

The Company for Habitat and Housing in Africa (Shelter Afrique)

Shelter Afrique's debut ₦46 billion bond issuance in Nigeria's capital market oversubscribed by 60.7%, reflecting strong investor appetite

Abuja, Nigeria – 25 April 2022

The Company for Habitat and Housing in Africa (Shelter Afrique), the pan-African development finance institution exclusively dedicated to housing finance in Africa, is pleased to announce the successful completion of its debut ₦46 billion (US\$110.7 million) Series 1 Fixed Rate Senior Unsecured Bond Issuance in Nigeria's capital market under its ₦200 billion (US\$481.3 million) bond issuance programme.

The dual tranche bond issuance was 60.7% oversubscribed with the order book peaking at ₦64.3 billion (US\$154.6 million), enabling Shelter Afrique to exercise the 'green shoe' option and raise an additional ₦6 billion (US\$14.4 million) more than the original ₦40 billion plan (US\$96.3 million). The bond issuance attracted participation from a diverse range of institutional investors including pension funds, banks, and insurance companies, supported by an AA rating from GCR Ratings and an A+ rating from Augusto & Co. The high oversubscription demonstrates investors' confidence in Shelter Afrique's mandate to enable housing development in Africa, its strong management team, business strategy and credit profile. The 5-year Tranche A bonds priced at 13.00% and the 7-year Tranche B bonds priced at 13.25%. The tenors of the bonds are aligned with the organisation's housing finance strategy and plans in Nigeria. Shelter Afrique will use the bond proceeds to fund mass housing development by tier 1 real estate developers, and to provide lines of credit.

FSDH Capital Limited acted as the Lead Issuing House while ARM Securities Limited, FCMB Capital Markets Limited and United Capital PLC acted as the Joint Issuing Houses to the bond issuance. Other professional parties include Aluko & Oyeboade and Banwo & Ighodalo who acted as Solicitors to the Issue/Issuer and Solicitors to the Trustee respectively. United Capital Trustees Limited and CardinalStone Registrars Limited acted as the Trustee and Registrar respectively. The Receiving Banks include FSDH Merchant Bank Limited, Stanbic IBTC PLC and United Bank for Africa PLC.

Announcing the result, Shelter Afrique's Acting Managing Director, Kingsley Muwowo expressed delight at the success of the bond issuance and thanked the Issuing Houses and other professional parties for the timely and successful completion of the bond issuance. He also extended his appreciation to the Federal Government of Nigeria through the Ministry of Finance, Budget and National Planning; the Securities and Exchange Commission; the National Pension Commission, and the Ministry of Works and Housing. He thanked the Board of Directors, Management and Staff of Shelter Afrique for their invaluable support throughout the process.

Mr. Muwowo noted that: "this is the first time Shelter Afrique is tapping the Nigerian debt capital market and the positive market reception is a clear indication of investor confidence in our long-term value proposition for the Nigerian housing market. We would like to assure our investors that we shall put the proceeds of the bond issue into good use that will ensure that more value is created for them".

Mr. Muwowo said the issuance of the Naira-denominated bonds reflects the organisation's desire to focus on tailor-made, long-term funding solutions for the provision of affordable and adequate housing in Nigeria and across Africa. He also noted that the volatile foreign exchange rate regimes in most member countries is one of the major challenges of financing affordable and decent housing in Africa. He explained that: "Constant currency fluctuations make it difficult for those who borrow in foreign currencies to honour their loans because of the foreign exchange exposure

risks. Through this bond issuance, developers and primary mortgage lenders in Nigeria will be able to access funding in Naira, thereby reducing such risks".

Speaking at the signing ceremony held in Lagos, Nigeria, the Managing Director of FSDH Capital Limited, Tolu Osinibi, said: "FSDH Capital is pleased to have advised Shelter Afrique on its successful debut bond issuance in Nigeria's capital market. Shelter Afrique continues to play a pivotal role in housing development across Africa and the success of the bond issuance will encourage other supranational financial institutions to tap Nigeria's debt capital market for their Naira funding needs. We thank the investor community for their support on the bond issuance. We also thank the Board and management of Shelter Afrique for trusting us with this milestone transaction, and their commitment and dedication throughout the process."

Exchange Rate: 1US\$ = ₦15.58

-ENDS-

Notes to Editors:

About The Company for Habitat and Housing in Africa (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. Its shareholders include 44 African countries, the African Development Bank, the African Re-Insurance Corporation, and Fonds de Solidarité Africain (FSA).

The organisation'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. The organisation also offers practical advice and technical assistance to a wide range of industry stakeholders.

For more information, please visit <http://www.shelterafrique.org/>
Follow Shelter Afrique on [Twitter](#), [LinkedIn](#) and [Facebook](#)

For further enquiries, please contact:

Babatunde Oyateru | Head, Communications & External Affairs
Shelter Afrique Centre, Longonot Road, Nairobi, Kenya.
Tel: +254 20 4978000 | Email: boyateru@shelterafrique.org

Or

Mike Omuodo | Media Fast PR | Tel: +254 736 014 596 | Email: mike.omuodo@mediafast.co.ke