

HDFC Bank partners with Paytm to launch co-branded credit cards

- ***Offerings to include solutions for small businesses and merchants***

Mumbai, September 20, 2021: HDFC Bank and Paytm, India's leading digital ecosystem for consumers and merchants (1), today announced plans for launching a comprehensive range of credit cards powered by VISA. In a first-of-its-kind alliance, the partnership aims to provide one of the widest range of offerings across customer segments, with special focus on millennials, business owners and merchants.

The credit cards will be customized to meet distinct needs of retail customers, from new-to-credit users to affluent users and offer one of the best-in-class rewards and cashback for users. The new cards offering will also facilitate small business owners.

The launch is planned in October 2021 to coincide with the festive season to tap into potentially higher consumer demand for credit card offers, EMIs and Buy Now Pay Later options, with the full suite of products to be on offer by the end of December 2021. With over 5.1 crore credit cards, debit cards and prepaid cards and over 2 million merchants, addressing every market segment, every third rupee spent on cards in India happens on HDFC Bank cards. The Bank has thus played a significant role over the years in spurring India's consumption story.

The partnership aims to deliver superior value and experience to customers by leveraging off each other's strengths: HDFC Bank's salience as India's leading issuer of credit cards and strength in providing superior customer engagement, and Paytm's digital prowess and reach of over 330 million consumers (2). The alliance will target deeper penetration in Tier II and Tier III markets, and enable faster acceleration of digitized payments across the country.

Under the partnership, HDFC Bank and Paytm will introduce the Business credit cards, offering a host of benefits for merchant partners from the smaller cities and towns of India and enable them to get easier access to credit with instant and paperless approvals. The Business credit

cards would mark Paytm's foray into the credit card segment for merchants, benefitting Paytm's base of more than 21 million merchants (2).

They will also introduce an entire range of consumer credit cards, offering cashbacks and benefits, including the Mobile credit card targeted at digital-first millennials. Users can apply through a digital and paperless process and complete the on-boarding process fully through the Paytm app.

Bhavesh Gupta, CEO, Paytm Lending said, "At Paytm, we aim to democratize the access to credit to drive financial inclusion amongst our 330mn+ consumers and 21mn+ merchant partners (2). With our technological capabilities, Paytm's merchant partners and India's new-to-credit millennials will now be able to build a healthy credit profile and gain access to opportunities available in the formal economy. We are delighted to partner with HDFC Bank, and Visa, to launch a comprehensive suite of credit cards across customer segments, with special focus on millennials, business owners and merchants. Our Business Credit Cards have been designed on the basis of our deep understanding of our merchant partners and we believe that the offerings will truly benefit their businesses."

Parag Rao, Group Head – Payments, Consumer Finance, Digital Banking & IT, HDFC Bank, said: "As India's largest card issuing and acquiring bank, we are committed to accelerate the adoption of digitization in the country. We believe India's growth story is robust and this partnership is an effort on Bank's part to enable consumption, particularly, during festive season, which will further fuel the economic growth of the country. As a leader in the cards space, our objective is to help enlarge the eco-system through such collaborations, which ultimately offers a differentiated experience for customers."

T R Ramachandran, Group Country Manager, India and South Asia, VISA said, "Consumers and businesses alike are embracing digital payments today. We are proud to partner with Paytm and HDFC Bank and deploy the full suite of Visa solutions and capabilities, as they launch an array of world-class products to tap into the potential of this vast and diverse customer set. With cards designed to suit the needs of each type of customer – from the new-

to-credit to the digitally savvy and small merchants, I am confident this partnership will enable and drive access to credit.”

About HDFC BANK

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About Paytm:

Paytm is India's leading digital ecosystem for consumers and merchants (1), and offers payment services, commerce and cloud services, and financial services to 333 million consumers and over 21 million merchants, as on March 31, 2021. Paytm is India's largest payments platform (1) based on the number of consumers, number of merchants, number of consumer to merchant transactions and revenue, as on March 31, 2021, and with a GMV of ₹4,033 billion of FY2021. One 97 Communications Limited ("Company") is the largest payment gateway aggregator in India for FY2021 based on total transactions, with the widest ecosystem of payment instruments (1). The Company's lending business (offered in collaboration with financial institution partners), includes personal loans, merchant loans, as well as its Buy Now, Pay Later product i.e. Paytm Postpaid. The Company's financial institution partners disbursed 1.4 million loans in Q4FY21.

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Disclaimer:

“One97 Communications Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed the draft red herring prospectus dated July 15, 2021 (“DRHP”) with the Securities and Exchange Board of India (“SEBI”). The DRHP is available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the book running lead managers, and the websites of the stock exchange(s) at www.nseindia.com and www.bseindia.com, respectively. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see “Risk Factors” of the RHP / Prospectus, when available. Potential investors should not rely on the DRHP for any investment decision.”

(1) Source: Report titled “The Digital Transformation of Payments and Financial Services in India” dated July 15, 2021, prepared by RedSeer Management Consulting Private Limited.

(2) As on March 31, 2021.