

FINANCIAL SERVICES ACT

(ACT No. 26 OF 2010)

FINANCIAL SERVICES (LICENSING OF BANKS) DIRECTIVE, 2012

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IN EXERCISE of the powers conferred by section 21 (5) of the Financial Services Act, 2010, I CHARLES S. R. CHUKA, Registrar of Financial Institutions, make the following Directive—

## PART I—PRELIMINARY

1. This Directive may be cited as the Financial Services (Licensing of Banks) Directive, 2012. Citation
2. In this Directive, unless the context otherwise requires— Interpretation
  - “application fee” means banking license processing fee payable in Malawi Kwacha equivalent to the Registrar;
  - “applicant” means shareholders of a proposed bank for which an application for banking licence has been submitted;
  - “bank” has the meaning ascribed to that term in the Banking Act, 2010; Act No. 10 of 2010
  - “banking business” has the meaning ascribed to that term in the Banking Act, 2010; Act No. 10 of 2010
  - “home supervisory authority” means the competent regulatory authority that supervises institutions engaged in banking business in the country where the head office of a foreign bank is located;

“senior management official” means—

- (a) an executive officer;
- (b) head of department or function;
- (c) an official who reports either directly to the board of directors, to a committee of the board of directors or to an executive officer; or
- (d) branch managers of a bank that the Registrar declares as senior management officials.

“shell company” means a company that has no physical presence and does not trade or operate; and

Cap. 46:03 “subsidiary” has the meaning ascribed to that term under the Companies Act.

## PART II—OBJECTIVES

Objectives

3. The objectives of this Directive are to—
- (a) establish licensing requirements for banks;
  - (b) specify information required by the Registrar in assessing licensing applications for banks; and
  - (c) ensure that banking licence applications are objectively and consistently evaluated in a timely manner.

## PART III—APPLICATION PROCESS

Application procedures

4.—(1) A person wishing to conduct banking business shall apply to the Registrar for a banking licence through a letter signed by a representative of the shareholders.

(2) The applicant of a banking licence shall complete the application form set out in the First Schedule hereto and provide in the application all the information outlined in the Second Schedule hereto.

(3) Where the information submitted is not adequate, the Registrar may in writing request the applicant of a banking licence to submit additional information.

Eligibility

5.—(1) Only body corporates and subsidiaries incorporated in Malawi, shall be eligible to apply for a banking licence.

(2) The Registrar shall not grant approval for a banking licence if the shareholders or one of the shareholders of the proposed bank is a shell company.

Application fee

6.—(1) An application shall be accompanied by an application fee in form of a bank certified cheque of Malawi Kwacha equivalent of five thousand United States Dollars (\$5,000) payable to the Reserve Bank of Malawi.

(2) The application fee shall not be refundable.

7.—(1) The minimum start-up capital for a bank shall be Malawi Kwacha equivalent of five million United States Dollars (\$5,000,000) Start-up capital

(2) The minimum start-up capital for a discount house and leasing company shall be Malawi Kwacha equivalent of one million five hundred thousand United States Dollars (\$1,500,000).

(3) Where borrowed funds are used as start-up capital—

(a) the amount shall not exceed ten per cent (10%) of the bank's total start-up capital; and

(b) the borrowed amount shall be treated as supplementary capital under the Capital Adequacy for Banks Directive.

8.—(1) Where an applicant of a banking licence is a foreign investor, the applicant shall register the capital with the Exchange Control Department of the Reserve Bank. Foreign investors

(2) Where the foreign investor is a regulated financial institution, the applicant shall submit to the Registrar—

(a) a letter from the home supervisory authority, authorizing the applicant to establish a subsidiary in Malawi; and

(b) a letter from the home supervisory authority, confirming that the foreign investor is not a shell company.

9.—(1) The number of board members for a bank shall not be less than five (5). Other prudential requirements

(2) The majority of board members for a bank shall be resident in Malawi.

(3) All directors, executive officers and senior management officials of a bank shall not assume their respective roles without prior approval of the Registrar.

#### PART IV—APPROVAL PROCESS

10. In considering an application for a banking licence, the Registrar shall take into account the following— Approval criteria

(a) whether the applicant has submitted all the required information, including additional information if need be;

(b) whether the applicant has fulfilled all the licensing requirements as stipulated in the Act, the Banking Act, 2010 and the various prudential Directives; Act No. 10 of 2010

(c) whether the application is in respect of banking business and its proposed activities, services and products are permissible under the existing laws;

(d) the applicant's business plan;

(e) the legal structure of the proposed bank, its affiliates and parent company or shareholders;

(f) the applicant's financial capacity to support the bank;



(g) the applicant’s demonstrated commitment to good corporate governance practices; and

(h) the risk management systems to be adopted.

Due diligence      11. The Registrar shall carry out due diligence of all prospective investors or shareholders as part of the licensing process.

Communication of the Registrar’s decision      12.—(1) The Registrar shall communicate to the applicant the outcome of the application within ninety days of receipt of a complete set of accurate information.

(2) Where approval for a banking licence has been granted the Registrar shall issue a banking licence to the applicant in the form set out in the Third Schedule hereto.

(3) Where approval for a banking licence has not been granted—

(a) the Registrar shall communicate in writing to the applicant, the reasons for the decision; and

(b) the applicant may appeal in line with the provisions of the Act.

PART V—POST APPROVAL PROCESS

Commencement of business      13.—(1) A licensed bank shall commence banking business within twelve months from the date of the issuance of its banking licence.

(2) The Registrar shall revoke the licence of a bank that does not commence banking business as stipulated in subparagraph (1).

(3) Prior to the proposed bank opening to the public, the Registrar shall inspect the premises of the proposed bank to ascertain their suitability, in accordance with the Banking (Premises Inspection for Banks), Directive..

Agreements      14. All management or technical assistance agreements involving a bank shall be subject to the approval of the Registrar.

Prohibition on equity investments      15. A licenced bank shall not invest or hold equity shares in another bank.

FIRST SCHEDULE (para. 4 (2))

APPLICATION FORM

SECTION I—PROPOSED BANK

This section requests information about the proposed bank. A complete Section I must be filled out and submitted.

1. Name—(Please state name of the proposed bank): .....  
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2. Legal form—(Indicate the legal form of the institution, e.g. private limited company, public, etc.):  
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  3. Incorporation—(Date and place of incorporation):  
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  4. Head Office—(Proposed place of Head Office in Malawi):  
.....
  5. Business Place—(Proposed places of business in Malawi, branches, agencies etc.):  
.....
  6. Directors and Executive Officers. State the names, addresses and occupation of the individuals who will be directors of the proposed bank. (According to the Malawi Companies Act, Cap 46:03 of the Laws of Malawi, the minimum number of directors is three (3), the majority of which must be resident in Malawi). The Registrar requires a minimum of five directors for a proposed bank.
  7. Executive Officers—(State the names and occupation of two executive officers identified for the proposed bank):  
.....
  8. Capital Structure—(Indicate the capital structure of the proposed bank)—
 

(a) authorized capital. . . . .	K.....
(b) paid-up capital . . . . .	K.....
(c) total authorized shares . . . . .	K.....
(d) total issued shares . . . . .	K.....
(e) par value per share . . . . .	K.....
  9. Shareholder List—(Provide a complete list of the initial shareholders of the proposed bank. Indicate the name of the shareholder, address and physical location, nationality, number of shares and percentage to be owned):  
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  10. Acquisition Debt—(To what extent will borrowed or encumbered funds be used by the initial shareholders, either directly or indirectly, to purchase their shares? Provide full details on the amounts, sources, collateral, and repayment terms for any such borrowed funds):  
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11. Banking Activities—(What type of banking activities does the proposed bank plan to engage in? Attach list of proposed products and services to be offered by the new bank) (Tick whichever is appropriate):
- ☐ Commercial or retail banking
  - ☐ Merchant or wholesale banking
  - ☐ Savings or thrift banking
  - ☐ Mortgage banking
  - ☐ Investment or development banking
  - ☐ Export-import or trade financing
  - ☐ Leasing or financing company
  - ☐ Discount house
  - ☐ Other (specify): .....
- .....
12. Premises—(Describe the premises and equipment to be utilized by the proposed bank indicating whether owned or leased, costs of acquisition or lease payments, from whom purchased or leased, and how such premises and equipment were determined to be adequate):
- .....
- .....
- .....
13. Business Plan—(Please provide a business or strategic plan for the proposed bank covering a minimum period of three years including the sources, nature and scale of business envisaged, balance sheet and profit and loss projections for each year and details of staffing and management. Assumptions used in preparing the plan and the financial projections should be realistic and based on actual comparative data for the market to be served and the current economic environment. (see suggested format attached)):
- .....
- .....
- .....
14. Memorandum and Articles of Association—(Please provide a copy of the Memorandum of Association and a copy of the Articles of Association of the proposed bank and if applicable, its by-laws).
15. Additional Information—(Please provide any other information regarding the proposed bank which may assist the Registrar in reaching a decision on the application):
- .....
- .....
- .....

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BUSINESS PLAN—INTRODUCTION

An applicant should submit a Business Plan in the format set out below. The format is only a minimum guide. Alternative formats may be used provided all pertinent information is included. The plan, at a minimum, should identify the proposed markets to be served, products and services to be offered, projected profitability, capital adequacy, and managerial resources and capabilities. The plan should include at least three years' operating projections and should contain sufficient information to demonstrate a reasonable likelihood of success.

## SUGGESTED FORMAT

## I. Identifying Information—

- (a) Name and Location—State the name and physical location of the proposed bank including locations of any branches.
- (b) Corporate Structure—Describe and provide a diagram of the proposed bank's corporate structure including any parent company, subsidiaries, or affiliated entities.
- (c) Origin and Basis—Briefly discuss how the organizing group came together and the reasons for wanting to start a bank.

## II. Market Analysis—

- (a) Market—Identify the market to be served by the proposed bank.
- (b) Economy—Describe the economic characteristics of the target market; include any anticipated changes in the market, factors influencing such changes, and possible effect on the proposed bank.

## III. Business Strategy and Objectives—

- (a) Services—Briefly describe the services to be offered by the proposed bank; state and list all the envisaged products and services including fiduciary services if any.
- (b) Assumptions—List major assumptions upon which projections are based; include, at a minimum: market growth rates, competition, interest rates, cost of funds, overhead, asset-liability mix, returns on assets and equity, dividends, and capital ratios (both leverage and risk based ratios).
- (c) Pro forma statements—Provide pro forma balance sheets and income (profit and loss) statements for three years. Show expected asset-liability mix, volume of each type of service to be offered, fixed asset investment, and compensation to be given to management and staff.
- (d) External audits—Indicate the provisions made for an annual external audit as is required by the Financial Services Act, 2010.

## IV. Leadership and Management—

- (a) Officers and Compensation—Provide a list of officers showing the fees, salaries, and other forms of compensation or benefits to be given to each individual.
- (b) Insider Agreements—Describe any agreements the proposed banks intends to enter into with any of its directors, executive officers, or principal shareholders, or with any organization or affiliate controlled by a director, executive officer, or



principal shareholder; provide copies of any such agreements including specific details of rates and terms and comparative market data upon which the rates and terms are based.

- V. Capitalization and Additional Sources—
  - (a) Capital Plan—Describe plans for financing growth, internally or externally, over the first three (3) years of operation.
  - (b) Additional Capital Sources—Describe what sources of additional capital are available should need arise.

SECTION II—INDIVIDUAL SHAREHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS

This section requests biographical and financial information on individuals who are proposing to become principal shareholders, directors and executive officers of the proposed bank. A complete Section II must be filled out and submitted by each principal shareholder, director or executive officer.

- 1. Name and Address—State your full name and address:  
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- 2. Position—State the position or title you will hold in the proposed bank:  
.....
- 3. Nationality—State your nationality and passport number—
  - (a) Nationality: .....
  - (b) Passport Number: .....
- 4. Birth-Date—State the date and place of birth—
  - (a) Place of Birth: .....
  - (b) Date of Birth: .....
- 5. Role, Responsibility and Reporting—What role will you have in organizing and managing the affairs of the proposed bank? Indicate to whom you will report or from whom you will receive directions or instructions. If you will be an executive officer, describe the specific duties and responsibilities for the position to be held. If you will be a director and will also have executive officer responsibilities within the proposed bank, indicate the nature and extent of such responsibilities:  
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6. Qualifications—Provide your professional and educational qualifications, listing in reverse chronological order, i.e. most recent first:

<i>Degree or Certificate</i>	<i>Issued By</i>	<i>Date Received</i>
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7. Employment History. Provide the following information, in reverse chronological order, regarding your employment history and professional experience during the past ten years—

- (a) Name and Address of Employer: .....
- (b) Nature or Type of Business: .....
- (c) Title and Duties or Responsibilities: .....
- (d) Date Employed: .....
- (e) Date and Reason for Leaving: .....

8. Affiliations—State the name of any other bank or financial institution with which you are now or will be affiliated as a director or executive officer. Indicate your title or official capacity, duties or responsibilities in the other bank, and describe any relationship which now exists or will exist between the other institution and the proposed bank:

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9. Shareholding.—If you are now or ever have been a principal shareholder (owning ten per cent (10%) or more of equity or voting stock) of any other bank or financial institution, provide details thereof including any relationship which now exists or will exist between the other institution and the proposed bank:

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10. Professional Membership—If you are now or will be a member of any professional or trade association concerned with banking or financial activities, in Malawi or elsewhere, provide details including whether such membership has ever been refused or terminated:

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11. Discipline—Have you ever been censured, prosecuted, warned as to conduct, disciplined, or publicly criticized by or made subject to a court order at the instigation of any governmental department or agency, professional association, or other regulatory body appointed under any Malawi enactment or the substantial equivalent thereof elsewhere? If so provide details:

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12. Convictions—Have you ever been convicted of any offence, or has a petition for an administrative order or the substantial equivalent thereof been served on you, in Malawi or elsewhere, within the last seven years? If so, provide details:

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13. Investigations—Have you ever been or are you now subject to an investigation in Malawi or elsewhere, by or at the instigation of any governmental department or agency, professional association, or other regulatory body? If so, provide details:

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14. Judgement—Have you within the last seven years, failed to satisfy within one year a judgement of debt under a court order in Malawi or elsewhere? If so, provide details:

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15. Fraud—Have you ever been adjudged by a court, in Malawi or elsewhere, to be civilly liable for fraud, malfeasance, or any other misconduct? If so, provide details:

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16. Bankruptcy—Have you been adjudged bankrupt by a court, in Malawi or elsewhere, or has a bankruptcy petition ever been served on you within the last seven years, have made any compromise arrangement or otherwise failed to satisfy your creditors in full within the last ten years? If so, provide details.

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17. Receivership—Has a receiver or an administrator of any of your property been appointed within the last seven years in Malawi, or has the substantial equivalent of any such receiver been appointed in any other jurisdiction? If so, provide details including whether the receiver or equivalent thereof is still acting under the appointment:

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.....

18 Winding-Up—Has any body corporate, partnership or unincorporated institution with which you were associated as a shareholder, director, or manager, in Malawi or elsewhere, been wound up, made subject to an administration order, otherwise made any compromise or arrangement with its creditors or ceased trading either while you were associated with it or within one year after you ceased to be associated with it or has anything analogous to any of these events occurred under the laws of any other jurisdiction. If so, give particulars:

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19 How many shares of stock in the proposed bank are or will be registered in your name or in the name of a related party? State the names in which the shares will be registered and the class of shares if other than common shares:

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20. Beneficial Interest—How many shares of stock in the proposed bank, which are not registered in your name or in the name of a related party, will you have a beneficial interest in? State the names in which the shares will be registered and the nature of the beneficial interest:

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21. Trustee or Nominee—Will you or any party related to you hold shares in the proposed bank as a trustee or nominee? If so, provide details:

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22. Assignments or Pledges—Are or will any of the shares described in response to Questions 19–21 be equitably or legally assigned or pledged to any other party? If so, provide details.

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23. Voting Authority—What proportion of the voting power at any general meeting of the proposed bank, or of any other organization of which the proposed bank is a subsidiary, will you be entitled to vote or exercise control over? Provide details of such voting authority or control:
- .....
- .....
- .....
- .....
24. Indirect Authority—If the exercise of voting power at any general meeting of the proposed bank, or of any other organization of which the proposed bank is a subsidiary, is or may be controlled or influenced by someone other than yourself, provide the identity of that person and the proportion of voting power so controlled or influenced:
- .....
- .....
- .....
- .....
25. Financial Data—Provide all financial data that will reflect your assets and liabilities including bank accounts and information on other business run or owned by you:
- .....
- .....
- .....
- .....
26. Additional Information—Provide any other information regarding yourself which may assist the Registrar in evaluating your acceptability as a director or executive officer of the proposed bank:
- .....
- .....
- .....
- .....

INDIVIDUAL FINANCIAL STATEMENTS

To be completed by each person who will be a controlling shareholder:

Name and Address of the Proposed Bank: .....

.....

Name and Title of Individual: .....



As of Date for Financial Statement: .....

### STATEMENT OF POSITION

<i>Liabilities and Net Worth</i>		<i>Assets</i>	
Accounts Payable	K.....	Cash and Bank Balances	K.....
Notes Payable ..	K.....	Marketable Securities	K.....
Real Estate Mortgage Payable ..	K.....	Other Securities	K.....
Interest Due and Unpaid	K.....	Accounts and Notes	K.....
Interest Due and Unpaid	K.....	Receivable Good	
Taxes Due and Unpaid	K.....	Accounts and Notes Receivable ..	K.....
Judgements—Doubtful		Inventories ..	K.....
Other Liabilities (list)	K.....	Farm Products ..	K.....
		Equipment ..	K.....
TOTAL LIABILITIES	K.....	Life Insurance ..	K.....
		Real Estate ..	K.....
		Business Interests	K.....
		Other assets (list)	K.....
NET WORTH ..	K.....	TOTAL ASSETS ..	K.....

I hereby certify that the information shown in this financial statement, including supplemental schedules, is true and correct to the best of my knowledge and that there are no misrepresentations or omissions of material facts.

Signature: ..... Date: .....

### SECTION III—INSTITUTIONAL CONTROLLING SHAREHOLDERS

This section requests background and financial information on institutional shareholders (IS) of the proposed bank. A complete Section III must be filled out and submitted for each institutional shareholder:

1. Name and Address—State the name and address of the institution which is or will be an institutional shareholder of the proposed bank. If applicable, indicate any other corporate, business, or trade name used by the institutional shareholder:

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 .....  
 .....  
 .....

2. Control—State the manner in which the IS will exercise control or otherwise exert influence over the affairs of the proposed bank:

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3. Legal Form—State the legal form of the IS (e.g. private limited company, partnership etc.):

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.....  
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4. Incorporation—Date of incorporation or formation of IS: .....

5. Officers and Principal Shareholders—Provide the following information for each director, executive officer, or principal shareholder of the IS:

<i>Name</i>	<i>Address</i>	<i>Title/Position in IS</i>	<i>% of IS shares owned</i>
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
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6. Address—State the registered address of the IS’s headquarters and the principal place of business, if different from that shown in Question 1:

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7. Auditors and Bankers—State the names and addresses of the IS's auditors and primary bankers during the past five years:

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8. Affiliates—State the name, address, and type of business for any organization which is or will be in any way affiliated with the IS:

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9. Shareholding—If the IS is now or ever has been a principal shareholder (owning ten per cent (10%) or more equity or voting stock) of any other bank or financial institution, provide details thereof including any relationship which now exists or will exist between the other institution and the proposed bank:

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10. Professional Membership—If the IS is now or will be a member of any professional or trade association concerned with banking or financial activities, in Malawi or elsewhere, provide details including whether such membership has ever been refused or terminated:

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.....

11. Discipline—Has the IS ever been censured, prosecuted, warned as to conduct, disciplined, or publicly criticized by, or made subject to a court order at the instigation of any governmental department or agency, professional association, or other regulatory body appointed under any Malawi enactment or the substantial equivalent thereof elsewhere? If so, provide details:

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.....

12. Convictions—Has the IS ever been convicted of any offence, or has a petition for an administrative order or the substantial equivalent thereof been served on the IS, in Malawi or elsewhere, within the last seven years? If so, provide details:

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13. Investigations—Has the IS ever been or is it now subject to an investigation, in Malawi or elsewhere, by or at the instigation of any governmental department or agency, professional association, or other regulatory body? If so, provide details:

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14. Litigation—Is the IS engaged or expecting to be engaged in litigation, in Malawi or elsewhere, which may have a material effect on its resources or ability to financially support the proposed banking institution? If so, provide details:

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15. Judgements—Has the IS, within the last seven years, failed to satisfy within one year a judgement of debt under a court order in Malawi or elsewhere? If so, provide details:

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16. Fraud—Has the IS ever been adjudged by a court, in Malawi or elsewhere, to be civilly liable for fraud, or any other misconduct? If so, provide details:

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17. Bankruptcy—Has the IS been adjudged bankrupt by a court, in Malawi or elsewhere, or has a bankruptcy petition ever been served on the IS within the last seven years, or has the IS made any compromise or otherwise failed to satisfy its creditors in full within the last seven years? If so, provide details:

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.....  
.....

18. Receivership—Has a receiver or an administrator of any property of the IS been appointed within the last seven years in Malawi, or has the substantial equivalent of any such receiver been appointed in any other jurisdiction? If so, provide details including whether the receiver or equivalent thereof is still acting under appointment:

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19. Liquidation—

- (a) Voluntary—Has a notice for the voluntary liquidation of the IS been issued within the last seven years in Malawi, or has the substantial equivalent thereof been issued in any other jurisdiction? If so, provide details including whether the liquidation has been fully resolved:

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- (b) Compulsory—Has a petition for the compulsory liquidation of the IS been issued within the last seven years in Malawi, or has the substantial equivalent thereof been issued in any other jurisdiction? If so, provide details including whether the petition or its equivalent is still unresolved:

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.....  
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.....

20. Winding-Up—Has any organization with which the IS is or has been affiliated, in Malawi or elsewhere, ever been wound-up or ceased trading while the IS was associated with the organization one year after the IS ceased being associated with the organization? If so, provide details:

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.....  
.....  
.....

21. Shares—How many shares of stock in the proposed bank are or will be registered in the name of the IS or in the name of a related party? State the names in which the shares will be registered and the class of shares if other than common shares:

.....  
.....  
.....  
.....

22. Beneficial Interest—How many shares of stock in the proposed bank which are not registered in the name of the IS or in the name of a related party, will the IS have a beneficial interest in? State the names in which shares will be registered and the nature of the beneficial interest:

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.....  
.....  
.....

23. Trustee and Nominee—Does or will the IS or any party related to it hold shares in the proposed bank as a trustee or nominee? If so, provide details:

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.....  
.....

24. Assignments and Pledges—Are or will any of the shares described in response to Questions 21-23 be equitably or legally assigned or pledged to any other party? If so, provide details:

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.....

25. Voting Authority—What proportion of the voting power at any general meeting of the proposed bank, or of any other organization of which the proposed bank will be a subsidiary, is or will the IS be entitled to vote or exercise control over? Provide details of such voting authority or control:

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.....  
.....

26. Indirect Control—If the exercise of voting at any general meeting of the proposed bank, or any other organization of which the proposed bank is a subsidiary, is or may be controlled or influenced by someone other than the IS, provide the identity of such other person and the proportion of voting power so controlled or influenced:

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.....  
.....  
.....



27. Audited Accounts—Provide audited accounts for the past three years:

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28. Acquisition Debt—If borrowed funds will be used to purchase shares of stocks in the proposed bank, provide a statement showing the amount, source, collateral and repayment terms of the borrowed funds:

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29. Additional Information—Provide any other information regarding the IS which may assist the Registrar in evaluating its acceptability as an institutional shareholder:

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.....

.....

### DECLARATION

with regard to

#### APPLICATION FOR BANKING LICENCE

We/I, the undersigned, do hereby certify that—

- (a) all the information given in response to and in support of the questions in this application is true and correct to the best of our knowledge and belief; and
- (b) this application is made in good faith with the purpose and intent that affairs and business of the proposed bank will at all times be honestly conducted in accordance with good and sound business principles and in full compliance with all applicable laws and directives.

We further certify that to the best of our knowledge and belief there are no other facts or information relevant to this application of which the Registrar should be aware, and we pledge to promptly inform the Registrar of any material change to this application which may arise while it is being considered by the Registrar.

Name	Signature	Title/Position
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.....	.....	.....
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.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

Date: .....

SECOND SCHEDULE (para. 4 (2))

INFORMATION REQUIREMENTS FOR APPLICANTS FOR BANKING LICENCES

Applications for a banking licence submitted to the Registrar should contain complete information on all requirements as listed below—

- 1. Application information should be accompanied by supporting documents as required.
- 2. Applications which are incomplete will not be processed.
- 3. Do not leave any requirements blank or unanswered. If the response to a requirement is “no” “none,” “not applicable,” or “not known,” then state so and provide an explanation.
- 4. Submitting inaccurate or incomplete information will delay the processing of the application.
- 5. The application must be signed by a duly authorized officer of the Applicant and submitted to the following address—

The Registrar of Financial Institutions  
Reserve Bank of Malawi  
P.O. Box 30063  
Capital City, Lilongwe 3  
Malawi

- 6. Inquiries concerning the preparation, submission, and status of an application should be addressed to—

The Director  
Bank Supervision Department  
Reserve Bank of Mala?i  
P.O. Box 565  
Blantyre  
E-Mail: BASU@rbm.mw

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1. *Legal Structure:*

- 1.1. The corporate name to be used by the proposed bank for the purpose of carrying on banking business;
- 1.2. Location of the proposed bank's head office in Malawi;
- 1.3. Location of all other offices (branches, agencies, representative offices) planned for the proposed bank during the first three years of its operation;
- 1.4. Legal form (private or public limited company) of the proposed bank;
- 1.5. Copy of the certificate of incorporation of the proposed bank;
- 1.6. A copy of the Memorandum of Association and a copy of the Articles of Association;
- 1.7. The capital structure of the proposed bank showing the proposed amount of paid-in capital including the amount previously been paid-in or subscribed to; provided, however, that no capital may be contributed in-kind. Identify the type, number and par value of each class of shares proposed to be issued;
- 1.8. A complete list of the initial shareholders of the proposed bank (the "applicants"), including name, address, nationality, and whether each shareholder is an individual person or a legal entity. If a legal entity, specify type. State the number and class of shares to be held, and as a percentage of the total shares. Indicate the purchase price per share, and the total purchase price;
- 1.9. Provide copies of any agreements between the applicants regarding the proposed bank;
- 1.10. If any applicant is a legal entity, then provide an official copy of the Board resolution and minutes of the meeting of its Board of Directors authorizing the submission of the application for banking licence;
- 1.11. If the proposed bank will be part of a group—
  - A diagram or chart of the group structure showing the proposed bank's position within the group, relationships within the group and percentage holdings, and the lines of authority and reporting from the bank to the parent;
  - Complete information on all entities within the group, including name, address, type of entity, principal shareholders, directors, and senior management officials;
  - Business or other activities of all entities within the group; and
  - An indication of which, if any, entities within the group have no significant activities or operations other than holding stock (including that of the proposed new bank) and other similar investments (i.e., a shell company).
- 1.12. State whether any applicant already owns or controls at least ten per cent (10%) of the stock of one or more other banks in any other jurisdiction that will not be connected through a corporate link to the proposed new bank (i.e., a parallel bank).



## 2. *Ownership Structure:*

Provide the following information on all beneficial owners of the initial stock of the bank—

- 2.1. Name (all names used, including trade names): .....
- 2.2. Address: .....
- 2.3. Nationality and country identification number: .....
- 2.4. For individuals—
  - 2.4.1. Passport Number: .....
  - 2.4.2. Date and Place of Birth: .....
- 2.5. For legal entities—
  - 2.5.1. Legal form; date of incorporation or formation.
  - 2.5.2. Annual reports for the past three consecutive years.
  - 2.5.3. Identification of external auditors and bankers during the past ten years.
  - 2.5.4. Identification of principal shareholders, directors, and senior management officials—
    - Name;
    - Address;
    - Position with applicant: principal shareholder, member of the board of directors or senior management officials; and
    - Amount and percentage of shareholding in applicant, if any.
  - 2.5.5. Credit rating assigned by an internationally recognized rating agency.
- 2.6. Number and type of shares to be held in the proposed bank, par value, price per share, total price, and resulting percentage ownership.
- 2.7. History of the applicant including professional and business interests—
  - 2.7.1. Knowledge or experience in the oversight or management of banks or other financial institutions.
  - 2.7.2. History of ownership of ten per cent (10%) or more of the stock in any bank or other financial institution located anywhere in the world. State whether, during that time, the bank or financial institution—
    - was subject to formal remedial measures for operating in an unlawful or unsound manner;
    - was threatened with insolvency or illiquidity;
    - had appointed a management advisor, conservator, liquidator, or similar official; or
    - had its licence revoked or was otherwise wound-up.

