



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM FOR CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations: Regulation 42, Government Notice
No. 318A of 2002)**

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938

DAR ES SALAAM

Tel. 2116328

Fax. 2118253

e-mail: information@tic.co.tz

Website: www.tic.co.tz

(Please fill the form in duplicate)

**THE UNITED REPUBLIC OF
TANZANIA**

**THE TANZANIA INVESTMENT
ACT**

(No. 26 of 1997)

**APPLICATION FOR
REGISTRATION
(Made under Regulation 42)**

To: The Executive
Director Tanzania
Investment Centre
P. O. Box 938
DAR ES SALAAM
Tanzania

1. **I/We Nyambari Chacha Mariba Nyangwine and Margreth Nyangwine** Directors of **Nyambari Nyangwine Group of Companies Limited** apply for registration of **Microfinance project** under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at **Plot No. 9 Block 'A2' Mikocheni area Kinondoni Municipality, Dar Es Salaam**
3. Copies of the following documents are attached to this application:
 - (i) The Memorandum and Articles of association/or partnership agreement
 - (ii) Certificate of Incorporation/Registration
 - (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
 - (iv) Evidence of financing and evidence of land ownership for the project
4. The Head Office of the Company will be situated at **Plot No. 9 Block 'A2' Mikocheni area Dar Es Salaam.**

5. The Principal Officers of the Company are **Nyambari Nyangwine & Mrs Margreth Nyangwine.**
6. Auditors of the Company are **AMJ Associates and Partners of P.O. Box 20136 Dar Es Salaam.**
7. The authorized share capital of the Company is Tshs. **100,000,000 (TZS One Hundred Million Only).**
8. The intended capital investment of the Company in terms of Section 2(2) of the Act is **Tshs138.8 Billion (EURO 50.0 Million)**
9. The month and day of the financial year end is **31th December**


Note: *Failure to provide all the required information will result in the return of the application by the Centre.*

We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for US\$1100 Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, **Nyambari Nyangwine.** of Post Office Number **79886 Dar Es Salaam** do solemnly and sincerely declare that I am a director of **Nyambari Nyangwine Group of Companies Limited**

AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, **AND** I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }
The 22 day of 12 2023 }


Applicant



APPLICATION SUMMARY

Company Name: Nyambari Nyangwine Group of Companies Limited

COI Number **81437** Status:

COI Date:**10.02.2011** **New**

Post **79886**
Box:

Town: **Dar Es Salaam**

Sector: Banking

Sub-Sector: Micro financing

Investment Financing Plan in Million EURO.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
0.0	10.8	39.2	0.0

Project Objectives Providing financial services to Small and medium Enterprises and individual Entrepreneurs.

Capacity: 60000

Employment: Foreign: **Nil** Local: **300** Total: **300**

Implementation Period: 24 Months

Project Location

Site/Plot/Block No.: **Plot No. 9 Block 'A2' Mikocheni**

Street: **Mkocheni B**

District: **Kinondoni**

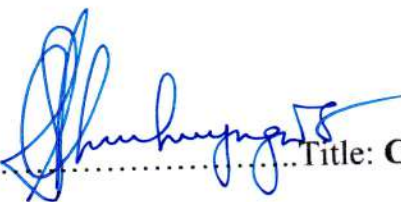
Region: **Dar es Salaam**

(Attach sketch map showing project location)

Shareholders	Nationality	%
Nyambari Nyangwine	Tanzanian	50
Margret Nyangwine	Tanzanian	50

Investment Breakdown	EURO
Land/Buildings	26,650,570.
Plant	1,223,730
Vehicles	1,121,082
Furniture & Fittings	9,789,189
Pre-expenses	2,258,407
Others	226,468
Working Capital	8,730,554
TOTAL	50,000,000

Contact Details:

Name: Nyambari Chacha Mariba Nyangwine  Title: CEO

Telephone: +255 754 959 500

Email: mnyambari@gmail.com

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incorporation

No.

I hereby certify that

NYAMBARI NYANGWINE GROUP OF COMPANIES
LIMITED

Is this day incorporated under the Companies Act 2002 and that the Company is Limited.

Given under my hand at Dar es Salaam this day of2011.

Seal

Registrar of Companies

THE COMPANIES ACT 2002

A COMPANY LIMITED BY SHARES

MEMORANDAM OF ASSOCIATION

OF

NYAMBARI NYANGWINE GROUP OF COMPANIES LIMITED

1. The name of the Company is NYAMBARI NYANGWINE GROUP OF COMPANIES LIMITED
2. The registered office of the company will be situated in Tanzania.
3. The objects for which the company is formed are:
 - a) To establish education institutions including schools, colleges, training and workshop centres.
 - b) To establish a business of Dry cleaners and Hair dressing salon and sell of cosmetics products including paints, ointments and powder.
 - c) To provide education to the orphans from Nursery Schools, Primary Schools and Secondary School level.
 - d) To establish and maintain libraries and other facilities in furtherance of the objectives of the centre.
 - e) To carry on the business of computer and computer accessories, conference systems, telecommunication systems, security systems, public address system, data communication and to train, research, install and after sale services of electronic systems, voice and data networks and any other systems or components which the company may think fit, necessary or incidental to this business
 - f) To carry on the business as general merchandise (stationery, laboratory equipment, general store, distributors, wholesalers and manufactures representatives for consumable and industrial items with local or foreign manufactures.
 - g) To carry on business of all types of cereals crops, seeds grains and oil merchants, millers, manufactures producers and country produce dealers and agents in the widest sense of those terms and more particularly to carry on business as rice flour and oil millers and soap manufacturers and to buy, sell, grow, prepare for market, manipulate, import, export and deal in grain and other agricultural produce.

Secretary

43220337 7/2/11

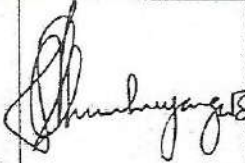

Ketawate

Secretary

43220337 7/2/11


Ketawate

We, the several persons whose name addresses and occupations are subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectively agree to make the number of shares in the capital of the company set opposite our respective names.

Name, Address and Description of Subscribers	Number of Shares taken by each Subscriber	Signature of Subscribers
1. NYAMBARI NYANGWINE P.O Box 79886 Dar Es Salaam.	500	
2. MARGRETH NYAMBARI NYANGWINE P.O Box 79886 Dar Es Salaam.	500	

Dated at Dar es Salaam this 7th day of FEB, 2011

WITNESS TO THE ABOVE SIGNATURES:

Name: Kimwangana J. J.
 Signature: 
 Postal Address: P.O. Box 2578 Dar Es Salaam
 Qualification: Advocate



THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF

NYAMBARI NYANGWINE GROUP OF COMPANIES LIMITED

TABLE A EXCLUDED

1. The regulation in table A in the first schedule to the Company At 2002 shall not apply to the company , except so far as the same are repeated or contained in these Articles.

INTERPRETATION

In these Articles, unless the subject or context otherwise requires, the words standing in the first column of the table next hereinafter contained shall bear the meaning set opposite to them respectively in the second column thereof:

WORDS AND MEANING

"Articles" these articles of Association as originally framed or as altered from time to time by special Resolution:

"A shareholder" any holder from time to time of the shares:

"The directors" the directors for the time being of the company present at the duly Convened meeting of the directors at which a quorum is present:

"The Office" the registered of the time being of the company:

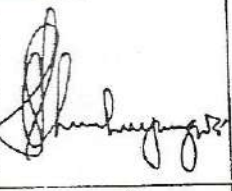

"The Act" the company Act 2002 and every statutory modification and re-enactment thereof for the time being force:.

2. The Company is a Private Company and accordingly: no invitation or offer shall be made to the public (whether for cash or otherwise) to subscribe for any shares in or debentures Of the company, nor shall the company allot (whether for cash or otherwise) any shares in or debentures of the company with a view to all or any of these shares or debentures being offered for sale to the public.
3. The Company may pay to any person a commission in consideration of his subscribing or agreeing to the subscribe, whether absolute or conditional, for any shares in the company: provided that such commission shall not exceed 10% of the price at which such shares are issued, or an amount equivalent to such percentage: and the requirements of section 56 of the Act shall be observed.

(i) The right to transfer shares is restricted in manner hereinafter prescribed.

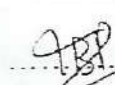
INDEMNITY

104. Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in paragraph (c) of the provision to Section 481 (i) of the Act which may be sustained or incurred in or about the execution of the duties of his office or otherwise relating). But this Article shall only have effect in so far as the said section does not avoid its provisions.

Name, Address and Description of Subscribers	Number of Shares taken by each Subscriber	Signature of Subscribers
3. NYAMBARI NYANGWINE P.O Box 79886 Dar Es Salaam.	500	
4. MARGRETH NYAMBARI NYANGWINE P.O Box 79886 Dar Es Salaam.	500	

Dated at Dar es Salaam this 7th day of FEB:.....2011

WITNESS TO THE ABOVE SIGNATURES:

Name: Kimwanga John
 Signature: 
 Postal Address: P.O. Box 2557
 Qualification: Advocate



TANZANIA



Certificate of Incorporation

Section 15

No **81437**

I HEREBY CERTIFY THAT

NYAMBARI NYANGWINE GROUP OF COMPANIES

LIMITED =====

is this day incorporated under the Companies Act, 2002 and that the Company is Limited

Given under my hand at Dar es salaam

this **10TH** day of **FEBRUARY**

TWO THOUSAND AND ELEVEN

Ritawati

Asst. Registrar of Companies

NYAMBARI NYANGWINE GROUP OF COMPANIES LTD (NNGCL)

MICROFINANCE
ACCELERATING
BUSINESS GROWTH



BUSINESS PLAN

**INNOVATIVE PROJECT TO EMPOWER SMALL AND MEDIUM BUSINESS
PARTICIPATE INTO THE FORMAL ECONOMY**

Project Title: **NNGCL MICROFINANCE BANK**

Country: **TANZANIA**

Key Contact: **NYAMBARI C.M. NYANGWINE, THE CHAIRMAN**

Designed by:

**Nyambari Nyangwine Group of Companies Ltd,
Mpakani B Street -Kijitonyama, Kinondoni,
Shekilango/Mori Road; Block 47, Plot No. 321,
P.O. Box 79886, Dar es Salaam, Tanzania.
Tel: +255 22 2127407, Fax: +255 22 2127391,
EAST AFRICA.**

November, 2023

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List of Acronyms

NINGCL	: Nyambari Nyangwine Group of Companies Limited
BOT	: Bank of Tanzania
DFI	: Development financial Institution
NGO	: Non-Governmental Organisation
GDP	: Gross Domestic Product
URT	: United Republic of Tanzania
SACCOS	: Savings and Credit Cooperative Society
DOB	: Date of Birth
EOD	: End of Month
EOW	: End of Week
EOM	: End of Month
UI/UX	: User Interface/User Experience
KPI's	: Key Performance Indicators
PRIDE	: Promotion of Rural Initiative and Development Enterprises
TAMFI	: Tanzania Association of Microfinance Institutions
ROE	: Return on Equity
ROA	: Return on Assets
FSDT	: Financial Sector Deepening Trust
CIDA	: Canadian International Development Agency
DANIDA	: Danish International Development agency
DFID	: Department of International Development
SIDA	: Swedish International Development Cooperation Agency
SWOT	: Strengths, Weaknesses, Opportunities and Threats

EXECUTIVE SUMMARY

Nyambari Nyangwine Group of Companies Limited (NNGCL) was incorporated as a Private Company under the laws of the United Republic of Tanzania in 2008. Its headquarters are located in Dar-Es-Salaam.

The Company was formed with the purpose of providing solutions to the pertaining developmental challenges in the education sector, construction sector, Health sector as well as in the financial sector. The existent company set up provides a rational framework for conducting the microfinance business. The Company was founded by Mr. Nyambari Nyangwine who, along Margreth Nyambari Nyangwine, are actively managing the company. NNGCL has already started a micro lending pilot project in Dar es salaam and has scheduled to roll it out to 12,000 small businesses in underserved areas in Dar-Es-Salaam such as Kigamboni and Gongolamboto, by the end of 2023, in collaboration with other stakeholders. The Company intends to use Grameen Bank model, developed by Nobel Peace Award winner, Muhammad Yunus to reach out 200,000 poor families in Tanzania with microcredit in the next five years in Gongolamboto, Kinyerezi, Chanika and Kigamboni. Achieving this goal NNGCL will expand its business in 2025 to Bahi and Chamwino Districts in Dodoma Region.

The importance of financial services to the poor, or "Microfinance", has been internationally recognized as a mean not only to fight poverty but also to bring peace, in October 2006, when the Nobel Prize was granted to Mohammed Yunus, founder of the Grameen Bank in Bangladesh. "Lasting peace cannot be achieved unless large population groups find ways in which to break out of poverty. [Microfinance] is one such means. Development from below also serves to advance democracy and human rights", were the words to announce the Prize.

However, financial services available to the poor remain very limited, above all in Africa. Best practices and solutions are known, but the challenge is to bring them into widespread use. The challenge is to develop inclusive financial markets whereby the poor have access to the whole set of financial services. Microfinance will reach the maximum number of poor clients only when it is integrated into the financial sector.

To reach this objective, NNGCL will apply the following key principles for successful microfinance business:

- ✚ **Poor people need a variety of financial services, not just loans.** Like everyone else, the poor need a range of financial services that are convenient, flexible,
- ✚ and affordable. Depending on circumstances, NNGCL will not only issue loans, but also savings, insurance, and cash transfer services.
- ✚ **Charge interest rates that cover operating costs.** It costs much more to make many small loans than a few large loans. Unless microlenders can charge interest rates that are well above average bank loan rates, they cannot cover their costs. NNGCL will not use high interest rates to make borrowers cover the cost of its own inefficiency.
- ✚ **Microcredit is not always the answer.** Microcredit is not the best tool for everyone or every situation. Poor people with no income or means of repayment need other kinds of support before they can make good use of loans. In many cases, other tools will alleviate poverty better, for that case NNGCL will provide small grants, employment, training and mentoring programs, or infrastructure improvements. Such services will be augmented with building savings.

In such context, currently with existing sound policies that stimulate financial services for poor people, effective regulatory framework and sound macroeconomic stability, NNGCL guarantees smooth takeoff for this Microfinance Bank Project steered to save thousands small and medium scale businesses belong to the middle and low segment class within the Tanzanian society.

1. Background and Introduction

Nyambari Nyangwine Group of Companies Limited (NNGCL) is committed to women and youth economic empowerment in the country. This is evidenced by the various projects in the field of Education and in the construction sector.

The company brings this idea to establish a Microfinance Bank as a response to conducive and stable enacted Microfinance Act (2018) inviting the private sector support for business development to promote financial inclusion and entrepreneurship, which was found lacking among a large majority of citizens in the country.

NNGCL is desirous of implementing this Microfinance Bank Project as an empowerment tool with different financing products to address different needs and opportunities to the advantage of people in Tanzania. The Company will also foster entrepreneurship through financing projects which will not be ordinarily funded by other institutions such as commercial banks.

Microfinance is the system of providing financial services and the management of a small amount of money through a range of financial products that is targeted at low income customers. That is, microfinance provides small credit and other facilities like deposit mobilization, insurance and transfer services to low-income households and petty traders who are normally neglected by the commercial banks.

Microfinance Bank refer to a financial institution, which provide financial services to the poor who are typically excluded from the formal banking system for lack of collateral. Lack of access to credit is readily understandable in terms of the absence of collateral that the poor can offer conventional financial institutions coupled with the various complexities and high costs involved in dealing with large numbers of small, often illiterate barriers through innovative measures such as group lending and regular savings schemes

In recognition of the potential of the microfinance sub-sector in poverty reduction and economic growth, the current Microfinance Policy (2017) promotes financial inclusion by creating an enabling environment for an efficient and effective microfinance sub-sector in the country that can serve the needs of individuals, households and enterprises on low incomes and thereby contribute to economic growth, employment creation and poverty reduction. In addition, the Government enacted the Microfinance Act of 2018. The Bank of Tanzania (BOT) has been mandated to license, regulate and supervise the microfinance business in the country.

This project by NNGCL has been prepared as a tool to establish economic empowerment programme and promote financial inclusion in Tanzania. It is meant to provide individuals with an opportunity to diagnose the opportunities available in the country and therefore see where they can fit or chip in to exploit the potentials available in Tanzania.

Further, understanding the competitive business environment existing on the use of technology, NNGCL brings up a Digital Model/platform in the microfinance sector to be used as a tool to address the related challenges faced by small and medium businesses which will play a key role in overcoming individuals access to and increase their income from entrepreneurial opportunities available.

2. Mission

To finance, grow and sustain a thriving small and medium businesses sector in Tanzania

3. Vision

To build an innovative, competitive & impactful small and medium business sector.

4. Project Goals

The objectives of NNGCL Microfinance Bank are as follows:

- ✚ The provision of funding for the development of competitive and sustainable local owned businesses and joint ventures operating both within and expanding outside the country.
- ✚ Proactively initiate and coordinate the provision of funding packages from sources other than government such as DFI, international agencies, institutional funds, venture capital funds, and the commercial banking sector.
- ✚ The assisted small businesses, medium enterprises and individuals must contribute towards the objectives of economic diversification, employment creation, women economic empowerment, and poverty alleviation through development of sustainable local enterprises.
- ✚ Foster local entrepreneurship and empowerment through encouragement of local entrepreneurial culture through funding.
- ✚ Promoting the development of vertical integration and horizontal linkages between local enterprises and primary industries through effectively pursuing the business opportunities associated with the exploration and exploitation of natural resources.
- ✚ Promote the consolidation of local firms, amalgamations and joint ventures as a means of growing the size of small business enterprises to enable them to compete more effectively with larger foreign owned companies.

- ✚ Where appropriate, finance the establishment of Local Businesses in foreign markets to enhance their international competitiveness;
- ✚ Support entrepreneurship development by exposing local entrepreneurs to a whole range of possible business financing packages including opportunities in the money markets and institutional investors;
- ✚ Promote women economic empowerment through assisting to finance the acquisition of foreign owned businesses, or shares. In such businesses the entrepreneur (s) should be an active part in the management and operations of such businesses in an entrepreneurial role and not as a non-participating investor.
- ✚ Improving access to international markets through cooperation including joint-ventures with foreign investors and investment in those markets through equity and credit guarantee schemes.
- ✚ Foster youth enterprises in business through effective pursuit of opportunities in all sectors of the economy.
- ✚ To provide mentoring, technical assistance and other appropriate support to NNGCL Microfinance Bank funded enterprises.
- ✚ To retain local investment in commercial/industrial property sectors and land.
- ✚ To address the problem of access to finance by the Small and Medium Enterprises due to their inability to meet security requirements of commercial banks and other financial institutions through credit guarantee.

4.1 Specific Objectives

Specific objectives of the Project are the following;

- ✚ Mainstreaming the majority of the informal businesses into the formal economy;
- ✚ Mobilising and sensitising small business owners (Sole Proprietors) to appreciate their vital contribution to nation building through raising their income and paying taxes;
- ✚ Creating conducive and reliable frameworks for implementing public- private-partnership business relations;

- ✚ Creating formal avenues for channeling effective Government programme and or Donor support to targeted needy groups in Society;
- ✚ Recognising the resource contribution of small producers and traders, and, hence, their role in nation building, compared to other tax payers.

4.2 Project Development Objectives

- ✚ Job creation and poverty alleviation, Small businesses contribute to employment growth and poverty reduction.
- ✚ Improve wealth, health, education and welfare of the families and wider community, supporting small businesses in the informal sector, leads to a fair and balanced wealth distribution, helps in closing knowledge gaps and brings more stability in families and the general community.
- ✚ Women's Economic Empowerment especially, micro-business growth, and increased number of Small business will bring more flexibility to society and the economy and facilitate both economic growth and technological innovation as well as contribution to the GDP.
- ✚ Increased voice and advocacy for the needs of small business from the informal sector in the country.

4.3 Legal Status and Mandate

Nyambari Nyangwine Group of Companies Limited, is a private company incorporated in Tanzania with certificate of incorporation No. 81437 in the year 2011, it operates under the legal framework provided by Tanzanian corporate law, which governs the establishment and operation of companies in the country.

The authorized share capital of the company is Tanzanian Shillings One Billion (**Tshs.100,000,000/=**) divided into **1000** shares of shillings **100,000/=** each of which the paid-up share capital is Tanzanian shillings One hundred million (**Tshs. 100,000,000/=**)

Name of Shareholder	Number of Shares	Percentage
Nyambari Nyangwine	500	50%
Margreth Nyangwine	500	50%
Total	1,000	100%

5. Project Rationale

For the majority of Tanzanians, whose income is very low, access to financial services offers the possibility of managing scarce household and enterprise resources more efficiently, protection against risks, provision for the future, and taking advantage of investment opportunities, for economic returns. For households, financial services allow higher standards of living to be achieved with the same resource base, while for enterprises and farmers, financial services can facilitate the pursuit of income growth. Savings services are among the most beneficial financial services for low-income people.

Nearly all households need to save to protect themselves against periods of low income or specific emergencies and to cover large anticipated expenses (like school-fees, housing and health matters).

Small Enterprises also need to store the value they accumulate from their profits until they can invest them to earn a higher return. Moreover, savings in financial form provide funds for investment by others. Thus, savings services can have a very broad outreach and value.

Credit service can perform some of the same services as savings and can allow enterprises and families to make some important investments sooner. Enterprises use credit as a source of short-term working capital and longer-term investment capital. Households use it to meet consumption needs, particularly during periods when income flows are low, such as during the off season before crops are harvested, and to make investments, such as housing improvements.

Payments and other related services are also valuable to low-income people and to the residents and institutions in rural areas. Payments services can play an important supporting role in the overall profitability of the Microfinance bank that offers them.

In short, microfinance bank addresses the financial needs of major sectors of the Tanzanian population. They are primarily facilitators rather than creators of the underlying economic opportunities that lead to widespread economic prosperity. Microfinance services are financial in nature. They differ materially from social welfare and resource transfer policies, although they can contribute to the reduction of poverty and improvement of income distribution.

6. Microfinance Sector in Tanzania

According to a study conducted by PRIDE (Promotion of Rural Initiative and Development Enterprises), a major microfinance-oriented NGO, —it is estimated that there are close to eight million small and micro entrepreneurs who need financial services, and the number is growing by 4% percent annually, the majority of whom are found in the rural areas. That is 20% of the country 's population, mainly dealing in the informal sector, ie about 12 million people, the largest group being small farmers in rural areas.

Initially, NNGCL Microfinance Bank Project major focus will be directed to the urban informal sector. This sector contributes 43% of the country GDP, but again it contributes 35% to the total urban labor force (URT, 2022). In Dar-Es-Salaam Region for instance, the informal sector offers about 65% of the city's labor force (URT, 2022). Nearly two of three urban households own informal enterprises.

NNGCL therefore has decided to boost the informal sector by providing financial services to their business activities. Although there are contradicting views regarding the relationship between poverty and the informal sector, without it, the poverty situation of the affected families would have been much worse. At the beginning, piloting project is undertaken at

Gongolamboto, Kinyerezi, Chanika and Kigamboni All are situated in Ilala Municipal, one of five Municipals in Dar-Es-Salaam Region.

Furthermore, NNGCL is chiefly committed to empowering the communities in rural areas because of the fact that their access to financial services is extremely limited. The initial community to be reached during the pilot phase is Bahi and Chamwino Districts in Dodoma region.

There are about 1,600 mainly rural based SACCOs in the whole country serving an estimated client population of about 130,000, most of whom are savers. According to PRIDE, —it is important to note that cooperative institutions in Tanzania have had a very bad history as most were associated with financial mismanagement to the extent that they lost peoples'trust and confidence. The cooperative based financial institutions therefore, could not make any meaningful impact in the lives of their members as they operated at very small scales due to funding constraints.

Other suspicious providers of financial solutions to the poor are moneylenders. According to the Finscope study, 35% of the Tanzanian adult population has access only to informal financial services. Some studies have emphasized the need to consider the use and the amount of credit offered to the clients when evaluating the impact of the MFIs on poverty reduction. It was found that the higher the amount of a loan or the frequency of borrowing, the higher the labor productivity and the household welfare of the recipients.

7. Project Description

NNGCL Microfinance Bank Project strives to empower women and youth economically while ensuring that those who live in poverty, particularly vulnerable women and children, are served in body, mind, and spirit. The springboard of this project is compassionate microfinance lending that includes a range of support services for its members through multiple local programs in strategic urban and rural areas of Tanzania, and will eventually spread to other countries within the East African region. By 2025 NNGCL intends to reach at least one million Tanzanians transform them out of extreme poverty through strategic goals:

- ✚ **Microfinance:** This includes urban and rural lending, community owned banking, and asset development strategies.
- ✚ **Community Investment:** This comprises consumer-owned businesses, social businesses, and social investment.
- ✚ **Entrepreneurial of Entrepreneurship:** This involves small-business development, hands-on learning, technical know-how culminating in self-employment, and life skills development.
- ✚ **Dynamic social network:** This involves sharing resources, local and global interdependence, and mobilization of social networks. Through Microfinance Bank, the company intends to increase opportunities for the poor to access financial services by providing financial services to low income entrepreneurs, mobilizing deposits from members and non-members and then loaning a certain percentage of these funds to urban and rural producers, traders and small-scale farmers, livestock keepers, vegetable and fruits dealers. Bank 's core values are enhancing their client's self-determination, serving as an ongoing financial resource for members, and achieving significant outreach and financial self-sufficiency.

7.1 Services

NNGCL Microfinance Bank will provide a variety of loan facilities for businesses operating in the services industry. The loan facilities are geared at individuals, groups and small registered companies, either wishing to start new businesses or expand on already existing businesses.

7.1.1 Retail Operations

This refers to but is not limited to the following types of business:

- + Supermarkets
- + General Traders
- + Fuel Service Stations
- + Restaurants
- + Furniture Shops
- + Bottle Stores/Bars
- + Butcheries/Fresh Produces
- + Hardware Shops
- + Hawkers
- + Street Vendors
- + Bookstores
- + Funeral Parlour
- + Pharmacies

7.1.2 Service Operations

This refers to but is not limited to the following business types

- + Hotel and Tourist Operators.
- + Catering Services.
- + Construction.
- + Repair of motor vehicles/ equipment.
- + Laundry & Dry Cleaning.
- + Gardening & Landscaping.
- + Hair Salons.
- + Arts & Crafts.
- + Beauty Salons.
- + Food Vendors
- + Medical Services.
- + Mobile Phones Shops.
- + Recycling services.
- + Leather and shoe making Vendors
- + Security Services.
- + Insurance Services

7.2 Training and Mentoring

The microfinance Bank Project will play a critical role in the economy by providing entrepreneurship development, through funding, training and mentoring.

Training and mentoring are interconnected as they both attempt to cultivate the right entrepreneurial skills by providing the local beneficiaries with hand holding services for

business related functions such as **marketing management; financial management; operations management**, and **human resources management**. Provision of these is an attempt to address either the lack of or inadequate business skills.




7.3 Microfinance Bank Service Packages

NNGCL Microfinance Bank Project, will offer tailor made banking solutions to potential clients drawn from various segment of the economy, such as follows:

7.3.1 Business Loans

This is Financing people to support their own businesses



Loan Packages

-  Anza Loan
-  Ongezeka Loan
-  Mshindi Loan

7.3.2 Education Loans

This is Financing people to get their basic requirements for University students





Loan Packages

-  Freshers Loan
-  School Improvement Loan

7.3.3 Mjasiriamali Equipment Loans

This is Financing people to acquire business support input (mechanized input)




Loan Packages

-  Beehive Loan
-  Dairy Cow Loan
-  Horticultural Loan
-  Irrigation Loan

7.3.4 Mazingira Loans

This is Financing people to purchase environmentally friendly assets




Loan Packages

-  Clean Energy Loan
-  Furniture Loan
-  Water Tank Loan

7.3.5 Agricultural Loans

Financing smallholder farmers to improve their farms and earn a higher income



Loan Packages

-  Lima Loan
-  Seed Loan
-  Madawa Loan

7.3.6 Dharura Loans

Financing people when they have an emergency.



Loan Packages

-  Sikukuu Loan
-  Jirani Loan

7.3.7 Asset Finance Loans

Financing people to acquire assets.

Loan Packages

-  Housing Loan
-  Motor vehicle Loan

8. Microfinance Bank Operations with leveraged Technology Application

Financial infrastructure is the entire set of legal, regulatory, accounting, credit reporting, and payments systems that supports the effective functioning of financial markets and financial intermediation. Smart use of technology could play a major role in strengthening this infrastructure and help the bank in many areas such as credit risk management (stronger MIS, credit bureau), distribution channels (mobile service stations, cell-phone and internet banking, agency service points in rural retail stores, ATMs), and even funding (transparent information, rating agencies). These technology platforms reduce costs.

NNGCL Microfinance Bank project will design a model through mobile App (application) which will be easily downloaded and installed on mobile phones of individual customers. The App will be developed with both local language Swahili and English for users' interface in order to achieve a higher adoption rate by the focus group. It will have five main modules, namely:

- ✚ Registration Module – This is meant to capture the Bio data of the users such as names, DOB, National ID number, Type of business, Location, phone number, e-mail address if any.
- ✚ Transaction Module - This is a journal in which users will record their daily transactions i.e expenditure, incomes.
- ✚ Digital wallet Module – This component stores user's mobile money or integrated existing mobile money wallets e.g M-PESA, Airtel-Money, Tigo-Pesa, Hallo Pesa which are already widely used. The system will emphasize ALL transactions be done digitally and discourage the use of cash. As part of motivation to bank account holders for their growth, the module applies user records to run a lottery for bank account holders and award lottery winners with specified capital equipment such as set of cooking utensils for food vendors, shelves, racks, mirrors and hangers for clothing and hair salon businesses etc.
- ✚ Report Module – This module have an important simple reports users are able to pull from the system in order to see various aspects of their business, e.g End of Day report (EOD), EOW, EOM, Profit/loss reports etc. These reports may/will also be used (on request) by other stakeholders such as banks, MFIs in credit evaluation processes, also government entities in various supportive initiatives and programmes to target group. The module will stand as a credit bureau by providing proper and reliable business records to be used for loan applications, provision of grants, subsidies and any other financial services directed to individuals and small businesses.
- ✚ Knowledge Module – This module functions to store business knowledge material and literature in short forms so that users will have the opportunity and convenience to educate themselves and access the right information on business matters.

In addition, NNGCL emphasizes coordination amongst policymakers, financial institutions, philanthropies and private sector businesses is crucial to ensure ICT fosters the transition of small businesses from owning informal, small businesses to formalized, larger businesses.

8.1 Overall Goals for using ICT in Bank Operations

- ✚ Overcoming barriers encountered by individual (women and youth) in the informal sector by the use of ICT platforms; ICT affords anonymity, greater access to connections and knowledge sharing. The flexibility to shift the time and place of work as well as opportunities for cost savings.
- ✚ Allowing women to mask their gender, thereby mitigating some gender biases.
- ✚ Enabling women and youth keep records and be able to track their transactions, hence widen their eligibility to access finance and credit facilities.
- ✚ Giving women and youth the ability to connect to distant markets, mentors, investors and suppliers which may meet their needs better than local options.
- ✚ Equip small businesses with tools to flexibly adjust their work timings and locations to better balance domestic and entrepreneurial responsibilities and to avoid unsafe travel.
- ✚ Establishing a tool suited to help to track and coordinate special supporting programmes and participants. Currently many existing support programmes operate in silos and have limited collaboration.
- ✚ Creating an enabling business environment for small businesses to grow and transition from informal to the formal economy.
- ✚ To enable automated and synchronized support functions: administrative, technical and supportive functions in agriculture through a remote system (these include; surveys, statistics, reports, resource allocation, usage monitoring, provision and usage of information services, counseling and farmer assistance.

- ✚ To exploit opportunities and address constraints to value chain growth and competitiveness and to promote value chain efficiency (Example; Bar coding, which speed the delivery of products to markets, thereby reducing spoilage of shipments of perishable products, text messaging would help farmers to negotiate with transport providers by supplying them with real-time information on market prices, cell phones can strengthen horizontal links (between firms) or vertical links (between buyers and sellers) by enabling reliable and rapid communication.
- ✚ To provide small businesses with all the necessary and desired information and knowledge in digital form (comprised of resources and systems that make learning and teaching faster, easier, better focused, broader and deeper thus enhancing the understanding and mastering domain knowledge and skills).

9. Project Resources Management

NINGCL underscores the need to exercise efficient resource management, this is vital for the long-term sustainability and success of a Microfinance Bank Project. To effectively accomplish this, the company consider the following strategies and principles:

9.1 Capital Management

- ✚ Maintain a sufficient capital buffer to meet regulatory requirements. Adequate capital provides a safety net for unexpected losses and supports growth. Calculate capital adequacy ratios regularly to ensure compliance.
- ✚ Allocate capital strategically based on risk. Higher-risk activities may require more capital reserves, while low-risk activities can utilize capital more efficiently.

9.2 Asset and Liability Management

- ✚ Ensure that the maturity and interest rate structure of assets and liabilities align. This helps minimize interest rate risk and liquidity risk.
- ✚ Implement effective interest rate risk management practices, including stress testing and scenario analysis. Diversify funding sources to reduce reliance on short-term deposits.

9.3 Investment Management

- ✚ Diversify investments to spread risk. Consider investing in safe, liquid assets like government securities and highly-rated corporate bonds. Balance risk and return according to the bank's risk tolerance.

- ✚ Regularly review the investment portfolio to ensure compliance with risk management policies and adjust as needed based on market conditions.

9.4 Human Resources Management

- ✚ Recruit skilled professionals with expertise in microfinance and banking. Invest in continuous training and development to enhance staff capabilities.
- ✚ Implement performance-based incentives to motivate employees and align their efforts with company goals.

9.5 Technology

- ✚ Maintain a robust IT infrastructure with adequate cybersecurity measures. Ensure data integrity and backup systems to prevent disruptions.
- ✚ Leverage digital channels to improve efficiency and reach a broader client base. Implement mobile banking, online account management, and digital payment solutions.

9.6 Bank Operations

- ✚ Develop and implement a comprehensive risk management framework. Identify, assess, and mitigate various risks, including credit, operational, and compliance risks.
- ✚ Stay updated on regulatory requirements and ensure full compliance. Regularly audit operations to identify areas for improvement.

9.7 Strategic Plans

- ✚ Develop and maintain a clear strategic plan that outlines the bank's long-term goals and objectives. Regularly review and update the plan to adapt to changing market conditions.
- ✚ Continuously gather data on customer preferences, market trends, and competitors. Use this information to inform strategic decisions and product development.

9.8 Marketing Activities

- ✚ Develop a marketing plan that targets the right audience and promotes the bank's services effectively. Use market research to tailor marketing campaigns.
- ✚ Educate individuals and small about the benefits of microfinance services and responsible financial behavior. Financial literacy programs can empower clients and enhance their understanding of your services.

9.9 Financial Reporting and Analysis

- ✚ Ensure that financial reports are generated promptly and accurately. Regular financial analysis can identify areas for improvement.
- ✚ Track key financial ratios and metrics, such as return on assets (ROA), return on equity (ROE), and the operating expense ratio, to gauge the bank's financial health.

9.10 Contingencies

- ✚ Develop comprehensive contingency plans to address potential crises or disruptions. These plans should cover liquidity crises, cyberattacks, and other emergencies.

Efficient resource management for a Microfinance Bank will be undertaken with proactive and disciplined approach. Regular monitoring, risk assessment, strategic planning, and compliance with regulatory requirements are all essential components of effective resource management. Moreover, it's crucial to adapt these strategies to the specific needs and circumstances to ensure long-term viability and success of the Bank.

10. Project KPI's

10.1 Growth of Client Base

- ✚ **Delivery Measurement:** Track the number of new clients acquired over specific periods (e.g., monthly, quarterly, annually).
- ✚ **Performance Factors**
 - Conduct thorough market research to identify target demographics and unbanked populations.
 - Implement targeted marketing campaigns to attract new clients.
 - Develop tailored financial products to meet the needs of different customer segments.
 - Implement customer retention strategies to minimize attrition and increase the lifetime value of clients.


10.2 Loan Portfolio Growth

- ✚ **Delivery Measurement:** Monitor the total value of outstanding loans in the portfolio over time.

Performance Factors

- Conduct robust credit risk assessments to identify viable lending opportunities.
- Offer a range of loan products to cater to various client needs (e.g., micro-enterprises, agriculture, education).
- Streamline loan processing to reduce turnaround time and increase loan disbursements.
- Educate clients on responsible borrowing and the benefits of your loan products.


10.3 Financial Sustainability

 **Delivery Measurement:** Evaluate financial ratios such as return on assets (ROA), return on equity (ROE), and the operating expense ratio.

Performance Factors

- Implement cost control measures to optimize operational expenses.
- Offer complementary financial services like savings accounts, insurance, and remittances to generate additional revenue.
- Ensure that interest rates charged on loans are competitive but still cover operational costs.
- Maintain an adequate provision for potential loan defaults to safeguard financial stability.

10.4 Portfolio Quality

 **Delivery Measurement:** Monitor the level of non-performing loans (NPLs) and their impact on the loan portfolio.

Performance Factors

- Continuously improve credit risk assessment processes to minimize NPLs.
- Implement effective loan recovery strategies, including proactive communication with delinquent clients.
- Conduct periodic reviews of the loan portfolio to identify and address potential issues early.

10.5 Customer Satisfaction

+ Delivery Measurement: Gather customer feedback through surveys, reviews, and customer satisfaction scores.

+ Performance Factors

- Ensure that staff provide excellent service, addressing customer needs promptly and professionally.
- Establish channels for clients to provide feedback and address their concerns.
- Offer financial literacy programs to empower clients and enhance their understanding of financial services.

10.6 Regulatory Compliance

+ Delivery Measurement: Regularly assess compliance with local and national financial regulations and standards.

+ Performance Factors

- Appoint a compliance officer or team to monitor and enforce regulatory requirements.
- Ensure that all staff are well-trained on regulatory compliance and that they stay updated on changes in regulations.
- Conduct internal and external audits to verify compliance and address any issues promptly.

By consistently tracking these KPIs and implementing strategies to achieve them, NNGCL can not only measure the success of its Microfinance Bank Project but also work towards delivering impactful financial services to the targeted group. Regularly reviewing and adjusting these KPIs based on the evolving needs of clients and the financial landscape will be crucial for long-term success.

11. Stakeholders and Partnership

NNGCL relies on a wide-ranging web of partners across the globe that are committed to a common purpose and are willing to invest resources - money, time and talents - to ensure its success. The Company welcomes needed efforts from the government and Development Partners to serve grassroots people, serve the interests of the locals, the less advantaged groups, and underserved areas according to NNGCL vision.

11.1 Bank of Tanzania

The Bank of Tanzania (BOT) as a regulator, is responsible for coordinating and monitoring the flow of funds in the economy and watch the rules of the game if observed accordingly. The BOT and other relevant government entities will ensure that the people of Tanzania are served according to the rules, regulations in place to guide best practice and to the global standards required in the financial sector. BOT would have the central role of monitoring and coordinating the implementation of the microfinance sector project. The Government's organs and all Stakeholders interact on the implementation of this project.

11.2 Tanzania Association of Microfinance Institutions

The Tanzania Association of Microfinance Institutions (TAMFI) is the umbrella organization for microfinance institutions working in Tanzania. TAMFI works to strengthen Tanzania's microfinance sector by promoting cooperation and collaboration among its members, providing training, conducting research and lobbying to the government of Tanzania on issues related to policy, rules and regulations enacted. TAMFI will ensure accountability and transparency at various levels during the implementation of the Project; Keep the records available to be used for different purposes and assist to translate policy and legal directives during implementation of the Model.

11.3 Financial Sector Deepening Trust

The Financial Sector Deepening Trust (FSDT) is a consortium of CIDA, DANIDA, DFID, SIDA and the Royal Netherlands Embassy in Tanzania. It is an investment fund of which the overall aim is to achieve greater access for more people to the financial sector in Tanzania. In practice, this means identifying and funding investments and other projects that promote this objective. In part, the Trust seeks to help smaller financial firms, especially microfinance institutions and small banks develop to the point where they are sustainable, credible and creditworthy partners for commercial banks and larger financial institutions. FSDT advises on the implementation of the project the way it facilitates formalizing the informal sector, enhance the growth of this sector and its contribution to the national economy.

11.4 Development Partners

In recognition of the outstanding efforts of Development partners to enable the private sector participation on building the country's economy, their support would be required in the following areas; Providing support for research, and capacity building to Stakeholders and Providing financial and technical support in piloting the projects of this type, designing legal framework and policies, and overall implementation of the Project.

11.5 Grameen Bank

Grameen Bank of Bangladesh, has great role in collaborating with NNGCL to replicate its micro lending model in Tanzania. Grameen Bank is the premier international banking model for the poor, with more than 7.5 million borrowers in 65 countries around the globe, mostly in the developing world. Grameen Bank will offer consultancy during the development, implementation, and monitoring of a micro credit program in the places where the company will undertake pilot project, and provide direct or indirect technical support during the piloting phase.

12. Legal Framework and Regulatory Issues

The following regulatory policies plays an important role towards shaping Tanzania's financial sector. The National Microfinance Policy (2017), Microfinance Act (2018), Small and Medium Enterprises Development Policy (2002) National Land Policy (1995). These legal frameworks regulate financial institutions initially focusing on minimum capital requirements aiming at creating conducive space for achieving financial inclusion, combat poverty reduction and significantly empower women and youth through small businesses be able to use their resources available to change their life and families, while also allowing to achieve nation prosperity as well.

13. SWOT Analysis

Strengths

- Low default rate on loans issued,
- Adequate space for future expansion of the bank's new business lines,
- Ability to plan sustainable business activities,
- Accountability and transparency;
- Education and trainings in business skills and entrepreneurship to customers and the entire SME ecosystem in the Dar es salaam city.

Weaknesses

- Inadequate ICT system that can meet the needs of the bank;
- Inadequate professional executives,
- Slow process on issuing various loan available due to regulation process,
- Lack of certified collaterals for some loan products;
- Delays in informing guarantors when members default and penalty

Opportunities

- Product and services development diversification using mobile money transfer (MPESA, AIRTELMoney etc) and electronic banking
- Expanding customer base geographically to capture other municipalities,
- Presence of other financial institutions and Social Security Funds willing to work with the banks;
- Use of additional collateral to include title deeds to disburse higher loan amounts,

Threats

- Competition from other micro finance institutions and informal moneylenders (SACCOS, VICOBA)
- Lack of insurances covering loans taken by individuals
- Stiff regulation procedures on collateral issues and account opening requirements;

14. Project Components

Table 1: Project main Activities

Main and Sub Components	Activities	Timeline
3.1 Partnership & Capacity Building 3.1.1 Mobilizing Global Partnership 3.1.2 Awareness creation 3.1.3 Sensitization and Project Management	Conducting Preliminary and introductory meetings with international Partners, Local Government officials and representative women groups, small business groups.. Giving seminars and Training sessions.	October 2023 November 2023
3.2 Technical Procurements 3.2.1 Hardware Machinery Equipment 3.2.2 System Support Software	-Ordering and purchasing of Equipment -computers (servers, Desktops, Laptops & switches) - Purchasing and Installation of Operating system -Linux/ Windows os. And other supporting software i.e Exchange, Share portal, etc.	January 2024
3.3 Consulting Services 3.3.1 Technical integration system 3.3.2 Monitoring Evaluation and Technical Audit 3.3.3 Financial Management and Procurement Audit	-System Analysis & design (Product Roadmap), UI/UX architecture flow, App Development, Back-End/Front-End design and creation. -Use test cases preparations, UX & Functional Testing, Performance testing, Security testing, Devices and Platform Testing, App Submission to the App stores. Deployment & Support.	January 2024 April 2024

Table 2: Project Financing Plan

S/N	Financing Plan	Euro	Instrument	Percentage
1.	Project Partner	35,000,000	Loan	70
2.	NNGCL	15,000,000	Equity	30
	Total	50,000,000	Capital	100

15. Project Risks and Proposed Mitigation Measures

Table 3: Summary of Risks and Mitigation Measures

Risks	Level	Mitigation Measures
<p>Operational Risk: Type of risk which occurs as a result of inadequate or failed internal processes; peoples and systems; or from external events, such as internal or external fraud; employment practices and workplace safety; clients, products and business practices; damage of physical assets; business disruption and system failures; and execution.</p>	High	<ul style="list-style-type: none"> Hiring good and trustworthy Staff. Installing access control systems to the sensitive areas, like server rooms, Installing Disaster Recovery System Software, firewalls and intrusion detection software.
<p>Security Risk: Risk which occurs as a result of malicious acts or sabotage; such as hacking or denial of service attacks, which can leave a party subject to financial loss.</p>	Medium	Establishing sound security policy; and provide overall security framework for hardware and software systems.
<p>Regulatory Risk: These are uncertainties or gaps in the legal framework; i.e. lack of clarity in the existing law or guiding regulations; which may lead to uncertainty and misinterpretations of legal enforceability of parties' rights and obligations.</p>	Low	Publishing and distributing comprehensive risk management frameworks and compliance policies.

16. Project Sustainability

Project sustainability will focus on attaining the real workable sustainability, the project will adopt various commercial model approach where the costs of the services provided would be covered by the revenue generated within the project itself. The project will be self-sustaining, self-driving once started. This would be achieved by supporting initiatives to empower the small businesses in the informal sector through appropriate enabling policy environments, technology and flexible legal frameworks. It would also depend on the community's

awareness and acceptance of the Project as their vehicle for building the nation economy; besides, enhancing their business growth as well as improving their welfare.

In this context, therefore, outstanding institutional support and the ability to enforce the rules would make this project meets its sustainability, scalability, reliability, profitability and project efficacy will be attained as planned.

17. Conclusion

NNGCL Microfinance Bank Project is poised to make a significant impact on Tanzania's microfinance sector by addressing the unmet financial needs of the country's underserved population. With a commitment to innovation, integrity, and customer focus, we are well-positioned to become a leading Microfinance Bank, driving economic empowerment and financial inclusion across Tanzania. We invite you to join us in this transformative journey as we create lasting value for our staff, clients, and shareholders while making a positive social impact. Together, we can build a brighter financial future for all Tanzanians.

KEY ASSUMPTIONS AND CONSIDERATION:						Table 1
SN	PARTICULARS	FOREX RATE	EQUIVALENCY	CONVERSION DATE	INTEREST RATE	SENSITIVITY FACTOR ****
[A]	<u>EXCHANGE RATE:</u>					
1.	US\$ to Tshs	1.00	2550.00000	2022		
2.	£ to Tshs	1.00	2800.00000	2022		
3.	£ to US\$	1.00	1.09804	2022		
4.	Euro to Tshs	1.00	2775.00000	2022		
5.	US\$ to Euro	1.00	0.91892	2022		
[B]	<u>INTEREST RATES:</u>					
1.	Overdrafts				15%	
2.	Term Loan				15%	
[C]	<u>SENSITIVITY FACTOR:</u>					
	Used to test the projects strengths in case of changes in the exchange rate					1.00
[D]	<u>OTHERS:</u>					
	A margin on goods purchased is projected at:					
	Efficiency Utilisation	54.0%	65.0%	75.0%	85.0%	85.0%
NOTE:						
***	= The exchange rates used are Average rates for the year 2022					

INVESTMENT SCHEDULE:							Table 2
SN	DETAILS OF THE EXPENDITURE	UNIT COST	QUANTITY PIECES	FINANCING ARRANGEMENT			TOTAL [EURO]
				EQUITY	LOAN / GRANT	TOTAL [Tshs]	
[A]	LAND AND BUILDINGS [TSHS]:						
	Long Term Lease (Initial 4 branches)	180,000,000.00	4	0.00	720,000,000.00	720,000,000.00	259,459
	Buildings of banking halls and office blocks			9,585,331,550.00	32,700,000,000.00	42,285,331,550.00	15,237,957
	Building of Strong rooms and tellers services			4,350,000,000.00	18,000,000,000.00	22,350,000,000.00	8,054,054
	Purchase of banking softwares			1,750,000,000.00	6,850,000,000.00	8,600,000,000.00	3,099,099
[B]	PLANT, MACHINERY, TOOLS & EQUIPMENTS:						-
1	ICT, Computers, printers and accessories	19,425,000.00	30	582,750,000.00	0.00	582,750,000.00	210,000
2	Teller machiines	27,750,000.00	50	555,000,000.00	832,500,000.00	1,387,500,000.00	500,000
3	AMT Machines	24,975,000.00	30	0.00	749,250,000.00	749,250,000.00	270,000
4	CCTV Cameras	8,925,000.00	45	89,250,000.00	312,375,000.00	401,625,000.00	144,730
5	500 KV Standby Generators	91,575,000.00	3	0.00	274,725,000.00	274,725,000.00	99,000
[C]	UTILITY VEHICLES						-
1	Cash Delivery Vans	471,750,000.00	4	-	1,887,000,000.00	1,887,000,000.00	680,000
2	Pick Up 4 WD	318,750,000.00	2	-	637,500,000.00	637,500,000.00	229,730
3	Land Cruiser Toyota Saloon	293,250,000.00	2	-	586,500,000.00	586,500,000.00	211,351
							-
							-
[D]	FURNITURES, FIXTURE & FITIINGS:						-
1	Refrigerators, computers, tools, file cabintes etc			2,650,000,000.00	5,500,000,000.00	8,150,000,000.00	2,936,937
2	Furniture & fittings	-		3,265,000,000.00	15,750,000,000.00	19,015,000,000.00	6,852,252
	Sub-total			22,827,331,550.00	84,799,850,000.00	107,627,181,550.00	38,784,570
[E]	PRE-OPERATIONAL EXPENSES [TSHS]:						
1.	Fuel and oil	875,860,000	3	2,627,580,000.00	0.00	2,627,580,000.00	946,876
2.	Feasibility Study Preparation	685,000,000	1	685,000,000.00	0.00	685,000,000.00	246,847
3.	Legal Documentation/Licence	287,500,000	1	287,500,000.00	0.00	287,500,000.00	103,604
4.	Directors Renumeration	360,000,000	3	1,080,000,000.00	0.00	1,080,000,000.00	389,189
5.	Salary and Wages (First Month)	65,800,000	300	0.00	19,740,000,000.00	19,740,000,000.00	7,113,514
6.	Electricity and Water	-	0	0.00	1,460,000,000.00	1,460,000,000.00	526,126
7.	Training Costs	-	0	860,200,000.00	0.00	860,200,000.00	309,982
8.	Alarm and security lights	-	0	127,000,000.00	0.00	127,000,000.00	45,766
9.	Other expenses			628,450,000.00	0.00	628,450,000.00	226,468
	Management costs			969,088,450.00	2,658,000,000.00	3,627,088,450.00	1,307,059
	Sub-total			7,264,818,450.00	23,858,000,000.00	31,122,818,450.00	11,215,430
	TOTAL INVESTMENT COSTS			30,092,150,000.00	108,657,850,000.00	138,750,000,000.00	50,000,000

NB: Exchange Rate used is 1EURO = Tshs 2,775.00

FINANCING %AGE

21.7%

78.3%

100%

PROVISIONAL LOAN REPAYMENT SCHEDULE [TSHS]:						Table 3	
SN	PARTICULARS/YEARS	0	1	2	3	4	5
1.	Balance B/F		108,657,850,000	93,469,890,233	75,548,097,708	54,400,382,528	29,446,078,616
2.	Loan Disbursement	108,657,850,000					
	Interest Capitalized	0					
3.	Interest Payment during grace period	9,779,206,500	19,558,413,000	16,824,580,242	13,598,657,587	9,792,068,855	5,300,294,151
4.	Principal Payment		15,187,959,767	17,921,792,525	21,147,715,180	24,954,303,912	29,446,078,616
5.	Balance C/F	108,657,850,000	93,469,890,233	75,548,097,708	54,400,382,528	29,446,078,616	0
6.	Total Loan Service		34,746,372,767	34,746,372,767	34,746,372,767	34,746,372,767	34,746,372,767

PROJECTED DIRECT & INDIRECT OPERATING EXPENSES:		Table 4							
SN	PARTTICULARS/YEARS	1	2	3	4	5	6	7	8
[A]	DIRECT EXPENSES:								
1.	Service Overhead	2,870,000	2,927,400	2,985,948	3,045,667	3,106,580	3,168,712	3,232,086	3,296,728
2.	Other Direct Overhead	64,680,424,000	65,974,032,480	67,293,513,130	68,639,383,392	70,012,171,060	71,412,414,481	72,840,662,771	74,297,476,026
3.									
4.									
	Sub-total	64,683,294,000	65,976,959,880	67,296,499,078	68,642,429,059	70,015,277,640	71,415,583,193	72,843,894,857	74,300,772,754
[B]	INDIRECT EXPENSES:								
1.	Salaries and Wages	96,300,000	110,745,000	126,249,300	128,585,502	149,159,182	168,549,876	197,203,355	226,783,858
2.	Other Administrative Expenses	3,195,500	3,834,600	4,601,520	5,521,824	6,626,189	7,951,427	9,541,712	11,450,054
	Sub-total	99,495,500	114,579,600	130,850,820	134,107,326	155,785,371	176,501,303	206,745,067	238,233,912
	TOTAL	64,782,789,500	66,091,539,480	67,427,349,898	68,776,536,385	70,171,063,011	71,592,084,496	73,050,639,924	74,539,006,667

PROJECTED WORKING CAPITAL ESTIMATE:		Table 5							
SN	PARTICULARS/YEARS	0	1	2	3	4	5	6	7
[A]	CASH:								
1.	2% of total operating costs	0	-	-	-	-	-	-	-
[B]	DEBTORS:								
1.	2% of total revenue	0	2,156,863	2,588,235	3,105,882	3,727,059	4,472,471	5,366,965	6,440,358
[C]	STOCKS:								
1.	Service Overhead	2,870,000	2,927,400	2,985,948	3,045,667	3,106,580	3,168,712	3,232,086	3,296,728
2.	Other Direct Overhead	64,680,424,000	65,974,032,480	67,293,513,130	68,639,383,392	70,012,171,060	71,412,414,481	72,840,662,771	74,297,476,026
3	0	-	-	-	-	-	-	-	-
4	0	-	-	-	-	-	-	-	-
	Sub-total	64,683,294,000	65,979,116,743	67,299,087,313	68,645,534,942	70,019,004,699	71,420,055,664	72,849,261,822	74,307,213,112
[D]	CREDITORS:								
1.	Utilities and other staff [1 month]	3,195,500	3,834,600	4,601,520	5,521,824	6,626,189	7,951,427	9,541,712	11,450,054
2.	Salaries, Wages [1 month]	8,025,000	9,228,750	10,520,775	10,715,459	12,429,932	14,045,823	16,433,613	18,898,655
	Sub-total	11,220,500.00	13,063,350.00	15,122,295.00	16,237,282.50	19,056,120.66	21,997,249.56	25,975,324.78	30,348,709.10
		64,672,073,500.00	65,966,053,392.75	67,283,965,017.89	68,629,297,659.00	69,999,948,578.50	71,398,058,414.17	72,823,286,496.93	74,276,864,402.70
1.	TOTAL CASH	0	-	-	-	-	-	-	-
2.	TOTAL DEBTORS	-	2,156,862.75	2,588,235.29	3,105,882.35	3,727,058.82	4,472,470.59	5,366,964.71	6,440,357.65
3.	TOTAL STOCKS	64,683,294,000.00	65,976,959,880.00	67,296,499,077.60	68,642,429,059.15	70,015,277,640.34	71,415,583,193.14	72,843,894,857.00	74,300,772,754.14
4.	TOTAL CREDITORS	11,220,500.00	13,063,350.00	15,122,295.00	16,237,282.50	19,056,120.66	21,997,249.56	25,975,324.78	30,348,709.10
1.	CHANGE IN CASH	0	-	-	-	-	-	-	-
2.	CHANGE IN DEBTORS	0	2,156,862.75	431,372.55	517,647.06	621,176.47	745,411.76	894,494.12	1,073,392.94
3.	CHANGE IN STOCKS	0	1,293,665,880.00	1,319,539,197.60	1,345,929,981.55	1,372,848,581.18	1,400,305,552.81	1,428,311,663.86	1,456,877,897.14
4.	CHANGE IN CREDITORS	0	1,842,850.00	2,058,945.00	1,114,987.50	2,818,838.16	2,941,128.90	3,978,075.22	4,373,384.31
			1,297,665,592.75						

PROJECTED INCOME [TSHS]:		Table 6							
PARTICULARS/YEARS	0	1	2	3	4	5	6	7	8
Total Revenue	0	66,000,000,000	79,200,000,000	95,040,000,000	114,048,000,000	136,857,600,000	164,229,120,000	197,074,944,000	236,489,932,800
LESS:									
Total Direct Costs	0	(64,683,294,000)	(65,976,959,880)	(67,296,499,078)	(68,642,429,059)	(70,015,277,640)	(71,415,583,193)	(72,843,894,857)	(74,300,772,754)
OPERATING PROFIT	0	1,316,706,000	13,223,040,120	27,743,500,922	45,405,570,941	66,842,322,360	92,813,536,807	124,231,049,143	162,189,160,046
LESS:									
Total Indirect Costs	0	(99,495,500)	(114,579,600)	(130,850,820)	(134,107,326)	(155,785,371)	(176,501,303)	(206,745,067)	(238,233,912)
GROSS PROFIT	0	1,217,210,500	13,108,460,520	27,612,650,102	45,271,463,615	66,686,536,989	92,637,035,504	124,024,304,076	161,950,926,133
LESS:									
Depreciation	0	(2,449,173,575)	(1,954,605,630)	(1,578,970,491)	(3,181,293,343)	(2,490,125,539)	(1,967,583,356)	(1,571,677,055)	(1,270,907,664)
Interest Capitalised		0							
Interest paid		(9,779,206,500)	(19,558,413,000)	(16,824,580,242)	(13,598,657,587)	(9,792,068,855)	(5,300,294,151)	0	0
Pre-operating Costs		0	0	0	0	0	0	0	0
PROFIT BEFORE TAX	0	(11,011,169,575)	(8,404,558,110)	9,209,099,370	28,491,512,684	54,404,342,594	85,369,157,997	122,452,627,021	160,680,018,469
LESS:									
Corporation Tax 30%	0	0	0	(2,762,729,811)	(8,547,453,805)	(16,321,302,778)	(25,610,747,399)	(36,735,788,106)	(48,204,005,541)
PROFIT AFTET TAX	0	(11,011,169,575)	(8,404,558,110)	6,446,369,559	19,944,058,879	38,083,039,816	59,758,410,598	85,716,838,915	112,476,012,928
Operating Surplus Percentage	0%	2%	17%	29%	40%	49%	57%	63%	69%
Gross Profit Percentage	0%	2%	17%	29%	40%	49%	56%	63%	68%
Net Profit Percentage	0%	-17%	-11%	7%	17%	28%	36%	43%	48%
RETAINED EARNINGS	0	(11,011,169,575)	(8,404,558,110)	6,446,369,559	19,944,058,879	38,083,039,816	59,758,410,598	85,716,838,915	112,476,012,928
CUMMULATIVE RETAINING EA	0	(11,011,169,575)	(19,415,727,684)	(12,969,358,126)	6,974,700,753	45,057,740,569	104,816,151,167	190,532,990,082	303,009,003,010

PROJECTED CASH BUDGET STATEMENT [TSHS]:		Table 7							
PARTICULARS/YEARS	0	1	2	3	4	5	6	7	8
SOURCES OF FUNDS:									
Gross Profit	0	1,217,210,500	13,108,460,520	27,612,650,102	45,271,463,615	66,686,536,989	92,637,035,504	124,024,304,076	161,950,926,133
Bank Loan	0	108,657,850,000	0	0	0	0	0	0	0
Share Capital		0							
Equity Capital	0	30,092,150,000	0						
Change in Creditors	0	1,842,850	2,058,945	1,114,988	2,818,838	2,941,129	3,978,075	4,373,384	(30,348,709)
TOTAL	0	139,969,053,350	13,110,519,465	27,613,765,090	45,274,282,453	66,689,478,117	92,641,013,579	124,028,677,460	161,920,577,424
APPLICATION OF FUNDS:									
Purchase of Fixed Assets	0	21,569,109,050	0	0	7,554,280,000	0	0	0	0
Corporation Tax Payment	0	0	0	0	2,762,729,811	8,547,453,805	16,321,302,778	25,610,747,399	36,735,788,106
Loan Services		0	34,746,372,767	34,746,372,767	34,746,372,767	34,746,372,767	34,746,372,767	0	0
Interest Paid	0	9,779,206,500	0	0	0	0	0	0	0
Change in Debtors	0	2,156,863	431,373	517,647	621,176	745,412	894,494	1,073,393	1,288,072
Change in Stock	0	1,293,665,880	1,319,539,198	1,345,929,982	1,372,848,581	1,400,305,553	1,428,311,664	1,456,877,897	(74,300,772,754)
Change in Cash	0	0	0	0	0	0	0	0	0
TOTAL	0	32,644,138,293	36,066,343,337	36,092,820,396	46,436,852,336	44,694,877,537	52,496,881,703	27,068,698,689	(37,563,696,576)
NET SOURCES/APPLICATION	0	107,324,915,057	(22,955,823,872)	(8,479,055,306)	(1,162,569,883)	21,994,600,581	40,144,131,876	96,959,978,771	199,484,274,001
CUMMULATIVE SOURCES/APPLICATION	0	107,324,915,057	84,369,091,185	75,890,035,879	74,727,465,997	96,722,066,577	136,866,198,454	233,826,177,225	433,310,451,225

PROJECTED BALANCE SHEET [TSHS]:		Table 8							
PARTICULARS/YEARS	0	1	2	3	4	5	6	7	8
CURRENT ASSETS:									
Cash	0	107,324,915,057	84,369,091,185	75,890,035,879	74,727,465,997	96,722,066,577	136,866,198,454	233,826,177,225	433,310,451,225
Debtors	0	2,156,863	2,588,235	3,105,882	3,727,059	4,472,471	5,366,965	6,440,358	7,728,429
Stocks	64,683,294,000	65,976,959,880	67,296,499,078	68,642,429,059	70,015,277,640	71,415,583,193	72,843,894,857	74,300,772,754	0
TOTAL CURRENT ASSETS	64,683,294,000	173,304,031,800	151,668,178,498	144,535,570,821	144,746,470,696	168,142,122,241	209,715,460,275	308,133,390,337	433,318,179,655
OTHER INVESTMENTS:									
Pre-operating Costs	0	0	0	0	0	0	0	0	0
TOTAL INVESTMENTS	0	0	0	0	0	0	0	0	0
FIXED ASSETS:									
Total Fixed Assets	0	19,119,935,476	17,165,329,846	15,586,359,355	19,959,346,011	17,469,220,472	15,501,637,116	13,929,960,061	12,659,052,396
TOTAL FIXED ASSETS	0	19,119,935,476	17,165,329,846	15,586,359,355	19,959,346,011	17,469,220,472	15,501,637,116	13,929,960,061	12,659,052,396
TOTAL ASSETS	64,683,294,000	192,423,967,276	168,833,508,343	160,121,930,175	164,705,816,707	185,611,342,713	225,217,097,391	322,063,350,397	445,977,232,051
CURRENT LIABILITIES:									
Corporation Tax	0	0	0	2,762,729,811	8,547,453,805	16,321,302,778	25,610,747,399	36,735,788,106	48,204,005,541
Creditors	11,220,500	13,063,350	15,122,295	16,237,283	19,056,121	21,997,250	25,975,325	30,348,709	0
TOTAL CURRENT LIABILITIES	11,220,500	13,063,350	15,122,295	2,778,967,093	8,566,509,926	16,343,300,028	25,636,722,724	36,766,136,815	48,204,005,541
NET ASSETS	64,672,073,500	192,410,903,926	168,818,386,048	157,342,963,082	156,139,306,781	169,268,042,685	199,580,374,667	285,297,213,582	397,773,226,510
FINANCED BY:									
Share Capital	0	0	30,092,150,000	30,092,150,000	30,092,150,000	30,092,150,000	30,092,150,000	30,092,150,000	30,092,150,000
Equity Capital	0	30,092,150,000	0	0	0	0	0	0	0
Loan Balance	0	108,657,850,000	93,469,890,233	75,548,097,708	54,400,382,528	29,446,078,616	0	0	0
Capital Reserve	0	64,672,073,500	64,672,073,500	64,672,073,500	64,672,073,500	64,672,073,500	64,672,073,500	64,672,073,500	64,672,073,500
Retaining Earnings	0	(11,011,169,575)	(19,415,727,684)	(12,969,358,126)	6,974,700,753	45,057,740,569	104,816,151,167	190,532,990,082	303,009,003,010
TOTAL EQUITY	0	192,410,903,926	168,818,386,048	157,342,963,082	156,139,306,781	169,268,042,685	199,580,374,667	285,297,213,582	397,773,226,510

