

Trust Bank Limited Dividend Distribution Policy

Trust Bank Limited (hereinafter referred to as “Bank”) and the Board has formulated this ‘Dividend Distribution Policy of Trust Bank Limited’ (hereinafter referred to as “Policy”) for distributing Dividend each year to all eligible shareholders considering the financial health of the Bank.

This policy has been prepared in compliance with the Directives No. BSEC/CMRRCD/2021-386/03 of Bangladesh Securities and Exchange Commission (BSEC) dated 14 January 2021 and other related legislation.

Purpose and Scopes

The purpose of the policy is to adopt a balanced approach for distribution of dividends to protect the interest of the Company, Investors and Capital Market. The frameworks under this policy set out specific criteria and principles to be considered by the Board of Directors while disbursing dividends to the eligible members/shareholders of the Bank. The criteria and principles of this policy are always subject to the provisions of the Banking Companies Act, 1991, the Companies Act, 1994 and other applicable legal provisions and guidelines in force or to be enforced and issued or to be issued from time to time by Regulatory Authorities.

Parameters to consider for declaration of dividend

To determine dividend payment, the Bank shall take into consideration the followings:

- a. No dividend shall be paid other than out of profits of the year or any other undistributed profits;
- b. No dividend shall be declared out of the capital reserve account or the revaluation reserve account or any unrealized gain or through reducing paid-up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance;
- c. In case of declaration of stock dividend for the year, the Bank shall explain the reason for declaring stock dividend and utilization of such retained amount as capital (stock dividend) shall be disclosed in the annual report;
- d. The Bank shall, among others, disclose comparative net asset value (NAV) per share, earnings per share (EPS) and net operating cash flows per share (NOCFPS) in respect of the previous year for such NAV per share, EPS and NOCFPS as declared for the current year’s financial statements.

Procedure of declaration/recommendation of dividend

Dividend is approved by the shareholders at an Annual General Meeting (AGM) on the basis of recommendation of the Board based on the consideration and approval of the financial statements which are being reviewed by the Board Audit Committee prior to approval of the Board.

Forms of dividend

Declared Dividend may be combination of Cash and Stock or only Cash or only Stock considering financial health and complying applicable rules and regulations of concerned regulators i.e. Bangladesh Bank (BB), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Central Depository Bangladesh Limited (CDBL) etc.

Separate bank account for cash dividend

As prescribed by BSEC, within 10 (ten) days of Recommendation/Declaration of cash dividend by the Board, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account to be opened for this purpose.

Time frame for dividend distribution:

Upon approval by the shareholders in the Annual General Meeting, Bank shall take necessary steps to distribute the declared Dividend within shortest possible time but not later than 30 (thirty) days, complying all applicable rules and regulations.

Entitlement to dividend

Only the shareholders of the Bank whose names are appeared in the Register of Members and/or Depository Register of the Bank as on the 'Record Date' fixed by the Bank are entitled to the dividend.

Procedures for distribution of Dividend

I. Cash Dividend:

- a. The Bank shall pay off cash dividend directly to the bank account of the entitled shareholder or unit holder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder or unit holder in paper form through Bangladesh Electronic Funds Transfer Network (BEFTN) or any electronic payment system as recognized by the Bangladesh Bank;
- b. 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;
- c. The Bank, in case of non-availability of required bank account details, returned from BEFTN due to incorrect bank account information, shall issue cash dividend warrant for respective shareholders and send it by post/courier to the registered address available in the Depository Register;
- d. The Bank shall pay off cash dividend to non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI) through the security custodian;

- e. The Bank, immediately after disbursement of cash dividend and issuance of certificate for tax deducted at source, if applicable, shall intimate to the shareholder through a short message service (SMS) to the mobile number or email address available as per Record Date;
- f. The Bank shall also pay off sale proceed of fractional bonus share proportionately (if any) to the shareholders through BEFTN or Dividend Warrant.

II. Stock Dividend:

The Bank shall credit stock dividend directly to the BO account or issue the bonus share certificate (if any) of the entitled shareholder, as applicable, subject to clearance of the Exchange(s) and the Central Depository Bangladesh Limited (CDBL).

Unpaid/unclaimed Dividend

The Bank shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof. Unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remain, shall retain in the respective bank account opened for the particular year. In case of non-credited stock dividend, the shares shall be kept in the Suspense BO Account opened for particular year.

Transfer of unpaid or unclaimed or unsettled dividend

If any dividend (cash or stock) remains unpaid or unclaimed or unsettled for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred to the fund as directed or prescribed by the Commission.

The Bank shall not forfeit any unclaimed cash or stock dividend till the claim becomes barred by the law of land in force. Unclaimed dividend shall be paid off as per procedure set by the Bangladesh Securities and Exchange Commission and the Stock Exchanges.

Compliance Report on Dividend Distribution

The Bank shall submit a “Compliance Report” to the Commission and the Exchange(s) in the specified format within 07 (seven) working days of completion of dividend distribution.

Notification regarding Dividend Distribution

The Bank shall take necessary steps to publish notification of Distribution of Dividend as per requirement of regulatory authorities.

Adoption of Regulatory Changes

Any further guideline/direction/policy to be issued from time to time in this regard by any regulatory authorities to be treated as integral part of this policy.

Disclosure

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