

**Principles on Disclosure
of Material Information
and Price Sensitive
Information of
AB Bank Limited**



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1. Preface

Bangladesh Securities and Exchange Commission (BSEC) vide Gazette notification no. BSEC/CMRRCD/2021-396/52/Prosason/140 dated 30th January 2023 had issued **Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Regulations, 2022**. As per the said guidelines, every listed company, whose securities are listed on a stock exchanges, shall formulate and publish on its official website, Principles on Disclosure of Material Information and Price Sensitive Information.

The Board of Directors (the “**Board**”) of AB Bank Limited (the “**Bank**”) has adopted this Principles on Disclosure of Material Information and Price Sensitive Information. The Board has the authority to review and amend this Principles from time to time.


2. Objective

The objective of this Principles is to ensure continuous, adequate, accurate and timely disclosure of information by AB Bank Limited to the Commission and the Stock Exchanges on an ongoing basis to enable the investors to make informed investment decisions.

The Principles was framed as per the requirements of the BSEC (Prohibition of Insider Trading) Regulations, 2022.

3. Definitions

- 3.1. “Bank” means AB Bank Limited or ABBL
- 3.2. “Board of Directors” or “Board” means the Board of Directors of AB Bank Limited (ABBL), as constituted from time to time.
- 3.3. “Policy” means this Policy titled The Principles on Disclosure of Material Information and Price Sensitive Information (PSI).
- 3.4. “Key Managerial Personnel” means Key Managerial Personnel (KMP) including the President & Managing Director, Chief Financial Officer (CFO), Company Secretary, and such other officer/s as may be prescribed by the Board of Directors.
- 3.05. Stock Exchange(s) means Dhaka Stock Exchange and the Chittagong Stock Exchange PLC.
- 3.06. Listing Regulations means Dhaka Stock Exchange (Listing) Regulation 2015 and the Chittagong Stock Exchange (Listing) Regulation 2015.
- 3.07. “BSEC” means Bangladesh Securities and Exchange Commission.
- 3.08. “DSE” means Dhaka Stock Exchange Limited
- 3.9. “CSE” means Chittagong Stock Exchange PLC.
- 3.10. “Chairman” means the Chairman of the Board of Directors of ABBL.
- 3.11. “Director” means the Board of Directors of ABBL; so appointed time to time.
- 3.12. “President & MD” means the President & Managing Director of ABBL
- 3.13. “Company Secretary” means the Company Secretary of the ABBL.
- 3.14. “CFO” means Chief Financial Officer of ABBL.
- 3.15. “**Immediate Relative**” means any of the following who is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities-
 - a) Spouse
 - b) Father
 - c) Mother
 - d) Brother
 - e) Sister
 - f) Son (including step-son)
 - g) Daughter (including step-daughter)



3.16. **“Price Sensitive Information”** means any information which relates directly or indirectly to AB Bank Limited and which if published is likely to materially affect the price of securities of AB Bank; and/or any information, If not disclosed, then any dealing with securities of AB Bank Limited on the basis of such information yields gain as well as but for the said information, the said dealing in question would not take place.

3.17. **“Insider”** means any person referred to in sub-clauses (a) to (e) below or any person who is related to any person referred to in sub-clauses (a) to (d) or his By virtue of his position or position or by reason of transactions, directly or indirectly, he knows or is deemed to have an opportunity to know price sensitive information before it is disclosed, namely:-

- a) any listed company's director, sponsor or promoter, significant shareholder, managing agent or interested party thereof or its banker, auditor, asset appraiser, credit rating company, adviser, or its or its related officers or employees or its close relatives or its or any person or organization associated with them;
- b) all contractual parties of any Listed Fund or its related party's Directors, Managing Agents, Bankers, Auditors, Asset Appraisers, Credit rating companies, advisors another fund under the same fund management company or its or its related officers or employees or a close relative or any person or entity associated with him or her;

Explanation: In this clause, contracting parties shall mean sponsors, trustees, fund managers, custodians, proposers, service providers of listed funds.

- c) Any stock broker or stock dealer, market maker, issue manager, portfolio manager including market maker or its director or its related parties or its related officers or employees or authorized representatives or a close relative or any person or entity associated with him or her.
- d) Regulatory bodies of listed companies or funds or the bodies legally authorized to receive information from listed companies or stock exchanges, directors or related officers or employees of depository companies or a close relative or any person or entity associated with him or her or listed companies or funds related parties.
- e) Any other third person, who acts under the authority of the persons referred to in the preceding paragraph Nos. (a) to (e), or who act under ostensible authority under the person referred to in the preceding paragraph Nos. (a) to (e) or any other agent, disclosed or undisclosed, of the later persons.

3.18. **“Insider Trading”** means the purchase or sale or otherwise transfer of any security or unit of a Fund by a Beneficiary on the basis of undisclosed “price Sensitive information”. Provided that, by order of a court or by inheritance of a deceased person or of securities or units of funds acquired through confiscation transfer shall not be treated as insider trading.

3.19. **“Relevant officer or Employee”** means the officers or employees of relevant regulatory authorities of listed company or fund who has lawful right or opportunity to know the price sensitive information or fund manager, custodian or trustee and officer or responsible officer or employee of a self-regulatory organization such as a depository company and stock exchanges.

3.20. **“Interested party”** means the following interested persons or interested institutions, namely:-

- a) **“interested person”** means any person or any member of his family who, by himself or jointly with another person, controls or exercises significant influence over any entity or the chief executive officer or top management of that entity or company or its holding company are engaged;
- b) **“interested institutions”** means an entity if it is an entity belonging to another entity or an entity belonging to the same group in which its interest relates or is related as a holding company, subsidiary company, subsidiary company or joint venture or both are joint ventures with a third entity or the said institutions or companies are managed or controlled by persons having the same interest, singly or jointly.

3.20. Words or Expressions not defined in this policy shall have the same meaning as given under the Securities and Exchange Ordinance, 1969, Bank Companies Act, 1991, Bangladesh Securities and Exchange Commission Act, 1993, Financial Institution Act, 1993, the Companies Act, 1994, Depository Act, 1999, Exchanges Demutualization Act, 2013 and provisions made under the said laws. Further, in case of inconsistency between any provisions of this policy with any existing policy (ies) of the Company, provisions of Policy for determination and disclosure of Materiality of Events or Information and Price Sensitivity will prevail.

4. Key Managerial Personnel (KMP) authorized to determine and disclose Price Sensitive Information (PSI) and Material Information (MI).

The Top Managerial Personnel (TMP) of the Bank shall determine the materiality of an event or information and PSI and for the purpose of advising/making on the disclosure to the Bangladesh Securities and Exchange Commission (BSEC), Stock Exchanges, and other regulators. The board of directors of the Bank has authorized the following TOP Managerial Personnel (“TMPs”) and other senior managerial officials of the Bank (“Authorized Personnel”/“TMP”) to determine the materiality of an event or information and PSI and to make appropriate disclosure on a timely basis to the stock exchange (s), BSEC and to other regulators:

Sl.	Designation of Top Management Personnel
1	President & Managing Director
2	Chief Financial Officer
3	Company Secretary

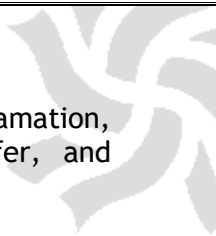
5. Applicability

The Principles on Disclosure of Material Information and Price Sensitive Information (the Policy) shall be applicable and binding in respect of all material events/ information and price sensitive information of the Bank, and events/information with respect to its Subsidiary Companies which are material for the Bank.

6. Price Sensitive Information (PSI)

The following events/information shall be necessarily disclose to the Exchange(s) as Price Sensitive Information:

1. Information related to the financial position, financial results, financial statements, and other basic information related to the financial performance.
2. Information related to dividend and corporate declarations.

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3. Information related to the change of corporate structure (i.e. amalgamation, merger, de-merger, re-structuring, acquisition, winding up, transfer, and transformation, etc).
 4. Information related to the change of capital structure.
 5. Information related to the business expansion, change, etc. if required.
 6. Information related to the fund management, and structural change of the fund.
 7. Any other information as defined by the BSEC as PSI through various rules, regulations, circulars and directives.
 8. Any information published by the BSEC in official gazette defining as PSI.

7. List of Material Information

The following events/information shall be disclose to the Exchange(s) as Price Sensitive Information upon application of the guidance for materiality to effect the market price of the security:

A. Factors related to the change of financial status/statements:

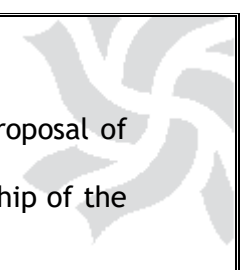
01. Change in financial statements. i.e.: Any significant changes in revenue, expenses, profits or losses, cash flow, receivables, significant change of assets and liabilities, significant changes of revaluation of assets or related information or statement or comments.
02. Comparative statements of the following information:
 - i. Earnings per share (EPS)
 - ii. Net operating cash flow per share
 - iii. Net asset value per share
03. Significant/Material change of asset value or composition of assets.
04. Any change related to the reservation of provision that is/were required (specially directed/changed) by the regulatory authority.
05. Any change related to the change of accounting policies etc.

B. Information related to the Corporate Declaration:

01. Any decision/resolution related to the dividend.
02. Any decision/resolution related to the rights of the security-holder, declaration or issue of bonus, or similar benefits.
03. Information related to the benefits receivables by the investors against any corporate declaration or any other information.
04. Change of dividend declaration policy, etc.

C. Information related to the change of Corporate Structure:

01. Acquisition or Liquidation of existing assets of ABBL at least of 05% (five percent) or higher.
02. Amalgamation or merger or acquiring substantial amount of shares of other company (ies) by ABBL.
03. Demerger of any associates/subsidiaries of the ABBL.
04. Restructuring or liquidation of any associates/subsidiaries of ABBL.
05. Change in the "Corporate Activities" of ABBL by re-organization of capital or merger or demerger.

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06. Proposal of acquiring control (take-over) of other company, or the proposal of acquiring internal services of the other company by the ABBL.
 07. Change in ownership structure that may affect the controlling ownership of the ABBL.
 08. Change of name and address, etc. of the ABBL.

D. Information related to the change of Capital Structure:

01. Any decision/resolution related to the change of Capital Structure of ABBL including the offer of security as private offer or public offer or rights offer.
02. Planned buyback or redemption of securities of ABBL.
03. Decision/resolution related to the consolidation of any shares, exchange/transfer of shares, conversion of any security into equity security, or conversion of debt-instrument into shares.
04. Substantial changes of rights of security-holders of ABBL.

E. Information related to the expansion of business activities and the change of business:

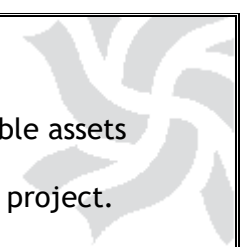
01. Significant development or change of technology or establishment of ABBL.
02. Substantial investment of capital or change of objectives of the ABBL.
03. Significant agreement (new), patent, services, or changes of business.
04. Recovery of the substantial amount of long-term bad debt.
05. Change/resignation/termination of the Board of Directors, MD & CEO, Chief Financial Officer (CFO), Company Secretary(CS).
06. Change of Statutory Auditor or Corporate Governance Compliance Auditor, Credit Rating Company.
07. Any material verdict or order, initiation of legal proceedings, development of regulatory affairs issues, etc.
08. Change of category of listed security-"ABBL" in the stock exchange (s) or de-listing from the exchange(s).
09. Notable "Management Contract", "Investors Relation Agreement", "Service Agreement", or any agreement related to the Related Party Transaction that may affect the financial statement significantly.
10. Decision/resolution related to the purchase or sale of any fixed asset, or BMRE or establishment of new unit.
11. Advance or loan to and from intra-company or subsidiary or associated company or director.

F. Loans and Advance management:

01. Information related to the loan received or payment of advance (25% or higher) on the basis of Paid-up capital or net asset value (whichever is higher).
02. Giving/releasing of guarantees of any substantial assets.
03. Failure of payment of loan/liability of any bank or lender or debt-instrument, for more than six (06) months.
04. Notable loan-agreement or foreign investment agreement etc.

G. Others

01. Signing of any important agreement/amendment or cancellation of agreement (s) that is/are signed in previous years.

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02. Any event (s) that hamper (s) the reputation, loss/damage of any notable assets of ABBL.
 03. Cancellation of any project or any material change/amendment of the project.
 04. Qualified Opinion submitted by the auditor, etc.

8. Disclosure Modality

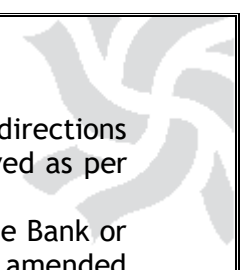
Price Sensitive Information (PSI) shall be disclosed to the relevant regulators in the following manner:

- a. The Bank shall disclose all Price Sensitive Information (PSI) to the BSEC, DSE, and CSE within two (02) hours of the decision taken by the Board or the conclusion of the meeting, or on the day on which the matter came into its cognizance.
- b. In case of seeking permission, approval, consent of the Bangladesh Bank, BSEC or other regulator on any issue related to the movement of share price, the Bank shall disclose it to the BSEC, DSE, and CSE within two (02) hours of the decision taken by the Board or the conclusion of the meeting, or on the day on which the matter came into its cognizance.
- c. The Chairman or the President & Managing Director or the Company Secretary shall sign on the PSI-document before sending to BSEC, DSE, and CSE.
- d. The Bank shall publish another PSI on the same issue within two (02) hours of receiving the permission/consent/approval from the regulatory authority mentioning the fact that the issue was sent to the regulatory authority earlier for permission/consent/approval.
- e. ABBL shall not disclose, publish, or provide any false or untrue PSI or provoke anyone to disclose the PSI that may influence the share price of the bank.
- f. The Bank shall publish the PSI in an online news portal and two (02) daily newspaper (Bangla and English) those are widely circulated across the country. The PSI-document can be send through E-mail, Fax, Digital Submission Platform, Specially assigned messenger/personnel, or by courier services in some cases.
- g. All PSI shall carry the date, time or the date on which the matter came into the cognizance of the bank.
- h. The Bank shall upload on its website all Material Information and Price Sensitive Information and host the same for a minimum period of 03 (three) years.

Events/information mentioned through the condition 6 and 7 to this policy shall be disclosed to the BSEC, Stock Exchange (s), and other regulatory authorities in manner specified in the policy & regulatory requirements. Further, where the Bank makes disclosures to the BSEC and Stock Exchange (s), the Bank will also disclose material developments, as may be decided by the Competent Authority on a regular basis.

9. Other Provisions related to disclosures

- I. The Bank shall in respect of disclosures made under the Listing Regulations make disclosures updating material development on a regular basis to the Stock Exchange (s) and the BSEC, till such time the event is resolved/closed, with relevant explanations.
- II. The Bank shall develop a digital database for storing all PSI and related information.

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- III. The Bank shall archive information of all beneficiaries as per the directions of the BSEC, and after which, the said information will be archived as per its Archival Policy or practice of ABBL.
 - IV. In case of any amendments to the disclosures already made by the Bank or those uploaded on its website, the Bank shall disclose/upload the amended content, in terms of this Policy.
 - V. The Bank shall provide specific and adequate reply to all queries raised by the BSEC and the Stock Exchange (s) with respect to any material events or information.

10. Disclosure on the website

The Bank shall disclose on its website all such events/information which has been disseminated to the BSEC and Stock Exchange(s) under this Policy and such disclosures shall be hosted on the website of the Bank for a minimum period of three years and thereafter as per the archival policy / process/ practice followed by the Bank.

11. Monitoring and Reporting

The 'Key Managerial Personnel' (KMP) are jointly responsible to the Board for monitoring and reporting the implementation of this Policy.

12. Review of the Policy

The Policy shall be reviewed pursuant to any amendments to the Listing Regulations or for any reason as deemed appropriate by the Board. The President & Managing Director with the assistance of KMPs of the Bank is authorized to carry out necessary changes to the Policy, as and when the same are necessitated or pursuant to any regulatory change. The aforesaid changes as approved by the President & Managing Director of the Bank shall be placed at the subsequent meeting of the Board, for its ratification. Once ratified by the Board of the Bank at its meeting shall be deemed to have come into effect from the said date.

13. Exclusive

Any dealing with security of AB bank Limited shall not amount to insider dealing provided the dealing in question occurred after the expiry of time due for disclosure of the 'Price Sensitive Information' in accordance with law: but the information did not happen to be disclosed in time in accordance with law due to fault, default, negligence or inadvertent of the person responsible under law to cause the disclosure unless the such non-disclosure is induced by the person who is benefited out of the dealing in question.

14. Variation

This policy is subject to law of the land as well as any circular or regulation or guidance published or issued by Bangladesh Securities & Exchange Commission or any other authority under the law of the land and in the event of conflict between any law or any rule and regulation issued under any law on the one hand and this policy in other hand, the law, rules, regulation, as the case may be shall over day or vary or add or omit the policy accordingly.



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