



Press Release
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NSIA & GUARANTCO ESTABLISH THE INFRASTRUCTURE CREDIT ENHANCEMENT FACILITY (INFRACREDIT)

Abuja, Nigeria – 17 January 2017

The Nigeria Sovereign Investment Authority (NSIA) and GuarantCo, which is part of the Private Infrastructure Development Group (PIDG), are pleased to announce the establishment of an infrastructure credit enhancement facility in Nigeria (“InfraCredit”) conceptualized in 2014.

InfraCredit will provide guarantees to enhance the credit quality of local currency debt instruments (mainly in the form of corporate/infrastructure bonds) issued by eligible entities (corporates, state governments) to finance creditworthy infrastructure projects in Nigeria. Intended as a sustainable framework for stimulating infrastructure investments in key sectors of the Nigerian economy, its successful operation will foster the development of the Nigerian debt capital markets.

Incorporated as a private limited liability company based in Lagos, Nigeria, InfraCredit will run on a commercial basis guided by international best practices and local governance standards. Its Board of Directors, will be comprised of representatives of NSIA, GuarantCo, institutional investors and independent members.

InfraCredit’s Board of Directors appointed Chinua Azubike as the company’s Chief Executive Officer effective January 11, 2017 at its inaugural board meeting.

Chinua Azubike has over 14 years experience in corporate finance and debt capital markets roles. Previously, Chinua was the Managing Director at Dunn Loren Merrifield Advisory Partners, an investment banking firm based in Lagos. He studied law at the University of Lagos and holds an MSc. in Finance & Financial Law from University of London. Chinua is the chairperson of the Regulation Consolidation Sub-Committee of FMDQ Debt Capital Market Development Project.

InfraCredit will be capitalised with up to US\$200million composed of paid-in equity and “second loss” contingent capital. NSIA has committed to subscribe US\$25million (Naira equivalent) of the paid in equity, with other investment interests to be sourced largely from institutional investors and international finance institutions. GuarantCo has executed a Callable Capital Funding Facility Agreement providing US\$50million of the Contingent Capital and will act as lead arranger for a further US\$50million to be sourced from international DFIs with high investment grade ratings.

InfraCredit is expected to become fully operational by Q2 2017.

Commenting, Uche Orji, Chief Executive Officer and Managing Director of the NSIA said “The establishment of InfraCredit brings to fruition, one of the key pillars of NSIA’s infrastructure investment strategy which seeks to facilitate the creation of and investments in institutions that contribute to infrastructure development in Nigeria. It is expected that InfraCredit will enhance Nigeria’s capacity to attract and unlock latent pools of capital from pensions and insurance for infrastructure investment into key sectors of the Nigerian economy. The establishment of InfraCredit is a culmination of nearly two years of constructive partnership between NSIA, GuarantCo and PIDG and we are pleased with the outcome”

In his statement, Chris Vermont, Non-Executive Director and former CEO of GuarantCo said “InfraCredit is a ground-breaking initiative that will unlock domestic investment in Nigeria’s infrastructure on a scale not previously seen”. He further added that “The local pension fund market is expanding by \$US5billion equivalent each year and there is significant demand for low risk alternatives to government securities. InfraCredit is a step change in the balanced development of Nigeria’s capital markets and the wider economy.”

Chinua Azubike, Chief Executive Officer of InfraCredit added “I am honoured and excited to have the opportunity to work with the Board and team to lead InfraCredit in its pioneering role of connecting Nigeria’s debt capital markets to infrastructure financing. We have already developed a robust deal pipeline and are very optimistic of the opportunities the market presents for InfraCredit”

This announcement is for information purposes only. No money, securities or other consideration is being solicited, and, if sent in response to the information contained herein, will not be accepted.

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NOTE TO THE EDITOR

About NSIA

The Nigeria Sovereign Investment Authority, a corporate body established by the Nigeria Sovereign Investment Authority (Establishment, etc.) Act 2011, is mandated to manage funds in excess of budgeted hydrocarbon revenues. Its mission is to play a leading role in driving sustained economic development for the benefit of all Nigerians through building a savings base for the Nigerian people, enhancing the development of Nigeria’s infrastructure and providing stabilisation support in times of economic stress. NSIA operates three mandate funds: the Stabilisation Fund, the Future Generations Fund and the Nigeria Infrastructure Fund.

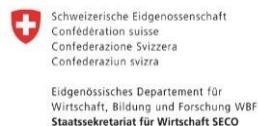
For more information please visit www.nsia.com.ng

About GuarantCo

[GuarantCo](http://www.guarantco.com) is part-of the [Private Infrastructure Development Group \(PIDG\)](http://www.pidg.com), and provides local currency solutions to local or regional financial institutions and bond investors, to help infrastructure projects raise debt finance. The PIDG also supported the establishment of InfraCredit through its Technical Assistance Fund.

Primarily, this is through guarantees denominated in local currency, although GuarantCo can provide dollar-denominated guarantees in fragile and conflict-affected states and provided the business case supports such financing.

GuarantCo is one-of-a-kind – the only local currency guarantee facility in the world targeting infrastructure in frontier markets. GuarantCo is funded by Australia, (DFAT), the Netherlands (DGIS through FMO), Switzerland (SECO), Sweden (Sida), and the UK (DFID).



For more information please visit www.guarantco.com

About InfraCredit

InfraCredit (incorporated as Infrastructure Credit Guarantee Company Ltd) was established by NSIA and GuarantCo to provide guarantees to enhance the credit quality of local currency debt instruments issued to finance eligible infrastructure related assets in Nigeria.

It will act as a catalyst to attract the investment interest from pension funds, insurance firms and other long term investors, thereby deepening the Nigerian debt capital markets. InfraCredit operates on a commercial basis and benefits from private sector governance.

For more information please visit www.infracredit.ng