

Document Details	
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Disclaimer:

1. Method of revision/development was in combination of meeting, person to person and group discussions and through email.
2. After the end of reviewing final draft, no further observation/feedback was received from any stakeholder. Hence, this version is considered as 'final version' of **"Dividend Declaration and Distribution Policy Version 2.0"**.

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1. Introduction

The Dividend Declaration & Distribution Policy (“the policy”) is formulated to comply with the guidelines of Bangladesh Bank on dividend declaration and the provisions of the directive of the Bangladesh Securities and Exchange Commission issued on dividend distribution and the policy shall come into force with immediate effect.

2. Objective

The objective of this policy is to comply with the guidelines of Bangladesh Bank and the directives of Bangladesh Securities and Exchange Commission (BSEC) along with the factors to be considered by the Board of Directors of the Bank before recommending any dividend (interim/final) to its shareholders for a financial year, mode & procedures of dividend payment/credit and management of the unclaimed dividend.

3. Dividend Declaration Policy

The Board of Directors of the Bank may declare/recommend interim or final dividend based on the audited financial statements. The Bank shall have to comply with the Rules and Regulations, Notifications, Orders, Guidelines issued by Bangladesh Bank, BSEC, Stock Exchanges and other regulatory authorities and also have to obtain necessary approvals and/or clearances, wherever applicable, before and/or after recommending any dividend. However, no stock or bonus share shall be declared as interim dividend.

Dividend declared or recommended by the Board shall be approved by the shareholders in an Annual General Meeting (AGM). The shareholders’ approved dividend will not exceed the amount recommended/declared by the Board of Directors.

4. Prerequisite Conditions for Dividend Distribution

To declare and distribute cash and/or stock dividends, the Bank will comply with all instructions specified herein as per Bangladesh Bank DOS circular 01 dated 13-Mar-2025 and SPCD circular no.06 dated 23-May-2026.

- The Bank will pay cash dividends only from the profits earned during the relevant year. No cash dividend will be paid from accumulated profits of previous years or retained earnings.
- Penalty interest and fines imposed due to shortfalls in CRR and SLR will not remain unpaid.
- The ratio of the Bank’s classified loans and advances/investments will not exceed 10% of its total loans and advances/investments.
- There will be no provisioning shortfall against loans, investments and other assets
- If any deferral facility is obtained from Bangladesh Bank for maintaining provisions or meeting other expenses, no dividend will be declared while such deferral facility remains in effect.

- No cash dividend will be paid if the Bank's paid-up capital is less than BDT 2,000 crore.

Upon compliance of the above prerequisite conditions, the Bank may declare a maximum dividend of 30% (of which cash dividend shall not exceed 50%), in the form of cash and/or stock, subject to the Bank's Capital to Risk Weighted Assets Ratio (CRAR) and the applicable dividend payout ratio within the prescribed limit as stipulated by the Bangladesh bank.

This policy may be amended, modified or replaced from time to time or as and when required due to changes of regulations. Any such changes shall be deemed to form an integral part of the policy until the policy is formally revised and approved.

5. Entitlement of Dividend

The shareholders whose names would appear in the Register of Members and/or Depository Register of the Bank on the "Record Date" fixed by the Bank shall be entitled to the dividend upon approval of the dividend in the AGM.

6. Payment of Dividend

The Bank shall pay off the dividend to its shareholders within 30 (thirty) days from the date of declaration or approval as the case may be. Mode and procedures of dividend payment shall be as follows:

A. Cash Dividend:

Cash dividend shall be distributed in the following manner:

- i) The Bank shall maintain the amount equivalent to the declared cash dividend payable for the concerned year in a separate bank account within 10 (ten) days of declaration;
- ii) The Bank shall pay the cash dividend directly to the bank account of the entitled shareholder as available in the BO account maintained with the Depository Participants (DPs) through Bangladesh Electronic Funds Transfer Network (BEFTN);
- iii) The Bank may pay the cash dividend through bank transfer, or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;
- iv) In case of margin loan and claim by loan provider, the Bank shall pay cash dividend to the Consolidated Customers' Bank Account (CCBA) or to the separate bank account of the Merchant Banker or Portfolio Manager through BEFTN;
- v) In case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall be transferred through further BEFTN on receipt of request from the concerned shareholder(s) providing his/her/their updated bank account details;
- vi) The Bank shall pay the cash dividend through the security custodian following the Foreign Exchange Rules & Regulations for non-resident sponsor, director, shareholder or foreign portfolio investor (FPI);

- vii) The Bank shall send a short message service (SMS) to the mobile number or email of the shareholders after disbursement of cash dividend as intimation; and
- viii) The Bank shall send reminder through e-mail / SMS / post in case of non-deposit of cash dividend and non-availability of information of the shareholder.

B. Stock Dividend:

Stock dividend shall be distributed in the following manner:

- i) The Bank shall credit the stock dividend to the BO accounts of the shareholders within 30 (thirty) days of record date fixed for the purpose of determination of entitlement of such bonus shares or stock dividend after obtaining clearance from the Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank, Stock Exchanges (DSE & CSE) and the Central Depository Bangladesh Limited (CDBL).
- ii) The Bank shall maintain a Suspense BO Account for crediting the non-distributable stock dividend or bonus shares where BO account of the shareholder is not available, or BO account is found inactive at the time of stock dividend disbursement.
- iii) The Bank shall credit the corporate benefit in terms of shares accrued on undistributed or unclaimed stock dividend or bonus shares to the Suspense BO Account.
- iv) The Bank shall, upon receiving application from the allottee and after proper verification of the shareholder's identity and his/her/their entitlement, credit the bonus shares lying with the Suspense BO Account held under Block Module to the BO account of the allottee within 15 (fifteen) days of receiving application with an intimation to the Commission and/or the Exchange(s).

7. Payment of Unclaimed Cash and Stock Dividend

Unclaimed or unpaid cash and stock dividend shall be settled in line with the directives of Bangladesh Bank and Bangladesh Securities and Exchange Commission.

8. Deduction of Tax

Tax will be deducted at source as per applicable tax laws.

9. Compliance Report to Commission and the Exchange(s)

The Bank shall submit a compliance report to the Commission and the exchange(s) in a specific format (Annexure A) in respect of the above mentioned provisions within 7 (seven) working days of completion of dividend distribution.

The Bank shall publish the compliance report on the official website.

10. Dividend Declaration Report

The bank will submit a report to Bangladesh Bank within seven (7) days of declaring the dividend. The report shall be prepared in the format prescribed in Annexure B and duly signed by the Managing Director.

11. Conflict and Amendment of the Policy

In the event of any variation or inconsistency between the provisions of this policy and any amendments, clarifications, circulars, notifications, or guidelines issued by the regulatory bodies or authorities, then such amendments, clarifications, circulars, notifications, or guidelines shall prevail over this policy and the provisions of this policy shall be deemed to have been amended so as to be read in consonance with such amendments, clarifications, circulars, notifications, or guidelines.

The policy would be modified in due course to make it consistent with the regulations and such amended policy shall be placed before the Board for noting and necessary ratification.

12. Disclosure of the Policy

The policy will be made available on the Bank's website and will also be disclosed in the Bank's Annual Report.

References

Div. Declaration & Dist. Policy 2.0	Circular & Guideline		
	Subject	Date	Reference No
BSEC	BSEC Directive	14 Jan 2021	BSEC/CMRRCD/2021-386/03
BB	Dividend Declaration Policy for Banks	23 May 2026	SPCD circular :06
	Dividend Declaration Policy for Banks	13 Mar 2025	DOS Circular No.: 01
	Dividend Declaration Policy for Banks	16 Mar 2021	DOS Circular Letter No.: 07
	Dividend Declaration Policy for Banks	07 Feb 2021	DOS Circular No.: 01
	Dividend Policy for banks for the year 2019	11 May 2020	DOS Circular No.: 03
	Declaration of Dividend by Bank Companies	20 Oct 2002	BRPD Circular Letter No.: 18

Annexure A: Dividend Distribution Compliance Report

Dividend Distribution Compliance Report			
Under Clause (6) of the Directive No.BSEC/CMRRCD/2021-386/03, dated: 14/01/2021			
1	Name of the Issuer/Securities/Mutual Fund		
2	Particulars of Issuer DP		
3	Type of Dividend (Annual /Interim)		
	(Put tick mark (a) on the recommended option)	a) Annual ☐	b) Interim ☐
4	Whether audited or not for Interim Dividend		
	(Put tick mark (a) on the recommended option)	a) Audited ☐	b) Unaudited ☐
5	Date of recommendation of Dividend by the Board of Directors/Trustee: (Enclose copy of PSI)		
6	Whether Dividend recommended other than directors or sponsors or any other classes	a) Yes ☐	b) No ☐
	(Put tick mark (a) on the recommended option)		
7	Record date for entitlement		
8	Rate of Dividend recommended by the Board of Directors/Trustee		
9	Dividend recommended -Type		
	(Put tick mark (a) on the recommended option)	a) Cash ☐	b) Stock ☐
10	Securities/mutual Fund traded under which categories	(a) A ☐ (b) B ☐ (c) G ☐ (d) N ☐ (e) Z ☐	
	(Put tick mark (a) on the recommended option)		

11	Date of transfer to a separate bank account (Pls. mention bank details) or provisional credit of shares/units by CDBL			
12	Date of approval of Dividend at AGM			
13	Rate of Dividend approved at AGM- details at Annexure, (if any change)			
14	Date of commencement of disbursement of Cash and Stock Dividend			
15	Mode of disbursement of Cash Dividend	a) BEFTN ☐ b) Bank transfer ☐ c) MFS ☐		
	(Put tick mark (a) on the recommended option)	d) Dividend Warrant ☐ e) Any other mode ☐		
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bank statements and Corporate Action Processing Report (DP 70)]			
17	Paid-up-capital of the issuer- before corporate action/entitlement	TK		
18	Numbers of securities/shares outstanding-before corporate action/entitlement:			
19	Total cash in taka or stock (nos. shares) dividend as per corporate declaration			
20	Distribution/Disbursement details of Cash & Stock Dividend:	Cash (TK)	Stock (nos)	Annexures
	A. Mode of Dividend payment/credit for the concerned year:			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer other than entitled BO-Margin loan			
	c) through Bank Transfer			
	d) through Mobile Financial Service (MFS)			
	e) through any other mode as approved by Bangladesh Bank			

	f) through transfer to Suspense Account for dematerialized Shares (BO wise detailed with reason should be maintained and submitted)			
	g) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities			
21	Total Dividend paid/credited for the concerned year			
22	Total unpaid/undistributed Dividend /accrued during the period (20-21)			
23	Total unpaid/undistributed Dividend /accrued as on 1st day of Accounting year (as per Audited Accounts)			
24	Transfer to Suspense Account for Demate Shares or any other reasons during the concerned year			
	A. Mode of Dividend Receipts/payment/credit for the previous years:			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer			
	c) through Mobile Financial Service (MFS)			
	d) through any other mode as approved by Bangladesh Bank			
	e) through transfer to/from Suspense Account for Demate Shares or any other reasons			
	f) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities/shares/units			
	g) transfer of cash or stocks to the Fund as prescribed or directed by Commission after 3 years or forfeit of share to Suspense Account for non-dematerialized securities			
25	Total Dividend paid/credited for previous years:			

26	Total unpaid/undistributed Dividend for previous years (23+24-25) Taka/Nos			
27	Grand Total of unpaid/undistributed Dividend (22+26)			
28	Aging of grand Total of unpaid/undistributed Dividend for previous years:			
	More than 3 years; balance			
	More than 4 years; balance			
	More than 5 years & above; balance			
	Total of unpaid/undistributed Dividend for previous years			
	(Supporting bank statements and balances of securities with the Depository)			
Note: Issuer shall maintain BO wise detailed information for all transfers/credit to suspended Accounts				
with reasons and submit along with bank statements and other supporting documents. The issuer shall fill up all the applicable fields.				

Annexure B: Dividend Declaration Report

ডিভিডেন্ড ঘোষণা সংক্রান্ত প্রতিবেদন
(নিরক্ষীত আর্থিক বিবরণী অনুযায়ী)

ব্যাংকের নাম -
হিসাব বর্ষ -

- ১। মোট ঋন/ বিনিয়োগ ও অগ্রীম : কোটি টাকা
২। মোট শ্রেণীকৃত ঋন/ বিনিয়োগ ও অগ্রীম : কোটি টাকা
৩। শ্রেণীকৃত ঋন/ বিনিয়োগ এর হার (%) :
৪। পরিশোধিত মূলধন : কোটি টাকা

CRAR (%)	বিবেচ্য হিসাব বর্ষে কর পরবর্তী নীট মুনাফা (কোটি টাকা)	ঘোষিত লভ্যাংশের হার (%)	ঘোষিত লভ্যাংশের পরিমাণ (কোটি টাকা)	Dividend Payout Ratio (%)	লভ্যাংশ পরবর্তী CRAR (%)