



2022/23

Annual Report



**Capital Markets
Association Of Zambia**

www.cmaz.co.zm

**Our core objective,
is to promote the capital
markets through policy
advocacy, dialogue,
lobbying, standard
setting and information
dissemination.**

**Annual
Report
2022-23**

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Introduction

About the Association



The executive functions of the association are executed by the Secretariate that is headed by the Chief Executive Officer appointed by the board.



Our Vision

To provide an organised, structured, and well-articulated forum for capital markets participants to dialogue and network amongst themselves and with Government and other stakeholders.

Our belief

Core values

We believe in collaborative engagement and open dialogue between market participants and stakeholders are essential to driving the growth, stability and inclusivity of Zambia's capital markets.



Our Mandate

To regulate the standards of practice and business conduct of its members in accordance with its by-laws, rules, policies, procedures, practices, and interpretations.



Operating Framework

The Association operates under the oversight of an Executive Board chaired by the President elected by the members at the Annual General Meeting. The executive functions of the Association are executed by the Secretariate that is headed by Chief Executive Officer appointed by the Board.



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**Capital Markets
Association Of Zambia**

Word From the President



Joseph Mazila
PRESIDENT

Let's begin.

Additionally, we worked hard to increase market participation by **interacting with individual investors and spreading financial awareness** throughout the country.

It gives me great pleasure and gratitude to present the Capital Markets Association of Zambia's Annual Report for 2022 and 2023. As we continued to navigate a shifting domestic and global economic environment, the years 2022 and 2023 were critical for our nation's capital markets.

Zambia's capital markets experienced a period of resilience and recovery in 2022. As the world economy started to recover from the pandemic's ravages, our markets displayed positive indications of recovery and stabilisation.

With fresh listings and bond issuances indicating trust in our financial environment, we witnessed greater

involvement in the debt and equity markets. The Association persisted in promoting regulatory changes that would improve the climate for investment and capital development.

Collaborative efforts with the Securities and Exchange Commission (SEC) and other stakeholders to improve investor protections and expedite market entry procedures were among the significant turning points.



Building on 2022's enthusiasm, 2023 saw notable advancements in inclusivity and innovation. The focus shifted to digital transformation, as financial technology adoption increased market accessibility and efficiency. Additionally, we worked hard to increase market participation by interacting with individual investors and spreading financial awareness throughout the country.

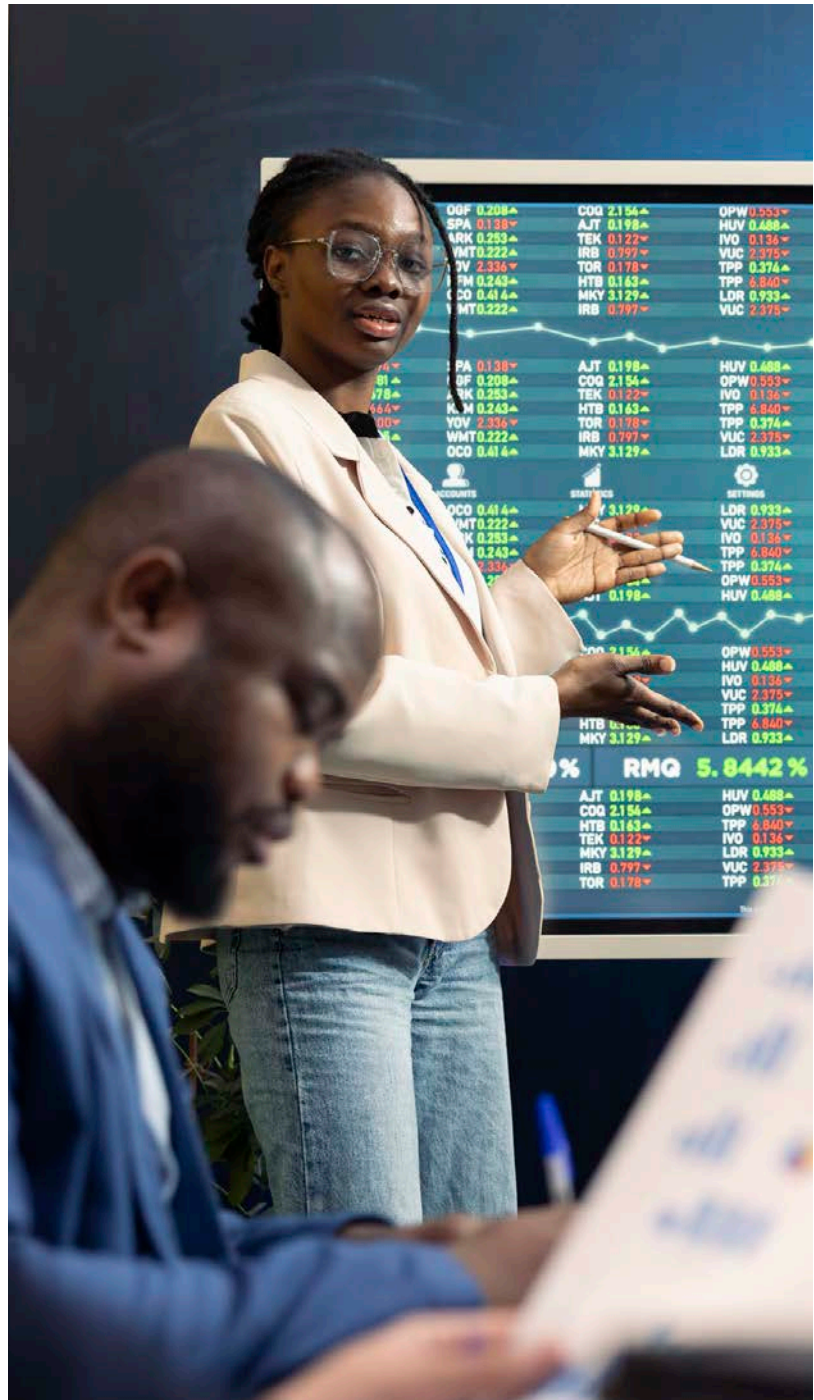


With volatile commodity prices and inflationary pressures, the macroeconomic climate remained difficult. However, Zambia’s capital markets proved resilient, highlighting their vital role in promoting long-term, steady economic growth.

The Association is still dedicated to creating a strong, open, and inclusive capital market that advances Zambia’s development goals as we go forward. Enhancing market infrastructure to draw in domestic and foreign investors, fortifying alliances with important players to advance legislative and regulatory changes and advancing sustainable finance projects to keep up with global trends and tackle climate-related issues are some of our top priorities.

I want to express my sincere gratitude to our members, partners, and regulators for their steadfast cooperation and support during the 2022 and 2023 period. We have made incredible strides together, and I have no doubt that we will keep building on these successes.

The Association’s objective has been advanced thanks in large part to the leadership team’s commitment and diligence. Let’s keep collaborating to help Zambia’s capital markets reach their maximum potential.



President's Report

It is with great pride and responsibility that I present to you all the President's Report for 2022 and 2023. The years had been strong and forward-thinking as Zambia's capital markets continued to navigate a recovering global economy and a shifting financial environment. In 2023, our stakeholders' creativity, perseverance, and collective dedication proved their capacity to overcome challenges and seize opportunities. I want to discuss the highlights and developments of 2022 and 2023.

Overview of the Economy and Markets in 2022 and 2023

In 2022, Zambia's economy showed signs of recovery from the global economic crisis caused by the COVID-19 pandemic. The capital markets were able to thrive because of a stable policy environment and a rise in economic activity. However, challenges like fluctuating commodity prices and inflationary pressures helped us understand the value of adaptability and ingenuity.

The stability of our bond and equity markets was proven by notable increases in market capitalisation and investor participation. While there were several successful issuances in the primary markets, which is positive and shows that people are becoming more confident in our financial system, Zambia's economy faced a variety of opportunities and challenges in 2023 that were influenced by both domestic government policies and global economic trends.

With increased listings, bond issuances, and secondary market trading volumes, our capital markets demonstrated growth and stability despite pressures from rising prices and currency fluctuations. Throughout the period, investor confidence was reinforced by persistent efforts to build market infrastructure and regulatory frameworks.

Zambian Stock Market Capitalisation:

In 2022 and 2023, the Zambian stock market continued to play a pivotal role in the country's financial landscape. The stock market capitalisation experienced fluctuations throughout the year, largely influenced by both domestic and international factors.

The year-end market capitalisation stood at roughly K69.2 billion in 2021 to K72.641 billion in 2022, the market capitalisation grew by 8.12%. Share price gains in businesses including Zambia Sugar, Zanaco, Copperbelt Energy Corporation, Zambeef, Chilanga Cement, and African Explosives were the main drivers of this expansion. Market capitalisation increased by 8% to K88.7 billion by the end of 2023, mostly as a result of higher share prices of listed businesses such as Standard Chartered Bank, Copperbelt Energy Corporation, Zambia Sugar, Real Estate Investments Zambia PLC, and Zanaco.



The Lusaka Securities Exchange reported a 10.2% increase in market capitalisation, reaching K97.7 billion in the first quarter of 2024, indicating that this rising trend persisted. Real Estate Investments Zambia PLC's recent asset acquisitions and the market's strong performance were credited with this growth reflecting the resilience of the Zambian stock market amidst economic challenges (Mulenga 2023).

Steady growth in 2022 and 2023 with a focus on diversification and professionally managed portfolios, Unit Trust Funds attracted both retail and institutional investors. The market capitalisation of Unit Trust Funds for 2022 and 2023 showed remarkable growth, reflecting increasing confidence in collective investment schemes.

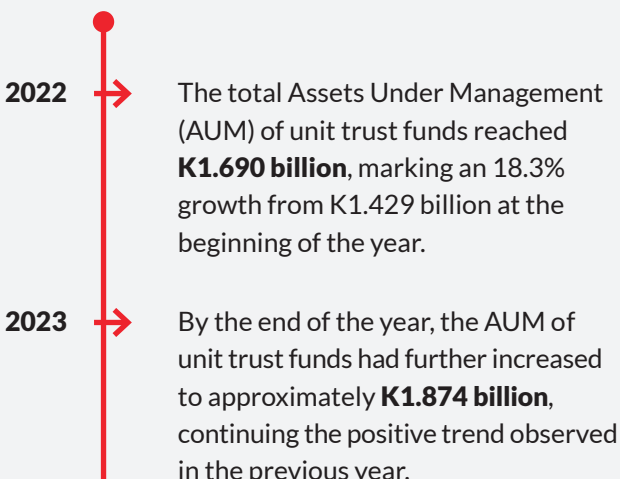
2021 K69.2 B Year-end Market Capitalisation	2022 K72.641 B Year-end Market Capitalisation	2023 K88.7 B Year-end Market Capitalisation
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Bond Market Performance Analysis:

The Zambian bond market showed resilience in the face of economic headwinds. Despite challenges, the bond market experienced steady trading activity, primarily driven by government securities. Investors' confidence in Zambian bonds remained stable, and the market witnessed increased interest from foreign investors. Yields on government bonds fluctuated in response to monetary policy adjustments but remained competitive in the global context. The bond market played a crucial role in funding the government's fiscal requirements.

Unit Trust Funds Market Cap and Performance:

The Unit Trust Funds market in Zambia witnessed steady growth in 2022 and 2023. With a focus on diversification and professionally managed portfolios, Unit Trust Funds attracted both retail and institutional investors. The market capitalization of Unit Trust Funds for 2022 and 2023 showed remarkable growth, reflecting increasing confidence in collective investment schemes.



This upward trajectory highlighted the growing trust and participation in unit trust funds among investors. The performance of Unit Trust Funds remained robust, with returns meeting investors' expectations. Our members played a vital role in ensuring transparency and ethical conduct in this sector.



News on Bank of Zambia for 2022 and 2023:

The Bank of Zambia maintained its pivotal role in shaping the financial landscape of the country. In 2022, the central bank implemented various monetary policy measures to stabilize the economy, manage inflation, and support sustainable growth. The Bank of Zambia's commitment to financial stability and its proactive approach in addressing economic challenges were evident throughout the year.

News on Zambian Banks and Developments:

The Zambian banking sector continued to adapt to evolving market dynamics. Local banks explored innovative solutions to improve financial inclusion and enhance banking services. The Association applauds the resilience and adaptability of our member institutions in a dynamic economic environment.

Bank of Zambia Policies:

The Bank of Zambia introduced various policies and regulatory frameworks in 2022 and 2023 to enhance financial stability and promote economic growth. It's important to acknowledge the collaborative efforts between the central bank and the financial sector in ensuring compliance with these policies while driving growth.

Important Accomplishments in 2022 and 2023

➔ 1. Increased Membership and Stakeholder Engagement

One of the main concerns remained expanding access to Zambia's capital markets. In 2022, we began with initiatives to increase awareness among retail investors, including targeted outreach campaigns and seminars on financial literacy.

In 2022 and 2023, CMAZ added new institutional and individual members, thereby expanding its membership base. CMAZ facilitated co-operation amongst industry participants by hosting a number of well-attended round-table discussions and networking events.



➔ 2. Capacity Building Initiatives

Market participants, including brokers, issuers, and investors, took part in effective capacity-building programs in 2022 and 2023. These actions improved the overall competency of those involved in the financial markets ecosystem. We were able to collaborate with the Securities and Exchange Commission (SEC) to conduct workshops on key topics like investment techniques, securities regulations, and financial literacy.



➔ 3. Advocacy and Regulatory Reforms

The Association aggressively worked with the Securities and Exchange Commission (SEC) and other interested parties to advance regulatory reforms that would facilitate market entry and increase investor confidence. The establishment of a transparent and competitive market environment depends on these measures. Promoted and helped put into effect important policy changes aimed at enhancing Zambia's investment climate. reduced shareholder compliance burdens by streamlining regulatory procedures in close collaboration with the Securities and Exchange Commission (SEC).



4. Enhanced Market Infrastructure and Promotion of Sustainable Finance

Acknowledging the global trend toward sustainable finance, the Association set up the framework for the development of green bonds and other environmentally friendly financial products. By working with organisations like the Lusaka Securities Exchange (LuSE) to deploy technical advancements, we also sought to uncover methods of leveraging technology to enhance accessibility and market efficiency. We supported efforts to expand product offerings, such as the inclusion of green bonds and exchange-traded funds (ETFs) in the newly implemented capital markets master plan (CMMP).

5. Strengthened Governance and Transparency

By strengthening its internal governance structure, CMAZ was able to increase operational responsibility and efficiency. Members were kept informed about ongoing projects and progress through the publication of quarterly reports and updates.

Difficulties and Opportunities

Even as we celebrated these achievements, challenges persisted, such as low market liquidity and a small pool of investors; fluctuating exchange rates; and relatively low institutional investor activity. To overcome these issues, we had to work consistently with legislators, industry players, and development partners.

These challenges underscored the importance of continuing to work to expand the market, attract foreign capital, and increase confidence among regional players. At the same time, Zambia had the opportunity to position itself as a leader in innovative, eco-friendly financial solutions, thanks to the global trend toward digital transformation and sustainable finance.

Zambia's capital markets showed its resilience and potential in 2022 and 2023. Looking ahead, CMAZ is still dedicated to building on these successes, encouraging innovation, and propelling the industry's sustainable growth.

Looking Ahead

As we look ahead, we acknowledge that our country faces both challenges and opportunities. The Capital Markets Association of Zambia is committed to working with regulators, market participants, and stakeholders to strengthen the market's foundations.

We anticipate ongoing collaboration with the government, regulatory bodies, and other financial market stakeholders to ensure the market's resilience, transparency, and integrity. We foresee continued efforts to attract foreign investments and drive economic growth.



Joseph Mazila
PRESIDENT

The Board of Directors



Joseph Mazila
PRESIDENT



Natasha Mbewe
VICE PRESIDENT



Tamara Bbuku
SECRETARY GENERAL



Kayeba Mwenechanya
TREASURER



Kangwa Chengo
COMMITTEE MEMBER



Lyapa Mpempulwa
COMMITTEE MEMBER

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Great things in business are never done by one person. They're done by a team of people.

– Steve Jobs
Co-founder of Apple Inc.



Jimmy Mwambazi
COMMITTEE MEMBER

Achievers keep pushing forward.
They stumble, they learn, but
they **never give up.**



Secretary General's Report



Tamara Bbuku
SECRETARY GENERAL

Let's focus.

I must make mention that the progress we have made as CMAZ **would not have been possible without the unwavering support of our members, partners, and the dedicated CMAZ leadership.**

Esteemed Members of the Capital Markets Association of Zambia (CMAZ), I am honored to present the Secretary General's report for the period covering May 2022 to December 2024.

This report highlights key milestones, strategic initiatives, and challenges faced by CMAZ as we navigated a dynamic and evolving landscape in Zambia's Capital Markets.

I must make mention that the progress we have made as CMAZ would not have been possible without the unwavering support of our members, partners, and the dedicated CMAZ leadership. I extend my deepest

gratitude for your continued engagement and commitment. Together, we will build on this strong foundation and propel our capital markets to new heights.

Between May 2022 and December 2024, Zambia's capital markets experienced notable developments driven by government announcements, regulatory changes, advocacy initiatives, corporate governance improvements, and efforts to enhance market resilience in the aftermath of the COVID-19 pandemic.

This period marked a transformative phase, with a focus on aligning the markets with global standards, promoting sustainable practices, and ensuring stability amidst evolving economic conditions.

A significant highlight of this period was the launch of the Capital Markets Master Plan (CMMP) in February 2023, a strategic initiative by the Zambian government to reposition the country's capital markets for sustainable growth and stability.

The CMMP aimed to create a more robust regulatory environment, streamline market operations, and attract both local and international investors. The government's commitment to enhancing the financial sector's

infrastructure was further demonstrated by its support for the introduction of the regulatory sandbox framework by the Securities and Exchange Commission (SEC), providing a controlled environment for innovation in financial products and services.

In June 2024, the Capital Markets Association of Zambia supported the establishment of the Capital Markets Association of Zimbabwe, highlighting a regional commitment to strengthening capital market frameworks and fostering cross-border cooperation.



Market Developments

The post-COVID-19 period brought a renewed focus on innovation and technology within Zambia's capital markets. In a bid to improve market transparency and investor protection, the Securities and Exchange Commission (SEC) of Zambia mandated full disclosure for all secondary market bonds traded locally and offshore in August 2022. This regulatory change required market participants to provide comprehensive and timely information on bond transactions, including pricing, yield, among other terms.

The directive aimed at aligning Zambia with international best practices, enhancing market integrity, enhancing benchmarking, reducing information asymmetry, improving price discovery and fostering greater investor trust in the bond market. The increased transparency is expected to attract a wider range of investors and contribute to more informed decision-making, ultimately improving market efficiency and competitiveness.

In June 2023, the Bank of Zambia (BoZ) achieved a significant milestone in the development of the country's financial markets by expanding the scope of its e-Bond platform to include custodian banks. This inclusion marked a strategic move to enhance the efficiency and transparency of the bond market, fostering greater participation from institutional investors. The inclusion of custodian banks facilitated seamless bond trading and settlement, ensuring improved operational efficiency and bolstering investor confidence in Zambia's capital markets. This development was aimed at increasing liquidity in the secondary bond market, enabling better asset servicing for institutional investors, and supporting overall market growth.

To address market imbalances and stabilise domestic financial markets, the Bank of Zambia implemented new measures in June 2023 to limit non-resident investor participation in the primary market for government securities. This policy change included increasing the auction bidding window, thereby encouraging greater local participation and fostering a more balanced investment environment.

The measures aimed to reduce the volatility associated with foreign investor flows and promote sustainable market growth. By prioritising local investors, the move strengthened the resilience of Zambia's capital markets to external shocks and enhanced domestic financial inclusion.

In September 2023, the Bank of Zambia successfully migrated its Real Time Gross Settlement (RTGS) system to the ISO20022 SWIFT standards. This migration represented a critical step in aligning Zambia's payment systems with global financial messaging standards. The enhanced system enabled improved interoperability, enriched data formats for payment messages, and facilitated greater efficiency and security in cross-border transactions, strengthening Zambia's integration into the global financial system. This development enhanced the attractiveness of Zambia's capital markets to international investors by improving the reliability and transparency of payment systems.

October 2023 witnessed a pivotal advancement in Zambia's financial infrastructure as the Bank of Zambia upgraded its Central Securities Depository (CSD) system. The enhanced system introduced cutting-edge technology to streamline the safekeeping, transfer, and settlement of securities. The upgrade significantly improved operational efficiency, reduced settlement risks, and provided market participants with real-time access to securities information, further modernising Zambia's capital markets. This enhancement supported faster transaction processing, minimized systemic risks, and positioned Zambia as a more attractive destination for foreign and domestic investors.

In January 2024, the Government of the Republic of Zambia introduced a shift in its bond issuance methodology to better align with evolving market needs and international standards. The new approach emphasised a transparent auction-based system, reducing manual interventions and enhancing price discovery mechanisms. This development aimed to attract a broader investor base, improve market efficiency, and align government securities issuance with global practices. The change also strengthened investor confidence by ensuring fairness in the

allocation process and enhancing the credibility of government securities as a viable investment option.

The Lusaka Securities Exchange (LuSE) also played a pivotal role in promoting market advancements and corporate governance. The appointment of former CMAZ President, Mr. Nicholas Kabaso, as the CEO of LuSE in June 2024 was a significant leadership change expected to drive strategic initiatives aimed at enhancing market efficiency and investor confidence. Since then the LuSE has spearheaded several significant developments in Zambia's capital markets such as the LuSE All Share Index (LASI) surpassing the 15,000-point milestone for the first time, closing at 15,146.27 points,

in August 2024. This marked a 40% year-to-date gain whose growth trajectory continued, culminating in a market capitalisation exceeding K216 billion by the end of 2024, a substantial 144% increase from K88 billion at the year's start.

To enhance market infrastructure, LuSE established the Lusaka Clearing and Settlement Agency Ltd (LCSA), a wholly owned subsidiary responsible for all clearing and settlement functions. This move aligns with international standards and regulatory directives from the Securities Exchange Commission (SEC) to separate and operationalise the Central Share Depository. Additionally, LuSE has been proactive in fostering regional collaboration and updating its operational frameworks.

Notably, a delegation from Kenya and Uganda visited LuSE in November 2024, reflecting its growing regional significance. Furthermore, LuSE signed a Memorandum of Understanding with FSD Africa to revise its rules, demonstrating a commitment to continuous improvement and adaptation to evolving market needs. These initiatives underscore LuSE's dedication to enhancing market integrity, transparency, and investor confidence in Zambia's capital markets.

Timeline



Advocacy Initiatives and Corporate Governance

Advocacy for improved corporate governance and ethical standards remained a priority. CMAZ actively engaged in various forums to promote best practices, including participating in the World Investor Week activities in 2022, 2023 and 2024. These initiatives focused on fostering investor resilience, promoting sustainable finance, and educating the public on prudent investment practices.

In February 2023, CMAZ leaders attended a workshop hosted by the Pensions and Insurance Authority, which reviewed corporate governance guidelines. These efforts aimed to strengthen governance frameworks across the financial sector, ensuring that companies adhere to high standards of transparency and accountability.

In September 2023 CMAZ supported the initiative led by the two custodian banks in advocating for the inclusion of market fees associated with secondary bond trading in the settlement consideration and ensuring these fees are reflected in the contract note. Collecting these fees at the time of trade settlement offers significant benefits to both the Lusaka Securities Exchange (LuSE) and the Securities and Exchange Commission (SEC).

This approach enhances operational efficiency by streamlining the fee collection process, reducing the administrative burden associated with tracking and reconciling payments at the end of the month. It also mitigates the risk of delayed or missed payments, thereby improving cash flow and ensuring timely revenue collection for both the LuSE and SEC.

Embedding market fees within the settlement process increases transparency and accountability, providing clear and immediate records of transaction costs for market participants. This desired change aims to align with global best practices and strengthen the integrity and efficiency of Zambia's capital markets.

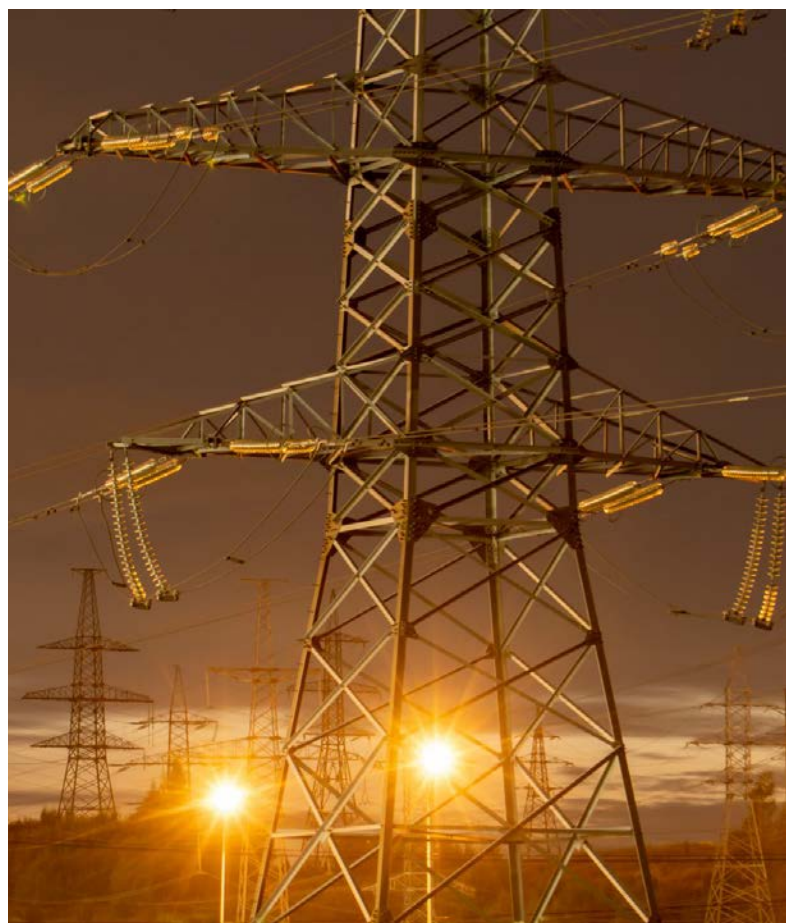
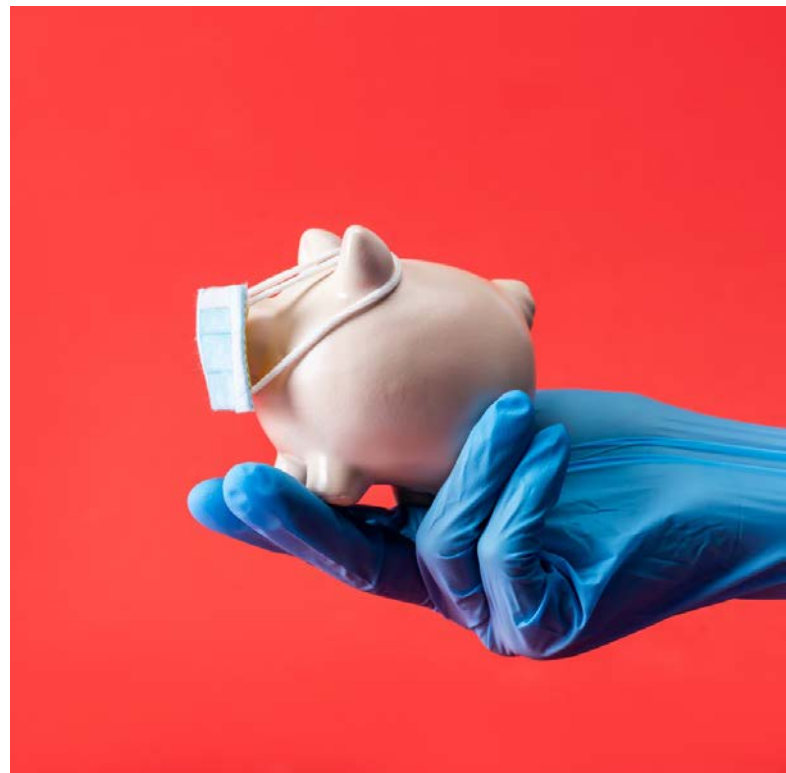


Market Resilience Post-COVID-19

The post-COVID-19 era required significant adjustments to ensure the resilience of Zambia's capital markets. The pandemic had exposed vulnerabilities, prompting a reevaluation of risk management practices. The SEC and other regulatory bodies prioritised market stability, implementing measures to safeguard against systemic risks and protect investor interests. The launch of the CMMP included provisions to enhance the market's resilience, such as improving liquidity management and fostering a more diversified investor base.

Financial Literacy Week activities in 2023 and 2024, particularly in the Eastern Province, were pivotal in educating the public about financial planning and investment. These activities were crucial in building a more informed and resilient investor community, capable of navigating the complexities of the market.

The ongoing energy crisis in Zambia has also had a notable impact on the country's capital markets, primarily through its effect on economic performance and investor sentiment. Frequent power outages and load shedding have disrupted industrial production, mining operations, and manufacturing activities, sectors that are critical contributors to Zambia's GDP. This has led to reduced corporate earnings and slowed economic growth, resulting in lower investor confidence and diminished trading activity on the equities markets. Companies facing operational disruptions have seen increased costs and decreased profitability, leading to weaker stock performance and reduced dividend payouts, making equity investments less attractive. Additionally, the uncertainty surrounding energy supply has deterred both local and foreign investment, affecting the issuance of new securities. As such there have been no new listings on the Lusaka Securities Exchange since 2020. The slowdown in business activity has also impacted the bond market, with government and corporate issuers facing higher borrowing costs due to increased risk perceptions. Overall, the energy crisis has heightened market volatility and posed challenges to sustainable capital market growth in Zambia.



Conclusion

The period from May 2022 to December 2024 was a time of significant transformation for Zambia's capital markets. The government's proactive stance, coupled with regulatory advancements, market developments, and strong advocacy for good governance, positioned the markets for sustainable growth.

Efforts to enhance market resilience post-COVID-19 were particularly noteworthy, as they addressed both immediate challenges and long-term stability.

The collaborative efforts of market participants, regulatory bodies, and the government have laid a solid foundation for a more dynamic and resilient capital market in Zambia.

The Executive Board

During the review period the association underwent significant leadership transitions which were aimed at bolstering the association's governance structure. The outgoing Vice President and two Committee members offered themselves for re-election, while the President's position was uncontested.

Due to low number of nominations received for Executive Board appointment at the April 2022 Annual General Meeting, the Board membership was reduced from nine individuals to six, removing the positions of vice secretary, vice treasurer and one committee member.

The incoming Board was constituted in May 2022 under the Presidency of Mrs. Dorothy Moono, who served diligently until May 2023, when she resigned on medical grounds. Her tenure was characterised by robust policy advocacy and strategic partnerships.

Following this resignation, Mrs. Tidale Mwale assumed the role of Acting-President in accordance with Article VIII section 32 of the Constitution of the association.

However, in contravention of Article VIII section 31 of the Constitution of the association, the Board invoked Article VIII section 22.5.1 of the Constitution of the association, ceasing the membership of the acting President of the Board of the association in October 2023.

Mr. Joseph Mazila subsequently took over the Presidency, ushering in a new era marked by a focus on promoting corporate governance, financial literacy and market development, supported by Vice President Mrs. Natasha Mbewe, Treasurer – Mr. Kayeba Mwenechanya, Secretary General – Ms. Tamara Bbuku, Committee Member – Mrs. Lyapa Mpempulwa, Committee Member Mr. Jimmy Mwambazi and Committee Member – Mr. Kangwa Chengo .

Together the Members of the Board of CMAZ have supervised the management and control of the affairs of the association, adding fresh perspectives.



Executive Board Appointments

Reduced from 9 to 6
April 2022

Mrs. Dorothy Moono

Assumes Presidency
May 2022 - May 2023

Mr. Joseph Mazila

Assumes Presidency
October 2023

Secretariat Staff

During the review period, the Marketing and Administration Officer Mr. David Bakas and a separated from the employment of the association in December 2023 following the conversion of his temporal contract to full term in August 2021. He was responsible for managing and implementing marketing strategies, as well as overseeing administrative tasks such as communications, data management and office operations. This vacancy was subsequently filled by Mr. Teddy Chimanya, in the same capacity in March 2024.

Mr. Mwaanga Zulu continues in his capacity as Accounts Officer responsible for managing and maintaining financial records, processing transactions, preparing financial reports, and ensuring compliance with regulatory obligations, accounting policies and procedures.

We wish Mr. Bakasanda the very best in his future endeavors and we appreciate Mr. Mwaanga Zulu and Mr. Teddy Chimanya for their continued dedication and commitment to the association.

Membership

Between 2022 and 2024, the membership of the Capital Markets Association of Zambia (CMAZ) demonstrated a consistent upward trajectory, reflecting growing engagement and interest in the association's activities. Individual membership increased significantly, from 185 in 2022 to 213 in 2023 and further to 246

in 2024, representing a 33% growth over the period. Similarly, institutional membership showed a steady rise, growing from 48 institutions in 2021 to 54 in 2022, 58 in 2023, and reaching 66 in 2024—a 37.5% increase. This growth underscores the association's expanding influence and value proposition to members, driven by initiatives that likely enhanced professional development, advocacy, and market connectivity.

The consistent increase in both individual and institutional memberships highlight CMAZ's success in fostering a robust capital markets ecosystem.

Secretariat Report

Throughout the period from May 2022 to December 2024, the Capital Markets Association of Zambia (CMAZ) has demonstrated its commitment to advancing the Zambian capital markets through active participation, strategic initiatives, and collaboration with key stakeholders.

The Secretariat remains dedicated to supporting the Association's mission and promoting a vibrant and resilient capital market in Zambia.

CMAZ has continued to actively participate in and contribute to the growth and development of the Zambian capital markets over the period from May 2022 to December 2024. The following table highlights key activities, initiatives, and collaborations undertaken by CMAZ during this period.


33%

Individual membership growth
2022 / 2023 / 2024


37.5%

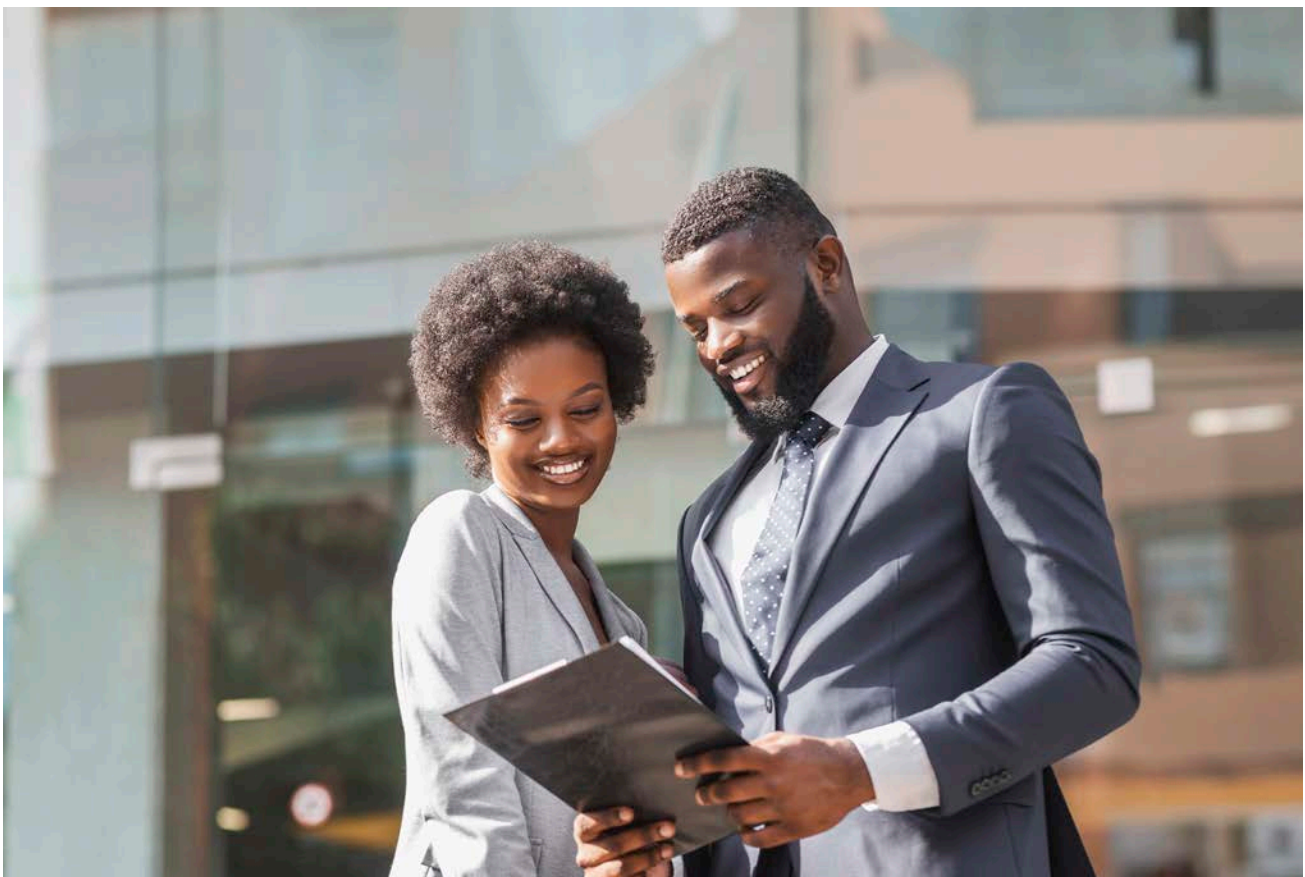
Institutional membership growth
2021 / 2022 / 2023 / 2024

Date	Activity	Details
29 May to 4 June 2022	Nature-Based Solutions Investor Forum	Partnered with WWF to discuss sustainable investment opportunities in Zambia, aligning with Capital Markets Association of Zambia's commitment to promoting sustainable financing solutions.
2 to 4 June 2022	Nature-Based Solutions Symposium	Attended in Livingstone under the theme "Current State of Zambia's Nature-Based Solutions," fostering discussions on integrating these solutions into Zambia's economic strategies.
4 June 2022	6 th Annual General Meeting (AGM)	Held at the Avani Hotel, Livingstone. Reviewed progress, adopted financial statements, re-appointed auditors, and ratified board nominations.
8 July 2022	MoU Signing with PRS 365 Limited	Signed a Memorandum of Understanding with PRS 365 Limited to enhance visibility and accessibility of capital market services through digital platforms.
27 July to 1 August 2022	94 th Agriculture and Commercial Show	Participated under the theme "Innovation and Technology," showcasing member services and engaging with the public after a two-year COVID-19 hiatus.
13 to 14 September 2022	Zambia Impact Investment Summit	Attended the summit focused on "Raising the Ambition of Sustainable Investment in Zambia," reflecting CMAZ's dedication to impactful investments.
23 September 2022	Launch of SEC/CISI Zambia Regulatory Assessment	Supported SEC's initiative to strengthen regulatory frameworks and professional standards through their partnership with the Chartered Institute for Securities & Investment (CISI) to create a licensing programme with the aim of supporting capital markets practitioners and ensure the highest standards of professionalism within the sector. The second stage of the licensing programme features the Zambia Regulatory Assessment which has been designed bespoke to local laws and regulations.

Date	Activity	Details
3 - 9 October 2022	World Investor Week: Investor Education Activities	Hosted the 2021 essay competition award ceremony, participated in a virtual exhibition, and conducted TV engagements to promote investor resilience and sustainable finance.
30 November 2022	2 nd Regulatory Sandbox Framework Launch	Supported SEC's innovation initiative to encourage technological advancements in capital markets.
20 December 2022	Tribute to Mrs. Priscilla Sampa	Honoured the late LuSE CEO, acknowledging her contributions to Zambia's capital markets.
31 January 2023	LuSE Corporate Governance Awards	Recognised governance excellence in Zambian capital markets at the 12 th annual awards ceremony.
9 February 2023	Corporate Governance Workshop	Reviewed the operationalisation of the Corporate Governance Guidelines by Pensions and Insurance Authority (PIA) since their issuance in August 2020.
23 February 2023	Launch of Capital Markets Master Plan (CMMP)	CMAZ Acting President gave closing remarks, emphasising sustainability, growth, and stability in Zambia's capital markets during the launch of the CMMP, officiated by the Minister of Finance and National Planning.
20 to 26 March 2023	Financial Literacy Week	Conducted activities in Eastern Province under the theme "Plan Your Money, Plant Your Future," emphasising financial planning and education.
22 June 2023	Pension Scheme Trustees Training	Attended a training session hosted by Pensions and Insurance Authority (PIA) and Zambia College of Pensions and Insurance Trust (ZCPIT) to build trustee capacity.
3 to 4 August 2023	ANGAZA Forum, Kigali	CMAZ Acting President spoke at the forum, celebrating Africa's top women in banking, finance, and investment.

Date	Activity	Details
10 to 14 July 2023	Study Tour by Uganda's Capital Markets Authority	Partnered with WWF to discuss sustainable investment opportunities in Zambia, aligning with Capital Markets Association of Zambia's commitment to promoting sustainable financing solutions.
2 to 7 August 2023	95 th Agricultural and Commercial Show	Showcased member services under the theme "Inclusive Economic Transformation."
2 to 8 October 2023	World Investor Week	Conducted activities promoting fraud awareness, digital finance, and wise investment habits under the theme "A Smart Investor Avoids Fraud."
1 March 2024	Strategy Meeting with SEC	Aligned on strategies to enhance market efficiency and promote capital market operator's engagements in 2024.
18 to 23 March 2024	Financial Literacy Week	Focused on protecting personal finances under the theme "Protect Your Money. Secure Your Future."
6 June 2024	Support to Zimbabwe Stock Exchange (ZSE)	Provided technical support to ZSE in establishing their Capital Markets Association.
3 to 4 June 2024	CMMP Familiarisation Workshop	Participated in aligning stakeholders for the implementation of Zambia's Capital Markets Master Plan.
10 June 2024	ZCAS University Accreditation	Celebrated ZCAS University as Zambia's first CISI-accredited training partner, a milestone for financial sector education.
20 June 2024	Capital Markets Operators Workshop	Attended SEC-hosted workshop themed "Navigating the Future to Achieve Sustainable Growth Through Innovation."

Date	Activity	Details
28 June 2024	LuSE Leadership Transition	CMAZ former President Mr. Nicholas Kabaso appointed CEO of the Lusaka Securities Exchange.
1 to 5 August 2024	96 th Agricultural and Commercial Show	Engaged with the public under the theme “Creating a Competitive Future,” showcasing capital market services.
7 to 13 October 2024	World Investor Week	Focused on technology, crypto assets, and sustainable investing to promote global investor awareness.
19 to 20 December 2024	Trainer of Trainers Workshop	Advanced trustee development through the PIA-led program for occupational pension schemes, enhancing training capabilities for trustees.







Key Activities and Partnerships

Nature-Based Solutions Investor Forum Hosted by WWF Zambia May 2022



In May 2022, the World Wildlife Fund (WWF) Zambia, in collaboration with various stakeholders, hosted the Nature-Based Solutions Investor Forum. This event was a critical initiative aimed at promoting sustainable investment opportunities that leverage nature-based solutions (NbS) to address environmental and social challenges in Zambia.

The forum brought together investors, government officials, non-governmental organisations, and experts in environmental conservation to explore the potential of NbS in fostering economic growth while ensuring environmental sustainability.

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Another significant session focused on **biodiversity conservation**.

Objectives and Themes

The primary objective of the forum was to highlight the importance of nature-based solutions as viable investment opportunities that can deliver both financial returns and positive environmental impacts.

The event focused on several key themes, including climate change mitigation, biodiversity conservation, sustainable agriculture, and water resource management. These themes were chosen to reflect the urgent need for strategies that can simultaneously address ecological degradation and promote socio-economic development.



Key Sessions and Discussions

The forum featured a series of sessions that delved into various aspects of nature-based solutions. One of the central discussions revolved around the role of NbS in mitigating climate change. Experts presented on how projects such as reforestation, wetland restoration, and sustainable land management can sequester carbon, thereby contributing to Zambia's efforts to meet its climate commitments under international agreements.

Another significant session focused on biodiversity conservation. Presenters emphasised the intrinsic and economic value of biodiversity, highlighting how preserving Zambia's rich natural heritage can attract ecotourism and create job opportunities. Discussions also covered the critical role of community involvement in conservation efforts, stressing that local communities are essential partners in protecting natural resources.

Investment Opportunities and Challenges

A key component of the forum was identifying investment opportunities within the NbS framework. The event showcased successful case studies of NbS projects, such as sustainable agriculture initiatives that improve soil health and water efficiency, and eco-friendly tourism ventures that generate income while conserving wildlife habitats. These case studies served as practical examples of how investors can achieve a return on investment while contributing to environmental sustainability.

Despite the promising prospects, several challenges were acknowledged. Participants discussed the difficulty in quantifying the economic benefits of NbS, which can sometimes lead to underinvestment. There was also a call for improved regulatory frameworks and policies that support NbS projects, ensuring that they are attractive to private investors. Moreover, the need for capacity building among local stakeholders was highlighted as crucial for the successful implementation and maintenance of these projects.

Outcomes and Commitments

The Nature-Based Solutions Investor Forum concluded with a call to action for both public and private sectors to increase their investment in NbS. WWF Zambia and its partners committed to continuing their work in advocating for policies that support sustainable investments. There was also a consensus on the importance of developing a robust pipeline of bankable NbS projects, which would be essential for attracting the necessary capital to scale these initiatives.

In conclusion, the forum was a pivotal event that underscored the potential of nature-based solutions in contributing to Zambia's sustainable development goals. It highlighted the dual benefits of environmental conservation and economic growth, offering a compelling case for increased investment in this area. As Zambia continues to grapple with environmental challenges, the insights and commitments generated from this forum are expected to play a crucial role in shaping the country's approach to sustainable development.

The Zambia Impact Investment Summit 13–14 September 2022



The Capital Markets Association of Zambia (CMAZ) participated in the **Zambia Impact Investment Summit** held from **13–14 September 2022**.

The summit, themed **“Raising the Ambition of Sustainable Investment in Zambia,”** brought together key stakeholders from government, private sector, development agencies, and investors to explore strategies for scaling up sustainable and impact-driven investments in the country.



Raising the Ambition of Sustainable Investment in Zambia.

Objectives of the Summit

The primary objective of the summit was to promote sustainable investment practices that align with Zambia’s developmental goals. It aimed to:

- **Attract Impact Capital:** Mobilise local and international capital towards projects that deliver measurable social and environmental impact alongside financial returns.
- **Encourage Policy Reforms:** Advocate for policy frameworks that create a conducive environment for sustainable investments.
- **Foster Partnerships:** Facilitate collaboration between investors, entrepreneurs, government bodies, and development partners.
- **Highlight Opportunities:** Showcase sustainable investment opportunities in sectors such as agriculture, renewable energy, infrastructure, and financial services.

Key Discussions and Insights

1. Unlocking Capital for Sustainable Growth

Discussions highlighted the need for innovative financing models to attract impact investors. It was noted that Zambia's capital markets must evolve to offer diversified products that appeal to sustainability conscious investors. Green bonds, social impact bonds, and blended finance instruments were identified as tools to unlock private capital for developmental projects.

2. Policy and Regulatory Frameworks

Policymakers emphasised the importance of aligning Zambia's regulatory framework with global sustainability standards. The summit called for reforms to support Environmental, Social, and Governance (ESG) integration, improve corporate transparency, and incentivise sustainable business practices.

3. Private Sector Engagement

Private sector leaders showcased successful impact investment projects, particularly in agriculture and renewable energy. Discussions underscored the importance of building investor confidence through risk mitigation strategies and public-private partnerships (PPPs).

4. Capacity Building and Innovation

Participants acknowledged the need for capacity building among entrepreneurs and SMEs to enhance their ability to attract impact capital. Innovation in financial products and digital solutions was also recognised as a catalyst for scaling sustainable investments.

Key Outcomes and Recommendations

- **Policy Alignment:** There was a consensus on the need for Zambia to adopt sustainable finance policies in line with global best practices.
- **Product Innovation:** CMAZ was encouraged to collaborate with stakeholders to develop innovative financial products that attract impact investors.
- **Capacity Development:** Ongoing efforts to build capacity among financial market participants and SMEs were recommended to strengthen Zambia's impact investment ecosystem.
- **Public-Private Partnerships:** The summit underscored the importance of fostering partnerships between the public and private sectors to de-risk investments and drive sustainable growth.

Conclusion

The Zambia Impact Investment Summit successfully elevated the conversation on sustainable investment and its role in driving inclusive economic growth. CMAZ's participation reinforced its commitment to advancing sustainable finance in Zambia by promoting innovative financial instruments, advocating for supportive policy frameworks, and fostering investor confidence. The association remains dedicated to collaborating with stakeholders to raise the ambition of sustainable investment and contribute meaningfully to Zambia's long-term development goals.

Launch of the CISI Zambia Regulatory Assessment

23 September 2022



On 23 September 2022, the **Securities and Exchange Commission of Zambia (SEC)** officially launched the **Chartered Institute for Securities & Investment (CISI) Zambia Regulatory Assessment**.

This significant milestone marked a major step towards strengthening professional standards, enhancing market integrity, and promoting investor confidence within Zambia’s capital markets.

”

The launch event brought together **key stakeholders.**

Purpose of the CISI Zambia Regulatory Assessment

The CISI Zambia Regulatory Assessment was introduced to provide a standardised benchmark for professionals operating in the securities and investment industry. The assessment is designed to:

- **Ensure Regulatory Compliance:** Equip capital market participants with comprehensive knowledge of Zambia’s financial regulations, ethical standards, and market practices.
- **Enhance Professional Competence:** Raise the competency levels of industry practitioners through globally recognised certification aligned with local regulatory frameworks.
- **Promote Market Integrity:** Foster ethical behavior, transparency, and accountability in the securities and investment industry.
- **Support Market Development:** Strengthen the capacity of market participants to contribute effectively to the growth and resilience of Zambia’s capital markets.

Key Highlights of the Launch Event

The launch event brought together key stakeholders, including representatives from the SEC, the Capital Markets Association of Zambia (CMAZ), financial institutions, investment firms, and other market participants.

1. Opening Remarks by the SEC

The Chief Executive Officer of the SEC, in his opening remarks, emphasised the Commission's commitment to fostering a well-regulated and professional securities market. He highlighted the importance of continuous learning and professional development in building a resilient and trustworthy market ecosystem.

2. Partnership with CISI

The SEC's collaboration with the Chartered Institute for Securities & Investment (CISI) was celebrated as a strategic move to align Zambia's capital markets with international standards. The CISI, a globally recognised professional body for securities, investment, wealth, and financial planning professionals, has tailored the regulatory assessment to reflect Zambia's legal and regulatory environment.

3. Industry Endorsements

Leaders from various financial institutions and the CMAZ expressed strong support for the introduction of the regulatory assessment. They underscored the assessment's role in raising ethical standards, improving market practices, and preparing professionals to navigate complex regulatory landscapes.

4. Assessment Structure and Content

The assessment covers key areas critical to the Zambian market, including:

- The Securities Act and related regulatory frameworks.
- Market conduct and ethical standards.
- Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) compliance.
- Corporate governance and risk management.

Participants were informed about the structure, study resources, and examination process, encouraging professionals to enroll and pursue certification.

CMAZ's Role and Support

As a key stakeholder, the Capital Markets Association of Zambia (CMAZ) actively supported the launch and committed to promoting the assessment across the industry. CMAZ recognised the CISI Zambia Regulatory Assessment as a vital tool for:

- **Enhancing Market Professionalism:** Encouraging members to pursue certification to improve their regulatory knowledge and ethical standards.
- **Advocating for Industry Standards:** Collaborating with the SEC to ensure that market participants adhere to best practices.
- **Supporting Capacity Building:** Facilitating access to study resources and professional development opportunities for market practitioners.

Expected Impact on Zambia's Capital Markets

The introduction of the CISI Zambia Regulatory Assessment is expected to yield several positive outcomes, including:

- **Improved Regulatory Compliance:** Market participants will be better equipped to comply with Zambia's securities laws and regulations.
- **Increased Investor Confidence:** Higher professional standards will foster greater trust and confidence among local and international investors.
- **Market Growth and Stability:** A more knowledgeable and ethical workforce will contribute to the sustainable growth of Zambia's capital markets.
- **Global Alignment:** Aligning professional standards with international best practices will enhance Zambia's competitiveness in attracting global investment.

Conclusion

The launch of the CISI Zambia Regulatory Assessment represents a transformative step in advancing professionalism, ethical conduct, and regulatory compliance in Zambia's capital markets. The Securities and Exchange Commission's leadership, in partnership with CISI and industry stakeholders like CMAZ, will play a pivotal role in driving sustainable market growth. CMAZ remains committed to supporting this initiative and encouraging its members to embrace continuous professional development for the betterment of Zambia's financial sector.



Investing in knowledge **pays the best interest.**



Launch of the Capital Markets Master Plan

23 February 2023



On **23 February 2023**, the Minister of Finance and National Planning, Hon. Dr. Situmbeko Musokotwane, officially launched Zambia's Capital Markets Master Plan (CMMP).

This landmark initiative marked a significant step in the country's efforts to develop a vibrant, inclusive, and sustainable capital market that supports economic growth and national development.

Purpose of the Capital Markets Master Plan

The CMMP is a comprehensive, long-term strategy aimed at strengthening Zambia's capital markets by addressing structural challenges and unlocking the sector's full potential. The plan is designed to:

- **Deepen and Diversify the Capital Market:**
Broaden financial instruments and products to meet the diverse funding and investment needs of businesses and investors.
- **Enhance Market Infrastructure:**
Improve regulatory frameworks, market operations, and technological infrastructure to support market

efficiency and stability.

- **Mobilise Long-Term Capital:**
Facilitate the mobilisation of domestic and international capital for infrastructure development, industrial growth, and social programs.
- **Promote Financial Inclusion:**
Expand access to capital markets for small and medium-sized enterprises (SMEs), retail investors, and marginalised communities.
- **Align with Global Best Practices:**
Strengthen governance, transparency, and sustainability standards to attract global investors and align with international market practices.



The CMMP is a comprehensive long-term strategy

Key Highlights of the Launch Event

The launch event brought together stakeholders from government, regulatory bodies, financial institutions, development partners, and private sector players.

1. Official Remarks by the Minister of Finance and National Planning

Hon. Dr. Situmbeko Musokotwane, in his keynote address, emphasised the critical role that well-functioning capital markets play in economic growth. He highlighted that the CMMP aligns with Zambia's 8th National Development Plan (8NDP) and the government's broader goal of fostering private sector-led economic development.

The Minister outlined the plan's key focus areas, which include expanding product offerings such as green bonds, infrastructure bonds, and Islamic finance products; strengthening regulatory frameworks; and improving market access for SMEs.

2. Role of the Securities and Exchange Commission (SEC)

The Securities and Exchange Commission of Zambia (SEC) was recognised as a key driver of the plan's implementation. The SEC will focus on modernizing market regulations, promoting innovation, and enhancing investor protection to support market growth.

3. Private Sector and Stakeholder Engagement

Private sector leaders, including representatives from the Capital Markets Association of Zambia (CMAZ), welcomed the CMMP as a timely initiative to unlock private capital and support economic diversification. Stakeholders underscored the need for collaborative efforts between the government, regulators, and market participants to successfully implement the plan.

Strategic Pillars of the Capital Markets Master Plan

The CMMP is structured around five strategic pillars:

- 1. Regulatory Reforms:** Simplifying and modernising regulatory frameworks to reduce barriers to market entry and encourage innovation.
- 2. Product and Market Development:** Expanding the range of financial products and services, including green finance, asset-backed securities, and fintech solutions.
- 3. Market Infrastructure and Technology:** Investing in robust market infrastructure and digital platforms to enhance market access and efficiency.
- 4. Investor Education and Protection:** Promoting financial literacy and safeguarding investor interests to build market confidence.
- 5. Sustainability and ESG Integration:** Encouraging the adoption of environmental, social, and governance (ESG) standards to attract sustainable investments.

Expected Impact on Zambia's Economy

The successful implementation of the CMMP is expected to:

- **Mobilise Long-Term Capital:** Support infrastructure development, industrialization, and job creation.
- **Enhance Financial Inclusion:** Broaden participation in capital markets, particularly among SMEs and retail investors.
- **Attract Foreign Investment:** Create a conducive environment for international investors through improved governance and market efficiency.
- **Promote Sustainable Growth:** Encourage sustainable financing practices that align with global climate and social development goals.

Conclusion

The launch of the Capital Markets Master Plan represents a pivotal step toward transforming Zambia's financial landscape. With a clear roadmap for market development, the CMMP is poised to deepen Zambia's capital markets, attract investment, and contribute to long-term economic growth.

The Capital Markets Association of Zambia (CMAZ) fully supports the implementation of the CMMP and remains committed to collaborating with the government, regulators, and market participants to achieve the plan's objectives. This collaborative effort will be crucial in building a resilient, inclusive, and globally competitive capital market that drives Zambia's sustainable development.

Tamara Bbuku
SECRETARY GENERAL



ICRA RATING AGENCY LIMITED – ZAMBIA



Dr. David Mwambazi

“I always tell corporate entities . Your credit rating is more than just a number - it's a reflection of your financial trustworthiness and the key to unlocking opportunities. Take control of it, and you take control of your future.”

CRA Rating Agency is a fast-growing provider of credit rating services, with a strong presence in Europe, Africa, and Southeast Asia. We empower our clients by delivering the tools and insights they need to make well-informed decisions and effectively manage commercial risks.

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Our strategic focus on private sector engagement in Africa has been a significant driver of growth, enhancing our local presence and fostering trust within these markets. We remain committed to expanding our reach by securing additional licenses to sustain and amplify this momentum.



Presence in Zambia



ICRA Rating Agency Limited is officially registered and licensed by the Securities and Exchange Commission of Zambia (SEC) and operates fully within the country. This recognition reinforces the importance of external credit rating services in enhancing financial institutions' credibility, supporting risk management, and unlocking their growth potential. Through its presence in Zambia, ICRA Rating Agency remains committed to promoting transparency, financial stability, and investor confidence in the market.

Benefits of Credit Rating

- Facilitating Access to Capital
- Optimizing Borrowing Costs
- Enhancing Financial Credibility
- Driving Investment Decisions
- Strengthening Economic Confidence
- Supporting Risk Management
- Shaping Global Financial Systems
- Enhancing Market Efficiency



GLOBAL PRESENCE



#8
 NETWORK IN
 GLOBAL RANKING

INTERNATIONAL
Accounting
 BULLETIN

TRANSACTION ADVISORY SERVICES

A merger or acquisition is a significant event for any business. Both sides of the transaction feel the pressure to ensure they have the most accurate information prior to completing the deal. At the same time, both sides are usually motivated to complete the deal in a timely manner. The goals may seem simple, but every transaction is unique and different buyers and sellers present different challenges to a fair sale. Having an expert team support the transaction process significantly increases your chances for success. Our Transaction Advisory Services professionals can support you through every step. contact us today!



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Treasurer's Report



Kayeba Mwenechanya
TREASURER

Let's work.

We intend to implement cost saving controls and seek cost-effective solutions to manage operational expenses.

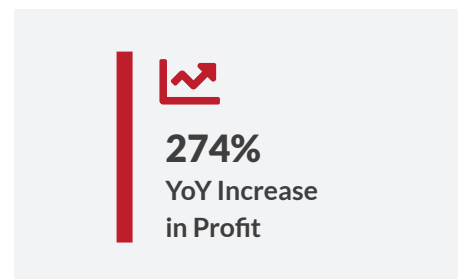
2023 saw financial growth and recovery for the Association, having operated in a deficit the preceding 2 financial years. The Board embarked on strategic plans that would stabilise the financial position of the Association.

Income (member contributions) was **up 20% YoY to ZMW 874,569** following the board's decision to increase the annual membership fees (figure 2). The decision was driven by sustained increase in inflation, overall administrative costs and need for capacity building. Additionally total number of registered members went up by 13% closing at 213

registered members.

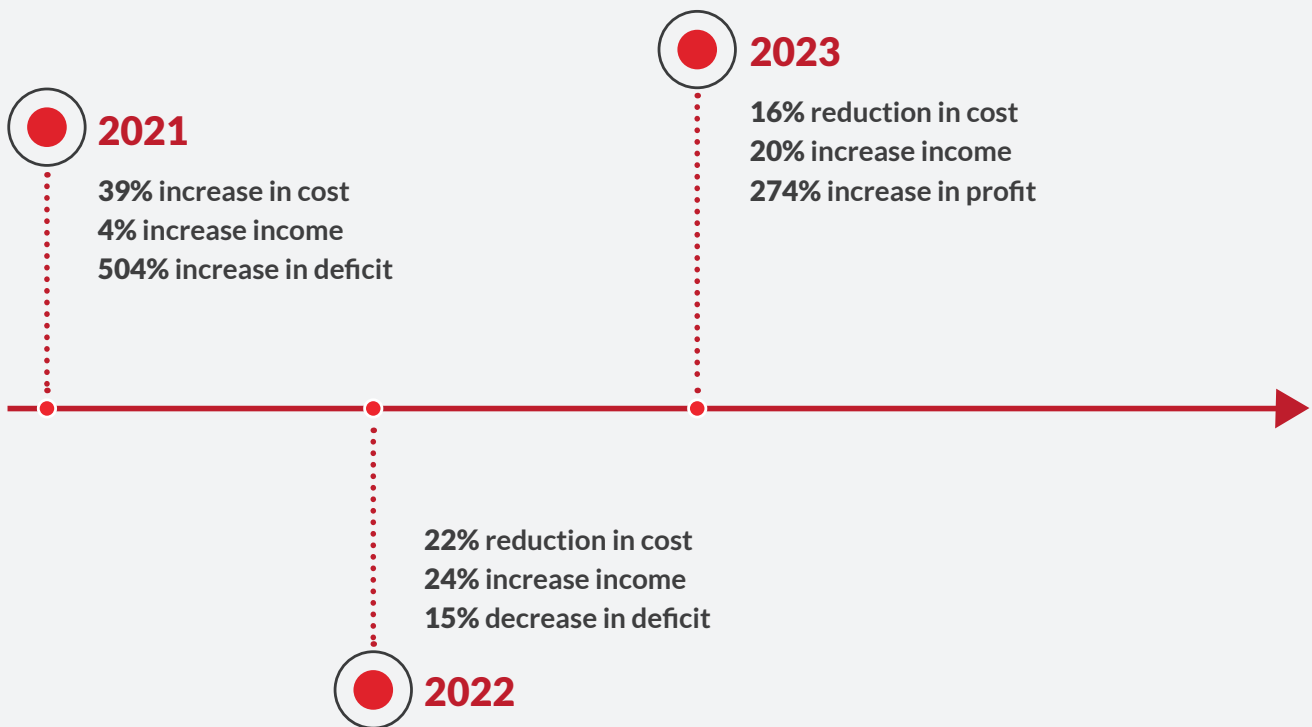
Total expenditure was **down 16% YoY to ZMW 679,262** following careful and deliberate strategy to reduce marketing and advertising costs by utilising in-house advertising platforms such as social media as opposed to outsourcing to third party agencies.

The increase in annual membership fees and cost management measures led to **274% YoY increase in profit to ZMW 195,307** from a deficit of ZMW 112,461 in 2022.



Outlook:

We expect a steady increase in membership fees, through ongoing recruitment efforts and sensitisation programs. We intend to implement cost saving controls and seek cost-effective solutions to manage operational expenses, however expenses are expected to rise due to anticipated increase in inflation and the Association's need for outreach expansion.



	New Fee Schedule	Old Fee Schedule
Institution	Annual K7,500 plus Registration Fee of K1,000	Annual K6,000 plus Registration Fee of K600
Individual/Advisor	Annual K2,000 plus Registration Fee of K500	Annual K1,500 plus Registration Fee of K300
Club	Annual K3,500 plus Registration Fee of K500	Annual K400 Registration Fee Not applicable
Student	Annual K300 Registration Fee Not applicable Annual K300 Registration Fee Not applicable	Annual K150 Registration Fee Not applicable

Understanding Credit Ratings in Zambia



Introduction

Credit ratings are a key feature in today's financial markets and play a crucial role in deepening and broadening financial markets. They are particularly key in conveying to investors and the market the creditworthiness of an organisation or an issue. A good credit rating can open doors to better loan and credit terms, lower interest rates, and greater financial flexibility. This article delves into the world of credit ratings, exploring the history, global landscape, Zambian experience and what, **how** and **why**. The article concludes with an outlook of the credit rating industry.

History of Credit Rating

The concept of credit ratings dates back to the 1800s in the United States of America (USA). During this time, merchants and traders used personal relationships and reputation to determine creditworthiness.

As commerce grew, the need for a more formalised system arose. In the 1840s, mercantile agencies like Dun & Bradstreet (founded in 1841) and the Mercantile Agency (founded in 1841, later renamed R.G. Dun & Co.) began to collect and sell information about businesses and individuals. These agencies provided credit reports, which included information about a person's or business's credit history, financial stability, and reputation.

In the early 20th century, credit bureaus emerged as a more formalised system for collecting and sharing credit information. Credit bureaus like Equifax (founded in 1899) and Experian (founded in 1980) began to gather and sell credit data to lenders.

In the 1980s, Fair Isaac Corporation (FICO) developed the first general-purpose credit score. FICO scores, which range from 300 to 850, are calculated based on information in credit reports, such as payment history, credit utilisation, and length of credit history. FICO scores quickly became the industry standard for evaluating creditworthiness. In the 1990s, the credit rating industry underwent significant changes.

New credit rating agencies like Moody's (founded in 1909 but expanded its credit rating services in the 1990s) and Standard & Poor's (founded in 1860 but expanded its credit rating services in the 1990s) emerged, and existing agencies like Equifax and Experian expanded their services. Today, credit ratings play a critical role in the global financial system by providing ratings and reports to help lenders, investors, and other stakeholders evaluate creditworthiness and make informed decisions.

➔ What are Credit Ratings?

A credit rating is a forward-looking opinion on the creditworthiness of an entity or an issue of a security. Contrary to a widely held view, credit ratings are not focused solely on past credit history. Instead, they refer to the current and future ability and or willingness to meet financial obligations in full and on time. A credit rating is usually represented by a letter grade or letters that range from A to D, and these letters designate a particular level of creditworthiness or credit quality and relative risk level. Credit ratings, however, denote much more than just the financial health of a rated entity or issue. They show how well an organisation is run, its corporate governance.

➔ The Credit Rating process

Credit ratings are usually a result of a rigorous process and are assigned by committees composed of analysts and experts, which consider a broad range of financial and business attributes, along with other factors, such as competitive position, business risk profile and the existing economic environment, in the application of the relevant methodologies. They are based on both qualitative and quantitative information pertaining to a client or issue of a security. The information is both internal and external to the entity being rated. The rating process is done usually by highly trained, specialised, skilled and experienced analysts and expert tools and methodologies to determine credit ratings in a very professional setting. It is an evaluation of how well an entity performs against established benchmarks and accepted standards.

➔ Where do Credit Ratings apply?

Credit ratings are applied on non-financial corporations, banks and financial institutions, national governments and municipalities, and on structured finance. They are useful to investors, lenders, issuers, borrowers and the public.

Why credit ratings matter

Credit ratings have a significant impact on an organisation's financial profile and on an issue of a security. Here are some reasons why credit ratings matter:

01. Loan and credit approvals

Credit ratings convey a very significant and specific message to lenders about the rated entity or issue. A good credit rating can therefore increase the chances of getting approved for loans and credit facilities.

02. Interest rates

A higher credit rating can qualify the rated entity for lower interest rates on loans and credit facilities

03. Price of securities

A credit rating can improve the pricing of a security on issue.

04. Credit limits

A good credit rating can result in higher credit limits and greater financial flexibility for the rated entity.

05. Greater marketability

Credit ratings improve the marketability and liquidity of security issuances.

06. Improved risk management

A credit rating enables the rated entity to improve its risk management framework and environment by pinpointing areas of improvement.

07. Improved corporate governance

A credit rating enhances corporate governance at a rated entity by highlighting areas requiring improvement.

08. Better stakeholder engagement

Potential pitfalls are brought out to avoid a fall out with various stakeholders such as regulators, tax authorities, employees, suppliers, and the public through credit rating assignments.

09. Investors and the market

Investors and the market benefit from credit ratings by being able to quickly distinguish the creditworthiness of entities and issues by looking at the credit rating. They use credit ratings to assess credit risk, benchmark credit risk and obtain an independent view of creditworthiness and credit quality.

The Current Global Landscape of Credit Rating

Based on the database of the European Union of credit rating actions taken by credit rating agencies (CRAs), the ratings market is very extensive. At the end of 2022, there were 823,400 credit ratings outstanding, (ESMA,2022). Of these, over 92% were rating actions by the big three namely, Moody's Analytics, Standard and Poor's, and Fitch Ratings. The US accounts for the largest share of rating actions at 69%, while EU accounted for 17% and the rest of the world accounts for the balance of 14%. Most ratings are mainly issuers and instruments issued by corporates (79%), followed by sovereign ratings (12%) and ratings for structured finance products at 9%.

Most ratings are solicited, meaning the debt issuer contracts the CRA to issue the rating. The share of outstanding ratings that were solicited at the end of 2022 was 70% for both sovereigns and corporates and 99% in structured finance. This clearly highlights the continuing dominance of the 'issuer-pays' business model over alternative business models, such as 'investor-pays' where ratings are funded by investor fees.

There is a high level of market concentration in the credit rating industry as measured by the extent to which ratings are predominantly issued by a few credit rating agencies. High concentration is indicative of weak competition and limited pressure on rating agencies to provide well priced, quality ratings. High concentration is also indicative of financial stability risks.

Where there is a wide reliance on the ratings of a few CRAs, changes in these can have wide impacts, especially for banks and insurers that depend on credit ratings for determining minimum capital levels. The three biggest CRAs account for over 92% of solicited ratings while smaller CRAs account for the bulk of unsolicited ratings. Across metrics, the three biggest CRAs continue to hold by far the largest market share in ratings, indicating continuing high concentration in CRA markets.

ICRA Rating Agency has emerged a new credit rating agency headquartered out of UAE and have offices around Africa, Asia, EU and the middle east. ICRA Rating Agency in Zambia is licensed by the Securities Exchange Commission (SEC) of Zambia and providing rating services in the country. ICRA Rating Agency is also recognised by Bank of Uganda, Bank of Tanzania and many other regulators across East Africa.

These credit rating agencies provide a range of services, including Credit ratings for corporates, financial institutions, and governments; Research reports on markets and economies; Risk assessment and analysis services; Credit risk modeling and scoring services. The presence of credit rating agencies helps to promote transparency, accountability, and investor confidence.



Credit Score

The Zambian Experience

One of the key findings of the Financia Sector Assessment Program (FSAP) of 2004 by the World Bank was that Zambia's financial sector was underdeveloped and that it lacked depth and breadth (The World Bank, 1994). Further, the World Bank found that Zambia lacked credit information to facilitate effective intermediation by the financial sector players. In this regard, the World Bank recommended the establishment of credit reference bureau in Zambia. In response, we have seen credit reference bureau and credit rating emerging as a business. There is now one credit reference bureau which is an affiliate of the TransUnion Africa group. In similar vein, credit rating is a new phenomenon as Zambia has had no local credit rating company since independence. It was not until 2014 that the first credit rating company was established. Currently, there are Two credit rating companies licensed by the Securities and Exchange Commission (SEC) namely, Premier Rating Services Limited (successor to Credit Rating Agency Limited) and International Credit Rating Agency Zambia (ICRA Zambia). Premier Rating Services Limited is a local company while ICRA Zambia is an international credit rating company.

In terms of rating activity, out of 48,385 entities registered companies in Zambia at end December 2022, less than 10 have credit ratings whether by a local or an international rating company. Of the 21 companies listed on Zambia's share exchange (LuSE) at 30th January 2025, only one of them is rated. Furthermore, nearly all the local security issuances registered with SEC are not rated. This illustrates the low level of rating activity in Zambia.

Research shows that while rating agencies produce little new information, they sort information available in the credit market (Rhee Robert, 2015). This sorting function is needed due to the large volume of information in the credit market. Sorting facilitates better credit analysis and investment selection. Hence, rating agencies serve a useful market purpose contributing to capital market development and ultimately to GDP growth. Credit rating improves the visibility and profile of rated entities. It is therefore imperative that more rating activity is encouraged and undertaken in Zambia.



Why Ratings are important for Zambia

The first sovereign rating for Zambia was assigned by Fitch Ratings in 2011. At that time, Zambia received a 'B+' rating with a stable outlook ¹. Zambia sought a sovereign credit rating for several reasons including:

01. Access to international capital markets

A sovereign credit rating is essential for countries to access international capital markets, where they can borrow funds at competitive interest rates. Zambia wanted to tap into these markets to finance its development projects.

02. Investor confidence

A credit rating provides investors with an independent assessment of a country's creditworthiness, helping to build confidence in the country's ability to repay its debts (Ed deHaan, 2023.)

03. Improved fiscal management

The process of obtaining a credit rating requires a country to provide detailed information about its economy, fiscal policies, and debt management practices. This helps to promote transparency and accountability in fiscal management.

04. Competitiveness

A credit rating can also enhance a country's competitiveness in attracting foreign investment, as it provides a benchmark for investors to compare the country's creditworthiness with that of other countries.

By obtaining a sovereign credit rating, Zambia aimed to demonstrate its commitment to fiscal discipline, transparency, and good governance, ultimately attracting more foreign investment and improving its economic prospects.

As a sovereign, Zambia has been rated by the big three since. For similar reasons to the above, corporate ratings are important. Research has shown that there are several benefits that accrue to corporates from being rated (Staneva, 2023).

These include:

1. Improved access to capital markets:

A credit rating can help entities access debt capital markets, both domestically and internationally,

at competitive interest rates.

2. Lower cost of capital:

A good credit rating can lead to lower interest rates on borrowings, reducing the cost of capital and improving profitability.

3. Increased investor confidence:

A credit rating provides investors with an independent assessment of a company's creditworthiness, thereby helping to build confidence in the company's ability to repay its debts (Guiliano Iannota, 2013).

4. Enhanced credibility:

A credit rating can enhance a company's credibility and reputation, making it more attractive to investors, customers, and business partners (Mascia Bedendo, 2018).

5. Better risk management:

The credit rating process requires companies to provide detailed information about their financial condition, risk management practices, and governance structures, helping them to identify and manage risks more effectively.

6. Comparability:

Credit ratings provide a benchmark for investors to compare the creditworthiness of different companies, helping them to make more informed investment decisions (Ravi Makwana, 2024).

7. Regulatory compliance:

In some jurisdictions, credit ratings are required for regulatory purposes, such as listing on a stock exchange or issuing debt securities. Credit rating signals good corporate governance practice to regulators such as SEC, BoZ, PIA, ERB, ZICTA, etc.

8. Strategic planning:

The credit rating process can help companies to identify areas for improvement and develop strategies to enhance their creditworthiness and overall financial performance.

Clearly, the above benefits cannot be faulted.

They are enough arguments to support credit rating in Zambia. By obtaining a credit rating, corporates can benefit from improved access to capital, lower costs, and enhanced credibility, ultimately supporting their growth and development strategies.

Maintaining a Good Credit Rating

Maintaining a good credit rating is very key and goes beyond responsible financial habits. Whereas making timely payments on financial obligations is crucial, a rated entity or issuer should strive to have a good corporate governance environment always. This entails being strategic in decision making, proactive in risk management and being very prudent in financial management. By understanding credit ratings and how to score and maintain good credit ratings, entities can enjoy better financial health and greater financial flexibility.

Key Trends

There are trends worth noting in credit rating. These include:

Increased Regulation:

1

Following the 2007-2008 Global Financial Crisis, the credit rating industry has faced heavy regulation, with ongoing efforts to enhance oversight and transparency. Regulations such as the Dodd-Frank Act in the US and the EU's Credit Rating Agency Regulation have imposed stricter requirements on credit rating agencies. In Zambia, credit rating agencies are now required to be licensed by SEC.

Globalisation and Consolidation:

2

The credit rating industry has become increasingly global, with major players expanding their presence in emerging markets. Consolidation has also been a trend, with larger agencies acquiring smaller ones to expand their market share.

Technological Advancements:

3

The use of artificial intelligence, machine learning, and big data analytics is transforming the credit rating industry. These technologies enable more accurate and efficient credit risk assessments.

Growing Demand for ESG Ratings:

4

There is a growing demand for Environmental, Social, and Governance (ESG) ratings, which assess a company's sustainability and social responsibility performance.



Outlook

Globally, the global credit rating industry is expected to continue evolving in response to regulatory changes, technological advancements, and shifting market trends. As the industry adapts to these changes, there will be opportunities for innovation, growth, and expansion. In Zambia, one key challenge is to entrench credit ratings. While credit rating agencies have opportunities to expand on account of the need for credit ratings and risk assessment services, however, credit rating is not yet fully entrenched as uptake is both low and slow. The future is for the growth of the Zambian credit rating industry as the capital and financial markets grow in sophistication, breadth and depth.

Why Use ICRA Zambia for your Credit Ratings?

Increase Your Access to New Markets.

We are an international credit rating company with offices in UK, UAE, Tanzania, Uganda, Zimbabwe and now Zambia. We have done credit ratings for over 81 different entities. We work with issuers and investors globally including non-financial corporates, banks and financial institutions, governments, and specific finance offerings.

Obtain very high-quality value for money credit ratings at a cheap price

We set our fees with you in mind. We beat the market on price by far without compromising on quality of our work as our quality is of international standard level.

Experience in Different Types of Credit Markets

We have superior experience with our extensive coverage in different markets including UK, Europe, the Middle-East, Africa, Asia, and Central and South America.

Unrivalled Analytical Rigour

Our highly trained analysts and experts provide authoritative, forward-looking insights on prevailing and potential market developments and risks.

Breadth of services offered

At ICRA Zambia, we provide issuer credit ratings, portfolio credit ratings, ESG entity ratings, bond credit ratings as well as the ICRA scorecard. Our credit ratings range from AAA, AA, A, BBB, BB, B, CCC, CC, C to D, with D being the lowest level of credit quality (Default).

For more information you can visit our office located in Lusaka or visit our website www.icratingzm.com or www.icrallc.com for more information. Alternatively, you can reach out to our ICRA Zambia headed by Dr. David Mwambazi on +260 97 9843535 or email at info@icrallc.com.



**Opportunities don't happen.
You create them.**





In Review

Introduction

In 2024, Zambia navigated a complex economic environment shaped by policy shifts, global market dynamics, and domestic fiscal challenges. The year was marked by efforts to stabilise inflation, attract investment, and strengthen key industries such as mining, agriculture, and energy. Exchange rate volatility and government borrowing trends also influenced investor sentiment and economic growth prospects. This report provides insights into Zambia's economic performance in 2024, exploring key indicators, policy measures, and their impact on businesses and consumers.

Macroeconomic Indicators

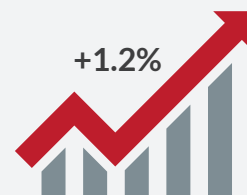
GDP

As of 2024, Zambia's GDP stood at approximately \$29.8 billion, reflecting a modest growth rate of 1.2% annually. While this indicated some level of expansion, it painted a picture of an economy struggling to achieve the kind of robust growth needed to address the nation's developmental goals. The growth rate was significantly impacted by several challenges, particularly the ongoing drought conditions that had severely affected key sectors like agriculture and energy production. These weather-related disruptions reduced agricultural output, with key crops such as maize experiencing lower yields. Moreover, Zambia's dependence on hydropower for electricity was a major setback, as lower water levels in reservoirs curtailed energy generation, leading to power shortages that affected both industry and daily life.

GDP 2024

\$29.8bn

+1.2%



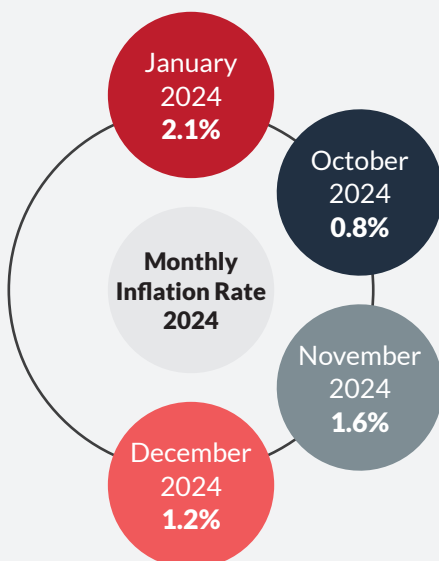
Inflation

Throughout 2024, inflation remained one of Zambia's most pressing economic challenges, reflecting persistent cost pressures in both food and non-food sectors. The annual inflation rate, which measures the percentage change in the Consumer Price Index (CPI) compared to the same month in the previous year, showed a consistent upward trend throughout 2024: Inflation in January 2024 was recorded at 13.2% while December 2024 inflation surged to 16.7%. This represents an increase of 3.5 percentage points over the year. The inflation rate peaked in December 2024, indicating that inflationary pressures intensified as the year progressed.

The monthly inflation rate exhibited fluctuations throughout 2024, with notable variations across different months. While inflation in December 2024 stood at 1.2%, lower than the 2.1% recorded in January, the trend remained uneven over the year. Certain months experienced higher inflationary pressures, such as November at 1.6%, while others, like October and September, recorded a more moderate 0.8%. Post-holiday price adjustments and seasonal factors likely influenced the initial spike in January, whereas the lower rate in December may indicate some degree of price stabilisation towards the year's end.

Inflation Rate

January 2024	13.2%
December 2024	16.7%



Statutory Reserve Ratio

The Bank of Zambia (BoZ), in response to mounting economic challenges, made dramatic adjustments to the Statutory Reserve Ratio (SRR) in 2023 and 2024. This series of increases was part of an overall strategy to stabilise the economy by tightening liquidity, controlling inflation, and managing the depreciation of the Kwacha. In 2023, the SRR gradually rose from 9% in January to 11.5% by March, 14.5% in July, and 17% by November. By November 21, 2023, the Kwacha had depreciated to K23.3 per USD, illustrating the persistent external and domestic economic pressures. This tightening of liquidity was aimed at curbing inflation and stabilising the local currency amid continued depreciation.

The BoZ's intervention intensified in February 2024, when the SRR was raised significantly to 26%, marking one of the highest levels seen in Zambia's recent monetary policy history. Despite this sharp rise, the Kwacha continued to weaken, trading at K26.83 per USD by November 2024. This suggests that the BoZ's measures, although bold, were not sufficient to offset other contributing factors such as high demand for foreign currency and external economic challenges.

The primary goal behind increasing the SRR was to reduce the amount of credit circulating in the economy. By requiring commercial banks to hold a larger portion of deposits as reserves, the BoZ aimed to decrease liquidity, which in turn would suppress inflationary demand and reduce pressure on the Kwacha. Additionally, this move sought to temper borrowing and spending in the economy, thus alleviating pressure on foreign exchange reserves and reducing the demand for imports, which had been draining the country's foreign currency reserves.

However, these measures have significant side effects. For consumers, the higher SRR resulted in reduced access to credit and increased borrowing costs. As a result, many households found their budgets strained, with some delaying large purchases or investments. This decline in consumer spending has broader implications for the economy, slowing down economic growth. Small and medium-sized enterprises (SMEs) were particularly affected, as tighter credit conditions made it difficult to secure loans for expansion or operational needs. Even larger businesses faced challenges, with higher borrowing costs leading to delays in capital investments and reduced profitability, thereby stalling economic activity.

Monetary Policy Rate

In 2024, the Bank of Zambia (BoZ) took decisive monetary policy measures to control inflation and stabilise the economy. These efforts primarily involved adjustments to the Monetary Policy Rate (MPR) and the Statutory Reserve Ratio (SRR) to manage liquidity in the financial system. The MPR was raised in three phases; first in February from 11.0% to 12.5%, then in May to 13.5%, and finally in November to 14.0%. These increases were aimed at tightening liquidity conditions by making borrowing more expensive, discouraging excessive credit growth, and ultimately curbing inflation. Compared to 2023, where the MPR rose gradually from 9.0% to 11.0% in four steps, the sharper rate hikes in 2024 signalled a more aggressive approach in response to economic pressures.

The impact of these policy changes was significant across the financial sector and broader economy. Higher interest rates led to reduced credit availability, making it more expensive for businesses and individuals to borrow. This helped to contain inflationary pressures by limiting excess money supply, though the effects were gradual rather than immediate. However, the public and market response was mixed. While some viewed the interventions as necessary to restore economic stability, businesses and households struggled with increased borrowing costs, which constrained investment and spending. Commercial banks, in turn, tightened lending criteria, further restricting access to credit.

Trade Analysis

Z

Zambia's international trade performance during the period was mixed. The cumulative total trade from January to December 2024 was K587.6 billion, a significant increase of 41.2% compared to the same period in 2023. However, December 2024 saw a trade deficit of K3.3 billion, a reversal from the K1.1 billion surplus recorded in November 2024.

E

Exports in December 2024 decreased by 14.2 percent to K27.0 billion, driven by declines in intermediate goods, raw materials, and consumer goods. Imports also decreased slightly by 0.4 percent to K30.3 billion, with reductions in raw materials and consumer goods imports. The trade deficit highlights Zambia's reliance on imports, particularly intermediate and consumer goods, which could pose challenges for the country's balance of payments.

T

Traditional exports, primarily copper, accounted for 73.6 percent of total exports in December 2024, with earnings decreasing by 2.9 percent to K19.9 billion. Non-traditional exports (NTEs) saw a more significant decline, falling by 35.1 percent to K7.1 billion. The decline in NTEs, particularly agricultural products, underscores the need for diversification in Zambia's export base to reduce dependence on copper.

Traditional exports, primarily copper, accounted for 73.6 percent of total exports in December 2024.

Capital Markets Landscape

The Zambian capital markets have seen significant growth in 2024 compared to 2023, particularly in the area of collective investment schemes (CIS). The total assets under management (AUM) have increased from K2.417 billion in 2023 to K2.57 billion in 2024, reflecting a growth of approximately 6.3%. When including foreign CIS, the total AUM reaches K3.0 billion, highlighting an increased level of foreign participation in the market.

Additionally, the number of investors has risen sharply from 529,280 in 2023 to 728,822 in 2024, representing a remarkable 37.7% growth in investor participation.

The foreign CIS segment has also expanded, with the number of foreign investors growing from 328 in 2023 to 401 in 2024, an increase of 22.3%. However, the majority of investment activity remains domestic, as evidenced by the 728,421 local CIS investors, up from 475,461 in 2023. This suggests a growing trust in Zambia's investment landscape, aligning with the Capital Markets Association's broader goals of deepening financial markets, increasing investor participation, and enhancing financial inclusion.

These improvements align with the strategic aspirations outlined for 2024, including increased oversight to boost market confidence, fostering innovative financial products, and promoting sustainable finance through green bonds and ESG-focused investments. The expansion of AUM and the growing investor base indicate that these efforts are bearing fruit. However, further regulatory enhancements and investor education initiatives may be necessary to sustain and accelerate this momentum.



Government Securities

In 2024, Zambia's government securities market, comprising Treasury bills (T-bills) and government bonds, experienced fluctuations driven by changes in investor sentiment, fiscal needs, and broader economic factors such as inflation and liquidity conditions. T-bills were issued twice a month throughout the year, with the exception of May and October, when the frequency increased to three auctions per month to address fiscal pressures. The performance of T-bills showed varied investor interest across different tenures. Short-term T-bills, particularly the 91-day and 182-day bills, consistently experienced weaker demand, as evidenced by significant undersubscription. The amount bid for these bills was consistently lower than the amount offered, indicating reduced investor interest. In contrast, longer-term T-bills, particularly the 364-day bills, saw much stronger demand, with oversubscription observed across most auctions. The bid amounts for these longer tenures often exceeded the government's offering by nearly two times, reflecting a preference for longer-term security amidst economic uncertainties.

The performance of T-bills showed **varied investor interest** across different tenures.

To boost demand for shorter-term T-bills, the government raised yield rates across all tenures. The yield rates for the 91-day and 182-day bills were increased to attract more investors, while longer-term T-bills also saw upward adjustments, contributing to the strong oversubscription in these tenures. However, by October, the yield rates began to decrease, likely due to improved liquidity in the financial market and a shift in policy to balance government borrowing costs with investor demand.

The government also made a significant change in how government bonds were issued, starting in January 2024, when bonds were issued at par value instead of at a discount. Under the previous system, bonds were sold at less than face value, allowing investors to earn returns both from interest payments and capital gains when the bonds matured. The new approach, where bonds were issued at their face value, provided returns only through interest payments. This shift simplified government debt management and offered greater transparency in Zambia's fiscal strategy.

In 2024, the bond market saw fluctuating demand across different tenures. Short-term bonds, such as the 2-year and 3-year bonds, faced weaker demand despite stable yields early in the year. However, long-term bonds, including the 10-year and 15-year bonds, were in high demand, with yields reaching 27.75% for the 10-year bond and 28.25% for the 15-year bond in August. Yield increases in the middle of the year boosted demand for shorter-term bonds, but long-term bonds continued to dominate investor interest. By October, yields were adjusted downward in response to growing demand, although slight increases in November helped sustain market interest amid inflation concerns.

In conclusion, Zambia's government securities market in 2024 displayed a clear preference for longer-term investments, with T-bills and bonds both experiencing stronger demand for extended tenures. Yield adjustments played a central role in influencing investor behaviour, and the switch to issuing bonds at par value marked a significant change in Zambia's debt management. Despite inflationary pressures, government securities remained a key financing tool for the country, with market dynamics reflecting both the government's borrowing strategy and broader economic conditions.

The Lusaka Securities Exchange (LuSE)

The Lusaka Securities Exchange (LuSE) emerged as one of the most rewarding markets for investors in 2024, demonstrating remarkable growth despite prevailing economic challenges. The market capitalisation surged significantly, jumping from K88.7 billion (USD 3.4 billion) at the beginning of the year to over K200 billion, reflecting growing investor confidence and the robust performance of local stocks. This impressive growth was particularly noteworthy considering Zambia's high inflation and the depreciation of the Kwacha, indicating the resilience of the market and its ability to generate substantial returns. The Lusaka All Share Index (LASI), the benchmark for the market, recorded a stellar 47.7% year-to-date increase in local currency terms, placing it among the top-performing stock markets in Africa. Even with a slight dip in November, LASI still showcased an impressive 46.16% increase, underlining the market's strong performance through periods of economic uncertainty.

Regionally, LuSE's performance stood out, as it ranked first in local currency returns and second in USD

returns among African markets, outpaced only by Kenya's Nairobi Securities Exchange. Despite the Kwacha depreciating by 6.0%, the market's gains remained robust, further solidifying Zambia's stock market as a promising investment opportunity. This strong performance demonstrated the market's potential to attract both local and international investors, offering an attractive hedge against inflation and a vehicle for long-term wealth creation.

In addition to capital gains, dividend payouts were a significant aspect of the profitability for investors in 2024. Many listed companies demonstrated solid financial health by declaring generous dividends. For example, Airtel Networks Zambia Plc declared multiple interim and final dividends, reflecting its strong performance. Similarly, Chilanga Cement Plc, Standard Chartered Bank Zambia Plc, and several other companies provided consistent dividends, ensuring steady returns for their shareholders. This combination of capital appreciation and dividend payments made investing in LuSE-listed companies highly lucrative, as it offered both growth potential and reliable income streams. These positive trends highlighted the increasing attractiveness of Zambia's equity market and its potential for long-term investment success.

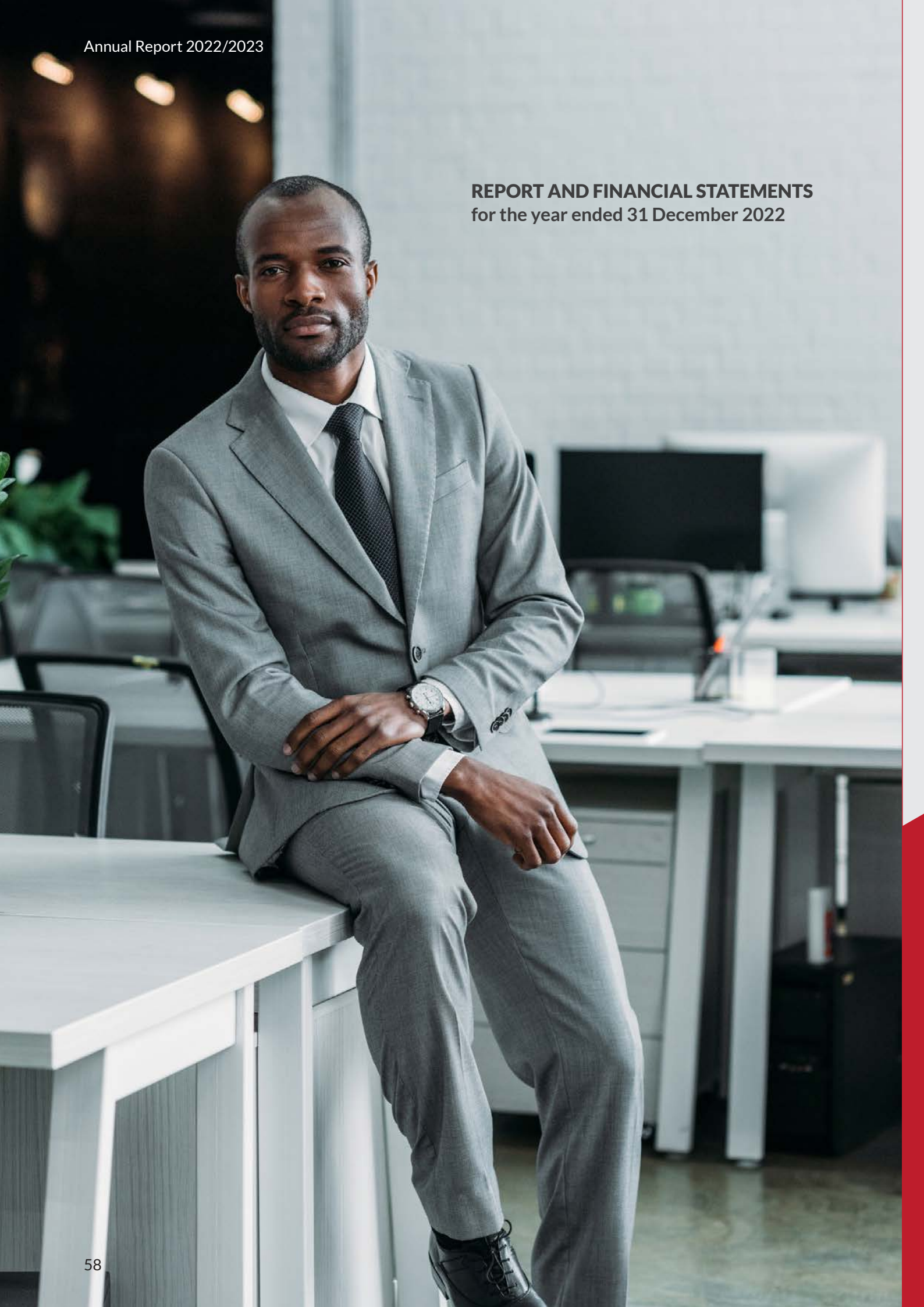
Conclusion

Overall, while Zambia's economy faced considerable headwinds in 2024, the foundation for growth remained intact. With the right policy interventions and a focus on diversification and long-term sustainability, Zambia could lay the groundwork for more stable and resilient economic performance in the years ahead. The Zambian capital markets have demonstrated strong growth in 2024, particularly in the collective investment schemes sector. The increase in total AUM, the surge in investor participation, and the rising presence of foreign CIS indicate a deepening market with growing investor confidence. These developments align with the broader objectives of the Capital Markets Association, which aims to enhance financial inclusion, market liquidity, and sustainable investment opportunities. While the progress is encouraging, continued regulatory support, product innovation, and investor education will be essential to sustaining this momentum and ensuring long-term market resilience.



The way to get started is to quit talking and begin doing.

REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2022



CAPITAL MARKETS ASSOCIATION OF ZAMBIA
ASSOCIATION INFORMATION

for the year ended 31 December 2022

Association Information
Society registration number ORS/102/35/11812

Date of registration 20 April 2016

Nature of business To promote, maintain, improve and advance the capital markets in Zambia.

Board of Directors	Mr. Nicholas Kabaso	President	(Resigned 4 June, 2022)
	Mrs Dorothy Moono	President	(Appointed 4 June, 2022)
	Mrs. Tidale Mwale	Vice President	
	Dr. Sydney Kawimbe	Treasurer	(Resigned 4 June, 2022)
	Mr. Kayeba Mwenechanya	Treasurer	(Appointed 4 June, 2022)
	Mr. Martyn Banda	Vice Treasurer	(Resigned 4 June, 2022)
	Mrs. Cecilia Sichaambwali	Secretary	(Resigned 4 June, 2022)
	Ms. Tamara Mooya Bbuku	Secretary	(Appointed 4 June, 2022)
	Mr. Alinani Simbule	Vice Secretary	(Resigned 4 June, 2022)
	Mrs. Nasilele Chaikatisha	Committee member	(Appointed 4 June, 2022)
	Mr. Jimmy Mwambazi	Committee member	(Appointed 4 June, 2022)
	Mrs. Lyapa Mbewe	Committee member	(Appointed 4 June, 2022)
	Mr. Kangwa Chola Chengo	Committee member	(Appointed 4 June, 2022)
Mrs. Natasha Mbewe	Committee member	(Appointed 4 June, 2022)	
Mr. Joseph Mazila	Committee member		

Registered office No 14 Plot 1130 Suite 4
Parienyatwa road , Fairview
Lusaka

Postal address P.O. Box 51583
Lusaka

Bankers Stanbic Bank Zambia
Arcades Shopping Mall
Great East Road
Lusaka

Auditors HLB Zambia
2nd Floor Saturnia House
Plot No. 6392 Dunduza Chisidza Crescent
Longacres
P.O Box 32232
Lusaka


CAPITAL MARKETS ASSOCIATION OF ZAMBIA
REPORT OF THE BOARD MEMBERS

for the year ended 31 December 2022

The Board Members presents its report and the audited financial statements to the Members of the Capital Markets Association of Zambia ("the Association") for the year ended 31 December 2022.

1. Financial results	2022	2021
	K	K
Income	696,035	532,269
Total expenditure	<u>(808,496)</u>	<u>(663,809)</u>
Deficit for the year	<u>(112,461)</u>	<u>(131,540)</u>

2. Number of employees

There were two employees during the year (2021:3) and the gross remuneration was K120,720 (2021: K159,936).

3. Corporate Governance

The Board Members operate under an approved governance structure in line with the Association's constitution. The Board Members are vested with powers of oversight over management, It is committed to maintaining the highest standards of integrity and professional conduct in its business.

The Board Members comprised of the following;

Mr. Nicholas Kabaso	President	(Resigned 4 June, 2022)
Mrs Dorothy Moono	President	(Appointed 4 June, 2022)
Mrs. Tidale Mwale	Vice President	
Dr. Sydney Kawimbe	Treasurer	(Resigned 4 June, 2022)
Mr. Kayeba Mwenechanya	Treasurer	(Appointed 4 June, 2022)
Mr. Martyn Banda	Vice Treasurer	(Resigned 4 June, 2022)
Mrs. Cecilia Sichaambwali	Secretary	(Resigned 4 June, 2022)
Ms. Tamara Mooya Bbuku	Secretary	(Appointed 4 June, 2022)
Mr. Alinani Simbule	Vice Secretary	(Resigned 4 June, 2022)
Mrs. Nasilele Chaikatisha	Committee member	(Resigned 4 June, 2022)
Mr. Jimmy Mwambazi	Committee member	(Appointed 4 June, 2022)
Mrs. Lyapa Mbewe	Committee member	(Appointed 4 June, 2022)
Mr. Kangwa Chola Chengo	Committee member	(Appointed 4 June, 2022)
Mrs. Natasha Mbewe	Committee member	(Appointed 4 June, 2022)
Mr. Joseph Mazila	Committee member	

4. Property, plant and equipment

During the year, the association acquired property and equipment valued at K19,250 (2021:nil). There were no disposals during the year (2021:Nil).

5. Health and safety of employees

The Board Members are aware of their responsibilities towards the health and safety of employees and have accordingly, put appropriate measures in place to safeguard the health and safety of employees.

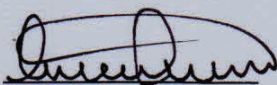
6. Gifts and donations

The Association did not make any donations to charitable organisations and events during the year (2021: nil).

7. Auditors

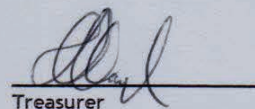
During the year, HLB Zambia were appointed as Auditors of the association. Having shown willingness to continue in office, a resolution proposing their re-appointment as auditors will be tabled to the Annual General Meeting.

By order of the Board members',



President

Date: 26/06/2023



Treasurer

Date: 26/06/2023



CAPITAL MARKETS ASSOCIATION OF ZAMBIA
STATEMENT OF COUNCIL MEMBER'S RESPONSIBILITIES
for the year ended 31 December 2022

The Board Members of the Capital Markets Association of Zambia are responsible for the preparation of financial statements for each financial year that give a true and fair view of the state of the Association and of the surplus or deficit for that year. In preparing those financial statements, the Board Members have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable, prudent and in accordance with the International Financial Reporting Standards for Small and Medium Sized Enterprises, (IFRS for SME's).

The Board Members are responsible for ensuring that the Association keeps proper accounting records which comply with the Constitution of the Association and the Societies Act of Zambia. The Board is also responsible for safeguarding the assets of the Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We the Board Members of the Capital Markets Association of Zambia are of the opinion that:

- a) the statement of financial position is drawn up so as to give a true and fair view of the state of the affairs of the Association as at 31 December 2022;
- b) the statement of income and expenditure is drawn up so as to give a true and fair view of the surplus for the year ended 31 December 2022;
- c) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due; and
- d) the financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium Sized Enterprises, (IFRS for SME's) and in the manner required by the Societies' Act of Zambia and the Constitution of the Association.

The Board Members are also responsible for the Association's system of internal financial control. These controls are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Board Members to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on a going concern basis, since the Board Members have every reason to believe that the Association has adequate resources in place to continue in operation for the foreseeable future.

The financial statements which appear on pages 6 to 14 were approved by the Board Members.

President

Date: 26/06/2023

Treasurer

Date: 26/06/2023



**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF THE CAPITAL MARKETS ASSOCIATION OF ZAMBIA**

Opinion

We have audited the financial statements of the Capital Markets Association of Zambia ("the Association"), which comprise the Statement of Financial Position as at 31 December 2022, and the Statement of Income and Expenditure, Statement Accumulated Funds and Statement of Cashflow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Capital Markets Association of Zambia as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium Sized Enterprises, (IFRS for SME's) and in the manner required by the Societies Act of Zambia and the constitution of the Association.

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 Association in accordance with the International Ethics Standards Board for Accountants' code of ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Board Members for the financial statements

The Board Members are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report, as required by the Companies Act, 2017 and the statement of responsibility for the annual financial statements, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Global in Reach, Local in Touch

2nd floor Saturnia House Plot 6392 Dunduza Chisidza Road, Longacres, Lusaka, Zambia.
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Auditors responsibility for the Audit of the financial statements

Our objectives 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.

Overview of the scope of the Audit

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

- Identify and assess the risks of material misstatements, 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 controls.
- Obtain an understanding of internal controls 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 Association's internal accounting controls.
- Evaluate the completeness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- 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.

We 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 accounting controls that we identify during our audit.

We also provide the Board Members with a statement that we have complied with the 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.

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Report on other legal requirements

The Associations' constitution and the Societies Act of Zambia requires that in carrying out our audit we consider whether the Associations' has kept proper accounting records, other records and registers as required by the Act and its constitution.

In our opinion, the Association has maintained proper accounting records, other records and registers as required by its constitution and the Societies Act of Zambia, so far as it appears from our examination of these records.

**HLB Zambia
Chartered Accountants**

**Nalukui Imbuwa FCCA, AZICA
Partner - Audit & Assurance
AUD/AO11134**



Global in Reach, Local in Touch

2nd floor Saturnia House Plot 6392 Dunduza Chisidza Road, Longacres, Lusaka, Zambia.

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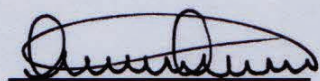
CAPITAL MARKETS ASSOCIATION OF ZAMBIA
STATEMENT OF INCOME AND EXPENDITURE
for the year ended 31 December 2022

	NOTES	2022 K	2021 K
INCOME			
Subscription income	Sch I	<u>696,035</u>	<u>532,269</u>
EXPENDITURE			
Operating expenditure	Sch I	<u>(668,541)</u>	<u>(406,500)</u>
Employee benefit expenditure	Sch I	<u>(139,955)</u>	<u>(257,309)</u>
		<u>(808,496)</u>	<u>(663,809)</u>
Deficit for the year		<u><u>(112,461)</u></u>	<u><u>(131,540)</u></u>

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
STATEMENT OF FINANCIAL POSITION
 As at 31 December 2022

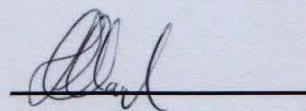
	NOTES	2022 K	2021 K
ASSETS			
Non-Current asset			
Property and equipment	5	<u>72,192</u>	<u>80,705</u>
Current assets			
Bank and cash	7	232,360	229,912
Receivables	8	<u>119,724</u>	<u>134,592</u>
		<u>352,084</u>	<u>364,504</u>
Total assets		<u><u>424,276</u></u>	<u><u>445,209</u></u>
MEMBERS FUNDS AND LIABILITIES			
Accumulated funds		<u>106,542</u>	<u>219,003</u>
Current liabilities			
Advance member subscriptions	9	287,999	199,175
Accruals and other payables	9	<u>29,735</u>	<u>27,031</u>
		<u>317,734</u>	<u>226,206</u>
Total equity and liabilities		<u><u>424,276</u></u>	<u><u>445,209</u></u>

The financial statements on pages 6 to 14 were approved by the Board and were signed on it's behalf by:



President

Date: 26/06/2023



Treasurer

Date: 26/06/2023



CAPITAL MARKETS ASSOCIATION OF ZAMBIA
STATEMENT OF ACCUMULATED FUNDS
for the year ended 31 December 2022

	Accumulated fund K
At 31 December 2020	<u>350,543</u>
At 1 January 2021	350,543
Deficit for the year	<u>(131,540)</u>
At December 2021	<u>219,003</u>
At 1 January 2022	219,003
Deficit for the year	<u>(112,461)</u>
At December 2022	<u>106,542</u>

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
STATEMENT OF CASH FLOWS
for the year ended 31 December 2022

	NOTES	2022 K	2021 K
Cash generated from operating activities:			
Deficit for the year		(112,461)	(131,540)
Adjusted for items not involving the movement of funds:			
Adjustment in reserves		-	-
Depreciation	5	<u>27,763</u>	<u>23,913</u>
Operating cash flows before changes in operating funds		(84,698)	(107,627)
Changes in working capital:			
Decrease in prepayments and other receivables	8	14,868	16,937
Decrease in accruals and other payables	9	2,704	(80,282)
Decrease in advance payments	9	<u>88,824</u>	<u>109,175</u>
Net cash (used)/generated from operating activities		21,698	(61,798)
Cash flows from investing activities:			
Acquisition of property and equipment	5	<u>(19,250)</u>	<u>-</u>
Net cash used in investing activities		(19,250)	-
Net (Decrease)/Increase in cash and cash equivalents		2,447	(61,797)
Net Cash and cash equivalents at the beginning of the year		<u>229,912</u>	<u>291,710</u>
Net Cash and cash equivalents at the end of the year		<u>232,360</u>	<u>229,912</u>
Bank and cash consist of:			
Bank and cash	7	<u>232,360</u>	<u>229,912</u>

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

1. GENERAL INFORMATION

The Capital Markets Association of Zambia (the "Association") is a not for Profit and Non Political Association set up for and on behalf of capital markets participants. The Association is entrusted with the following principal activities;

- i) To promote resilient and well functioning capital markets;
- ii) To build trust in the capital markets by promoting best market practice through the development of appropriate market accepted policies, guidelines, rules, recommendations and standards;
- iii) To bring all segments of the capital markets together and encouraging dialogue between the capital markets and governments, regulators and central banks with the aim that capital markets environment supports, in a balance and proportionate way, the resilience, efficiency and cost effectiveness of capital markets;
- iv) To promote networking and information flow amongst market participants and between market participants and the regulators;
- v) To provide the capital markets with quality capital markets information and education, including legislative and regulatory updates, compliance and risk management;
- vi) To promote capital markets through policy advocacy, dialogue, lobbying, standard setting and information dissemination.
- vii) To provide a forum, for regular professional discussion on theoretical and practical issues relating to capital markets.
- viii) To provide a forum for regular professional discussion on theoretical practical issues relating to capital markets.

2. 2.1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium Sized Entities, (IFRS for SME's) under the historical cost convention. They are presented in Zambian Kwacha (K) which is the functional currency of the Association.

2.2 Revenue recognition

Income comprises of annual membership subscriptions. These are recognised on a cash basis. Prepaid subscriptions are recognised as deferred income and amortised in the period which they are expected to arise.

Other income consists of interest earned on held to maturity investments and other sundry incomes. Interest earned is recognised on accrual basis and sundry incomes are recognised on cash basis.

2.2.1 Deferred income

Deferred Income represents subscriptions from members received in advance to be utilised in the subsequent year. Where funds have been transferred by the members in advance for subsequent period the entity recognises a deferred income liability which represents a performance obligation.

2.3 Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property and equipment:

Computer & Printer	20%
Office equipment	20%

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.4 Impairment of assets

At each reporting date, property and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Income and Expenditure.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Income and Expenditure.

2.5 Receivables

Receivables are recognised when amounts are billed to members of the Association and not yet received. Receivables are measured at amortised cost using the effective interest method. At the end of each reporting date, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the profit or loss.

2.6 Payables

Payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into *Zambian Kwacha* using the exchange rate at the reporting date. Foreign exchange gains or losses are included in net exchange gains (losses) reported in the Statement of Income and Expenditure.

2.7 Employee benefits—long-service payment

For employees on fixed term contracts, provision is made for end of contract gratuity on an accruals basis for the period in employment.

2.8 Foreign currencies

2.8.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in *Zambian Kwacha (K)*.

2.8.2 Transactions and balances

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) 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.



CAPITAL MARKETS ASSOCIATION OF ZAMBIA
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

2.8.2 Transactions and balances (Continued)

Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or expenses in the period in which they arise.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates of asset lives, residual values and depreciation methods

The Association reviewed the residual values, useful lives and carrying amount of its equipment and other moveable assets to determine the appropriate level of depreciation and whether there is any indication that those assets have suffered an impairment loss. The Association judged a residual value of zero as a result of the fact that equipment and other moveable assets are not held for trading and are normally scrapped.

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 for the year ended 31 December 2022

5. PROPERTY AND EQUIPMENT

	2022			2021		
	Cost	Accumulated depreciation	Carrying Value	Cost	Accumulated depreciation	Carrying Value
	K	K	K	K	K	K
Computer & Printer	54,521	(28,777)	25,744	48,021	(17,873)	30,148
Office equipment	84,293	(37,845)	46,448	71,543	(20,986)	50,557
Total assets	138,814	(66,622)	72,192	119,564	(38,859)	80,705

The carrying amounts of property and equipment can be reconciled as follows:

2022	Carrying Value at beginning	Additions	Disposals	Depreciation Write back		Carrying Value at end of year
	of year			back	Depreciation	
	K			K	K	
Computer & Printer	32,871	6,500	-	-	(10,904)	28,467
Office equipment	47,834	12,750	-	-	(16,859)	43,725
	80,705	19,250	-	-	(27,763)	72,192

2021	Carrying Value at beginning	Additions	Disposals	Depreciation Write back		Carrying Value at end of year
	of year			back	Depreciation	
	K			K	K	
Equipment						
Computer & Printer	42,476	-	-	-	(9,604)	32,871
Office equipment	62,142	-	-	-	(14,309)	47,834
	104,618	-	-	-	(23,913)	80,705

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

6. INCOME TAX

In accordance with the Societies Act cap 19 of the laws of Zambia, the Association is exempt from tax on income from whatever source.

7. BANK AND CASH

	2022	2021
	K	K
Cash and bank balances	<u>232,360</u>	<u>229,912</u>

8. ACCOUNTS RECEIVABLE

Subscription receivables	71,724	88,992
Prepaid rent	39,000	39,000
Prepaid web designer	9,000	6,600
	<u>119,724</u>	<u>134,592</u>

9. ACCOUNTS PAYABLE

Advance members contributions	287,999	199,175
Other payables	29,735	27,031
	<u>317,734</u>	<u>226,206</u>

Payables consist of advance contributions received from members accruals for audit fees and statutory obligations .

10. CONTINGENT LIABILITIES

There are no other known material contingent liabilities at 31 December 2022 (2021: nil) .

11. CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2022 (2021: nil).

13. EVENTS AFTER THE REPORTING DATE

There has been no events subsequent to the reporting date that may require disclosure or adjustment to the financial statements.

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
DETAILED SUBSCRIPTION INCOME SCHEDULE
 For the year ended 31 December 2022

Schedule I

	2022	2021
	K	K
INCOME		
Subscription income		
Membership contributions	696,035	519,977
Interest received	-	12,292
	<u>696,035</u>	<u>532,269</u>
EXPENDITURE		
Employee benefit expenditure		
Salaries & wages	120,720	150,936
NAPSA	12,500	12,000
PAYE	4,755	20,093
National health insurance	1,980	2,280
Gratuity	-	72,000
Total Employee benefits expenditure	<u>139,955</u>	<u>257,309</u>
Operating Expenditure		
Administration expenses	223,730	85,022
Office rent	156,000	156,000
Marketing and advertising	145,957	34,594
Travel & allowances	66,434	24,806
Audit expense	27,830	70,540
Depreciation charge	27,763	23,913
Legal Fees	17,000	7,500
Bank charges	3,827	4,125
Operating expenditure	<u>668,541</u>	<u>406,500</u>
Total expenditure	<u>808,496</u>	<u>663,809</u>
Deficit for the year	<u>(112,461)</u>	<u>(131,540)</u>

**Don't be afraid to give up the
good to go for the great.**



REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2023





**CAPITAL MARKETS ASSOCIATION OF ZAMBIA
ASSOCIATION INFORMATION**
for the year ended 31 December 2023

Association Information

Society registration number	ORS/102/35/11812		
Date of registration	20 April 2016		
Nature of business	To promote, maintain, improve and advance the capital markets in Zambia.		
Board of Directors	Joseph Mazila	President	(Appointed 2 October, 2023)
	Dorothy Moono	President	(Resigned 2 October, 2023)
	Tidale Mwale	Vice President	(Resigned 2 October, 2023)
	Natasha Mbewe	Vice President	(Appointed 2 October, 2023)
	Tamara Mooya Bbuku	Secretary General	(Appointed 4 June, 2022)
	Kayeba Mwenechanya	Treasurer	(Appointed 4 June, 2022)
	Lyapa Mbewe	Committee Member	(Appointed 4 June, 2022)
	Jimmy Mwambazi	Committee Member	(Appointed 4 June, 2022)
	Kangwa Chola Chengo	Committee Member	(Appointed 4 June, 2022)
Registered office	No 14 Plot 1130 Suite 4 Parirenyatwa road , Fairview Lusaka		
Postal address	P.O. Box 51583 Lusaka		
Bankers	Stanbic Bank Zambia Arcades Shopping Mall Great East Road Lusaka		
Auditors	HLB Zambia 2 nd Floor Saturnia House Plot No. 6392 Dunduza Chisidza Crescent Longacres P.O Box 32232 Lusaka		



**CAPITAL MARKETS ASSOCIATION OF ZAMBIA
REPORT OF THE BOARD MEMBERS**

for the year ended 31 December 2023

The Board Members presents its report and the audited financial statements to the Members of the Capital Markets Association of Zambia ("the Association") for the year ended 31 December 2023.

1. Financial results	2023	2022
	K	K
Income	874,569	696,035
Total expenditure	<u>(679,262)</u>	<u>(808,496)</u>
Surplus/Deficit for the year	<u><u>195,307</u></u>	<u><u>(112,461)</u></u>

2. Number of employees

There were two employees during the year (2022:2) and the gross remuneration was K124,016 (2022: K120,720).

3. Corporate Governance

The Board Members operate under an approved governance structure in line with the Association's constitution. The Board Members are vested with powers of oversight over management, It is committed to maintaining the highest standards of integrity and professional conduct in its business.

The Board Members comprised of the following;

Joseph Mazila	President	(Appointed 2 October, 2023
Dorothy Moono	President	(Resigned 2 October, 2023)
Tidale Mwale	Vice President	(Resigned 2 October, 2023)
Natasha Mbewe	Vice President	(Appointed 2 October, 2023)
Tamara Mooya Bbuku	Secretary General	(Appointed 4 June, 2022)
Kayeba Mwenechanya	Treasurer	(Appointed 4 June, 2022)
Lyapa Mbewe	Committee Member	(Appointed 4 June, 2022)
Jimmy Mwambazi	Committee Member	(Appointed 4 June, 2022)
Kangwa Chola Chengo	Committee Member	(Appointed 4 June, 2022)

4. Property, plant and equipment

During the year, the association did not acquire any property and equipment (2022:K19,250). There were no disposals during the year (2022:Nil).

5. Health and safety of employees

The Board Members are aware of their responsibilities towards the health and safety of employees and have accordingly, put appropriate measures in place to safeguard the health and safety of employees.

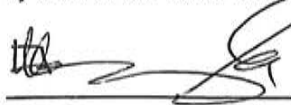
6. Gifts and donations

The Association did not make any donations to charitable organisations and events during the year. (2022: nil).

7. Auditors

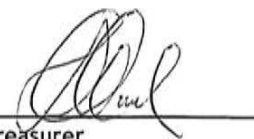
During the year, HLB Zambia were appointed as Auditors of the association. Having shown willingness to continue in office, a resolution proposing their re-appointment as auditors will be tabled to the Annual General Meeting.

By order of the Board members



President

Date: 15/07/2024



Treasurer

Date: 15/07/2024

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
STATEMENT OF BOARD MEMBER'S RESPONSIBILITIES
for the year ended 31 December 2023

The Board Members of the Capital Markets Association of Zambia are responsible for the preparation of financial statements for each financial year that give a true and fair view of the state of the Association and of the surplus or deficit for that year. In preparing those financial statements, the Board Members have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable, prudent and in accordance with the International Financial Reporting Standards for Small and Medium Sized Enterprises,(IFRS for SME's).

The Board Members are responsible for ensuring that the Association keeps proper accounting records which comply with the Constitution of the Association and the Societies Act of Zambia. The Board is also responsible for safeguarding the assets of the Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We the Board Members of the Capital Markets Association of Zambia are of the opinion that:

- a) the statement of financial position is drawn up so as to give a true and fair view of the state of the affairs of the Association as at 31 December 2023;
- b) the statement of income and expenditure is drawn up so as to give a true and fair view of the surplus for the year ended 31 December 2023;
- c) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due; and
- d) the financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium Sized Enterprises,(IFRS for SME's) and in the manner required by the Societies' Act of Zambia and the Constitution of the Association.

The Board Members are also responsible for the Association's system of internal financial control. These controls are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Board Members to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on a going concern basis, since the Board Members have every reason to believe that the Association has adequate resources in place to continue in operation for the foreseeable future.

The financial statements which appear on pages 6 to 14 were approved by the Board Members.



President

Date: 15/07/2024



Treasurer

Date: 15/04/2024



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE CAPITAL MARKETS ASSOCIATION OF ZAMBIA

Opinion

We have audited the financial statements of the Capital Markets Association of Zambia ("the Association"), which comprise the Statement of Financial Position as at 31 December 2023, and the Statement of Income and Expenditure, Statement Accumulated Funds and Statement of Cashflow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Capital Markets Association of Zambia as at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium Sized Enterprises, (IFRS for SME's) and in the manner required by the Societies Act of Zambia and the constitution of the Association.

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 Association in accordance with the International Ethics Standards Board for Accountants' code of ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Board Members for the financial statements

The Board Members are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report, as required by the Companies Act, 2017 and the statement of responsibility for the annual financial statements, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Auditors responsibility for the Audit of the financial statements

Our objectives 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.

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Overview of the scope of the Audit

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

- Identify and assess the risks of material misstatements, 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 controls.
- Obtain an understanding of internal controls 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 Association's internal accounting controls.
- Evaluate the completeness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- 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.

We 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 accounting controls that we identify during our audit.

We also provide the Board Members with a statement that we have complied with the 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 requirements

The Associations' constitution and the Societies Act of Zambia requires that in carrying out our audit we consider whether the Associations' has kept proper accounting records, other records and registers as required by the Act and its constitution.

In our opinion, the Association has maintained proper accounting records, other records and registers as required by its constitution and the Societies Act of Zambia, so far as it appears from our examination of these records.

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2nd floor Saturnia House Plot 6392 Dunduza Chisidza Road, Longacres, Lusaka, Zambia.

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HLB Reliance is an independent member of HLB International. A world-wide network of accounting firms and business advisers HLB International Limited registered in England No. 2181222 Limited by Guarantee



HLB Zambia
Chartered Accountants

Nalukui Imbuwa FCCA, FZICA
Partner - Audit & Assurance
AUD/FO11134



Date:

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CAPITAL MARKETS ASSOCIATION OF ZAMBIA
STATEMENT OF INCOME AND EXPENDITURE
for the year ended 31 December 2023

	NOTES	2023 K	2022 K
INCOME			
Subscription income	Sch I	<u>874,569</u>	<u>696,035</u>
EXPENDITURE			
Operating expenditure	Sch I	(536,663)	(668,541)
Employee benefit expenditure	Sch I	<u>(142,599)</u>	<u>(139,955)</u>
		<u>(679,262)</u>	<u>(808,496)</u>
Surplus/Deficit for the year		<u><u>195,307</u></u>	<u><u>(112,461)</u></u>

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	NOTES	2023 K	2022 K
ASSETS			
Non-Current asset			
Property and equipment	4	<u>44,429</u>	<u>72,192</u>
Current assets			
Bank and cash	6	442,325	232,360
Receivables	7	<u>125,122</u>	<u>119,724</u>
		<u>567,447</u>	<u>352,084</u>
Total assets		<u><u>611,877</u></u>	<u><u>424,276</u></u>
MEMBERS FUNDS AND LIABILITIES			
Accumulated funds		<u>301,849</u>	<u>106,542</u>
Current liabilities			
Advance member subscriptions	8	278,050	287,999
Accruals and other payables	8	<u>31,978</u>	<u>29,735</u>
		<u>310,028</u>	<u>317,734</u>
Total equity and liabilities		<u><u>611,877</u></u>	<u><u>424,276</u></u>

The financial statements on pages 6 to 14 were approved by the Board and were signed on it's behalf by:



President

Date: 15/07/2024



Treasurer

Date: 15/07/2024



CAPITAL MARKETS ASSOCIATION OF ZAMBIA
STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

	NOTES	2023 K	2022 K
Cash generated from operating activities:			
Surplus/Deficit for the year		195,307	(112,461)
<i>Adjusted for items not involving the movement of funds:</i>			
Depreciation	4	<u>27,763</u>	<u>27,763</u>
Operating cash flows before changes in operating funds		223,070	(84,698)
<i>Changes in working capital:</i>			
(Increase)/Decrease in prepayments and other receivables	7	(5,398)	14,868
Increase in accruals and other payables	8	2,243	2,704
Increase/(Decrease) in advance payments	8	<u>(9,949)</u>	<u>88,824</u>
Net cash (used)/generated from operating activities		209,965	21,698
Cash flows from investing activities:			
Acquisition of property and equipment	4	<u>-</u>	<u>(19,250)</u>
Net cash used in investing activities		<u>-</u>	<u>(19,250)</u>
Net (Decrease)/Increase in cash and cash equivalents		209,964	2,447
Net Cash and cash equivalents at the beginning of the year		<u>232,360</u>	<u>229,912</u>
Net Cash and cash equivalents at the end of the year		<u>442,325</u>	<u>232,360</u>
Bank and cash consist of:			
Bank and cash	6	<u>442,325</u>	<u>232,360</u>

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
STATEMENT OF ACCUMULATED FUNDS
for the year ended 31 December 2023

	Accumulated fund K
At 1 January 2022	219,003
Deficit for the year	<u>(112,461)</u>
At December 2022	<u>106,542</u>
At 1 January 2023	106,542
Surplus for the year	<u>195,307</u>
At December 2023	<u>301,849</u>

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

1. GENERAL INFORMATION

The Capital Markets Association of Zambia (the "Association") is a not for Profit and Non Political Association set up for and on behalf of capital markets participants. The Association is entrusted with the following principal activities;

- i) To promote resilient and well functioning capital markets;
- ii) To build trust in the capital markets by promoting best market practice through the development of appropriate market accepted policies, guidelines, rules, recommendations and standards;
- iii) To bring all segments of the capital markets together and encouraging dialogue between the capital markets and governments, regulators and central banks with the aim that capital markets environment supports, in a balance and proportionate way, the resilience, efficiency and cost effectiveness of capital markets;
- iv) To promote networking and information flow amongst market participants and between market participants and the regulators;
- v) To provide the capital markets with quality capital markets information and education, including legislative and regulatory updates, compliance and risk management;
- vi) To promote capital markets through policy advocacy, dialogue, lobbying, standard setting and information dissemination.
- vii) To provide a forum, for regular professional discussion on theoretical and practical issues relating to capital markets.
- viii) To provide a forum for regular professional discussion on theoretical practical issues relating to capital markets.

2. 2.1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium Sized Entities, (IFRS for SME's) under the historical cost convention. They are presented in Zambian Kwacha (K) which is the functional currency of the Association.

2.2 Revenue recognition

Income comprises of annual membership subscriptions. These are recognised on a cash basis. Prepaid subscriptions are recognised as deferred income and amortised in the period which they are expected to arise.

Other income consists of interest earned on held to maturity investments and other sundry incomes. Interest earned is recognised on accrual basis and sundry incomes are recognised on cash basis.

2.2.1 Deferred income

Deferred Income represents subscriptions from members received in advance to be utilised in the subsequent year. Where funds have been transferred by the members in advance for subsequent period the entity recognises a deferred income liability which represents a performance obligation.

2.3 Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property and equipment:

Computer & Printer	20%
Office equipment	20%

CAPITAL MARKETS ASSOCIATION OF ZAMBIA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.4 Impairment of assets

At each reporting date, property and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Income and Expenditure.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Income and Expenditure.

2.5 Receivables

Receivables are recognised when amounts are billed to members of the Association and not yet received. Receivables are measured at amortised cost using the effective interest method. At the end of each reporting date, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the profit or loss.

2.6 Payables

Payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Zambian Kwacha using the exchange rate at the reporting date. Foreign exchange gains or losses are included in net exchange gains (losses) reported in the Statement of Income and Expenditure.

2.7 Employee benefits—long-service payment

For employees on fixed term contracts, provision is made for end of contract gratuity on an accruals basis for the period in employment.

2.8 Foreign currencies

2.8.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Zambian Kwacha (K).

2.8.2 Transactions and balances

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) 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 arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or expenses in the period in which they arise.



CAPITAL MARKETS ASSOCIATION OF ZAMBIA
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates of asset lives, residual values and depreciation methods

The Association reviewed the residual values, useful lives and carrying amount of its equipment and other moveable assets to determine the appropriate level of depreciation and whether there is any indication that those assets have suffered an impairment loss. The Association judged a residual value of zero as a result of the fact that equipment and other moveable assets are not held for trading and are normally scrapped.

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 for the year ended 31 December 2023

4. PROPERTY AND EQUIPMENT

	2023			2022		
	Cost	Accumulated depreciation	Carrying Value	Cost	Accumulated depreciation	Carrying Value
				K	K	K
Computer & Printer	54,521	(39,681)	14,840	54,521	(28,777)	25,744
Office equipment	84,293	(54,704)	29,589	84,293	(37,845)	46,448
Total assets	138,814	(94,385)	44,429	138,814	(66,622)	72,192

The carrying amounts of property and equipment can be reconciled as follows:

2023	Carrying Value at beginning of year	Additions	Disposals	Depreciation		Carrying Value at end of year
	K			K	Write back	
		K	K	K	K	K
Computer & Printer	28,467	-	-	-	(10,904)	17,563
Office equipment	43,725	-	-	-	(16,859)	26,866
Total assets	72,192	-	-	-	(27,763)	44,429

2022	Carrying Value at beginning of year	Additions	Disposals	Depreciation		Carrying Value at end of year
	K			K	Write back	
		K	K	K	K	K
Computer & Printer	32,871	6,500	-	-	(10,904)	28,467
Office equipment	47,834	12,750	-	-	(16,859)	43,725
Total assets	80,705	19,250	-	-	(27,763)	72,192

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

5. INCOME TAX

In accordance with the Societies Act cap 19 of the laws of Zambia, the Association is exempt from tax on income from subscription.

6. BANK AND CASH

	2023 K	2022 K
Cash and bank balances	<u>442,325</u>	<u>232,360</u>

7. ACCOUNTS RECEIVABLE

Subscription receivables	76,622	71,724
Prepaid rent	39,000	39,000
Prepaid web designer	<u>9,500</u>	<u>9,000</u>
	<u>125,122</u>	<u>119,724</u>

8. ACCOUNTS PAYABLE

Advance members contributions	278,050	287,999
Other payables	<u>31,978</u>	<u>29,735</u>
	<u>310,028</u>	<u>317,734</u>

Payables consist of advance contributions received from members accruals for audit fees and statutory obligations .

9. CONTINGENT LIABILITIES

There are no other known material contingent liabilities at 31 December 2023 (2022: nil) .

10. CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2023 (2022: nil).

11. EVENTS AFTER THE REPORTING DATE

There has been no events subsequent to the reporting date that may require disclosure or adjustment to the financial statements.

CAPITAL MARKETS ASSOCIATION OF ZAMBIA
DETAILED SUBSCRIPTION INCOME SCHEDULE
 For the year ended 31 December 2023

INCOME	2023	2022
	K	K
Subscription income		
Membership contributions	<u>874,569</u>	<u>696,035</u>
	<u>874,569</u>	<u>696,035</u>
 EXPENDITURE		
Employee benefit expenditure		
Salaries & wages	124,016	120,720
NAPSA	12,660	12,500
PAYE	3,853	4,755
National health insurance	<u>2,070</u>	<u>1,980</u>
Total Employee benefits expenditure	<u>142,599</u>	<u>139,955</u>
 Operating Expenditure		
Administration expenses	177,669	223,730
Office rent	156,000	156,000
Marketing and advertising	75,220	145,957
Travel & allowances	65,387	66,434
Audit expense	31,170	27,830
Depreciation charge	27,763	27,763
Bank charges	3,455	3,827
Legal Fees	<u>-</u>	<u>17,000</u>
Operating expenditure	<u>536,663</u>	<u>668,541</u>
Total expenditure	<u>679,262</u>	<u>808,496</u>
Surplus/Deficit for the year	<u>195,307</u>	<u>(112,461)</u>

**Success usually
comes to those who
are too busy to be
looking for it.**





Driving Participation In Capital Markets



**Capital Markets
Association Of Zambia**

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