

# **Dhaka Bank 4<sup>th</sup> Subordinated Bond**

## **Frequently Asked Questions (FAQ)**

### **Q1: What is Subordinated Bond?**

Subordinated Bond is a financial instrument by which banks are raising their supplementary capital. This is subordinated to Deposit but superior to common equity.

### **Q2: What is Dhaka Bank 4<sup>th</sup> Subordinated Bond?**

Dhaka Bank 4<sup>th</sup> Subordinated Bond is a Non-Convertible, Fully Redeemable, Subordinated, Coupon Bearing, Floating Rate Taka Bond. This is now available for investment by anyone.

### **Q3: How much profit Investor (bondholder) will get from this bond?**

Investor will get profit at coupon rate on every 6 months.

### **Q4: What is the Coupon Rate?**

12.99% as of September 2025. This is to be reset for every coupon payment (6 months) based on prevailing reference rate (average of highest FDR of private banks (excluding foreign, Islamic, 4<sup>th</sup> and 5<sup>th</sup> generation banks), this is presently 9.99%) + 3.00% Margin.

### **Q5: Who can invest?**

Anyone can invest. For example, Individuals, SMEs, Corporates, Provident Fund, Gratuity Fund; etc.

### **Q6: What is the minimum and maximum investment amount per investor?**

Minimum investment amount is BDT 10 Lac or it's multiple. There is no bar on maximum investment.

### **Q7: What is the tenor of this bond?**

The tenor of the bond is 7 years from the date of investment.

### **Q8: When will the investor get repayment of the investment amount?**

Although total tenor is 7 years, investor will get repayment of the investment amount equally from 3<sup>rd</sup> year to 7<sup>th</sup> year (20% each year).

### **Q9: What is the tax at source on coupon income?**

10% tax will be deducted from coupon income (in case of FDR, this is 20% for company and 10% for individuals plus excise duty)

### **Q10: Is loan facility available against this bond?**

No

### **Q11: Can this bond be early encashed before maturity?**

No

**Q12: Will this bond be listed?**

Yes, this bond will be listed in Alternative Trading Board.

**Q13: Why should one invest in this bond?**

- Higher margin (3.00%) with Reference Rate as "average of highest FDR of private banks". Based on July 2025 data, the applicable interest rate comes as 13.11%, which we expect to be higher at the time of issuance of the bond.
- Repricing at every six months will help to capture the upward movement of interest rate.
- Average payback period of the bond is 4.99 years (approx.)
- Liquidity through Alternate Trading Board
- Dhaka Bank is AA+ rated Bank and this Bond is AA<sub>B</sub> rated.

**Q14: How can I reach Dhaka Bank for any query?**

You can visit our branches

**Q15: Is account with Dhaka Bank mandatory for investing in Bond?**

No, individuals or enterprises can invest from any bank account and the coupon payment will automatically be given in that account.

**Q16: Do the bank account in my BO account and the bank account used for purchasing Dhaka Bank bonds need to be the same?**

No, it is not necessary for the bank account in the BO account to match with the bank account used for purchasing the bond.

**Q17: What is the timeline to invest in this bond?**

Total amount of this bond is BDT 400 Crore. Allotment will be provided "First come, first invest" basis.

**Documents required for Individuals**

1. NID and TIN of Applicant
2. Passport-size photographs of Applicant – 1
3. NID/Passport of Nominee
4. Passport-size photographs of Nominee – 1
5. BO Account Acknowledgement Receipt

**Documents required for non-individuals**

1. Name of the Investor/Company:
2. Contact Address:
3. Email Address:
4. Mobile Number:
5. BO Account Number (BO Account Acknowledgement Receipt):
6. Account Details of the Investor/Company (Bank Account Name, Account No., Bank Name, Branch Name, Routing No.)
7. Signatory Name of the Investor/Company: