

**Press Release****Axis Bank launches 'Asha Home Loans'**

- Offers a 30 Year 'Affordable Housing' loan product to the lower income segment
- Enabling masses to acquire their 'First Home'

**Mumbai, April 2, 2014:** Axis Bank, India's third largest private sector bank, on the occasion of its 20<sup>th</sup> Anniversary today, announced the launch of 'Asha Home Loan', a 30 years home loan product for first time home buyers in the lower income segment seeking affordable EMLs.

The Asha Home Loans product design and structure is the outcome of extensive research conducted by the bank with the lower income customers in India.

Asha Home loans are for customers with family incomes of Rs 8000-10000 per month and above. The customers can pool their family income instead of depending on their individual income only. The product offers loans as small as Rs 1 lac and upto Rs 15 lacs in small towns (population < 10 lacs) and upto Rs 25 lacs in larger towns (population > 10 lacs)

The 'Asha Home Loan' product can be availed in both floating and fixed rate options, at attractive interest rates, with simple documentation. The appraisal methodology has been formulated keeping in mind the profile of this customer segment. Asha Home Loans offers loans up to 90% of the market value of the property.

Speaking on the launch, **Mr. Jairam Sridharan, Head Consumer Lending and Payments, Axis Bank** said, "We see tremendous potential in the affordable housing segment. The customer segment having lower level of income and aspiring to own their first house in the peripheral areas of Tier I cities or within Tier II and III cities has largely remained untapped. Asha Home Loan would help bridge this gap. We are happy and proud to partner in the progress of the life of our lower income customers."

'Asha Home Loan' is available to both salaried and self-employed Resident Indians. The demand from this segment is largely towards smaller property configurations in order to meet their basic requirement of owning a house, and hence our product enables customers to purchase properties with an area measuring 325 sq ft and above. Loans can be availed for new, resale, ready, under construction property, as well as for purchasing a plot and constructing a house thereon.

Industry estimates state that there is an overall urban housing shortage of 19 million units, out of which more than 90% of the demand is from the low income group



segment and below. Further, on the supply side, limited availability of land in urban areas does not make it viable for developers to provide affordable housing in these locations. Therefore, Affordable Housing projects are coming up in the peripheral areas of Tier 1 where land prices are comparatively cheaper. Keeping affordability in mind, developer focus is also shifting to Tier II and III cities.