

Bangladesh Securities and Exchange Commission

BSEC/CI/DS-166/2021/1015

October 16, 2022

Managing Director
Dhaka Bank Limited
Plot: CWS (C)-10, Bir Uttam A K Khandakar Road,
Gulshan-01, Ward-19,
Dhaka North City Corporation, Dhaka-1212

Subject: Consent for issuance of Unsecured, Contingent-Convertible, Perpetual, Floating rate, Bond of total BDT. 200.00 crore (Taka two hundred crore) namely Dhaka Bank Perpetual Bond (out of total issue amount, BDT. 180.00 crore will raise through private placement and BDT. 20.00 crore will raise through Public Offer) by Dhaka Bank Limited

Dear Sir,

This refers to your application dated 27 June, 2021 and subsequent correspondences regarding raising of capital through issuance of Unsecured, Contingent-Convertible, Floating rate, Perpetual Bond of total BDT. 200.00 crore (Taka two hundred crore) namely Dhaka Bank Perpetual Bond (out of total issue amount, BDT. 180.00 crore will raise through private placement and BDT. 20.00 crore will raise through Public Offer) by Dhaka Bank Limited as part of Additional Tier-I Regulatory Capital.

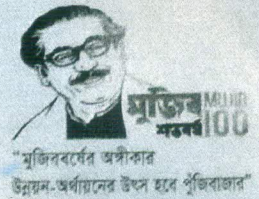
The undersigned is directed to convey the Bangladesh Securities and Exchange Commission's consent under the provisions of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021, to raise capital through issuance of Unsecured, Contingent-Convertible, Floating rate, Perpetual Bond of total BDT. 200 crore (Taka two hundred crore) namely Dhaka Bank Perpetual Bond (out of total issue amount, BDT. 180.00 crore will raise through private placement and BDT. 20.00 crore will raise through Public Offer) by Dhaka Bank Limited as part of Additional Tier-I Regulatory Capital. The consent has been accorded subject to the condition that the company shall comply with the relevant laws and regulatory requirements, and also shall adhere to the following conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969, as mentioned under Part-A, B & C:

PART-A

(General Conditions)

1. The Issuer shall ensure required all compliance of the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021, Commission's Directive No. BSEC/CMRRCD/2009-193/19 dated 23 May, 2021, the Depository Act, 1999 and other securities Laws, Rules & Regulations for Debt Securities regarding processing of application, subscription, refund, allotment, listing and trading;

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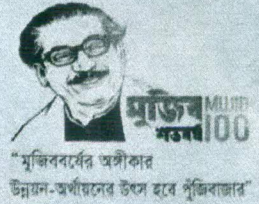
2. The Bank shall disseminate the above information to the Stock Exchanges within half an hour (30 minutes) of receipt of this letter;
3. The Bank shall ensure the compliance with BSEC Directive No. BSEC/CMRRCD/ 2009-193/19 dated May 23, 2021 & Directive No. BSEC/CMRRCD/ 2009-193/33 dated March 23, 2022 regarding issuance of the said Perpetual Bond;
4. This consent shall remain valid for 06 (Six) months for private offer and 03 (three) months for Public offer from the date of consent, failing which the permission will stand cancelled to the extent of un-subscribed portion;
5. The Issuer shall incorporate the revised credit rating report and all related information to the Information Memorandum before publication of the IM;
6. The Issuer shall not change or modify the submitted draft Information Memorandum, Trust Deed & Subscription Agreement after consent to issue the debt securities without prior approval of the Commission in this regard;
7. The Issuer shall disseminate approval of the Commission along with the purpose of the issue, amount and price of the bond etc. as price sensitive information, as prescribed by the Commission;
8. The Issuer shall execute the deed of trust as per Schedule-C as approved by the Commission in favour of the trustee and register the same under the Registration Act, 1908 (Act No. XVI of 1908) and shall submit a copy of the registered trust deed attested by the Chief Executive Officers of the Issuer and the trustee to the Commission;
9. Auditors' report along with Audited Financial Statements of the issuer made up to a date not earlier than 270 days from the date of issue of the Information Memorandum (IM) and shall be incorporated in IM before opening of subscription;
10. Financial statements shall be prepared in accordance with International Accounting Standards (IAS) and audit thereof shall be conducted in accordance with the International Standards on Auditing (ISA), as adopted in Bangladesh. The financial statements shall be audited within 120 days from the date of ending of the financial year;
11. Annual General Meeting (AGM) of The Issuer shall be held in each year of the Gregorian Calendar;
12. A copy of audited financial statements and a copy of annual report and the minutes of annual general meeting shall be submitted to the Commission within 14 (fourteen) days of the completion of the audit or, as the case may be, holding of the annual general meeting;

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13. The Issuer shall inform the Commission along with supporting documents and evidence about any change of its registered address, directors, managing director, business or any other material change that affects the affairs of the Issuer;
14. The proceeds or fund of the bond shall be placed in a specified bank account, and utilization of such proceeds or fund shall also be made from the specified bank account;
15. The Issuer shall submit a report on utilization of proceeds as well as implementation status to the Commission, the trustee, the issue manager(s) and to the stock exchange(s) as applicable, on half-yearly basis within 10 (ten) days of close of the half year, till full utilization of proceeds;
16. If there is any FDI or external debt, the issuer shall report it to Bangladesh Bank;
17. Approved information memorandum (IM) and Draft Deed of Trust shall be made available in the websites of the Issuer, the Issue Manager and the Exchange(s), as applicable, till the closure of the subscription list;
18. After registration of the Deed of Trust under the Registration Act, 1908 (Act No. XVI of 1908), the registered Deed of Trust shall be made available in the websites of the Issuer, Trustee and the Issue Manager, and shall remain posted during the tenor of the debt security;
19. **The Issuer shall pay, within 5 (five) working days of issuance of this letter, a fee at the rate of 0.10% on the total face value of securities to be issued through a bank draft or payment order issued in favour of the Bangladesh Securities and Exchange Commission. If the applicant fails to pay within the specified time, this consent shall be revoked;**
20. The Commission may impose conditions/restrictions from time to time, as required. If the Issuer or the Issue Manager or the Trustee of the issue fails to comply with any of the conditions as stated in this consent letter, the Issuer or the Issue Manager or the Trustee of the issue would be subject to penal provisions under the Securities and Exchange Ordinance, 1969 or any other related securities laws.
21. **The consent of the Commission to the issue or offer of the securities shall not absolve the responsibility of the issuer for the merit and accuracy of the offering;**
22. **This consent is based on submitted documents and published financial statements of the company which are considered to be correct in all material perspective; if any irregularities detected by further scrutiny by the Commission in future, the management of the concerned issuer, issue manager, credit rating company, auditor and any other person/entity involved in the process of furnishing such documents will be held responsible to the extent of their violation as per applicable securities laws;**

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PART-B (Private Offer)

1. The Issuer shall make offer of Unsecured, Contingent-Convertible, Perpetual, Floating rate Bond for Dhaka Bank Limited namely Dhaka Bank Perpetual Bond as part of Additional Tier-I Regulatory Capital of BDT 180.00 crore through Private Offer;
2. The applicants shall apply for a minimum 10,000 units (each unit of Tk. 5,000/-) which totalling of BDT 50,000,000 (Tk. five crore) or its multiples;
3. The subscription shall be received through the designated bank account of the Issuer during subscription period not less than 30 (thirty) days and not more than 180 (one hundred eighty) days for private offer;
4. Application process for private offer shall be prescribed by the issuer and made it available on Issuer's website;

PART-C (Public Offer)

1. The Issuer shall make offer of Unsecured Conditional Convertible Perpetual Bond for Dhaka Bank Limited namely Dhaka Bank Perpetual Bond as part of Additional Tier-I Regulatory Capital of BDT 20.00 crore through Public Offer;
2. The issue manager(s) shall examine the issued Information Memorandum approved by the Commission. If any discrepancy is found, both the Issuer and the Issue Manager shall jointly communicate with the general applicants immediately, simultaneously endorsing copies thereof to the Commission and the Exchanges concerned;
3. The subscription shall be conducted through Electronic Subscription System (ESS) of the exchange(s) and subsequently made it available in the websites of the Issuer and the Exchange(s), as applicable, till the closure of the subscription;
4. The Information Memorandum, as approved by the Commission, shall be published by the Issuer, Issue Manager and the Exchange(s) as applicable in their own official websites, within 03 (three) working days from the date of the consent, and shall remain posted till the closure of the subscription list;
5. A notice regarding the publication of information memorandum in the websites mentioning web-addresses shall be circulated in the national daily newspaper at least one in Bangla and another in English within 7 (seven) working days from the date of this consent;



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6. The applicants shall apply for a minimum 1 unit of Taka 5,000/- (Taka five thousand only) each or its multiples;
7. The Exchange(s) as applicable shall complete the listing procedure and start of trading of securities within 15 (fifteen) working from the closure of subscription period;
8. In case of over-subscription, the Exchange(s) as applicable shall refund excess amount to the applicants and send final allotment list through e-mail to the Allottees, Issuer and Issue Manager within 3 (three) working days for EI's and 11 (eleven) working days for GP from the closure of subscription period;
9. The Issuer shall issue allotment letters in the name s of all Allottees in electronic form with digital signatures and credit the allotted securities to the respective BO accounts on the basis of allotment data (BO ID and number of securities) via their CDBL VeDAS Terminal within 5 (five) working days of receipt of the final allotment list from the Exchange(s);
10. The Exchange(s) shall transfer the issue proceeds to the designated bank account of the Issuer before starting trading of the securities;
11. As per provision of the Depository Act, 1999 & Regulations made thereunder, the securities will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Limited (CDBL);
12. The Issuer shall submit statement of subscription received against issuance of securities along with bank statement(s) of the Bank's designated account to the Commission within 10 (ten) days of the closing of subscription list or upon receiving the issue proceeds in the designated account from the Exchange(s);
13. The Issuer shall submit the statement of subscription received from the underwriter(s) against undersubscribed securities along with bank statement to the Commission within 07 (seven) days of the expiry of subscription period;
14. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any violation of any provision of the public offer application process within intimation to the Commission;
15. The Issuer and the issue Manager shall ensure due compliance of all the above conditions and the listing regulations of the Exchange(s). Moreover, the Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the Bank;

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PART-D (Public Offer Application Process)

Step-1 (Applicant):

1. An applicant for public issue of "Dhaka Bank Perpetual Bond" shall submit application/buy instruction within the cut-off date (i.e. the subscription closing date); Stock-Broker/ Merchant Banker where the applicant maintains customer account;
2. The application/buy instruction may be submitted in prescribed form or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant;
3. Eligible Investors shall submit an application through the Electronic Subscription System (ESS) of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s);
4. The General Public and Non-Resident Bangladeshi (NRB) shall submit the application through the Stockbroker/ Merchant Banker where the applicant maintains customer account.

Step-2 (Intermediary):

5. The registered Stock Broker/Merchant Banker in the ESS shall:
 - a) Post the amount separately in the customer account equivalent to the application money;
 - b) Accumulate all the applications (Subscription Forms)/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;
6. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within 3 (three) working days from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the applicants including Foreign investors by the method as determined by exchange(s).
7. The application (Subscription Form)/buy instructions shall be preserved by the Stock-Broker/Merchant Bankers up to 6 (six) months from listing of the securities with the exchange;

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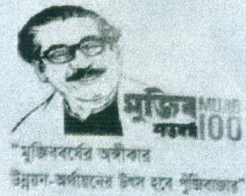
“মুজিববর্ষের অঙ্গীকার
উন্নয়ন-অর্থায়নের উৎস হবে পুঁজিবাজার”

8. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BO IDs in electronic (text) format to CDBL for verification on the next working day. CDBL shall verify the BO IDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual and verify more than two applications using same bank account;
9. On the next working day, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report;
10. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare lists of valid and invalid applications within 2 (two) working days;
11. On the next working day, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result;

Step-3 (Issuer or Originator):

12. The Issuer and issue manager shall post the final status of subscription on their websites within 6 (six) hours and on the websites of the Commission and Exchanges within 12 (twelve) hours of receiving information by the Commission and the Exchanges;
13. Within 2 (two) working days of receipt of the subscription result, the Issuer and Exchanges shall:
 - a) Process pro-rata allotment of securities to the applicants under Public Offer.
 - b) Issuer shall issue allotment letters in the names of the Allottees in electronic format.
 - c) Issuer shall credit the allotted securities to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.
 - d) Any fraction shall be considered to the nearest integer and accumulated fractional securities shall be allotted on a random basis.

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Step-4 (Intermediary)

14. On the next working day, Exchanges shall:
 - a) Remit the amount of allotted applicants to the Issuer's Bank Account opened for subscription purpose;
 - b) Distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money;
15. On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

By the order of Bangladesh Securities and Exchange Commission,

Asif Iqbal 16.10.22

Mohammad Asif Iqbal

Deputy Director (CI)

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Copy to: (not on the basis of seniority)

1. Governor, Bangladesh Bank;
2. Registrar of Joint Stock Companies and Firms;
3. Managing Director, Dhaka Stock Exchange Limited;
4. Managing Director, Chittagong Stock Exchange Limited;
5. Managing Director, CDBL;
6. Managing Director & CEO, IDLC Investments Limited (Trustee of the Issue);
7. Managing Director & CEO, UCB Investment Limited (Issue Manager, Arranger and Underwriter of the Issue);
8. Office of the all Departmental Heads, BSEC;
9. Office of the Chairman, BSEC; and
10. Office of the Commissioners, BSEC.