



THE PEOPLE'S BANK OF ZANZIBAR LTD
(Incorporated in Zanzibar - Tanzania)

AUDITED FINANCIAL STATEMENTS

REPORT OF CONDITION OF THE BANK PURSUANT TO SECTION 32(3) OF THE BANKING AND FINANCIAL INSTITUTIONS ACT, 2006

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015		
<i>(AMOUNT IN TANZANIA MILLION SHILLINGS)</i>		
	31.12.2015	31.12.2014
ASSETS		
Cash	25,953	18,447
Balances with Bank Of Tanzania	73,012	58,694
Balances with Other Banks	32,159	24,591
Inter-bank placements	20,267	14,568
Cheques & Items for Clearing	485	3,824
Investment in Debt Security	43,045	54,302
Bills Receivable (net of allowance for probable losses)	-	11
Loans, Advances and Overdrafts (net of allowance for probable losses)	248,793	193,430
Equity Investment	752	589
Other Assets (net of allowance for probable losses)	10,241	4,724
Property and Equipment (less depreciation)	10,827	8,555
Intangible Assets	450	310
Total Assets	465,984	382,045
LIABILITIES		
Customer's Deposits	398,718	334,981
Letter of credit & Guarantees Cash Cover	3,004	1,657
Other special deposits	1,340	1,070
Other Liabilities	11,598	6,862
Banker's Cheques & Drafts Issued	567	355
Inter-bank borrowing	-	-
Accrued Interest expense	4,116	3,439
Deferred Grant	-	-
Total Liabilities	419,343	348,364
SHAREHOLDER'S EQUITY		
PAID-UP SHARE CAPITAL	21,000	21,000
CAPITAL GRANT	777	787
RETAINED EARNINGS	17,587	8,722
REGULATORY RISK RESERVE	3,165	1,435
OTHER RESERVES	4,112	1,737
Total shareholder's equity	46,641	33,681
Total Equity and Liabilities	465,984	382,045
PERFORMANCE INDICATORS		
	%	%
(i) Total Capital to total assets	10.01	8.82
(ii) Non performing loans & advances to total loans & advances	3.03	1.77
(iii) Gross loans and advances to total deposits	62.00	57.37
(iv) Loans and advances to total assets	45.28	44.88

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2015

(AMOUNT IN TANZANIA MILLION SHILLINGS)

	31.12.2015	31.12.2014
Interest income	31,192	25,958
Interest expenses	(10,307)	(7,499)
Net interest income	20,886	18,459
Fees and commission income (Net)	9,207	6,836
Net Foreign Exchange gain	6,482	2,615
Other operating income	503	401
Total operating income	16,192	9,852
Operating Expenses	(20,093)	(17,137)
Impairment loss for loan and advances	(697)	(112)
Impairment loss for other assets	-	(36)
Assets write off	(73)	(350)
	(20,864)	(17,635)
Operating Profit Before Tax	16,214	10,676
Provision for tax	5,362	3,540
Profit for the year	10,852	7,136
Other comprehensive income:		
Revaluation of Available- for-Sale Financial Assets	5	5
Total other comprehensive income	5	5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10,857	7,141
EARNING AND DIVIDEND PER SHARE		
<i>(Reported in Tanzania Shillings)</i>		
Basic and diluted earning per share	51.70	33.98
Dividend per share	-	2.35
PERFORMANCE INDICATORS	%	%
(i) Return on average total assets	3.82	3.19
(ii) Return on ordinary shareholders' funds	23.27	21.19
(iii) Interest Expenses to Interest Income	33.04	28.89
(iv) Interest margin to average earning assets	6.80	6.68

STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2015

<i>(AMOUNT IN TANZANIA MILLION SHILLINGS)</i>		
	31.12.2015	31.12.2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	16,214	10,676
Adjustments for:		
Depreciation of Property and Equipment	1,207	1,088
Amortization of software costs	190	123
Amortization of grants	(10)	(10)
Impairment loss	-	-
Loss on disposal of assets	-	-
Property and equipment write off	-	-
Adjustments	(918)	(357)
	469	844
Operating Profit/(Loss) Before Change in Working Capital Items	16,683	11,520
Increase in SMR	(5,454)	(5,852)
(Increase)/Decrease in investment in debt securities	3,867	(5,326)
Increase in Loans and Advances	(55,364)	(56,035)
Decrease/decrease in Bills Receivable	11	(11)
Increase in Other Assets	(4,169)	(2,363)
Increase in Customer's Deposits	65,354	86,248
Increase in interest payable	677	728
Increase in Other Liabilities	(390)	(178)
	4,533	17,211
Cash generated fom operations	21,216	28,731
Income tax paid	(3,684)	(2,206)
Net Cash Flows from Operating Activities (A)	17,532	26,525
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property and equipments	(1,730)	(759)
Proceeds from Sale of Property and equipments	-	-
Acquisition of Intangible Assets	(140)	(11)
Purchasing of non dealing investments	(144)	-
Additional Capital WIP	(1,885)	(252)
Net Cash Flows from Investing Activities (B)	(3,899)	(1,022)
CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease)/increase in interbank borrowings	320	-
Dividend Payment	-	(493)
Dividend received	11	-
Proceeds from issuance of long term debt	5,000	-
Appropriation of Regulatory Risk Reserve	(57)	(112)
Net Cash Flows from Financing Activities (C)	5,274	(605)
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	18,907	24,898
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	102,506	77,608
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	121,413	102,506

The above extracts are from the Financial Statements of the Bank for the year ended December 31, 2015 which have been prepared in accordance with International Financial Reporting Standards (IFRSs). The Financial Statements were audited by **TAC Associates** and received a clean report. The Financial Statements were approved by the Board of Directors and signed on its behalf by:

ABDULRAHMAN M. JUMBE

BOARD CHAIRMAN

DATE: MARCH 29, 2015

JUMA A. HAFIDH

MANAGING DIRECTOR

DATE: MARCH 29, 2015

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The People's Bank, The People's Choice