

Rating firm GCR assigns Shelter Afrique Positive Outlook

Nairobi - July 4, 2023: South African rating agency GCR has assigned a positive outlook to Shelter Afrique on expectations of a return to profitability within the next two years.

Effectively, GCR has given the pan-African housing development financier's long and short-term issuer ratings of B- and B respectively.

The change in outlook to positive reflects the strong improvement in the fundamentals and the ongoing governance reforms at the organization. The Company cut its non-performing loans ratio from 67 percent in 2021 to 51 percent at the end of last year.

"The outlook is positive based on our expectations of stability in governance structures and operational frameworks. We also factor improvements in risk management processes resulting in sustained improvements in asset quality, and capitalization to remain strong with the company returning to profitability within the next 18 months," said GCR.

"The ratings may be improved if there is a defined and material improvement in asset quality without a deterioration in leverage or reserve coverage ratios. The ratings may also be improved if there is a turnaround in earnings with sustained profitability."

In August 2022, Shelter Afrique picked former International Finance Corporation (IFC) Asia-Pacific Lead for housing finance Thierno-Habib Hann as its new chief executive to succeed Zimbabwean Andrew Chimphondah who left in February 2022.

Early this year Shelter Afrique unveiled a five-year strategic plan to restore the Institution's performance, competitiveness, and value creation for the long term.

The unveiling of the new strategy necessitated the re-alignment of the organisation and the introduction of a new organisational structure and operating model designed to support the Institution's innovation, growth, and productivity ambitions for the next five years.

"This positive rating is in line with our 2023 – 2027 strategic objectives in which we set to position the Institution for growth through improved governance, operational and financial performance," the Company said in a statement.

Shelter-Afrique is a pan African housing finance and development institution established by African governments to address the need for a sustainable housing delivery system and related infrastructure projects in Africa. The institution provides financial solutions and related services to support the supply and demand side of the affordable housing value chain. It also provides advisory and project management services for large-scale affordable housing projects.

It's currently owned by 44 African countries, the African Development Bank (AfDB), the African Reinsurance Corporation (Africa-Re). shareholding.

For more information, please visit <http://www.shelterafrique.org/>

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