

Pursuant to Section 5, Banking Act 1989 (Cap 44:01)

GENERAL INSTRUCTIONS

This application for a banking license is divided into three sections, each pertaining to a different aspect of the proposed bank. Information is requested about the:

Proposed Bank or Financial Institution (Bank)

Directors, Executive Officers and Principal Shareholders

Institutional Controlling Shareholders (ICS's)

When completing this application and the supporting attachments, you should be guided by the following requirements:

Principal Shareholder. Any person who owns or controls 15% or more of the voting stock of the proposed bank

Institutional Controlling Shareholder. Any corporation, partnership, joint venture, association or other form of organisation which owns or controls 15% or more of the voting stock of the proposed bank.

Response. All responses to questions and all attachments to the application must be typewritten. Do not leave any questions blank or unanswered. If an appropriate answer is "No", "None", "Not Applicable", or "Not Known", so indicate. Inaccurate or incomplete information may result in delays in the processing of the application. Additional pages may be added if response space is inadequate.

Filing Fee. A certified cheque in the amount of the Malawi Kwacha equivalent of US\$1250 payable to the "Reserve Bank of Malawi", must be included with the application. The fee covers the costs of the investigation and review of the application and is not refundable. The application will not be considered received nor will it be processed until the filing fee and all supporting information are received. Failure to submit the required fee will result in rejection and return of the application.

Inquiries and Submission. Inquiries concerning the preparation, filling, and status of this application should be made to: **The Director, Bank Supervision, Reserve Bank of Malawi.** Upon completion, one original and four(4) duplicate copies of the application and all attachments must be submitted to: **The Governor, Reserve Bank of Malawi, P.O. Box 30063, Capital City, Lilongwe 3, Malawi.**

SECTION I

PROPOSED BANK

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

Please state name of the proposed bank (corporate name to be used for the purpose of carrying on banking business).

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

Incorporation. Date of incorporation.

Head Office. Proposed place of head office in Malawi.

Business Place. Proposed places of business in Malawi (branches, agencies etc).

Directors and Officers. State the names, addresses and occupation of the individuals who will be directors of the proposed bank.

Executive Officers. State the names and occupation of two executive officers identified for the proposed bank.

Capital Structure. Indicate the capital structure of the proposed bank.

Authorised capital K _____

Paid up capital K _____

Total authorised shares _____

Total issued shares _____

Par value per share K _____

Shareholder List. Provide a complete list of the initial shareholders of the proposed bank. Indicate the name of the shareholder, address, nationality, number of shares and percentage to be owned.

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.

Banking Activities. What type of banking activities does the proposed bank plan to engage in?

- _____ Commercial/retail banking
 - _____ Merchant/wholesale banking
 - _____ Savings/thrift banking
 - _____ Mortgage banking/building society
 - _____ Investment/development banking
 - _____ Export-import/trade financing
 - _____ Leasing/financing company
 - _____ Foreign exchange dealer/broker
 - _____ Other (specify)_____
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_____ **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.

_____ [Business Plan](#) Please provide a business/strategic plan (projections) for the proposed bank for a minimum of 3 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 attached format).

_____ **Memorandum and Articles of Association.** Please provide copies of the draft Memorandum and Articles of Association of the proposed bank and if applicable its by-laws.

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.**

Name and Address. State your full name and address.

Position. State the position and/or title you will hold in the proposed bank.

Nationality. State your nationality and passport number.

Birth-Date. State the date and place of birth.

Role, Responsibility, and Reporting. What role will you have in organising 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.

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

Degree or Certificate Issued By: Date Received

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

- (a) Name and address of employer
 - (b) Nature or type of business
 - (c) Title and duties/responsibilities
 - (d) Date employed
 - (e) Date and reason for leaving
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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/responsibilities in the other bank, and describe any relationship which now exists or will exist between the other institution and the proposed bank.

Shareholding. If you are now or ever have been a principal shareholder (owning 15% or more of 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.

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.

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.

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 10 years? If so, provide details.

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.

Judgment. Have you within the last 10 years, failed to satisfy within one year a judgement of debt under a court order in Malawi or elsewhere? If so, provide details.

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.

Bankruptcy. Have you been adjudged bankrupt by a court, in Malawi or elsewhere, or has a bankruptcy petition ever served on you within the last 10 years, have made any compromise arrangement or otherwise failed to satisfy your creditors in full within the last 10 years? If so, provide details.

Receivership. Has a receiver or an administrator of any of your property been appointed within the last 10 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.

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.

Shares. 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.

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.

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.

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

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.

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 such other person and the proportion of voting power so controlled or influenced.

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.

Additional Information. Provide any other information regarding yourself which may assist the Reserve Bank 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 principal shareholder.

(Name and Address of Proposed Bank)

(Name and Title of Individual)

As of Date for Financial Statement: _____

BALANCE SHEET

Liabilities & Net Worth Assets

Accounts Payable _____ Cash & Bank Balances _____

Notes Payable _____ Marketable Securities _____

Real Estate Mortgage _____ Other Securities _____

Payable Accounts and Notes _____

Interest Due & Unpaid _____ Receivable - Good

Taxes Due & Unpaid _____ Accounts and Notes _____

Judgements _____ Receivable-Doubtful _____

Other Liabilities (list) _____ Inventories _____

Farm Products _____

Equipment _____

Total Liabilities _____ Life Insurance _____

(Cash Surrender Value)

Real Estate _____

Net Worth _____ Business Interests _____

Other assets (list) _____

Total Liab. & Net Worth _____ **Total Assets** _____

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 Controlling Shareholders (ICS's) of the proposed bank. **A complete Section III must be filled out and submitted for each ICS.**

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

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

Legal Form. State the legal form of the ICS (e.g. private limited company, partnership etc).

Incorporation. Date of incorporation or formation of ICS: _____

Officers and Principal Shareholders. Provide the following information for each director, executive officer, or principal shareholder of the ICS.

<u>Name</u>	<u>Address</u>	<u>Title/Position</u> <u>in ICS</u>	<u>% of ICS</u> <u>Shares Owned</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Address. State the registered address of the ICS's headquarters and the principal place of business, if different from that shown in Question 1 above.

Auditors and Bankers. State the names and addresses of the ICS's auditors and primary bankers during the past 10 years.

Affiliates. State the name, address, and type of business for any organisation which is or will be in any way affiliated with the ICS.

Shareholding. If the ICS is now or ever has been a principal shareholder (owning 15% or more of the 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.

Professional Membership. If the ICS 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.

Discipline. Has the ICS 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.

Convictions. Has the ICS ever been convicted of any offence, or has a petition for an administrative order or the substantial equivalent thereof been served on the ICS, in Malawi or elsewhere, within the last 10 years? If so, provide details.

Investigations. Has the ICS 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.

Litigation. Is the ICS 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 bank? If so, provide details.

Fraud. Has the ICS 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.

Bankruptcy. Has the ICS been adjudged bankrupt by a court, in Malawi or elsewhere, or has a bankruptcy petition ever been served on the ICS within the last 10 years, or has the ICS made any compromise or otherwise failed to satisfy its creditors in full within the last 10 Years? If so, provide details.

Receivership. Has a receiver or an administrator of any property of the ICS been appointed within the last 10 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.

Liquidation:

(a) Voluntary. Has a notice for the voluntary liquidation of the ICS been issued within the last 10 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.

(b) Compulsory. Has a petition for the compulsory liquidation of the ICS been issued within the last 10 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.

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

Shares. How many shares of stock in the proposed bank are or will be registered in the name of the ICS 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.

Beneficial Interest. How many shares of stock in the proposed bank, which are not registered in the name of the ICS or in the name of a related party, will the ICS have a beneficial interest in? State the name(s) in which shares will be registered and the nature of the beneficial interest.

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

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.

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

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

Audited Accounts. Provide audited accounts for the past three years.

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.

Additional Information. Provide any other information regarding the ICS which may assist the Reserve Bank in evaluating its acceptability as an institutional shareholder.

DECLARATION

with regard to

APPLICATION FOR BANKING LICENCE

We, the undersigned, do hereby certify that: i) 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 ii) 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 Reserve Bank of Malawi should be aware , and we pledge to promptly inform the Reserve Bank of any material change to this application which may arise while it is being considered by the Reserve Bank.

<u>Name</u>	<u>Signature</u>	<u>Title/Position</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Date: _____