



IFC, ADB, and HDFC Investments Invest in Maldives to Make Housing Affordable and Accessible

Male, Maldives, July 28, 2008—IFC, a member of the World Bank Group, the Asian Development Bank, and HDFC Investments Limited, a subsidiary of Housing Development Finance Corporation Limited, India, are investing in Maldives to help reduce the country's severe housing shortage. The equity and loan investment package will enable privatization of Maldives' Housing Development Finance Corporation Plc, a government-owned housing finance institution, and transform it into a commercially viable, private sector-led company.

The equity component of the package totals \$12.75 million. IFC and ADB will each invest \$4.5 million, and HDFC Investments Limited will invest \$3.75 million. IFC and ADB will also provide loans to support the project.

There is an urgent need for housing in Maldives, which faces a growing population and pressure on limited land resources. HDFC-Maldives was established by the government in 2004 to provide long-term mortgage financing.

Raheema Saleem, Managing Director of HDFC-Maldives, said, "Safe, affordable housing is a basic necessity. Without a decent place to live, people cannot be productive members of society, children cannot learn, and families cannot thrive. As we grapple with the housing crisis, measures need to be taken to ensure that bottlenecks are eliminated on a meaningful scale."

Paolo Martelli, IFC Director for South Asia, said, "IFC's financial sector investment and advisory interventions in Maldives aim to help local financial institutions improve capacity and access to domestic and international funding. This project will provide an opportunity for home ownership for middle- and lower-income borrowers on a commercially viable, sustainable basis."

Christine Engstrom, ADB's Senior Investment Specialist for Private Sector Operations, said, "Housing is in a chronic shortage in Maldives due to scarcity of land and limited long-term financing for mortgages. With our support and close cooperation between the government and shareholders, HDFC-Maldives will be able to address the shortage by improving access to mortgage financing."

Renu Sud Karnad, Joint Managing Director of HDFC-India, said, "It is our privilege to bring 30 years of our experience in mortgage finance to Maldives. With this cooperation, HDFC can provide consultancy services and technical assistance in housing finance to all countries of the South Asian Association for Regional Cooperation."

IFC has also helped the Maldives Monetary Authority set up the country's first leasing company and is in the process of helping set up a credit information bureau.

About IFC

IFC, a member of the World Bank Group, fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing private capital in local and international financial markets, and providing advisory and risk mitigation services to businesses and governments. IFC's vision is that people should have the opportunity to escape poverty and improve their lives. In FY07, IFC committed \$8.2 billion and mobilized an additional \$3.9 billion through syndications and structured finance for 299 investments in 69 developing countries. IFC also provided advisory services in 97 countries. For more information, visit www.ifc.org

With donor funding from the Netherlands and Norway, IFC also provides advisory services to create a business-enabling environment in Maldives and Sri Lanka. It supports value addition to firms through tailored advice, capacity building programs, training, and research.

About ADB

ADB, based in Manila, is dedicated to reducing poverty in the Asia and Pacific region through inclusive economic growth, environmentally sustainable growth, and regional integration. Established in 1966, it is owned by 67 members – 48 from the region. In 2007, it approved \$10.1 billion of loans, \$673 million of grant projects, and technical assistance amounting to \$243 million. For more information, please visit Asian Development Bank, www.adb.org

About HDFC

HDFC was promoted in 1977 in India as a public limited company specializing in providing housing finance primarily to individual households and corporates for the purchase and construction of residential housing. HDFC is India's first retail housing finance company and is currently one of the largest originators of housing loans in the country. HDFC has provided consultancy services and technical assistance in housing finance in Asia, Africa and East Europe.

As at June 2008, HDFC's cumulative loan approvals stood at \$ 46 billion, in respect of over 3.2 million housing units. Over the years, the HDFC group has emerged as a strong financial conglomerate in the Indian capital markets with a presence in banking, life and general insurance, asset management and venture capital. For information, visit www.hdfc.com and www.hdfc.com.mv

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