



NMB BANK PLC.

**THE 9TH ANNUAL NATIONAL COFFEE
CONFERENCE 2018**

DODOMA - TANZANIA

FRIDAY 23RD MARCH, 2018



TRANSFORMATION SINCE 2005...

Then - 2005

- No ratings
- 600,000 customer accounts
- 100 branches across the country
- 1,500 employees
- 0 Automatic Teller Machines (ATMs)
- No mobile banking
- 0 bank cards
- 0 LGA revenue integration

Today - 2018

- B1 rated local bank in the country by Moody's
- 2,200,000 customer accounts
- 210 branches across the country
- 3,500 employees
- 800 Automatic Teller Machines (ATMs)
- 1,000,000 NMB Mobile users
- NMB MasterCard for all customers
- 175 Local Government Authorities revenue electronic integration

DISTRIBUTION NETWORK



2.2 million customer accounts**	
+130,000 Points of Presence (POP)	
Branches	210
ATMs	800
Cash Collection Centers	25
Agents	+2,500

- Large branch and ATM network in Tanzania.
- Integration with Mobile Network Operators (M-pesa, Tigo-pesa, Halo-pesa, Airtel Money, etc.) where NMB customers can cash-in/out of their bank accounts through agents.
- Currently +1 million NMB Mobile customers

- Upgraded our branch premises outlook under “Sura Mpya”
- Continue to develop our alternative distribution channels such as NMB Wakala + NMB Mobile
- Champion to technological changes and improvements



SHAREHOLDING BACKGROUND

- 1997 - NMB was established under the National Microfinance Bank Ltd Incorporation Act of 1997, following break-up of National Bank of Commerce.
- 2005 - The Government privatized and sold 49% of its shares to general public.
- 2008 - The Bank was listed at the DSE and current shareholders includes;
 - ❑ Rabobank Nederland “*Rabobank*” – 34.9%
 - ❑ The Treasury Registrar (Government of Tanzania) – 31.8%
 - ❑ National Investment Company Ltd (NICOL) – 6.6%
 - ❑ Other shareholders – 26.7%
- 2017 - Total number of shareholders was 17,576.
- 2017 – Shareholders agreed to change banks name to be **NMB Bank Plc.**

ADDING VALUE TO OUR SHARE HOLDERS

**TSH 448
Billion**

- **Total Taxes paid to the Government since 2010**

**TSH 278
Billion**

- **Total Dividends to Shareholders since 2010**
- **Total dividends to Treasury Registrar (Government of Tanzania) as shareholder - TSH 88 Billion))**

**TSH 437
Billion**

- **Current value of Government shares at NMB**

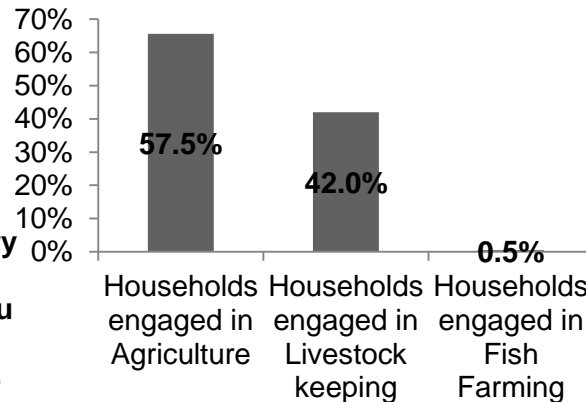
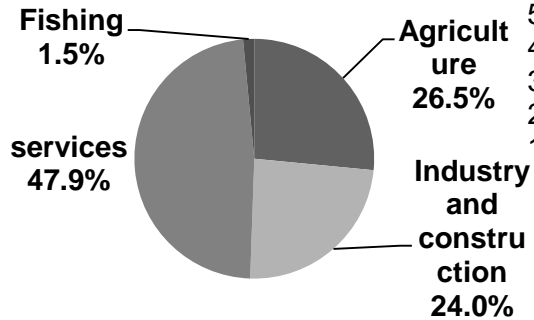


KEY BUSINESS AREAS & PRODUCT LINES

	1 Retail	2 Wholesale	3 Agribusiness	4 Treasury	TOTAL
Customers	<ul style="list-style-type: none"> Personal banking Civil servants Micro & SMEs 	<ul style="list-style-type: none"> Corporates National & local Government Institutions 	<ul style="list-style-type: none"> Small holders farmers, groups/cooperatives Commercial farmers Agri processors Emerging farmers Traders & Exporters 	<ul style="list-style-type: none"> Corporates Retail Government & institutions 	<p>2.2+ million customer accounts</p>
Products	<ul style="list-style-type: none"> Salary Worker Loans (SWL) Personal loans Short-term loans Mortgages SME loans Micro enterprise loans 	<ul style="list-style-type: none"> Short / medium term loans Overdraft facilities Letters of credit Payments & collections Trade finance 	<ul style="list-style-type: none"> Warehouse receipt Overdraft Working capital Input finance Trade finance Term loan 	<ul style="list-style-type: none"> Forex transfers/ cash/forwards/swaps Custodial services Fund management Time deposits Treasury bills & bonds 	<p>Retail + Wholesale + Treasury products</p>
FY 2016 Contribution	<p>Total Assets</p> <ul style="list-style-type: none"> TZS 2,156 billion 	<p>Total Assets</p> <ul style="list-style-type: none"> TZS 603 billion 	<p>Total Assets</p> <ul style="list-style-type: none"> TZS 62 billion 	<p>Total Assets</p> <ul style="list-style-type: none"> TZS 2,132 billion 	<p>Profit after Tax:</p> <ul style="list-style-type: none"> TZS 153.8 billion <p>Total Assets</p> <ul style="list-style-type: none"> TZS 4,951 billion

NMB An active participant in Agribusiness

Share of GDP by economic activity at current market prices (Tanzania mainland)



Agriculture Economy

- NMB realizes that agricultural sector plays a central role in the Tanzanian economy, contributing about 26.5% of the GDP.
- That approximately 75% of the population depends in Agricultural contributes about 70% of rural household's income.

NMB Agribusiness Strategy

In response to the market situation, NMB's current strategy now involves:

- Doing **Agribusiness Value chain financing** – as opposed to focusing on small holder farmers only.
- Financing multitude of crops – as opposed to financing a few crops only.
- To become more market driven – as opposed to supply driven.
- A dedicated unit for **Food and Agriculture Research** is set – so as to be more market responsive and work in a smarter way in knowledge acquisition.

Current strategy - Value Chain

Input suppliers

Farmers

Producer groups

Local traders & processors

Processors

Exporters / wholesalers

Earlier bank concentration

Variable crops - more than 13 sub-sectors



AVAILABLE OPPORTUNITIES AND NMB OUTREACH TARGETS TO 2020

(Working Capital and Long term Loans)

	Opportunity Size	NMB Target	South	Southern Highlands	North	East	West	Central	Lake	DSM
Cashew	TSH 850bn	TSH 100bn	■							
Tobacco	TSH 300bn	TSH 65bn		■			■			
Coffee	TSH 200bn	TSH 40bn	■	■	■				■	
Sisal	TSH 39bn	TSH 5bn			■	■				
Pyrethrum	TSH 20bn	TSH 0.5bn		■						
Barley	TSH 15bn	TSH 6bn			■					
Maize	TSH 2,447bn	TSH 100bn		■			■			
Paddy	TSH 1,217bn	TSH 30bn		■		■	■			
Sunflower	TSH 104bn	TSH 3bn		■				■		
Sesame	TSH 933bn	TSH 20bn	■	■		■		■		
Horticult.	TSH 835bn	TSH 20bn		■	■	■				
Fertilizer	TSH 431bn	TSH 60bn		■						■
Animal	TSH 3,401bn	TSH 20bn		■					■	
Crop imp.	n/a	TSH 35.8bn								■
Crop exp.	n/a	TSH 13.8bn			■					■
TOTAL		TSH 520bn								

Source: NMB analysis (2015)

NMB An active participant in Agribusiness

NMB Agribusiness Outreach

- So far, more than 1,000,000 farmers have directly benefited from the NMB Agribusiness services, creating multiplier impact to hundred thousands of households.
- The value is over TZS 400Billion in aggregate (Bank wide).
- The bank in 2015 committed TZS 500Billion specifically to AVC by 2020.
- NMB penetration in financing the agribusiness sector has been as high as 25% of the potential in some crops (including Coffee, Cashew and tobacco).

Collaboration with Government

Institution	Support / Collaboration
BOT	Guarantee for facilities to export crops
Tanzania Commission of Cooperatives Development	Regulation & supervision of AMCOs
Crop Boards	Regulation of Crop Value-chains
SAGCOT	Collaborations in needs & opportunities
Ministry of Agriculture	Agriculture policies and subsidy schemes; e.g. NAIVS



NMB PLAYS AN ACTIVE ROLE IN SUPPORTING AGRICULTURAL ACTIVITIES



Support to Farmers

- The bank provide capital to smallholder farmers to acquire farming machinery through affordable credit arrangements.
- Through its **NMB Foundation**, the bank has provided critical financial literacy training and agronomic skills to over 6,500 farmers.
- **e-Kilimo platform** – enabling electronic payment directly to farmers.
- Supporting main cash crops (Coffee, Cashew-nuts, Tobacco, etc.) through Agricultural and Marketing Coop. Societies (AMCOS).
- Supporting food crops through different out growers scheme and individually.





NMB BANK'S INTERVENTION IN SUPPORTING COFFEE VALUE CHAIN



Capacity building to Farmers through NMB Foundation (at no cost)



Finance for farm inputs (fertilizers, pesticides, packaging materials)



Finance for farm expansion and planting of new seedlings



Finance for processing machinery, logistics and storage facilities





NMB BANK'S INTERVENTION IN SUPPORTING COFFEE VALUE CHAIN



Finance for farmers/AMCOS that will be involved in seedlings productions



Finance investment for irrigation systems dams, sprinklers, furrow and drip irrigations



NMB BANK PREPAREDNESS FOR 2018/2019 WITH OVER TZS 50BN SET ASIDE FOR COFFEE



Loans for:

- WHR
- Inputs
- Investment
 - Infrastructure
 - Farms



NMB REMAINS COMMITTED TO SERVE YOU

We are proud of the value and service that NMB has provided to the Agriculture sector, the Government and Private sector over the years. Please contact our team members below;

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ASANTENI SANA