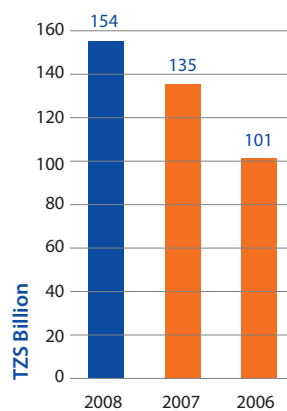


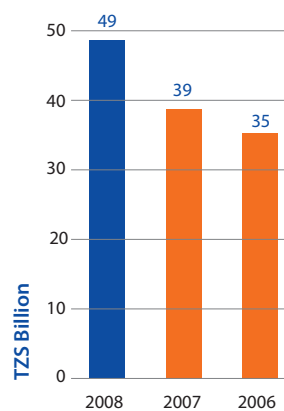


Annual Report / Taarifa ya Mwaka 2008

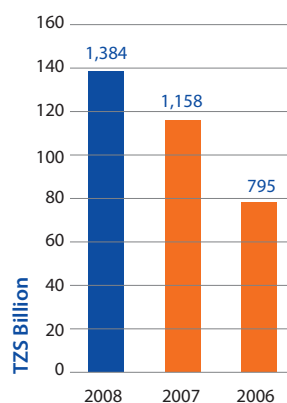
Highlights 2008



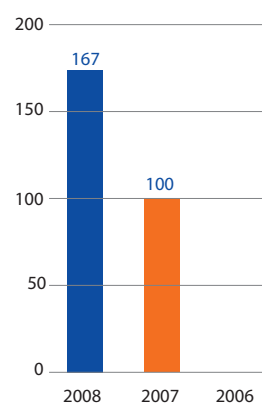
Total income



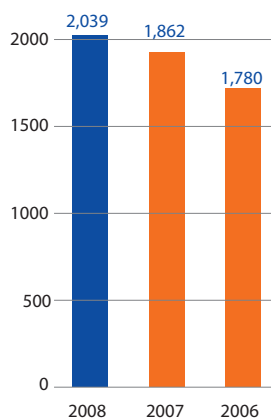
Net profit



Total Assets



ATMs



Staff

Key Figures

			2008	2007	2006
Profitability					
• Total income	TZS Million		154,470	134,621	100,747
• Tax	TZS Million		22,228	19,092	11,635
• Operating Expenses	TZS Million		77,313	73,909	52,976
• Net profit	TZS Million		48,707	38,835	35,076
• Dividend	TZS per Share		30	22	16
• Cost income ratio	%		50.1%	54.9%	52.6%
Solvency					
• Total Assets	TZS Million		1,384,268	1,158,268	795,424
• Tier 1 capital	TZS Million		151,888	116,473	82,196
• RWA	TZS Million		542,420	392,612	177,019
• Tier 1 Ratio	%		28.0%	29.7%	46.4%
Other					
• Customers	#		1,073,465	842,311	566,865
• Branches	#		125	120	117
• ATMs	#		167	100	0
• Cards	#		728,250	300,211	0
• Staff	#		2,039	1,862	1,780



Annual Report
2008

Taarifa ya Mwaka

Contents

English

Key Figures

Business Profile	1
Chairman's Letter	7
Board of Directors	9
CEO's Letter	11
Executive Management Team	13
Branch Network	15
Corporate Social Responsibility	17
Business Example 1	19
Corporate Governance	21
Shareholder Profiles	25
Business Example 2	29
Economic Outlook Tanzania	31
Report of the Directors	33
Statement of Directors Responsibilities	35
Auditor's Report	36
Financial Statements	37
• Profit and Loss Account	37
• Balance Sheet	38
• Statement of Changes in Equity	39
• Cash Flow Statement	40
• Notes to the Financials	41
Shareholder Notice	73

Kiswahili

Nukuu Muhimu

Taarifa ya Biashara	1
Barua ya Mwenyekiti	7
Bodi ya Wakurugenzi	9
Barua ya Afisa Mtendaji Mkuu	11
Viongozi Wakuu	13
Mtandao wa Matawi	15
Uwajibikaji kwa Jamii	17
Mfano wa Biashara 1	19
Utawala wa Pamoja	21
Taarifa ya Wanahisa	25
Mfano wa Biashara 2	29
Mtazamo wa Uchumi Tanzania	31
Taarifa kwa Wanahisa	73

NMB business profile

History

NMB was established in 1997 by the National Microfinance Bank Limited Incorporation Act. It was partially privatized in 2005 when the government of the United Republic of Tanzania sold part of its shareholding (49%) to a consortium led by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Group). In 2008 the government further reduced its share to 30% through the sale of shares to the general public in an IPO (16%) and to NMB staff (5%). On November 6th, 2008, NMB was listed on the Dar es Salaam Stock Exchange.

NMB is currently the largest bank in Tanzania ranked by customer base and branch network. With well over one million customers and 125 branches in more than 80% of Tanzania's districts, NMB has earned itself a reputation for being closer to its customers than any other bank. This broad branch network distinguishes NMB from any other financial institution in Tanzania.

Mission Statement

NMB wants to provide sustainable and viable access to a full range of financial services for the rural, urban and peri-urban population in Tanzania and its current and prospective client base in a sustainable and viable way. Special attention will be given to micro-businesses, SMEs, rural businesses and agriculture.

Strategy

NMB strives to gain significant market share in all segments of the private sector. Consequently, NMB conducts commercial banking activities throughout Tanzania and endeavours to provide currently underserved Tanzanians with affordable access to financial services. NMB is accordingly committed to sustaining and enhancing its branch network and to improving service levels to its customers. Especially in agriculture, NMB's ambition is to provide finance throughout the supply chain, from microfinance for individuals to loans to SMEs and large businesses.

Historia

NMB ilianzishwa mwaka 1997 kwa mujibu wa sheria ya National Microfinance Bank Limited. Ilibinafsishwa sehemu ya hisa mwaka 2005, pale Serikali ya Jamhuri ya Muungano wa Tanzania ilipouza asilimia 49 ya hisa zake kwa wawekezaji wakiongozwa na Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A. (Rabobank Group). Mwaka 2008 ilipunguza tena hisa zake na kubakiwa na asilimia 30 kupitia kuziuzwa soko la awali (IPO), asilimia 16 ziliuzwa kwa wananchi na asilimia 5 kwa wafanyakazi wa NMB. Novemba 6, 2008, NMB ilijiandikisha soko la Hisa la Dar es Salaam (DSE).

NMB kwa sasa ndio benki kubwa Tanzania kwa kuwa na wateja wengi na pia mtandao mkubwa wa matawi. Ikiwa na wateja zaidi ya milioni moja, matawi 125 kwenye asilimia 80 ya wilaya zote Tanzania, NMB imekuwa ikijizolea umaarufu wa kuwa benki iliyo karibu zaidi na wateja kuliko benki nyingine yoyote Tanzania. Mtandao huu mzuri wa matawi, unatofautisha NMB na taasisi nyingine za fedha Tanzania.

Kauli mbiu

NMB inalenga kuendelea kujiimarisha kwa kutoa huduma bora za kifedha mijini, vijijini na maeneo yote ya Tanzania na maeneo mengine muhimu kwa wateja. Kipaumbele kikubwa kitaelekezwa kwa wafanyabiashara wadogo, wa kati na wakulima.

Mipango

NMB inafanya jitihada za kuhakikisha inajipanza zaidi ili kupata soko kubwa zaidi miongoni mwa wateja binafsi. Hali kadhalika, NMB inatoa huduma za kibenki Tanzania nzima hasa kwa kuangalia maeneo ambayo hayana huduma za aina hiyo, kwa kuwapatia huduma wateja kwa gharama nafuu. NMB imeazimia vilivyo kuboresha mtandao wa matawi yake kwa lengo la kutoa huduma bora kwa wateja wake wa kipato tofauti. Katika sekta ya kilimo, malengo ya NMB ni kutoa huduma za kifedha kwa njia mbalimbali ikiwemo mikopo kwa wafanyabiashara wadogo, wa kati na wakubwa.



This strategy entails improving products, services and delivery mechanisms, by enhancing the quality of the branch network (including ATMs), strengthening the IT infrastructure and training our dedicated staff.

Activities in the various customer segments

The bank has the following customer segments: private individuals (personal banking), microfinance customers, small and medium enterprises, microfinance institutions (MFIs) and SACCOs, large corporates and the government. For all segments service and product offering have been improved significantly, resulting in strong growth in all related operations in 2008.

Personal banking

The bank's aim is to be a bank for everyone. The key product for private customers is the NMB Personal Account, which now has more than one million customers (33% growth in the number of accounts in 2008, 37% growth in deposits). In 2008 NMB launched Wisdom Accounts for pensioners, 53,000 of which have been opened. Other products in this segment, such as Bonus, Junior and Student accounts, grew by more than 100% in 2008.

Lengo la mpango huu ni kuimarisha bidhaa, huduma na njia za utoaji huduma, hasa kwa kuimarisha ATMs, huduma za teknolojia ya mawasiliano na kuendesha mafunzo kwa wafanyakazi.

Shughuli katika maeneo tofauti ya wateja

Benki imejipanga kusaidia wateja wengi zaidi; watu binafsi (wanaohitaji huduma za kibenki), wadogo, wa kati, na vyama vya kuweka na kukopa SACCOs, makampuni makubwa na serikali. Vitengo vyote vimeendelea kuboresha huduma zake, na hiyo ndiyo imesaidia kupatikana kwa mafanikio makubwa katika kipindi cha mwaka 2008.

Huduma binafsi za kibenki

Lengo kubwa la benki ni kumsaidia kila mtu. Bidhaa kuu kwa wateja binafsi ni NMB Personal Account, ambayo kwa sasa ina zaidi ya wateja milioni moja (ikiwa ni nyongeza ya asilimia 33 kwa mwaka 2008, pia ni nyongeza ya asilimia 37 ya dhamana). Mwaka 2008 NMB ilizindua Wisdom Accounts kwa wastaafu, zaidi ya watu 53,000 walifungua aina hiyo ya akaunti. Akaunti nyingine zilizofunguliwa, zikiwemo Bonus, Junior kwa Watoto na akaunti maalum kwa wanafunzi yaani Student Accounts, hizo kwa mwaka jana ziliongezeka kwa wastani wa asilimia 100.

The number of issued cards rose to 728,250 at year's end. New ATM services launched in 2008, including electricity bill payments and mobile phone top-ups, have achieved instant success in their first year.

Microfinance

NMB is successful in this segment, providing this service at all its branches. The bank has established a prudent approval process at branches for loans to small and medium enterprises up to TZS 5 million. The current portfolio totals loans of TZS 54 billion to almost 40,000 customers.

SMEs and agriculture

After cautiously entering this segment in 2004, NMB has experienced a sharp rise in the number of customers and loans with the development of NMB Business Accounts and Warehouse Receipt Financing. The number of business accounts rose by 800% from 2,391 in 2007 to 21,478 in 2008. The number of SME loans rose to 4,002 in 2008 from less than 3,000 in 2007. This growth was supported by the appointment of 32 new SME loan officers in 2008.

The bank intends to achieve strong growth in the SME segment in 2009, too. To support this growth, the bank intends to triple the number of SME loan officers.

Corporates

NMB started developing corporate banking services two years ago. This strategic step enables the bank to finance the full supply chain from farmer to major processor. The bank currently has a large portfolio of corporate customers that includes several of Tanzania's largest businesses. Their outstanding credits rose from TZS 51 billion in 2007 to 195 billion in 2008.

Government

NMB has devoted a special commercial department to providing and improving services to the Tanzanian government, reflecting its importance as a customer. The extensive branch network, established in close consultation with the government, extends far into the regions and districts of Tanzania, where NMB is able to serve the Government's needs effectively. In 2008 NMB launched several new services for the government: civil service payments for the TDPF, Wisdom Accounts for pensioners and special services for police service staff.

Idadi ya kadi zilizotolewa ziliongezeka hadi 728,250 mwishoni mwa mwaka. Huduma mpya kupitia ATM zilizinduliwa 2008, ikiwemo kununua umeme wa LUKU na kununua muda wa maongezi wa kampuni ya Vodacom, zimeleta mafanikio katika mwaka huo wa kwanza.

Mitaji midogo

NMB imefanikiwa kwa kiasi kikubwa kutoa aina hii ya huduma katika matawi yake yote nchini. Benki imeanzisha mchakato katika matawi kutoa TZS5 milioni kwa ajili ya wafanyabiashara wadogo na wakati. Jumla ya TZS 54 bilioni zimekopeshwa kwa wateja 40,000.

Wajasiriamali na kilimo

Baada ya kuingia kwenye kundi hili kwa umakini mwaka 2004, NMB imefanikiwa kupata idadi kubwa ya wateja wa mikopo kupitia NMB Business Accounts na Stakabadhi ya malipo gharani. Idadi ya akaunti za biashara zimeongezeka kwa asilimia 800 toka 2,391 mwaka 2007 hadi 21,478 mwaka 2008. Mikopo inayotolewa kwa wajasiriamali imeongezeka hadi 4,002 mwaka 2008 kutoka 3,000 mwaka 2007. Mafanikio haya yalichangiwa pia na kuajiriwa kwa mafiasa mikopo wapya 32 mwaka 2008.

Benki inatarajia kuendelea kujiimarisha ili kupata mafanikio zaidi kwa mwaka 2009 pia. Mojawapo ya mkakati uliopo ni kuajiri maofisa mikopo midogo mara tatu zaidi.

Makampuni Makubwa

NMB ilianza kuimarisha shughuli zake na makampuni makubwa miaka miwili iliyopita. Mpango huo umekuwa ukilenga kuiwezesha benki kusaidia mfumo mzima wa shughuli za kilimo hadi kwa wasindikaji. Kwa sasa benki imetoa mikopo mikubwa katika sekta hii yakiwemo makampuni makubwa Tanzania. Mafanikio yamekuwa yakiongezeka kutoka TZS 51 bilioni mwaka 2007 hadi TZS 195 bilioni mwaka 2008.

Serikali

NMB imeanzisha kitengo maalumu kwa ajili ya kuboresha na kutoa huduma bora kwa serikali ya Tanzania. Kuwa na matawi mengi katika wilaya nyingi, yaliyoanzishwa kwa kushauriana na serikali ni mojawapo ya sababu kubwa ya NMB kutoa huduma ya kutosha kwa serikali. Mwaka 2008 NMB ilizindua huduma mbalimbali kwa serikali: mfumo wa malipo kwa watumishi wa umma, pia Wisdom Account kwa wastaafu na huduma maalumu kwa askari wa JWTZ na polisi.

MFI and SACCOs

A new department was established for MFIs and SACCOs in 2007. The renewed focus on MFIs and SACCOs generated significant new business in 2008. The number of approved loans rose by 50%, totalling TZS 8.3 billion (TZS 1.1 billion in 2007). Total deposits in this segment are now TZS 4.7 billion.

Agriculture

NMB aims to be the bank of first choice for the agricultural sector across all customer segments. Financing remains underdeveloped in this sector in Tanzania, but various projects have shown that it is feasible and indeed commercially attractive. NMB finances (part of) the value chains of all key Tanzanian commodities – tea, sugar, cotton, barley and, since 2008, coffee and cashew nuts. Customers are farmers, cooperatives and producers, and since 2008 traders, too. Total exposure in all agricultural activities is TZS 95.2 billion. In 2009 NMB will assist the Ministry of Agriculture, Food & Cooperatives with the distribution and redemption of agri-vouchers, thus strengthening NMB's presence in the agricultural sector as well as its relationship with the government.

MFI na SACCOs

Idara mpya ilianzishwa kwa ajili ya MFIs na SACCOs mwaka 2007. Kuboreshwa kwa MFIs na SACCOs kumeleta mafanikio makubwa Mwaka 2008. Mikopo iliyotolewa kwa aina hii ya wateja ilizidi kwa asilimia 50. Jumla ya mikopo ni TZS 8.3 bilioni (TZS 1.1 bilioni ilikuwa mwaka 2007). Uwekezaji katika aina hii ni jumla ya TZS 4.7 bilioni.

Kilimo

NMB inataka kuwa benki chaguo la walioko katika sekta ya kilimo. Mkazo katika sekta hii kwa maana ya mikopo ya kifedha, umekuwa ni wa chini nchini Tanzania, lakini kuna miradi mbalimbali imeendelea kufadhiliwa au kukopeshwa na kuonyesha mafanikio makubwa ya kibiashara. NMB imekuwa ikifadhili shughuli za kilimo kwa kila aina ya mazao yakiwemo– chai, miwa (sukari), pamba, shayiri na kutoka 2008, kahawa na korosho. Wateja wakubwa katika sekta hii ni wakulima, vyama vya ushirika na wazalishaji, na mpango huu ulianzishwa toka 2008, ukihusisha pia wafanyabiashara katika sekta hii ya kilimo. Fedha zilizotumika katika sekta hii ni TZS 95.2 bilioni. Mwaka 2009 NMB itaisadia wizara ya kilimo katika mpango wa uuzaji wa mazao kwa mtindo wa kutumia vocha (agri-vouchers), hii itaimarisha uhusiano wa NMB na wakulima pamoja na serikali kwa ujumla.



Balanced growth

NMB has grown very fast in recent years. Since 2006 total income has risen by 50%, new branches have been opened, several new products have been launched and 167 ATMs have been rolled out. However, NMB is very careful not to grow too fast. Pilots are a mainstay of NMB's 'controlled growth' strategy, as they enable the bank to test and where necessary adapt products before full introduction. The financing of agro dealers is a good example of NMB's prudent growth strategy in 2008. Despite the temptation of an immediate countrywide rollout, NMB opted for a selective introduction in selected districts. This financing structure has proved successful and is now being expanded. The success of pilots gives everyone in the financing process the confidence to take the next step.

The other mainstay of the bank's 'balanced growth' strategy is focus. In industry, for instance, the bank has taken clear decisions about what sectors it will not become involved in, due to a lack of expertise or sector sensitivity to external change.

ATMs and ICT

The bank began the year with 100 ATMs and at year's end had 167 operational ATMs. All but four branches had at least one ATM.

NMB customers have warmly embraced the NMB ATM card, which has gained appreciably in popularity and is now used more intensively by our customers. By year's end the bank had 600,000 active ATM users and the number continues to grow. The monthly transaction number rose from just over 400,000 in January 2008 to well over 1,200,000 in December 2008.

The bank's Core Banking system was enhanced during the course of the year to accommodate the rapid growth being experienced by the bank both in terms of transactions at the teller and at the ATM. To ensure higher availability of services in branches the bank has adopted an IT strategy in 2008 that every branch should have both a back-up server and a back-up communication link that are ready to take over when the main server or link goes down.

Kukua kwa biashara

NMB imeendelea kupata mafanikio makubwa katika miaka ya hivi karibuni. Tangu mwaka 2006 pato limeongezeka kwa asilimia 50, matawi mapya mengi yamefunguliwa, huduma mbalimbali mpya zimeendelea kuzinduliwa na ATM zaidi ya 167 zilifunguliwa. Hata hivyo, NMB iko makini kuhakikisha inakuwa bila kuathirika. Mkazo mkubwa umekuwa katika kuhakikisha NMB inaendelea kuwa na mafanikio kwa kutafti kwa makini miradi kabla ya kuianzisha. Ushahidi wa umakini wa NMB ni namna ilivyofanikiwa katika kuhudumia sekta ya kilimo, wengi kwa mfano wangependa iwe ni kwa nchi nzima, lakini NMB ilianza kwa kuchagua baadhi ya wilaya na kwa hakika kumekuwa na mafanikio makubwa kutokana na mafanikio hayo huduma hii imeendelezwa katika wilaya nyingine. Benki iko makini katika kutafti kabla ya kuamua kuwekeza.

Nguzo nyingine muhimu ya ukuzaji wa biashara ni kuwa na mikakati yenye malengo. Katika biashara ya kibenki, kwa mfano, NMB imechukua uamuzi wa maeneo ambayo haitajihusisha nayo kutokana na upungufu wa utaalamu au sekta hiyo kuathirika kwa urahisi na mabadiliko ya nje.

ATMs na Teknolojia ya Mawasiliano

Benki iliingia mwaka 2008 ikiwa na ATM 100, na hadi hadi mwishoni mwa mwaka 2008 ATM zilikuwa 167. Matawi yote isipokuwa manne, yalikuwa na ATM, kitendo ambacho kinaonyesha mafanikio makubwa. Wateja wa NMB wamekuwa wakiendelea kutamani kuwa na kadi za ATM, na sasa zinatumia na wateja wengi. Hadi mwisho wa mwaka benki ilikuwa na watumiaji wa ATM wapatao 600,000 na idadi hiyo imekuwa ikiongezeka. Matumizi ya ATM kwa mwezi ni wastani wa wateja 400,000 kwa mwezi Januari 2008 na yakaongezeka hadi 1,200,000 kwa mwezi Disemba 2008.

Mfumo mzima wa benki unaendelea kuimarishwa ili kuhakikisha mafanikio yanaendelea kupatikana katika mwaka uliopita ikiwa ni kwa mfumo wa utoaji wa fedha dirishani na ATM. Ili kuhakikisha upatikanaji wa uhakika wa huduma katika matawi yote, benki imeendelea kuimarisha teknolojia ya mawasiliano mwaka 2008 ili kwamba kila tawi liwe na mfumo wake wa uhifadhi wa kumbukumbu (back-up server) na mfumo wake wa uendeshaji wa mawasiliano ambao utaungana na mfumo mkuu au pale mfumo unapoharibika.



NMB

Chairman's letter

I am proud to present NMB's first Annual Report. This is another milestone in the extensive and ambitious transformation process launched three years ago.

In 2005 the Tanzanian government sold a 49% stake in NMB to a consortium led by Rabobank. Shortly thereafter, an ambitious plan was crafted to transform NMB into a leading bank, providing state-of-the-art financial services across the country, accessible to a high proportion of Tanzanians. This has been a massive challenge for board, management and staff. Many major changes and improvements were achieved with great dedication. They include the restyling of NMB branches and brand, the introduction of many new products, the hiring and training of new staff (as we have increased our organization from 1,780 to 2,039 employees), and the redesign of internal processes. These investments boosted our profitability in 2008 in excess of expectations. Income rose from TZS 135 billion in 2007 to TZS 155 billion last year. Likewise, profit before tax grew from TZS 58 billion in 2007 to TZS 71 billion last year. We are very satisfied with these results.

Tanzanians, including NMB staff, were given the opportunity to participate financially in NMB's transformation process, through an initial public offering of 21% of NMB's stock. Shares were listed on the Dar es Salaam Stock Exchange (DSE) on November 6th, 2008. The IPO resulted in over 27,000 new shareholders. Whereas the issuing price was TZS 600, the current price fluctuates around 900. Following strong financial results, NMB is happy to provide shareholders with a dividend of TZS 30 per share, in line with our dividend policy of paying out one third of net profits to shareholders.

Despite all these successes, some significant challenges remain ahead. Many changes were accomplished during the transformation, but we are not there yet. NMB is set to open additional branches, including rural locations, and more ATMs will be rolled out nationwide. The bank will also develop and launch complementary new products and features to meet the demands of specific customer groups. Other focus points in 2009 include reducing waiting times at branches and improving the quality of the loan portfolio. Looking back on the achievements of recent years, I am very confident that management and staff will successfully deal with these issues.

Ninajivuna ninapowasilisha toleo la kwanza la Taarifa ya Fedha ya NMB kwenu. Haya ni mafanikio makubwa katika malengo yetu ya mchakato wa mabadiliko ambao tumeuanza miaka mitatu iliyopita.

Mwaka 2005, serikali ya Tanzania iliua asilimia 49 ya hisa zake NMB kwa wawekezaji wakiongozwa na Rabobank. Muda mfupi tu baadaye, mkakati endelevu uliundwa kwa madhumuni ya kuifanya NMB iwe benki inayoongoza kwa kujenga mtandao nchi nzima ili huduma zake ziweze kuwafikia watu wengi zaidi. Hii ilikuwa ni changamoto kubwa kwa menejimenti ya NMB na wafanyakazi wote kwa ujumla. Lakini kutokana na juhudi zilizokuwepo, mabadiliko na maboresho makubwa yamepatikana. Mabadiliko haya yanajumuisha, muundo mpya wa matawi ya NMB, kubuni bidhaa mpya, kuajiri na kutoa mafunzo kwa zaidi ya wafanyakazi (tumeongeza wafanyakazi kutoka 1,780 to 2,039) na kutengeneza upya mfumo wa ndani wa utendaji kazi. Uwekezaji huu umechangia kuwepo kwa mafanikio makubwa 2008. Pato limeongezeka kutoka TZS bil. 135 mwaka 2007 hadi TZS bil. 155 mwaka jana. Hali kadhalika, faida kabla ya kodi ilipanda kutoka TZS bil. 58 mwaka 2007 na hadi TZS bil. 71 mwaka jana. Tumefurahishwa sana na mafanikio haya.

Watanzania, ikiwa ni pamoja na wafanyakazi wa NMB waliwezesha kushiriki katika mchakato huu wa kuleta mageuzi ndani ya NMB kwa kununua asilimia 21 za hisa ya NMB. Hisa ziliandikishwa katika Soko la Hisa la Dar es Salaam (DSE). Soko la awali (IPO) lilifanikisha kupatikana kwa wanahisa wapya 27,000. Wakati bei ya awali ya hisa ilikuwa TZS 600, bei ya sasa inazidi TZS 900. Hivyo basi, ninabaki kuamini kwamba NMB imekuwa mwekezaji wa kuvutia kwa wanahisa wake. Kutokana na mafanikio imara ya kifedha, NMB inayo furaha kuwapa wanahisa wake gawio la faida ya TZS 30 kwa kila hisa kama ilivyo sera yetu ya kulipa theluthi moja ya faida inayopatikana kwa wanahisa.

Licha ya mafanikio haya, bado kuna changamoto muhimu zinazotukabili mbele yetu. Awali ya yote, japokuwa mabadiliko haya yamepata mafanikio, bado hayajakamilika. NMB itafungua matawi zaidi, hasa katika maeneo ya vijijini na wilaya mpya zitakazoundwa na serikali. Mashine zaidi za kutolea fedha (ATM) zitasambazwa nchi nzima.



We will discuss our achievements, results, strategy and plans in depth at our AGM in Dar es Salaam on April 17th.

Last year, NMB's efforts were not limited to commercial operations. NMB is strongly committed to developing Tanzania, by participating in numerous social activities throughout the country, from supporting schools and hospitals to promoting youth sports. Total expenditures on these projects in 2008 was TZS 515 million. NMB will continue to focus on corporate social responsibility in the years ahead.

Finally, on behalf of the Board of Directors, I would like to thank all key stakeholders: shareholders for their support and understanding, customers for their trust and loyalty, staff for their dedication and positive attitude to the changes we are implementing, management for their outstanding commitment, and the government for its faith and cooperation. I am proud of what we have achieved together in 2008 and I am confident that we -despite the global financial crisis we are facing- will be successful in 2009.

Misheck Ngatunga
Chairman of the Board of Directors

NMB pia itaendelea kutoa huduma za ziada za kila aina ili kuweza kukidhi makundi tofauti ya wateja. Tutazungumzia mafanikio yetu na matokeo yake huku pia tukiangalia mikakati na mipango yetu kwa kina kwenye mkutano wetu na wanahisa uliopangwa kufanyika Dar es Salaam Aprili 17.

Mwaka jana, juhudi za NMB hazikufanyika kibiashara pekee. NMB imejikita kwa uhakika katika shughuli za maendeleo ya Tanzania. NMB inashiriki katika shughuli mbalimbali za kijamii nchi nzima ikiwa ni pamoja na kutoa misaada ya kifedha mashuleni na mahospitalini, kuhamasisha na kuinua michezo kwa vijana. Gharama kamili zilizotumika kuchangia miradi hii zinazidi TZS 515 milioni. NMB imedhamiria kuendeleza jukumu hili la kijamii katika miaka ijayo.

Mwisho, kwa niaba ya Bodi ya Wakurugenzi, napenda kuwashukuru washikadau wote muhimu, wanahisa kwa kuiwezesha benki, wateja kwa imani yao na unyenyekevu, wafanyakazi wetu kwa juhudi zao na mtazamo mzuri katika kipindi cha mabadiliko tunayoyaona, menejimenti yetu kwa kujituma na serikali kwa kutuamini na ushirikiano wa kufanya kazi pamoja. Ninajivuna kwa yote yale ambayo tumeyapata mwaka 2008 na ninayo imani kwamba licha ya kuyumba kwa uchumi wa dunia tutaendelea kupata mafanikio kwa mwaka 2009.

Misheck Ngatunga
Mwenyekiti Bodi ya Wakurugenzi

Board of Directors



Misheck Ngatunga **Chairman of the Board**

Mr Ngatunga is an independent business advisor & consultant. He has managed the East African Regional Office of the APDF/IFC of the WorldBank in Kenya. Prior to this, he worked with the East African Development Bank and the Bank of Tanzania.

Misheck Ngatunga **Mwenyekiti wa Bodi**

Bw Ngatunga ni mshauri wa biashara na mwelekezi. Amewahi kuongoza ofisi ya APDF/IFC ya Benki ya Dunia Kenya. Zaidi ya hilo, aliwahi kufanya kazi na Benki ya Maendeleo Afrika Mashariki (EADB) na Benki Kuu ya Tanzania.



Arnold Kuijpers

Mr Kuijpers is the Managing Director of Rabobank Financial Institutions Development BV. Mr. Kuijpers has been Managing Director for Rabobank Ireland Limited as well as Strategy Director for the Rabobank Group. He holds directorships in several of the Rabobank's partner banks.

Arnold Kuijpers

Bw Kuijpers ni Mkurugenzi mkuu wa Benki ya Rabo (Rabobank Financial Institutions Development BV). Amewahi kuwa Mkurugenzi mkuu wa benki ya Rabo ya Ireland na pia mkurugenzi wa mipango wa jumuiya ya mabanki ya Rabo.



Mike Laiser

Mr Mike Laiser is the Director-General of Small Industries Development Organization (SIDO). Prior to SIDO, Mr. Laiser was an Executive Director of a UNDP funded income generation programme. He has over 25 years working experience in managing and consulting SME development in Tanzania and other SADC countries.

Mike Laiser

Bw Mike Laiser ni mkurugenzi mkuu wa Shirika la Viwanda vidogo vidog (SIDO). Kabla ya kujiunga na SIDO, Laiser aliwahi kuwa mkurugenzi mkuu wa UNDP katika kitengo cha kusaidia kipato (income generation programme). Ana uzoefu wa zaidi ya miaka 25 katika kuongoza wajasiriamali na maendeleo kwa ujumla Tanzania na nchi za SADC.



Jos van Lange

Mr van Lange is the Chief Financial and Risk Officer (CFRO) of Rabo Bouwfonds, an international property company which was recently acquired by Rabobank. Prior to his new role, Mr van Lange was the Director, Retail Banking at Rabobank Nederland.

Jos van Lange

Bw Van Lange ni mkuu wa masuala ya fedha na majanga (CFRO) wa Rabo Bouwfonds, mojawapo ya makampuni ambayo hivi karibuni yalinunuliwa na Rabo benki. Zaidi ya hilo, Bw van Lange aliwahi kuwa mkurugenzi wa huduma (Retail Banking) katika benki ya Rabo, Uholanzi.



Marjorie Mbilinyi

Ms Mbilinyi is the Acting Head of the Analysis, Research and Publications Department at the Tanzania Gender Networking Programme (TGNP). She retired from the University of Dar es Salaam, where she taught gender and development studies for 35 years. She resigned from NMB's Board of Directors in November 2008.

Marjorie Mbilinyi

Bi Mbilinyi ni kaimu mkuu wa kitendo cha uchambuzi, utafiti na uchapishaji wa Mtandao wa Jinsia Tanzania (TGNP). Alistaa kutoka Chuo Kikuu cha Dar es Salaam, ambako alikuwa akifundisha masomo ya jinsia na maendeleo kwa zaidi ya miaka 35. Aliondoka bodi ya NMB Novemba 2008.



Felix Mosha

Mr Mosha is an economist by profession. He has worked for 22 years at the United Nations. He served in various positions including Chief, Trade and Investment Center UNECA, Senior Economist (UNCTC), Director, Africa Division UN Department of Political Affairs, Special Representative of the UN Secretary General and UN Advisor to late Mwal. J.K. Nyerere and Gen. Olusegun Obasanjo. Founder Chairman of NICO. He is presently in farming and real estate.

Felix Mosha

Bw Mosha ni mchumi. Amewahi kufanya kazi kwa zaidi ya miaka 22 katika nafasi tofauti katika Umoja wa Mataifa. Kati ya nafasi alizowahi kushika ni mkuu wa masuala ya biashara na uwekezaji UNECA, Mchumi mwandamizi (UNCTC), Mkurugenzi Idara ya Afrika katika Umoja wa Mataifa anayeshughulikia masuala ya siasa, Mwakilishi maalum wa Katibu mkuu wa Umoja wa Mataifa kwa hayati Mwal. J.K. Nyerere na Gen. Olusegun Obasanjo. Mwenyekiti mwanzilishi wa kampuni ya uwekezaji ya NICO. Kwa sasa anajishughulisha na kilimo na mwekezaji katika ujenzi.



Protase Tehingisa

Mr Tehingisa is a specialist in corporate and investment law. He has worked as a State Attorney in the Attorney General's Chambers, a Corporation Counsel in the Tanzania Legal Corporation and as Secretary/Chief Legal Counsel of the East African Development Bank.

Protase Tehingisa

Bw Tehingisa ni mtaalam wa sheria za uendeshaji wa makampuni na uwekezaji. Amewahi kufanya kazi kama mshauri wa sheria katika ofisi ya mwanasheria mkuu wa serikali, amewahi kuwa mshauri wa sheria katika shirika la wanasheria Tanzania na pia mwanasheria mkuu wa benki ya Benki ya Maendeleo ya Afrika mashariki (EADB).



Thomas Fuller Wescott

Mr Wescott is president and CEO of Africa Finance and Capital Limited (AFC), a financial consultancy, advisory services and investment company. Prior, Mr Wescott worked for 25 years for HSBC Group, where he a.o. as a senior vice president was responsible for corporate and institutional activities in the Johannesburg branch. He resigned from NMB's Board of Directors in November 2008.

Thomas Fuller Wescott

Bw Fuller Wescott ni rais na mkurugenzi wa Africa Finance and Capital Limited (AFC), taasisi inayojihusisha na kushauri masuala ya fedha. Awali, Bw Wescott aliwahi kufanya kazi kwa zaidi ya miaka 25 makampuni ya HSBC kama makamu wa rais katika tawi la Johannesburg. Aliondoka bodi ya NMB Novemba 2008.

CEO Letter

I am pleased to report that 2008 was another successful year for NMB. Income rose by 15% and profit by 26%. However, our achievements in 2008 are not only purely financial in nature. We took some major steps towards fulfilling our mission to provide a full range of financial services to the rural, urban and peri-urban population in Tanzania. We opened five new branches, launched several new products and upgraded key processes.

We realized more than satisfying business growth in 2008. Bottom-line profitability increased by 26%, income by 15%. Profit growth was principally driven by a strong increase in interest receipts of 23%, while we registered only a modest increase in operational costs of 5%.

NMB's results in 2008 have already benefited from our ongoing investments in branch network, product portfolio, staff increase and marketing. In 2008 we opened five new branches and 67 new ATMs. Many of these new branches and ATMs are located in more rural areas where people previously had no access to banking services. NMB believes that servicing these areas is a critical element in rural development and we will therefore continue to expand our branch network. Consequently, our plans for 2009 are even more ambitious: we will open multiple additional branches, while installing more than 100 new ATMs.

NMB strongly believes that specific products are needed to meet the demands of different customer groups and achieve everybody's financial aspirations. We have extended our product portfolio considerably over the past two years. In 2008 we launched the Wisdom Account for pensioners, top-up facilities for mobile phones and electricity credit (Vodacom and Luku respectively), and Warehouse Receipt Financing for cashew nut and coffee farmers. We strongly believe these new products will boost our profitability further in coming years.

To enable rapid growth, we increased our workforce by 177 people in 2008. We expect to add another 200 new colleagues this year. We will also maintain our focus on training and developing staff. On average, our staff received 7.3 days of training each in 2008. New products and new regulations, as well as high growth, mean that a similar investment is demanded in 2009.

Ninayo furaha kuwataarifu kuwa mwaka 2008 umekuwa mwaka mwingine wa mafanikio kwa benki ya NMB. Pato limeongezeka kwa asilimia 15 na faida kwa asilimia 26. Hata hivyo, mafanikio haya ya mwaka 2008 sio hitimisho. Tumechukua hatua nyingi mbalimbali katika mpango wetu wa kutoa huduma za kifedha vijijini, mijini, na maeneo mengine ya Tanzania. Tumezindua matawi matano mapya pamoja na huduma nyingi na kuboresha mifumo muhimu.

Tumeweza kuona mafanikio ya kuridhisha mwaka 2008. Faida ilipanda kwa asilimia 26 huku mapato nayo yaliongezeka kwa asilimia 15. Ongezeko la faida lilitokana na kupanda kwa kasi makusanyo ya riba kwa asilimia 23, huku gharama za uendeshaji zikipanda kwa asilimia 5 tu.

Matokeo ya mwaka 2008 ya NMB tayari yameleta mafanikio kutokana na mchakato wetu unaoendelea wa uwekezaji kwenye mtandao wa kitawi, wafanyakazi na masoko. Mwaka 2008 tumefungua matawi matano na kusambaza mashine 67 za ATM. Matawi mengi yaliyofunguliwa na sehemu ambako kulisambazwa mashine za ATM ni yale ambayo awali hayakuwa na huduma za kibenki. NMB inaamini kuwa kutoa huduma hizi katika maeneo ya vijijini ni jambo la muhimu mno kwa maendeleo na imepania kuendelea kupanua mtandao wake wa kufungua matawi zaidi mwaka 2009 na kusambaza mashine mpya za ATM 100 zaidi.

NMB inaamini vya kutosha kwamba ili kuweza kufikia makundi mbalimbali ya wateja, bidhaa tofauti zinahitajika ili kuweza kukidhi matamano ya kila mmoja kifedha. Tumepanua aina zetu za huduma kwa wateja kwa kiasi katika miaka miwili iliyopita. Mwaka 2008 tulizindua Wisdom Account kwa ajili ya wastaafu, huduma za kujua salio la akiba kupitia simu ya mkononi na kulipia bili ya umeme (Vodacom na Luku) na huduma za stakabadhi za malipo gharani kwa ajili ya wakulima wa korosho na kahawa. Tunaamini huduma hizi mpya zitasaidia sana kuongeza faida yetu katika miaka ijayo.

Katika kuimarisha huduma zetu, tuliongeza wafanyakazi 177 mwaka 2008. Tunatarajia kuongeza 200 mwaka huu. Pia tutaendesha mafunzo na kuwaendeleza wafanyakazi.



There are still challenges ahead, however. We will accelerate the rollout of new ATMs and change some of our core processes to reduce queues and upgrade service levels. We will also improve how we monitor loan performance and how we deal with underperforming loans with the aim of minimizing losses.

The world financial crisis is the third challenge we face. The Tanzanian economy will undoubtedly suffer from dropping revenues, especially from commodity exports (cotton and cashew nuts), while tourism will also be hit. Our positions in these sectors are limited and appropriately monitored. We are confident that NMB's exposure to these external developments will be manageable, but we are nevertheless committed to taking action where necessary.

In conclusion, 2008 was a very good year for NMB and we are confident that 2009 -within the constraints of the financial crisis- will be successful, too. We will benefit from a broader customer base, a larger branch network, new products and our committed, well-trained staff.

Ben Christiaan
Chief Executive Officer

Kwa wastani, kila mfanyakazi alipata mafunzo kwa muda wa siku 7.3 mwaka 2008. Bidhaa mpya na taratibu mpya, pamoja na kupaa kwa mafanikio, ina maana kuwa aina hii ya uwekezaji unahitaji kuendelezwa mwaka 2009. NMB bado ina changamoto nyingi. Tutaendeleza kuangalia namna ya kuboresha aina mpya ya huduma za ATM na kubadilisha michakato mingine kuboresha huduma. Pia tunaboresha mfumo wa ufuatiliaji madeni na kuongeza utendaji wa haraka, kupunguza hasara zitokanazo na wakopaji kushindwa kulipa madeni yao.

Janga ya kuyumba kwa masoko ya fedha duniani ni changamoto ya tatu. Uchumi wa Tanzania bila shaka utaathirika kutokana na kukosa mapato na hasa katika uuzaji bidhaa nje ya nchi (kama pamba na korosho) kama itakavyokuwa katika kushuka kwa Idadi ya watalii wanaokuja nchini. Wajibu wetu katika sekta hizi una ukomo wake na tunafuatilia kwa makini. Tunaamini kwamba kutokuathirika NMB kwenye muelekeo huu wa nje kunawezekana na tumepania kuchukua hatua ipasavyo.

Kwa kumaliza, mwaka 2008 umekuwa mwaka mzuri sana kwa NMB na tunayo Imani kwamba mwaka 2009 nao utakuwa wa mafanikio. Tutakuwa tukinufaika kutoka kwa wateja wetu, ongezeko na mitandao ya matawi, utoaji bidhaa mpya na kuwatumia wafanyakazi wetu waliobobea kitaalam.

Ben Christiaan
Afisa Mtendaji Mkuu

Executive Management Team



Ben Christiaanse
Chief Executive Officer

- General Management
- Public Relations
- Compliance
- Legal
- Audit
- Risk

Ben Christiaanse
Afisa Mtendaji Mkuu

- Uendeshaji wa jumla
- Mahusiano ya jamii
- Ufuatiliaji
- Sheria
- Ukaguzi
- Kinga ya dharura



Oran Njeza
Chief Financial Officer

- Liquidity management
- Accounting & control
- Treasury

Oran Njeza
Afisa Mkuu wa Fedha

- Usimamiaji masuala ya kifedha
- Mahesabu & Uhakiki
- Hazina



Felix Nyarko Pong

Chief Operating Officer

- Branch network
- Central operations
- Corporate services

Felix Nyarko Pong

Afisa Mkuu wa Uendeshaji

- Mtandao wa matawi
- Uendeshaji wa ofisi kuu/muhimu
- Huduma za shirika



Bas Nierop

Chief Commercial Officer

- Product Management & Development
- Marketing
- Promotion
- Wholesale banking activities

Bas Nierop

Afisa mkuu wa Biashara

- Uanzishaji na usimamiaji wa bidhaa
- Masoko
- Utangazaji
- Usimamiaji wa wateja wakubwa



John Ncube

Chief Information & Technology Officer

- IT
- Telecommunications

John Ncube

Afisa Mkuu wa Teknolojia na Mawasiliano

- Teknolojia ya Masiliano (IT)
- Mawasiliano



Kabeho Solo

Chief Human Resources Officer

- Recruiting
- Training & development
- Remuneration
- Industrial Relations

Kabeho Solo

Afisa Mkuu Rasimali watu

- Uajiri
- Mafunzo & Uendelezaji
- Ujira
- Mahusiano kazini



Danny van Det

Chief Credit Management Officer

- Acceptance
- Credit monitoring
- Recovery & restructuring

Danny van Det

Afisa Mkuu wa Usimamizi na Uhakiki

Mikopo

- Kupitisha mikopo
- Ufuatiliaji wa wakopaji
- Urejeshaji mikopo na kupanga upya

Branch Network

A key mission of NMB is to make financial services available to as many Tanzanians as possible, including those in rural areas, and to help stimulate local enterprise. To this end, the bank maintains a wide and expanding branch distribution network. In 2008 five new district branches were opened – in Tandahimba, Simanjiro, Kilolo, Kilindi and Ruangwa – bringing the total number of branches to 125. A further ten branches in the new districts and five branches in urban areas are earmarked for opening in 2009.

In addition to the network expansion, the phased remodelling of all existing branches is continuing. The purpose is to ensure effective customer service delivery and uniformity of standards. Major works were completed in 2008 at our Clock Tower (Arusha), Nelson Mandela (Moshi), Masasi and Madaraka (Tanga) branches.

NMB's branch network was restructured in 2008. Eight zonal offices were created (Central, Northern, Southern, Western and Eastern, Southern Highlands, Lake Zone and Dar es Salaam). The new structure generates optimal span of control and manageable geographical spread.

The total headcount in the branch network grew significantly, mainly due to the hiring of 150 recent graduates.

Lengo kuu la NMB ni kuhakikisha upatikanaji wa huduma za kifedha kwa Watanzania wengi iwezekanavyo, ikiwemo kwa wale wanaoishi maeneo ya vijijini, na kuwasaidia wajasiriamali wa ndani. Kukamilika kwa hili kunategemea na jitihada zinazoendelea za kuboresha mtandao wa matawi. Mwaka 2008 matawi mapya matano ya wilaya yalifunguliwa-ambayo ni Tandahimba, Simanjiro, Kilolo, Kilindi na Ruangwa – hivyo kufanya idadi matawi yote kuwa 125. Matawi mengine kumi wilayani na matano katika maeneo ya mijini yanatarajiwa kufunguliwa mwaka 2009.

Zaidi ya kupanua mtandao wa matawi, mpango wa kuboresha shughuli katika matawi yote unaendelea. Lengo ni kuhakikisha wateja wanaendelea kupata huduma bora zaidi na katika hadhi inayofanana. Kazi kubwa za kuboresha matawi, zilikuwa zimekamilika mwaka 2008 katika matawi yetu ya Clock Tower (Arusha), Nelson Mandela (Moshi), Masasi na Madaraka (Tanga).

Mtandao kwa matawi ya NMB umeendelea kuboreshwa katika mwaka 2008. Kumeundwa ofisi nane za kikanda (Kati, Kaskazini, Kusini, magharibi na Kaskazini ya Tanzania, Kusini, Nyanda za juu, Ziwa na Dar es Salaam). Mpango huo unalenga kusimamia vyema na pia kufanya kazi kwa kasi zaidi. Jumla ya wafanyakazi katika matawi wameongezeka hasa kufuatia hivi karibuni kuajiri zaidi wahitimu wa vyuo mbalimbali vikuu zaidi ya 150.

Corporate Social Responsibility



NMB acknowledges that a business must give due consideration to the environment in which it operates.

While financial service providers must focus on achieving monetary profits for their shareholders, NMB also strives to provide low-cost financial services to the public and to make financial services more easily accessible for underserved Tanzanians. In doing so, NMB endeavours to improve the wider environment in which it operates.

NMB addresses corporate social responsibility in two ways. Firstly, NMB constantly improves its financial services and makes them available to more Tanzanians all over the country. New products at competitive prices have made financial services accessible and affordable to more and more Tanzanians.

By further extending the branch distribution network in Tanzania, NMB will continue reaching out to those who are currently without access to banking services.

NMB inafahamu umuhimu wa kuthamini jamii inayoizunguka.

Lengo la kuu la NMB ni kutoa huduma za kifedha kwa kuangalia mafanikio kwa wanahisa wake, NMB pia inalenga kutoa huduma kwa gharama nafuu ili kutoa huduma za kifedha hata kwa watu ambao hawana mahusiano na benki. Kwa kufanya hivi, NMB inaboresha mazingira inayofanyia kazi.

NMB hujihusisha na uwajibikaji katika jamii kwa njia mbili tofauti. Kwanza kabisa NMB inaendelea kuhakikisha kwamba huduma zake za kifedha zinawafikia watu wengi zaidi nchini. Kutoa huduma mpya kwa gharama nafuu kumewezesha kuwafikia Watanzania wengi zaidi.

Kwa kusambaza mtandao wa matawi Tanzania, NMB itaweza kuwafikia wateja wengi ambao kwa sasa hawana huduma za kibenki.

Pili, NMB ina sera ya utoaji misaada kwa sekta mbalimbali nchini, kwa vijana, michezo, elimu na afya.

The second strand of NMB's corporate social responsibility efforts is a policy of donations to specific sectors in the country, namely young people, sports, education and healthcare.

The aim is to ensure that as many Tanzanians as possible benefit from these donations. While there will always be some concentration of demand for such funds in the main cities, NMB endeavours to ensure that its support impacts the lives of people in every region of Tanzania.

In 2008, NMB made donations totalling TZS 515 million. Each region benefited from at least TZS 10 million in financial support to no fewer than two projects.

Lengo ni kuhakikisha Watanzania wengi wananufaika na misaada hii. Japokuwa kuna kuwa na mahitaji ya misaada kama hiyo takribani miji mikubwa, NMB imedhamiria kutoa misaada yake iweze kusaidia maisha ya watu wengi zaidi katika kila mkoa wa Tanzania.

Mwaka 2008 NMB ilitoa misaada ya thamani ya Sh.515mil. Kila mkoa ulinufaika kwa takribani Sh. Mil. 10 TZS katika kusaidia si zaidi ya miradi mwili.



Business Example 1

Supporting the brewery supply chain

Since privatisation in 2005, NMB has gradually built up expertise in the agricultural sector and among large processors of agricultural inputs. Ideally, NMB wants to be involved through the supply chain of agricultural products. The beer value chain provides a good example of NMB financing at the start of the chain (barley outgrowers) and among the large processors, the breweries.

The two largest breweries – Tanzania Breweries and Serengeti Breweries bank with NMB. NMB provides financing facilities for these two companies.

Both companies operate throughout the country, which is where NMB has a major advantage. No other bank could provide them with support at all their depot sites and all their distributors. As a result, what started as a large financing facility is now rapidly expanding into other areas.

In addition to providing services to large processors, NMB is also proud to finance barley outgrowers in cooperation with Tanzania Breweries. Barley is a vital input in beer processing. In a structure in which the outgrower, the processor and NMB work together, NMB has been able to provide finance to individual farmers so that they can grow their barley crop.

Kusaidia mtandao wa usambazaji wa vileo

Tangu kubinafsishwa mwaka 2005, NMB imekuwa ikiongeza utaaalam katika sekta ya kilimo na baina ya wasindikaji wakubwa katika mazao ya kilimo. Kimsingi, NMB inataka kujihusisha na mchakato mzima wa usambazaji wa bidhaa za mazao ya kilimo. Thamani ya bia kwa sasa ni mfano hai wa mafanikio ya NMB (hususan ni kwa wazalishaji wadogo) na baina ya wazalishaji wakubwa wa vileo.

Makampuni makubwa mawili ya vileo – Kampuni ya Bia Tanzania na Kampuni ya Bia Serengeti hupata huduma za kibenki NMB. NMB vilevile hutoa mikopo kwa makampuni haya mawili.

Makampuni hayo kwa pamoja yamekuwa yakiendesha shughuli zao karibu nchi nzima, hivyo kwenda sambamba na NMB kwa sababu nayo ina matawi huko. Hakuna benki yoyote nchini inayoweza kuwasaidia katika kuendesha shughuli zao na kwa wasambazaji wao. Kwa maana hiyo, mpango huu wa kuwasaidia kwa kiasi kikubwa, sasa umekuwa ukiwasaidia kufanya vizuri zaidi hata katika maeneo mengine.

Zaidi ya kutoa huduma kwa wasindikaji wakubwa, NMB pia inafurahia kwa mpango wake wa kusaidia wakulima wa shayiri kwa kushirikiana na kampuni ya bia Tanzania (TBL). Shayiri ni zao muhimu katika utengenezaji wa bia. Katika ushirikiano wa kufanya kazi pamoja baina ya wakulima, wasindikaji na NMB, NMB imekuwa ikisaidia kifedha kwa mkulima mmoja-mmoja kwa lengo la kuhakikisha wanazalisha shayiri nyingi.



Corporate governance

Introduction

The NMB's board and management have an ongoing commitment to achieving the highest standards of corporate governance.

The key elements of our corporate governance include a clearly defined board structure and roles, as well as board and executive committees with clear charters and powers. Others include effective cooperation between management and board, as well as transparent reporting.

As a vital part of our corporate governance system, the board of directors strives to ensure that the bank maintains a good working relationship with its shareholders. Accordingly, our shareholders are involved in fundamental decisions. These include amendments to the articles of association, issuance of new shares and other important structural changes.

Responsibilities

The NMB board of directors is responsible for the overall management and supervision of the bank.

NMB is managed on a daily basis by an executive team comprising the chief executive officer, the chief financial officer, the chief operational officer, the chief commercial officer, the chief credit management officer, the chief human resources officer and the chief information & technology officer. NMB entered into a Management Service and Technical Assistance Agreement with Rabobank. Under this agreement Rabobank provides management services and technical assistance to NMB. Four members of the management team are provided by Rabobank.

Membership of the Board of Directors

The articles of association state that the board of directors should comprise 9 non-executive directors. However, in 2008 the board comprised of only eight non-executive directors; four on behalf of the Government of Tanzania, and four on behalf of the Consortium. One independent director provided for under the existing NMB statutes was not appointed. There are also four alternate directors.

Utangulizi

Bodi ya Wakurugenzi na Menejimenti ya NMB wameendelea kuonyesha uwajibikaji mkubwa katika utawala wa pamoja.

Vitu muhimu vinavyounda utaratibu bora wa uwajibikaji ni pamoja na muundo mzuri wa bodi na taratibu zake, pia majukumu ya Bodi na kamati kuu ya kuwa na matazamia yaliyolengwa na madaraka. Nyinginezo ni mahusiano mahsusi kati ya Menejimenti na Bodi, ikijumuisha pia uwazi katika utoaji wa taarifa.

Ikiwa ni mojawapo ya mambo muhimu katika mfumo wa utawala, Bodi ya Wakurugenzi husisitiza benki kuendeleza uhusiano mzuri uliopo kati yake na wanahisa wake. Hali kadhalika, wanahisa wetu kisheria wanastahili kushirikishwa katika maamuzi muhimu ya benki. Hii inahusisha marekebisho yoyote katika vifungu vya kampuni, utoaji wa hisa mpya na mengineyo ambayo ni muhimu katika mabadiliko ya muundo.

Majukumu

Bodi ya Wakurugenzi ya NMB ndiyo yenye jukumu kubwa la kuongoza na kusimamia shughuli zote za benki hii. NMB imekuwa ikiongozwa kila siku na timu inayojumuisha Afisa Mtendaji Mkuu, Afisa Mkuu wa Fedha, Afisa Mwendeshaji Mkuu, Afisa Mkuu wa Biashara, Afisa Mkuu wa Usimamizi na Uhakiki Mikopo, Afisa Mkuu wa Utumishi, na Afisa Mkuu wa Teknolojia na Mawasiliano. NMB imeingia makubaliano ya kuendesha huduma za uongozi na ufundi na benki ya Rabo. Katika makubaliano hayo Rabo inasaidia huduma za uongozi na ufundi kwa benki ya NMB. Chini ya mpango huo tayari wafanyakazi wanne wameingizwa NMB kutoka benki ya Rabo.

Wanachama wa bodi ya wakurugenzi

Sheria ya uendeshaji inaeleza kuwa bodi ya wakurugenzi huundwa na watu 9 wasio wakurugenzi waendeshaji. Hata hivyo mwaka 2008 bodi ilijumuisha wanachama wanane; wanne kwa niaba ya serikali na wanne kwa niaba ya wawekezaji. Mkurugenzi huru mmoja ambaye anatakiwa kuwepo kulingana na sheria za NMB hakuteuliwa. Pia kuna wakurugenzi mbadala wanne.

Following the sale of a 21% stake in NMB, the number of board members nominated by the government has dropped from four to three. At the AGM three new board members will be elected; two of them as a result of the amendment of the articles related to the IPO. Marjorie Mbilinyi and Thomas Fuller Wescott resigned as board members in November 2008.

Report on the board activities in 2008

The board of directors held five regular meetings in 2008. It also held four special meetings. The Board Executive committee met 11 times. No members were repeatedly absent from these board meetings. The Chairman of the Board maintained monthly and sometimes more frequent contacts with the Chief Executive Officer. In addition, the Chairman of the Board Audit and Risk Committee, the External Auditors and the Chief Internal Auditor met on a quarterly basis.

Committees of the board of directors

The board of directors has established four committees from among its members, namely the Board Audit and Risk Committee, the Board Executive Committee, the Board Human Resources and Remuneration Committee and the Board Credit Risk Committee.

i) Board Executive Committee

This committee exercises the powers of the board to manage the company's business and affairs between board meetings, when action by the board is necessary or desirable but a special board meeting cannot be convened. Current members are Misheck Ngatunga, Felix Mosha and Arnold Kuijpers.

ii) Board Audit & Risk committee

The primary function of this committee is to assist the bank's board of directors in fulfilling its oversight responsibilities with respect to the financial reporting process, the system of internal control, the audit process and the monitoring of compliance with laws and the regulations of various regulatory agencies, such as the Bank of Tanzania, IFRS and Basle II.

Baada ya kuuzwa kwa asilimia 21 ya hisa za NMB, idadi ya boda ya wakurugenzi wanaoteuliwa na serikali wamepungua kutoka wanne hadi watatu. Kwenye Mkutano Mkuu wajumbe watatu wapya watachaguliwa; wawili kati yao kutokana na mabadiliko yatokanayo na sheria zihusuzo Soko la Awali la Hisa (IPO). Marjorie Mbilinyi na Thomas Wescott walijiiondoa kwenye bodi ya wakurugenzi Novemba 2008.

Taarifa ya Shughuli za Bodi ya Wakurugenzi mwaka 2008

Bodi ya Wakurugenzi ilifanya vikao vitano vya kawaida mwaka 2008. Pia ilifanya vikao vitano maalum. Kamati ya Utendaji ya Bodi ilikutana mara 11. Hakuna mjumbe aliyekosa kuhudhuria vikao vya Bodi mfululizo. Mwenyekiti wa Bodi amekuwa akikutana na Afisa Mtendaji Mkuu kila mwezi na mara nyingine zaidi ya mara moja. Pia, Mwenyekiti wa Bodi ya Ukaguzi wa Usimamizi na Uhakiki Mikopo, Mkaguzi wa Nje na Mkaguzi wa Ndani wamekutana kila robo mwaka.

Kamati za Bodi ya Wakurugenzi

Bodi ya Wakurugenzi imeunda Kamati nne kutoka kwa wajumbe ilionao, zikiwa ni Kamati ya Utendaji ya Bodi, Kamati ya Ukaguzi wa Usimamizi na Uhakiki Mikopo, Kamati ya Rasilimali watu na ujira na kamati ya mikopo.

i) Kamati ya Utendaji ya Bodi

Kamati hii inawajibika kusimamia majukumu iliyopewa na Bodi ya Wakurugenzi katika usimamizi wa biashara na shughuli nyinginezo za kampuni katika vipindi katikati ya vikao vya Bodi ambapo kuingilia kati kwa Bodi kunakuwa na ulazima au kunahitajika japokuwa kunakuwa hakuna ulazima wa kuitisha Kikao Maalum cha Bodi. Wajumbe wa sasa katika Kamati hii ni Misheck Ngatunga, Felix Mosha na Arnold Kuijpers.

ii) Kamati ya Ukaguzi wa Usimamizi na Uhakiki Mikopo

Jukumu la awali la Kamati hii ni kuisaidia Bodi ya Wakurugenzi kuweza kufanikisha majukumu yake katika uwasilishaji taarifa za kifedha, utaratibu wa uhibiti wa ndani, mchakato wa ukaguzi na ufuatiliaji wa kuhakikisha kuwa sheria za nchi zinafuatwa ikiwa ni pamoja na taratibu za mawakala mbalimbali wanaosimamia. Kamati

it has the authority to conduct or authorize investigations into matters within its remit on behalf of the board of directors.

The members of this committee were Protase Tehingisa, Mike Laiser and, until his resignation from the board on November 24th, 2008, Thomas Fuller Wescott, who was succeeded by Jos van Lange. Arnold Kuijpers was a member of this committee until November 2008.

iii) Board Human Resources & Remuneration Committee

The primary function of this committee is to assist the board in fulfilling its oversight responsibility to shareholders by ensuring coherent remuneration policies and practices that fairly and responsibly reward staff. It also oversees all human resource policies within the organization. The current members of the Board HR Committee are Felix Mosha, Arnold Kuijpers, Protase Tehingisa and Mike Laiser.

iv) Board Credit Committee

This committee assists the Board and oversees the management of credit risks by continuously reviewing the credit portfolio and credit standards. The committee also decides on credit requests above the limits delegated to management. The current members are Misheck Ngatunga, Felix Mosha and Arnold Kuijpers.

ina mamlaka ya kuendesha au kuruhusu kufanyika uchunguzi katika maeneo yaliyo kwenye mamlaka yake kama ilivyokasimiwa na Bodi ya Wakurugenzi. Ni jukumu la Kamati hii kuhakikisha ukaguzi wa ndani unafanya kazi yake ipasavyo.

Wajumbe wa Kamati hii walikuwa Protase Tehingisa, Mike Laiser na Thomas Fuller Wescott hadi alipoondoka kwenye Bodi Novemba 24, 2008. Nafasi yake ilichukuliwa na Jos van Lange. Arnold Kuipers amekuwa mwanachama wa kamati hii hadi Novemba 2008.

iii) Kamati ya Rasilimali Watu na Marupurupu

Jukumu kubwa la Kamati hii ni kuisaidia Bodi ya Wakurugenzi wajibu wake kwa wanahisa katika kuhakikisha panakuwepo na sera nzuri za utoaji marupurupu kwa njia ya haki kwa watendaji wanaowajibika kwa ufanisi. Wajumbe wa sasa wa Bodi hii ni Felix Mosha, Arnold Kuijpers, Protase Tehingisa na Mike Laiser.

iv) Kamati ya Mikopo

Kamati hii ndiyo yenye jukumu la kuisaidia Bodi ya Wakurugenzi katika kufanya mabadiliko ya mara kwa mara ya utaratibu na viwango vya mikopo vya benki. Wajumbe wa sasa ni Misheck Ngatunga, Felix Mosha na Arnold Kuijpers. Kamati hii pia huidhinisha mikopo inayozidi kiwango ilichowekewa Menejimenti.



Shareholder profiles

On September 30th 2005 the Tanzanian Government sold 49% of its shares in the NMB Bank to a consortium led by the Rabobank. In 2008, it sold another 21% of its shares to the public (inclusive of the 5% shares reserved for NMB staff) through an Initial Public Offering (IPO). The current shareholding split as of 31st December 2008 is as follows:

Septemba 30 2005 serikali ya Tanzania iliua asilimia 49 ya hisa za Benki ya NMB kwa washirika walioongozwa na Radobank. Mwaka 2008, serikali ikauza tena hisa nyingine za asilimia 21 kwa wananchi wa kawaida (ikiwa ni pamoja na tendo la asilimia 5 kwa wafanyakazi wa NMB) kupitia soko la awali (IPO). Mgawanyo wa sasa wa wabia hadi Disemba 31, 2008 ni kama ifuatavyo:

Name of shareholder	Number of shares held	Percentage of shares held
Coöperatieve Centrale Raiffeisen-Boerenleenbank B. A "Rabobank Nederland" (Rabobank)	174,500,000	34.9%
Government of the United Republic of Tanzania	150,000,000	30.0%
Public shareholders	105,000,000	21.0%
National Investments Company Limited (NICOL)	33,000,000	6.6%
Exim Bank Tanzania Limited	29,000,000	5.8%
TCCIA Investment Company Limited	8,500,000	1.7%
Total	500,000,000	100%

Rabobank Group



Rabobank Group is a full-range financial services provider operating on the basis of co-operative principles. Its origins are in the local loan co-operatives that were founded in the Netherlands nearly 110 years ago by enterprising people who had virtually no access to the capital market. The local Rabobanks that evolved from this have a strong tradition in the agricultural sector and in small and medium-sized enterprises.

Rabobank is one of the leading banks in The Netherlands. It employs over 50,000 people and is represented in 38 countries. The Rabobank Group has the highest credit rating (Triple A) – awarded by the well-known international rating agencies Moody's and Standard & Poor's. In terms of Tier I capital, the organisation is among the world's fifteen largest financial institutions. For more information, please visit www.rabobank.com

Kundi la Rabobank

Kundi la Rabobank ni mtandao wa huduma za kifedha ambao unafanya kazi katika misingi ya ushirika. Asili yake ni mikopo ya vijijini ambayo iligundulika huko Uholanzi takribani miaka 110 iliyopita kwa kuwahusisha watu ambao hawakuwa na uwezo wa kuyafikia masoko ya mijini. Benki ya vijijini ya Rabobank chimbuko lake ni hilo ambapo ilijikita katika sekta ya kilimo na kampuni ndogo na za kati.

Rabobank ni kati ya mabanki makubwa nchini Uholanzi. Benki hii imetoa ajira kwa watu 50,000 ambapo inawakilishwa katika nchi 38 tofauti duniani. Kundi la Rabobank lina uwiano wa juu wa mikopo (Triple A) – ilipewa Tuzo na Wakala wa Kimataifa wa Uwiano, Moody's na Standard & Poor's. Kwa mujibu wa Triple A, Kundi la Rabobank ni miongoni mwa taasisi kubwa 15 za kifedha ulimwenguni. Kwa maelezo zaidi, tembelea www.rabobank.com

Government of Tanzania



After the IPO of September 2008, the Government of Tanzania still holds 30% of the shares of NMB. It holds these shares through the Treasury Registrar in the Ministry of Finance.

Other public shareholders

The Government of Tanzania sold a 21% stake in NMB to the public through the IPO of September 2008. 5% is reserved for NMB staff, 16% is available to all Tanzanians. The latter was split in 3.2% for Tanzanian institutions and 12.8% for Tanzanian individuals. NMB currently has over 27,000 (public) shareholders.

NICOL



The National Investments Company Limited (NICOL) was registered in 2001 as a public limited liability company to enhance the participation of Tanzanians in the mainstream economy. It provides a platform and an opportunity for Tanzanians to pool their financial resources as capital for large investments in various sectors in the country. NICOL is a public company and is listed on the Dar es Salaam Stock Exchange (DSE). The policies and objectives of NICOL are:

- To provide an opportunity for interested Tanzanians to participate in commercial enterprises in the country.
- To promote empowerment of Tanzanians of small to medium scale who, if taken individually, cannot raise enough capital to participate meaningfully in large economic ventures but taken together can raise large capital resources.
- To provide a vehicle for collective ownership of commercial enterprises by Tanzanians capable of generating returns to its shareholders.
- To position itself as a Tanzanian entity for joint ventures and other investment arrangements with foreign investors in a range of sectors in Tanzania.

Serikali ya Tanzania

Baada ya IPO Septemba 2008, serikali ya Tanzania bado inamiliki asilimia 30 ya hisa za NMB. Inamiliki hisa hizo kupitia Wizara ya Fedha.

Hisa za wananchi

Serikali ya Tanzania iliua asilimia 21 ya hisa zake NMB kwa wananchi kupitia soko la hisa Septemba 2008. Asilimia 5 ya hisa zimeuzwa kwa wafanyakazi wa NMB na asilimia 16 kwa Watanzania wengine. Awali ilikubaliwa kuwa iwe ni asilimia 3.2 kwa taasisi na asilimia 12.8 kwa Watanzania (mtu mmoja-mmoja) Kwa sasa NMB ina zaidi ya wanahisa 27,000.

NICOL

Kampuni ya Taifa ya Uwekezaji (NICOL) ilisajiliwa mwaka 2001 ikiwa ni kampuni yenye hisa kwa lengo la kuwawezesha Watanzania kushiriki katika maendeleo ya uchumi. NICOL inatoa fursa na jukwaa kwa Watanzania kutumia rasimali za kifedha walizonazo na kuwa kama mtaji kwa uwekezaji mkubwa katika sekta mbalimbali nchini. NICOL ni kampuni ya umma. Imeorodheshwa katika Soko la Kubadilishana Mitaji Dar es Salaam (DSE). Sera na majukumu ya NICOL ni kama ifuatavyo:

- Kutoa fursa kwa watanzania wenye dhamira kushiriki katika shughuli za kibiashara nchini.
- Kuwainua na kuwawezesha Watanzania wafanyabiashara wadogo kufikia ngazi ya kati, ikizingatiwa kuwa mmoja mmoja hawawezi kuwa na mitaji ya kuwekeza miradi mikubwa yenye maana, bali wakiungana wanapata mitaji mikubwa.
- Kutoa njia ya umiliki wa pamoja wa miradi ya kibiashara ya Watanzania ambao inaweza kuwaletea faida.
- Kujiweka katika nafasi ya kuwa taasisi ya Tanzania inayohamasisha miradi ya pamoja na taratibu za uwekezaji mwingineo na wawekezaji kutoka nje katika sekta tofauti

Exim Bank Tanzania Limited



Exim Bank is a locally established and privately owned commercial bank. The Bank started its operations in 1997, as a result of the liberalisation of the banking and financial sector in Tanzania. It has recorded remarkable growth since its inception, and is now one of the top 10 banks in the country in terms of asset base and profitability.

Exim Bank is also a member of the Global Banking Alliance for Women, a worldwide group of banks sharing best practices meant to accelerate global growth and development of women's businesses and wealth creation. It is the first and only member bank from Tanzania.

For more information, please visit www.eximbank-tz.com

Exim Bank Tanzania Limited

Benki ya Exim ni ya hapahapa nchini na inamilikiwa kibiashara. Benki hii ilianza shughuli zake mwaka 1997 ikiwa ni matokeo ya biashara huria katika sekta za kibenki nchini Tanzania. Imekua kwa haraka mno tangu ilipoanzishwa na hadi sasa ni miongoni mwa benki 10 zinazoongoza nchini katika misingi ya mali na faida.

Exim Bank pia ni mwanachama wa Muungano wa Kibenki Ulimwenguni wa Wanawake, kundi la mabenki yanayobadilshana uzoefu bora katika kuchochea maendeleo ya wanawake duniani kwa njia ya kuwatajirisha. Hii ndiyo benki pekee nchini Tanzania ambayo ni mwanachama.

Kwa maelezo zaidi tembelea www.eximbank-tz.com

TCCIA Investment Company Limited



The TCCIA Investment Company Limited is a public limited liability company. The Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) established it as part of efforts to boost self-financing aimed at enabling its members to meaningfully participate in the ownership and control of the economy. The company serves as a vehicle through which TCCIA members pool their financial resources together to buy shares in state-owned business enterprises under privatisation. It also ventures into buying stocks through the DSE. The company's mission is to act as a vehicle for collective ownership of business enterprises by its members. Most of the company's shareholders own small and medium-sized enterprises, spread all over the country. For more information, please visit www.tccia.com

TCCIA Investment Company Limited

Kampuni ya Uwekezaji ya TCCIA ni kampuni inayojitegemea na yenye hisa. Chama cha Wafanyabiashara, Viwanda na Kilimo (TCCIA) kilianza kujiwezesha chenyewe kifedha ili kuweza kuwapa nguvu wanachama wake kuchangia vya kutosha katika umiliki na uthibiti wa uchumi wa Tanzania. Kampuni hii inasimama kama daraja ambapo wanachama wa nakusanya raslimali zao za kifedha pamoja na kununua hisa kwenye taasisi za serikali ambazo zimebinafishwa. Hali kadhalika TCCIA hununua hisa kupitia DSE. Mpango wa kampuni hii ni kuwa tegemeo katika uendeshaji wa shughuli za pamoja za uwekezaji kwa wanachama wake. Wanachama wake wengi ni wenye kumiliki hisa kidogo na za kati, waliosambaa nchi nzima. Kwa maelezo zaidi www.tccia.com

NMB

Mlimani City



Business Example 2

Cashew nuts financing

The government of Tanzania and NMB have set up a joint scheme to finance primary co-operative societies in the purchase of cashew nuts from farmers.

Previously, cashew nut farmers sold their harvest directly to traders. As a result, they held an unfavourable bargaining position with no control over when to sell.

Under the new scheme, cooperatives buy the crop when their farmers deliver it to the cooperative's warehouse. A loan from NMB enables the cooperatives to pay an advance to the farmers. The inspected stocks of cashew nuts in the warehouse are used as security on the loan to the cooperative. The crop remains in the warehouses until the cooperative sells it to traders. Sales proceeds are deposited in an NMB account and are used to repay the loan. Any profit left in the account is paid to the farmers.

As a result of this NMB financing, more than 100,000 cashew nut farmers have benefited from much higher prices.

Kusaidia kifedha zao la korosho

Kusaidia kifedha zao la korosho Serikali ya Tanzania kwa kushirikiana na NMB wameunda mpango wa kuviwezesha Vyama vya Msingi vya Ushirika nchini kupata uwezo wa kununua korosho kwa wakulima.

Awali wakulima wa korosho walikuwa wakiuza mazao yao moja kwa moja kwa wanunuzi. Kutokana na hali hiyo hawakuwa na uwezo wa kujadiliana kuhusu bei katika kuuziana.

Kupitia mfumo mpya, vyama vya ushirika hununua mazao wakati wakulima wanapeleka mazao hao kwenye maghara ya ushirika. Mkopo kutoka NMB hutolewa kuviwezesha vyama kuwalipa wakulima japo si kiasi chote. Kiasi cha korosho kilichokaguliwa kwenye ghara, huwa ndio dhamana ya mkopo kwa vyama vya ushirika. Mazao hubaki kwenye ghara hadi ushirika utakapoziua. Mauzo hayo hutumika kurejesha mkopo kwa NMB, faida nyingine itakayopatikana hurejeshwa kwa wakulima.

Kupitia mpango huu, NMB imeweza kuhudumia zaidi ya wakulima 100,000 wa korosho ambao wamepata manufaa makubwa ya kuuza kwa bei ya juu.



Economic outlook Tanzania

Respectable growth feasible despite global financial turmoil

Over the last five years, Tanzania has outperformed its regional peers with average annual economic growth of about 7%. Such high growth rates seem unlikely in the wake of the Global financial crisis which will also impact Tanzania in 2009. GDP growth is still possible, provided appropriate actions are being taken. Additional regulatory and institutional reforms are needed to unleash the potential of the private sector and to realize additional growth in the medium to long term.

Significant historic growth

In terms of economic growth, Tanzania is one of the best performing countries in the region. Agriculture still plays a pivotal role, remaining a major source of export products, mostly raw cash crops. The sector accounts for 45% of GDP and employs over 75% of the population. The growth of the agricultural sector, with about 4% per year, is however low and below its potential.

To reduce export dependence on a limited range of cash crops, such as cotton, coffee, tea and cashew nuts, efforts are underway to expand into more upmarket agricultural products. In recent years, the government has also stimulated the non-agricultural sectors mining and tourism. As one of the main producers of gold in Africa, Tanzania now depends on gold for almost 50% of its export revenues.

Tourism has also surpassed agriculture as a foreign exchange earner. Currently, about 25% of foreign earnings come from tourism. Agriculture accounts for close to 15%. Despite the reduced dependence on agriculture, the economy remains sensitive to periods of drought. Not only through lower agricultural output; but also through Tanzania's heavy reliance on hydroelectric power.

Poverty reduction

MKUKUTA (National Strategy for Growth and Reduction of Poverty)-related policies have been instrumental in achieving key goals in primary education and promoting the effective and equal participation of women. Child mortality has declined but maternal mortality seems more difficult to address. Generally, there has been a modest decline in poverty, although population growth means that the number of people

Ukuaji wa uchumi waonekana licha ya mtikisiko wa kifedha duniani

Miaka mitano iliyopita, Tanzania imeendelea kufanya vema kikanda katika ukuaji wa uchumi kwa asilimia 7. Kukua huku kwa uchumi, kunaonekana huenda kusiendeleo wakati huu ambao ulimwengu umekumbwa na mtikisiko wa masoko ya fedha ambao utaliathiri pia pato la ndani (GDP) la Tanzania, hasa kama hatua hazitachukuliwa. Kwa kuongezea, sheria za usimamizi na taasisi mbalimbali zinapaswa kufanyiwa mabadiliko kuimarisha ufanishi wa biashara binafsi na kufanikisha mafanikio zaidi kwa muda wa kati na mrefu.

Ukuaji mkubwa wa kihistoria

Katika misingi ya ukuaji wa uchumi, Tanzania ni miongoni mwa nchi ambazo zinafanya vizuri Afrika. Kilimo bado kinashika nafasi muhimu, kimebaki kuwa chanzo kikuu cha bidhaa zinazosafirishwa nje ya nchi, hasa bidhaa zisizokuwa za viwandani. Sekta ya kilimo siyo tu inatoa asilimia 45 ya pato la ndani (GDP) lakini pia inaajiri zaidi ya asilimia 75 ya wananchi. Ukuaji wa sekta ya kilimo ni wastani wa asilimia 4 kwa mwaka, hata hivyo ni kidogo na ni wa chini tofauti na ilivyotazamiwa.

Ili kupunguza utegemezi wa biashara ya nje kwa mazao machache ya kibiashara kama pamba, kahawa, chai na korosho, jitihada zinafanywa katika kuziboresha bidhaa za kilimo kabla ya kwenda sokoni. Katika miaka ya hivi karibuni, serikali pia imekuwa ikiziimarisha sekta zisizo za kilimo za madini na utalii. Kama moja ya wazalishaji wakubwa wa dhahabu Afrika, Tanzania sasa inategemea dhahabu kwa asilimia 50 ya pato lake la nje.

Utalii nao unaonekana kuizidi sekta ya kilimo katika misingi ya kuingiza fedha za kigeni. Hivi sasa, takribani asilimia 25 ya fedha za kigeni ambazo Tanzania inapata zinatokana na sekta ya utalii. Kilimo kinaingiza fedha za kigeni takribani asilimia 15. Licha ya kupungua utegemezi katika kilimo, uchumi hupata mtikisiko vipindi vya ukame. Sio tu kwa sababu kupungua kwa kipato cha kilimo; lakini pia Tanzania kutegemea kuzalisha umeme kwa vyanzo vya maji.

Kupunguza umaskini

Sera za Mkakati wa Kupunguza na Kuondoa Umaskini Tanzania (MKUKUTA) zimeanza kuzaa matunda katika uboreshaji wa

living below the poverty line has increased with about 1.3 million. Poverty reduction requires more private sector participation in the economy. This critically depends on broad-based access to such financial services as microcredit, insurance facilities and other rural development initiatives.

Export growth will help to reduce aid dependency

Exports of goods and services account for 16% of GDP, while imports account for 29% of GDP. The shortfall in international income is almost 13% of GDP and is largely paid for by credit, investment and specifically development aid flows from development partners. Aid represents around 10% of GDP. Given the severity of the economic crisis in the US and Europe, there is a risk that these financial inflows may not be maintained over the coming years. To ensure high public expenditure levels for critical social services, higher domestic revenues will be necessary. Only a vibrant private sector will be able to create the required economic growth.

Annual growth still feasible...

Since 2000, Tanzania has achieved an actual growth rate of around 7%. This impressive record will not be maintained in 2009 given the present global economic crisis. Slow or negative growth in key export markets in Europe and Asia – result in less tourism, fewer remittances and lower private sector investment inflows – and therefore economic growth will be affected.

... if supported by institutional reforms

A strong government commitment to continue stimulating a more business-oriented climate is essential if growth potential is to be realized. Special attention is required for the micro-fundamentals of growth. Regulation and licensing at sector and crop level have to be addressed in order to promote growth. Infrastructure investments will have to be safeguarded from expenditure cuts and the efficiency of crucial facilities, especially the port, need to be improved significantly. Together with further financial deepening and reform this may contribute to higher (agricultural) growth. Commercial agricultural production will speed up once land ownership reforms are agreed and implemented. Lifting major investment burdens would certainly help commercial businesses in the short term too.

elimu ya awali na kuinua Ushiriki na usawa wa wanawake. Vifo vya watoto wadogo vimepungua lakini vifo vya akina mama wakati wa kujifungua bado ni changamoto kubwa. Kwa ujumla, kumekuwepo na kushuka kwa kiwango cha idadi ya watu wanaoishi katika umaskini, ingawa ongezeko la watu linamaanisha kwamba idadi ya watu maskini inaongezeka kwa wastani wa 1.3 milioni. Kimsingi, inahitaji upatikanaji wa huduma kama zile za kifedha hasa mikopo midogo, huduma za bima na nyinginezo kwa maeneo ya vijijini.

Uuzaji nje utapunguza utegemezi wa misaada

Uuzaji nje wa bidhaa na huduma huingiza wastani wa asilimia 16 ya pato la taifa (GDP). Wakati zile zinazolingia nchini ni wastani wa asilimia 29 ya GDP. Mapungufu katika mapato ya kimataifa ni karibu asilimia 13 ya GDP na zaidi hulipwa kwa njia ya mkopo, uwekezaji na mara nyingi kama misaada ya maendeleo inayotoka kwa washirika wa maendeleo. Misaada ni wastani wa asilimia 10 ya GDP. Kutokana na matatizo ya uchumi ya Marekani na Ulaya kuna hatari ya hali yetu ya uchumi kuguswa. Kuhakikisha matumizi makubwa kwa ajili ya huduma muhimu za jamii na pato kubwa la ndani ndio jambo muhimu. Ni wawekezaji binafsi watakojipanga vizuri ndio watakaoweza kufanya vizuri kiuchumi.

Ukuaji wa mwaka bado waonekana ...

Kuanzia mwaka 2000 Tanzania imeweza kuona ukuaji wa kiuchumi kwa asilimia 7. Rekodi hii ya kuvutia haitaweza kuonekana mwaka 2009 kufuatia msukusuko wa masoko ya fedha duniani. Kukua kidogo au kutokua kutatokana na soko la Ulaya na Asia kuathirika, matokeo yake ni kuwepo kwa watalii wachache, kushuka kwa uwekezaji wa binafsi na kuathirika uchumi.

...Kama itasaidiwa kufanya mabadiliko

Jitihada za dhiti za serikali zinahitajika katika kuboresha mazingira ya kibiashara ili mafanikio zaidi yaweze kupatikana. Mkakati maalum unapaswa kuwekwa katika kuboresha mikopo midogo. Taratibu na usajili wa sekta na kiwango cha uzalishaji unapaswa kuzungumzwa ili kuharakisha maendeleo. Uwekezaji katika miundo mbinu unapaswa kuborehwa ili kupunguza gharama kwa huduma muhimu kama vile za bandari. Pamoja na huduma za kifedha na kuangaliwa kwa mifumo, kutasaidia kwa kiasi cha juu mafanikio ya kilimo cha kibiashara kuimarika, hasa sheria za umilikaji ardhi zitakapobadilishwa.

Report of the Directors

- 1** The Directors submit their report together with the audited financial statements for the year ended 31 December 2008, which disclose the state of affairs of the National Microfinance Bank Plc (the Bank).

2 DIRECTORS

The Directors who held office during the year and up to the date of this report, except where otherwise stated, are:

Name of Director	Nationality
Mr. Misheck Ngatunga (Chairman)	Tanzanian
Prof. Marjorie Mbilinyi	Tanzanian (Resigned on 24 Nov 2008)
Mr. Mike Laiser	Tanzanian
Mr. Protase Tehingisa	Tanzanian
Mr. Arnold J. A. M. Kuijpers	Dutch
Mr. Jos van Lange	Dutch
Mr. Felix G. N. Mosha	Tanzanian
Mr. Thomas Fuller Wescott	American (Resigned on 24 Nov 2008)

Alternate Directors are:

Name of Director	Nationality
Mr. Aristabus E. Musiba	Tanzanian
Mr. Tasilo Mahuwi	Tanzanian
Hon. Elisa Mollel (MP)	Tanzanian
Mr. Gerard J.J.M van Empel	Dutch

3 ACTIVITIES

The company is engaged in taking deposits on demand, provision of credit facilities and other banking services and is licensed under the Banking and Financial Institutions Act, 2006.

4 RESULTS AND BUSINESS DEVELOPMENTS

The following achievements were recorded in the year:

- The Bank recorded a profit before tax of TZS 70,935 million (2007: TZS 57,927 million);
- Deposits increased to TZS 1,200,484 million (2007: TZS 1,012,824 million); and
- Total assets increased to TZS 1,384,268 million (2007: TZS 1,158,309 million)

5 SHAREHOLDING STRUCTURE

The Government of Tanzania issued to the public 105 million shares, being divestiture of 21% of its 51% shareholding in the bank at an Initial Public Offer (IPO) price of TZS 600 per share. The offer period ran from 18th August to 8th September 2008. The offer was expected to raise TZS 63 billion. 5% of the offer was reserved to the bank staff. A total of TZS 255 billion was collected during the offer period, indicating an oversubscription of 431%. The bank's shares were listed at the Dar es Salaam Stock Exchange (DSE) on 6th November 2008. The price went up to TZS 1,040 per share on the first day of listing, settling at TZS 1,020 per share. Subsequent trading days saw the share price reaching TZS 1,200 before settling at the current price of TZS 940 in January 2009. The bank's share price at the end of 2008 was TZS 970 per share.

6 DIVIDENDS

The Directors propose payment of a dividend of TZS 30 per share, amounting to TZS 15,000 million out of 2008 profit. In 2007, dividend of TZS 22 per share, amounting to TZS 11,000 million was approved and paid.

7 AUDITOR

The auditor, PricewaterhouseCoopers, has expressed its willingness to continue in office and is eligible for re-appointment. A resolution proposing an appointment of the Bank's auditor for the year ending 31 December 2009 will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



Misheck Ngatunga

Director

Date March 14th, 2009

Statement of Directors Responsibilities

The Directors are required by the Tanzania Companies Act, 2002 to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Bank as at the end of the financial year and of its profit or loss for the year. The Directors are also obliged to ensure that the Bank keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Bank. They are also responsible for safeguarding the assets of the Bank.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of Tanzania Companies Act, 2002. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of its profit or loss in accordance with International Financial Reporting Standards (IFRS). The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of this statement.



Misheck Ngatunga
Director

Date March 14th, 2009

Auditors report

Report on the Financial Statements

We have audited the accompanying financial statements of National Microfinance Bank Plc, which comprise the balance sheet as at 31 December 2008, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Tanzanian Companies Act 2002. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of the company's affairs as at 31 December 2008 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the Tanzania Companies Act 2002.

Report on Other Legal and Regulatory Requirements

This report, including the opinion, has been prepared for, and only for, the company's members as a body in accordance with the Tanzanian Companies Act 2002 and for no other purposes.

As required by the the Tanzanian Companies Act 2002, we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

PriceWaterhouseCoopers
Certified Public Accountants
Dar es Salaam

Michael M Sallu
Date: March 14th 2009

Financial Statements

For The Year Ended 31 December 2008

Profit and Loss Account		Notes	2008	2007
			TZS'Millions	TZS'Millions
	Interest and similar income	5	134,507	114,125
	Interest expense and similar charges	6	(11,806)	(9,281)
	Net interest income		122,701	104,844
	Fee and commission income	7	21,864	28,376
	Fee and commission expense		(782)	(500)
	Net fee and commission income		21,082	27,876
	Foreign exchange income	8	3,761	255
	Other operating income	9	6,926	1,646
	Impairment charge for credit losses	18	(6,222)	(2,785)
	Operating expenses	10	(77,313)	(73,909)
	Profit before income tax		70,935	57,927
	Income tax expense	12	(22,228)	(19,092)
	Profit for the year		48,707	38,835
	Basic and diluted earnings per share (Tzs)	13	97.41	77.67
	Dividend per Share (Tzs)	14	30.00	22.00

Balance sheet as at
31st December 2008

	Notes	2008 TZS'Millions	2007 TZS'Millions
ASSETS			
Cash and balances with Bank of Tanzania	15	178,586	143,364
Government securities held-to-maturity	16	436,662	466,564
Loans and advances to banks	17	155,901	177,187
Loans and advances to customers	18	570,578	345,210
Investment securities held –to- maturity	19	746	2,204
Tax recoverable		1,356	818
Other assets	20	13,958	2,688
Property and equipment	21	24,125	17,316
Intangible assets	22	924	988
Deferred income tax	25	1,432	1,970
Total assets		1,384,268	1,158,309
LIABILITIES			
Customers deposits	23	1,200,484	1,012,824
Deposits from other banks		-	5,664
Other liabilities	24	24,095	17,839
Total liabilities		1,224,579	1,036,327
SHAREHOLDERS' EQUITY			
Share capital	26	20,000	20,000
Retained earnings		134,250	99,240
Regulatory reserve		5,439	2,742
Total shareholders' equity		159,689	121,982
Total equity and liabilities		1,384,268	1,158,309

The financial statements were approved for issue by the Board of Directors and signed on its behalf by:



Misheck Ngatunga (Chairman)

March 14th 2009

Statement of Changes
in Equity

	Share capital TZS'Millions	Retained earnings TZS'Millions	Regulatory reserve TZS'Millions	Total TZS'Millions
Year ended 31 December 2007				
At start of year	20,000	64,5236	6,624	91,147
Profit for the year	-	38,835	-	38,835
	20,000	103,358	6,624	129,982
Dividends paid	-	(8,000)	-	(8,000)
Transfer from regulatory reserve	-	3,882	(3,882)	-
	20,000	99,240	2,742	121,982
Year ended 31 December 2008				
At start of year	20,000	99,240	2,742	121,982
Profit for the year	-	48,707	-	48,707
	20,000	147,947	2,742	170,689
Dividends paid	-	(11,000)	-	(11,000)
Transfer to regulatory reserve	-	(2,697)	2,697	-
At end of year	20,000	134,250	5,439	159,689

Regulatory reserve represents an amount set aside to cover additional provision for loan losses required in order to comply with the requirements of the Bank of Tanzania. This reserve is not available for distribution.

Cash Flow Statement

	Notes	2008 TZS'Millions	2007 TZS'Millions
Cash flows from operating activities			
Interest receipts		133,164	107,916
Interest payments		(11,806)	(9,593)
Net fee and commission receipts		21,082	29,503
Other income received		10,686	3,421
Payments to employees and suppliers		(82,958)	(68,830)
Income tax paid		(22,229)	(19,380)
Cash flows from operating activities before changes in operating assets and liabilities		47,939	43,037
Changes in operating assets and liabilities:			
- loans and advances		(215,467)	(207,753)
- cash reserve requirement		(27,500)	(18,500)
- other assets		(10,390)	1,660
- customer deposits		187,660	324,727
- other liabilities		5,821	930
- deposits from other banks		(5,665)	5,664
Net cash (to)/from operating activities		(17,602)	149,765
Cash flows from investing activities			
Investment in government securities		22,924	(23,919)
Investment securities held to maturity		1,429	-
Purchase of property and equipment		(12,783)	(9,446)
Purchase of intangible assets		(692)	(683)
Proceeds from sale of property and equipment		199	4
Net cash received/(used) in investing activities		11,077	(34,044)
Cash flows from financing activities			
Decrease in government loan		-	-
Dividends paid		(11,000)	(8,000)
Net cash used in financing activities		(11,000)	(8,000)
Net (decrease)/increase in cash and cash equivalents		(17,525)	107,721
Cash and cash equivalents at start of year		290,676	182,955
Cash and cash equivalents at end of year	27	273,151	290,676

Notes to the Financial Statements

Notes No. 1 - 2

1. General Information

The bank is incorporated as a public limited liability company in Tanzania and is domiciled in Tanzania. The address of its registered office is:

NMB House
Azikiwe Street/Jamhuri Street
PO Box 9213
Dar es Salaam

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The measurement basis applied in the preparation of these financial statements is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzania shillings (Tzs) and the amounts are rounded to the nearest millions, except where otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires director's to exercise its judgement in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Interpretations by International Financial Reporting Interpretation Committee (IFRIC) effective in 2008

In 2008, the following new and revised standards and interpretations became effective for the first time but have not had an impact on the Company's financial statements:

- IFRIC 11 – IFRS 2 - Group and treasury share transactions
- IFRIC 12 – Service Concession Arrangements
- IFRIC 14 – IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
- IAS 39 and IFRS 7 – Reclassification of financial assets.

Standards, interpretations and amendments to published standards that are not yet effective.

One new standard (IFRS 8 – Operating Segments) and numerous amendments to existing standards and new interpretations have been published and will be effective for the Company's accounting periods beginning on or after 1 January 2009, but the Company has not early adopted any of them.

The Directors have assessed the relevance of the new standard and interpretations, and amendments to existing standards with respect to the Company's operations and concluded that they will not have any impact on the Company's financial statements.

(b) Interest income and expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated at fair value through profit or loss, are recognised within 'interest income' or 'interest expense' in the profit and loss account using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest that was used to discount the future cash flows for the purpose of measuring the impairment loss.

(c) Fee and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan.

(d) Foreign currency translation

Transactions are recorded on initial recognition in Tanzania Shillings, being the currency of the primary economic environment in which the Bank operates (the functional currency). Transactions in foreign currencies during the year are converted into the Tanzania shillings using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

(e) Financial assets

The Bank classifies its financial assets into the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity financial assets; and available-for-sale financial assets. Management determines the appropriate classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so classifying eliminates or significantly reduces a measurement inconsistency. Derivatives are also categorised as held for trading.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Bank provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and advances to customers fall under this classification.

(iii) Held-to maturity

Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Were the Bank to sell more than an insignificant amount of held-to-maturity assets, the entire category would have to be reclassified as available for sale.

(iv) Available-for-sale

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Purchases and sales of financial assets at fair value through profit or loss, held-to-maturity and available-for-sale are recognised on the trade-date – the date on which the Bank commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished – that is, when the obligation is discharged, cancelled or expires.

Loans and receivables and held-to-maturity assets are carried at amortised cost using the effective interest method. Available-for-sale financial assets and financial assets at fair value through profit or loss are carried at fair value. Gains and losses arising from changes in the fair value of 'financial assets at fair value through profit or loss' are included in the profit and loss account in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity until the financial asset is derecognised or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the profit or loss account. However, interest calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Bank's right to receive payment is established.

(f) Impairment of financial assets

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower;
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position; and
- Deterioration in the value of collateral;

The estimated period between a loss occurring and its identification is determined by management for each identified portfolio. In general, the periods used vary between three months and twelve months; in exceptional cases, longer periods are warranted.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exist for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit and loss account.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtors credit rating), the previously recognised impairment loss is revised by adjusting the allowance account. The amount of the reversal is recognised in the profit and loss account in impairment charge for credit losses.

(g) Income tax

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the period determined in accordance with the Tanzanian Income Tax Act.

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

(h) Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(i) Property and equipment

Premises and equipment are stated at historical cost less depreciation. Depreciation is provided on the straight line basis so as to write down the cost of assets to their residual values over their useful economic lives, at the following rates: -

	Percentage (%)
Building	5.0
Motor vehicles	25.0
Furniture, fittings and equipment	20.0
Computer equipment and software	33.3

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the assets fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in other operating expenses in the profit and loss account.

(j) Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

(k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, including: cash and non-restricted balances with Bank of Tanzania, Government Securities and amounts due from other banks. Cash and cash equivalents excludes the cash reserve requirement held with the Bank of Tanzania.

(l) Employee benefits

(i) Retirement benefit obligations

The company has a statutory requirement to contribute to the Parastatal Pension Fund (PPF), which is a defined contribution scheme. The Bank contributes 15% of the required 20% of gross emoluments to the scheme and the contributions are recognised as an expense in the period to which they relate. The Bank has no legal or constructive obligation to pay further contributions if PPF does not hold sufficient assets to pay all employees the benefit relating to the employees service in the current and prior periods.

(ii) Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

(m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(n) Acceptances and letters of credit

Acceptances and letters of credit are accounted for as off-balance sheet transactions and disclosed as contingent liabilities.

(o) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

3 Financial Risk Management

The Bank's activities expose it to variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risk. Taking risk is core to the financial business, and the operational risks are inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial performance.

Risk management is carried out by a risk department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and liquidity risk. In addition, internal audit is responsible for the independent review of risk management and the control environment. The most important risks are credit risk, liquidity risk, market risk and other operational risk.

3.1 Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss to the Bank by failing to discharge an obligation. Credit risk is the most important risk for the Bank's business: management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in lending activities that lead to loans and advances, and investment activities that bring debt securities and other bills into the Bank's asset portfolio. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. The credit risk management and control are centralised in credit risk management team of the Bank and reported to the Board of Directors and heads of department regularly.

3.1.1 Credit risk measurement

(a) Loans and advances

In measuring credit risk of loan and advances to customers and to banks at a counterparty level, the Bank reflects three components (i) the 'probability of default' by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Bank derive the 'exposure at default'; and (iii) the likely recovery ratio on the defaulted obligations (the 'loss given default').

These credit risk measurements, which reflect expected loss (the 'expected loss model'), are embedded in the Bank's daily operational management. The operational measurements can be contrasted with impairment allowances required under IAS 39, which are based on losses that have been incurred at the balance sheet date (the 'incurred loss model') rather than expected losses.

Exposure at default is based on the amounts the Bank expects to be owed at the time of default. For example, for a loan this is the face value. For a commitment, the Bank includes any amount already drawn plus the further amount that may have been drawn by the time of default, should it occur.

For regulatory purposes and for internal monitoring of the quality of the loan portfolio, all the customers are segmented into five rating classes as shown below:

Bank's internal ratings scale

Bank's rating	Description of the grade
1	Current
2	Especially Mentioned
3	Sub-standard
4	Doubtful
5	Loss

3.1.2 Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified in particular, to individual counterparties and groups, and to industries. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary

3.1.2 Risk limit control and mitigation policies

The exposure to any one borrower including banks is further restricted by sub-limits covering on- and off-balance sheet exposures. Actual exposures against limits are monitored daily. Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below.

(a) Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimise the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured.

(b) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards.

3.1.3 Impairment and provisioning policies

Impairment provisions are recognised for financial reporting purposes only for losses that have been incurred at the balance sheet date based on objective evidence of impairment.

The impairment provision shown in the balance sheet at period end is calculated on the basis of the requirements of IAS 39 and is made of the following:

	31 December 2008		31 December 2007	
	Loans and advances	Impairment provision	Loans and advances	Impairment provision
MSE's	61,480	1,350	55,562	396
Consumer	249,066	5,678	208,418	2,639
SME's	58,824	585	33,895	149
Corporate	210,764	1,943	50,670	151
	580,134	9,556	348,545	3,335

In assessing the level of impairment, management determines whether objective evidence of impairment exists under IAS 39, based on the following criteria set out by the Bank:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position; and
- Deterioration in the value of collateral;

The Bank's policy requires the review of individual financial assets that are above materiality thresholds at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

The bank makes a general provision for credit losses based on the probability of losses using historic default ratios.

3.1.3 Impairment and provisioning policies

The regulatory provision is derived from each of the five rating classes as shown below:

	31 December 2008		31 December 2007	
	Loans and advances %	Impairment provision %	Loans and advances %	Impairment provision %
1. Current	72	6	87	-
2. Especially Mentioned	24	9	9	13
3. Sub-standard	1	5	1	13
4. Doubtful	1	28	1	10
5. Loss	2	52	2	64
	100	100	100	100

During the year the bank decided to create a general provision of 2% on the current micro-lending portfolio. This is not included on the balance sheet but accounted for as part of the regulatory reserve.

3.1.3 Maximum exposure to credit risk before collateral held or other credit enhancements. All amounts in TZS Millions

Credit risk exposures relating to on-balance sheet assets are as follows:

	2008	2007
Amounts due from banks	155,901	177,187
Government securities held to maturity	436,662	466,564
Investment securities held to maturity	746	2,204
Loans and advances to customers:		
Loans to individuals:		
- Consumers	303,518	262,873
- Term loans	-	-
Loans to corporate entities:		
- Large corporate customers	208,821	54,417
- Small and medium size enterprises(SMEs)	58,239	27,920
Other assets	13,958	4,396
Credit risk exposures relating to off-balance sheet items are as follows:		
Financial guarantees, outstanding letters of credit and indemnities	341	2,464
Commitments to extend credit	29,725	43,047
	1,207,911	1,041,072

The above table represents a worse case scenario of credit risk exposure to the Bank at 31 December 2008 and 2007, without taking account of any collateral held or other credit enhancements attached. For on-balance-sheet assets, the exposures set out above are based on net carrying amounts as reported in the balance sheet.

As shown above, of the total maximum exposure 60% is derived from loans and advances to banks and customers (December 2007: 50%); 36% represents investments in debt securities (December 2007: 45%). Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Bank resulting from both its loan and advances portfolio and debt securities. 72% of the loans and advances portfolio are considered not past due (December 2007: 87%).

3.1.5 Loans and advances

Loans and advances are summarised as follows:

	31 December 2008		31 December 2007	
Amounts are in TZS Millions	Loans and advances to customers	Amounts due from banks	Loans and advances to customers	Amounts due from banks
Neither past due nor impaired	417,823	155,901	303,557	177,187
Past due but not impaired	162,311	-	44,988	-
Impaired	-	-	-	-
Gross	580,134	155,901	348,545	177,187
Less: allowances	9,556	-	3,335	-
Net	570,578	155,901	345,210	177,187

The total impairment provision for loans and advances is TZS 9,556 million (2007: TZS 3,335 million). This amount represents loans loss provision calculated on a portfolio basis. Further analysis of the impairment allowance for loans and advances to customers is provided in Note 18.

During the year ended 31 December 2008, the Bank's total loans and advances increased by 39% as a result of the expansion of the lending business. When entering into new markets or new industries, in order to minimise the potential increase of credit risk exposure, the Bank focused more on the business with large corporate enterprises.

(a) Loans and advances neither past nor but impaired

The credit quality of the portfolio of loans and advances that were neither past due but impaired can be analysed as follows:

	2008 TZS Millions	2007 TZS Millions
Grades		
MSE's	49,070	57,029
Consumer	197,436	167,739
Corporate customers	66,031	38,916
SMEs	105,286	39,873
Total loans and advances to customers	417,823	303,557
Amounts due from banks	155,901	177,187

(b) Loans and advances past due but not impaired

The credit quality of the portfolio of loans and advances that were past due but not impaired can be analysed as follows: (Amount in TZS'Millions).

31 December 2008	Individual (retail) customers		Corporate entities		
	MSEs	Consumer	Corporate customers	SMEs	Total
Past due up to 30 days	2,360	29,394	96,341	943	129,038
Past due 30 - 60 days	890	7,425	1	316	8,632
Past due 60 - 90 days	1,237	3,804	-	150	5,191
Past due 90 - 180 days	-	7,008	-	71	7,079
Past due 180 days - 270 days	-	2,134	-	-	2,134
Past due 270 days and above	7,923	1,864	21	429	10,237
Total	12,410	51,629	96,363	1,909	162,311

Upon initial recognition of loans and advances, the fair value of collateral if any is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is updated by reference to market price or a valuation by professional valuers.

31 December 2008	Individual (retail) customers		Corporate entities		
	MSEs	Consumer	Corporate customers	SMEs	Total
Past due up to 30 days	4,598	18,761	-	5,870	29,229
Past due 30 - 60 days	1,329	4,462	-	148	5,939
Past due 60 - 90 days	827	1,665	-	18	2,511
Past due 90 and above	3,237	3,955	-	117	7,309
Total	9,991	28,843	-	6,153	44,988

(c) Individually impaired loans and advances

There were no amount of individually impaired loans and advances as at 31 December 2008 (2007: nil).

3.1.6 Debt securities, treasury bills and other eligible bills

The only investment securities held by the Bank are Treasury Bills issued by the Government and Bidco bonds. At the balance sheet date, these investments were not impaired.

3.1.7 Concentration of risks of financial assets with credit risk exposure

(a) Geographical sectors

The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorised by geographical region as of 31 December 2008. For this table, the Bank has allocated exposures to regions based on the country of domicile of its counterparties (Amounts are in TZS'Millions)

	Tanzania	Europe	America	Others	Total
Credit risk exposures relating to on-balance sheet assets are as follows:					
Amounts due from banks	121,621	17,488	16,792	-	155,901
Investment securities held to maturity	437,408	-	-	-	437,408
Loans and advances to customers:					
Loans to individuals:					
- MSEs	60,130	-	-	-	60,130
- Customer loans	243,388	-	-	-	43,388
Loans to corporate entities:					
- Corporate customers	208,821	-	-	-	208,821
- SMEs	58,239	-	-	-	58,239
Other assets	13,958	-	-	-	13,958
As at 31 December 2008	1,143,565	17,488	16,792	-	1,177,845
As at 31 December 2007	979,731	9,772	6,058	-	995,561

(b) Industry sectors

The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorised by the industry sectors of its counterparties. (Amounts are in TZS'Millions);

Notes No. 3 Continued

	Financial institutions	Manufacturing	Trading and commercial	Transport and communication	Wholesale and retail trade	Agriculture	Individuals	Others	Total
Amounts due from banks	155,901	-	-	-	-	-	-	-	155,901
Investment securities held to maturity	437,408	-	-	-	-	-	-	-	437,408
Loans and advances to customers:									
Loans to individuals:									
- MSEs	-	-	19,084	2,673	10,095	-	28,278	-	60,130
- Consumer loans	-	-	20,628	-	6,456	-	216,304	-	243,388
Loans to corporate entities:									
- Corporate customers	30,996	113,001	46,082	-	5,499	13,243	-	-	208,821
- SMEs	-	15,893	42,346	-	-	-	-	-	58,239
Other assets	-	-	-	-	-	-	-	13,958	13,958
As at 31 December 2008	624,305	128,894	128,140	2,673	22,050	13,243	244,582	13,958	1,177,845
As at 31 December 2007	645,955	21,997	51,032	1,577	19,351	5,249	246,003	4,386	995,551

Market risk

The Bank takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and currency, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, and foreign exchange rates. The Bank separates exposures to market risk into either trading or non-trading portfolios.

The market risks arising from trading and non-trading activities are concentrated in the Bank's treasury department and monitored regularly. Regular reports are submitted to the Banks Assets and Liability Committee (ALCO) and heads of department. Trading portfolios include those positions arising from market-making transactions where the Bank acts as principal with clients or with the market.

Non-trading portfolios primarily arise from the interest rate management of the entity's retail and merchant banking assets and liabilities.

3.2.1 Foreign exchange risk

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. ALCO sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarises the Bank's exposure to foreign currency exchange rate risk at 31 December 2008. Included in the table are the Bank's financial instruments at carrying amounts, categorised by currency. (All amounts expressed in millions of Tanzania Shillings).

Concentrations of currency risk – on- and off-balance sheet financial instruments:

As at 31 December 2008	TZS	USD	EURO	GBP	Total
Assets					
Cash and balances with Bank of Tanzania	175,258	2,651	643	34	178,586
Loans and advances to banks	120,901	32,161	2,644	195	155,901
Treasury bills and other eligible bills	436,662	-	-	-	436,662
Loans and advances to customer	557,765	12,813	-	-	570,578
Investment securities:					
– Held to maturity	746	-	-	-	746
Other assets	13,812	55	30	62	13,958
Total financial assets	1,305,174	47,680	3,317	291	1,356,431
Liabilities					
Due to customers	1,154,549	45,365	537	34	1,200,484
Deposits from banks	-	-	-	-	-
Other liabilities	23,654	440	-	-	24,094
Total financial liabilities	1,178,203	45,805	537	34	1,224,578
Net on-balance sheet financial position	126,971	1,875	2,780	257	131,853
Credit commitments	29,676	55	322	13	30,066
Total financial assets	1,111,303	17,387	10,093	132	1,138,915
Total financial liabilities	1,026,103	9,987	234	3	1,036,327
Net on-balance sheet financial position	85,200	7,400	9,859	129	102,588
Credit commitments	38,934	7,519	-	-	46,453

3.2.2 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Bank's Asset and Liability Committee (ALCO) sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by the Bank. The table below summarises the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The Bank does not bear an interest rate risk on off balance sheet items.

	Up to 1 month TZS'Millions'	1-3 months TZS'Millions'	3-12 months TZS'Millions'	1-5 years TZS'Millions'	Over 5 TZS'Millions'	Non-interest bearing TZS'Millions'	Total TZS'Millions'
As at 31 December 2008							
Assets							
Cash and central banks balances	-	-	-	-	-	178,586	178,586
Treasury and other eligible bills	40,176	63,767	265,388	19,736	26,975	20,620	436,662
Loans and advances to banks	129,779	25,700	-	-	-	422	155,901
Loans and advances to customers	8,575	5,685	177,571	369,256	188	9,303	570,578
Investment securities:							
– Held to maturity	714	-	-	-	-	32	746
Other assets	-	-	-	-	-	17,670	17,670
Property and equipment	-	-	-	-	-	24,125	24,125
Total financial assets	179,244	95,152	442,959	388,992	27,163	250,758	1,384,268
Liabilities							
Due to customers	82,083	146,613	124,286	60,748	-	786,754	1,200,484
Other borrowed funds	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	24,095	24,095
Total shareholders' fund	-	-	-	-	-	159,689	159,689
Total financial liabilities	82,083	146,613	124,286	60,748	-	970,538	1,384,268
Total interest repricing gap	97,161	(51,461)	318,673	328,244	27,163	(719,780)	-
As at 31 December 2007							
Total financial assets	243,449	81,613	355,915	251,783	55,693	169,856	1,158,309
Total financial liabilities	384,401	4,153	2,530	48	-	767,176	1,158,309
Total interest repricing gap	(140,952)	77,460	353,385	251,735	55,693	(597,32)	-

3.3 Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

3.3.1 Liquidity risk management process

The Bank's liquidity management process, as carried out within the Bank and monitored by the Bank's Asset and Liability Committee (ALCO), includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. These include replenishment of funds as they mature or are borrowed by customers. The Bank maintains an active presence in money markets to enable this to happen;
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring balance sheet liquidity ratios against internal and regulatory requirements; and
- Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets (Notes 3.3.3).

3.3.2 Funding approach

Sources of liquidity are regularly reviewed by Bank's Asset and Liability Committee to maintain a wide diversification by currency, geography, provider, product and term.

3.3.3 Non-derivative cash flows

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, as the Bank manages the inherent liquidity risk based on expected undiscounted cash inflows. (Amounts are in TZS millions)

Notes No. 3 Continued

As at 31 December 2008	Up to 1 month	1-3 months	3-12 months	Over 1 year	Non-interest bearing	Total
Liabilities						
Due to customers	1,191,295	5,461	3,298	254	176	1,200,484
Due to banks	-	-	-	-	-	-
Other liabilities	-	-	-	-	24,094	24,094
Total liabilities	1,191,295	5,461	3,298	254	24,270	1,224,578
Total assets	334,487	80,639	352,795	453,594	120,958	1,342,473
As at 31 December 2007:						
Liabilities						
Due to customers	1,000,432	4,153	2,530	5,708	-	1,012,823
Due to banks	5,664	-	-	-	-	5,664
Other liabilities	-	-	-	-	17,838	17,838
Total liabilities	1,006,096	4,153	2,530	5,708	17,838	1,036,325
Total assets	321,688	76,617	293,035	392,236	50,953	1,134,529

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, central bank balances, items in the course of collection and treasury and other eligible bills; loans and advances to banks; and loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.

3.3.4 Off-balance sheet items

(a) Loan commitments

The dates of the contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extend credit to customers and other facilities (Note 26), are summarised in the table below.

b) Financial guarantees and other financial facilities

Financial guarantees (Note 26) are also included below based on the earliest contractual maturity date.

As at 31 December 2008	No later than 1 year TZS'Millions	1 – 5 years TZS'Millions	Over 5 years TZS'Millions	Total TZS'Millions
Outstanding letters of credit, guarantees and indemnities	341	-	-	341
Commitments to extend credit	29,725	-	-	29,725
Total	30,066	-	-	30,066
As at 31 December 2007				
Outstanding letters of credit,	3,405	-	-	3,405
Commitments to extend credit	43,047	-	-	43,047
Total	46,452	-	-	46,452

3.4 Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of balance sheets, are:

- To comply with the capital requirements set by the Bank of Tanzania (BOT);
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the Bank of Tanzania (BoT), for supervisory purposes. The required information is filed with the BoT on a quarterly basis.

The BoT requires each bank or banking group to: (a) hold the minimum level of the regulatory capital of TZS 5 billion, and (b) maintain a ratio of total regulatory capital to the risk-weighted asset (the 'Basel ratio') at or above the internationally agreed minimum of 12%.

The Bank's regulatory capital as managed by its Treasury department is divided into two tiers:

- Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. Prepaid expenses and deferred charges are deducted in arriving at Tier 1 capital; and
- Tier 2 capital: qualifying subordinated loan capital, collective impairment allowances and unrealised gains arising on the fair valuation of equity instruments held as available for sale.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of – and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The table below summarises the composition of regulatory capital and the ratios of the Bank for the year ended 31 December 2008 and year ended 31 December 2007. During those two periods, the Bank complied with all of the externally imposed capital requirements to which they are subject.

3.4 Capital management (continued)

	2008 TZS'000	2007 TZS'000
Tier 1 capital		
Share capital	20,000	20,000
Retained earnings	134,250	99,242
Prepaid expenses and deferred charges	(2,362)	(2,769)
Total qualifying Tier 1 capital	151,888	116,473
Tier 2 capital		
Redeemable preference shares	-	-
Convertible bonds	-	-
Revaluation reserve	-	-
Collective impairment allowance	-	-
Total qualifying Tier 2 capital	-	-
Total regulatory capital	151,888	116,473
Risk-weighted assets		
On-balance sheet	512,357	388,442
Off-balance sheet	30,063	4,170
Total risk-weighted assets	542,420	392,612
	Required ratio 2008 %	Bank's ratio 2008 %
Tier 1 capital	10%	28%
Tier 1 + Tier 2 capital	12%	28%

The increase of the regulatory capital in the period of 2008 is mainly due to the contribution of the current-year profit. The increase of the risk-weighted assets reflects the expansion of the business in 2008.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies.

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment losses on loans and advances

The Bank reviews its loan portfolios to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the income statement, the Bank makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers, or national or local economic conditions that correlate with defaults on assets. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(b) Held to maturity investments

The Bank follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Bank evaluates its intention and ability to hold such investments to maturity. If the Bank fails to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire class as available-for-sale. The investments would therefore be measured at fair value not amortised cost.

(c) Premises and equipment

Critical estimates are made by the directors in determining depreciation rates for premises and equipments and their residual values. The rates are set out in note 3(i) above.

5. INTEREST AND SIMILAR INCOME

	2008 TZS'Millions	2007 TZS'Millions
Loans and advances to customers	75,917	42,344
Government securities	51,388	62,695
Loans and advances to banks	7,202	9,086
	134,507	114,125

6 INTEREST EXPENSE AND SIMILAR CHARGES

	2008 TZS'Millions	2007 TZS'Millions
Savings deposits	11,310	8,918
Time deposits	351	280
Borrowings other banks	145	83
	11,806	9,281

7 FEES AND COMMISSION INCOME

	2008 TZS'Millions	2007 TZS'Millions
Commissions	14,004	20,826
Fees	7,860	7,550
	21,864	28,376

8 FOREIGN EXCHANGE INCOME

	2008 TZS'Millions	2007 TZS'Millions
Bills of collection	1	5
Bills negotiated	393	241
Draft and transfers	410	165
Foreign currency trading	2,955	(343)
Derivative financial instruments	-	32
Others	2	155
	3,761	255

9 OTHER OPERATING INCOME

	2008 TZS'Millions	2007 TZS'Millions
Rent received	36	43
Miscellaneous income	6,320	1,602
Share offering	412	-
Profit on sale of property and equipment	158	1
	6,926	1,646

10 OPERATING EXPENSES

	2008 TZS'Millions	2007 TZS'Millions
Staff cost (Note 11)	31,303	27,351
Administrative expenses	29,849	25,636
Depreciation and amortization	6,692	5,701
Management contract expenses	1,330	1,129
Travelling expenses	1,615	769
Repair and maintenance	4,443	11,141
Auditors' remuneration	209	185
Directors' remuneration:		
Fees	56	24
Others	54	32
Other expenses	1,762	1,941
	77,313	73,909

11 STAFF COSTS

	2008 TZS'Millions	2007 TZS'Millions
Salaries and allowances	20,459	17,371
Other emolument	10,844	9,980
	31,303	27,351

12 INCOME TAX EXPENSE

	2008 TZS'Millions	2007 TZS'Millions
Tax expense for the year is arrived at as follows:		
Current year's income tax	21,029	20,165
Current year's deferred income tax	401	(2,739)
Current income tax – prior year under/(over) provision	661	(673)
Deferred income tax – prior year under provision	137	2,339
	22,228	19,092

The tax in the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2008 TZS'Millions	2007 TZS'Millions
Profit before income tax	70,935	57,927
Tax calculated at the statutory income tax rate of 30%	21,280	17,378
Tax effect of:		
Items resulting in reduced tax charge	-	(1,568)
Items resulting in increase tax charge	150	1,616
Prior year deferred tax and corporate tax adjustment	798	1,666
Income tax expense	22,228	19,092

13 EARNINGS PER SHARE

The calculation of the basic earnings per share was based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year, calculated as follows:

	2008 TZS'Millions	2007 TZS'Millions
Net profit attributable to shareholders	48,707	38,835
Weighted average number of share in issue (Note 30)	500	500
Basic and diluted earnings per share	97.41	77.67

There being no dilutive or dilutive potential share options, the basic and diluted earnings per share are the same. The weighted average number of shares in issue used in the calculation of basic earning per share for the year ended 31 December 2007 has been adjusted to reflect an increase in the number of shares as a result of the share split as required by International Accounting Standard (IAS) 33: Earning per Share.

14 DIVIDEND PER SHARE

As a liability, dividends are not recognised until they have been ratified at the Annual General Meeting. The Directors propose payment of a dividend of TZS 30 per share, amounting to TZS 15,000 million out of 2008 profit. In 2007, dividend of TZS 22 per share, amounting to TZS 11,000million was approved and paid.

15 CASH AND BALANCES WITH BANK OF TANZANIA

	2008 TZS'Millions	2007 TZS'Millions
Cash in hand	96,406	66,410
Balances with Bank of Tanzania		
- local currency	1,275	23,544
- foreign currency	554	559
Statutory Minimum Reserves (SMR)	80,351	52,851
	178,586	143,364

The SMR deposit is not available to finance the Bank's day-to-day operations and is hence excluded from cash and cash equivalents for the purpose of the cash flow statement (See Note 27). Cash in hand and balances with Bank of Tanzania are non-interest bearing.

16 GOVERNMENT SECURITIES HELD-TO-MATURITY

	2008 TZS'Millions	2007 TZS'Millions
Treasury Bills and Bonds:		
Maturing within 91 days of the date of acquisition	19,015	22,976
Maturing after 91 days of the date of acquisition	352,816	329,240
	371,831	352,216
Recapitalization Bonds	28,975	75,476
LART Bonds	15,688	15,688
Interest receivable	20,168	23,184
	436,662	466,564

16 GOVERNMENT SECURITIES HELD-TO-MATURITY(Continued)

Loans and Advances Realisation Trust (LART) Bonds attract an interest rate of 11%. This is received on a quarterly basis. Interest on re-capitalization bonds is received semi-annually at a variable rate of 12.6% maximum and a minimum of 7% computed as a weighted average of interest rate on Treasury Bill over the last six months. Treasury bills and bonds are debt securities issued by the Government of the United Republic of Tanzania at an effective rate of 13%.

17 LOANS AND ADVANCES TO BANKS

	2008 TZS'Millions	2007 TZS'Millions
Placement with local banks	99,766	149,792
Placement with banks abroad	34,280	15,782
Cheques and items for clearing from other banks	21,855	11,613
	155,901	177,187

18 LOANS AND ADVANCES TO CUSTOMERS

	2008 TZS'Millions	2007 TZS'Millions
Loans to customers	562,036	335,838
Staff loans	8,794	8,512
Interest receivable	9,304	4,195
Gross loans and advances	580,134	348,545
Less: allowance for impairment	(9,556)	(3,335)
	570,578	345,210

Movements in provision for impairment of loans and advances by class is as follows; (Amounts are in TZS Millions)

	Individual (retail) customers		Corporate entities		
	MSE's	Consumer	SME's	Corporate	Total
Balance at 1 January 2008	396	2,639	149	151	3,335
Increase in provision for loan impairment	954	3,039	436	1,792	6,221
At 31 December 2008	1,350	5,678	585	1,943	9,556
Balance at 1 January 2007	357	2,382	124	-	2,863
Increase in provision for loan impairment	328	2,182	125	151	2,786
Write offs	(289)	(1,925)	(100)	-	(2,314)
At 31 December 2007	396	2,639	149	151	3,335

19 INVESTMENT SECURITIES HELD TO MATURITY

	2008 TZS'Millions	2007 TZS'Millions
BIDCO Bond	714	2,143
Interest receivable	32	61
	746	2,204

BIDCO Bond attracts a semi annual interest at the rate of 10.45% per annum.

20 OTHER ASSETS

	2008 TZS' Millions	2007 TZS' Millions
Service fees receivable	2,413	1,911
Prepayments	2,128	320
Other debtors	12,183	2,343
Derivative financial instrument	32	32
Less: allowance for losses	(2,798)	(1,918)
	13,958	2,688

21 PROPERTY AND EQUIPMENT

	Buildings TZS' Millions	Motor vehicles TZS' Millions	Fixtures fittings and equipment TZS' Millions	Capital Work in Progress TZS' Millions	Total TZS' Millions
At 1 January 2007					
Cost	7,873	2,509	12,992	-	23,374
Accumulated depreciation	(3,660)	(1,439)	(6,410)	-	(11,509)
Net book amounts	4,213	1,070	6,582	-	11,865
Year ended 31 December 2007					
Opening net book amounts	4,213	1,070	6,582	-	11,865
Additions	-	84	9,362	880	10,326
Adjustments	-	-	193	-	193
Disposals	-	(38)	(34)	-	(72)
Depreciation charge	(394)	(451)	(4,151)	-	(4,996)
Closing net book amounts	3,819	665	11,952	880	17,316
At 31 December 2007					
Cost	7,873	2,555	22,320	880	33,628
Adjustments	-	-	193	-	193
Accumulated depreciation	(4,054)	(1,890)	(10,561)	-	(16,505)
Net book amount	3,819	665	11,952	880	17,316
Year ended 31 December 2008					
Opening net book amounts	3,819	665	11,952	880	17,316
Additions	6,635	482	3,512	2,154	12,783
Adjustments	-	-	(15)	-	(15)
Disposals	-	-	(38)	-	(38)
Depreciation charge	(394)	(494)	(5,033)	-	(5,921)
Closing net book amounts	10,060	653	10,378	3,034	24,125
At 31 December 2008					
Cost	14,508	3,037	25,987	3,034	46,566
Adjustments	-	-	(15)	-	(15)
Accumulated depreciation	(4,448)	(2,384)	(15,594)	-	(22,426)
Net book amounts	10,060	653	10,378	3,034	24,125

None of the premises and equipment have been pledged as security for liabilities. (2007: None).

22 INTANGIBLE ASSETS**Movement during the year**

	2008 Computer software licences TZS'Millions	2007 Computer software licences TZS'Millions
At start of year	988	1,445
Additions	692	683
Adjustments	-	(466)
Amortisation	(756)	(674)
At end of year	924	988
At 31 December		
Cost	4,264	4,038
Adjustments	-	(466)
Accumulated amortisation	(3,340)	(2,584)
Net book amount	924	988

23 CUSTOMER DEPOSIT

	2008	2007
Current accounts	739,556	610,394
Savings accounts	444,161	377,793
Time deposit accounts	11,331	9,271
Special deposits	5,436	15,366
	1,200,484	1,012,824

24 OTHER LIABILITIES

	2008	2007
Accrued expenses	7,169	6,734
Bills payable	8,096	5,249
Sundry liabilities	8,830	5,856
	24,095	17,839

25 DEFERRED INCOME TAX

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred income tax account is as follows:

	2008 TZS'Millions	2007 TZS'Millions
At start of year	(1,970)	(1,570)
Profit and loss account credit - (Note 12)	401	(2,739)
Profit and loss account prior year – (Note 12)	137	2,339
At the end of year	(1,432)	(1,970)

25 DEFERRED INCOME TAX (Continued)

Deferred income tax asset and deferred income tax credit to the income statement are attributed to the following items:

	1 January 2008 TZS'Millions	Prior period profit and loss TZS'Millions	Credited to profit and loss TZS'Millions	31 December 2008 TZS'Millions
Deferred income tax asset				
Property and equipment	(1,600)	(49)	(425)	(2,074)
Revaluation of staff loan	(271)	-	(366)	(637)
Provisions	(99)	186	1,192	1,279
	(1,970)	137	401	(1,432)

26 SHARE CAPITAL

	2008 TZS'Millions	2007 TZS'Millions
Authorised		
625,000,000 ordinary shares of TZS 40 each (2007: 2,500,000 ordinary shares of TZS 10,000 each).	25,000	25,000
	25,000	25,000
Called up and fully paid		
500,000,000 ordinary shares of TZS40 each (2007: 2,000,000 ordinary shares of TZS 10,000 each)	20,000	20,000
	20,000	20,000

During the year, the company reduced nominal value of its share from TZS 10,000 to TZS 40 each and thereby increasing the number of its authorised shares to 625,000,000 and the issued and fully paid shares to 500,000,000.

27 ANALYSIS OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE CASH FLOW STATEMENT

	2008 TZS'Millions	2007 TZS'Millions
Cash and balances with Bank of Tanzania (Note 15)	178,586	143,364
Less: Statutory Minimum Reserves	(80,351)	(52,851)
Government securities (Note 16)	19,015	22,976
Loans and advances to banks (Note 17)	155,901	177,187
	273,151	290,676

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 91 days maturity from the date of acquisition including: cash and balances with Bank of Tanzania, Government securities, and loans and advances to banks. Cash and cash equivalents exclude the cash reserve requirement held with the Bank of Tanzania

28 OFF BALANCE SHEET FINANCIAL INSTRUMENTS, CONTINGENT LIABILITIES AND COMMITMENTS

In common with other banks, the bank conducts business involving acceptances, letters of credit, guarantees, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties.

	2008 TZS' Millions	2007 TZS' Millions
Contingent liabilities		
Swaps	-	3,396
Overdraft	29,725	43,047
Unpaid Deposit Interest	5	9
Acceptances and letters of credit	336	2,464
	30,066	48,916

Nature of contingent liabilities

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The bank expects most acceptances to be presented, and reimbursement by the customer is normally immediate. Letters of credit commit the bank to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

Legal claim

Various employees have sued the bank for unfair dismissal. Furthermore, various loan customers are suing the bank. The amounts claimed in both situations are not material

29 EFFECTIVE INTEREST RATES OF FINANCIAL ASSETS AND LIABILITIES

The effective interest rates for the principal financial assets and liabilities at 31 December 2008 and 2007 were in the range of the following:

	2008	2007
Government securities	12.24%	12.76%
Deposits with banking institutions	4.59%	9.54%
Loans and advances to customers	16.43%	18.99%
Customer deposits	0.96%	1.07%

30 COMPANY SHARE HOLDING

The shareholding of the bank before share split "Offer for Sale" is shown below:

Name of the Shareholder	31 December 2007	% age
	No. of Shares	Shareholding
Treasury Registrar	1,020,000	51.00%
Rabobank	698,000	34.90%
National Investment Company (NICO)	132,000	6.60%
Exim Bank (Tanzania) Limited	116,000	5.80%
Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA)	34,000	1.70%
	2,000,000	100.00%

The shareholding of the bank after share split and "Offer for Sale" is as shown below:

	31 December 2008	% age
	No. of Shares	Shareholding
Rabobank	174,500,000	34.9%
Treasury Registrar	150,000,000	30%
Public	105,000,000	21%
National Investment Company (NICO)	33,000,000	6.6%
Exim Bank (Tanzania) Limited	29,000,000	5.8%
Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA)	8,500,000	1.7%
	500,000,000	100%

31 RELATED PARTY TRANSACTIONS

Advances to customers at 31 December 2008 include loans to key management personnel as follows:

	2008	2007
	TZS'Millions	TZS'Millions
At start of year	108	152
Advanced during the year	38	101
Repaid during the year	(16)	(145)
At end of year	130	108

At 31 December 2008 there were no loans issued to companies controlled by directors or their families.

Key management compensation

	2008	2007
	TZS'Millions	TZS'Millions
Salaries and other short-term benefits	1,330	1,129

31 RELATED PARTY TRANSACTIONS (Continued)

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director of the Bank.

Directors' remuneration

Fees and other emoluments paid to directors of the Bank during the period amounted to Tzs 110 million. Details of payment to individual directors will be tabled at the annual general meeting.

Notice to shareholders

Notice is hereby given that the 9th Annual General Meeting of NMB shareholders will be held at the Diamond Jubilee Hall in Dar es Salaam on Friday, 17th April 2009 at 10.00 a.m. The agenda will be as follows:

1. Notice convening the meeting be taken as read.
2. To approve and sign the minutes of the 8th Annual General Meeting held on 24th May 2008.
3. To receive and adopt the financial statements and directors' report for the year ended 31st December 2008.
4. To approve declaration of dividend for the year ended 31st December 2008.
5. To appoint new directors to fill three vacant positions on the Board.
6. To approve appointment of the Statutory Auditors for the year ending 31st December 2009.
7. Any Other Business

Notes

1. A member wishing to attend the meeting must come with a copy of his / her depository receipt or share certificate and his / her identification (passport, or voters card or bank card).
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his / her behalf in accordance with the provisions of the Amended Articles of the Company. The proxy form must be deposited at the Registered Office of the Company not later than 10.00 a.m. Thursday 16th April 2009.
3. Members wishing to attend the meeting will have to attend at their costs. Copies of the Annual report and proxy forms will be available in the branches.
4. The directors have recommended a dividend of TZS 30 per share (FY 2007 TZS 22). The proposal will be presented to the AGM for approval. Following the approval, the relevant dates for dealing in NMB shares at the DSE shall be as follows:

Taarifa inatolewa hapa kwamba Mkutano Mkuu wa Mwaka wa Wanahisa wa NMB utafanyika katika Ukumbi wa Diamond Jubilee, Dar es Salaam, Aprili 17, 2009 saa 4.00 asubuhi. Dondoo za Mkutano zitakuwa kama ifuatavyo:

1. Taarifa ya kufanyika kikao ichukuliwe kama inavyosomeka.
2. Kupitisha na kusaini muhtasari wa Mkutano Mkuu wa 8 uliofanyika Mei 24 2008.
3. Kupokea na kuthibitisha taarifa za fedha na Wakurugenzi kwa mwaka unaoishia 31 Disemba, 2008.
4. Kuthibitisha tamko la gawio kwa mwaka unaoishia 31 Disemba, 2008.
5. Kuteua wakurugenzi kujaza nafasi tatu zilizo wazi katika bodi
6. Kuthibitisha uchaguzi wa mkaguzi kwa mwaka wa fedha unaomalizika Disemba 31 2009.
7. Mengineyo

Zingatia:

1. Mwanachama anayetaka kushiriki mkutano ni lazima aje na nakala ya stakabadhi ya malipo ya hisa, cheti ya umiliki wa hisa, kitambulisho (hati ya kusafiria au kadi ya kupigia kura au kadi ya benki).
2. Mwanachama anaruhusiwa kushiriki na kupiga kura au kumtuma mwakilishi kwa mujibu wa sheria za kampuni zilizofanyiwa marekebisho. Fomu ya mtu wa kukuwakilisha (proxy) ni lazima iwasilishwe kwenye ofisi ulikojiandikisha, hivyo kabla ya Alhamisi ya Aprili 16, 2009 si zaidi ya saa nne asubuhi.
3. Wajumbe wanaotaka kushiriki kwenye kikao watashiriki kwa gharama zao. Nakala za taarifa za mwaka na fomu ya mtu kukuwakilisha (proxy) zitapatikana matawini
4. Wakurugenzi wamependekeza gawiwo la TZS 30 kwa kila hisa (Mwaka 2007 TZS 22). Pendekezo hili litapelekwa kwenye mkutano ili kuthibitishwa. Baada ya kuthibitishwa, siku halisi za mauzo ya hisa za NMB kwenye soko la hisa la Dar es salaam itakuwa kama ifuatavyo:

- Date of announcement 20th March 2009 at 4 pm
- The register will close on 23rd April 2009
- Shares trading cum-div: 23rd March to 16th April 2009
- Payment of dividend: on or about 11th May 2009
- The register reopens on 30th April 2009.

The dividend will be paid to shareholders accounts for those who instructed crediting of their accounts as mentioned in the application forms or by NMB cheques mailed to the shareholder in the address provided in the application form. Those whose account details were not provided and wishes to have their dividend credited to their accounts should contact NMB branch managers with the details of their accounts for onward submission to the Head office.

5. Copies of the Annual Report and proxy forms will be available in the NMB branches.

By order of the Board,



Lilian R. Komwihangiro
Company Secretary
March 14th, 2009

- Tarehe ya kutangazwa 20 Machi 2009
- Rijista itafungwa tarehe 23 Aprili 2009
- Uuzwaji wa hisa pamoja na gawio tarehe 23 Machi hadi 16 Aprili 2009
- Malipo ya gawio; ifikiapo au ikikaribia tarehe 11 Mei 2009
- Rijista itafunguliwa tena tarehe 30 Aprili 2009

Gawio litalipwa kwa wanahisa kwenye akaunti zao kama walivyoandika kwenye fomu ya maombi ya hisa au kwa njia ya hundi zitakazotumwa kwenye anuani iliyopo kwenye fomu za maombi ya hisa. Kwa wanahisa ambao hawakutoa akaunti namba na wanataka gawio lilipwe kwenye akaunti, wawasilishe namba za akaunti zao kwa Meneja wa tawi la NMB ili aweze kuzipeleka Makao makuu.

5. Nakala za Taarifa ya Mwaka na Fomu ya mtu wa kukuwakilisha (proxy) zitapatikana kwenye matawi ya NMB.

Kwa amri ya Bodi ya Wakurugenzi,



Lilian R. Komwihangiro
Katibu wa kampuni
14 Machi 2009

NMB PLC

NMB House Azikiwe/Jamhuri Streets
P.O. Box 9213 Dar es Salaam, Tanzania
Tel: +255 22 2161000
www.nmbtz.com