

PLEASE STAPLE THE CHEQUE/BANK DRAFT HERE

NATIONAL DEVELOPMENT BANK PLC – DEBENTURE ISSUE 2024

Established under an Act of Parliament in 1979 and converted to a Public Limited Liability Company under the Companies Act in 2005 and re-registered under the Companies Act No. 07 of 2007 and also regulated under the Banking Act No. 30 of 1988 as amended from time to time.

Issue Opens	05	09	2024	BANKER'S/ STOCKBROKER'S SEAL
Issue Closes	26	09	2024	
Earliest Closing	05	09	2024	MASTER SERIAL NO. (For office use only)
Date	DD	MM	2024	

APPLICATION FORM (Issue is limited for Qualified Investors as defined in the Prospectus)

AN INITIAL ISSUE OF FIFTY MILLION (50,000,000) BASEL III COMPLIANT-TIER 2, LISTED RATED UNSECURED SUBORDINATED REDEEMABLE DEBENTURES WITH A NON-VIABILITY CONVERSION (“DEBENTURES”), AT THE PAR VALUE OF LKR 100/- EACH TO RAISE SRI LANKA RUPEES FIVE BILLION (LKR 5,000,000,000/-) WITH AN OPTION TO ISSUE UPTO A FURTHER FIFTY MILLION (50,000,000) OF SAID DEBENTURES TO RAISE UP TO SRI LANKA RUPEES FIVE BILLION AND (LKR 5,000,000,000/-), AT THE DISCRETION OF THE BANK IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE. MAXIMUM ISSUE WILL NOT EXCEED HUNDRED MILLION (100,000,000) OF THE SAID DEBENTURES OF A VALUE OF SRI LANKA RUPEES TEN BILLION (LKR 10,000,000,000/-) DEBENTURES TO BE LISTED ON THE COLOMBO STOCK EXCHANGE PAYABLE IN FULL ON APPLICATION.

To: Board of Directors – NATIONAL DEVELOPMENT BANK PLC (NDB), S S P Corporate Services (Pvt) Limited, Registrar to the Issue, 101, Inner Flower Road, Colombo 03.

I/We, the undersigned hereby apply for and request you to allot me/us the number of Debentures stated below as per the Prospectus dated 2nd September 2024. The amount payable on Application is attached herewith. I/We, hereby agree to accept the Debentures applied for or such smaller number as may be allotted to me/us, subject to the terms and conditions contained in the Prospectus. I/We irrevocably give my/our authority and consent to Bank of Ceylon to act as my/our Trustee (Trustee) subject to the terms and conditions stipulated in the Trust Deed dated 12th August 2024 entered into between National Development Bank PLC and the said Trustee. I/We authorize you to procure my/our name(s) to be placed in the register of the holders of the above-mentioned Debentures for such number of Debentures that may be allotted on the basis of acceptance by National Development Bank PLC.

Please use block capitals and read instructions on the reverse carefully.

Types	TYPES OF DEBENTURE(S) Please Tick (✓) one Type only	
A	5 Year - Fixed interest rate of 13.25% p.a. payable Annually (AER 13.25%)	
B	5 Year - Fixed interest rate of 12.84% p.a. payable Semi-Annually (AER 13.25%)	
C	5 Year - Fixed interest rate of 12.64% p.a. payable Quarterly (AER 13.25%)	

NUMBER OF DEBENTURES								PRICE (LKR)	TOTAL AMOUNT TO BE PAID (LKR)											
Please Refer 1 (vii) on the reverse of the Application Form for minimum number of Debentures and multiples of Debentures								100/-	Please Refer 1 (vii) on the reverse of the Application Form for minimum Investment Amount											

MODE OF PAYMENT DETAILS – CHEQUE/BANK DRAFT/ BANK GUARANTEE/RTGS/INTERNAL DIRECT TRANSFER DETAILS			
PLEASE SELECT APPROPRIATELY		NAME OF BANK	CHEQUE/BANK DRAFT/BANK GUARANTEE NUMBER
Cheque ☐ Bank Draft ☐ Bank Guarantee ☐ RTGS ☐			
Internal Direct Transfer ☐			

The allotted Debentures would be credited to the CDS account specified below. (Please refer instructions overleaf)

CDS ACCOUNT NO.				-									-			-	
Please refer Section 6.2 “How to Apply”, in the Prospectus for more details																	

	SOLE/FIRST QUALIFIED INVESTOR				JOINT QUALIFIED INVESTOR									
STATUS (MR./ MRS./ MS./ OTHER)					1			2						
SURNAME WITH INITIALS/ NAME OF CORPORATE BODY					1									
NAMES DENOTED BY INITIALS					2									
ADDRESS					1									
					2									
CONTACT TELEPHONE NO.					1			2						
NATIONAL IDENTITY CARD NO. /COMPANY NO./ PASSPORT NO.					1			2						
NATIONALITY (Please tick (✓) as appropriate)	SRI LANKAN		OTHER		1	SRI LANKAN		OTHER						
					2	SRI LANKAN		OTHER						
RESIDENCY IN SRI LANKA (Please tick (✓) as appropriate)	RESIDENT		OTHER		1	RESIDENT		NON-RESIDENT						
					2	RESIDENT		NON-RESIDENT						
ARE YOU A U.S PERSON UNDER THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) OF THE USA	YES		NO		1	YES		NO		2	YES		NO	
IF YES, PLEASE PROVIDE THE DECLARATION AS SPECIFIED IN ANNEX IV OF THE PROSPECTUS														
IN THE EVENT I/WE DO BECOME A U.S PERSON UNDER THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) OF THE USA, I/WE DO HEREBY UNDERTAKE TO INFORM THE SAID FACT TO THE BANK IMMEDIATELY														
NAME, ADDRESS AND SIGNATURE OF FINANCIER (MARGIN TRADING ONLY)														

REFUND PAYMENT INSTRUCTIONS (In case of refund-Please tick (✓) as appropriate)	DIRECT TRANSFER VIA SLIPS/RTGS		CHEQUE SENT BY ORDINARY MAIL TO THE ADDRESS INDICATED ABOVE	
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BANK CODE	BRANCH CODE	ACCOUNT NUMBER

DECLARATION IN TERMS OF THE PROVISIONS OF THE FOREIGN EXCHANGE ACT NO. 12 OF 2017	
TICK (✓) ONE BOX ONLY	For Sri Lankan Citizens resident in Sri Lanka, and Corporate Bodies Incorporated in Sri Lanka in terms of the provisions of the Foreign Exchange Act I/We, the Qualified Investor(s) of the above mentioned Debentures hereby declare that I am/we are a citizen(s) of and resident in Sri Lanka and I am/we are not acting as nominee(s) of any person(s) resident outside Sri Lanka. For Non-Residents and Non-Citizens in terms of the provisions of the Foreign Exchange Act I/We, the Qualified Investor(s) of the above mentioned Debentures hereby declare that, I am/we are resident outside of Sri Lanka and that, I/we have made the remittance as stipulated by the Controller of Exchange. A confirmation/endorsement from my/our bank to such effect is attached to this Application.

SIGNATURE(S) OF QUALIFIED INVESTOR(S)	SOLE/FIRST QUALIFIED INVESTOR	JOINT QUALIFIED INVESTOR (1)	JOINT QUALIFIED INVESTOR (2)

INSTRUCTIONS

- All Qualified Investors should indicate their CDS account number in the Application Form
- Any Application which does not carry a valid CDS account number or indicates a number of a CDS account which is not opened at the time of the closure of the subscription list or which indicates an inaccurate/incorrect CDS account number will be rejected and no allotment will be made.
- If you wish to open a CDS account, you may do so prior to making the Application through any Member/Trading Member of the CSE or through any Custodian Bank as set out in Annex III of the Prospectus.
- The allotted Debentures would only be credited to the Qualified Investor's CDS account.
- NO DEBENTURE CERTIFICATE WILL BE ISSUED.

(1) APPLICATION FORM

- The Application Form must be completed in **FULL**, in **BLOCK CAPITALS**
- Please tick (✓) in the boxes appropriate to you.
- In the event a particular section in this Application Form is not applicable, **please indicate "N/A" in the relevant section.**
- All Qualified Investors should meet the eligibility criteria set out under Section 6.1 in the Prospectus.
- Applications should be made on the Application Form, issued with the Prospectus. Application Forms will be made available from the collection points listed in Annex II of the Prospectus and can also be downloaded from www.cse.lk, www.ndbbank.com and www.ndbib.com. **Exact sized photocopies of the original Application Form will also be permissible. Care must be taken to follow the instructions given in the Application Form.**
- Qualified Investors are allowed to invest in Debentures subject to the minimum subscription.
- The minimum subscription requirement applicable for a Qualified Investor shall be Sri Lanka Rupees Ten Thousand (LKR 10,000/-)
Provided however, the minimum subscription requirement applicable for an individual Qualified Investor applying for BASEL III Compliant Debt Securities as per Rule 2.1.1.n of CSE Listing Rules shall be Sri Lanka Rupees Five Million (LKR 5,000,000/-)
Any Application in excess of the minimum subscription requirement shall be in multiples of Sri Lanka Rupees Ten Thousand (LKR 10,000/-)
- Qualified Investors should apply only for one Type of Debentures (i.e. either Type A or Type B or Type C Debentures) under one Application Form.
- In the event a Qualified Investor wishes to apply for more than one Type of Debentures, separate Application Forms should be used. Once an Application Form has been submitted for a particular Type of Debentures, it will not be possible for Qualified Investors to switch between the Types of Debentures.
- Applications which do not strictly conform to instructions and the other conditions set out herein or which are incomplete or illegible may be rejected.
- More than one Application submitted by a Qualified Investor under the same type of Debentures will not be accepted. If more than one Application Forms are submitted for one type of Debentures from a single Qualified Investor, those would be construed as multiple Applications and the Bank reserves the right to reject such multiple Applications or suspected multiple Applications.
- If the ownership of the Debentures is desired in the name of one Qualified Investor, details should be given only under the heading **SOLE/FIRST QUALIFIED INVESTOR** in the Application Form. In the case of joint Qualified Investors, the signatures and particulars in respect of all Qualified Investors must be given under the relevant headings in the Application Form.
- A Qualified Investor of a joint Application will not be eligible to apply for Debentures through a separate Application Form either individually or jointly. Such Qualified Investors are also deemed to have made multiple Applications and will be rejected.
In the case of joint Applications, the refunds (if any), interest payments and the Redemption will be remitted in favour of the First Qualified Investor as identified in the Application Form. The Bank shall not be bound to register more than three (03) natural persons as joint holders of any Debentures (except in the case of executors, administrators or heirs of a deceased member).
- Applications by companies, corporate bodies, societies, approved provident funds, trust funds and approved contributory pension schemes registered/ incorporated/ established in Sri Lanka should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and should be made under their common seal or in any other manner as provided by their articles of association or such other constitutional documents of such Qualified Investor or as per the statutes governing them. In the case of approved provident funds, trust funds and approved contributory pension schemes, the Applications should be in the name of the trustee/board of management.
- All Qualified Investors should indicate in the Application Form, their CDS account number.**
In the event the name, address or NIC number/passport number/Company number of the Qualified Investor mentioned in the Application Form differs from the name, address or NIC number/passport number/Company number as per the CDS records, the name, address or NIC number/Company number as per CDS records will prevail and be considered as the name, address or NIC number/passport number Company number of such Qualified Investor. Therefore Qualified Investors are advised to ensure that the name, address or NIC number/passport number Company number mentioned in the Application Form tally with the name, address or NIC number/passport number Company number given in the CDS account as mentioned in the Application Form.
Application Forms stating third party CDS accounts, instead of Qualified Investors' own CDS account numbers except in the case of margin trading, will be rejected.
- Qualified Investors who wish to apply through their margin trading accounts should submit the Application Forms in the name of the "Margin provider /Qualified Investor's name" signed by the margin provider, requesting direct deposit of the Debentures to the Qualified Investor's margin trading account in CDS. The margin provider should indicate the relevant CDS account number relating to the margin trading account in the Application Form. A photocopy of the margin trading agreement must be submitted along with the Application Form.
Margin providers can apply under their own name and such Applications will not be construed as multiple Applications.
- Application Forms may be signed by a third party on behalf of the Qualified Investor(s) provided that such person holds the power of Attorney (POA) of the Qualified Investor(s). A copy of such POA certified by a Notary Public as "True Copy" should be attached with the Application Form. **Original of the POA should not be attached.**
- Funds for the investment in Debentures and the payment for the Debentures by foreign institutional Investors, corporate bodies incorporated outside Sri Lanka, individuals resident outside Sri Lanka and Sri Lankans resident outside Sri Lanka should be made only out of funds received as inward remittances or available to the credit of "Inward Investment Account" (IIA) of the foreign Investor opened and maintained in a licensed commercial bank in Sri Lanka in accordance with directions given by the Director of the Department of Foreign Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Qualified Investor maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the IIA.

- Foreign institutional Investors, corporate bodies incorporated outside Sri Lanka, individual resident outside Sri Lanka and Sri Lankans resident outside Sri Lanka should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for Debentures and may be affected by the laws of the jurisdiction of their residence. If the Non-Resident Qualified Investors wish to apply for the Debentures, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

(2) MODE OF PAYMENT

- Payment in full for the total value of Debentures applied for should be made separately in respect of each Application either by cheque/s, bank draft/s, bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka or RTGS directed through any licensed commercial bank operating in Sri Lanka as the case may be, subject to (ii) below. **Cash and SLIPS/CEFTS transfers will not be accepted.**
- Payments for Applications for values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) should be supported by either a;
 - A bank guarantee issued by a licensed commercial bank; or
 - Multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka, each of which should be for a value less than Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-); or
 - A RTGS transfer / Direct Internal Transfer with value on the Issue opening date**Multiple bank drafts/cheques, bank guarantees or RTGS will not be accepted for Application values below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-). In the case of Application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka each of which should be for a value less than LKR 100,000,000/- will be accepted.**
- Cheques or bank drafts should be made payable to "**NATIONAL DEVELOPMENT BANK PLC – DEBENTURE ISSUE ACCOUNT**" and crossed "Account Payee Only", and must be honoured on the first presentation. In case of bank guarantees, such bank guarantees should be issued by any licensed commercial bank in Sri Lanka in favour of "**NATIONAL DEVELOPMENT BANK PLC – DEBENTURE ISSUE ACCOUNT**" in a manner acceptable to NDB, and be valid for a minimum of one (01) month from the Issue opening date (i.e. 5th September 2024).
- In case of RTGS transfers (only for application values above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-), such transfers should be made to the credit of the following Bank Account with value on the Issue opening date (i.e. the funds to be made available to the above account on the Issue opening date).

Account Name	NATIONAL DEVELOPMENT BANK PLC – DEBENTURE ISSUE ACCOUNT
Account Number	101000793664
Bank	National Development Bank PLC (Bank Code: 7214)
Branch	Nawam Mawatha (Branch Code - 001)

For RTGS transfers/ Internal Direct transfers above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/), an interest at the rate of *Four Decimal Zero per centum* (4.00%) per annum will be paid from the date of such transfers up to the Date of Allotment. If any transfers are affected prior to the Issue opening date, no interest will be paid for the period prior to the Issue opening date. No interest will be paid if the RTGS transfers / Internal Direct Transfers are not realised before the end of the Closure Date.

- All cheques/bank drafts received in respect of the Applications for Debenture will be banked commencing from the Business Day immediately following the Closing Date. Cheques must be honoured on first presentation for the Application to be valid. Please refer Section 6.4 of the Prospectus for further details.

(3) FORWARDING COMPLETED APPLICATION

Application Forms properly filled in accordance with the instructions thereof together with the remittance for the full amount payable on Application should be enclosed in an envelope marked "**NATIONAL DEVELOPMENT BANK PLC – DEBENTURE ISSUE**" on the top left hand corner in capital letters and dispatched by post or courier or delivered by hand to the Registrars to the Issue or collection points mentioned in Annex II of the Prospectus.

Applications sent by post or courier or delivered to any collection points in Annex II should reach the office of the Registrars to the Issue; **S S P Corporate Services (Private) Limited, 101, Inner Flower Road, Colombo 03 (Tel: +94 11 2 573 894)** at least by 4.30 p.m. on the following Market Day immediately upon the Closure Date. Applications received after the said period will be rejected even though they have been delivered to any of the said collection points prior to the Closing Date or carry a postmark dated prior to the Closing Date.

Applications delivered by hand to the Registrars to the Issue after the Closing Date of the Issue will also be rejected.

(4) REFUNDS ON APPLICATIONS

Refunds on Applications rejected or partly allotted Debentures would be made within eight (8) Market Days excluding the Closing Date.

Please refer Section 6.8 of the Prospectus for further details.