

# CHOICE MICROFINANCE BANK

## SHAREHOLDERS CAPITAL RESOLUTION

### 1. INTRODUCTION

This Share Holders Resolution is for the application of Choice Microfinance Bank Share Capital in the Bank Investment and Development Plan by Diaspora University Trust.

### 2. BANK INVESTMENT AND DEVELOPMENT PLAN BY DIASPORA UNIVERSITY TRUST

- a. The Bank Investment and Development Plan is part of several ongoing investment and development plans that include:
  - i. Diaspora University Development Plan.
  - ii. Diaspora University Town Development Plan.
  - iii. Diaspora Medical Hospital Development Plan.
  - iv. Diverse SMEs Development Plans.
- b. The Bank Investment and Development Plan are integrated to the other development plans.
- c. When applied to Choice MFB, the Share Capital Investment growth and the Developments of Deposits and Loan Advances plan is as tabulated:

	Current	June 2020	December 2024
Share Capital	165,979,500	300,000,000	5,000,000,000
Deposits	84,639,197	1,000,000,000	100,000,000,000
Loan Advances	12,754,319	800,000,000	70,000,000,000

### 3. KSHS 165,979,500 SHARE CAPITAL APPLICATION

- a. The Kshs 165,979,500 million shall be applied in the Memorandum of Understanding (MOU) that shall incorporate:
  - i. Choice Microfinance Bank Current Financial Records.
  - ii. Choice Microfinance Bank Share Holders Capital Resolution.*(This Resolution)*
  - iii. Bank Investment and Development Plan by Diaspora University Trust.
  - iv. Microfinance Bank – Diaspora Kenyans Founders Resolution.
  - v. June 2020 Plan: Capital, Deposits, Loan Advances, Revenue and Expenses
- b. The MOU shall incorporate the Share Capital as Kshs 165,979,500 as issued and paid with the consideration of the requirements set in this resolution (*Article 4*).
- c. The MOU and the documents attached to the MOU shall be filed with Central Bank of Kenya (CBK) for approval.

**4. LOSSES INCORPORATED INTO DEPOSITS, BORROWINGS AND OTHER LIABILITIES.**

- a. The unaudited financial results of 31<sup>st</sup> December 2019 show accumulated loses of Kshs 204 million that is higher than Share Capital. The following liabilities (Deposits, Borrowings and Other Liabilities) less Cash Assets are incorporated into this resolution.

<b>Liabilities</b>	<b>Amount</b>	<b>Total</b>
Customer Deposits	84,639,197	<b>113,724.575</b>
Borrowings	19,167,279	
Other Liabilities	9,918,098	
<b>Cash Assets</b>		
Cash and Bank Balances	21,301,893	<b>38,656,541</b>
Loan Advances	12,754,319	
Receivables	4,600,329	
<b>Liabilities less Cash Assets</b>		<b>75,068,033</b>
<b>75,068,033 divide by 165,979,500</b>		<b>0.4522</b>

- b. For the purpose of incorporating Shareholder Capital into the MOU each shareholder is assessed at 0.45 or 45% of share capital or Kshs 45 per every share of Kshs 100.
- c. Shareholder shall apply the following two options with regard to assessed amount:

<b>OPTIONS</b>		<b>Tick One</b>
1	Deposit assessed amount in a personal fixed deposit account by June 2020 starting with at least 15 days after adoption of MOU.	
2	Amount assessed deducted from Share Capital.	

- d. Where a Shareholder does not participate in this resolution, or does not tick any option in this resolution, and this resolution is passed by Majority Shareholders (*article 5*); the shareholder who did not participate or tick shall have be required to adopt Option 1 in 15 days after adoption of MOU. After 15 days, Option 2 shall be applied.

**5. SHARE HOLDER CAPITAL AND AUTHORIZATION**

I Approve  (Tick) Do not approve  (Tick) my share capital of: \_\_\_\_\_ Shares of Kshs 100 a total of Kshs \_\_\_\_\_ to be applied to this resolution per terms set.

I understand once over 50% of the Kshs 165,979,500 Share Capital approves this resolution; this resolution shall be adopted, as passed, by Majority Share Capital holders.

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_