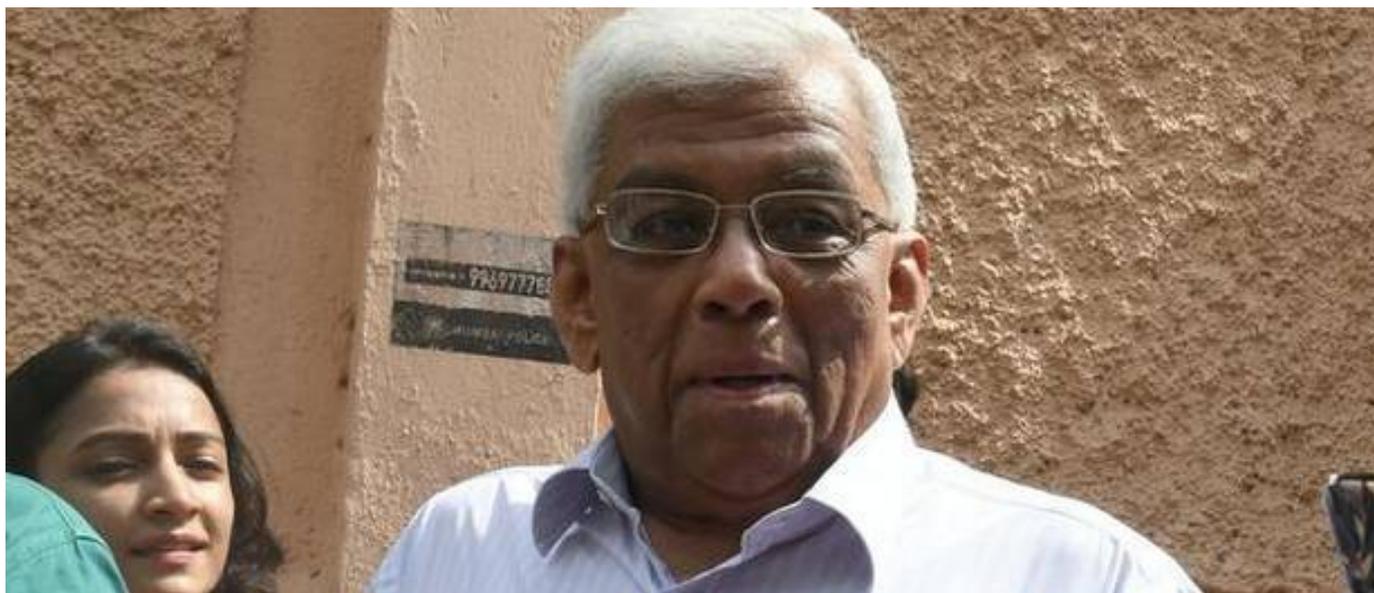


Parekh sure that govt, regulators will re-instil trust in banking

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Also said that retail home loans continue to be a bright spot

Noting that financial markets work on trust and confidence, HDFC Chairman Deepak Parekh has expressed confidence that the new government and the regulators will work towards re-instilling the culture of trust in the Indian banking and financial sector.

His comments are a part of his letter to shareholders in the Annual Report 2018-19 of the mortgage lender.

“Financial markets work on trust and confidence. If lending institutions do not get the support or find the courage to lend, then who will fund India’s growth aspirations and who will build India,” Parekh said, adding that the Indian financial system is moving to a new landscape with stronger regulatory and supervisory framework.

While this could entail recalibration among all players, it will lead to stronger safeguards at a systemic level, he said. He also expressed the hope that the economy will tide over the short-term challenges.

Home loans

Parekh also said that retail home loans continue to be a bright spot as housing has become more affordable.

“Among retail finance in India, home loans continue to stand out — both, in terms of growth and asset quality,” he said, noting that for HDFC, the growth has come from increased volume rather than large-ticket loans.

Parekh further said that while till now the housing market in India has been looked at from the lens of young population, another demographic aspect that should be focussed on is that of senior citizens.

“By 2050, India is estimated to have 24 crore senior citizens. The Ministry of Housing and Urban Affairs has demonstrated foresight by issuing model guidelines for development and regulation of retirement homes for senior citizens,” he said.

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