

DBBL INDUSTRIAL BOND



CAPITAL MARKET & DBBL INDUSTRIAL BOND

The syndrome of a developing or least developed economy has stamped some inherent constraints on Bangladesh, such as dearth of capital and limited access to capital. In the bargain, entrepreneurial development and industrialization are subjected to limitations that stem from such constraints.

Despite the existence of a fledging capital market, absence of a level playing field and concomitant instruments of regulatory controls and mechanism of transparency, the foundations of the capital market suffered erosion of credibility and confidence in 1996.

Although presumably there is an excess liquidity of funds both in public and private hands, institutional or otherwise, bereft of an instrument of trust and transparency such funds remain inaccessible to both investors and industries and enterprises. On the other hand, to keep the economy ticking and to go forward in a vibrant activity, enterprise, entrepreneurship and industrialization requires to tap these currently unused funds.

It, therefore, requires an instrument of trust, confidence and transparency to engage these financial resources to harness the economy with an injection of much-needed capital to drive the engine of growth. DBBL Industrial Bond provides an unique opportunity for a safe investment and healthy return.

Necessity of Bond : DBBL so far invested 25% of its portfolio to support industrial undertakings. There are more demand for such investment which could not be cooped up for shortage of capital. These types of situation have efficiently been tackled in other countries by way of introducing Bond and developing a Secondary Bond Market. Albeit there are few bonds available in Bangladesh Market, but all are from Government Sector. To create a concerned alternative DBBL has taken this initiative for introducing 'Industrial Bond', which will inter alia encourage investors to invest their hard earned savings.

DBBL Pioneer : To start with "DBBL Industrial Bond" would be of 5 years duration having very lucrative profit facilities. It is known to all concerned that in the present financial arena Banks holds mostly short term deposits leaving little or in most cases no scope for long term financing. To meet this type of mismatch, your investment with "DBBL Industrial Bond" will not only allow you to earn high profit but also help the national economy in strengthening its industrial sector, creating more jobs to eliminate unemployment and thereby activate the 'economic spiral' so as to boost up GDP and GNP. DBBL is optimistic that its initiatives shall have demonstration effect and other players in the financial and capital market shall follow suit to develop and strengthen a secondary bond market in the country.

ELIGIBILITY FOR PURCHASE

The Bond will be issued in the name of a purchaser or in the name of any person as instructed by the purchaser. For non-resident purchaser Bond will be issued in his / her name or in the name of any person as instructed by the purchaser against their remittance from abroad to the account maintained in Bangladesh.

FEATURES OF THE BOND

- **Issue Size:** Tk. 500.00 million.
- **Maturity:** Mature for payment after completion of 05(five) years from the date of issue.
- **Interest:** Accrue interest @ 10.00% (ten percent) per annum on half-yearly rests and the holder will be entitled to draw interest on half-yearly basis. Every initial bondholder will be given bonus @ 0.25% in the face value who will hold the bond(s) till maturity from the date of issue.
- **Denomination:** Tk. 10,000.00; Tk. 50,000.00; Tk. 100,000.00, Tk. 1,000,000.00 and multiple thereof.
- **Security:** Bond is transferable as a security for any loan from any commercial bank in Bangladesh on mutual agreement basis. DBBL may provide loan to the extent of 90 % (ninety) of the face value of the Bond amount, against the Bond at 2.50 % (two and a half) higher than the rate of interest on Bond.
- **Transferability:** The Bond(s) are freely transferable at any time.
- **Encashability:**

Sl. No.	Encashment Time	Rate of Interest
01	After 1 year but with in 2 years of the date of issue	8.00%
02	After 2 years but with in 3 years of the date of issue	8.50%
03	After 3 years but with in 5 years of the date of issue	9.00%
04	After 5 years (at maturity) of the date of issue	10.00%

ISSUE PRICE

The Bond shall be issued at par and face value thereof shall be the issue price of the individual Bond. For non-resident Bangladeshi, the office of Issue shall issue Bond(s) after realization of foreign exchange equivalent to the face value of the Bond(s). Exchange rate would be DBBL TT clean rate of the preceding day of the Bond issue date.

PROCEDURE FOR PURCHASE

Application form: Application for the issue of the Bond shall be made in the prescribed form 'DBBL IB-1'. The form will be obtainable free of charge from the office of issue.

MODE OF PAYMENT

Payment against purchase of a Bond may be made by any of the following methods:

- On payment of cash.
- By debiting the account of the applicant being maintained with DBBL.
- By account payee cheque (purchase of Bond(s) will be effected only after collection).
- For non-resident Bangladeshi, against their FC Account, cheque / draft (subject to collection) in foreign currency received against inward foreign exchange remittance.

PRESENTATION OF APPLICATION FORM

- Application for the issue of Bond shall be submitted to any of the branches of DBBL in prescribed Form (DBBL IB-1) duly filled in and signed by a purchaser.
- The Bank, holding the foreign currency amount in FC Account for the purchaser, may issue Bonds by debiting the F.C. Account of purchaser on his/her application or on the authorization by the purchaser.
- The applicant (purchaser) shall clearly indicate in his /her application the name and address of the nominee in respect of the Bond and not more than one nominee shall be allowed in respect of a single Bond Scrip

SUPPLY OF BOND SCRIP AND APPLICATION FORM

The Bond scrip and application form will be supplied by the DBBL Branches after completion of formalities. Supply of Bond scrip to other agencies for selling if any may be determined by the Bank Management from time to time.

METHOD OF ISSUANCE OF BONDS

- On being satisfied that the applicant is eligible to purchase the Bond and the application made has been properly filled in and signed by the purchaser, the Office of Issue will receive the amount to the face value of the Bond(s) applied for and issue the Bond(s) under the joint signature of two Power of Attorney (PA) holders or as determined by the Bank management from time to time.
- In case of payment by cheque or draft or TT advice, a provisional receipt shall be given to the applicant. The Bond shall be delivered immediately after collection of the proceeds of the cheque or draft or TT and against surrender of the provisional receipt and after obtaining acknowledgement on the back of the application. The date of issue of the Bond shall be the date of collection of the cheque or draft or TT, as the case may be.
- Particulars of the daily sales of Bond(s), premature encashment etc and the value thereof shall be advised by the Office of Issue to the DBBL Head Office, Bond Cell, 195, Motijheel Commercial Area, Dhaka-1000.

NOMINEE

- The purchaser, where he/she himself /herself is a resident or non resident Bangladeshi intending to purchase the Bond shall mention in his/her application, the name and address of the person who shall be his/her nominee to receive the value of the Bond and interest payable thereon upon death of the purchaser.
- A nomination will cease to have any effect if the nominee dies before the death of the holder or before nominee has received the maturity value of the Bond(s).
- Cancellation of Nomination: A holder of a Bond may by written notice to the issuing authority, cancel or change the nomination at any time.
- Death of the Bond-holder: In the event of the death of the holder of the Bond, the nominee shall be entitled to draw the interest and principal amount of the Bond.
- Death of Nominee: When the nominee dies before the death of the holder of the Bond, the holder may name new nominee who shall be entitled to the interest and the principal value of the Bond.
- Payment to the heir(s) of the deceased holder: The heir (s) of the deceased holder of the Bond shall produce the probate of the holder or the letters of administration of his/her estate or a succession certificate from the competent Court in Bangladesh. In the event of failure to produce the above document(s) in support of the claims under the Bond, the Issuing Authority shall pay the sum due on the Bond to the person (s) who appear(s) to be entitled to receive the same under the laws in force

AUTHORITY

This has consent from Securities & Exchange Commission (SEC) and Bangladesh Bank vide their Letter No. SEC/CFD/CPLC-35/2003/573 dated January 27,2003 and Letter No. BRPD (P) /683/2003-1224 dated March 25,2003 respectively.

DBBL INDUSTRIAL BOND AT A GLANCE

Issuing Bank	Dutch-Bangla Bank Limited
Issue Size	Tk. 500.00 million
Maturity Period	5 (Five Years) from the date of issue
Interest	10% per annum on half yearly rest
Bonus	0.25% on the face value who will hold the bond(s) till maturity
Denomination	Tk. 10,000; Tk. 50,000; Tk. 100,000; Tk. 1,000,000 and multiple thereof
Encashability	Encashable after expiry of 1 (one) year from the date of issue
Transferability	Transferable as a security for any loan from any commercial bank in Bangladesh on mutual agreement basis

Sale of Bond will Start : 3rd December, 2003

BRANCHES OF DBBL :

DHAKA	: LOCAL OFFICE, BANANI BRANCH, NABABPUR BRANCH, MOTIJHEEL (FOREIGN EXCHANGE) BRANCH, KAWRAN BAZAR BRANCH, SHANTINAGAR BRANCH, DHANMONDI BRANCH, MOHAKHALI BRANCH, MIRPUR BRANCH, GULSHAN BRANCH, UTTARA BRANCH, ISLAMPUR BRANCH (PROPOSED), DANIA BRANCH (PROPOSED)
CHITTAGONG	: AGRABAD BRANCH, PATHERHAT BRANCH, HATHAZARI BRANCH
NARAYANGONJ	: NARAYANGONJ BRANCH, B.B. ROAD BRANCH
NARSINGDI	: BABURHAT BRANCH



Dutch-Bangla Bank Limited
YOUR TRUSTED PARTNER

www.dutchbanglabank.com