

Shelter Afrique fully repays commercial debts, eyes regional bonds

- *The Company has also fully repaid bonds floated on the Nairobi Stock Exchange between 2013 and 2018.*

Nairobi, Kenya- XX September 2021 – Pan-African housing development financier Shelter Afrique has fully paid commercial debts owed to eight lenders, giving the company the leverage to underwrite new debt.

In 2018, Shelter Afrique signed a Debt Restructuring Agreement with the eight lenders - six DFIs and two commercial banks - to restructure its debt with a new 5 - Year tenor to run from June 2019 to June 2024.

The USD186 million (including accrued interest) owed to African Development Bank, Agence Française de Développement, Commercial Bank of Africa, European Investment Bank, German KfW, Ghana International Bank, CFA-Banque Ouest Africaine de Développement, and Islamic Corporation for Development was fully repaid three years ahead of schedule.

“Despite Debt Restructuring Agreement giving us a window to make full loan repayment by June 2024, we successfully repaid all the loans by June 2021. This was possible due to the new structures we put in place to deal with bad debts and loan recoveries as part of our turnaround plan. This now affords us the ability to underwrite new business and debt without constraints and legacy matters. For instance, based on our current Equity Capital base of USD 155M and a debt-equity ratio of 0%, we can instantly raise new debt of up to USD 465 million,” Shelter Afrique Group Managing Director and CEO Andrew Chimphondah said.

The company has also repaid a bond floated on the Nairobi Stock Exchange between 2013 and 2018.

Return to market

Mr Chimphondah noted that following the development, Shelter Afrique now plans to return to the capital market to raise KES125 billion (USD1.25 billion) in local-currency bonds by the end of the year.

“With the debts fully retired, we now intend to mobilise a local-currency equivalent of USD500 million each from Nigeria and East Africa, as well as USD250 million from French-speaking African nations. These will be crucial in funding our demand-side pipeline of as much as USD1 billion which we are currently developing,” Chimphondah said

Mr Chimphondah added that besides the bonds, Shelter Afrique was exploring further shareholder financing, noting that the Company was already in talks with some keen organisations and countries who share a similar commitment to affordable housing in Africa.

“In the past few months, we have raised a significant amount from our current shareholders, admitted a new shareholder (Fonds de Solidarité Africain -FSA), and resolved to open a new class



C group of shareholding for non-African entities to widen our shareholding and capital resource bases," Mr Chimphondah said.

Notes to Editor

About Shelter Afrique

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. Shareholders include 44 African countries, the African Development Bank, the African Re-Insurance Corporation, and Fonds de Solidarité Africain (FSA).

The company's mandate is to provide financing through debt, quasi-equity and equity to both public and private institutions for housing and urban infrastructure projects in its member countries. Shelter Afrique builds strategic partnerships and offers a host of products and related services to support the efficient delivery of affordable housing and commercial real estate. These include project finance, institutional lending, equity investments & joint ventures, trade finance, and social housing.

We also offer practical advice and technical assistance to a wide range of industry stakeholders.

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

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