



BADEA Approves USD120 million to support Shelter Afrique Development Bank Capitalization Program

Nairobi, Kenya – [1 August 2025] – Shelter Afrique Development Bank (ShafDB) has announced the signing of a strategic agreement with the Arab Bank for Economic Development in Africa (BADEA) to support its transformative capital increase initiative.

Effectively, BADEA has approved a landmark USD 120 million to support the capitalization program of Shelter Afrique Development Bank, the leading Pan-African institution focused on affordable housing and urban development. The concessional financing facility will help eligible member states settle and increase their capital subscriptions to ShafDB.

This initiative, developed in partnership with the Arab Bank for Economic Development in Africa (BADEA), introduces an innovative financing mechanism through which eligible member states can access on-lending at competitive terms. The BADEA-supported facility, totaling USD 120 million, will be used to settle and boost member states' capital subscriptions to Shelter Afrique Development Bank (ShafDB).

"This agreement with BADEA marks a critical step in strengthening our capital base and advancing our mission of financing affordable housing and sustainable urban infrastructure across Africa," said Thierno Habib-Hann, Managing Director of Shelter Afrique Development Bank. "We are grateful to BADEA for its strong partnership and unwavering support in this pivotal phase of our institutional evolution."

The new capital increase program includes an initial equal allocation to all member states, followed by a phased reallocation, first on a pro-rata basis, and then on a first-come, first-served basis. This approach aims to encourage active participation by member states and to strengthen ShafDB's capital adequacy in a balanced and transparent manner.

Commenting on the program, the president of BADEA H.E. Abdullah KH ALMUSAIBEEH, "We see this capital program as a strategic milestone in Shelter Afrique Development Bank's evolution. BADEA is proud to back this initiative and we remain committed to our shared mission of enabling access to decent housing and inclusive urban development across Africa."

The need to enhance equity capital has become critical following the institution's transformation into a Development Bank, a milestone formally approved by Shelter Afrique's shareholders during the Extraordinary General Meeting (EGM) held in Algiers, Algeria, in October 2023.

Building on this transformation, a significant achievement was realized during the Annual General Meeting in June 2024 in Kigali, Rwanda, where shareholders demonstrated strong leadership by endorsing a transformative capital increase program, and the board approved in December 2024 a capital increase of over a USD 200 million.

"Expanding capital base will enable the Bank to scale up financing along the housing value chain, access more competitive funding from international and African capital markets, and reinforce its role in addressing the housing deficit and driving inclusive urban development across its 44 member states," Mr. Hann said.

Increased leverage

The capital increase program has been designed to significantly strengthen ShafDB's balance sheet over the medium-term, expand its shareholder capital base, and to significantly mobilize debts. The capital raised will also support the Bank's plans to attain investment-grade credit ratings, attract

new institutional investors, and expand its lending and technical assistance programs in member countries.

Note to the Editor:

About Shelter Afrique Development Bank:

Established in 1981 in Lusaka, Zambia, Shelter Afrique Development Bank (ShafDB) is a Pan-African Multilateral Development Bank (MDB) dedicated to promoting and financing sustainable green housing, urban development and related infrastructure. It operates through a shareholding of 44 African governments and two institutional shareholders: African Development Bank (AfDB) and African Reinsurance Corporation (Africa-Re).

The institution is involved in financing housing and related infrastructure across the value chain, both on the demand and supply sides, through its four (4) business lines: Financial Institutions Group (FIG), the Project Finance Group (PFG), the Sovereign and Public-Private partnerships (PPP) Group, and the Fund Management Group (FMG).

<https://www.shelterafrique.org/en/home>

About the Arab Bank for Economic Development in Africa (BADEA):

The Arab Bank for Economic Development in Africa (BADEA) is a multilateral financial institution established in 1974 by the Arab League. BADEA aims to strengthen economic, financial, and technical cooperation between Arab and African regions by financing development projects and supporting capacity building. <https://www.badea.org/>

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