

**THE COMPANY FOR HABITAT AND HOUSING IN AFRICA
(SHELTER – AFRIQUE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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PRINCIPAL PLACE OF BUSINESS	Shelter Afrique Centre Longonot Road, Upper Hill P O Box 41479 – 00100 Nairobi Kenya
PRINCIPAL BANKERS	Citibank N.A. P O Box 30711 – 00100 Upper hill, Nairobi Kenya Citibank New York C/o Citibank N.A. P O Box 30711 – 00100 Upper hill, Nairobi Kenya NCBA Bank Kenya Limited P O Box 30437- 00100 Upper hill, Nairobi Kenya BNP Paribas Paris International Business Center 10, boulevard Malesherbes 75 008 Paris France Ecobank 8, Avenue L.S. Senghor B P 9095 CD Dakar Senegal
SOLICITORS	MMC ASAFO MMC Arches, Spring Valley Crescent Off Peponi Road, Westlands P.O Box 75362 – 00200 Nairobi, Kenya Iseme Kamau & Maema Advocates IKM Place, Tower A, 1st Floor, 5th Ngong Avenue Off Bishops Road P.O. Box 11866-00400 Nairobi, Kenya
INDEPENDENT AUDITOR	PricewaterhouseCoopers LLP Certified Public Accountants PwC Tower, Waiyaki Way/Chiromo Road, P.O. Box 43963 - 00100, Nairobi, Kenya

Class “A” Shareholders (Countries)			
Directors	Alternate Directors	Countries /Institutions represented	% Shareholding
Mr. Said Athman Mtwana (Kenya) serving first term from 24 th June 2024	Ms. Selina Kubuta (Kenya) from 24 th June 2024	Kenya, Somalia, Swaziland, Zimbabwe	17.68%
Ms. Eucharie Onimisi Alozie (Nigeria) from 11 th May 2023	Mr. Omotayo Adeoya Akinola (Nigeria) from 11 th May 2023	Gambia, Liberia, Nigeria, Sierra Leone	17.81%
Mr. Issa Seydou Sissoko (Mali) from 11 th May 2023	Mr. Dibi Kokora Alexandre (Cote d'Ivoire) from 11 th May 2023	Burkina Faso, Burundi, Central African Republic, Chad, Djibouti, Equatorial Guinea, Guinea Bissau, Ivory Coast, Mali, Senegal	12.90%
Mr. Jack Ngarambe (Rwanda) from 13 th June 2024	Mr. Michael Mugabi (Uganda) –from 11 th May 2023	Botswana, Lesotho, Malawi, Namibia, Rwanda, Tanzania, Uganda, Zambia	12.75%
Mr. Tchelu Mwenyimali Laurent (DRC) from 11 th May 2023	Mr. Joel Moambos (Cameroon) from 11 th May 2023	Benin, Congo, Democratic Republic of Congo, Cameroon, Gabon, Madagascar, Mauritius, Niger, Seychelles, Sao Tome & Principe	11.08%
Mr. Ahmed Belayat (Algeria) from 11 th May 2023	Ms. Salima Guellab (Algeria) from 11 th May 2023	Algeria, Mauritania, Morocco, Tunisia	6.70%
Mr. Chris Pobee Abbey (Ghana) from 24 th June 2024	Mr. Ibrahima Sory Diallo (Guinea) from 24 th June 2024	Ghana, Guinea, Cape Verde, Togo	6.24%
Class “B” Shareholders (Institutions)			
Dr. Patience Chika Akporji (AfDB) serving second term from 11 th May 2023	Abayomi Ayodabo (AfDB) From 11 th May 2023	African Development Bank (AfDB)	11.44%
Mr. Ephraim Kiiza, serving second term from 28 July 2022	Mr. Phocas Nyandwi – from 28 July 2022	African Reinsurance Corporation	3.40%
Total			100.00%

INDEPENDENT DIRECTORS:

Mr. Lionel Zinsou – from 11 May 2023
Mr. Babatunde Adebisi Sanda - from 24 June 2021

BOARD CHAIRPERSON:

Dr Chii P. Akporji

SENIOR MANAGEMENT

Mr. Thierno Habib Hann	- Managing Director
Mr. Ibrahim Diop	- Advisor to MD
Mrs. Beatrice Mburu	- Chief Finance Officer
Ms. Natasha Koli	- Director, Legal ag. Company Secretary
Mr. Christopher Chege	- Head of Credit & Operations
Mr. Bernard Oketch	- Head of Enterprise Risk Management
Mr. Gibson Mapfidza	- Chief Business Officer
Mr. Charles Kazuka	- Head of Human Resources and Administration
Mr. Nabil Mahfoudh	- Head of Treasury
Mr. Nisan Abdulkader	- Head, Communications & External Affairs

INTERNAL AUDITOR

Ms. Marianne Koly	- Head of Internal Audit
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The Directors are pleased to submit their annual report together with the audited financial statements of The Company for Habitat and Housing in Africa (Shelter – Afrique) (the "Company") for the year ended 31 December 2024, which disclose the state of affairs of Shelter Afrique.

LEGAL CAPACITY

The Company is a Pan-African housing finance and development institution, established by African Governments, the African Development Bank (AfDB), and the African Reinsurance Corporation (Africa-Re) in 1982 to address the need for innovative and sustainable housing delivery systems in Africa. It is an international body with juridical personality and full legal capacity established by the Constituent Charter of Shelter Afrique. In the Republic of Kenya, the Constituent Charter has the force of law in accordance with the Shelter - Afrique Act, 1985. Its principal office is situated in Nairobi, Kenya. The Company is exempted from all forms of taxation as provided for in the Shelter – Afrique Act, 1985.

PRINCIPAL ACTIVITY

The principal activity of the Company is the provision of financial and technical assistance for housing and urban development activities in Africa.

RESULTS

The results for the year are set out on page 16 of the financial statements. The Company recorded a profit of US\$ 566,145 for the year ended 31 December 2024 (2023: profit of US\$ 994,049). The total comprehensive income for the year ended 31 December 2024 was US\$ 1,790,265 (2023: total comprehensive income of US\$ 100,983).

DIVIDENDS

The Directors do not recommend the payment of a dividend for the current financial year (2023: US\$ Nil).

SHELTER AFRIQUE FOUNDATION

The Directors do not recommend the appropriation of any funds to Shelter Afrique Foundation. (2023: US\$ nil).

RESERVES

The reserves of the Company are set out on page 18 of the financial statements.

DIRECTORS

The Directors who served during the year and to the date of this report are as listed on page 3. In accordance with the Company's Charter, the Directors hold office for a term of three years and are, therefore, not subject to retirement by rotation annually.

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

With respect to each director at the time this report was approved:

- (a) there is, as far as each director is aware, no relevant audit information of which the Company's auditor is unaware; and
- (b) each director had taken all steps that ought to have been taken as a director so as to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

PricewaterhouseCoopers LLP has expressed willingness to continue in office. The directors monitor the effectiveness, objectivity, and independence of the auditor. The directors also approve the annual engagement contract which sets out the terms of the auditor's appointment and the related fees.

BY ORDER OF THE BOARD

Company Secretary
Nairobi
3 April  2025

The Company for Habitat and Housing in Africa (Shelter - Afrique) is fully committed to the principles of transparency, integrity, and accountability. The Directors are ultimately accountable to all stakeholders for ensuring that the Company's business is conducted in accordance with high standards of corporate governance. Of particular importance to the Company are the observance of shareholders' interest, efficient practices, and open corporate communication systems.

BOARD OF DIRECTORS

The names of the Directors who held office in the year and to the date of this report are set out on page 3.

The Board is responsible for formulating the Company's policies and strategies and ensuring that business objectives, aimed at promoting and protecting shareholder value, are achieved. The Board also retains the overall responsibility for effective control of the Company and implements corporate governance policies of the Company.

The Board comprises seven Class 'A' Directors representing countries, two Class 'B' Directors representing Institutions, and two Independent Directors. The Directors have diverse skills and are drawn from various sectors of the African economy. All Directors are non-executive.

A timetable of calendar dates for Board meetings to be held in the following year is fixed in advance by the Board. The notice of Board meetings is given in advance in accordance with the Company's Statutes and General by-Laws and is distributed together with the agenda and Board papers to all the Directors beforehand. The Board meets regularly and at least four times annually. During the year, the Board convened and held four ordinary meetings to implement its corporate strategy. In accordance with the Company's practice, one Board meeting is normally scheduled to coincide with the occasion of the Annual General Meeting.

The Company Secretary is always available to the Board of Directors.

Directors' Remuneration

The aggregate emoluments paid to Directors for services rendered during the financial year is disclosed in note 34 of the financial statements.

Related Party Transactions

There have been no significant related party transactions or relationships between the Company and its Directors or management except for those disclosed in note 34 of the financial statements.

BOARD COMMITTEES

The Board has in place four main committees, namely the Audit & Risk Committee, the Finance, Credit & Investments Committee, Strategy Committee, and the Human Resource & Governance Committee. To discharge its mandate effectively, matters are discussed in detail in the four committees before resolution by the Board. These committees assist the Board in ensuring that proper policies, strategies, internal controls, and organizational structures are in place to achieve the Company's objectives and obligations to its stakeholders. All the committees have detailed terms of reference and hold meetings as necessary. The Board may delegate some of its powers to any committee and may appoint any other committee, including ad hoc committees, as and when it is deemed necessary. The authority for the day-to-day running of the Company is delegated by Statute to the Managing Director. For the period of implementation of the turnaround strategy, the Board is operating an elevated level of oversight of delegated authorities.

RISK MANAGEMENT AND INTERNAL CONTROL

Management, in consultation with the Board Committees, is responsible for the Company's day-to-day overall risk management to minimize potential adverse effects on its financial performance while the Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Company has an ongoing process of identifying, evaluating, and managing significant risks inherent in its business, by the Risk Management department. This process is also reviewed by the internal auditor. The internal auditor reports administratively to the Managing Director and functionally to the Audit and Risk Committee.

As part of the independence required by Shelter-Afrique corporate governance, the Internal Audit annual work program and budget are separately approved by the Audit and Risk Committee, which also reviews and approves audit reports and internal audit annual report. The Company has in place controls, which include, but are not limited to, an annual budgeting process, a regular review of strategic initiatives, a well-defined organizational structure which is kept under regular review by the Board and a review of quarterly financial and operating information by management and the Board. In implementing its turnaround strategy, the Board has taken steps to significantly enhance the operating independence of the internal audit unit. Enhancement of the enterprise risk management system is a continuous process to improve the detection and mitigation of foreseeable risks and to eliminate silo management of risks. The Board requirement for the certification of the financial statements by the Chief Financial Officer and the Chief Executive Officer is an example of the robust measures put in place to improve enterprise risk management.

BUSINESS ETHICS

The Company conducts its business in compliance with high ethical standards of business practice. In this respect, transactions with its intermediaries, employees and other stakeholders are conducted at arm's length, with integrity and transparency. The Board has continued to adopt improved policies and procedures including, but not limited to, the adoption of a new Board Charter in 2020 which provides for more robust approach to the operation of the board.

RESPONSIBILITY FOR STAFF WELFARE AND TRAINING


As part of its policy, the Company recognizes the need for diversity, equal opportunities, gender sensitivity and provision of a safe and conducive work environment for its entire staff. The Company assists its staff to undertake continuous professional and development training programmes to fulfil their potential. This process is appropriately managed to align staff development with the Company's strategic and business goals and objectives and is reinforced with appropriate remuneration and incentive systems.

STRATEGIC PLANNING & IMPLEMENTATION

The Board meets quarterly for scheduled meetings to review the Company's performance against business plans as well as to formulate and oversee management's implementation of strategy and on other occasions to deal with any issue that require attention between the quarterly meetings. The Board has continued to implement improved systems for meeting and/or holding management to account. During the year, the Board held four ordinary meetings in keeping with its elevated level of vigilance during a period of corporate recovery and turnaround. These meetings have included a significant element of Board time devoted to review of the business strategy that should significantly enhance the value of the company's activities to the identified needs of stakeholders.

COMPLIANCE

The Company operates within the requirements of the Constituent Charter, the Shelter Afrique Act, 1985, its Statutes and General by-Laws and adopts certain universally accepted principles in the areas of human rights, labour standards and environment in its commitment to best practice. The Company prepares its financial statements in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board.


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Director


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Director

The Company's Statutes (Article 30) require the Directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Company as at the end of the financial year and of its profit or loss for that year. It also requires the Directors to ensure that the Company maintains proper accounting records that: (a) show and explain the transactions of the Company; (b) disclose with reasonable accuracy, the financial position of the Company; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Company's Statutes. The Directors are also responsible for safeguarding the assets of the Company, and for taking reasonable steps for the prevention and detection of fraud and error.

The Directors accept responsibility for the preparation and presentation of these financial statements in accordance with the IFRS Accounting Standards and the Company's Statutes. They also accept responsibility for:

- (i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (ii) selecting suitable accounting policies and applying them consistently; and
- (iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having assessed the Company's ability to continue as a going concern, the Directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

The Directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.


Approved by the board of directors on2025 and signed on its behalf by:


.....
Director


.....
Director

We certify that:

1. We have reviewed the annual report and financial statements for The Company for Habitat and Housing in Africa (Shelter Afrique) for the year ended 31 December 2024.
2. Based on our knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact which would affect the financial statements.
3. Based on our knowledge, the audited financial statements, and other financial information included in this Annual report, fairly present in all material respects the financial condition, results of operations and cash flows of Shelter Afrique as of, and for, the periods presented in this annual report;
4. We are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting (as defined in the latest IFRS Accounting Standards) for Shelter Afrique and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is known during the period in which this annual report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Company's controls on disclosures and presented in this report our conclusions about the effectiveness of those controls, as of the end of the period covered by this report; and
 - d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the year that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.
5. We have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the Audit and Risk Committee of the Board of Directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting, which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves Management or other employees who have a significant role in the Company's internal controls over financial reporting.



Beatrice Mburu
Chief Finance Officer



Thierno-Habib Hann
Managing Director



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE COMPANY FOR HABITAT AND HOUSING IN AFRICA

Report on the financial statements

Opinion

We have audited the accompanying financial statements of The Company for Habitat and Housing in Africa (the "Company") set out on pages 16 to 93 which comprise the statement of financial position at 31 December 2024 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and the notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of The Company for Habitat and Housing in Africa at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers LLP PwC Tower, Waiyaki Way/Chiromo Road, Westlands
P O Box 43963 – 00100 Nairobi, Kenya
T: +254 (20)285 5000 F: +254 (20)285 5001 www.pwc.com/ke

Partners: E Kerich B Kimacia M Mugasa A Murage F Muriu P Ngahu R Njoroge S O Norbert's B Okundi K Saiti



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE COMPANY FOR
HABITAT AND HOUSING IN AFRICA (CONTINUED)**

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Expected credit losses on loans and advances</p> <p>Loans and advances to customers comprise a significant portion of the Company's total assets. The estimation of expected credit losses (ECL) on loans and advances requires management judgment in the assumptions that are applied in the models used to calculate ECL.</p> <p>Details of the loans and advances and ECL balances, and the policies for estimating ECL are disclosed in notes 2(n), 16 and 35 (b) of the financial statements.</p> <p>Management has exercised significant judgement include in the following key areas:</p> <ul style="list-style-type: none"> the assumptions applied in deriving the probabilities of default (PDs), loss given default (LGD) and exposures at default (EAD); the judgments made to determine the staging of facilities in line with IFRS 9. In particular, the identification of Significant Increase in Credit Risk ("SICR") and Default requires consideration of quantitative and qualitative criteria. This is a key area of judgement whose outcome determines whether a 12-month or lifetime PD is used; and the determination of forward-looking information used in the models; <p>Due to the significant impact of management judgments applied in calculating the ECL, we designated this as a key audit matter in our audit.</p>	<ul style="list-style-type: none"> We reviewed the Company's methodology for determining ECL and evaluated it against the requirements of IFRS 9; We tested how the Company extracts 'days past due (DPD)' applied in classifying the loan book into the three stages required by IFRS 9. For a sample of loans, we recalculated the DPD applied in the model; We reviewed judgments applied in the staging of loans and advances; We obtained an understanding of the basis used to determine the probabilities of default. We tested the completeness and accuracy of the historical data used in derivation of PDs and LGDs, and on a sample basis, re-calculated the PDs; For LGD, we tested the assumptions used in estimating the timing of the recovery cash flows based on empirical evidence. In addition, for secured facilities, we agreed the collateral values used in the ECL model to external valuation reports; We tested, on a sample basis, the reasonableness of EAD; For forward-looking assumptions used in the ECL calculations, we corroborated the assumptions using publicly available information; and assessed the reasonableness of the weightings applied to different scenarios. We assessed the adequacy of disclosures in the financial statements.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE COMPANY FOR HABITAT AND HOUSING IN AFRICA (CONTINUED)

Other information

The other information comprises the corporate information, statement on corporate governance, report of the directors, statement of directors' responsibilities, certification of financial statements by the Chief Finance Officer and the Managing Director and the shareholding information schedule which we obtained prior to the date of this auditor's report, and the rest of the other information in the Annual Report which is expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information we have received prior to the date of this auditor's report we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the rest of the other information in the Annual Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE COMPANY FOR
HABITAT AND HOUSING IN AFRICA (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Bernice Kimacia

CPA Bernice Kimacia, Practicing Certificate Number 1457

Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP

Certified Public Accountants

Nairobi

23 April 2025

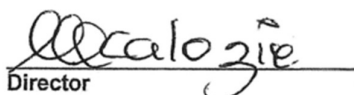
Statement of profit or loss and other comprehensive income

	Note	2024 US\$	2023 US\$
Interest income calculated using the effective interest method	4	18,647,295	25,689,330
Interest expense calculated using the effective interest method	5	(4,719,557)	(10,067,618)
Net interest income		13,927,738	15,621,712
Fees and commission income	6	689,036	916,624
Other income	7	115,209	341,706
Grant income	29	3,879	3,879
Operating expenses	8	(9,983,814)	(8,458,855)
Provision for expected credit losses on loans and advances	16	(4,408,830)	(4,561,184)
Impairment charge on joint ventures	18	(266,037)	(1,378)
Other impairment charge	35(b)	(776,245)	(66,104)
Fair value loss on investment properties	23	(1,894,593)	-
Net foreign exchange gains/(losses)	10	3,135,574	(2,813,001)
Operating profit		541,917	983,399
Share of profit of joint ventures	18	24,228	10,650
Profit for the year		566,145	994,049
Other comprehensive income for the year			
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Changes in the fair value of equity investments at FVOCI	19	912,570	(353,629)
Exchange differences on equity investments at FVOCI	19	20,372	(592,977)
Remeasurement of post-employment benefit obligation	27	291,178	53,540
Other comprehensive income for the year		1,224,120	(893,066)
Total comprehensive income for the year		1,790,265	100,983
Earnings per share			
Basic and diluted earnings per share	11	4.31	7.79

Statement of financial position

	Note	2024 US\$	2023 US\$
ASSETS			
Cash and bank balances	12	6,334,741	3,768,295
Bank deposits	13	38,871,876	50,169,333
Investment in bonds at fair value through profit or loss	13	2,544,852	5,494,640
Derivative financial assets	14	122,861	67,763
Equity investments at fair value through OCI	19	6,433,000	5,557,000
Other receivables and prepayments	17	727,636	2,098,681
Loans and advances to customers	16	134,781,441	138,301,362
Reposessed collateral	15	11,351,480	9,294,322
Investments in joint ventures	18	2,483,647	2,505,135
Property and equipment	20	1,023,485	910,206
Intangible assets	21	226,593	327,987
Leasehold land	22	85,349	89,229
Investment properties	23	3,745,378	5,691,946
TOTAL ASSETS		208,732,339	224,275,899
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	24	132,828,000	129,780,000
Share premium	24	70,645,312	68,289,208
Revaluation reserve		467,529	406,519
Accumulated losses		(30,942,445)	(31,540,275)
Credit loss reserve		1,000,000	1,000,000
Fair value reserve		(1,473,384)	(2,697,504)
Other Reserve		765,695	774,870
Total equity		173,290,707	166,012,818
LIABILITIES			
Other payables	26	2,910,773	1,246,616
Post-employment benefit obligations	27	2,212,559	2,271,597
Dividends payable	28	1,369,118	1,369,118
Deferred income	29	786,006	911,877
Medium term notes	30	28,163,176	52,463,873
Total liabilities		35,441,632	58,263,081
TOTAL EQUITY AND LIABILITIES		208,732,339	224,275,899

The financial statements on pages 16 to 93 were approved and authorised for issue by the Board of Directors on
3rd April **2025** and signed on its behalf by:


Director


Director

The Company for Habitat and Housing in Africa (Shelter – Afrique)
Annual Report and Financial statements
For the year ended 31 December 2024

	Share capital US\$	Share premium US\$	Revaluati on reserve US\$	Accumulated losses US\$	Credit loss reserve US\$	Fair value reserve US\$	Other Reserve US\$	Total equity US\$
At 1 January 2023	125,536,000	65,008,597	438,204	(32,566,009)	1,000,000	(1,804,438)	786,876	158,399,230
Profit for the year	-	-	-	994,049	-	-	-	994,049
Other comprehensive income	-	-	-	-	-	(893,066)	-	(893,066)
Payments on behalf of Shelter Afrique Foundation	-	-	-	-	-	-	(12,006)	(12,006)
Transfer of excess	-	-	(31,685)	31,685	-	-	-	-
Transactions with owners:								
Issue of share capital	4,244,000	3,280,611	-	-	-	-	-	7,524,611
-								
At 31 December 2023	129,780,000	68,289,208	406,519	(31,540,275)	1,000,000	(2,697,504)	774,870	166,012,818
At 1 January 2024	129,780,000	68,289,208	406,519	(31,540,275)	1,000,000	(2,697,504)	774,870	166,012,818
Profit for the year	-	-	-	566,145	-	-	-	566,145
Other comprehensive income	-	-	-	-	-	1,224,120	-	1,224,120
Payments on behalf of Shelter Afrique Foundation	-	-	-	-	-	-	(9,175)	(9,175)
Transfer of excess depreciation	-	-	(31,685)	31,685	-	-	-	-
Revaluation surplus on PPE	-	-	92,695	-	-	-	-	92,695
Transactions with owners:								
Issue of share capital	3,048,000	2,356,104	-	-	-	-	-	5,404,104
At 31 December 2024	132,828,000	70,645,312	467,529	(30,942,445)	1,000,000	(1,473,384)	765,695	173,290,707

Statement of cash flows

	Note	2024 US\$	2023 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operations	32	(28,045,278)	(43,653,813)
Interest paid on medium term notes	30	(4,164,799)	(10,515,756)
Interest received		27,849,409	25,689,330
Payments on behalf of Shelter Afrique Foundation	25	(9,175)	(12,006)
Post-employment benefits paid	27	(65,000)	(92,140)
		<hr/>	<hr/>
Net cash flows used in operating activities		(4,434,843)	(28,584,385)
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from equity investments	19	56,942	-
Purchase of equity investments	19	-	(1,058,606)
Purchase of property and equipment	20	(107,510)	(52,286)
Purchase of intangible assets	21	(237,509)	(207,482)
		<hr/>	<hr/>
Net cash flows used in investing activities		(288,077)	(1,318,374)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	24	5,400,558	7,524,611
Repayment of medium-term note	30	(2,366,689)	-
		<hr/>	<hr/>
Net cash flows from financing activities		3,033,869	7,524,611
		<hr/>	<hr/>
Decrease in cash and cash equivalents		(1,689,051)	(22,378,148)
At start of year		53,937,628	76,362,350
Effect of exchange rate changes		(7,041,960)	(46,574)
		<hr/>	<hr/>
At end of year	32	45,206,617	53,937,628
		<hr/>	<hr/>

NOTES

1 GENERAL INFORMATION

The Company for Habitat and Housing in Africa (Shelter - Afrique) is a Pan-African housing finance and development institution, established by African Governments, the African Development Bank, the African Reinsurance Corporation, and the CDC Company Plc in 1982 to address the need for innovative and sustainable housing delivery systems in Africa. It is an international body with a juridical personality and full legal capacity established by the Constituent Charter of Shelter Afrique. In the Republic of Kenya, the Constituent Charter has the force of law in accordance with the Shelter - Afrique Act, 1985. Its principal office is situated in Nairobi, Kenya. The Company is exempt from all forms of taxation as provided for in the Shelter – Afrique Act, 1985.

The address of its registered office is as indicated on page 2.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

(a) Basis of preparation

The financial statements are prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The Company's functional and presentation currency is the United States Dollars (US\$).

i) Basis of measurement

The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g., by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would ordinarily take into account in an arms-length transaction.

(ii) Going concern

The Company reported a total comprehensive profit of US\$ 1,790,265 during the year ended 31 December 2024 (2023: total comprehensive profit of US \$ 100,983) and had an accumulated deficit of US \$ 30,942,445 as of that date (2023: US \$ 31,540,275). The Company was in a net asset position of US \$ 173,290,707 (2023: US \$ 166,012,818). The Company's legacy loan and advances portfolio has been the main contributor to the poor asset quality with non-performing loans ratio at 48% (2023: 51%). However, the increased rigor in recovery and disbursement continues to try and address the quality of the loan book and is expected to significantly contribute to the increase the Company's profitability in the future. Additionally, the NPL management has been organized through an NPLs management strategy 2023-2027 that was presented and approved by the Board. It was premised on pushing for cash collections, legal foreclosure processes, Alternative Dispute Resolution (ADR) mechanisms and creating of a special purpose vehicle.

Continued existence of the Company as a going concern is dependent upon its future profitability and/or injection of additional funds into the business by the shareholders. In the year 2024, disbursements of loans and advances were US\$ 24,806,986 (2023: US\$ 19,942,395). The disbursements expand the base for future revenue generation. In addition, the shareholders remain committed to support the business through annual injection of capital, the budget capital to be

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (continued)

mobilized from shareholders in financial year ending 31 December 2025 amounts to US \$ 26 million. In the year 2024 capital injections amounted to US\$ 5.40 million. Disbursements in the year 2025 are planned at USD 130.5 million which is expected to increase interest income.

On the basis of the above, the directors have prepared the financial statements on a going concern basis.

(iii) use of estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statement are disclosed in Note 3.

(b) Changes in accounting policies and disclosures

(i) New and amended standards effective and adopted by the Company.

The following standards and interpretations are applicable from 1 January 2024 but do not have a material effect on the Company.

Title	Effective date	Executive summary
Amendments to IAS 1, 'Presentation of Financial Statements' - Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024	<p>These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.</p> <p>The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.</p> <p>They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.</p>
Amendments to Supplier Finance Arrangements (IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure')	Annual periods beginning on or after 1 January 2024	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
Amendments to Supplier Finance Arrangements (IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure')	Annual periods beginning on or after 1 January 2024	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(b) Changes in accounting policies and disclosures

(ii) Standards, interpretations and amendments issued but not effective and have not been early adopted by the Company.

Title	Effective date	Executive summary
Amendment to IAS 21 titled Lack of Exchangeability (issued in August 2023)	1 January 2025	The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
Amendments to IFRS 19 titled Subsidiaries without Public Accountability (issued in May 2024)	1 January 2027	This amendment allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.
Amendments to IFRS 18 titled Presentation and Disclosure in Financial Statements (issued in April 2024)	1 January 2027	IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.
Amendments to IFRS 7 and IFRS 9 titled Classification and Measurement of Financial Instruments (issued in May 2024)	1 January 2026	These amendments address diversity in accounting practice by making the requirements more understandable and consistent. The amendments: <ul style="list-style-type: none"> • Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and • Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).
Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026	These amendments: <ul style="list-style-type: none"> • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(c) Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific criteria must be met before revenue is recognised:

(i) Interest and similar income and expenses

Interest income and expense are recognized in profit or loss for all interest-bearing instruments measured at amortized cost using the effective interest method.

Effective interest rate

Income from Government securities at fair value through profit or loss (FVTPL), deposits and loans and advances to customers is recognized in profit or loss using the effective interest rate method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortized cost of the financial liability

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not the expected credit loss (ECL). For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortized cost and gross carrying amount.

The 'amortized cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any ECL.

The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income

The effective interest rate of a financial asset is calculated on initial recognition of a financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(c) Recognition of income and expenses (continued)

For financial assets that were credit-impaired on initial recognition, purchased originated credit impaired (POCI) assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(ii) Fees and other income

In the normal course of business, the Company earns fees and commission income from a diverse range of services to its customers.

Fees relating to loan origination, including commitment, and front-end fees, are considered an integral part of the yield earned on the loan and are accounted for using the effective interest rate method. Fees received for commitments that are not expected to result in a loan are included in non-interest income over the commitment period.

Any other fees and commission income, including account servicing fees, investment management fees, placement fees and syndication fees, are recognised as the related services are performed

Dividend income from equity investments is recognised when the Company's right to receive payment is established.

The company also owns the premises where the headquarters seat is located. Due to its moderate current operations, the company has not been able to occupy all the space in its headquarters' building. The extra space is let out to tenants who pay rent and parking fees. Additionally, housing units in repossessed assets from defaulting customers are rented out for rental income as the company tries to sell the assets to the market. Rental income is recognised on accrual basis where rent income is recognised when it's earned.

(iii) Interest expense

Interest expenses consist of interest and other costs that an entity incurs in connection with the borrowing of funds. These costs are recognised in profit or loss using the effective interest rate method.

(d) Investments in joint ventures

The Company has interest in joint ventures, which are jointly controlled entities, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The arrangements require unanimous agreement for financial and operating decisions among the venturers. The Company recognises its interest in the joint ventures using the equity method of accounting. Under the equity method, the interest in a joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise the venturer's share of profit or loss in the joint venture after the date of acquisition. The venturer's share of profit or loss is recognised in the venturer's profit or loss. Any change in other comprehensive income of the joint venture is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture. Distributions received from the joint venture reduce the carrying amount of interest in the joint venture.

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

The financial statements of the joint ventures are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company. The joint ventures have been disclosed under Note 18.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the joint venture is impaired. Where indicators of impairment are noted, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying amount and recognises the impairment charge in the statement of profit or loss.

The aggregate of the Company's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

(e) Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(f) Intangible assets

Intangible assets comprise acquired computer software programmes. An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on acquired computer software programmes is capitalised and amortised using the straight-line method over their estimated useful lives, which is four to five years. Amortisation is recognised within the operating expenses line item.

The intangible assets' useful lives and methods of amortisation are reviewed at each reporting date and adjusted prospectively if appropriate.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(g) Capital grant

This relates to a grant from Government of Kenya in form of leasehold land. The asset is depreciated over the lease term of 99 years. The company holds only one capital grant from the government of Kenya.

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(h) Property and equipment

Buildings is initially measured at cost and then are subsequently measured at the fair value on the date of revaluation less subsequent accumulated depreciation and accumulated impairment losses.

Other categories of property and equipment are included in the financial statements at their historical cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of day-to-day servicing of property and equipment are recognised in profit or loss.

Gains and losses on disposal of property and equipment are determined by comparing the proceeds of disposal with the carrying amount of the item of property and equipment and are recognised in profit or loss in the year in which they arise.

Revaluation surplus

Buildings are revalued every year. The carrying amounts are adjusted to the revaluations and the resulting increase recognised in other comprehensive income and presented in the revaluation reserve within equity.

Revaluation decreases that offset previous increases of the same asset are charged or recognised in other comprehensive income. Any decrease that does not offset a prior increase is charged to profit or loss. Revaluation surpluses are not distributable.

Depreciation on revalued land and buildings is recognised in profit or loss. An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation

Depreciation is calculated on the straight-line basis, at annual rates estimated to write off the cost or valuation of the assets over their estimated useful lives. Depreciation is recognised in profit or loss.

The annual depreciation rates in use are:

Buildings	2.56%
Office equipment, furniture and fittings	12.5%
Motor vehicles	25.0%

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(h) Property and equipment (Continued)

Depreciation is calculated on the straight-line basis, at annual rates estimated to write off the cost or valuation of the assets over their estimated useful lives. Depreciation is recognised in profit or loss.

The annual depreciation rates in use are:

Buildings	2.56%
Office equipment, furniture and fittings	12.5%
Motor vehicles	25.0%
Computers	25.0%
Residential furniture and fittings	12.5%

Buildings on leasehold land are depreciated over the estimated useful life of the building, or the lease period, whichever is shorter.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(i) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or has decreased. If such indication exists, the Company estimates the asset's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) Retirement benefit costs

The Company operates a defined contribution provident fund scheme for all its employees. The assets of the scheme are held in a separate trustee administered fund that is funded by both the Company and employees. The Company's contributions to the above scheme are charged to profit or loss in the year to which they relate. The Company also operates a closed gratuity scheme for its employees. A defined benefit plan is a post-employment benefit plan other than defined contribution plan. The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. Remeasurement gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(k) Employee entitlements

A provision is made for the estimated liability of service pay as a result of services rendered by employees up to the year end. Employees are entitled to a full month pay for every year of service completed. A provision is made for the estimated liability of annual leave and service pay as a result of services rendered by employees up to the year end.

(l) Financial instruments

Measurement methods

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e., its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

For purchased or originated credit-impaired financial assets — assets that are credit-impaired at initial recognition — Shelter Afrique calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When Shelter Afrique revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

Interest income and expense are recognised in profit or loss on the accrual basis. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Financial assets that are not impaired at initial recognition but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e., net of the expected credit loss provision).

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets are recognized on trade date, the date on which Shelter Afrique commits to purchase or sell the asset.

At initial recognition, Shelter Afrique measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, as described in expected credit loss measurement note, which results in an accounting loss being recognized in profit or loss when an asset is newly originated.

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(I) Financial instruments (continued)

Measurement methods (continued)

Initial recognition and measurement

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e., a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss; and

In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

Classification and subsequent measurement

The Company classifies its financial assets in the following measurement categories:

- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL) ; or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

These are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds, cash and bank balances, bank deposits.

Classification and measurement of debt instruments depend on:

- The Company's business model for managing the asset; and
- The cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest on these financial assets is included in the income statement as part of interest income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(I) Financial instruments (continued)

Measurement methods (continued)

Classification and subsequent measurement (continued)

Fair value through profit or loss: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A business model in which an entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets, would result in an FVTPL business model.

A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the profit or loss statement within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in the interest income.

Business model assessment

The business model reflects how Shelter Afrique manages the assets in order to generate cash flows. That is, whether Shelter Afrique's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by Shelter Afrique in determining the business model for assets include past experience on how the cash flows of these assets were collected, how the performance of the assets is evaluated and reported to key management personnel, the risks that affect the performance of the business model (and the financial assets within) and in particular, the way that those risks are managed; and how assets managers are compensated.

Cash flow characteristic of the asset

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, Shelter Afrique assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the SPPI test).

In making this assessment, Shelter Afrique considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Shelter Afrique reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

Equity instruments

These are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

Shelter Afrique subsequently measures all equity investments at fair value. Where Shelter Afrique's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(I) Financial instruments (continued)

Shelter Afrique has designated at FVOCI investments in equity securities that are unquoted and not for trading. The entity chose this presentation alternative because the investments were made for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

When Shelter Afrique derecognizes investments in equity instruments measured at FVOCI, it shall disclose:

- The reason for disposing the investments,
- The fair value of investments at the date of derecognition; and
- The cumulative gain or loss on disposal.

(ii) Impairment of financial assets

Shelter Afrique assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from project finance loan and corporate loans. Shelter Afrique recognizes a loss allowance for such losses at each reporting date determined as detailed in Note 35(b). The measurement of ECL reflects:

- a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b) The time value of money; and
- c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(iii) Modification of loans

Shelter Afrique sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, Shelter Afrique assesses whether or not the new terms are substantially different to the original terms. Shelter Afrique does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, Shelter Afrique derecognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, Shelter Afrique also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and Shelter Afrique recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(I) Financial instruments (continued)

Financial liabilities

(i) Classification and subsequent measurement

Financial liabilities are classified as subsequently measured at amortised cost, except for;

- Financial liabilities at fair value through profit or loss; this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition or when the continuing involvement approach applies; and
- Financial guarantee contracts and loan commitments

(ii) Derecognition

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The exchange between Shelter Afrique and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position only when there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense will not be offset in profit or loss unless required by an accounting standard or interpretation and is specifically disclosed in the accounting policies of the Company.

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(m) Investment properties

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Investment property comprises land and buildings held to earn rentals and/or for capital appreciation. It is carried at fair value, representing market value determined by external independent valuers. Valuation is performed every year to ensure an asset's fair value to reflect the current market price of the property.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss, net of any reimbursement.

(o) Dividends

Dividends payable are recognised as a liability in the period in which they are approved and declared.

Distributions of profits to holders of equity investments in proportion to their holdings of the capital is done at the year-end provided the Company has made profits in excess of United States dollar (US\$) of one million. The maximum amount that can be distributed is 20% of the profits after approval by the annual general meeting.

(p) Shelter Afrique Foundation

The Company has set up a Foundation to enhance Shelter-Afrique's visibility in corporate social responsibility to its member countries. The current policy approved by the Annual General meeting requires an appropriation of 15% of the profits in a given year provided that the Company has made profits in excess of United States dollar (US\$) of one million.

(q) Deferred income

Lumpsum fees received upfront in relation to loans and advances disbursed to customers from which the Company expects derive benefits over a period beyond the year in which the fees are received, are recognised as liability and recognised in profit or loss over the life of the facility. Other deferred income relates to government grants, based on land donated by the Kenya government for the Headquarters building. The grant is recognised in profit or loss over the useful life of the building disclosed in note 2(h).

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(r) Leases

The Company as a lessor

The Company enters into lease agreements as a lessor with respect to some of its properties.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(s) Repossessed collateral

Repossessed collateral relates to property swapped for debt as part of debt recovery process and is held as investment property measured at fair value.

(t) Segment reporting

The Company's business is offering loan products for housing development. As such, for segmental reporting, the Company is organised into a single operating segment. In view of this the Company does not report on separate business segments.

(u) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(v) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction.

(w) Taxation

The Company is exempt from all forms of taxation as provided for in the Shelter Afrique Act 1985.

(x) Derivative financial assets and liabilities

The Company enters into derivatives (currency forwards and swaps) for trading purposes. At their inception, derivatives often involve only a mutual exchange of promises with little or no transfer of consideration. The Company may take positions with the expectation of profiting from favourable movement in prices, rates or indices. The Company's exposure under derivative contracts is closely

NOTES (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(x) Derivative financial assets and liabilities (Continued)

monitored as part of the overall management of its market risk. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in net trading income.

The company uses the following derivative instrument:

Currency swaps

Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, in relation to movements in a specified underlying index such as a foreign currency rate. In a currency swap, the Company pays a specified amount in one currency and receives a specified amount in another currency.

(y) Comparatives

Except otherwise required, all amounts are reported or disclosed with comparative information. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

(z) Functional and presentation currency

The financial statements are presented in United States Dollars (\$) which is the Company's functional currency. Transactions in other currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES (CONTINUED)

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Key sources of estimation uncertainty

(a) *Measurement of the expected credit loss allowance*

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring expected credit losses (ECL), such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL; and
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL.

Note 35 (b) provides the detailed analysis of the assumptions applied in the Company's expected credit losses model.

(b) *Investment property*

The Company obtains independent valuations for its investment properties and buildings every year. At the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations and desktop reviews to confirm that the fair value hasn't changed materially since the last formal valuation.

The directors apply judgement on the reasonableness of assumptions applied to determine the property's/building's fair value. The Company commissioned external, independent and professionally qualified real estate valuers that hold recognised relevant professional qualification and have recent experience in the locations and types of investment properties valued to determine the fair value of the investment properties at 31 December 2024 and 31 December 2023 on the basis of open market value.

The valuation of the investment properties is derived by making reference to recent comparable sales transactions in the relevant property market, on the assumption that the property had already been completed at the valuation date. The fair value gains/(losses) have been credited/debited to 'income' in the income statement.

The Company's investment properties are valued by reference to a level 3 fair value measurement. In 2024 and 2023, there were no transfers between different levels within the fair value hierarchy. Level 3 measurement uses one or more significant inputs not based on observable data.

(c) *Fair value measurement of unquoted equity investments*

The Company holds unquoted investments, comprising investments in unlisted entities, measured at fair value. The methods used in determining the fair value of the unquoted investments involves significant estimates and assumptions of unobservable inputs such as net assets and discounts and control premiums.

The Company applies adjusted Net Asset Value method, which is a method within the cost approach that provides an indication of the value of a business based on the individual revaluation of all the assets and liabilities of the business (including off-balance sheet, intangible, and contingent assets and liabilities) as at the valuation date.

NOTES (CONTINUED)

	2024 US\$	2023 US\$
4 INTEREST INCOME		
<i>Interest income calculated using the effective interest method</i>		
Interest on:		
Project finance loans	5,804,786	6,932,857
Lines of credit advances	9,338,336	10,708,389
Staff loans	103,982	104,997
	<hr/>	<hr/>
	15,247,104	17,746,243
Placements with financial institutions	3,400,191	7,943,087
	<hr/>	<hr/>
	18,647,295	25,689,330
	<hr/>	<hr/>
Geographical concentration analysis:		
Eastern Africa	3,478,285	4,233,451
Southern Africa	2,549,175	1,831,249
Francophone West/Central Africa	7,090,477	7,228,413
Anglophone West Africa	5,425,376	12,291,220
Staff loans	103,982	104,997
	<hr/>	<hr/>
	18,647,295	25,689,330
	<hr/>	<hr/>

The interest income accrued on impaired financial assets is US\$ 4,000,100 (2023: 4,054,288)

The main types of loan products to customers are:

Lines of credit – These are short term and structured medium-term financing to housing finance institutions and other institutions for on-lending to individuals and developers for new mortgages or refinancing of existing mortgages.

Project finance – These are medium term construction/development loans to developers for development of new housing estates, infrastructure provision through site and services schemes, commercial projects (office buildings, rental housing, shopping centres, among others)

	2024 US\$	2023 US\$
5 INTEREST EXPENSE AND SIMILAR CHARGES		
<i>Interest expense calculated using the effective interest method</i>		
Medium term notes (note 30)	4,179,366	9,800,687
	<hr/>	<hr/>
	4,179,366	9,800,687
<i>Other similar charges</i>		
Other financial charges	540,191	266,931
	<hr/>	<hr/>
	4,719,557	10,067,618
	<hr/>	<hr/>

NOTES (CONTINUED)

	2024	2023
	US\$	US\$
6 FEES AND COMMISSION INCOME		
Commitment fees	16,748	22,853
Appraisal fees	179,502	65,461
Front end fees	216,404	184,464
Penalty fees	-	95,000
Management fees	266,382	297,466
Cancellation fees	10,000	251,380
	<hr/>	<hr/>
	689,036	916,624
	<hr/>	<hr/>

Commitment fees

These are fees payable by the borrower three months after signing of the loan agreement on any undisbursed loan amounts. They accrue at the rate of 0.85 per cent per annum on the undisbursed loan amount.

Appraisal fees

These are fees paid by the borrower to cater for any project appraisal expenses incurred when appraising the project. These are paid prior to the loan agreement being signed and are stated at 0.5% on the loan amount.

Front-end fees

These are non-refundable fees paid by the borrower upon signing of the loan agreement stated at 1% on the loan amount.

Penalty fees

These are late payment charges levied on the outstanding invoice amount at different rates.

Management fees

These are fees for managing the projects and are charged at 0.5% of the outstanding loan balance.

Cancellation fees

These include restructuring fees and termination fees payable by the borrower upon cancellation of the loan agreement.

	2024	2023
	US\$	US\$
7 OTHER INCOME		
Rental income (Note 23)	329,625	310,687
Net gain/(loss) on disposal of repossessed collaterals	3,945	456
Fair value loss on repossessed properties	(312,916)	-
Dividend income from equity investments	94,555	30,563
	<hr/>	<hr/>
	115,209	341,706
	<hr/>	<hr/>

NOTES (CONTINUED)

8	OPERATING EXPENSES	2024 US\$	2023 US\$
	Staff costs (note 9)	5,536,116	4,732,380
	Consultancy fees and legal fees	357,954	603,507
	Depreciation on property and equipment (Note 20)	148,895	43,129
	Amortisation of intangible assets (Note 21)	338,903	255,095
	Amortisation of leasehold land (Note 22)	3,879	3,879
	Auditor's remuneration	53,000	50,000
	Directors' fees (Note 34)	422,558	333,830
	Official missions	481,236	353,206
	Business promotion	64,374	61,581
	Translation services	45,004	208,639
	Legal fees	475,096	7,322
	Medical insurance	461,854	344,760
	Business meetings	128,918	210,760
	Software license renewal	217,251	194,829
	Office expenses	1,248,776	1,055,938
		<hr/>	<hr/>
		9,983,814	8,458,855
		<hr/>	<hr/>

The Company did not have any regulatory fines or penalties during the year (2023: Nil).

9	STAFF COSTS	2024 US\$	2023 US\$
	Salaries and wages	4,768,798	4,025,674
	Retirement benefits cost:		
	Defined contribution scheme	527,294	452,900
	Current service cost (Note 27)	299,039	298,134
	Interest cost (Note 27)	47,772	43,571
	Leave accrual (Note 26 (ii))	(106,787)	(87,899)
		<hr/>	<hr/>
		5,536,116	4,732,380
		<hr/>	<hr/>

The average number of employees in the year was 53 (2023: 55)

10	NET FOREIGN EXCHANGE GAINS	2024 US\$	2023 US\$
	Foreign exchange differences arising from:		
	Medium-term note	21,948,575	52,017,014
	Loans and advances	(9,091,610)	(22,561,174)
	Expected credit losses	(2,943,032)	6,118,907
	Investments in FGN bonds	(2,557,375)	(5,219,406)
	Other instruments	(4,220,984)	(33,168,342)
		<hr/>	<hr/>
		3,135,574	(2,813,001)
		<hr/>	<hr/>

The Company operates internationally and is exposed to foreign exchange risk, note 35 (c) details the primary foreign currencies the Company is exposed to.

NOTES (CONTINUED)

11 EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit/(loss) attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year. The weighted average number of shares has been computed as a reasonable approximation of the number of ordinary shares outstanding during the period, which is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. There were no discontinued operations and no potentially dilutive shares outstanding on 31 December 2024 and 31 December 2023

	2024 US\$	2023 US\$
Profit attributable to shareholders	566,145	994,049
Weighted average number of ordinary shares	131,304	127,658
Basic and diluted earnings per share	4.31	7.79

12 CASH AND BANK BALANCES

Cash and bank balances	6,334,741	3,768,295
Cash and bank balances analysis based on denominated currencies:		
United States Dollars (US\$)	4,208,856	1,977,983
Kenya Shillings	702,624	396,159
Central African franc	37,180	26,850
Euro	97,565	265,187
South African Rand	7,222	8,703
Naira	1,281,294	1,093,413
	6,334,741	3,768,295

13 BANK DEPOSITS AND INVESTMENTS IN BONDS

(a) Call and term deposits with banks	40,725,638	51,950,876
Less: Expected credit losses	(1,853,762)	(1,781,543)
	38,871,876	50,169,333
Amounts per currency		
United States Dollars (US\$)	33,185,456	29,095,971
Kenya Shillings	2,028,271	1,468,169
South African Rand	313,038	307,912
Central African Franc	-	1,247
Naira	3,345,111	19,296,034
	38,871,876	50,169,333

NOTES (CONTINUED)

13 BANK DEPOSITS AND INVESTMENTS IN BONDS (CONTINUED)

(a) All the bank deposits mature within three months from the dates of placement.

(b) Investment in bonds carried at fair value through profit or loss - Federal Government of Nigeria Bonds	2024	2023
	US\$	US\$
At start of year	5,494,640	10,392,317
Bonds purchased during the year	-	3,446,770
Bonds sold during the year	-	(3,691,380)
Fair value gain/(loss)	(392,413)	566,339
Foreign exchange loss	(2,557,375)	(5,219,406)
At end of year	2,544,852	5,494,640

The bonds maturity tenor is over 10 years. The weighted average effective interest rate for the FGN Bonds is 15.70% (2023: 15.70%).

The movement in provision for expected credit losses on short term bank deposits is as follows:

	2024	2023
	US\$	US\$
At start of year	1,781,543	1,685,605
Increase in provision in the year	72,219	95,938
At end of year	1,853,762	1,781,543

Included in the provision for impaired short-term deposits is USD 1,031,766 relating to a deposit held in Chase Bank Limited, a bank in Kenya that was placed under statutory administration on 7 April 2019 by the Central Bank of Kenya. The deposit is fully provided for.

The effective interest rates on bank deposits were as follows:

	2024	2023
United States Dollars (US\$)	5.65%	5.14%
Kenya Shillings	14.99%	11.23%
Rand	6.42%	6.58%
Euro	-	2.13%
Central African Franc	-	2.50%
Naira	14.89%	11.68%

14 DERIVATIVE FINANCIAL INSTRUMENTS

As part of its asset and liability management, the Company uses derivatives for hedging purposes to reduce its exposure to foreign currency risks. This is done by engaging in currency swaps where the Company pays a specified amount in one currency and receives a specified amount in another currency.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

NOTES (CONTINUED)

14 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	2024 US\$	2023 US\$
Foreign currency contracts		
Derivative financial instruments	122,861	67,763

The notional amounts are the respective gross amounts underlying the contract at the reporting date.

	Notional amount USD	Assets USD	Liabilities USD
2024			
Currency swap contracts	960,784	122,861	-
2023			
Currency swap contracts	1,552,905	67,763	-

15 REPOSSESSED COLLATERAL

	2024 US\$	2023 US\$
Land	1,152,424	1,063,163
Buildings	10,521,967	8,231,159
Net fair value gains/(losses)	(322,911)	-
	11,351,480	9,294,322

The movement in the value of buildings in the year is as follows:

At start of year	8,231,159	8,862,077
Additions	746,785	1,470,007
Disposals	(185,072)	(158,606)
Exchange differences on translation	1,729,095	(1,942,319)
At end of year	10,521,967	8,231,159

The Company's repossessed collaterals comprise 7 houses from Cervinho Alimentaire in Mozambique (2023: nil), 11 apartments (2023: 11) in Eden Beach Resort & Spa in Mombasa, Kenya, and 12 houses (2023: 12) and vacant land in Athi River, 27 houses (2023: 28) in Kenya Medical Association, in Mombasa, 72 houses (2023: 74) in Translakes in Kisumu, Kenya and 15 houses in Serene Valley 2023:15).

Repossessed collateral relates to property swapped for debt as part of debt recovery process and is held as investment property measured at fair value.

NOTES (CONTINUED)

15 REPOSSESSED COLLATERAL (CONTINUED)

The movement in the value of land in the year is as follows:

	2024 US\$	2023 US\$
At start of year	1,063,163	1,498,003
Additions	337,473	-
Disposals	-	(79,105)
Exchange differences on translation	(248,212)	(355,735)
At end of year	1,152,424	1,063,163

16 LOANS AND ADVANCES TO CUSTOMERS

Principal loans and advances to customers	153,531,085	167,470,516
Staff loans and advances	4,204,963	4,426,262
	157,736,048	171,896,778
Interest and fees receivable	35,070,878	51,264,664
Provision for expected credit losses	192,806,926 (58,025,485)	223,161,442 (84,860,080)
Net loans and advances	134,781,441	138,301,362
Profile of the net loans and advances		
Current portion	52,710,882	41,786,410
Non-current portion	82,070,559	96,514,952
	134,781,441	138,301,362
Product analysis		
Project finance	37,654,286	37,244,248
Lines of credit	93,589,682	97,311,748
Staff loans	3,537,473	3,745,366
	134,781,441	138,301,362

The average effective interest rate on loans and advances to customers at 31 December 2024 was 12.22% (2023 12.41 %). For project finance portfolio, the rate was 12.50% (2023: 12.11.%) and for lines of credits at 12.01% (2023: 12.64%.) per annum.

Staff loans and advances are granted in accordance with the staff rules and regulations approved by the Board of Directors. The effective rate on staff loans and advances was 4% (2023: 4%) per annum. The staff car loans and staff mortgage loans at the year-end are secured, and settlement occurs in cash. Other staff advances are secured by terminal dues, and settlement occurs in cash. Expected credit losses on staff loans at 31 December 2024 was US\$ 667,490 (2023: 680,896).

NOTES (CONTINUED)

16 LOANS AND ADVANCES TO CUSTOMERS

**2024
US\$**

**2023
US\$**

The movement in the principal loans and advances including staff loans is as follows:

At start of year	171,896,778	190,752,233
Disbursements in the year	24,806,986	19,942,395
Repayment in the year	(15,208,607)	(17,140,807)
Amounts written off during the year	(14,349,898)	(1,412,920)
Settled through repossession	(317,601)	(1,470,000)
Exchange difference	(9,091,610)	(18,774,123)
At end of year	157,736,048	171,896,778

Movements in the gross loans and advances balance have been disclosed under note 35 (b)

The movement in the provision for expected credit losses is as follows:

**2024
US\$**

**2023
US\$**

At end of year	84,860,081	114,529,205
Charge for the year	4,869,635	5,491,150
Recoveries on impaired loans and advances	(460,805)	(929,966)
Write off during the year	(34,186,459)	(28,111,402)
Exchange difference	2,943,032	(6,118,907)
At end of year	58,025,485	(84,860,081)

Maturity analysis of gross loans

Within one year	110,736,366	125,965,595
One year to five years	69,758,119	79,453,442
Over five years	12,312,441	17,742,405
	192,806,926	223,161,442

The expected credit losses charge to the statement of profit or loss is as follows:

**2024
US\$**

**2023
US\$**

Expected credit losses – Loans & Advances	4,883,041	5,007,005
Expected credit losses - Staff Loans	(13,406)	484,145
	4,869,635	5,491,150
Recoveries	(460,805)	(929,966)
	4,408,830	4,561,184

NOTES (CONTINUED)

17 OTHER RECEIVABLES AND PREPAYMENTS	2024 US\$	2023 US\$
Other debtors	2,432,724	2,604,066
Less: expected credit losses	1,865,664	1,096,037
	567,060	1,508,029
Prepayments	160,576	590,652
	727,636	2,098,681
Current portion	157,890	607,283
Non-current portion	569,746	1,491,398
	727,636	2,098,681

The movement on the expected credit losses for other receivables is as follows:

	2024 US\$	2023 US\$
At start of year	1,096,037	1,210,469
Increase/(decrease)	704,026	(29,834)
Exchange difference	65,601	(84,598)
At end of year	(1,865,664)	(1,096,037)

18 INVESTMENTS IN JOINT VENTURES

Set out below are the joint ventures of the Company as at 31 December 2024 which in the opinion of the directors are material to the company. The proportion of ownership interest is the same as the proportion of the voting rights held except for Kew Gardens.

	2024 US\$	2023 US\$
Everest Park Project	968,864	808,993
Rugarama Park Estates Project	1,003,963	1,272,636
Kew Gardens Project	510,820	423,506
	2,483,647	2,505,135
Movement in the joint ventures is as follows:		
At start of year	2,505,135	2,823,239
Share of profit/(loss)	24,228	10,650
Capital reduction	(37,686)	-
Impairment	(266,037)	(1,378)
Exchange difference	258,007	(327,376)
At end of year	2,483,647	2,505,135

NOTES (CONTINUED)

18 INVESTMENTS IN JOINT VENTURES (CONTINUED)

*In 2018, the Glenwood Garden Project was fully impaired.

At 31 December 2024, the carrying value of the investment in joint ventures was written down to its recoverable amount of USD 2,483,647 which was determined by reference to the joint ventures net assets values.

The impairment losses include administrative expenses in the statement of profit or loss.

The subsequent tables provide summarised financial information for the joint ventures that are material to the company. The information disclosed reflects the amount presented in the financial statements and not Shelter Afrique's share of those amounts.

(a) Everest Park Project

Everest Park Project Joint Venture is a joint venture arrangement between Shelter Afrique and Everest Limited with effect from 1 February 2011. The objective of the joint venture is to own, develop and sell the subject property and improvements to generate investment income. The property is located within Mavoko Municipality in Kenya. The joint venture was incorporated in Kenya and the principal place of business is Shelter Afrique Centre, Longonot road, Nairobi, Kenya. The joint venture is not a listed entity. The venturers have the following undivided interest in the Joint Venture: Shelter Afrique – 50% and Everest Limited - 50%. The term of the joint venture is up to 31 October 2023. As of 31 December 2024, the directors have assessed the investment to be recoverable despite the impact of various challenges on the real-estate market.

	2024 US\$	2023 US\$
Draft statement of financial position:		
Property held for sale	2,414,878	1,995,542
Trade and other receivables	41,516	34,306
Cash and cash equivalents	140,029	48,183
	<hr/>	<hr/>
Current assets	2,596,423	2,078,031
	<hr/>	<hr/>
Current liabilities	492,157	322,427
	<hr/>	<hr/>
Net assets	2,104,266	1,755,604
	<hr/>	<hr/>
Total equity and liabilities	2,596,423	2,078,031
	<hr/>	<hr/>

NOTES (CONTINUED)

18 INVESTMENTS IN JOINT VENTURES (CONTINUED)

(a) Everest Park Project (continued)

	2024 US\$	2023 US\$
Draft statement of profit & loss and other comprehensive income:		
Revenue	-	284,191
Other income	78,099	47,194
Less: Direct costs	(5,409)	(274,624)
Gross profit	72,690	56,761
Administration expenses	(15,601)	(30,302)
Profit before income tax	57,089	26,459
Income tax expense	-	-
Profit for the year	57,089	26,459
Other comprehensive income	-	-
Total comprehensive income	57,089	26,459
Share of joint venture's profit (50%)	28,545	13,229
Reconciliation of investment in joint venture		
1 January	808,993	1,009,184
Share of profit	28,545	13,229
Exchange difference	169,012	(213,420)
Capital reduction	(37,686)	-
	968,864	808,993

(b) Glenwood Gardens Project

Glenwood Gardens Project is a joint venture between Shelter Afrique and Glenwood Gardens Limited with effect from 20 May 2015. The project is situated in Ndenderu, Ruaka, Kiambu County, Kenya. The purpose of the joint venture is to acquire, own, develop, construct, operate and sell the subject property and improvements as an investment for production of income. The joint venture was incorporated in Kenya and the principal place of business is Shelter Afrique Centre, Longonot road, Nairobi, Kenya. The joint venture is not a listed entity. The venturers have the following undivided interest in the Joint Venture: Shelter Afrique – 50% and Glenwood Gardens Limited - 50%. The term of the joint venture is up to 1 January 2022. In 2018 the joint venture was fully impaired because the project stalled and the subsequent annual losses arising from the joint venture were recognised in the statement of profit or loss.

NOTES (CONTINUED)

18 INVESTMENTS IN JOINT VENTURES (CONTINUED)

(b) Glenwood Gardens Project (continued)

	2024 US\$	2023 US\$
Draft statement of financial position:		
Inventory	10,620,709	8,042,056
Cash and bank balances	2,822	2,361
Trade and other receivables	775,332	640,697
	<hr/>	<hr/>
Current assets	11,398,863	8,685,114
	<hr/>	<hr/>
Current liabilities	9,682,887	7,264,355
	<hr/>	<hr/>
Total liabilities	9,682,887	7,264,355
	<hr/>	<hr/>
Net assets	1,715,976	1,420,759
	<hr/>	<hr/>
Total equity and liabilities	11,398,863	8,685,114
	<hr/>	<hr/>
Draft statement of profit & loss and other comprehensive income:		
Administration expenses	(3,336)	(2,757)
Loss before income tax	(3,336)	(2,757)
Income tax expense	-	-
Loss for the year	(3,336)	(2,757)
Other comprehensive income	-	-
Total comprehensive income	(3,336)	(2,757)
	<hr/>	<hr/>
Share of joint venture's loss (50%)	(1,668)	(1,378)
	<hr/>	<hr/>
Reconciliation of investment in joint venture		
1 January	-	-
Share of loss (not recognised)	(1,668)	(1,378)
Impairment loss (not recognised)	1,668	1,378
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

NOTES (CONTINUED)

18 INVESTMENTS IN JOINT VENTURES (CONTINUED)

(c) Kew Gardens Project

Kew Gardens Project is a joint venture between Shelter Afrique and Itoga Investments Holdings Limited from 8 October 2013. The purpose is to develop, construct and sell property of the project located in Kilimani, Nairobi, Kenya. The joint venture was incorporated in Kenya and the principal place of business is Shelter Afrique Centre, Longonot road, Nairobi, Kenya. The joint venture is not a listed entity.

The venturers have the following undivided interest in the Joint Venture: Shelter Afrique – 19.8% and Itoga Investments Holdings Limited – 80.2%. While the Company holds less than 50% interest in the venture, the directors have considered the terms of the project's operation and concluded there is joint control with the Itoga Investments Holdings Limited. The term of the joint venture was up to 31 December 2021, but stalled, and is under a loan workout arrangement by the Special operations unit. As of 31 December 2024, the directors have assessed the investment to be recoverable despite the challenges of the real-estate market. The directors continue to assess the evolving challenges in the macro-economic environment on the industry.

	2024 US\$	2023 US\$
Draft statement of financial position:		
Inventory	29,590,649	22,472,153
Cash and bank balances	3,540	3,018
Trade and other receivables	145,673	120,377
Current assets	29,739,862	22,595,548
Current liabilities	27,159,965	20,456,628
Net assets	2,579,897	2,138,920
Draft statement of profit & loss and other comprehensive income:		
Administration expenses	(8,488)	(7,014)
Loss before income tax	(8,488)	(7,014)
Income tax expense	-	-
Loss for the year	(8,488)	(7,014)
Other comprehensive income	-	-
Total comprehensive income	(8,488)	(7,014)
Share of joint venture's profit (19.8%)	(1,681)	(1,389)
Reconciliation of investment in joint venture		
1 January	423,506	538,849
Share of profit	(1,681)	(1,389)
Exchange difference	88,995	(113,954)
Impairment	-	-
	510,820	423,506

NOTES (CONTINUED)

18 INVESTMENTS IN JOINT VENTURES (CONTINUED)

(d) Rugarama Park Estates Project

Rugarama Park Estates Limited is a joint venture between Shelter Afrique and Banque Rwandaise de Development (BRD) to undertake the development and subsequent implementation of an affordable housing project. The project is situated in Rugarama, Nyarugenge district within the City of Kigali, partnered with BRD to co-finance the development of about 2,700 housing units and infrastructure services in Nyarugenge district, Kigali. The project is in collaboration with the City of Kigali.

The principal place of business in Nyarugenge, Kigali, Rwanda. The joint venture is governed by the laws of the Republic of Rwanda and is not listed.

The venturers have the following undivided interest in the Joint Venture: Shelter Afrique – 50% and Banque Rwandaise de Development (BRD) – 50%. The joint venture will terminate upon the completion and sale of all of the Houses and the payment of all Venture debts and distribution of all net sale proceeds. The project is currently under construction.

As of 31 December 2024, the directors have assessed the investment to be recoverable despite challenges on the real-estate market.

	2024 US\$	2023 US\$
Draft statement of financial position:		
Cash and bank balances	26,408	31,473
Work in progress	2,843,947	3,111,833
Trade and other receivables	560,710	613,527
	<hr/>	<hr/>
Current assets	3,431,065	3,756,833
	<hr/>	<hr/>
Other payables	1,424,877	1,604,791
	<hr/>	<hr/>
Current liabilities	1,424,877	1,604,791
	<hr/>	<hr/>
Net assets	2,006,188	2,152,042
	<hr/>	<hr/>
Total equity and liabilities	3,431,065	3,756,833
	<hr/>	<hr/>

NOTES (CONTINUED)

18 INVESTMENTS IN JOINT VENTURES (CONTINUED)

(a) Rugarama Park Estates Project

Draft statement of profit & loss and other comprehensive income:

	2024 US\$	2023 US\$	2023 US\$
Other operating income	29,460	6,331	
Administration expenses	(31,396)	(11,470)	
Loss before income tax	(1,936)	(5,139)	
Income tax expense	-	-	
Loss for the year	(1,936)	(5,139)	
Other comprehensive income	-	-	
Total comprehensive loss for the year	(1,936)	(5,139)	
Share of joint venture's profit (50%)	(968)	(2,569)	
Reconciliation of investment in joint venture			
1 January	1,272,636	1,275,205	
Share of loss	(968)	(2,569)	
Impairment	(267,705)	-	
	1,003,963	1,272,636	

NOTES (CONTINUED)

19. EQUITY INVESTMENTS

	Currency	At 1 January US\$	Additions at cost US\$	Capital refund	Changes in fair value US\$	Exchange difference US\$	At 31 December US\$	Dividends
31 December 2024								
<i>At fair value through other comprehensive income</i>								
Pan African Housing Fund LLC (Mauritius)	USD	287,000	-	(56,942)	46,942	-	277,000	-
Caisse Régionale de Refinancement Hypothécaire (CRRH), Togo	FCFA	1,306,000	-	-	6,708	(76,708)	1,236,000	-
Tanzania Mortgage Refinance Company Limited	USD	1,140,000	-	-	(14,000)	-	1,126,000	28,011
Kenya Mortgage Refinance Company Limited	KES	2,029,000	-	-	861,633	426,367	3,317,000	-
FundCo Capital Managers Limited	NGN	795,000	-	-	11,287	(329,287)	477,000	66,544
		5,557,000	-	(56,942)	912,570	20,372	6,433,000	94,555
31 December 2023								
<i>At fair value through other comprehensive income</i>								
Pan African Housing Fund LLC (Mauritius)	USD	394,000	-	-	(107,000)	-	287,000	-
Caisse Régionale de Refinancement Hypothécaire (CRRH), Togo	FCFA	1,291,000	-	-	(32,923)	47,923	1,306,000	-
Tanzania Mortgage Refinance Company Limited	USD	1,445,000	-	-	(305,000)	-	1,140,000	30,563
Kenya Mortgage Refinance Company Limited	KES	2,315,000	-	-	203,573	(489,573)	2,029,000	-
FundCo Capital Managers Limited	NGN	-	1,058,606	-	(112,279)	(151,327)	795,000	-
		5,445,000	1,058,606	-	(353,629)	(592,977)	5,557,000	30,563

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run. The fair value of these financial instruments that are not traded in an active market is determined using fair value techniques. The Company uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details on key assumptions used and the impact of changes to these assumptions refer to Note 31. Changes in fair value and exchange differences are recognised in the statement of comprehensive income.

NOTES (CONTINUED)

19 EQUITY INVESTMENTS (CONTINUED)

Investment in Caisse Régionale de Refinancement Hypothécaire (CRRH)

CRRH is a regional mortgage-refinancing fund, created on 17 July 2010 as a limited company under Togolese law. The initial capital was FCFA 3,426 million comprising of 342,600 shares with a nominal value of FCFA 10,000 fully subscribed and paid up. Its main responsibility is to support the issuance of long-term loans by major mortgage lenders from the West African Economic and Monetary Unit (WAEMU) area.

The main sponsor of CRRH is the West African Development Bank, while other shareholders include local banks. Shelter Afrique's investment comprises 46,000 shares at a par value of FCFA 10,000 (representing 3.6% ownership).

Pan African Housing Fund LLC (PAHF)

PAHF is a sector-specific private equity fund whose key objective is to promote directly and indirectly the provision of housing solutions in Africa. The current investors are Shelter Afrique, CDC Company Plc, Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), African Development Bank, African Reinsurance Corporation, Eastern and Southern African Trade and Development Bank (TDB Bank) and Phatisa. The Pan African Housing Fund seeks to provide risk capital to real estate projects on a joint-venture basis to selected local developers and works closely with these developers to increase their capabilities across both technical and scale dimensions. Shelter Afrique owns 11.86%.

Tanzania Mortgage Refinance Company Limited (TMRC)

TMRC is a private sector institution whose main objective is the development and promotion of the mortgage finance market (and hence residential construction) through the provision of liquidity to mortgage lenders and development of the local bond market. The investment is carried at fair value. SHAF owns 8.21%.

Kenya Mortgage Refinance Company Limited (KMRC)

KMRC was established as a key institution to support the Affordable Housing Pillar of the Government of Kenya's Big 4 Agenda. It was incorporated on 19 April 2018 as a non-deposit taking financial institution under the supervision of the Central Bank of Kenya with the single purpose of providing long-term funds to primary mortgage lenders (Banks, Micro Finance Banks and SACCOs) in order to increase the availability and affordability of mortgage loans to Kenyans. The Government of Kenya through the National Treasury owns 20% while the remaining 80% is divided among 8 Commercial Banks, 1 Microfinance Bank, 11 SACCOs and 2 Development Finance Institutions (International Finance Corporation (IFC) and Shelter Afrique (11.1%).

Fundco Capital Managers Limited (FundCo) - Housing Solution Fund (HSF)

HSF is designed to operate as a close-ended real estate investment trust (REIT), domiciled in Nigeria and registered with the Nigerian Securities and Exchange Commission (SEC). The Fund began operations on 28 September 2023.

Shelter Afrique owns 38% shareholding of HSF having invested NGN 816m.

HSF is managed by an alternative investment management firm, FundCo Capital Managers, and co-sponsored by Shelter Afrique, alongside pioneer investments from 4 domestic pension funds and one insurance company.

FundCo is a private sector institution specialised at alternative asset management; mobilizing and investing local capital in real assets that will lead the transition to a low-carbon economy.

NOTES (CONTINUED)

20 PROPERTY AND EQUIPMENT

	Buildings	Office equipmen t, furniture, and fitting	Compute rs	Motor vehicles	Residenti al equipmen t, furniture and fittings	Total
	US\$	US\$	US\$	US\$	US\$	US\$
At 1 January 2023	872,867	752,728	528,620	296,290	201,737	2,652,242
Additions	-	14,030	38,256	-	-	52,286
At 31 December 2023	872,867	766,758	566,876	296,290	201,737	2,704,528
At 1 January 2024	872,867	766,758	566,876	296,290	201,737	2,704,528
Additions	-	71,367	36,140	-	-	107,507
Revaluation surplus	92,695	-	-	-	-	92,695
At 31 December 2024	965,562	838,125	603,016	296,290	201,737	2,904,730
Depreciation						
At 1 January 2023	228,196	662,815	437,991	231,708	190,484	1,751,194
Charge for the year	51,287	32,756	46,978	25,000	8,456	164,477
Eliminated on transfer*	(121,349)	-	-	-	-	(121,349)
At 31 December 2023	158,134	695,571	484,969	256,708	198,940	1,794,322
At 1 January 2024	158,134	695,571	484,969	256,708	198,940	1,794,322
Charge for the year	51,486	23,221	46,389	24,999	2,797	148,892
Eliminated on transfer*	(61,969)	-	-	-	-	(61,969)
At 31 December 2024	147,651	718,792	531,358	281,707	201,737	1,881,245
Net book value						
At 31 December 2024	817,911	119,333	71,658	14,583	-	1,023,485
At 31 December 2023	714,733	71,187	81,907	39,582	2,797	910,206

* This relates to transfer of property and equipment to investment property in the prior year where elimination of accumulated depreciation was erroneously omitted.

NOTES (CONTINUED)

20 PROPERTY AND EQUIPMENT (CONTINUED)

Included in property and equipment are assets with a cost of US\$ 1,479,811 (2023: US\$ 1,304,985) which have been fully depreciated. The normal annual depreciation charge on these assets would have been US\$ 266,468 (2023: US\$ 238,053).

No property or equipment was pledged as security by the Company as of 31 December 2024.

Fair value measurement of the buildings

Buildings are revalued at the end of each reporting period. Buildings are carried at valuation less accumulated depreciation.

The building was revalued as at 31 December 2024 by an independent valuer, CMT Realtors Ltd, not related to the Company. CMT Realtors Ltd are members of the Institute of Valuers of Kenya and they have appropriate qualifications and recent experience in the fair value measurements of properties in the relevant locations. The valuation conforms to International Valuation Standards (IVS), Institution of Surveyors of Kenya (ISK) guidelines and was based on open market value on arm's length terms.

The fair value for the buildings was determined using the contractors method/cost approach that reflects the cost to a market participant to construct or purchase assets of comparable utility adjusted for depreciation.

Details of the fair value hierarchy for the Company's property carried at fair value as at 31 December 2024 and 31 December 2023 as presented in note 32.

If buildings were stated on historical cost basis, the amounts would be as follows:

	2024 US\$	2023 US\$
Cost	487,458	487,458
Accumulated depreciation	(487,458)	(487,458)
Net book amount	-	-
21 INTANGIBLE ASSETS		
Cost		
At start of year	2,156,785	1,949,303
Additions	237,509	207,482
At end of year	2,394,294	2,156,785
Amortization		
At start of year	1,828,798	1,573,703
Charge for the year	338,903	255,095
At end of year	2,167,701	1,828,798
Net carrying amount	226,593	327,987

The Company's intangible assets relate to the computer software Oracle ERP and other operating applications Software.

NOTES (CONTINUED)

22 LEASEHOLD LAND

	2024 US\$	2023 US\$
At start of year	89,228	93,108
Amortisation	(3,879)	(3,879)
At end of year	85,349	89,229
Current	3,879	3,879
Non-current	81,470	85,350
	85,349	89,229
Accumulated amortization to date:	114,651	110,772

The grant relates to leasehold land donated by the Government of Kenya for the construction of the Company's Headquarters Building. The land was donated in 1996 and its initial fair value of USD 200,000 capitalised on acquisition. Amortisation is recognised in profit and loss over the duration of the remaining lease period. The related deferred income has been set out in note 29 to these financial statements. There are no unfulfilled conditions or contingencies attaching to the related grant. The amortised cost to date is US\$ 114,651.

23 INVESTMENT IN PROPERTIES

	2024 US\$	2023 US\$
Shelter Afrique Centre	922,326	984,298
Othaya Road work in progress	541,407	2,436,000
Othaya Road land	2,281,645	2,271,648
	3,745,378	5,691,946

Investment properties comprise of the following:

- (i) 53% (2023: 53%) portion of Shelter Afrique Centre office building that is rented out and is not occupied by the Company.
- (ii) Othaya road land and work in progress capitalized expenditure relating to a residential rental development project. Project valuation has been done by CMT Realtors Limited.

Leasing arrangements

The investment properties (Shelter Afrique centre) are leased to tenants under leases of a minimum of two years with rentals payable quarterly. Minimum lease payments receivable on leases of investment properties are disclosed in Note 33 (c).

NOTES (CONTINUED)

23 INVESTMENT IN PROPERTIES (CONTINUED)

The movement of investment in properties in the year is as follows:

	2024 US\$	2023 US\$
At start of the year	5,691,946	5,691,946
Fair value loss	(1,894,593)	-
Net foreign exchange differences	(51,975)	-
	<hr/>	<hr/>
At 31 December	3,745,378	5,691,946
	<hr/>	<hr/>

Amount recognised in profit or loss in relation to investment properties are as follows:

	2024 US\$	2023 US\$
Rental income	329,625	310,687
Direct operating expenses from property that gener: rental.	(110,577)	(17,420)

24 SHARE CAPITAL AND SHARE PREMIUM

	2024 US\$	2023 US\$
Authorised:		
1,000,000 ordinary shares of US\$ 1,000 each	1,000,000,000	1,000,000,000
	<hr/>	<hr/>
Issued and called:		
289,446 (2023: 289,446) ordinary shares of US\$ 1,000 each	289,446,000	289,446,000
	<hr/>	<hr/>
Issued and fully paid:		
<i>Class A: Issued and fully paid:</i>		
111,548 (2023: 110,060) ordinary shares of US\$ 1,000 each	111,548,000	110,060,000
	<hr/>	<hr/>
<i>Class B: Issued and fully paid:</i>		
21,280 (2023: 19,720) ordinary shares of US\$ 1,000 each	21,280,000	19,720,000
	<hr/>	<hr/>
	132,828,000	129,780,000
	<hr/>	<hr/>
Callable capital	500,000,000	500,000,000
	<hr/>	<hr/>

As a supranational development financial institution with a membership comprising 44 African States and two institutional members, subscription to the capital of the Company is made by all its members. Membership in the Company is open to both African Governments and African institutions, which are classified into Class A and Class B shareholders, respectively. This classification is for distinction

NOTES (CONTINUED)

24 SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

purposes only and does not imply any difference in rights attached to the shares. The callable capital is callable from existing shareholders.

The movement in share capital and share premium is as follows:

	Number of shares	Ordinary shares US\$	Share premium US\$	Total US\$
At 1 January 2023	125,536	125,536,000	65,008,597	190,544,597
Paid up during the year	4,240	4,240,000	3,277,520	7,517,520
Transfer to share capital	4	4,000	3,092	7,092
At 31 December 2023	129,780	129,780,000	68,289,209	198,069,209
At 1 January 2024	129,780	129,780,000	68,289,209	198,069,209
Paid up during the year	3,046	3,046,000	2,354,558	5,400,558
Transfer to share capital	2	2,000	1,545	3,545
At 31 December 2024	132,828	132,828,000	70,645,312	203,473,312

The share premium arises from new and current shareholders who take up additional shares in the Company. The share premium is the difference between the par value of US\$ 1,000 per share and the current share price. The current share price is US\$ 1,773 (2023: US\$ 1,773) for current shareholders and US\$ 2,334 (2023: US\$ 2,334) for new shareholders.

25 OTHER RESERVE

	2024 US\$	2023 US\$
At 1 January	774,870	786,876
Payments on behalf of Shelter Afrique Foundation	(9,175)	(12,006)
At 31 December	765,695	774,870

This amount is reserved for the Shelter Afrique Foundation whose formation was approved by the Annual General Meeting in June 2013. The Foundation is registered in Mauritius. An initial meeting of its Governing Council, drawn from the Directors of Shelter Afrique, was held in Mauritius in 2018. The Foundation receives seed capital from Shelter Afrique through appropriation of annual profit, provided the company has made profit in excess of US\$ 1 million and the Directors approve the appropriation. The purpose of the fund is to mobilize funds for alleviating urban poverty with specific focus on providing grants and concessionary financing for housing projects targeted at very low-income. Companies support for innovation research aimed at development of new construction methods and processes, capacity building and general charitable projects. The directors have assessed the operations and financial performance of the Shelter Afrique Foundation for the year ended 31 December 2024 to not have a material impact to the Company and therefore have not consolidated.

The directors do not recommend any appropriation to the Foundation (2023: Nil).

NOTES (CONTINUED)

26 OTHER PAYABLES

	2024 US\$	2023 US\$
Accrued expenses	2,545,453	962,232
Leave accrual (Note 26(ii))	226,492	201,238
Rent deposits	104,739	46,614
Share capital subscriptions (fractional shares)	34,089	36,532
	<hr/>	<hr/>
	2,910,773	1,246,616
	<hr/>	<hr/>

The rent deposit balance is non-current (2023: Non-current)

(i) The movement in the share capital subscriptions (fractional shares) is as follows:

	2024 US\$	2023 US\$
At start of year	36,532	35,785
Increase in capital subscriptions during the year	1,103	7,839
Transfer to share capital	(3,546)	(7,092)
	<hr/>	<hr/>
At end of year	34,089	36,532
	<hr/>	<hr/>

Fractional shares result from the payment of subscriptions by shareholders, whereby the amount paid is not sufficient to purchase a full share. The amounts are therefore held as amounts payable to the shareholders. Once the shareholders make subscriptions with additional fractions, those adding up to a full share price are transferred to shareholder's equity contribution, otherwise they are held as amounts payable.

(ii) The movement in the leave accrual is as follows:

	2024 US\$	2023 US\$
At start of year	201,238	255,698
Decrease in accrual	60,123	(87,899)
Payments in the year	(34,869)	(33,439)
	<hr/>	<hr/>
At end of year	226,492	201,238
	<hr/>	<hr/>

Leave pay relates to employee entitlements to annual leave and home leave and are recognized when they accrue to employees.

27 POST EMPLOYMENT BENEFIT OBLIGATION

	2024 US\$	2023 US\$
Post-employment benefit obligation	2,212,559	2,271,597
	<hr/>	<hr/>

NOTES (CONTINUED)

27 POST EMPLOYMENT BENEFIT OBLIGATION (CONTINUED)

The Company operates a gratuity arrangement for its employees which pays one month's salary for each year of service as at the date of retirement or termination of an employee. The benefits on the Board approved Human Resources Policies and Procedures Manual are defined on retirement, resignation, termination, death or redundancy. The gratuity arrangement is defined as a benefit in nature with benefits linked to past service and salary at time of exit. The arrangement is unfunded with no separate assets. The Gratuity arrangement is defined benefit in nature with benefits linked to past service and salary at time of exit. The valuation of the arrangement has been done on a discount rate of 2.25% p.a. and a salary inflation rate of 0-3% p.a.

	2024 US\$	2023 US\$
Net liability at start of period	2,271,597	2,075,572
Current service cost (Note 9)	299,039	298,134
Interest cost (Note 9)	47,772	43,571
Gain from change in demographic assumptions	21,601	-
Gain from change in financial assumptions	(559,483)	-
Gain from change in participants' movement	246,703	(53,540)
Past service cost	(49,670)	-
Benefits paid	(65,000)	(92,140)
Net liability at end of period	2,212,559	2,271,597

Assumptions

The principal assumptions applied in the gratuity arrangement valuation were a discount rate of 2.25% p.a. and a salary inflation rate of 3% for the first year and 1.5% p.a. thereafter. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

Year ended 31 December 2024					
	Scenario – 1	Scenario – 2	Scenario – 3	Scenario – 4	Scenario – 5
	Base	Discount rate	Salary rate	Discount rate	Salary rate
		increased by 0.25%	increased by 0.25%	decreased by 0.25%	decreased by 0.25%
Discount rate	2.25%	2.50%	2.25%	2.00%	2.25%
Salary increases	1.50	1.50%	1.75%	1.50%	1.25%
Net liability at start of period (US\$)	2,271,597	2,271,597	2,271,597	2,271,597	2,271,597
Total net expense recognised in the income statement (US\$)	297,141	297,141	297,141	297,141	297,141
Net expense recognised in the other comprehensive income (US\$)	(291,178)	(369,791)	(222,357)	(208,767)	(357,423)
Benefits paid by Employer (US\$)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)
Net liability at end of period (US\$)	2,212,560	2,133,947	2,281,381	2,294,971	2,146,315

NOTES (CONTINUED)

27. POST EMPLOYMENT BENEFIT OBLIGATION (CONTINUED)

Assumptions (continued)

Year ended 31 December 2023					
	Scenario – 1	Scenario – 2	Scenario – 3	Scenario – 4	Scenario – 5
	Base	Discount rate	Salary rate	Discount rate	Salary rate
		increased by 0.25%	increased by 0.25%	decreased by 0.25%	decreased by 0.25%
Discount rate	2.00%	2.25%	2.00%	1.75%	2.00%
Salary increases	0.00%	0.00%	0.25%	0.00%	0.25%
Net liability at start of period (US\$)	2,075,572	2,075,572	2,075,572	2,075,572	2,075,572
Total net expense recognised in the income statement (US\$)	341,705	341,705	341,705	341,705	341,705
Net expense recognised in the other comprehensive income (US\$)	(53,540)	(123,765)	481	19,676	(105,920)
Benefits paid by Employer (US\$)	(92,140)	(92,140)	(92,140)	(92,140)	(92,140)
Net liability at end of period (US\$)	2,271,597	2,201,372	2,325,618	2,344,813	2,219,217

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

The key risks associated with the Gratuity arrangement are as follows:

- The benefits are linked to salary and consequently have an associated risk to increases in salary.
- The benefits are defined as per the HR Policies and Procedures Manual.
- Revisions to the manual could change these benefits and materially change the costs of the company.
- The arrangement is unfunded with no separate assets. Investment risk would therefore not arise on the arrangement.
- Benefits in the arrangement are payable on retirement, resignation, termination, death, or redundancy. The actual cost to the Company of the benefits is therefore subject to the demographic movements of employees.

The maturity profile is as follows:

	2024 US\$	2023 US\$
Less than 1 year	-	272,633
More than 5 years	2,212,559	1,998,964
Net liability at end of period	2,212,559	2,271,597

The weighted average duration of the defined benefit obligation is 15.5 years (2023: 12.7 years)

NOTES (CONTINUED)

28 DIVIDENDS PAYABLE

	2024 US\$	2023 US\$
Dividends payable	1,369,118	1,369,118

The Directors do not recommend the payment of dividend in the current financial period (2023: nil). The dividend liability was declared for the year ended 31 December 2016 and has remained unpaid due to the Company's low profitability and the strategic focus on growth.

29 DEFERRED INCOME

	2024 US\$	2023 US\$
Government of Kenya grant	85,349	89,228
Deferred front end fees	700,657	822,649
	786,006	911,877

The movement in the deferred income is as follows;

At start of year	911,877	1,061,711
Amortization of Government of Kenya grant	(3,879)	(3,879)
Deferred front end fees	(121,992)	(145,955)
At end of year	786,006	911,877

Deferred front end fees relates to front end fees paid upfront for loans and advances, which has been deferred to future periods.

30 MEDIUM TERM NOTES

	2024 US\$	2023 US\$
Naira Bond - Principal	27,455,019	51,145,606
Interest payable on loans	708,157	1,318,267
	28,163,176	52,463,873
Maturity analysis: (undiscounted cashflows)		
Within one year	12,218,588	6,701,242
One year to five years	23,771,007	65,824,038
	35,989,595	72,525,280

The company issued 13% and 13.25% medium-term notes of Naira 46 billion (US\$110 million) in the year 2022 through Nigeria capital market for the duration of 5 years and 7 years respectively for the floating & fixed portions respectively.

NOTES (CONTINUED)

30 MEDIUM TERM NOTES (CONTINUED)

The movement in the medium-term note is as follows:

	2024 US\$	2023 US\$
At start of year	52,463,873	105,195,956
Interest expense for the year	4,179,366	9,800,687
Interest paid in the year	(4,164,799)	(10,515,756)
Foreign currency exchange gain	(21,948,575)	(52,017,014)
Repayments in the year	(2,366,689)	-
	<hr/>	<hr/>
At end of year	28,163,176	52,463,873
	<hr/>	<hr/>

The effective interest rates per annum is 13.83% (2023: 13.83%).

31 FAIR VALUE MEASUREMENT

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- transfer - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(i) Fair value of non-financial assets

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
31 December 2024				
Recurring fair value measurements				
Investment properties	-	-	3,745,378	3,745,378
Buildings	-	-	817,912	817,912
Reposessed collateral	-	-	11,351,480	11,351,480
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	15,914,770	15,914,770
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES (CONTINUED)

31 FAIR VALUE MEASUREMENT (CONTINUED)

31 December 2023	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Investment properties	-	-	5,691,946	5,691,946
Buildings	-	-	714,733	714,733
Reposessed collateral	-	-	9,294,322	9,294,322
	-	-	15,701,001	15,701,001

The fair value of the non-financial assets is determined based on the market and cost approaches using comparable market prices for similar items when available and replacement cost where appropriate.

(ii) Fair values of financial assets and liabilities

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets at the reporting date without any deduction for transaction costs.

Gains or losses on valuation of financial assets at FVOCI are recognised in other comprehensive income.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. The table below shows the various asset classes.

Category (as defined by IFRS 9)		Class (as determined by the Company)	Subclasses
Financial Instruments	Financial assets at fair value through profit or loss (FVTPL)	Financial assets held for trading	Derivative financial assets
			Investment in bonds
	Amortised cost	Bank and cash balances	
		Short term bank deposits	
		Loans and advances to customers	Staff loans Project finance Lines of credit
		Other receivables and prepayments	
	FVOCI	Equity investments	
	Financial liabilities	Other payables	
		Dividends payable	
		Derivative financial liabilities	
		Medium term notes	

NOTES (CONTINUED)

31. FAIR VALUE MEASUREMENT (CONTINUED)

The table below sets out the Company's classification of financial assets and liabilities, and their fair values:

	At amortised cost US\$	FVPL US\$	Fair value through OCI US\$	Total US\$	Fair value US\$
31 December 2024					
Assets					
Cash and bank balances	6,334,741	-	-	6,334,741	6,334,741
Short term bank deposits	38,871,876	-	-	38,871,876	38,871,876
Investment in bonds	-	2,544,852	-	2,544,852	2,544,852
Loans and advances to customers	134,781,441	-	-	134,781,441	134,781,441
Derivative financial assets	-	122,861	-	122,861	122,861
Other receivables and prepayments	727,636	-	-	727,636	727,636
Equity investments	-	-	6,433,000	6,433,000	6,433,000
	180,715,694	2,667,713	6,433,000	189,816,407	189,816,407
Liabilities					
Other payables	2,910,773	-	-	2,910,773	2,910,773
Dividends payable	1,369,118	-	-	1,369,118	1,369,118
Medium term notes	28,163,176	-	-	28,163,176	28,163,176
	32,443,067	-	-	32,443,067	32,443,067
31 December 2023					
Assets					
Cash and bank balances	3,768,295	-	-	3,768,295	3,768,295
Short term bank deposits	50,169,333	-	-	50,169,333	50,169,333
Investment in bonds	-	5,494,640	-	5,494,640	5,494,640
Loans and advances to customers	138,301,362	-	-	138,301,362	138,301,362
Derivative financial assets	-	67,763	-	67,763	67,763
Other receivables and prepayments	2,098,681	-	-	2,098,681	2,098,681
Equity investments	-	-	5,557,000	5,557,000	5,557,000
	194,337,671	5,562,403	5,557,000	205,457,074	205,457,074
Liabilities					
Other payables	1,246,614	-	-	1,246,614	1,246,614
Dividends payable	1,369,118	-	-	1,369,118	1,369,118
Medium term notes	52,463,873	-	-	52,463,873	52,463,873
	55,079,605	-	-	55,079,605	55,079,605

The analysis of financial assets at fair value through other comprehensive income is as summarised below:

NOTES (CONTINUED)

31. FAIR VALUE MEASUREMENT (CONTINUED)

	2024 US\$	2023 US\$	Fair value hierarchy	Valuation techniques and key inputs
Financial assets				
Financial assets at fair value through other comprehensive income -				Net asset valuation
equity investments	6,433,000	5,557,000	Level 3	approach
	<hr/>	<hr/>		

The fair value of assets measured at amortised cost approximates their carrying values.

There were no transfers between level 1, 2 and 3 during the current or prior period.

NOTES (CONTINUED)

31. FAIR VALUE MEASUREMENT (CONTINUED)

The table below shows the description of valuation techniques used and key inputs to valuation on financial assets valued through other comprehensive income:

At 31 December 2024					
	TMRC	PAHF	KMRC	CRRH	FundCo
Net asset value (US\$'000)	16,749	2,833	36,487	40,744	1,457
Discount for lack of control	18.1%	17.5%	18.1%	15.7%	13.2%
Adjusted net asset value (US\$'000)	13,718	2,337	29,883	34,347	1,265
Shareholding	8.2%	11.9%	11.1%	3.6%	37.7%
Fair value (US\$'000)	1,126	277	3,317	1,236	477
At 31 December 2023					
Net asset value (US\$'000)	13,953	3,113	22,318	34,421	2,411
Discount for lack of control	18.1%	17.5%	18.1%	15.7%	13.2%
Adjusted net asset value (US\$'000)	11,427	2,569	18,279	29,017	2,093
Shareholding	10.0%	11.2%	11.1%	4.5%	38.0%
Fair value (US\$'000)	1,141	287	2,029	1306	795

Valuation summary

- The valuation range for the unquoted shares done using the adjusted net asset value method.
- It is assumed the carrying value of the assets and liabilities approximate their fair value.
- The adjusted net asset value method assumes a controlling stake as the basis of value. Considering the Company holds a minority stake in the investee companies, a minority discount is applied.
- There is a valuation range for each entity. The valuations concluded on the mid value.

When compared to the equity values as of 31 December 2023, a fair value gain was observed in CRRH, PAHF, KMRC ,FUNDSCO whereas a fair value loss was observed in TMRC.

NOTES (CONTINUED)

32. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of profit for the year to cash from operations

	Note	2024 US\$	2023 US\$
Profit for the year		586,517	994,049
<i>Adjustments for:</i>			
Interest income		(18,647,295)	(25,689,330)
Interest expense	5	4,719,557	10,067,618
Share of profit/(loss) from joint ventures	18	(24,228)	(10,650)
Impairment of joint ventures		(266,037)	1,378
Capital refund – Everest Park		37,686	-
Gain on disposal of reprocessed collateral	7	(3,945)	(456)
Depreciation of property and equipment	20	149,483	164,477
Amortization of intangible assets	21	338,903	255,095
Amortization of leasehold land	22	3,879	3,879
Exchange difference - joint venture	18	(258,007)	327,376
Exchange difference - medium term notes	30	(21,948,575)	(52,017,014)
<i>Working capital changes:</i>			
Loans and advances to customers		3,519,921	16,710,610
Government securities - Bonds		2,949,788	4,897,677
Other receivables		1,371,045	713,834
Derivative financial instruments-Assets		(55,098)	85,511
Other payables		1,664,156	(1,074,247)
Deferred income		(125,870)	(149,834)
Reposessed collateral		(2,057,158)	1,065,758
Net cash generated used in operations		(28,045,278)	(43,654,269)

(b) Cash and cash equivalents:

For the purposes of the statement of cash flows, cash equivalents include the following balances in the statement of financial position:

	2024 US\$	2023 US\$
Cash and bank balances (note 12)	6,334,741	3,768,295
Short term bank deposits (note 13)	38,871,876	50,169,333
Cash and cash equivalents	45,206,617	53,937,628

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates. For the purposes of the statement of cash flows, cash equivalents include short term liquid investments which are readily convertible into known amounts of cash, and which were within three months of maturity when acquired.

NOTES (CONTINUED)

33 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Commitments	2024 US\$	2023 US\$
Approved and signed project loans not disbursed	-	17,054,679
Commitments to equity investments	880 685	880 685
Capital budget	842,900	815,760
	<hr/>	<hr/>
	1,723,585	18,751,124
	<hr/>	<hr/>

Commitments include approved loans and advances awaiting disbursement, commitments to the Pan African Housing Fund (PAHF), and capital expenditure commitment for the following year.

(b) Contingent liabilities

The Company is a defendant to legal proceedings filed against it by third parties and is also a plaintiff to legal proceedings filed against third parties. As the Company is in the financial industry, it is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of the pending or threatened legal proceedings (including litigations), the directors, having sought the advice of the Company's legal counsel, are of the opinion that the outcome of these proceedings and claims will not have a material impact on the financial position or performance of the Company.

(c) Operating lease commitments

Operating leases, in which the Company is the lessor, relate to property owned by the Company with lease terms of between 2 to 6 years, with extension options. The lessee does not have an option to purchase the property at the expiry of the lease period. The following table represents the contractual cashflows expected from the leased properties.

	2024 US\$	2023 US\$
Within one year	149,606	146,578
Second year	120,018	143,427
Within the third to fifth year inclusive	163,148	299,726
	<hr/>	<hr/>
	432,772	589,731
	<hr/>	<hr/>

During the year, the Company recognised property lease income of US\$ 310,353 (2023: US\$ 293,268) in profit or loss in respect of operating leases income.

34 RELATED PARTY TRANSACTIONS

The related party transactions relate to directors, key management personnel and interest in joint ventures.

(a) Key management personnel

Except for staff loans and advances amounting to US\$ 898,040 (2023: US\$ 4,351,201) disclosed in note 16, there were no other related party transactions undertaken during the year between the Company and staff. The interest income received from staff loans and advances to key management staff as of 31 December 2024 amounted to US\$ 29,305 (2023: US\$ 22,551).

Key management comprises all employee beyond middle level management. Remuneration of members of key management during the year was as follows:

	2024 US\$	2023 US\$
Salaries and other short-term benefits	1,785,093	1,397,109
Post-employment benefits	211,547	158,072

NOTES (CONTINUED)

34 RELATED PARTY TRANSACTIONS (CONTINUED)

	1,996,640	1,555,181
Directors' fees	189,808	333,830
	2,186,448	1,889,011

(b) Loans to joint venture parties

The company has provided its Joint Ventures with loans at interest rates similar to those given to its other customers. These loans are fully secured. The loans to Glenwood Gardens Project and Kew Gardens Project have been impaired as they are non-performing loans

	2024 US\$	2023 US\$
<i>Everest Park Project</i>		
At start of year	-	296,381
Interest charged on the loan	-	23,588
Repayments	-	(319,969)
At end of year	-	-
<i>Glenwood Gardens Project</i>		
At start of year - gross loans	5,148,017	6,407,924
Accrued interest	63,144	109,663
Exchange differences	1,087,478	(1,369,570)
Write offs	(6,298,639)	-
At end of year – gross loans	-	5,148,017
Expected credit losses	-	(4,560,178)
Write off	-	-
At end of year – net loans and advances	-	587,839
<i>Kew Gardens Project – Itoga Investments Holdings Limited</i>		
At start of year	13,863,415	17,344,926
Accrued interest	213,703	227,870
Exchange differences	2,916,081	(3,709,381)
At end of year – gross loans and advances	16,993,199	13,863,415
Expected credit losses	(15,612,089)	(12,478,472)
At end of year – net loans and advances	1,381,110	1,384,943

NOTES (CONTINUED)

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Company's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Company's financial performance. The Company's risk management policies are designed to identify and analyse these risks, to set appropriate tolerable risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The carrying value is not significantly different from the fair value amount.

The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. Risk management is carried out by various committees under the supervision of the Board of Directors. The risk management programme is premised on active Board and Senior Management oversight, adequate policies and procedures, adequate internal controls and risk monitoring as well as management information systems.

The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and use of non-derivative financial instruments. In addition, risk management and internal audit departments have responsibility for the independent review of risk management and the control environment. The most important types of risk to which the Company is exposed are credit risk, liquidity risk, market risk and other operational risk.

(a) Capital management

Total equity includes all capital and reserves of the Company.

The Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial position, are:

- To match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- To maintain financial strength to support new business growth;
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- To allocate capital efficiently to support growth;
- To manage exposures to movement in exchange rates; and
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company has several sources of capital available to it and seeks to optimize its debt-to-equity structure in order to ensure that it can consistently maximize returns to shareholders. Capital adequacy is monitored regularly by the Company's management and quarterly by the Board of Directors. The Company has undertaken to comply with Basel II capital adequacy framework which consists of setting an amount of minimum risk capital to cushion against unexpected losses. The Company has set a minimum capital adequacy ratio of 25%. This ratio stood at 53.90% in 2024 (2023 34.53%). The capital adequacy ratio has been arrived by taking the company's core capital expressed as a percentage of its risk weighted assets.

The table below summarises the composition of the capital adequacy ratio of the Company as of 31 December 2024 and 2023:

	2024		2023	
CAR	53.90%		34.53%	
CAR Policy	≥25%		≥25%	

NOTES (CONTINUED)

FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital management

(b) Credit risk

Credit risk is the risk of suffering financial loss should any of Shelter Afrique's customers, clients or market counterparties fail to fulfil their contractual obligations to Shelter Afrique. Credit risk arises mainly from customer loans and advances and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as financial guarantees and letters of credit.

Management of credit risk

Shelter Afrique is also exposed to other credit risks arising from cash and bank balances as well as short-term deposits. For risk management reporting purposes, Shelter Afrique considers and consolidates all elements of credit risk exposure.

Credit risk is the single largest risk for Shelter Afrique's business; management therefore carefully manages its exposure to credit risk. The Board of Directors has delegated responsibility for the management of credit risk to its Audit, Risk & Finance Committee. The Audit, Risk & Finance Committee is responsible for oversight of Shelter Afrique's credit risk, including:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements;
- Establishing the authorization structure for the approval and renewal of credit facilities;
- Reviewing and assessing credit risk. Credit assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process;
- Limiting concentrations of exposure to counterparties and industries for loans and advances;
- Developing and maintaining Shelter Afrique's risk grading in order to categorize exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of five grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive / committee as appropriate. Risk grades are subject to regular reviews by Company's Audit and Risk Committee;
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to Company's Credit Committee on the credit quality of local portfolios and appropriate corrective action is taken; and
- Providing advice, guidance, and specialist skills to business units to promote best practice throughout Shelter Afrique in the management of credit risk. Each business unit is required to implement Company's credit policies and procedures, with credit approval authorities delegated from Shelter Afrique Credit Committee.

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Management of credit risk (Continued)

i) Loans and advances

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. Shelter Afrique measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.

Credit risk grading

Shelter Afrique uses credit risk gradings that reflect its assessment of the probability of default and specific characteristics of individual counterparties. Various qualitative and quantitative factors such as the facility arrears status, facility restructuring as well as specific industry risk assessment are considered. In addition, the credit grading enables expert judgement from the credit risk team to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

Expected credit loss measurement.

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by Shelter Afrique.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3';
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. A description of inputs, assumptions and estimation techniques used in measuring the ECL is provided in this note; and
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Significant increase in credit risk (SICR)

Shelter Afrique considers a financial instrument to have experienced a significant increase in credit risk (SICR) based on its assessment of both quantitative factors and qualitative factors or when the backstop criteria have been met.

Shelter Afrique has considered the following in determining the staging of facilities:

- Qualitative factors - This considers the perceived risk of the customer (i.e., High, Medium or Low); and
- Quantitative factors - This considers the following:
 - ✓ The facilities arrears status
 - ✓ Number of restructures if any
 - ✓ Reasons for restructure

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Management of credit risk (Continued)

i) Loans and advances (continued)

Significant increase in credit risk (SICR) (Continued)

The assessment of SICR incorporates forward-looking information. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team. A backstop is applied, and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

Definition of default and credit-impaired assets

Shelter Afrique defines a financial instrument as in default when the borrower is more than 90 days past due on its contractual payments. The definition has been used consistently across all ECL inputs i.e., PD, EAD and LGD. The criteria above have been applied to all financial instruments held by Shelter Afrique and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout Shelter Afrique's expected loss calculations.

Measuring ECL — Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts Shelter Afrique expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- Loss Given Default (LGD) represents Shelter Afrique's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type of claim and availability of collateral or other credit support. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the approximation of the original effective interest rate.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

The 12-month and lifetime EADs are determined based on the expected payment profile. The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type. Shelter Afrique management uses expert judgement, based on the entity's historical experience, to determine the time to realization, the forced sale haircut of the collateral and the cost of recovery.

(b) Credit risk (Continued)

Management of credit risk (Continued)

i) Loans and advances (continued)

Measuring ECL — Explanation of inputs, assumptions and estimation techniques

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the ECL calculation such as how the maturity profile of the PDs and how collateral values change etc. are monitored and on an ongoing basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Shelter Afrique reviews all inputs, assumptions and estimation techniques applied in measuring the ECL to assess any changes and appropriateness on an annual basis. Consideration is made to changes in the business, changes in the economy, changes in the factors affecting the PD, LGD, EAD and other inputs. Such changes are expected to be very infrequent. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information using macro-economic overlays. Overlays were estimated and applied for three different scenarios, base case scenario, downside scenario and optimistic scenario.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the ECL calculation such as how the maturity profile of the PDs and how collateral values change etc. are monitored and on an ongoing basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

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Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information using macro-economic overlays. Overlays were estimated and applied for three different scenarios, base case scenario, downside scenario and optimistic scenario. These macroeconomic overlays and the probability of each economic scenario occurring were set using management judgement based on the assessment of Shelter Afrique's portfolio performance. The number of scenarios and their attributes are reassessed at each reporting date. At 1 January 2024 and 31 December 2024, for all portfolios Shelter Afrique concluded that three scenarios appropriately captured non-linearities.

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Management of credit risk (Continued)

ii) Loans and advances (continued)

The process involved developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information may include economic data and forecasts published by governmental bodies and monetary authorities in the regions where the Company has advanced loans and advances to customers, supranational organisations such as the World Bank and the International Monetary Fund. The base case represents a most-likely outcome and be aligned with information used by the Company for other purposes, such as strategic planning and budgeting. Noting the wide range of possible scenarios and macroeconomic outcomes, and the relative uncertainty of the social and economic impacts, these scenarios represent reasonable and supportable forward-looking views as at the reporting date.

Measuring ECL — Explanation of inputs, assumptions and estimation techniques

The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. Following this assessment, Shelter Afrique measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. Shelter Afrique considers these forecasts to represent its best estimate of the possible outcomes and has established that the chosen scenarios are appropriate representative of the range of possible scenarios. The table below details the sensitivity of the expected credit losses to change in economic scenarios as of 31 December 2024.

Scenario analysis	Impact on ECL to the statement of profit or loss
	US\$
FLI based on, 50%base case:30%worst case:20%optimistic	(22,309)
FLI based on, 30%base case:60%worst case:10%optimistic	23,212

The Company adjusts key credit risk parameters like PD, LGD, and EAD based on macroeconomic factors such as GDP, inflation rates, and population growth. The models create baseline, upside, and downside economic scenarios, which are probability-weighted to ensure unbiased outcomes.

iii) Other financial assets

These are made up of the following:

- Cash and bank balances;
- Short term deposits;
- Other receivables; and
- Derivatives.

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Management of credit risk (Continued)

iv) Other financial assets

Shelter Afrique has measured impairment for the above assets using 12-month ECL, and so did not have to assess whether a significant increase in credit risk has occurred.

Measuring ECL — Explanation of inputs, assumptions and estimation techniques

For these financial assets, the following steps were taken in determining the 12-month probability of default (PD):

- The counterparty's global rating was used if available and a mapping table used to look up the S&P Global equivalent;
- If no credible external rating existed as at reporting date, then the rating for a Company of a similar tier was used; and
- If the above steps failed to result in a reasonable and supportable estimate for the PD, management has used expert judgement and past experience in estimating the PD for the counterparty.

The exposure at default (EAD) is set as the amortized cost value of the respective financial asset while Loss Given Default (LGD) is assumed to be 100%.

Maximum exposure to credit risk — Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognized. The gross carrying amount of financial assets below also represents Shelter Afrique's maximum exposure to credit risk on these assets.

	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL US\$	Stage 3 Lifetime ECL US\$	Total US\$
31 December 2024				
Total gross carrying amount	96,405,140	5,239,805	91,161,981	192,806,926
Allowance for credit losses	(2,584,735)	(245,196)	(55,195,554)	(58,025,485)
Net carrying amount	93,820,405	4,994,608	35,966,427	134,781,441
31 December 2023				
Total gross carrying amount	96,392,020	13,951,787	112,817,635	223,161,442
Allowance for credit losses	(2,517,964)	(187,054)	(82,155,062)	(84,860,080)
Net carrying amount	93,874,056	13,764,733	30,662,573	138,301,362

The tables below analyze the movement of the loss allowance for loans and advances:

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL US\$	Stage 3 Lifetime ECL US\$	Total US\$
31 December 2024				
Loss allowance as at 1 January 2024	(2,517,964)	(187,054)	(82,155,062)	(84,860,080)
Remeasurement of the loss allowance	(480,266)	(148,579)	(4,240,790)	(4,869,635)
Recoveries on impaired loans	-	-	460,803	460,803
Changes in the loss allowance				
- Transfer to stage 1	-	-	-	-
- Transfer to stage 2	178,316	(178,316)	-	-
- Transfer to stage 3	-	200,459	(200,459)	-
Write-offs	-	-	34,186,459	34,186,459
Exchange difference	235,180	68,294	(3,246,506)	(2,943,032)
Loss allowance as at 31 December 2024	(2,584,734)	(245,196)	(55,195,554)	(58,025,485)
31 December 2023				
Loss allowance as at 1 January 2023	(2,439,289)	(3,698,701)	(108,391,215)	(114,529,205)
Remeasurement of the loss allowance	(1,133,735)	17,085	(4,374,500)	(5,491,150)
Recoveries on impaired loans	-	-	929,966	929,966
Changes in the loss allowance	-	-	-	-
- Transfer to stage 1	-	-	-	-
- Transfer to stage 2	732,904	(732,904)	-	-
- Transfer to stage 3	-	4,113,199	(4,113,199)	-
Write-offs	-	-	28,111,402	28,111,402
Exchange difference	322,156	114,267	5,682,484	6,118,907
Loss allowance as at 31 December 2023	(2,517,964)	(187,054)	(82,155,062)	(84,860,080)

In 2024 and 2023, there were no transfers from either stages 2 or 3 to stage 1.

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

The tables below analyses the movement of the gross balances for loans and advances:

	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL US\$	Stage 3 Lifetime ECL US\$	Total US\$
31 December 2024				
Gross loans as at 1 January 2024	96,392,020	13,951,787	112,817,635	223,161,442
Disbursements	24,806,987	-	-	24,806,987
Interest income accrued	10,481,494	884,759	4,191,276	15,557,529
Repayments & other derecognitions, excluding write-offs	(19,197,173)	(1,169,984)	(8,832,678)	(29,199,835)
- Transfer to stage 1	-	-	-	-
- Transfer to stage 2	(8,809,330)	8,809,330	-	-
- Transfer to stage 3	-	(13,924,080)	13,924,080	-
- Write offs due to repossessed collaterals	-	-	(317,601)	(317,601)
Write-offs			(34,168,404)	(34,168,404)
Exchange difference	(7,268,856)	(3,312,006)	3,547,669	(7,033,193)
Gross loans at 31 December 2024	96,405,142	5,239,806	91,161,977	192,806,925

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

	Stage 1 12-month ECL US\$	Stage 2 Lifetime ECL US\$	Stage 3 Lifetime ECL US\$	Total US\$
31 December 2023				
Gross loans as at 1 January 2023	123,050,960	7,157,986	139,332,231	269,541,177
Disbursements	19,942,395	-	-	19,942,395
Interest income accrued	13,777,585	1,230,979	3,015,179	18,023,743
Repayments & other derecognitions, excluding write-offs	(27,961,181)	(2,832,676)	(1,435,447)	(32,229,304)
- Transfer to stage 1	-	-	-	-
- Transfer to stage 2	(16,347,675)	16,347,675	-	-
- Transfer to stage 3	-	(7,826,434)	7,826,434	-
- Write offs due to repossessed collaterals	-	-	(1,470,000)	(1,470,000)
Write-offs	-	-	(28,079,395)	(28,079,395)
Exchange difference	(16,070,064)	(125,744)	(6,371,366)	(22,567,174)
Gross loans at 31 December 2023	96,392,020	13,951,786	112,817,636	223,161,442

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Maximum exposure to credit risk — Financial instruments subject to impairment (continued)

Other financial assets

	External credit rating	Internal credit rating	12 month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
31 December 2024						
Bank balances	A, BBB, B+, B-	Performing	12-month ECL	6,334,741	-	6,334,741
Short term bank deposits	A, BBB, B+, B-	Performing	12-month ECL	40,725,638	(1,853,762)	38,871,876
Investment in bond				2,544,852		2,544,852
Other receivables				2,968,300	(1,865,664)	1,102,636
Currency Swap				122,861	-	122,861
				52,696,392	(3,719,426)	48,976,966

31 December 2023

	External credit rating	Internal credit rating	12-month ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
Bank balances	A, BBB, B+, B-	Performing	12-month ECL	3,768,295	-	3,768,295
Short term bank deposits	A, BBB, B+, B-	Performing	12-month ECL	51,950,876	(1,781,543)	50,169,333
Investment in bond				5,494,640	-	5,494,640
Other receivables				3,194,718	(1,096,037)	2,098,681
Currency Swap				67,763	-	67,763
				64,476,292	(2,877,580)	61,598,712

The table below analyses the movement of the loss allowance for other financial assets:

	Short term bank deposits US\$	Other receivables US\$	Total US\$
31 December 2024			
At 1 January 2024	(1,781,543)	(1,096,037)	(2,877,580)
Increase/ (decrease) in loss allowance in the year	(72,219)	(704,026)	(776,245)
Exchange difference	-	(65,601)	(65,601)
At 31 December 2024	(1,853,762)	(1,865,664)	(3,719,426)

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Maximum exposure to credit risk — Financial instruments subject to impairment (continued)

Other financial assets

31 December 2023

At 1 January 2023	(1,685,605)	(1,210,469)	(2,896,074)
(Increase)/decrease in loss allowance in the year	(95,938)	29,834	(66,104)
Exchange difference	-	84,598	84,598
At 31 December 2023	(1,781,543)	(1,096,037)	(2,877,580)

Collateral and other credit enhancements

Shelter Afrique employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. Shelter Afrique has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. Shelter Afrique prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically.

Shelter Afrique holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Debt securities, treasury and other eligible bills are generally unsecured. Collateral is usually not held against investment securities, and no such collateral was held at 31 December 2024 (2023: Nil).

Shelter Afrique's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by Shelter Afrique since the prior period. Shelter Afrique closely monitors collateral held for financial assets, as it becomes more likely that Shelter Afrique will take possession of collateral to mitigate potential credit losses.

Fair value of the collaterals held against loans and advances as of 31 December 2024 is as follows:

	2024 US\$	2023 US\$
Lines of credit	84,481,723	96,046,589
Project finance	113,889,995	91,065,404
Staff loans	4,204,963	4,426,262
	202,576,681	191,538,255

The fair value of collateral held as security against credit impaired loans amounted to US\$ 154,823,152 (2023:US\$ 130,473,485)

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Collateral and other credit enhancements (continued)

Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments de-recognized in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discounts unwind within ECL due to the passage of time, as ECL is measured on a present value basis; and
- Financial assets derecognized during the period and write-offs of allowances related to assets that were written off during the period.

Write-off policy

Shelter Afrique writes off a loan balance (and any related allowances for impairment losses) when the Company's Credit department determines that the loans are uncollectible. This is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower / issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. Recoveries after a write-off has happened are treated as writebacks in the profit and loss statement.

Modification of financial assets

Shelter Afrique sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximizing recovery. Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where Shelter Afrique has made concessions that it would not otherwise consider.

Such restructuring activities include extended payment term arrangements. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. Shelter Afrique monitors the subsequent performance of modified assets. Shelter Afrique may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

Only one project was restructured in 2024 for an aggregate amount of US\$ 5,239,805 (2023: Nil).

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Concentration by Sector

Shelter Afrique monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

<i>Net loans and advances to stomers</i>	2024 US\$	%	2023 US\$	%
Financial institutions	93,589,681	69%	90,149,003	65%
Real Estate	37,654,287	28%	44,406,993	32%
Others (staff loans)	3,537,473	3%	3,745,366	3%
	134,781,441	100%	138,301,362	100%

Geographical concentration analysis of net loans and advances:

Eastern Africa	12,353,770	9%	16,121,864	12%
Southern Africa	27,660,982	21%	13,385,585	10%
Francophone West/Central Africa	65,132,632	48%	71,211,729	51%
Anglophone West Africa	29,634,057	22%	37,582,184	27%
	134,781,441	100%	138,301,362	100%

(c) Market risk

The market risk exposure for the Company relates primarily to currency and interest rate risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company undertakes certain transactions denominated in foreign currencies mainly the Kenya Shilling, CFA, Rand, Naira, and Euro. This results in exposures to exchange rate fluctuations.

Exchange rate exposures are managed within approved policy parameters utilising matching of assets and liabilities. This is achieved primarily by borrowing and lending in the same foreign currencies. The table in the following page summarizes the Company's exposure to foreign currency exchange risk as at 31 December 2024.

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

Currency risk (Continued)

	Euro	CFA	KShs	ZAR	Naira	Total
31 December 2024						
Assets						
Bank and cash balances	97,565	37,180	702,624	7,222	1,281,294	2,125,885
Short term deposits	-	-	2,028,271	313,038	3,345,111	5,686,420
Investment in bonds	-	-	-	-	2,544,852	2,544,852
Loans and advances to customers	2,473,642	4,870,851	2,265,974		18,042,289	27,652,756
Total financial assets	2,571,207	4,908,031	4,996,869	320,260	25,213,546	38,009,913
Liabilities						
Medium term notes	-	-	-	-	28,163,176	28,163,176
Total financial liabilities	-	-	-	-	28,163,176	28,163,176
Net asset/ (liability) position	2,571,207	4,908,031	4,996,869	320,260	(2,949,630)	9,846,737
31 December 2023						
Total financial assets	2,892,231	5,212,780	4,780,571	316,615	48,174,223	61,376,420
Total financial liabilities	-	-	-	-	52,463,873	52,463,873
Net asset/ (liability) position	2,892,231	5,212,780	4,780,571	316,615	(4,289,650)	8,912,547

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

Currency risk (Continued)

The following table details the sensitivity of the Company's profit to various percentage increases and decreases in the functional currency against the relevant foreign currencies. This sensitivity is based on the weighted average of the deviation from the mean rate in the year for each currency and represents management's assessment of the reasonably possible change in foreign exchange rates.

Impact on profit or loss

	2024 US\$	2023 US\$
Euro (5%:2023: 4%)	128,560	107,371
CFA (100% :2023: 4%)	4,908,031	(186,578)
KShs (5% :2023: 30%)	249,843	1,282,1361
ZAR (5% :2023: 5%)	16,013	26,756
Naira (100% :2023: 100%)	2,949,630	(4,311,579)

Equity price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in the level of equity indices and individual stocks. The equity price risk exposure arises from equity investments at fair value through other comprehensive income. A 10 per cent increase/decrease in the value of the Company's equity instruments as at 31 December 2023 would have increased/decreased equity by US\$ 643,300 (2023: US\$ 555,700).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The Company is exposed to the effects of fluctuations in the prevailing levels of market interest rates on both the fair values and future cash flows of its financial instruments. Interest rates on loans to customers are pegged to the Company's specific cost of funds which is usually SOFR based. Interest margins may increase as a result of such changes in the SOFR rates but may reduce losses in the event that unexpected movements arise for the SOFR rates. The Company also invests in fixed interest rate instruments. Interest rate risk is managed principally through monitoring interest gaps and by Board of Directors. The Audit and Risk Committee is the monitoring body for compliance with these limits and is assisted by the Assets and Liabilities Committee as well as the Loans Committee.

The table on the following page summarizes the Company's exposure to interest rate risks. It includes the Company's financial instruments at carrying amounts, categorized by the earlier of contractual repricing or maturity dates.

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

Interest rate risk (Continued)

	Up to 12 months US\$	1-5 years US\$	over 5 years US\$	Total sensitive balance US\$	Non-interest bearing US\$	Fixed interest rate US\$	Total US\$
31 December 2024							
Assets							
Bank and cash balances	-	-	-	-	6,334,741	-	6,334,741
Short term deposits	-	-	-	-	-	38,871,876	38,871,876
Investment in bonds	-	-	-	-	-	2,544,852	2,544,852
Loans and advances to customers	47,125,548	17,913,638	-	65,039,186	-	69,742,255	134,781,441
Total financial assets	47,125,548	17,913,638	-	65,039,186	6,334,741	111,158,983	182,532,910
Liabilities							
Medium term notes	-	-	-	-	-	28,163,176	28,163,176
Total financial liabilities	-	-	-	-	-	28,163,176	28,163,176
Net interest rate sensitivity gap	47,125,548	17,913,638	-	65,039,186	6,334,741	82,995,807	154,369,734

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Market risk (continued) Interest rate risk (continued)

	Up to 12 months US\$	1-5 years US\$	over 5 years US\$	Total sensitive balance US\$	Non-interest bearing US\$	Fixed interest rate US\$	Total US\$
31 December 2023							
Assets							
Bank and cash balances	-	-	-	-	3,768,295	-	3,768,295
Short term deposits	-	-	-	-	-	50,169,333	50,169,333
Investment in bonds	-	-	-	-	-	5,494,640	5,494,640
Loans and advances to customers	56,351,515	20,570,040	-	76,921,555	-	61,379,807	138,301,362
Total financial assets	56,351,515	20,570,040	-	76,921,555	3,768,295	117,043,780	197,733,630
Liabilities							
Medium term notes	-	-	-	-	-	52,463,873	52,463,873
Total financial liabilities	-	-	-	-	-	52,463,873	52,463,873
Net interest rate sensitivity gap	56,351,515	20,570,040	-	76,921,555	3,768,295	64,579,907	145,269,757

Based on a sensitivity rate of 50 basis points, all other variables held constant, the Company's profit for the year and equity would increase/decrease by US\$ 326,655 (2023: US\$ 384,608). A 50-basis point increase or decrease represents management's assessment of the reasonably possible change in variable interest rates.

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay lenders and fulfil commitments to lend.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium, and long-term funding and liquidity management requirements. It is assisted in this function by the Assets and Liabilities Committee. The Company's liquidity management process includes:

- Day-to-day funding which is managed by monitoring future cash flows to ensure that requirements can be met. These include replenishment of funds as they mature or are borrowed by customers. The Company maintains an active presence in money markets to enable this to happen.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Matching the maturity profiles of financial assets and liabilities
- Managing the concentration and profile of debt maturities.
- Maintaining adequate reserves, bank facilities and reserve borrowing facilities
- Entering into lending contracts subject to availability of funds.
- An aggressive resource mobilization strategy aimed at increasing lines of credit and other resources for lending.
- Investments in property and equipment that are properly budgeted for and performed when the Company has sufficient cash flows.

Monitoring and reporting take the form of cash flow measurement and projections for specified key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets. The Company also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

Assets available to meet all the liabilities and to cover outstanding loan commitments include cash and bank balances, call deposits and loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. The Company would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources.

The table overleaf presents the cash flows payable by the Company under non-derivative financial liabilities by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Company manages the inherent liquidity risk based on expected cash flows:

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk (Continued)

	Up to 1 month US\$	2-6 months US\$	6-12 months US\$	1-5 years US\$	over 5 years US\$	Total US\$
31 December 2024						
Financial assets						
Bank and cash balances	6,334,741	-	-	-	-	6,334,741
Short term deposits	-	38,871,876	-	-	-	38,871,876
Investment in bonds	-	-	2,544,852	-	-	2,544,852
Loans and advances to customers	55,576,749	2,820,056	19,124,216	84,882,077	34,243,323	196,646,421
Other receivables	-	-	727,636	-	-	727,636
Derivative financial asset	-	-	122,861	-	-	122,861
Total financial assets	61,911,490	41,691,932	22,519,565	84,882,077	34,243,323	245,248,387
Financial liabilities						
Medium term notes	-	5,177,168	7,041,420	23,771,007	-	35,989,595
Dividend payables	-	-	1,369,118	-	-	1,369,118
Total financial liabilities	-	5,177,168	8,410,538	20,732,302	-	37,358,713
Net liquidity gap	61,911,490	36,514,764	14,109,027	61,111,070	34,243,323	207,889,674

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity Risk Management (Continued)

	Up to 1 month US\$	2-6 months US\$	6-12 months US\$	1-5 years US\$	over 5 years US\$	Total US\$
31 December 2023						
Financial assets						
Bank and cash balances	3,768,295	-	-	-	-	3,768,295
Short term deposits	-	50,928,502	-	-	-	50,928,502
Investment in bonds	-	366,358	732,716	3,663,582	12,944,523	17,707,179
Loans and advances to customers	56,870,568	1,387,696	15,103,473	98,268,613	20,153,619	191,783,969
Other receivables	-	-	2,098,681	-	-	2,098,681
Derivative financial asset	-	-	67,763	-	-	67,763
Total financial assets	60,638,863	52,682,556	18,002,633	101,932,195	33,098,142	266,354,389
Financial liabilities						
Medium term notes	-	3,350,621	3,350,621	65,824,038	-	72,525,280
Dividend payables	-	-	1,369,118	-	-	1,369,118
Total financial liabilities	-	3,350,621	4,719,739	65,824,038	-	73,894,398
Net liquidity gap	60,638,863	49,331,935	13,282,894	36,108,157	33,098,142	192,459,991

NOTES (CONTINUED)

35. FINANCIAL RISK MANAGEMENT (Continued)

(e) Financial instruments categories

	Amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total carrying amount
31 December 2024:	US\$	US\$	US\$	US\$
Financial assets				
Cash and balances	6,334,741	-	-	6,334,741
Short term bank deposits	38,871,876	-	-	38,871,876
Investment in bonds	-	2,544,852	-	2,544,852
Derivative financial assets	-	122,861	-	122,861
Loans and advances to customers	134,781,441	-	-	134,781,441
Equity investments	-	-	6,433,000	6,433,000
Other receivables and prepayments	727,636	-	-	727,636
Total financial assets	180,715,694	2,667,713	6,433,000	189,816,407
Financial liabilities				
Other payables	2,891,480	-	-	2,891,480
Medium term notes	28,163,176	-	-	28,163,176
Dividend payables	1,369,118	-	-	1,369,118
Total financial Liabilities	32,423,774	-	-	32,423,774
As at 31 December 2023				
Financial assets				
Cash and balances	3,768,295	-	-	3,768,295
Short term bank deposits	50,169,333	-	-	50,169,333
Investment in bonds	-	5,494,640	-	5,494,640
Derivative financial assets	-	67,763	-	67,763
Loans and advances to customers	138,301,362	-	-	138,301,362
Equity investments	-	-	5,557,000	5,557,000
Other receivables and prepayments	2,098,681	-	-	2,098,681
Total financial assets	194,337,671	5,562,403	5,557,000	205,457,074
Financial liabilities				
Other payables	1,246,614	-	-	1,246,614
Medium term notes	52,463,873	-	-	52,463,873
Dividend payables	1,369,118	-	-	1,369,118
Total financial Liabilities	55,079,605	-	-	55,079,605
Financial assets				

36. EVENTS AFTER REPORTING PERIOD

There were no material adjusting events subsequent to the period end that required adjustment or disclosure in these financial statements.

The Company for Habitat and Housing in Africa (Shelter – Afrique)
Annual Report and Financial statements
For the year ended 31 December 2024

Appendix 1 - Shareholding information schedule

		No of shares	No of shares	% of
	Class A: Countries	31 December 2023	31 December 2024	shareholding
1	Algeria	4,220	4,220	3.18%
2	Benin	306	306	0.23%
3	Botswana	839	839	0.63%
4	Burkina Faso	1,560	1,560	1.17%
5	Burundi	300	300	0.23%
6	Cameroon	6,126	6,126	4.61%
7	Cape Verde	16	16	0.01%
8	Central Afr. Rep	271	271	0.20%
9	Chad	1,090	1,090	0.82%
10	Congo	2,694	2,694	2.03%
11	Democratic Republic of Congo	2,970	2,970	2.24%
12	Djibouti	300	300	0.23%
13	Gabon	1,561	1,561	1.18%
14	Gambia	331	331	0.25%
15	Ghana	6,315	6,315	4.75%
16	Guinea	419	419	0.32%
17	Guinea Bissau	25	25	0.02%
18	Guinea Equatorial	301	301	0.23%
19	Ivory Coast	5,241	5,241	3.95%
20	Kenya	21,061	21,061	15.86%
21	Lesotho	3,270	3,270	2.46%
22	Liberia	591	591	0.44%
23	Madagascar	327	327	0.25%
24	Malawi	522	522	0.39%
25	Mali	6,623	6,623	4.99%
26	Mauritania	639	639	0.48%
27	Mauritius	115	115	0.09%
28	Morocco	3,734	3,734	2.81%
29	Namibia	2,074	2,074	1.56%
30	Niger	318	318	0.24%
31	Nigeria	19,755	22,656	17.06%
32	Rwanda	3,434	3,581	2.70%
33	Sao Tome & Principe	16	16	0.01%
34	Senegal	1,407	1,407	1.06%
35	Seychelles	300	300	0.23%
36	Sierra Leone	74	74	0.06%
37	Somalia	10	10	0.01%
38	Swaziland	760	760	0.57%
39	Tanzania	2,059	2,059	1.55%
40	Togo	1,533	1,533	1.15%
41	Tunisia	300	300	0.23%
42	Uganda	1,995	1,995	1.50%
43	Zambia	2,599	2,599	1.96%
44	Zimbabwe	1,659	1,659	1.25%
		110,060	113,108	85.19%
Class B: Institutions				
1	African Development Bank	15,200	15,200	11.44%
2	AfricanReinsurance Corporation	4,520	4,520	3.40%
TOTAL		129,780	132,828	100%