GOVERNMENT NOTICE NO. 22

FINANCIAL SERVICES ACT

(CAP. 44: 05)

FINANCIAL SERVICES (LICENSING OF BANKS) DIRECTIVE, 2018
ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

PART I—PRELIMINARY

1. Citation
2. Interpretations

PART II—OBJECTIVES

3. Objectives

PART III—APPLICATION PROCESS

4. Application procedures
5. Eligibility
6. Application fee
7. Start-up capital
8. Foreign investors
9. Other prudential requirements

APPROVAL PROCESS

10. Approval criteria
11. Due diligence
12. Communication of the Registrar's decision

PART V—POST APPROVAL PROCESS

13. Commencement of business
14. Agreements
15. Prohibition on equity investments
16. Monetary penalties
17. Transitional arrangements
18. Revocation

Schedules

IN EXERCISE of the powers conferred by Section 21 (5) of the Financial Services Act, I, DR. DALITSO KABAMBE, 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, 2018. 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 same meaning as ascribed to that term in the Banking Act; Cap. 44:01

"banking business" has the same meaning as ascribed to that term in the Banking Act; Cap. 44:01

"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;

(*d*) branch managers of a bank that the Registrar declares as senior management officials; and

"shell company" means a company that has no physical presence and does not trade or operate.

PART II—OBJECTIVES

3. The objectives of this Directive are to— Objectives

(*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

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

(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.

Start-up capital

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

(2) The minimum start-up capital of 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, the amount shall not exceed ten percent (10%) of the bank's total start-up capital.

Foreign investors

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.

(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;

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

(*c*) a letter from the home supervisory authority agreeing to exchange information with the Registrar.

Other prudential requirements

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

(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

Approval criteria

10.—(1) In considering an application for a banking licence, the Registrar shall take into account the following—

(*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, and the various prudential Directives;

(*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 a due diligence of an applicant 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 (90) 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 reason 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 (12) 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 bank shall not be allowed to invest in or hold publicly traded equity shares in another bank.

Monetary penalties

16.—(1) The Registrar shall impose the following monetary penalties for violations of this Directive—

(*a*) for banks up to fifty million Kwacha (K50, 000,000); and

(*b*) for natural persons who are members of the board of directors, or senior management up to ten million Kwacha (K10,000,000).

(2) With respect to banks, the Registrar shall—

(*a*) debit the penalty in subparagraph 1(*a*) from the main account of the bank maintained at the Reserve Bank of Malawi; and

(*b*) notify the bank in writing prior to debiting the account.

(3) With respect to natural persons or where the bank does not maintain an account with the Reserve Bank of Malawi, the natural person or the bank shall pay the penalty through a bank certified cheque or electronic transfer payable to the Reserve Bank of Malawi within ten (10) working days after being notified by the Registrar

Transitional arrangements

17. If at the coming into force of this Directive, a bank is not in compliance with paragraph 15, the bank shall be given twelve (12) months to comply with the requirement.

Revocation of G. N. 42/2012

18. The Financial Services (Licensing for Banks) Directive, 2012 is hereby revoked.

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:.....
.....

2. Legal form. Indicate the legal form of the institution (e.g. private limited company, public, etc): .....
.....

3. Incorporation. Date and place of incorporation: .....
.....

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, 2013, the minimum number of directors for a public company is three). The Registrar's requires a minimum of five directors for a new bank:

.....

7. Executive Officers. State the names and occupation of two (2) 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):

.....

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:

.....

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.

Commercial/retail banking

Merchant/wholesale banking

Savings/thrift banking

Mortgage banking

Investment/development banking

Export-import/trade financing

Leasing/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/strategic plan for the proposed bank covering a minimum 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 copies of the Memorandum and 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):

.....

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 market(s) 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 location(s) 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; and

(*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(s) to be served by the proposed bank; and

(*b*) economy: describe the economic characteristics of the target market(s). Include any anticipated changes in the market, factors influencing such changes, and possible effect(s) 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 mixes, volume of each type of service to be offered, fixed asset investment, and compensation to be given to management and staff; and

(*d*) external audits: indicate the provisions made for an annual external audit as is required by the Financial Services Act.

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; and

(*b*) insider agreements: describe any agreements the institution 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; and

(*b*) additional capital sources: describe what sources of additional capital are available should the 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:

2. Position. State the position and/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 and/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(s) 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:

.....

6. Qualifications. Provide your professional and educational qualifications, listing in reverse chronological order, i.e. most recent first—

   Degree or Certificate.....

   Issued By:.....

   Date Received:.....

7. Employment History. Provide the following information, in reverse chronological order, regarding your employment history and professional experience during the past ten (10) years—

   (*a*) name and address of employer;

   (*b*) nature or type of business;

   (*c*) title and duties or responsibilities;

   (*d*) date employed; and

   (*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.

   .....

9. Shareholding. If you are now or ever have been a principal shareholder (owning 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:.....

   .....

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:

    .....

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 yes provide details:

    .....

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 (7) years? If yes, provide details.

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 yes, provide details:

.....

.....

14. Judgement. Have you within the last seven years, failed to satisfy within one (1) year a judgement of debt under a court order in Malawi or elsewhere? If yes, provide details:

.....

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 yes, provide details:

.....

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 (7) years, have made any compromise arrangement or otherwise failed to satisfy your creditors in full within the last ten (10) years? If yes, provide details:

.....

.....

17. Receivership. Has a receiver or an administrator of any of your property been appointed within the last seven (7) years in Malawi, or has the substantial equivalent of any such receiver been appointed in any other jurisdiction? If yes, provide details including whether the receiver or equivalent thereof is still acting under the appointment:

.....

.....

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 yes, give particulars:

.....

.....

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 name(s) in which the shares will be registered and the class of shares if other than common shares.

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 name(s) in which the shares will be registered and the nature of the beneficial interest:

.....

.....

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

.....

.....

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 yes, provide details:

.....

.....

23. Voting Authority. What proportion of the voting power at any general meeting of the p roposed 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 such 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 a latest credit report from a Licensed Credit Reference Bureau (where possible) and any other information regarding yourself which may assist the Registrar in evaluating your acceptability as a shareholder, 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 proposed bank)

.....

(Name and title of individual)

.....

As of date for Financial Statement: .....

.....

STATEMENT OF POSITION

Liabilities & Net Worth		*Assets*	
Accounts payable	K_____	Cash & bank balances	K_____
Notes payable	K_____	Marketable securities	K_____
Real estate mortgage	K_____	Other securities	K_____
Payable		Accounts and notes	K_____
Interest due and unpaid	K_____	Receivable - good	
		Interest due and unpaid	
Taxes due and unpaid	K_____	Accounts and notes receivable	K_____
Judgements- doubtful			
Other liabilities (list)	K_____	Inventories	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:

.....

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

.....

3. Legal Form. State the legal form of the IS (eg private limited company, partnership etc).

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.

Name:.....

Address:.....

.....

Title/Position:.....

% of IS in IS:.....

shares owned:

.....

.....

.....

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 above:

.....

7. Auditors and Bankers. State the names and addresses of the IS's auditors and primary bankers during the past five (5) years:

.....

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:

.....

9. Shareholding. If the IS is now or ever has been a principal shareholder (owning 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:

.....

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:

.....

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 yes, provide details:

.....

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 (7) years? If yes, provide details:

.....

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 yes, provide details:

.....

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 yes, provide details:

.....

15. Judgements. Has the IS, within the last seven (7) years, failed to satisfy within one year a judgement of debt under a court order in Malawi or elsewhere? If yes, provide details:

.....

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 yes, provide details:

.....

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 (7) years, or has the IS made any compromise or otherwise failed to satisfy its creditors in full within the last seven (7) years? If yes, provide details:

.....

18. Receivership. Has a receiver or an administrator of any property of the IS been appointed within the last seven (7) years in Malawi, or has the substantial equivalent of any such receiver been appointed in any other jurisdiction? If yes, provide details including whether the receiver or equivalent thereof is still acting under appointment:

.....

19. Liquidation—

    (*a*) voluntary: Has a notice for the voluntary liquidation of the IS been issued within the last seven (7) years in Malawi, or has the substantial equivalent thereof been issued in any other jurisdiction? If yes, provide details including whether the liquidation has been fully resolved—

    .....

    (*b*) compulsory: Has a petition for the compulsory liquidation of the IS been issued within the last seven (7) years in Malawi, or has the substantial equivalent thereof been issued in any other jurisdiction? If yes, provide details including whether the petition or its equivalent is still unresolved—

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 (1) year after the IS ceased being associated with the organization? If yes, provide details:

.....

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 name(s) 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 name(s) in which shares will be registered and the nature of the beneficial interest:

.....

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 yes, provide details:

.....

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 yes, provide details:

.....

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:

.....

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:

.....

27. Audited Accounts. Provide audited accounts for the past three (3) years:

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:

.....

29. Additional Information. Provide a latest credit report from a Licensed Credit Reference Bureau (where possible) and any other information regarding the Institutional Shareholder which may assist the Registrar in evaluating its acceptability as an institutional shareholder.

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

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 Malaŵi
   P.O. Box 565
   Blantyre
   Malawi

   e-mail: BASU@rbm.mw

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 Malaŵi.

   1.3. Location of all other offices (branches, agencies, representative offices) planned for the new bank during the first three years of its operation.

   1.4. Legal form (private or public limited company) of proposed bank.

   1.5. Copy of the certificate of incorporation of the proposed bank.

   1.6. Copies of the Memorandum of Association and a copy of the Articles of Association.

   1.7 Certified minutes or resolution of the meeting of proposed shareholders authorizing the establishment of a bank.

   1.8 Valid TAX Compliance certificate

   1.9. 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.

   1.10. A complete list of the initial shareholders of the proposed new bank (the "applicants"), including name, address, nationality, and whether the 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.

   1.11. Provide copies of any agreements between the applicants regarding the proposed bank.

1.12. 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.

1.13. If the proposed new bank will be part of a group—

(*a*) 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;

(*b*) complete information on all entities within the group, including name, address, type of entity, principal shareholders, directors, and senior management officials;

(*c*) business or other activities of all entities within the group; and

(*d*) 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 bank) and other similar investments (i.e., a shell company).

1.12. State whether any applicant already owns or controls at least ten percent (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 and date.

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 (3) consecutive years.

2.5.3. Identification of external auditors and bankers during the past ten (10) years.

2.5.4. Identification of principal shareholders, directors, and senior management officials—

(*a*) name;

(*b*) address;

(*c*) position with applicant: principal shareholder, member of the board of directors, and/or senior management official; and

(*d*) 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 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—

(*a*) was subject to formal remedial measures for operating in an unlawful or unsound manner;

(*b*) was threatened with insolvency or illiquidity;

(*c*) had appointed a management advisor, receiver, conservator, liquidator, or similar official; or

(*d*) had its licence revoked or was otherwise wound-up.

2.8. Signed financial statements (statement of position, statement of comprehensive income and cash flow) for the three (3) years immediately preceding the date of application, including the current period if available, and audited if available. If proposed bank is a new incorporated entity, provide similar information for its shareholders.

2.9. Complete information on the source of funds to be used to purchase the shares of stock in the proposed bank, including the amount of funds required and the specific sources of those funds.

2.9.1. If assets were (or will be) sold: Complete information on the sale, including copies of all pertinent documents.

2.9.2. If funds were (or will be) borrowed—

(*a*) complete information on the loan including identification of the lender(s), amount to be borrowed, amount of the loan as a percentage of the total purchase price, collateral to be pledged, and all terms of the transaction;

(*b*) specific information on how the loan will be repaid; and

(*c*) complete details if dividends, salary, fees, or any other payments from the bank are anticipated to be used to service the debt.

2.10. Identification of all persons who would be "related parties" of the proposed bank as a result of the applicant's stock ownership in the bank.

2.11. Information on all memberships in companies, partnerships, professional or trade associations, and with groups of persons acting in concert whether or not organized or registered as a formal business concern. Provide: name, address, type of entity, and description of activities.

2.12. Information on legal entities and other business concerns in which the applicant has an interest as a principal shareholder, director, partner, proprietor, senior management official, or guarantor. Provide the following—

(*a*) name;

(*b*) address;

(*c*) type of interest: principal shareholder, director, partner, proprietor, senior management official or guarantor;

(*d*) amount and percentage of shareholding, if any;

(*e*) credit rating or report;

(*f*) statement of Position and Statement of Comprehensive Income for the three (3) years preceding the date of the application, audited if available.

2.13. Provide complete details of all of the following legal proceedings with which the proposed director, executive officer, or senior management official has been a party, including date, location and disposition—

Provide complete details of all of the following legal proceedings with which the applicant is, or has been, a party including date, location and disposition: .....

.....

2.13.1. Litigation. Is the applicant engaged or expecting to be engaged in litigation, in Malaŵi or elsewhere, which may have a material impact on the person's financial condition?

2.13.2. Discipline. Has the applicant ever been censured, prosecuted, warned as to conduct, disciplined, disqualified or suspended from practising a profession, removed from office, publicly criticized or made subject to a court order at the instigation of any governmental body appointed under any enactment, by a professional organization, or the substantial equivalent thereof in Malawi or elsewhere?

2.13.3. Conviction. Has the applicant ever been convicted of an offense, or been served a petition for an administrative order or the substantial equivalent thereof in Malaŵi or elsewhere?

2.13.4. Investigation. Is the person, or has the person ever been, subject to an investigation in Malaŵi or elsewhere, by or at the instigation of any governmental department or agency, professional association, or other regulatory body?

2.13.5. Judgment. Has the applicant ever failed to satisfy within one (1) year a judgment of debt under a court order in Malaŵi or elsewhere?

2.13.6. Fraud. Has the applicant ever been adjudged by a court, in Malaŵi or elsewhere, to be civilly liable for actions which could have resulted in an indictment for a felony offense, as well as fraud, malfeasance, forgery, perjury,money laundering, or any other misconduct?

2.13.7. Bankruptcy. Has the applicant ever been adjudged bankrupt by a court, in Malawi or elsewhere? Has a bankruptcy petition ever been served on the applicant? Has the applicant made any compromise arrangement or otherwise failed to satisfy creditors in full?

2.13.8. Receivership. Has a receiver or an administrator been appointed for any of the applicant's property, or has the substantial equivalent of any such receiver been appointed in any other jurisdiction? If yes, provide details including whether the receiver or equivalent thereof is still acting under the appointment.

2.13.9. Liquidation. Has a notice for voluntary liquidation, or a petition for compulsory liquidation, been issued to the applicant or to any of the applicant's business interests? If yes, state whether the petition or its equivalent remains unresolved.

2.13.10. Winding-up. Has anybody corporate, partnership, or unincorporated institution with which the applicant was associated as a principal party shareholder, director, executive officer or senior management official 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 the person was associated with it or within one (1) year after the applicant ceased to be associated with it or has anything analogous to any of these events occurred under the laws of any other jurisdiction?

2.14. Please provide the following information as to how the stock in the proposed bank will be held by the applicant.

2.14.1. Shares. How many shares in the proposed new bank are or will be registered in the applicant's name or in the name of a "related person"? State the names in which the shares will be registered and the class of shares if other than common shares.....

2.14.2. Beneficial Interest. In how many shares of the proposed bank which are not registered in the applicant's name or in the name of a "related person," will the applicant have a beneficial interest? State the names in which the shares will be registered and the nature of the beneficial interest.....

.....

2.14.3. Trustee or nominee. Will the applicant or any "related person" hold shares in the proposed bank as a trustee or nominee? Is yes, provide details .....

2.14.4. Assignments or pledges. Are, or will, any of the shares described in response to other questions be equitably or legally assigned or pledged to another party? If yes, provide details.....

2.14.5. 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 the applicant be entitled to vote or exercise control over? Provide details.....

.....

2.14.6. 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 the applicant, provide the identity of such other person and the proportion of voting power so controlled or influenced.....

2.15. For foreign applicants:

2.15.1. An official letter addressed to the Registrar must be received directly from the home country supervisor that affirms the following:

2.15.1.1. The applicant foreign bank is a bank "in good standing" with the home country supervisor—

(*a*) the home country supervisor is satisfied with the prudential and overall financial management of the applicant foreign bank;

(*b*) the applicant foreign bank is fully meeting all capital requirements; and

(*c*) no formal supervisory measures are currently in force or pending against the applicant foreign bank.

2.15.1.2. The home country supervisor has given written consent or a statement of "no objection" for the applicant foreign bank to establish a subsidiary bank in Malawi subject to the receipt of licence to conduct banking business by the Registrar.

2.15.1.3. The applicant foreign bank (including its subsidiary banking institution in Malawi) is, and will be, supervised on a consolidated basis by both, the Registrar and the home country supervisor.

2.15.1.4. The home country supervisor agrees to—

(*a*) keep the Registrar informed of any significant developments adversely affecting the applicant foreign bank's financial soundness or reputation, and

(*b*) kromptly provide the Registrar with copies of the applicant foreign bank's reports of on-site examination and published financial statements.

2.15.2. The most recent report of the "full-scope" on-site examination of the applicant foreign bank.

2.15.3. The most recent audit report (including management letter).

2.15.4. An organization chart of the applicant foreign bank showing lines of authority and reporting from the subsidiary bank in Malawi to the parent foreign bank, and specifically identifying the parties within the applicant foreign bank who are responsible for the sound operation and financial condition of the proposed subsidiary bank in Malawi.

3. Management Structure

List all proposed members of the Board of Directors, members of the audit committee, and senior management officials. The following information must be provided for each person listed. If any proposed director, audit committee member, or senior management official is also an initial shareholder, then only submit information on the items not previously addressed in Section 2, "Ownership Structure."

3.1. Name.....

3.1. Address .....

3.3. Country identification or passport number.....

3.4. Date and place of birth.....

3.5. Amount, type, and percentage of shareholding in the proposed bank, if any.....

3.6. Position with the proposed bank: executive officer, director, audit committee member, or senior management official (specify title and provide a position description).....

3.7. Education, qualifications, professional experience, and employment history included in a detailed curriculum vitae.....

3.8. Signed financial statements (statement of position, statement of comprehensive income and cash flow for the three years immediately preceding the date of application, including the interim period if available.

3.9. History of ownership of 10% or more of the stock or holding a position as a director or senior management official in any bank located anywhere in the world. State whether, during such time period, the bank or financial institution—

(*a*) was subject to formal remedial measures for operating in an unlawful or unsound manner;

(*b*) was threatened with insolvency or illiquidity;

(*c*) had appointed a management advisor, receiver, conservator, liquidator, or similar official; or

(*d*) had its licence revoked or was otherwise wound-up.

3.10. Membership in companies, partnerships, professional or trade associations, and groups of persons acting in concert whether or not organized or registered as a formal business concern: Name, address, type of entity, and description of activities.

3.11. Provide complete details of all of the following legal proceedings with which the proposed director, audit committee member, or senior management official has been a party, including date, location, and disposition.

3.11.1. Litigation. Is the person engaged or expecting to be engaged in litigation, in Malawi or elsewhere, which may have a material impact on the person's financial condition?

3.11.2. Discipline. Has the person ever been censured, prosecuted, warned as to conduct, disciplined, disqualified or suspended from practising a profession, removed from office, publicly criticized, or made subject to a court order at the instigation of any governmental body, appointed under any enactment, by a professional organization, or the substantial equivalent thereof in Malawi or elsewhere?

3.11.3. Conviction. Has the person ever been convicted of any offence, or been served a petition for an administrative order or the substantial equivalent thereof in Malawi or elsewhere?

3.11.4. Investigation. Is the person, or has the person ever been, 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?

3.11.5. Judgment. Has the person ever failed to satisfy within one (1) year a judgment of debt under a court order in Malawi or elsewhere?

3.11.6. Fraud. Has the person ever been adjudged by a court, in Malawi or elsewhere, to be civilly liable for actions which could have resulted in an indictment for a felony offence, as well as fraud, malfeasance, forgery, perjury, money laundering or any other misconduct?

3.11.7. Bankruptcy. Has the person ever been adjudged bankrupt by a court, in Malawi or elsewhere? Has a bankruptcy petition ever been served on the person? Has the person made any compromise arrangement or otherwise failed to satisfy creditors in full?

3.11.8. Receivership. Has a receiver or an administrator been appointed for any of the person's property, or has the substantial equivalent of any such receiver been appointed in any other jurisdiction? If yes, provide details including whether the receiver or equivalent thereof is still acting under the appointment.

3.11.9. Winding-Up. Has any body corporate, partnership, or unincorporated institution with which the person was associated as a controlling party shareholder, director, executive officer or senior management official 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 the person was associated with it or within one (1) year after the person ceased to be associated with it or has anything analogous to any of these events occurred under the laws of any other jurisdiction?

3.12. Copies of all existing or proposed employment contracts.

4. Business Plan

Please submit a business plan covering the first three (3) years of operation of the new bank in the following prescribed format. The purpose of the business plan is to provide an overview of the intentions of the applicants and management and show how their established objectives will be achieved. The business plan will be used to assess the likelihood of success of the proposed bank and to monitor the bank's business and condition during its first three years of operation. The business plan should consist of two parts—

(*a*) a narrative; and

(*b*) financial projections.

4.1. Narrative

The business plan should contain a narrative in which the following essential elements are thoroughly addressed.

4.1.1. Identifying Information

State the name and location of the bank including the location(s) of any branches or other offices. Describe and provide a diagram of the bank's corporate structure and include all entities within the structure (parents, subsidiaries, companies under common control, and other affiliates), if the bank will be part of a group. Briefly discuss how the organizing group (the applicants) came together and the reasons for wanting to start a bank.

Identify the key strategic goals of the proposed bank. Provide a basic statement on the nature and scale of the proposed banking business, and arrangements for its management.

4.1.2. Market Analysis

Identify the markets to be served by the proposed bank and specifically address how the needs and convenience of the communities or sectors identified as the bank's

target market will be served. Describe the geographical areas, economic characteristics, and clientele in the target market and the types of products and services to be offered. Address any anticipated changes in the market, factors influencing such changes, and possible effects on the proposed bank.

Describe how the bank intends to ensure that the interests of depositors and creditors of the new bank, the national economy, and the general public will be served and not threatened by the new banks conduct in the banking business proposed in the business plan.

A copy of the feasibility study of the banking and financial sectors upon which the decision was made to commence banking business in Malawi should be submitted as part of the application.

4.1.3. Assumptions

List and discuss all assumptions used in the preparation of the business plan and upon which the financial projections are based. Include, at a minimum: economic conditions in Malawi, expectations of market changes, level of competition, growth forecasts, and interest rates on earning assets and interest-bearing liabilities. Provide support for the business plan's financial projections, specifically for asset and liability mix and growth, profitability, maintenance of an adequate capital base and capital ratios, and proposed dividends.

4.1.4. Corporate Governance

Describe the structure of the organization and management of the proposed bank. Show the relationships between the Board of Directors, audit and other permanent committees, senior management officials, and operational and administrative divisions and their sub-divisions and functions. Indicate lines of authority and reporting relationships.

Provide a list of showing all members of the Board of Directors, the audit committee, and any other permanent committee of the Board. The list should include name, position, term, authority, responsibilities, and remuneration.

Provide a list of all senior management officials that shows each person's name, title, salary, incentive compensation, fees, benefits and other remuneration. Submit names of two executive officers who will effectively manage the new bank.

Provide copies of all proposed agreements for management, technical services, software maintenance, and other services. If any agreement for lease or service is anticipated to be entered into with any "insider" or "related person," then provide a written description of such transaction and include—

(*a*) identification of the "insider" or "related party;"

(*b*) rates and terms;

(*c*) comparative market data to evidence that the transaction will be on an arm's-lengthbasis; and

(*d*) a justification as to why the transaction with an "insider" or "related person" is in the best interest of the bank and its depositors as opposed to a similar transaction with a person or entity not an "insider" or "related party."

Describe the operating systems of the bank including—

(*a*) corporate policies and procedures;

(*b*) accounting standards;

(*c*) books of account and record-keeping;

(*d*) reporting (including to management, Board of Directors, shareholders, and the Reserve Bank);

(*e*) information technology;

(*f*) internal controls; and

(*g*) internal and external audit.

Confirm that information systems will be capable of producing all required reports to the Registrar in an accurate and timely manner.

Identify the independent external auditor who will be engaged for the annual audit of the bank.

Address staff projections, including recruitment and training.

4.1.5. Banking Business

Discuss the types and scale of deposit-taking, granting of credits, and other banking business envisaged. This presentation should be supported by information which clearly shows the proposed new bank's capability to undertake those activities in terms of board oversight, management, expertise, systems support, organization and staff. Specifically address—

(*a*) the types of loans to be offered, targeted economic sectors, and plans for diversification;

(*b*) planned deposit and borrowing activity;

(*c*) method for pricing loans and deposits;

(*d*) proposed off-balance sheet activities; and

(*e*) correspondent and agency arrangements.

4.1.6. Capital

Describe plans for financing growth, internally and externally, over the first three years of operation. Describe all additional sources of capital that are available should the need arise in the future ensuring that the proposed bank is adequately capitalized at all times. The current minimum start up capital for a bank is the Malawi Kwacha equivalent of five million United States Dollars (US$5,000,000) and US$10 million by 1st January 2020 and Malawi Kwacha equalivanet of one million five hundred thousand United States Dollars (US$ 1,500,000) and US$ 3 million by 1st January 2020 for a discount house and a leasing company.

4.1.7. Risk Management

Describe the analysis conducted of the risks associated with the sectors to be served by the proposed bank. Specifically describe the risk management processes (risk identification, measurement, monitoring and control) for the following risks—

(*a*) strategic risk;

(*b*) credit risk;

(*c*) liquidity risk;

(*d*) interest rate risk

(*e*) foreign rxchange rate risk;

(*f*) price risk;

(*g*) operational risk;

(*h*) compliance risk;

(*i*) reputational risk;

(*j*) money laundering and terror financing risk;

(*k*) country and transfer risk; and

(*l*) all other risks to which the proposed bank will be exposed when engaged in the activities envisaged by this business plan.

With regard to credit risk, specifically address and include—

(*a*) credit policies (which must include limitations on loans to "related persons");

(*b*) plans to minimize concentration risk through diversification and limitations on exposures to individuals and groups of related borrowers; and

(*c*) asset quality considerations such as credit-granting standards, classification, and provisioning for loan losses. With regards to money laundering, specifically address and include.

Risk assessments for products, customers, delivery channels and geographical location.

4.1.8. Premises

Describe the premises and equipment to be utilized by the proposed bank. Indicate whether facilities and equipment will be leased or purchased. Describe the basis for the decision to lease or purchase and how such premises and equipment were determined to be adequate. Provide information on the cost of acquisition or lease payments and terms, and the counter-party to the purchase or lease agreement. Address plans for future expansion, including branches. For information purposes, a bank is prohibited from establishing its offices (head office, branch or agency) in a building in which the upper or lower floors are used for residential purposes.

4.1.9. Business Plan Monitoring

Discuss the methods that the Board of Directors will use to regularly monitor the bank's performance under the business plan and management's adherence to the plan for thefirst three years of operation.

4.2. Financial Projections

Based upon the preceding narrative, submit a Pro-forma Statement of Position and Statement of Consolidated Income (and any necessary supporting schedules) for each of the first three (3) years of operations using the following prescribed format.

4.2.1. Balance Sheet-pro forma

ASSETS	Year 1	Year 2	Year 3
1. Cash and Due from Banks			
2. Balances with Reserve Bank of Malawi			
3. Balances with banks abroad			
4. Gross Loans and Leases (List by business line, major categories of counterparties, and geographic areas)			
5. Provisioning for loan and lease losses			
6. Net Loans and Leases			
7. Total Securities (7a + 7b)			
7a. Malawi Government Securities			
7b. Other securities			
8. Accrued interest receivable			
9. Other assets (list)			
10. Premises and Equipment			
11. TOTAL ASSETS (Sum of lines 1 through 10)			
LIABILITIES			
12. Total deposits (12a + 12b + 12c + 12d)			
12a. Demand deposits			
12b. Savings deposits			
12c. Time deposits			
12d. FCDAs			
13. Liabilities to Reserve Bank of Malawi			
14. Liabilities to other banks			

ASSETS	Year 1	Year 2	Year 3
15. Borrowed funds			
16. Accrued interest payable			
17. Other liabilities			
18. TOTAL LIABILITIES (Sum of lines 12 through 17)			
CAPITAL ACCOUNTS			
18. Common stock			
19. Share premium			
20. Retained earnings			
21. Revaluation reserves			
22. TOTAL CAPITAL ACCOUNTS (Sum of lines 18 through 21)			
23. TOTAL LIABILITIES AND CAPITAL ACCOUNTS (Sum of lines 18 and 22)			
24. OFF-BALANCE SHEET ITEMS (Acceptances, endorsements, guarantees, etc.)			
4.2.2. Income Statement– pro-forma			
1. Total Interest Income (1a + 1b + 1c + 1d)			
1a. Loans and leases			
1b. Securities and investments			
1c. Deposit balances			
1d. Other interest income			
2. Total Interest Expense (2a + 2b)			
2a. Interest on deposits			
2b. Interest on borrowings and other interest expense			
3. Net Interest Income (1 – 2)			
4. Provision for loan and lease losses			

ASSETS	Year 1	Year 2	Year 3
5. Net Interest Income after provisioning (3 – 4)			
6. Total Non-interest Income (6a + 6b + 6c + 6d))			
6a. Fees, commissions, and service charges			
6b. Foreign exchange gains (losses)			
6c. Realized gains (losses) on securities			
6d. Other non-interest income			
7. Total Non-interest Expense (7a + 7b + 7c + 7d)			
7a. Salaries and employee benefits			
7b. Premises and equipment			
7c. Depreciation			
7d. Administrative and other expenses			
8. Net Non-Interest Income (6 – 7)			
9. Net income before extraordinary items, taxes, and dividends (5 + 8)			
10. Taxation			
11. Net income (Loss) after taxation but before extraordinary items (9 – 10)			
12. Extraordinary items (net of taxation)			
13. Net Income (Loss) (11 +/- 12)			
14. Dividends			
15. Retained Earnings (13 – 14)			

4.3. Submit any other information not listed above that could support your application.

THIRD SCHEDULE (para. 12 (2))

RESERVE BANK OF MALAWI

FINANCIAL SERVICES ACT

LICENCE TO CONDUCT BANKING BUSINESS

A LICENCE is hereby granted to—

.....

(*name of bank*)

At.....

(*address of head office*)

And authorizes the said bank to conduct and carry on banking business in Malawi. This licence is issued subject to the provisions of the Financial Services Act.

Dated this.....day of....., 20.....

LICENCE NO. .....

Made this 3rd day of April, 2018.

D. KABAMBE, PhD
Registrar of Financial Institutions

(FILE NO. FIN/PFSPD/03/04)