

REPORT ON KEY PERFORMANCE INDICATORS

Date: June 19, 2025

To,

The Board of Directors
HDB Financial Services Limited
Radhika, 2nd Floor
Law Garden Road, Navrangpura
Ahmedabad 380 009
Gujarat, India

Dear Sirs,

Proposed initial public offering of equity shares (the “Equity Shares”) of HDB Financial Services Limited (the “Company”, and such initial public offering, the “Offer”)

Dear Sir / Madam,

1. This report is issued in accordance with the terms of our engagement letter dated September 28, 2024.
2. In connection with the proposed Offer, the Company is required to obtain a report from an Independent Chartered Accountant that holds a valid peer review certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (“ICAI”), with regard to the key performance indicators as identified by the Company for the purposes of disclosure in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, or any addenda or corrigendum thereto and any other Offer related materials prepared in connection with the Offer (the “Offer Documents”, and each an “Offer Document”), as required by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “ICDR Regulations”) and the SEBI circular bearing reference no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/28 dated February 28, 2025 read with the Industry Standards on Key Performance Indicators Disclosures in the Draft Offer Document and Offer Document (together, the “KPI Standards”).
3. The accompanying statement in *Annexure B*, containing details of GAAP measures, Non-GAAP Financial measures, Non-Financial measures (part of financial reporting) and Operational Measures, as described in the Technical Guide on Disclosure and Reporting of Key Performance Indicators in Offer Documents issued by the ICAI (“Technical Guide”), read with KPI Standards, identified by the Company as at and for the financial years ended March 31, 2025, 2024 and 2023 as per the requirement of Schedule VI, Part A (9) (K) (3) of the ICDR Regulations (the “KPIs”, and such statement, the “Statement”), is prepared by the management of the Company, (the “Management”) which we have initialed for identification purposes only.

Management’s Responsibility for the Statement

4. The preparation of the accompanying Statements is the responsibility of the Management of the Company. This responsibility includes designing, implementing, and maintaining adequate internal controls that were operating effectively and testing of such controls for ensuring the accuracy and completeness of information relating to KPIs including such accounting records relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Management is responsible for:
 - a) Identification, definition, completeness, accuracy, relevance, appropriateness and sufficiency of the KPIs included in the Statement;
 - b) Providing access to the accounting and other records to us including information and explanations required for reporting on the KPIs;
 - c) Maintenance of the accounting and other records in relation to point (a) and (b) above; and
 - d) Compliance with the ICDR Regulations, the Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents, the KPI Standards and other regulatory requirements.

Our Responsibility

6. Pursuant to the requirements of Schedule VI, Part A (9) (K) (3) of the ICDR Regulations, it is our responsibility to obtain limited assurance and conclude as to whether (i) the financial details provided in the Statement are in agreement with the restated consolidated financial information of the Company as of the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 proposed to be included in the Offer Documents (“**Restated Consolidated Financial Information**”) and the underlying books of account maintained by the Company used for the purpose of preparation of the Restated Financial Information, (ii) non-financial measures provided in the statement are in agreement with the books of accounts and other relevant records maintained by the Company; and (iii) the KPIs included in the Statement are mathematically accurate.
7. The Audited financial statements as of and for the financial years ended March 31, 2024 and March 31, 2023 were audited by the previous joint statutory auditors of the Company on which the previous joint statutory auditors of the Company issued an unmodified audit opinion vide their reports dated April 16, 2024 and April 15, 2023, respectively. The audited financial statements as of and for the financial year ended March 31, 2025 referred to in paragraph 6 above, have been audited by the current joint statutory auditors of the Company on which the current statutory auditors of the Company issued an unmodified audit opinion vide their reports dated April 16, 2025. Their audits of these financial statements were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, as amended (the “**Act**”). Those standards require that they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Their audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
8. The Restated Consolidated Financial Information referred to in paragraph 6 above, have been examined by the current statutory auditors of the Company on which the current statutory auditors of the Company issued their examination report dated April 16, 2025. Their examination of these Restated Consolidated Financial Information was conducted taking into consideration the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information and the requirements of Section 26 of Part I of Chapter III of the Act and the SEBI ICDR Regulations. Their work was performed solely to assist the Company in meeting its responsibilities in relation to its compliance with the Act and the ICDR Regulations. Their work was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
9. We conducted our examination of the Statement in accordance with the Technical Guide and Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which require that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
11. A limited assurance includes performing procedures to obtain sufficient appropriate evidence that vary in nature, timing and extent from a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:
 - a. Obtained copies of the management note dated June 19, 2025, as prepared by the Management for the audit committee of the Company’s board of directors (the “**Audit Committee**”) and the certificate dated June 19, 2025, delivered by Mr. Jaykumar Pravinchandra Shah, Chief Financial Officer of the Company on behalf of the Management in relation to identification and disclosure of the KPIs in connection with the Offer;
 - b. Obtained list of KPIs, as prepared by the Management and approved by the Audit Committee pursuant to their resolution dated June 19, 2025, along with definitions, of each of the KPIs which are set forth in **Annexure B**.
 - c. Compared **Annexure B** with the Management note and Management certificate on KPIs.
 - d. Compared the specific components of KPIs as mentioned in the **Annexure B** to the source of KPIs which includes books of account, financial statements and Restated Financial Information, management information systems maintained by the Company as described in the paragraph 6 above;
 - e. Recomputed the mathematical accuracy of the KPIs included in the Statement;
 - f. Performed the procedures as mentioned in **Annexure A** and

- g. Conducted relevant management inquiries and obtained necessary representation.
12. We have no responsibility to update this report for events and circumstances occurring after the respective dates of the reports on the financial statements mentioned in paragraph 7 above.
13. We have no responsibility for identification, definition, completeness, relevance, appropriateness and sufficiency of the KPIs included in the Statement.
14. The procedures we have performed do not constitute an audit or review made in accordance with generally accepted auditing standards.

Inherent Limitations:

15. We state that our reporting is based on the facts up to the date of the report and we neither give any guarantee nor any assurance that the KPIs reported will continue to perform and/or report in similar manner in future. It should be noted that the KPIs contained in the Statement may not be measures of operating performance or liquidity defined by generally accepted accounting principles.
16. The KPIs and explanation included in the Statement should not be considered in isolation from, or as a substitute for, analysis of Company's historical financial performance, as reported and presented in the Restated Financial Information and Proforma Financial Information of the Company included in the Offer Documents. These KPIs (other than GAAP measures) are not defined in Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, are not presented in accordance with Ind AS and have limitations. Therefore, such KPIs should not be viewed as substitutes for measures of performance under Indian GAAP or as indicators of Company's financial position, financial performance or its cash flows.

Conclusion

17. Based on the procedures performed by us, as above, and the information and explanations given to us, nothing has come to our attention that causes us to believe that (i) the financial details provided in the Statement are not in agreement with the Restated Financial Information as at and for the financial years ended March 31, 2025, 2024 and 2023 and/ or the underlying books of account maintained by the Company used for the purpose of preparation of the Restated Consolidated Financial Information, as applicable; (ii) non-financial measures provided in the statement are not in agreement with the books of accounts and other relevant records maintained by the Company; or that (iii) the KPIs included in the Statement are not mathematically accurate.
18. Further, we confirm that all KPIs, as communicated to us by the Management and as approved by the Audit Committee pursuant to its resolution dated June 19, 2025, have been included in **Annexure B**. The Management has confirmed that the KPIs set forth in **Annexure B** have been selected in accordance with the process as prescribed in the KPI Standards.

Restriction on Use

19. This report is addressed to, and provided to, the Board of Directors of the Company to comply with the requirements of ICDR Regulations in relation to the Offer and should not be used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care if the report is used for any other purpose other than above. We also consent that this report may be relied upon by, or submitted to, SEBI, Stock Exchanges, Registrar of Companies and to any judicial/regulatory authority and/or for the records to be maintained by the Lead Managers (as defined below) or to establish a due diligence defence in connection with the Offer, and in accordance with applicable law.
20. The report is issued solely for the limited purpose to comply with the provisions of the ICDR Regulations on KPIs. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India (including in the United States of America), and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.
21. In relation to the Offer, we hereby consent to this report letter being disclosed, if required by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or on the request of the Stock Exchanges.

22. We further agree to this report (a) being designated as a material document in connection with the Offer and (b) made available for inspection by members of the public as a material document in connection with the Offer.
23. We confirm that we will update you in relation to any changes to the above information arising from the procedures undertaken by us or arising from any changes informed to us by the management of the Company in writing until the date when the Equity Shares commence trading on the Stock Exchanges pursuant to the Offer. In the absence of any such communication from us, the information provided in this certificate should be considered as updated information until the Equity Shares commence trading on the Stock Exchanges pursuant to the Offer.
24. All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

For and on behalf of
Manian and Rao, Chartered Accountants
Firms Registration No.: 001983S

Paresh Daga
Partner
Membership No. 211468
Place: Bengaluru
Date: June 19, 2025
UDIN: 25211468BMKZQM5259

Cc:

JM Financial Limited ("JM") 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India	BNP Paribas ("BNP") 1 North Avenue, Maker Maxity Bandra-Kurla Complex Bandra (E), Mumbai 400 051 Maharashtra, India	BofA Securities India Limited ("BofA") Ground Floor, "A" Wing, One BKC, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India	Goldman Sachs (India) Securities Private Limited ("Goldman Sachs") 951-A, Rational House Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India
HSBC Securities and Capital Markets (India) Private Limited ("HSBC") 52/60, Mahatma Gandhi Road, Fort Mumbai 400 001 Maharashtra, India	IIFL Capital Services Limited (formerly known as IIFL Securities Limited) ("IIFL") 24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, Maharashtra, India	Jefferies India Private Limited ("Jefferies") Level 16, Express Towers Nariman Point, Mumbai 400 021 Maharashtra, India	Morgan Stanley India Company Private Limited ("Morgan Stanley") Altimus, Level 39 & 40, Pandurang Budhkar Mag, Worli Mumbai 400 018 Maharashtra, India
Motilal Oswal Investment Advisors Limited ("MOIAL") Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi Mumbai 400 025 Maharashtra, India	Nomura Financial Advisory and Securities (India) Private Limited ("Nomura") Ceejay House, Level 11 Plot F, Shivsagar Estate Dr. Annie Besant Road, Worli Mumbai 400 018 Maharashtra, India	Nuvama Wealth Management Limited ("Nuvama") 801-804, Wing A, Building No 3 Inspire BKC, G Block Bandra Kurla Complex, Bandra East Mumbai 400 051 Maharashtra, India	UBS Securities India Private Limited ("UBS") Level 2, 3, North Avenue, Maker Maxity, Bandra Kurla Complex Bandra East Mumbai 400 051 Maharashtra, India

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Legal Counsel to the Company as to Indian Law

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Maharashtra, India

Annexure A

Sl	Key Performance Indicators	Classification	Definition	Procedures performed
1	Number of customers	Operational	Total number of distinct customers to whom the company has advanced credit in the lending business as at the last day of the specified period.	Number of distinct customers as at end of each period has been traced from the system generated reports of the Company.
2	Number of Branches	Operational	Total number of operational branches as at the last day of the specified period	Number of Branches as at the last day of each specified period has been traced from the MIS of branches shared by the Company as at the last day of each specified period.
3	Number of Locations	Operational	Total number of operational locations as at the last day of the specified period	Number of locations as at the last day of each specified period has been traced from the MIS of branches shared by the Company as at the last day of each specified period.
4	Number of Total Employees	Operational	Total number of employees in the lending business as at the last day of the specified period	Number of total employees in the lending business has been traced from the master list of employees shared by the Company as at the last day of each specified period.
5	Total Gross Loans	Non-GAAP Measure	Total Gross Loans is the aggregate amount of gross loans receivables from customers (including overdue interest but excluding any other charges) before considering impairment allowances as at the last day of the specified period.	Breakdown of total gross loans by verticals has been traced from the vertical wise loans register provided to us by the Company matching with the restated consolidated financial statements of the Company as at the last day of each specified period.
6	Total Gross Loans Growth	Non-GAAP Measure	Percentage growth in Total Gross Loans as at the last day of the specified period over the Total Gross Loans as at the last day of the immediately preceding comparable period.	Total Gross Loan Growth % is calculated as total gross loans as at the last day of the specified period over the total gross loans as at the last day of the prior immediately preceding comparable period. We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.
7	Secured Loans as % of Total Gross Loans	Non-GAAP Measure	Percentage of Total Gross Loans secured by tangible assets as a percentage of Total Gross Loans as at the last day of the specified period.	Secured Loans as % of Total Gross Loans is calculated as total gross loans secured by tangible assets as a percentage of total gross loans as at the last day of the specified period. We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.
8	Net Interest Income	Non-GAAP Measure	Interest Income for the specified period reduced by finance cost for the specified period.	Obtained the Net interest income workings prepared by the Company basis the restated consolidated financial statements. Net interest income is calculated as Interest Income for the specified period reduced by finance cost for the specified period. We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.

9	Other Financial Charges	GAAP Measure	Includes fees received in the lending business for the specified period.	Amount of other financial charges has been traced from the restated consolidated financial statements.
10	Net Total Income	Non-GAAP Measure	Net Total income is calculated as total revenue from operations excluding revenue from sale of services as reduced by finance cost during the specified period.	<p>Obtained the Net total income workings prepared by the Company basis the restated consolidated financial statements. Net Total income is calculated as total revenue from operations excluding revenue from sale of services as reduced by finance cost during the specified period.</p> <p>We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.</p>
11	Credit Cost	GAAP Measure	Amount of impairment of financial instruments recognised during the specified period.	Credit cost is the amount of impairment of financial instruments recognized during the specified period as per the restated consolidated financial statements. These amounts have been traced from the restated consolidated financial statements.
12	Profit after Tax	GAAP Measure	Profit before tax as reduced by total tax expenses for the specified period.	Restated Profit after tax is extracted from the restated consolidated financial statements.
13	PAT growth y-o-y	Non-GAAP Measure	Percentage growth in Profit after Tax for the specified period over Profit after Tax for the immediately preceding comparable period.	PAT Growth is calculated as Profit after Tax for the specified period over Profit after Tax for the prior immediately preceding comparable period as per the restated consolidated financial statements.
14	EPS	GAAP Measure	Basic earnings per equity share ("EPS") have been calculated by dividing the Profit after Tax attributable to equity shareholders by weighted average number of equity shares outstanding during the specified period.	Basic Earnings per Equity Share has been traced from the Restated Consolidated Financial Statements.
15	Average Yield	Non-GAAP Measure	Average interest rate on loan amounts extended to the customers in the specified period. Average interest rate is calculated as Interest Income as a percentage of Average of total gross loans (Average of Opening and Closing total gross loans during the specified period).	<p>Obtained the average yield % workings prepared by the Company basis the restated consolidated financial statements. Average yield % is calculated as Average interest rate on loan amounts extended to the customers in the specified period. Average interest rate is calculated as Interest Income as a percentage of Average of total gross loans (Average of Opening and Closing gross loans during the specified period).</p> <p>We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.</p>

16	Average Cost of Borrowings	Non-GAAP Measure	Ratio of the finance cost to Average Total Borrowings for the specified period (Average Total Borrowings is calculated as average of opening and closing total borrowings during the specified period).	<p>Obtained the average cost of borrowings % workings prepared by the Company basis the restated consolidated financial statements. Average cost of borrowings % is calculated as finance cost as percentage of Average Borrowings for the specified period (Average borrowings is calculated as average of opening and closing borrowings during the specified period).</p> <p>We have traced the amounts from restated consolidated financial statements.</p>
17	Net Interest Margin	Non-GAAP Measure	Ratio of Net Interest Income to the Average Total Gross Loans during the specified period.	<p>Obtained the net interest margin workings prepared by the Company basis the restated consolidated financial statements. Net interest margin is calculated as Net Interest Income as a percentage of Average Gross Loans during the specified period.</p> <p>We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.</p>
18	Cost to Income Ratio	Non-GAAP Measure	Ratio of Operating Expenses to Net Total Income for the specified period. Operating expenses is calculated as total expenses of lending business as reduced by finance cost and impairment on financial instruments.	<p>Obtained the cost to income ratio workings prepared by the Company basis the restated consolidated financial statements. Cost to income ratio has been calculated as Operating Expenses as a percentage of Net Total Income for the specified period. Operating expenses is calculated as total expenses of lending business as reduced by finance cost and impairment on financial instruments.</p> <p>We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.</p>
19	Operating Expense Ratio	Non-GAAP Measure	Ratio of Operating Expenses to Average Total Gross Loans for the specified period.	<p>Obtained the operating expense ratio workings prepared by the Company basis the restated consolidated financial statements. Operating expense ratio is calculated as Operating Expenses as a percentage of Average Gross Loans for the specified period.</p> <p>We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.</p>

20	Credit Cost Ratio	Non-GAAP Measure	Ratio of Credit Cost to Average Total Gross Loans for the specified period.	<p>Obtained the credit cost ratio workings prepared by the Company basis the restated consolidated financial statements. Credit cost ratio is calculated as Credit Cost as a percentage of Average Gross Loans for the specified period.</p> <p>We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.</p>
21	Gross Stage 1 and Gross Stage 2 Loans	Non-GAAP Measure	Gross Stage 1 and Gross Stage 2 Loans are loan assets which are 30 days and 60 days past due, respectively, on their contractual payments before considering impairment allowances as at the last day of the specified period.	Traced the amounts from the restated consolidated financial statements.
22	Gross Stage 3 Loans	Non-GAAP Measure	Gross Stage 3 Loans are loan assets which are 90 days past due on its contractual payments before considering impairment allowances as at the last day of the specified period.	Traced the amounts from the restated consolidated financial statements.
23	Gross Non-Performing Assets (GNPA)	Non-GAAP Measure	Ratio of Gross Stage 3 Loans to gross carrying amount of Total Gross Loans as at the last day of the specified period.	<p>Obtained the Gross Non-Performing Assets (GNPA) % workings prepared by the Company basis the restated consolidated financial statements. GNPA % is calculated as Gross Stage 3 Loans as a percentage of gross carrying amount of Total Gross Loans as at the last day of the specified period.</p> <p>We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.</p>
24	Net Non-Performing Assets (NNPA)	Non-GAAP Measure	Ratio of Net NPA to gross carrying value of Total Gross Loans as at the last day of the specified period. Net NPA is gross stage 3 loans reduced by impairment allowances provided on stage 3 loans as at the last day of the specified period.	<p>Obtained the Net Non-Performing Assets (NNPA) % workings prepared by the Company basis the restated consolidated financial statements. NNPA % is calculated as Net NPA as a percentage of gross carrying value of Total Gross Loans after reducing impairment loan allowances on stage 3 loans as at the last day of the specified period. Net NPA is gross stage 3 loans reduced by impairment allowances provided on stage 3 loans as at the last day of specified period.</p> <p>We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.</p>
25	Provision Coverage Ratio (PCR)	Non-GAAP Measure	Impairment loss allowance on stage 3 loans as a percentage of gross carrying value of stage 3 loans as at the last day of the specified period.	<p>Obtained the calculation for provision coverage ratio for the specified periods as prepared by the Company basis the restated consolidated financial statements. Provision coverage ratio is calculated as impairment loss allowance on stage 3 loans as a percentage of gross carrying value of stage 3 loans as at the last day of specified period.</p> <p>We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.</p>

26	Provisioning Coverage on Stage 1 and Stage 2 Loans	Non-GAAP Measure	Represents the impairment loss allowance on the stage 1 and Stage 2 loans as a percentage of the gross carrying value of the stage 1 and stage 2 loans as at the last day of the specified period.	Provision on Stage 1 and Stage 2 loans have been traced from the restated consolidated financial statements and verified the arithmetical accuracy of the calculations.
27	Total Equity	GAAP Measure	Total Equity is equal to paid up equity share capital plus other equity.	Obtained the calculation for Total Equity for the specified periods as prepared by the Company basis the restated consolidated financial statements. Total Equity is calculated as Sum of Equity Share Capital and Other Equity. We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.
28	Return on Average Equity (ROE)	Non-GAAP Measure	Ratio of Restated Profit/(loss) after tax for the specified period to Average Total Equity (which comprises of equity share capital and other equity) as at the last day of the specified period. Average Total Equity represents the simple average of total equity as at the last day of the specified period and total equity of the last day of the immediately preceding period.	Obtained the calculation for return on equity for the specified periods as prepared by the Company basis the restated consolidated financial statements. Return on Equity is calculated as restated profit/(loss) after tax for the specified period as percentage of Average Total Equity (which comprises of equity share capital and other equity) as at the last day of the specified period. Average Total Equity represents the simple average of total equity as at the last day of the specified period and total equity of the last day of the immediately preceding comparable period. We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.
29	Return on Assets (ROA)	Non-GAAP Measure	Ratio of Restated Profit/(loss) after tax to Average Total Assets for the specified period. Average Total Assets represents the simple average of total assets as at the last day of the specified period and total assets of the last day of the immediately preceding period.	Obtained the calculation for return on assets for the specified periods as prepared by the Company basis the restated consolidated financial statements. Return on assets is calculated as restated profit/(loss) after tax for the specified period as percentage of Average total assets for the specified period. Average total assets represent the simple average of total assets as at the last day of the specified period and total assets of the last day of the immediately preceding comparable period. We have traced the amounts from restated consolidated financial statements and verified the arithmetical accuracy of the calculations.
30	Total Borrowings	Non-GAAP Measure	Outstanding borrowings as at the last day of the specified period. Total Borrowings is the sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as at the last day of the specified period.	The breakup of borrowings by instruments (net of unamortized borrowings cost) have been provided to us by the management of the Company. We have traced the amounts of borrowings by instruments from the restated consolidated financial statements.

31	Debt to Equity	Non-GAAP Measure	Ratio of Total Borrowings to Net Worth as at the last day of the specified period. Net Worth is equal to paid-up equity share capital plus other equity less deferred tax asset (net) as at the last day of the specified period.	Debt to Equity ratio has been calculated as follows: =Total Borrowings as at the end of specified period / Net worth of the Company as at the end of specified period.
32	CRAR – Tier I	Non-GAAP Measure	Capital to risk (weighted) assets ratio which is computed by dividing the Tier I capital by total risk weighted assets, computed in accordance with RBI guidelines as at the last day of the specified period.	CRAR – Tier I have been traced from the restated consolidated financial statements.
33	CRAR – Tier II	Non-GAAP Measure	Capital to risk (weighted) assets ratio which is computed by dividing the Tier II capital by total risk weighted assets, computed in accordance with RBI guidelines as at the last day of the specified period.	CRAR – Tier II have been traced from the restated consolidated financial statements.
34	Total Disbursements	Non-GAAP Measure	Total amount of new loans disbursed (either partly or fully) to the customers during the specified period.	Breakdown of total disbursements has been traced from the disbursement register provided to us by the Company.
35	Breakdown of Branches by Region	Operational	Represents the percentage of the total number of the operational branches in each region divided by the total number of the operational branches as at the last day of the specified period.	Breakdown of branch by regions has been traced from the MIS of branches provided to us by the Company.

Annexure B

Part I: Details of Company's KPIs as adopted by the Audit Committee on June 19, 2025

Key Performance Indicators (KPI)	Unit	As at, and for financial year ended March 31,		
		2025	2024	2023
		<i>(Rs. in Million, unless otherwise specified)</i>		
Number of Customers ¹	(count, in million)	19.2	15.8	12.2
Number of Branches ²	(count)	1,771	1,682	1,492
Number of Locations ³	(count)	1,170	1,148	1,054
Number of Total Employees ⁴	(count)	60,432	56,560	45,883
Breakdown of Total Gross Loans by verticals: ⁵				
- Enterprise Lending	(Amount, in million)	4,20,058.60	3,68,225.6	3,16,187.1
- Asset Finance	(Amount, in million)	4,06,488.30	3,41,946.6	2,63,262.7
- Consumer Finance	(Amount, in million)	2,42,228.80	1,92,007.1	1,20,857.2
Total Gross Loans	(Amount, in million)	10,68,775.80	9,02,179.3	7,00,307.0
Total Gross Loans Growth y-o-y % ⁶	%	18.47%	28.83%	14.19%
Secured Loans as % of Total Gross Loans ⁷	%	73.01%	71.34%	72.87%
Net Interest Income ⁸	%	74,456.40	62,924.0	54,158.6
Other Financial Charges ⁹	(Amount, in million)	11,924.50	9,531.1	7,564.1
Net Total Income ¹⁰	(Amount, in million)	86,934.70	73,572.5	62,570.3
Credit Cost ¹¹	(Amount, in million)	21,130.50	10,673.9	13,304.0
Profit after Tax (PAT)* ¹²	(Amount, in million)	21,759.20	24,608.4	19,593.5
PAT growth y-o-y %* ¹³	%	-11.58%	25.59%	93.73%
EPS* ¹⁴	(In Rs)	27.40	31.08	24.78
Average Yield % ¹⁵	%	14.04%	13.92%	13.59%
Average Cost of Borrowings % ¹⁶	%	7.90%	7.53%	6.76%
Net Interest Margin % ¹⁷	%	7.56%	7.85%	8.25%
Cost to Income Ratio ¹⁸	%	42.84%	42.72%	39.00%
Operating Expense Ratio ¹⁹	%	3.78%	3.92%	3.71%
Credit Cost Ratio ²⁰	%	2.14%	1.33%	2.03%
Gross Stage 1 and Gross Stage 2 Loans ²¹	(Amount, in million)	10,44,638.7	8,85,061.1	6,81,158.5
Gross Stage 3 Loans ²²	(Amount, in million)	24,137.1	17,118.2	19,148.5
Gross Non-Performing Assets (GNPA) ²³	%	2.26%	1.90%	2.73%
Net Non-Performing Assets (NNPA) ²⁴	%	0.99%	0.63%	0.95%
Provision Coverage Ratio (PCR) ²⁵	%	55.95%	66.82%	65.10%

Key Performance Indicators (KPI)	Unit	As at, and for financial year ended March 31,		
		2025	2024	2023
		(Rs. in Million, unless otherwise specified)		
Provisioning Coverage on Stage 1 and Stage 2 Loans ²⁶	%	2.09%	2.66%	3.53%
Total Equity ^{*27}	(Amount, in million)	1,58,197.50	137,427.1	114,369.7
Return on Average Equity (ROE) ^{*28} %	%	14.72%	19.55%	18.68%
Return on Assets (ROA) ^{*29} %	%	2.16%	3.03%	2.97%
Total Borrowings by Instrument				
- Term loans and Working Capital Demand Loans	(Amount, in million)	3,29,902.1	3,16,610.3	2,19,680.0
- Non-Convertible Debentures	(Amount, in million)	3,60,524.2	3,36,999.6	2,70,964.1
- External Commercial Borrowings	(Amount, in million)	89,386.8	20,851.3	18,889.4
- Subordinated debts	(Amount, in million)	45,151.5	46,576.5	28,944.6
- Perpetual debts	(Amount, in million)	14,885.6	9,905.2	6,466.4
- Commercial paper	(Amount, in million)	34,127.5	11,511.6	0.0
- Borrowing under Securitization	(Amount, in million)	0.00	852.2	3,708.6
Total Borrowings ³⁰	(Amount, in million)	8,73,977.7	7,43,306.7	5,48,653.1
Debt to Equity Ratio ^{*31}	%	5.85	5.81	5.26
CRAR – Tier I ^{*32}	%	14.67%	14.12%	15.91%
CRAR – Tier II ^{*33}	%	4.55%	5.13%	4.14%
Breakdown of Total Disbursements by Verticals ³⁴				
Enterprise Lending	(Amount, in million)	1,85,035.1	1,73,589.4	1,41,075.0
Asset Finance	(Amount, in million)	2,20,088.6	2,09,830.1	1,58,695.4
Consumer Finance	(Amount, in million)	2,55,951.3	2,25,573.1	1,48,247.2
Total Disbursements	(Amount, in million)	6,61,075.0	6,08,992.5	4,48,017.6
Breakdown of Branches by Region % ³⁵				
East	%	16.49%	16.41%	14.54%
North	%	31.56%	32.16%	33.11%
South	%	26.48%	25.80%	25.60%
West	%	25.47%	25.62%	26.74%

*denotes the information that is presented at the Company level. All other metrics are calculated with respect to the Company's lending business.

(1) Number of Customers: Total number of distinct customers to whom the company has advanced credit in the lending business as at the last day of the specified period.

(2) Number of Branches: Total number of operational branches as at the last day of the specified period.

(3) Number of Locations: Total number of operational locations as at the last day of the specified period.

(4) Number of Total Employees: Total number of employees in the lending business as at the last day of the specified period.

(5) Total Gross Loans is the aggregate amount of gross loans receivables from customers (including overdue interest but excluding any other charges) before considering impairment allowances as at the last day of



the specified period.

- (6) Total Gross Loans Growth y-o-y: Percentage growth in Total Gross Loans as at the last day of the specified period over the Total Gross Loans as at the last day of the immediately preceding comparable period.
- (7) Secured Loans as % of Total Gross Loans: Percentage of Total Gross Loans secured by tangible assets as a percentage of Total Gross Loans as at the last day of the specified period.
- (8) Net Interest Income: Interest Income for the specified period reduced by finance cost for the specified period.
- (9) Other Financial Charges: Includes fees received in the lending business for the specified period.
- (10) Net Total Income: Net Total income is calculated as total revenue from operations excluding revenue from sale of services as reduced by finance cost during the specified period.
- (11) Credit Cost: Amount of impairment of financial instruments recognised during the specified period.
- (12) Profit after Tax ("PAT"): Profit before tax as reduced by total tax expenses for the specified period.
- (13) PAT growth y-o-y: Percentage growth in Profit after Tax for the specified period over Profit after Tax for the immediately preceding comparable period.
- (14) EPS: Basic earnings per equity share ("EPS") have been calculated by dividing the Profit after Tax attributable to equity shareholders by weighted average number of equity shares outstanding during the specified period.
- (15) Average Yield: Average interest rate on loan amounts extended to the customers in the specified period. Average interest rate is calculated as Interest Income as a percentage of Average of total gross loans (Average of Opening and Closing total gross loans during the specified period).
- (16) Average Cost of Borrowings: Ratio of the finance cost to Average Total Borrowings for the specified period (Average Total Borrowings is calculated as average of opening and closing total borrowings during the specified period).
- (17) Net Interest Margin: Ratio of Net Interest Income to the Average Total Gross Loans during the specified period.
- (18) Cost to Income Ratio: Ratio of Operating Expenses to Net Total Income for the specified period. Operating expenses is calculated as total expenses of lending business as reduced by finance cost and impairment on financial instruments.
- (19) Operating Expense Ratio: Ratio of Operating Expenses to Average Total Gross Loans for the specified period.
- (20) Credit Cost Ratio: Ratio of Credit Cost to Average Total Gross Loans for the specified period.
- (21) Gross Stage 1 and Gross Stage 2 Loans: Gross Stage 1 and Gross Stage 2 Loans are loan assets which are 30 days and 60 days past due, respectively, on their contractual payments before considering impairment allowances as at the last day of the specified period.
- (22) Gross Stage 3 Loans: Gross Stage 3 Loans are loan assets which are 90 days past due on its contractual payments before considering impairment allowances as at the last day of the specified period.
- (23) Gross Non-Performing Assets ("GNPA"): Ratio of Gross Stage 3 Loans to gross carrying amount of Total Gross Loans as at the last day of the specified period.
- (24) Net Non-Performing Assets ("NNPA"): Ratio of Net NPA to gross carrying value of Total Gross Loans as at the last day of the specified period. Net NPA is gross stage 3 loans reduced by impairment allowances provided on stage 3 loans as at the last day of specified period.
- (25) Provision Coverage Ratio ("PCR"): Impairment loss allowance on stage 3 loans as a percentage of gross carrying value of stage 3 loans as at the last day of specified period.
- (26) Provisioning Coverage on Stage 1 and Stage 2 Loans: Represents the impairment loss allowance on Stage 1 and Stage 2 loans as a percentage of gross carrying value of stage 1 & stage 2 loans as at the last day of specified period.
- (27) Total Equity: Total Equity is equal to paid up equity share capital plus other equity.
- (28) Return on Average Equity ("ROE"): Ratio of Restated Profit/(loss) after tax for the specified period to Average Total Equity (which comprises of equity share capital and other equity) as at the last day of the specified period. Average Total Equity represents the simple average of total equity as at the last day of the specified period and total equity of the last day of the immediately preceding period.
- (29) Return on Assets ("ROA"): Ratio of Restated Profit/(loss) after tax to Average Total Assets for the specified period. Average Total Assets represents the simple average of total assets as at the last day of the specified period and total assets of the last day of the immediately preceding period.
- (30) Total Borrowings: Outstanding borrowings as at the last day of the specified period. Total Borrowings is the sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as at the last day of specified period.
- (31) Debt to Equity: Ratio of Total Borrowings to Net Worth as at the last day of the specified period. Net Worth is equal to paid-up equity share capital plus other equity less deferred tax asset (net) as at the last day of the specified period.
- (32) CRAR – Tier I: Capital to risk (weighted) assets ratio which is computed by dividing the Tier I capital by total risk weighted assets, computed in accordance with RBI guidelines as at the last day of the specified period.
- (33) CRAR – Tier II: Capital to risk (weighted) assets ratio which is computed by dividing the Tier II capital by total risk weighted assets, computed in accordance with RBI guidelines as at the last day of the specified period.
- (34) Total Disbursements: Total amount of new loans disbursed (either partly or fully) to the customers during the specified period.
- (35) Breakdown of Branches by Region: Represents the percentage of total number of the operational branches in each region divided by the total number of the operational branches as at the last day of the specified period.

For HDB Financial Services Limited

Jaykumar Pravinchandra Shah

Chief Financial Officer

Date: June 19, 2025

Place: Mumbai

