

Chairman’s Statement

It gives me great pleasure to present to you the financial results of CBZ Holdings Limited for the year ended 31 December 2015. The Group continued to operate profitably against increasing economic headwinds.

Operating Environment

The Government continued to engage the International Monetary Fund “IMF” on the successor Staff Monitored Program “SMP”, which ran from October 2014 to December 2015. It was encouraging to note that the SMP’s quantitative and qualitative benchmarks were consistently met.

Economic growth however, slowed further from 3.1% in 2014 to 1.5% in 2015, due to the absence of an immediate economic stimulus package and compounded by unfavourable climatic conditions, low international commodity prices, weakening sectoral linkages and the unintended consequences of a strengthening United States (US) Dollar. The aggregate impact of the above, was a weakening of economic activity, as evidenced by key measures, especially within the equities markets.

Financial Markets

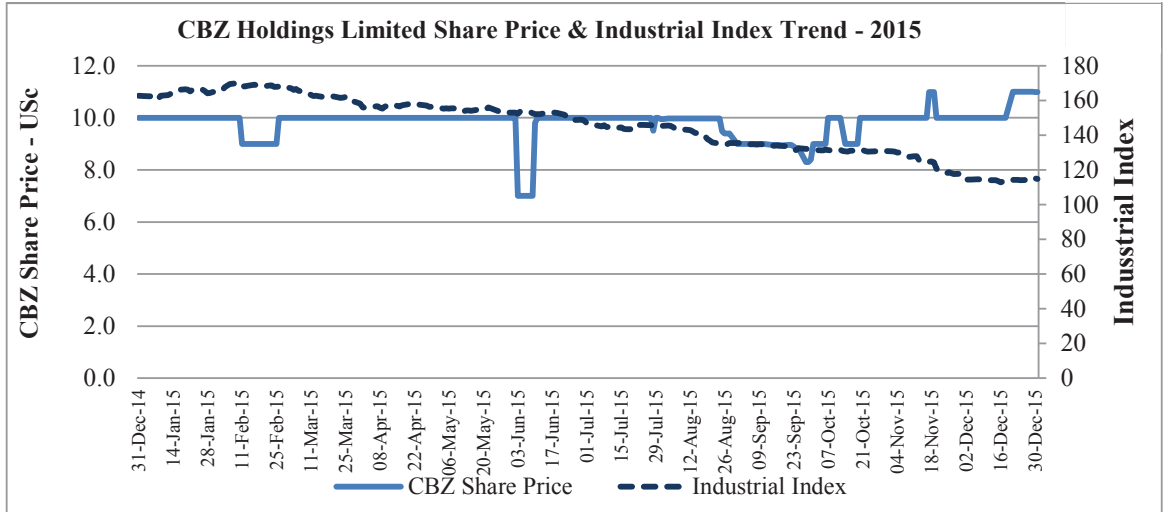
The introduction of the interest rate framework, the purchase of Non-Performing Loans (NPLs) by ZAMCO, completion of the ZWD demonetisation program and resumption of the interbank market were some of the major highlights during the period under review.

Reflecting sustained depositor confidence in the financial system, broad money supply (M3) increased by 8% from US\$4.4 billion at the end of 2014 to US\$4.75 billion at the end of 2015. However, the growth was largely driven by demand deposits, reflecting the need for the country to have a holistic approach towards rebuilding the culture of saving. CBZ Holdings continued to look into this area and launched some investment linked products as well as those targeted at enhancing financial inclusion.

Equities Market

Activity on the Zimbabwe Stock Exchange “ZSE”, a key barometer of investor confidence in the economy, was generally depressed in 2015. The industrial and mining indices fell by 29.4% and 66.9% to close at 114.85 and 23.72, respectively. Annual turnover also fell by 49.5% from US\$452.87 million in 2014 to US\$228.60 million in 2015, owing to reduced investor participation. However, despite the sluggish market performance, significant progress was made towards the incorporation and complete automation of the ZSE, a move that is expected to improve the capital markets’ corporate governance and simultaneously promote greater investor participation in the medium term.

The CBZ Holdings share price registered a 9.8% growth in 2015, closing the year at 10.99 cents from an opening price of 10.01 cents. Market capitalisation closed the year at US\$75.53 million from US\$68.23 million at the beginning of the year. The graph below shows the performance of the CBZH share price against the industrial index in 2015.



Overview of the Group’s Performance

Below are the key highlights of the Group’s performance for the year and the comparative period.

	Audited Year Ended 31 December 2015 US\$m	Audited Year Ended 31 December 2014 US\$m
Key Financial Performance Highlights		
Profit before taxation	40.9	37.0
Profit after taxation	35.2	33.0
Total comprehensive income	35.6	35.7
Total assets	1 974.4	1 670.4
Total equity and reserves	261.9	231.7
Total deposits	1 684.3	1 416.9
Total advances	1 021.0	1 125.9
Other statistics		
Basic earnings per share(cents)	6.5	5.6
Non- interest income to total income %	40.8	42.8
Cost to income ratio %	64.0	63.8
Return on assets %	2.2	2.3
Return on equity %	14.3	15.1
Growth in deposits (YTD)%	18.9	6.3
Growth in advances (YTD)%	(9.3)	9.5
Growth in PBT (YOY)%	10.5	(12.4)
Growth in PAT (YOY)%	6.7	(9.9)

Directorship

Messrs Andrew Lowe and Tinoziva Bere retired from the Board of directors on 24 February 2015 and 6 August 2015 respectively, to pursue personal interests. We thank them for the support and contribution they made during their tenure as Members of the CBZ Holdings Board. Messrs Richard Dawes, Richard Ziobwa and Ian Harold Harris were appointed to the Board of Directors of CBZ Holdings Limited during the year ended 31 December 2015.

Governance

The Group has continued to strengthen its corporate governance practices in order to safeguard and grow shareholder value and enhance stakeholder interests, given the challenges posed by the operating environment. It was therefore quite contenting when the Group received top accolades for the “Overall Best Governed Company” and the “Best Board Practices” by the Institute of Chartered Secretaries and Administrators (Zimbabwe) (ICSAZ) during the year.

Dividend

In line with the Group’s dividend growth policy and considering the need for prudent capitalisation and liquidity management, the Board has proposed the declaration of a final gross dividend of US\$1 456 504. Having declared an interim dividend of US\$1 456 505, this translates to an annual dividend of US\$2 913 009, a 10% growth from the prior year.

Outlook

The global economy is expected to remain fragile, characterised by weak commodity prices and volatile exchange rates. In Zimbabwe, these global weaknesses will, in the short term, be compounded by the adverse effects of the El Nino weather conditions and US dollar appreciation. It is, therefore, hoped that the successful completion of the IMF SMP and resolution of the country’s external debt situation by the targeted date of 30 April 2016 will result in a new, comprehensive economic program that will drive activity from stabilisation to growth.

It is important to note that policy consistency and coherence, investment in infrastructure and promotion of new and old markets are key initiatives for economic growth. In this regard, CBZ Holdings will continue to scout for opportunities to invest in developmental assets where the attendant risk-return profile is deemed acceptable to the shareholders.

Appreciation

My appreciation goes to our valued clients, who have continued to partner with us successfully. I also thank the Group Board, Boards of Group companies, Management and Staff for their continued dedication to the attainment of such remarkable results.

Richard. Victor Wilde
Chairman

25 February 2016

AUDITOR’S STATEMENT

These financial results should be read in conjunction with the complete set of financial statements for the year ended 31 December 2015, which have been audited by Deloitte & Touche and an unmodified audit opinion issued thereon. The auditor’s report on these financial results is available for inspection at the company’s registered office.

Deloitte & Touche
Harare, Zimbabwe

25 February 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2015			
	Notes	31 Dec 2015 US\$	31 Dec 2014 US\$
Interest income	2	203 921 398	190 213 435
Interest expense	2	(94 795 719)	(101 861 755)
Net interest income		109 125 679	88 351 680
Non-interest income	3	62 582 558	58 085 822
Underwriting income (net)	4	12 505 833	8 131 790
Total income		184 214 070	154 569 292
Operating expenditure	5	(117 856 789)	(98 662 955)
Operating income		66 357 281	55 906 337
Charge for impairment	11.5/12.1	(23 510 196)	(18 035 952)
Transfer to life fund	21	(1 961 968)	(862 165)
Profit before taxation		40 885 117	37 008 220
Taxation	6	(5 647 792)	(3 976 837)
Profit for the year after taxation		35 237 325	33 031 383
Other comprehensive income			
Gains on property revaluation	6.1	395 318	3 247 571
Deferred income tax relating to components of other comprehensive income	6.1	(75 150)	(547 980)
Other comprehensive income for the year, net of tax		320 168	2 699 591
Total comprehensive income for the year		35 557 493	35 730 974
Profit for the year attributable to:			
Equity holders of parent		35 083 635	32 945 695
Non-controlling interests	23.8	153 690	85 688
Profit for the year		35 237 325	33 031 383
Total comprehensive income attributable to:			
Equity holders of parent		35 403 803	35 645 286
Non-controlling interests	23.8	153 690	85 688
Total comprehensive income for the year		35 557 493	35 730 974
Earnings per share (cents):			
Basic	7.1	6.52	5.59
Fully diluted	7.1	6.34	5.44
Headline	7.1	7.10	5.61

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2015			
	Notes	31 Dec 2015 US\$	31 Dec 2014 US\$
ASSETS			
Balances with banks and cash	9	42 522 322	73 296 010
Money market assets	10	672 613 440	240 402 431
Advances	11	1 020 968 516	1 125 938 280
Insurance assets	12	5 189 347	4 151 998
Other assets	13	99 765 863	91 315 003
Investments in other financial assets	14	7 233 272	13 092 885
Property and equipment	15	77 684 389	76 950 172
Investment properties	16	27 944 072	25 161 306
Intangible assets	17	1 509 346	1 339 462
Deferred taxation	18.1	17 171 546	17 215 314
Current tax receivable		1 756 423	1 490 391
TOTAL ASSETS		1 974 358 536	1 670 353 252
LIABILITIES			
Deferred taxation	18.2	2 534 187	2 606 658
Deposits	19	1 684 277 828	1 416 930 877
Insurance liabilities	20	4 955 722	5 134 718
Life fund	21	4 675 401	2 311 493
Other liabilities	22	15 800 251	11 514 727
Current tax payable		238 090	165 147
TOTAL LIABILITIES		1 712 481 479	1 438 663 620

EQUITY AND RESERVES

Share capital	23.1	6 867 689	6 866 065
Share premium	23.2	40 001 416	39 983 305
Treasury shares	23.3	(16 810 640)	(13 503 280)
Non-distributable reserve	23.4	-	-
Revaluation reserve	23.5	26 625 959	26 305 791
Share option reserve	23.6	1 032 565	907 067
Revenue reserves	23.7	203 691 964	170 846 270
Equity and reserves attributable to equity holders of the parent		261 408 953	231 405 218
Non-controlling interests	23.8	468 104	284 414
TOTAL EQUITY AND RESERVES		261 877 057	231 689 632
TOTAL LIABILITIES, EQUITY AND RESERVES		1 974 358 536	1 670 353 252

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2015										
	Share capital US\$	Share premium US\$	Treasury shares US\$	Non distributable reserve US\$	Revaluation reserve US\$	Share option reserve US\$	Revenue reserve US\$	Non-controlling interests US\$	Total US\$	
2014										
Opening balance	6 862 084	26 938 904	(6 104 335)	13 000 000	23 606 200	772 890	140 099 968	669 251	205 844 962	
Total comprehensive income	-	-	-	-	2 699 591	-	32 945 695	85 688	35 730 974	
Treasury shares acquisition	-	-	(7 398 945)	-	-	-	-	-	(7 398 945)	
Change in degree of ownership	-	-	-	-	-	-	20 995	(470 525)	(449 530)	
Employee share option reserve	-	-	-	-	-	147 493	-	-	147 493	
Exercise of share options	3 981	44 401	-	-	-	(13 316)	-	-	35 066	
Dividends paid	-	-	-	-	-	-	(2 220 388)	-	(2 220 388)	
Inter category transfer	-	13 000 000	-	(13 000 000)	-	-	-	-	-	
Closing balance	6 866 065	39 983 305	(13 503 280)	-	26 305 791	907 067	170 846 270	284 414	231 689 632	
2015										
Opening balance	6 866 065	39 983 305	(13 503 280)	-	26 305 791	907 067	170 846 270	284 414	231 689 632	
Total comprehensive income	-	-	-	-	320 168	-	35 083 635	153 690	35 557 493	
Treasury shares acquisition	-	-	(3 307 360)	-	-	-	-	-	(3 307 360)	
Rights issue	-	-	-	-	-	-	-	30 000	30 000	
Employee share option reserve	-	-	-	-	-	130 930	-	-	130 930	
Exercise of share options	1 624	18 111	-	-	-	(5 432)	-	-	14 303	
Dividend paid	-	-	-	-	-	-	(2 237 941)	-	(2 237 941)	
Closing balance	6 867 689	40 001 416	(16 810 640)	-	26 625 959	1 032 565	203 691 964	468 104	261 877 057	1

AUDITED
FINANCIAL RESULTS
for the Year Ended 31 December 2015



CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2015

	31 Dec 2015 US\$	31 Dec 2014 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	40 885 117	37 008 220
Non cash items:		
Depreciation	7 237 948	7 467 207
Amortisation of intangible assets	370 270	859 402
Impairment of property and equipment	74 270	455 965
Impairment of land inventory	2 085 672	68 657
Fair value adjustments on investment properties	951 370	(576 488)
Fair value adjustments on financial instruments	571 082	391 657
Impairment on advances and insurance assets	23 510 196	18 035 952
Unrealised gain on foreign currency position	(1 228 415)	(1 522 557)
Interest and provisions on guaranteed education plan	401 940	(165 356)
Unearned premium	1 519 471	679 527
Claims provision incurred but not reported (IBNR)	442 496	946 179
Loss on sale of property and equipment	45 125	53 972
Employee share option expense	130 930	147 493
Operating cash inflow before changes in operating assets and liabilities	76 997 472	63 849 830
Changes in operating assets and liabilities		
Deposits	146 723 004	85 889 179
Advances	(93 637 969)	(126 652 786)
Money market assets	(138 868 147)	(65 270 551)
Insurance assets	(1 273 659)	(320 295)
Insurance liabilities	(178 995)	752 033
Other assets	(8 726 974)	(11 793 323)
Other liabilities	4 285 524	1 029 210
	(91 677 216)	(116 366 533)
Corporate tax paid	(5 944 734)	(8 947 056)
Net cash outflow from operating activities	(20 624 478)	(61 463 759)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in investments	5 288 531	(1 686 763)
Purchase of investment properties	(49 053)	(77 897)
Proceeds on disposal of property and equipment	150 611	444 628
Purchase of property and equipment	(9 622 586)	(6 024 260)
Purchase of intangible assets	(415 715)	(474 149)
Net cash outflow from investing activities	(4 648 212)	(7 818 441)
CASH FLOWS FROM FINANCING ACTIVITIES		
Employee share options	14 303	35 066
Acquisition of additional shares in subsidiary	-	(449 530)
Treasury shares acquisition	(3 307 360)	(7 398 945)
Rights issue (Non-Controlling Interest)	30 000	-
Dividends paid	(2 237 941)	(2 220 388)
Net cash outflow from financing activities	(5 500 998)	(10 033 797)
NET DECREASE IN BALANCES WITH BANKS AND CASH	(30 773 688)	(79 315 997)
Balances with banks and cash at the beginning of the year	73 296 010	152 612 007
BALANCES WITH BANKS AND CASH AT END OF THE YEAR	42 522 322	73 296 010

ACCOUNTING POLICIES
for the year ended 31 December 2015

1. GROUP ACCOUNTING POLICIES

The following paragraphs describe the main accounting policies of the Group, which have been applied consistently.

1.1 BASIS OF PREPARATION

The Group’s financial results have been prepared under policies consistent with International Financial Reporting Standards (‘IFRS’).The financial results are based on statutory records that are maintained under the historical cost convention as modified by the revaluation of property, equipment, investment property and certain financial instruments stated at fair value.

The financial results are presented in United States dollars (US\$), the Group’s functional currency.

Basis of consolidation

The Group’s consolidated financial results incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company has power over the investee, is exposed or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The results of subsidiaries acquired or disposed of during the year are incorporated from the dates control was acquired and up to the date control ceased.

The financial results of the subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses, profits and losses resulting from intra-group transactions that are recognised in assets and liabilities and income and expenses are eliminated in full.

Non-controlling interests represent the portion of profit and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders’ equity.

1.2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Group’s accounting policies, management made certain judgements and estimates that have a significant effect on the amounts recognised in the financial statements. Kindly refer to our website (www.cbz.co.zw) for a detailed analysis of the significant accounting estimates and judgements, which are consistent with those applied in the Group’s 2015 annual report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS RESULTS
for the year ended 31 December 2015

1. INCORPORATION AND ACTIVITIES

The consolidated financial results of the Group for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 25 February 2016. The Group offers commercial banking, mortgage finance, asset management, short term insurance, life assurance and other financial services and is incorporated in Zimbabwe.

2. INTEREST

Interest Income

Bankers acceptances
Overdrafts
Loans
Mortgage interest
Staff loans

Short-term money market assets
Other investments

Interest expense

Call deposits
Savings deposits
Money market deposits
Other offshore deposits

NET INTEREST INCOME

3. NON-INTEREST INCOME

Fair value adjustments on financial instruments
Fair value adjustments on investment properties
Net income from foreign currency dealings
Unrealised gains on foreign currency position
Commission and fee income
Loss on sale of assets
Bad debts recovered
Other operating income

4. UNDERWRITING INCOME (NET)

Gross premium insurance
Reinsurance
Net written premium
Unearned premium
Net earned premium
Net commission
Net claims

5. OPERATING EXPENDITURE

Staff costs
Administration expenses
Audit fees
Depreciation
Amortisation of intangible assets
Impairment of property and equipment
Impairment of land inventory

Remuneration of directors and key management personnel (included in staff costs)

Fees for services as directors
Pension for past and present directors
Salaries and other benefits

Operating leases

The following is an analysis of expenses related to operating leases:
Non cancellable lease rentals are payable as follows:

Less than 1 year
Between 1 and 5 years
More than 5 years

6. TAXATION

The following constitutes the major components of income tax expense recognised in the statement of comprehensive income.

Analysis of tax charge in respect of the profit for the year

Current income tax charge
Deferred income tax
Income tax expense

6.1 Income tax relating to components of other comprehensive income

Gross revaluation adjustment
Tax expense
Net revaluation adjustment

Total taxation

6.2 Tax rate reconciliation

Notional tax
Aids levy
Permanent differences
Tax credit
Effective tax rate

31 Dec 2015 US\$	31 Dec 2014 US\$
1 169 250	1 824 740
104 611 137	110 437 175
44 913 275	43 431 551
17 892 448	16 445 029
3 236 028	2 972 558
171 822 138	175 111 053
33 555 160	15 135 300
(1 455 900)	(32 918)
203 921 398	190 213 435
1 432 904	611 394
17 911 314	9 349 815
62 530 023	70 244 424
12 921 478	21 656 122
94 795 719	101 861 755
109 125 679	88 351 680
(571 082)	(391 657)
(951 370)	576 488
3 474 727	4 080 933
1 228 415	1 522 557
48 186 788	45 984 265
(45 125)	(53 972)
5 999 079	42 360
5 261 126	6 324 848
62 582 558	58 085 822
22 802 845	18 319 992
(5 314 424)	(4 758 546)
17 488 421	13 561 446
42 156	(706 065)
17 530 577	12 855 381
(764 306)	(1 476 974)
(4 260 438)	(3 246 617)
12 505 833	8 131 790
58 701 491	53 674 636
48 860 300	35 584 882
526 838	552 206
7 237 948	7 467 207
370 270	859 402
74 270	455 965
2 085 672	68 657
117 856 789	98 662 955
1 010 402	1 187 609
619 879	620 446
6 345 614	6 152 946
7 975 895	7 961 001
167 014	1 597 369
1 869 359	1 132 697
944 678	510 000
2 981 051	3 240 066
5 751 644	5 664 844
(103 852)	(1 688 007)
5 647 792	3 976 837
395 318	3 247 571
(75 150)	(547 980)
320 168	2 699 591
75 150	547 980
%	%
25.00	25.00
0.75	0.75
(11.25)	(14.18)
(0.69)	(0.82)
13.81	10.75

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the year.

Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by sum of the weighted average number of ordinary shares outstanding at the end of the year and the weighted average number of potentially dilutive ordinary shares.

Headline earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders of the parent after adjustments for excluded re-measurements by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and shareholding data used in the basic and diluted earnings per share computations:

	31 Dec 2015 US\$	31 Dec 2014 US\$
7.1 Annualised earnings per share (US cents)		
Basic	6.52	5.59
Fully diluted	6.34	5.44
Headline	7.10	5.61
7.2 Earnings		
Basic earnings (earnings attributable to holders of parent)	35 083 635	32 945 695
Fully diluted	35 083 635	32 945 695
Headline	38 208 627	33 046 193
Number of shares used in calculations (weighted)	Shares	Shares
Basic earnings per share (weighted)	538 013 960	589 866 928
Fully diluted earnings per share (weighted)	553 229 658	605 123 808
Headline (weighted)	538 013 960	589 866 928
7.3 Reconciliation of denominators used for calculating basic and diluted earnings per share:		
Weighted average number of shares before adjustment for treasury shares	686 551 277	686 510 096
Less: Treasury shares held	(148 537 317)	(96 643 168)
Weighted average number of shares used for basic EPS	538 013 960	589 866 928
Potentially dilutive shares (Employee Share Options)	15 215 698	15 256 880
Weighted average number of shares used for diluted EPS	553 229 658	605 123 808
7.4 Headline earnings	31 Dec 2015 US\$	31 Dec 2014 US\$
Profit attributable to ordinary shareholders	35 083 635	32 945 695
Adjusted for excluded re-measurements:		
Impairment on property and equipment and land inventory	2 159 942	524 622
Disposal loss on property and equipment	45 125	53 972
Loss/(Gains) on investment properties valuation	951 370	(576 488)
Tax relating to re-measurements	(31 445)	98 392
Headline earnings	38 208 627	33 046 193
8. DIVIDENDS		
Interim dividend paid	1 141 339	1 103 009
Final dividend proposed	1 456 505	1 388 945
Dividends are paid on shares held at the record date net of treasury shares held on the same date.		
9. BALANCES WITH BANKS AND CASH		
Cash foreign	16 237 934	29 239 147
Nostro accounts	3 866 923	17 529 169
Balance with the Reserve Bank of Zimbabwe	22 406 112	26 522 329
Interbank clearing accounts	11 353	5 365
	42 522 322	73 296 010
10. MONEY MARKET ASSETS		
AMA bills	2 888 250	1 422 000
Treasury placements	184 575 082	64 764 086
Accrued interest	7 540 102	4 949 430
Treasury bills	465 574 969	147 838 853
Bankers acceptances	12 035 037	21 428 062
	672 613 440	240 402 431
10.1 Maturity analysis		
Less than 1 month	66 588 489	24 010 837
Between 1 and 3 months	144 426 410	72 768 110
Between 3 and 6 months	3 873 431	1 727 933
Between 6 months and 1 year	6 530 104	4 395 084
Between 1 and 5 years	188 315 233	137 500 467
5 years and above	262 879 773	-
	672 613 440	240 402 431
10.2 Loans and receivables		
Maturity value	796 142 114	250 127 882
Book value	672 613 440	240 402 431
11. ADVANCES		
Overdrafts	622 332 605	660 125 004
Loans	292 438 437	342 345 585
Staff loans	55 485 183	50 967 248
Mortgage advances	104 106 092	125 234 012
	1 074 362 317	1 178 671 849
Interest accrued	21 544 908	13 098 389
Total gross advances	1 095 907 225	1 191 770 238
Provision for impairment (Including interest in suspense)	(74 938 709)	(65 831 958)
	1 020 968 516	1 125 938 280
11.1 Sectoral analysis	US\$ %	US\$ %
Private	156 219 389 15	116 692 382 10
Agriculture	310 735 698 29	337 137 187 28
Mining	11 264 816 1	20 142 355 2
Manufacturing	155 904 814 14	97 172 797 8
Distribution	219 593 068 20	293 006 084 25
Construction	5 371 935 -	4 635 813 -
Transport	13 246 917 1	22 777 858 2
Communication	2 133 707 -	6 927 291 -
Services	199 597 725 18	271 335 148 23
Financial organisations	21 839 156 2	21 943 323 2
	1 095 907 225 100	1 191 770 238 100
11.2 Maturity analysis	US\$	US\$
Less than 1 month	440 514 893	614 542 440
Between 1 and 3 months	48 954 744	35 045 651
Between 3 and 6 months	99 587 999	21 247 394
Between 6 months and 1 year	162 491 291	208 199 408
Between 1 and 5 years	176 839 758	157 392 983
More than 5 years	167 518 540	155 342 362
	1 095 907 225	1 191 770 238

		31 Dec 2015 US\$	31 Dec 2014 US\$					
11.3	Loans to directors, key management and employees							
	Loans to directors and key management							
	Included in advances are loans to Executive Directors and key management:-							
	Opening balance	6 605 193	7 691 443					
	Advances made during the year	852 990	536 868					
	Repayments during the year	(571 363)	(1 623 118)					
	Balance at end of the year	6 886 820	6 605 193					
	Loans to employees							
	Included in advances are loans to employees:							
	Opening balance	44 378 749	37 838 477					
	Advances made during the year	8 854 810	7 857 898					
	Repayments during the year	(4 635 196)	(1 317 626)					
	Balance at end of the year	48 598 363	44 378 749					
11.4	Non performing advances							
	Total advances on which interest is suspended	76 071 314	87 094 321					
11.5	Provision for impairment of advances							
	Opening balance	65 831 958	35 915 744					
	Charge for impairment on advances	23 273 886	17 887 532					
	Interest in suspense	10 113 912	16 479 820					
	Amounts written off during the year	(24 281 047)	(4 451 138)					
	Balance at end of the year	74 938 709	65 831 958					
	Comprising:							
	Specific impairments	37 802 734	37 640 994					
	Portfolio impairments	37 135 975	28 190 964					
		74 938 709	65 831 958					
11.6	Collateral							
	Cash cover	203 582 970	151 961 284					
	Mortgage bonds	856 592 104	857 478 870					
	Notarial general covering bonds	788 254 088	754 069 932					
		1 848 429 162	1 763 510 086					
12.	INSURANCE ASSETS							
	Reinsurance unearned premium reserve	1 531 253	1 259 713					
	Reinsurance receivables	1 025 196	869 957					
	Deferred acquisition cost	848 819	530 652					
	Insurance premium receivables	1 916 690	1 537 898					
	Suspended premium	(132 611)	(46 222)					
		5 189 347	4 151 998					
12.1	Impairment on insurance assets							
	Opening balance	200 141	179 204					
	Charge for impairment on insurance receivables	236 310	148 420					
	Amounts written off during the year	-	(127 483)					
	Balance at end of the year	436 451	200 141					
13.	OTHER ASSETS							
	Land inventory	84 540 941	77 563 434					
	Prepayments and deposits	1 786 659	1 411 962					
	Other receivables	13 438 263	12 339 607					
		99 765 863	91 315 003					
14.	INVESTMENTS IN OTHER FINANCIAL ASSETS							
	Investments in equity instruments	7 233 272	5 462 918					
	Investments in debenture instruments	-	7 629 967					
		7 233 272	13 092 885					
14.1	Investments in equities							
	Unlisted investments	6 273 833	3 775 138					
	Listed investments	959 439	1 687 780					
		7 233 272	5 462 918					
	At cost	3 480 662	3 775 138					
	At fair value	3 752 610	1 687 780					
		7 233 272	5 462 918					
	Portfolio analysis							
	Trading	3 693 747	4 982 148					
	Available for sale	3 539 525	480 770					
		7 233 272	5 462 918					
	Available for sale investments are held at cost.							
		31 Dec 2015 US\$	%	31 Dec 2014 US\$	%			
14.2	Investment in subsidiaries							
	CBZ Bank Limited	21 839 891	100	21 839 891	100			
	CBZ Asset Management (Private) Limited	1 987 950	100	1 987 950	100			
	CBZ Building Society	19 114 990	100	19 114 990	100			
	CBZ Insurance (Private) Limited	1 690 879	86.63	824 109	86.63			
	CBZ Properties (Private) Limited	4 779 144	100	4 779 144	100			
	CBZ Life Assurance (Private) Limited	1 388 014	100	1 388 014	100			
	CBZ Asset Management - Mauritius	132 990	100	132 990	100			
		50 933 858		50 067 088				
	During the year CBZ Insurance conducted a rights issue and CBZ Holdings exercised its full rights to the issue.							
15. PROPERTY AND EQUIPMENT								
Cost	Land US\$	Buildings US\$	Leasehold improvements US\$	Motor vehicles US\$	Computer and equipment US\$	Work in progress US\$	31 Dec 2015 US\$	31 Dec 2014 US\$
Opening balance	5 699 347	52 289 299	805 435	4 677 170	29 865 129	1 133 356	94 469 736	89 800 814
Additions	-	636 890	-	1 263 567	2 913 312	4 808 817	9 622 586	6 024 260
Revaluation surplus	(68 723)	(2 062 623)	-	-	-	-	(2 131 346)	519 752
Impairments	-	(168 617)	-	-	-	-	(168 617)	(455 965)
Disposals	-	-	-	(207 163)	(697 790)	(76 151)	(981 104)	(1 074 344)
Transfers to non PPE assets	(396 330)	(4 863 870)	-	-	-	(280 282)	(5 540 482)	(344 781)
Transfers from investment properties	53 319	3 711 431	-	-	-	-	3 764 750	-
Transfers (PPE inter-categories)	-	29 066	-	-	225 260	(254 326)	-	-
Closing balance	5 287 613	49 571 576	805 435	5 733 574	32 305 911	5 331 414	99 035 523	94 469 736
Accumulated depreciation and impairment								
Opening balance	-	-	271 657	2 647 272	14 600 635	-	17 519 564	13 355 920
Charge for the year	-	2 621 010	78 545	720 477	3 817 916	-	7 237 948	7 467 207
Disposals	-	-	-	(185 494)	(599 874)	-	(785 368)	(575 744)
Revaluation	-	(2 526 663)	-	-	-	-	(2 526 663)	(2 727 819)
Impairments	-	(94 347)	-	-	-	-	(94 347)	-
Closing balance	-	-	350 202	3 182 255	17 818 677	-	21 351 134	17 519 564
Net book value	5 287 613	49 571 576	455 233	2 551 319	14 487 234	5 331 414	77 684 389	76 950 172
Net book value (2014)	5 699 347	52 289 299	533 778	2 029 898	15 264 494	1 133 356	76 950 172	
Properties were revalued on an open market basis by an independent professional valuer, as at 31 December 2015 in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards.								

Maturity analysis is based on the remaining period from 31 December 2015 to contractual maturity.

AUDITED FINANCIAL RESULTS

for the Year Ended 31 December 2015



In determining the market values of the subject properties, the following was considered:

- Comparable market evidence which comprised of complete transactions as well as transactions where offers had been made but the transactions had not been finalised.
- Professional judgement was exercised to take cognisance of the fact that properties in the transactions were not exactly comparable in terms of size, quality and location to the properties owned by the Group.
- The reasonableness of the market values of commercial properties so determined, per above bullet, was assessed by reference to the properties in the transaction.
- The values per square metre of lettable spaces for both the subject properties and comparables were analysed.
- With regards to the market values for residential properties, the comparison method was used. This method entails carrying out a valuation by directly comparing the subject property, which has been sold or rented out. The procedure was performed as follows:
 - i. Surveys and data collection on similar past transactions.
 - ii. Analysis of collected data.
- Comparison of the analysis with the subject properties and then carrying out the valuation of the subject properties. Adjustments were made to the following aspects:
 - a) Age of property – state of repair and maintenance
 - b) Aesthetic quality – quality of fixtures and fittings
 - c) Structural condition – location
 - d) Accommodation offered – size of land

The maximum useful lives are as follows:

Buildings	40 years
Motor vehicles	3 – 5 years
Leasehold improvements	10 years
Computer equipment	5 years
Furniture and fittings	10 years

The carrying amount of buildings would have been US\$37 455 546 (December 2014: US\$31 804 389) had they been carried at cost.

Property was tested for impairment through comparison with the open market values determined by independent valuers.

16.	INVESTMENT PROPERTIES	31 Dec 2015 US\$	31 Dec 2014 US\$
	Opening balance	25 161 306	21 849 043
	Additions	2 182 843	77 897
	Transfer from property and equipment	5 316 043	-
	Transfer (to)/from other assets	(3 764 750)	2 657 878
	Fair valuation (loss)/gain	(951 370)	576 488
	Closing balance	27 944 072	25 161 306

The carrying amount of the investment property is the fair value of the property as determined by a registered independent appraiser having, an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Group's investment properties. The properties were valued as at 31 December 2015.

The rental income derived from investment properties amounted to US\$1 083 326 (Dec 2014: US\$ 1 391 420) and direct operating expenses amounted to US\$132 858 (Dec 2014: US\$ 173 598).

17.	INTANGIBLE ASSETS	31 Dec 2015 US\$	31 Dec 2014 US\$
	Computer software		
	At cost	4 497 146	4 013 282
	Accumulated amortisation	(2 987 800)	(2 673 820)
		1 509 346	1 339 462
	Movement in intangible assets:		
	Opening balance	1 339 462	1 603 965
	Additions	415 715	474 149
	Transfer from property and equipment	124 439	120 750
	Amortisation charge	(370 270)	(859 402)
	Closing balance	1 509 346	1 339 462

Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets, which comprise computer software are amortised over a useful life of 3 years.

18.	DEFERRED TAXATION	31 Dec 2015 US\$	31 Dec 2014 US\$
	Deferred tax asset		
	Opening balance	17 215 314	16 050 111
	Assessed loss	111 288	263 977
	Impairments and provisions	2 327 628	3 777 181
	Tax claimable impairments	(1 463 002)	(4 908 545)
	Other	(1 019 682)	2 032 590
	Closing balance	17 171 546	17 215 314
	Deferred tax liability		
	Deferred tax related to items charged in other comprehensive income during the year is as follows:		
	Revaluation of property and equipment	75 150	547 980
		75 150	547 980

The deferred tax included in the statement of financial position and changes recorded in the income tax expense are comprised of:

	Fair value adjustments	(31 445)	98 392
	Prepayments	(10 075)	16 429
	Property and equipment	124 584	404 639
	Other	(230 685)	(1 042 263)
		(147 621)	(522 803)
	Add:		
	Opening balance	2 606 658	2 581 481
	Closing balance	2 534 187	2 606 658

19.	DEPOSITS	31 Dec 2015 US\$	31 Dec 2014 US\$
	Call deposits	31 109 059	23 671 484
	Savings and other deposits	861 630 492	608 023 548
	Money market deposits	660 678 443	537 399 502
	Lines of credit	121 526 644	234 727 287
	Accrued interest	9 333 190	13 109 056
		1 684 277 828	1 416 930 877
	Deposits by source		
	Banks	180 032 090	62 558 182
	Money market	485 920 141	508 228 320
	Customers	894 378 031	609 567 589
	Lines of credit	123 947 566	236 576 786
		1 684 277 828	1 416 930 877
	Deposits by type		
	Retail	152 921 355	103 847 578
	Corporate	741 456 676	505 720 011
	Money market	665 952 231	570 786 502
	Lines of credit	123 947 566	236 576 786
		1 684 277 828	1 416 930 877

Foreign lines of credit relate to borrowings from a foreign bank or financial institution. These have an average tenure of 1.3 years with an average interest rate of 6.1 % and are secured by a variety of instruments which include lien over bank accounts, guarantees, treasury bills and sub borrower securities.

19.3	Sectoral Analysis	31 Dec 2015 US\$	%	31 Dec 2014 US\$	%
	Private	90 147 161	5	83 693 796	6
	Agriculture	51234 288	3	35 739 298	2
	Mining	15 452 687	1	10 792 075	1
	Manufacturing	119 589 950	7	78 303 262	6
	Distribution	301 222 457	18	135 342 475	10
	Construction	36 145 700	2	25 282 409	2
	Transport	24 715 539	1	17 285 714	1
	Communication	27 107 402	2	31 564 254	2
	Services	524 892 088	31	442 694 646	31
	Financial organisations	467 865 847	29	525 654 196	37
	Financial and investments	25 904 709	1	30 578 752	2
		1 684 277 828	100	1 416 930 877	100

19.4	Maturity analysis	31 Dec 2015 US\$	31 Dec 2014 US\$
	Less than 1 month	554 530 347	602 465 271
	Between 1 and 3 months	166 348 301	100 964 340
	Between 3 and 6 months	152 908 048	57 606 556
	Between 6 months and 1 year	117 383 171	308 929 280
	Between 1 and 5 years	448 890 370	317 679 170
	More than 5 years	244 217 591	29 286 260
		1 684 277 828	1 416 930 877

Maturity analysis is based on the remaining period from 31 December 2015 to contractual maturity.

20.	INSURANCE LIABILITIES	31 Dec 2015 US\$	31 Dec 2014 US\$
	Reinsurance payables	605 093	695 165
	Gross outstanding claims	953 962	1 066 353
	Gross unearned premium reserve	3 079 891	3 082 376
	Deferred reinsurance acquisition revenue	316 776	290 824
		4 955 722	5 134 718

20.1	Insurance contract provisions	Gross US\$	Reinsurance US\$	Net US\$
	(a) Provision for unearned premiums			
	December 2015			
	Unearned premiums at the beginning of year	3 864 655	1 259 712	2 604 943
	Written premiums	22 802 845	5 314 424	17 488 421
	Premiums earned during the year	(21 063 207)	(5 052 100)	(16 011 107)
	Unearned premiums at end of the year	5 604 293	1 522 036	4 082 257
	Outstanding claims provision			
	Outstanding claims at the beginning of year	1 208 597	376 025	832 572
	Claims incurred	6 128 102	2 005 878	4 122 224
	Incurred but not reported claims provision (IBNR)	1 068 154	-	1 068 154
	Claims paid	(6 404 001)	(2 084 722)	(4 319 279)
	Outstanding claims at end of the year	2 000 852	297 181	1 703 671

(b) Reinsurance payables	31 Dec 2015 US\$	31 Dec 2014 US\$
Reinsurance payables at beginning of year	695 165	549 367
Premiums ceded during the year	5 546 294	4 437 143
Reinsurance paid	(5 636 365)	(4 291 345)
Reinsurance payables at end of the year	605 094	695 165

(c) Commissions	Unearned Commission US\$	Deferred Acquisition US\$	Net US\$
Unearned at the beginning of year	288 538	348 868	(60 330)
Written premiums	1 092 353	945 696	146 657
Earned during the year	(1 064 114)	(964 319)	(99 795)
Unearned at end of year	316 777	330 245	(13 468)

(d) Net claims	31 Dec 2015 US\$	31 Dec 2014 US\$
Gross claims incurred	6 404 001	5 197 235
Reinsurance claims	(2 084 722)	(1 413 805)
Incurred but not yet reported claims	1 074 928	683 132
Gross outstanding claims	(105 818)	612 305
Reinsurance share of outstanding claims	53 550	(227 832)
	5 341 939	4 851 035

(e) Net commissions	31 Dec 2015 US\$	31 Dec 2014 US\$
Commission received	1 247 704	973 514
Commission paid	(3 059 029)	(2 479 129)
Deferred acquisition costs	292 214	28 641
Net commission	(1 519 111)	(1 476 974)

21.	LIFE FUND	Unearned Premium Reserve US\$	Incurred But Not Reported US\$	Guaranteed Education Plan Provision US\$	Total US\$
	December 2015				
	Opening balance	773 062	625 658	912 773	2 311 493
	Transfer from income	1 519 472	442 496	-	1 961 968
	Interest on CEP Fund	-	-	88 793	88 793
	Early Maturity CEP claims	-	-	313 147	313 147
	Closing balance	2 292 534	1 068 154	1 314 713	4 675 401

22.	OTHER LIABILITIES	31 Dec 2015 US\$	31 Dec 2014 US\$
	Revenue received in advance	2 076 459	3 236 546
	Sundry creditors	7 382 248	6 521 473
	Other	6 341 544	1 756 708
		15 800 251	11 514 727

23.	EQUITY AND RESERVES	31 Dec 2015 US\$	31 Dec 2014 US\$
	Share capital		
	Authorised		
	1 000 000 000 ordinary shares of US\$ 0.01each	10 000 000	10 000 000
	Issued and fully paid		
	686 768 943 ordinary shares of US\$ 0.01each(2014: 686 606 495)	6 867 689	6 866 065
	Opening balance	6 866 065	6 862 084
	Exercise of share options	1 624	3 981
	Closing balance	6 867 689	6 866 065

23.2	Share premium	31 Dec 2015 US\$	31 Dec 2014 US\$
	Opening balance	39 983 305	26 938 904
	Exercise of Share option reserve	18 111	44 401
	Transfer from non-distributable reserve	-	13 000 000
	Closing balance	40 001 416	39 983 305

23.3	Treasury shares	31 Dec 2015 US\$	31 Dec 2014 US\$
	Opening balance	13 503 280	6 104 335
	Share buyback	3 307 360	7 398 945
	Closing balance	16 810 640	13 503 280

23.4	Non-distributable reserve	31 Dec 2015 US\$	31 Dec 2014 US\$
	Opening balance	-	13 000 000
	Transfer to share premium	-	(13 000 000)
	Closing balance	-	-

	31 Dec 2015 US\$	31 Dec 2014 US\$
23.5 Revaluation reserve		
Opening balance	26 305 791	23 606 200
Net revaluation gain	320 168	2 699 591
Closing balance	26 625 959	26 305 791
23.6 Employee share option reserve		
Opening balance	907 067	772 890
Share options to employees	125 498	134 177
Closing balance	1 032 565	907 067

During the year 162 358 shares were exercised after vesting and US\$14 303 was realised from the exercise.

Shares under option

The Directors are empowered to grant share options to senior executives and staff of the company up to a maximum of 40 000 000 shares. The options are granted for a period of 10 years at a price determined by the middle market price ruling on the Zimbabwe Stock Exchange on the day on which the options are granted. Details of the share options outstanding as at 31 December 2015 were as follows:

	Subscription price	Number of Shares
Granted 1 June 2012	US\$0.0881	40 000 000
	31 Dec 2015 Shares	31 Dec 2014 Shares
Movement for the year		
Balance at the beginning of the year	37 553 747	37 951 792
Options exercised	(162 358)	(398 045)
Balance at the end of the year	37 391 389	37 553 747

A valuation of the share option scheme was carried out by professional valuers. The estimated fair value of the options granted was determined using the binomial model in accordance with IFRS 2 “Share Based Payments” with inputs and assumptions:

Grant date share price (US cents)	8.81
Exercise price (US cents)	8.81
Expected volatility	50%
Dividend yield	2.5%
Risk-free interest rate	5.70%

Valuation inputs:

Exercise price

The scheme rules state that the price for the shares comprised in an option shall be the middle market price ruling on the Zimbabwe Stock Exchange on the day which the options are granted.

Expected volatility

Expected volatility is a measure of the amount by which the price is expected to fluctuate during a year, for example between grant date and the exercise date. Volatility was calculated using the geometric Brownian motion process on share prices.

Expected dividends

When estimating the fair value of options, the projected valuation of shares is reduced by the present value of dividends expected to be paid during the vesting year. This is because the payment of dividends reduces the value of a company.

Risk free rate of return

A risk free rate of return is the interest rate an investor would expect to earn on an investment with no risk which is usually taken to be a government issued security. It is the interest rate earned on a riskless security over a specified time horizon. Given that the valuation was done in United States dollars, the risk free rate was estimated based on the yield on 10 year treasury bills issued by the Federal Reserve Bank of the United States of America of 2.02%. This value was adjusted for the inflation differential between Zimbabwe and the United States of America. All options expire, if not exercised, 10 years after the date of grant.

	31 Dec 2015 US\$	31 Dec 2014 US\$
23.7 Revenue reserve		
The revenue reserve comprises:		
Holding company	21 940 634	21 230 305
Subsidiary companies	186 212 095	153 407 951
Effect of consolidation journals	(4 460 765)	(3 791 986)
	203 691 964	170 846 270
23.8 Non-controlling interests		
Non-controlling interests comprise:		
Opening balance	284 414	669 251
Total comprehensive income	153 690	85 688
Rights issue	30 000	-
Equity disposal	-	(470 525)
Closing balance	468 104	284 414
23.8.1 Non controlling interest acquisition		
CBZ Holdings acquired further shareholding in its subsidiary (CBZ Insurance) in 2014 at a consideration of US\$ 449 530. This resulted in CBZ Holdings increasing its interest from 58.5% to 86.63%.		
Net asset value of NCI at acquisition	-	694 163
Fair value of consideration paid	-	449 530
Value of NCI disposed (28.13%/41.5% of 694 163)	-	(470 525)
	-	(20 995)

24. CATEGORIES OF FINANCIAL INSTRUMENTS

	At fair value through profit or loss US\$	Available for sale US\$	Loans and receivables US\$	Financial liabilities at amortised cost US\$	Total carrying amount US\$
31 December 2015					
Financial assets					
Balances with banks and cash	-	-	42 522 322	-	42 522 322
Money market assets	-	-	672 613 440	-	672 613 440
Advances	-	-	1 020 968 516	-	1 020 968 516
Insurance assets	-	-	5 189 347	-	5 189 347
Investments	3 693 747	3 539 525	-	-	7 233 272
Other assets	-	-	16 031 293	-	16 031 293
Total	3 693 747	3 539 525	1 757 324 918	-	1 764 558 190
Financial liabilities					
Deposits	-	-	-	1 684 277 828	1 684 277 828
Life fund	-	-	-	4 675 401	4 675 401
Insurance liabilities	-	-	-	4 955 722	4 955 722
Other liabilities	-	-	-	15 800 251	15 800 251
Total	-	-	-	1 709 709 202	1 709 709 202

	At fair value through profit or loss US\$	Available for sale US\$	Loans and receivables US\$	Financial liabilities at amortised cost US\$	Total carrying amount US\$
31 December 2014					
Financial assets					
Balances with banks and cash	-	-	73 296 010	-	73 296 010
Money market assets	-	-	240 402 431	-	240 402 431
Advances	-	-	1 125 938 280	-	1 125 938 280
Insurance assets	-	-	4 151 998	-	4 151 998
Investments	4 982 148	480 770	7 629 967	-	13 092 885
Other assets	-	-	46 065 681	-	46 065 681
Total	4 982 148	480 770	1 497 484 367	-	1 502 947 285
Financial liabilities					
Deposits	-	-	-	1 416 930 877	1 416 930 877
Life fund	-	-	-	2 311 493	2 311 493
Insurance liabilities	-	-	-	5 134 718	5 134 718
Other liabilities	-	-	-	11 514 727	11 514 727
Total	-	-	-	1 435 891 815	1 435 891 815

25. CAPITAL MANAGEMENT

The Bank adopted the Group Internal Capital Adequacy Assessment Policy (ICAAP) which enunciates CBZ Holding’s approach, assessment and management of risk and capital from an internal perspective that is over and above the minimum regulatory rules and capital requirements of Basel II. The primary objective of the Group’s capital management is to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and maximise shareholder value. ICAAP incorporates a capital management framework designed to satisfy the needs of key stakeholders i.e. depositors, regulators, rating agencies who have specific interest in its capital adequacy and optimal risk taking to ensure its going concern status (solvency). The focus is also targeted at meeting the expectations of those stakeholders i.e. shareholders, analysts, investors, clients and the general public who are interested in looking at the profitability of the Group vis-à-vis assumed levels of risk (risk vs return).

26. CONTINGENCIES AND COMMITMENTS

Contingent liabilities

Guarantees

Capital commitments

Authorised and contracted for

Authorised and but not yet contracted for

The capital commitments will be funded from the Group’s own resources.

27. FUNDS UNDER MANAGEMENT

Pensions

Private

Unit trust

Money market

28. OPERATING SEGMENTS

The Group is comprised of the following operating units:

CBZ Bank Limited	Provides commercial banking and mortgage finance products through retail banking, corporate and merchant banking and investing portfolios through the treasury function.
CBZ Asset Management (Private) Limited	Provides fund management services to a wide spectrum of investors through placement of either pooled portfolios or individual portfolios.
CBZ Insurance (Private) Limited	Provides short term insurance.
CBZ Properties (Private) Limited	Property investment arm of the Group.
CBZ Life (Private) Limited	Provides long term insurance.
CBZ Asset Management (Mauritius)	Provides fund management services to a wide spectrum of investors through placement of either pooled portfolios or individual portfolios.

The table below shows the segment operational results for the year ended 31 December 2015:

28.1 Segment operational results

	Commercial banking US\$	Mortgage finance management US\$	Asset management US\$	Insurance US\$	Property investment US\$	Other operations US\$	Elimination of intersegment amounts US\$	Consolidated US\$
Income								
Total income for the year ended 31 Dec 2015	139 723 002	31 314 776	2 102 403	13 125 696	(261 427)	3 725 417	(5 515 797)	184 214 070
Total income for the year ended 31 Dec 2014	116 816 275	27 072 179	2 307 221	8 366 698	658 441	4 955 762	(5 607 284)	154 569 292
Depreciation and amortisation for the year ended 31 Dec 2015	5 432 362	1 594 502	123 392	312 862	-	78 585	66 515	7 608 218
Depreciation and amortisation for the year ended 31 Dec 2014	5 489 617	1 999 303	184 463	271 864	-	132 362	249 000	8 326 609
Impairment of assets for the year ended 31 Dec 2015	24 240 224	1 159 374	-	236 310	-	34 230	-	25 670 138
Impairment of assets for the year ended 31 Dec 2014	17 389 824	1 022 331	-	148 420	-	-	-	18 560 575
Results								
Profit before taxation for the year ended 31 Dec 2015	31 403 841	5 729 146	216 097	6 122 060	(297 895)	2 797 374	(5 085 506)	40 885 117
Profit before taxation for the year ended 31 Dec 2014	20 161 938	13 962 547	461 670	3 250 193	635 452	4 330 771	(5 794 351)	37 008 220
Cash flows								
Utilised from operating activities for the year ended 31 Dec 2015	(24 799 812)	9 021 263	59 159	1 525 578	14 829	7 737 245	(14 182 740)	(20 624 478)
Generated/used from operating activities for the year ended 31 Dec 2014	(69 240 531)	528 241	(87 293)	352 153	1 035 429	5 325 015	623 227	(61 463 759)
Used in investing activities for the year ended 31 Dec 2015	(1 741 697)	(870 769)	(10 750)	(382 190)	(84 053)	(2 325 053)	766 300	(4 648 212)
Used in investing activities for the year ended 31 Dec 2014	(5 019 784)	(671 320)	(74 608)	(570 497)	(77 404)	(1 987 019)	582 191	(7 818 441)
Generated/used from financing activities for the year ended 31 Dec 2015	(4 500 000)	-	-	129 322	-	(5 530 999)	4 400 679	(5 500 998)
Used/ Generated in financing activities for the year ended 31 Dec 2014	(4 672 000)	-	-	-	(1 000 000)	(9 584 268)	5 222 471	(10 033 797)
Assets and liabilities								
Reportable segment liabilities for the year ended 31 Dec 2015	1 666 324 404	111 616 119	423 152	10 738 397	713 434	7 259 703	(84 593 730)	1 712 481 479
Reportable segment liabilities for the year ended 31 Dec 2014	1 392 496 591	145 402 597	436 012	8 577 965	1 432 895	3 022 432	(112 704 872)	1 438 663 620
Total segment assets for the year ended 31 Dec 2015	1 814 126 770	196 231 707	2 980 415	27 163 490	10 449 379	60 337 567	(136 930 792)	1 974 358 536
Total segment assets for the year ended 31 Dec 2014	1 518 413 377	224 215 589	2 841 965	19 229 814	10 745 290	58 562 723	(163 655 506)	1 670 353 252

29. RELATED PARTIES

The ultimate parent of the Group is CBZ Holdings Limited. Related parties are those companies owned by Directors of the Group who have the power to exercise control over the management or financial and operating policies of the Group. The Group carries out banking and investment related transactions with related parties, all of which were undertaken at arm’s length and in compliance with the relevant Banking Regulations.

	Gross limits US\$	Utilised limits US\$	Value of security US\$
31 December 2015			
Loans to directors	5 526 470	5 011 295	5 655 750
31 December 2014			
Loans to directors	5 861 816	5 436 334	5 901 674

The loans to directors’ companies above include companies directly owned or significantly influenced by Executive and Non-Executive Directors and/or their close family members.

Transactions with related parties

Interest income

Commission and fee income

Compensation of key management personnel of the Group

As required by IAS 24: Related Party Disclosures, the Board’s view is that Non-Executive and Executive Directors constitute the management of the Group. Accordingly, key management remuneration is disclosed under note 5 to the financial results.

30. CLOSING EXCHANGE RATES

ZAR

GBP

EUR

31. RISK MANAGEMENT

31.1 Risk overview

CBZ Group Enterprise Wide Risk Management Framework is anchored on the desire to uphold a High Risk Management and Compliance Culture as one of the major strategic thrusts and is supported by a clearly defined risk appetite in terms of various key exposures. This approach has given direction to the Group’s overall Going Concern underpinned by robust strategic planning and policies .Through the CBZ Group risk management function, the Group regularly carries risk analysis through value at risk (VaR) assessments, stress testing as well as simulations to ensure that there is congruency or proper alignment between its strategic focus and its desired risk appetite.

31.2 Group risk management framework

The Group’s risk management framework looks at enterprise wide risks and recognises that for effective risk management to take root, it has to be structured in terms of acceptable appetite, defined responsibility, accountability and independent validation of set processes. The Group Board is responsible for setting and reviewing the risk appetite as well as Group Policies. Management and staff are responsible for the implementation of strategies aimed at the management and control of the risks that fall within their strategic organisational responsibilities. The CBZ Group Enterprise Wide Risk Management function is responsible for ensuring that the Group’s risk taking remains within the set risk benchmarks. The Group Internal Audit function on the other hand provides independent assurance on the adequacy and effectiveness of the deployed risk management processes. The CBZ Group Enterprise Wide Governance and Compliance Unit evaluate quality of compliance with policies, processes and governance structures.

AUDITED FINANCIAL RESULTS

for the Year Ended 31 December 2015



In terms of risk governance, the Group Board has delegated authority to the following Group Board Committees whose membership consists of Non – Executive Directors of the Group:

Risk Management & Compliance Committee – has the responsibility for oversight and review of prudential risks comprising of but not limited to credit, liquidity, interest rate, exchange, investment, operational, equities, insurance, security, technological, reputational and compliance. Its other responsibilities includes reviewing the adequacy and effectiveness of the Group's risk management policies, systems and controls as well as the implications of proposed regulatory changes to the Group. It receives consolidated quarterly risk and compliance related reports from the Group Executive Management Committee (Group EXCO) and Group Risk Management Sub-Committee. The committee governance structures ensure that approval authority and risk management responsibilities are cascaded down from the Board through to the appropriate business units and functional committees. Its recommendations are submitted to the Group Board.

IT& Business Development Committee – oversees the harmonisation, adequacy, relevance and effectiveness of Group IT systems in supporting as well as delivering services to the Group's stakeholders. In addition, the committee looks at the integrity of the Group's management information systems.

Audit & Finance Committee – manages financial risk related to ensuring that the Group's financial statements are prepared in line with the International Financial Reporting Standards. This committee is responsible for capital management policy as well as the adequacy of the Group's prudential capital requirements taking into account the Group's risk appetite. The committee is also tasked with the responsibility of ensuring that efficient tax management systems are in place and that the Group is in full compliance with tax regulations.

Human Resources & Remunerations Committee– is accountable for people related risks and ensures that the Group has the optimal numbers as well as the right mix in terms of skills and experience for the implementation of the Group's strategy. The committee also looks at succession planning, the welfare of Group staff as well as the positive application of the Group's Code of Ethics.

31.3 Credit risk

This is the risk of potential loss arising from the probability of borrowers and or counterparties failing to meet their repayment commitments to the Group as and when they fall due in accordance with agreed terms and conditions.

Credit risk management framework

Credit risk is managed through a framework of credit policies and standards covering the identification, management, measurement and control of credit risk. These policies are approved by the Board, which also delegates credit approvals as well as loans reviews to designated sub committees within the Group. Credit origination and approval roles are segregated.

The Group uses an internal rating system based on internal estimates of probability of default over a one year horizon and customers are assessed against a range of both quantitative and qualitative factors.

Credit concentration risk is managed within set benchmarks by counterparty or a group of connected counterparties, by sector, maturity profile and by credit rating. Concentration is monitored and reviewed through the responsible risk committees set up by the Board.

The Group through credit originating units as well as approving committees regularly monitors credit exposures, portfolio performance and external environmental factors that are likely to impact on the credit book. Through this process, clients or portfolios that exhibit material credit weaknesses are put on watch for close monitoring or exiting of such relationships where restructuring is not possible. Those exposures which are beyond restructuring are downgraded to Recoveries and Collections Unit.

Credit mitigation

Credit mitigation is employed in the Group through taking collateral, credit insurance and other guarantees. The Group is guided by considerations related to legal certainty, enforceability, market valuation and the risk related to guarantors in deciding which securities to accept from clients. Types of collateral that are eligible for risk mitigation include cash, mortgages over residential, commercial and industrial property, plant and machinery, marketable securities, guarantees, assignment of crop or export proceeds, leasebacks and stop-orders.

Non–performing loans and advances

The Group's credit policy also covers past due, default, impaired and non–performing loans and advances, as well as specific and portfolio impairments.

Past due refers to a loan or advance that exceeds its limit for fluctuating types of advances or is in arrears by 30 days or more.

Non-performing loans and advances is where, for example, a specific provision for impairment is raised against a credit exposure as a result of a decline in the credit quality or where an obligation is past due for more than 90 days or an obligor has exceeded a sanctioned limit for more than 90 days.

Non-performing loans and advances are defined as loans and advances where the Group has raised a specific provision for impairment. A specific provision for impairment is raised where an asset is classified as substandard, doubtful or loss under the prudential lending guidelines issued by the regulatory authorities and where collateral held against the advance is insufficient to cover the total expected losses.

Portfolio impairment, on the other hand, applies under loans and advances that have not yet individually evidenced a loss event i.e. advances classified as “Pass” and “Special Mention” under prudential lending guidelines issued by the regulatory authorities. For such portfolios, the Group calculates and makes general provisions.

31.3. (a) Credit risk exposure

The table below shows the maximum exposure to credit for the components of the statement of financial position.

	31 Dec 2015 US\$	31 Dec 2014 US\$
Balances with banks	26 284 388	44 056 863
Money market assets	672 613 440	240 402 431
Advances	1 020 968 516	1 125 938 280
Other assets	16 031 293	46 065 681
Total	1 735 897 637	1 456 463 255
Contingent liabilities	144 192 922	145 598 708
Commitments	1 065 400	450 465
Total	145 258 322	146 049 173

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not maximum risk exposure that could arise in the future as a result of changes in value.

The Group held cash equivalents of US\$26 284 388 (excluding notes and coins) as at 31 December 2015, which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank, local and foreign banks.

(b) Aging analysis of past due but not impaired loans (special mention loans):

	31 Dec 2015 US\$	31 Dec 2014 US\$
1 to 3 months	333 725 137	386 767 615

Past due but not impaired loans relate to loans in the special mention category. See definition of special mention category on note number 31.3.1

(c) Aging analysis of impaired loans (non-performing loans)

	31 Dec 2015 US\$	31 Dec 2014 US\$
3 to 6 months	48 067 740	69 765 678
6 to 12 months	23 710 337	17 328 643
Above 1 year	4 293 237	-
Total	76 071 314	87 094 321

(d) An industry sector analysis of the Group's financial assets before and after taking into account collateral held is as follows:

	31 Dec 2015 US\$	31 Dec 2015 US\$	31 Dec 2014 US\$	31 Dec 2014 US\$
	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)
Private	156 219 389	24 382 693	116 692 382	27 046 809
Agriculture	310 735 698	86 926 371	337 137 187	99 843 537
Mining	11 264 816	2 518 218	20 142 355	3 268 421
Manufacturing	155 904 814	45 694 862	97 172 797	52 818 285
Distribution	219 593 068	77 751 656	293 006 084	100 876 767
Construction	5 371 935	3 187 641	4 635 813	4 137 273
Transport	13 246 917	4 302 443	22 777 858	21 707 418
Communication	2 133 707	-	6 927 291	7 094 723
Services	199 597 725	14 370 493	271 335 148	17 498 135
Financial organisations	21 839 156	-	21 943 323	-
Total	1 095 907 225	259 134 377	1 191 770 238	334 291 368

Collateral held

Mortgage bonds
Cash cover
Other forms of security including
Notarial General Covering Bonds (NGCBs) sessions, etc.

	31 Dec 2015 US\$	31 Dec 2014 US\$
Mortgage bonds	856 592 104	857 478 870
Cash cover	203 582 970	151 961 284
Other forms of security including	788 254 088	754 069 932
Notarial General Covering Bonds (NGCBs) sessions, etc.	1 848 429 162	1 763 510 086

The Group holds collateral against loans and advances to customers in the form of mortgage bonds over property, other registered securities over assets, guarantees, cash cover, assignment of crop or export proceeds, leasebacks and stop-orders. Estimates of fair values are based on the value of collateral assessed at the time of borrowing, and are regularly aligned to trends in the market. An estimate of the fair value of collateral and other security enhancements held against loans and advances to customers and banks is shown above and analysed as follows;

	31 Dec 2015 US\$	31 Dec 2014 US\$
Against doubtful* and loss* grades		
Property	11 779 980	4 005 082
Other	21 524 021	14 899 320
Against substandard* grade		
Property	17 173 748	24 058 503
Other	52 281 010	48 297 547
Against special mention* grade		
Property	198 535 847	195 688 144
Other	251 071 974	224 489 903
Against normal* grade		
Property	629 102 529	633 727 141
Other	666 960 053	618 344 446
	1 848 429 162	1 763 510 086

*See definition on note 31.3.1

31.3(e) Credit quality per class of financial assets

The credit quality of financial assets is managed by the Group using internal credit ratings. The table below shows the credit quality by class of asset for loan-related statement of financial position lines based on the Group's credit rating system.

DECEMBER 2015

	*Normal grade US\$	*Special mention grade US\$	*Sub- standard grade US\$	*Doubtful and loss grade US\$	Total US\$
Advances					
Agriculture	127 772 165	171 622 752	6 329 447	5 011 334	310 735 698
Manufacturing	143 488 199	10 433 625	1 700 251	282 739	155 904 814
Commercial	133 463 861	51 691 045	10 577 671	3 865 148	199 597 725
Individuals and households	134 827 087	16 573 548	4 772 041	46 713	156 219 389
Mining	6 325 750	4 939 066	-	-	11 264 816
Distribution	124 717 582	58 462 400	21 664 021	14 749 065	219 593 068
Construction	1 544 736	3 827 199	-	-	5 371 935
Transport	10 166 038	2 479 849	-	601 030	13 246 917
Communication	2 133 707	-	-	-	2 133 707
Financial services	1 671 649	13 695 653	3 024 309	3 447 545	21 839 156
	686 110 774	333 725 137	48 067 740	28 003 574	1 095 907 225

The Group has issued financial guarantee contracts in respect of debtors for which the maximum amount payable by the Group, assuming all guarantees are called on, is US\$144 192 922.

DECEMBER 2014

	*Normal grade US\$	*Special mention grade US\$	*Sub- standard grade US\$	*Doubtful and loss grade US\$	Total US\$
Advances					
Agriculture	128 828 853	188 412 407	17 103 863	2 792 064	337 137 187
Manufacturing	43 683 018	42 718 195	10 771 584	-	97 172 797
Commercial	221 726 104	39 487 176	7 106 768	3 015 100	271 335 148
Private	92 915 108	21 283 841	1 939 148	554 285	116 692 382
Mining	3 381 257	14 645 923	2 115 175	-	20 142 355
Distribution	188 279 311	68 324 290	28 884 124	7 518 359	293 006 084
Construction	1 001 724	3 435 570	198 519	-	4 635 813
Transport	9 929 313	7 753 213	1 646 497	3 448 835	22 777 858
Communication	6 927 291	-	-	-	6 927 291
Financial services	21 236 323	707 000	-	-	21 943 323
	717 908 302	386 767 615	69 765 678	17 328 643	1 191 770 238

The Group has issued financial guarantee contracts in respect of debtors for which the maximum amount payable by the Group, assuming all guarantees are called on, is US\$145 598 708.

Allowances for impairment

The Group creates an allowance for impairment on assets carried at amortised cost or classified as available-for-sale that represents its estimate of incurred losses in its loan and investment debt security portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans that are considered individually insignificant as well as individually significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

Write-offs

The Group writes off a loan or an investment debt security balance, and any related allowances for impairment, when the relevant committees determine that the loan or security is uncollectible. This determination is made after considering information such as the occurrence of significant changes in the borrower's / issuer's financial position such that the borrower / issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

Concentration of credit risk

The directors believe that the concentration risk is limited due to the customer base being large and unrelated. The Group is not exposed to any customer by more than 10% of the total advance book.

31.3.1 Credit quality definitions

Normal grade

An asset is classified as normal, (i) if the asset in question is fully protected by the current sound worth and paying capacity of the obligor, (ii) is performing in accordance with contractual terms and is expected to continue to do so.

Special mention grade

An asset is classified as special mention,
(i) if the asset in question is past due for more than 30 days but less than 90 days; or
(ii) although currently protected, exhibits potential weaknesses which may, if not corrected, weaken the asset or inadequately protect the institution's position at some future date, for example, where:
• the asset in question cannot be properly supervised due to an inadequate loan agreement; or
• the condition or control of the collateral for the asset in question is deteriorating; or
• the repayment capacity of the obligor is jeopardised because of deteriorating economic conditions or adverse trends in the obligor's financial position; or
• there is an unreasonably long absence of current and satisfactory financial information or inadequate collateral documentation in regard to the asset:
Provided that, generally, a loan or advance shall require special mention only if its risk potential is greater than that under which it was originally granted.

Substandard grade

An asset is classified as substandard,
(i) if the asset in question is past due for more than 90 days but less than 180 days; or
(ii) if it is a renegotiated loan, unless all past due interest is paid by the borrower in cash at the time of renegotiation and a sustained record of timely repayment of principal and interest under a realistic repayment programme has been demonstrated for a period of not less than 180 days; or
(iii) whether or not it is past due, is inadequately protected by the current sound worth and paying capacity of the obligor by reason of the fact that:
• the primary source of repayment is insufficient to service the debt and the institution must look to secondary sources such as collateral, sale of fixed assets, refinancing or additional capital injections for repayment; or
• there is an unduly long absence of current and satisfactory financial information or inadequate collateral documentation in regard to the asset; or
• generally, there is more than a normal degree of risk attaching to the asset due to the borrower's unsatisfactory financial condition.

Doubtful

An asset is classified as doubtful,
(i) if the asset in question is past due for more than 180 days but less than 360 days; or
(ii) exhibits all the weaknesses of a substandard asset and, in addition, is not well-secured by reason of the fact that collection in full, on the basis of currently existing facts, is highly improbable, but the actual amount of the loss is indeterminable due to pending events that have a more than reasonable prospect of mitigating the loss, such as a proposed merger, acquisition or liquidation, a capital injection, perfecting liens on additional collateral, refinancing plans, new projects or asset disposal.

Loss:
An asset is classified as a loss,
(i) if the asset in question is past due for more than 360 days, unless such asset is well secured and legal action has actually commenced which is expected to result in the timely realisation of the collateral or enforcement of any guarantee relating to the asset; or
(ii) if the asset had been characterised as doubtful on account of any pending event , and the event concerned did not occur within 360 days, whether or not the event is still pending thereafter; or
(iii) if the asset is otherwise considered uncollectible or of such little value that its continuance as an asset is not warranted.

31.3.2 Market risk

This is the risk of loss under both the banking book and or trading book arising from unfavourable changes in market price such as interest rates, foreign exchanges rates, equity prices, credit spreads and commodity prices, which can cause substantial variations in earnings and or economic value of the Group and its strategic business units (SBUs) if not properly managed. The Group's exposure to market risk arises mainly from customer driven transactions.

31.3.3 Group market risks management framework

To manage these risks, there is oversight at Group Board level through the Group Board Risk Management Committee, which covers Asset and Liability Management processes through yearly review of the Group's Asset and Liability as well as investment policies and benchmarks meant to assist in attaining the Group's liquidity strategic plan. The Group's (SBU) Boards are responsible for setting specific market risks strategies for their respective SBU and Executive Management implements policy and track performance regularly against set benchmarks through use of daily liquidity position reports, investment portfolio mix, cash flow analysis, liquidity matrix analysis, liquidity gap analysis and liquidity simulations to evaluate ability of the SBU to withstand stressed liquidity situations.

31.4 Liquidity risk

Liquidity relates to the Group's ability to fund its growth in assets and to meet obligations as they fall due without incurring unacceptable losses. The Group recognises two types of liquidity risks i.e. Market liquidity risk and Funding liquidity risk.

Market liquidity risk is the risk that the Group cannot cover or settle a position without significantly affecting the market price because of limited market depth .

Funding risk on the other hand is the risk that the Group will not be able to efficiently meet both its expected as well as the unexpected current and future cash flow needs without affecting the financial condition of the Group. The Group's liquidity risk management framework ensures that limits are set under respective Group Strategic Business Units relating to levels of wholesale funding, retail funding, loans to deposit ratio, counter- party exposures as well as prudential liquidity ratio.

The primary source of funding under the Group and its SBUs are customer deposits made up of current, savings and term deposits and these are diversified by customer type and maturity profile. The Group tries to ensure through the ALCO processes and statement of finacial position management that asset growth and maturity are funded by appropriate growth in deposits and stable funding respectively.

31.4.1 Gap analysis

LIQUIDITY PROFILE AS AT 31 DECEMBER 2015

	Less than 1 month US\$	1 to 3 months US\$	3 to 6 months US\$	6 to 12 months US\$	1 to 5 years US\$	5 years and above US\$	Total US\$
Assets							
Advances	365 576 182	48 954 744	99 587 999	162 491 291	176 839 759	167 518 541	1 020 968 516
Balances with banks and cash	42 522 322	-	-	-	-	-	42 522 322
Investements-other financial assets	-	-	-	178 857	-	655 972	834 829
Money market assets	66 588 489	144 426 410	3 873 431	6 530 104	188 315 233	262 879 773	672 613 440
Financial guarantees	121 580 804	1 760 448	2 040 056	4 026 614	3 105 000	11 680 000	144 192 922
Current tax receivable	-	1 756 423	-	-	-	-	1 756 423
Other liquid assets	948 402	13 661 266	1 421 625	-	-	-	16 031 293
Total	597 216 199	210 559 291	106 923 111	173 226 866	368 259 992	442 734 286	1 898 919 745

Liabilities							
Deposits	554 530 347	166 348 301	152 908 048	117 383 171	448 890 370	244 217 591	1 684 277 828
Current tax payable	-	238 090	-	-	-	-	238 090
Insurance liabilities	-	-	605 093	-	8 199	-	613 292
Other liabilities	710 389	8 906 140	539 857	-	7 137 686	-	17 294 072
Financial guarantees	121 580 804	1 760 448	2 040 056	4 026 614	3 105 000	11 680 000	144 192 922
Total	676 821 540	1 77 252 979	156 093 054	121 409 785	459 141 255	255 897 591	1 846 616 204

Liquidity gap	(79 605 341)	33 306 312	(49 169 943)	51 817 081	(90 881 263)	186 836 695	52 303 541
Cumulative liquidity gap	(79 605 341)	(46 299 029)	(95 468 972)	(43 651 891)	(134 533 154)	52 303 541	52 303 541

LIQUIDITY PROFILE AS AT 31 DECEMBER 2014

	Less than 1 month US\$	1 to 3 months US\$	3 to 6 months US\$	6 to 12 months US\$	1 to 5 years US\$	5 years and above US\$	Total US\$
Assets							
Advances	548 710 482	35 045 651	21 285 311	208 199 408	157 355 066	155 342 362	1 125 938 280
Balances with banks and cash	73 296 010	-	-	-	-	-	73 296 010
Investment in other financial assets	15	-	-	248 181	7 629 967	-	7 878 163
Money market assets	24 010 837	72 768 110	1 727 933	4 395 084	137 500 467	-	240 402 431
Financial guarantees	1 402 000	2 092 367	5 502 381	1 821 960	123 100 000	11 680 000	145 598 708
Current tax receivable	1 009	1 489 382	-	-	-	-	1 490 391
Other liquid assets	756 602	41 371 164	-	3 937 915	-	-	46 065 681
Total	648 176 955	152 766 674	28 515 625	218 602 548	425 585 500	167 022 362	1 640 669 664

Liabilities							
Deposits	602 465 271	100 964 340	57 606 556	308 929 280	317 679 170	29 286 260	1 416 930 877
Current tax payable	-	165 147	-	-	-	-	165 147
Insurance liabilities	30 287	802 648	-	4 301 783	-	-	5 134 718
Other liabilities	415 287	10 765 980	333 460	-	-	-	11 514 727
Financial guarantees	1 402 000	2 092 367	5 502 381	1 821 960	123 100 000	11 680 000	145 598 708
Total	604 312 845	114 790 482	63 442 397	315 053 023	440 779 170	40 966 260	1 579 344 177

Liquidity gap	43 864 110	37 976 192	(34 926 772)	(96 450 475)	(15 193 670)	126 056 102	61 325 487
Cumulative liquidity gap	43 864 110	81 840 302	46 913 530	(49 536 945)	(64 730 615)	61 325 487	61 325 487

The table above shows the undiscounted cash flows of the Group's non-derivative on and off balance sheet financial assets and liabilities on the basis of their earliest possible contractual maturity and the related year gaps. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest year in which the guarantee could be called.

The Group's SBUs carry out static statement of financial position analysis to track statement of financial position growth drivers, the pattern of core banking deposits, statement of financial position structure, levels and direction of the SBU's maturity mismatch and related funding or liquidity gap. The Asset and Liability Management Committee (ALCO) of the respective SBU comes up with strategies through its monthly meetings to manage these liquidity gaps.

Details of the liquidity ratios for the relevant Group SBUs as at the reporting date and during the reporting year were as follows:

	CBZ Bank Limited
	%
At 31 December 2014	35
At 31 December 2015	35
Average for the year	52
Maximum for the year	52
Minimum for the year	30

31.5 Interest rate risk

This is the possibility of a Banking Group's interest income being negatively influenced by unforeseen changes in the interest rate levels arising from weaknesses related to a banking Group's trading, funding and investment strategies.

This is managed at both Board and Management level through the regular policy and benchmarks which relate to interest rate risk management. The major areas of intervention involves daily monitoring of costs of funds, monthly analysis of interest re-pricing gaps, monthly interest rate simulations to establish the Group and its SBUs' ability to sustain a stressed interest rate environment and various interest rate risk hedging strategies. The use of stress testing is an integral part of the interest rate risk management framework and considers both the historical market events as well as anticipated future scenarios. The Group and its SBUs denominate their credit facilities in the base currency, the USD in order to minimise cross currency interest rate risk. The Group's interest rate risk profiling is illustrated on the next table.

31.5.1 Interest rate repricing

31 DEC EMBER 2015	Less than 1 month US\$	1 to 3 months US\$	3 to 6 months US\$	6 to 12 months US\$	1 to 5 years US\$	5 years and above US\$	Non-interest bearing US\$	Total US\$
Assets								
Balances with banks and cash	3 878 277	-	-	-	-	-	38 644 045	42 522 322
Money market assets	66 588 489	144 426 410	3 873 431	6 530 104	188 315 233	262 879 773	-	672 613 440
Advances	365 576 182	48 954 744	99 587 999	162 491 291	176 839 759	167 518 541	-	1 020 968 516
Insurance assets	-	-	-	-	-	-	5 189 347	5 189 347
Other assets	-	-	-	-	-	-	99 765 863	99 765 863
Investment in other financial assets	-	-	-	-	-	-	7 233 272	7 233 272
Investment properties	-	-	-	-	-	-	27 944 072	27 944 072
Property and equipment	-	-	-	-	-	-	77 684 389	77 684 389
Deferred taxation	-	-	-	-	-	-	17 171 546	17 171 546
Intangible assets	-	-	-	-	-	-	1 509 346	1 509 346
Current tax receivable	-	-	-	-	-	-	1 756 423	1 756 423
Total assets	436 042 948	193 381 154	103 461 430	169 021 395	365 154 992	430 398 314	276 898 303	1 974 358 536

Equity and liabilities								
Deposits	554 530 347	166 348 301	152 908 048	117 383 171	448 890 370	244 217 591	-	1 684 277 828
Insurance liabilities	-	-	-	-	-	-	4 955 722	4 955 722
Life fund	-	-	-	-	-	-	4 675 401	4 675 401
Other liabilities	-	-	-	-	-	-	15 800 251	15 800 251
Deferred taxation	-	-	-	-	-	-	2 534 187	2 534 187
Current tax payable	-	-	-	-	-	-	238 090	238 090
Equity and reserves	-	-	-	-	-	-	261 877 057	261 877 057
Total equity and liabilities	554 530 347	166 348 301	152 908 048	117 383 171	448 890 370	244 217 591	290 080 708	1 974 358 536

Interest rate repricing gap	(118 487 399)	27 032 853	(49 446 618)	51 638 224	(83 735 378)	186 180 723	(13 182 405)	-
Cumulative gap	(118 487 399)	(91 454 546)	(140 901 164)	(89 262 940)	(172 998 318)	13 182 405	-	-

31 DECEMBER 2014	Less than 1 month US\$	1 to 3 months US\$	3 to 6 months US\$	6 to 12 months US\$	1 to 5 years US\$	5 years and above US\$	Non-interest bearing US\$	Total US\$
Assets								
Balances with banks and cash	73 296 010	-	-	-	-	-	-	73 296 010
Money market assets	24 010 837	72 768 110	1 727 933	4 395 084	137 500 467	-	-	240 402 431
Advances	548 710 481	35 045 652	21 285 311	208 199 408	157 392 983	155 304 445	-	1 125 938 280
Insurance assets	-	-	-	-	-	-	4 151 998	4 151 998
Other assets	-	-	-	-	-	-	91 315 003	91 315 003
Investment in other financial assets	-	-	-	-	7 629 967	-	5 462 918	13 092 885
Investment properties	-	-	-	-	-	-	25 161 306	25 161 306
Property and equipment	-	-	-	-	-	-	76 950 172	76 950 172
Deferred taxation	-	-	-	-	-	-	17 215 314	17 215 314
Intangible assets	-	-	-	-	-	-	1 339 462	1 339 462
Current tax receivable	-	-	-	-	-	-	1 490 391	1 490 391
Total assets	646 017 328	107 813 762	23 013 244	212 594 492	302 523 417	155 304 445	223 086 564	1 670 353 252

Equity and liabilities								
Deposits	602 465 271	100 964 340	57 606 556	308 929 280	317 679 170	29 286 260	-	1 416 930 877
Insurance liabilities	-	-	-	-	-	-	5 134 718	5 134 718
Life fund	-	-	-	-	-	-	2 311 493	2 311 493
Other liabilities	-	-	-	-	-	-	11 514 727	11 514 727
Deferred taxation	-	-	-	-	-	-	2 606 658	2 606 658
Current tax payable	-	-	-	-	-	-	165 147	165 147
Equity and reserves	-	-	-	-	-	-	231 689 632	231 689 632
Total equity and liabilities	602 465 271	100 964 340	57 606 556	308 929 280	317 679 170	29 286 260	253 422 375	1 670 353 252

Interest rate repricing gap	43 552 057	6 849 422	(34 593 312)	(96 334 788)	(15 155 753)	126 018 185	(30 335 811)	-
Cumulative gap	43 552 057	50 401 479	15 808 167	(80 526 621)	(95 682 374)	30 335 811	-	-

31.6 Exchange rate risk

This risk arises from the changes in exchange rates and originates from mismatches between the values of assets and liabilities denominated in different currencies and can lead to losses if there is an adverse movement in exchange rate where open positions either spot or forward, are taken for both on and off – statement of financial position transactions.

Supervision is at Board level through the Board Risk Management Committee which covers ALCO processes by way of strategic policy and benchmarking reviews and approval. The management assets and liabilities committee (ALCO) which meets on a monthly basis reviews performance against set benchmarks embedded under acceptable currencies, currency positions as well as stop loss limits. Derivative contracts with characteristics and values derived from underlying financial instruments, exchange rates which relates to futures, forwards, swaps and options can be used to mitigate exchange risk.

At 31 December 2015, if foreign exchange rates at that date had weakened or strengthened by 5 percentage points with all other variables held constant, post tax profit for the year would have been US\$3 612 higher or lower respectively than the reported position. This arises as a result of the increase or decrease in the fair value of the underlying assets and liabilities denominated in foreign currencies. The foreign currency position for the Group as at 31 December 2015 is as below:

Foreign currency position as at 31 December 2015

Position expressed in US\$

	Total	USD	ZAR	GBP	Other foreign currencies
Assets					
Balances with banks and cash	42 522 322	35 476 597	4 714 758	588 293	1 742 674
Money market assets	672 613 440	672 613 440	-	-	-
Advances	1 020 968 516	1 004 799 995	10 114	257 678	15 900 729
Insurance assets	5 189 347	5 189 347	-	-	-
Other assets	99 765 863	99 442 270	224 319	41 983	57 291
Investment in equities	7 233 272	7 089 371	-	-	143 901
Investment properties	27 944 072	27 944 072	-	-	-
Property and equipment	77 684 389	77 601 393	6 887	-	76 109
Deferred taxation	17 171 546	17 171 546	-	-	-
Intangible assets	1 509 346	1 509 346	-	-	-
Current tax receivable	1 756 423	1 756 423	-	-	-
Total assets	1 974 358 536	1 950 593 800	4 956 078	887 954	17 920 704

Equity and liabilities					
Deposits	1 684 277 828	1 660 549 091	8 446 844	406 666	14 875 227
Insurance liabilities	4 955 722	4 955 722	-	-	-
Life fund	4 675 401	4 675 401	-	-	-
Other liabilities	15 800 251	15 692 010	10 219	13 161	84 861
Current tax payable	238 090	238 090	-	-	-
Deferred taxation	2 534 187	2 534 187	-	-	-
Equity and reserves	261 877 057	261 664 330	13 312	183 142	16 273
Total equity and liabilities	1 974 358 536	1 950 308 831	8 470 375	602 969	14 976 361

AUDITED FINANCIAL RESULTS

for the Year Ended 31 December 2015



Foreign currency position as at 31 December 2015

Underlying currency	ZAR	GBP	Other foreign currencies in US\$
Assets			
Cash and short term assets	73 277 713	396 852	1 742 674
Advances	157 195	173 825	15 900 729
Investment in equities	-	-	143 901
Other assets	3 486 403	28 321	57 291
Property and equipment	107 035	-	76 109
Total assets	77 028 346	598 998	17 920 704
Liabilities			
Deposits	131 282 540	274 330	14 875 227
Other liabilities	158 842	8 878	84 861
Total liabilities	131 441 382	283 208	14 960 088
Net position	(54 413 036)	315 790	2 960 616

Foreign currency position as at 31 December 2014

Underlying currency	ZAR	GBP	Other foreign currencies in US\$
Assets			
Cash and short term assets	107 128 036	421 839	645 600
Advances	183 302	235	535 097
Investment in equities	-	-	143 643
Other assets	2 167 124	38 309	58 009
Property and equipment	79 747	-	76 109
Total assets	109 558 209	460 383	1 458 458
Liabilities			
Deposits	149 414 292	288 997	992 456
Other liabilities	44 895	6 891	1 647
Total liabilities	149 459 187	295 888	994 103
Net position	(39 900 978)	164 495	464 355

31.7 Operational risk
This is the potential for loss arising from human error and fraud, inadequate or failed internal processes, systems failure, non-adherence to procedure or other external sources that result in the compromising of the Group and its SBUs revenue or erosion of the Group and its SBUs' statement of financial position value.

31.7.1 Operational risk management framework
The Group Risk Management Committee exercises adequate oversight over operational risks across the Group with the support of SBU Boards as well as business and functional level committees. Group Risk Management is responsible for setting and approving of Group Operational Policies and maintaining standards for operational risk.

The Group Board Audit Committee through the Internal Audit function as well as Group Enterprise Wide Governance and Compliance, performs their independent review and assurances under processes and procedures as set under Business Units policies and procedure manuals. On the other hand, the Group Risk Management and Group IT Department with assistance from the Organisation and Methods Department within Group Human Resources ensure that processes, procedures and control systems are in line with variables in the operating environment.

31.8 Strategic risk
This is the risk that arises where the Group's strategy may be inappropriate to support its long term corporate goals due to underlying inadequate strategic planning processes, weak decision making processes as well as weak strategic implementation programs.

To mitigate this risk, the Group's Board, SBU Boards and Management teams craft the strategy which is underpinned by the Group's corporate goals. Approval of the strategy is the responsibility of the appropriate Board whilst implementation is carried out by Management. On the other hand, strategy and goal congruency is reviewed monthly by management and quarterly by the appropriate Board.

31.9 Regulatory risk
Regulatory risk is defined as the failure to comply with applicable laws and regulations or supervisory requirements, or the exclusion of provisions of relevant regulatory requirements out of operational procedures. This risk is managed and mitigated through the Group Board Risk Management Committee and the Group Enterprise Wide Governance and Compliance unit which ensures that:

- a. Comprehensive and consistent compliance policies and procedures exist covering the Group and its SBUs;
- b. A proactive and complete summary statement of the Group and its SBUs position on ethics and compliance exists;
- c. A reporting structure of the Group Enterprise Wide Compliance Function exists that ensures independence and effectiveness; and
- d. Yearly compliance and awareness training targeting employees in compliance sensitive areas is carried out.

31.10 Reputation risk
This is the risk of potential damage to the Group's image that arises from the market perception of the manner in which the Group and its SBUs package and deliver their products and services as well as how staff and management conduct themselves. It also relates to the Group's general business ethics. This can result in loss of earnings or adverse impact on market capitalisation as a result of stakeholders adopting a negative view to the Group and its actions. The risk can further arise from the Group's inability to address any of its other key risks. This risk is managed and mitigated through:

- a. continuous improvements to the Group's operating facilities to ensure they remain within the taste of the Group's various stakeholders;
- b. ensuring that staff subscribe to the Group's code of conduct, code of ethics and general business ethics; and
- c. stakeholders' feedback systems that ensures proactive attention to the Group's reputation management.

31.11 Money-laundering risk
This is the risk of financial or reputational loss suffered as a result of transactions in which criminal financiers disguise the origin of funds they deposit in the subsidiaries of the Group and then use the funds to support illegal activities. The Group manages this risk through:

- a. adherence to Know Your Customer Procedures;
- b. effective use of compliance enabling technology to enhance anti-money laundering program management, communication, monitoring and reporting;
- c. development of early warning systems; and
- d. integration of compliance into individual performance measurement and reward structures.

31.12 Insurance risk
The principal risk that the insurance segment faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the insurance subsidiary is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The subsidiaries also purchase reinsurance as part of their risk mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

The insurance company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the company substantially dependent upon any single reinsurance contract.

31.13 Risk and Credit Ratings

31.13.1 External Credit Rating

CBZ Bank Limited											
Rating agent	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Global Credit Rating	A	A+	A+	A+	A+	A	A	A	A+	A+	A

CBZ Life Pvt Limited											
Rating agent	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Global Credit Rating (Financial strength)	BBB+	-	-	-	-	-	-	-	-	-	

CBZ Insurance Pvt Limited											
Rating agent	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Global Credit Rating(Claims paying ability)	BBB	-	-	-	-	-	-	-	-	-	

CBZ Asset Management Pvt Limited											
Rating agent	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Global Credit Rating (Manager quality)	A	-	-	-	-	-	-	-	-	-	

CAMELS RATING MATRIX							
	Composite	Capital Adequacy	Asset Quality	Management	Earnings	Liquidity	Sensitivity to market risk
CBZ Bank	1	1	2	1	1	2	2
CBZ Holdings Group	2	2	2	-	2	2	2

Key
1. Strong 2. Satisfactory 3. Fair 4. Substandard 5. Weak

31.13.3 Risk Matrix Summary				
CBZ Group Risk Matrix Summary				
Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	Moderate	Acceptable	Moderate	Stable
Liquidity Risk	Moderate	Acceptable	Moderate	Stable
Interest Rate Risk	Moderate	Acceptable	Moderate	Stable
Foreign Exchange Risk	Low	Acceptable	Low	Stable
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance Risk	Low	Acceptable	Low	Stable
Reputation Risk	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

CBZ Bank Limited Risk Matrix Summary				
Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	Moderate	Acceptable	Moderate	Stable
Liquidity Risk	Moderate	Acceptable	Moderate	Stable
Interest Rate Risk	Moderate	Acceptable	Moderate	Stable
Foreign Exchange Risk	Low	Acceptable	Low	Stable
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance Risk	Low	Acceptable	Low	Stable
Reputation Risk	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

CBZ Asset Management Pvt Limited Risk Matrix Summary				
Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance Risk	Moderate	Acceptable	Moderate	Stable
Reputation Risk	Moderate	Low	Low	Stable
Liquidity Risk	Moderate	Acceptable	Moderate	Stable
Investment Risk	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

CBZ Life Pvt Limited Risk Matrix Summary				
Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance Risk	Moderate	Acceptable	Moderate	Stable
Reputation Risk	Moderate	Low	Low	Stable
Financial Risk	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

CBZ Insurance Pvt Limited Risk Matrix Summary				
Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance Risk	Moderate	Acceptable	Moderate	Stable
Reputation Risk	Moderate	Low	Low	Stable
Financial Risk	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

OUR APPROACH TO CORPORATE GOVERNANCE

The Group recognises the need to conduct the affairs of the company with integrity and in line with best corporate governance practices. In order to protect stakeholders' interests at all times, the Group has designed systems, procedures and practices that foster a culture that values ethical behaviour, integrity and respect.

The Group continues to apply high corporate governance standards aimed at ensuring the on-going sustainability of the business, the creation of long-term shareholder value and stakeholder benefit from the Group's on-going success. The Board of Directors is responsible for ensuring that the Group has a clearly defined governance and compliance framework. The Board is primarily accountable to shareholders, while also considering the interests of other stakeholders such as customers, employees, suppliers, regulators and community. In an environment of increasing change and complexity of regulation, Management aims to achieve a balance between the governance expectations of shareholders and other stakeholders, and the need to generate competitive financial returns.

OUR GOVERNANCE STRUCTURE



THE BOARD OF DIRECTORS

This is the main decision making body, setting the strategic direction of the Group and ensuring that the Group manages risk effectively. The Board is collectively responsible for the long term success of the company and is accountable to shareholders for financial and operational performance. In addition, the Board is responsible for the overall stewardship of the Group and in particular for its long term growth and profitability through implementation of agreed strategic imperatives, policies and financial objectives.

The Board has overall responsibility for:-

- Establishment of Group strategy and consideration of strategic challenges.
- Management of the business and affairs of the Group.
- Ensuring that the Group manages risk effectively through the approval and monitoring of the Group's risk appetite.
- Allocation and raising of capital.
- Preparation and approval of the Group's annual report and accounts.

Composition of the Board
The Board currently comprises eleven Directors, being a Non-Executive Chairman, two Executive Directors and eight Non-Executive Directors. The Board of Directors has a wide range of skills, experience and expertise together with a proper understanding of and competence to deal with current and emerging issues of the business.

Key

Level of inherent risk

Low- reflects a lower than average probability of an adverse impact on an institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the institution's overall financial condition.

Moderate - could reasonably be expected to result in a loss which could be absorbed by an institution in the normal course of business.

High – reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the institution.

Adequacy of Risk Management Systems

Weak - risk management systems are inadequate or inappropriate given the size, complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written down policies and procedures.

Acceptable - management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses, these have been recognised and are being addressed. Management information systems are generally adequate.

Strong - management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the financial institution's risk tolerance, responsibilities are effectively communicated.

Overall Composite Risk

Low Risk - would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.

Moderate Risk - risk management effectively identifies and controls all types of risk posed by the relevant functional area, significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand, a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organisation.

High Risk - risk management systems do not significantly mitigate the high inherent risk. Thus the activity could potentially result in a financial loss that would have a significant impact on the financial institution's overall condition, even in some cases where the systems are considered strong.

Direction of Overall Composite

Increasing - based on the current information, composite risk is expected to increase in the next twelve months.

Decreasing - based on current information, composite risk is expected to decrease in the next twelve months.

Stable - based on the current information, composite risk is expected to be stable in the next twelve months.

Appointment of New Directors

The appointment of new Directors is based on pre-established criteria having regard to the existing skills matrix of the Board as a whole and having assessed areas where additional skill, expertise or experience is required. Appointments to the Board are made with due cognisance of the need to ensure that the Board comprises a diverse range of skills, knowledge and expertise and has the requisite independence, including the professional and industry knowledge necessary to meet the Group's strategic objectives. All appointments follow a transparent procedure and are subject to confirmation by shareholders at our Annual General Meeting. Before appointment, potential Board appointees must undergo a Fitness and Probity Assessment in line with the Reserve Bank of Zimbabwe (RBZ) Prudential Guidelines and the Banking Act. In accordance with this process, Messrs Richard Dawes, Richard Ziobwa and Ian Harold Harris were appointed to the Board of Directors of CBZ Holdings Limited during the year ended 31 December 2015.

The Chairman of the Board

The role of the Chairman is distinct and separate from that of the Group Chief Executive Officer and there is a clear division of responsibilities with the Chairman leading the Board and the Group Chief Executive Officer managing the Group's business on a day to day basis. The role of the Chairman is to manage the Board effectively, to provide leadership to the Board and to facilitate the Board's interface with Management. The Chairman's key responsibilities include, but are not limited to:-

- Provide strong and effective leadership to the Board.
- Ensure the Board is structured effectively and observes the highest standards of integrity and corporate governance.
- Manage the business of the Board and set the agenda, style and tone of Board discussions to provide effective decision making and constructive debate.
- Ensure that the performance of individual directors and of the Board as a whole and its committees is re-valuated annually.
- Ensure that the Group maintains effective communication with shareholders and other stakeholders.

Non-Executive Directors

Along with the Chairman and Executive Directors, the Non-Executive Directors are responsible for ensuring that the Board fulfils its responsibilities under its Charter. The non-executive directors combine broad business and commercial experience with independent and objective judgement and provide independent challenge to executive directors and the leadership team. The balance between non-executive and executive directors enables the Board to provide clear and effective leadership across the Group's business activities.

Independence of Directors

As required under the Board Charter, the majority of the Board, including the Chairman, are independent Directors. Directors must notify the Group about any conflict of interest, potential material relationship with the Group or circumstances relevant to their independence.

Diversity and Inclusion

The Group understands the importance of diversity and with regard to gender diversity, recognises the importance of women having representation at key decision making points. The Board considers that a diverse range of skills, backgrounds, knowledge and experience is required in order to effectively govern the Group. However, all appointments to the Board are ultimately based on merit measured against objective criteria and the skills and experience an individual brings to the Board. The Board values and is committed to promoting gender and ethnic diversity at Board level where possible.

Openness and Transparency

The Board has unrestricted access to Company information, records, documents and management. Efficient and timely procedures for briefing Board members before Board meetings have been developed and implemented. The information provided to Directors enables them to reach objective and well-informed decisions.

A range of non-financial information is also provided to the board to enable it to consider qualitative performance factors that involve broader stakeholder interests. The Directors are empowered to obtain independent professional advice at the Group's expense, should they consider it necessary.

All Directors have access to the Group CEO's direct reports, including the Group Legal Corporate Secretary, to discuss issues or obtain information on specific areas in relation to items to be considered at Board meetings or other areas as they consider appropriate.

Conflicts of Interest

In terms of the Companies Act, if a director has a personal financial interest in respect of a matter to be considered at a meeting of the Board or knows that a related person has a personal financial interest, the Director is obliged to disclose the interest and its general nature, recuse themselves and not take part in the consideration of the matter. Each Director is required to notify the Board of any actual or potential conflicts of interest to the Board and to update the Board on an on-going basis when they become aware of any changes. A schedule of Directors' Interests is reviewed and signed by the Directors each quarter before any board meeting. The disclosure of interests allows Directors to discharge their responsibilities effectively. The Group Legal Corporate Secretary maintains a register of directors' interests, which is tabled to the Board quarterly and any changes are submitted to the Board as they occur.

BOARD COMMITTEES

The Board Committees continued to play a crucial role in the company's governance framework, undertaking their work comprehensively and effectively supporting the work of the Board.

The Board has established and delegated specific roles and responsibilities to four standing committees, to assist it in discharging its duties and responsibilities. The Terms of Reference of each committee are approved by the Board and reviewed annually or as necessary. All committees are chaired by independent Non-Executive Directors. The four standing committees are:- Audit and Finance Committee, Strategy and Innovation Committee, Risk Management and Compliance Committee and Human Resources and Corporate Governance Committee.

The Committees meet quarterly in accordance with their terms of reference and members of the Executive Committee and other management attend meetings of the various committees by invitation. The Board receives the minutes of each of the committee's meetings in advance. In addition, the committee chairpersons update the full Board on agenda items covered and resolutions made by their respective committee.

This framework ensures that there is a balance of power and that no individual has unlimited decision-making powers. All board-delegated authorities are reviewed and updated annually by the Board. The Board evaluates the performance and effectiveness of Board Committees every year and the Board is of the view that these committees have effectively discharged the responsibilities as outlined in the respective terms of reference.

The Boards of Directors of the various units for the year ended 31 December 2015 were constituted as tabulated below:

CBZ Holdings Limited	CBZ Bank Limited	CBZ Asset Management	CBZ Insurance	CBZ Life Limited
Wilde, R V*	Mugamu, E*	Ziobwa, R*	Nhamo, R*	Dawes, R W*
Mugamu, E	Mabeza-Chimedza R	Naik, B S	Naik, B S	Masunda, V (Dr)
Dawes, R W	Pasi, R	Harris, I H	Nyemudzo, N	Zizhou, F B
Nhamo, R	Chirimuuta, F B	Nyemudzo, N	Chimutsa, C	Nyemudzo, N
Pasi, R	Wilde, R V	Chimutsa, C	Mureriwa, N**	Chimutsa, C
Taputaira, G	Madzonga, P S	Smith, J F**		Mureriwa, N**
Ziobwa, R	Whata, P S	Muzadzi, T**		
Harris, I H	Nyemudzo, N			
Nyemudzo, N**	Chimutsa, C			
Chimutsa, C**	Zimunya, P**			
	Mudondo, M T**			

* Board Chairman
** Executive Director

The detailed attendance of members of the Board at board meetings is disclosed in the table below;

This table outlines details of Board and Committee member's attendance of Board and Board Committee meetings for 2015

CBZ HOLDINGS LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER (January to December 2015)

	Audit & Finance	Risk Management & Compliance	Human Resources & Corp Governance	Strategy & Innovation	Main Board
Number of Meetings Held	4	4	4	4	4
Bere, T***	**	2	2	**	2
Dawes, R	**	**	**	4	4
Dernawi, F M	**	4	**	2	4
Harris, I H	4	**	**	**	4
Mugamu, E	**	4	**	**	4
Nhamo, R	**	**	4	**	4
Pasi, R	**	4	**	4	4
Taputaira, G	**	**	**	4	4
Wilde, R V	**	**	4	**	4
Ziobwa, R	4	**	**	**	4
Nyemudzo, N*	4	4	4	4	4
C. Chimutsa*	4	4	**	4	4

KEY
* Executive directors
** Not a member
*** Retired

Meeting
AUDIT AND FINANCE
RISK MANAGEMENT & COMPLIANCE
HUMAN RESOURCES & CORP GOVERNANCE
STRATEGY & INNOVATION
MAIN BOARD

Number of meetings held
4
4
4
4
4

CBZ BANK BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER (January to December 2015)

	ALCO & AUDIT	AUDIT & FINANCE	ALCO	CREDIT	LOANS REVIEW	MAIN BOARD
R V Wilde	1	**	3	4	**	4
S G R Harnden***	***	***	***	***	1	1
N Nyemudzo	1	3	3	4	4	4
C Chimutsa	1	3	3	4	4	4
R Mabeza-Chimedza (Dr)	1	**	**	4	**	4
R Pasi	1	**	**	2	**	4
E Mugamu	1	**	3	**	4	4
F B Chirimuuta	**	2	**	4	**	3
P S Whata	1	3	**	**	**	4
P S Madzonga	**	**	3	**	4	4
*P Zimunya	1	3	3	4	4	4
*M Mudondo	1	3	3	4	4	4

KEY
* Executive Directors
** Not a committee member
*** Retired

Meeting
ALCO & AUDIT (RECONSTITUTED)
AUDIT & FINANCE
ALCO
CREDIT
LOANS REVIEW
MAIN BOARD

Number of meetings held
1
3
3
4
4
4

CBZ ASSET MANAGEMENT (PRIVATE) LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER (January to December 2015)

	Audit & Compliance	Investments & Risk	Main Board
Meetings held	2	4	4
Mrs. Naik	**	4	4
Mr. Harris	1	3	3
Mr. Ziobwa	**	4	4
Mr. Bere***	**	2	2
Mr. Nyemudzo	2	4	4
Mr. Chimutsa	2	4	4
Mr. Smith*	2	4	4
Mr. Muzadzi*	**	4	4

KEY
* Executive Directors
** Not a Member
*** Retired

Meeting
AUDIT & COMPLIANCE
INVESTMENTS & RISK
MAIN BOARD

Number of meetings held
2
4
4

CBZ LIFE LIMITED BOARD ATTENDANCE REGISTER (January to December 2015)

	INVESTMENTS & RISK	MAIN
R Dawes	***	4
F B Zizhou	1	2
V Masunda (Dr)	3	4
N Nyemudzo	***	4
C Chimutsa	3	4
N Mureriwa*	3	4

KEY
* Executive Directors
** Did not attend
*** Not a Member

Meeting
INVESTMENTS & RISK

Number of meetings held
3

CBZ INSURANCE BOARD ATTENDANCE REGISTER (January to December 2015)

	MAIN
R Nhamo	4
S B Naik	3
N Nyemudzo	4
C Chimutsa	4
N Mureriwa*	4

KEY
* Executive directors
** Did not attend

Meeting
MAIN BOARD

Number of meetings held
4

All directors have access to the advice and professional services of the qualified and experienced Group Legal Corporate Secretary who is responsible for ensuring that Board procedures and applicable rules and regulations are fully observed. The Group Legal Corporate Secretary provides guidance to the Board as a whole and to individual Directors with regard to how their responsibilities should be discharged in the best interests of the Group.

The Group Legal Corporate Secretary is also responsible for ensuring that the Board receives accurate, timely and clear information, facilitates good information flows between Board member; leading on the implementation of the recommendations from the annual Board evaluation and monitoring continuing professional development programme of directors.

STATEMENT OF COMPLIANCE

Based on the information set out in this corporate governance statement, the Board believes that throughout the accounting year under review, the Group complied with the requisite regulatory requirements.

By order of the Board

Rumbidzayi A. Jakanani
GROUP LEGAL CORPORATE SECRETARY

25 February 2016

AUDITED FINANCIAL RESULTS

for the Year Ended 31 December 2015



STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2015

	Notes	31 Dec 2015 US\$	31 Dec 2014 US\$
Interest income	2	182 720 025	171 194 359
Interest expense	2	(94 058 506)	(100 612 451)
Net interest income		88 661 519	70 581 908
Non-interest income	3	51 061 483	46 234 367
Total income		139 723 002	116 816 275
Operating expenditure	4	(86 204 649)	(79 789 136)
Operating income		53 518 353	37 027 139
Charge for impairment on advances	10.4	(22 114 512)	(16 865 201)
Profit before taxation		31 403 841	20 161 938
Taxation	5	(5 245 862)	(3 906 350)
Profit for the year after taxation		26 157 979	16 255 588
Other comprehensive income			
Gains on property revaluations		306 533	2 057 281
Deferred tax relating to components of other comprehensive income	16	(78 932)	(486 757)
Other comprehensive income for the year net of tax		227 601	1 570 524
Total comprehensive income for the year		26 385 580	17 826 112
Profit attributable to:			
Equity holders of parent		26 157 979	16 255 588
Total comprehensive income attributed to:			
Equity holders of parent		26 385 580	17 826 112
Earnings per share (cents):			
Basic	6.5	5.11	3.18
Diluted	6.5	5.11	3.18
Headline	6.5	5.49	3.31

STATEMENT OF FINANCIAL POSITION as at 31 December 2015

	Notes	31 Dec 2015 US\$	31 Dec 2014 US\$
ASSETS			
Balances with banks and cash	8	38 351 549	69 393 058
Money market assets	9	671 993 559	302 674 385
Advances	10	883 467 862	960 874 733
Other assets	11	143 190 946	107 297 353
Investment in other financial assets	12	956 682	8 082 173
Property and equipment	13	52 433 995	48 909 275
Investment properties	14	7 605 000	5 268 800
Intangible assets	15	498 674	362 337
Deferred taxation	16	13 878 170	14 069 925
Current tax receivable		1 750 333	1 481 338
TOTAL ASSETS		1 814 126 770	1 518 413 377
LIABILITIES			
Deposits	17	1 652 596 210	1 382 996 535
Other liabilities	18	13 728 194	9 500 056
Total liabilities		1 666 324 404	1 392 496 591
EQUITY AND RESERVES			
Share capital	19	5 118 180	5 118 180
Share premium	19.1	16 721 711	16 721 711
Non-distributable reserve	19.2	-	-
Revaluation reserve	19.3	11 232 956	11 005 355
Revenue reserve	19.4	114 729 519	93 071 540
Total equity and reserves		147 802 366	125 916 786
TOTAL LIABILITIES, EQUITY AND RESERVES		1 814 126 770	1 518 413 377

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2015

	Share capital US\$	Share premium US\$	Non- distributable reserve US\$	Revaluation reserve US\$	Revenue reserve US\$	Total US\$
2014						
Opening balance	5 118 180	11 198 956	5 522 755	9 434 831	81 487 952	112 762 674
Total comprehensive income	-	-	-	1 570 524	16 255 588	17 826 112
Dividends	-	-	-	-	(4 672 000)	(4 672 000)
Inter category transfer	-	5 522 755	(5 522 755)	-	-	-
Closing balance	5 118 180	16 721 711	-	11 005 355	93 071 540	125 916 786
2015						
Opening balance	5 118 180	16 721 711	-	11 005 355	93 071 540	125 916 786
Total comprehensive income	-	-	-	227 601	26 157 979	26 385 580
Dividends	-	-	-	-	(4 500 000)	(4 500 000)
Inter category transfer	-	-	-	-	-	-
Closing balance	5 118 180	16 721 711	-	11 232 956	114 729 519	147 802 366

STATEMENT OF CASH FLOWS for the year ended 31 December 2015

	31 Dec 2015 US\$	31 Dec 2014 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	31 403 841	20 161 938
Non-cash items:		
Depreciation	5 307 379	4 895 294
Amortisation of intangible assets	124 983	594 323
Impairments on property, equipment	40 040	455 964
Impairments on land inventory	2 085 672	68 659
Fair value adjustment	(202 410)	107 678
Charge for impairment on advances	22 114 512	16 865 201
Loss on sale of property and equipment	40 261	41 183
Unrealised gain on foreign currency positions	(836 272)	(1 128 909)
Operating profit before changes in operating assets and liabilities	60 078 006	42 061 331
Changes in operating assets and liabilities		
Deposits	148 583 586	80 144 084
Advances	(106 683 252)	(89 697 274)
Money market assets	(75 976 313)	(71 562 600)
Other assets	(49 627 943)	(21 907 360)
Other liabilities	4 228 138	312 590
	(79 475 784)	(102 710 560)
Corporate tax paid	(5 402 034)	(8 591 302)
Net cash outflow from operating activities	(24 799 812)	(69 240 531)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in investments	7 125 491	(281 935)
Proceeds on disposal of property and equipment	283 664	418 632
Purchase of property and equipment	(9 013 971)	(5 097 747)
Purchase of intangible assets	(136 881)	(58 734)
Net cash outflow from investing activities	(1 741 697)	(5 019 784)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(4 500 000)	(4 672 000)
NET DECREASE IN BALANCES WITH BANKS AND CASH	(31 041 509)	(78 932 315)
Balances with banks and cash at the beginning of the year	69 393 058	148 325 373
BALANCES WITH BANKS AND CASH AT THE END OF THE YEAR	38 351 549	69 393 058

NOTES TO THE FINANCIAL RESULTS for the year ended 31 December 2015

1. INCORPORATION ACTIVITIES

The Bank is incorporated in Zimbabwe and registered in terms of the Companies Act (Chapter 24:03) and the Banking Act (Chapter 24:20). It offers retail banking, mortgage finance, commercial banking, investment banking, small to medium enterprise financing, treasury management, wealth management, agribusiness and custodial services.

2. NET INTEREST INCOME

Interest income

Bankers acceptances
Overdrafts
Loans
Home loans
Staff loans

Short-term money market assets
Other investments

Interest expense

Savings deposits
Call deposits
Money market deposits
Lines of credit

Net interest income

3. NON-INTEREST INCOME

Fair value adjustment on investment property
Net income from foreign currency dealings
Unrealised gains on foreign currency positions
Commission and fee income
Loss on sale of property and equipment
Other operating income

4. OPERATING EXPENDITURE

Staff costs
Administration expenses
Audit fees
Depreciation
Amortisation of intangible assets
Impairment on property and equipment
Impairment on land inventory

Included in staff costs are pension contributions under the National Social Security Authority, a defined contribution fund and the Bank's separate trustee administered fund of US\$3 398 958 (2014:US\$ 3 707 625).

Remuneration of directors and key management personnel

Fees for services as directors
Pension for past and present directors
Salaries and other benefits

Operating leases

The following is an analysis of expenses related to operating leases
Non cancellable leases are paid as follows:
Less than 1 year
Between 1 and 5 years

5. TAXATION

The following constitutes the major components of income tax expense recognised in the statement of comprehensive income.

Analysis of tax charge in respect of the profit for the year

Current income tax charge
Deferred income tax
Income tax expense

Tax rate reconciliation

Notional tax
Aids levy
Permanent differences
Tax benefits
Effective rate

6. EARNINGS PER SHARE

6.1 Basic earnings per share is calculated by dividing profit after tax for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit after tax attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into the ordinary shares.

Headline earnings per share amounts are calculated by dividing the profit after tax attributable to ordinary equity holders of the parent after adjustments for excluded re-measurements by the weighted average number of ordinary shares outstanding during the year.

The following notes, 6.2, 6.3 and 6.4, reflect the respective earnings and share data used in the basic, diluted and headline earnings per share computations:

Earnings

Basic earnings
Diluted earnings
Headline earnings

6.2 Reconciliation of numerators used for calculating basic and diluted earnings per share:

Basic earnings
Effect of potential dilutive transactions
Diluted earnings

	31 Dec 2015 US\$	31 Dec 2014 US\$
Interest income		
Bankers acceptances	1 169 250	1 824 740
Overdrafts	99 473 401	105 953 782
Loans	40 671 320	40 145 863
Home loans	1 735 772	-
Staff loans	2 971 152	2 746 525
	146 020 895	150 670 910
Short-term money market assets	32 427 802	14 257 337
Other investments	4 271 328	6 266 112
	182 720 025	171 194 359
Interest expense		
Savings deposits	18 216 265	9 258 981
Call deposits	1 432 904	611 394
Money market deposits	62 224 480	69 923 964
Lines of credit	12 184 857	20 818 112
	94 058 506	100 612 451
Net interest income	88 661 519	70 581 908
NON-INTEREST INCOME		
Fair value adjustment on investment property	202 410	(107 678)
Net income from foreign currency dealings	3 474 727	4 080 937
Unrealised gains on foreign currency positions	836 272	1 128 909
Commission and fee income	38 138 491	36 903 894
Loss on sale of property and equipment	(40 261)	(41 183)
Other operating income	8 449 844	4 269 488
	51 061 483	46 234 367
OPERATING EXPENDITURE		
Staff costs	50 684 510	49 026 937
Administration expenses	27 717 403	24 500 483
Audit fees	244 662	247 476
Depreciation	5 307 379	4 895 294
Amortisation of intangible assets	124 983	594 323
Impairment on property and equipment	40 040	455 964
Impairment on land inventory	2 085 672	68 659
	86 204 649	79 789 136
Remuneration of directors and key management personnel		
Fees for services as directors	933 867	1 051 000
Pension for past and present directors	512 140	510 168
Salaries and other benefits	5 146 558	5 293 518
	6 592 565	6 854 686
Operating leases		
The following is an analysis of expenses related to operating leases		
Non cancellable leases are paid as follows:		
Less than 1 year	1 225 790	1 202 102
Between 1 and 5 years	499 678	409 749
	1 725 468	1 611 851

The Bank leases a number of branches and other equipment under operating leases. The leases typically run for a period of less than five years with an option to renew the lease after that expiry date. During the year ended 31 December 2015, an amount of US\$1 714 904 (2014:US\$ 1 821 470) was recognised as rent expense in the statement of comprehensive income.

	31 Dec 2015 US\$	31 Dec 2014 US\$
Analysis of tax charge in respect of the profit for the year		
Current income tax charge	5 133 039	5 207 865
Deferred income tax	112 823	(1 301 515)
Income tax expense	5 245 862	3 906 350
Tax rate reconciliation		
	%	%
Notional tax	25.00	25.00
Aids levy	0.75	0.75
Permanent differences	(8.34)	(5.56)
Tax benefits	(0.70)	(0.82)
Effective rate	16.71	19.37

	31 Dec 2015 US\$	31 Dec 2014 US\$
Earnings		
Basic earnings	26 157 979	16 255 588
Diluted earnings	26 157 979	16 255 588
Headline earnings	28 121 542	16 929 072
Reconciliation of numerators used for calculating basic and diluted earnings per share:		
Basic earnings	26 157 979	16 255 588
Effect of potential dilutive transactions	-	-
Diluted earnings	26 157 979	16 255 588

	31 Dec 2015 Shares	31 Dec 2014 Shares
6.3 Reconciliation of denominators used for calculating basic and diluted earnings per share:		
Weighted average number of shares used for basic earnings per share	511 817 951	511 817 951
Potential dilutive shares	-	-
Weighted average number of shares used for dilutive EPS	511 817 951	511 817 951
	31 Dec 2015 US\$	31 Dec 2014 US\$
6.4 Reconciliation of earnings used for calculating basic and headline earnings per share:		
Profit attributable to shareholders	26 157 979	16 255 588
Adjusted for:		
Impairment on property and equipment	40 040	455 964
Impairment on land inventory	2 085 672	68 659
Disposal losses on property and equipment	40 261	41 183
(Gain)/Loss on investment property valuations	(202 410)	107 678
Headline earnings	28 121 542	16 929 072
6.5 Annualised earnings per share (cents)		
Basic	5.11	3.18
Diluted	5.11	3.18
Headline	5.49	3.31
7. DIVIDENDS		
Dividend paid	4 500 000	4 672 000
8. BALANCES WITH BANKS AND CASH		
Cash	18 549 630	31 595 539
Nostro accounts	3 648 655	11 269 824
Balance with the Reserve Bank of Zimbabwe	16 141 910	26 522 330
Interbank clearing accounts	11 354	5 365
	38 351 549	69 393 058
9. MONEY MARKET ASSETS		
Treasury placements	199 121 500	139 130 618
Treasury bills and placements	465 574 969	147 838 853
Bankers acceptances	-	11 000 000
Accrued interest	7 297 090	4 704 914
	671 993 559	302 674 385
Maturity analysis		
Less than 1 month	58 328 721	15 704 914
Between 1 and 3 months	156 565 979	145 491 868
Between 3 and 6 months	-	-
Between 6 months and 1 year	5 903 854	3 977 137
Between 1 and 5 years	188 315 232	137 500 466
Above 5 years	262 879 773	-
	671 993 559	302 674 385
Maturity value	813 883 116	312 387 585
Book value	671 993 559	302 674 385
Portfolio analysis		
Loans and receivables	671 993 559	302 674 385
10. ADVANCES		
Overdrafts	589 728 372	630 948 129
Loans	269 858 750	332 662 255
Staff loans	50 353 967	46 935 587
Mortgage advances	23 486 657	-
	933 427 746	1 010 545 971
Interest accrued	19 341 424	12 070 923
Total gross advances	952 769 170	1 022 616 894
Provision for impairment	(69 301 308)	(61 742 161)
	883 467 862	960 874 733
10.1 Maturity analysis		
Less than 1 month	411 438 312	585 905 254
Between 1 and 3 months	46 812 644	33 590 723
Between 3 and 6 months	97 710 042	19 720 377
Between 6 months and 1 year	147 132 567	200 139 614
Between 1 and 5 years	154 363 499	139 580 788
More than 5 years	95 312 106	43 680 138
	952 769 170	1 022 616 894
Maturity analysis is based on the remaining period from 31 December 2015 to contractual maturity.		
10.2 Loans to directors and key management personnel and employees		
Loans to directors and key management personnel		
Included in advances are loans to directors and key management:		
Opening balance	6 588 498	7 680 011
Advances made during the year	852 990	531 605
Repayments during the year	(567 575)	(1 623 118)
Closing balance	6 873 913	6 588 498
Loans to employees		
Included in advances are loans to employees:		
Opening balance	40 347 089	34 462 137
Advances made during the year	7 068 168	6 863 766
Repayments during the year	(3 935 203)	(978 814)
Closing balance	43 480 054	40 347 089
10.3 Non performing advances		
Total advances on which interest is suspended	73 073 189	84 179 167
10.4 Provision for impairment of advances		
Opening balance	61 742 161	33 474 722
Charge for impairment	22 114 512	16 865 201
Interest in suspense	9 342 187	15 715 364
Amounts written off during the year	(23 897 552)	(4 313 126)
Balance at end of the year	69 301 308	61 742 161
10.5 Comprising:		
Specific impairments	35 830 895	36 167 982
Portfolio impairments	33 470 413	25 574 179
	69 301 308	61 742 161

			31 Dec 2015 US\$	%	31 Dec 2014 US\$	%			
10.6	Sectoral Analysis								
	Private		86 197 497	9	62 048 617	6			
	Agriculture		287 250 031	30	302 238 990	30			
	Mining		10 061 556	1	19 230 510	2			
	Manufacturing		154 870 543	16	94 648 682	9			
	Distribution		194 803 531	21	233 317 898	23			
	Construction		4 994 439	1	3 363 433	0			
	Transport		9 873 128	1	18 605 789	2			
	Communication		2 133 707	0	6 927 291	1			
	Services		181 531 512	19	260 555 773	25			
	Financial organisations		21 053 226	2	21 679 911	2			
			952 769 170	100	1 022 616 894	100			
11.	OTHER ASSETS								
	Intercompany balances		59 465 813		28 634 789				
	Land inventory		72 505 655		66 434 423				
	Prepayments		1 695 373		1 277 333				
	Receivables		9 524 105		10 950 808				
			143 190 946		107 297 353				
12.	INVESTMENTS IN OTHER FINANCIAL ASSETS								
	Investments in equity instruments		956 682		452 206				
	Investments in other instruments		-		7 629 967				
			956 682		8 082 173				
	At cost		956 682		452 206				
	At amortised cost		-		7 629 967				
			956 682		8 082 173				
	Portfolio analysis								
	Available-for-sale		956 682		452 206				
	Loans and receivables		-		7 629 967				
			956 682		8 082 173				
13.	PROPERTY AND EQUIPMENT								
		Land US\$	Buildings US\$	Leasehold improvements US\$	Motor vehicles US\$	Computers and equipment US\$	Work in progress US\$	Total 31 Dec 2015 US\$	Total 31 Dec 2014 US\$
COST									
Opening balance		3 774 000	29 424 550	602 917	3 802 151	21 932 642	1 130 434	60 666 694	56 691 473
Additions		-	408 869	-	1 229 067	2 567 217	4 808 818	9 013 971	5 097 747
Revaluation reserve	(4 000)	(1 192 489)	-	-	-	-	-	(1 196 489)	568 626
Impairments		-	(130 596)	-	-	-	-	(130 596)	(455 964)
Disposals		-	-	-	(154 713)	(587 402)	(231 994)	(974 109)	(890 406)
Transfers to non PPE assets		-	-	-	-	-	(124 440)	(124 440)	(344 782)
Transfers		-	29 066	-	-	225 260	(254 326)	-	-
Closing balance		3 770 000	28 539 400	602 917	4 876 505	24 137 717	5 328 492	67 255 031	60 666 694
ACCUMULATED DEPRECIATION									
Opening balance		-	-	230 913	2 071 393	9 455 113	-	11 757 419	8 781 371
Charge for the year		-	1 593 578	58 291	587 784	3 067 726	-	5 307 379	4 895 294
Disposals		-	-	-	(139 252)	(510 932)	-	(650 184)	(430 591)
Revaluation		-	(1 503 022)	-	-	-	-	(1 503 022)	(1 488 655)
Impairments		-	(90 556)	-	-	-	-	(90 556)	-
Closing balance		-	-	289 204	2 519 925	12 011 907	-	14 821 036	11 757 419
Net book value		3 770 000	28 539 400	313 713	2 356 580	12 125 810	5 328 492	52 433 995	48 909 275
31 December 2014									
Net book value		3 774 000	29 424 550	372 004	1 730 758	12 477 529	1 130 434	48 909 275	-
Properties were revalued on an open market basis by an independent professional valuer, as at 31 December 2015 in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. The revaluation of land and buildings entailed the following:									
In determining the market values of the subject properties, the following was considered:									
<ul style="list-style-type: none">Comparable market evidence which comprised complete transactions as well as transactions where offers had been made but the transactions had not been finalised;Professional judgement was exercised to take cognisance of the fact that properties in the transaction were not exactly comparable in terms of size, quality and location to the properties owned by the Bank;The reasonableness of the market values of commercial properties so determined, per the above bullet, was assessed by reference to the properties in the transaction; andThe values per square metre of lettable space for both the subject properties and comparables were analysed.									
With regards to market values for residential properties, the comparison method was used. This method entails carrying out a valuation by directly comparing the subject property, which has been sold or rented out. The procedure was performed as follows:									
<ul style="list-style-type: none">Surveys and data collection on similar past transactions;Analysis of the collected data; andComparison of the analysis with the subject properties and then carrying out the valuation of the subject properties.									
Adjustments were made to the following aspects:									
<ul style="list-style-type: none">Age of property - state of repair and maintenanceAesthetic quality - quality of fixtures and fittingsStructural condition - locationAccommodation offered - size of land									
The maximum useful lives of property and equipment are as follows:									
<ul style="list-style-type: none">Buildings40 yearsMotor vehicles3-5 yearsLeasehold improvements10 yearsComputer equipment5 yearsFurniture and fittings10 years									
The carrying amount of buildings would have been US\$21 490 019 (December 2014: US\$21 603 110) had they been carried at cost. Property was tested for impairment through comparisons with open market values determined by an independent valuer.									
14.	INVESTMENT PROPERTIES					31 Dec 2015 US\$		31 Dec 2014 US\$	
	Opening balance					5 268 800		2 718 600	
	Fair value adjustment					202 410		(107 678)	
	Additions					2 133 790		2 657 878	
	Closing balance					7 605 000		5 268 800	
Investment properties are carried at fair value determined on an open market basis by an independent professional valuer as at 31 December 2015 in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. The basis of valuation is consistent with that detailed in note 13 to the financial statements.									
The rental income derived from investments properties amounted to US\$nil with direct operating expenses amounting to US\$nil. Direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the year were US\$nil.									
						31 Dec 2015 US\$		31 Dec 2014 US\$	
15	INTANGIBLE ASSETS								
	At cost					2 334 243		2 072 923	
	Accumulated amortisation and impairment					(1 835 569)		(1 710 586)	
						498 674		362 337	
	Movement in intangible assets								
	Opening balance					362 337		777 176	
	Additions					136 881		58 734	
	Transfers from property and equipment					124 439		120 750	
	Amortisation charge					(124 983)		(594 323)	
	Closing balance					498 674		362 337	

AUDITED FINANCIAL RESULTS

for the Year Ended 31 December 2015



16	DEFERRED TAXATION	31 Dec 2015 US\$	31 Dec 2014 US\$
	Deferred tax related to items charged or credited to statement of comprehensive income during the year is as follows:		
	Revaluation of property and equipment	(78 932)	(486 757)
	The deferred tax included in the statement of financial position and changes recorded in the income tax expense are as follows:		
	Fair value adjustments	(50 834)	(38 116)
	Prepayments	103 777	161 656
	Impairment and provisions	2 290 929	3 690 712
	Property and equipment	193 365	988 747
	Tax claimable impairments	(1 463 002)	(4 908 545)
	Other	(1 265 990)	1 407 061
	Add:	(191 755)	1 301 515
	Opening balance	14 069 925	13 255 167
	Closing balance	13 878 170	14 069 925

17.	DEPOSITS		
	Call deposits	31 109 059	23 671 484
	Savings and other deposits	843 508 227	585 874 549
	Money market deposits	652 844 813	532 377 171
	Lines of credit	116 098 748	228 430 191
	Accrued interest	9 035 363	12 643 140
	1 652 596 210	1 382 996 535	
	Deposits by source		
	Banks	180 032 090	62 558 182
	Money market	477 810 569	502 762 516
	Customers	876 237 421	587 400 245
	Lines of credit	118 516 130	230 275 592
	1 652 596 210	1 382 996 535	
	Deposits by type		
	Retail	142 260 566	87 644 553
	Corporate	733 976 856	499 755 692
	Money market	657 842 658	565 320 698
	Lines of credit	118 516 130	230 275 592
	1 652 596 210	1 382 996 535	

Lines of credit relate to borrowings from a foreign bank or financial institution. These have an average tenure of 3 years with an average interest rate of 8.5 % and are secured by a variety of instruments which include liens over bank accounts, guarantees, treasury bills and sub borrower securities.

	31 Dec 2015 US\$	%	31 Dec 2014 US\$	%
Sectoral analysis				
Private	74 637 058	4	67 035 576	5
Agriculture	51 084 842	3	35 739 298	3
Mining	15 425 917	1	10 792 075	1
Manufacturing	119 158 247	7	77 836 630	6
Distribution	300 240 628	18	134 580 007	10
Construction	36 138 031	2	25 282 409	2
Transport	24 707 758	2	17 285 714	1
Communication	26 606 434	2	31 304 254	2
Services	505 268 391	31	422 807 044	30
Financial organisations	460 132 856	28	529 754 776	38
Investment organisations	39 196 048	2	30 578 752	2
	1 652 596 210	100	1 382 996 535	100
Maturity analysis				
Less than one month	527 623 894		580 139 174	
Between 1 and 3 months	170 906 969		100 956 440	
Between 3 and 6 months	152 758 048		57 288 556	
Between 6 months and 1 year	117 133 171		308 717 280	
Between 1 and 5 years	439 956 537		317 215 538	
More than 5 years	244 217 591		18 679 547	
	1 652 596 210		1 382 996 535	

Maturity analysis is based on the remaining period from 31 December 2015 to contractual maturity.

18.	OTHER LIABILITIES	31 Dec 2015 US\$	31 Dec 2014 US\$
	Revenue received in advance	2 076 459	3 126 047
	Sundry creditors	6 092 074	5 404 974
	Other suspense accounts	5 559 661	969 035
	Total other liabilities	13 728 194	9 500 056
19.	SHARE CAPITAL		
	Authorised		
	600 000 000 ordinary shares of \$0.01 each	6 000 000	6 000 000
	Issued and fully paid		
	511 817 951 ordinary shares of \$0.01 each	5 118 180	5 118 180
19.1	Share premium		
	Opening balance	16 721 711	11 198 956
	Transfer from non distributable reserve	-	5 522 755
	Closing balance	16 721 711	16 721 711
19.2	Non-distributable reserve		
	Opening balance	-	5 522 755
	Transfer to share premium	-	(5 522 755)
	Closing balance	-	-
19.3	Revaluation reserve		
	Opening balance	11 005 355	9 434 831
	Revaluation adjustments made during the year	227 601	1 570 524
	Closing balance	11 232 956	11 005 355
19.4	Revenue reserve		
	Opening balance	93 071 540	81 487 952
	Profit for the year	26 157 979	16 255 588
	Dividend paid	(4 500 000)	(4 672 000)
	Closing balance	114 729 519	93 071 540

20. CATEGORIES OF FINANCIAL INSTRUMENTS					
31 December 2015	At fair value through profit or loss US\$	Available for sale US\$	Loans and receivables US\$	Financial liabilities at amortised cost US\$	Total carrying amount US\$
Financial assets					
Balances with banks and cash	-	-	38 351 549	-	38 351 549
Money market assets	-	-	671 993 559	-	671 993 559
Advances	-	-	883 467 862	-	883 467 862
Investments in other financial assets	-	956 682	-	-	956 682
Other assets	-	-	70 231 425	-	70 231 425
Total	-	956 682	1 664 044 395	-	1 665 001 077
Financial liabilities					
Deposits	-	-	-	1 652 596 210	1 652 596 210
Other liabilities	-	-	-	13 728 194	13 728 194
Total	-	-	-	1 666 324 404	1 666 324 404

31 December 2014	At fair value through profit or loss US\$	Available for sale US\$	Loans and receivables US\$	Financial liabilities at amortised cost US\$	Total carrying amount US\$
Financial assets					
Balances with banks and cash	-	-	69 393 058	-	69 393 058
Money market assets	-	-	302 674 385	-	302 674 385
Advances	-	-	960 874 733	-	960 874 733
Investments in other financial assets	-	452 206	7 629 967	-	8 082 173
Other assets	-	-	40 571 149	-	40 571 149
Total	-	452 206	1 381 143 292	-	1 381 595 498
Financial liabilities					
Deposits	-	-	-	1 382 996 535	1 382 996 535
Other liabilities	-	-	-	9 500 056	9 500 056
Total	-	-	-	1 392 496 591	1 392 496 591

21. RELATED PARTY DISCLOSURES
The Bank is 100% owned by CBZ Holdings Limited. CBZ Properties (Private) Limited, CBZ Building Society, CBZ Asset Management (Private) Limited, CBZ Insurance (Private) Limited and CBZ Life (Private) Limited are related to CBZ Bank Limited through common shareholding.

The volumes of related party transactions and related income and expenses are as follows:

Loans and advances to other related parties	Gross limits US\$	Utilised limits US\$	Value of security US\$	Percentage of capital %
31 December 2015				
Loans to entities related to directors	3 682 000	3 376 683	3 656 000	2.16%
31 December 2014				
Loans to entities related to directors	3 935 000	3 758 936	3 853 812	2.80%

The loans to directors' companies above include companies directly owned or significantly influenced by executive and non-executive directors and/or their close family members.

	31 Dec 2015 US\$	31 Dec 2014 US\$
(a) Transactions with related parties		
Interest income earned on loans and advances to directors and other related parties	510 338	614 243
Commission and fee income	8 515	10 278
	518 853	624 521
(b) Deposits from directors and key management personnel		
Closing balance	30 291	94 238
Interest expense on deposits from directors and key management personnel	408	191
(c) Balances with group companies		
Amounts due from group companies	71 849 783	101 970 702
Amounts due to group companies	13 291 338	10 691 490
Interest income on amounts due from group companies	6 477 582	6 783 594
Interest expense on amounts due to group companies	883 918	313 771
Non interest income from group companies	890 596	560 144
Operating expenditure from group companies	457 957	36 000

22. RISK MANAGEMENT

22.1 Risk overview
CBZ Bank Limited has continued to be guided by a desire to uphold a "High Risk Management and Compliance Culture" as one of its major strategic thrust which is embedded under clearly defined risk appetite in terms of the various key risk exposures. This approach has given direction to the Bank's overall strategic planning and policies. Through the CBZ Group risk management function, the Bank regularly carries out risk analysis through value at risk (VAR) assessment, stress testing as well as simulations to ensure that there is congruency or proper alignment between its strategic focus and its desired risk appetite.

22.2 Bank risk management framework
The Bank's risk management framework looks at enterprise wide risks and recognises that for effective risk management to take effect, it has to be structured in terms of acceptable appetite, defined responsibility, accountability and independent validation of set processes. Bank Management and staff are responsible for the management of the risks that fall within their organisational responsibilities. The CBZ Group Risk Management function is responsible for ensuring that the Bank's risk taking remains within the set risk benchmarks. The CBZ Group Internal Audit function continuously provides independent assurance on the adequacy and effectiveness of the deployed risk management processes. The CBZ Group Enterprise Wide Governance and Compliance Unit evaluates the quality of compliance with policies, processes and governance structures.

22.3 Credit risk

22.3.1 Credit risk exposure
The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	31 Dec 2015 US\$	31 Dec 2014 US\$
Balances with banks	19 801 919	37 797 519
Money market assets	671 993 559	302 674 385
Advances	883 467 862	960 874 733
Other assets	70 231 425	40 571 149
Total	1 645 494 765	1 341 917 786
Contingent liabilities	143 888 502	145 184 766
Commitments	1 060 561	404 336
	144 949 063	145 589 102

Where financial instruments are recorded at fair value, the amounts shown above represent the current credit risk exposure but not maximum risk exposure that could arise in the future as a result of changes in value.

The Bank held cash and cash equivalents of US\$19 801 919 (excluding notes and coins) as at 31 December 2015, which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank, local and foreign banks.

22.3.2 Aging analysis of past due but not impaired loans (Special Mention Loans):	31 Dec 2015 US\$	31 Dec 2014 US\$
1 to 3 months	298 043 103	365 897 428

Past due but not impaired loans relate to loans in the special mention category. (See definition on note number 31.3.1 of the CBZ Holdings Limited notes to the financial results)

22.3.3 Aging analysis of impaired loans (Non Performing Loans):	31 Dec 2015 US\$	31 Dec 2014 US\$
3 to 6 months	46 453 213	68 185 848
6 to 12 months	22 406 558	15 212 858
Above 1 year	4 213 418	780 461
Total	73 073 189	84 179 167

Past due and impaired loans relate to loans under the following asset classification classes: Substandard, Doubtful and Loss. (See definition on note number 31.3.1 of the CBZ Holdings Limited notes to the financial results)

22.3.4 An industry sector analysis of the Bank's advances before and after taking into account collateral held is as follows:

	31 Dec 2015 US\$	31 Dec 2015 US\$	31 Dec 2014 US\$	31 Dec 2014 US\$
	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)
Private	86 197 497	19 189 408	62 048 617	22 310 311
Agriculture	287 250 031	86 926 371	302 238 990	99 843 537
Mining	10 061 556	2 518 218	19 230 510	3 268 421
Manufacturing	154 870 543	45 694 862	94 648 682	52 818 285
Distribution	194 803 531	77 751 656	233 317 898	100 914 683
Construction	4 994 439	3 187 641	3 363 433	4 137 273
Transport	9 873 128	4 302 443	18 605 789	21 707 418
Communication	2 133 707	-	6 927 291	7 094 723
Services	181 531 512	14 370 493	260 555 773	17 498 135
Financial organisations	21 053 226	-	21 679 911	-
Total	952 769 170	253 941 092	1 022 616 894	329 592 786

Collateral analysis

Cash cover
Mortgage bonds
Other forms of security including Notarial General Covering Bonds (NGCBs), cessions, etc.

31 Dec 2015 US\$	31 Dec 2014 US\$
193 563 611	138 850 988
698 828 078	693 024 108
788 254 088	754 069 932
1 680 645 777	1 585 945 028

The Bank holds collateral against loans and advances to customers in the form of mortgage bonds over property, other registered securities over assets, guarantees, cash cover, assignment of crop or export proceeds, leasebacks and stop-orders. Estimates of fair values are based on the values of collateral assessed at the time of borrowing, and are regularly aligned with trends in the market. An estimate of the fair value of collateral and other security enhancements held against loans and advances to customers and banks is shown above and analysed as follows:

	31 Dec 2015 US\$	31 Dec 2014 US\$
Against doubtful* and loss* grades		
Property	10 396 383	3 572 055
Other	21 524 023	13 963 852
Against substandard* grade		
Property	15 559 224	21 687 380
Other	52 281 008	48 297 546
Against special mention* grade		
Property	162 853 813	180 948 681
Other	251 071 974	224 489 903
Against normal* grade		
Property	510 018 658	486 815 992
Other	656 940 694	606 169 619
	1 680 645 777	1 585 945 028

*See definition on note number 31.3.1 of the CBZ Holdings Limited notes to the financial results.

22.3.5 Credit quality per class of financial assets

The credit quality of financial assets is managed by the Bank using internal credit ratings. The table below shows the credit quality by class of asset for loan-related statement of financial position lines based on the Bank's credit rating system.

	*Normal grade US\$	*Special mention grade US\$	*Sub- Standard grade US\$	*Doubtful and Loss grade US\$	Total US\$
31 December 2015					
Loans and advances to customers					
Agriculture	126 739 887	150 118 246	5 769 432	4 622 466	287 250 031
Manufacturing	142 476 752	10 410 802	1 700 250	282 739	154 870 543
Commercial	120 110 257	46 994 303	10 561 804	3 865 148	181 531 512
Private	70 687 611	11 287 027	4 210 386	12 473	86 197 497
Mining	6 209 923	3 851 633	-	-	10 061 556
Distribution	104 035 320	55 792 603	21 187 034	13 788 574	194 803 531
Construction	1 442 504	3 551 935	-	-	4 994 439
Transport	6 931 196	2 340 902	-	601 030	9 873 128
Communication	2 133 707	-	-	-	2 133 707
Financial services	885 721	13 695 652	3 024 307	3 447 546	21 053 226
	581 652 878	298 043 103	46 453 213	26 619 976	952 769 170

The Bank has issued financial guarantee contracts in respect of debtors for which the maximum amount payable by the Bank, assuming all guarantees are called on, is US\$143.9 million (December 2014: US\$145.2 million).

	*Normal grade US\$	*Special mention grade US\$	*Sub- Standard grade US\$	*Doubtful and Loss grade US\$	Total US\$
31 December 2014					
Loans and advances to customers					
Agriculture	104 981 776	177 904 065	16 648 271	2 704 878	302 238 990
Manufacturing	41 158 903	42 718 195	10 771 584	-	94 648 682
Commercial	212 054 652	38 393 364	7 092 657	3 015 100	260 555 773
Private	44 928 263	15 138 737	1 612 284	369 333	62 048 617
Mining	2 892 071	14 223 264	2 115 175	-	19 230 510
Distribution	132 726 673	66 035 191	28 100 861	6 455 173	233 317 898
Construction	140 517	3 024 397	198 519	-	3 363 433
Transport	5 757 244	7 753 213	1 646 497	3 448 835	18 605 789
Communication	6 927 291	-	-	-	6 927 291
Financial services	20 972 909	707 002	-	-	21 679 911
	572 540 299	365 897 428	68 185 848	15 993 319	1 022 616 894

*See definition on note number 31.3.1 of the CBZ Holdings Limited notes to the financial results.

22.4 Liquidity risk

Liquidity relates to the Bank's ability to fund its growth in assets and to meet obligations as they fall due without incurring unacceptable losses. The Bank recognises two types of liquidity risks i.e. Market liquidity risk and Funding liquidity risk.

Market liquidity risk is the risk that the Bank cannot cover or settle a position without significantly affecting the market price because of limited market depth.

Funding risk, on the other hand, is the risk that the Bank will not be able to efficiently meet both its expected as well as the unexpected current and future cash flow needs without affecting the financial condition of the Bank. The Bank's liquidity risk management framework ensures that limits are set relating to levels of wholesale funding, retail funding, loans to deposit ratio, counter- party exposures as well as prudential liquidity ratio.

The primary source of funding under the Bank are customer deposits made up of current, savings and term deposits and these are diversified by customer type and maturity profile. The Bank tries to ensure through the Assets and Liabilities Committee (ALCO) processes and balance sheet management processes that asset growth and maturity are funded by appropriate growth in deposits and stable funding respectively.

22.4.1 Liquidity Gap Analysis

	Less than one month US\$	1 to 3 months US\$	3 to 6 months US\$	6 to 12 months US\$	1 to 5 years US\$	5 years and above US\$	Total US\$
31 DECEMBER 2015							
Assets							
Balances with banks and cash	38 351 549	-	-	-	-	-	38 351 549
Money market assets	58 328 721	156 565 979	-	5 903 854	188 315 232	262 879 773	671 993 559
Advances	342 137 004	46 812 644	97 710 042	147 132 567	154 363 499	95 312 106	883 467 862
Other assets	-	70 231 425	-	-	-	-	70 231 425
Financial guarantees	121 580 805	1 656 253	1 958 170	3 908 274	3 105 000	11 680 000	143 888 502
Current tax receivable	-	1 750 333	-	-	-	-	1 750 333
Total assets	560 398 079	277 016 634	99 668 212	156 944 695	345 783 731	369 871 879	1 809 683 230

Liabilities							
Deposits	527 623 894	170 906 969	152 758 048	117 133 171	439 956 537	244 217 591	1 652 596 210
Other liabilities	-	13 728 194	-	-	-	-	13 728 194
Financial guarantees	121 580 805	1 656 253	1 958 170	3 908 274	3 105 000	11 680 000	143 888 502
Total liabilities	649 204 699	186 291 416	154 716 218	121 041 445	443 061 537	255 897 591	1 810 212 906

Liquidity gap	(88 806 620)	90 725 218	(55 048 006)	35 903 250	(97 277 806)	113 974 288	(529 676)
Cumulative liquidity gap	(88 806 620)	1 918 598	(53 129 408)	(17 226 158)	(114 503 964)	(529 676)	(529 676)

	Less than one month US\$	1 to 3 months US\$	3 to 6 months US\$	6 to 12 months US\$	1 to 5 years US\$	5 years and above US\$	Total US\$
31 DECEMBER 2014							
Assets							
Balances with banks and cash	69 393 058	-	-	-	-	-	69 393 058
Money market assets	15 704 914	145 491 868	-	3 977 137	137 500 466	-	302 674 385
Advances	524 163 093	33 590 723	19 720 377	200 139 614	139 580 788	43 680 138	960 874 733
Other assets	140 323	40 430 826	-	-	-	-	40 571 149
Investments- other financial assets	-	-	-	-	7 629 967	-	7 629 967
Financial guarantees	1 402 000	2 003 888	5 401 000	1 597 878	123 100 000	11 680 000	145 184 766
Current tax receivable	-	1 481 338	-	-	-	-	1 481 338
Total assets	610 803 388	222 998 643	25 121 377	205 714 629	407 811 221	55 360 138	1 527 809 396

Liabilities							
Deposits	580 139 174	100 956 440	57 288 556	308 717 280	317 215 538	18 679 547	1 382 996 535
Other liabilities	-	9 500 056	-	-	-	-	9 500 056
Financial guarantees	1 402 000	2 003 888	5 401 000	1 597 878	123 100 000	11 680 000	145 184 766
Total liabilities	581 541 174	112 460 384	62 689 556	310 315 158	440 315 538	30 359 547	1 537 681 357

Liquidity gap	29 262 214	110 538 259	(37 568 179)	(104 600 529)	(32 504 317)	25 000 591	(9 871 961)
Cumulative liquidity gap	29 262 214	139 800 473	102 232 294	(2 368 235)	(34 872 552)	(9 871 961)	(9 871 961)

The table above shows the undiscounted cash flows of the Bank's non-derivative on and off balance sheet financial assets and liabilities on the basis of their earliest possible contractual maturity and the related year gaps. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest year in which the guarantee could be called.

The Bank carries out static statement of financial position analysis to track statement of financial position growth drivers, the pattern of core banking deposits, statement of financial position structure, levels and direction of the Bank's maturity mismatch and related funding or liquidity gap. The Asset and Liability Management Committee (ALCO) comes up with strategies through its monthly meetings to manage these liquidity gaps.

Details of the liquidity ratio for the Bank at the reporting date and during the reporting year were as follows:

	%
At 31 December 2014	35.20
At 31 December 2015	51.84
Average for the year	40.14
Maximum for the year	51.84
Minimum for the year	30.17

22.5 Interest rate risk

This is the possibility of a Bank's interest income being negatively influenced by unforeseen changes in the interest rate levels arising from weaknesses related to a Bank's trading, funding and investment strategies.

This is managed at both Board and Management level through the regular policy and benchmarks which relate to interest rate risk management. The major areas of intervention involve daily monitoring of costs of funds, monthly analysis of interest re-pricing gaps, monthly interest rate simulations to establish the Bank's ability to sustain a stressed interest rate environment and various interest rate risk hedging strategies. The use of stress testing is an integral part of the interest rate risk management framework and considers both the historical market events as well as anticipated future scenarios. The Bank denominates its credit facilities in the base currency, the USD in order to minimize cross currency interest rate risk. The Bank's interest rate risk profiling is illustrated below:

22.5.1 Interest rate repricing and gap analysis

	Less than one month US\$	1 to 3 months US\$	3 to 6 months US\$	6 to 12 months US\$	1 to 5 years US\$	5 years and above US\$	Non interest bearing US\$	Total US\$
31 DECEMBER 2015								
Assets								
Balances with banks and cash	3 660 009	-	-	-	-	-	34 691 540	38 351 549
Money market assets	58 328 721	156 565 979	-	5 903 854	188 315 232	262 879 773	-	671 993 559
Advances	342 137 004	46 812 644	97 710 042	147 132 567	154 363 499	95 312 106	-	883 467 862
Other assets	-	-	-	-	-	-	143 190 946	143 190 946
Investments- other financial assets	-	-	-	-	-	-	956 682	956 682
Investment property	-	-	-	-	-	-	7 605 000	7 605 000
Property and equipment	-	-	-	-	-	-	52 433 995	52 433 995
Intangible assets	-	-	-	-	-	-	498 674	498 674
Deferred tax	-	-	-	-	-	-	13 878 170	13 878 170
Current tax receivable	-	-	-	-	-	-	1 750 333	1 750 333
Total assets	404 125 734	203 378 623	97 710 042	153 036 421	342 678 731	358 191 879	255 005 340	1 814 126 770

Equity and liabilities								
Deposits	527 623 894	170 906 969	152 758 048	117 133 171	439 956 537	244 217 591	-	1 652 596 210
Other liabilities	-	-	-	-	-	-	13 728 194	13 728 194
Equity and reserves	-	-	-	-	-	-	147 802 366	147 802 366
Total liabilities,equity and reserves	527 623 894	170 906 969	152 758 048	117 133 171	439 956 537	244 217 591	161 530 560	1 814 126 770

Interest rate repricing gap	(123 498 160)	32 471 654	(55 048 006)	35 903 250	(97 277 806)	113 974 288	93 474 780	-
Cumulative gap	(123 498 160)	(91 026 506)	(146 074 512)	(110 171 262)	(207 449 068)	(93 474 780)	-	-

31 DECEMBER 2014	Less than one month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	5 years and above	Non interest bearing	Total
Assets	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balances with banks and cash	69 393 058	-	-	-	-	-	-	69 393 058
Money market assets	15 704 914	145 491 868	-	3 977 137	137 500 466	-	-	302 674 385
Advances	524 163 093	33 590 723	19 720 377	200 139 614	139 580 788	43 680 138	-	960 874 733
Other assets	-	-	-	-	-	-	107 297 353	107 297 353
Investments- other financial assets	-	-	-	-	7 629 967	-	452 206	8 082 173
Investment property	-	-	-	-	-	-	5 268 800	5 268 800
Property and equipment	-	-	-	-	-	-	48 909 275	48 909 275
Intangible assets	-	-	-	-	-	-	362 337	362 337
Deferred tax	-	-	-	-	-	-	14 069 925	14 069 925
Current tax receivable	-	-	-	-	-	-	1 481 338	1 481 338
Total assets	609 261 065	179 082 591	19 720 377	204 116 751	284 711 221	43 680 138	177 841 234	1 518 413 377

AUDITED FINANCIAL RESULTS

for the Year Ended 31 December 2015



22.6 Foreign exchange risk

At 31 December 2015, if foreign exchange rates at that date had weakened or strengthened by 5 percentage points with all other variables held constant, post tax profit for the year would have been US\$2 474 higher or lower respectively than the reported position. This arises as a result of the increase or decrease in the fair value of the underlying assets and liabilities denominated in foreign currencies. The foreign currency position for the Bank as at 31 December 2015 is as below:

FOREIGN CURRENCY POSITION

Foreign currency position as at 31 December 2015

Position expressed in US\$	Total	USD	ZAR	GBP	Other foreign currencies
Assets					
Balances with banks and cash	38 351 549	31 552 462	4 474 985	585 773	1 738 329
Money market assets	671 993 559	671 993 559	-	-	-
Advances	883 467 862	867 299 868	9 647	257 665	15 900 682
Other assets	143 190 946	142 867 354	224 318	41 983	57 291
Investments in other financial assets	956 682	812 781	-	-	143 901
Investment properties	7 605 000	7 605 000	-	-	-
Property and equipment	52 433 995	52 350 999	6 887	-	76 109
Deferred taxation	13 878 170	13 878 170	-	-	-
Intangible assets	498 674	498 674	-	-	-
Current tax receivable	1 750 333	1 750 333	-	-	-
Total assets	1 814 126 770	1 790 609 200	4 715 837	885 421	17 916 312
Equity and liabilities					
Deposits	1 652 596 210	1 629 346 833	8 028 877	400 285	14 820 215
Other liabilities	13 728 194	13 623 235	6 941	13 161	84 857
Equity and reserves	147 802 366	147 589 642	13 311	183 141	16 272
Total equity and liabilities	1 814 126 770	1 790 559 710	8 049 129	596 587	14 921 344

Foreign currency position as at 31 December 2014

Position expressed in US\$	Total	USD	ZAR	GBP	Other foreign currencies
Assets					
Balances with banks and cash	69 393 058	59 169 693	8 926 751	652 056	644 558
Money market assets	302 674 385	302 674 385	-	-	-
Advances	960 874 733	960 324 423	14 947	336	535 027
Other assets	107 297 353	106 992 588	187 147	59 609	58 009
Investments in other financial assets	8 082 173	7 938 530	-	-	143 643
Investment properties	5 268 800	5 268 800	-	-	-
Property and equipment	48 909 275	48 826 279	6 887	-	76 109
Deferred taxation	14 069 925	14 069 925	-	-	-
Intangible assets	362 337	362 337	-	-	-
Current tax receivable	1 481 338	1 481 338	-	-	-
Total assets	1 518 413 377	1 507 108 298	9 135 732	712 001	1 457 346
Equity and liabilities					
Deposits	1 382 996 535	1 369 331 422	12 514 002	434 056	717 055
Other liabilities	9 500 056	9 484 464	3 731	10 721	1 140
Equity and reserves	125 916 786	125 916 786	-	-	-
Total equity and liabilities	1 518 413 377	1 504 732 672	12 517 733	444 777	718 195

Foreign currency position as at 31 December 2015

Underlying currency

	ZAR	GBP	Other foreign currencies in US\$
Assets			
Balances with banks and cash	69 551 116	395 152	1 738 329
Advances	149 935	173 816	15 900 682
Other assets	3 486 403	28 321	57 291
Investments in other financial assets	-	-	143 901
Property and equipment	107 035	-	76 109
Total assets	73 294 489	597 289	17 916 312
Liabilities			
Deposits	124 786 405	270 025	14 820 215
Other liabilities	107 876	8 878	84 857
Equity and reserves	206 885	123 544	16 272
Total liabilities	125 101 166	402 447	14 921 344
Net position	(51 806 677)	194 842	2 994 968

Foreign currency position as at 31 December 2014

Underlying currency

	ZAR	GBP	Other foreign currencies in US\$
Assets			
Balances with banks and cash	103 369 993	419 059	644 558
Advances	173 082	216	535 027
Other assets	2 167 124	38 309	58 009
Investments in other financial assets	-	-	143 643
Property and equipment	79 747	-	76 109
Total assets	105 789 946	457 584	1 457 346
Liabilities			
Deposits	144 909 643	278 956	717 055
Other liabilities	43 205	6 890	1 140
Total liabilities	144 952 848	285 846	718 195
Net position	(39 162 902)	171 738	739 151

22.7 Operational risk

This is the potential for loss arising from human error and fraud, inadequate or failed internal processes, systems failure, non-adherence to procedure or other external sources that result in the compromising of the Bank's revenue or erosion of the Bank's statement of financial position value.

22.7.1 Operational risk management framework

CBZ Group Risk Management Committee exercises adequate oversight over operational risks across the Bank with the support of the Board as well as business and functional level committees. CBZ Group Risk Management is responsible for setting and approval of Bank Operational Policies and maintaining standards for operational risk.

The Bank Board Audit Committee through Internal Audit function as well as Group Enterprise Wide Governance and Compliance perform their independent reviews and assurances under processes and procedures as set under policies and procedure manuals. On the other hand, the Group Risk Management and Group IT Departments with assistance from the Organization and Methods Department within Group Human Resources ensure that processes, procedures and control systems are in line with variables in the operating environment.

22.8 Strategic risk

This is the risk that arises where the Bank's strategy may be inappropriate to support its long term corporate goals due to underlying inadequate strategic planning process, weak decision making process as well as weak strategic implementation programs.

To mitigate this risk, the Bank's Board and Management teams craft the strategy which is underpinned to the Bank's corporate goals. Approval of the strategy is the responsibility of the Board whilst implementation is carried out by Management. On the other hand strategy and goal congruency is reviewed monthly by management and quarterly by the Board.

22.9 Regulatory risk

Regulatory risk is defined as the failure to comply with applicable laws and regulations or supervisory requirements, or the exclusion of provisions of relevant regulatory requirements out of operational procedures. This risk is managed and mitigated through the Group Board Risk Management Committee and the Group Enterprise Wide Governance and Compliance unit which ensures that:

- Comprehensive and consistent compliance policies and procedures exist covering the Bank;
- A proactive and complete summary statement of the Bank and its position on ethics and compliance exists;
- A reporting structure of the Group Enterprise Wide Compliance Function exists that ensures independence and effectiveness; and that
- Yearic compliance and awareness training targeting employees in compliance sensitive areas is carried out.

22.10 Reputation risk

This is the risk of potential damage to the Bank's image that arise from the market perception of the manner in which the Bank packages and delivers its products and services as well as how staff and management conduct themselves. It also relates to the Bank's general business ethics. This can result in loss of earnings or adverse impact on market capitalization as a result of stakeholders adopting a negative view to the Bank and its actions. The risk can further arise from the Bank's inability to address any of its other key risks. This risk is managed and mitigated through:

- continuous improvements of the Bank's operating facilities to ensure that they remain within the taste of the Bank's various stakeholders,
- ensuring that staff subscribe to the Bank's code of conduct, code of ethics and general business ethics and that
- stakeholders' feedback systems that ensures proactive attention to the Bank's reputation management.

22.11 Money laundering risk

This is the risk of financial or reputational loss suffered as a result of transactions in which criminal financiers disguise the origin of funds they deposit in the Bank and then use the funds to support illegal activities. The Bank manages this risk through:

- adherence to Know Your Customer Procedures;
- effective use of compliance enabling technology to enhance anti-money laundering program management, communication, monitoring and reporting;
- development of early warning systems; and
- integration of compliance into individual performance measurement and reward structures.

22.12 Risk and Credit Ratings

22.12.1 External Credit Rating

Rating Agent	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Global Credit Rating Co. (Short Term)	A1	A1	A1	-	-	-	-	-	-	A1	A1
Global Credit Rating Co. (Long Term)	A	A+	A+	A+	A+	A	A	A	A+	A+	A

No short-term ratings were provided by the rating agent from 2007 to 2012.

22.12.2 Reserve Bank of Zimbabwe Ratings

CAMELS RATING MATRIX

	Composite	Capital Adequacy	Asset Quality	Management	Earnings	Liquidity	Sensitivity to market risk
CBZ Bank Limited	1	1	2	1	1	2	2
CBZ Holdings Group	2	2	2	-	2	2	2

Key

1. Strong 2. Satisfactory 3 Fair 4. Substandard 5. Weak

23. CAPITAL MANAGEMENT

The Bank adopted the Group Internal Capital Adequacy Assessment Policy (ICAAP) which enunciates CBZ Bank's approach, assessment and management of risk and capital from an internal perspective that is over and above the minimum regulatory rules and capital requirements of Basel II. The primary objective of the Bank's capital management is to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business and maximize shareholder value. ICAAP incorporates a capital management framework designed to satisfy the needs of key stakeholders i.e. depositors, regulators, rating agencies who have specific interest in its capital adequacy and optimal risk taking to ensure its going concern status (solvency). The focus is also targeted at meeting the expectations of those stakeholders i.e. shareholders, analysts, investors, clients and the general public who are interested in looking at the profitability of the Bank vis-à-vis assumed levels of risk (risk vs return).

It is important to highlight that CBZ Bank has three levels of capital and other components that are measured and managed simultaneously: -

- Regulatory capital,
- Economic capital, and
- Available book capital.

23.1. Capital Adequacy

The capital adequacy is calculated in terms of the guidelines issued by the Reserve Bank of Zimbabwe.

	31 Dec 2015 US\$	31 Dec 2014 US\$
Risk weighted assets	961 868 377	955 358 437
Total qualifying capital	156 449 038	134 099 830
Tier 1		
Share capital	5 118 180	5 118 180
Share premium	16 721 711	16 721 711
Revenue reserves	114 729 519	93 071 540
Exposures to insiders	(3 376 683)	(3 758 936)
Total core capital	133 192 727	111 152 495
Less transfer to Tier 3	(19 738 594)	(18 638 685)
Tier 2	113 454 133	92 513 810
Revaluation reserve	11 232 956	11 005 355
General provisions	12 023 355	11 941 980
	23 256 311	22 947 335
Tier 3		
Capital allocated for market risk	245 074	284 272
Capital allocated to operations risk	19 493 520	18 354 413
	19 738 594	18 638 685
Capital adequacy	16.27%	14.04%
-Tier 1	11.80%	9.68%
-Tier 2	2.42%	2.41%
-Tier 3	2.05%	1.95%

Regulatory capital consists of Tier 1 capital which comprises share capital, share premium and revenue reserves including current year profit. The other component of the regulatory capital is Tier 2 capital, which includes general provisions and revaluation reserves.

24. CORPORATE GOVERNANCE STATEMENT

The quality of corporate governance practices is becoming an increasingly important factor in maintaining market confidence. The Bank is committed to and supports the principles contained in the Reserve Bank of Zimbabwe (RBZ) Corporate Governance Guideline No. 01-2004/BSD, as well as the King III Code which is an internationally regarded benchmark in Corporate Governance.

25. DISCLOSURE POLICY

The Board is aware of the importance of balanced and understandable communication of the Bank's activities to stakeholders and strives to clearly present any matters material to a proper appreciation of the Bank's position. The interests and concerns of stakeholders are addressed by communicating information in a timely manner.

The Directors foster a mutual understanding of objectives shared between the Bank and its institutional shareholders by meeting with and making presentations to them on a regular basis. The Board welcomes and encourages the attendance of private shareholders at general meetings and gives them the opportunity to have questions addressed.

The Bank endeavours to ensure, through its regular public dissemination of quantitative and qualitative information that analysts' estimates are in line with the Bank's own expectations. The Bank does not confirm or attempt to influence analysts' opinions or conclusions and does not express comfort with analysts' models and earnings estimates.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2015

	Notes	31 Dec 2015 US\$	31 Dec 2014 US\$
Gross premium income		13 212 013	9 231 196
Reinsurance		(598 029)	(321 404)
Net written premium		12 613 984	8 909 792
Net commission	10.2	(1 618 907)	(1 438 264)
Net claims	10.3.1	(2 382 698)	(2 273 930)
Technical profit		8 612 379	5 197 598
Operating expenditure	3	(3 192 483)	(2 594 516)
Underwriting profit		5 419 896	2 603 082
Other income	2	1 080 568	845 955
Transfer to life fund		(1 961 968)	(862 165)
Profit before taxation		4 538 496	2 586 872
Taxation	4	(44 094)	(30 280)
Profit for the year		4 494 402	2 556 592
Other comprehensive income		-	-
Total comprehensive income		4 494 402	2 556 592

STATEMENT OF FINANCIAL POSITION
as at 31 December 2015

	Notes	31 Dec 2015 US\$	31 Dec 2014 US\$
ASSETS			
Balances with banks and cash	5	884 466	308 415
Money market assets	6.1	14 310 617	10 075 700
Insurance receivables	7	1 122 112	214 082
Other receivables		16 360	32 716
Current tax		6 090	1 009
Intangible assets	8	610 251	488 672
Property and equipment	9	287 826	315 212
TOTAL ASSETS		17 237 722	11 435 806
LIABILITIES			
Life fund	10.4	4 675 401	2 311 493
Other liabilities	11	310 296	599 712
TOTAL LIABILITIES		4 985 697	2 911 205
EQUITY AND RESERVES			
Share capital	12.2	2	2
Share premium		1 388 012	1 388 012
Revenue reserves		10 864 011	7 136 587
TOTAL EQUITY AND RESERVES		12 252 025	8 524 601
TOTAL LIABILITIES, EQUITY AND RESERVES		17 237 722	11 435 806

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015

	Share capital US\$	Share premium US\$	Revenue reserves US\$	Total US\$
2014				
Opening balance	2	1 388 012	4 579 995	5 968 009
Total comprehensive income	-	-	2 556 592	2 556 592
Closing balance	2	1 388 012	7 136 587	8 524 601
2015				
Opening balance	2	1 388 012	7 136 587	8 524 601
Total comprehensive income	-	-	4 494 402	4 494 402
Dividend paid	-	-	(766 978)	(766 978)
Closing balance	2	1 388 012	10 864 011	12 252 025

STATEMENT OF CASH FLOWS
for the year ended 31 December 2015

	31 Dec 2015 US\$	31 Dec 2014 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4 538 496	2 586 872
Non cash items:		
Depreciation	87 967	77 323
Amortisation	144 783	40 616
Unearned premium	1 519 471	(26 539)
Claims incurred but not yet reported	442 496	888 705
Guaranteed education plan investment/(withdrawals)	313 147	(215 500)
Interest on guaranteed education plan investment fund	88 793	50 145
Profit on sale of property and equipment	(6 163)	-
Operating profit before changes in operating assets and liabilities	7 128 990	3 401 622
Changes in operating assets and liabilities		
Other receivables	16 356	130 914
Insurance receivables	(908 030)	97 686
Other liabilities	(289 416)	(189 425)
Money market assets	(4 234 917)	(3 150 802)
	(5 416 005)	(3 111 627)
Corporate tax paid	(49 175)	(33 181)
Net cash inflow from operating activities	1 663 809	256 814
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on disposal of property and equipment	9 671	-
Purchase of property and equipment	(64 089)	(87 929)
Purchase of intangible assets	(266 362)	(376 740)
Net cash outflow from investing activities	(320 780)	(464 669)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(766 978)	-
Net cash outflow from financing activities	(766 978)	-
NET INCREASE/(DECREASE) IN BALANCES WITH BANKS AND CASH	576 051	(207 855)
Balances with banks and cash at the beginning of the year	308 415	516 270
BALANCES WITH BANKS AND CASH AT END OF THE YEAR	884 466	308 415

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

1. INCORPORATION AND ACTIVITES

The company offers life insurance services and is incorporated in Zimbabwe.

2. OTHER INCOME

Money market interest
Bank interest
Profit on disposal of property and equipment

3. OPERATING EXPENDITURE

Administration expenses
Audit fees
Depreciation
Amortisation of intangible assets
Staff costs
Impairment other

Directors' remuneration (included in staff costs)
Fees for services as Directors
Pension for past and present directors
Salaries and other benefits

4. TAXATION

The following constitutes the major components of tax expense recognised in the statement of comprehensive income.

Current income tax

4.1 TAX RATE RECONCILIATION

Notional tax
Aids levy
Permanent differences
Effective tax rate

5. BALANCES WITH BANKS AND CASH

Cash at bank

6. INVESTMENTS

6.1 Money market assets :

Held to maturity

6.2 Maturity analysis

Less than 1 month
Between 1 months and 3 months
Between 3 months and 6 months
Between 6 months and 1 year

7. INSURANCE RECEIVABLES

Reinsurance unearned premium reserve
Reinsurance receivables
Deferred acquisition costs
Premium receivables
Suspended premium receivables

8. INTANGIBLE ASSETS

Computer Software Cost

Opening balance
Additions
Closing balance

Amortisation
Opening balance
Charge for the year
Closing balance
Carrying amount at end of the year

9. PROPERTY AND EQUIPMENT

Cost

Opening balance
Additions
Disposals
Closing balance

Accumulated depreciation

Opening balance
Charge for the year
Disposals
Closing balance
Net Book Value

10. INSURANCE CONTRACT PROVISIONS

10.1 Provision for unearned premium

Unearned at 1 January 2015
Written premiums
Earned during the year
Unearned at 31 Dec 2015

10.2 Commissions

Commission paid
Commission received
Deferred acquisition costs
Net commission

10.3 Claims

10.3.1

Gross claims
Reinsurance

Net claims

10.3.2

Provision for Incurred But Not Reported claims
IBNR claims provision at 1 January 2015
Movement for the year
IBNR provision at end of the year

10.4

Life fund
Gross unearned premium reserve
Provision for incurred but not reported claims
Guaranteed Education Plan Provision
Closing balance

11. OTHER LIABILITIES

Inter-company
Other payables

12. SHARE CAPITAL

12.1

Authorised share capital
20 000 ordinary shares of US\$1 each

12.2

Issued share capital
2 ordinary shares of US\$1 each

31 Dec 2015 US\$	31 Dec 2014 US\$
1 071 485	844 650
2 920	1 305
6 163	-
1 080 568	845 955
1 478 673	1 005 705
30 205	27 750
87 967	77 323
144 783	40 616
1 450 856	1 471 574
-	(28 452)
3 192 483	2 594 516
46 368	88 704
47 610	42 120
649 891	469 822
743 869	600 646

44 094	30 280
%	%
25.00	25.00
0.75	0.75
(24.78)	(24.58)
0.97	1.17

US\$	US\$
884 466	308 415
14 310 617	10 075 700
7 299 848	7 080 776
3 137 338	1 266 992
3 873 431	1 727 932
-	-
14 310 617	10 075 700
241 087	9 217
-	6 197
518 572	180 113
495 064	64 777
(132 611)	(46 222)
1 122 112	214 082
532 050	155 310
266 362	376 740
798 412	532 050
43 378	2 762
144 783	40 616
188 161	43 378
610 251	488 672

Motor vehicles US\$	Computers, furniture and other equipment US\$	31 Dec 2015 US\$	31 Dec 2014 US\$
80 999	387 055	468 054	380 125
34 500	29 589	64 089	87 929
(25 450)	-	(25 450)	-
90 049	416 644	506 693	468 054
52 483	100 359	152 842	75 519
18 819	69 148	87 967	77 323
(21 942)	-	(21 942)	-
49 360	169 507	218 867	152 842
40 689	247 137	287 826	315 212

	Gross US\$	Reinsurance US\$	Net US\$
	782 279	(9 217)	773 062
	13 212 013	(598 029)	12 613 984
	(11 469 889)	375 376	(11 094 513)
	2 524 403	(231 870)	2 292 533
Claims		31 Dec 2015 US\$	31 Dec 2014 US\$
		2 115 002	1 470 264
		(157 636)	(48 851)
		(338 459)	16 851
		1 618 907	1 438 264
		2 439 853	2 299 223
		(57 155)	(25 293)
		2 382 698	2 273 930
S		625 658	424 804
		442 496	200 854
		1 068 154	625 658
		2 292 533	773 062
		1 068 154	625 658
		1 314 714	912 773
		4 675 401	2 311 493
		347	-
	309 949	599 712	
	310 296	599 712	
	20 000	20 000	
	2	2	

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

	31 Dec 2015 US\$	31 Dec 2014 US\$
Gross premium income	9 590 832	9 088 796
Reinsurance	(4 716 395)	(4 437 143)
Net written premium	4 874 437	4 651 653
Unearned premium	42 157	(706 065)
Net earned premium	4 916 594	3 945 588
Net commission	99 796	(38 710)
Net claims	(1 877 741)	(1 757 814)
Technical profit	3 138 649	2 149 064
Operating expenditure	(1 612 875)	(1 511 441)
Underwriting profit	1 525 774	637 623
Other income	294 100	174 118
Impairment allowance	(236 310)	(148 420)
Profit before taxation	1 583 564	663 321
Taxation	(434 044)	(148 724)
Profit for the year after taxation	1 149 520	514 597
Other comprehensive income	-	-
Total comprehensive income	1 149 520	514 597

STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	31 Dec 2015 US\$	31 Dec 2014 US\$
ASSETS		
Non-current assets		
Property and equipment	201 927	192 561
Intangible assets	38 675	66 743
Investment properties	145 000	153 000
Listed investments	178 857	248 181
Deferred taxation	266 739	230 040
Total non-current assets	831 198	890 525
Technical assets		
Reinsurance unearned premium reserve	1 290 166	1 250 495
Deferred acquisition costs	330 247	350 539
Reinsurance outstanding claims	297 181	350 731
Reinsurance receivables	728 015	513 029
Insurance receivables	1 421 626	1 473 121
Total technical assets	4 067 235	3 937 915
Current assets		
Inventory	2 780	2 812
Other receivables	26 287	24 828
Money market assets	4 061 213	2 697 531
Balances with banks and cash	937 055	240 397
Total current assets	5 027 335	2 965 568
TOTAL ASSETS	9 925 768	7 794 008
EQUITY AND RESERVES		
Share capital	77 496	50 500
Share premium	1 459 111	589 807
Revenue reserves	2 636 461	1 486 941
Total equity and reserves	4 173 068	2 127 248
LIABILITIES		
Non-current liabilities		
Deferred taxation	28 933	33 436
Total non-current liabilities	28 933	33 436
Technical liabilities		
Gross unearned premium reserve	3 079 891	3 082 376
Gross outstanding claims	713 772	832 935
Unearned commission reserve	316 777	290 824
Incurred but not reported claims	240 190	233 417
Reinsurance payables	605 093	695 165
Total technical liabilities	4 955 723	5 134 717
Current liabilities		
Other payables	539 859	333 460
Taxation	228 185	165 147
Total current liabilities	768 044	498 607
TOTAL LIABILITIES	5 752 700	5 666 760
TOTAL LIABILITIES, EQUITY AND RESERVES	9 925 768	7 794 008

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2015

	Share capital US\$	Share premium US\$	Revenue reserves US\$	Total US\$
2014				
Opening balance	50 500	589 807	972 344	1 612 651
Total comprehensive income	-	-	514 597	514 597
Closing balance	50 500	589 807	1 486 941	2 127 248
2015				
Opening balance	50 500	589 807	1 486 941	2 127 248
Rights issue	26 996	869 304	-	896 300
Total comprehensive income	-	-	1 149 520	1 149 520
Closing balance	77 496	1 459 111	2 636 461	4 173 068

STATEMENT OF CASH FLOWS

for the year ended 31 December 2015

	31 Dec 2015 US\$	31 Dec 2014 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1 583 564	663 321
Non cash items:		
Depreciation	52 045	59 940
Amortisation	-	93 985
Fair value adjustment	77 325	36 895
Net commission movement	46 245	(45 492)
Unearned premium reserve movement	(42 157)	706 065
Incurred but not yet reported claims	6 773	57 474
Write off of intangible asset	28 068	20 937
Impairment allowance	236 310	-
Premium receivables written off	-	127 483
Operating cash inflow before changes in operating assets and liabilities	1 988 173	1 720 608
Changes in operating assets and liabilities		
Decrease in inventory	32	1 123
Increase/(decrease) in receivables	(347 710)	(464 639)
Increase/(decrease) in money market investments	(1 363 682)	(1 914 626)
Decrease/(increase) in payables	(2 837)	910 637
	(1 714 197)	(1 467 505)
Corporate tax paid	(412 207)	(157 764)
Net cash (outflow)/inflow from operating activities	(138 231)	95 339
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(61 411)	(67 153)
Purchase of intangible assets	-	(38 675)
Net cash outflow from investing activities	(61 411)	(105 828)
CASHFLOWS FROM FINANCING ACTIVITIES		
Rights issue proceeds	896 300	-
Net cash inflow from financing activities	896 300	-
NET INCREASE/DECREASE IN BALANCES WITH BANKS AND CASH	696 658	(10 489)
Balances with banks and cash at the beginning of the year	240 397	250 886
BALANCES WITH BANKS AND CASH AT END OF THE YEAR	937 055	240 397

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

	31 Dec 2015 US\$	31 Dec 2014 US\$
Revenue	2 102 403	2 307 221
Operating expenditure	(1 886 306)	(1 845 551)
Profit before taxation	216 097	461 670
Taxation	(64 787)	(119 061)
Profit for the year after taxation	151 310	342 609
Other comprehensive income	-	-
Total comprehensive income	151 310	342 609

STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	31 Dec 2015 US\$	31 Dec 2014 US\$
ASSETS		
Balances with banks and cash	194 733	146 324
Money market assets	1 767 149	1 648 620
Loans and advances	12 907	16 695
Other assets	658 774	591 761
Investment securities	9	15
Investment property	105 000	105 000
Equipment	192 294	241 484
Intangible assets	24 058	84 022
Current taxation	-	8 044
Deferred taxation	25 491	-
TOTAL ASSETS	2 980 415	2 841 965
LIABILITIES		
Other liabilities	94 660	148 155
Provisions	305 432	266 092
Current taxation	23 060	-
Deferred taxation	-	21 765
TOTAL LIABILITIES	423 152	436 012
EQUITY AND RESERVES		
Share capital	63 005	63 005
Share premium	1 924 944	1 924 944
Revenue reserves	569 314	418 004
TOTAL EQUITY AND RESERVES	2 557 263	2 405 953
TOTAL LIABILITIES, EQUITY AND RESERVES	2 980 415	2 841 965

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2015

	Share capital US\$	Share premium US\$	Revenue reserves US\$	Total US\$
2014				
Opening balance	63 005	1 924 944	75 395	2 063 344
Total comprehensive income	-	-	342 609	342 609
Closing balance	63 005	1 924 944	418 004	2 405 953
2015				
Opening balance	63 005	1 924 944	418 004	2 405 953
Total comprehensive income	-	-	151 310	151 310
Closing balance	63 005	1 924 944	569 314	2 557 263

STATEMENT OF CASH FLOWS

for the year ended 31 December 2015

	31 Dec 2015 US\$	31 Dec 2014 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	216 097	461 670
Non cash items:		
Depreciation and amortisation	123 392	184 463
Fair value adjustment	6	(7 995)
Profit on sale of property and equipment	(3 488)	(1 374)
Operating cash inflow before changes in operating assets and liabilities	336 007	636 764
Changes in operating assets and liabilities		
Advances	3 788	317
Money market assets	(118 529)	(584 089)
Other assets	(67 013)	46 206
Other liabilities	(53 495)	(98 053)
Provisions	39 340	69 111
	(195 909)	(566 508)
Corporate tax paid	(80 939)	(157 549)
Net cash inflow /(outflow) from operating activities	59 159	(87 293)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on disposal of property and equipment	6 279	4 323
Purchase of property and equipment	(4 557)	(78 931)
Purchase of intangible assets	(12 472)	-
Net cash outflow from investing activities	(10 750)	(74 608)
NET INCREASE / (DECREASE) IN BALANCES WITH BANKS AND CASH	48 409	(161 901)
Balances with banks and cash at the beginning of the year	146 324	308 225
BALANCES WITH BANKS AND CASH AT END OF THE YEAR	194 733	146 324