

THE FARM LOANS ACT

REGULATIONS
(under section 12)

The Farm Loans Regulations, 1965

L.N. 306/65
424/68
261/75

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*(Made by the Minister on the 27th day of July, 1965)*L.N. 306/65
Amd:
L.N. 424/68
261/75
Citation.

1. These Regulations may be cited as the Farm Loans Regulations, 1965.

2. The amount loaned on a borrower's application under the Act, for any purpose of a category set out in the first column of the First Schedule, shall not exceed such percentage of the amount stated in that application to be the cost or estimated cost of carrying out the purpose as is set out in the second column of the said Schedule in relation to that category.

Limitation
as to
percentage
of cost.
First
Schedule.

3.—(1) The amount loaned on a borrower's application under the Act, for any purpose stated in such application and belonging to a category of purposes set out in the first column of the Second Schedule, shall be repayable in full under the terms of the loan within a period expiring not later than such number of years after the bank made the loan as is set out in the second column of the said Schedule in relation to that category.

Maximum
time for
repay-
ment.
Second
Schedule.

(2) For the purposes of paragraph (1), no project mentioned in items 2, 5, 7 and 8 of the First Schedule to the Act shall be deemed to belong to any of the categories of purposes set out in the Second Schedule.

4. Every application for a guaranteed farm loan shall be in the form set out as Form A in the Third Schedule.

Loan appli-
cation.
Form A
in Third
Schedule.

5.—(1) Every certificate required by section 3 of the Act shall be in the form set out as Form B in the Third Schedule.

Bank
Manager's
Certificate.
Form B
in Third
Schedule.

(2) Every such certificate shall be attached to a copy of the application to which it relates and shall be sent to the Minister with such copy and the first report under paragraph (1) of regulation 8 with respect to a loan made on such application.

Charges.
Forms C,
D and E
in Third
Schedule.

6.—(1) Every charge created under subsection (2) of section 7 of the Act shall be in the form set out as Form C in the Third Schedule and a copy thereof shall be attached to the certificate required by section 3 of the Act in respect of any loan duly secured by that charge and shall be sent to the Minister with such certificate.

(2) Every memorandum required by subsection (1) of section 8 of the Act shall be in the form set out as Form D in the Third Schedule.

(3) Every release required by section 9 of the Act shall be in the form set out as Form E in the Third Schedule.

Interest.

7. The rate of interest charged by a bank on a guaranteed farm loan shall be at simple interest and—

- (a) where the prime lending rate is ten *per centum*, shall not exceed ten *per centum* per annum;
- (b) where the prime lending rate exceeds ten *per centum*, shall not exceed one *per centum* below the prime lending rate per annum.

Reports.
Forms F
and G in
Third
Schedule.

8.—(1) Each bank shall send to the Minister by post every month a report in the form set out as Form F in the Third Schedule, containing a summary of the guaranteed farm loans made by that bank and showing particulars of any such loans made during the preceding month.

(2) Each bank shall send to the Minister by post within thirty days after the end of every year a report in the form set out as Form G in the Third Schedule, containing a summary of guaranteed farm loans in respect of which borrowers from the bank have defaulted, and showing particulars of any such loans not previously reported by the bank under this paragraph.

(3) A copy of every agreement made under section 16 of the Act shall be sent by the bank to the Minister within fifteen days after the date of the agreement.

(4) Every bank shall furnish such information with respect to a guaranteed farm loan, in addition to that supplied under any provisions of these Regulations other than this paragraph, as the Minister or any person duly authorized in that behalf by him may from time to time require.

Default
in repay-
ment.

9. Where a borrower is in default—

- (a) in the repayment of any loan which has been duly secured by the taking of a charge in accordance with section 7 of the Act; or

(b) in the payment of any interest thereon,

for not less than thirty days, the entire outstanding amount loaned upon the security of such charge shall, at the bank's option exercisable by the commencement of any proceedings pursuant to regulation 10 for the collection of such amount or in such other manner as the bank thinks fit, become due and payable as from the commencement of such default.

10. In the case of any default as aforesaid in the repayment of any loan which has been duly secured by the taking of a charge in accordance with section 7 of the Act or the payment of any interest thereon, or in the observance or performance of any conditions or other terms upon the non-performance or non-observance of which such security is expressed (in whatever terms) to be enforceable, the bank may have recourse to—

Measures
in case of
default.

- (a) such lawful measures as may be at its disposal for the enforcement of any security taken for the principal amount secured by the charge or for any part of such amount;
- (b) such proceedings (whether by way of an action for debt, damages or any other remedy, or in execution of any judgment, or otherwise) as are calculated to effect the collection of any outstanding amount loaned upon the security of the charge, or any interest thereon, or to enforce any other liability arising or undischarged as a result of such default.

11.—(1) A claim in respect of loss sustained as a result of a guaranteed farm loan may be submitted to the Minister by a bank within thirty days after the end of any year:

Claims.

Provided that a claim for loss shall not be submitted to the Minister by a bank—

- (a) where an uncollected amount of the loan is claimed, unless the bank is entitled to collect the same as money due and payable for not less than ninety days under the terms of the charge taken in conformity with section 7 of the Act as security for the loan;
- (b) while it is practicable for the bank to recover or mitigate such loss by any means prescribed in paragraph (a) or (b) of regulation 10, so, however, that it shall be competent for the manager of the bank to determine the recovery or mitigation of loss as aforesaid to be impracticable.

Forms H
and I in
Third
Schedule.

(2) Every such claim shall be in the form set out as Form H in the Third Schedule and shall be submitted to the Minister with any receipts, paid cheques, vouchers or statements mentioned therein and a certificate in the form set out as Form I in the Third Schedule.

Determina-
tion of
loss.

12.—(1) The amount of loss for which a claim may be made by a bank in respect of a guaranteed farm loan shall consist of—

- (a) the uncollected principal amount of the loan;
- (b) simple interest calculated on uncollected principal at the rate of two and one-half *per centum* per annum from the date to which interest thereon has been collected by the bank, or from the date of the loan thereof if no interest thereon has been collected by the bank, until payment by the Government;
- (c) any expenses shown to the satisfaction of the Minister to have been reasonably incurred by the bank acting in pursuance of regulation 10:

Provided that any amounts collected by the bank on account of any expenses incurred by it in so acting shall be deducted in determining the amount of loss under this sub-paragraph.

(2) Where any guaranteed farm loans are made by way of the issue of instalments of the principal sum secured by any charge created in accordance with section 7 of the Act and it becomes necessary for the purposes of any provisions of the Act or these Regulations to determine any amounts of loss resulting from any such loans, respectively—

- (a) every amount collected by the bank towards the repayment of the said sum shall, for the purpose of such determination, be deemed to have been collected and applied in or towards repayment of the said guaranteed farm loans in the order in which they were made;
- (b) loss sustained as a result of any expenses incurred as aforesaid in respect of any of the said guaranteed farm loans shall be determined in like manner as prescribed by sub-paragraph (c) of paragraph (1) and any loss so determined shall, for the purpose aforesaid, be attributed to the respective loans in proportion to the amounts thereof outstanding when such expenses were incurred.

Receipt.
Form J
in Third
Schedule.

13. Every receipt required by section 6 of the Act shall be in the form set out as Form J in the Third Schedule and shall be signed on behalf of the bank by its manager.

FIRST SCHEDULE

(Regulation 2)

LIMITATION AS TO PERCENTAGE OF COST

Category of Purposes	Percentage
1. Purchases of Farm Implements	90% of cost
2. Purchases, or purchases and installation, of farm equipment	90% of estimated cost
3. Other purposes	80% of estimated cost

SECOND SCHEDULE

(Regulation 3)

MAXIMUM TIME ALLOWABLE FOR REPAYMENT

Categories of Purposes	Number of Years
1. (a) Purchases of poultry; (b) establishment or maintenance of crops of vegetables; (c) clearing, breaking, reclaiming or otherwise developing lands for poultry; (d) the clearing, breaking, reclaiming or other preparation of lands not under sugar cane cultivation, and not having been immediately previously thereunder, for the planting of sugar cane.	3 years
2. (a) Purchases of pigs; (b) establishment or maintenance of banana crops; (c) purchases, alteration, installation or improvement of farm electric systems; (d) clearing, breaking, reclaiming or otherwise developing lands for pigs.	5 years
3. (a) Purchases of dairy or beef cattle; (b) establishment or maintenance of cocoa, coffee or citrus crops; (c) clearing, breaking, reclaiming or otherwise developing lands for dairy or beef cattle.	7 years

THIRD SCHEDULE

(Regulation 4)

FORM A

APPLICATION FOR LOAN UNDER THE FARM LOANS ACT
(To be completed and signed in duplicate by applicant)

BANK No.

(for Bank use only)

To.....
(Name of Bank) (Branch)

THE FARM LOANS REGULATIONS, 1965

THIRD SCHEDULE, *contd.*

I, the undermentioned applicant, hereby apply for a loan under the Farm Loans Act, and for the purpose of this application hereby submit the following information which is true, complete and correct to the best of my knowledge and belief.

Name..... **Address**.....

Age..... **Principal Occupation.....**

Years in Farming..... **Children: Under 15.....**

15 and Over.....

DESCRIPTION OF REAL ESTATE IN POSSESSION OF APPLICANT

Acreage	Location	Crop for Use	Present Value	Mort- gage	Fire Insur- ance	Basis of Possession	
						Registered Title	Other (common law leasehold, etc.)

AMOUNT APPLIED FOR AND PURPOSE

Amount (\$)	Purpose	Source and Terms of Repayment

Security Offered (give full details)

THIRD SCHEDULE, *contd.*
FINANCIAL POSITION

Assets	\$	Liabilities	\$
Cash in hand and in bank		Bank loans	
Farm products for sale		Bills payable	
Machinery and equipment		Hire purchase, etc.	
Real Estate		Mortgages	
Upheld expenses (i.e. expenditure on crops which have not yet yielded a harvest)		Surplus	
Total	\$	Total	\$

RECORD OF PAST LOANS

Date of Application	Bank	Amount under consideration	Amount Granted	Amount Outstanding	
				Unpaid balance	Arrears

Except as indicated above, I have not heretofore applied for or been granted any loan from you or any other bank under the Farm Loans Act of which any part is unpaid by me or in respect of which I have not been informed of the bank's decision upon my application.

I authorize you—

- (a) to investigate at my expense the title to any property hereinbefore mentioned;
- (b) to furnish to the Minister responsible for finance or any officer authorized by him all information in respect of any loan granted on this application or any of my dealings with you.

.....
Signature of applicant

.....19.....

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FORM B

(Regulation 5)

CERTIFICATE OF BANK MANAGER UNDER THE FARM LOANS ACT

Pursuant to section 3 of the Act, I hereby certify that Loan Application No..... a copy of which is attached to this certificate was, prior to the making of the loan to which it relates, scrutinized and checked by me with the care required of me by the bank in the conduct of its ordinary business.

.....19.....
Signature of Manager

Bank

Branch

FORM C

(Regulation 6 (1))

CHARGE

(under section 7 of the Farm Loans Act)

THIS CHARGE is made the.....day of.....19.....

BETWEEN.....
 (Full Name) (Occupation)

(hereinafter called "the Borrower") of the ONE PART and.....
 (Name of Bank)
 of.....(hereinafter called "the Lenders" of the OTHER PART:

WHEREAS the Borrower has applied to the Lenders for the loan of an amount under the Farm Loans Act and the Lenders have, on such application, agreed to make to the Borrower a loan of*[in the instalments and] for the purposes set out in SCHEDULE A upon having the repayment thereof secured in manner hereinafter appearing:

Schedule A.

NOW THIS INSTRUMENT WITNESSETH THAT in consideration of the sum of.....(hereinafter called "the principal sum") to be lent as aforesaid to the Borrower by the Lenders—
 (1) The Borrower hereby COVENANTS with the Lenders as follows—

Schedule B.

- (a) (i) To pay to the Lenders at.....or at such other place as the Lenders may direct the principal sum in the manner hereby provided in SCHEDULE B or in any other manner for the time being substituted under section 16 of the Farm Loans Act and in the meantime and so long as the principal sum, or any part thereof, lent as aforesaid shall remain unpaid to pay to the Lenders at the place aforesaid interest on so much of the principal sum as for the time being shall be outstanding computed at the rate of.....dollars *per centum* per annum by payments on the first day of each *[month] [of the months of.....and..... in each and every year], the first of such payments to be made on the.....day of.....19.....

*Delete words in brackets where inapplicable.

FORM C, *contd.*

- (ii) To pay to the Lenders on demand all costs, charges and expenses incurred by them in the collection of any arrearages which may at any time be outstanding on the account of the Borrower or for the protection or enforcement of their rights or interests hereunder;
- (b) To deliver to the Lenders within 14 days after a notice in that behalf by the Lenders, a full and accurate statement of all dealings up to the date thereof with the property subject to this Charge *[and of the progeny, if any, of any livestock so subject] and any other matters relating to the property hereby charged as the Lenders may reasonably require;
- *[(c) That until he receives notice in writing to the contrary from the Lenders the Borrower shall deal with and dispose of the crops and produce in the manner specified in SCHEDULE C.]

Schedule C.

Schedule D.

(2) The Borrower hereby CHARGES the *[land] [crops] [movable property] particulars whereof are set forth in SCHEDULE D *[including] [all buildings and erections on the said land and any buildings or erections which may be substituted therefor or be constructed on the said land, whilst this Charge is in force] *[in the case of livestock any progeny thereof which may be born after the date hereof] *[in the case of agricultural plant any plant which may whilst this Charge is in force be substituted for the plant specified in the said Schedule] with the payment to the Lenders of the principal sum, together with interest at the rate aforesaid, and all other moneys hereinbefore covenanted to be paid by the Borrower.

(3) AND IT IS HEREBY AGREED AND DECLARED as follows—

Schedule E.

- (a) That this Charge is subject to the rights and obligations conferred or imposed by virtue of the Farm Loans Act, or regulations made thereunder and also the Special Conditions of Loan set out in SCHEDULE E.
- (b) That this security shall be enforceable *[and the Powers of Sale and all ancillary powers conferred upon the Lenders by virtue of the said Act shall be exercisable] by the Lenders without any notice to or demand on or consent by the Borrower UPON *[the happening of any of the events contemplated in that behalf under section 10 of the said Act, or] any breach or non-observance of any of the covenants or conditions herein contained or implied AND that upon the occurrence of any such breach or non-observance *[or event] as aforesaid the outstanding amount of the principal sum and all other moneys intended to be hereby secured shall be recoverable and collectable by suit, enforcement of this security or otherwise as and for moneys then due and payable hereunder by the Borrower to the Lenders and shall so remain until full payment thereof:

Provided that the provisions of this sub-paragraph shall not become enforceable in default of the payment of any money owing hereunder to the Lenders unless and until such default has continued for thirty days after such payment became due.

- (c) All notices shall be well and sufficiently served on the Borrower by being sent by post addressed to.....
.....P.O.

*Delete words in brackets where inapplicable.

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SCHEDULE A

LOAN *[INSTALMENTS]	EXPENDITURE		
	Amounts	Purposes	
		†Description	‡Cost of livestock, machinery or farm implements, equipment or electric system
	\$.....		
	\$.....		
	\$.....		
-----	-----	-----	-----
	\$.....		
	\$.....		
	\$.....		
-----	-----	-----	-----
	\$.....		
	\$.....		
	\$.....		

SCHEDULE B

REPAYMENT INSTALMENTS

SCHEDULE C

AS TO DISPOSAL OF CROPS AND PRODUCE

SCHEDULE D

*[The following] [crops growing on] [or movable property situated at] ALL
 TH.....parcel of land known as.....situated at.....
 in the parish of.....(and registered/recorded at.....
 Vol./Liber.....Folio.....)

*Delete words in brackets where inapplicable.

†Purposes entered herein to be described in like manner as the same were described in borrower's application for loan.

‡To be stated, or estimated in the case of items other than farm implements, as in borrower's application for loan.

{The inclusion of this page is authorized by L.N. 4/1976}

SCHEDULE E

SPECIAL CONDITION OF LOAN

THE BORROWER:—

- (a) Shall expend *[the principal sum] [each of the instalments of the principal sum (as and when received)] in the manner hereby provided in SCHEDULE A of this Charge.
- (b) Shall insure and keep insured in the name of the Lenders with a company to be approved of by the Lenders in such sum and against such risks as the Lenders may require all property from time to time subject to this Charge; and all moneys received in respect of any policy or scheme of insurance whatsoever upon any such property shall be applied at the election of the Lenders either in or towards the discharge of the moneys hereby secured, or in making good the loss or damage in respect of which such moneys are received.
- (c) Shall permit the Lenders or any person authorized in writing in that behalf by the Lenders to inspect from time to time the *[crops] [property] subject to the Charge and, for that purpose, to enter any land in the possession of the Borrower.
- *[() Shall, before the.....day of.....19..... deliver to the Lenders receipts or paid cheques evidencing that the Borrower has paid the purchase price of the items of farm implements, livestock, farm equipment, machinery, or farm electric system, as the case may be, to be purchased as provided in SCHEDULE A of this Charge from the proceeds of the loan/any loan instalment mentioned therein and, in the case of items to be purchased from a loan instalment which is to precede any further loan instalment mentioned in that SCHEDULE, the Borrower shall deliver to the Lenders the receipts or paid cheques relating to such items before such further instalment is advanced.]
- *[() Shall maintain the cultivation of any crop subject to this Charge in good and husbandlike manner.]
- *[() Shall keep in good and substantial repair all property subject to this Charge.]
- *[() Shall not remove, dismantle, or in any way alter any property subject to this Charge without the prior consent in writing of the Lenders.]

If the Borrower fails to discharge any of the obligations imposed upon him by virtue of the Farm Loans Act, or by this Charge no instalment not yet paid by the Lenders shall be payable and the provisions of paragraph (3) of this Charge shall become enforceable by the Lenders.

SIGNED by the said.....in the presence of:—

.....
Justice of the Peace

RECEIPT

Received from the.....the sum of
..... *[being the first instalment] on account
of the Loan of.....

.....
Date

.....
Signature of Borrower

*Delete words in brackets where inapplicable.

FORM D

(Regulation 6 (2))

THE FARM LOANS ACT

MEMORANDUM TO THE DEPUTY KEEPER OF THE RECORDS IN RESPECT OF
A CHARGE CREATED UNDER SECTION 7

(Section 8)

Name and address of Borrower:.....

.....P.O.

Name and address of Lenders:

.....P.O.

Date of Charge:

Consideration:

Description of the crops or
property charged:(In the case
of land, or
crops
growing
on land,
under the
Registration
of Titles
Act, state
Volume
and Folio.

Dated this.....day of.....19.....

.....
Signature of Borrower.....
Signature of Witness

NOTE: Where the Charge affects land, or crops growing on land, which is under the Registration of Titles Act a copy of this Memorandum should also be transmitted to the Registrar of Titles in order that a caveat may be lodged against the title to the land (S. 8(3)).

FORM E

(Regulation 6 (3))

THE FARM LOANS ACT

RELEASE

(Section 9)

The.....
 of.....P.O.
 hereby acknowledge the receipt from.....
 of.....P.O. of all amounts owing in
 respect of a loan of.....secured by a Charge
 dated.....and HEREBY RELEASE from the said Charge the [land]
 [crops] [movable property] described in the Memorandum dated.....
 to the Deputy Keeper of Records.

(Seal)

.....
Manager of.....
Date

NOTE: (a) Delete words in brackets which are inapplicable.
 (b) Where this Release relates to a Memorandum a copy of which was
 transmitted to the Registrar of Titles, a copy hereof should be
 transmitted to the Registrar of Titles in order that the caveat lodged
 against the title to the land may be removed.

THE FARM LOANS REGULATIONS, 1965

FORM F

(Regulation 8 (1))

MONTHLY REPORT BY BANK

(To be completed as of the last day of each month)

.....
(Name of Bank)

THE FARM LOANS ACT

For month ended.....19.....

MONTHLY REPORT OF NEW LOANS

	Number	Amount
(1) Total loans made to date of last report ... (Item No. 3 of last report)	...	\$
(2) Plus loans made since last report as listed below	\$
(3) Total loans made to date	\$
(4) Less total repayments made to date	\$
(5) Total Number and Amount of loans out- standing	...	\$
.....No.....	...	\$

Certified correct:

.....Manager.....Accountant

LOANS MADE SINCE LAST REPORT

*Appli- cation Number	Name of Borrower	Amount of Loan	Period of Loan	How Repayable	Purpose of Loan (briefly)

*Applications covering loans made to be numbered consecutively from the commencement. Each advance under a loan to be reported under the original application number.

List on reverse loans paid in full since last report showing application number, borrower's name and original amount of loan.

[The inclusion of this page is authorized by L.N. 4/1976]

FORM G

(Regulation 8 (2))

DEFAULT REPORT UNDER THE FARM LOANS ACT

(Complete as of 31st day of December in preceding year)

.....
(Name of Bank)

The Farm Loans Act

Loans in default as at 31st day of December, 19.....

REPORT IN DETAIL LOANS IN DEFAULT WHICH WERE NOT INCLUDED IN LAST REPORT AND TOTALS ONLY OF ALL OTHER LOANS IN DEFAULT

Application Number	Name of Borrower (list alphabetically)	Original date of loan	Original amount of loan	Present amount owing	Total amount in arrears	Date of last payment on principal received	Purpose of loan (briefly)	State default and reason therefor and steps taken to collect	(This space to be left blank)
Total number of other loans in default	Totals	.....	.....	.....	.....	.....	.....	.....
Total number of all loans in default	Total	.....	.....	.....	.....	.....	.....	.....

Use double typewriter spacing between particulars of each loan, reasons for default being single spaced.

CERTIFIED CORRECT:

List on reverse loans included in last default report but which are no longer in default, showing application number, borrower's name and date loan made.

.....
Manager.....
Accountant

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THE FARM LOANS REGULATIONS, 1965

FORM H

(Regulation 11)

PROOF OF CLAIM ON DEFAULTED LOAN

From..... Loan Application No.....
 (Name of Bank)

.....
 (Name of Borrower)

.....
 (Date) (Address)

TO MINISTER OF FINANCE,

By virtue of the guarantee under the Farm Loans Act, the abovenamed Bank hereby claims payment of the amount of loss sustained by it as a result of a loan of \$.....made to the abovenamed borrower at the following agreed rate of interest, that is to say.....dollars *per centum* per annum—

- (1) Uncollected principal amount of loan \$.....
- (2) Interest on \$.....determined in accordance with regulation 12 of the Regulations.
- *[(3) Expenses in accordance with regulation 12 of the Regulations, as per statement and vouchers herewith \$.....]

The following are submitted herewith—

- (a) Statement showing particulars of any unrealized security, unexhausted remedies or unsatisfied judgments in respect of said loan and giving the reasons for not realizing, pursuing, enforcing or having recourse to the same, as the case may be.
- *[() Statement showing the date(s) and amount(s) of the payments of principal and interest, respectively, collected by the Bank from the borrower on such loan.]
- *[() Statement showing the date(s) and amount(s) of advance(s) made by way of loan instalments.)]
- *[() Receipt(s) or paid cheque(s), as per statement herewith, furnished by the borrower to evidence that the purchase price of any farm implements, livestock, farm equipment, machinery or farm electric system, as the case may be, has been paid by him from the proceeds of the said loan.]
- *[() Statement showing amounts of expenses incurred and collected and the dates on which every such amount was incurred or collected, as the case may be.]

.....
 (Name of Bank)

By.....
 Manager

*Delete if inapplicable.

FORM I

(Regulation 11)

CERTIFICATE OF DETERMINATION PURSUANT TO REGULATION 11 (1) (b) OF THE
FARM LOANS REGULATIONS, 1965

I hereby certify my determination, on reasonable grounds, that it is not practicable for....., of which I am the manager, to recover or mitigate by any means prescribed in paragraph (a) or (b) of regulation 10 of the Farm Loans Regulations, 1965, the loss for which a claim is herewith submitted in reference to the guaranteed farm loan made by the said Bank on Application No.....

.....19.....
(Date) (Signature of Manager)

FORM J

(Regulation 13)

RECEIPT IN FAVOUR OF MINISTER OF FINANCE

.....19.....
.....hereby acknowledges receipt of payment to it
(Name of Bank)
by the Minister of Finance pursuant to the Farm Loans Act, of the sum
of (\$.....).....dollars in respect of the loss sustained by
the said Bank as a result of a guaranteed farm loan made by the said Bank
to.....pursuant to Application No.....
(Name of Borrower)

.....
(Name of Bank)

By.....
(Manager)