

## **Standard Chartered to begin zero-coupon bond subscription in Oct**

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Dhaka: Standard Chartered Bangladesh has received all the regulatory approvals for issuing BDT 850 crore zero-coupon bond, and the bank is going to begin subscription in October.

"We are going to open the private placement of the bond this month and the subscription in phases," said Naser Ezaz Bijoy, CEO, Standard Chartered Bangladesh.

This will be the first zero-coupon bond issued by a bank in Bangladesh.

"As the only multinational universal bank in Bangladesh, we are in a unique position of channelling capital where it matters the most. As a trusted and reliable issuer with a 'AAA' credit rating for over a decade, we believe our offering will support the development of Bangladesh's capital market while offering depositors a new avenue to invest in a product that offers tax-adjusted returns," Naser added.

With this offering, Standard Chartered is leveraging strong investor confidence in its strategy and outlook – and the quality of its financial position – to increase liquidity, the bank said in a statement on October 3.

The funds raised will support the bank's overarching mission of being a partner in progress to the nation, the statement added.

The bank's issue is a non-convertible, unsecured, fully redeemable, zero-coupon bond. The maturity period for the product will be five years from the date of issue. Instead of paying interest from time to time, zero-coupon bonds are issued at a discount and investors get the principal back in maturity. Bangladesh does not gain taxes from zero-coupon bonds until the investor is a bank or financial institution.

Standard Chartered bond will be offered at a discount rate of 4-5 per cent, according to a recent BSEC statement. Green Delta Insurance Company Limited will act as the trustee for this issue, while the bank itself will work as the lead arranger.