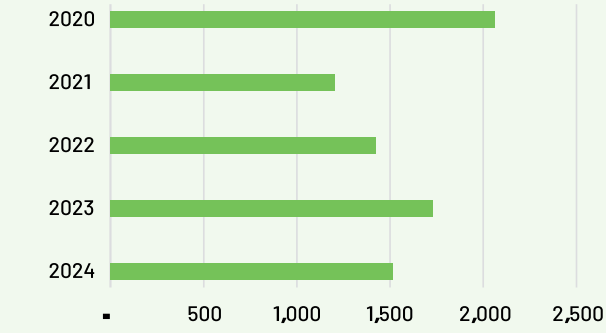
Operating Income
ZMW'000



Operating income includes interest earned from loans and advances to Public Service workers, Interest received from other financial net of withholding tax and interest from government securities.

- **Total Operating Income (34% increase):** ZMW 97.690 million (2023 restated: ZMW 72.845 million).
- **Interest from Loans and Advances (49% increase):** ZMW 95.280 million (2023 restated: ZMW 63.74 million). The increase in interest was mainly attributable to the doubling of disbursements and interest earned from the Agricultural Asset Plus Loan Scheme which had disbursements of ZMW 102.269 million compared to ZMW 50.634 in 2023.
- **Interest from other FI (73% decrease):** ZMW 2.41 million (2023 restated: ZMW 9.10 million). The decrease in interest was due to the increase provision of loans to public service workers rather than locking available funds in other financial institutions. Additionally, it continued to be less profitable to invest in other financial institutions ("FIs") during the year. Interest rates ranged between 7% to 15%.
- **Interest from Government Securities (no change):** No investments were held in government securities during the year

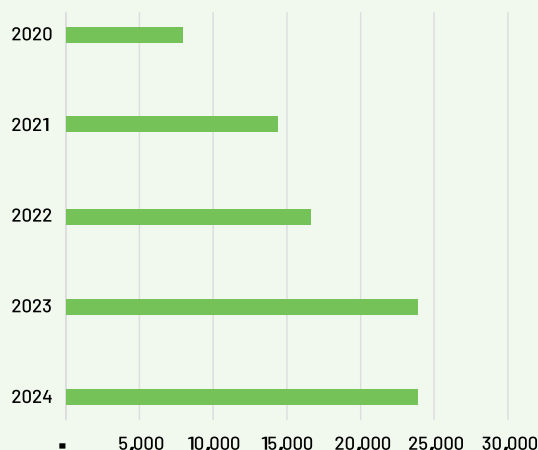
Non Operating Income
ZMW'000



Non-operating income consists of rental income, interest from staff loans and income attributable to admin fees and charges on full finance (sundry income).

- **Total Non-operating Income (13% decrease):** ZMW 1.520 million (2023 restated: ZMW 1.740 million).
- **Interest on staff loans (22% decrease):** ZMW 0.249 million (2023 restated: ZMW 0.318 million).
- **Sundry income (8% decrease):** ZMW 1.239 million (2023 restated: ZMW 1.344 million)

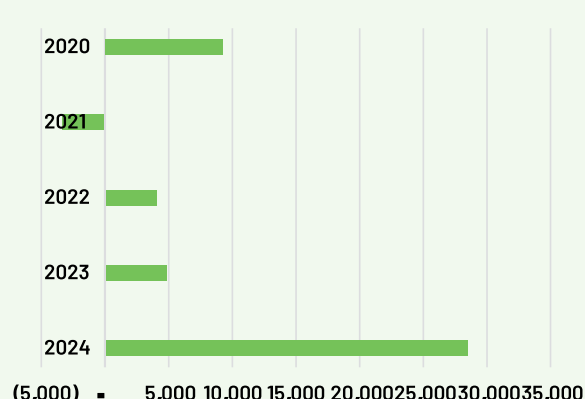
Operating Expenses ZMW'000



Operating expenses include office and administration expenses, employee costs and impairment provisions on loans in line with IFRS 9 Financial Instruments.

- **Total Expenditure (1% decrease):** ZMW 65.320 million (2023 restated: ZMW 65.862 million)
- **Operating expenses (0.2% increase):** ZMW 24.199 million (2023 restated: ZMW 24.144 million). Operating expenses remained constant from 2023 to 2024. This was due to significant cost control exercised by management and ensuring that all cost were kept within budget.
- **Employee Costs (1% decrease):** ZMW 41.122 million (2023 restated: ZMW 41.718 million). Employee costs include salaries and wages, bonuses, gratuity provisions and training costs. Four recruitments were made during the year resulting in a 14% increase in salaries incurred. However, this was offset by a decrease in all other staff related costs.
- **Impairment losses (39% increase):** ZMW 5.423 million (2023 restated: ZMW 3.903 million).

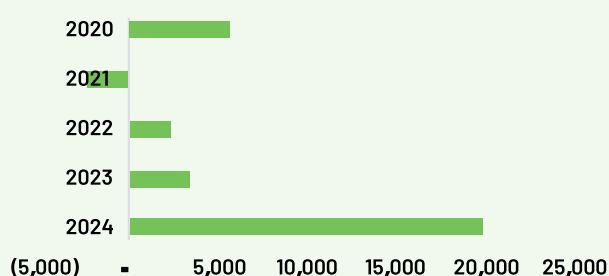
Profit (Loss) Before Tax ZMW'000



Profit before tax (289% increase): Profit before tax amounted to ZMW 28.455 million (2023 restated: ZMW 4.820 million).

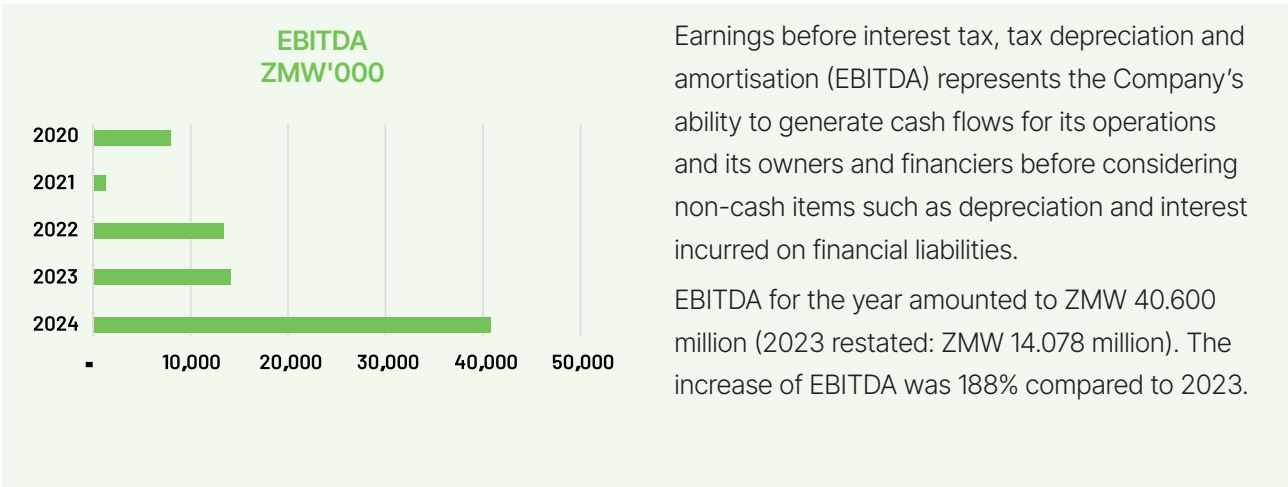
The increase in profit before tax was a result of the significant increase in interest revenue from customers due to the increased uptake of asset backed loans (34%) and costs being controlled for the year with an actual decrease in overall expenditure in 2024.

Net Profit ZMW'000



Net profit for the year was ZMW 19.935 million (2023 restated: ZMW 3.374 million).

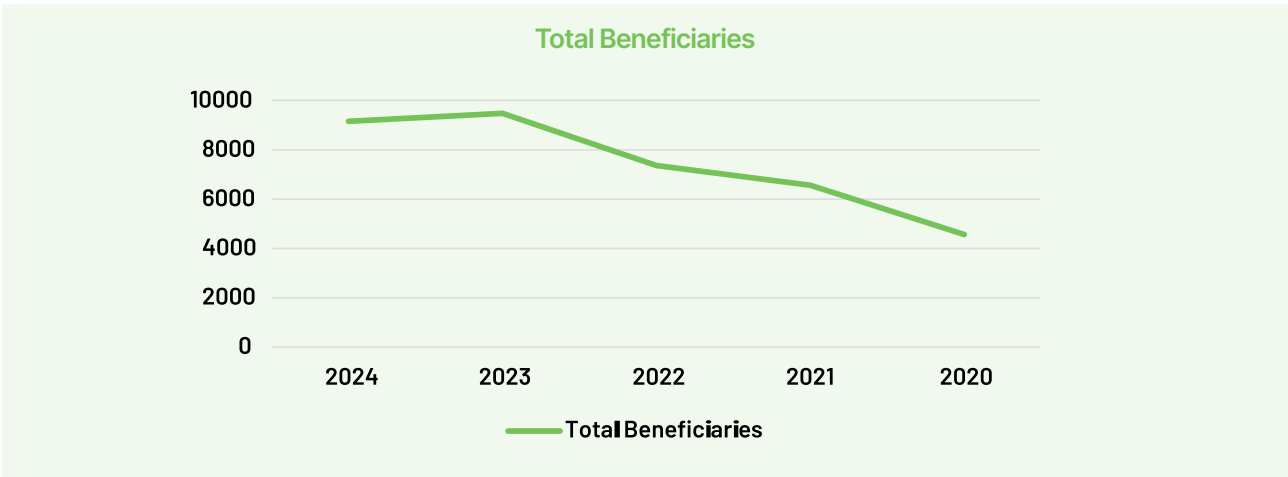
Income tax for the period was ZMW 8.530 million (2023 restated: ZMW 1.446 million) which was a 490% increase compared to 2023. This increase was due to the increased profit before tax.



Client and Portfolio Growth Trends

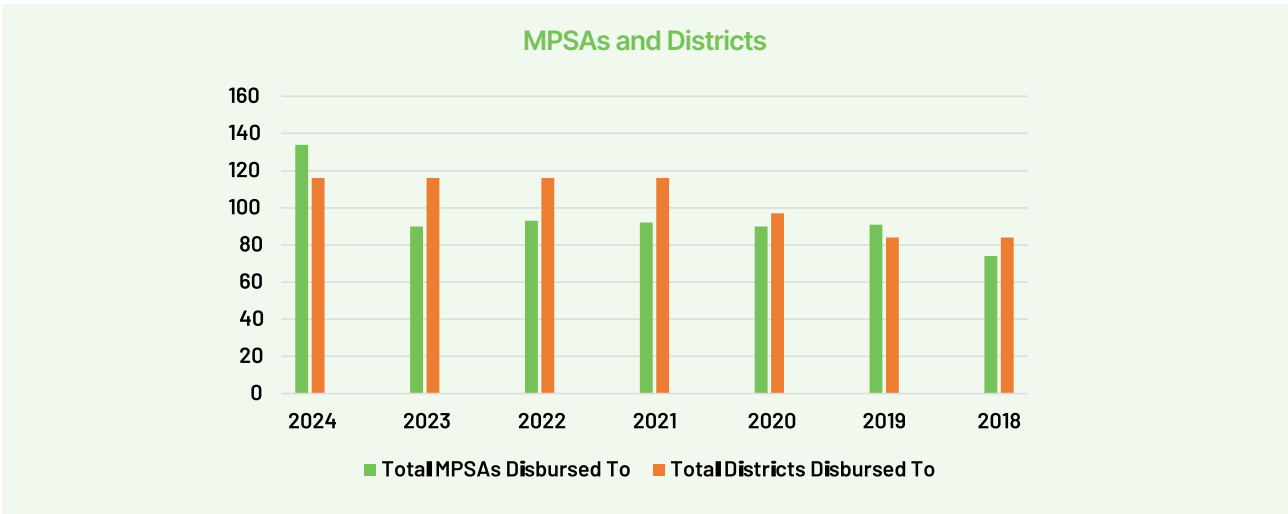
Public Service Microfinance Company Limited's national footprint has continued to expand over the last five years, with the Company now present in

all ten provinces and all 116 districts. Between 2020 and 2024, the number of active loan accounts grew steadily, reflecting increased trust among public service workers and improved access to credit.



These trends illustrate the success of the Company's strategy to decentralise access and

improve service visibility, particularly for civil servants in rural and peri-urban areas.



By the end of 2024, the Company had surpassed 100,000 active client records, with significant growth in districts that previously relied solely on central processing. This was enabled by digital onboarding, decentralised support via WhatsApp and email platforms, and ongoing collaboration with provincial client focal points.

The Company's geographic coverage has also improved. From under 80 districts in 2019, Public Service Microfinance Company Limited had full district presence by 2023, and maintained that in 2024 — demonstrating institutional resilience and inclusive outreach.



Budget Management and Performance

Strategic Budget Formulation

Public Service Microfinance Company Limited’s 2024 budget was formulated strategically, ensuring complete alignment with the 2022-2027 Strategic Plan objectives. The budget development process was comprehensive and inclusive:

- ✓ **Departmental Participation:** All departments actively participated in the budget formulation process
- ✓ **Executive Oversight:** Budget proposals were coordinated through the Chief Executive Officer’s authority
- ✓ **Board Approval:** Final budget approval was secured from the Board of Directors
- ✓ **Strategic Alignment:** Budget allocations effectively funded key initiatives including outreach activities, product sensitization, and staff welfare programs

Budget Performance and Discipline

Public Service Microfinance Company Limited demonstrated exemplary budget discipline throughout 2024:

- ✓ **Utilization Rate:** 65% of the approved 2024 budget was utilized
- ✓ **No Supplementary Requirements:** The company maintained expenditure within approved limits without requiring budget supplements
- ✓ **Cost Control:** Effective expenditure management ensured optimal resource allocation while meeting operational objectives

Mid-Year Adjustments and Adaptability

The company demonstrated operational agility through necessary mid-year resource reallocations:

- ✓ **Energy Challenges:** Power load management issues and increased fuel prices required strategic response
- ✓ **Resource Reallocation:** Successfully redirected resources to purchase additional fuel and lubricants for backup generator operations
- ✓ **Business Continuity:** These adjustments ensured uninterrupted service delivery during infrastructure challenges

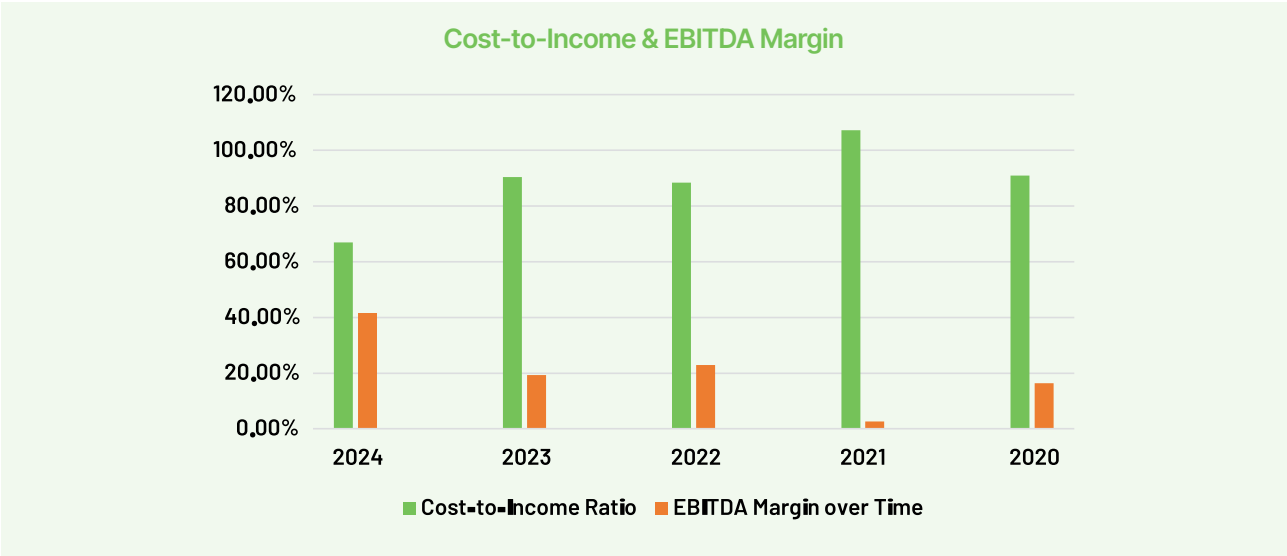
Lessons for Future Budget Cycles

The 65% budget utilization provided valuable insights into Public Service Microfinance Company Limited’s financial and operational efficiency, demonstrating:

- ✓ Strong cost management capabilities
- ✓ Operational discipline and resource optimization
- ✓ Ability to achieve objectives while maximizing resource efficiency
- ✓ Opportunities for strategic reallocation toward higher-impact initiatives in future periods

Cost and Efficiency Indicators

Public Service Microfinance Company Limited recorded further gains in cost efficiency during 2024, demonstrating operational maturity and prudent financial management. The cost-to-income ratio improved to 66.87% (2023 restated: 90.41%), reflecting controlled expenditure growth despite inflationary pressures.



Operating expenses remained relatively stable over the past five years, averaging around ZMW 23–26 million annually. However, the significant growth in income during 2024 allowed the Company to operate at a much higher efficiency level, with increased surplus available for reinvestment in digital infrastructure and client services.

The EBITDA margin rose sharply to 41.56% (2023 restated: 19.33%), driven by increased revenue and improved loan recovery performance. This enabled

stronger internal funding capacity without external capital inflow.

Public Service Microfinance Company Limited also maintained a lean operational structure relative to its national footprint. With services extended to 116 districts and more than 100,000 active client records, the Company delivered scale without proportional increases in fixed overheads; a key indicator of strategic cost discipline.

Year	Strategic Milestones
2019	- Launched the Short-Term Cash Solution Loan, Motor Vehicle, and Agricultural Asset Plus Loan schemes - Commenced development of the Banker’s Realm Core Banking System, integrating loan, payroll, and accounting functions - Began construction of the Public Service Microfinance Company Limited Office Park - Strengthened credit assessment and internal control processes
2020	- Introduced the Bring Your Own Device (BYOD) loan product - Expanded lending to quasi-government and parastatal institutions - Commissioned and relocated to the new Public Service Microfinance Company Limited Office Park - Signed multiple supplier MOUs to support asset-based lending - Implemented revised recovery structures for arrears and loan servicing

Year	Strategic Milestones
2021	- Operationalised the Leaders Revolving Fund to support long-serving civil servants - Activated the USSD loan balance platform for client self-service - Restructured management with clearer separation of credit, finance, and ICT functions - Improved governance readiness by initiating review of Board structures
2022	- Disbursed over ZMW 1 billion cumulatively since inception - Rolled out mobile outreach and virtual service desks, expanding rural access - Introduced agricultural input financing and vehicle accessory loans - Launched WhatsApp for Business and activated USSD *228# access - Approved and began implementation of the 2022–2026 Strategic Plan
2023	- Appointed a fully constituted Board of Directors - Introduced fully digitised loan applications via WhatsApp and email - Launched the Domestic Tourism Loan Product - Paid out the Company’s first dividend to the shareholder - Commenced ZMW 112 million capital liquidation to strengthen balance sheet
2024	- Achieved record net profit of ZMW 19.94 million (2023 restated: ZMW 3.37 million) - Reduced NPL ratio to 2.06% (2023 restated: 3.76%) through tighter credit screening - Reached all 116 districts and all 10 provinces with 50.9% of borrowers being female - Operationalised WhatsApp and email channels as default loan platforms - Prepared for full Board and Committee activation in 2025 with completed governance instruments



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From inputs to income.
PSMFC makes the
farming journey
possible.”



04 Strategic Context and Institutional Overview



Public Service Microfinance Company Limited Structure

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Vision, Mission, and Strategic Pillars

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The 2022–2026 Strategic Plan Overview

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Performance Against Strategic Objectives

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Value Creation Model

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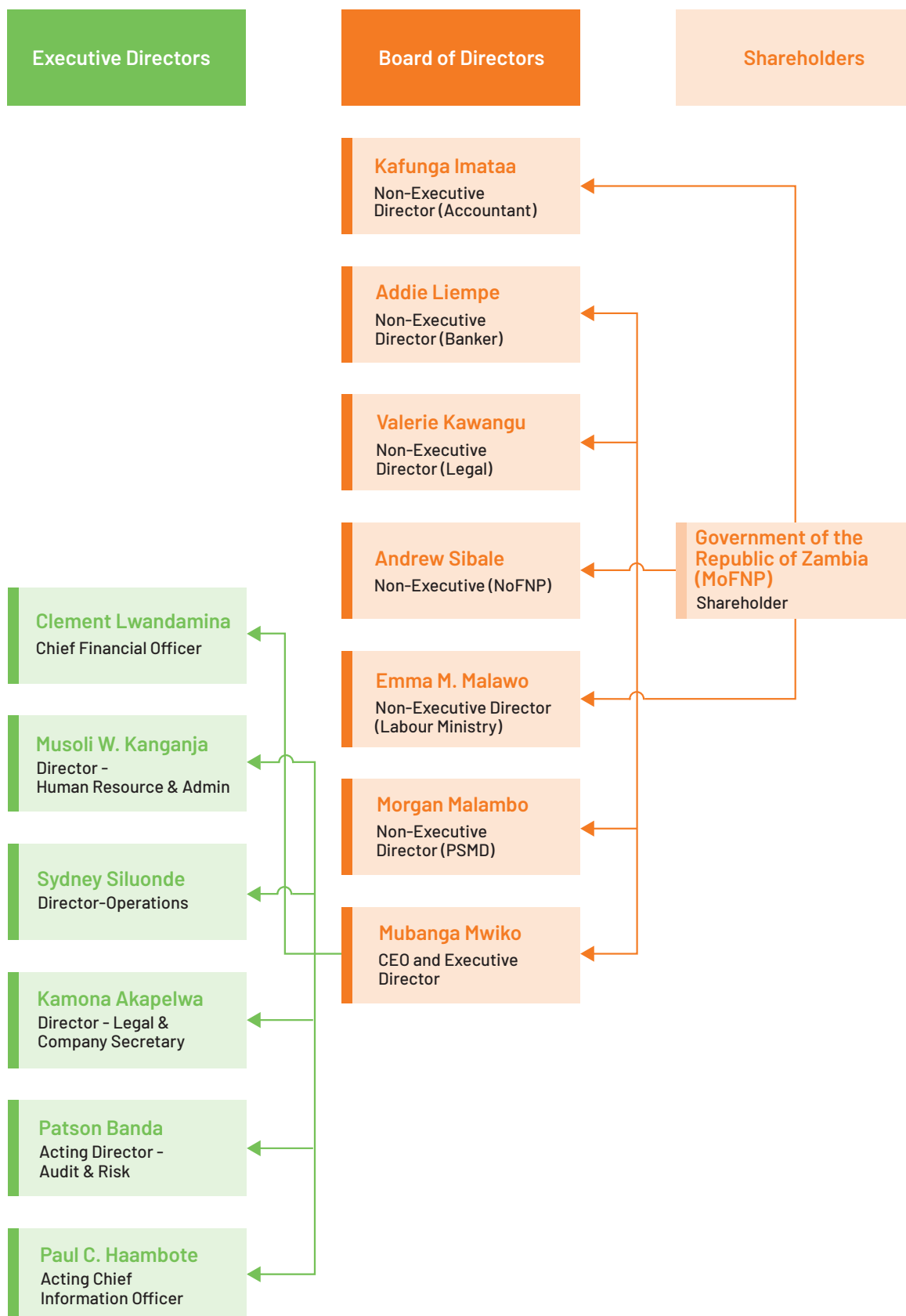


Executive Management Team Profiles

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"The Company's strategic direction for the 2022–2026 period is anchored on five mutually reinforcing pillars. These serve as the foundation for institutional decision-making, resource allocation, and performance evaluation..."

Public Service Microfinance Company Limited Structure



Vision, Mission, and Strategic Pillars



Vision

To be the preferred financial service provider for public service workers in Zambia.



Mission

To provide innovative, affordable, and accessible financial solutions that enhance the socio-economic wellbeing of public service workers, while maintaining financial sustainability and accountability to stakeholders.

Strategic Pillars (2022–2026 Strategic Plan)

The Company's strategic direction for the 2022–2026 period is anchored on five mutually reinforcing pillars. These serve as the foundation for institutional decision-making, resource allocation, and performance evaluation:

1. Client-Centricity and Financial Inclusion:

Enhance access to affordable financial products for public service workers in all parts of the country, with a strong focus on gender equity and rural reach.

2. Digital Transformation and Service Efficiency:

Leverage technology to streamline application processing, reduce turnaround times, and extend services beyond physical branches through platforms such as WhatsApp, email, and USSD.

3. Financial Growth and Sustainability:

Strengthen the Company's financial base through prudent risk management, sustainable profitability, and reinvestment into operational expansion.

4. Governance and Institutional Development:

Build strong corporate governance structures, ensure legal and regulatory compliance, and activate effective Board oversight to improve accountability and transparency.

5. Human Capital and Organisational Culture:

Invest in people through training, ethical culture development, and staff retention strategies aligned with the mission of public service.

These pillars are interlinked and aligned with Zambia's broader national development objectives under the Eighth National Development Plan (8NDP), the Public Finance Management Act, and the Government's agenda for public sector modernisation.

Legal Form and Establishment

The Public Service Microfinance Company Limited (Public Service Microfinance Company Limited) is a wholly owned state enterprise, incorporated on 19 October 2012 under the Companies Act No. 10 of 2017. It is registered as a private company limited by shares and operates under the oversight of the Ministry of Finance and National Planning (MFNP), which serves as both shareholder and policy anchor.

The Company was established in response to the need for a sustainable and formal channel through which public service workers could access affordable financial services. Public Service Microfinance Company Limited's existence is guided by the Public Finance Management Act No. 1 of

2018, the Companies Act, and the strategic goals of the Zambian Government in relation to public sector welfare and financial inclusion.

Ownership and Shareholder Representation

Public Service Microfinance Company Limited is 100 percent owned by the Government of the Republic of Zambia. The shareholder role is exercised through the Secretary to the Treasury, who is mandated to provide policy direction, approve major governance instruments, and receive statutory submissions, including the Company's Annual Report.

As a public entity, Public Service Microfinance Company Limited is expected to operate with both commercial prudence and public service sensitivity. This duality informs the Company's lending policies, outreach model, and financial performance targets.

Core Mandate

The Company's mandate is to provide responsible, non-exploitative credit to public service employees, particularly those in underserved and rural areas. It also supports the Government's broader goals of reducing indebtedness through informal lenders, improving public sector morale, and driving economic empowerment.

Public Service Microfinance Company Limited's client base includes civil servants from central government, teachers, nurses, police officers, and other frontline personnel. The Company provides both unsecured and asset-based financing through payroll deduction models, in partnership with ministries and recognised suppliers.

The 2022–2026 Strategic Plan Overview

The 2022–2026 Strategic Plan provides the overarching institutional roadmap for Public Service Microfinance Company Limited, aimed at deepening financial inclusion, strengthening operational resilience, and transforming the Company into a client-first, technology-enabled public finance institution. It was developed through a consultative process involving Management, key stakeholders, and guidance from the shareholder.

The Strategic Plan is structured around five strategic pillars, each designed to address both internal performance drivers and the evolving needs of Public Service Microfinance Company Limited's client base.

Strategic Goals (2022–2026)

1. Increase access to affordable and diversified loan products

- ✓ Expand product range to meet the needs of a wider spectrum of public service workers
- ✓ Ensure products are simple, fair, and accessible, with special emphasis on underserved provinces

2. Digitise service delivery for reach and efficiency

- ✓ Migrate core services to digital platforms such as WhatsApp, email, and USSD
- ✓ Reduce turnaround times, eliminate paper-based processes, and introduce real-time client feedback tools

3. Strengthen financial sustainability

- ✓ Increase internally generated revenue
- ✓ Improve repayment monitoring and maintain portfolio quality below industry benchmark NPL ratios

4. Enhance governance and compliance

mechanisms

- ✓ Operationalise the Board and its Committees
- ✓ Institutionalise risk management and internal control processes aligned with public sector legislation

5. Develop human capital and organisational culture

- ✓ Build a performance-driven culture through KPIs, ethics awareness, and staff development
- ✓ Promote innovation, integrity, and public service values across all levels of the Company

The Plan is also directly aligned with national policy documents including the Eighth National

Development Plan (8NDP) and the Public Service Reform Programme.

Performance Against Strategic Objectives

As at the end of the 2024 financial year, Public Service Microfinance Company Limited recorded strong progress toward the core targets outlined in its 2022–2026 Strategic Plan. Despite macroeconomic headwinds, the Company demonstrated institutional discipline, financial growth, and a measurable shift toward client-focused service delivery.

The table below summarises performance across the five strategic pillars:

Strategic Pillar	Targeted Outcomes (by 2026)	2024 Progress Highlights
1. Client-Centricity and Financial Inclusion	Expand access across all 116 districts and increase reach among female borrowers	• Presence maintained in all 116 districts • 45% of borrowers were female • Outreach extended via WhatsApp and email platforms
2. Digital Transformation and Service Efficiency	Digital platforms as primary application channels; significant reduction in turnaround time	• WhatsApp and email became default application methods • Simplified forms and faster disbursement turnaround observed
3. Financial Growth and Sustainability	Increase profitability and reduce reliance on shareholder capital	• Net profit reached ZMW 19.94 million (2023 restated: ZMW 3.37 million) • Cost-to-income ratio improved to 66.87% (2023 restated: 90.41%)
4. Governance and Institutional Development	Operationalise Board and oversight Committees	• Full Board in place but no meetings held in 2024 • Governance instruments developed and aligned to PFMA
5. Human Capital and Organisational Culture	Improve performance management and staff development	• Training in digital tools, ethics, and service culture completed • Streamlined KPIs linked to strategic performance introduced

Value Creation Model

Public Service Microfinance Company Limited’s value creation model reflects the way the Company transforms its inputs including financial resources, human capital, technology, and stakeholder trust into impactful outcomes that serve the public interest. It aligns with principles of integrated

thinking and supports sustainable public sector development.

The model draws from the International <IR> Framework and contextualises value through Public Service Microfinance Company Limited’s unique mandate as a public microfinance institution.

Inputs, Activities, and Outputs

Key Inputs	Business Activities	Outputs
• Shareholder equity and internally generated revenue- Skilled and committed staff • Digital platforms (WhatsApp, email, USSD) • Core banking and financial systems- Legal and regulatory frameworks • Stakeholder partnerships	• Loan origination (personal and asset-based) • Credit screening and affordability assessment- Supplier coordination and asset distribution • Client onboarding and education- Loan monitoring and payroll recovery • Compliance and governance tracking	• Loan disbursements to public service workers • Asset financing for household and productivity items • Expanded provincial and district outreach • Digital service access and turnaround improvements • Responsible lending and improved repayment discipline

Outcomes and Value Delivered

Dimension	Value Created
Economic	Growth in income and net profit, reduced cost-to-income ratio, dividend potential
Social	Empowered civil servants, increased access in underserved areas, gender equity in financing
Institutional	Strengthened governance structures, enhanced ICT, decentralised service delivery
Developmental	Alignment with national policy (8NDP), promotion of responsible financial inclusion

Executive Management Team Profiles



1. Chief Executive Officer

Mubanga Mwiko

Mr. Mwiko was appointed as Chief Executive Officer with effect from 19th April 2013. He brought more than 21 years financial management expertise acquired both in private and public sector. He served as Chief Accountant in the Ministry of Finance prior to his appointment as Chief Executive Officer.

Mubanga is a Chartered Accountant and holds a Master of Business Administration (Finance) Degree.

2. Chief Financial Officer

Clement Lwandamina

Mr. Lwandamina was appointed in February 2022. With a robust background in finance and financial management, Mr. Lwandamina brings a wealth of expertise and knowledge to his role. Prior to joining the Company, he served as Senior Accountant in Central Government.

Clement holds the CIMA (CGMA) qualification and MBA in Finance.

3. Director Human Resource & Administration

Musoli W. Kanganja

Ms. Kanganja was appointed as Manager Human Resource and Administration with effect from 16th September 2013. She was later promoted to the position of Manager Operations. Following the restructure of the company, she was reappointed as Director Human Resource and Administration. She brought more than 20 years human resource and administration expertise acquired in the public sector. She worked in the Ministry of Finance prior to her appointment as Manager Human Resource and Administration.

Musoli is an HR practitioner by profession.

4. Director Operations

Sydney Siluonde

Mr. Siluonde was appointed as Director – Operations with effect from 15th October 2020.

Prior to that he held the position of Director – Audit, Risk and Compliance for the period 2nd May 2014 to 14th October 2020.

He has more than 20 years of financial management, audit and risk management expertise acquired both in private and public sector. He served as Principal Internal Auditor in the Ministry of Finance prior to his appointment as Manager -Audit, Risk and Compliance.

Sydney is a Chartered Accountant (FZICA, FCCA) and holds a Master of Business Administration (Finance) Degree and is a certified Fraud Investigations Professional and holds a postgraduate certificate in Risk Management

5. Director Legal & Compliance & Company Secretary

Kamona Akapelwa

Ms. Kamona Akapelwa is a legal practitioner and chartered secretary who joined Public Service Microfinance Company Limited on 26th January 2016. She has over ten years' experience in banking and finance having worked for Standard Chartered Bank (Z) PLC where she last served as the Acting Head, Legal and Compliance for Retail Banking.

As a Senior State Advocate from the Civil Litigation Department of the Attorney General's Chambers, Ms. Akapelwa also has vast experience in litigation practice and previously worked as an Associate for top firms in Zambia such as Simeza Sangwa and Associates and Shamwana and Company.

Kamona is an advocate of the High Court and Supreme Court of Zambia and holds both Bachelor and Master of Laws Degrees.

6. Chief Information Officer (Acting)

Paul C. Haambote

Mr. Paul Haambote was appointed to Act as Business Development Manager with effect from 19th October 2016.

He brought more than 11 years expertise in software development and business process flow design with a further 2 years in product development and client relationship management acquired from both the private and public sector. He worked at the Zambia National Building Society prior to his appointment as Business Development Manager.

Paul is a seasoned ICT specialist by profession.

7. Director Audit & Risk (Acting)

Patson Banda

Patson has been with Public Service Micro Finance Company since 2014 He has over 16 years' experience in the fields of accounting, audit and risk management both in the private and public sector. His academic and professional experience include lecturing at Lusaka Business and Technical College, Accounting at World Vision, Internal Auditing in the Ministry of Health and Ministry of Agriculture

He holds a ZICA Audit Practising Certificate, a Master of Science degree in Economics and Finance from the University of Lusaka (UNILUS), Bachelor of Accountancy Degree from Copperbelt University, ACCA(UK) and Postgraduate Certificate in Risk Management.



The team reflects a blend of institutional memory, public sector experience, and reform-oriented management capacity. In 2024, their collective leadership was instrumental in navigating

operational challenges, delivering record profitability, and positioning Public Service Microfinance Company Limited for deeper governance activation in 2025.



05 Workforce and Human Capital



Workforce Composition and Diversity

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Talent Development and Retention

Page 51



Significant HR Achievements in 2024

Page 52



Staff Welfare and Wellness

Page 53



Human Resource Strategic Priorities for 2025

Page 56

"The 2024 financial year reflected Public Service Microfinance Company Limited's continued commitment to strengthening its human capital through targeted recruitment, skills enhancement, and staff retention measures...."

Workforce Composition and Diversity

As at 31 December 2024, Public Service Microfinance Company Limited (Public Service Microfinance Company Limited) employed a total of 39 staff members, structured across key operational and leadership levels to support the company's national mandate.

The workforce was structured across key operational and support functions, including

Finance, Operations, Human Resource & Administration, Legal & Secretariat, ICT, Internal Audit, and the Office of the CEO. Staff were distributed across the Head Office and decentralised provincial service points, aligning with Public Service Microfinance Company Limited's national outreach mandate.

Employment Status and Distribution

SN.	Job Title	Level	Approved Establishment	Status		Gender	
				Filled	Vacant	Male	Female
1	Chief Executive Officer	Executive	1	1	-	1	-
2	Directors	Senior Management	6	4	2	2	
3	Managers	Middle Management	8	6	2	4	2
4	Officer	Professional	14	5	9	4	2
5	Assistant Officer	Technical	15	9	6	5	1
6	Executive Officer	Support	1	1	-	1	-
7	Support Administrative 1 • Secretaries • Registry Clerks • Front Office Assistants • Virtual Office Tellers	Support	12	9	3	4	5
8	Support Administrative 2 Drivers	Support	4	4	-	4	-
9	Support Administrative 3 Office Orderly	Support	1	0	1	-	-

Provincial Presence

While all staff are based at Head Office in Lusaka, the Company maintains its presence in all ten provinces through field visits and collaborations with MPSAs and most notably NATSAVE. This model supports loan application processing, client education, and post-disbursement monitoring.

Key Diversity Insights

- ✓ **Gender Equity:** Women held roles at all levels of the organisation, including at executive and mid-management level.
- ✓ **Regional Representation:** Staff recruitment reflected Zambia’s broad provincial diversity, supporting inclusion and contextual service delivery.
- ✓ **Youth Representation:** A significant proportion of staff fell within the 25–35 age bracket, reinforcing innovation and adaptability in service delivery.

Public Service Microfinance Company Limited’s employment practices are guided by the principles of the National Gender Policy, the Public Service Management Division guidelines, and internal HR policies that promote fairness, transparency, and development.

Talent Development and Retention

The 2024 financial year reflected Public Service Microfinance Company Limited’s continued commitment to strengthening its human capital through targeted recruitment, skills enhancement, and staff retention measures.

New Staff Engagement and Succession Preparation

During the year, four new staff members were recruited to strengthen the organisation’s operational, procurement, and ICT functions. These included:

Name of Officer	Position	Department	Entry Date
Francis Mwalukanga	Applications Specialist	Information and Communication Technology	23rd March 2024
Angela Mulenga Simainga	Assistant Procurement Officer	Procurement Section	2nd April 2024
Taonga Goma	Front Office Assistant	Operations	22nd July 2024
Mucha Banda	Front Office Assistant	Operations	19th August 2024

These strategic hires addressed capacity gaps in frontline service and technical support, aligning with the company’s operational expansion goals.

Additionally, two staff members formally exited the company through retirement:

Name of Officer	Position	Department	Entry Date
Grace Musafwa	Secretary	Human Resource and Administration	22nd July 2024
Purity Tembo	Office Orderly	Human Resource and Administration	8th October 2024

These exits, while limited in number, reinforced the need for Public Service Microfinance Company Limited to adopt a proactive approach to succession planning. Although formal succession planning was earmarked for 2025, preliminary work was underway to assess future leadership needs.

Training and Development Programmes

Public Service Microfinance Company Limited sustained its policy of supporting staff development across all functional levels. Throughout 2024, employees participated in various capacity-building initiatives, ranging from regulatory compliance and procurement procedures to ICT competencies and customer service. Training opportunities were primarily provided through partnerships with professional institutions such as ZICA, ZIPS, and ICTAZ, ensuring that staff were equipped with up-to-date and industry-aligned skills.

Although quantitative evaluations of training effectiveness were not systematically captured in 2024, anecdotal feedback from departmental supervisors indicated improved performance in procurement compliance, frontline operations, and internal systems usage.

Retention Efforts

The company continued to experience minimal turnover, with no cases of voluntary resignations or retrenchments reported during the year. This stability was supported by ongoing employee recognition efforts and initiatives aimed at fostering a conducive work environment. The diversity of employment terms, with 14 staff on contract and 26

on permanent and pensionable terms, reflects the company’s flexibility in workforce structuring.

Looking ahead, the focus for 2025 will be the institutionalisation of a formal succession framework, alongside the expansion of structured leadership development programmes to ensure continuity and internal mobility. These efforts are expected to build a resilient, skilled workforce capable of sustaining Public Service Microfinance Company Limited’s strategic goals.

A formal job evaluation exercise was initiated in 2024 to align roles and compensation with evolving organisational needs. Succession planning efforts were also initiated, targeting key directorate roles to ensure leadership continuity.

Significant HR Achievements in 2024

Zero Involuntary Turnover

A notable achievement for Public Service Microfinance Company Limited in 2024 was the absence of any significant staff turnover during the year under review. This stability reflects:

- ✓ **Effective Retention Strategies:** Successful implementation of employee engagement and welfare initiatives
- ✓ **Positive Work Environment:** Maintenance of a supportive and inclusive workplace culture
- ✓ **Competitive Value Proposition:** Appropriate balance of compensation, benefits, and professional development opportunities
- ✓ **Mission Alignment:** Strong connection between staff values and organizational purpose

Recruitment Excellence

Strategic recruitment of four additional staff members successfully addressed capacity gaps in:

- ✓ Operations support and client service delivery
- ✓ Procurement processes and supplier management
- ✓ ICT systems support and digital transformation initiatives

Professional Partnership Leverage

Continued effective utilization of partnerships with professional institutions including ZICA (Zambia Institute of Chartered Accountants), ZIPS (Zambia Institute of Purchasing and Supply), and ICTAZ (Information and Communications Technology Association of Zambia) provided:

- ✓ Technical expertise during recruitment processes
- ✓ Industry-standard assessment and selection procedures
- ✓ Professional validation of candidate qualifications and competencies
- ✓ Enhanced recruitment quality and efficiency

These achievements contributed significantly to organizational stability and operational effectiveness throughout a challenging economic environment.

Staff Welfare and Wellness

In 2024, Public Service Microfinance Company Limited maintained a deliberate focus on improving staff welfare and fostering a safe, supportive, and inclusive work environment. Recognising that employee wellbeing directly impacts service quality and organisational culture, the Human Resource function implemented a series of interventions to support staff morale, health, and work-life balance.

Health and Wellness Support

- a. **On-Site Fitness Facilities:** Public Service Microfinance Company Limited maintained comprehensive fitness facilities to support employee health and well-being:
- ✓ **Gymnasium Management:**
 - **Free Access:** On-site gymnasium available to all staff members at no cost
 - **Professional Support:** Qualified gymnasium instructors provided guidance and training programs



- **Health Promotion:** Regular fitness programs designed to improve physical health and reduce workplace stress
- **Team Building:** Shared fitness activities fostering collaboration and mutual support among colleagues

b. Marathon Sponsorship Program:

- ✓ **Dual Marathon Support:** Company sponsored staff participation in both ABSA and Eagles marathons
- ✓ **Comprehensive Preparation:** Provided preparatory physical training to ensure participant readiness and safety
- ✓ **Health Investment:** Demonstrated institutional commitment to employee physical fitness and personal achievement
- ✓ **Anticipated Continuation:** High staff enthusiasm and participation rates indicate strong demand for continued sports sponsorship

c. Workplace Nutrition Support

- ✓ **On-Site Cafeteria Operations:**
 - **Employee-Driven Management:** Staff-operated cafeteria fostering ownership and community engagement
 - **Subsidized Meals:** Affordable meal options provided throughout the work week
 - **Convenience:** On-site dining reducing staff costs and time spent on meal arrangements
 - **Social Hub:** Cafeteria serving as informal meeting space promoting interaction and relationship building

d. Health and Safety Continuity:

Throughout 2024, Public Service Microfinance Company

Limited maintained vigilance around workplace health and safety, including continued COVID-19 prevention measures, occupational health monitoring, and workplace safety protocols to ensure a secure and healthy work environment for all employees.

Workplace Comfort and Safety

- ✓ **Office Reconfiguration:** To support improved workspace comfort, minor refurbishments and ergonomic adjustments were made in high-traffic areas, particularly in customer-facing departments.
- ✓ **Work Tools and Resources:** Staff in Operations, ICT, and Finance received essential tools such as updated desktops, network access, and automated forms to streamline their functions.

Social Engagement and Team Cohesion

a. **Cultural Celebration Initiatives:** Public Service Microfinance Company Limited demonstrated its commitment to cultural diversity and national pride through organized celebrations:

b. Africa Freedom Day and Independence Day Commemorations:

- ✓ **Cultural Expression:** Staff were encouraged to wear traditional African attire, celebrating heritage and cultural identity
- ✓ **Community Building:** Hosted African-themed lunches fostering team cohesion and cultural appreciation
- ✓ **National Pride:** Reinforced connection between individual identity and national service mission

c. **Health and Wellness Through Sports:** The company made significant investments in employee physical health and team building:

d. Marathon Participation Program:

- ✓ **Event Support:** Sponsored staff participation in both ABSA and Eagles marathons
- ✓ **Preparatory Training:** Provided supported physical training programs to ensure staff readiness
- ✓ **Team Building:** Created shared goals and mutual support systems among colleagues
- ✓ **Health Promotion:** Encouraged active lifestyles and physical fitness awareness

e. Participation Impact: Staff responded enthusiastically to these initiatives, with high participation rates and expressed anticipation for similar programs in the coming year. These activities strengthened interpersonal relationships, improved morale, and reinforced Public Service Microfinance Company Limited's commitment to holistic employee well-being.

f. Employee Engagement Survey Status: The formal employee engagement survey for 2024 has not yet been administered. Plans are in place to conduct this comprehensive assessment in early 2025 to gather systematic feedback on employee satisfaction, engagement levels, and improvement opportunities.

Overall, 2024 demonstrated a renewed commitment to wellness not only as a compliance matter but as an organisational value — one that reinforces productivity, loyalty, and a dignified work experience across all levels.

Organisational Culture and Ethics

Throughout 2024, Public Service Microfinance Company Limited worked to strengthen a professional and accountable organisational culture anchored in ethical conduct, service excellence, and

institutional loyalty. While the Company continued to operate under resource constraints, efforts were made to reinforce behaviour aligned with the values of public service and responsible financial management.

Ethical Awareness and Compliance

- ✓ **Code of Conduct:** All staff remained bound by the Company's Code of Conduct, which outlines expectations related to integrity, conflict of interest, confidentiality, and professional discipline. Refresher sensitisation sessions were conducted in Q2 and Q4 to reemphasise these principles.
- ✓ **Whistleblowing Mechanism:** The internal reporting channel for ethics breaches was maintained, and minor issues were resolved administratively through HR and line management engagement. No major breaches requiring external escalation were recorded in 2024.
- ✓ **Alignment with Public Sector Standards:** The Legal and HR functions collaborated to ensure institutional alignment with broader public service ethical frameworks and guidelines issued under the Public Finance Management Act and other regulatory provisions.

Values-Driven Culture

- ✓ **Client Responsibility Ethos:** Staff were continually reminded of the institution's purpose — to serve and protect the financial dignity of public servants. This was emphasised through performance review discussions and internal communications.
- ✓ **In-House Collaboration:** A culture of teamwork was supported through improved inter-departmental communication, particularly

between Operations, Legal, and Finance during peak processing periods.

- ✓ **Management Visibility and Feedback Loops:** Senior management maintained open channels with junior staff, encouraging feedback and collaborative resolution of operational issues. The CEO's and Directors' regular interactions with teams played a central role in sustaining morale and accountability.
- ✓ **Cultural Values in Practice:** Throughout 2024, several core values were consistently observed and demonstrated by staff across all levels of the organization:
- ✓ **Innovation:** Staff demonstrated creative problem-solving approaches, particularly in adapting to digital service delivery channels and finding solutions to operational challenges during power outages and economic pressures.
- ✓ **Dependability:** Team members consistently showed reliability in meeting commitments, supporting colleagues, and maintaining service standards despite external challenges.
- ✓ **Teamwork:** Strong collaborative behaviors were evident across departments, with effective cross-functional cooperation in loan processing, client service, and administrative functions.
- ✓ **Hard Work:** Staff exhibited dedication and commitment to achieving organizational objectives, often going beyond basic requirements to ensure client satisfaction and operational excellence.
- ✓ **Values Reinforcement:** These observed values align closely with Public Service Microfinance Company Limited's mission of serving public service workers and reflect the organization's

success in attracting and retaining mission-driven personnel who understand the importance of their role in supporting Zambia's civil service.

- ✓ **Cultural Strengthening Initiatives:** While formal cultural interventions were limited in 2024, the natural emergence of these positive values suggests a strong foundation for future culture development programs and values-based performance management systems.

Human Resource Strategic Priorities for 2025

Public Service Microfinance Company Limited's Human Resource priorities for 2025 are structured around three core areas: leadership development, digital HR transformation, and professional development. These initiatives are designed to build institutional capacity, enhance efficiency, and prepare the organisation for future challenges.

- a. **Leadership Development:** Implementation of a succession plan and a structured leadership development programme to build a strong internal talent pipeline, promote strategic thinking, and enhance change management capabilities aligned with public sector values.
- b. **Digital HR Transformation:** Deployment of a new payroll system and biometric attendance tracking to automate processes, improve data accuracy, enhance compliance, and integrate with other systems.
- c. **Professional Development:** Continued investment in staff capacity through partnerships with professional bodies (ZICA, ZIPS, ICTAZ), targeted training, certification support, and cross-functional skill-building.

06 Client Impact and Outreach



Testimonials and Impact Narratives

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Gender and Provincial Distribution

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Provincial to Provincial Spread of Disbursements

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Digital Access Expansion

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The Year 2024 in Pictures

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"The 2024 financial year reflected Public Service Microfinance Company Limited's continued commitment to strengthening its human capital through targeted recruitment, skills enhancement, and staff retention measures...."

Testimonials and Impact Narratives

In 2024, the reach and relevance of Public Service Microfinance Company Limited's financial services were most clearly reflected in the voices of the clients themselves. Across all ten provinces, public

service workers shared how timely, accessible financing transformed their livelihoods and helped them build financial dignity.

Client Experiences Across Zambia

"The application process was smooth and fast. I applied via WhatsApp and received prompt feedback without having to travel. I truly appreciate the responsiveness and professionalism shown."

- Public Service Worker, Chongwe District, Lusaka Province

"Public Service Microfinance Company Limited has been a blessing. Through the solar financing facility, I was able to install a small system for my home-based shop. I can now run the freezer at night and make additional income."

- Civil Servant, Kalomo District, Southern Province

"Your services have truly changed lives in rural areas. Many of us had no idea we could access loans so easily until your officers visited our district."

- Community Health Worker, Mwinilunga District, North-Western Province

"I managed to get a loan for building materials through Public Service Microfinance Company Limited. I've completed my two-room extension, and my family finally has enough space. Keep up the great work."

- Teacher, Chipata District, Eastern Province

"The application process was smooth and fast. I applied via WhatsApp and received prompt feedback without having to travel. I truly appreciate the responsiveness and professionalism shown."

- Public Service Worker, Chongwe District, Lusaka Province

"Public Service Microfinance Company Limited has been a blessing. Through the solar financing facility, I was able to install a small system for my home-based shop. I can now run the freezer at night and make additional income."

- Civil Servant, Kalomo District, Southern Province

"Can I relocate to Zambia I definitely like what that government is doing for her people, just a small farm for me will work wonders."

- Non-Zambian Facebook User

"God bless the team at Public Service Microfinance Company Limited. Your support has meant so much to many of us civil servants in remote areas."

- Police Officer, Chama District, Muchinga Province

Operational Reflections from the Field

"Since we introduced WhatsApp and email-based applications, we've seen a massive drop in client walk-ins. It's made our workflow more efficient and clients more satisfied."

– **Chiuzeni Mwale – Manager, Assets**

"The feedback we now get from clients in districts like Kaputa or Shang'ombo is incredible. They used to think Public Service Microfinance Company Limited was just a name on paper. Now they know we're real."

– **Katongo Kangwa – Loans Officer**

These testimonies not only validate the effectiveness of the Company's digital access strategy and decentralised service model but also reinforce Public Service Microfinance Company Limited's mission of uplifting Zambia's public service workers through inclusive and impactful financing.

Gender and Provincial Distribution

In line with its mandate to deliver equitable financial access to all public service workers, Public Service Microfinance Company Limited continued to uphold gender balance and nationwide reach in loan disbursements throughout 2024. The Company recorded notable progress in ensuring both women and underserved provinces were adequately represented in its portfolio.

Gender Distribution of Loans

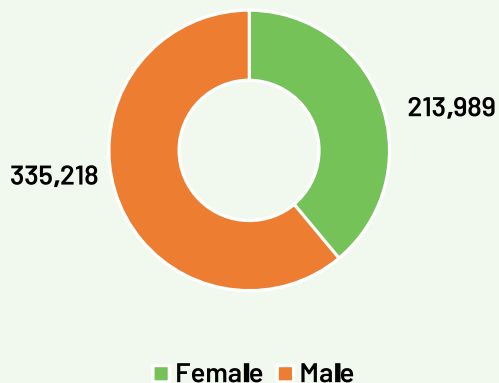
Public Service Microfinance Company Limited continues to prioritise equitable access to financial services for all public service workers across Zambia. In 2024, deliberate efforts were made to increase awareness among female applicants, ensuring inclusive participation across all loan products. This approach remained central to our mandate of gender-balanced financial empowerment.

This year, asset-based loans continued to account for a significant portion of disbursements. The Motor Vehicle Loan Scheme (MVLS) remained the most accessed by value among female clients with ZMW 58.168 million disbursed, followed closely by the Building Materials Loan (BML) at ZMW 37.597 million and the Agricultural Asset Plus Loan Scheme (AALS) at ZMW 27.702 million.

In terms of number of accounts, the highest uptake among women was recorded under the Short-Term Cash Solution (STCS), with 1,681 active accounts, followed by Personal Loans (PLS) with 645 accounts, and the Bring Your Own Device (BYOD) scheme with 476 accounts. These figures reflect a steady commitment to inclusion and expanding reach to underserved districts, as guided by our 2022–2026 strategic direction.

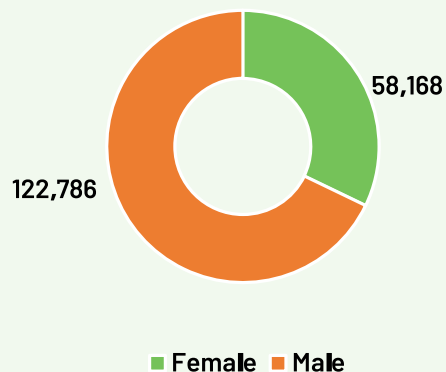
The following analysis reflects the provincial distribution of loan disbursements per product type for the financial year ended 31 December 2024. Figures for the year 2023 have been restated accordingly.

Total Disbursements ZMW'000



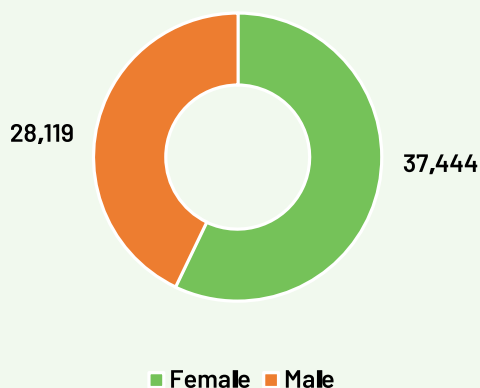
- **Female (3% increase):** ZMW 213.989 million (2023 restated: ZMW 206.814 million)
- **Male (8% increase):** ZMW 335.218 million (2023 restated: ZMW 309.082 million)

Motor Vehicle Loan Scheme ZMW'000



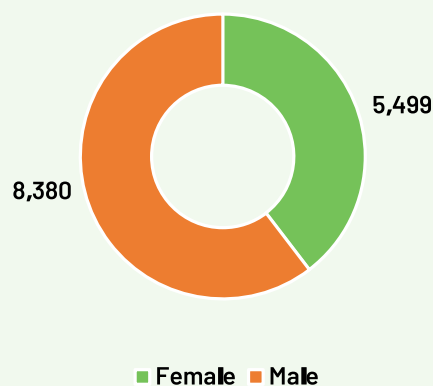
- **Female (-6% decrease):** ZMW 58.168 million (2023 restated: ZMW 61.925 million)
- **Male (3% increase):** ZMW 122.786 million (2023 restated: ZMW 119.602 million)

Personal Loan ZMW'000



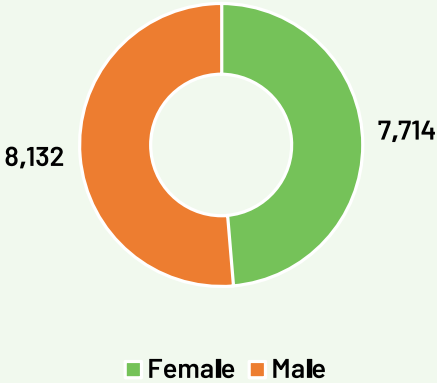
- **Female (-35% decrease):** ZMW 37.444 million (2023 restated: ZMW 57.801 million)
- **Male (-39% decrease):** ZMW 28.119 million (2023 restated: ZMW 46.029 million)

Bring Your Own Device ZMW'000



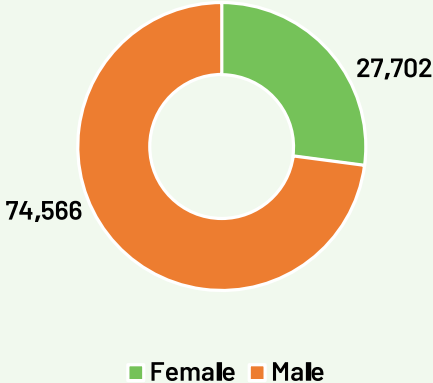
- **Female (-21% decrease):** ZMW 5.499 million (2023 restated: ZMW 7.004 million)
- **Male (-6% decrease):** ZMW 8.380 million (2023 restated: ZMW 8.876 million)

Household Furniture Loan
ZMW'000



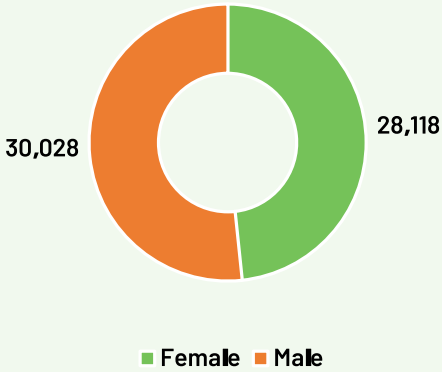
- **Female (12% increase):** ZMW 28.118 million (2023 restated: ZMW 25.186 million)
- **Male (21% increase):** ZMW 30.028 million (2023 restated: ZMW 24.842 million)

Agricultural Asset Plus Loan Scheme
ZMW'000



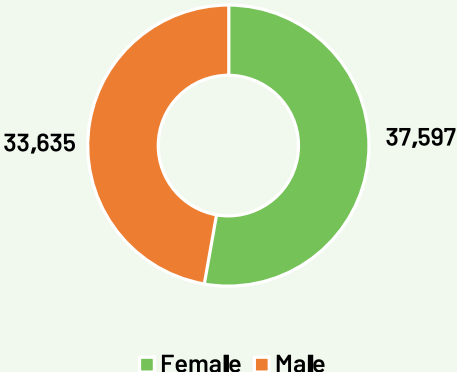
- **Female (173% increase):** ZMW 27.702 million (2023 restated: ZMW 10.166 million)
- **Male (84% increase):** ZMW 74.566 million (2023 restated: ZMW 40.469 million)

Short Term Cash Solution Loan
ZMW'000

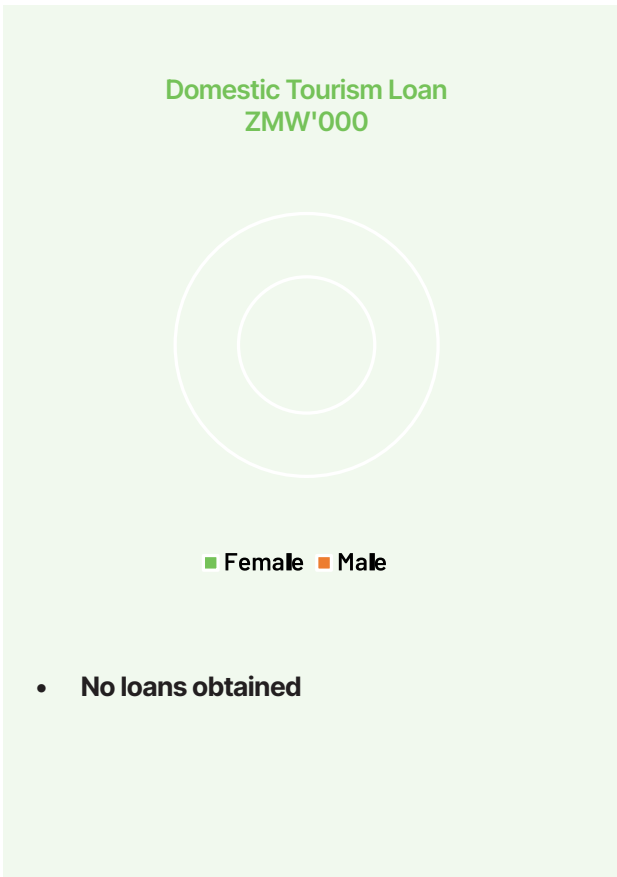
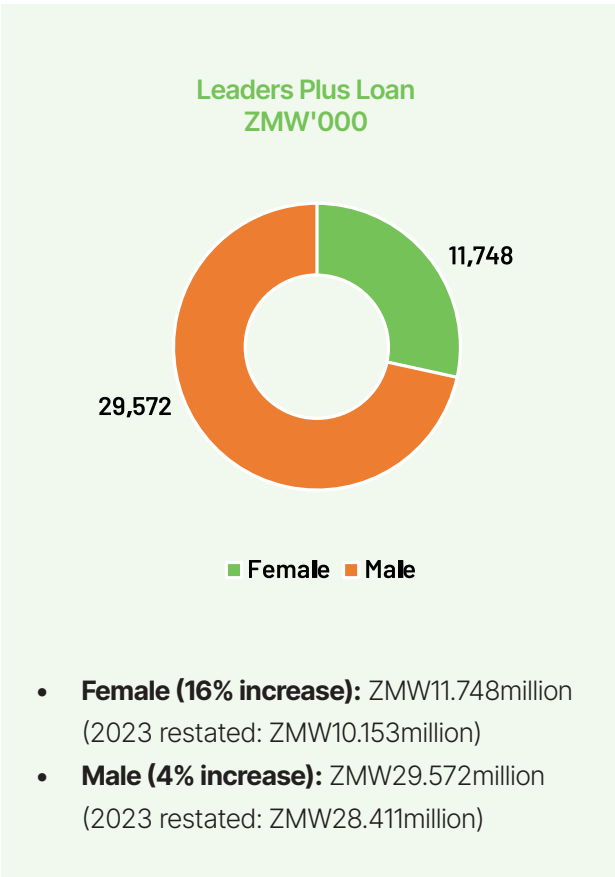


- **Female (12% increase):** ZMW 28.118 million (2023 restated: ZMW 25.186 million)
- **Male (21% increase):** ZMW 30.028 million (2023 restated: ZMW 24.842 million)

Building Material Loan
ZMW'000



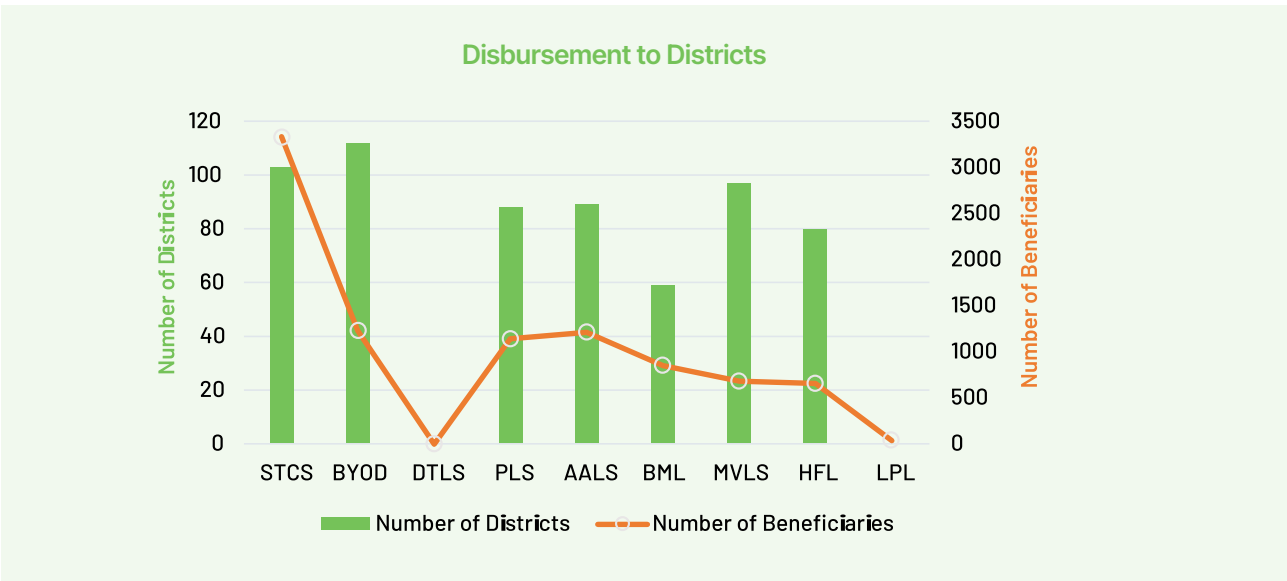
- **Female (36% increase):** ZMW37.597million (2023 restated: ZMW27.634million)
- **Male (-5% decrease):** ZMW33.635million (2023 restated: ZMW35.239million)



Provincial to Provincial Spread of Disbursements

In 2024, the number of districts from which loan applications were received and approved remained at 116, maintaining full national coverage. This continued level of engagement is a testament to the effectiveness of the Company’s district-focused

awareness initiatives, particularly in areas beyond the line of rail. These campaigns have strengthened visibility and trust in Public Service Microfinance Company Limited’s offerings, resulting in broader product uptake and reinforcing our commitment to financial inclusion for public service workers across all regions of Zambia.



Product	Number of Districts	Number of Beneficiaries
Short Term Cash Solution (STCS)	103	3,328
Bring Your Own Device (BYOD)	112	1,229
Domestic Tourism Loan (DTLS)	0	0
Personal Loans (PLS)	88	1,141
Agricultural Asset Plus Loan Scheme (AALS)	89	1,212
Bring Your Own Device (BML)	59	852
Motor Vehicle Loan Scheme (MVLS)	97	682
Household Furniture Loan (HFL)	80	656
Leaders Plus Loan (LPL)	7	39

Sectoral Reach

Key sectors among borrowers included:

- ✓ Education
- ✓ Health
- ✓ Agriculture Extension
- ✓ Law Enforcement
- ✓ Administration and Clerical Services

The Company’s continued emphasis on public servants in frontline and grassroots roles helps ensure that government service delivery personnel also benefit from inclusive financial access.

Financial Inclusion and Social Impact

Public Service Microfinance Company Limited’s work in 2024 extended beyond financial access — it played a meaningful role in fostering inclusion, improving economic resilience, and uplifting the quality of life for public servants across Zambia. With a mandate focused on equity and dignity, the Company prioritised outreach to low-income earners, women, and public servants in remote districts.

Serving the Underserved

The Company’s digital platforms (WhatsApp and email) enabled access for clients in districts

where physical branch presence or mobile money penetration remained low. Clients in rural locations, such as Kaputa, Kalabo, Mwinilunga, and Chama, were able to apply and receive funds without travelling long distances.

By sustaining decentralised service delivery across 116 districts, Public Service Microfinance Company Limited ensured that financial services were not limited to urban-based workers. This decentralisation was further supported by partnerships with key ministries and payroll centres that enabled seamless deductions and repayments even in lower-tier government offices.

Loan Accessibility and Financial Empowerment

Loan approval processes remained streamlined and client-friendly, with high volumes of loans disbursed for:

- ✓ Asset acquisition (furniture, electronics, small-scale business equipment)
- ✓ Household upgrades (solar systems, construction materials)
- ✓ Personal support needs (education fees, emergency support)

A flexible repayment structure — tied to payroll deductions — enabled clients to manage

repayments without risk of over-indebtedness. Internal credit controls and risk-based screening helped ensure that loans remained responsible, even under rising inflation and liquidity stress.

Social Multiplier Effects

The social impact of Public Service Microfinance Company Limited's loans was evident in:

- ✓ Increased household productivity, as clients used assets to generate supplementary income (e.g. freezers for home businesses)
- ✓ Improved living conditions, including housing extensions and electricity access in rural homes
- ✓ Enhanced morale among public workers, who gained financial stability and options without needing to engage informal lenders

Client testimonials revealed cases where loans supported poultry projects, tuckshops, and family welfare, illustrating how structured credit can catalyse long-term value in underserved communities.

Public Service Microfinance Company Limited's inclusive lending model continued to demonstrate that well-designed public finance institutions can be both socially impactful and financially sustainable.

Community Impact and Corporate Social Responsibility

Public Service Microfinance Company Limited's CSR activities in 2024 demonstrated a strategic commitment to community development, with targeted interventions in education, healthcare, and social wellbeing.

Educational Sector Support - Roma Girls Secondary School Contribution:

- ✓ Financial support to promote girls' education in underserved communities

- ✓ Empowerment of female learners and future leaders
- ✓ Strengthening of local education infrastructure

Healthcare Sector Support - Chainama Hills Hospital Contribution:

- ✓ Support to mental health service provision through financial contributions
- ✓ Improved access to psychiatric and mental health care
- ✓ Contribution to national healthcare delivery and impact

Sports and Community Engagement - Eagles Lady's Club Marathon Participation:

- ✓ Active involvement in health and fitness initiatives
- ✓ Promotion of wellness and positive community presence
- ✓ Strengthened visibility and stakeholder engagement

Strategic CSR Objectives

Public Service Microfinance Company Limited's CSR efforts align with broader national and institutional goals by:

- ✓ Supporting human capital development, especially for vulnerable groups
- ✓ Investing in essential health and social services
- ✓ Fostering social cohesion and national development

Impact Measurement

The impact of CSR interventions is evident through:

- ✓ Stronger community relationships and public goodwill
- ✓ Enhanced institutional reputation and trust

- ✓ Reinforcement of Public Service Microfinance Company Limited's values and public service mandate

These efforts illustrate Public Service Microfinance Company Limited's integrated approach to sustainable development, recognising that success includes both financial performance and meaningful social contribution.

Digital Access Expansion

In 2024, Public Service Microfinance Company Limited made significant strides in transforming how public service workers engage with its financial products through deliberate investments in digital service channels. These interventions were designed to reduce access barriers, improve turnaround times, and strengthen the client experience.

WhatsApp and Email Loan Application Channels

The most impactful innovation of the year was the rollout of loan applications via WhatsApp and email. These platforms allowed clients to:

- ✓ Submit loan requests remotely
- ✓ Receive real-time responses
- ✓ Track their application progress
- ✓ Engage customer service teams without visiting physical offices

By the end of 2024, these digital channels accounted for a large proportion of application volume, especially in rural districts such as Chavuma, Chama, Shang'ombo, and Kaputa, where physical outreach was historically limited.

Staff testimonials confirmed that this shift eased congestion at the Lusaka Head Office and improved workflow efficiency across departments.

Digital Literacy Support and Internal Readiness

To maximise the benefit of digital tools:

- ✓ Staff received training in digital systems management, customer support protocols, and turnaround tracking.
- ✓ Clients were guided through application steps during outreach campaigns and follow-up calls.

This dual focus on client usability and internal preparedness ensured that digital adoption was not only functional, but also inclusive.

ICT Systems Enhancement

In parallel, the Company undertook internal ICT infrastructure upgrades. These included:

- ✓ Email server enhancements
- ✓ Document digitisation processes
- ✓ Preparatory work for a future client portal and loan processing dashboard

The ICT and Operations teams collaborated to align digital tools with the Company's decentralised model and regulatory requirements.

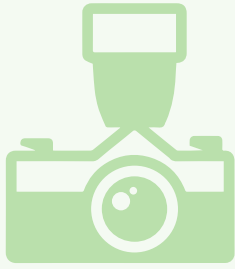
Impact and Reach

Digital service expansion:

- ✓ Reduced the average turnaround time for loan processing
- ✓ Minimized geographic service disparities
- ✓ Improved client satisfaction and reduced complaints related to delays

By embedding digital access into its core service delivery, Public Service Microfinance Company Limited reinforced its vision of becoming a digitally enabled, client-responsive financial institution tailored to the public service.

The Year 2024 in Pictures



The 2024 calendar was marked by a series of impactful engagements, community events, and national commemorations where Public Service Microfinance Company Limited visibly aligned its brand, people, and mission with Zambia's broader public service agenda. These moments not only strengthened the institution's visibility but also deepened its connection with clients and communities across the country.

Each of the following highlights reflects Public Service Microfinance Company Limited's operational presence, stakeholder engagement, and commitment to national development:

Africa Freedom Day PSMFC 2024 Attire Day



Africa Public Service Day



Nakacheya Visit



As part of PSMFC's product sensitisation and dealer engagement outreach, a visit was conducted to Nakacheya Farms to engage the livestock supplier under the Public Service Agricultural Asset Loan Scheme. The visit also provided a platform to sensitise public service workers in peri-urban areas about the loan product, including eligibility requirements and the application process



Shafro MOU Signing 2024



A memorandum of understanding was signed with SHAFRO Farms, cementing collaboration in livestock financing for public service worker



Agro Input & Machinery Expo



National Agricultural Mechanisation Strategy Launch



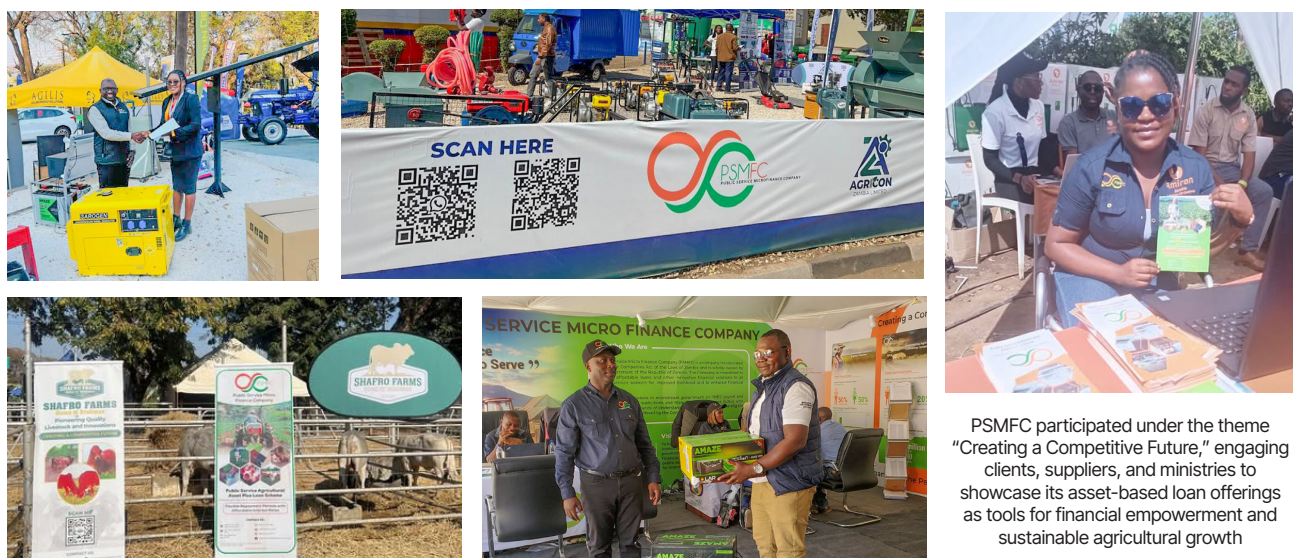
Labour Day



ZITF 2024



Agricultural & Commercial Show 2024

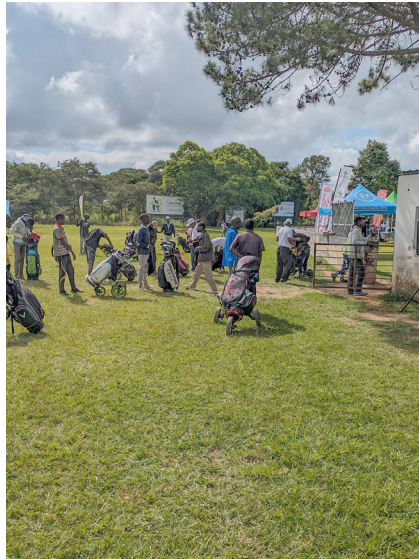


PSMFC participated under the theme "Creating a Competitive Future," engaging clients, suppliers, and ministries to showcase its asset-based loan offerings as tools for financial empowerment and sustainable agricultural growth

Youth Day 2024



Zambia Air Force Day



Women in Agribusiness Conference by She Entrepreneur



A man with a beard, wearing a straw hat and a denim shirt, is smiling while driving a teal tractor. The tractor has a black seat and a steering wheel. The background is a clear blue sky with some light clouds. The man is looking towards the camera.

“

Every loan
translates into
better yields,
better food,
better lives.

”

07 ICT and Digital Transformation



Systems Upgrades and Integrations

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Data Security and Automation

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Customer Experience Innovation

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Remote Work Enablement and Business Continuity

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Future Digital Plans

Page 78

"Recognising the increasing importance of information integrity and operational efficiency, Public Service Microfinance Company Limited prioritised data security and automation during the 2024 financial year. The ICT Directorate focused on minimising vulnerability exposure, strengthening user access protocols, and laying the groundwork for process automation to reduce manual workload....."

Systems Upgrades and Integrations



In 2024, Public Service Microfinance Company Limited made tangible progress in modernising its ICT infrastructure to improve operational efficiency, support decentralisation, and enable more reliable digital service delivery. These upgrades were essential in sustaining the Company's transformation toward a more responsive, technology-enabled public service financial institution.

ICT Network and Infrastructure Enhancements

The Company undertook a comprehensive review of its internal systems and prioritised the following upgrades:

- ✓ **Server Environment Optimisation:** Key backend infrastructure was reconfigured to improve uptime, storage performance, and user accessibility. This improved data recovery and application hosting reliability.
- ✓ **Connectivity Improvements:** Internal network speeds were enhanced to support real-time transaction processing and reduce downtime during peak periods, especially for client-facing teams.
- ✓ **Desktop and Workstation Replacement:** Older equipment was systematically replaced across core departments (Finance, ICT, Audit, and Operations), enabling faster execution of loan processing, reporting, and communication tasks.

Systems Integration Efforts

In preparation for broader digital transformation, integration work was initiated in:

- ✓ **Loan Processing Workflow:** The Company began work on an internal dashboard that aligns loan applications with processing milestones and user escalation paths.

- ✓ **HR Performance Systems:** Elements of the performance appraisal process were digitised to support KPI tracking and institutional reporting.

These integration steps were designed to reduce fragmentation in business processes, improve transparency, and prepare for full digital onboarding in the medium term.

Digital Channel Enablement

The ICT team also played a central role in configuring and maintaining the backend systems that supported:

- ✓ WhatsApp and Email-Based Loan Applications
- ✓ Application Tracking Communications
- ✓ Staff Access Portals and Shared Drives

These foundations positioned Public Service Microfinance Company Limited for more advanced client platform development in 2025 and beyond.

Information Technology Sustainability Initiatives

Public Service Microfinance Company Limited implemented several IT sustainability measures in 2024:

a. Storage Optimization:

- ✓ Deployment of Network Attached Storage (NAS) device to optimize storage efficiency

- ✓ Reduction in reliance on outdated, energy-intensive storage solutions
- ✓ Improved data center power consumption through modern equipment

b. 2025 Sustainability Plans:

- ✓ **Energy-Efficient Systems:** Adoption of energy-efficient IT equipment and systems
- ✓ **E-Waste Management:** Implementation of comprehensive e-waste recycling program
- ✓ **Green Computing:** Integration of environmentally conscious computing practices
- ✓ **Carbon Footprint Reduction:** Systematic approach to reducing IT-related environmental impact

Data Security and Automation

Recognising the increasing importance of information integrity and operational efficiency, Public Service Microfinance Company Limited prioritised data security and automation during the 2024 financial year. The ICT Directorate focused on minimising vulnerability exposure, strengthening

user access protocols, and laying the groundwork for process automation to reduce manual workload.

ICT risk events were monitored through log audit trails, antivirus scan reports, and administrative reviews of user permissions to reduce internal exposure.

Information Security Enhancements

The following data protection measures were instituted:

- ✓ **Password Policy Enforcement:** System-enforced password standards were implemented across staff accounts, requiring complexity and periodic updates.
- ✓ **User Access Reviews:** Internal ICT conducted periodic audits of user access rights to ensure appropriate permissions and reduce risks of unauthorised access to sensitive client or financial information.
- ✓ **File and Data Backup Controls:** A rotating backup schedule was introduced, ensuring that both client data and operational records were regularly stored in secure offsite environments.



- ✓ **Basic Incident Response Readiness:** While a formal incident response plan is still under development, ICT maintained logs of access irregularities and instituted basic protocols for account locking and IT ticket escalation.
- ✓ Digital Transformation - Foundation Building
- ✓ **Preparation Phase:** Rather than implementing new digital tools, 2024 focused on building the foundation for future digital transformation initiatives. Extensive research was conducted into:
- ✓ **Process Automation Possibilities:**
 - Loan approval workflow automation systems
 - Integrated workflow management platforms
 - Automated reporting and reconciliation tools
- ✓ **Implementation Readiness:**
 - System integration requirements assessment
 - Staff training needs analysis
 - Change management planning
 - Technology infrastructure evaluation
- ✓ **2025 Deployment Plans:** Based on 2024 research, comprehensive deployment plans have been developed for 2025, ensuring that automation initiatives will be properly planned, tested, and implemented with minimal operational disruption.

Infrastructure Challenges and Mitigation - Operational Resilience

Power Supply Challenges

Frequent power outages in 2024 presented significant operational challenges, disrupting system availability and affecting service delivery efficiency.

Mitigation Strategies Implemented:

- ✓ **Backup Power Solutions:** Deployment of additional backup power systems for critical operations
- ✓ **UPS Optimization:** Strategic focusing of available UPS capacity on server room equipment to minimize critical system disruptions
- ✓ **Priority System Protection:** Implementation of power management protocols prioritizing essential IT infrastructure

Storage Infrastructure Enhancement

To address growing data storage needs and improve system resilience:

- ✓ **NAS Deployment:** Network Attached Storage (NAS) device implemented to increase backup capacity and ensure data availability
- ✓ **Redundancy Improvement:** Enhanced data storage redundancy to protect against system failures
- ✓ **Performance Optimization:** Improved storage efficiency and access speeds for critical applications

Renewable Energy Planning

Initiated comprehensive planning for hybrid renewable energy system deployment to enhance long-term operational resilience and reduce dependency on grid electricity.

Customer Experience Innovation

Public Service Microfinance Company Limited's digital transformation strategy in 2024 placed client experience at the centre of ICT development and service design. In line with its public service mandate, the Company focused on removing



access barriers, simplifying user journeys, and enabling faster, more transparent communication with clients.

Client-Facing Innovations

Several innovations were rolled out with direct impact on how clients interact with Public Service Microfinance Company Limited:

a. USSD Platform Enhancement and Promotion

- ✓ **Primary Digital Access Channel:**
A significant focus in 2024 was the enhancement and promotion of Public Service Microfinance Company Limited's USSD platform (*228#), which serves as a critical service channel for clients without reliable internet access.
- ✓ **Sensitization and Adoption Efforts:**
 - Intensive client education campaigns on USSD functionality

- Staff training on USSD support and troubleshooting
 - Promotional materials distributed across all 116 districts
 - Simplified user guides developed for various client segments
- ✓ **Access Advantages:** The USSD platform provides particular value in:
- Remote and rural areas with limited internet connectivity
 - Emergency access situations
 - Cost-effective service delivery for basic inquiries
 - Universal accessibility across all mobile phone types
- ✓ **Usage Growth:** Enhanced sensitization efforts resulted in increased USSD platform utilization, particularly in underserved districts where alternative digital channels are less accessible.

b. WhatsApp and Email Application Platforms:

These channels enabled clients to submit loan applications and receive feedback without needing to visit a branch or complete manual forms. The platforms were especially effective in reaching underserved districts and reducing congestion at Head Office.

c. Simplified Application Forms: Updated loan forms were made easier to fill and could be submitted as PDF or image files, improving accessibility for clients using mobile phones or shared devices.**d. Real-Time Feedback Mechanisms:** Staff were trained to provide same-day status updates and client responses via email or mobile platforms, raising overall client satisfaction and reducing the need for physical follow-ups.**e. Digital Awareness Messaging:** Basic user guides and messaging campaigns were

circulated through WhatsApp and official email responses to improve digital literacy and client confidence in using new channels.

Impact on Client Satisfaction

The combination of reduced turnaround time, simplified access, and responsive engagement led to:

- ✓ A measurable drop in in-person complaints
- ✓ Fewer loan processing delays
- ✓ Increased uptake from first-time borrowers, particularly in remote provinces

Clients reported feeling “seen” and “valued” by the institution — language that appeared frequently in informal feedback shared with frontline staff and in testimonials collected for this report.

These improvements signal a cultural shift:

from a process-focused institution to a service-driven organisation. Public Service Microfinance Company Limited’s evolving customer experience strategy reflects a growing understanding that



dignity, clarity, and responsiveness are central to the borrower journey — especially for public workers in constrained environments.

Directorates received direct support from the ICT Helpdesk during the deployment of biometric systems and the internal VPN rollout. Informal training was also provided to enhance staff digital literacy.

IT Capacity Building and Staff Development

Digital Literacy Enhancement

Recognizing the importance of digital competency across the organization, IT conducted comprehensive training initiatives in 2024:

✓ Basic IT Literacy Programs:

- Training sessions designed to help employees maximize use of existing tools
- Specialized focus on USSD platform utilization and internal system navigation
- Hands-on workshops for administrative and operational staff
- Technical support training for frontline employees

✓ Training Outcomes:

- Improved staff confidence in using digital tools
- Reduced IT support requests for basic issues
- Enhanced overall organizational digital capability
- Better utilization of existing technology investments

2025 Advanced Training Plans

Building on 2024 foundations, advanced digital literacy training programs have been developed for implementation in 2025, focusing on:

- ✓ Advanced system features and functionality
- ✓ Data analysis and reporting capabilities
- ✓ Cybersecurity awareness and best practices
- ✓ Emerging technology adoption and change management

Remote Work Enablement and Business Continuity

Secure Remote Access Solutions

IT infrastructure supported operational flexibility through robust remote work capabilities:

a. VPN Access Management:

- ✓ Maintained secure Virtual Private Network (VPN) access for officers working offsite
- ✓ Particular focus on supporting product sensitization activities outside Lusaka
- ✓ Ensured secure access to internal systems regardless of location
- ✓ Enabled seamless communication between field officers and headquarters

b. Business Continuity Benefits:

- ✓ Uninterrupted operations during travel and outreach activities
- ✓ Enhanced service delivery to remote districts
- ✓ Improved staff productivity and operational flexibility
- ✓ Strengthened institutional resilience against operational disruptions

- c. Security Considerations:** All remote access solutions maintained high security standards, including authentication protocols and encrypted communications to protect sensitive institutional and client data.

Future Digital Plans

Building on the progress made in 2024, Public Service Microfinance Company Limited's forward-looking ICT strategy aims to deepen digital transformation by investing in integrated platforms, enhanced cybersecurity, and scalable infrastructure that supports long-term institutional growth and client empowerment.

Strategic Priorities for 2025 and Beyond

a. Core Banking System Transformation

The primary technology initiative for 2025 involves deploying a new core banking system with advanced capabilities:

- ✓ **KYC Integration:** Built-in Know Your Customer validation systems
- ✓ **Smart Zambia Partnership:** Integration with national digital platforms
- ✓ **Mobile Network Integration:** Seamless connectivity with major telecommunications providers
- ✓ **Real-time Processing:** Enhanced transaction processing and reporting capabilities

b. Customer Experience Enhancement

Significant investments planned in client-facing technology:

- ✓ **Mobile Applications:** Deployment of dedicated mobile apps for loan applications and account management
- ✓ **Electronic Loan Applications:** Fully digital application processing workflows

- ✓ **Self-Service Portals:** Enhanced online client service capabilities
- ✓ **Multi-Channel Integration:** Seamless experience across USSD, mobile, and web platforms

c. Operational Efficiency Systems

Internal process improvements through technology:

- ✓ **Biometric Time Management:** Acquisition and deployment of biometric attendance systems
- ✓ **Workflow Automation:** Advanced loan processing and approval workflows
- ✓ **Document Management:** Digital document storage and retrieval systems
- ✓ **Performance Analytics:** Real-time operational performance monitoring

d. Infrastructure and Security Enhancement

- ✓ **Hybrid Renewable Energy:** Deployment of solar-integrated power systems
- ✓ **Cybersecurity Upgrade:** Enhanced security protocols and monitoring systems
- ✓ **Network Infrastructure:** Improved connectivity and system reliability
- ✓ **Disaster Recovery:** Comprehensive backup and recovery capabilities

e. Innovation Pipeline Projects

Advanced technology initiatives for competitive advantage:

- ✓ **IoT Agricultural Tracking:** Internet of Things solutions for monitoring agricultural loan assets
- ✓ **Machine Learning Credit Assessment:** AI-powered credit risk evaluation tools



- ✓ **Predictive Analytics:** Data-driven decision support systems
- ✓ **Blockchain Security:** Exploration of distributed ledger technology for transaction security

f. Implementation Timeline

All initiatives are supported by detailed implementation plans with phased rollouts throughout 2025, ensuring minimal operational disruption while maximizing technology value delivery.

Inter-Departmental Collaboration and Support

a. Finance Department Partnership

IT worked closely with the Finance Department to enhance operational efficiency:

- ✓ **Reporting Template Enhancement:** Collaborated on improving financial reporting templates for better data accuracy and consistency
- ✓ **Data Integration:** Streamlined data flows between systems to reduce manual reconciliation requirements

- ✓ **Process Optimization:** Identified opportunities for automating routine financial processes

b. Operations Department Support

Extensive collaboration with Operations focused on:

- ✓ **System Reliability:** Joint efforts to improve system uptime and minimize service disruptions
- ✓ **Workflow Streamlining:** Analysis and optimization of loan processing workflows
- ✓ **Service Delivery Enhancement:** Technology solutions to support day-to-day operational activities

c. Cross-Functional Benefits

These collaborative efforts resulted in:

- ✓ Improved data accuracy across departments
- ✓ Reduced manual processing requirements
- ✓ Enhanced service delivery capabilities
- ✓ Stronger interdepartmental communication and coordination

Cybersecurity Threats and Preparedness

IT security planning for 2025 addresses several key risk areas:

a. Primary Threats Identified:

- ✓ **Ransomware Attacks:** Increasing sophistication of malware targeting financial institutions
- ✓ **Social Engineering:** Advanced phishing and fraud attempts targeting staff and clients
- ✓ **Regulatory Compliance:** Evolving cybersecurity requirements and standards
- ✓ **System Vulnerabilities:** Legacy system weaknesses and integration security gaps

b. Preparedness Initiatives:

- ✓ **Multi-Factor Authentication Expansion:** Rolling out MFA across all user accounts and systems
- ✓ **Legacy System Upgrades:** Systematic replacement of outdated, vulnerable systems

- ✓ **Policy Alignment:** Ensuring cybersecurity policies meet all regulatory requirements
- ✓ **Staff Training:** Comprehensive cybersecurity awareness and training programs

c. Proactive Security Measures:

- ✓ **Threat Monitoring:** Implementation of advanced threat detection and response systems
- ✓ **Incident Response:** Development of comprehensive cybersecurity incident response protocols
- ✓ **Regular Assessments:** Periodic security audits and vulnerability assessments
- ✓ **Continuous Improvement:** Ongoing security enhancement based on emerging threats and best practices

These measures ensure Public Service Microfinance Company Limited maintains robust cybersecurity posture while enabling digital transformation and growth initiatives.



08 Risk Management & Strategy



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"Throughout 2024, Public Service Microfinance Company Limited faced a dynamic risk environment shaped by macroeconomic shocks, internal system transitions, and governance restructuring. Despite the absence of an active Board during the reporting period, the Company proactively managed key risk exposures through enhanced operational vigilance and stakeholder coordination....."



In 2024, Public Service Microfinance Company Limited operated under a transitional risk governance framework aligned with its public ownership, statutory obligations, and evolving institutional structure. Although the newly appointed Board of Directors had not yet commenced formal sittings during the reporting period, foundational steps were taken to establish a more structured and accountable approach to risk management.

Risk Oversight Structure

The following elements defined the Company's risk governance environment in 2024:

- ✓ **Shareholder Oversight:** The Ministry of Finance and National Planning, through the Office of the Secretary to the Treasury, continued to serve as the primary oversight authority for strategic risk, performance, and compliance. All major policy decisions and institutional reporting obligations were channelled through this office in the absence of active board deliberations.
- ✓ **Management Accountability:** The Executive Management Team, under the leadership of the Chief Executive Officer, remained responsible for identifying, assessing, and responding to operational and financial risks. Regular management meetings served as the platform for reviewing emerging risks and formulating mitigation strategies.
- ✓ **Internal Audit and Risk Coordination:** The Internal Audit and Risk Unit, under the Office of the CEO, maintained its role in monitoring control processes, flagging risk exposures, and reviewing adherence to internal policies. While the risk register was still under development, informal tracking mechanisms were in place to monitor high-risk areas including liquidity, fraud exposure, and compliance with statutory submissions.
- ✓ **Policy Framework Alignment:** The Company

continued to apply the principles outlined in the Public Finance Management Act No. 1 of 2018, the Companies Act No. 10 of 2017, and applicable government circulars. Internal policies on procurement, credit, ICT, and human resources were also reviewed to ensure risk alignment.

Preparatory Steps for Enhanced Governance

In anticipation of full board operationalisation in 2025, the Legal and Company Secretariat functions initiated the drafting of the following instruments:

- ✓ Board Charter
- ✓ Risk Management Policy
- ✓ Terms of Reference for a future Risk and Audit Committee

These efforts underscore the Company's commitment to maturing its risk governance architecture and embedding a more proactive and transparent risk culture.

Key Risk Trends and Mitigations

Throughout 2024, Public Service Microfinance Company Limited faced a dynamic risk environment shaped by macroeconomic shocks, internal system transitions, and governance restructuring. Despite the absence of an active Board during the reporting period, the Company proactively managed key risk exposures through enhanced operational vigilance and stakeholder coordination.

Risk Category	Trend	Mitigation Measures
1. Liquidity and Cash Flow Risk	Expand access across all 116 districts and increase reach among female borrowers	• Presence maintained in all 116 districts • 45% of borrowers were female • Outreach extended via WhatsApp and email platforms
2. Credit and Portfolio Quality Risk	Digital platforms as primary application channels; significant reduction in turnaround time	• WhatsApp and email became default application methods • Simplified forms and faster disbursement turnaround observed
3. Financial Growth and Sustainability	Increase profitability and reduce reliance on shareholder capital	• Net profit reached ZMW 19.94 million (2023 restated: ZMW 3.37 million) • Cost-to-income ratio improved to 66.87% (2023 restated: 90.41%)
4. Governance and Institutional Development	Operationalise Board and oversight Committees	• Full Board in place but no meetings held in 2024 • Governance instruments developed and aligned to PFMA
5. Human Capital and Organisational Culture	Improve performance management and staff development	• Training in digital tools, ethics, and service culture completed • Streamlined KPIs linked to strategic performance introduced
6. Title and Security Risk	Ongoing title deficiency matters affecting mortgage perfection continue to present legal and recovery challenges for asset-backed loans	• Case-by-case perfection of affected mortgages • Enhanced due diligence on security documentation • Legal review of security requirements and processes
7. Currency and market Risk	Exchange volatility and market fluctuations affecting loan pricing and operational costs.	• All transactions conducted in Kwacha to eliminate currency exposure • 21-day hedging strategy for operational transactions • Regular market monitoring and pricing adjustments

Risk Category	Trend	Mitigation Measures
8. Credit Assessment Risk	Client financial capacity changes due to economic pressures	• Comprehensive recent assessments of all clients • Enhanced information verification processes • Continuous monitoring of client financial status
9. Liquidity Management Risk	Delayed loan disbursement and payments due to insufficient funds in revolving account	• Enhanced cash flow monitoring and forecasting • Improved coordination with funding sources • Liquidity contingency planning
10. Document Fraud Risk	Applicants submitting forged documents and obtaining loans falsely	• Enhanced document verification procedures • Additional control reviews and staff orientation • Ongoing fraud detection training
11. IT System Reliability Risk	Core banking software providing inaccurate reports	• System accuracy monitoring and validation • Regular system audits and reconciliations • ERP upgrade planning
12. Reputational Risk	Client complaints regarding delayed loan processing and unlawful deductions	• Enhanced customer communication protocols • Process improvement initiatives • Staff training on customer service standards

Internal Audit Findings and Follow-Up

During the 2024 financial year, the Internal Audit and Risk Unit maintained oversight of key operational and financial processes despite capacity constraints and the absence of active Board committees. The audit function operated directly under the Office of the CEO, with oversight from the shareholder representative through formal reporting and consultations.

Audit Scope and Strategic Framework

- ✓ **Comprehensive Audit Coverage:** The Internal Audit function maintained comprehensive oversight across all organizational activities in 2024. The audit scope encompassed the examination and evaluation of the adequacy and effectiveness of Public Service Microfinance Company Limited's system of governance, risk management, and internal control.

- ✓ **Departmental Coverage:** Audit activities covered all departmental functions to ensure compliance with organizational policies and procedures, including:
 - Finance and Treasury operations
 - Loan origination and management processes
 - Human Resources and Administration
 - Information and Communication Technology
 - Operations and Client Services
 - Legal and Compliance activities
- ✓ **Strategic Plan Alignment:** The audit function directly supported the actualization of Strategic Objective No. 4 of the 2022-2026 Strategic Plan: "To ensure transparency and accountability in the implementation of company programs." This alignment ensured that audit activities contributed meaningfully to institutional governance and strategic goal achievement.
- ✓ **Risk-Based Approach:** Audit planning and execution followed a risk-based methodology, prioritizing areas of highest risk exposure and strategic importance to the organization's mission and stakeholder expectations.

Material Findings - Fraud Detection and Response Measures

Fraudulent Application Attacks

The institution experienced a significant security challenge when scammers systematically submitted forged documents to obtain loans fraudulently. This coordinated attack highlighted vulnerabilities in the application verification process.

a. Response Measures Implemented

- ✓ **Additional Controls:** Design and implementation of enhanced verification controls

- ✓ **Ongoing Reviews:** Institution of continuous control review processes
- ✓ **Staff Orientation:** Comprehensive training for staff on fraud detection and prevention
- ✓ **Process Strengthening:** Revision of application processing procedures to include additional verification steps

b. Preventive Measures

- ✓ Enhanced document authentication procedures
- ✓ Increased coordination with employers for application verification
- ✓ Improved staff awareness of fraud indicators
- ✓ Strengthened internal reporting mechanisms for suspicious activities

- c. **Outcome:** These measures successfully contained the fraud risk and established more robust defenses against future fraudulent attempts, demonstrating the institution's commitment to protecting client and institutional interests.

Follow-Up and Corrective Action

Fifteen internal audit findings were tracked in 2024. Of these, nine were fully resolved, four partially addressed, and two remained open by year-end. Findings primarily related to loan reconciliation, application verification weaknesses, and procedural compliance lapses.

Management responded to audit findings through:

- ✓ Departmental briefings and corrective instructions
- ✓ Review of process maps and SOPs in Finance, ICT, and HR
- ✓ Early-stage planning for 2025 internal audit automation and risk tracking dashboards

While no material financial misstatements or fraud cases were identified in 2024, the audit unit recognised the need for:

- ✓ Increased audit staff capacity
- ✓ Board-level audit oversight once committees are activated in 2025
- ✓ Dedicated audit software tools for higher coverage and analytics

Internal Audit Resource Allocation and Capacity Building

Budget Allocation and Reallocation

The Internal Audit function was initially allocated ZMW192,000 for 2024 operations. In a strategic capacity-building initiative, ZMW150,000 was transferred to the Human Resource and Administration department's capacity building budget.

Purpose of Reallocation

This transfer facilitated:

- ✓ **Professional Development:** Enabling Internal Audit staff to receive training in COBIT 2019 framework
- ✓ **Skill Enhancement:** Building advanced IT governance and control assessment capabilities
- ✓ **Long-term Value:** Strengthening the audit function's ability to assess IT risks and controls effectively

Investment in Future Capabilities

This capacity building investment positions the Internal Audit function to provide enhanced oversight of IT governance, risk management, and control processes in future audit cycles, particularly as Public Service Microfinance Company Limited undergoes digital transformation initiatives.

Control Environment Improvements

In 2024, Public Service Microfinance Company Limited took several steps to strengthen its internal control environment, driven by lessons from internal audit reviews, operational stress points, and the need to improve policy adherence across departments. These efforts were designed to reinforce transparency, accountability, and risk responsiveness at all levels of the organisation.

Management Collaboration and Response Framework

- a. **Structured Collaboration Process:** Internal Audit maintained effective collaboration with management throughout 2024, following established protocols outlined in the Internal Audit Charter:
- b. **Response Timeline Management:**
 - ✓ **Standard Response Period:** Management provided with 10 working days to respond to audit findings
 - ✓ **Compliance Monitoring:** Systematic tracking of management responses and implementation status
 - ✓ **Follow-up Procedures:** Regular monitoring of corrective action implementation
- c. **Governance During Transition.** In the absence of a functioning Board during 2024:
 - ✓ **Senior Management Forums:** Audit findings and management responses were discussed in senior management meetings
 - ✓ **Executive Oversight:** CEO and senior management provided oversight and guidance on audit recommendations
 - ✓ **Documentation:** Comprehensive records maintained of all audit discussions and decisions

d. Collaboration Effectiveness. The collaboration between Internal Audit and management was characterized by:

- ✓ Open communication and constructive dialogue
- ✓ Timely responses to audit recommendations
- ✓ Commitment to implementing corrective actions
- ✓ Shared focus on institutional improvement and risk mitigation

Strengthening of Policies and Standard Operating Procedures

Several core policies and procedures were reviewed or initiated during the year, including:

- ✓ **Credit Policy Review:** Adjustments were made to borrower assessment criteria to improve affordability checks in the context of inflation and salary pressures.
- ✓ **Supplier Vetting and Procurement SOPs:** Procurement protocols were aligned with guidance under the Public Finance Management Act, with additional emphasis placed on supplier screening and documentation integrity.
- ✓ **Staff Leave and Fuel Policy Enforcement:** Human Resources reinforced submission and approval workflows to minimise unauthorised claims and leave accrual anomalies.

These updates were accompanied by staff briefings and basic compliance monitoring mechanisms, pending full policy automation.

ICT Control Enhancements

Control improvements were introduced within the ICT function, including:

- ✓ Enforcement of system login timeouts and access audits

- ✓ Centralisation of shared drive access with backup scheduling
- ✓ Early development of an ICT Acceptable Use Policy, with training modules planned for 2025

These controls supported both operational efficiency and data integrity in the face of growing digital exposure.

Financial Controls and Reconciliations

The Finance Department implemented:

- ✓ Enhanced cashflow monitoring tools shared weekly with the Executive Team
- ✓ Daily reconciliation of client recoveries versus expected payroll deductions
- ✓ Increased documentation of voucher support files and payment approvals

Although full automation was still in progress, these measures improved financial accuracy and accountability.

Control Culture and Ethics Reinforcement

Beyond systems and policies, the Company continued to promote an ethics-centred culture by:

- ✓ Reaffirming core values through CEO and Director-led staff briefings
- ✓ Encouraging ethical conduct during internal reviews and client engagements
- ✓ Maintaining whistleblowing channels for internal reporting, with no material cases recorded in 2024

These control enhancements set a foundation for improved audit-readiness and will support the Company's transition into a more formalised governance structure as Board oversight becomes active in 2025.

Environmental, Social, and Governance (ESG) Audit Framework

2024 ESG Audit Status

No formal ESG audit was undertaken during 2024, reflecting the developing nature of ESG frameworks within the organization and the broader Zambian public sector context.

Environmental Risk Assessment

Despite the absence of comprehensive ESG auditing, environmental risk mitigation measures were reviewed as part of broader risk management processes:

- ✓ Assessment of environmental impact considerations in lending decisions
- ✓ Review of energy efficiency and sustainability practices
- ✓ Evaluation of environmental risk factors in operational planning

Future ESG Development

Plans are underway to develop comprehensive ESG audit capabilities:

- ✓ **Framework Development:** Creation of ESG audit methodologies appropriate for public sector microfinance
- ✓ **Stakeholder Alignment:** Integration with national sustainability and development goals
- ✓ **Capacity Building:** Staff training on ESG principles and audit techniques
- ✓ **Reporting Enhancement:** Development of ESG performance measurement and reporting capabilities

Strategic Importance

ESG considerations are increasingly important for:

- ✓ Stakeholder expectations and accountability
- ✓ Long-term institutional sustainability
- ✓ Alignment with national development priorities
- ✓ International best practice adoption in public sector finance

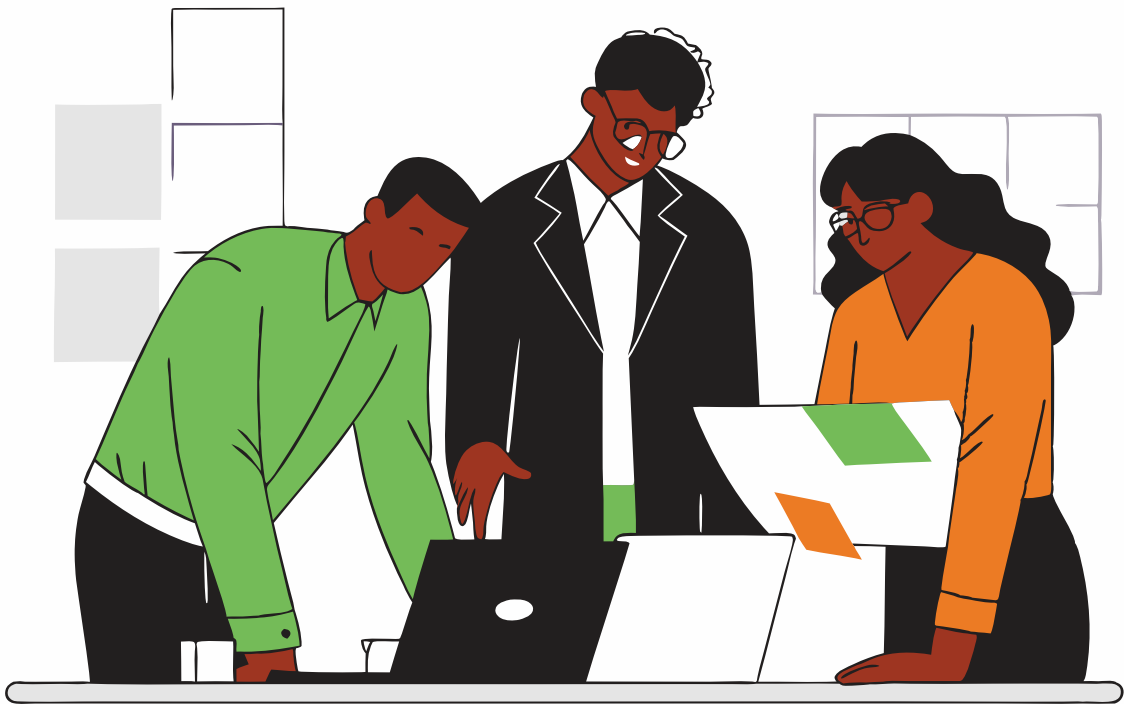
Audit Function Future Priorities and Development Timeline

The major audit engagements have been prioritized for 2025:

Section	Details
2025 Audit Priorities	✓ IT Audit • Review of IT governance, controls, and security • Assessment of digital transformation • Cybersecurity and data protection review • System reliability and business continuity evaluation ✓ Loan Book Audit • Loan portfolio quality and performance review • Credit risk management assessment • Loan recovery and collection procedures review • Evaluation of asset classification and provisioning accuracy

Section	Details
Technology and Innovation Timeline	✓ 2025 Focus: ERP implementation and foundational capability development ✓ 2026 Integration: - Audit tech tools and platforms deployment - Continuous monitoring introduction - Data analytics for audit insights - Automated audit procedures and reporting integration
Capacity Building Schedule	✓ 2025: COBIT 2019 training completion ✓ 2025: ERP system mastery and optimization ✓ 2026: Implementation of advanced audit technologies ✓ 2026: Deployment of continuous auditing capabilities
Risk Management Enhancement	Focus on reputational risk through: ✓ Strengthened KYC for loan applicants ✓ Improved onboarding for dealers and suppliers ✓ Enhanced client service and communication ✓ Proactive management of service quality and satisfaction

This strategic approach ensures that audit capabilities evolve systematically with organizational needs and technology advancements.





“

In preparation for full board functionality, the Company Secretariat undertook foundational work in 2024 to establish a structured committee system that will enhance oversight, accountability, and governance effectiveness once activated in 2025...

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09

Statement on Legal, Compliance and Corporate Governance



Board of Directors: Identity and Profiles

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Board Composition and Attendance

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Regulatory Authority Engagement and Clearances

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Ethics and Whistle blower Framework

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Legal and Compliance Priorities for 2025

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"In preparation for full board functionality, the Company Secretariat undertook foundational work in 2024 to establish a structured committee system that will enhance oversight, accountability, and governance effectiveness once activated in 2025..."



Board of Directors: Identity and Profiles

The Board of Directors of Public Service Microfinance Company Limited was formally constituted between 2023 and March 2024 and remained in place throughout 2024. The first board meeting was held in November 2024, and the Board's composition reflects a diverse set of professional backgrounds aligned with the Company's mandate and national development priorities.

The Board comprises individuals appointed by the shareholders, the Minister of Finance and National Planning and the Secretary to the Treasury, to represent the interests of the public sector and ensure effective oversight of the institution.



Independent Non-Executive Directors



1. Mr. Kufanga A. Imataa

Accountant

Appointed: 19th March 2024

Mr. Imataa is a governance and financial management specialist with over 20 years of senior management experience. He holds a Master's in Project Management from the University of Bolton, UK, and is a Fellow Member of the Zambia Institute of Chartered Accountants with full ACCA qualification.

He currently serves as Senior Partner of PBIK Corporate Consultancy Ltd and Financial Management Consultant for the Ministry of Water Development and Sanitation, overseeing a US\$150 million AfDB-funded programme. He is also a member of the Institute of Directors Zambia.

2. Ms. Valerie Kawangu

Legal Practitioner

Appointed: 19th March 2024

Ms Kawangu has 14 years of post-qualification experience as a legal practitioner, having been admitted to the Zambian bar in 2010. She holds a Master of Laws degree from the University of Zambia and specialises in board governance, regulatory compliance, and procurement law.

She is an Alternative Dispute Resolution Practitioner and Fellow of the Chartered Institute of Arbitrators UK. Ms Kawangu brings extensive expertise in legal advisory services, contract law, and pharmaceutical regulatory matters to the Board.

3. Mr. Addie Liempe

Banking Specialist

Appointed: 19th March 2024

Mr. Liempe brings over 25 years of banking and financial services experience to Public Service Microfinance Company Limited. He holds an MBA from Edinburgh Business School, Heriot Watt University UK, and a BSc in Financial Services from the University of Manchester UK.

He is an Associate member of the Chartered Institute of Bankers (UK) and Zambia Institute of Banking and Financial Services. Mr Liempe previously served on boards of Superior Milling Limited, Kawambwa Tea Company Limited, and Northern Coffee Limited, and is currently founder of Enel Capital Solutions Limited.

Non-Executive Directors



1

1. Ms. Emma M. Malawo

Ministry of Labour and Social Security Representative

Appointed: 19th March 2024

Ms. Malawo brings over 29 years of public sector experience, having served in senior positions across multiple government ministries including Finance, Agriculture, Justice, and Labour. She holds a Master's in Development Economics from Williams College, Massachusetts, USA.

Throughout her career, she has specialised in policy development, strategic planning, and programme management. She served as Agriculture sector Focal Point Person for the UN Commission on Sustainable Development and was instrumental in preparing the Agriculture Chapter of the Fifth National Development Plan.



2

2. Mr. Morgan Malambo

Public Service Management Division Representative

Appointed: 1st December 2023

Mr. Malambo represents the Public Service Management Division, providing strategic oversight to ensure Public Service Microfinance Company Limited's operations align with public service policies and serve the interests of public service workers across Zambia.

His role ensures effective linkage between Public Service Microfinance Company Limited and the broader public service management framework, facilitating alignment with government objectives and public service reforms.



3

3. Mr. Andrew Sibale

Ministry of Finance and National Planning Representative

Appointed: 1st November 2024

Mr Sibale represents the Ministry of Finance and National Planning, bringing essential financial policy expertise and ensuring alignment with national economic strategies. His appointment ensures strong oversight from the Ministry of Finance given Public Service Microfinance Company Limited's role in the financial services sector.

His presence on the Board facilitates coordination on matters relating to financial sector development, regulatory compliance, and Public Service Microfinance Company Limited's contribution to national development goals.

Executive Directors



Mubanga Mwiko
Chief Executive Officer

Board Composition and Attendance

As at 31 December 2024, the Board of Directors of Public Service Microfinance Company Limited comprised members appointed by the Ministry of Finance and National Planning. The appointments reflect a mix of senior government professionals and sector experts drawn from disciplines relevant to the institution’s mandate, including finance, legal affairs, administration, and public service management.

Board Composition Overview

- ✓ **Total number of board members:** 7
- ✓ **Gender distribution:** 3 Female, 4 Male
- ✓ **Representation:** Government ministries and public interest institutions
- ✓ **Chairperson:** Appointed by the shareholder
- ✓ **Executive representation:** CEO attends meetings and is duly appointed in accordance with the Articles of Association.

Board composition is compliant with the Public Finance Management Act No. 1 of 2018 and the Companies Act No. 10 of 2017, with appointments ratified through the shareholder’s formal process.

Board Activity in 2024

During the year under review:

- ✓ Board meeting held in November 2024.
- ✓ Resolutions for the budget was passed and Board Charters were reviewed.
- ✓ Up until the first Board meeting all strategic decisions were communicated through the shareholder (Secretary to the Treasury).
- ✓ Board induction planning and committee framework development were undertaken by Company Secretary in preparation for 2025 governance activation.

Despite the lack of formal sittings, the Secretariat ensured:

- ✓ Maintenance of board records and appointment documents
- ✓ Regular briefings to the shareholder on matters requiring policy guidance
- ✓ Preparatory documentation for board committee terms of reference

Board attendance tracking will formally commence upon the activation of meetings in the 2025 financial year.

Board Committees and Functions

In preparation for full board functionality, the Legal and Company Secretariat Directorate undertook foundational work in 2024 to establish a structured committee system that will enhance oversight, accountability, and governance effectiveness once activated in 2025.

Status of Committees as at 31 December 2024

At year-end, no board committees had yet commenced operations. However, the following preparatory milestones were achieved:

- ✓ Draft Terms of Reference (ToRs) for each planned committee were completed
- ✓ Committee structures were benchmarked against other state-owned enterprises and aligned with corporate governance principles under the Public Finance Management Act No. 1 of 2018
- ✓ Secretariat support plans, including minute-taking protocols and reporting templates, were developed

Board Committees

Based on the Company's mandate and regulatory expectations, the following are the active committees:

- ✓ **Audit and Risk Management Committee:** Responsible for providing oversight on the integrity of financial reporting, internal controls, audit processes, and the overall risk management framework. The committee ensures that internal and external audit findings are adequately addressed, emerging risks are effectively mitigated, and that governance processes uphold transparency and accountability across the Company.
- ✓ **Finance Investment and Administration Committee:** Tasked with monitoring institutional

performance against approved budgets, strategic financial targets, and operational efficiency indicators. The committee oversees capital allocation, expenditure management, and ensures that administrative systems, including human resource support and procurement processes, are aligned with the strategic plan and shareholder expectations.

- ✓ **Credit Committee:** Charged with oversight of the loan portfolio, including credit policy formulation, product performance, and monitoring of loan recoveries. The committee evaluates portfolio quality, client risk exposure, and credit approval structures to safeguard the sustainability of lending operations and ensure that credit decisions are consistent with the Company's mandate of empowering public service workers.

Director Development and Evaluation

During 2024, significant investments were made in Board development and governance capacity building:

- ✓ **Comprehensive Board Training:** The entire Board of Directors and senior management team participated in a Corporate Governance workshop designed to enhance understanding of fiduciary duties, regulatory requirements, and best practices in public sector governance.
- ✓ **Resource Provision:** Corporate Governance materials were provided to all Board members to assist them in fulfilling their duties and responsibilities effectively. These resources included governance frameworks, policy templates, and regulatory guidelines specific to state-owned enterprises.
- ✓ **Induction Process:** A structured induction program was developed for the newly appointed Board, covering Public Service

Microfinance Company Limited's mandate, strategic objectives, operational structure, and governance expectations.

While formal Board self-evaluation processes were not implemented in 2024 due to the transitional nature of Board operations, plans are underway to conduct comprehensive Board effectiveness reviews in future reporting cycles.

Regulatory Environment

The regulatory environment within which Public Service Microfinance Company Limited operated in 2024 was defined by its status as a government-owned company, subject to a combination of financial, corporate, and public sector-specific compliance requirements. The Legal Compliance and Company Secretariat function remained the focal point for monitoring these obligations and ensuring that institutional conduct aligned with applicable laws, policies, and circulars.

Primary Legal and Regulatory Instruments

Public Service Microfinance Company Limited operated in accordance with the following core statutes and regulations:

- ✓ **Companies Act No. 10 of 2017:** Governing corporate structure, statutory records, board duties, and annual reporting obligations
- ✓ **Public Finance Management Act No. 1 of 2018:** Guiding principles of fiscal discipline, public asset protection, and shareholder reporting
- ✓ **Industrial and Labour Relations Act, and Employment Code Act No. 3 of 2019:** Setting standards for staff welfare, grievance procedures, and employment practices
- ✓ **Zambia Revenue Authority (ZRA) legislation:** Ensuring compliance with PAYE, and corporate income tax obligations
- ✓ **Ministry of Finance Circulars and Guidelines:** Including guidance on financial reporting, governance of SOEs, and procurement
- ✓ **Cabinet Circulars from the Secretary to the Cabinet:** Binding directives on governance, reporting, and financial discipline.
- ✓ **Competition and Consumer Protection Act No. 24 of 2010:** Ensuring fair competition, consumer protection, and ethical market practices in the delivery of financial services.
- ✓ **Public Procurement Act No. 8 of 2020 (ZPPA Act):** Providing the framework for transparent, accountable, and competitive procurement processes applicable to State-owned enterprises.
- ✓ **Banking and Financial Services Act No. 7 of 2017 (BFSA):** Although exempt, PSMFC has chosen to comply with the Act as far as possible, particularly in areas of customer protection, credit administration, and prudent financial practices.

Regulatory Engagement and Compliance Monitoring

During the year:

- ✓ All statutory filings with PACRA and ZRA were completed within the prescribed deadlines
- ✓ Management accounts and financial statements were submitted to the shareholder in line with PFMA expectations
- ✓ Internal reviews were conducted to confirm ongoing compliance with policy provisions around procurement thresholds, asset disposal, and payroll-based recovery structures

No regulatory fines or sanctions were imposed on Public Service Microfinance Company Limited during the period under review.

Emerging Considerations

In view of anticipated regulatory developments, particularly in areas of data protection and Environmental, Social and Governance (ESG) reporting, the Legal Directorate has flagged the need for:

- ✓ Data Protection Policy Alignment with the newly passed Data Protection Act
- ✓ Environmental and Social Impact Frameworks for future alignment with development finance institution (DFI) standards
- ✓ Preparation for Auditor General Oversight Expectations, once full board operations resume

Significant Legal Developments

A landmark legal development affecting Public Service Microfinance Company Limited's operations in 2024 was the Court of Appeal decision in *Chilola & Others v CEEC*, CAZ Appeal No. 282 of 2022. This ruling has direct implications for the institution's operations, specifically:

- ✓ **Interest Computation on Non-Performing Loans:** The decision clarified how financial institutions must calculate and apply interest on defaulted loan accounts, requiring Public Service Microfinance Company Limited to review its existing practices.
- ✓ **Regulatory Compliance Obligations:** The court emphasized that all institutions providing financial services, even those not directly regulated by the Bank of Zambia, must strictly adhere to the provisions of the Banking and Financial Services Act.

This decision prompted a comprehensive review of Public Service Microfinance Company Limited's interest calculation methodologies and compliance procedures to ensure full alignment with legal requirements.

In addition, a compliance register was maintained internally to track regulatory obligations, submission deadlines, and responsible officers across the Company.

Public Service Microfinance Company Limited continues to work closely with the shareholder and relevant authorities to ensure its operations remain legally sound and in line with Zambia's public sector governance framework.

Regulatory Authority Engagement and Clearances

Throughout 2024, Public Service Microfinance Company Limited maintained transparent and cooperative relationships with various regulatory authorities:

- ✓ **Competition and Consumer Protection Commission:** The Company responded to queries regarding Treating Customers Fairly practices, demonstrating its commitment to consumer protection principles in loan pricing and service delivery.
- ✓ **Anti-Corruption Commission:** Public Service Microfinance Company Limited cooperated fully with information requests from the Anti-Corruption Commission, providing comprehensive documentation and access as required.
- ✓ **Clearance Status:** The Company was cleared in all regulatory queries and investigations during the period, confirming its commitment to ethical operations and regulatory compliance.

These engagements reinforced Public Service Microfinance Company Limited's dedication to transparency and accountability in its operations while strengthening relationships with key oversight institutions.

Compliance Activities and Statutory Reporting

In the absence of an active Board, the Legal Compliance and Company Secretariat function provided central oversight of all statutory reporting and compliance tracking activities during the 2024 financial year. Compliance remained a top priority,

with all regulatory obligations channelled through the Office of the Secretary to the Treasury as shareholder representative.

Statutory Reporting Activities

During the year under review, Public Service Microfinance Company Limited complied with the following statutory obligations:

Requirement	Status
Annual Returns to PACRA	The Company fulfilled all PACRA filing obligations on schedule, including documentation for the revised financial year-end.
Corporate Income Tax Filings (ZRA)	Filed and paid on time, including PAYE Rental Tax obligations
Submission of Audited Financials to Shareholder	Completed and acknowledged by the Ministry of Finance
Employee-related statutory filings	NAPSA, NHIMA, Workers Compensation, PSPF – submitted and compliant
Asset register update and verification	Conducted internally and reviewed with Finance, Human Resource and Administration and Audit

All statutory filings were supported by documentation and digital records maintained by the Legal and Finance departments.

Internal Compliance Activities

In addition to regulatory filings, internal compliance processes were implemented to strengthen accountability:

- ✓ Development of a compliance register for tracking regulatory due dates and obligations
- ✓ Quarterly internal checks on procurement thresholds, asset acquisitions, and loan approval processes
- ✓ Coordination with Finance, HR, and Audit to ensure alignment between policy and practice
- ✓ Initiation of a draft compliance manual and internal reporting structure for rollout in 2025

These activities were further supported by monthly consultative meetings between the Legal Director and department heads, creating a cross-functional approach to identifying gaps and enforcing corrective actions.

Compliance Assessment Framework Development

During 2024, formal compliance assessments were not undertaken due to the absence of a comprehensive Compliance Register. This gap highlighted the need for systematic compliance monitoring tools and frameworks.

✓ Compliance Register Development

Recognizing this critical need, management initiated the development of a Compliance Register to:

- Systematically track regulatory requirements and obligations
- Monitor compliance status across all operational areas
- Provide early warning systems for compliance gaps
- Enable proactive compliance management and reporting

✓ **Future Compliance Capabilities**

The implementation of the Compliance Register will enable comprehensive compliance assessments in 2025, significantly enhancing the organization's ability to monitor and ensure adherence to regulatory requirements across all business areas.

Challenges and Mitigation

While the absence of Board oversight introduced limitations in policy enforcement and formal governance escalation, the Secretariat mitigated this through:

- ✓ Direct reporting to the shareholder on matters of significance
- ✓ Legal review of all high-value contracts and procurement documentation
- ✓ Legal guidance in interpreting circulars and statutory directives affecting financial disclosure and institutional accountability

Key Compliance Audit Findings

During various compliance audits conducted in 2024, several operational issues were identified and addressed:

- ✓ **Credit Life Assurance Discrepancies:** Premiums for PEPs Credit Life Assurance were paid for individuals not covered under the primary policy document, highlighting the need for improved verification processes.
- ✓ **Interest Rate Application Errors:** Solar equipment financed under the Public Service Housing Finance Loan (PSHFL) was processed at 9% interest rate instead of the applicable 15% per annum, requiring systematic correction.
- ✓ **Regulatory Compliance Gaps:** Interest rates for certain loans were not computed in accordance with Bank of Zambia regulations, potentially

impacting good banking practices and Treating Customers Fairly (TCF) principles.

Statutory Reporting Improvements

A significant administrative improvement implemented in 2024 was the amendment of the Company's financial year-end registration with the Patents and Companies Registration Agency (PACRA). This change was made to align the reporting calendar with the Ministry of Finance policy requirements, substantially reducing the risk of late filing of statutory returns and improving compliance efficiency.

To address these findings, management commenced the process of establishing a comprehensive Compliance Register and recommended system updates to prevent future occurrences. These measures are designed to strengthen internal controls and ensure consistent adherence to regulatory requirements.

Public Service Microfinance Company Limited concludes the year with a clean compliance record and improved internal coordination, setting the stage for more comprehensive governance structures to take effect in 2025.

Legal Cases and Disputes

During the 2024 financial year, Public Service Microfinance Company Limited maintained a relatively low litigation profile. The Company's legal risk remained within acceptable levels, with no new lawsuits filed against it and no adverse court judgments issued during the reporting period. This outcome reflects prudent contract management, effective stakeholder engagement, and improved internal controls around procurement and service delivery.

Requirement	Status	Commentary
Employment disputes	None active	No staff-related litigation recorded in 2024
Contractual disputes	None active	All supplier relationships remained within contractual terms
Loan recovery matters	Ongoing (minor cases)	A few cases involving long-outstanding client obligations referred for legal follow-up; none escalated to formal litigation
Customer litigation	1 case filed	Hitler Ndebeka v Public Service Microfinance Company Limited (2024/PRMF/130) — prompted improvements to the Complaints Handling Procedure
Regulatory inquiries	None recorded	No sanctions, warnings, or compliance enforcement actions were received

All legal files were centrally recorded, monitored, and maintained through the internal legal register.

Preventive Legal Measures

The Legal Directorate prioritised early engagement and institutional strengthening to prevent escalation of disputes. Key interventions included:

- ✓ Reviewing and revising service-level agreements and key contract clauses
- ✓ Strengthening the legal review process for supplier engagements and loan-related documents
- ✓ Supporting Finance and HR on internal policy application and disciplinary reviews
- ✓ Enhancing the Company’s Complaints Handling Procedure following learnings from the Ndebeka case

Anticipated Legal Risk Areas for 2025

Focus areas for legal risk mitigation in the coming year include:

- ✓ Compliance readiness under the Data Protection Act
- ✓ Governance of Board committee operations and declarations of interest
- ✓ Legal oversight on procurement thresholds and

reporting circulars from the shareholder

- ✓ Support for formal activation of whistleblower protections and grievance redress frameworks

The Legal Directorate remains committed to proactive legal compliance and safeguarding institutional integrity as Public Service Microfinance Company Limited matures into a fully governed public finance institution.

Ethics and Whistleblower Framework

The integrity of Public Service Microfinance Company Limited’s operations rests on a culture of ethical conduct, transparency, and accountability. In 2024, the Legal Directorate took preliminary steps toward formalising the Company’s ethics and whistleblower management framework, in alignment with international best practice and national legal requirements.

Ethics Governance and Awareness

Although a comprehensive Ethics Policy is still under development, ethical expectations were consistently reinforced across all levels of the organisation. This was achieved through:

- ✓ Regular staff briefings on conduct and professionalism



- ✓ Circulation of updated internal guidelines on conflict of interest, gifts, and confidentiality
- ✓ Review of policy documents to embed ethical decision-making in procurement, HR, and finance processes

The CEO and senior management consistently promoted ethical behaviour in internal engagements, while departments were encouraged to report irregularities through appropriate channels.

Whistleblower Reporting Framework

While no formal whistleblower reports were filed in 2024, the Legal Directorate began designing a whistleblower mechanism with the following features:

- ✓ Anonymous reporting through internal email or designated officers
- ✓ Independent review and safeguarding of complainant identity
- ✓ Escalation and resolution tracking within the Legal Directorate

- ✓ Integration with internal audit follow-ups for verifiable claims

The framework is being aligned with the Public Interest Disclosure (Protection of Whistleblowers) Act, and stakeholder consultations are underway to finalise procedures before implementation in 2025.

Institutional Commitments Going Forward

Public Service Microfinance Company Limited intends to operationalise its full Ethics and Whistleblower Policy in the next financial year, including:

- ✓ Training of ethics focal points in all departments
- ✓ Inclusion of ethics clauses in supplier and staff contracts
- ✓ Annual staff declarations of conflict of interest and gift disclosures

Legal and Compliance Priorities for 2025

The Legal and Compliance function has identified several strategic priorities for the coming year:

1. Compliance Register Implementation

- ✓ Full establishment and rollout of the Compliance Register system
- ✓ Comprehensive staff training on compliance procedures and monitoring
- ✓ Integration with existing risk management frameworks

2. Litigation Management Enhancement

- ✓ Maintenance and strengthening of the litigation tracking system
- ✓ Development of preventive legal strategies to minimize dispute escalation
- ✓ Enhanced contract management and dispute resolution procedures

3. Governance Capacity Building

- ✓ Specialized governance training for Management team
- ✓ Implementation of Board effectiveness evaluation processes
- ✓ Strengthening of corporate governance reporting mechanisms

4. Professional Development

- ✓ Upskilling initiatives for Legal and Compliance staff
- ✓ Specialized training in emerging regulatory areas including data protection and ESG compliance
- ✓ Professional certification programs to enhance technical capabilities

5. Digital Compliance Infrastructure

- ✓ ERP system upgrades to include enhanced compliance functions
- ✓ Implementation of automated compliance monitoring tools
- ✓ Development of digital legal risk mitigation systems

These priorities align with Public Service Microfinance Company Limited's strategic objectives and regulatory expectations, positioning the institution for enhanced governance effectiveness and regulatory compliance in 2025 and beyond.

The Company remains committed to creating a safe and transparent working environment, where accountability is institutionalised and ethical conduct is the norm.



Kamona Akapelwa
Company Secretary

“

Affordable loans
ease my burden,
so I can ease
the burden of
patients.

”



10 Operations and Product Performance



Loan Scheme Overview

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Partner Institutions and Ecosystem

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"The 2024 financial year witnessed a resurgence in demand for Public Service Microfinance Company Limited's loan products, driven by a maturing digital platform, improved customer experience, and stronger provincial presence. Despite a challenging macroeconomic backdrop, the Company recorded a steady increase in loan disbursements across nearly all product lines, with asset-based financing showing particular momentum..."

Loan Scheme Overview



In 2024, Public Service Microfinance Company Limited continued to deliver on its mandate of providing tailored financial services to public service workers across Zambia. The Company's loan schemes are designed to meet both immediate personal needs and longer-term household investment goals. These products remained central to Public Service Microfinance Company Limited's strategy of improving financial inclusion, stabilising civil servant welfare, and enhancing public sector productivity.

Loan Product	Description	Loan Amount	Tenure	Interest Rate
Personal Loan Product	Unsecured long-term cash loan facility amortised over the loan term. Repayment period depends on contract or retirement.	ZMW5,000 – ZMW100,000	6 to 60 months (or contract/retirement period)	5% per annum
Short Term Cash Solution	Unsecured short-term cash loan to meet urgent needs.	ZMW1,000 – ZMW150,000	Up to 6 months	10% once-off
Motor Vehicle Loan Scheme	Enables access to duty-free new motor vehicles from accredited dealers.	Depends on debt service capacity	Up to 84 months (or contract/retirement period)	15% per annum
Agricultural Asset Plus Loan Scheme	For acquisition of farming mechanisation equipment.	Depends on debt service capacity	Up to 60 months (or contract/retirement period)	15% per annum
Bring Your Own Device Loan Scheme	For ICT equipment acquisition to support remote work and study.	Depends on debt service capacity	Up to 36 months	15% per annum
Building Materials Loan Scheme	To acquire building materials from accredited dealers for house construction.	Depends on debt service capacity	Up to 48 months	15% per annum
Leaders' Personal Loan Scheme	Unsecured loan for senior staff to replace welfare loans by GRZ.	Up to ZMW1,500,000	Up to 60 months	16% per annum
Household Furniture Loans	For purchase of furniture from accredited dealers.	Depends on debt service capacity	Up to 60 months (or contract/retirement period)	15% per annum
Domestic Tourism Loan Scheme	To finance domestic tourism for public service workers and support the tourism sector.	Depends on debt service capacity	Not specified	12% per annum

Scheme Delivery Channels

In 2024, loan delivery channels included:

- ✓ **WhatsApp and Email Applications:** Digitised platforms allowed clients to submit applications remotely, reducing the need for physical branch visits.
- ✓ **In-Person Outreach:** District-level visits and mobile engagements supported onboarding in underserved locations.
- ✓ **Ministry-Based Liaison Officers:** Frontline support from assigned officers facilitated document verification and client awareness within public sector institutions.

The transition to remote processing resulted in increased loan volumes while reducing service congestion. This was especially relevant in rural provinces where clients previously relied on manual processes and couriered forms.

Loan Approval and Disbursement Processes

The approval process involved:

- ✓ Creditworthiness screening through salary payslips
- ✓ Supplier quotation verification for asset-based loans
- ✓ Internal system checks for existing loan exposures
- ✓ Direct coordination with payroll centres for deduction set-up

- ✓ Turnaround time for complete digital applications averaged 2 to 5 working days in 2024, a marked improvement from previous years.

Loan Scheme Enhancements in 2024

Key improvements included:

- ✓ Introduction of simplified digital forms
- ✓ Expansion of supplier networks for increased client asset choice
- ✓ Preliminary work towards risk-based pricing models
- ✓ Streamlined refinancing pathways for over-indebted clients

These enhancements helped position Public Service Microfinance Company Limited as a responsive and socially impactful lender, aligned with public service realities.

Service Delivery Turnaround Times

In 2024, Public Service Microfinance Company Limited closely tracked loan processing times to maintain service efficiency and client satisfaction. While short- and medium-term products remained stable, turnaround times for asset-based loans increased due to enhanced due diligence and supplier coordination. Improvement measures have been planned for 2025 to address these delays.

Product Category	Loan Product	Average Turn-around Time (2024)	Change from 2023
Short-Term Products	Short-Term Cash Solution (STCS)	5 days	Unchanged
	Leaders' Personal Loan (LPL)	5 days	Unchanged
Medium-Term Personal Products	Personal Loan Scheme (PLS)	6 months	Unchanged
Asset-Based Products	Motor Vehicle Loan Scheme (MVLS)	1 month	Unchanged
	Agricultural Assets Plus Loan Scheme (AAPLS)	2 months	Increased from 1 month
	Building Materials Loan (BML)	2 months	Increased from 1 month
	Bring Your Own Device (BYOD)	2 months	Increased from 1 month
	Household Furniture Loan (HFL)	2 months	Increased from 1 month
Specialised Products	Domestic Tourism Loan Scheme (DTLS)	Not applicable	No loans issued in 2024

Product Uptake Trends

The 2024 financial year witnessed a resurgence in demand for Public Service Microfinance Company Limited's loan products, driven by a maturing digital platform, improved customer experience, and stronger provincial presence. Despite a challenging macroeconomic backdrop, the Company recorded a steady increase in loan disbursements across nearly all product lines, with asset-based financing showing particular momentum.

- ✓ **Growth in Disbursements:** Total annual loan disbursements grew from under ZMW 400 million in 2019 to ZMW 549.207 million in 2024, with a 6% increase recorded between 2023 and 2024 alone.
- ✓ **Product Evolution and Uptake:** The introduction and expansion of asset-based loan products—particularly AAPLS, BML, and MVLS—have shifted the lending portfolio from primarily consumption-based loans toward productive asset financing. AAPLS alone grew by 102% in 2024.

- ✓ **Gender Inclusion:** Female participation in loan schemes has improved year-on-year, aided by deliberate awareness campaigns and favourable loan terms. In 2024, ZMW 213.989 million was disbursed to female clients, representing a 3% increase over 2023.
- ✓ **National Reach:** By 2024, Public Service Microfinance Company Limited had achieved loan uptake in all 116 districts across Zambia, cementing full national coverage since.
- ✓ **Government Support and Capital Stability:** Continued capital injections from the Government of the Republic of Zambia, through the Ministry of Finance and National Planning, have played a crucial role in sustaining operations and meeting demand, especially through periods of economic.

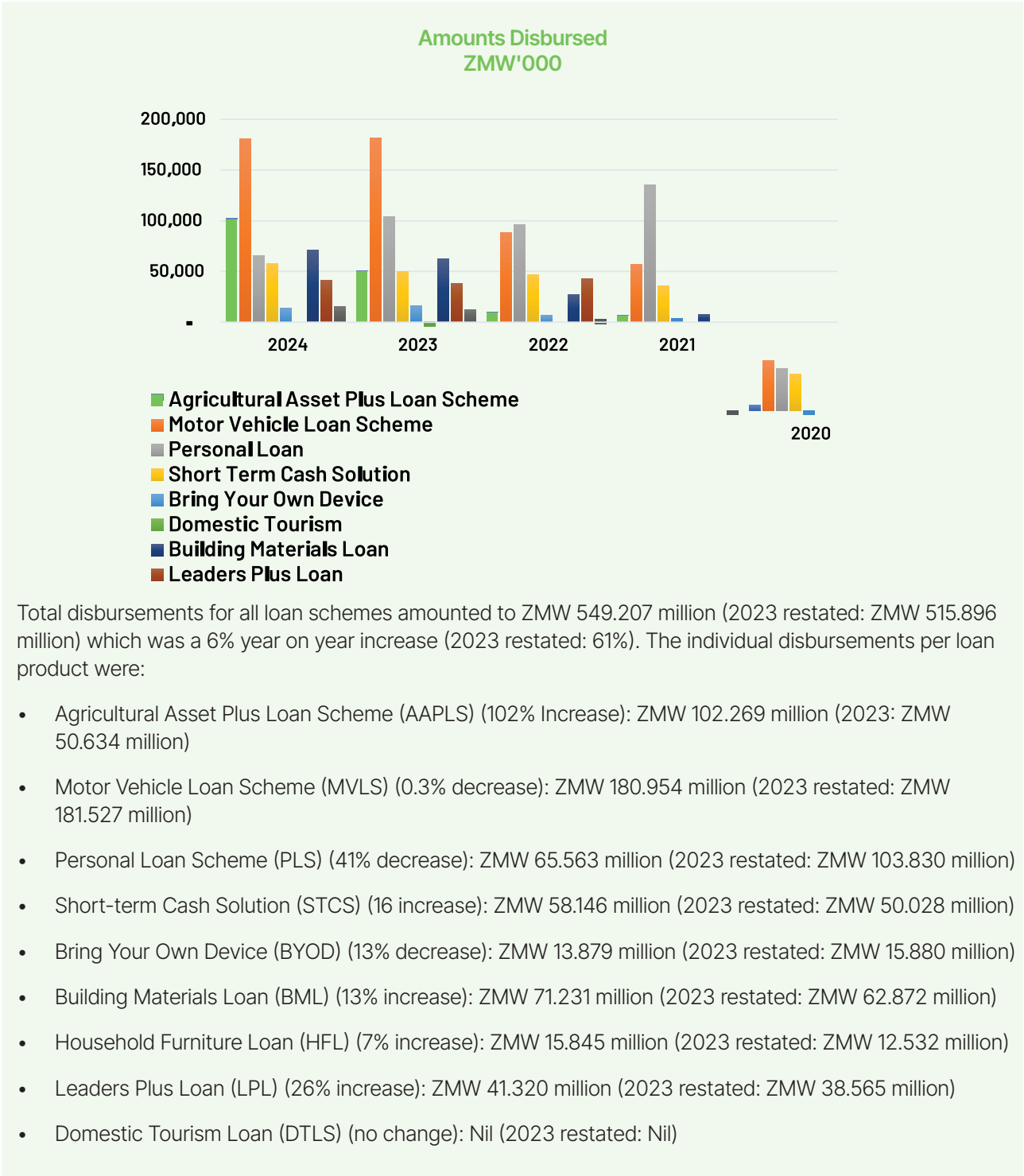
These operational gains reflect the effective implementation of Public Service Microfinance Company Limited's 2022–2026 Strategic Plan and position the Company for continued financial growth, inclusion, and innovation in public sector lending.

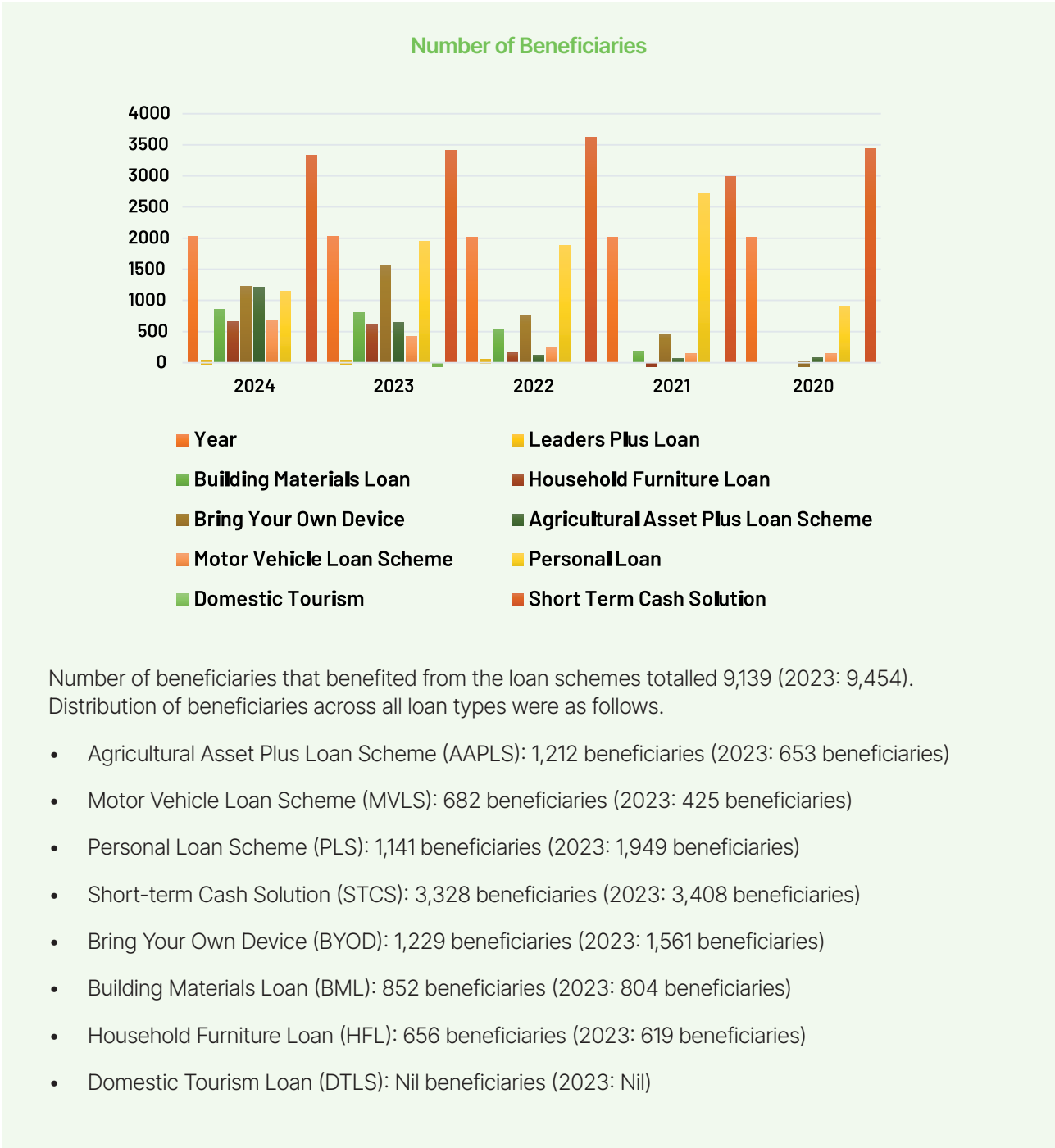
Operational collaboration with Mobile Public Service Access (MPSA) focal points was enhanced to improve reach, particularly in harder-to-access districts.

Five-Year Operational Highlights

Over the period from 2020 to 2024, the Public Service Micro Finance Company (Public Service

Microfinance Company Limited) made substantial strides in fulfilling its mandate to provide affordable and inclusive financial services to public service workers across Zambia. This period saw a strategic shift from foundational growth to scalable impact, culminating in record-level disbursements, product diversification, and national coverage.



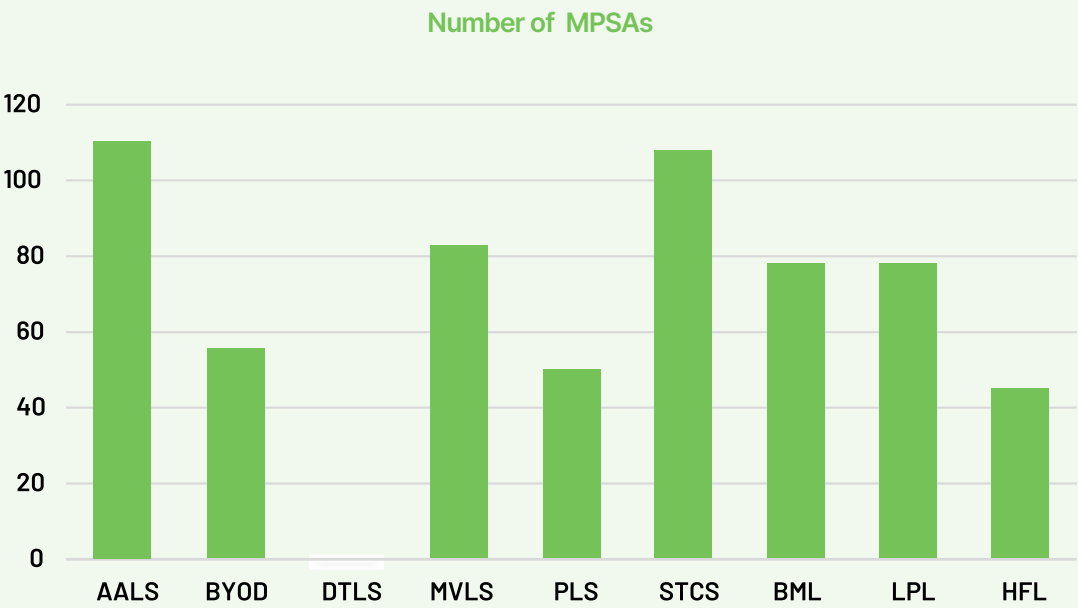


Current Year Analysis – FY2024

Loan Disbursements by MPSA FY2024

In 2024, the collaboration between Public Service Micro Finance Company (Public Service Microfinance Company Limited) and the various Ministries, Provinces, and Spending Agencies (MPSAs) remained pivotal in ensuring responsible lending. Each loan disbursement was preceded

by formal introduction and endorsement from the respective MPSA, validating the applicant's employment status and loan eligibility. The sustained growth in disbursements across provinces in 2024 is a direct reflection of the strengthened engagement and accountability mechanisms instituted by MPSAs in supporting their personnel's access to financial solutions.

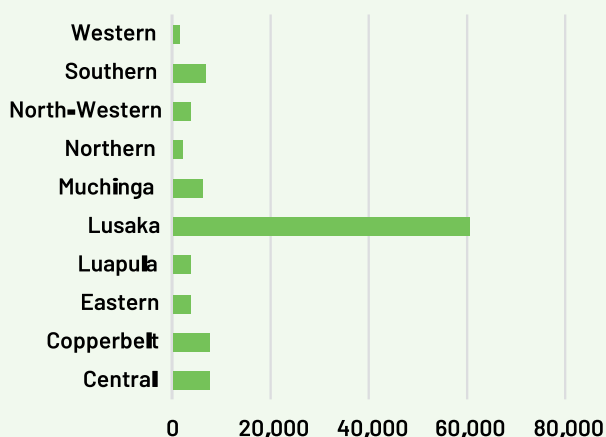


The Ministries, Provinces and Government Spending Agencies (MPSAs) represent the individual employers of the Public Service Workers. These also include Parastatals and institutions created under Acts of Parliament. The number of MPSAs that participated in the loan schemes were as follows:

- Agricultural Asset Plus Loan (AALS): 111 MPSAs (2023: 62 MPSAs)
- Bring Your Own Device (BYOD): 56 MPSAs (2023: 52 MPSAs)
- Motor Vehicle Loan Scheme (MVLS): 83 MPSAs (2023: 74 MPSAs)
- Personal Loan Scheme (PLS): 50 MPSAs (2023: 53 MPSAs)
- Short Term Cash Solution (STCS): 108 MPSAs (2023: 87 MPSAs)
- Building Materials Loan (BML): 78 MPSAs (2023: 55 MPSAs)
- Household Furniture Loan (HFL): 45 MPSAs (2023: 44 MPSA)
- Leaders Plus Loan (LPL): 25 MPSAs (2023: 27 MPSA)
- Domestic Tourism Loan Scheme (DTLS): Nil MPSA (2023: Nil)

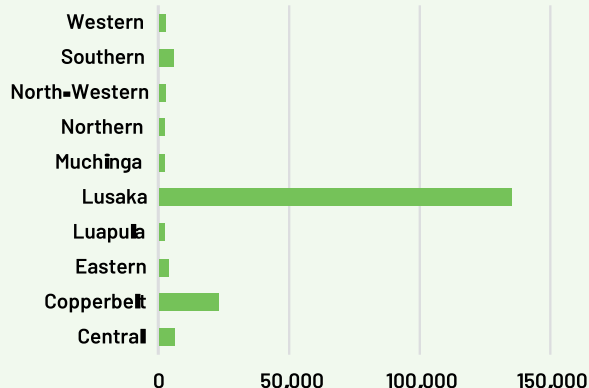


Agricultural Asset Plus Loan Scheme ZMW'000



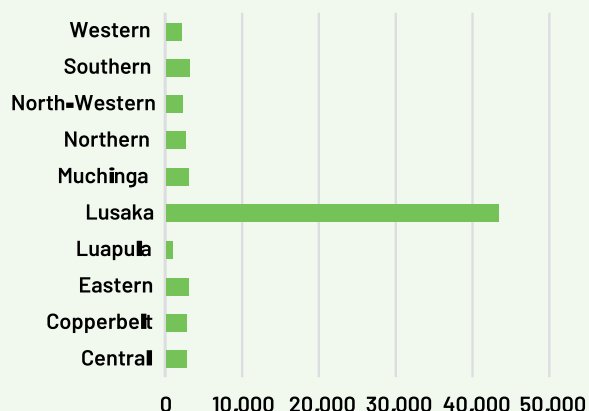
- Central Province: ZMW7.375million (2023 restated: ZMW4.580million)
- Copperbelt Province: ZMW7.527million (2023 restated: ZMW2.311million)
- Eastern Province: ZMW3.721million (2023 restated: ZMW2.049million)
- Luapula Province: ZMW3.578million (2023 restated: ZMW1.743million)
- Lusaka Province: ZMW60.296million (2023 restated: ZMW25.98million)
- Muchinga Province: ZMW6.079million (2023 restated: ZMW3.953million)
- Northern Province: ZMW2.016million (2023 restated: ZMW1.581million)
- North-Western Province: ZMW3.644million (2023 restated: ZMW2.496million)
- Southern Province: ZMW6.653million (2023 restated: ZMW3.590million)
- Western Province: ZMW1.381million (2023 restated: ZMW2.384million)

Motor Vehicle Loan Scheme ZMW'000



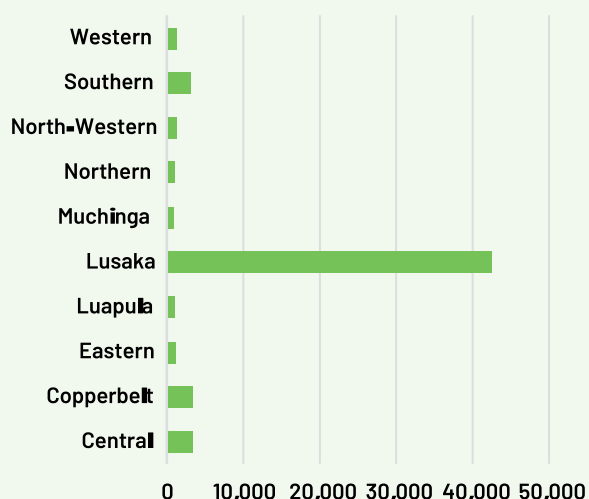
- Central Province: ZMW5.994million (2023 restated: ZMW4.396million)
- Copperbelt Province: ZMW23.035million (2023 restated: ZMW20.054million)
- Eastern Province: ZMW3.969million (2023 restated: ZMW1.717million)
- Luapula Province: ZMW1.203million (2023 restated: ZMW0.620million)
- Lusaka Province: ZMW134.863million (2023 restated: ZMW145.064million)
- Muchinga Province: ZMW1.148million (2023 restated: ZMW1.156million)
- Northern Province: ZMW1.505million (2023 restated: ZMW0.260million)
- North-Western Province: ZMW2.707million (2023 restated: ZMW1.168million)
- Southern Province: ZMW5.874million (2023 restated: ZMW5.731million)
- Western Province: ZMW0.655million (2023 restated: ZMW1.361million)

Personal Loan ZMW'000

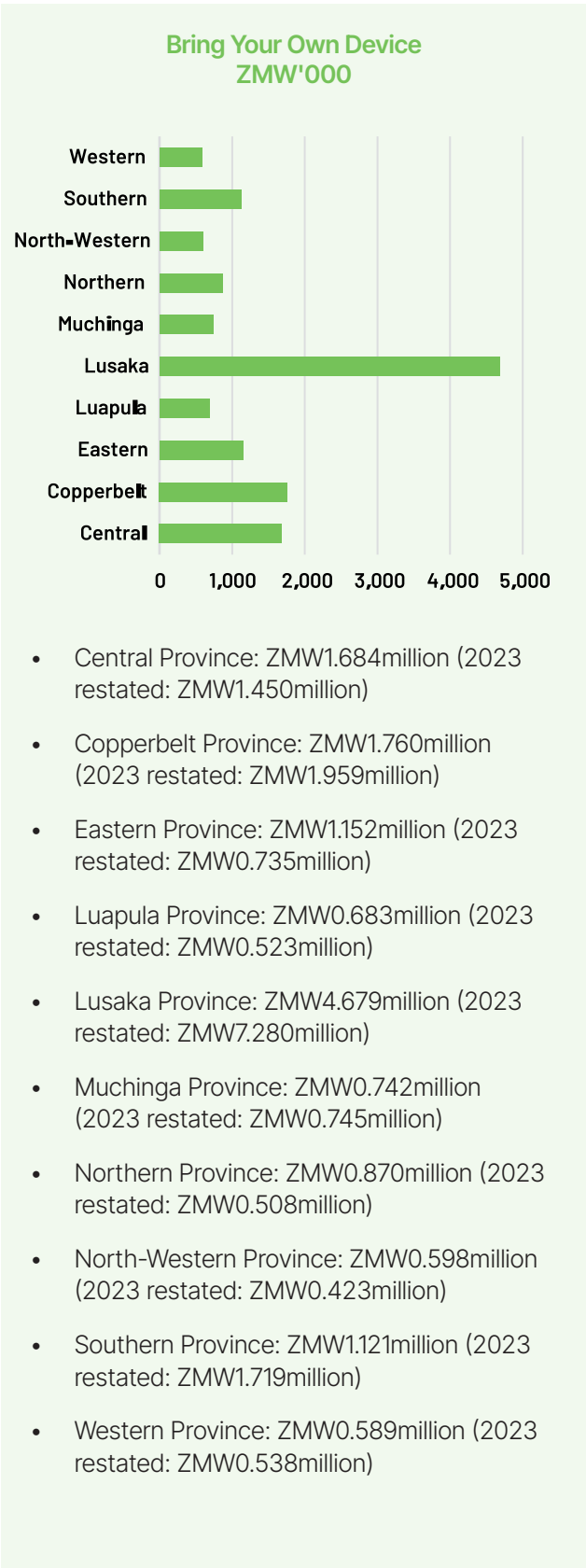


- Central Province: ZMW2.690million (2023 restated: ZMW6.649million)
- Copperbelt Province: ZMW2.650million (2023 restated: ZMW7.994million)
- Eastern Province: ZMW2.942million (2023 restated: ZMW1.243million)
- Luapula Province: ZMW0.737million (2023 restated: ZMW3.898million)
- Lusaka Province: ZMW43.452million (2023 restated: ZMW71.277million)
- Muchinga Province: ZMW3.025million (2023 restated: ZMW1.052million)
- Northern Province: ZMW2.563million (2023 restated: ZMW1.554million)
- North-Western Province: ZMW2.218million (2023 restated: ZMW1.850million)
- Southern Province: ZMW3.165million (2023 restated: ZMW5.452million)
- Western Province: ZMW2.121million (2023 restated: ZMW2.861million)

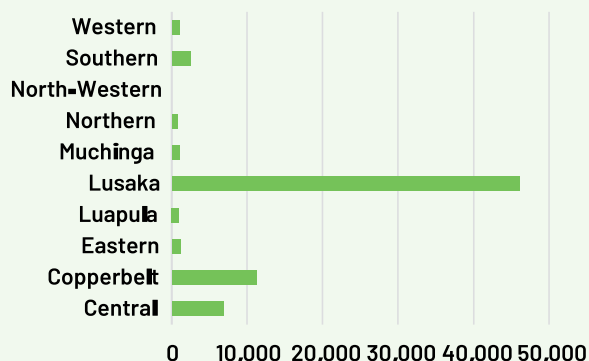
Short Term Cash Solution ZMW'000



- Central Province: ZMW3.332million (2023 restated: ZMW3.290million)
- Copperbelt Province: ZMW3.491million (2023 restated: ZMW2.487million)
- Eastern Province: ZMW1.156million (2023 restated: ZMW0.654million)
- Luapula Province: ZMW0.835million (2023 restated: ZMW0.468million)
- Lusaka Province: ZMW42.359million (2023 restated: ZMW37.133million)
- Muchinga Province: ZMW0.643million (2023 restated: ZMW0.691million)
- Northern Province: ZMW0.844million (2023 restated: ZMW0.695million)
- North-Western Province: ZMW1.135million (2023 restated: ZMW1.085million)
- Southern Province: ZMW3.101million (2023 restated: ZMW2.569million)
- Western Province: ZMW1.250million (2023 restated: ZMW0.956million)

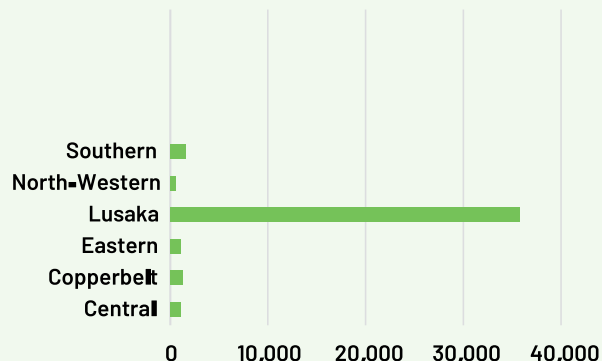


Building Materials Loan ZMW'000



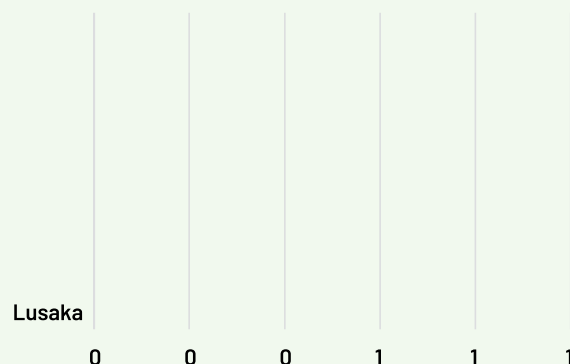
- Central Province: ZMW6.827million (2023 restated: ZMW3.880million)
- Copperbelt Province: ZMW11.236million (2023 restated: ZMW8.809million)
- Eastern Province: ZMW1.104million (2023 restated: ZMW0.578million)
- Luapula Province: ZMW0.944million (2023 restated: ZMW0.849million)
- Lusaka Province: ZMW46.119million (2023 restated: ZMW44.356million)
- Muchinga Province: ZMW1.031million (2023 restated: ZMW0.838million)
- Northern Province: ZMW0.349million (2023 restated: ZMW0.970million)
- North-Western Province: ZMW0.137million (2023 restated: ZMW0.189million)
- Southern Province: ZMW2.431million (2023 restated: ZMW2.736million)
- Western Province: ZMW1.054million (2023 restated: ZMW0.439million)

Leaders Plus Loan ZMW'000



- Central Province: ZMW1.074million (2023 restated: Nil)
- Copperbelt Province: ZMW1.288million (2023 restated: ZMW0.739million)
- Eastern Province: ZMW1.052million (2023 restated: Nil)
- Lusaka Province: ZMW35.759million (2023 restated: ZMW36.538million)
- North-Western Province: ZMW0.537million (2023 restated: ZMW1.288million)
- Southern Province: ZMW1.610million (2023 restated: Nil)

Domestic Tourism Loan ZMW'000



- No loans obtained

Partner Institutions and Ecosystem

In 2024, Public Service Microfinance Company Limited deepened its collaboration with a range of institutional partners to strengthen its service delivery ecosystem and expand value offerings to clients. These partnerships spanned government ministries, private sector suppliers, and civil society stakeholders, forming an integrated support framework for efficient and accessible public service lending.

Government Stakeholder Engagement

Public Service Microfinance Company Limited maintained active engagement with its parent ministry and critical public service institutions:

- ✓ **Ministry of Finance and National Planning (Shareholder):** Continued oversight and guidance through the Secretary to the Treasury
- ✓ **Office of the Auditor General:** Oversight and independent verification of financial statements
- ✓ **Ministry of Education, Ministry of Health, Ministry of Home Affairs:** Served as high-volume entry points for loan uptake through employee liaison and HR coordination
- ✓ **District Commissioners and Local Authorities:** Facilitated logistical support for outreach activities and provincial presence

These relationships were instrumental in increasing awareness and ensuring policy alignment, particularly in remote districts.

Supplier Partnerships for Asset-Based Financing

Asset loan performance was significantly strengthened through improved supplier vetting and relationship management:

- ✓ More than 25 vetted vendors were engaged, offering household furniture, electronics, solar products, and ICT equipment
- ✓ A review of supplier agreements was conducted to ensure price competitiveness, warranty

obligations, and post-sale support

- ✓ The Asset Loans Unit coordinated with legal and finance to tighten delivery timelines and reduce client-side complaints

The integration of supplier performance metrics into internal reviews helped create a more reliable and responsive supply chain.

Collaborative Platforms and Events

In 2024, Public Service Microfinance Company Limited participated in several multi-stakeholder forums to showcase its services, forge partnerships, and contribute to financial inclusion dialogue:

- ✓ Agricultural and Commercial Show 2024
- ✓ Agro Input & Machinery Expo
- ✓ Women in Agribusiness Conference by She Entrepreneur
- ✓ Africa Public Service Day and Zambia Air Force Day

These engagements not only boosted brand visibility but also facilitated networking with potential partners in the agribusiness, cooperative, and informal lending spaces.

Strategic Alliances in Progress

Toward the close of 2024, the Company initiated consultations for:

- ✓ A potential partnership with SHAFRO Zambia, formalised through an MoU, to support agricultural asset financing for rural civil servants
- ✓ Pilots involving telecom and fintech platforms for simplified loan balance inquiries and SMS alerts

The evolving ecosystem around Public Service Microfinance Company Limited reflects a broader shift toward integrated, client-focused financial services — where every partnership is structured to enhance the affordability, accessibility, and impact of its loan products.

Audited Annual Financial Statements



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Report of the Directors

Amounts in Zambian Kwacha

The Board of Directors of Public Service Microfinance Company Limited present their report together with the audited financial statements for the year ended 31st December 2024.

1. Principal Activities

Public Service Micro Finance Company was established in March 2013 with the exclusive focus to provide short, medium- and long-term loans to the public service employees within the Republic of Zambia. It is wholly owned by the Government of the Republic of Zambia and is under the direct oversight of the Ministry of Finance. As a result of its ownership and focus, it is exempt from requiring registration and licensing by the Bank of Zambia ("BoZ").

The principal place of business is:

Plot No.441A/57,
Zambezi Road, Roma Township
P.O Box 50857
Lusaka
Zambia

2. Accounting Framework

Because the Company is government owned and controlled (a publicly accountable entity), and is a financial institution, it is ineligible to apply the Zambian Financial Reporting Standard for Micro and Small Entities ("Zambian FRS for MSEs") nor the IFRS for SMEs. The Company's management has therefore continued to apply the full IFRSs.

3. Capital and Resources

	2024	2023
	ZMW	ZMW
		<i>Restated</i>
Issued Share Capital	1,500,000,000	1,500,000,000
Retained Earnings	66,864,808	47,575,555
Government Grant Balances	-	-

Report of the Directors (Continued)

4. Key Results and Disclosures

	2024	2023
	ZMW	ZMW
		<i>Restated</i>
Operating Results	97,690,136	72,844,929
Operating Income	28,466,011	4,820,081
Profit Before Tax	41,122,007	41,718,209
Staff Costs	NIL	NIL
Charitable Donations		
Fixed Assets		
Acquisitions at Cost	-	882,285
Land & Buildings	1,046,970	159,665
Office & Computer Equipment	83,265	-
Furniture & Fittings	22,196	44,822
Capital Work in Progress (Additions)	NIL	NIL
Disposals (carrying amount)		

5. Business Review

a. Activities

The company is mandated to provide loans only to the public service employees (individuals). The customer base is exclusively public service employees.

b. Products

Principally, the Company offers the following individual loan products:

- i. **Personal Loan product:** Short to medium term loan facility. The applicable interest is 5% per annum amortised over the term of the loan, ranging from 6 to 60 months for loans from ZMW5,000 to ZMW80,000.
- ii. **Public Service Housing Loan Scheme:** Long term secured loan facility. The product was taken over from the Zambia National Building Society ("ZNBS"), which had been acting on behalf of the GRZ. The property acquired under the scheme is mortgaged until full settlement of the sum advanced. The applicable interest rate is simple interest of 15% over the term of the loan. The term of the loan ranges from 5 to 20 years.

Report of the Directors (Continued)

- iii. Short Term Cash Solution:** The product is designed to enable public service workers meet immediate short term financial needs. The loan facility ranges from K1,000 to ZMW150,000 with interest rates at 10% for 6 months.
- iv. Motor Vehicle Loan:** Designed to enable workers access duty-free brand-new motor vehicles of their choice, from renowned motor vehicle dealers. The interest rate per annum is at a competitive 15%.
- v. Agricultural Asset Plus Loan Scheme:** Designed to enable public service workers access Agricultural assets. Interest rates are at 9% per annum.
- vi. Bring Your Own Device Loan Scheme:** The product provides Public Service workers access to brand new devices of their choice from all renowned dealers. Interest rates are at 15% per annum.
- vii. Building Materials Loan Scheme:** The loan scheme is targeted on the provision of finance facilities for Public Service workers looking to acquire building materials from reputable suppliers. Interest rates are at 15% per annum and can be repaid up to four (4) years.
- viii. Domestic Tourism Loan Scheme:** The loan scheme enables Public Service workers access to loans to undertake tourism in various parts of the country. The Interest rates are at 12% per annum.

c. Capital Management

Public Service Microfinance Company Limited is not required to comply with regulatory capital requirements of the Bank of Zambia ("BoZ") and maintains its capital in the ordinary manner prescribed for non-BoZ regulated entities.

d. Liquidity

The liquidity pool held by the Company reduced to ZMW 32.156 million as at 31st December 2024 from ZMW 78.935 million at the end of 2023 (restated).

e. Risk Factors

The Company's future performance and results could be materially different from expected results depending on the outcome of certain potential risks and uncertainties. The reported results of the Company are also sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. Details of the Company's critical accounting policies and key sources of accounting judgments are included in the Accounting Policies on **Pages 21 to 36**.

The Company's approach to risk management, including its financial risk management objectives and policies and information on the Company's exposure to price, credit, liquidity, and cash flow risk, is discussed in the Risk Management section in Statement 8 below.

Report of the Directors (Continued)

6. Going Concern

The Company's business activities and financial position, the factors likely to affect its future development and performance and its objectives and policies in managing the financial risks to which it is exposed, and its capital are discussed in the Business Review above. The risk factors which could materially affect the Company's future results are set out in Business Review and in Statement 7 below. The Company's risks are detailed in Accounting Policy 9 and in Note 16. The funding and liquidity risk analysis in Note 19 describes the Company's funding and liquidity profile. Having reviewed the Company's profiles and other relevant evidence, the Directors are of the view that, based on results, asset qualities and support from GRZ, they have a reasonable expectation that the Company will continue in operational existence for the foreseeable future. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

7. Principal Risk Factors

a. Loan Management System

The loan application process is maintained with the Bankers Realm Core Banking System. This is a web-based banking system with an MSL SQL database backend that manages the loan management. It is fully integrated with the general ledger modules thereby ensuring single point of data update all the way to the general ledger. The system was deployed in February 2023 at which point all product data was migrated from the legacy systems Sage Evolution for the General Ledger and a custom-made Ubuntu loan Management System.

The risks that exist are the possible omission, overstatement, or understatements of loans due to the migration from the legacy systems as well as errors or omission in the administering of loans during the year.

b. Retail Credit, Liquidity and Operations Risk

Details of credit risk, liquidity risk and operations risk are detailed in Note 19 to the financial statements.

c. Regulation and Supervision

The Banking and Financial Services Act ("BFSA") 2017 and Micro Finance Regulations ("MFR") 2006 provide a permanent regime to allow the Bank of Zambia to supervise banking and micro-financial institutions in Zambia. The Company is however exempt from supervision by the BoZ due to its specific market focus and is thus not required to comply with both laws and regulations and various statutory instruments issued for supervision and regulation of the financial sector in Zambia.

Report of the Directors (Continued)

8. Risk Management and Control

As explained in Statement 7 above, the Company, through its normal operations, is exposed to a number of risks, the most significant of which are credit, liquidity and operational risks.

The Directors have approved policies to mitigate the above risks by introducing controls that are designed to safeguard the Company's assets. The Company's risk management objectives, policies and strategies are disclosed in Accounting Policy 9 to the financial statements. Exposures are discussed in Note 19 to the financial statements.

9. Compliance

The Company has an Audit, Risk and Compliance Committee whose responsibility is to monitor compliance with the regulatory environment and the various internal control processes and procedures.

10. Operations and Human Resources

a. Structure of Operations

The Company has 6 Departments which are headed by a director who reports directly to the Chief Executive Office:

Departments

- Finance
- Human Resource and Administration
- Operations
- Audit and Risk
- Legal Services and Compliance
- Information and Communication Technology

b. Management

The Company is headed by the Chief Executive Officer and operations are overseen by heads of directorates and departments who report directly to the CEO.

Report of the Directors (Continued)

Name	Position
Mubanga Mwiko	Chief Executive Officer
Clement Lwandamina	Chief Financial Officer
Musoli W Kanganja	Director - Human Resource and Administration
Kamona Akapelwa	Director - Legal and Compliance
Sydney Siluonde	Director - Operations
Patson Banda	Acting Director - Audit and Risk
Paul C. Haambote	Acting Chief Information Officer

The directors report directly to the Chief Executive Officer and manage individual officers as described in the company organogram.

c. Staff Costs

Total staff costs during the year were ZMW 41.122 million (2023 restated:- ZMW 41.718 million) (Note 4). Bonuses consisting of 13th cheques amounted to ZMW 1.693 million (2023 restated: Nil)

11. Directors

a. Identities

The Company's Board of Directors during the financial year were as follows:

Name	Constituency	Date Appointed
Addie Liempe	Banker	19th March 2024
Andrew Sibale	Ministry of Finance and National Planning	1st November 2024
Valerie Kawang	Legal Practitioner	1st December 2024
Kafunga Imataa	Accountant (Board Chairman)	19th March 2024
Emma M. Malawo	Ministry of Labour and Social Security	19th March 2024
Mubanga Mwiko	Public Service Micro Finance Company	1st December 2023
Morgan Malambo	Public Service Management Division	1st December 2024

Report of the Directors (Continued)

b. Directors' Interests

No interests were held in the capital of the Company during the year to 31st December 2024 (2023 restated: Nil).

c. Directors' Emoluments and Interests

Board emoluments amounting to ZMW21,500 were paid during the year (2023 restated: Nil).

12. Dividends

The Company declared and paid dividends amounting to ZMW745,761 (2023 restated: ZMW441,320) to its shareholder the Government of the Republic of Zambia through the Ministry of Finance and Natural Planning.

13. Related Party Transactions

The Company has a common enterprise relationship with the Ministry of Finance of the Government of the Republic of Zambia. Other related party relationships and material balances that the Company has with its related parties are listed in Note 20 to the financial statements. There were no significant loans to insiders.

14. Comparative Figures - Prior Restatements

During the year, the Company identified errors made in prior periods from 2018 to 2023, which were retrospectively corrected in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Restatements relate to the capitalisation of the current accounting information system and debtors and loan management system, BR.Net. The software initial payments for implementation costs were erroneously impaired and offset against previous revaluations. The retrospective adjustments to these errors impacted the financial statements' expenditure, taxation, earnings, revaluation reserves, and retained earnings (revenue reserves).

Note 24 in the Notes to the Financial Statements and Appendix II to the financial statements detail more information on these adjustments, their effects, and the company's efforts to prevent similar errors in the future.

15. Post Balance Sheet Events

There has not arisen since the end of the year any transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Report of the Directors (Continued)

16. Auditors

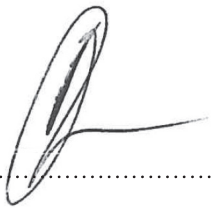
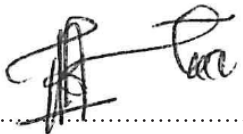
In accordance with the provisions of the Articles of Association of the Company, the auditors, Messrs iABC Associates, will retire as auditors of the Company at the forthcoming Annual General Meeting. In terms of Section 257 (3) of the Companies Act, iABC Associates are not eligible for reappointment, having served for a period of six years.

17. Acknowledgements

Thanks, and appreciations are extended to all our staff, service providers, public service workers, shareholders, and all stakeholders for their continued support in the realisation of the Company's corporate objectives, mission and vision.

On behalf of the Board:

Date: 13th May 2025

Chief Executive Officer:  Board Chairperson: 

Statement of Responsibilities for the Financial Statements

The following statement, which should be read in conjunction with the Auditors' report set out on pages 9 to 15, is made with a view to distinguishing for members the respective responsibilities of the Directors and of the auditors in relation to the financial statements.

Statement of Responsibility for Financial Statements

In conformity with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2017, the directors are required to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. The accounts are required by law and IFRS to present fairly the financial position of the Company and the performance for that period. The Companies Act provides, in relation to such accounts, that references to accounts giving a true and fair view are references to fair presentation. The Directors consider that, in preparing the accounts on **pages 132 to 136**, and the additional information contained on **pages 137 to 167**, the Company has used appropriate accounting policies, supported by reasonable judgements and estimates, and that all accounting standards which they consider to be applicable have been followed. The Directors have responsibility for ensuring that the Company keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Company, and which enable them to ensure that the accounts comply with these requirements. The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards, and the requirements of the Companies Act 2017.

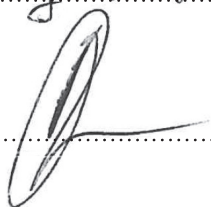
Statement on Going Concern

The Company's business activities and financial position, the factors likely to affect its future development and performance, and its objectives and policies in managing the financial risks to which it is exposed, and its capital are discussed in Statement 6 in the Report of the Directors. The Directors have assessed, in the light of current and anticipated economic conditions, the Company's ability to continue as a going concern. The Directors confirm they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis for preparing the financial statements.

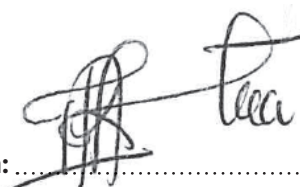
Date:

13th May 2025

Chief Executive Officer:.....



Board Chairperson:.....





iABC ASSOCIATES
Chartered Accountants & Management Consultants

Independent Audit Report

To the Shareholders of Public Service Microfinance Company Limited

Opinion on Financial Statements

We have audited the financial statements of the Public Service Microfinance Company Limited ("the Company" or "Public Service Microfinance Company Limited"), which comprise the statement of financial position as at 31st December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is the Companies Act and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

In our opinion, the financial statements present fairly, in all material respects, the financial position of Public Service Microfinance Company Limited ("the Company") as at 31st December 2024, and its financial performance and their cash flows for the year then ended.

Separate Opinion in relation to IFRS as issued by the IASB

The Company has prepared Financial Statements that comply with IFRS as issued by the IASB. In our opinion, the Financial Statements comply with IFRS as issued by the IASB.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity within the meaning of relevant ethical requirements and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Point 14 of the Report of the Directors, note 24 in the Notes to the Financial Statements and Appendix II of the financial statements, which describe the effects of prior year restatements resulting from the reclassification and correction of Intangible Assets that were effected on expenditure, taxation, earnings, revaluation reserves, and retained earnings (revenue reserves). Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Audit Report (Continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Loan Portfolio Quality and Credit Risk Management	
The loan portfolio quality and credit risk management are key matters in the audit of Public Service Microfinance Company Limited. The company's gross loan book amounts to ZMW 690.99 million, and there is key interest in the quality of the loan portfolio, recoveries, and effectiveness of the customer on-boarding procedures.	Loan portfolio assessment • We obtained an understanding of the company's loan portfolio and reviewed the credit risk management policies and procedures in place. • We selected a sample of loans and assessed the quality of the loan portfolio by considering the loan terms, interest rates, repayment schedules, and the borrower's ability to repay. • We tested the accuracy and completeness of the loan portfolio by tracing the loan balances to the general ledger and supporting documentation. • We assessed the appropriateness of the loan loss provision by recalculating the expected credit loss (ECL) using our own models and comparing it to the amount recognized in the financial statements.
	Recoveries • We reviewed the company's policies and procedures for handling recoveries and assessed the adequacy of the provisions made for recoveries. • We tested a sample of recoveries to ensure that they were appropriately recorded, and supporting documentation was available. • We assessed the adequacy of the descriptions provided by customers when making transfers and whether they were sufficient to enable the company to identify and allocate the recoveries to the correct accounts.
	Loans with balances exceeding the amount disbursed. • We selected a sample of loans with balances exceeding the amount disbursed and investigated the reason for the excess balance. • We assessed whether the excess balances were due to interest accruals, fees, or any other valid reason.

Independent Audit Report (Continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
	• We tested the accuracy of the balances by tracing them to the general ledger and supporting documentation. Loans with no recoveries • We selected a sample of loans with no recoveries and investigated the reason for the lack of recoveries. • We assessed whether the loans were still viable and whether any additional steps were required to recover the outstanding amounts. • We tested the accuracy of the balances by tracing them to the general ledger and supporting documentation.
Expected Credit Losses (ECL) on Loans and Advances to Customers	
Public Service Microfinance Company Limited (Public Service Microfinance Company Limited) offers salary-based loans primarily to public service workers in Zambia. The assessment of Expected Credit Losses (ECL) for these loans is a significant area of judgment, particularly given the manual nature of the loan application and ECL calculation processes, and, therefore, a key audit matter. Public Service Microfinance Company Limited employs an ageing analysis of loans, incorporating macroeconomic factors to estimate ECL, in accordance with the simplified approach under IFRS 9. The Board holds the responsibility for approving the ECL models and underlying assumptions. The manual processes inherent in both loan application and ECL computation introduce potential risks of human error and inconsistencies, which could materially impact the financial statements	• We assessed the appropriateness of Public Service Microfinance Company Limited's ECL calculation methodology, ensuring its alignment with the simplified approach prescribed by IFRS 9. This involved evaluating the ageing analysis and the incorporation of relevant macroeconomic factors. • We examined the historical loan performance data used in the ECL calculations to verify its accuracy and completeness. This included reconciling the data to source documents and assessing its relevance to current loan portfolios. • We evaluated the macroeconomic factors considered in the ECL model, assessing their reasonableness and consistency with external economic forecasts. We also considered the sensitivity of the ECL estimate to changes in these factors.

Independent Audit Report (Continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
	Given the manual nature of the loan application and ECL calculation processes, we tested the design and implementation of relevant controls to identify and mitigate risks of material misstatement due to human error. This included observing the processes, conducting walkthroughs, and testing a sample of loan applications and ECL calculations for accuracy and consistency. We performed detailed testing on a sample of loans to verify the accuracy of loan classifications, the application of the ageing analysis, and the appropriateness of the ECL calculations. This involved recalculating ECL for selected loans and comparing the results with the company's estimates.
Property Plant and Equipment Measured under the Revaluation Model	
The valuation of property plant and equipment, including the assumptions and methods used, and the recognition and reasonableness of any impairment losses, is a key audit matter. This is because the carrying amount of the assets is based on their fair value, which is determined through periodic revaluations which requires significant judgement. Evaluation is required to determine the appropriateness of the valuations performed to ensure that the carrying amount of the assets does not differ materially from their fair value at the end of the reporting period. Additionally, evaluations are required to establish the appropriateness of the deferred tax recognized in accordance with IAS 12 Income Taxes, which is based on the revaluation of the assets recognized in other comprehensive income.	- We obtained an understanding of the accounting policies and procedures for the valuation and impairment of property plant and equipment. - We assessed the effectiveness of the company's internal controls over the valuation and impairment of property plant and equipment. - We evaluated the appropriateness of the valuation methods used to value the property plant and equipment, including the market approach and the cost approach. - We verified the accuracy and completeness of the information used to determine the fair value of the property plant and equipment, including appraisals, market data, and internal records. - We reviewed the reasonableness of the assumptions and estimates used by management in determining the fair value of the property plant and equipment. - We evaluated the adequacy of the disclosure related to the valuation and impairment of property plant and equipment in the financial statements.

Independent Audit Report (Continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
	• We reviewed the carrying amount of the property plant and equipment for indications of impairment, including changes in market conditions, technological developments, and changes in the company's operations. • We tested the impairment assessment process, including the impairment test models, assumptions, and sensitivity analyses. • We confirmed that the deferred tax assets and liabilities related to the revaluation of property plant and equipment are appropriately recognized in accordance with IAS 12. • We evaluated the accuracy and completeness of the release of deferred taxes and revaluation reserve, ensuring it matches the revaluation portion of depreciation.

Going Concern

The financial statements of the entity have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management’s use of the going concern basis of accounting in the preparation of the entity’s financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the entity’s ability to continue as a going concern, and accordingly none is disclosed in the financial statements of the entity. Based on our audit of the financial statements of the entity, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the entity’s ability to continue as a going concern.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board is responsible for overseeing the entity’s financial reporting process. This responsibility includes

Independent Audit Report (Continued)

designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
3. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the entity to cease to continue as a going concern.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
5. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Audit Report (Continued)

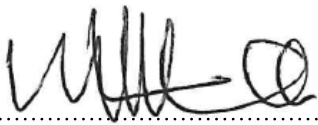
- 6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the entity to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the entity audit. We remain solely responsible for our audit opinion.
- 7. We are required to communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 8. We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

The Companies Act 2017 Section 259 requires that we as auditors report the following:

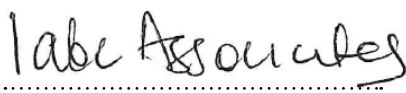
Requirement	Our Report
1. Information as required by the auditing standards as prescribed by a body regulating the practise of auditing in Zambia.	We report that we have reported our audit report in accordance with International Standards on Auditing ("ISAs").
2. Whether there is a relationship, interest, or debt which the auditors have in the Company.	We report that the firm does not have any relationship, interest or debt in the Company.
3. Whether there are serious breaches of corporate governance principles or practices.	We report that there were no instances of material breaches relating to corporate governance principles or practices identified.

The engagement partner responsible for the audit resulting in this independent auditor's report is:

Kelvin Kaluba: 

Date: 

Certificate Number: AUD/F000293

iABC Associates: 



Statement of Profit or Loss

	Note(s)	31 December 2024	31 December 2023
		ZMW	ZMW
Income			<i>Restated</i>
Net Interest Income	1.	97,690,136	72,844,929
Other Operating Income			
Non-Operating Income	2.	1,519,914	1,740,349
Expenditure			
Operating Expenses	3.	(24,198,770)	(24,144,339)
Employee Costs	4.	(41,122,007)	(41,718,209)
Impairment Losses on Loans and Advances	8.	(5,423,262)	(3,902,649)
Total Expenditure		(70,744,039)	(69,765,197)
Earnings Before Taxation		28,466,011	4,820,081
Taxation	5.	(8,530,656)	(1,446,025)
Earnings for The Period		19,935,355	3,374,056
Total operating result attributable to:			
Controlling interests of the Company		19,935,355	3,374,056
Non-controlling interests		-	-
		19,935,355	3,374,056

Statement of Comprehensive Income

	Note(s)	31 December 2024	31 December 2023
		ZMW	ZMW
Earnings for the year		19,935,355	3,374,056
Other comprehensive income:			<i>Restated</i>
Items that will not be subsequently reclassified to profit and loss:			
		69,762	69,762
Amortisation of Revaluation		29,898	29,898
Release of Deferred Tax		(745,761)	(441,320)
Dividends Paid		-	-
Items that may be subsequently reclassified to profit and loss:		(646,101)	(341,661)
Total Comprehensive Income for Year		19,289,254	3,032,395
Total comprehensive income attributable to:			
Controlling interests		19,289,254	3,032,395
Non-controlling interests		19,289,254	3,032,395

Statement of Changes in Funds

	Share Capital	Revaluation Reserves	Revenue Reserves	Total
	ZMW	ZMW	ZMW	ZMW
Balance as at 31 December 2022 (as previously reported)	1,500,000,000	9,709,048	43,825,967	1,553,535,015
Restatements (refer to Appendix II)	-	957,146	(717,192)	239,954
Balance at 31 December 2022	1,500,000,000	8,751,902	44,543,159	1,553,295,061
Earnings for The Period	-	-	3,374,056	3,374,056
Comprehensive Income				
Revaluation Surplus on Land and Buildings				
• Land Revaluation Cost Adjustment	-	4,120,001	-	4,120,001
• Buildings Revaluation Cost Adjustment		4,189,887		4,189,887
• Buildings Depreciation Write Back		2,199,169		2,199,169
• Deferred Tax	-	(2,122,717)	-	(2,122,717)
Amortisation of Revaluation Reserve				
• Buildings	-	(69,762)	69,762	-
Release of Deferred Tax				
• Buildings		-	29,898	29,898
Dividends Paid			(441,320)	(441,320)
Total Comprehensive Income for Year	-	8,316,578	3,032,395	11,348,973
Balance as at 31 December 2023 (as previously reported)	1,500,000,000	16,111,334	46,503,612	1,562,614,946
		957,146	(1,071,943)	(114,797)
Restatements (refer to Appendix II)	-			
Balance at 31 December 2023	1,500,000,000	17,068,480	47,575,555	1,564,644,035
Earnings for The Period	-	-	19,935,355	19,935,355
Comprehensive Income				
Revaluation Surplus on Land and Buildings				
• Land Revaluation Cost Adjustment	-	338,866	-	338,866
Amortisation of Revaluation Reserve				
• Buildings	-	(69,762)	69,762	-
Release of Deferred Tax				
• Buildings	-	-	29,898	29,898
Dividends Paid			(745,761)	(745,761)
Total Comprehensive Income for Year		269,104	19,289,254	19,558,358
Balance at 31 December 2024	1,500,000,000	17,337,584	66,864,808	1,584,202,392

Statement of Cash Flows

	Note(s)	31 December 2024	31 December 2023
		ZMW	ZMW
			<i>Restated</i>
Cash Flows from Operating Activities			
Earnings Before Taxation		28,466,011	4,820,081
Depreciation on Plant and Equipment	10.	6,711,532	5,355,734
Amortisation of Intangible Assets	12.	620,219	694,461
Interest Received from Placements	2.	(2,414,669)	(9,103,844)
Cash Flow from Operating Activities Before Changes in Operating Assets and Liabilities		33,383,093	1,766,432
Changes in Operating Assets and Liabilities			
Increase in Loans and Advances	8.	(169,600,140)	(245,554,458)
Decrease in Unpaid Shares	9.	109,611,094	114,463,679
Decrease/(Increase) in Other Assets	9.	(22,686,967)	(2,605,071)
Increase/(Decrease) in Other Liabilities	13.	2,324,492	(3,176,883)
Increase in Employee Benefit Provisions	14.	2,901,345	(2,015,688)
		(77,450,176)	(138,888,421)
Interest Received		2,414,669	9,103,844
Net Cash from Operating Activities		(41,652,414)	(128,018,145)
Tax Paid		(3,228,419)	(198,775)
Cashflow from Investing Activities			
Purchase of Property, Plant and Equipment	10.	(1,152,431)	(1,086,772)
Cost Adjustment - Reversal of Contract Payable		-	4,578,927
Placements with Other Financial Institutions	7.	19,255,549	109,473,006
Net Cash on Investing Activities		18,103,118	112,965,161
Cash Flows from Financing Activities			
Dividend Payment		(745,761)	(441,320)
Net Cash Outflow on Financing		(745,761)	(441,320)
(Decrease)/Increase in Cash and Cash Equivalents		(27,523,476)	(15,693,079)
Cash and Cash Equivalents at start of year		47,307,472	63,000,551
Cash and Cash Equivalents at end of year		19,783,996	47,307,472
Represented By			
Bank Balances	7.	19,783,996	47,307,472
Cash Balances	7.	-	-
		19,783,996	47,307,472

Statement of Financial Position

	Note(s)	31 December 2024	31 December 2023	31 December 2022
		ZMW	ZMW	ZMW
			Restated	Restated
Assets				
Cash and Cash Equivalents	6.	19,783,996	47,307,472	63,000,551
Placements with Other Financial Institutions	7.	12,371,783	31,627,332	141,100,338
Loans and Advances	8.	842,472,476	672,872,336	427,317,878
Other Receivables and Prepayments	9.	694,654,057	781,578,184	893,436,792
Property Plant and Equipment	10.	55,826,972	61,398,071	59,700,603
Investment Property	11.	3,284,800	2,916,100	2,952,400
Intangible Assets	12.	217,414	837,635	1,532,095
Deferred Tax Assets	16.	7,063,522	5,436,544	4,265,749
Total Assets		1,635,675,020	1,603,973,674	1,593,306,406
Liabilities and Equity				
Current Liabilities				
Other Liabilities	13.	19,531,842	17,207,350	20,384,232
Employee Benefits	14.	18,449,242	15,547,897	17,563,585
Income Tax Payable	15.	11,407,256	3,739,449	988,813
Total Current Liabilities		49,388,340	36,494,696	38,936,630
Non-Current Liabilities				
Deferred Tax Liability	16.	2,084,288	2,834,943	1,074,715
Total Non-Current Liabilities		2,084,288	2,834,943	1,074,715
Equity				
Retained Earnings		66,864,808	47,575,555	44,543,159
Revaluation Reserves		17,337,584	17,068,480	8,751,902
Share Capital		1,500,000,000	1,500,000,000	1,500,000,000
Total Equity		1,584,202,392	1,564,644,035	1,553,295,061
Total Equity and Liabilities		1,635,675,020	1,603,973,674	1,593,306,406

The financial statements were approved by the Board of Directors on..... and signed on its behalf by:

Chief Executive Officer:..... Board Chairperson:.....

Summary of Material Accounting Policies

The basis of preparation and accounting policies used in preparing the financial statements are set out below:

1. Basis of Preparation

The financial statements for the year ended 31st December 2024 are prepared on a going concern basis and in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB. The financial statements have also been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The financial statements comprise a statement of profit or loss, a statement of comprehensive income, a statement of financial position, a statement of changes in equity, a statement of cash flows, and notes. Income and expenses, excluding the components of other comprehensive income, are recognised in the statement of profit or loss. Other comprehensive income is recognised in the statement of comprehensive income and comprises items of income and expense s (including reclassification adjustments) that are not recognised in the statement of profit or loss, as required, or permitted by IFRS. Reclassification adjustments are amounts reclassified to profit or loss in the current period that were recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the Company in their capacity as owners are recognised in the statement of changes in equity.

The Company presents the statement of profit or loss using the classification by function of expenses. The Company believes this method provides more useful information to the users of its financial statements as it better reflects the way operations are run from a business point of view. The statement of financial position format is based on a current / non-current distinction.

2. Measurement Basis

The financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g., certain financial instruments that are measured at fair value). Historical cost is generally based on the fair value of the consideration given in exchange for assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company (working closely with external qualified valuers) using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g., by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Summary of Material Accounting Policies (Continued)

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised by the Company at the end of the reporting period during which the change occurred.

3. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

4. Adoption of New and Revised International Financial Reporting Standards ("IFRSs")

The following provides high level summary of the new and revised IFRS that are effective for 2024 and beyond. Specifically, this section covers the following:

- i. An overview of the amendments to IFRS that are mandatorily effective for the year ending 31st December 2024; and
- ii. An overview of new and revised IFRS that are not yet mandatorily effective (but allow early application) for the year ending 31st December 2024.

a. Amendments to IFRS that are mandatorily effective for annual periods beginning on or after 1 January 2024

Standard	Details	Effective Date	Applicable
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (Supplier Finance Arrangements)	The amendments require entities to disclose comprehensive qualitative and quantitative information regarding their supplier finance arrangements, enabling users to better evaluate the impact of these arrangements on the entity's liabilities and cash flows. Specifically, amendments to IFRS 7 incorporate supplier finance arrangements explicitly into liquidity risk disclosures. Transitional provisions exempt entities from providing comparative disclosures for periods preceding initial application.	1 January 2024	Yes

Summary of Material Accounting Policies (Continued)

Standard	Details	Effective Date	Applicable
Amendments to IFRS 16 Leases (Lease Liability in a Sale and Leaseback)	These amendments prescribe how seller-lessees in sale and leaseback transactions recognised as a sale under IFRS 15 must measure subsequent lease payments. They ensure that no gain or loss relating to the right-of-use asset retained is recognised due solely to subsequent remeasurement of lease payments. This prevents unintended accounting outcomes particularly arising from variable lease payments that are neither indexed nor rate-linked.	1 January 2024	Yes
Amendments to IAS 1 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	Clarifies criteria for classifying liabilities as current or non-current, emphasising that classification depends strictly on an entity's rights existing at the end of the reporting period, not management's intentions or expectations. Additionally, provides explicit clarity around the definition of 'settlement', stating it encompasses transfers of cash, other economic resources, or equity instruments to extinguish obligations.	1 January 2024	Yes
Amendments to IAS 1 Presentation of Financial Statements (Non-current Liabilities with Covenants)	Specifies that covenants with which an entity must comply on or before the reporting date affect whether a liability can be classified as current or non-current. Conditions required to be complied with after the reporting date do not impact classification. Entities must disclose comprehensive information about covenants to enable financial statement users to assess the risks associated with liabilities potentially becoming repayable within twelve months following the reporting date.	1 January 2024	Yes

b. New and revised IFRSs that are not mandatorily effective (but allow early application) for the year ended 31 December 2024.

Below is the list of new and revised IFRSs that are not yet mandatorily effective (but allow application) for the year ending 31st December 2024.

Summary of Material Accounting Policies (Continued)

Standard	Details	Effective Date	Applicable
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)	Clarifies how to determine whether a currency is exchangeable at a measurement date. Provides clear guidance for estimating the exchange rate when a currency is considered non-exchangeable. Entities must provide detailed disclosures enabling financial statement users to understand the significant impacts or potential impacts of such non-exchangeability on financial results.	1 January 2025	No
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Classification and Measurement of Financial Instruments (Contracts Referencing Nature-dependent Electricity)	Responding to stakeholder feedback, these amendments provide clarity on applying the SPPI (Solely Payments of Principal and Interest) test to ESG-linked instruments, accounting for modifications of financial liabilities leading to derecognition, and enhanced disclosure requirements. Early adoption is permitted selectively, allowing entities to implement the classification amendments separately from derecognition amendments, particularly useful for entities dealing with ESG-linked instruments.	1 January 2026	No
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (Contracts Referencing Nature-dependent Electricity)	Addresses financial reporting challenges associated with contracts for renewable electricity (commonly structured as Power Purchase Agreements, PPAs). Clarifies when such contracts qualify for the 'own-use' exemption under IFRS 9, explicitly permits hedge accounting treatment if qualifying criteria are met, and mandates additional disclosures regarding their impact on financial performance and cash flows.	1 January 2026	No
IFRS 18 – Presentation and Disclosure in Financial Statements	Replaces IAS 1, significantly restructuring presentation requirements for financial statements. Mandates new subtotals and categories in the statement of profit or loss, introduces robust principles for aggregation and disaggregation of information, and requires clear disclosures around management-defined performance measures (MPMs), including reconciliations to IFRS-defined subtotals. The standard aims to substantially improve transparency and comparability of performance reporting. Entities must retrospectively apply IFRS 18 with specific transition provisions available.	1 January 2027	No

Summary of Material Accounting Policies (Continued)

Standard	Details	Effective Date	Applicable
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	Allows eligible subsidiaries, defined as entities without public accountability whose parent prepares publicly available consolidated IFRS-compliant financial statements, to adopt IFRS recognition, measurement, and presentation rules with significantly reduced disclosure requirements. The standard simplifies and reduces the volume of required disclosures significantly compared to full IFRS, particularly in complex areas such as share-based payments under IFRS 2. Entities must explicitly meet set criteria to apply IFRS 19.	1 January 2027	No

5. Foreign Currencies

In preparing its financial statements, the Company’s foreign currency transactions are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss.

6. Property, Plant and Equipment

a. Cost and Valuation

Items of plant and equipment are stated at cost, as deemed cost, less accumulated depreciation (see 5(c) below) and impairment losses (see accounting policy 5(d)). The cost of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use.

Property is stated in the statement of financial position at its net book value.

b. Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method:

Summary of Material Accounting Policies (Continued)

i. Land	-	0%
ii. Land and Buildings	-	2%
iii. Intangibles, Fixtures, Fittings and Furniture	-	20%
iv. Motor vehicles	-	25%
v. Work in Progress	-	0%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

c. De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is de-recognised.

d. Impairment

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the higher of an assets or cash-generating unit's fair value less costs to sell and its value in use. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

7. Investment Property

Investment property comprises properties leased to individuals or organisations. Each of the leases contains an initial non-cancellable period of one year. Subsequent renewals are negotiated with the lessee. Property interests held under operating leases are classified as investment properties. No contingent rents are charged.

Investment property held to earn rentals and/or for capital appreciation or both and not occupied by the Company is measured under the Cost Model. The carrying amount of investment property is the cost less accumulated depreciation and any accumulated impairment losses.

8. Intangible Assets

The costs of purchasing major software licences are capitalised as intangible fixed assets, although ongoing software maintenance costs are written off in the period in which they are incurred. As permitted by IAS 38, intangible assets are carried at depreciated historic cost, which is a proxy for fair value as they are considered to have short useful lives or low value (three to five years).

Summary of Material Accounting Policies (Continued)

9. Financial Instruments

a. Financial Assets and Financial Liabilities

- i. Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.
- ii. Financial assets and financial liabilities are initially measured at fair value.
- iii. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.
- iv. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

b. Financial Assets

The Company's financial assets are classified into the following specified categories: 'Available for sale', 'cash and equivalents' and 'receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

i. Classification

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

- **Instruments that meet the following conditions are measured subsequently at amortised cost:** The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- **Instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Summary of Material Accounting Policies (Continued)

- **By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:** The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch

ii. Financial Placements

Placements with Financial Institutions – Financial instruments with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as cash equivalents and are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

iii. Cash and Cash Equivalents

Cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Company maintains its bank accounts with major banks in Zambia of high credit standing.

iv. Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost, less any impairment. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

v. Impairment

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The Company recognises a loss allowance for expected credit losses on receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as

Summary of Material Accounting Policies (Continued)

the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

vi. De-recognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

c. Financial Liabilities

i. Measurement

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into. Other payables and amounts due to related parties are stated at their nominal value. Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Summary of Material Accounting Policies (Continued)

ii. Payables

Trade payables and accruals are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are not interest-bearing and are stated at amortised cost.

iii. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

iv. Interest Bearing Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

v. Employee Benefits

- **Retirement Benefit Obligations** - The Organisation and employees contribute to the National Pension Scheme Authority ("NAPSA") and the Public Service Pension Fund ("PSPF"), which is a defined contribution social security scheme. Contributions to NAPSA are recognised as an expense when employees have rendered service entitling them to the contributions.
- **Other Entitlements** - The estimated monetary liability for employees' accrued gratuity pay entitlement at the reporting date is recognised as an expense accrual.

vi. De-recognition

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Summary of Material Accounting Policies (Continued)

d. Contingent Liabilities

Contingent liabilities are initially measured at fair value. At the end of subsequent reporting periods, such contingent liabilities are measured at the amount that would be recognised in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

e. Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

f. Financial Risk Management

The Company's activities expose it to a variety of financial risks. The most important types of risk are currency risk, credit risk, liquidity risk, market risk and other operational risk.

i. Credit Risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Company by failing to pay amounts in full when due. Credit exposures arise principally in lending and investment activities. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. Credit risk management and control is vested in the Finance and Audit Committee, which reports regularly to the Board of Directors. The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower. Exposure to credit risk is also managed in part by obtaining collateral on housing loans, which are secured by collateral in the form of charges over physical assets.

ii. Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities as they fall due and to replace funds when they are withdrawn. The accounts and finance department monitors liquidity ratios on a daily basis. Note 24(d) presents the undiscounted cash flows payable by the Company under financial assets by expected maturity dates at the balance sheet date and from financial liabilities by remaining contractual maturities dates.

iii. Market Risk

Market risk is the risk that changes in market prices, which include currency exchange rates and interest rates, will affect the fair value or future cash flows of a financial instrument. Market risk arises from open positions in interest rates and foreign currencies, both of which are exposed to general and specific market movements and changes in the level of volatility. Management is responsible for the development of detailed risk management policies and for the day to day implementation of risk management policies.

Summary of Material Accounting Policies (Continued)

iv. Currency Risk

Note 19(c) summarises the Company's exposure to US Dollar exchange rate risk at 31st December 2024.

v. Interest Rate Risk

The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Note 18(d) summarises the Company's exposure to interest rate risks. Included in the analysis are the Company's assets and liabilities at carrying amounts, categorised by maturity dates. The Company does not bear any interest rate risk on off balance sheet items.

g. Fair Values of Financial Assets and Liabilities

The carrying amounts of financial assets and liabilities are representative of the Company's position at 31st December 2024 and are in the opinion of the Directors not significantly different from their respective fair values due to generally short periods to maturity dates as set out above.

10. Grants

- a. Grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.
- b. Grants whose primary condition is that the Company should purchase or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to income on a systematic basis over the useful lives of the related assets. Other grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.
- c. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in income in the period in which they become receivable.
- d. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Summary of Material Accounting Policies (Continued)

11. Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

12. Interest Income and Expense

Interest income and expense for all other interest-bearing financial instruments are recognised within 'interest income' or 'interest expense' in the profit and loss account on the effective interest basis. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

13. Fees and Commission Income

- a. Fees and commissions are generally recognised on an accrual basis when the service has been provided.
- b. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan.

14. Income Tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

- a. **Current tax:** The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.
- b. **Deferred tax:** Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred

Summary of Material Accounting Policies (Continued)

tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

- c. Current tax and deferred tax for the year:** Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

15. Dividends

Dividends are shown as a deduction from retained earnings in the statement of changes in equity.

16. Capital Management

The Company's objectives when managing capital are:

- i. To safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- ii. To maintain a strong capital base to support the development of its business.

Capital adequacy and use of regulatory capital are not monitored as the Company is exempted from regulation by the Bank of Zambia.

17. Critical Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. Information about such judgements and estimation is contained in the accounting policies above and/or the notes to the financial statements on Pages 35 to 51. However, the key areas are summarised below.

Summary of Material Accounting Policies (Continued)

- a. Areas of judgement that have the most significant effect on the amounts recognised in the financial statements are:
 - i. Estimation of asset lives
 - ii. Capitalisation of software costs
 - iii. Impairment losses on loans and advances.
 - iv. Provisions.
 - v. Current period accounting of deferred revenue grants.
- b. Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:
 - i. Review of asset carrying values and impairment charges and reversals
 - ii. Estimation of liabilities for employee benefits
 - iii. Contingencies

18. Comparatives

Corresponding figures have been reclassified to conform to changes in the presentation of the current period. Additionally, Prior Period Errors were identified for years 2018 to 2023 and were retrospectively restated. The detailed notes to the restatements are included in Note 24 in the Notes to the Financial Statements and Appendix II of the financial statements.

Notes to the Financial Statements

	31 December 2024	31 December 2023
	ZMW	ZMW
		<i>Restated</i>
1. Interest Income		
An analysis of the Company's revenue for the year from continuing activities is as follows:		
Interest on Loans and Advances	95,275,467	63,741,085
Interest on Fixed Deposits	2,414,669	9,103,844
Total interest income	97,690,136	72,844,929
2. Non-Operating Income		
Sundry Income	1,487,914	1,662,349
Rental Income	32,000	78,000
	1,519,914	1,740,349
3. Operating Expenses		
The following items are included within operating expenses:		
Assessment and OAG Expenses	32,918	461,876
Audit Fees	255,759	255,759
Depreciation	6,711,532	5,355,734
Other Operating Expenses	17,198,561	18,070,970
	24,198,770	24,144,339
4. Employee Expenses		
Gratuity	15,461,305	18,509,031
Salaries and other Staff Costs	24,792,332	21,840,398
Leave Expenses	667	162,130
Funeral Scheme	45,354	48,257
Staff Wellness	242,300	184,501
Group Life Cover	-	248,177
Staff Training Costs	444,914	600,163
	41,122,007	41,718,209

Notes to the Financial Statements (Continued)

	31 December 2024	31 December 2023
	ZMW	ZMW
5. Taxation		
Tax expense/(income) comprises:		
Current tax expense	10,896,226	2,949,411
Deferred taxation	(2,365,570)	(1,503,386)
Total tax expense/(income)	8,530,656	1,446,025
The total charge for the year can be reconciled to accounting profit as follows:		
Earnings from continuing operations	28,466,011	4,820,081
Income tax expense/(income) calculated at 30% (2023: 30%)	8,539,803	1,446,024
Effect of revenue not taxable under income tax	(9,600)	-
Effect of expenses not deductible in determining taxable profit	452	1
Income tax expense recognised in profit or loss	8,530,656	1,446,025
6. Cash and Cash Equivalents		
Zanaco - Salaries	2,627,946	1,761,319
Zanaco - Operations	358,147	2,818,810
Zanaco - Revolving	1,603,482	752,866
Natsave - Revolving	164,731	164,731
Natsave - Recovery	(333)	(333)
Zanaco- Mortgage	387,504	4,195,836
Zanaco- Motor Vehicle	7,231,387	4,122,087
Zanaco- Short Term	3,311,466	3,986,707
Zanaco-Personal	363,842	7,166,473
Zanaco-Agro	688,029	4,414,364
Zanaco - Furniture	1,330,652	1,257,317
Zanaco - Leaders	5,219	5,219
Zanaco - Domestic	100,971	88,794
Insurance Account	6,777	6,777
Gratuity Account	1,143,712	1,632,114
Project Account	460,464	14,934,391
	19,783,996	47,307,472

Notes to the Financial Statements (Continued)

	31 December 2024	31 December 2023
	ZMW	ZMW
7. Placements With Other Financial Institutions		
Fixed Deposits	12,371,783	31,627,332
ZANACO	12,371,783	31,627,332
	-	-
Government Securities	12,371,783	31,627,332

Investments with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as cash equivalents and are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

	31 December 2024	31 December 2023
	ZMW	ZMW
8. Loans and Advances		
a. Net Loans and Advances to Customers		
Gross Loans and Advances to Customers (c)	866,017,550	690,994,148
Impairment Loss	(23,545,074)	(18,121,812)
b. Net Loans and Advances to Customers	842,472,476	672,872,336
c. Gross Loans and Advances to Customers		
Personal Loans	201,124,679	236,711,671
Motor Vehicle Loans	286,201,414	199,412,469
Agricultural Loans	127,583,761	57,392,033
Mortgage Loans	7,517,519	8,315,670
Short Term Loans	21,927,605	19,165,209
Building Materials Loans	117,367,911	73,557,754
Bring Your Own Device Loans	20,007,934	17,050,987
Furniture Loans	23,957,883	13,460,323
Leaders Personal Loan	60,323,938	65,912,691
Domestic Tourism Loan	4,906	15,341
Gross Loss and Advances to Customers	866,017,550	690,994,148
Impairment Losses	(23,545,074)	(18,121,812)
Closing Principal Balance	842,472,476	672,872,336

Notes to the Financial Statements (Continued)

	31 December 2024	31 December 2023
	ZMW	ZMW
8. Loans and Advances (Continued)		
b. Loan Loss Provision Movement		
At the beginning of the Year	18,121,812	18,121,812
Charge for the Year:-		
• General	5,423,262	5,423,262
• Life Time ECL	-	-
Loan Loss At the End of the Year	23,545,074	23,545,074

The credit quality of the portfolio of loans and advances that were neither past due nor impaired can be assessed by reference to the internal rating system adopted by the entity:

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables. The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised a loss allowance of 100% against all receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer base.

Notes to the Financial Statements (Continued)

	31 December 2024		31 December 2023
2024	EAD	PD x LGD	ECL
8. Loans and Advances (Continued)			
Ageing			
Not Past Due	629,160,705	2%	12,797,822
Substandard - 31 - 90 Days	13,820,901	5%	691,045
Doubtful - 91-180 Days	5,610,296	7%	392,721
Loss Over 180 Days	42,402,245	10%	4,240,225
ECL	690,994,148		18,121,812
Ageing			
Not Past Due	629,160,705	2%	12,797,822
Substandard - 31 - 90 Days	13,820,901	5%	691,045
Doubtful - 91-180 Days	5,610,296	7%	392,721
Loss Over 180 Days	42,402,245	10%	4,240,225
ECL	690,994,148		18,121,812
9. Other Assets			
Staff Loans and Advances	12,238,315		11,906,391
Benevolence Fund	12,500		12,300
Collecting Agent Receivables (Recoveries Receivable)	20,307,495 790,450		2,292,120 730,576
Prepayments	650,656,374		760,267,468
Receivables from Unpaid Shares	(1,300)		(1,300)
Rental Receivables			
Other Receivables			
• Sundry	1,146,162		1,114,847
• Other Loans	4,183,651		13,469
Interbranch Receivables	5,320,410		5,242,313
	694,654,057		781,578,184
	Depreciation Rate	31 December 2024	31 December 2023
		ZMW	ZMW

10. Property, Plant and Equipment

Carrying Amounts of:

Land & Buildings	2%	50,672,254	52,948,133
Motor Vehicles	25%	2,103,965	4,900,337
Office & Computer Equipment	20%	2,163,766	2,244,084
Furniture & Fittings	20%	505,065	945,791
Capital Work in Progress	0%	381,922	359,726
		55,826,972	61,398,071

Restated

Notes to the Financial Statements (Continued)

	Land Buildings	Motor Vehicles	Office & Computer Equipment	Furniture & Fittings	Capital Work in Progress	Total
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Cost or Valuation						
Balance as at 1 January 2023 (Restated)	48,359,585	13,290,551	6,233,336	2,698,914	314,904	70,897,290
Additions	882,285	-	159,665	0	44,822	1,086,772
Reclassification	(458,923)	-	38,470	(38,470)	-	(458,923)
Revaluation Gain	4,189,887	-	-	-	-	4,189,887
Balance as at 1 January 2024 (Restated)	52,972,833	13,290,551	6,431,471	2,660,444	359,726	75,715,025
Additions		-	1,046,970	83,265	22,196	1,152,431
Revaluation Gain/ Impairment	(48,300)	-	-	-	-	(48,300)
Balance as at 31 December 2024	52,924,533	13,290,551	7,478,441	2,743,709	381,922	76,819,156
	-					
Accumulated Depreciation and Impairment						
Balance as at 1 January 2023 (Restated)	1,548,558	5,492,243	2,966,207	1,189,679	-	11,196,687
Depreciation Charge for the Year	675,311	2,897,971	1,221,180	524,974	-	5,319,436
Depreciation Write-Back on Revaluation	(2,199,169)	-	-	-	-	(2,199,169)
Balance as at 1 January 2023 (Restated)	24,700	8,390,214	4,187,387	1,714,653	-	14,316,954
Depreciation Charge for the Year	2,227,579	2,796,372	1,127,288	523,991	-	6,675,230
Balance as at 31 December 2024	2,252,279	11,186,586	5,314,675	2,238,644	-	20,992,184
Carrying amount as at 31 December 2023	50,672,254	2,103,965	2,163,766	505,065	381,922	55,826,972
Carrying amount as at 31 December 2022 (Restated)	52,948,133	4,900,337	2,244,084	945,791	359,726	61,398,071

Notes to the Financial Statements (Continued)

	31 December 2024	31 December 2023
	ZMW	ZMW
11. Investment Property		
At Depreciated Cost	3,284,800	2,916,100
Cost		
At Start of Period	3,025,000	3,025,000
Gain or Loss on Revaluation of Property	405,000	-
Cost At End of Period	3,430,000	3,025,000
Accumulated Depreciation		
At Start of Period	108,900	72,600
Charge for the Period	36,300	36,300
Accumulated Depreciation At End of Period	145,200	108,900
Carrying Amounts	3,284,800	2,916,100
Intangible Assets		
At Amortised Cost	217,414	837,635
Cost		
At Start of Period	3,542,683	3,542,683
Cost At End of Period	3,542,683	3,542,683
Amortisation		
At Start of Period	2,705,048	2,010,588
Charge for the Period	620,221	694,460
Amortisation At End of Period	3,325,269	2,705,048
Carrying Amounts	217,414	837,635

Notes to the Financial Statements (Continued)

	31 December 2024	31 December 2023
	ZMW	ZMW
		<i>Restated</i>
13. Other Liabilities		
GRZ Payables	550	(16,783)
Motor Vehicle Insurance Liability	1,630,000	100,000
NAPSA	(1)	-
• Insurance Payable	2,941,029	2,567,060
• Credit Life	1,059,057	410,619
Interbranch Payables	4,620,091	4,592,903
Public Service Fund	867	867
ZRA - PAYE	572,010	566,929
Audit Fees Payable	85,253	85,253
Third Party Payroll Liabilities	(65)	17,333
Motor Vehicle Refunds Payable	7,399,154	7,521,138
Trade payables	1,199,775	1,340,989
Sundry Payables	21,158	18,079
	19,531,842	17,207,350
14. Employee Benefits and Provisions		
a. Balances in Employee Benefits Provision		
Gratuity Provision	18,449,242	15,547,897
	18,449,242	15,547,897
b. Analysis of Movements in Provisions		
Opening Balance	15,547,897	17,563,585
Charge for Period	15,461,305	18,509,031
Payments	(12,559,960)	(20,524,719)
	18,449,242	15,547,897
15. Income Tax Payable (Receivable)		
At start of year	3,739,449	988,813
Tax Charge	10,896,226	2,949,411
Tax Paid	(3,228,419)	(198,775)
Income Tax At end of year	11,407,256	3,739,449

Notes to the Financial Statements (Continued)

	31 December 2024	31 December 2023
	ZMW	ZMW
16. Deferred Tax		Restated
Deferred Tax Assets		
Provisions	7,063,522	5,436,544
Tax Losses	-	-
Total Deferred Tax Assets	7,063,522	5,436,544
Deferred Tax Liabilities		
Property Plant and Equipment	(1,056,426)	(317,834)
Revaluation Surplus on PPE	2,663,380	2,693,278
Revaluation Surplus on Land	477,334	459,499
Total Deferred Tax Liabilities	2,084,288	2,834,943
Net Deferred Tax Asset (Liability)	4,979,234	2,601,601.0

	Provisions	Property Plant and Equipment	Revaluation Surplus on PPE	Revaluation Surplus on Land	Total
	ZMW	ZMW	ZMW	ZMW	ZMW
At 1 January 2023 (Restated)	4,265,749	(14,757)	(806,459)	(253,499)	3,191,034
Charge to profit or loss	1,170,795	332,591	-	-	1,503,386
Charge to other comprehensive income	-	-	(1,886,819)	(206,000)	(2,092,819)
Charge direct to equity	-	-	-	-	-
	5,436,544	317,834	(2,693,278)	(459,499)	2,601,601
Deferred Tax Asset (Liability) At 1 January 2024 (Restated)					
	1,626,978	738,592	-	-	2,365,570
Charge/(credit) to profit or loss	-	-	29,898	(17,835)	12,063
Charge to other comprehensive income	-	-	-	-	-
Charge direct to equity	7,063,522	1,056,426	(2,663,380)	(477,334)	4,979,234
Deferred Tax Asset (Liability) At 31 December 2024					

Notes to the Financial Statements (Continued)

17. Properties Revaluation Reserve

The properties revaluation reserve arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the properties' revaluation reserve will not be reclassified subsequently to profit or loss.

Distributions from the properties' revaluation reserve can be made where they are in accordance with the requirements of the Company's Articles of Association and the Companies Act. Generally, there is no restriction on the payment of 'bonus shares' out of the properties' revaluation reserve. However, the payment of cash distributions out of the reserve is restricted by the terms of the Company's Articles of Incorporation. These restrictions do not apply to any amounts transferred to retained profits. The directors do not currently intend to make any distribution from the properties' revaluation reserve.

18. Banking Facilities

The list of bank accounts held by the Company is shown in Note 6.

The Company had no overdraft or other bank-advanced facilities.

19. Financial Instruments

a. Total Financial Instruments

The Company faces exposure to the following financial risks:

	31 December 2024			
	Loans and Receivables	Assets at Fair Value through P & L	Assets at Amortised Cost	Total
	ZMW	ZMW	ZMW	ZMW

Assets as per statement of financial position

Loans and Receivables:

• Trade and Other receivables	1,537,126,533	-	-	1,537,126,533
• Placements with Financial Institutions	-	-	12,371,783	12,371,783
• Cash and Equivalents	19,783,996	-	-	19,783,996
Total	1,556,910,529	-	12,371,783	1,569,282,312

Notes to the Financial Statements (Continued)

	31 December 2024			
	Loans and Receivables	Assets at Fair Value through P & L	Assets at Amortised Cost	Total
	ZMW	ZMW	ZMW	ZMW
	1,537,126,533	-	-	1,537,126,533
	-	-	12,371,783	12,371,783
	19,783,996	-	-	19,783,996
	1,556,910,529	-	12,371,783	1,569,282,312
		Liabilities at Fair Value through P & L	Other Financial Liabilities at Amortised Cost	Total

Liabilities as per statement of financial position

Other Financial Liabilities	-	29,856,498	29,856,498
Trade and Other Payables	-	19,531,842	19,531,842
Total	-	49,388,340	49,388,340

	31 December 2023 (Restated)			
	Loans and Receivables	Assets at Fair Value through P & L	Assets at Amortised Cost	Total
	ZMW	ZMW	ZMW	ZMW

Assets as per statement of financial position

Loans and Receivables:

• Trade and Other receivables	1,454,522,520	-	-	1,454,522,520
• Placements with Financial Institutions	-	-	31,627,332	31,627,332
• Cash and Equivalents	47,307,472	-	-	47,307,472
Total	1,501,829,992	-	31,627,332	1,533,385,324

		Liabilities at Fair Value through P & L	Other Financial Liabilities at Amortised Cost	Total
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Liabilities as per statement of financial position

Other Financial Liabilities	-	19,287,346	19,287,346
Trade and Other Payables	-	20,384,232	20,384,232
Total	-	39,671,578	39,671,578

Notes to the Financial Statements (Continued)

b. Credit Risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet

Category	Rating	ECL	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
2024					
Bank and Cash Balances	Performing	12-Month ECL	19,783,996	-	19,783,996
Fixed Deposits	Performing	12-Month ECL	12,371,783	-	12,371,783
Trade Receivables	Performing	Simplified Approach	866,017,550	(23,545,074)	842,472,476
Other Receivables	Performing	Not credit impaired	694,654,057	-	694,654,057
			1,592,827,386	(23,545,074)	1,569,282,312

Category	Rating	ECL	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
2023 (Restated)					
Bank and Cash Balances	Performing	12-Month ECL	47,307,472	-	47,307,472
Fixed Deposits	Performing	12-Month ECL	31,627,332	-	31,734,027
Trade Receivables	Performing	Simplified Approach	690,994,148	(18,121,812)	672,872,336
Other Receivables	Performing	Not credit impaired	781,578,184	-	781,578,184
			1,551,507,136	(18,121,812)	1,533,385,324

For trade receivables, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

c. Currency Risk

The Company takes low exposure to the effects of fluctuations in foreign currency exchange rates as its transactions and balances are all held in Kwacha.

d. Liquidity Risk and Interest Rate Risk

The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The

Notes to the Financial Statements (Continued)

table below summarises the Company's exposure to interest rate risks. Included in the table are the Company's assets and liabilities at carrying amounts, categorised by maturity dates. The Company does not bear any interest rate risk on off statement of financial position items.

	Weighted Average Effective Interest rate	Up to 1 Month	1-3 Months	4-12 Months	1-5 Years	Total
At 31 December 2024	0%	4,115,695	12,347,085	32,925,560	-	49,388,340
Non-Interest Bearing						
At 31 December 2023	0%	3,041,225	9,123,674	24,329,798	-	36,494,696
(Restated)						
Non-Interest Bearing						

d. Fair Value Estimation

The different levels of determining fair value, by valuation method, have been defined as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company had no financial instruments carried at fair value, by valuation method.

The fair values of the Company's financial assets and liabilities for both the current and comparative year do not differ materially from their carrying values.

20. Related Parties

a. Identity of Related Parties

The Company has a common enterprise relationship with Government of the Republic of Zambia. Other related parties include the Board of Directors and Key Executive Management.

b. Control of the Company

The Company is incorporated in Zambia under the PACRA. It has a common enterprise relationship with Ministry of Finance which owns 99% of its share capital. Supervision of its management and control of the affairs of the Company is vested in the Board of Directors. In the absence of the Board, supervision of Management was vested in Secretary to the Treasury and control of the affairs of the Company was vested in the CEO.

Notes to the Financial Statements (Continued)

c. Management of the Company

The key officers of the Company are shown on Page 5:

d. Transactions with Related Parties

None of the Board Members, key management staff or parties related to them has undertaken any material transactions with the Company.

	31 December 2024	31 December 2023
	ZMW	ZMW
a. Transactions and Balances with Shareholders		
i. Revenue and Capital Grants From Shareholder		
Ministry of Finance and National Planning	-	-
ii. Deferred Revenue Grants From Shareholders		
Ministry of Finance and National Planning	-	-
iii. Contributions to Capital		
Ministry of Finance and National Planning	109,611,094	114,463,679
b. Directors Remuneration and Compensation		
i. Board Remuneration / Expenses	157,450	-
ii. Key Management Remuneration	5,391,017	5,131,604
c. Balances due from or Owed to Key Management		
i. Due to Key Management		
Gratuity	6,967,317	7,859,286
i. Due from Key Management		
Loans	4,690,234	4,007,807

Notes to the Financial Statements (Continued)

21. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to controlling interests and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. The gearing ratios at 31 December 2024 and 2023 were as follows:

	2024	2023
	ZMW	ZMW
		Restated
Debt	-	-
Other Financial Liabilities	-	-
Cash	(32,155,779)	(78,934,804)
Net Debt	(32,155,779)	(78,934,804)
Equity	1,584,202,392	1,564,644,035
Net debt to equity ratio	-2.03%	-5.04%

22. Capital Commitments

The Company had no capital commitments as at the year-end.

23. Contingent Liabilities

No major contingent liabilities were identified at end of the year (2023: Nil).

24. Events Subsequent to Balance Sheet Date

There has not arisen since the end of the year any transaction or event of a material and unusual nature likely, in the opinion of management, to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

25. Prior Period Errors

In line with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Company identified and corrected errors in its prior period financial statements relating to the classification and treatment of computer software assets. Historically, software assets including the BR.Net ERP system,

Notes to the Financial Statements (Continued)

audit software, and the Ubuntu loan management system were erroneously recognised under property, plant and equipment (PPE), rather than intangible assets, as required by IAS 38 Intangible Assets. This misclassification resulted in errors affecting impairment, amortisation, and deferred taxation.

The affected software was acquired and implemented through a third-party vendor and involved significant customisation to align with the Company’s internal processes and reporting requirements. The IFRS Interpretations Committee has clarified that third-party customised software may meet the definition of an intangible asset where the entity can demonstrate control, separability, future economic benefits, and that the cost can be measured reliably. The Company reviewed the arrangements and determined that these conditions were met. Accordingly, the software qualified for capitalisation under IAS 38.

In addition to the misclassification, an asset valuation exercise conducted in 2018 excluded the in-progress ERP software from the valuation scope. This exclusion led to an erroneous impairment of the instalments paid, despite the underlying assets being in the process of development and not having suffered a loss in value.

The following costs were incurred in respect of the ERP software:

Year	Description	Amount (ZMW)	Initial Treatment	Corrected Treatment
2018	Advance on software	722,100.00	Capitalised (PPE)	Capitalised (Intangible Asset)
2018	Advance on hardware	28,332.31	Capitalised (PPE)	Capitalised (Intangible Asset as it is not materially distinguishable from the overall software)
2018	Implementation Stage 1	722,100.00	Capitalised (PPE)	Capitalised (Intangible Asset)
2019	Implementation Stage 2 & 3	1,061,400.00	Capitalised (PPE)	Capitalised (Intangible Asset)
2019	Annual maintenance	406,000.00	Expensed	Expensed (Correct)
2022	Final implementation instalment	423,400.00	Expensed	Capitalised (Intangible Asset)

Appendix I-Detailed Statement of Income and Expenditure

	31 December 2024	31 December 2023
	ZMW	ZMW
Interest Income		
Interest Received		
Loans and Advances	95,275,467	63,741,085
Fixed Term Deposits	2,414,669	9,103,844
Total Interest Received	97,690,136	72,844,929
Interest Expense	-	-
Net Interest Income	97,690,136	72,844,929
Non-Operating Income		
Interest on staff loans	249,117	318,099
Sundry Income	1,238,797	1,344,250
Rental Income	32,000	78,000
	99,210,050	74,585,278
Costs		
Amortisation	620,219	694,461
Assessment and OAG Expenses	32,918	461,876
External Audit Fees	255,759	255,759
Advertising and Publicity	3,356,619	7,479,909
Bank Charges and Commission	595,065	1,181,034
Bad Debts Written Off	-	147
Board Expenses	157,450	-
Communication Expenses	169,837	254,750
Computer Expenses	1,655,996	292,701
Conveyance Costs	-	440
Covid Prevention and Mitigation Support	23,200	162,864
Depreciation	6,711,532	5,355,734
Disaster Recovery Expenses	197,655	302,233
Fines and Penalties	1,508	-
Insurance	162,100	180,356
Legal Costs	102,435	250
Maintenance and Repairs	1,933,969	1,013,631
Motor Vehicle Expenses	865,942	279,846
General Office Expenses	3,048,228	2,323,835
ICT Equipment	2,250	-
Prepaid Expenses	1,270,481	693,196
Prior Year Loan Adjustments	767,910	911,938
Professional Expenses	41,309	37,891

Appendix I-Detailed Statement of Income and Expenditure (Continued)

	31 December 2024	31 December 2023
	ZMW	ZMW
Rent & Rates	8,319	14,262
SACCO Costs	640,643	390,852
Security	507,848	366,560
Subscriptions	696,810	1,074,767
Trade fair Stand	42,000	36,000
Utilities	5,931	-
Workshops, Internal Meetings and Seminars	324,837	379,047
	24,198,770	24,144,339
Salaries and Related Costs		
Gratuity	15,461,305	18,509,031
National Health Insurance	135,135	125,552
Salaries and other Staff Costs	24,792,332	21,840,398
Leave Expenses	667	162,130
Funeral Scheme	45,354	48,257
Staff Wellness	242,300	184,501
Group Life Cover	-	248,177
Staff Training Costs	444,914	600,163
	41,122,007	41,718,209
Total Operating Expenditure	65,320,777	65,862,548
Operating Result Before Impairment Losses	33,889,273	8,722,730
Impairment Loss	5,423,262	3,902,649
Operating Result for the Year	28,466,011	4,820,081
Taxation	(8,530,656)	(1,446,025)
Earnings After Tax	19,935,355	3,374,056

Appendix II-Prior Year Restatements

	FY2018		
	As Previously Presented	Restatement	Restated
	ZMW	ZMW	ZMW

Effects on Profit and Loss from Retrospective Restatement and Reclassification of Prior Years

Profit or Loss:

Net Increase (decrease) on Profit or Loss

- - -

	FY2018		
	As Previously Presented	Restatement	Restated

Effects on Equity, Assets and Liabilities from Retrospective Restatement and Reclassification on Prior Periods

Assets

Property Plant and Equipment	5,109,618	(121,609)	4,988,008
Intangible Assets	-	1,594,142	1,594,142
Total Assets	585,419,803	1,472,532	586,892,336

Liabilities:

Deferred Tax Liability	494,926	515,386	1,010,312
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Equity and Reserves:

Retained Earnings	41,003,071	-	41,003,071
Revaluation Reserves	845,192	957,146	1,802,338

Net (Increase) Decrease in Net Assets

957,146

Effects on Profit and Loss from Retrospective Restatement and Reclassification of Prior Years

Profit or Loss:

Expenditure

Operating Expenses	(6,254,147)	(406,000)	(6,660,147)
Earnings Before Taxation	(5,180,162)	(406,000)	(5,586,162)

Appendix II-Prior Year Restatements (Continued)

	FY2019		
	As Previously Presented	Restatement	Restated
	ZMW	ZMW	ZMW
Taxation	1,498,217	(263,901)	1,640,316
Earnings for The Period	(3,681,945)	(263,901)	(3,945,846)
Net Increase (decrease) on Profit or Loss		(263,901)	

	FY2019		
	As Previously Presented	Restatement	Restated
Effects on Equity, Assets and Liabilities from Retrospective Restatement and Reclassification on Prior Periods			
Assets			
Property Plant and Equipment	21,917,403	(575,592)	21,341,811
Intangible Assets	-	2,471,525	2,471,525
Deferred Tax Assets	4,618,515	142,100	4,760,615
Total Assets	568,604,831	2,038,033	570,642,864
Liabilities and Equity			
Liabilities:			
Current Liabilities			
Other Liabilities	15,020,861	829,402	15,850,263
Non-Current Liabilities			
Deferred Tax Liability	209,070	515,386	724,456
Total Non-Current Liabilities	691,479	515,386	1,206,865
Equity and Reserves:			
Retained Earnings	37,639,015	(263,901)	37,375,114
Revaluation Reserves	638,564	957,146	1,595,710
Net (Increase) Decrease in Net Assets		693,245	

Appendix II-Prior Year Restatements (Continued)

	FY2020		
	As Previously Presented	Restatement	Restated
	ZMW	ZMW	ZMW
Effects on Profit and Loss from Retrospective Restatement and Reclassification of Prior Years			
Profit or Loss:			
Expenditure			
Operating Expenses	(7,782,213)	(100,786)	(7,882,999)
Earnings Before Taxation	9,366,411	(100,786)	9,265,625
Taxation	(3,642,041)	35,276	(3,606,765)
Earnings for The Period	5,724,370	(65,510)	5,658,860
Net Increase (decrease) on Profit or Loss		(65,510)	
	FY2020		
	As Previously Presented	Restatement	Restated
Effects on Equity, Assets and Liabilities from Retrospective Restatement and Reclassification on Prior Periods			
Assets			
Property Plant and Equipment	39,736,573	(487,276)	39,249,297
Intangible Assets	-	1,876,423	1,876,423
Total Assets	587,229,284	1,389,147	588,618,431
Liabilities and Equity			
Liabilities:			
Current Liabilities			
Other Liabilities	15,205,189	423,401	15,628,590
Non-Current Liabilities			
Deferred Tax Liability	955,961	338,011	1,293,972
Equity and Reserves:			
Retained Earnings	43,696,574	(329,411)	43,367,163
Revaluation Reserves	1,876,756	957,146	2,833,902
Net (Increase) Decrease in Net Assets		627,735	

Appendix II-Prior Year Restatements (Continued)

	FY20221		
	As Previously Presented	Restatement	Restated
	ZMW	ZMW	ZMW
Effects on Profit and Loss from Retrospective Restatement and Reclassification of Prior Years			
Profit or Loss:			
Expenditure			
Operating Expenses	(13,830,889)	(506,786)	(14,337,675)
Total Expenditure	(54,003,507)	(506,786)	(54,510,293)
Earnings Before Taxation	(2,844,875)	(506,786)	(3,351,661)
Taxation	876,764	177,375	1,054,139
Earnings for The Period	(1,968,111)	(329,411)	(2,297,522)
Net Increase (decrease) on Profit or Loss		(329,411)	
	FY2021		
	As Previously Presented	Restatement	Restated
Effects on Equity, Assets and Liabilities from Retrospective Restatement and Reclassification on Prior Periods			
Assets			
Property Plant and Equipment	59,376,614	(996,739)	58,379,875
Intangible Assets	-	1,879,098	1,879,098
Total Assets	586,035,374	882,359	586,917,733
Liabilities and Equity			
Liabilities:			
Current Liabilities			
Other Liabilities	17,612,153	423,399	18,035,552
Total Current Liabilities	34,104,806	423,399	34,528,205
Non-Current Liabilities			
Deferred Tax Liability	1,389,462	160,636	1,550,098
Equity and Reserves:			
Retained Earnings	42,292,679	(658,822)	41,633,857
Revaluation Reserves	8,248,427	957,146	9,205,573
Net (Increase) Decrease in Net Assets		298,324	

Appendix II-Prior Year Restatements (Continued)

	FY2022		
	As Previously Presented	Restatement	Restated
	ZMW	ZMW	ZMW
Effects on Profit and Loss from Retrospective Restatement and Reclassification of Prior Years			
Profit or Loss:			
Operating Expenses	(16,606,844)	(83,386)	(16,690,230)
Earnings Before Taxation	4,100,743	(83,386)	4,017,357
Taxation	(1,894,126)	25,016	(1,869,110)
Earnings for The Period	2,206,617	(58,370)	2,148,247
Net Increase (decrease) on Profit or Loss		(58,370)	

	FY2022		
	As Previously Presented	Restatement	Restated
Effects on Equity, Assets and Liabilities from Retrospective Restatement and Reclassification on Prior Periods			
Assets			
Property Plant and Equipment	60,857,126	(1,156,523)	59,700,603
Intangible Assets	-	1,532,095	1,532,095
Total Assets	1,592,930,834	375,572	1,593,306,406
Liabilities and Equity			
Liabilities:			
Current Liabilities			
Other Liabilities	20,384,234	(2)	20,384,232
Income Tax Payable	861,793	127,020	988,813
Total Current Liabilities	38,809,612	127,018	38,936,630
Non-Current Liabilities			
Deferred Tax Liability	1,066,115	8,600	1,074,715
Equity and Reserves:			
Retained Earnings	45,260,351	(717,192)	44,543,159
Revaluation Reserves	7,794,756	957,146	8,751,902
Net (Increase) Decrease in Net Assets		239,954	

Appendix II-Prior Year Restatements (Continued)

	FY2023		
	As Previously Presented	Restatement	Restated
	ZMW	ZMW	ZMW
Effects on Profit and Loss from Retrospective Restatement and Reclassification of Prior Years			
Profit or Loss:			
Expenditure			
Operating Expenses	(23,637,553)	(506,786)	(24,144,339)
Earnings Before Taxation	5,326,867	(506,786)	4,820,081
Taxation	(1,598,060)	152,035	(1,446,025)
Earnings for The Period	3,728,807	(354,751)	3,374,056
Net Increase (decrease) on Profit or Loss		(354,751)	
	FY2023		
	As Previously Presented	Restatement	Restated
Effects on Equity, Assets and Liabilities from Retrospective Restatement and Reclassification on Prior Periods			
Assets			
Property Plant and Equipment	62,366,919	(968,848)	61,398,071
Intangible Assets	-	837,635	837,635
Total Assets	1,604,104,887	(131,213)	1,603,973,674
Liabilities and Equity			
Liabilities:			
Current Liabilities			
Other Liabilities	17,207,351	(1)	17,207,350
Income Tax Payable	3,612,429	127,020	3,739,449
Total Current Liabilities	36,367,677	127,019	36,494,696
Non-Current Liabilities			
Deferred Tax Liability	2,978,378	(143,435)	2,834,943
Total Non-Current Liabilities	2,978,378	(143,435)	2,834,943
Equity and Reserves:			
Retained Earnings	48,647,498	(1,071,943)	47,575,555
Revaluation Reserves	16,111,334	957,146	17,068,480
Net (Increase) Decrease in Net Assets		(114,797)	







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