Early Warning System

# IFC-35968

## NMB Tanzania

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## Quick Facts

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| **Countries** | Tanzania |
| **Financial Institutions** | International Finance Corporation (IFC) |
| **Status** | Proposed |
| **Bank Risk Rating** | B |
| **Voting Date** | 2017-06-20 |
| **Borrower** | NATIONAL MICROFINANCE BANK PLC |
| **Sectors** | Finance |
| **Ring Fence** | Small & Medium Enterprises |
| **Investment Amount (USD)** | $ 135.00 million |
| **Project Cost (USD)** | $ 135.00 million |

## Project Description

The proposed engagement with National Microfinance Bank (“NMB”) is aligned to IFC’s strategy for the African financial sector. The project aims at helping NMB expand its reach in Micro, Small and Medium Enterprises (MSMEs) finance and in commodity agri finance.

### Investment Description

- International Finance Corporation (IFC)

### 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 Plc (Financial Intermediary)

## 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 is the leading retail bank in Tanzania both in customer base and branch network. It was established under the National Microfinance Bank Limited Incorporation Act of 1997, following the break-up of the old National Bank of Commerce, by an Act of parliament. Three new entities were created at the time, namely: NBC Holding Limited, National Bank of Commerce (1997) Limited and National Microfinance Bank Limited. In 2005, the Bank was privatized with the sale of 49% of its shares to Rabobank group. NMB listed on the Dar es Salaam Stock Exchange (NSE) in 2008 with the government divesting a further 21% of its shareholding to the public through an Initial Public Offering (IPO).

Currently, the key shareholders are Rabobank which holds 35% and the Government of Tanzania which holds 32%.

## Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

## Bank Documents

- Project Information