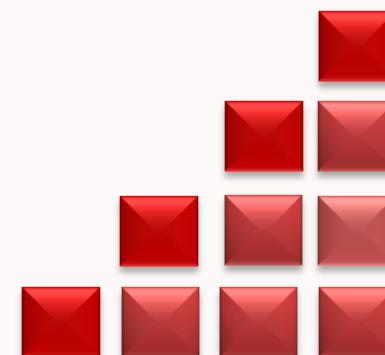




# NATIONAL DEVELOPMENT BANK PLC.

## KEY FACT DOCUMENTS

Commercial banking



## KEY FACT DOCUMENT -

The Product / Service	Product Description	Financial & Other Benefits,	Procedure to be followed	Major Terms and conditions	
<b>Overdraft</b>	Overdraft facilities for working capital management and administrative purposes	Enables the client to manage Working Capital/ Administrative expenses/ Cash flows, required for manufacturing and trading activities for both import and exports clients	<ol style="list-style-type: none"> <li>Contact the Head of Corporate Banking Department (CBD) on 4796267 or a Team Leader (TL)/ Relationship Manager (RM) of CBD on 2448448, regarding the required working capital facility.</li> <li>A designated TL/ RM will visit the client's office/ factory premises and obtain financial and other required information.</li> <li>An indicative Offer Letter detailing the facility amounts, rates and terms &amp; conditions would be forwarded to the prospective client, for their acceptance.</li> <li>Upon receipt of the accepted indicative Offer Letter and all information necessary for the evaluation of the requested banking facility, the RM would proceed with the preparation of a detailed credit proposal for the proposed facilities.</li> <li>The time taken for the preparation of the credit proposal would depend on the complexity of the facility structure and the level of information/ documents required by the bank.</li> </ol>	<p>Following are the standard norms of Commercial Banking facilities. However, these will vary depending on the nature of the business, the working capital cycle and risk profile.</p> <ol style="list-style-type: none"> <li><b>Turnover Threshold:</b> Clients with an annual Turnover of LKR 600 million and above.</li> <li><b>Interest Rate:</b> Based on the current market rates and the risk return on the agreed tenor.</li> <li><b>Fees:</b> based on the Standard Tariffs of the Bank.</li> <li><b>Tenor:</b> As per the working capital cycle.</li> <li><b>Repayment:</b> As per the agreed tenor.</li> <li><b>Security:</b> Will depend on the nature of the business, risk profile and the security offered to other banks. In general: Fixed deposits and cash build up, Mortgage over Stocks and Book Debts, Mortgage over Movable and Immovable property, Personal and Corporate Guarantees etc.</li> </ol>	
<b>Letters of Credit</b>	Opening letters of credit to import raw materials, machinery and related items				
<b>Import loans</b>	Loans to finance imports				
<b>Short Term Loan</b>	To finance import bills, duty payments and other working capital requirements				
<b>Packing Credit Loans</b>	Pre export financing for exporters to purchase raw materials and related processing expenses in relation to export of goods.				
<b>Bill Purchasing</b>	Advancing funds to clients against the export documents i.e. until the receipt of funds are received from the buyers.				
<b>Guarantees</b>	Issuance of guarantees for Customs & Tender procedures (i.e. Bid bonds, Advance Payment Guarantees and Performance Guarantee )				To secure contracts and manage import duty
<b>Forex</b>	Foreign Exchange forward contracts, Swaps and other Forex products				To hedge the risk of fluctuation of foreign currencies and interest rates
<b>Leasing</b>	To finance the purchasing of vehicles				Leasing of vehicles/ enabling to claim VAT
<b>Post Dated Cheque Discounting</b>	Advancing of funds for Post Dated cheques of the client				Support the clients cash flows positively

6. Once completed, the Credit proposal would be forwarded to the Executive Credit committee for approval.

7. If approved, a formal Offer Letter of facilities would be sent to the client detailing the facility structure, rates, security and other terms and conditions.

8. If the proposed facilities are declined, the TL or RM would inform the client.

9. Disbursement of facilities would be done upon the receipt of the accepted Offer Letter by the bank and the completion of all security documentation detailed in the Offer Letter.