Early Warning System

FMO-55870

NATIONAL MICROFINANCE BANK PLC

Quick Facts

Countries	Tanzania
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2018-11-15
Borrower	NMB Bank
Sectors	Finance
Ring Fence	Trade Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 15.00 million
Loan Amount (USD)	$ 15.00 million
Project Cost (USD)	$ 15.00 million

Project Description

The purpose of this project is to further support trade finance activities thus helps to address the trade finance gap thereby increasing capacity to facilitate trade flows with- and within Africa.

Investment Description

- Netherlands Development Finance Company (FMO)

FI Africa extends a USD 15 mln Trade Facility Limit to existing client NMB Bank under the FMO Trade Enhancement Program to further support trade finance activities.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- National Microfinance Bank (Financial Intermediary) **is owned by** NMB BANK PLC (Parent Company)

Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actors Description

NMB Bank was established in 1997 as a micorfinance bank. In 2005, the Government of the United Republic of Tanzania privatized the bank when it sold part of its shareholding (49%) to a consortium led by the Cooperative Centrale Raiffeisen-Boerenleenbank B.A. (‘Rabobank Group’). Subsequently, there was further divestiture in 2008 when the Tanzanian Government off loaded another 21% of its shareholding to the Tanzanian public through an Initial Public Offering (IPO). The listing of the bank’s stock on the Dar es Salaam Stock Exchange has led to a diversified ownership structure, leaving the Rabobank Group with 35%. Arise BV, a joint venture between Rabobank, Norfund and FMO has replaced Rabobank Group as the new owner (economic ownership), however the legal ownership is still subject to approval by the regulatory authorities.

Contact Information

Project contacts not available at the time of disclosure.