

Surrey Merchant Bank LTD

Report of Condition of bank published pursuant to section 32(3) of the Banking and Financial Institution Act, 2006

AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020

(Amount in Million Tshs)

	AS AT 31.12.2020	AS AT 31.12.2019
A. ASSETS		
1 Cash	3,545	2,955
2 Balances with Bank of Tanzania	14,184	21,842
3 Investment in Government Securities	20,280	21,172
4 Balances with Other Banks and financial Institution	34,926	32,749
5 Cheques and Items for Clearing	-	-
6 Interbranch Float items	-	-
7 Bills Negotiated	-	-
8 Customers' Liabilities on Acceptances	-	-
9 Interbank Loan Receivables	-	-
10 Investments In other Securities	-	-
11 Loans, Advances and Overdrafts (Net of Allowances)	132,804	113,652
12 Other Assets	3,649	3,378
13 Equity Investments	-	-
14 Underwritings accounts	-	-
15 Property, Plant and Equipment	2,264	1,349
16 TOTAL ASSETS	211,652	197,097
B. LIABILITIES		
17 Deposits from Other Banks and Financial Financial Insti	24,256	5,847
18 Customers Deposits	140,666	149,691
19 Cash Letters of Credit	-	-
20 Special Deposits	-	-
21 Payment orders/Transfer payables	-	-
22 Bankers Cheques and Drafts Issued	74	183
23 Accrued Taxes and Expenses payable	46	38
24 Acceptances Outstanding	-	-
25 Interbranch Float items	-	-
26 Unearned income and other deferred charges	-	36
27 Other Liabilities	3,385	1,898
28 Borrowings	-	-
29 TOTAL LIABILITIES	168,427	157,693
30 NET ASSETS/(LIABILITIES) (15 MINUS 29)	43,225	39,404
C. SHAREHOLDERS' FUNDS		
31 Paid up Share Capital	10,000	10,000
32 Capital Reserves	-	-
33 Retained Earnings	28,607	27,277
34 Profit (Loss) Account	3,697	1,103
35 Other Capital account	921	1,024
36 Minority Interest	-	-
33 TOTAL SHAREHOLDERS' FUNDS	43,225	39,404
34 Contingent Liabilities	9,423	12,413
35 Non-Performing Loans and Advances	2,943	2,495
36 Allowances for Probable Losses	1,689	893
37 Other Non-Performing assets	-	-
D FINANCIAL CONDITION INDICATORS		
(i) Shareholders Funds to total assets (%)	20%	20%
(ii) Non Performing loans to Total gross Loans (%)	2%	2%
(iii) Gross Loans and Advances to Total Deposits (%)	82%	74%
(iv) Loans and Advances to Total Assets (%)	63%	58%
(v) Earning Assets to Total Assets	89%	85%
(vi) Deposits Growth	6%	17%
(vii) Assets Growth	7%	14%

AUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2020

	CURRENT YEAR CUMULATIVE FROM 01.01.2020 TO 31 ST DEC, 2020	COMPARATIVE YEAR (Prev. Year) FROM 01.01.2019 TO 31 ST DEC, 2019
1 Interest Income	15,166	14,811
2 Interest Expenses	5,317	4,843
3 Net Interest Income (1 minus 2)	9,849	9,968
4 Bad debts written off	896	4,036
5 Impairment Losses on Loans and Advances	34	464
6 Non - Interest Income	1,445	1,906
6.1 Foreign Currency Dealings and Translation Gains/ Loss	430	618
6.2 Fees and Commissions	1,002	1,278
6.3 Dividend Income	-	-
6.4 Other Operating Income	13	10
7 Non - Interest Expenses:	5,112	5,639
7.1 Salaries and Benefits	2,269	2,427
7.2 Fees and Commissions	540	625
7.3 Other Operating Expenses	2,303	2,587
7.4 Other Provision	-	-
8 Operating Income/(Loss)	5,252	1,736
9 Income Tax Provision	1,555	634
10 Net income (loss) after Income Tax	3,697	1,103
11 Other Comprehensive Income	-	-
12 Total Comprehensive Income/(loss) for the year	3,697	1,103
13 Number of Employees	48	49
14 Basic Earnings Per Share	370	110
15 Number of Branches	4	4
PERFORMANCE INDICATORS		
(i) Return on Average Total Assets	2%	1%
(ii) Return on Average Shareholders' Funds	9%	6%
(iii) Non Interest Expenses to Gross Income	45%	47%
(iv) Net Interest Income to Average Earning Assets	6%	7%

AUDITED STATEMENT OF CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2020

(Amount in Million Tshs)

	CURRENT YEAR CUMULATI 31.12.2020	COMPARATI VE YEAR CUMULATI 31.12.2019
I Cash flow from operating activities		
Net Income (Loss)	5,252	1,736
Adjustment for:		
-Impairment/Amortization	1,128	685
-Prior Period Adjustment	124	(1,002)
-Net change in Loans and advances	(20,047)	(15,543)
-Gain/Loss on Sale of Assets	(4)	-
-Net change in Deposits	9,384	17,533
-Net change in Short term negotiable securities	-	-
-Net Change in Other Liabilities	1,350	5,637
-Net change in Other Assets	(2,113)	3,915
-Tax paid	(1,555)	(634)
-Others (Increase/decrease in SMR)	275	110
<i>Net cash provided (used) by operating activities</i>	(6,206)	12,438
II Cash flow from Investment activities		
Dividend Received	-	-
Purchase of fixed assets	(1,174)	(42)
Proceeds from Sale of Fixed Assets	-	-
Purchase of non-dealing securities	892	2,196
Proceeds from sale of non-dealing securities	-	-
Others(Specify)	-	-
<i>Net cash provided (used) by investing activities</i>	(282)	2,154
III Cash flow from financing activities		
Repayment of long-term debt	-	-
Proceeds from issuance of long term debt	-	-
Proceeds from issuance of share capital	-	-
Payment of cash dividends	-	-
Net change in other borrowings	-	-
Others (specify) Long term financing	-	-
<i>Net cash provided (used) by financing activities</i>	-	-
IV Cash and Cash Equivalents:		
Net increase/(decrease) in cash and cash equivalent	(6,489)	14,591
Cash and Cash Equivalents at the beginning of the period	45,898	31,307
Cash and Cash Equivalents at the end of the period	39,409	45,898

AUDITED STATEMENT OF CHANGES OF EQUITY AS AT 31ST DECEMBER 2020

(Amount in Tshs in million)

	Share Capital	Share Premium	Retained Earnings	Regulatory Reserve	General Provision reserve	Others	Total
CURRENT YEAR							
Balance as at the beginning of the year	10,000	-	28,381	775	-	249	39,404
Profit for the year	-	-	3,697	-	-	-	3,697
Other comprehensive Income	-	-	-	-	-	-	-
Transaction with Owners	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	(103)	103	-	-	-
General Provision Reserve	-	-	-	-	-	-	-
Others(Prior period adjustments)	-	-	124	-	-	-	124
Revaluation Reserves	-	-	-	-	-	-	-
Balance as at the end of the current Period	10,000	-	32,099	878	-	249	43,225
PREVIOUS YEAR (As restated)							
Balance as at the beginning of the year	10,000	-	24,134	3,984	937	-	39,055
Profit for the year	-	-	1,103	-	-	-	1,103
Other comprehensive Income	-	-	-	-	-	-	-
Transaction with Owners	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-
Regulatory Reserve	-	-	3,209	(3,209)	-	-	-
General Provision Reserve	-	-	937	-	(937)	-	-
Others(Prior period adjustments)	-	-	(1,002)	-	-	-	(1,002)
Revaluation Reserves	-	-	-	-	-	249	249
Balance as at the end of the Previous Period	10,000	-	28,381	775	-	249	39,404

SELECTED EXPLANATORY NOTES FOR THE YEAR ENDED 31ST DECEMBER, 2020

In preparation of the Financial statements, consistent Accounting Policies have been used as those applicable to the previous year audited financial statements. (Any changes during the period shall be explained as per the IAS 34 & IAS 8)

Name and Title	Signature	Date
Emma Thompson (Managing Director)		8th March, 2021
Sophia Martinez (Head of Finance)		8th March, 2021
Mia Wilson (Internal Auditor)		8th March, 2021

We, the undersigned directors, attest to the faithful representation of the above statements. We declare that the Statements have been examined by us and, to the best of our knowledge and belief, have been prepared in conformance with International Financial Reporting Standards and the requirements of the Banking and Financial Institutions act, 2006 and they present a true and fair view.

Name and Title	Signature	Date
Edward J. Hadley		8th March, 2021
Beverly E. Howard		8th March, 2021