THE BANKING AND FINANCIAL INSTITUTIONS (LICENSING) REGULATIONS, 2008

ARRANGEMENT OF REGULATIONS

Regulations                      Title

PART I                          
PRELIMINARY PROVISIONS

1.  Short Title.                
2.  Application.               
3.  Interpretation.            
4.  Objectives.                

PART II                        
CRITERIA FOR LICENSING

5.  Financial Capacity.        
6.  Integrity in Financial and Business Dealings. 
7.  Character and Experience.  
9.  Contribution to the country’s economy. 
11. Training and Succession Plan.  

PART III                       
APPLICATION FOR LICENCE

13. Pre-filing Meeting.        
15. Other Documents.           
16. Legal opinion.             
17. Principal Contact.         
18. Granting of Licence       

PART IV                        
CONDITIONS NECESSARY TO BE FULFILLED AFTER GRANT OF A LICENCE
PART V
ORGANIZATION OWNERSHIP AND MINIMUM CAPITAL

23. Legal form of Licensed Institution.
24. Board Membership.
26. Restrictions on Ownership
27. Employment of non-Tanzanians.

PART VI
MINIMUM CONDITIONS FOR OPENING REPRESENTATIVE OFFICE, BRANCHES, AGENCIES, ADDITIONAL OFFICES OR SUBSIDIARIES

29. Opening of Subsidiary and Branch.
30. Application for Opening Subsidiaries and Branches.
31. Supporting Documentation.
32. Activities of a Subsidiary.
33. Representative Office.

PART VII
SCOPE OF AUTHORITY FOR LICENSED INSTITUTIONS

34. Powers of a Licensed Institution.
35. Relationship With Foreign Banks.
36. Management Agreements.
37. Fiduciary Functions.
38. Additional Activities.
39. Acquisition of a Company Engaged in Allied Undertakings.
40. Investment in a Company Engaged in Allied Undertakings.
41. Establishment of Foreign Branch or Subsidiary.
42. Segregation of Assets.
PART VIII
MISCELLANEOUS PROVISIONS

43. Sanctions
44. Revocation

SCHEDULES
THE BANKING AND FINANCIAL INSTITUTIONS ACT
[CAP 342]

REGULATIONS

(Made under section 71)

THE BANKING AND FINANCIAL INSTITUTIONS (LICENSING)
REGULATIONS, 2008

PART 1
PRELIMINARY PROVISIONS

1. These Regulations may be cited as the Banking and Financial Institutions (Licensing) Regulations, 2008 and shall come into operation on the date of publication in the Gazette.

2. These regulations shall apply to all banks and financial institutions.

3. In these regulations unless the context requires otherwise:

   “Act” means the Banking and Financial Institutions Act;
   "allied undertakings" include such activities as may be specified by the Bank to be allied or related to the business of banking;
   “Bank” means the Bank of Tanzania;
   “bank” and “banking business” have the meaning ascribed to them in the Act;
   “conflict of interest” means a situation in which someone in a position of trust has competing professional, business or personal interest, making it difficult to fulfil his duties impartially;
   “core capital” or “tier 1 capital” has the meaning ascribed to it in the Act;
   “director” has the meaning ascribed to it in the Act;
   “disclosed reserves” has the meaning ascribed to it in the Act;
   “financial institution” has the meaning ascribed to it in the Act;
   “financial intermediation” has the meaning ascribed to it in the Act;
   “fit and proper person” means a person with the attributes required of a member of the board of directors and management of a bank or financial institution as per the criteria set out in the First Schedule to these Regulations;
   “licensed institution” means any institution which has been licensed by the Bank to carry out banking business;
   “member of a family” means a parent, spouse, brother, sister, child,
uncle, aunt, nephew, niece, stepfather, stepmother, stepchild, adopter and adopted child.

“person” has the meaning ascribed to it in the Act;
"related party"

(a) in relation a body corporate means—
   (i) its holding company or its subsidiary;
   (ii) a subsidiary of its holding company;
   (iii) a holding company of its associates;
   (iv) any person who controls the company or body corporate whether alone or with his related party or with other related parties of it;
(b) in relation to an individual means—
   (i) any member of his family;
   (v) (ii) any company or other body corporate controlled directly or indirectly by him whether alone or with his related parties; and
   (vi) (iii) any related party of his related parties.

“subsidiary” has the meaning ascribed to it in the Act;
“supplementary capital” or “tier 2 Capital” has the meaning ascribed to it in the Act;
“subordinated debt” means a debt satisfying conditions as may be determined by the Bank, for inclusion as supplementary capital;
“total capital” has the meaning ascribed to it in the Act.

Objectives

4. The objectives of these Regulations are to –

(a) establish licensing criteria and conditions to ensure that only sound and prudently managed banks and financial institutions are licensed to operate in Tanzania;

(b) specify procedures that the Bank shall use to investigate and scrutinise banking business licence applications.

PART II
CRITERIA FOR LICENSING

5.-(1) The Bank shall investigate and scrutinize the financial capacity of the applicants.

(2) The soundness of an applicant’s financial position, their business affiliates and the financial condition of those businesses shall be measured on-

(a) levels of capital as shown on balance sheets:
(b) the potential financial support that may be made available should the licensed institution require capital injection for whatever reason, including losses in its operations.

(3) The Bank shall assess the ability of the applicant and their
business affiliates to pay their current obligations from their income, reasonability of valuation they assign to their assets, and their networth in relation to other liabilities.

(4) It shall be in the interest of the Bank to establish that shares in a licensed institution are not purchased with borrowed money.

(5) Sub-regulation (4) shall not apply to licensed bank or financial Institution going public, provided that shares to be purchased at the Initial Public Offer stage shall not be pledged as collateral.

(6) The applicants shall indicate and declare to the Bank sources of funds for buying shares.

6. The Bank shall review the history of the applicant to determine their reputation, experience in banking operations, financial soundness and integrity in past and present business practices.

7.- (1) The Bank shall make an assessment, in accordance with the criteria set out in the First Schedule to these Regulations as to whether the proposed member of the board of directors and senior management of a proposed institution are fit and proper person.

(2) The Bank shall evaluate the proposed member of the board of directors and senior management team with respect to their experience and ability to manage funds, institute proper credit evaluation, collection procedures, accounting systems, effective internal control, audit programmes and management information systems.

(3) The Bank may interview the proposed board and senior management team member and enquire as to past performance, reputation and skills.

(4) The Bank shall make an assessment of proposed board and senior management team members regarding their formal education, professional qualifications, work experience, reputation, criminal record and conflict of interest.

(5) The Bank shall require board and senior management team member to comprise people of sufficiently strong character who are able to oversee the licensed institution’s operations effectively by having the requisite banking business experience.

(6) The Bank shall further assess whether individuals proposed as board and senior management team members have the necessary administrative, organizational and decision-making skills, and ability to demonstrate reliability and sound character.
8. Every shareholder of a proposed institution shall provide to the Bank assurance that the proposed paid up capital shall be fully paid up prior to the Bank's issuance of a permit or an authority to commence banking operations.

9.- (1) Every application shall convey to the Bank intentions of the proposed institution with regard to contributions towards the country’s economic development.

(2) The Bank shall take into account the extent to which lending policies and internal controls of the applicant are designed to promote directly or indirectly the financial or economic activities in the rural sector including rural-based industries, mining and tourism.

10. Each applicant shall indicate the financial products and services to be offered and how such products and services shall be of benefit to the country.

11.- (1) Every applicant shall submit a training plan for imparting banking skills and expertise to staff indicating specific time frame.

(2) The applicant shall submit a clear plan and strategies on mode, time and contents of the extent to which Tanzanian staff shall occupy senior management positions in the licensed institution.

12.- (1) Every applicant shall provide details of feasibility studies, business plans and projected balance sheets, income statements and cash-flow statements for four years.

(2) At minimum each applicant shall provide-

(a) draft policies and procedural manuals establishing how the licensed financial institution shall operate in a manner consistent with the principles established in Risk Management Guidelines issued by the Bank;
(b) description of accounting system and information and communication technology to be used in the operations of the institution and proposed future investment;
(c) number of employees, job descriptions of senior management positions and an organization chart;
(d) description of internal control procedures that the licensed institution shall implement;
(e) narrative description of shareholders, board and senior management and strategy for the successful operation of the licensed institution;
(f) plans and strategy on supporting rural based activities;
(g) Sources of funds of shareholders and subscribers;
(3) Every applicant shall submit business plan and financial projections prepared in accordance with the guidelines provided in the Fourth Schedule these Regulations.

**PART III**

**APPLICATION FOR LICENCE**

13.- (1) A pre-filing meeting between promoters and the Bank shall be held prior to formal submission of the application

(2) An application shall not be considered until such a meeting is held or a waiver is granted.

14. Any person intending to carry on banking business in Tanzania shall submit to the Bank a letter of application as prescribed in the Second Schedule to these Regulations.

15. An application shall be signed by the directors of the applicant or a person authorized by the applicant and submitted together with-

(a) authenticated legal documents or board resolution authorizing the signatory;

(b) one copy of each of the documents listed in the Third Schedule to these Regulations;

(c) banker’s cheque for three million shillings or any other amount as may be determined by the Bank from time to time, payable to the Bank as non-refundable application fee; and

(d) evidence regarding source and availability of funds to subscribe to the capital of the bank or financial institution.

16. The Bank may require the applicant to provide legal opinion on any issue related to the application of the license as it may determine.

17. An applicant shall designate and inform the Bank its principal contact and spokesperson of the proposed institution.

18.-(1) The Bank shall, within ninety days after receipt of a complete application or where further information has been required, after receipt of such information, grant a licence or reject the application.

(2) In case of rejection, the Bank shall in writing provide the applicant an explanation of the ground upon which the rejection is based.

(3) A licence once issued shall remain in force unless suspended or revoked as provided in the Act.
PART IV
CONDITIONS NECESSARY TO BE FULFILLED AFTER GRANT OF A
LICENCE

19.- (1) A licensed institution shall obtain the Bank’s approval before filing and registering its Memorandum and Articles of Association with the Registrar of Companies.

(2) A copy of Memorandum and Articles of Association registered shall be submitted to the Bank after being registered by the Registrar companies.

20. A licensed institution, not later than thirty days after grant of the licence shall deposit its paid up capital either in Tanzanian Shillings or in foreign currency, in a Tanzanian registered bank, in Treasury Bills and other Government securities of not more than 364 days held with the Bank.

21. A licensed institution shall not commence business until all senior management staff have been vetted and the business premises, security facilities, communication facilities, processing equipments, accounting and internal control systems are in place and have been inspected or reviewed by the Bank.

22.- (1) Every member of the board of directors of a licensed institution shall execute a legally binding undertaking to fulfil his obligations towards maintaining a safe, sound and profitable institution.

(2) Without prejudice to sub-regulation (1) a member shall also undertake to comply with the provisions of the Act, Bank of Tanzania Act, and other laws, regulations, policies, circulars, orders and instructions made there under.

PART V
ORGANISATION, OWNERSHIP AND MINIMUM CAPITAL

23. A licensed institution shall be organized in the form of a company limited by shares and incorporated under the laws of Tanzania.

24. (1) The board of directors of a licensed institution shall have a membership of not less than five, two of whom shall have banking or related experience and, majority of whom shall be non-executive.

(2) The chairperson of the licensed institution shall be a
non-executive member of the board.

25.-(1) A licensed institution shall not appoint any person to the post of senior management or board of directors without obtaining prior approval of the Bank.

(2) A licensed institution shall, within seven days of the departure of any member of the senior management or board of directors, notify the Bank of such departure together with reasons thereof.

26.-(1) A person shall not own or control, directly or indirectly, a beneficial interest of more than twenty percent of the voting shares of any bank or financial institution, except as provided under Section 15 of the Act.

(2) For the purpose of sub-regulation (1) indirect ownership or control shall mean ownership or control through related parties.

27. A licensed institution shall not employ a non-Tanzanian or renew any contract of such person unless it seeks and obtains prior approval of the Bank.

(2) The number of non-Tanzanians in the institution shall not exceed five at any time.

28.-(1) Every licensed institution shall commence operations with a core capital specified in the Baking and Financial Institutes (Capital Adequacy) Regulations, 2008 or such higher amount as the Bank may prescribe.

(2) Where capital is remitted in foreign currency, it shall be reflected in the books of the licensed institution in Tanzanian shilling using exchange rate prevailing on the date of remittance.

PART VI
REPRESENTATIVE OFFICE, BRANCHE, AGENCIE, ADDITIONAL OFFICE OR SUBSIDIARIES

29. A licensed institution shall not invest in capital expenditure for the purpose of opening a representative office subsidiary, branch agency or additional office in or outside Tanzania without the prior approval of the Bank.

30. The Bank may approve an application for opening a subsidiary, branch agency or additional office only after proven successful, sound and profitable operation and it may, as a condition of approval, require additional capital.
31. An application for establishment of a subsidiary, branch, agency or an additional office shall be supported by:
   (a) projected balance sheet and income statement for the next three years;
   (b) consolidated projected balance sheet and income statement for the next three years;
   (c) proposed organization structure;
   (d) detailed budget and programme for the establishment;
   (e) names and particulars, including curriculum vitae for persons proposed to take up senior positions; and
   (f) any other information the Bank may require.

32. A subsidiary of licensed institution shall not undertake activities other than those permitted by Section 24 of the Act.

33.- (1) A foreign bank or financial institution shall not open a representative office in Tanzania without prior approval of the Bank and, where approval has been granted; such representative office shall not conduct banking business or financial intermediation.

   (2) An application for establishment of a representative office in Tanzania shall include a detailed budget for the office, curriculum vitae for the proposed officers and staff and other information as may be required by the Bank.

PART VII
SCOPE OF AUTHORITY FOR LICENSED INSTITUTIONS

34. A licensed institution shall have all such powers necessary to carry out the permitted activities specified in section 24 of the Act, in addition to the general powers vested in companies incorporated under the Companies Act.

35. A licensed institution shall establish a relationship with any correspondent bank or financial institution abroad without prior approval of the Bank.

36. A management or technical assistance agreement involving a licensed institution shall be subject to prior approval of the Bank and governed by the laws of Tanzania.

37. A bank with a core capital of not less than twenty two billion five hundred million shillings may be authorized by the Bank to perform duties and functions of a trustee and such other fiduciary functions as the Bank may authorize.

38.- (1) Any bank with a core capital of not less than thirty
activities billion shillings may be authorized by the Bank to-

(a) acquire up to one hundred per cent of the equity of a company organized primarily for the purpose of underwriting debt or equity securities of other companies;
(b) acquire majority or all of the equity of a bank or financial institution;
(c) invest in the equity of a company which is engaged in activities that are not allied or not related to banking; Provided that the equity investment of the bank shall not exceed five percent of the total subscribed share capital of the investee company.

(2) Where a bank or financial institution intends to deal in securities, it shall form a subsidiary for such purpose.

39. A licensed institution with a core capital between fifteen billion shillings and thirty billion shillings may, with the prior approval of the Bank acquire up to one hundred per cent of the total subscribed share capital of the company engaged in activities classified as allied undertakings.

40. A licensed institution with a core capital ranging from ten billion shillings to less than fifteen billion shillings may, with the prior approval of the Bank, invest in the equity of companies engaged in activities classified as allied undertakings subject to the limits provided in the Banking and Financial Institutions (Credit Concentration and Other Exposure Limits) Regulations, 2008.

41. A licensed institution with a core capital of not less than fifty billion shillings may be authorized by the Bank to establish a branch or a subsidiary abroad.

42. A licensed institution authorized by the Bank to act as an agent shall account for and keep money, securities and other valuables, which it has received in such capacity duly separated from its own assets and liabilities.

PART VIII
ADMINISTRATIVE SANCTIONS

43. Without prejudice to the other penalties and actions prescribed by Act, the Bank may impose one or more of the following sanctions where any of the provisions herein are contravened-

(a) penalty on the licensed institution or directors, officers or employees responsible for non-compliance in such amounts as may be determined by the Bank;
(b) prohibition from declaring or paying dividends;
(c) suspension of the privilege to issue letters of credit or
guarantee;
(d) suspension of access to the credit facilities of the Bank;
(e) suspension of lending and investment operations;
(f) suspension of capital expenditure;
(g) suspension of the privilege to accept new deposits;
(h) suspension from office of the defaulting director, officer or employee; and
(i) disqualification from holding any position or office in any licensed or financial institution in Tanzania.
(j) revocation of banking licence;

PART IX
REVOCATION

44. The Banking and Financial Institutions Regulations, 1997 are hereby revoked.

FIRST SCHEDULE
(Made under Regulation 7)

CRITERIA FOR DETERMINING THE CHARACTER AND EXPERIENCE REQUIRED FOR A MEMBER OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT OF BANK OR FINANCIAL INSTITUTION

1. In order to determine, for the purpose of these Regulations, the character and moral suitability of persons proposed to be members of the Board or senior management, the Bank shall have regard to the following qualities, in so far as they are reasonably determinable, of the person concerned-
(a) adequate education background;
(b) general character;
(c) professional skills, competence and soundness of judgment for the fulfilment of the responsibilities of the office in question; and
(d) the diligence with which the person concerned is likely to fulfil those responsibilities.

2. For the purpose of and without prejudice to the generality of the provisions of paragraph (1), the Bank may have regard to the previous conduct and activities of the person concerned in the business or financial matters and, in particular to evidence that such person-
(a) has committed any act of bankruptcy;
(b) was a director or in a senior management position of a bank or financial institution that has been liquidated or is under liquidation or statutory management;
(c) has committed or been convicted of the offence of fraud or any other offence of which dishonesty is an element;
(d) has contravened the provision of any law designated for the protection of members of the public against financial loss due to the dishonesty or incompetence of, or malpractices by, persons engaged in the provision of banking, insurance, investment or other financial services.

3. Any other criteria, which the Bank may prescribe, from time to time.

4. The following documents shall be submitted to the Bank with respect to
Banking and Financial Institutions (Licensing)

GOVERNMENT NOTICE NO. 377 published on 12/12/2008

each proposed director and senior management team, together with other documents the Bank may require-

(a) detailed curriculum vitae;
(b) certified copies of academic and professional certificates;
(c) photocopy of the pages of the passport which contain personal information including photograph, nationality, date and place of birth and issuer of the passport;
(d) two certified passport size photographs; and
(e) references from two persons who are not relatives, vouching for good moral character, integrity and performance.

SECOND SCHEDULE

(Made under Regulation 14)

The Governor
Bank of Tanzania
P.O. Box 2939
Dar es Salaam
TANZANIA

Re: Application for a Licence to carry out Banking business

Sir,

We, the undersigned, hereby apply for a licence to establish a bank/financial institution in Tanzania to be known as ____________________________ with principal place of business at ____________________________

The proposed institution shall have an authorized share capital of _______________ shillings and paid up capital of ________________ shillings which shall be contributed by the following subscribers:

Subscribed Shares

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We jointly and severally make a firm commitment to deposit a total amount of paid up capital for the proposed institution with any bank registered in Tanzania such deposit to be made not later than thirty days after grant of this application.

In support of this application, we submit herewith the documents listed in the accompanying checklist. We certify the correctness of all the information indicated in such documents to the best of our knowledge and belief.

We hereby authorize the Bank of Tanzania and any of its authorized agents or staff members to make an enquiry or obtain any information from any source for the purpose of determining the correctness of all the representations made in connection with this application or of assessing its merits.

To facilitate communication between us, we have authorized ………………… to represent all of us in regard to this application. It is understood that any notice to him shall constitute sufficient notice to all of us.

Enclosed is a cheque for three million or US dollar ………………….. being payment of our application fee.

Yours faithfully,

__________________________________

THIRD SCHEDULE
(Made under Regulation 15)

Checklist of Documents
1. Letter of application in the prescribed form.
2. Proposed Memorandum and Articles of Association.
3. Proof of source and availability of funds for investment as capital of the proposed institution.
4. List of subscribers and proposed members of board of directors and Chief Executive Officer.
5. Proof of citizenship of every subscriber and every proposed director and senior management officer. This includes detailed curriculum vitae, photocopy of the pages of the passport which contain personal information and two recent passport size photographs.

6. Audited balance sheet, income statement and cash flow for the last three years, of every subscriber who owns five per cent or more of the share capital of the proposed institution engaged in business

7. Certified copies of annual returns of every subscriber who owns five per cent or more of the share capital of the proposed institution and every proposed member of the board of directors and Chief Executive Officer together with accompanying schedules or financial statements filed during the last three years with relevant Authority.

8. Certified copies of tax returns of every subscriber who owns five per cent or more of the share capital of the proposed institution and every proposed member of the board of directors and Chief Executive Officer together with accompanying schedules or financial statements filed during the last three years with relevant Tax authorities together with respective Tax clearance certificates.

9. Statements from two persons who are not relatives vouching for the good moral character and financial responsibility of the subscribers who owns five per cent or more of the share capital of the proposed institution and the proposed directors and Chief Executive Officer.

10. Home Country Regulator Certification if the applicant is a foreign bank or financial institution.

11. Declaration that the funds to be invested have not been obtained criminally or associated with any criminal activity.

12. Business plans for the first four years of operations including the strategy for growth, branch expansion plans, dividend payout policy, career development programme for the staff and budget for the first year.

13. Projected annual balance sheets, projected annual income statements and projected annual cash flow statements for the first four years of operation.

14. Brief description of economic benefits to be derived by Tanzania and the community from the proposed bank or financial institution.

FOURTH SCHEDULE
(Made under Regulation 12)

General guidelines for preparation of Business plan

1. The business plan should be prepared by the promoters and will be reviewed by the Bank to determine whether approval should be given to operate a bank or financial institution. The plan should identify the institution’s markets, its proposed services, management capabilities, growth plan, and strategies for profitability.

2. The business plan should present data, which accurately reflect the economic condition of
the delineated market and address statutory and regulatory changes, which may affect the operations of the proposed bank or financial institution. Proposal should reflect the realities of the market place.

3. A business plan should contain sufficient information to demonstrate that the proposed bank or financial institution has reasonable likelihood of success. In this regard a detailed listing of all assumptions such as used in preparing the business plan should be attached to the submission (e.g. a margin analysis and cost of funds). Therefore, organizers must ensure that the business plan projections are well supported and goals and objectives are properly defined on initial submission.

Market Analysis

4. Analyse the market to be served. Describe the market in which you expect to provide services in terms of economic characteristics for example size, income and industry patterns. Include anticipated changes in the market, the factors influencing those changes, and the effect they will have on the proposed institution. To the extent necessary for making business decision, describe differences in the product market to be served for example, differences in the depository and credit market. Analysis will be based on use of the most current economic data available. Sources of information used are reviewed for credibility and are important in reviewing the data.

5. Analyse the competition. List the competitors inside the market to be served, those outside who might affect the markets served and any potential competition. Give your perception and analysis of the market strategies and expected results in terms of relative strength, market shares and prices.

6. Explain the strategies you will follow to capture a share of each product market and the results you expect to achieve. Use a sample format to present a summary of your expectations.

Plans and Objectives

7. Review major planning assumptions used in the analysis and in setting the plans and objectives for a new institution. Include at least the following market growth, interest rates, cost of funds and competition.

8. Projections should show the expected asset and liability mix, volume for each type of services, fixed asset investments and officer and staff remuneration. Projections must be based on the planning assumptions which must be submitted as part of the application, market analysis, and strategies discussed above. Discuss the advantages and disadvantages of the proposed asset/liabilities mix, including a net interest margin analysis, and any actions which will be taken to reduce major risks through appropriate funds management techniques and systems.

9. Discuss the formula or basis used to arrive at the proposed capital structure and an explanation of why the promoters believe the proposed amount is sufficient in light of given market factors, strategies, and expenses. Promoters are expected to raise an amount sufficient to effectively compete in the market are and adequately support planned operations in addition to all organizational expenses. The Bank may require a higher amount to maintain capital adequacy to support operations projected through the end of the institution’s fourth year.

10. Discuss plans for raising capital initially and to finance growth within the first four years. Explain how the plans will keep the institution in conformity with the Bank’s Capital Adequacy Regulations, 2007 specifically addressing compliance with the risk-based capital guidelines.

Credit Policy and Procedures
11. Credit policies are a set of broad statements establishing the concept and objective parameters for type, limits for maturities, loan pricing criteria client and collateral standards to be fulfilled by borrowers, aggregate and individual concentration limits, and loan authority and procedures for collection and charge-offs.

12. Credit manual must be prepared comprising of detailed guidelines for implementing the stated policies. The manual generally will address types of business desired, proper borrower financial information; credit files maintenance; enforcement of repayment schedules; and periodic review and other reports to be generated and distributed.

13. Credit policies and manuals need to cover all the steps of credit production and administration which include initiation, investigation and analysis, procedures for approval, renewals and extensions, documentation, perfection of collateral, funds disbursement and recovery.

14. The structure should in principle reflect the nature and scope of the intended activities of the institution and the mechanism by which the management envisages to govern the institution and to monitor as to what extent the objectives of the institution are achieved.

15. The structure should show the relationships between the board and management. It should also show the composition of various departments of the institution. The structure should also indicate the number of staff envisaged for each unit. Support units such as internal audit, legal services and others should be indicated.

16. The promoters should be able to show the names of specific persons that are envisaged to take certain key positions in the institution. If the actual persons cannot yet be identified, promoters should indicate the requirement clearly in terms of training, experience and personal characteristics.

17. Promoters are required to disclose how the proposed bank or financial institution will develop the professional and technical skills of their staff and Tanzanians will be employed, trained and occupy positions of senior or managerial ranks in the institution. All future plans should be indicated.

Financial Projections

18. Promoters must prepare projected balance sheets, income statements and cash flow statements. They must submit statements that reflect their assets, liabilities, and capital projections for the number of years projected to reach profitability; however, a minimum of four years must be displayed.

19. At a minimum, the information in the following forms must be provided. Additional data should be included to reflect important element of your planned asset and liability mix for example, the loan and deposit schedules might be expanded. Average balances, rather than year-end estimates, should be used. Average balances may be computed by projecting monthly or quarterly account balances and averaging (annualizing) for the appropriate number of periods used.
## PROJECTED BALANCE SHEET

[In’000 Tanzanian Shillings]

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Cash</td>
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<tr>
<td>Balances with bank of Tanzania</td>
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<tr>
<td>Balances with other banks</td>
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<tr>
<td>- in Tanzania</td>
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<tr>
<td>- abroad</td>
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<td></td>
</tr>
<tr>
<td>- investment in debt securities</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>- Treasury bills</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other Securities (use separate schedule)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Loans, Advances and Overdrafts (Net)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>- loans and Advances</td>
<td></td>
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</tr>
<tr>
<td>- overdrafts</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>- allowance for losses (as a deduction)</td>
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</tr>
<tr>
<td>Bank Premises, Furniture and Equipment</td>
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<tr>
<td>- use separate schedule</td>
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<tr>
<td>Other Assets (Use separate schedule)</td>
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</tr>
<tr>
<td>TOTAL ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Deposit liabilities other than banks</td>
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</tr>
<tr>
<td>- current accounts</td>
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</tr>
<tr>
<td>- savings deposits</td>
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<tr>
<td>- time deposits</td>
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<tr>
<td>Deposits from other banks</td>
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<td>- in Tanzania</td>
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<td>- abroad</td>
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<tr>
<td>- other deposits (use separate schedule)</td>
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<tr>
<td>Total deposits</td>
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<tr>
<td>Other liabilities (use separate schedule)</td>
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</tr>
<tr>
<td>Capital</td>
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</tr>
<tr>
<td>- paid-up capital</td>
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<tr>
<td>- Ordinary</td>
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<tr>
<td>- preference</td>
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</tr>
<tr>
<td>reserves</td>
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<td></td>
</tr>
<tr>
<td>- share premium (discount)</td>
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<tr>
<td>- retained earnings</td>
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</tr>
<tr>
<td>- capital reserves</td>
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<tr>
<td>- others (specify)</td>
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<tr>
<td>Total Equity</td>
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<tr>
<td>TOTAL LIABILITIES AND CAPITAL</td>
<td></td>
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<tr>
<td>Off-balance sheet commitments</td>
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</tbody>
</table>
## PROJECTED INCOME STATEMENTS

[In’000 Tanzanian Shillings]

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Interest Income</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Interest Expenses</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>- deposits (use separate schedule)</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- Others (specify)</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Total Interest Expenses</td>
<td></td>
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</tr>
</tbody>
</table>

### NET INTEREST INCOME

- Provision for loan losses
- Bad debt written off

<table>
<thead>
<tr>
<th>Non-Interest Income</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>- foreign exchange gain/losses</td>
<td></td>
<td></td>
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<tr>
<td>- commission and fees (use separate schedule)</td>
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<tr>
<td>- others (use separate schedule)</td>
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</tr>
<tr>
<td>Total Non-Interest Income</td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Interest Expenses</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>- officers’ salaries and benefits</td>
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<td></td>
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<tr>
<td>- employees’ salary and benefits</td>
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<tr>
<td>- depreciation expenses</td>
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<tr>
<td>- maintenance costs</td>
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<tr>
<td>- others (use separate schedule)</td>
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<td></td>
</tr>
<tr>
<td>Total Non-Interest Expenses</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Income (Losses)</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extra Ordinary Income/Losses (specify)</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Net Income/Loss before Income Tax</td>
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<tr>
<td>Income taxes</td>
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</tr>
<tr>
<td>Net Income/Loss after tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## PROJECTED CASH FLOW STATEMENTS

[In’000 Tanzanian Shillings]

<table>
<thead>
<tr>
<th>PRACTICE</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
</table>
| Part 1
| Cash flow from operating activities                        |        |        |        |        |
| Net Income (Loss)                                          |        |        |        |        |
| Adjustments to reconcile income                            |        |        |        |        |
| - provisions                                               |        |        |        |        |
| - net change in loans and advances                         |        |        |        |        |
| - gains/Loss on sale of assets                             |        |        |        |        |
| - net change in deposits                                   |        |        |        |        |
| - net change in short-term negotiable securities            |        |        |        |        |
| - net change in other liabilities                          |        |        |        |        |
| - net change in other assets                               |        |        |        |        |
| - others (specify)                                         |        |        |        |        |
| Net cash provided (used) by operating activities           |        |        |        |        |
| Part II
| Cash flow from investing activities                        |        |        |        |        |
| - dividend received                                        |        |        |        |        |
| - purchases of fixed assets                                |        |        |        |        |
| - purchases of investment securities                       |        |        |        |        |
| - proceeds from sales of investment securities              |        |        |        |        |
| - others (specify)                                         |        |        |        |        |
| Net cash provided (used) by investing activities           |        |        |        |        |
| Part III
| Cash flow from financing activities                        |        |        |        |        |
| - Repayment of long-term debt                              |        |        |        |        |
| - Proceeds from issuance of long-term debt                 |        |        |        |        |
| - Proceed from issuance of share capital                   |        |        |        |        |
| - Proceeds from sale of fixed assets                       |        |        |        |        |
| - Payment of cash dividends                                 |        |        |        |        |
| - Net change in other borrowings                           |        |        |        |        |
| - Others (specify)                                         |        |        |        |        |
| Net Cash provided (used) by financing activities           |        |        |        |        |
| Part IV
| Cash and Cash Equivalents                                  |        |        |        |        |
| Net decrease/increase in cash and cash equivalents         |        |        |        |        |
| - Cash and Cash equivalents at the beginning of the year   |        |        |        |        |
| - Cash and Cash equivalents, current year-to-date          |        |        |        |        |

Dar Es Salaam, 3\textsuperscript{rd} December, 2008

BENNO J. NDULU, Governor