



Shelter Afrique Development Bank Pioneers Affordable Housing Credit Guarantee Program in Nigeria with initial debt financing guarantee structure with Infracredit Nigeria

Nairobi, 19 December 2023 - Shelter Afrique Development Bank (ShafDB), a leading Pan-African institution committed to financing and advancing housing, urban, and related infrastructure development, is delighted to announce its innovative Affordable Housing Credit Guarantee Program in Nigeria, fully approved by its Board of Directors. The innovative financing structure has begun with the first pilot transaction of ~~Naira~~ three billion (~~₦3~~ Billion) debt financing guarantee for Modern Shelter Systems and Services Limited ("Modern Shelter") under a comprehensive affordable housing program. This groundbreaking initiative, facilitated by InfraCredit, a triple A (AAA)-rated specialized infrastructure credit guarantee institution, aims to develop 370 affordable housing units in Nasarawa Technology Village, adhering to the International Finance Corporation's (IFC) green building standards, EDGE.

This initiative is part of Shelter Afrique Development Bank (ShafDB)'s expansive ~~Naira~~ 200 billion Affordable Housing Credit Program in Nigeria. Early last year, ShafDB proceeded with a debut ~~Naira~~ 46 billion bond issuance in Nigeria's capital market which was oversubscribed by 60.7%, reflecting a strong investor appetite. ShafDB's debut bond issuance lays the ground for its local currency funding to mitigate foreign currency risk. Along with ShafDB's anchor investment in Housing Solution Fund (HSF), to address the demand side, we are closing the loop on de-risking the housing ecosystem and value-chain.

Furthermore, under the financing guarantee structure between Shelter Afrique and InfraCredit, this venture marks a significant stride in addressing Nigeria's housing deficit, with the overall project targeting the development of up to 1,200 EDGE-certified housing units in Nasarawa State.

Nigeria, with a population projected to reach 400 million by 2050, faces a housing deficit estimated at 28 million units, requiring substantial investment. The Housing Solution Fund (sponsored by ShafDB), through an offtake agreement, will facilitate affordable, long-term home loans to eligible homebuyers. This initiative is a testament to ShafDB's unwavering commitment to nurturing sustainable and resilient housing solutions, propelling positive transformation across the African continent.

Shelter Afrique Development Bank's Managing Director, Thierno-Habib Hann, emphasized the institution's commitment to *"scaling up interventions in Nigeria in an integrated model, mitigating off-take risks, and providing beneficiaries with more accessible, affordable, and longer-tenured financing options, ultimately fostering sustainable development and prosperity"*.

Chinua Azubike, Chief Executive Officer of InfraCredit said *"We are excited with the successful closing of this transaction and the significance of the project in the housing sector, because of our ability to replicate and scale its impact. The Nasarawa Technology Village project underscores a successful example of public-private*

partnerships as a mechanism of unlocking climate financing for sustainable development. “

Note to the Editor:

About Shelter-Afrique Development Bank:

Shelter Afrique Development Bank is a Pan-African development finance institution solely dedicated to financing and promoting housing, urban & related infrastructure development across the African continent. ShafDB operates through a partnership involving 44 African Governments, as well as the African Development Bank (AfDB) and the Africa Reinsurance Corporation (Africa-Re).

Shelter Afrique Development Bank delivers financial solutions and associated services that support both the supply and demand aspects of the affordable housing value chain. As a premier provider of financial, advisory, and research solutions, ShafDB focuses on addressing Africa's housing crisis through financial institutions, project finance and public-private partnerships, striving to achieve sustainable developmental impact.

About InfraCredit

InfraCredit is a 'AAA' rated specialised infrastructure credit guarantee institution backed by the Nigeria Sovereign Investment Authority, GuarantCo & InfraCo Africa (Private Infrastructure Development Group companies), KfW Development Bank, Africa Finance Corporation, and African Development Bank, to provide local currency guarantees and mobilize long term debt financing for infrastructure in Nigeria. InfraCredit's guarantees act as a catalyst to attract domestic credit from pension funds, insurance firms and other long-term investors into credit-worthy infrastructure projects, thereby deepening the Nigerian debt capital markets. InfraCredit operates on a commercial basis with a developmental role and benefits from private sector governance. InfraCredit maintains the highest domestic financial strength ratings accorded to any financial institution by Agosto and Co. and Global Credit Ratings Co., two of the major domestic credit rating agencies. For more information please visit www.infracredit.ng and follow us on LinkedIn and Twitter.

About Modern Shelter

Modern Shelter Systems & Services is a leading multi-disciplinary property services and investment company, privately held and incorporated in Nigeria. The company provides bespoke solutions across a range of real estate services to owners, occupiers, and investors. In the last few years, it has grown and broadened its scope within the Real Estate space to become one of the most sought-after Developers in Abuja. It has also expanded its services based on core strengths, unrivaled expertise, and an extensive local and international network. The company's in-house knowledge, combined with strategic partnerships, has so far allowed it to promptly deliver on client expectations.

About PIDG

The Private Infrastructure Development Group (PIDG) is an innovative infrastructure project developer and investor which mobilises private investment in sustainable and inclusive infrastructure in sub-Saharan Africa and south and south-east Asia. PIDG investments promote socio-economic development within a just transition to net zero emissions, combat poverty and contribute to the Sustainable Development Goals (SDGs). PIDG delivers its ambition in line with its values of pioneering, partnership, safety, inclusivity and urgency.

For more information, visit: www.pidg.org

About HSF

The Housing Solution Fund is a local currency real estate investment trust (REIT) authorised and registered by the Securities & Exchange Commission of Nigeria with a NGN100 billion funding programme (www.housingsolutionfund.ng). The Fund was established in collaboration with development partners to provide innovative market-based solutions to stimulate housing demand and sustainably scale housing supply by investing in affordable and accessible long-dated home loans offered to eligible homebuyers in partnership with participating lending institutions and pre-qualified housing developers in Nigeria. The Fund 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. Shelter Afrique recently invested equity of ~~Naira~~ ₦816,000,000 in HSF.

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