

**Speech by the Chairperson of the Board, Shelter Afrique, Arc. Mariamu El-Mawy at
the 34th Annual General Meeting & Symposium, Accra, Ghana**

**Honourable Minister & Head of Delegations of the 44 members countries;
Members of Diplomatic Corp;
Members of the Board, Management and Staff of Shelter Afrique;
Distinguished Guests;
Members of the Press Corps;
Ladies and Gentlemen:**

It is by the grace of God that we enjoy another year of attendance to the Annual General meeting. We thank the GOVERNEMENT and people of Ghana for their warm and cordial welcome and for the arrangements for this meeting, which are going very well. May I at this juncture take the privilege of introducing the board directors elected last year and their alternates, starting with the Vice Chairman Mr. Jean Paul Missi who is also the Director of Group 5.

Group 1 the member is myself and alternate is Mr. Clifford S. Mamaba of Swaziland
Group 2 the member is Mr. Stanford S. Msichili of Zambia and the alternate is Mr. David Gabindadde- Musoke of Uganda
Group 3 the member is Alhaji Yahaya Hameed Yakubu of Ghana and the alternate is Mr. Boubacar Keita of Guinea
Group 4 the member is Monsieur Ali Boulares of Algeria and the alternate is Monsieur Dhehby Mohamed Mahmoud of Mauritania
Group 5 the member is Mr. Jean Paul Missi of Cameroon and the alternate is Moussavou Ida Rachel of Gabon
Group 6 the member is Mr. Lawal Abubakar Yelwa of Nigeria and the alternate is And group 7 the member is Mr. Ceferino Eburi Mata of Equatorial Guinea and the alternate is Pierre Zerbo of Burkina Faso
The African development bank is represented by Mr. Sanders Mutandwa of Zimbabwe
And Africa –Re is represented by Mr. Cornielle Karakezi of Rwanda
And independent directors, Mr. Hardwork Pehmiwa and Ms. Kanini Mutooni.

It is my sincere and humbling gratitude that these directors gave me the opportunity to be the first female chairperson of Shelter Afrique, where it is my continued prayer to honor the same with service.

This year we have lost great leaders in Africa and we console with Zambia and... Africa continues to be a land of opportunity and challenge, conflict still ailing us and great strides in peace building as well. The trauma in the wake of terrorism undertaken by our very own sons and daughters places a new risk and as a Kenyan may I acknowledge the many messages of solidarity I received from a number of colleagues.

Indeed this has multi dimensions in the question of human settlement for which we are here today. Shelter Afrique continues to be a single provider of affordable housing and our governments are increasingly making strategic interventions in housing, infrastructure policies and the urbanisation question that seems to give rise to informal settlements.

The board is entrusted with the governance of Shelter Afrique and ensuring that it delivers on its mandate and promise to all member countries and shareholders.

It has been an interesting year and with your indulgence I would like to recap the activities, achievements and key learning of the last year.

According to the IMF's World economic Outlook, Global growth in 2014 was a modest 3.4 percent, reflecting a pickup in growth in advanced economies relative to the previous year and a slowdown in emerging markets as well as developing economies. Despite the slowdown, emerging markets and developing economies still accounted for three-fourths of global growth in 2014.

In particular Sub-Saharan Africa continued to register strong economic growth in 2014. However, growth was impacted on by declining commodity prices and the epidemic in Ebola-affected countries.

The economic growth of Sub-Saharan African countries was underpinned by continuing investment in infrastructure, energy, and natural resources projects. Growth was also supported by strong capital flows into Sub-Saharan African countries which issued record sovereign bonds of \$8.7 billion in 2014 on the back of favorable global financing conditions. Sub-Saharan Africa is expected to continue to register healthy economic growth in 2015. It is against this background that we review our performance as a company.

During the year under review, the Company registered mixed experiences in its operations and performance. Total disbursements decreased to US\$ 73.1 million in 2014 compared to US\$ 79.7 million disbursed in 2013, while loan approvals rose by 24.4% to US\$ 141.1 million in 2014 against the US\$ 104.5 million recorded in 2013. Loan commitments, which represent the signed loans, declined to US\$ 80.84 from the US\$ 84.40 million loans signed in 2013. The Non-Performing Loans ratio rose slightly to 12% from 10% in 2013. With the continued efforts and measures taken to improve assets quality at entry as well as enhanced focus on the management of the existing portfolio, the loan loss provision is expected to improve going forward.

The company posted a net profit of US\$ 0.45 million in 2014 compared to US\$ 4.75 million net profit registered in the previous year. The profit for the year under review was negatively impacted by increased loan loss provisions, higher costs of

borrowing as well as unfavourable effect of foreign exchange movements. Loan loss provisions for the year increased by US\$ 2.58 million compared to the previous year. This was due to additional provisioning on projects evaluated to be at risk as well as a thorough review and clean-up of the loan portfolio. Total assets grew by 7% to US\$ 289 million at end of 2014 compared to US\$ 270 million at the end of the previous year due to the net effect of additional borrowings and debt repayments, as well as additional share capital subscriptions. Total borrowings rose to US\$ 177.8 million in 2014 against US\$ 160.6 million in the previous year. Net loans and advances increased to US\$ 216.9 million at the end of 2014 from US\$ 195.4 million in 2013, representing an 11% growth.

The Company continued with resource mobilization efforts in order to meet its operational objectives and the increasing demand for housing finance in its member countries. Emphasis was put on raising well priced funding from DFIs in order for Shelter Afrique to be competitive in providing funding for affordable housing. During the year under review, US\$ 136.2 million was raised from financial institutions and local capital markets. Funding was raised from development partners such as the African Development Bank, KfW, Agence Française de Développement (AFD) and the European Investment Bank. Additional financial resources were also raised from capital markets in local currencies. During the year, the Company issued a FCFA 10 billion (US\$ 20.0 million equivalent) bond on the West Africa Securities Exchange (BRVM).

As a foundation for development of a high performing organization, a revised human resources policies and procedures manual was approved by the Board and implemented during 2014. The revised policies and procedures replaced the staff rules that were enacted in 2008.

The Board, through the Audit and Risk Committee, ensures that the company's risks are effectively managed. During the year, Shelter Afrique implemented an enterprise risk management (ERM) framework as well as a new country Risk assessment framework.

During the year under review, the Internal Audit Unit implemented the work program approved by the Board at 75%. The Internal Audit Unit carried out 9 missions and the internal audit recommendations were implemented at 98%.

Shareholder support for the Company's growth and enhancement of its operations continues to be a challenge. Only a handful of shareholders made contributions during 2014 amounting in total to US\$1.8 million. This is out of an expected amount of US\$14 million. A more positive outlook is expected for 2015.

The board held a special strategy meeting to consider the Governance and Statutes of Shelter Afrique. The objective of such a meeting to underscore the

challenges and opportunities to be able to come up with products that are relevant to the diversity of needs in attaining affordable housing in Africa.

Indeed the founders of Shelter Afrique had anticipated such interventions; the statutes have provisions for additional services not just in housing loans, but also in the housing sector, in industry, manufacturing, value addition, capacity building and financial services.

In this regard, the board considered various strategies and came up with three deliberate matter. Two are recommendations to this AGM as follows;

1. To consider a more appropriate name: The Shelter Afrique Housing Bank
2. To consider an expansion of Shareholders into 3 classifications

Class A. African Member states

Class B. African financial institutions in the public and private and development sectors

Class C. Non-African states and non-African financial institutions

It is noted that these interventions have been the subject of extensive deliberations in the past and that there has been a prevailing indication to retain the Shareholding as a purely African member state affair. Hence to pose the question once again is to reiterate the need to weigh the pros and cons for further deliberation with a prayer for a resolute and deliberate outcome on the way forward.

Ultimately the board stands guided by the decisions of this AGM and of the Shareholders.

In the third area the board received the management reports conclusion on the structures and business development areas and appreciates much was done from sheer networking and expert consultations. The board thus approved a fund for the full report that will be considered in the meeting of September and November, with implementation to start in 2016. The intention is to provide financing access in member countries that is responsive to prevailing needs.

Lastly may I express the sincere gratitude towards the host country Kenya and the regional host Nigeria, who have continued to support Shelter Afrique and the unequivocal access and reception that has been afforded by each of the member countries.

The Board Members have outstandingly dedicated their time and knowledge with full attendance to every meeting to steer and guide Shelter Afrique to its current size and especially ensuring the laid down corporate governance structures are adhered to.

Finally, on behalf of the Board, I would like to record our appreciation to the Annual General Meeting for their continued counsel, guidance and commitment in running the affairs of the Company, and express my sincere gratitude to the host country for hosting and facilitating the auspicious occasion of our Annual General Meeting.

Thank you and God Bless you all very much.

Arch. Mariamu El Maawy

Chairperson of the Board of Directors