

Press Release

## **Axis Bank launches QuikPay Home Loan; An Industry-First Reducing Monthly Instalments Plan that Offers Big Savings to Home Buyers**

- Customers to save on interest by repaying higher principal every month in a structured manner
- With QuikPay Home Loan, customer to save ~Rs 11.7 lacs on a Rs. 50 lac loan for 20 yrs
- Instead of EMIs (equated monthly instalments), the customer will pay reducing monthly instalments

**Mumbai, December 12, 2018:** Axis Bank, the country's third largest private bank, today launched 'QuikPay Home Loan', a first-of-its-kind home loan offering that will let home buyers save big on the interest amount component of the loan. Essentially, as against the industry norm, QuikPay Home Loan will offer an alternative repayment structure, wherein the customer repays an equal amount of principal every month along with interest on the outstanding balance. Thus an equated principal amount combined with reducing interest amount component will lead to reducing monthly instalments. As a result, there will be an overall reduction in total interest amount component paid over the entire tenure of the home loan, thereby benefitting the customer.

Instead of EMIs (equated monthly instalments), the customer will pay reducing monthly instalments. While the initial instalments will be higher (than the EMI on the same loan amount for the same tenure), the instalment amount keeps reducing throughout the loan tenure.

Speaking at the launch, **Rajiv Anand, Executive Director (Retail Banking), Axis Bank**, said, "For the benefit of our customers, we have launched QuikPay Home Loan, which is an innovative product that will reduce the overall interest burden on the borrower. We are confident that this unique concept of 'reducing monthly instalments', along with big savings on interest, will be an attractive proposition for home buyers."

To illustrate the offering, let's consider a typical home loan of Rs. 50 lacs for a 20 years at 9.00% pa. This loan will have a total interest outgo of Rs. 57.96 lacs over 20 years for the customer. However, with Axis Bank's QuikPay Home Loans, for a loan of Rs. 50 lacs for the same tenure, even with a slightly higher annual rate of interest of 9.20%, the overall interest outgo will be only Rs 46.19 lacs, thereby resulting in an overall saving of Rs 11.77 lac for the customer.

Refer to the annexure for a detailed comparative break-up of the loan repayment schedule.

## Repayment Schedule – Regular Home Loan



**Illustration : Same Loan Amount, Same Loan Tenure and Different Rate of Interest**

Loan Amount - Rs 50 lakhs  
 Tenure - 20 years  
 ROI – 9.00% p.a.  
**Total Interest paid - Rs 57.96 lakhs**  
**Total Repayment - Rs 1.08 Crore**

Regular EMI Repayment Schedule					
Month	Opening Balance	EMI	Interest (A)	Principal (B)	Closing Balance
1	5,000,000	44,986	37500	7486	4,992,514
2	4,992,514	44,986	37444	7542	4,984,971
3	4,984,971	44,986	37387	7599	4,977,372
4	4,977,372	44,986	37330	7656	4,969,716
5	4,969,716	44,986	37273	7713	4,962,003
6	4,962,003	44,986	37215	7771	4,954,232
7	4,954,232	44,986	37157	7830	4,946,402
8	4,946,402	44,986	37098	7888	4,938,514
9	4,938,514	44,986	37039	7947	4,930,566
10	4,930,566	44,986	36979	8007	4,922,559
11	4,922,559	44,986	36919	8067	4,914,492
12	4,914,492	44,986	36859	8128	4,906,364
...	...	...	...	...	...
236	219,958	44,986	1650	43337	176,621
237	176,621	44,986	1325	43662	132,960
238	132,960	44,986	997	43989	88,970
239	88,970	44,986	667	44319	44,651
240	44,651	44,986	335	44651	-

## Repayment Schedule – QuikPay Home Loan



**Illustration : Same Loan Amount, Same Loan Tenure and Different Rate of Interest**

Loan Amount - Rs 50 lakhs  
 Tenure - 20 years  
 ROI - 9.20% p.a.  
**Total Interest paid - Rs 46.19 lakhs**  
**Total Repayment - Rs 96.19 lakhs**

**Interest Savings – Rs 11.77 lakhs**  
**even with a marginal higher pricing**

QuikPay Loan Repayment Schedule					
Month	Opening Balance	Monthly Payment by customer	Interest (A)	Principal (B)	Closing Balance
1	5,000,000	59,167	38333	20,833	4,979,167
2	4,979,167	59,007	38174	20,833	4,958,333
3	4,958,333	58,847	38014	20,833	4,937,500
4	4,937,500	58,688	37854	20,833	4,916,667
5	4,916,667	58,528	37694	20,833	4,895,833
6	4,895,833	58,368	37535	20,833	4,875,000
7	4,875,000	58,208	37375	20,833	4,854,167
8	4,854,167	58,049	37215	20,833	4,833,333
9	4,833,333	57,889	37056	20,833	4,812,500
10	4,812,500	57,729	36896	20,833	4,791,667
11	4,791,667	57,569	36736	20,833	4,770,833
12	4,770,833	57,410	36576	20,833	4,750,000
...	...	...	...	...	...
235	125,000	21,792	958	20,833	104,167
236	104,167	21,632	799	20,833	83,333
237	83,333	21,472	639	20,833	62,500
238	62,500	21,313	479	20,833	41,667
239	41,667	21,153	319	20,833	20,833
240	20,833	20,993	160	20,833	0

### About Axis Bank:

Axis Bank is the third largest private sector bank in India. Axis Bank offers the entire spectrum of services to customer segments covering Large and Mid-Corporates, SME, Agriculture and Retail Businesses. With its



3,882 domestic branches (including extension counters) and 12,660 ATMs across the country as on 30th September 2018, the network of Axis Bank spreads across 2,269 cities and towns, enabling the Bank to reach out to a large cross-section of customers with an array of products and services. The Bank also has ten overseas offices with branches at Singapore, Hong Kong, Dubai (at the DIFC), Shanghai and Colombo; representative offices at Dubai, Abu Dhabi, Sharjah and Dhaka and an overseas subsidiary at London, UK.

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