



বাংলাদেশ ব্যাংক

প্রধান কার্যালয়
মতিঝিল, ঢাকা-১০০০

বাংলাদেশ।

website: www.bb.org.bd

ব্যাংকিং প্রবিধি ও নীতি বিভাগ

বিআরপিডি সার্কুলার নং-০৮

০১ আষাঢ় ১৪৩০

তারিখ: -----

১৫ জুন ২০২৩

ব্যবস্থাপনা পরিচালক/প্রধান নির্বাহী কর্মকর্তা

বাংলাদেশে কার্যরত সকল তফসিলি ব্যাংক ও আর্থিক প্রতিষ্ঠান।

প্রিয় মহোদয়,

ডিজিটাল ব্যাংকের গাইডলাইন্স প্রণয়ন প্রসঙ্গে।

সাম্প্রতিক সময়ে নিত্যনতুন প্রযুক্তির ব্যবহারের ফলে সমগ্র বিশ্বে অন্যান্য খাতের মতো আর্থিক খাতেও সেবা প্রদানের ধরনে বৈচিত্র্য এসেছে। এ লক্ষ্যে বাংলাদেশ ব্যাংক ইতোমধ্যে প্রান্তিক জনগোষ্ঠীর আর্থিক অন্তর্ভুক্তির লক্ষ্যে বিভিন্ন বিকল্প ডেলিভারি চ্যানেল, তথা-মোবাইল ফাইন্যান্সিয়াল সার্ভিসেস (MFS) এবং অন্যান্য ই-ওয়ালেটের মাধ্যমে ডিজিটাল পদ্ধতিতে আর্থিক সেবা প্রদানের জন্য ব্যাংক ও অন্যান্য প্রতিষ্ঠানসমূহকে অনুমতি দিয়েছে।

০২। বাংলাদেশ সরকারের ঘোষিত লক্ষ্য 'স্মার্ট বাংলাদেশ' বিনির্মাণের উদ্দেশ্যে বিশ্বব্যাপী প্রচলিত তথ্য প্রযুক্তিনির্ভর ডিজিটাল ব্যাংকিং সেবা জনগনের নিকট পৌঁছে দেয়ার মাধ্যমে ক্যাশলেস বাংলাদেশ সৃষ্টির লক্ষ্যে বাংলাদেশ ব্যাংক ডিজিটাল ব্যাংক প্রতিষ্ঠার উদ্যোগ গ্রহণ করেছে। এ প্রেক্ষাপটে, বাংলাদেশে ব্যাংক ব্যবস্থার আইনী কাঠামো, দেশের আর্থ-সামাজিক প্রেক্ষাপট, প্রযুক্তিনির্ভর ব্যাংক ব্যবস্থায় বাংলাদেশের বর্তমান অবস্থান ইত্যাদি বিষয়সমূহ বিশ্লেষণপূর্বক 'ডিজিটাল ব্যাংক স্থাপন বিষয়ক গাইডলাইন্স' (বাংলা ও ইংরেজী) প্রণয়ন করা হয়েছে।

০৩। উক্ত গাইডলাইন্স আপনাদের ও সংশ্লিষ্ট সকলের অবগতির জন্য বাংলাদেশ ব্যাংকের ওয়েবসাইটে আপলোড করা হলো।

সংযুক্তি: বর্ণনা মোতাবেক।

আপনাদের বিশ্বস্ত,

(মোঃ আলী আকবর ফরাজী)

পরিচালক (বিআরপিডি)

ফোন-৯৫৩০২৫২

GUIDELINES TO ESTABLISH DIGITAL BANK



**Banking Regulation and Policy Department
Bangladesh Bank**

Preamble

Digital innovation is continuously modifying the landscape of the financial system all over the world. Bangladesh Bank (BB) promotes an enabling regulatory environment that allows innovation to make the financial system more robust, efficient and secure. Accordingly, the BB recognizes the role of digital platforms in driving greater efficiency in the delivery of financial products and services and in widening the outreach of the financial system. In this light, the BB has developed a ‘Guidelines to Establish Digital Bank’.

This ‘Guidelines to Establish Digital Bank’ is a compilation of instructions that must be followed by applicant/promoter/sponsor/shareholder who are willing to establish a digital bank in Bangladesh. The instructions of the guidelines should be followed by the proposed digital banks along with Bank Company Act (BCA), 1991 (Act No. XIV of 1991) (as amended) and other guidelines, circulars & circular letters published by Bangladesh Bank from time to time.



(Abu Farah Md. Nasser)
Deputy Governor
Bangladesh Bank
Head Office
Dhaka.

June 2023

GUIDELINES TO ESTABLISH DIGITAL BANK

1 Policy stance

- 1.1 Bangladesh Bank (BB) in principle decided to go with the pace of global banking and payment service by adopting Fintech and digital solutions emerging in the globe to attain the objectives of Sustainable Development Goals (SDGs) and National Financial Inclusion Strategy (NFIS). Indeed, BB is envisaging the challenges of 4th Industrial Revolution (4IR) by pondering an alternative of traditional brick and mortar model of banking.
- 1.2 BB, in the meantime, permitted banks to provide different alternate delivery channels, Mobile Financial Services (MFS) and other e-wallets digital solutions to facilitate the access to finance for the marginal people. BB recognizes the role of digital platforms in driving greater efficiency in the delivery of financial products & services and expanding low-cost access to finance for the unserved and underserved market segment.
- 1.3 A branchless end-to-end virtual banking system can give the banking system a mileage and momentum to reach the banking at the last mile of the country for creating employment opportunities, ensuring economic and financial stability of the economy as well as ensuring a sound financial ecosystem for the country.
- 1.4 In this light, BB endeavors to promote an enabling regulatory environment that allows responsible innovation to flourish, promotes cyber resilience, and contributes to advancing the digitization of the financial industry. Towards this end, BB has developed a framework for 'digital bank' as a distinct classification of bank.
- 1.5 Digital banks are exposed to the same set of risk identified in the BB risk management framework for conventional banks; thus, are expected to have effective governance structures and risk management processes that appropriately identify, measure, monitor and control the risks exposed to its business model, strategies, processes and products. In this respect, digital banks shall be subject to the same standards on corporate governance, among others, that are applicable for conventional banks.
- 1.6 A digital bank (DB) shall have to obtain a license from Bangladesh Bank under Section 31 of the Bank Company Act¹ (BCA), 1991 and must comply the provisions of Bangladesh Payment and Settlement Systems Regulations, 2014 to carry out banking business in Bangladesh.
- 1.7 The guidelines shall govern the establishment of digital banks in compliance with the BCA, 1991 (as amended), Bangladesh Payment and Settlement Systems Regulations, 2014 and the directives, circulars and prudential regulations of BB.

2 Status of the digital bank

- 2.1 Each DB shall be a public limited company (PLC) licensed under Section 31 of Bank Company Act, 1991.

¹ ব্যাংক কোম্পানী আইন, ১৯৯১ (১৯৯১ সনের ১৪ নং আইন)

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3 Paid up capital requirement

- 3.1 A DB shall commence with the paid-up capital of minimum BDT 125.00 (One hundred twenty-five) crores or as determined by BB under section 13 of the Bank Company Act, 1991. The Paid-up capital shall only be comprised with the ordinary shares.
- 3.2 Paid-up capital, subscribed capital, authorized capital and voting rights of share-holders shall be governed by the section 14 of the BCA, 1991.

4 Mode of payment

- 4.1 The capital contribution made by the sponsors and subscribers of the proposed bank shall be made in cash. Moreover, this must be in unencumbered form, held in a local scheduled bank's account that has to be verified and kept under a lien in favor of Bangladesh Bank.

5 Sponsors share capital contribution

- 5.1 Initial minimum Paid-up capital shall be provided by sponsors of the proposed DB.
- 5.2 DB must go for Initial Public Offering (IPO) within 5 (five) years from the date of license issued by BB; the amount of IPO should not be less than the sponsor's initial paid-up capital.
- 5.3 The minimum shareholding stake of each sponsor shall be BDT 50.00 lacs.
- 5.4 The maximum shareholding stake of each sponsor stipulated in BCA, 1991, in consultation with the government, may be relaxed in case of a digital bank, if necessary.
- 5.5 Substantial shareholder of DB's paid-up capital shall have to sign a capital maintenance agreement (CMA) (Annexure X) stating that they would, jointly and severally inject additional capital if the bank ever fell below any minimum paid up capital requirement. In case of failure to inject such capital within the stipulated time, the responsibility would fall on individuals within the sponsors to bear the entire burden of the required injection. 'Substantial shareholder' shall be defined according to the explanation of the section 14kha of Bank Company Act, 1991.
- 5.6 Sponsors' contribution to the share capital of the proposed DB will be required to be out of net worth declared to the Tax authorities. Sponsors' contribution out of borrowings from bank or financial institutions or from anywhere else, even from family members, shall not be acceptable.
- 5.7 Any enterprises, companies, individuals or any members of his/her family who is a current loan defaulter with any Banks or Financial Institutions shall not be eligible to apply as a sponsor.
- 5.8 An individual awaiting verdict of any indisposed lawsuit in any court/tribunal against his/her loan defaulter status shall not be eligible to apply.
- 5.9 Sponsors' share shall not be transferred within a period of 5 (five) years from the commencement of the business, without prior permission from BB. But Bangladesh Bank will not give permission to transfer the shares of the sponsors within 3 (three) years from the commencement of the business.

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6 Fit and Proper Test (FPT) for sponsors/directors

- 6.1 The sponsors/directors must qualify in the Fit and Proper Test (FPT) criteria (Annexure-VIII) applicable for the directors of DB.
- 6.2 BB shall evaluate expertise and integrity for the purpose of FPT of proposed sponsors and any potential conflicts of interest.
- 6.3 In the event of any change(s) in the sponsors and directors, the appointment of the incumbent shall be subject to the FPT.
- 6.4 BB, as a part of the FPT, may consider financial performance of the businesses in which sponsors' have control or their associated enterprises, particularly businesses offering financial services; Here control shall be defined as minimum of 50% ownership of that businesses; and associated enterprises shall be defined according to the explanation in section 5(GaGa) of Bank Company Act, 1991.
- 6.5 Any sponsors who evaded any existing law of Bangladesh or accused of any criminal offences can not be included in the Board of Directors.

7 Constitution of the board of directors

- 7.1 Board of Directors shall be formed according to the Section 23 of BCA, 1991 and relevant directives of Bangladesh Bank.
- 7.2 Size of the Board shall be decided in accordance with section 15(9) of BCA, 1991 (as amended). This restriction shall apply to appointment or reappointment of the directors against retirement or filling casual vacancy subject to section 15KaKa of BCA, 1991 (as amended).
- 7.3 No members from a family can be a director against the maximum number of directors allowed from a single family under section 15(10) and 14kha of BCA, 1991 (as amended).
- 7.4 Board preferably shall include at least 50% members having education, knowledge and expertise related to technology-based banking, emerging technologies, cyber laws and regulations; and remaining members shall have adequate knowledge and expertise in banking, e-commerce and banking laws & regulations and so like.

8 Fit and Proper Test (FPT) of management

- 8.1 The Chief Executive Officer (CEO) shall have at least 15 (fifteen) years of experience in the banking profession including at least 5 (five) years' experience in technology-based banking, regulations, guidelines, circulars etc. Appointment of CEO shall be subject to compliance of regulations and directives issued by BB in this regard from time to time.

8.2 Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Information Technology Officer (CITO), Chief Information Security Officer (CISO), Chief Risk Officer (CRO), Head of Internal Control & Compliance (HICC) shall have at least five (5) years experience in technology-based banking. Appointment of COO, CFO, CITO, CISO, CRO, HICC and other key officials shall be subject to compliance of regulations and directives issued by BB in this regard from time to time.

9 Operational framework

- 9.1 A digital bank (DB) shall require establishing a registered head office in Bangladesh to serve the main point of contact for stakeholders, including the BB and other regulators.
- 9.2 The registered head office shall host the offices of management and the support staffs. It also serves as the central hub for receiving and resolving customer complaints both physically and digitally.
- 9.3 An automated Artificial Intelligence (AI) supported technology-based dispute resolution mechanism shall be always active to resolute day to day disputes aroused from transactions, whether there is any intimation or not made by the customer.
- 9.4 It shall offer efficient, low-cost and innovative digital financial products and services through online end-to-end tech-based digital ecosystem using AI, machine learning, block chain and other advance technologies of 4th Industrial Revolution (4IR) to serve the customer.
- 9.5 It is allowed to use the agents of conventional banks or MFS providers, network of existing ATM/CDM/CRM and MFS network instead of its own agents complying regulations of Bangladesh Bank from time to time.
- 9.6 It shall not provide any over the counter (OTC) service, and shall not have any branch, sub-branch, window, agent, or any ATM/CDM/CRM of its own.
- 9.7 It may issue virtual card, QR Code or any other advanced technology-based product for facilitating its customer transactions.
- 9.8 It is restricted to issue any physical instruments for transactions.
- 9.9 It is allowed to execute permissible transactions, other than trade and guarantee services, subject to having Authorized Dealer (AD) license under the Foreign Exchange Regulation Act, 1947, in foreign exchange pertaining to inward remittances, outward payments, and maintaining eligible foreign currency accounts in compliance with regulatory framework in force including retention of compatible digitized records.
- 9.10 It may finance or lend to other sectors except foreign trade finance and term loan to medium and large industries.
- 9.11 It will be allowed to participate relevant re/pre-finance schemes introduced by BB from time to time.

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- 9.12 It shall have to maintain the minimum Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) prescribed by Bangladesh Bank from time to time under article 36 of Bangladesh Bank Order 1972 and section 33 of BCA, 1991 respectively.
- 9.13 It shall maintain Advance to Deposit Ratio (ADR) to the percentage as determined by BB from time to time.
- 9.14 It shall maintain at all times a Capital to Risk Weighted Assets Ratio (CRAR) and liquidity ratios (LCR-Liquidity Coverage Ratio and NSFR-Net Stable Funding Ratio) as per BASEL III RBCA guidelines or as per instructions given by BB in this regard from time to time.
- 9.15 It shall comply with Deposit Insurance Scheme of BB under ‘Bank Deposit Insurance Act, 2000’.
- 9.16 It has to comply with Corporate Social Responsibility (CSR) activities guided by CSR policy of BB or as per instructions given by BB in this regard from time to time.
- 9.17 It shall duly inform its customers and potential customers of its financial products and services and ensure the appropriate security measures of the products and services.
- 9.18 It shall take all necessary steps to aware its customers about the procedures of its operation.
- 9.19 It shall ensure compliance of “The Bankers’ Book Evidence Act, 2021²” and with the other relevant data protection laws and regulations in force.
- 9.20 It shall be a member of the payment platforms operated by BB and shall ensure the compliance of rules and regulations of Bangladesh Payment and Settlement Systems Regulation 2014.
- 9.21 It must oblige any other prudential limits or regulatory requirements prescribed by BB from time to time.
- 9.22 It shall follow the AI based Alternative credit scoring guidelines issued by BB from time to time regarding the analysis of customers’ credit risk.
- 9.23 It shall accept the movable properties of the customers as the collateral security included in the Movable Property Collateral Registry.

10 ICT governance framework

- 10.1 It must have a robust, sophisticated, manageable ICT infrastructure and application systems. It shall have at least tier three Data Center (DC) and Disaster Recovery Site (DRS) in the different seismic zone.
- 10.2 It may take Cloud service but the location of the Cloud must be within the territory of Bangladesh.
- 10.3 It must also have ICT Business Continuity Plan (ICT-BCP), ICT Risk Management Plan in place.

² ব্যাংকার বহি সাক্ষ্য আইন, ২০২১ (২০২১ সনের ২৭নং আইন)



10.4 'Guidelines on ICT Security for Banks and NBFIs', Version 3.0, May 2015 (as amended from time to time) issued by BB shall be applicable. As per the guidelines DB should maintain the following items at a minimum (but not limited to):

- a) It shall have separate ICT Steering Committee and ICT Security Committee and their rules and responsibility will be defined as per section 2.1.2 and 2.1.3;
- b) It shall have a comprehensive ICT Security Policy;
- c) It shall have to conduct internal and external audit as per section 2.4 and 2.5 respectively;
- d) It shall have a well-defined ICT Risk Governance and Management mechanism as per chapter 3 of the guidelines;
- e) It shall have to build up and maintain Data Center (DC), Physical Security, Environmental Security, Fire Protection System etc. as per section 5.5;
- f) It shall have to perform Vulnerability Assessment and Penetration Testing (VAPT) for infrastructure and applications as per section 5.12;
- g) It has to prepare and maintain Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) as per section 7.1 and 7.2. It shall also develop a backup and restoration methodology and maintain accordingly as per section 7.3;
- h) It has to follow the project management procedure for any ICT project as per section 8.1;
- i) It shall have to develop alternative delivery channels for easy service delivery to the end/remote customer;
- j) It may use outsourced infrastructure or applications. In those cases, it shall follow the section 10.1 for outsourcing, 10.3 for service level agreement (SLA) management; and
- k) All the transactions as well as data in transit must be end-to-end encrypted. Cryptography mechanism should be in place where applicable as per section 5.8.

10.5 It has to follow BB guidelines named 'Core Banking Solution (CBS) Features and Controls' November 2016 for using of core banking solution.

10.6 It shall identify and resolve the possible technological risk, settlement risk and operational risk in its system.

10.7 It shall comply with all available policies and guidelines issued by Bangladesh Bank and Government.

10.8 It shall obtain necessary standard certifications for its applications and infrastructures.

10.9 The ICT infrastructure must be audited by an internationally accredited audit firm and the report of such audit to be submitted for licensing.

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11 Customer due diligence

- 11.1 It shall be subject to compliance of the prudential regulations set out by the government and BB applicable for them including corporate governance and risk management, particularly on information and communication technology, cyber security, outsourcing, consumer protection, Anti-Money Laundering (AML), and Combating the Financing the Terrorism (CFT).
- 11.2 It shall not use customers' information for purposes other than its designated business. It shall not ask for any private information from its customer which may breach the customer's privacy; it shall take prior permission from BB regarding the purposes and types of information it intends to collect from its customers.
- 11.3 The Know Your Customer (KYC) requirements, transactional limits and minimum technological security will be subject of the review process by the BB at the time of giving license. The factors to be considered by BB may include the following but not limited to:
- (i) KYC requirements;
 - (ii) Transactional limits (limits commensurate with customer's profile);
 - (iii) Maximum balance limits on debit and credit;
 - (iv) Minimum technological security requirements; and
 - (v) Two factor authentication (TFA) i.e., use of a photo ID, Personal identification Number (PIN) or any other secret code or message during transactions.

12 Required documents/information/analysis to be submitted to Bangladesh Bank

An applicant need to submit the online application through the web portal of Bangladesh Bank only after depositing application processing fee (non-refundable) of Taka 5 (Five) lacs in favour of Bangladesh Bank through the same portal (relevant charges should be borne by the applicant). The following documents along with the application including detailed information and analysis need to be submitted, otherwise the application will not be considered:

1. Application, name, address, telephone number, email address of the Applicant and the contact person;
2. Feasibility Report on the proposed DB (Annex II), including an analysis of Bangladesh's macroeconomic environment, financial system, as well as a Business Plan (Annexure III), ICT Plan (Annexure IV) and Business Resolution Plan (Annex V) for the proposed bank, financial projections and sensitivity analyses;

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3. Biographical Reports (Annexure VI and VII) and proof of citizenship for each promoter/sponsor/director, CEO/MD, Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Risk Officer (CRO), Chief Information Technology Officer (CITO), Chief Information Security Officer (CISO), Head of Internal Control & Compliance (HICC) of the proposed bank along with Passport sized photographs, NIDs and passports. In case of foreign nationals, copies of their national identification cards and passports, duly authenticated by the Embassy/High commission of Bangladesh in the respective countries;
4. CIB report for each sponsor, CEO and other principal officers (COO, CFO, CRO, CITO, CISO, HICC, etc.);
5. Proposed compensation package, other terms and conditions of the COO, CFO, CRO, CITO, CISO, HICC, etc.;
6. Minutes of the shareholders (sponsors) meeting;
7. Written agreement by the shareholders (sponsors) to establish the DB;
8. Proposed name of the DB and drafts of the Memorandum of Association and Articles of Association;
9. For a corporate promoter; Board Resolution, Articles of Incorporation and By-laws, list of directors and officers, list of shareholders, audited financial statements for the last three years, certified copies of the Memorandum of Association and Articles of Association [Annexure VI(B)];
10. Declarations of sponsors as per Annexure IX;
11. List of entities in which the sponsors', sponsor directors as well as their family members and their dependents are interested as directors, chief executives, partners, proprietors or shareholders. Further, list of banks and latest balance sheets/accounts of such entities are also to be provided;
12. Last three years Annual Report and balance sheets/accounts (audited where applicable) of all those entities in which the sponsors and sponsor directors have majority stake or substantial ownership;
13. Names of the banks and financial institutions with which the sponsors and sponsor directors have been dealing as well as relevant account numbers and names of branches and, where relevant, credit reports from those banks;
14. Previous experience of sponsors and sponsor directors in banks, microfinance institutions, Mobile Financial Services, ICT Company/firm, Payment Service Provider (PSP), Payment System Operator (PSO), e-commerce firms, telecommunication companies, and other entities to be mentioned in submitted biographical report;
15. Enforceable undertaking from the sponsors as per the format in Annexure XI;
16. Undertaking for accumulation of Minimum Paid-up capital along with an enforceable and executable Capital Maintenance Agreement (CMA) (Annexure X) in relation to Minimum Paid-up Capital Requirements (MPCR);
17. Any additional documents or information required by BB, in support of the application.

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13 Application evaluation process

- 13.1 Short listed application shall be evaluated by a panel of members to be nominated by the Governor, Bangladesh Bank (BB).
- 13.2 Successful applicant will get the Letter of Intent (LOI) from BB for establishing DB.
- 13.3 The LOI shall automatically be repealed if the proposed DB fails to comply with the conditions stipulated therein.
- 13.4 The LOI shall be repealed and sponsors' activities shall be subject to punishment under section 109(2) of BCA, 1991 if BB finds that they have willfully certified or provided false or misleading information while applying for license for a DB.
- 13.5 BB shall have the right not to issue a DB license if it is not completely satisfied with the conditions stipulated in section 31(4) of the BCA, 1991.
- 13.6 BB shall have the right to cancel the license issued under section 31 of the BCA, 1991 for any reason that triggers those mentioned in the section 31(5) of the said act.

14 General conditions

- 14.1 Bangladesh Bank, if necessary, from time to time, may modify, revise or impose any of the conditions of the guidelines and incorporate new ones complying with section 31(2) of the BCA, 1991 upon its full satisfaction while issuing license.
- 14.2 Notwithstanding anything mentioned in the guidelines, Bangladesh Bank shall have the right and discretion to take any decision required to be made under the guidelines.
- 14.3 The business, governance and operational requirements applicable to traditional banks in general, shall continue to apply with DBs. In case of any inconsistency, the guidelines shall prevail.
- 14.4 Any reiterations of general aspects that apply to traditional banks are only for emphasis and shall not be interpreted to exclude any relevant requirements which have not been reiterated in the guidelines.
- 14.5 DB shall not engage itself in any activities unless otherwise explicitly mentioned in the guidelines or permitted by BB.

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ANNEXURE I
LETTER OF APPLICATION

Date:

Director (BRPD)
Banking Regulation and Policy Department
Bangladesh Bank
Head Office
Dhaka

Subject: Application to establish a Digital Bank in Bangladesh.

Dear Sir:

In accordance with Section 31 of the Bank Company Act, 1991, we would like to apply for establishing a Digital Bank in the style of <Name of the proposed Digital Bank> in Bangladesh. As required, the documents requested by Bangladesh Bank are submitted.

We are looking forward to receive your approval for the establishment of the proposed institution at your earliest convenience.

Sincerely yours,

Signature:

Name:

Proposed designation:

Address:

Telephone number:

Cell number:

Email:

ANNEXURE II **FEASIBILITY STUDY**

1. Assessment of the business landscape:
 - i. Socio-economic analysis,
 - ii. Banking and payments environment analysis,
 - iii. Legal and regulatory framework analysis,
 - iv. Analysis of prevailing digital eco-system,
 - v. Competitor analysis.
2. Analysis of the target market and the market gaps that the applicant targets to fill in.
3. Value proposition of an innovative, robust and sustainable digital bank, including how it shall leverage the sponsors' existing businesses and/ or experiences/ capabilities.
4. Target products and services along with customer value propositions, and a description of how these will address the specific needs of target customer segments.

ANNEXURE III **BUSINESS PLAN**

1. Identify the customer segment.
2. A list of proposed financial products and services along with explanation regarding how the products will address the specific needs of the target market.
3. Detailed financial projections (bank-wise and for each of the major business line/customer segment e.g. consumer banking, SME banking, microfinance, agriculture financing) covering a period of at least five years from the commencement of commercial operations. In case the break-even period is more than five years, the projections should cover the extended period. As guidance, applicants could develop financial projections broadly using the main financial statement formats applicable in general to commercial banks. An analysis of the rationale of the key assumptions that forms the basis of the pro-forma financial statements should be provided.
4. Sensitivity analysis, including reasonable stress scenarios, stressed projection and contingency plans.
5. Investment/ financing plan for compliance with MCR as per Regulation and other capital and liquidity requirements
6. Business Continuity Plan
7. A list of Key Performance Indicators (KPIs) that will be used to measure whether the DB's performance is in line with its objectives.
8. Business risk analysis and risk management strategy
9. Human resource plan (in line with core competencies required in product development, digital service delivery and emerging tech).
10. Customers' query management/complaint resolution plan
11. Distribution strategy, channels/ customer access points and their alignment with overall business and operating strategy/ model.
12. Envisaged collaboration and co-creation arrangements, including preferred engagements options with fin-techs, integration with e-commerce eco-system and on-line market place
13. Consumer protection and data protection strategy
14. Marketing plan, assessment of creating access to finance, coverage of customer base etc.

ANNEXURE IV
INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) PLAN

ICT Plan shall cover the followings at a minimum:

- (1) A description of the technology stack used in the infrastructure, including–
 - (a) overview of network architecture diagram for DC, NDC and FDC(DRS); and
 - (b) overview of deployment strategy and model for critical and core systems including CBS, alternate delivery channels etc. along with relevant business flow;
- (2) A description of the applicant’s strategy to adopt relevant new technologies and digital innovations to meet the on-going and future financial inclusion objectives as well as to gain competitive advantage. The strategy shall clearly outline how the new technologies and digital innovations are used to address the following attributes–
 - (a) flexibility: flexibility of solution to integrate with various platforms or emerging technologies with minimal changes or disruptions to core systems; and
 - (b) scalability: modularity in design to ensure adaptability of changing market trends;
- (3) A description of the planned ICT governance (including its ICT governance structure) to oversee–
 - (a) ICT Policy
 - (b) ICT Risk Management Committee
 - (c) ICT Security Committee
 - (d) Cyber risks;
 - (e) ICT strategic plan and cyber strategic plan;
 - (f) ICT operations
 - (g) ICT incidents/problems management
 - (h) ICT projects;
 - (i) Service Level Agreement (SLA) management
- (4) A description of the planned ICT operational management to effectively support business operations including–
 - (a) overview of end-to-end ICT operational management
 - (b) proposed ICT organization structure; and
 - (c) business continuity plan and disaster recovery plan
- (5) A description of the planned measures (technology, people and process) to ensure system resiliency and high availability of services to its customer; and
- (6) A description of the planned measures (technology, people and process) to effectively manage cyber security threat/risk and cyber attacks including the arrangement to identify, prevent, detect, response, mitigate and recover from a cyber security threat and cyber incidents
- (7) Use of AI, ML, IoT or 4IR technology etc.

ANNEXURE V
BUSINESS RESOLUTION PLAN

1. The applicant of a DB must submit a Business Resolution Plan (BRP). Its purpose is to ensure that the DB, should it become necessary, can unwind its business operations, in an orderly manner without causing disruption to the customers and the financial system.
2. The full implementation of the BRP must result in the winding down or transfer of the licensed DB's business. The BRP must cover the sources of funding, liquidity and a minimum time horizon of the business plan addressing different stress scenarios as well as the DB's likely responses.
3. The envisaged BRP may include (without limitation) and involve portfolio exit, liquidation of the bank or sale to a third party. All such options shall be explored with adequate risk assessments. Further, the overall exit time estimates shall also be indicated in the plan.
4. The BRP shall also provide for adequate protection of customer/ depositor interests, responsible and effective communications with the concerned stakeholders, and minimizes disruption to the financial system.
5. The BRP shall remain dynamic to reflect current circumstances and hence be reviewed regularly and updated. The updated plan shall be approved by the DB's Board and shared with BB, along with a summary of revisions and justifications for any material changes.
6. DB shall establish alerts or thresholds which may lead to an evaluation and decision of whether to put various contingency measures in place or to resort to invoking the exit strategy itself.
7. **The BRP must include the following points:-**
 - a) The trigger points of activating BRP which should be comprised of, but are not limited to—
 - i. Capital-related triggers such as leverage ratio and common-equity Tier 1 ratio;
 - ii. Liquidity-related triggers such as loan-to-funds ratio;
 - iii. Earnings-related triggers such as return on assets and return on equity; and
 - iv. Asset quality-related triggers such as non-performing loan ratio.
 - b) Probable options and operational measures that minimize disruptive effects on customers and the financial system while the exit procedure is being implemented;
 - c) Potential impediments to the execution of planned exit options and probable measures to mitigate the impact of such impediments; and
 - d) Sources of funding and liquidity for implementing the BRP and the estimated timeframe to exit from the business;
 - e) The channels to be used to repay depositors.

8. **Within the Business Resolution Plan, the applicant is required to demonstrate the following–**
 - (a) The necessary capabilities required to extract and aggregate real time data on depositors and customers upon request, including up-to-date contact information and alternative bank accounts to facilitate any pay-out; and
 - (b) The necessary capabilities and resources required to ensure continuity of services throughout the implementation of the BRP, with a specific focus on continuity of services under outsourcing arrangements.
9. Depending upon its assessment, the BRP shall be executed by the DB and the DB shall inform BB of its intention to do so, at least three months prior to the planned date.
10. BB may call for the DB to execute the Board approved BRP, if needed.
11. The BRP to be executed shall be finalized in accordance with BB's advice and approved by the Board of Directors (BoD) of DB. DB shall execute the plan within the timeframe defined therein.
12. During the exit period, DB shall ensure full discharge of all its connected obligations and responsibilities to customers, BB and other stakeholders.
13. Throughout the exit period, the DB shall submit periodic Board approved reports, as advised by BB before the execution of BRP, demonstrating the progress against the approved BRP by BoD.
14. Execution of BRP is subject to compliance to BCA, 1991 and other applicable laws and regulations.

ANNEXURE VI
BIOGRAPHICAL REPORT ON SPONSORS/DIRECTORS

1. Full Name:

2. Date of Birth:

3. Place of Birth:

4. Citizenship:

Passport Number:

Date and Place of Issue:

5. Full Address:

(a) Permanent:

Telephone Number:

(b) Present, if different from the Permanent:

Telephone Number:

6. Marital Status:

If married,

Spouse's Name:

Occupation:

Spouse's Passport Number:

Date and Place of Issue:

Near Relations (parents, children, brother, sister) and dependents:

Name (First, Middle, Last)	Relationship	Age

7.

Education	Name & Address of Institution	Dates of Attendance	Major Area of Study	Degree Awarded & Date
High School				
Undergraduate				
Graduate				
Professional or Technical				
Training / Seminar				

8. Present Occupation:
 Organization Name:
 Business Address:
 Nature of Business:
 Job Title:
 Telephone Number:

9. Business Record (pertaining to the preceding 10 years).

Name & Address of Organization	Dates of Engagement	Position Held	Responsibilities

10. Describe each enterprise, including the name, address, type of enterprise [public (listed or not), private] your percentage of ownership and the type of business of each enterprise or other entity in which you are or have been involved as a member of the board of directors, senior management (or any equivalent body), significant participant, or general partner.

List names, addresses and percentage of control and/or ownership of other incorporators, partners and directors of the entity or enterprise referred to above.

11. Experience of sponsors and sponsor directors in banks, microfinance institutions, Mobile Financial Services, ICT Company/firm, Payment Service Provider (PSP), Payment System Operator (PSO), e-commerce firms, telecommunication companies, and other entities:

12.

Do you perform any services for or have any business connections with any institution which is subject to the supervision of Bangladesh Bank, or any other authority of the government of Bangladesh?	Yes ()	No ()
If "Yes," indicate the name of the institution, address and nature of your work.		

13.

Have you had, or do you now have, any financial interest, direct or indirect, in any institution/bank under the supervision of any Government authority?	Yes ()	No ()
If "Yes," give the name of the institution, address and nature of the financial interest.		

14.

Being a sponsor of a proposed bank, how and from what sources will you pay for your proposed amount of share capital?		
Own cash	Yes ()	No ()
Other sources	Yes ()	No ()
If "Yes," give details		

15. Tax Identification Number (TIN):

(Submit most recent returns and/or Tax Clearance Certificates, and certified IT10BForms).

16. Are you disqualified from election or nomination or from occupying the office of Bank Director owing to the following circumstances?

- a. You have less than 10 years of professional experience,
- b. You are insane or mentally unsound,
- c. You are insolvent and adjudicated bankrupt,
- d. You have been convicted by a court in any criminal offense or have been involved in any fraud/forgery, financial crime or other illegal activities,
- e. You are a Director of any other banking company,
- f. You are a partner in any contract with a banking company in the capacity of legal advisor, advisor, consultant, etc.

17. Answer the questions below as they apply to you as an individual, or to any enterprise with which you are or have been involved as a member of the board of directors, senior management, or any equivalent body, significant participant, or general partner (described as a “relevant enterprise”). Include facts that occurred in Bangladesh or in any other jurisdiction. If “yes,” provide full details.

Except for minor traffic violations:

Are any arrests, indictments, or criminal proceedings now pending against you or any relevant enterprise?	Yes() No()
Have you, or has any relevant enterprise, ever been convicted of any criminal offense or found liable for any fraudulent activity?	Yes() No()
Have you, or has any relevant enterprise, ever been judged bankrupt?	Yes() No()
Have you, or has any relevant enterprise, ever been subject to legal, recovery or collection proceedings due to financial issues?	Yes() No()
Are you or any relevant enterprise currently involved in any legal proceedings involving financial problems, or are you expecting to become involved in such proceedings?	Yes() No()
Have you ever been required to pay unpaid debts on account of liability for the bankruptcy of any relevant enterprise with which you are or have been involved, pursuant to bankruptcy legislation or other comparable legal provisions?	Yes() No()
Have you ever been determined to have provided inaccurate and/or incomplete information to any financial supervisory authority?	Yes() No()
Have you ever been refused, or had revoked, any license, authorization, permit, or similar document, or exemption by any financial supervisory	Yes() No()

authority?	
Have you, or has any relevant enterprise, ever been involved in any matter, that has led to any corrective measure, sanction, or penalty, or comparable action being taken by any financial supervisory authority?	Yes() No()
Have you ever been refused registration, incorporation or the amendment of the articles of association in accordance with the Companies Law, or comparable legislation of a foreign jurisdiction?	Yes() No()
<p>Have you ever been subject to civil or criminal penalties for any of the offenses enumerated below, in accordance with the Tax Code in Bangladesh, or comparable legislation elsewhere?</p> <p>a) deliberate submission of an incorrect or incomplete tax return, individually or any relevant enterprise for which you currently have, or have had, responsibility for submitting such returns;</p> <p>b) intentionally or through gross negligence, causing a tax assessment to be issued for an insufficient amount, or causing an insufficient tax to be levied, regarding the yourself or any relevant enterprise for which you currently have, or have had, responsibility for such matters;</p> <p>c) taxes due from yourself, or from any relevant enterprise for which you are or have been responsible for submitting wage withholding taxes, not having been paid on time; or</p> <p>d) intentionally or through gross negligence causing the insufficient withholding of taxes, or causing taxes to not be paid on time, with regard to yourself or any enterprise with which you are or have been involved, and in which you have or has had responsibility for making such payments?</p>	Yes() No()
Have you ever been refused, or had revoked, a license, authorization, permit or equivalent document to practice a given profession (including, but not limited to, the legal, accounting, auditing or actuarial professions)?	Yes() No()
Have you ever been subject to investigatory or disciplinary proceedings by any public body or other organization responsible for regulating any profession (including, but not limited to, the legal, accounting, auditing or actuarial professions), and this procedure has led to measures being taken against you by such organization?	Yes() No()
Have you ever been subject to any formal disciplinary action by an employer (including a written warning, reprimand, suspension or dismissal) by your current or a former employer due to improper fulfillment of your duties or compliance with a code of conduct in connection with the fulfillment of your position?	Yes() No()
Have you, or has any relevant enterprise, ever been investigated by any public authority, or been involved in any legal proceedings involving dishonesty, fraud, or improper business practices on the part of the yourself or such enterprise?	Yes() No()
Has any relevant enterprise ever defaulted on servicing obligations (principal and/or interest) on outstanding debt or been involved in unacceptable foreign exchange transactions?	Yes() No()

18. As a sponsor of this proposed bank, I agree to hold at least Taka 50 lac (or its equivalent) or an amount not exceeding 10% shares of the equity capital to be issued by the proposed bank.

The undersigned affirms that the statements made and answers given herein are accurate and complete and here by authorizes the Bangladesh Bank to make any inquiry it deems appropriate in connection with processing this questionnaire. False statements in this questionnaire will be sufficient cause for denial of a license to establish banking operations in Bangladesh.

Signature of Sponsor/Director:

Name:

Date:

Place:

Witnesses:

Signature: _____

Signature: _____

Name: _____

Name: _____

Address: _____

Address: _____

ANNEXURE VI (b)
SPONSORS/DIRECTORS AS CORPORATE PROMOTOR

1. Full Name of the company:

2. Date of incorporation:

3. Registration Authority

4. Nature of Business:

5. Address:

A. Board Resolution,

B. Articles of Incorporation and By-laws,

C. List of directors and officers,

D. List of shareholders,

E. Audited financial statements for the last three years,

F. Certified copies of the Memorandum of Association and Articles of Association.

ANNEXURE VII
**BIOGRAPHICAL REPORT ON CEO/
PRINCIPAL OFFICERS (COO, CFO, CRO, CITO, CISO, HICC, ETC.)**

1. Full Name:

2. Date of Birth:

3. Place of Birth:

4. Citizenship:

NID number:

Passport Number:

Date and Place of Issue: Right-to-work in

Bangladesh Visa Type: Yes() No ()

Expiration Date:

5. Full Address:

(a) Permanent:

Telephone Number:

(b) Present, if different from the Permanent:

Telephone Number:

6. Marital Status:

If married, Spouse's Name:

Occupation:

Spouse's Passport Number:

Date and Place of Issue:

7.

Education	Name & Address of Institution	Dates of Attendance	Major Area of Study	Degree Awarded & Date
High School				
Undergraduate				
Graduate				
Professional or Technical				
Training / Seminar				

8. Present Occupation:

Organization Name:

Business Address:

Nature of Business:

Job Title:

Telephone Number:

9. Service Record (pertaining to 5 years' experience in technology based banking profession). Please submit supporting documents.

Name & Address of Organization	Dates of Engagement	Position Held	Responsibilities

10.

Do you perform any services for or have any business Connections with any institution which is subject to the supervision of Bangladesh Bank, or any other authority of the government of Bangladesh? If "Yes," indicate the name of the institution, address and nature of your work.	Yes ()	No ()
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11.

Have you had, or do you now have, any financial interest, direct or indirect, in any institution under the supervision of any Government authority? If "Yes," give the name of the institution, address and nature of the financial interest.	Yes ()	No ()
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12. Tax Identification Number (TIN):

(Submit most recent returns and/or Tax Clearance Certificates, and certified IT10B forms).

13. Are you disqualified for the post of CEO/Principal Officers owing to the following circumstances?

- (1) You have less than 5 years of technology based banking experience.
- (2) You are insane or mentally unsound,
- (3) You are insolvent or adjudicated bankrupt,
- (4) You have been convicted by a court in any criminal offense or have been involved in any fraud/forgery, financial crime or other illegal activities.
- (5) You are a Director of any banking company.
- (6) You are a partner in any contract with a banking company in the capacity of legal advisor, advisor, consultant, etc.

14. Answer the questions below as they apply to you as an individual, or to any enterprise with which you are or have been involved as a member of the board of directors, senior management, or any equivalent body, significant participant, or general partner (described as a "relevant enterprise"). Include facts that occurred in Bangladesh or in any other jurisdiction. If "yes," provide full details.

Except for minor traffic violations:

Are any arrests, indictments, or criminal proceedings now pending against you or any relevant enterprise?	Yes () No ()
Have you, or has any relevant enterprise, ever been convicted of any criminal offense or found liable for any fraudulent activity?	Yes () No ()
Have you, or has any relevant enterprise, ever been judged bankrupt?	Yes () No ()
Have you, or has any relevant enterprise, ever been subject to legal, recovery or collection proceedings due to financial issues?	Yes () No ()
Are you or any relevant enterprise currently involved in any legal proceedings involving financial problems, or are you expecting to become involved in such proceedings?	Yes () No ()
Have you ever been required to pay unpaid debts on account of liability for the bankruptcy of any relevant enterprise with which you are or have been involved, pursuant to bankruptcy legislation or other comparable legal provisions?	Yes () No ()
Have you ever been determined to have provided inaccurate and/or incomplete information to any financial supervisory authority?	Yes () No ()
Have you ever been refused, or had revoked, any license, authorization, permit, or similar document, or exemption by any financial supervisory authority?	Yes () No ()
Have you, or has any relevant enterprise, ever been involved in any matter, that has led to any corrective measure, sanction, or penalty, or comparable action being taken by any financial supervisory authority?	Yes () No ()
Have you ever been refused registration, incorporation or the amendment of the articles of association in accordance with the Companies Law, or comparable legislation of a foreign jurisdiction?	Yes () No ()
Have you ever been subject to civil or criminal penalties for any of the offenses enumerated below, in accordance with the Tax Code in Bangladesh, or comparable legislation elsewhere?	Yes () No ()

<p>a) deliberate submission of an incorrect or incomplete tax return, individually or any relevant enterprise for which you currently have, or have had, responsibility for submitting such returns;</p> <p>b) intentionally or through gross negligence, causing a tax assessment to be issued for an insufficient amount, or causing an insufficient tax to be levied, regarding the yourself or any relevant enterprise for which you currently have, or have had, responsibility for such matters;</p> <p>c) taxes due from yourself, or from any relevant enterprise for which you are or have been responsible for submitting wage withholding taxes, not having been paid on time; or</p> <p>d) intentionally or through gross negligence causing the insufficient withholding of taxes, or causing taxes to not be paid on time, with regard to yourself or any enterprise with which you are or have been involved, and in which you have or has had responsibility for making such payments?</p>	
<p>Have you ever been refused, or had revoked, a license, authorization, permit or equivalent document to practice a given profession (including, but not limited to, the legal, accounting, auditing or actuarial professions)?</p>	<p>Yes () No ()</p>
<p>Have you ever been subject to investigatory or disciplinary proceedings by any public body or other organization responsible for regulating any profession (including, but not limited to, the legal, accounting, auditing or actuarial professions), and this procedure has led to measures being taken against you by such organization?</p>	<p>Yes () No ()</p>
<p>Have you ever been subject to any formal disciplinary action by an employer (including a written warning, reprimand, suspension or dismissal) by your current or a former employer due to improper fulfillment of your duties or compliance with a code of conduct in connection with the fulfillment of your position?</p>	<p>Yes () No ()</p>
<p>Have you, or has any relevant enterprise, ever been investigated by any public authority, or been involved in any legal proceedings involving dishonesty, fraud, or improper business practices on the part of the yourself or such enterprise?</p>	<p>Yes () No ()</p>
<p>Has any relevant enterprise ever defaulted on servicing obligations (principal and/or interest) on outstanding debt or been involved in unacceptable foreign exchange transactions?</p>	<p>Yes () No ()</p>

The undersigned affirms that the statements made and answers given herein are accurate and complete and here by authorizes the Bangladesh Bank to make any inquiry it deems appropriate in connection with processing this questionnaire. False statements in this questionnaire will be sufficient cause for denial of a license to establish banking operations in Bangladesh.

Signature of the CEO/Principal Officer _____

Name:

Date:

Place:

Witnesses:

Signature _____

Name:

Address:

Signature _____

Name:

Address:

ANNEXURE VIII
FIT AND PROPER TEST CRITERIA FOR APPOINTMENT OF DIRECTORS
FOR DIGITAL BANK

1. Fit and Proper Test:

- (i) The concerned person must have management/business or professional experience for at least 10 (ten) years having five (5) years with application based banking service provider, Electronic Money Issuer (EMI), Fintech and electronic payment system;
 - (ii) Persons with adequate experience in dealing with retail customer segments in a bank, Financial Institution, Micro Finance Institute (MFI) or Fintech company that deals in payments and/or lending should get preference.
 - (iii) Persons with adequate knowledge and experience in any of emerging technologies and trends, such as cloud, open API, cyber security, and advanced data analytics, Artificial Intelligence (AI), Internet of Things (IoT), Machine Learning (ML) and so like should get preference.
 - (iv) Persons having adequate knowledge and experience in banking, banking laws, regulations, guidelines, circulars etc should get preference.
 - (v) He/she has not been convicted in any criminal offence or involved in any fraud/forgery, financial crime or other illegal activities (Police clearance certificate to be submitted);
 - (vi) He/she has not been subject to any adverse findings in any legal proceedings,
 - (vii) He/she has not been convicted in regard to contravention of rules, regulations or disciplines of the regulatory authorities relating to financial sector;
 - (viii) He/she has not been involved with a company/firm whose registration/license has been revoked or cancelled;
 - (ix) Loans taken by him/her or allied concern from any bank or financial institution have not become defaulted;
 - (x) He/she has not been adjudicated a bankrupt by a court;
 - (xi) He/she must be loyal to the decisions of the board of directors. However, in case of note of dissent, he/she may record it in the minutes of the board meeting and/or bring it to the notice of Bangladesh Bank considering its merit.
2. A person, proposed as a candidate for the office of directors, shall furnish along with the consent letter for the purpose of section 93 of the Companies Act, 1994 a declaration as per the attached format that he/she is not disqualified to become a bank director in accordance with the above mentioned fit and proper test.
3. The declaration shall have to be signed by the concerned person (candidate) and if elected it shall have to be forwarded to BB by the Chairman of the board of directors.
4. The above mentioned restrictions for qualifications of bank directors shall be in addition to any related laws/regulations for the time being in force.

ANNEXURE IX
DECLARATION

I (*name, father and mother's name, Spouse name, address*) do hereby declare that I am eligible to become a director of Bank Company as per the fit and proper test criteria mentioned in the **Guidelines to Establish a Digital Bank**. I further declare that:

- a) I have not been convicted in any criminal offence or involved in any fraud/forgery, financial crime or other illegal activities;
- b) There is no adverse opinion/findings regarding me in any legal proceedings,
- c) I have not been convicted in regard to contravention of rules, regulations and disciplines of the regulatory authorities relating to financial sector;
- d) I have not been involved with a company/firm whose registration/license has been revoked or cancelled;
- e) There are no loans taken by me or my allied concern from any bank or financial institution that have become defaulted;
- f) I have not been adjudicated a bankrupt by a court;
- g) I have no unpaid undisputed arrear of income tax assessed for the current and any past year.
- h) I am not penalized or awaiting court/tribunal verdict on any suit for offence under section 21 of Income Tax Ordinance, 1984.
- i) I have no indisposed Tax prosecution reopened under section 93 of Income Tax Ordinance, 1984.
- j) I have no unpaid liability for any undisputed customs duty, VAT, supplementary duty, excise duty.
- k) I have not awaiting verdict on any prosecution under customer Act, 1969; VAT act, 1991; Excise & salt Act, 1944 in any court/ tribunal shall not be eligible to be me.
- l) My spouse, parents, children, brothers and sisters or any other person dependent on me is not a director of this bank.

Dated:

Signature:

()

Countersigned:

()

Chairman, Board of Directors

..... Bank PLC.

ANNEXURE X
CAPITAL MAINTENANCE AGREEMENT (CMA)

We, the undersigned, hereby declare that we are now, or intend to become, sponsor shareholders of BANK PLC. with a qualifying holding as stated in the clause 5.5 of GUIDELINES TO ESTABLISH DIGITAL BANK.

We, the undersigned, also hereby declare that we understand the minimum paid up capital requirement (MPCR) of regulatory capital of the BANK PLC which must be the amount specified in section 13(2) of the Bank Company Act, 1991 (BCA, 1991) i.e. stipulated percentage of total risk weighted assets of the bank as declared by Bangladesh Bank (BB) from time to time.

We, the undersigned, also hereby agree that in the event of the Bank's capital falls below the minimum paid up capital requirement (MPCR) at the end of any calendar quarter, (March 31, June 30, September 30, or December 31) that we will undertake to:

- *Convene an extraordinary session of the General Meeting of Shareholders no later than 30 (thirty) days after the end of the said quarter the 'discovery' date of MPCR short fall. Report the results of the proceedings of the Meeting of Shareholders to Bangladesh Bank within 7 (seven) days from such meeting.*
- *Inject additional capital to the bank in an amount sufficient to eliminate the MPCR short fall no later than 75 (seventy five) days after the discovery date, or with the consent of Bangladesh Bank taking any other steps to meet the MPCR short fall within the time frame fixed by Bangladesh Bank.*

We, the undersigned, also hereby agree that failure of the said meeting of Shareholders to decide on a method of eliminating the capital deficiency within the required time frames or failure of the bank to implement the agreed-upon method, renders each of us individually liable to inject additional capital in the bank in an amount sufficient to eliminate the MPCR shortfall subject to the provision of BCA, 1991. Bangladesh Bank will decide, in its solo discretion, which specific shareholders should be held individually liable, the amounts for which they are liable, and the timing of such required injection of capital. If after such injection the MPCR still falls short, Bangladesh Bank shall have absolute discretion to instruct the bank as deemed necessary.

In witness whereof, we have hereunto set our hands:

Witness (Name & signature)	Sl. no	Name of the Sponsors	Signature of the Sponsors

Place :
Date :
Company Seal :

ANNEXURE XI
FORMAT FOR SPONSORS' UNDERTAKING

To
Director (BRPD)
Banking Regulation and Policy Department
Bangladesh Bank
Head Office
Dhaka

I/We [name of natural or legal person], [name of father/husband in case of natural person], of [residential address in case of natural person, registered address in case of legal person], [NID number in case of Bangladeshi citizen natural person, nationality and passport number in case of non-Bangladeshi citizen natural person, country of incorporation and corporate registration number in case of legal person] (hereinafter referred to as the “Sponsor”, which term includes representative heirs, executors/administrators, legal representatives/successors and assigns), a proposed sponsor of [name of digital bank] (hereinafter referred to as the “Proposed Digital Bank”), jointly and severally undertake to the foregoing:

- a) Sponsor shall ensure that the proposed Digital Bank shall meet any and all requirements and obligations of the Proposed Digital Bank, including but not limited to ensuring ongoing compliance monitoring of the Minimum Paid up Capital Requirement, Capital Risk (Weighted) Adequacy Ratio and other capital and liquidity requirements as may be applicable to the proposed Digital Bank.
- b) Sponsor shall ensure that in the event of discontinuation of the proposed Digital Bank, the Sponsor shall personally discharge any and all outstanding deposit liabilities in accordance with instructions received from Bangladesh Bank.
- c) Sponsor shall ensure that the Proposed Digital Bank complies with all the terms and conditions of any license granted to the Proposed Digital Bank by Bangladesh Bank and all other applicable legal and regulatory requirements.
- d) Sponsor undertakes and confirms that the funds that will be used to establish the Proposed Digital Bank have not and will not borrow from bank or financial institutions or from anywhere else, even from family members.
- e) Sponsor undertakes and confirms that the name of the Sponsor or any person associated with the Sponsor has not been included on the United Nations Security Council Consolidated List or any other list of banned, proscribed or blacklisted individuals or other entities enlisted by the Government of Bangladesh or by any foreign government.
- f) Sponsor confirms that the undertakings stated herein shall constitute perpetual, irrevocable and enforceable obligations against the Sponsor, and the Sponsor will not be relieved from these obligations or any part thereof for any reason whatsoever without the prior written consent of Bangladesh Bank.

IN THE WITNESS THEREOF these presents have signed the day hereinbefore written by the Sponsor.

Signature:

Name:

Address:

NID/Passport Number:

Date:

Place:

Witness No. 1: Name:

Address:

NID/Passport Number:

Witness No. 2: Name:

Address:

NID/Passport Number: