

Dividend Policy



Dividend Policy

The Bank's dividend policy is by guided by:

- i. Chapter 23 (Dividend and other distributions) of its Constitution:
- ii. Section 40 of the Financial Institution Law, 2016

A. Constitution of uab Bank Limited

Chapter 23 of the Bank's Constitution which is made up of Sect 143 to 152 is stated as below:

Power to determine dividends vested in Directors

143. The Directors may determine that a dividend (including an interim dividend) is payable and may fix the amount, timing and method of payment of the dividend.

Apportionment of dividends

144. Subject to this Constitution, the Law and the rights and restrictions attached to or imposed on any class of Shares, dividends are to be apportioned and paid among the Members in proportion to the number of Shares held by them.

Distributions payable by distribution of assets

145. Subject to all applicable laws, the Directors may determine that any dividend or other distribution be paid wholly or partly by the distribution of specific property or assets, including paid up shares, debentures or other securities of the Company or any other company, trust or entity.

146. Each Member agrees and consents to the distribution to them of any property or assets under clause [145](#), including shares, debentures or other securities of the Company or any other company, trust or entity **but this is further subject to** the Financial Institutions Law and the directives and instructions issued by the Central Bank of Myanmar.

Directors' discretion

147. All matters concerning dividends or other distributions including valuations of property and assets will be determined by the Directors, and in particular the Directors may:

- (a) settle any difficulty, dispute or matter regarding any dividend or other distribution;
- (b) fix the value for distribution of the specific property or assets or any part of that property or those assets;
- (c) determine that cash payments will be made to, or at the direction of, any Member on the basis of the value so fixed; and
- (d) vest any specific property or assets in trustees on trust for any Member.

Company not required to pay interest

148. The Company is not required to pay any interest in respect of any dividend or other distribution.

Company may retain certain dividends and distributions

149. The Company may retain the dividends or other distributions payable in respect of a Share to which any person is entitled because of the transmission of the Share to them by operation of law until that person or a nominated transferee is registered as the holder of the Share.

Company may deduct money payable to Company

150. The Company may deduct from any dividends or other distributions payable to a Member all amounts presently due from the Member to the Company on account of calls or otherwise.

Payment

151. The Company may pay any dividend, other distribution or other amounts payable in respect of any Share by any method of payment the Directors determine.

Unclaimed distributions

152. All dividends or other sums which are payable in respect of shares, and unclaimed after having been declared or become payable, may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

B. Sect 40 Financial Institutions Law, 2016

The FI Law also regulates the payment of dividend and Sec 40 states:

- (a) A bank shall only pay dividends or make any form of distribution to its shareholders from its profits.
- (b) No bank shall declare or pay any dividend or make any form of distribution to its shareholders—
 - (1) until all its capitalized expenses, including preliminary expenses, other items of expenditure, and tangible assets, have been completely written off;
 - (2) if, as a result thereof, the aggregate book value of its assets would be less than the sum of the book values of its liabilities and unimpaired capital funds;
 - (3) as long as the bank is in breach of a requirement imposed by or under any provision of this Law.

C. Procedure

The Bank will adopt the following procedure:

1. The Board of Directors will upon consideration of the after- tax profit and the stipulations of Section 40 of the FI law, decide on the payment of Dividends.
2. Where a dividend is to be paid, the Central Bank will be informed, and approval sought.
3. Upon approval from the Central Bank, matter will be tabled at the General Meeting of the Shareholders for adoption.

D. Review of this Policy

The adequacy of this Policy shall be reviewed and reassessed periodically, and appropriate recommendations shall be made to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.

E. Compliance responsibility

Compliance of this Policy shall be the Joint responsibility of the Director-Finance and the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.