

HDFC BANK LIMITED HONG KONG BRANCH
DISCLOSURE STATEMENT

SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

I. Profit and Loss Account
For the year ended 31st March 2024

	31.3.2024 (HK \$'000)	31.3.2023 (HK \$'000)
INCOME		
Interest income	2,05,295	1,71,183
Interest expenses	1,61,516	1,24,939
Net interest income	<u>43,779</u>	<u>46,244</u>
Other Operating Income		
Gross fees and commission income(Expenses-Nil)	8,324	16,112
Gains less losses from trading in foreign currencies	13,474	(2,986)
Gains less losses from trading in securities	2,020	(9,614)
Others	373	238
Total Operating Income	<u>67,970</u>	<u>49,994</u>
EXPENSES		
Operating Expenses		
Staff expenses	17,441	14,387
Rent, taxes and lighting	1,472	1,491
Other expenses	5,310	4,983
Operating Profit before Impairment Losses	<u>43,747</u>	<u>29,133</u>
Impairment losses and provisions for impaired loans and receivables		
- Collective Provision	4,887	(15,703)
- Specific Provision		
Profit before Taxation	38,860	44,836
Taxation Expense	(2,162)	(7,736)
Profit after Taxation	<u>36,698</u>	<u>37,100</u>



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II. Balance Sheet

As at 31st March 2024

	<u>31.03.2024</u>	<u>30.09.2023</u>
	(HK\$'000)	(HK\$'000)
ASSETS		
1 Cash and balances with banks	265,553	190,797
Placement with banks maturing between one and		
2 twelve months	559,787	391,485
3 Amount due from overseas offices	9,682	9,189
4 Trade Bills	260,700	814,000
5 Loans and Receivables		
Advances to customers	2,369,814	1,999,909
Advances to banks		
Accrued interest and other accounts	53,089	28,201
Provision for impaired loans and receivables		
- Collective	(30,217)	(32,054)
- Specific		
6 Investment Securities	82,018	82,083
7 Property, plant and equipment	888	1,049
Total Assets	3,571,314	3,484,659
LIABILITIES		
8 Deposits and balances of banks	626,782	202,391
9 Deposits from customers		
Demand deposits and current accounts	397,983	356,597
Savings deposits		
Time, call and notice deposits	1,533,274	1,160,543
10 Amount due to overseas offices	963,710	1,734,521
11 Negotiable Debt Instruments		
12 Other liabilities	49,565	30,607
13 Other Provisions		
Total Liabilities	3,571,314	3,484,659



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III. Additional Information

1. Impaired Loans and Advances

There were no impaired loans and advances to banks and other financial institutions as at 31st March 2024 and 30th September 2023.

There were no impaired loans and advances to other customers as at 31st March 2024 and 30th September 2023.

	<u>31.03.2024</u> (HK\$ '000)	<u>30.09.2023</u> (HK\$ '000)
2. Derivatives		
a) Notional Amount		
i) Exchange rate contracts	2,045,597	164,034
ii) Interest rate contracts	-	-
TOTAL	<u>2,045,597</u>	<u>164,034</u>
b) Fair Value of Derivative contracts (Gross)		
i) Exchange rate contracts	18,456	157
ii) Interest rate contracts	-	-
TOTAL	<u>18,456</u>	<u>157</u>

There are no bilateral netting arrangements and hence there is no effect on the fair value of the derivatives.

3. Off Balance Sheet Exposure other than derivative transactions

	<u>31.03.2024</u> HK\$ '000	<u>30.09.2023</u> HK\$ '000
Notional Amount		
i) Direct credit substitutes	128,797	151,694
ii) Trade related contingent items	716,907	886,741
iii) Other commitments	-	-
TOTAL	<u>845,704</u>	<u>1,038,435</u>



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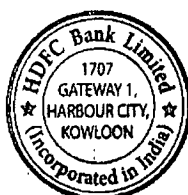
III. Additional Information - continued

4. International Claims

	As at 31st March 2024					Total
	Banks	Official Sector	Non Bank Private Sector		Others	
			Non bank Financial Institutions	Non-Financial private sector		
	(HK\$ in Million)					
Developed countries	764	79		36		879
of which United Kingdom	412			35		447
of which USA	114	79				193
of which Germany	188					188
Offshore centres	292			1,149		1,441
of which Bahrain				577		577
of which Singapore	133			118		251
Developing Latin America and Carribean						-
Developing Europe						-
Developing Africa & Middle East	6			56		62
of which UAE	6			39		45
Developing Asia and Pacific	71			1,148		1,219
of which India	18			1,124		1,142
	1,133	79	-	2,389	-	3,601

	As at 30th September 2023					Total
	Banks	Official Sector	Non Bank Private Sector		Others	
			Non bank Financial Institutions	Non-Financial private sector		
	(HK\$ in Million)					
Developed countries	704	79		42		825
of which United Kingdom	407			40		447
of which USA	138	79				217
of which Switzerland	145					145
Offshore centres	467			1012		1,479
of which Bahrain				578		578
of which Singapore	322			12		334
Developing Latin America and Carribean						-
Developing Europe						-
Developing Africa & Middle East	29			45		74
of which UAE	29			24		53
Developing Asia and Pacific	220			918		1,138
of which India	109			879		988
	1,420	79	-	2,017	-	3,516

International claims are derived according to the location of counter parties on which the ultimate risk lies after taking into account any transfer of risk.



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III. Additional Information - continued

5. Advances to customers

	<u>31.03.2024</u>	<u>30.09.2023</u>
	(HK\$ '000)	(HK\$ '000)
i) By Sectors		
<u>Loans for use in Hong Kong</u>		
a) Industrial, commercial & financial wholesale and retail trade		
b) Manufacturing		
c) Individual & Professionals		
For other* business purposes		
For other* private purposes	445,727	414,174
d) Others		
Trade Financing		
<u>Loans for use outside Hong Kong</u>	1,924,087	1,585,735
TOTAL	<u>2,369,814</u>	<u>1,999,909</u>

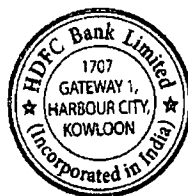
* Other than for purchase of residential properties or credit card advances

**The total loans are covered by collateral or other security to the extent of \$ 2,369,810 (HK\$'000) as at 31st March 2024 and \$ 1,999,909 (HK\$'000) as at 30th September 2023.

ii) By Geographical Areas

Hong Kong	445,727	414,174
India	1,116,284	873,056
Bahrain	576,256	576,724
Others	231,547	135,956
TOTAL	<u>2,369,814</u>	<u>1,999,909</u>

Geographical locations are based on the physical location of the borrower. Risk transfer is only made if the claim is guaranteed by a party in a country which is different from the counterparty.



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III. Additional Information - continued

6 Overdue and Rescheduled Assets

There were no loans and advances to customers overdue for more than 3 months as at 31st March 2024 and 30th September 2023 .

There were no overdue of loans and advance to banks as at 31st March 2024 and 30th September 2023 .

There were no rescheduled loans and advance to customers and banks as at 31st March 2024 and 30th September 2023 .

There were no repossessed assets held as at 31st March 2024 and 30th September 2023 .

There were no other overdue assets as at 31st March 2024 and 30th September 2023 .



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III. Additional Information - continued

7. Mainland Activities Exposures

		31.3.2024 (HK\$ million)			30.9.2023 (HK\$ million)		
		On Balance		Total	On Balance		Total
		Sheet Exposure	Off Balance Sheet Exposure		Sheet Exposure	Off Balance Sheet Exposure	
1	Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-	-	-	-
2	Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-	-	-	-
3	PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	-	-	-	-	-	-
4	Other entities of central government not reported in item 1 above	-	-	-	-	-	-
5	Other entities of local governments not reported in item 2 above	-	-	-	-	-	-
6	PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-	-	-	-
7	Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China	-	-	-	-	-	-
Total		-	-	-	-	-	-
Total assets after provision		3,571			3,485		
On-balance sheet exposures as percentage of total assets		0%			0%		



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SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

III. Additional Information - continued

8. Foreign Currency Exposure

The position in a particular currency will be reported if the net position (in absolute terms) constitutes 10% or more of the total net position in all foreign currencies.

	31.3.2024						
	US\$	GBP	JPY	EURO	AUD	CHF	Total
	(HK\$ million)						
Spot assets	2,692	46	7	193	8	591	3,537
Spot liabilities	(3,223)	(4)	-	(300)	-	(3)	(3,530)
Forward purchases	1,264	17	-	120	8	8	1,417
Forward sales	(716)	(59)	(5)	(13)	(15)	(596)	(1,404)
Net options	-	-	-	-	-	-	-
Net long (short) position	17	-	2	-	1	-	20

	30.9.2023						
	US\$	GBP	JPY	EURO	AUD	CHF	Total
	(HK\$ million)						
Spot assets	3,358	7	5	29	6	39	3,444
Spot liabilities	(3,358)	(3)	(1)	(82)	-	-	(3,444)
Forward purchases	86	6	5	51	15	-	163
Forward sales	(77)	(15)	(12)	(3)	(18)	(38)	(163)
Net options	-	-	-	-	-	-	-
	9	(5)	(3)	(5)	3	1	-



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III. Additional Information - continued

9. Liquidity

	Twelve Months ended 31.3.2024	Twelve Months ended 31.3.2023
Average Liquidity Maintenance Ratio	<u>128.54%</u>	<u>163.50%</u>

Average Liquidity Maintenance Ratio is calculated as the simple average of each month's average liquidity ratio for the twelve months of the financial year computed in accordance with Banking Liquidity Rules.

	Three Months ended 31.3.2024	Three Months ended 31.12.2023	Three Months ended 30.9.2023	Three Months ended 30.6.2023	Three Months ended 31.3.2023
Average Liquidity Maintenance Ratio	<u>149.71%</u>	<u>110.94%</u>	<u>112.93%</u>	<u>140.57%</u>	<u>163.79%</u>

Average Liquidity Maintenance Ratio is calculated as the simple average of each month's average liquidity ratio for the three months of the quarter computed in accordance with Banking Liquidity Rules.

LIQUIDITY RISK MANAGEMENT FRAMEWORK

The liquidity risk management process is centralized at the Head Office and guided by the Board approved ALM policies for the Hong Kong Branch as well as entire Bank. The risk management process operates in the following hierarchical manner:

Board of Directors

The Board has the overall responsibility for management of liquidity and interest rate risks. The Board decides the strategy, policies and procedures of the Bank to manage liquidity and interest rate risk in accordance with the risk tolerance/ limits.

Risk Policy & Monitoring Committee ('RPMC') of the Board

The Risk Policy and Monitoring Committee (RPMC) a Board level committee, which supports the Board by supervising the implementation of the risk strategy. It guides the development of policies, procedures and systems for managing risk.

Asset Liability Committee ('ALCO')

ALCO is a decision-making unit responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity and interest rate risk management strategy of the Bank in line with the Bank's risk management objectives and risk tolerance. ALCO at Head Office oversees functioning of liquidity and interest rate risk management at the

ALM Support Group

ALM support group is responsible for analyzing, monitoring and reporting the relevant risk profiles to senior management and relevant committees.

Funding Strategy

The Hong Kong treasury department follows a funding strategy that ensures the risk limits are not breached and applicable regulations are complied with. The Hong Kong treasury department ensures diversified and stable funding sources on an ongoing basis across money market borrowing, retail/wholesale deposits, trade borrowings and loans. Hong Kong branch is also enabled under the Medium Term Notes Programme of the Bank to issue bonds as and when required. Further, it optimizes the funding through intra-group borrowings.

Risk Measurement Systems and reporting:

Liquidity Risk is measured using flow approach and stock approach. Flow approach involves comprehensive tracking of cash flow mismatches. Stock approach involves monitoring of critical ratios in respect of liquidity risk. The Bank monitors the Liquidity Maintenance Ratio (LMR) as per regulatory guidelines. Analysis of liquidity risk also involves examining how funding requirements are likely to be affected under crisis scenarios. The Bank has a Board approved liquidity stress framework guided by the regulatory instructions.



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III. Additional Information - continued

Liquidity Risk Mitigation

The Liquidity risk management includes analysis of sources and uses of funds, an understanding of the funding markets in which the bank operates.

Liquidity Risk is measured using flow approach and stock approach. Flow approach involves comprehensive tracking of cash flow mismatches. For measuring and managing net funding requirements, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is adopted as a standard tool.

Stock approach involves measurement of certain critical ratios in respect of liquidity risk. Bank has also adopted the Basel III framework on liquidity standards at consolidated level. It has also put in place requisite systems and processes to compute and maintains LMR for the Hong Kong Branch. In addition to the regulatory limit, Branch also maintains Target LMR which is higher than the regulatory minimum requirement which acts as liquidity cushion above the regulatory requirements.

Liquidity Risk Stress Testing

The liquidity stress testing framework is guided by relevant guidelines issued by RBI and HKMA. The liquidity stress testing framework covers a range of scenarios viz. "institution specific stress," "general market stress" and "combined" stress scenario and is done on a quarterly basis. The stress testing exercise is conducted at Hong Kong Branch level as well as consolidated Bank level.

ALCO is responsible for the implementation of the stress testing framework. It shall periodically review the results of the stress testing assessed for the various risk exposures and guide the bank on adopting mitigating measures. Stress testing results are also tabled at the ICAAP Review Committee on a quarterly basis, to RPMC on half yearly basis and to Board on an annual basis.

Contingency Funding Plan

The Bank has put in place an ALCO/Board approved "Contingency Funding Plan" (CFP) as per the guidelines issued by Reserve Bank of India. The objective of the CFP is to provide a process for managing liquidity under adverse conditions. In case of any contingency at the Hong Kong branch, HO shall provide requisite funding when such contingency is conveyed by the branch. There are no legal and regulatory restrictions in India in term of HO lending funds to a branch overseas.

In case of any contingency at HO, the Bank has set up a comprehensive plan covering early warning indicators, formation of crisis management team, reporting and communication plan and mitigation measures. However, no support will be assumed from overseas branches in case of contingency for the HO.

In addition to the Bank level contingency plan and the stress testing framework applicable to the Hong Kong branch, the Hong Kong branch has also defined early warning indicators specific to the branch to identify potential liquidity stress, if any.



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SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

III: Additional Information - continued:

LIQUIDITY GAP

The following maturity profile is based on the remaining period to repayment on a contractual maturity basis at the end of the reporting period

As at 31st March 2024

	Next Day	2 to 7 days	8days to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
	(HK\$ '000)							
ASSETS								
Cash and balances with Central banks	13							13
Amount receivable arising from derivative contracts	21,200							21,200
Due from other banks	275,222					169,172	397,722	842,116
Acceptances and Bills	379	75,953	51,385	123,194	11,298			262,209
Loans and Receivables	103	735,129	284,316	731,982	57,214	360,958	220,958	2,390,660
Investment Securities	80,294							80,294
Other Assets	1,402						22,088	23,490
Total of on-balancesheet items	378,613	811,082	335,701	855,176	68,512	530,130	640,768	3,619,982
Off-Balance Sheet items	258,278			129,500				387,778
LIABILITIES								
Deposits from customers	499,327	67,454	154,890	130,167	324,340	773,923	2,438	1,952,539
Amount payable arising from Derivative Contracts	2,744							2,744
Due to banks	92,396	37	4,256	625,666	526,684			1,249,039
Other liabilities	3,098						32,961	36,059
Total of on-balancesheet items	597,565	67,491	159,146	755,833	851,024	773,923	35,399	3,240,381
Off-Balance Sheet items	129,500		258,278					387,778
Contractual Maturity Mismatch	(90,174)	743,591	(81,723)	228,843	(782,512)	(243,793)	605,369	
Contractual Cumulative Maturity Mismatch	(90,174)	653,417	571,694	800,537	18,025	(225,768)	379,601	

Positive indicates a position of surplus. Negative indicates a liquidity shortfall that has to be funded



III. Additional Information - continued

LIQUIDITY GAP

The following maturity profile is based on the remaining period to repayment on a contractual maturity basis at the end of the reporting period

As at 31st March 2023	Next Day	2 to 7 days	8 days to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
	(HK\$ '000)							
ASSETS								
Cash and balances with Central banks	20							20
Amount receivable arising from derivative contracts	1,033	-	-	244	202	206		1,685
Due from other banks	430,409	-	-	-	199,380			629,789
Acceptances and Bills	120,351	213,108	214,857	449,041	133,936			1,131,293
Loans and Receivables	416,679	103,146	444,295	36,819	69,938	171,469	177,951	1,420,297
Investment Securities	80,034							80,034
Other Assets	1,893	-	-	-	-	-	2,856	4,749
Total of on-balancesheet items	1,050,419	316,254	659,152	486,104	403,456	171,675	180,807	3,267,867
Off-Balance Sheet Items	588,477	-	-	242,257	-	-	-	830,734
LIABILITIES								
Deposits from customers	717,617	48,579	77,946	181,069	362,818	275,281	8,737	1,672,047
Amount payable arising from Derivative Contracts	708			245	202	206		1,361
Due to banks	26,370	-	122,163	1,087,934				1,236,467
Other liabilities	3,860	-	-	-	-	-	26,763	30,623
Total of on-balancesheet items	748,555	48,579	200,109	1,269,248	363,020	275,487	35,500	2,940,498
Off-Balance Sheet items	484,514	-	-	-	1,176,956	-	-	1,661,470
Contractual Maturity Mismatch	405,827	267,675	459,043	(540,887)	(1,136,520)	(103,812)	145,307	
Contractual Cumulative Maturity Mismatch	405,827	673,502	1,132,545	591,658	(544,862)	(648,674)	(503,367)	

Positive indicates a position of surplus. Negative indicates a liquidity shortfall that has to be funded



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SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

III. Additional Information - continued

10. Remuneration Policy

a) The design and implementation of the remuneration system.

The Remuneration policy of the Bank is decided by the Board of Directors and is detailed in the Bank's Global Financial Statements available in the Bank's Website.

b) Aggregate quantitative information on remuneration for senior management and key personnel (see Note) for the year ended 31st March 2024 are as follows

	HK\$	Number of Beneficiaries
Fixed Remuneration	3,947,020	2
Variable Remuneration	1,176,800	2
Deferred Remuneration	0	0
Total	5,123,820	2

No senior management or key personnel has been awarded with new sign-on or severance payment during the for the twelve months ended 31st March 2024.

Note: As advised in the CG 5- Guidelines on a sound remuneration system issued by HKMA, senior management personnel are those who are responsible for oversight of either the Bank's company-wise strategy or activities or those of the Bank's main business lines. Key personnel are individual employees whose duties or activities in the course of their employment involve the assumption of material risk or the taking on material exposure on behalf of the Bank.



HDFC BANK LIMITED HONG KONG BRANCH
DISCLOSURE STATEMENT
SECTION B - BANK INFORMATION CONSOLIDATED BASIS

AVAILABLE FROM THE BANK'S WEBSITE

1. Capital and Capital Adequacy

i) Shareholders' Funds

<u>31.3.2024</u> (HK\$ '000)	<u>31.3.2023</u> (HK\$ '000)
428,138,133 *	276,510,628 **

ii) Capital Adequacy Ratio***

***Capital Adequacy Ratio is calculated in accordance with the requirements of Reserve Bank of India.

18.52%	19.02%
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2. Other financial information

Total Assets	3,780,670,038 *	2,417,418,142 **
Total Liabilities	3,352,531,904 *	2,140,907,514 **
Total Advances	2,407,027,589 *	1,587,723,229 **
Total Customer Deposits	2,209,582,983 *	1,772,604,996 **

	<u>Year ended</u> <u>31.3.2024</u>	<u>Year ended</u> <u>31.3.2023</u>
Pre-tax Profit	70,529,212 *	58,606,926 **

*Indian Rupee converted to HK\$ @10.66 (31st March 2024)

**Indian Rupee converted to HK\$ @10.4675 (31st March 2023)

Declaration of Chief Executive

We have prepared the financial disclosure statement of HDFC Bank, Hong Kong Branch for the year ended 31st March 2024. The information disclosed complies fully with the Banking (Disclosure) Rules made by the Hong Kong Monetary Authority under Section 60A of the Banking Ordinance (Cap.155). To the best of my knowledge, the Disclosure Statement is not false or misleading.


DLR REICH D'MELLO
 Alt. Chief Executive
 Hong Kong