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Tarique Afzal
President & Managing Director
AB Bank Limited
Corporate Office, Dhaka

AB BANK LIMITED

As Issuer

AND

MTB Capital Limited

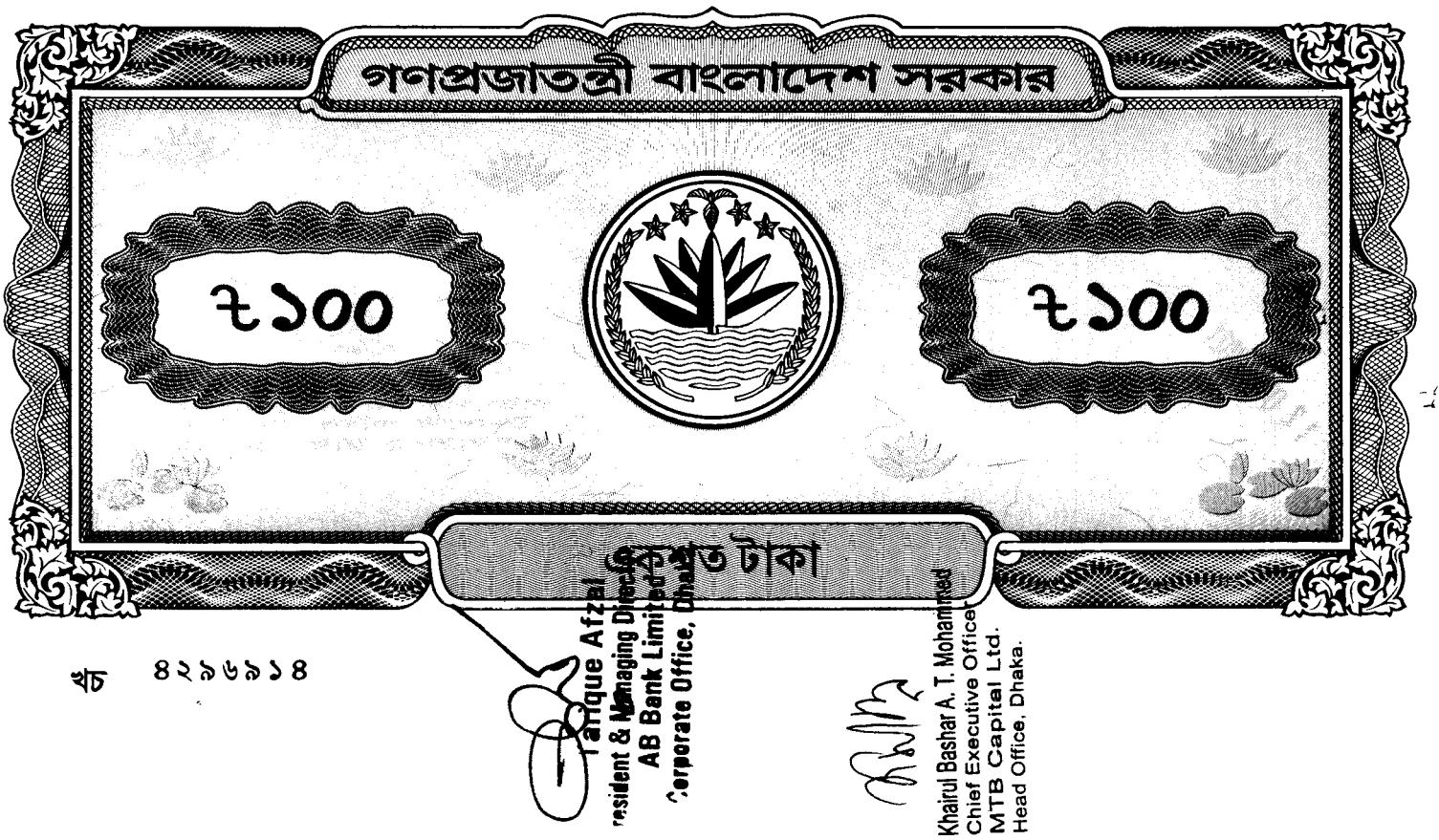
As Trustee

Khairul Bashar A. T. Mohammed
Chief Executive Officer
MTB Capital Ltd.
Head Office, Dhaka.

TRUST DEED RELATING TO

BDT 6,000,000,000 PERPETUAL BONDS

“দেশপ্রেমের শপথ নিন, দুর্নীতিকে বিদায় দিন”



THIS TRUST DEED (this "Trust Deed") is made on December 09, 2021

BETWEEN

- (1) **AB Bank Limited**, a public company incorporated under the Companies Act, 1913 of Bangladesh and operating under the Bank Company Act, 1991 and having its corporate headquarter at The Skymark, 18 Gulshan Avenue, Gulshan 1, Dhaka-1212, Bangladesh (hereinafter referred to as "**Issuer**," which expression shall, unless it is repugnant to the context or meaning thereof, include its successors in interest, legal representatives, administrators and assigns) of the ONE PART; and
- (2) **MTB Capital Limited**, a financial institution incorporated under the Companies Act, 1994 having its corporate head office at Chandrashila Suvastu Tower (2nd Floor), 69/1, Panthapath, Dhaka-1205, Bangladesh (hereinafter referred to as "**Trustee**")", which expression includes, where the context admits, all persons for the time being the trustee or trustees of this Trust Deed and shall mean and include its successors-in-interest and assigns.

WHEREAS

- (a) The Issuer proposes to issue 6,000,000 unsecured, contingent-convertible, coupon-bearing perpetual bonds of BDT 1,000 each at par totalling BDT 6,000,000,000 (Six billion Taka) with no maturity dates as part of Additional Tier-I Regulatory Capital (the "Bonds"/ "Perpetual Bonds").
- (b) The Issuer accordingly has approached the Bondholders and entered into an agreement with the initial purchasers of the Bonds under Private Placement, as per "**Subscription Agreement**" pursuant to which the Bondholders have agreed to subscribe for the Bonds.
- (c) The Bangladesh Securities and Exchange Commission of Bangladesh (the "BSEC") has duly consented to the issuing of the Bonds, vide letter no. BSEC/CI/DS-163/2021/597 dated November 23, 2021 and the Bangladesh Bank approved the same vide letter no. BRPD(BFIS)661/14B(P)/2021-7965 dated September 07, 2021.
- (d) The Issuer as Settlor has decided to create a trust of covenants for the said Bonds and the Bondholders shall be beneficiary of the said trust and the said trust shall be known as **AB Bank Limited Perpetual Bonds Trust**. For the purpose of private placement of Bonds, the Issuer has entered into an agreement with the Investors (the "**Subscription Agreement**") for private placement of Bonds subject to the terms and conditions of the Bond Documents



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Tarique Afzal
President & Managing Director
AB Bank Limited
Corporate Office Dhaka

Khairul Bashar A. T. Mohammedi
Chief Executive Officer
MTB Capital Ltd.
Head Office, Dhaka.

and Subscription Agreement. Under the Subscription Agreement, the Issuer covenants to pay all sums due under the Bonds to the Bondholders. The bond is listed on the Exchange(s).

- (e) The Issuer has proposed to appoint **MTB Capital Limited** as Trustee in respect of the trust of covenants for the Bonds under which the Trustee will hold the benefit of the covenants made by the Issuer on trust for the benefit of the Bondholders; and provide evidences for proper utilization and payment/repayment/redemption of the issue. The Trustee has agreed to act and perform by declaring a trust in accordance with the Trusts Act, 1882, and Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021, for the objects set out hereinafter.
- (f) MTB Capital Limited has at the request of the Issuer consented to act as Trustee on the terms and conditions appearing hereinafter and obtained the approval of the Bangladesh Securities and Exchange Commission to act as Trustee to the issue vide letter no. BSEC/Reg./Trustee-223/2021/Part-I/397 dated November 29, 2021.

NOW THIS DEED WITNESSES AND IT IS HEREBY DECLARED as follows:

1. OBJECTIVE OF THE ISSUE

The Issuer has planned to issue the Bonds as part of the Additional Tier-1 Capital following the Capital Adequacy Guidelines.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

Subject to definitions and expressions contained in the Features of the Bond contained in Clause 10.2 (*Features of the Bonds*) and also in 11.1 (*Form, Denomination and Title*), in this Trust Deed the following expressions have the following meanings.

"**Agency Agreement**" means the agency agreement dated on or about the date of this Trust Deed (as amended and restated or supplemented from time to time) between the Issuer, the Trustee, the Registrar, and the Paying Agent which shall form an integral part of this Trust Deed;

"**Appointee**" means any delegate, agent, nominee, receiver, attorney or custodian appointed by the Trustee pursuant to the provisions of this Trust Deed;

"**Authorised Signatory**" means, in relation to the Issuer, any director or any other person or persons notified to the Trustee by the Issuer as being an Authorised Signatory pursuant to Clause 14.2.3 (*Authorised Signatories*);

"**Bond Certificate**" means any individual bond certificate in demat form representing a Bondholder's entire holding of the Bonds;

"**Bondholder**" means a person in whose name a Bond (or, as the case may be, such Bond) is registered in the Register;

"**Bonds**" means the Bonds for the time being outstanding or, as the case may be, a specific number thereof;

"**Business Day**" means a day on which banks in Bangladesh are generally open for business;

"**Capital Adequacy Guidelines**" means the Guideline of Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III) of Bangladesh Bank or any successor guidelines or law.

"**Compliance Certificate**" means a certificate signed by the Managing Director and Chief Executive Officer of the Issuer, substantially in the form set out in Schedule 2 (*Form of Compliance Certificate*) hereto;

"**Conditions**" means, the terms and conditions to be endorsed on the Bonds, in the form or substantially in the form set out in Part B of Schedule 1 hereto, as the same may from time to time be modified in accordance with this Trust Deed, and any reference in this Trust Deed to a particular numbered Condition shall be construed accordingly;

"**Distributable Profit**" means the net profit after tax for that year, including retained earnings on that date;

"**Engagement Letter**" means the engagement letter dated August 31, 2021 between the Issuer and Trustee. The engagement letter shall form part of the Trust Deed and shall have effect accordingly.

"**Liability**" means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

"**Material Adverse Effect**" means a material adverse effect on the business, conditions (financial or otherwise), operations, performance, assets or prospects of (i) the Issuer or the Group (taken as a whole) or (ii) the ability of the Issuer to perform its obligations under the Bond Documents; or the legality, validity or enforceability of any or all of the Bond Documents or any or all of the rights or remedies of any of the Trustee or the Bondholders under any or all of the Bond Documents.

"**Paying Agent**" means the paying agent mentioned under Clause 10.2 (Features of the Bond)

"**Related Party**" means, in respect of any person, any affiliate of that person or any officer, director, employee or agent of that person or any such affiliate or any person by whom any of them is controlled;

"**Rules**" means Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 issued by the Bangladesh Securities and Exchange Commission

"**Settlor**" means the Issuer of the Bond, AB Bank Limited.



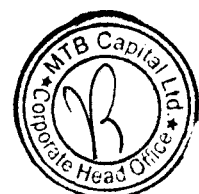
"**this Trust Deed**" means this Trust Deed, the Bonds and the Schedules (as each may from time to time be modified in accordance with the provisions contained herein) and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions hereof (as from time to time modified as aforesaid) and expressed to be supplemental hereto.

"**Transaction Documents**" means this Trust Deed, the Subscription Agreement, the Bonds, the Bond Certificate including the Conditions, Agency Agreement and any documents pertaining thereto.

2.2 Principles of interpretation

In this Trust Deed, references to:

- 2.2.1 *Statutory modification:* a provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment;
- 2.2.2 *Additional amounts:* any additional amounts which may be payable under Clause 11.4 (*Taxation*);
- 2.2.3 *Tax:* costs, charges or expenses shall include any value added tax or similar tax charged or chargeable in respect thereof as per law of the land;
- 2.2.4 *Currency:* all references to "**BDT**" or "**Taka**" are to the lawful currency of the People's Republic of Bangladesh ("**Bangladesh**") at all times;
- 2.2.5 *Clauses and Schedules:* a Schedule or a Clause or sub-clause, paragraph or sub-paragraph is, unless otherwise stated, to a schedule hereto or a clause or sub-clause, paragraph or sub-paragraph hereof respectively;
- 2.2.6 *Principal:* principal shall, when applicable, include premium;
- 2.2.7 *Gender:* words denoting the masculine gender shall include the feminine gender also, words denoting individuals shall include companies, corporations and partnerships and words importing the singular number only shall include the plural and, in each case, *vice versa*;
- 2.2.8 *Continuing:* A Default is "**continuing**" if it has not been remedied or waived;
- 2.2.9 *Persons:* a person includes a reference to that person's legal personal representative, successors and permitted assigns and transferees; and
- 2.2.10 *Agreement:* an agreement or a document includes any agreement or document executed in accordance with the provisions thereof and expressed to be supplemental thereto.
- 2.2.11 *In this Trust Deed, wherever used, the word outstanding shall mean, in relation to the Bonds, all the Bonds other than:*
- (a) those which have been recalled in accordance with this Trust Deed; and
 - (b) those in respect of which the date for recall in accordance with the provisions of the Conditions has occurred and for which the call moneys (including all interest accrued thereon to the date for such recall) have been duly paid by the Issuer (and, where appropriate, notice to that effect has been given to the Bondholders in accordance with Clause 11.9 (*Notices*)) and remain available for payment in accordance with the Conditions; *provided that* for each of the following purposes, namely:



- (i) the right to attend and vote at any meeting of Bondholders;
- (ii) the determination of how many and which Bonds are for the time being outstanding for the purposes of Clauses 13.9 (*Modification and Waiver*), Clause 14 (*Rights, Duties and Obligations of the Issuer*), Clause 11.5 (*Events of Default*), Condition 19.2 (*Meetings of Bondholders, Modification and Waiver*) and Condition 11.9 (*Notices*), Clause 19 (*Meeting of Holders of the Bond with Power, Scope and Quorum of the Meeting*); and
- (iii) any discretion, power or authority, whether contained in this Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Bondholders or any of them;

those Bonds (if any) which are for the time being held by any person (including but not limited to the Issuer or any Subsidiary) for the benefit of the Issuer or any Subsidiary shall (unless and until ceasing to be so held) be deemed not to remain outstanding

2.3 The Conditions

In this Trust Deed, unless the context requires or the same are otherwise defined, words and expressions defined in the Conditions and not otherwise defined herein shall have the same meaning in this Trust Deed. In the case of any conflict or inconsistencies in respect thereof, the Conditions shall prevail.

2.4 Headings

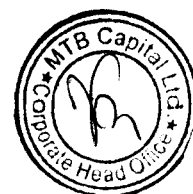
The headings and sub-headings are for ease of reference only and shall not affect the construction of this Trust Deed.

2.5 The Schedules

The schedules are part of this Trust Deed and shall have effect accordingly.

3. RELATION BETWEEN THE PARTIES

- 3.1 AB Bank Limited (the "Issuer") was authorised by its Board of Directors on 709th Board Meeting held on May 11, 2021 for the issue of the Bonds for the purpose of raising Perpetual Bond as part of additional Tier-I Regulatory Capital following "**Guideline of Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III)**" of Bangladesh Bank. The Bonds are constituted by this trust deed (as amended or supplemented from time to time) the "**Trust Deed**") to be dated on or about December 09, 2021 made between the Issuer and **MTB Capital Limited** as trustee for the holders of the Bonds (the "**Trustee**", which term shall, where the context so permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) and are subject to the agency agreement to be dated on or about date of this Trust Deed (as amended and/or supplemented from time to time, the "**Agency Agreement**") between the Trustee, **AB Investment Limited** as paying agent (together with its successors, the "**Paying Agent**"), and together with the Registrar and the Paying Agent, the "**Agents**") relating to the Bonds. The statements in the terms and conditions of the Bonds (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office at the registered office of the Trustee. The Bondholders are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.



4. GOVERNING LAW AND JURISDICTION

The Bonds and the Trust Deed are governed by and shall be construed in accordance with laws of Bangladesh.

Any disputes which may arise out of or in connection with the Trust Deed or the Bonds (including a dispute relating to non-contractual obligations arising from or in connection with the Trust Deed or the Bonds or a dispute regarding the existence, validity or termination of the Trust Deed or the Bonds or the consequences of their nullity) ("**Disputes**") between the Issuer and the Trustee or between Issuer and the Bondholders or between Trustee and the Bondholders shall be settled by arbitration in accordance with the provisions of the Arbitration Act 2001. Each party shall appoint its arbitrator and the arbitrators shall appoint chairman of the arbitral tribunal. Venue of arbitration shall be at Dhaka. Unless otherwise decided by the arbitral tribunal, each party to an arbitration proceeding shall bear their respective costs of arbitration.

REGISTERED ADDRESS OF THE TRUST

The offices of the Trust shall be situated at the registered office of the Trustee, and/or such place(s) as the Trustee may deem fit and proper in its discretion.

5. DESCRIPTION OF THE TRUST

5.1 Creation of the Trust

The Settlor hereby declares and confirms that it has simultaneously with the execution of this Trust Deed settled and does deliver to and make over to the Trustee an amount of BDT 100,000.00 (one hundred thousand only Taka)(the "**Trust Property**") along with benefit that will arise from the covenants made by the Settlor in terms of this trust, TO HAVE AND HOLD the same together with all additions or accretions thereto UPON the Trust and confirms that it will transfer the said amount, together with all additions or accretions thereto, and the investments representing the same would be applied and governed by the terms and conditions of this Trust Deed, and any direction of the Issuer at the time of creation of the Trust.

5.2 Acceptance of the Trust

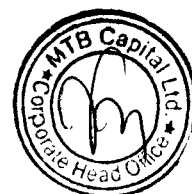
The Trustee hereby declares and confirms that it shall hold and stand possession of the Trust Property UPON trust and subject to the powers, provisions, agreements and declarations herein contained.

5.3 Beneficiaries

The Trust Property shall be held for the benefit of the Bondholders (the "**Beneficiaries**") for distribution in accordance with law.

5.4 Name of the Trust

5.5 The Trust hereby created shall be called **AB Bank Limited Perpetual Bonds Trust** (herein referred to as the "**Trust**"). There shall be a seal of the Trust under the name and style of "**AB Bank Limited Perpetual Bonds Trust**" and all acts shall be done and all books of account of the Trust shall be maintained, kept and operated under the foregoing name. The purpose of the Trust is the protection, preservation and representation of rights, interest and liabilities of the Beneficiaries under the Bonds.



6. COMMENCEMENT AND TERMINATION OF THE TRUST

6.1 Date of Commencement of the Trust

The Trust hereby created shall be deemed to be established from the date of execution of this Trust Deed.

6.2 Date of Termination of the Trust

6.2.1 The Trust shall only be extinguished when all liabilities, if any, are paid in full in accordance with this Trust Deed and the Conditions.

6.2.2 The Bonds are perpetual securities in respect of which there is no fixed redemption date.

6.2.3 Notwithstanding anything to the contrary in this Trust Deed or the other Bond Documents, the Settlor may revoke the Trust with the express consent of all Beneficiaries of the Trust and the permission from the BSEC.

7. COSTS AND EXPENSES

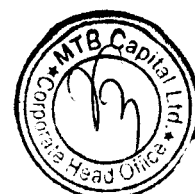
7.1 Remuneration and Indemnification of the Trustee

7.1.1 *Normal remuneration:* So long as the Trustee is a trustee under this Trust Deed and any Bond remains outstanding or any amount remains outstanding under this Trust Deed, the Issuer shall pay to the Trustee remuneration as described in Clause 9 of this Trust Deed for its services as trustee, such remuneration to be at such rate as agreed between the Issuer and the Trustee. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Bondholders) up to and including the date when, all the Bonds having become due for redemption, the redemption moneys thereon to the date of redemption have been paid to the Trustee, *provided that* if upon due presentation (if required pursuant to the Conditions) of any Bond or any cheque, payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue;

7.1.2 *Extra remuneration:* In the event of the occurrence of a Default or Event of Default or the Trustee (after prior approval from the Issuer to the extent reasonably practicable in the circumstances) considers it expedient or necessary or being requested by the Issuer to undertake duties which the Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Trust Deed, the Issuer shall pay to the Trustee such additional remuneration as shall be agreed between them;

7.1.3 The issuer will bear the Value Added Tax (VAT) where applicable. Withholding Income Tax where applicable, may be deducted by the issuer as per Tax Laws of the country. All supporting treasury challan and deduction certificate thereon will be provided to the Trustee.

7.1.4 *Failure to agree:* In the event of the Trustee and the Issuer failing to agree with respect to Clause 7.1.2 upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Trust Deed, or upon such additional remuneration, such matters shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuer (the expenses involved in such nomination and the fees of such investment bank being shared equally by the Trustee and the Issuer) and the determination of any such investment bank shall be final and binding upon the Trustee and the Issuer;



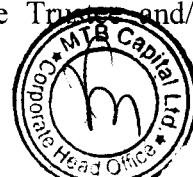
- 7.1.5** *Expenses:* Subject to the terms of the Engagement Letter, the Issuer shall also pay or discharge all costs, charges and expenses incurred by the Trustee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Trust Deed, including but not limited to reasonably incurred travelling expenses, regulatory expenses, and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing any provision of this Trust Deed, upon the production of documentary evidence to the satisfaction of the Issuer of the incurrence of the same and prior approval from the Issuer should be taken for such expense;
- 7.1.6** *Indemnity:* The Issuer shall, on demand by the Trustee, indemnify it and any Appointee (approved by the Issuer) (a) in respect of all liabilities and expenses incurred by it or by any Appointee or other person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by this Trust Deed and (b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to this Trust Deed *provided that* it is expressly stated that Clause 13.6 (*Trustee liable for gross negligence*) shall apply in relation to these provisions.
- 7.1.7** *Payment of amounts due:* All amounts payable pursuant to sub-clauses 7.1.5 and 7.1.6 shall be payable by the Issuer against presentation of invoices by the Trustee and such payments shall be made within the time frame stipulated in such invoice.
- 7.1.8** *Discharges:* Unless otherwise specifically stated in any discharge of this Trust Deed, the provisions of this Clause 7.1 (*Remuneration and Indemnification of the Trustee*) shall continue in full force and effect notwithstanding such discharge; and
- 7.1.9** *Own Funds:* Nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability and the Trustee shall not be obliged to do or omit anything, including entering into any transaction or incurring any liability (including without limitation, any environmental liability) unless the Trustee's liability is limited in a manner satisfactory to it in its absolute discretion and the Trustee may refrain from taking any action which it may have been instructed or directed to take in accordance with this Deed or to take any other action pursuant to this Trust Deed or any of the other Bond Documents unless and until it shall have received in form and substance satisfactory to it in its absolute discretion such indemnification and/or security (whether by way of payment in advance or otherwise) for all costs, claims, demands, liabilities, expenses (including legal fees and disbursements) which it will or may expend or incur or to which it may be exposed in complying with such instructions or directions. The Trustee shall not in any circumstances be obliged to give its own indemnity to any Appointee or to become a mortgagee in possession.

7.2 Stamp duties

The Issuer will upon demand pay all stamp duties, registration taxes and other similar duties or taxes (if any) payable in Bangladesh on (a) the constitution and issue of the Bonds, (b) the initial delivery of the Bonds (c) any action taken by the Trustee (or any Bondholder where permitted by the Issuer or required under this Trust Deed to do so) to enforce the provisions of the Bonds or this Trust Deed or any other Bond Document and (d) the execution of this Trust Deed.

7.3 Indemnities separate and continuing

The indemnities in this Trust Deed constitute separate and independent obligations from the other obligations in this Trust Deed, will give rise to separate and independent causes of action, will apply irrespective of any indulgence granted by the Trustee and/or any



Bondholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed or the Bonds or any other judgment or order.

7.4 Subscription Agreement with the Holders of the Bonds

7.4.1 Taxes

All payments in respect of the obligations of the Issuer under the Subscription Agreement shall be made free and clear of, and without withholding or deduction for or on account of, any Taxes, unless such withholding or deduction is required by law.

7.4.2 Stamp duties

The Issuer shall pay all stamp, registration and other Taxes which may be payable upon or in connection with the creation and issue of the Bonds and the execution of the Subscription Agreement and the Bond Documents.

7.5 Agency Agreement with Paying Agent

7.5.1 Fees

The Issuer shall pay to the Agents such fees as may be separately agreed in writing between the Issuer and the Agents in respect of the services of the Agents pursuant to the Agency Agreement.

7.5.2 Expenses

The Issuer shall on demand reimburse each Agent for all expenses (including, without limitation, legal fees and any publication, advertising, communication, courier, postage and other out-of-pocket expenses) properly and reasonably incurred in connection with its services hereunder (plus any applicable value added tax) in both cases, upon prior approval from Issuer and production of documentary evidence satisfactory to the Issuer of such expenses.

7.5.3 Stamp Duties

The Issuer shall pay all stamp, registration and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of the Agency Agreement.

8. DESCRIPTION OF THE TRUSTEE WITH RIGHTS, DUTIES AND OBLIGATIONS

8.1 Description of the Trustee

MTB Capital Limited is the Trustee for the Bonds.

8.2 MTB Capital Limited a financial institution incorporated under the Companies Act, 1994 having its corporate head office at Chandrashila Suvastu Tower (2nd Floor), 69/1, Panthapath, Dhaka 1205, Bangladesh

8.3 Rights, Duties and Obligations

The rights, duties and obligations of the Trustee shall be as described under Clause 13 (*Rights, Duties and Obligations of the Trustee*) herein below in this Trust Deed.

