



ISSUE OF TZS 20,000,000,000 (with a greenshoe option of upto TZS 5,000,000,000)] FIXED RATE NOTES UNDER THE UP TO TZS 200 000 000 000 MEDIUM TERM NOTE PROGRAMME

This document constitutes the applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall have the same meaning ascribed to them in the Information Memorandum dated 03 May 2016, as updated and amended from time to time.

This applicable Pricing Supplement must be read in conjunction with the Information Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Information Memorandum, the provisions of this Pricing Supplement shall prevail.

1. Description of the Notes	
1.1 Issuer	National Microfinance Bank Plc
1.2 Status of the Notes	Senior, unsecured
1.3 Issue:	
a. Series Number*	NMB-FXD01/2016/03
b. Tranche Number	[01]
* explanation of the Series number NMB – National Microfinance Bank PLC; FXD01 – first tranche of fixed rate notes; 2016 – year of issue; 3 – tenor of notes	
1.4 Redemption/Payment Basis	[Redemption at par]
1.5 Principal Amount	TZS 20,000,000,000 (with a greenshoe option of upto TZS 5,000,000,000)
1.6 Form of Notes	Book-entry
1.7 Issue Date	[13 June 2016]
1.8 Trade Date	[09 June 2016]
1.9 Business Centre	[Dar es Salaam]
1.10 Specified Denomination of the Notes	[TZS 500 000]
1.11 Issue Price	[Par]
1.12 Interest Commencement Date	[13 June 2016]
1.13 Interest Termination Date	[13 June 2019]
1.14 Redemption Date	[13 June 2019]
1.15 Specified Currency	[TZS]

1.16 Applicable Business Day convention	Following
1.17 Fiscal Agent and Registrar	Fiscal Agent - NMB Plc Registrar - Stanbic Bank Tanzania Limited
1.18 Specified office	
Of the Fiscal Agent	National Microfinance Bank Plc Head Office Ohio/Ali Hassan Mwinyi Road P.O. Box 9213 Dar es Salaam, Tanzania
Of the Registrar	Stanbic Bank Tanzania Limited Head Office Ali Hassan Mwinyi Road/Kinondoni P. O. Box 724647 Dar es Salaam, Tanzania
1.19 Final Redemption Amount	TZS 20,000,000,000 (with a greenshoe option of upto TZS 5,000,000,000)
1.20 Record Date	fifteenth day before (and not including) each Interest Payment Date
2. Provisions relating to Interest Payable	
2.1 Fixed Rate Note Provisions	
i. Fixed Rate of Interest	[13]% per annum payable [semi-annually] in arrear
ii. Interest Payment Dates	[[June] and [December]] in each year up to and including the Maturity Date
iii. Default Rate	Fixed Rate of Interest + [200 basis points]
iv. Other terms relating to the method of calculating interest for the Fixed Rate Notes	Not applicable
3. Provisions regarding Redemption	
3.1 Redemption at the option of the Issuer	Applicable

If applicable,	
a. Optional Redemption Dates	Interest Payment Dates
b. Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	20% of the Principal Amount
c. Minimum period of notice (if different from Condition [6] (<i>Redemption and Purchase</i>))	Not applicable
d. If redeemable in part	
i. Minimum Redemption Amount	TZS 500,000,000
ii. Higher Redemption Amount	TZS10,000,000,000
e. Other terms applicable on Redemption	None
GENERAL	
4. Other terms or special conditions	None
5. Board approval for issuance of the Notes	7 February 2015
6. Additional Selling Restrictions	None
7. Allotment policy	all applications for the minimum amount of TZS 500,000 will receive full (100%) allocation; any applications for amounts over TZS 500,000 will be allocated on a prorata basis
8. Settlement Procedures and Settlement Instructions	<ul style="list-style-type: none"> ▪ For Qualified Institutional Investors (QIIs): same day funds on the settlement date to the Fiscal Agent ▪ For investors other than QIIs: evidence of payment should be submitted to the Authorised Selling Agent, the Issuer together with the duly completed Application Form
9. Details of bank account(s) to which payments are to be made in respect of the Notes	10110000203
10. Last Day to Register, which shall mean that the "books closed period" (during which the Register will be closed) will be from each Last Day to Register to the applicable Payment Day until the date of redemption	15 days before the Payment Date
11. Method of Distribution	Public
12. Total Notes in issue (excluding the current	Nil

issue)	
13. Rights of Cancellation	<p>The Notes will be delivered to investors on the Settlement Date by registration in the CDS Account as book entry provided that:</p> <ul style="list-style-type: none"> • no event occurs prior to the settlement process being finalized on the Issue Date/Settlement Date which the Issuer (in its sole discretion) consider to be a force majeure event; or • no event occurs which the Issuer (in its sole discretion) considers may prejudice the issue, the Issuer or the Notes, <p>(each a Withdrawal Event).</p> <p>If the Issuer decides to terminate this transaction due to the occurrence of a Withdrawal Event, this transaction shall terminate and no party hereto shall have any claim against any other party as a result of such termination. In such event, the Notes, if listed, will immediately be de-listed.</p>
14. Tax	<p>Interest earned on the Notes is subject to withholding tax at the rate of 10% (ten per cent) for interest payments made to Noteholders. (Attach copy of certificate of exemption where applicable)</p>
15. Material Change	<p>Save as disclosed in the Information Memorandum as read together with this applicable Pricing Supplement, there has been no significant change in the Issuer's financial position since the date of the Issuer's last audited financial statements.</p>
16. Responsibility Statement	<p>The Issuer and the Board of Directors accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Information Memorandum referred to above, contains all information that is material in the context of the issue of the Notes.</p>
ADDITIONAL INFORMATION	
17. Additional steps that may be taken following approval of the Extraordinary Resolution (in accordance with the Conditions)	Not applicable
18. Specify Agents and Specified Offices if new or other Agents appointed	Not applicable

Salient Dates	
Offer Opens	[8.00 am on Tuesday 10 May 2016]
Offer Closes	[5.00 p.m on Wednesday 08 June 2016]
Allotment Date	[10.00 a.m on Thursday 09 June 2016]
Notification Date (via email/telephone)	[2.00p.m on Friday 10 June 2016]
Payment Date (for qualified institutional investors only)	[2.00 p.m on Thursday 16 June 2016]
Issue Date	[Thursday 16 2016]
CDS Account upload date	[Friday 01 July 2016]
Authorised Signatories	