



SHELTER AFRIQUE

Financing Affordable Housing for Africa

THE COMPANY FOR HABITAT AND HOUSING IN AFRICA
SOCIETE POUR L'HABITAT ET LE LOGEMENT TERRITORIAL EN AFRIQUE

Nairobi, Kenya | Thursday 15 December 2016

COMMUNIQUE:

UPDATE ON THE INDEPENDENT INVESTIGATION OF ALLEGATIONS OF THE FORMER HEAD OF FINANCE

The Board of Directors of Shelter Afrique, the Company for Habitat and Housing in Africa ("the Company") is pleased to update our stakeholders on the receipt, by the Board of Directors, of a Draft Independent Forensic Investigation Report from Deloitte Kenya – part of a global firm of accountants and business advisers. The Draft Report presents findings on certain public allegations that were made in September 2016 by the Company's outgoing Head of Finance. The allegations were received in the final month of the former Head of Finance's contract with the company, which was not scheduled for renewal.

Shelter Afrique is a Development Finance Institution, headquartered in Kenya, investing in housing finance for Africa. The provision of decent housing is of acute importance for the social cohesion of our continent. The shareholders include 44 African States, the African Development Bank and the African Reinsurance Corporation. The company is subject to international scrutiny of its performance and governance and is currently rated Ba3 by Moody's.

The Deloitte investigation was commissioned by the Board in early October, 2016 and is being coordinated by the Board's Audit, Risk & Finance (ARF) Committee. In accordance with international best practice, Shelter Afrique's ARF Committee is chaired by an independent non-executive director with a speciality in audit, risk and finance.

The Board of Shelter Afrique received a draft report from Deloitte containing Deloitte's initial findings and preliminary recommendations which the Board discussed at its meetings on 6 – 8 December 2016.

The Deloitte draft report recommends improvements to management and staff performance management and reward, staff grievance handling procedures and discipline, systems of internal control and the adherence of financial statements to International Financial Reporting Standards (IFRS).

The Board has directed Shelter Afrique management to respond to the draft findings and requested Deloitte to have a final report before the Christmas holidays.

Meanwhile, the Board has established an Ad Hoc Committee comprising the Chairman of the Board, the Chairman of the Human Resources & Administrative Affairs Committee and the Chairman of the Audit, Risk & Finance Committee to oversee the implementation of the recommendations of the Deloitte final report once adopted by the Board.

The Board of Shelter Afrique is committed to utilise the findings of the Deloitte investigation as a springboard to build a stronger Shelter Afrique with a corporate governance system consistent with the Company's stature as Africa's premier provider of housing finance.

By Order of the Board

Jean-Paul Missi

Non - Executive Chairman

Dr. Omodele R. N. Jones

DBA (Heriot-Watt), FCA (UK)

Independent Non-Executive Director

Chairman of the Audit, Risk & Finance Committee