

PRINCIPLES ON

DISCLOSURE OF MATERIAL INFORMATION (MI)
AND
PRICE SENSITIVE INFORMATION (PSI)

Principles on disclosure of Material Information (MI) and Price Sensitive Information (PSI) of Southeast Bank PLC.

Introduction

Southeast Bank PLC. (SEB PLC.) has prepared “Principles on Disclosure of Material Information and Price Sensitive information” in compliance with the Notification No. BSEC/CMRRCD/2021-396/52/Admin/140, dated 28 December, 2022 of Bangladesh Securities and Exchange Commission (BSEC), which was also published in the Bangladesh Gazette on January 30, 2023.



Purpose of the Policy:

The main purpose of the Disclosure Policy is to ensure that required information, other than confidential business information, is disclosed to the public, investors, customers and other relevant parties in a timely, accurate, complete, understandable, convenient and affordable manner. All kinds of financial information, explanations and disclosures required in line with the Companies Act, Banking Laws and the relevant regulations, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and other relevant regulations, are provided by taking into consideration the Generally Accepted Accounting Principles (GAAP) and the Corporate Governance Code of the BSEC. Every director, officer and employee of the Bank has a duty to safeguard the confidentiality of all such information which he/she obtains in the course of performing official duties. Directors, Officer and Designated Persons (MD and CEO, CFO, CS, HICC) of the Bank should not use their position to gain any personal benefit.

The Code is applicable to the following insider (persons):

1. Promoters/ Sponsor Shareholders
2. Directors
3. Principal Shareholder (Shareholders who hold 10% or more shares)
4. Family members of the directors. (Spouse, Son, Daughter, Father, Mother, Brother and Sister)
5. Officers
6. Employees
7. Auditors
8. Consultants
9. Credit Rating Company
10. Valuation Firms
11. Subsidiary Companies and its Directors
12. Managing Agent
13. Advisers
14. Suppliers
15. Vendors/Contractors and
16. Other person who have relationship with aforesaid persons and scope to know any undisclosed material information.

Circumstances:

According to sub-rule (1) of rule 3 of the relevant notification, any information which is sensitive to the price of the listed securities or any information which can be considered as influencing the investment decision of a reasonable investor then we must disseminate **Price Sensitive Information**.

Price Sensitive Information (PSI)

Price Sensitive Information means information in relation to securities of the company as stated below which would if made public be likely to have a significant effect on the price of the securities. :

- a. Information related to the financial position, financial results, financial statements, and other basic information related to Financial performance.
- b. Information related to dividend and corporate declarations.
- c. Information related to the change of corporate structure (i.e., amalgamation, merger, de-merger, re-structuring, acquisition, winding up, transfer, and transformation, etc.
- d. Information related to the change of capital structure.
- e. Information related to business expansion, change, etc. if required.
- f. Information related to fund management, and structural change of the fund.
- g. Any other information as defined by the BSEC as PSI through various rules, regulations, circulars and directives.
- h. Any information published by the BSEC in official gazette defining as PSI.

Material Information

Except for price sensitive information, all the other information described below shall be published on the Bank's official website as **Material Information**.



01

Factors related to changes in financial conditions, such as-

- A.** Changes in financial statements, such as significant reductions or increases in income, expenses, cash flows, receivables, liabilities or assets, etc. and any information or statements or comment regarding revaluation or significant reductions or increases in most or significant assets;
- B.** Comparative information in the financial statements;
 - (1) Earnings per Share;
 - (2) Net operating cash flow per share;
 - (3) Net asset value per share;
- C.** Significant changes in the value of Assets or composition of assets of the Bank;
- D.** Any special instructions given by the Regulatory Authorities to the Bank's concerned or any changes of any special instructions previously given by the Regulatory Authorities regarding maintenance of provisions; and
- E.** Any change in the accounting policies of the Bank, etc.

02

Information regarding corporate announcements, such as:

- A.** Any decision regarding dividend.
- B.** Decision to declare of rights issue, bonus issues or similar benefits to the security holders of Bank's.
- C.** Corporate announcements or any other information regarding the availability of investors, and
- D.** Change in dividend distribution policy, etc.

03

Information regarding changes in corporate structure, viz.

- A.** Acquisition or disposal of any asset constituting 5% or more of existing assets.
- B.** Acquisition or significant acquisition of another company, along with obtaining substantial shares of any company by Bank.
- C.** Demerger of any Unit/Part/Section/Segment of the Bank (subsistence).



- D.** Conversion or winding up of any Unit/Part/Segment of the Bank.
- E.** Change of corporate operations through capital reorganization or consolidation or demarcation.
- F.** Proposal for takeover of management/authority of Bank or a proposal for the acquisition of internal service.
- G.** Change of ownership of such a nature that may affect control of the Bank; and
- H.** Change of name or address, etc.

04

Information regarding changes in capital structure, such as-

- A.** Any decision regarding change of capital structure of Bank including private or public or rights offer of security.
- B.** Planned repurchase or redemption of securities or funds.
- C.** Any decision regarding consolidation of shares, exchange of shares, conversion of any security into equity security or conversion of debentures into shares, and
- D.** Significant changes in the rights of security holders, etc.

Information regarding expansion, change etc. of business operations, viz.

- A.** Any significant development or change in the Bank's technology or facilities or establishment/infrastructure.
- B.** Significant capital investment or significant change in the purpose of the Bank;
- C.** Significant new contracts, product service or business changes;
- D.** Significant realization of long-term outstanding funds; (if necessary).
- E.** The change or resignation or removal of the Board of Directors including the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS).
- F.** Change of statutory auditor or corporate governance compliance auditor, credit rating agency of the Bank.
- G.** Initiation of legal proceedings or development of regulatory matters or any significant judgment or order.
- H.** Delisting of a security from stock exchange(s) or change of category of listed Security.
- I.** Any significant management contract, investor relations agreement, service agreement, or related party transaction that could materially affect the financial statements;

- J.** Information relating to the decision of sale or purchase of any fixed asset or renovation or development or expansion (BMRE) of plant or machinery or establishment of new unit and set up; and
- K.** Significant advances between Inter-Bank or Subsidiary or Associate entities or giving or receiving loans or exchanging loans with directors, etc.

06

Information related to debt management, such as-

- A.** Borrowing and repayment of 25% or more of paid-up capital or net asset value, whichever is higher.
- B.** Encumbrance or discharge of significant assets.
- C.** Failure to pay any bank or creditor or debt obligation or debt for a period exceeding 06 (six) months.
- D.** Significant new debt/credit agreements; and
- E.** Foreign loan agreement or investment agreement, etc.

07

Information related to fund management and structure changes, viz.

- A.** Extension-reduction of the tenure of funds;
- B.** Liquidation of funds.
- C.** Conversion of funds.
- D.** Investment of 10% or more of the fund in any single security.
- E.** Profit or loss on financing any significant investment; and
- F.** Constitution of trustees of the fund, any alteration in the trust deed, etc.

08

Others, such as-

- A.** Signing of any material agreement or cancellation or substantial modification of previously announced/signed agreement.
- B.** Loss of any substantial assets of the Bank or any event affecting its reputation.
- C.** Cancellation or substantial modification of any scheme previously announced, and
- D.** Submission of qualified report by auditor of issuer or fund, etc.



Procedures to disseminate price sensitive information:

1. Within 2 (two) hours of taking a decision on any price sensitive information or sending a proposal for the approval of the relevant primary regulatory body or on the date on which the information comes to its notice immediately send it in writing under the signature of its Chairman, Chief Executive Officer or Company Secretary simultaneously to the Commission and the relevant Stock Exchange by e-mail, fax, digital submission platform or through special messengers, through special courier services; and ensure immediate publication of the said information in two widely circulated dailies (one in Bengali and the other in English) and an online newspaper and simultaneously publish it on the website of the respective issuer.
2. The issuer of a listed security or the manager or trustee of a fund shall not disclose any false or fabricated price sensitive information or induce any person to supply or disclose false or untrue information for the purpose of influencing the price of the security or unit.
3. The information sent and published by the issuer of the listed securities or the manager or trustee of the fund shall state the date and time of the decision of the Board of Directors of the issuer or fund manager or trustee, or as the case may be, the date of the information coming to his attention.
4. The Bank shall publish another PSI on the same issue within two (2) 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.
5. The concerned stock exchange(s) shall publish the said information on the website of the stock exchange(s), trading monitor or any other authorized medium as soon as it is received.

6. Price sensitive information should be expressed in simple and plain language to avoid any kind of exaggeration.
7. Incidental records of price sensitive information shall be maintained in a digital database.

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/available on the website of the Bank for a minimum period of 03 (three) years.

Amendments/ Modifications:

The **“Principles on Disclosure of Material Information and Price Sensitive Information”** shall be reviewed by the Board of Directors as and when required. Any subsequent amendment or modification in the Regulations and applicable laws in this regard shall automatically apply to these principles.

Availability of the Policy:

The Policy on Disclosure of Material Information and Price Sensitive Information shall be available on the Bank's website:
www.southeastbank.com.bd



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