

# Dividend Distribution Policy

Dividend distribution policy of NRB Bank Limited has been outlined in line with the Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021 of the Bangladesh Securities and Exchange Commission (BSEC).

## Parameters to be Considered for Declaration of Dividend

While determining dividend payments, the Bank takes into consideration of its operating results as well as long-term returns to shareholders. Dividend is paid out of the profit of the Bank. The Board of Directors of the Bank will consider the following internal or external parameters while recommending/declaring dividend:

- Current & prospective financial performance including Bank's Non-Performing Loans (NPL ratio) with required provision
- Past dividend payouts
- Current & prospective capital adequacy of the Bank (CRAR) including future regulatory requirements for minimum CRAR
- Tax implication
- Macro & micro economic factors including regulatory requirements
- Directives of regulators regarding Distribution of Dividends.

## Distribution Time of Dividend

The bank shall pay off the annual or final dividend to the entitled shareholder within 30 (thirty) days of approval in Annual General Meeting. Provided that interim dividend shall be paid off to the entitled shareholder within 30 (thirty) days of record date.

## Cash Dividend

Cash dividend declared shall be distributed in the following manner and procedures, namely:

- Within 10 (ten) days of declaration of cash dividend by the board of directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of The bank, dedicated for this purpose;
- The bank shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the Beneficiary Owner (BO) account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN); Provided that the bank may pay off such cash dividend through bank transfer or any electronic payment system as recognized

- by the Bangladesh Bank, if not possible to pay off through BEFTN;
- The bank, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN in order to credit such dividend immediately in the individual client's portfolio account;
- The bank, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder;
- The bank shall pay off cash dividend to non-resident sponsor, director, shareholder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;
- The bank, immediately after disbursement of cash dividend and issuance of a certificate of tax deducted at source, if applicable, shall intimate to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder;
- The bank shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (quarterly/annually) as a separate line item 'Unclaimed Dividend Account':

Provided that the bank shall publish the year-wise summary of its unpaid or unclaimed dividend in the website;

Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of NRB Bank as maintained for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be.

## Stock Dividend

The bank shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL) complying rules and regulations in this regard.

Provided that the bank shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the procedures/guidance of regulators for ensuring the rightful ownership.

## Compliance Report regarding Dividend Distribution

The bank shall submit a compliance report to the BSEC and the exchange(s) in a specified format at within 7 (seven) working days of completion of dividend distribution:

Provided that the bank shall publish the compliance report in its website.

## Unpaid/Unclaimed Dividend

The Bank shall not forfeit any unclaimed cash or stock dividend till the claim becomes barred by the law of land in force. The bank will maintain detailed information of unpaid or unclaimed dividend and rationale thereof. Unpaid or unclaimed or unsettled dividends, cash or stock, shall be settled as per procedure set by the Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank and other regulatory authority from time to time.

## Review

The policy would be reviewed on an annual basis or as and when required. Amendments (if any) would be approved by the Board.

## Disclosure

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