

Banking Regulations, 2000

SIs 205/2000, 210/2002, 133/2005, 173/2008.

ARRANGEMENT OF REGULATIONS

1. Title.
2. Interpretation.
3. Registration of banking institution.
4. Additional requirements for registration as a banking institution.
5. Officers of banking institutions.
6. Fee for inspection of register of banking institutions.
7. Annual fee payable by registered banking institutions.
8. Acquisition of significant interest in banking institution.
9. Establishment of external operations by local banking institutions.
10. Establishment of representative offices of foreign banking institutions.
11. Refund and forfeiture of application fees.
12. Minimum equity capital of banking and other financial institutions.
13. Minimum holding of specified liquid assets by certain banking institutions.
14. Reserve Bank's powers with respect to liquidity of banking institutions.
15. Banking institutions to comply with additional financial requirements.
16. Restriction on extending credit to insiders.
17. Monthly statement of liabilities to the public and liquid assets of certain banking institutions.
18. Monthly statement of assets and liabilities of banking institutions.
19. Quarterly statement of assets of banking institutions and other periodic returns or reports.
20. Penalties for non-compliance with Regulations.
21. Extension of time limits and condonation of non-compliance therewith.
22. Repeals.

SCHEDULES

First Schedule: Contents of Business Plan of Applicant Banking Institution.

Second Schedule: Prescribed forms.

Third Schedule: Additional Financial Requirements to be Complied with by Banking Institutions. Fourth Schedule: Repeals.

IT is hereby notified that the Minister of Finance has, in terms of section 81 of the Banking Act [Chapter 24:20] and with the approval of the Reserve Bank of Zimbabwe as required by subsection (5) of that section, made the following regulations:—

1. Title

These regulations may be cited as the Banking Regulations, 2000.

2. Interpretation

In these regulations—

“annual average asset size”, in relation to a banking institution, means the amount obtained by averaging the total book and off-book assets shown in each of the four quarterly returns submitted by the banking institution in terms of paragraph (a) of section 19;

“business paper” and “commercial paper” bear the meanings assigned to those terms in paragraphs 12 and 37 of the Third Schedule;

“business plan” means a business plan incorporating the particulars specified in the First Schedule;

“capital base” bears the meaning assigned to that term in paragraph 1 of the Third Schedule;

“executive officer”, in relation to a banking institution, means any person whose duties require that person to report directly to the board of directors or chief executive officer of the banking institution, and includes the chief executive officer, chief accounting officer and the officers mentioned in section 5;

- “external operation”, in relation to a banking institution whose head office is situated in Zimbabwe, means a subsidiary, branch or agency of the banking institution which is located and conducts banking business outside Zimbabwe;
- “financial entity” means any of the following entities, whether or not incorporated as a company in terms of the Companies Act [*Chapter 24:03*], namely, a banking institution, building society registered in terms of the Building Societies Act [*Chapter 24:04*], company acting as trustee or manager of a unit trust scheme registered in terms of the Collective Investment Schemes Act, 1997, insurance company or mutual insurance society registered in terms of the Insurance Act [*Chapter 24:07*], pension fund registered in terms of the Pension and Provident Funds Act [*Chapter 24:09*], the Small Enterprises Development Corporation established in terms of the Small Enterprises Development Corporation Act [*Chapter 24:12*], the Zimbabwe Development Bank established in terms of the Zimbabwe Development Bank Act [*Chapter 24:14*], the People’s Own Savings Bank of Zimbabwe established in terms of the People’s Own Savings Bank of Zimbabwe Act [*Chapter 24:22*], or the successor company to the Agricultural Finance Corporation formed under the Agricultural Finance Act [*Chapter 18:02*];
- “form” means the appropriate form prescribed in the Second Schedule;
- “loan or advance” means the extension of any credit or the provision of any credit facility whatsoever, including the advance of funds arising from the fulfilment of the obligations of issuers and endorsers of commercial or business paper;
- “quarter” means a period of three months ending on the 31st March, 30th June, 30th September and 31st December in each year;
- “related interest”, in relation to an individual, means any company, co-operative, private business corporation, syndicate or association of persons which the individual controls or in which the individual has the largest single interest;
- “relative” bears the meaning assigned to that term in subsection (1) of section 35 of the Act;
- “voting shares” or “voting stock” means shares or stock in a company which entitle the holder thereof to vote at meetings of the company.

3. Registration of banking institution

An application for registration as a commercial bank, accepting house, discount house or finance house made in terms of subsection (1) of section 8 of the Act shall be in form BK 1, and shall be accompanied by a fee of two hundred and fifty thousand dollars and the following documents—

- (a) in the case of an applicant whose head office is situated in Zimbabwe—
 - (i) a true copy, certified by the chairman and a director of the applicant, of the memorandum and articles of association or other document relating to the incorporation of the applicant as a body corporate, and regulating the conduct of the business of the applicant; and
 - (ii) a true copy, certified by the Registrar of Companies, of the certificate of incorporation of the applicant, issued in terms of the Companies Act [*Chapter 24:03*]; and
 - (iii) a statement, certified by the chairman, a director and the auditors of the applicant, showing the authorised and paid-up capital of the applicant at a date not earlier than thirty days before the date of application;
 - (iv) a business plan of the applicant;
- (b) in the case of an applicant whose head office is situated outside Zimbabwe—
 - (i) a true copy, certified by the chairman and a director of the applicant, of the law, memorandum and articles of association, regulations or other document relating to the incorporation of the applicant as a body corporate, and regulating the conduct of the business of the applicant; and
 - (ii) a true copy, certified by the chairman, a director and the auditors of the applicant, of—
 - A. the balance sheet, showing the authorised and paid-up capital and any unencumbered reserve funds; and
 - B. the profit and loss account; of the applicant for the financial year of the applicant immediately preceding the date of the application as submitted to the annual general meeting of shareholders or members; and
 - (iii) a statement of the assets and liabilities of the applicant at a date not earlier than ninety days before the date of application; and
 - (iv) a business plan with respect to the applicant’s operations in Zimbabwe.

4. Additional requirements for registration as a banking institution

An applicant for registration as a banking institution shall, for the purposes of paragraph (i) of subsection (3) of section 8 of the Act, comply with the following additional requirements for registration—

- (a) no part of the minimum paid-up equity capital of the applicant banking institution shall consist of borrowed funds;

- (b) no individual or individual and his relatives and related interests may own or control, directly or indirectly, more than twenty-five *per centum* of the voting shares of the applicant banking institution;
- (c) no company other than a financial entity may own or control, directly or indirectly, more than ten *per centum* of the voting shares of the applicant banking institution;
- (d) no member of the board of directors of the applicant banking institution may be a member of the board of directors of any other banking institution unless such banking institution is an associate of the applicant banking institution.

5. Officers of banking institutions

In addition to the chief executive officer and chief accounting officer, every banking institution shall, where the nature of the institution's banking business requires it, appoint and (in terms of subparagraph (ii) of paragraph (b) of subsection (1) of section 8 of the Act) provide details of the qualifications and experience of the following individual officers (by whatever title they are called), that is, the officers who shall be responsible for— (a) risk management;

- (b) lending and credit administration;
- (c) operations and internal controls;
- (d) investments and asset/liability management;
- (e) treasury and foreign exchange operations;
- (f) trust and fiduciary operations, where a banking institution proposes to engage in these activities.

6. Fee for inspection of register of banking institutions

(1) For the purposes of subsection (2) of section 11 of the Act, the fee payable by a member of the public for inspecting the register of banking institutions shall be one thousand dollars.

(2) A member of the public wishing to inspect the register of banking institutions may be requested to complete a form provided by the Registrar seeking disclosure of the reasons for the inspection and other particulars, but such completion is at that person's own option and is not a condition for inspecting the register.

7. Annual fee payable by registered banking institutions

(1) The annual fee payable to the Registrar by a registered banking institution in terms of section 12 of the Act shall be twenty dollars for every one million dollars worth of assets of the banking institution, calculated on the annual average asset size of the banking institution for each year ending on the 31st December.

(2) The annual fee referred to in subsection (1) shall be paid not later than the 31st March of the year following that in respect of which the fee is payable.

8. Acquisition of significant interest in banking institution

(1) The acquisition of ten *per centum* or more of the share capital of a banking institution or of the voting rights of members of a banking institution shall constitute the acquisition of a significant interest for the purposes of section 26 of the Act.

(2) An application by a person for the acquisition of a significant interest in a banking institution made in terms of subsection (2) of section 26 of the Act shall be in form BK 2, and shall be accompanied by a fee of fifty thousand dollars and the following documents—

- (a) in the case of an individual, a business plan of the applicant, where the acquisition will result in a change of control of the banking institution;
- (b) in the case of a corporate applicant whose head office is situated in Zimbabwe—
 - (i) a true copy, certified by the chairman and a director of the applicant, of the memorandum and articles of association or other document relating to the incorporation of the applicant as a body corporate, and regulating the conduct of the business of the applicant; and
 - (ii) a true copy, certified by the Registrar of Companies, of the certificate of incorporation of the applicant, issued in terms of the Companies Act [*Chapter 24:03*]; and
 - (iii) a business plan of the applicant, where the acquisition will result in a change of control of the banking institution;
- (c) in the case of an applicant whose head office is situated outside Zimbabwe—
 - (i) a true copy, certified by the chairman and a director of the applicant, of the law, the memorandum and articles of association, regulations or other document relating to the incorporation of the applicant as a body corporate, and regulating the conduct of the business of the applicant; and
 - (ii) a true copy, certified by the chairman, a director and the auditors of the applicant, of the balance sheet and profit and loss account of the applicant for the financial year of the applicant immediately preceding the date of the application as submitted to the annual general meeting of shareholders or members;
 - (iii) a business plan of the applicant, where the acquisition will result in a change of control of the banking institution.

(3) If the Registrar makes no response to an application made in terms of subsection (2) within three months from the date of delivery of the application to the Registrar, the application shall be considered to have been granted in favour of the applicant.

9. Establishment of external operations by local banking institutions

An application in terms of section 27 of the Act by a banking institution whose head office is situated in Zimbabwe to establish an external operation shall be in form BK 3 and be accompanied by a fee of fifty thousand dollars and the following documents—

- (a) a true copy, certified by the chairman, a director and the auditors of the applicant, of—
 - (i) the balance sheet, showing the authorised and paid-up capital and any unencumbered reserve funds; and
 - (ii) the profit and loss account; of the applicant for the financial year of the applicant immediately preceding the date of the application as submitted to the annual general meeting of shareholders or members; and
- (b) a business plan for the proposed external operation; and
- (c) a revised business plan for the applicant banking institution if the establishment of the external operation will significantly alter the original business plan of the institution.

10. Establishment of representative offices of foreign banking institutions

An application in terms of section 28 of the Act, by a foreign banking institution to establish a representative office in Zimbabwe shall be in form BK 4 and be accompanied by a fee of five thousand United States dollars.

11. Refund and forfeiture of application fees

(1) Subject to subsection (2), no part of a fee submitted with an application made in terms of section 3, 8, 9 or 10 shall be refundable.

(2) Half the fee referred to in subsection (1) shall be refunded to the applicant if, in the case of an application for registration as a banking institution, the application has not been determined within the period or any extension of the period referred to in subsection (6) of section 8 of the Act, or, in the case of any of the other applications, the application has not been determined within six months or any extension of that period agreed to by the applicant, and such failure is not attributable to any fault on the part of the applicant:

Provided that the application concerned shall not be considered denied or otherwise determined solely by reason of such refund.

(3) If—

- (a) any information required to be given in an application made in terms of section 3, 8, 9 or 10 is not received within six months of the date on which the application was first submitted; or
- (b) any additional information requested by the Registrar in writing in connection with an application referred to in paragraph (a) is not furnished to the Registrar within thirty days from the date when the Registrar requested it; or
- (c) any information or additional information given or furnished in terms of paragraph (a) or (b) is, to the knowledge of the applicant, false in any material particular, or was given or furnished by the applicant without having reasonable grounds for believing it to be true; the application shall be considered denied and the fee forfeited.

(4) An applicant whose application in terms of section 3, 8, 9 or 10 failed on the grounds referred to in paragraph (a) or (b) of subsection (3) may make a new application.

12. Minimum equity capital of banking and other financial institutions

For the purposes of section 29 of the Act, the minimum paid-up equity capital of a banking institution whose head office is situated in Zimbabwe, or of any other financial institution to which section 29 applies by virtue of section 3(3) of the Act shall be—

- (a) twelve million five hundred thousand United States dollars in the case of a commercial bank;
- (b) ten million United States dollars in the case of an accepting house;
- (c) ten million United States dollars in the case of a building society registered or required to be registered in terms of the Building Societies Act [*Chapter 24:02*];
- (d) seven million five hundred thousand United States dollars in the case of a discount house;
- (e) seven million five hundred thousand United States dollars in the case of a finance house;
- (f) two million five hundred thousand United States dollars in the case of an asset manager registered or required to be registered in terms of the Asset Management Act [*Chapter 24:26*].

[Section amended by s.i. 173 of 2008.]

13. Minimum holding of specified liquid assets by certain banking institutions

(1) For the purposes of paragraph (d) of subsection (2) of section 31 of the Act, every registered commercial bank, accepting house and finance house shall maintain a minimum holding of the liquid assets set out in subsection

(4) which shall not be less than ten *per centum* of the liabilities to the public of its offices and branches in Zimbabwe as shown in the last monthly statement submitted to the Registrar in terms of section 17.

(2) Every registered commercial bank, accepting house and finance house shall maintain the minimum holding of liquid assets referred to in subsection (1) at the close of each business day during the period from the eighth day of the calendar month in which a statement is required to be submitted to the Registrar in terms of section 17 until the seventh day of the following calendar month.

(3) For the purpose of computing the amount of the minimum holding of liquid assets referred to in subsection (1)—

- (a) the value of any security referred to in paragraph (i) of subsection (4) shall be taken, if quoted in the official list of the Zimbabwean Stock Exchange, at the current market price and, if there is no quotation, at a price determined by the trustees appointed in connection with any sinking fund in terms of section 14 of the General Loans Act, 1963 (No. 41 of 1963) or section 11 of the State Loans and Guarantees Act [*Chapter 22:13*];
- (b) the liquid assets specified in paragraph (j) of subsection (4) shall, unless already expressed in the currency of Zimbabwe, be calculated at the current rate of exchange between Zimbabwean dollars and the currency in which such assets are expressed;
- (c) the offices and branches in Zimbabwe of a registered banking institution of which the head office is situated outside Zimbabwe shall be regarded as if those offices and branches together constituted a separate institution carrying on business in Zimbabwe and all the liabilities to the public of any one of those offices and branches in Zimbabwe shall be regarded as if they constituted liabilities of that separate institution and all the assets held by or to the credit of any one of those offices and branches on behalf of or for account of that commercial bank or accepting house shall be regarded as if they were assets of that separate institution;
- (d) the liabilities to the public of a registered banking institution of which the head office is situated outside Zimbabwe shall be deemed not to include liabilities to the head office or branches outside Zimbabwe of such banking institution;
- (e) the liabilities to the public of a registered banking institution of which the head office is situated in Zimbabwe shall, with the approval of the Registrar, be deemed not to include liabilities to an equity shareholder outside Zimbabwe of that banking institution;
- (f) the liabilities to the public of a registered commercial bank or registered accepting house shall be deemed not to include its acceptance liabilities.

(4) The liquid assets referred to in subsection (1) shall consist of all or any of the following— (a) gold coin and bullion;

- (b) notes and coin in the currency of Zimbabwe;
- (c) the Zimbabwe dollar equivalent of the value of notes and coin held in any major traded foreign currency, at the average rate of exchange for the currency concerned during the calendar month for which a statement is required to be submitted to the Registrar in terms of section 17;
- (d) balances at the Reserve Bank, not including any minimum reserve balance required to be maintained with the Reserve Bank in terms of section 30 of the Act;
- (e) money at call with any registered banking institution;
- (f) Treasury bills issued by the State;
- (g) bills of exchange accepted and payable at any place in Zimbabwe and eligible for discount by the Reserve Bank of Zimbabwe;
- (h) in the case of a registered commercial bank, notes and coin in transit between registered commercial banks in Zimbabwe or between branches of any one registered commercial bank in Zimbabwe;
- (i) local registered securities which—
 - (ii) are issued or guaranteed by the State or issued by a municipality; and
 - (iii) are quoted in the official list of the Zimbabwe Stock Exchange; and
 - (iii) have a final maturity date of not more than six years;
- (j) balances held in call accounts with any banking institution approved by the Registrar carrying on banking business outside Zimbabwe;

Provided that the aggregate amount of the liquid assets specified in this paragraph shall be net of any balances held in call accounts with the banking institution by banking institutions carrying on banking business outside Zimbabwe.

14. Reserve Bank's powers with respect to liquidity of banking institutions

(1) The Reserve Bank may, in pursuance of its responsibility for the formulation and implementation of monetary policy in terms of section 45 of the Reserve Bank Act [*Chapter 22:15*], by notice to the banking institutions concerned vary the percentage prescribed for the minimum holding of liquid assets in terms of subsection (1) of section 13 for any class of banking institution there mentioned.

(2) Any variation made in terms of subsection (1) shall, not later than thirty days after the issue of the notice of variation to the banking institutions concerned, be notified by the Reserve Bank by notice in the Gazette and be effective for such period as the Reserve Bank shall specify in that notice.

15. Banking institutions to comply with additional financial requirements

For the purposes of section 31 of the Act, the minimum requirements to be complied with by a banking institution with respect to the following matters— (a) capital adequacy; and

- (b) adequate financial disclosure; and
- (c) the issue of commercial paper; and
- (d) the evaluation of loans and advances, the accounting treatment of accrued but uncollected interest on non-performing assets and the making of provision for such assets; and
- (e) foreign currency exposure limits; and
- (f) prudential lending limits; shall be as provided respectively in Parts I, II, III, IV, V and VI of the Third Schedule, without prejudice, however, to the powers of the Reserve Bank to issue written instructions of a general nature to banking institutions on these matters:

Provided that any such instruction which varies the Third Schedule or is intended to have effect for a period of thirty days or more shall, within thirty days of being issued, be notified by the Reserve Bank by notice in the Gazette and be effective for such period as the Reserve Bank shall specify in that notice.

16. Restriction on extending credit to insiders

(1) In this section—

“insider”, in relation to a banking institution, means any employee, officer, director or principal shareholder of the institution, and includes any related interest of such insider;

“principal shareholder” means any person who owns or controls more than twenty *per centum* of the shares or voting stock of a banking institution.

(2) In addition to the requirements set out in section 35 of the Act, no banking institution shall knowingly extend any loan or advance to or for the benefit of any insider or any relative of such insider—

- (a) if the aggregate of the new loan or advance added to the total of any other loans or advances given to the insider and any of the relatives of the insider will exceed twenty-five *per centum* of the institution’s capital base;
- (b) if the aggregate of the new loan or advance added to the total of any other loans or advances given to the insider and any of the relatives of the insider will exceed five *per centum* of the institution’s capital base, unless, before the new loan or advance is granted—
 - (i) the other loans or advances have been disclosed to the institution’s board; and
 - (ii) the new loan or advance has been approved by the institution’s board; and
 - (iii) the insider has abstained from any discussion or vote taken by the institution’s board on the question of the granting of the new loan or advance.

(3) Subject to subsection (4), the limits prescribed in subsection (2) shall not apply to loans or advances that are extended to an officer of a banking institution as part of the benefits or remuneration of the officer under the officer’s contract of employment: Provided that—

- (a) no such loans or advances may be given for purposes other than those for which loans or advances are generally or customarily extended to officers and employees of banking institutions in Zimbabwe; and
- (b) the magnitude of such loans or advances shall be reasonably commensurate with similar loans or advances offered to officers and employees of banking institutions in Zimbabwe generally.

(4) The aggregate of all outstanding loans and advances to insiders and their relatives—

- (a) excluding the loans and advances referred to in subsection (3), shall not at any time at any time exceed one hundred *per centum*; or
- (b) including the loans and advances referred to in subsection (3), shall not at any time at any time exceed two hundred *per centum*;

of the banking institution’s capital base.

(5) No banking institution shall knowingly extend loans or advances amounting to more than twenty-five *per centum* of its capital base to or for the benefit of any partnership of which any one or more insiders or any relatives or related interests of such insiders are partners who individually or collectively control the partnership.

17. Monthly statement of liabilities to the public and liquid assets of certain banking institutions

For the purposes of subsection (1) of section 38 of the Act every registered commercial bank, accepting house and finance house shall, within fourteen days after the last day of every calendar month, submit to the Registrar and the Reserve Bank a statement in form BK 5, BK 6 or BK 7, as the case may be, showing at the close of the last business day of that month—

- (a) the liabilities to the public; and
- (b) the liquid assets referred to in subsection (1) of section 13;

of the offices and branches of the reporting banking institution in Zimbabwe.

18. Monthly statement of assets and liabilities of banking institutions

For the purposes of subsection (1) of section 38 of the Act every banking institution shall, within fourteen days after the last day of every calendar month, submit to the Registrar and the Reserve Bank a statement in form BK 8 of the assets and liabilities of its offices and branches in Zimbabwe at the close of the last business day of that month:

Provided that, in respect of any associate of a banking institution which is a commercial bank, accepting house, discount house or finance house, a separate statement in form BK 8 shall be submitted in respect of each such associate.

19. Quarterly statement of assets of banking institutions and other periodic returns or reports

For the purposes of subsection (5) of section 38 of the Act every banking institution shall—

- (a) within fourteen days after the last day of each quarter, submit to the Registrar and the Reserve Bank a return in form BSD 1, along with a balance sheet reflecting the total book and off-book assets of the banking institution as on the last day of the quarter;
- (b) supply to the Reserve Bank no later than the fourteenth day following the end of the reporting month a monthly return in the form required by the Reserve Bank showing—
 - (i) banker's acceptances issued during the reporting month;
 - (ii) the audited cost of funds for banking institutions during the reporting month; (iii) bank coding or lending patterns;
- (c) supply to the Reserve Bank no later than the Tuesday following the end of the reporting week a weekly return in the form required by the Reserve Bank showing—
 - (i) weekly deposit rates;
 - (ii) lending rates during the reporting week;
- (d) supply to the Reserve Bank no later than the fourteenth day following the end of the reporting month a monthly return in the form required by the Reserve Bank showing maximum and minimum lending rates during the reporting month;
- (e) supply to the Registrar or the Reserve Bank such additional reports or returns in such form and at such intervals as the Registrar or the Reserve Bank may require.

20. Penalties for non-compliance with Regulations

- (1) Subject to this section and section 21, if a registered banking institution—
 - (a) fails, after registration, to comply with section 4; or
 - (b) fails to fill any vacancy occurring in the posts of chief executive officer, chief accounting officer or other officer referred to in section 5 within a reasonable time, or within thirty days commencing on the date on which the Registrar or the Reserve Bank, as the case may be, has reminded it, in writing, of its failure; or
 - (c) fails to pay the annual fee referred to in subsection (1) of section 7 within the period specified in subsection (2) of that section; or
 - (d) fails to make application in terms of subsection (2) of section 8 within thirty days after becoming aware that a person has acquired or obtained a significant interest in the banking institution; or
 - (e) fails to maintain the minimum holding of the liquid assets required in terms of subsection (1) or (2) of section 13; or
 - (f) contravenes subsection (2), (4) or (5) of section 16; or
 - (g) fails within the required period to submit the statement referred to in section 17 or 18; or
 - (h) fails within the required period to submit any report or return referred to in section 19; it shall be guilty of an offence and liable to a fine of fifty thousand dollars.

(2) In the event of any failure by a banking institution to maintain the minimum holding of liquid assets required by section 13, or to comply with section 4, or subsection (2), (4) or (5) of section 16, or any of the provisions of Parts I to VI of the Third Schedule, the Reserve Bank may issue an instruction to it in terms of Part VII of that Schedule, and the banking institution shall not be deemed, for the purposes of section 14 or 31 of the Act or subsection (1), as the case may be, to have become disqualified for registration or to be in contravention of these regulations while it is the subject of, and to the extent it complies with, such an instruction.

21. Extension of time limits and condonation of non-compliance therewith

The Registrar or the Reserve Bank, as the case may be, may for good cause shown extend or condone any non-compliance with the time limits prescribed by or under the following provisions—

Sections 7 (2), 11 (3) (b), 17, 18, 19 (a), (b), (c) and (d) and 20 (1) (b) and (d); in the Third Schedule, paragraphs 7 (3), 8, 9, 17 and 25.

22. Repeals

The regulations specified in the Fourth Schedule are repealed.

FIRST SCHEDULE (Section 2)

CONTENTS OF BUSINESSPLAN OF APPLICANT BANKING INSTITUTION

1. Identifying information—
 - (a) name and location of the applicant banking institution including the location of any branches;
 - (b) description and/or diagram of the applicant banking institution's corporate structure, including every associate of the applicant banking institution;
 - (c) a brief discussion of the origin of the applicant banking institution, including how its founders came together and the reasons for wanting to form banking institution.
2. Market analysis—
 - (a) identification of the market(s) to be served by the applicant banking institution;
 - (b) description of the economic characteristics of the identified markets, including anticipated changes in the market, factors influencing such changes and possible effects on the applicant banking institution; (c) description of the developmental value of the applicant banking institution to the economy.
3. Business strategy and objectives—
 - (a) brief description of the services (distinguished by type: depository, credit, fiduciary etc.) to be offered by the applicant banking institution;
 - (b) enumeration of the major assumptions upon which the applicant banking institution's projections are based, with reference to market growth and inflation rates, provisions for bad and doubtful debts, competition, interest rates, cost of funds, overheads, asset-liability mix, returns on assets and equity, dividends and capital ratios (both leverage and risk based ratios, as calculated in accordance with Part I of the Third Schedule);
 - (c) indication of the provisions made for the annual external audit of the applicant banking institution as required by the Act.
4. Leadership and management—
 - (a) description of the fees, salaries, benefits and other forms of compensation to be given to each of the persons mentioned in items 7, 8, 9 and 10 of Form BK.1;
 - (b) description of any agreement for leases or services the applicant banking institution intends to enter with any of the persons mentioned in items 7, 8, 9, 10 and 23 of Form BK.1, or with any entity controlled by such person, including specific details of the financial terms of such agreement and the comparative market data upon which those terms were based or can be assessed.
5. Capitalisation and additional capital sources—
 - (a) description of the plans for financing growth, internally or externally, over the first 4 years of operation;
 - (b) description of what additional capital sources are available should the need arise.
6. The business plan shall include, or be accompanied by, the following projections based on normal assumptions and the most and least favourable assumptions and showing, where necessary, compensation to be given to management and staff, expected mixes of assets and liabilities, volume of each type of service to be offered and fixed asset investment—
 - (a) a projected annual balance sheet for the first four years of operation;
 - (b) a projected annual income statement (profit and loss account) for the first four years of operation; (c) a projected cash flow statement for the first four years of operation:

Provided that in the case of a business plan for an external operation, the above projections may be based on the first three years of operation of the external operation.

SECOND SCHEDULE (Section 2)

PRESCRIBED FORMS

Form BK 1	Application for registration as a banking institution
Form BK 2	Application for change of control or acquisition of a significant interest in a banking institution
Form BK 3	Application for establishment of external operation by local banking institution
Form BK 4	Application for establishment of a representative office of a foreign banking institution
Form BK 5	Monthly statement of liabilities to the public, liquid assets of a commercial bank in Zimbabwe
Form BK 6	Monthly statement of liabilities to the public, liquid assets of an accepting house in Zimbabwe
Form BK 7	Monthly statement of liabilities to the public, liquid assets of a finance house in Zimbabwe
Form BK 8	Monthly statement of assets and liabilities of banking institution
Form BSD 1	Quarterly report of performance and condition of banking institution
Form BSD 2	Foreign currency exposure of banking institution