

# THE PEOPLE'S BANK OF ZANZIBAR LTD

(Incorporated in Zanzibar - Tanzania)



## AUDITED FINANCIAL STATEMENTS

Issued pursuant to regulations 7 and 8 of the Banking and Financial Institutions (Disclosures) Regulations, 2014

STATEMENT OF CONSOLIDATED FINANCIAL POSITION AS AT 31ST DECEMBER 2021 (Amount in Million Shillings)				
	GROUP		BANK	
	31.12.2021 TZS' Million	31.12.2020 TZS' Million	31.12.2021 TZS' Million	31.12.2020 TZS' Million
<b>ASSETS</b>				
Cash	58,117	38,014	58,598	33,300
Balances with Bank Of Tanzania	134,825	59,016	134,739	59,016
Balances with Other Banks	10,739	32,451	8,525	32,451
Inter-bank placements	75,563	36,312	75,563	36,312
Cheques & Items for Clearing	-	14	-	14
Investment in Debt Security	39,427	41,174	39,427	41,174
Loans, Advances and Financing (net of allowance for probable losses)	615,297	481,286	600,246	471,446
Equity Investment	1,982	2,264	6,982	7,264
Other Assets (net of allowance for probable losses)	17,061	26,040	11,841	17,623
Goodwill	2,114	2,114	-	-
Deferred tax asset	8,605	-	8,525	-
Property and Equipment (less depreciation)	38,362	37,082	37,793	36,461
Intangible Assets	14,152	12,970	14,130	12,918
<b>Total Assets</b>	<b>1,016,244</b>	<b>768,737</b>	<b>996,369</b>	<b>747,979</b>
<b>LIABILITIES</b>				
Due to Customers	771,397	589,880	756,309	574,681
Due to banks	1,405	2,496	1,405	2,496
Letter of credit & Guarantees Cash Cover	1,919	880	1,919	880
Other Liabilities	15,146	15,397	14,175	14,182
Debt Security in issue	15,679	15,642	15,679	15,642
Banker's Cheques & Drafts Issued	330	306	330	306
Inter-bank borrowing	85,387	36,932	83,861	34,505
Corporate tax payable	825	825	825	466
<b>Total Liabilities</b>	<b>892,088</b>	<b>662,358</b>	<b>874,503</b>	<b>643,158</b>
<b>SHAREHOLDER'S EQUITY</b>				
PAID-UP SHARE CAPITAL	31,000	31,000	31,000	31,000
CAPITAL GRANT	3,311	3,333	3,311	3,333
RETAINED EARNINGS	77,458	65,407	76,809	65,272
REGULATORY RISK RESERVE	8,811	2,813	8,704	2,726
GENERAL PROVISION RESERVE	-	-	-	-
NON CONTROLLING INTEREST	1,534	1,337	-	-
OTHER RESERVES	2,042	2,489	2,042	2,489
<b>Total shareholder's equity</b>	<b>124,156</b>	<b>106,379</b>	<b>121,866</b>	<b>104,820</b>
<b>Total Equity and Liabilities</b>	<b>1,016,244</b>	<b>777,837</b>	<b>996,369</b>	<b>752,829</b>
<b>PERFORMANCE INDICATORS</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
(i) Total Capital to total assets	12.22	13.84	12.23	14.01
(ii) Non performing loans & advances to total loans & advances	4.40	4.67	4.20	4.77
(iii) Gross loans and advances to total deposits	80.00	83.84	81.00	84.20
(iv) Loans and advances to total assets	60.55	62.61	60.24	63.03

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER,2021 (Amount in Million Shillings)				
	GROUP		BANK	
	31.12.2021 TZS' Million	31.12.2020 TZS' Million	31.12.2021 TZS' Million	31.12.2020 TZS' Million
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit for the year</b>	<b>23,591</b>	<b>18,713</b>	<b>22,691</b>	<b>18,102</b>
<b>Adjustments for:</b>				
Depreciation of Property and Equipment	3,902	4,434	3,741	4,259
Amortization of software costs	724	630	687	580
Amortization of grants	(22)	22	(22)	(22)
Interest on lease payable	591	656	591	656
Interest accrued on borrowing	-	-	-	-
Effect of foreign exchange on equity investments	-	-	-	-
Loss on disposal and valuation of assets	-	-	-	-
Adjustments	342	2,541	(33)	248
	<b>5,537</b>	<b>8,283</b>	<b>4,964</b>	<b>5,721</b>
<b>Operating Profit/(Loss) Before Change in Working Capital Items</b>	<b>29,128</b>	<b>26,996</b>	<b>27,655</b>	<b>23,823</b>
Increase in SMR	11,014	16,545	11,014	16,545
(Increase)/Decrease in investment in debt securities	1,746	48,636	1,746	48,509
Increase in Loans and Advances	(130,261)	(94,003)	(128,798)	(93,019)
Decrease/decrease in Bills Receivable	-	-	-	-
Increase in Other Assets	898	(5,234)	1,870	(4,345)
Increase in Customer's Deposits	183,572	(2,866)	182,361	1,042
Increase in interest payable	-	-	-	-
Increase in Other Liabilities	(1,011)	(7,487)	(767)	(9,324)
	<b>65,958</b>	<b>(44,409)</b>	<b>67,426</b>	<b>(40,592)</b>
<b>Cash generated fom operations</b>	<b>95,086</b>	<b>(17,413)</b>	<b>95,081</b>	<b>(16,769)</b>
Income tax paid	(9,728)	(8,075)	(9,608)	(8,892)
<b>Net Cash Flows from Operating Activities (A)</b>	<b>85,358</b>	<b>(25,488)</b>	<b>85,473</b>	<b>(25,661)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of Property and equipments	(3,169)	(2,148)	(3,052)	(8,671)
Proceeds from Sale of Property and equipments	-	-	-	3
Acquisition of Intangible Assets	(453)	(13)	(453)	(567)
Investment in share	-	-	-	(5,000)
Additional Capital WIP	(2,082)	(7,451)	(2,082)	-
<b>Net Cash Flows from Investing Activities (B)</b>	<b>(5,704)</b>	<b>(9,612)</b>	<b>(5,587)</b>	<b>(14,235)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
(Decrease)/increase in interbank borrowings	49,005	31,251	49,355	31,450
(Decrease)/increase in other borrowings	(1,705)	(1,437)	(1,705)	(1,437)
Dividend received	33	(5,372)	33	(5,372)
<b>Net Cash Flows from Financing Activities (C)</b>	<b>47,333</b>	<b>24,442</b>	<b>47,683</b>	<b>24,641</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>126,987</b>	<b>(10,658)</b>	<b>127,569</b>	<b>(15,255)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>149,751</b>	<b>160,409</b>	<b>141,395</b>	<b>156,650</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>276,738</b>	<b>149,751</b>	<b>268,964</b>	<b>141,395</b>

STATEMENT OF CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER,2021 (Amount in Million Shillings)				
	GROUP		BANK	
	31.12.2021 TZS' Million	31.12.2020 TZS' Million	31.12.2021 TZS' Million	31.12.2020 TZS' Million
Interest income	75,572	62,726	71,701	61,060
Interest expenses	(14,531)	(10,919)	(13,866)	(10,432)
<b>Net interest income</b>	<b>61,041</b>	<b>51,808</b>	<b>57,835</b>	<b>50,628</b>
Fees and commission income (Net)	8,778	7,707	8,002	7,377
Net Foreign Exchange gain	3,455	3,567	3,455	3,567
Other operating income	8,984	8,323	8,984	8,321
<b>Total operating income</b>	<b>21,217</b>	<b>19,597</b>	<b>20,441</b>	<b>19,266</b>
Impairment loss for loan and advances	1,737	(11,434)	2,111	(11,187)
Impairment loss for other assets	(13,570)	(267)	(13,570)	(267)
Assets write off	(26)	(1,626)	(26)	(1,626)
Operating Expenses	(46,808)	(39,364)	(44,100)	(38,712)
<b>Total operating expenses</b>	<b>(58,667)</b>	<b>(52,691)</b>	<b>(55,585)</b>	<b>(51,792)</b>
<b>Operating Profit Before Tax</b>	<b>23,591</b>	<b>18,713</b>	<b>22,691</b>	<b>18,102</b>
Provision for tax	(5,474)	(6,386)	(5,354)	(6,344)
<b>Profit for the year</b>	<b>18,117</b>	<b>12,327</b>	<b>17,337</b>	<b>11,758</b>
<b>Other comprehensive income:</b>				
Fair Value change on equity investment at FVOCI	(269)	504	(269)	504
Revaluation of Available- for-Sale Financial Assets	-	-	-	-
Income tax related to above	-	-	-	-
<b>Total other comprehensive income</b>	<b>(269)</b>	<b>504</b>	<b>(269)</b>	<b>504</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>17,848</b>	<b>12,831</b>	<b>17,068</b>	<b>12,262</b>
<b>EARNING AND DIVIDEND PER SHARE</b>				
<i>(Reported in Tanzania Shillings)</i>				
Basic and diluted earning per share	57.58	39.76	55.06	38.77
Dividend per share	-	-	-	-
<b>PERFORMANCE INDICATORS</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
(i) Return on average total assets	2.10	2.49	2.60	2.49
(ii) Return on ordinary shareholders' funds	10.14	12.74	15.29	12.80
(iii) Interest Expenses to Interest Income	17.41	17.41	19.34	17.08
(iv) Interest margin to average earning assets	0.06	0.09	0.06	0.06

The above extracts are from the Consolidated Financial Statements of the PBZ bank for the year ended December 31, 2021 which have been prepared in accordance with International Financial Reporting Standards (IFRSs). The Consolidated Financial Statements were audited by Controller and Auditor General Zanzibar and received a clean report. The consolidated Financial Statements were approved by the Board of Directors and signed on its behalf by:

DR. ESTELLA N. HASSAN

CHAIRPERSON

DATE: APRIL 05, 2022

DR. MUHSIN S. MASOUD

MANAGING  
DIRECTOR

DATE: APRIL 05, 2022

*The People's Bank, The People's Choice*

