

ANNEXURE-II

DIVIDEND DISTRIBUTION POLICY OF JAMUNA BANK PLC.

1. Introduction:

This Dividend Distribution Policy documents the guidelines on payment of dividends, and sets out the key considerations for arriving at the dividend payment decision. The Board of Directors will have the flexibility to determine the level of dividend based on the considerations laid out in the policy and other relevant developments/regulatory guidelines.

2. Objective:

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of the Bank before recommending dividend to its shareholders for a financial year.

3. Authority:

The decision regarding dividend shall be taken only by the Board of Directors at its Meeting and not by a Committee of the Board or by way of a Resolution passed by circulation.

Final dividend shall be paid only after approval of the Annual General Meeting (AGM) of the Bank. Shareholder approval is not required for payment of interim dividend.

4. Regulatory Compliance

Jamuna Bank PLC. is a public limited company incorporated under the Companies Act, 1994 and licensed as a bank under the Bank Company Act, 1991. The Bank has been making annual profits and declare dividend only after ensuring compliance with the Bank Company Act-1991, various regulatory guidelines on dividend declaration issued by Different regulator time to time and the provisions of the Companies Act-1994, the Rules made there under and the Bangladesh Securities and Exchange Commission (BSEC) and Listing Regulation 2015 of DSE and CSE.

5. Principles for Dividend Declaration

The Board of Directors of the Bank will consider the following factors while making decision on the proposal for dividend:

Financial Factors:

- Financial performance of the Bank for the year for which dividend is recommended
- Any interim dividend paid
- Past dividend trends.
- Optimal Capital to Risk Weighted Asset Ratio (CRAR) subject to regulatory minimum of total and Tier I Capital.
- Expected capital requirements for planned growth.
- Additional regulatory requirements of capital in near future (if applicable).
- Cost of raising funds from alternative sources.
- Tax implications if any, on distribution of dividends.
- Reinvestment opportunities
- Corporate actions including mergers/demergers, acquisitions and additional investments including expansion plans and investment in subsidiaries/associates of the Bank
- Any applicable criteria from our legal or regulatory frameworks.
- Such other factors and/or material events which the Bank's Board may consider.

External Factors:

- Shareholder expectations including individual shareholders.
- Macro-economic environment including domestic and global economy, capital market conditions and dividend policy of competitors.

Since the Bank has only one class of equity shareholders, the dividend declared will be distributed equally among all Shareholders, based on their shareholding on the record date.

6. Circumstances under which the shareholders may or may not expect dividend

The Board of the Bank may vary the level of dividend or not recommend any dividend based on

- The capital and reserves position of the Bank.
- The regulatory eligibility criteria for recommendation of dividend, including any regulatory restriction placed on the Bank on

- declaration of dividend.
- The Bank could have undertaken under the terms of perpetual non-cumulative preference shares or debt capital instruments pursuant to applicable regulations which might prohibit the Bank from declaring dividend in certain circumstances.
- The need to conserve capital.

7. Dividend Distribution Process:

7.1. The Bank shall pay off the annual or final dividend to the entitled shareholder, within 30 (Thirty) days (or the days as advised by the regulatory bodies from time to time) of approval, provided that interim dividend shall be paid off to the entitled shareholder, within 30 (Thirty) days (or the days as advised by the regulatory bodies from time to time) of record date.

7.2. Cash dividend shall be distribute in the following manner and procedures, namely:

- An amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the Bank for compliance of regulatory requirements.
- The Bank shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder 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 in 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;
- The Bank, in case of incomplete information of bank account or if not possible to distribute cash

dividend through any electronic payment system, shall issue cash dividend warrant;

- 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 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 provide in the BO account or as provided by the shareholder or unit holder;

7.3. 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 (or the days as advised by the regulatory bodies from time to time) of declaration or approval or record date, as the case may be complying all existing rules and regulations in their regard.

7.4. The Bank shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

- The Bank shall send at least 3 (three) reminders to the entitled shareholder;
- The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the issuer;

7.5. 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 or unit holder; 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) in a separate line item as 'Unclaimed Dividend Account';

7.6. All other regulatory requirements relating to distribution of dividends to be complied.

7.7. The Bank shall submit a compliance report to the Commission and the exchange(s) as per

prescribed format provided by the respective authority on completion of dividend distribution;
7.8. The Bank shall publish the compliance report in its website.

8. Dividend information

Information on dividend paid in last 3 years including dividend yield and payout ratio will be made available on the website of the Bank.

9. Policy amendment and review

This Policy may be reviewed as and when required by the Board of Directors of the Bank for compliance of regulatory requirements.

The Dividend Distribution Policy will be hosted on the website of the Bank and the same would be disclosed in the Annual Report of the Bank.