



MUCOBA BANK PUBLIC LIMITED COMPANY

(Formerly Mufindi Community Bank
Limited)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2014**



Tanna Sreekumar Grant Thornton

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***Mucoba Bank Public Limited Company
Formerly Mufindi Community Bank Limited
Reports and financial statements
For the year ended 31st December 2014***

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Mucoba Bank Public Limited Company
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Reports and financial statements
For the year ended 31st December 2014

Company information

Directors	: Mr. Atilo Mohele : Mr. Golden Sanga : Ms. Marceleina Mkini : Mr. Ernest Usangira
Chief officers	: Mr. Ben Mahenge : Mr. Job Malekela : Mr. Magesa Mafuru : Mr. Eleuter Malangalila
Company secretaries	: Mr. Ben Mahenge : P. O. Box 147 : Mafinga, Iringa : Tanzania
Independent auditors	: Tanna Sreekumar Grant Thornton : Certified Public Accountants : P.O. Box 948 : Dar-es-Salaam
Bankers	: NMB- Mafinga Branch : NBC Iringa Branch : CRDB Bank Mafinga Branch : DCB Commercial Bank : Mwanga Community Bank : Akiba Commercial Bank : TIB Development Bank
Registered office	: Market Street : Plot No: 3,4,5 Block A : P.O. Box 147 : Mafinga, Iringa : Tanzania
Contact	: Telephone 026- 2772165 : Fax 026- 2772075 : mucoba@mucobatz.com

Mucoba Bank Public Limited Company
Formerly Mufindi Community Bank Limited
Directors' report
For the year ended 31st December 2014

1 Pre-ambles

The directors' present their report together with the audited financial statements for the year ended 31 December 2014. On 29th May 2014 the bank changed its name to Mucoba Bank Public Limited Company vide a certificate of change of name No. 35471.

2 Activities

The Bank is registered to carry on the business of banking under the Banking and Financial Institutions Act, 2006.

3 Results

The bank recorded a 12% (from T.shs 10.2 billion in 2013 to T.shs 11.4 billion in 2014) growth in deposits, a 54% (from T.shs 292.9 million in 2013 to T.shs 449.7 million in 2014) growth in profit before tax, 5% ((from T.shs 7.8 billion in 2013 T.shs 7.4 billion in 2014) decrease in loan portfolio and a 8% (from T.shs 1.7 billion in 2013 to T.shs 1.9 billion in 2014) growth in capital during the year 2014.

Such positive results were attributed to increased outreach, increased loan portfolio and promotional activities in line with compliance in the government's Rural Financial Deepening policy.

The bank made considerable achievements in 2014 such as opening of a new service centre at Iringa municipal. The bank also adapted the contemporary quick money transfer technology by using M-pesa, SMS banking and Tigo-pesa for clients' convenience.

It was during this period that the bank made a survey and realized actual financial needs of people in the rural areas and found the reason for establishing more new customer service centres in various parts of the region in 2015, in order to serve a bigger number of un-banked population.

The bank has always been in the forefront in ensuring that capacity building for its workforce is given due consideration. Staff are continuously getting training opportunities which empower them to work efficiently in this competitive and challenging environment.

The bank pays special tribute to TRIAS, a Belgian-based international non-governmental organization, to Marketing Infrastructure Value Addition & Rural Finance (MIVARF), International Solidarity for Development and Investment (SIDI) and to Financial Service Deepening Trust (FSDT) for their tireless support in capacity building, working capital and provision of working facilities to the bank.

4 Solvency

The Bank has met the Bank of Tanzania's Capital Adequacy and Liquidity Ratios and is considered solvent by the Board of Directors.

5 Directors

The directors of the Bank who held office during the period are as indicated below:

<u>Name</u>		<u>Nationality</u>
Mr. Atilo Mohele	Chairman	Tanzanian
Mr. Golden Sanga	Director	Tanzanian
Ms. Marceleina Mkini	Director	Tanzanian
Mr. Ernest Usangira	Director	Tanzanian

6 Employees welfare

Management/employees relationship

Relationship between employees and the management is cordial. There were no unresolved complaints received by the management from the employees during the year.

Staff in various departments of the bank. i.e operations, credit and finance/ administration, played their role with adequate success. Marketing staff under the operations department advised the management on different new products to be introduced in the market and also new areas of investment which impact positively on the bank's mission.

Training facilities

During the year under review, several staff received training in various aspects of banking and other activities.

Challenges

The bank continued to face several challenges during the year 2014 which affected its performance objectives in portfolio quality, deposit growth, share capital growth and outreach expansion.

As majority of businessmen are small and medium size in nature, their success depends largely on the harvesting of timber in the district. The year 2014 witnessed a squeeze in harvesting- permits which directly affected the borrowers' loan repayments, retail businesses and slowed deposit growth.

The 2014 bank outlook

The strategic plan of the bank for five years (2013-2017) focuses in increased outreach, use of technology as a means to reach the un-banked and to better serve customers. In 2014, the bank, has introduced new customer service centre in Iringa Municipality. The Bank also decided to employ more staff with a view to having them stationed in those centres in order to market services of the bank, offer banking services, and provide confidence for rural deposits.

The introduction of a new customer service centre in Iringa Municipality will call for installation of an ATM to meet our customers' expectations. For other remote rural areas the Bank will serve customers using mobile Banking SMS banking, Point of sales (POS) devices, M-Pesa and Tigo-pesa. All these expected developments depend on adequacy in both capital and liquidity which the bank management is working hard to ensure are achieved.

Medical assistance

The Bank reimburses its employees, their spouse and up to four of their children, medical expenses incurred upon submission of medical prescriptions and receipts on a non-discriminatory basis. Such medical expenses are included under staff costs.

7 Shareholders

The Shareholders of the company are as follows;

No. of shares		Nominal Value T.Shs.
INCOMET LIMITED	271,305	135,652,500
MUFINDI EDUCATION TRUST (MET)	226,000	113,000,000
OTHERS	1,158,771	579,385,685
	<u>1,656,076</u>	<u>828,038,185</u>

8 Going concern

During the year, the bank made a profit of T.Shs 449,722 million before tax. The directors also expect additional financial assistance from donors and further capital contribution to increase the capital base of the bank.

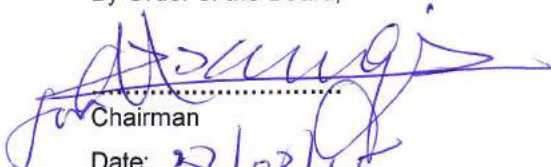
9 Dividend

The directors recommend the payment of dividend of T.Shs 57,687,256.

10 Auditors

Tanna Sreekumar Grant Thornton were appointed as the auditors of the company's financial statements for the year ended 31 December 2014. They have expressed their willingness to continue in office and are eligible for re-appointment.

By Order of the Board,


Chairman
Date: 28/03/15

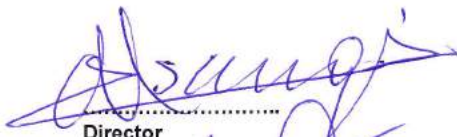
Mucoba Bank Public Limited Company
Formerly Mufindi Community Bank Limited
Statement of directors' responsibilities in respect of financial statements
For the year ended 31st December 2014


The directors are required by the Companies Act, 2002 to prepare the financial statements of each financial year that give a true and fair view of the state of affairs of the company (hereinafter referred to as the "bank" in this report and the financial statements) as at the end of the financial year and of the profit or loss of the bank for that year.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgment and estimates have been made in the preparation of the financial statements for the year ended 31 December 2013. The directors also confirm that International Financial Reporting Standards (IFRS) have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the bank and which enable them to ensure that the financial statements comply with the Companies Act, 2002. They are also responsible for safeguarding the assets of the bank and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

Consequently, the financial statements on page 6 to 15 were approved by the directors at a board meeting and signed on its behalf by:


.....
Director
Date 28/03/15


.....
Director
Date 28/3/2015

**Independent auditors report to the shareholders of
Mucoba Bank Public Limited Company**
(Formerly Mufindi Community Bank Limited)

Preamble

We have audited the financial statements on pages 6 to 15 in accordance with International Standards on Auditing. The financial statements are in agreement with the accounting records and we obtained the information and explanations we required.

Respective responsibilities of Directors and Auditors

As described on page 4, the directors of the bank are responsible for the preparation of the financial statements and adopting the accounting policies. It is our responsibility to form an independent opinion, based on our audit on those statements and to report our opinion to you.

Basis of opinion

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgment made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Bank's activities, consistently applied and disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Wherever independent confirmation of the completeness of accounting records was therefore not available, we have accepted assurances from the management that the bank's transactions have been reflected in the accounting records and adequately supported by relevant third party documents.

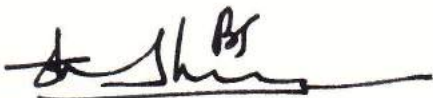
Opinion

Subject to the matter mentioned above, in our opinion, the financial statements give a true and fair view of the state of the bank's financial affairs as at 31 December 2014 and of its retained profit before tax of T.Shs 449,722,000 and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Banking and Financial Institutions Act, 2006 and the Companies Act, 2002.

Reports on other legal requirements

As required by Companies Act, 2002, we report to you, based on our audit that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- (ii) In our opinion, proper accounting records have been kept by the Bank, so far as appears from our examination of those records; and
- iii) The Bank's statement of financial position and profit or loss and other comprehensive income are in agreement with the accounting records.


Dr. B.S. Sreekumar
Tanna Sreekumar Grant Thornton
Certified Public Accountants

Mucoba Bank Public Limited Company
Formerly Mufindi Community Bank Limited
Statement of profit or loss and other comprehensive income
For the year ended 31st December 2014

	<u>Note</u>	<u>2014</u> T.Shs'000	<u>2013</u> T.Shs'000
INTEREST INCOME	3	2,651,940	2,561,960
INTEREST EXPENSE	4	(347,695)	(417,906)
NET INTEREST INCOME		<u>2,304,245</u>	<u>2,144,054</u>
OTHER INCOME	5	884,907	433,400
TOTAL OPERATING INCOME		<u>3,189,152</u>	<u>2,577,453</u>
OPERATING EXPENSES:			
STAFF COSTS	6	(997,898)	(874,366)
OTHER GENERAL AND ADMINISTRATION EXPENSES	7	(1,485,120)	(1,181,430)
DEPRECIATION AND AMORTIZATION		(140,305)	(80,988)
TOTAL OPERATING EXPENSES		<u>(2,623,323)</u>	<u>(2,136,784)</u>
OPERATING PROFIT		565,829	440,669
PROVISION FOR BAD AND DOUBTFUL DEBTS		(116,107)	(147,785)
PROFIT BEFORE TAX		<u>449,722</u>	<u>292,884</u>
TAXATION	8(a)	(134,917)	(93,990)
		<u>314,805</u>	<u>198,894</u>
ADD:			
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	Page 8	<u>314,805</u>	<u>198,894</u>

The notes on pages 10 to 15 form part of these financial statements.

Mucoba Bank Public Limited Company
Formerly Mufindi Community Bank Limited
Statement of financial position
As at 31 December 2014

	<u>Note</u>	<u>2014</u> T.Shs'000	<u>2013</u> T.Shs'000
ASSETS			
Cash	9	301,292	164,346
Balance with other banks	9	2,828,185	2,038,798
Loans and advances	10(a)	7,401,815	7,800,731
Other assets	11	3,413,774	4,414,016
Property, plant and equipments	12	617,883	577,697
Tax recoverable	8(b)	3,889	34,872
Total assets		14,566,838	15,030,460
EQUITY AND LIABILITIES			
Capital and reserves			
Issued share capital	Page 8	828,038	721,483
Capital grants	Page 8	262,921	316,172
Regulatory reserve	Page 8	15,972	24,650
Retained profit	Page 8	746,854	659,556
Total capital and reserves		1,853,785	1,721,861
Current liabilities			
Deposits	13	11,373,609	10,157,518
Other liabilities	14	1,339,444	3,151,081
Total current liabilities		12,713,053	13,308,599
Total equity and liabilities		14,566,838	15,030,460

The notes on pages 10 to 15 form part of these financial statements.

These financial statements were approved by the Board of Directors on 28/03/2015 and were signed on its behalf on the same date by:

for **ERNEST C. USAKIPIA**
Chairman Name
Signature

GOLDEN SANGA
Director's Name
Signature

Mucoba Bank Public Limited Company
Formerly Mufindi Community Bank Limited
Statement of changes in equity
For the year ended 31st December 2014

	Share Capital	Accumulated Profit	Capital grants	Regulatory Reserve	Total
	<u>T.Shs'000</u>	<u>T.Shs'000</u>	<u>T.Shs'000</u>	<u>T.Shs'000</u>	<u>T.Shs'000</u>
As at 1 January 2013	593,540	547,443	104,395	178,258	1,423,636
Issued during the year	127,943	-	-	-	127,943
Profit for the year	-	198,894	-	-	198,894
Prior year adjustment	-	(181,036)	-	-	(181,036)
Received during the year	-	-	287,938	-	287,938
Amortisation of the Grant	-	-	(76,161)	-	(76,161)
Dividend declared	-	(59,354)	-	-	(59,354)
Regulatory reserve	-	153,608	-	(153,608)	-
Balance as at 31 December 2013	<u>721,483</u>	<u>659,556</u>	<u>316,172</u>	<u>24,650</u>	<u>1,721,861</u>
As at 1 January 2014	721,483	659,556	316,172	24,650	1,721,861
Issued during the year	106,555	-	-	-	106,555
Profit for the year	-	314,805	-	-	314,805
Received during the year	-	-	38,700	-	38,700
Amortisation of the Grant	-	-	(91,951)	-	(91,951)
Prior year adjustment	-	(89,267)	-	-	(89,267)
Prior year taxes	-	(89,231)	-	-	(89,231)
Dividend declared	-	(57,687)	-	-	(57,687)
Regulatory reserve	-	8,678	-	(8,678)	-
Balance as at 31 December 2014	<u>828,038</u>	<u>746,854</u>	<u>262,921</u>	<u>15,972</u>	<u>1,853,785</u>

SHARE CAPITAL:

Authorised:

	No. of shares	<u>2014</u> <u>T.Shs'000</u>	<u>2013</u> <u>T.Shs'000</u>
As at 1 January			
2,400,000 ordinary shares of T.Shs 500 each	<u>2,400</u>	<u>1,200,000</u>	1,200,000
As at 31 December	<u>2,400</u>	<u>1,200,000</u>	1,200,000

Issued and fully paid shares:

As at 1 January			
1,442,966 ordinary Shares of T.Shs 500 each	<u>1,443</u>	<u>721,483</u>	593,540
Ordinary shares issued during the year			
213,110 shares of T.Shs 500 each	<u>213</u>	<u>106,555</u>	127,943
As at 31 December	<u>1,656</u>	<u>828,038</u>	<u>721,483</u>

Mucoba Bank Public Limited Company
Formerly Mufindi Community Bank Limited
Statement of cash flows
For the year ended 31st December 2014

	<u>Note</u>	<u>2014</u> T.Shs'000	<u>2013</u> T.Shs'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before tax		449,722	292,885
Adjustment for items not involving the movement of cash:-			
Depreciation		140,305	80,988
Adjustments		(4,000)	457
Prior year adjustment		(89,267)	(181,036)
Net cash inflows from operating activities before changes in working capital items		<u>496,760</u>	<u>193,294</u>
CHANGES IN WORKING CAPITAL ITEMS:			
Loans and advances		398,917	(1,457,885)
Other assets		1,000,243	(2,097,009)
Deposits		1,216,091	1,488,059
Other liabilities		(1,811,637)	2,282,655
		<u>803,613</u>	<u>215,819</u>
Cash inflows from operating activities		1,300,373	409,114
Tax paid		(193,165)	(164,867)
Net cash inflows from operating activities		<u>1,107,208</u>	<u>244,247</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of fixed assets		(181,142)	(337,366)
Dividend issued		(57,687)	(59,354)
Disposal of Property, Plant and Equipment		4,650	-
Grant received		38,700	211,777
Grant amortised		(91,951)	-
Net cash (outflows) from investing activities		<u>(287,430)</u>	<u>(184,943)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issue of shares		106,555	127,943
Net cash inflows from financing activities		<u>106,555</u>	<u>127,943</u>
NET CASH INFLOW FOR THE YEAR		926,333	187,247
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR		<u>2,203,144</u>	<u>2,015,897</u>
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	9	<u><u>3,129,477</u></u>	<u><u>2,203,144</u></u>

1 BASIS OF ACCOUNTING

The financial statements are prepared in accordance with International Accounting Standards under the historical cost convention, and are in compliance with International Financial Reporting Standards.

2 ACCOUNTING POLICIES

a Interest income and expense

Interest income and expense are recognized in the income statement on the accrual basis. Interest on loans and advances is accrued to income unless reasonable doubt exists with regard to its recoverability.

b Fees and commission income

Fees and commission income is recognised in the income statement on the accrual basis.

c Property, plant and equipment and depreciation

Property, plant and equipments are stated at cost less accumulated depreciation. Depreciation on property, plant and equipments is calculated on a straight line method based on the cost of the assets at the following rates:

	<u>%</u>
Motor vehicle	25
Motor cycle	25
Office Equipments	25
Office furniture & Fittings	10
Application software	10

d Provision for bad and doubtful debts

Provision for bad and doubtful debts is made in accordance with International Financial Reporting Standards (IFRS). In case IFRS provision is less than Bank of Tanzania (BOT) provision a special reserve account is created through an appropriation of distributable reserves to eliminate the shortfall. This reserve is not part of the bank's core capital.

However, the Provision for Bad and Doubtful debts governed by section 15(a) of the Banking and Financial Institution Act, 2006 differs with the International Financial Reporting Standards. In order to facilitate compliance with the Bank of Tanzania guidelines, regulatory non-distributable reserve have been created in the accounts amounting to T.Shs15,972,000.

e Capital Adequacy

The bank monitors the adequacy of its capital using ratios established by the Bank of Tanzania (BOT). These ratios measures capital adequacy by comparing the Bank's eligible capital with its balance sheet assets, off balance sheet commitments and market and other risk positions at a weighted amount to reflect their relative risks:

The bank's capital adequacy refer note: 15.

Mucoba Bank Public Limited Company
Formerly Mufindi Community Bank Limited
Notes to the financial statements- (Continued)
For the year ended 31st December 2014

2 ACCOUNTING POLICIES - continued

f Deferred tax

During the year deferred tax has not been computed.

g Grants

Grants are recognized when there is reasonable assurance that the conditions attached to the grants are complied with and the grants will be received. Grants awarded for the purchase or the production of fixed assets (grants related to assets) are generally off set against the acquisition or production costs of the respective assets and reduce future depreciations accordingly. Grants awarded for other than non-current assets (grants related to income) are reported in the Consolidated Statements of Income under the same functional area as the corresponding expenses. They are recognized as income over the periods necessary to match them on a systematic basis to the costs that are intended to be compensated. Grants for future expenses are recorded as deferred income.

h Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprises cash, and amounts due from other banks.

	<u>2014</u>	<u>2013</u>
	T.Shs'000	T.Shs'000
3 INTEREST INCOME		
Interest on loans	2,466,159	2,437,083
Interest on saving accounts	185,781	124,877
	<u>2,651,940</u>	<u>2,561,960</u>
4 INTEREST EXPENSE		
Savings deposits	211,340	220,331
Fixed deposits	136,355	197,575
	<u>347,695</u>	<u>417,906</u>
5 OTHER INCOME		
Saving administration income	14,973	10,319
Loan administration income	142,778	108,376
Loan application fee	10,074	12,005
Fines income	117,362	12,389
Revenue Grant	330,000	123,973
Other Income	269,719	166,338
	<u>884,907</u>	<u>433,400</u>

Mucoba Bank Public Limited Company
Formerly Mufindi Community Bank Limited
Notes to the financial statements- (Continued)
For the year ended 31st December 2014

	<u>2014</u> T.Shs'000	<u>2013</u> T.Shs'000
6 STAFF COSTS		
Staff costs	997,898	874,366
	<u>997,898</u>	<u>874,366</u>
7 OTHER GENERAL AND ADMINISTRATION EXPENSES		
Audit fees-prior year	-	7,000
Audit fees-current year	7,200	5,900
Casual labours	5,232	7,234
Rent	22,044	14,640
Board expenses	30,603	23,420
Other professional/consultancy fee	97,539	72,388
Deposit insurance Fund	12,539	16,954
Motor cycle/ running car expenses	45,078	60,445
Stationery	47,333	77,455
Insurance	15,868	16,682
Maintenance cost	156,957	176,297
Marketing & advertisement	305,681	226,032
Postage and Telephone	56,600	31,757
Transport and travelling	330,175	235,953
Bank charges	10,061	6,311
Utilities	14,744	7,163
Auctioneer's Commission	-	10,000
Interest on Loan-Borrowing	96,287	30,883
Security	50,689	38,499
Penalties pertaining to previous years taxes	5,854	-
Subscription	3,138	5,220
Other expenses	171,498	111,195
	<u>1,485,120</u>	<u>1,181,430</u>

Mucoba Bank Public Limited Company
Formerly Mufindi Community Bank Limited
Notes to the financial statements- (Continued)
For the year ended 31st December 2014

	<u>2014</u> <u>Tshs'000</u>	<u>2013</u> <u>Tshs'000</u>
8 TAXATION		
(a) Tax charge		
For the year	<u>134,917</u>	<u>(93,990)</u>
	<u>134,917</u>	<u>(93,990)</u>
(b) Tax recoverable/(payable) is made up as follows:		
Balance as 01 January	34,872	(36,005)
Tax charge for the year	(134,917)	(93,990)
Tax charge for prior years	(89,231)	-
Tax paid for prior year	54,359	-
Tax paid during the year	138,806	164,867
Balance as at 31 December	<u>3,889</u>	<u>34,872</u>
9 CASH AND BANK BALANCES		
Cash in hand		
Local currency	301,292	164,346
Balances with other banks		
Local currency	<u>2,828,185</u>	<u>2,038,798</u>
TOTAL	<u>3,129,477</u>	<u>2,203,144</u>
10(a) LOANS AND ADVANCES		
Term Loan	8,006,926	8,090,851
Allowance for probable losses	(351,844)	(235,737)
Interest in suspense	(253,267)	(54,383)
	<u>7,401,815</u>	<u>7,800,731</u>
10(b) Movement in Provision for Impairment		
As at 01 January	235,737	87,952
Additional provision during the year	116,107	147,785
As at 31 December	<u>351,844</u>	<u>235,737</u>
11 OTHER ASSETS		
Stationery stocks	17,816	10,816
Prepayments	151,485	116,208
Staff loans	263,071	42,350
Accrued Interest	1,948,780	2,203,747
Cash shortage	7,031	6,030
Accounts receivable	1,025,590	2,034,865
TOTAL	<u>3,413,774</u>	<u>4,414,016</u>

12 PROPERTY, PLANT AND EQUIPMENT

	Motor vehicle <u>T.Shs'000</u>	Motor cycle <u>T.Shs'000</u>	Office Equipment <u>T.Shs'000</u>	Furniture and Fittings <u>T.Shs'000</u>	Application software <u>T.Shs'000</u>	Buildings (WIP) <u>T.Shs'000</u>	Total <u>T.Shs'000</u>
Cost							
As at 1 January 2014	72,678	101,300	330,963	22,676	95,111	200,748	823,476
Additions	-	-	58,140	23,156	97,246	2,600	181,142
Disposal	-	(4,650)	-	-	-	-	(4,650)
As at 31 December 2014	<u>72,678</u>	<u>96,650</u>	<u>389,103</u>	<u>45,831</u>	<u>192,358</u>	<u>203,348</u>	<u>999,967</u>
Depreciation							
As at 1 January 2014	3,028	25,938	155,250	10,343	51,220	-	245,779
Charge for the year	18,169	21,746	68,347	3,056	28,987	-	140,305
Adjustment	-	(4,650)	1,107	-	(457)	-	(4,000)
As at 31 December 2014	<u>21,198</u>	<u>43,033</u>	<u>224,705</u>	<u>13,399</u>	<u>79,749</u>	<u>-</u>	<u>382,084</u>
Net book amount							
As at 31 December 2014	<u>51,480</u>	<u>53,617</u>	<u>164,398</u>	<u>32,432</u>	<u>112,608</u>	<u>203,348</u>	<u>617,883</u>
As at 31 December 2013	<u>69,649</u>	<u>75,362</u>	<u>175,713</u>	<u>12,333</u>	<u>43,892</u>	<u>200,748</u>	<u>577,697</u>

13 DEPOSITS

Interest bearing

	<u>2014</u> <u>T.Shs'000</u>	<u>2013</u> <u>T.Shs'000</u>
Savings Deposits	8,540,390	8,587,493
Time Deposits	2,513,158	1,384,723
Special Deposits	320,061	185,302
TOTAL	<u>11,373,609</u>	<u>10,157,518</u>

All deposits are payable on demand

14 OTHER LIABILITIES

Borrowing from Other Institutions	950,000	1,075,000
Accrued expenses	89,129	1,777,356
Subordinated Debts	300,000	300,000
Accounts payable	315	(1,275)
TOTAL	<u>1,339,444</u>	<u>3,151,081</u>

15 CORE CAPITAL

As per the requirement of BOT the bank shall commence operations with a core capital not less than two hundred and fifty million shillings or such higher amount as the Bank may determine

	<u>2014</u> T.Shs'000	<u>2013</u> T.Shs'000
Issued and fully paid up capital	828,038	721,483
Retained earnings	907,471	634,120
Capital Grants	262,921	316,171
Prepaid Expenses	(151,485)	(116,207)
Application software	(112,608)	(133,079)
Subordinates debts	300,000	300,000
	<u>2,034,337</u>	<u>1,722,488</u>

16 OFF-SHORE BALANCE SHEET ITEMS

There were no off-shore balance sheet items as at the balance sheet date.

17 CONTINGENT LIABILITIES

There were no contingent liabilities as at the balance sheet date.

18 CAPITAL COMMITMENTS

There were no capital commitments neither approved but not contracted for, or contracted for but not provided for in these financial statements.

19 INCORPORATION

The Bank is incorporated as a limited liability company under the Companies Act, 2002.

20 CURRENCY

The monetary figures in these financial statements are reported in Tanzanian Shillings, designated as T.Shs'000.

21 CHANGE OF NAME

The bank was registered in the name of Mufindi Community Bank Limited, later on the name changed to Mucoba Bank Public Limited Company with effect from 29th May 2014 vide certificate of change of name No. 35471.