

July 05, 2023

HDFC Bank Limited: [ICRA]AAA (Stable)/[ICRA]A1+ assigned to instruments transferred from erstwhile HDFC Limited; rating reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Basel III Tier II bonds	25,000.00	25,000.00	[ICRA]AAA (Stable); reaffirmed
Infrastructure bonds	20,000.00	20,000.00	[ICRA]AAA (Stable); reaffirmed
Unsecured non-convertible debentures [§]	-	57,000.00	[ICRA]AAA (Stable); assigned
Non-convertible debentures [§]	-	2,55,628.20	[ICRA]AAA (Stable); assigned
Non-convertible debentures (with warrants) [§]	-	3,693.00	[ICRA]AAA (Stable); assigned
Commercial paper [§]	-	75,000.00	[ICRA]A1+; assigned
Long-term/Short-term fund-based bank facilities [§]	-	1,50,000.00	[ICRA]AAA (Stable)/ [ICRA]A1+; assigned
Issuer rating	-	-	[ICRA]AAA (Stable); assigned
Subordinated debt [§]	-	3,000.00	[ICRA]AAA (Stable); assigned
Fixed deposit [§]	-	-	[ICRA]AAA (Stable); assigned
Total	45,000.00	5,89,321.20	

*Instrument details are provided in Annexure I; § Instruments transferred following merger with HDFC Limited – All facilities, post transfer from HDFC Limited, are unsecured in nature

Rationale

HDFC Bank Limited's ratings continue to be supported by its strong market position as one of the three systemically important banks and the largest private sector bank in India. The ratings take into account the conclusion of the merger with HDFC Limited, which is effective from July 1, 2023. The merger is expected to drive up the scale of the bank meaningfully from the current level, strengthen its presence in certain retail segments and offer more growth opportunities by virtue of the acquired customer base. The HDFC Group, comprising HDFC Bank and its subsidiaries, has a presence in various segments in the financial services sector, supplementing the bank's strong growth over the years.

The ratings also derive comfort from the bank's strong capitalisation profile, with the CET I at 16.40% of the risk-weighted assets (RWAs) as on March 31, 2023, as well as its ability to raise capital as demonstrated in the past. HDFC Bank's capital position is further reinforced by its healthy earnings profile and comfortable asset quality, leading to low credit costs. Given HDFC Limited's robust capital and earnings profile (Tier I of 23.80% as on March 31, 2023, and return on average managed assets (RoMA) of 2.1% in FY2023), ICRA expects the bank to maintain a strong capital and earnings profile post-merger. Additionally, the ratings factor in the bank's strong and granular resource base, which is supported by its expansive retail franchise and widespread branch network, which has contributed to one of the lowest costs of interest-bearing funds in the industry.

While the bank's current operating profitability remains healthy, its ability to realise synergies from HDFC Limited's operations as well as replace HDFC Limited's borrowings with lower-cost funds will be key for a further improvement in its operating profitability from the current level.

The Stable outlook on the rating reflects ICRA's expectation that HDFC Bank will continue to benefit from its retail franchise, which will support its growth and profitability. Moreover, ICRA expects it to maintain the solvency (net non-performing advances (NNPA)/core equity), return on assets (RoA) and capital cushions at levels better than the negative triggers.

Key rating drivers and their description

Credit strengths

Strong market position as largest private sector bank – HDFC Bank is one of the three systemically important banks in India with an 11.8% market share in the banking sector's advances as of March 31, 2023. It is also the second largest bank in the country. Following the conclusion of the merger with HDFC Limited, the bank's overall scale has increased meaningfully. Apart from the existing two subsidiaries, namely HDFC Securities Limited (engaged in securities broking) and HDB Financial Services Limited (a non-banking financial company; NBFC), the additional subsidiaries/associates of HDFC Limited, including HDFC Asset Management Company Limited, HDFC Life Insurance Company Limited, and HDFC Ergo General Insurance Company Limited, have come under the bank's direct ownership/into its fold. While there have been arrangements among HDFC Group companies to cross-sell products, HDFC Bank, with its post-merger subsidiaries/associates, will have a wide presence across various financial services verticals like life insurance, general insurance, securities broking, asset management, etc. This will allow it to provide a diverse range of financial services to its customers, thereby enhancing its customer engagement and retention strategy, particularly in the retail segments.

At the standalone level, the bank has continued to sustain a strong growth momentum, which has usually remained higher than the banking system's growth. As on March 31, 2023, HDFC Bank's overall net advances grew 16.9% year-on-year (YoY) to Rs. 16.01 lakh crore, led by the strong growth seen across segments.

Strong capitalisation profile – HDFC Bank's capitalisation ratios remained strong with the CET I and Tier I at 16.40% and 17.13%, respectively, as on March 31, 2023. The last capital raise by the bank was during July-August 2018 when its CET I was 12.12%¹ and it raised Rs. 23,716 crore (281 basis points (bps) of RWAs as on June 30, 2018). Subsequently, its capital position has been supported by its healthy capital accretion, sustained over the years, even during extended periods of uncertainty, including the Covid-19 pandemic-affected years of FY2021-FY2022. Similarly, HDFC Limited reported a Tier I of 23.80% as on March 31, 2023. Hence, the post-merger capital position is expected to remain strong.

As per ICRA's estimates, HDFC Bank's current capital position and its internal capital generation are expected to support medium-term growth and absorb any unexpected asset quality shocks even after the conclusion of the merger, while remaining well above the negative triggers. All the subsidiaries (including the incoming subsidiaries upon the merger) are adequately capitalised and the bank will be able to provide requisite capital support if needed. Furthermore, it has demonstrated the ability to raise significant capital in the past, which is expected to facilitate the raising of growth capital if required.

Low cost of funds supported by extensive retail franchise – The bank's deposit base grew at a healthy pace to Rs. 18.83 lakh crore as on March 31, 2023 (20.8% YoY growth), driven by its widespread branch network. The low-cost current account and savings account (CASA) ratio stood at 44.4% as on March 31, 2023, which is comparable to the private sector average of ~44-45%. Additionally, the share of the top 20 depositors in total deposits stood at 4.55% as on March 31, 2023, the lowest among peer banks, reflecting the granularity of the deposit base. HDFC Bank has continued to maintain a competitive cost of interest-bearing funds in relation to the private sector average and large peer banks, even while continuing to mobilise deposits at a healthy pace.

HDFC Limited and HDFC Bank had total assets of Rs. 7.27 lakh crore and Rs. 24.66 lakh crore, respectively, as on March 31, 2023. With the conclusion of the merger, the bank is expected to replace HDFC Limited's borrowings with lower-cost funds over the next few years. The ability to maintain the strong growth momentum as well as the pace of mobilising granular low-cost funds will be key for supporting a further improvement in the operating profitability level.

¹ As on June 30, 2018, as per Basel III disclosures

Post-merger earnings profile expected to remain healthy – HDFC Bank’s profitability levels are supported by the strong and consistent growth in net advances, steady fee income and comfortable asset quality levels, resulting in robust operating profitability. Despite the relatively elevated credit costs in relation to the past, the overall profitability levels have remained healthy with the RoA at 1.94-1.95% during FY2022-FY2023. Additionally, the sizeable floating and contingency provision of Rs. 11,150 crore (0.70% of standard advances), as on March 31, 2023, is expected to provide adequate relief from potential asset quality stress. Similarly, HDFC Limited reported a strong RoMA of 2.0-2.1% during FY2022-FY2023. Hence, despite post-merger integration-related expenses, the bank is expected to continue maintaining its profitability levels, which will support its growth.

Credit challenges

Impact of material weakening of macroeconomic factors a monitorable – HDFC Bank has consistently maintained comfortable asset quality levels over the years, which has also kept its credit costs at a lower level. The fresh NPA generation rate increased relatively during FY2022-FY2023 (annualised rate of 2.38% and 1.79%, respectively) due to the impact of the pandemic. Nevertheless, the headline asset quality metrics have remained comfortable with the gross NPAs (GNPAs) at 1.12% and NNPAAs at 0.27% as on March 31, 2023. This was supported by meaningful recoveries and upgrades, given the granularity of the slippages in the recent past. Similarly, HDFC Limited reported comfortable asset quality indicators with GNPAs and NNPAAs of 1.18% and 0.69%, respectively, as on March 31, 2023. Hence, ICRA expects the overall asset quality metrics to remain at comparable levels, although a severe impact due to the material weakening of macroeconomic factors such as the steep rise in interest rates, currency depreciation and high inflation could remain a monitorable for the asset quality.

Environmental and social risks

While banks like HDFC Bank do not face material physical climate risks, they are exposed to environmental risks indirectly through their portfolio of assets. If the entities or businesses, to which banks and financial institutions have an exposure, face business disruptions because of physical climate adversities or if such businesses face climate transition risks because of technological, regulatory or customer behaviour changes, it could translate into credit risks for banks. However, such risks are not material for HDFC Bank as it benefits from adequate portfolio diversification. Further, the lending is typically short-to-medium term, allowing it to adapt and take incremental exposure to businesses that face relatively fewer downside environmental risks. Consequently, while the bank does not face material climate risks in the near to medium term, such risks could materialise in the long term.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for banks as material lapses could be detrimental to its reputation and invite regulatory censure. After the instances of technical outages faced by HDFC Bank, the regulator had imposed restrictions on some of its business activities in December 2020. Subsequently, the bank made requisite investments to enhance its digital interface and all these restrictions were lifted by the regulatory body in March 2022. HDFC Bank is generally seen to be operating responsibly in terms of its selling practices and it contributes to promoting financial inclusion by lending to the under-served segments. Its lending practices remain prudent, as reflected in the healthy asset quality numbers in this segment compared with its peers.

Liquidity position: Superior

HDFC Bank’s (consolidated) daily average liquidity coverage ratio (LCR) stood at 116% in Q4 FY2023 (112% in Q4 FY2022), which is above the regulatory requirement of 100%. Similarly, the net stable funding ratio (NSFR) stood at 119% as on March 31, 2023, exceeding the regulatory ask of 100%. Besides this, HDFC Bank maintains statutory liquidity ratio (excess SLR) holdings, which are significantly above the regulatory level. This can be utilised to avail liquidity support from the Reserve Bank of India (RBI; through repo) apart from the marginal standing facility of the RBI in case of urgent liquidity requirement.

Rating sensitivities

Positive factors – Not applicable as the ratings for all the instruments are at the highest possible levels.

Negative factors – ICRA could assign a Negative outlook or downgrade the ratings if there is a material deterioration in the asset quality or capital position, leading to the weakening of the solvency profile with NNPA/core equity exceeding 15% on a sustained basis. Further, a sustained RoA of less than 1.0% (annualised) and/or a decline in the capital cushions over the regulatory levels to less than 4% at the CET I level on a sustained basis will remain negative triggers. A material weakening in the bank’s liability franchise, thereby impacting its resource profile, will also remain a negative trigger.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA’s Rating Methodology for Banks and Financial Institutions ICRA’s Rating Methodology on Consolidation
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of HDFC Bank. However, in line with ICRA’s limited consolidation approach, the capital requirement of the bank’s subsidiaries has been factored in. In ICRA’s view, the bank’s subsidiaries are well capitalised and largely self-sufficient for their growth capital requirements and any capital infusion in the near to medium term in the subsidiaries is expected to remain limited in relation to the bank’s overall profits.

About the company

HDFC Bank Limited is a systemically important as well as the largest private sector bank in India with an 11.8% market share in the banking sector’s advances as on as on March 31, 2023. On April 4, 2022, a composite scheme of amalgamation with its promoter, HDFC Limited, was announced. After obtaining the necessary approvals, the merger was concluded and effective from July 1, 2023.

With the merger, the bank has a presence in the banking, insurance (HDFC Life Insurance Company Limited and HDFC Ergo General Insurance Company Limited), and asset management (HDFC Asset Management Company Limited) segments and is a large player in the Indian financial system, while it will sell a materially high stake in the education loans business housed under HDFC Credila Financial Services Limited. Besides this, HDFC Limited’s subsidiaries will now operate as direct subsidiaries/associates of the bank. Furthermore, given the retail-oriented nature of HDFC Limited’s portfolio, the overall share of retail advances is expected to rise from the current level.

As of March 31, 2023, the bank had 7,821 branches. It has three overseas branches, one each in Dubai, Bahrain, and Hong Kong, as well as two representative offices, one each in the United Arab Emirates and Kenya. Further, it has an offshore banking unit at International Financial Services Centre (IFSC) in GIFT City, Gandhinagar (Gujarat).

Key financial indicators (standalone)

HDFC Bank Limited	FY2021	FY2022	FY2023
Net interest income	64,880	72,010	86,842
Profit before tax	41,659	49,015	58,485
Profit after tax	31,117	36,961	44,109
Net advances (Rs. lakh crore)	11.33	13.69	16.01
Total assets (Rs. lakh crore)	17.47	20.69	24.66
CET I	16.85%	16.67%	16.40%
Tier I	17.56%	17.78%	17.13%
CRAR	18.79%	18.89%	19.26%
Net interest margin / ATA	3.96%	3.77%	3.83%
PAT / ATA	1.90%	1.94%	1.95%
Return on net worth	15.27%	15.39%	16.96%
Gross NPAs	1.32%	1.17%	1.12%
Net NPAs	0.40%	0.32%	0.27%
Provision coverage excl. technical write-offs	69.81%	72.69%	75.76%
Net NPA / Core equity capital	2.39%	1.95%	1.68%

Source: HDFC Bank Limited, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore unless mentioned otherwise

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2024)			Chronology of rating history for the past 3 years			
		Amount rated	Amount outstanding as of	Date & rating in	Date & rating in	Date & rating in	Date & rating in	
		(Rs. crore)	July 03, 2023	July 05, 2023	Feb 21, 2023	in FY2022	in FY2021	
1 Basel III Tier II bonds	Long term	25,000	- [^]	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-	
2 Infrastructure bonds	Long term	20,000	- [^]	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	-	-	
3 Unsecured non-convertible debentures	Long term	57,000.00	46,062.00 [^]	[ICRA]AAA (Stable)	-	-	-	
4 Non-convertible debentures	Long term	2,55,628.20	2,08,628.20 [^]	[ICRA]AAA (Stable)	-	-	-	
5 Non-convertible debentures (with warrants)	Long term	3,693.00	3,693.00	[ICRA]AAA (Stable)	-	-	-	
6 Commercial paper	Short term	75,000.00	53,095.00 [^]	[ICRA]A1+	-	-	-	
7 Long-term/Short-term fund-based bank facilities	Long/Short term	1,50,000.00	1,28,038.00 [^]	[ICRA]AAA (Stable)/[ICRA]A1+	-	-	-	
8 Issuer rating	Long term	-	-	[ICRA]AAA (Stable)	-	-	-	
9 Subordinated debt	Long term	3,000.00	3,000.00	[ICRA]AAA (Stable)	-	-	-	
10 Fixed deposit	Long term	-	-	[ICRA]AAA (Stable)	-	-	-	

[^] Balance amount yet to be placed/utilised

Complexity level of the rated instruments

Instrument	Complexity Indicator
Basel III Tier II bonds	Highly Complex
Infrastructure bonds	Very Simple
Unsecured non-convertible debentures	Simple
Non-convertible debentures	Simple
Non-convertible debentures (with warrants)	Complex
Commercial paper	Very Simple
Long-term/Short-term fund-based bank facilities	Simple
Issuer rating	Not applicable
Subordinated debt	Complex
Fixed deposit	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
Unplaced	Basel III Tier II bonds	-	-	-	25,000.00	[ICRA]AAA (Stable)
Unplaced	Infrastructure bonds	-	-	-	20,000.00	[ICRA]AAA (Stable)
INE001A07RJ2	Non-convertible debentures	Nov 20, 2018	9.05%	Nov 20, 2023	4,000.00	[ICRA]AAA (Stable)
INE001A07MS4	Non-convertible debentures	Jun 24, 2014	9.24%	Jun 24, 2024	510.00	[ICRA]AAA (Stable)
INE001A07RV7	Non-convertible debentures	Jul 11, 2019	7.99%	Jul 11, 2024	2,555.00	[ICRA]AAA (Stable)
INE001A07MX4	Non-convertible debentures	Aug 13, 2014	9.50%	Aug 13, 2024	475.00	[ICRA]AAA (Stable)
INE001A07NB8	Non-convertible debentures	Aug 28, 2014	9.34%	Aug 28, 2024	1,000.00	[ICRA]AAA (Stable)
INE001A07SE1	Non-convertible debentures	Jan 08, 2020	7.50%	Jan 08, 2025	3,180.00	[ICRA]AAA (Stable)
INE001A07NJ1	Non-convertible debentures	Jan 23, 2015	8.40%	Jan 23, 2025	500.00	[ICRA]AAA (Stable)
INE001A07SG6	Non-convertible debentures	Feb 10, 2020	7.35%	Feb 10, 2025	2,510.00	[ICRA]AAA (Stable)
INE001A07NN3	Non-convertible debentures	Feb 25, 2015	8.45%	Feb 25, 2025	750.00	[ICRA]AAA (Stable)
INE001A07NP8	Non-convertible debentures	Mar 04, 2015	8.43%	Mar 04, 2025	600.00	[ICRA]AAA (Stable)
INE001A07FG3	Non-convertible debentures	Apr 08, 2010	8.96%	Apr 08, 2025	500.00	[ICRA]AAA (Stable)
INE001A07FJ7	Non-convertible debentures	Apr 09, 2010	8.96%	Apr 09, 2025	500.00	[ICRA]AAA (Stable)
INE001A07OT8	Non-convertible debentures	May 04, 2016	8.32%	May 04, 2026	500.00	[ICRA]AAA (Stable)
INE001A07OX0	Non-convertible debentures	May 13, 2016	8.35%	May 13, 2026	1,035.00	[ICRA]AAA (Stable)
INE001A07OY8	Non-convertible debentures	May 18, 2016	8.45%	May 18, 2026	1,500.00	[ICRA]AAA (Stable)
INE001A07PB3	Non-convertible debentures	Jun 01, 2016	8.44%	Jun 01, 2026	710.00	[ICRA]AAA (Stable)
INE001A07PC1	Non-convertible debentures	Jun 15, 2016	8.46%	Jun 15, 2026	1,000.00	[ICRA]AAA (Stable)
INE001A07PF4	Non-convertible debentures	Jun 24, 2016	8.46%	Jun 24, 2026	535.00	[ICRA]AAA (Stable)
INE001A07PN8	Non-convertible debentures	Aug 24, 2016	7.90%	Aug 24, 2026	1,000.00	[ICRA]AAA (Stable)
INE001A07PV1	Non-convertible debentures	Nov 18, 2016	7.72%	Nov 18, 2026	2,000.00	[ICRA]AAA (Stable)
INE001A07QG0	Non-convertible debentures	Mar 27, 2017	1.50%	Mar 27, 2027	1,800.00	[ICRA]AAA (Stable)
INE001A07QH8	Non-convertible debentures	Apr 13, 2017	1.50%	Apr 13, 2027	1,680.00	[ICRA]AAA (Stable)
INE001A07QJ4	Non-convertible debentures	Apr 24, 2017	1.50%	Apr 24, 2027	1,680.00	[ICRA]AAA (Stable)
INE001A07RG8	Non-convertible debentures	Oct 16, 2018	9.05%	Oct 16, 2028	2,953.00	[ICRA]AAA (Stable)
INE001A07TR1	Non-convertible debentures ^{&}	Nov 01, 2018	9.00%	Nov 01, 2028	1,235.00	[ICRA]AAA (Stable)
INE001A07RK0	Non-convertible debentures	Nov 29, 2018	9.00%	Nov 29, 2028	9,000.00	[ICRA]AAA (Stable)
INE001A07RM6	Non-convertible debentures	Dec 21, 2018	8.66%	Dec 21, 2028	5,000.00	[ICRA]AAA (Stable)
INE001A07RT1	Non-convertible debentures	Mar 27, 2019	8.55%	Mar 27, 2029	5,000.00	[ICRA]AAA (Stable)
INE001A07RX3	Non-convertible debentures	Aug 14, 2019	7.91%	Aug 14, 2029	2,000.00	[ICRA]AAA (Stable)
INE001A07SB7	Non-convertible debentures	Oct 22, 2019	8.05%	Oct 22, 2029	6,000.00	[ICRA]AAA (Stable)
INE001A07SI2	Non-convertible debentures	Feb 28, 2020	7.40%	Feb 28, 2030	2,005.00	[ICRA]AAA (Stable)
INE001A07SO0	Non-convertible debentures	Jun 17, 2020	7.25%	Jun 17, 2030	4,000.00	[ICRA]AAA (Stable)
INE001A07SR3	Non-convertible debentures	Sep 29, 2020	6.43%	Sep 29, 2025	5,000.00	[ICRA]AAA (Stable)
INE001A07ST9	Non-convertible debentures	Nov 25, 2020	5.78%	Nov 25, 2025	5,000.00	[ICRA]AAA (Stable)
INE001A07SW3	Non-convertible debentures	Jan 08, 2021	6.83%	Jan 08, 2031	5,000.00	[ICRA]AAA (Stable)
INE001A07SY9	Non-convertible debentures	May 31, 2021	6.00%	May 29, 2026	7,000.00	[ICRA]AAA (Stable)
INE001A07SZ6	Non-convertible debentures	Jun 16, 2021	6.88%	Jun 16, 2031	2,000.00	[ICRA]AAA (Stable)
INE001A07TA7	Non-convertible debentures	Sep 07, 2021	4.71%	Sep 07, 2023	6,000.00	[ICRA]AAA (Stable)
INE001A07TB5	Non-convertible debentures	Sep 24, 2021	6.88%	Sep 24, 2031	2,500.00	[ICRA]AAA (Stable)
INE001A07TC3	Non-convertible debentures	Sep 30, 2021	4.13%	Sep 30, 2024	3,000.00	[ICRA]AAA (Stable)
INE001A07TE9	Non-convertible debentures	Oct 28, 2021	4.25%	Oct 28, 2024	2,000.00	[ICRA]AAA (Stable)
INE001A07TF6	Non-convertible debentures	Nov 12, 2021	7.10%	Nov 12, 2031	3,000.00	[ICRA]AAA (Stable)
INE001A07TG4	Non-convertible debentures	Dec 01, 2021	7.05%	Dec 01, 2031	10,000.00	[ICRA]AAA (Stable)
INE001A07TI0	Non-convertible debentures	Feb 25, 2022	5.90%	Feb 25, 2025	2,000.00	[ICRA]AAA (Stable)
INE001A07TJ8	Non-convertible debentures	Mar 10, 2022	7.18%	Mar 10, 2032	10,000.00	[ICRA]AAA (Stable)
INE001A07TK6	Non-convertible debentures	May 25, 2022	7.86%	May 25, 2032	7,742.80	[ICRA]AAA (Stable)
INE001A07TL4	Non-convertible debentures	Jun 02, 2022	7.40%	Jun 02, 2025	3,000.00	[ICRA]AAA (Stable)
INE001A07TM2	Non-convertible debentures	Jul 01, 2022	7.28%	Mar 01, 2024	4,000.00	[ICRA]AAA (Stable)
INE001A07TN0	Non-convertible debentures	Jul 18, 2022	7.77%	Jun 28, 2027	3,111.00	[ICRA]AAA (Stable)
INE001A07TO8	Non-convertible debentures	Jul 27, 2022	8.00%	Jul 27, 2032	11,000.00	[ICRA]AAA (Stable)
INE001A07TP5	Non-convertible debentures	Sep 06, 2022	7.80%	Sep 06, 2032	9,007.00	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE001A07TQ3	Non-convertible debentures	Oct 12, 2022	8.07%	Oct 12, 2032	6,653.40	[ICRA]AAA (Stable)
INE001A07TS9	Non-convertible debentures	Nov 18, 2022	7.70%	Nov 18, 2025	4,001.00	[ICRA]AAA (Stable)
INE001A07TT7	Non-convertible debentures	Nov 24, 2022	7.79%	Nov 24, 2032	1,900.00	[ICRA]AAA (Stable)
INE001A07TU5	Non-convertible debentures	Jan 27, 2023	7.69%	Jan 27, 2033	3,000.00	[ICRA]AAA (Stable)
INE001A07TV3	Non-convertible debentures	Feb 17, 2023	7.97%	Feb 17, 2033	25,000.00	[ICRA]AAA (Stable)
-	Non-convertible debentures*	-	-	-	47,000.00	[ICRA]AAA (Stable)
INE001A08387	Unsecured non-convertible debentures	Apr 24, 2023	7.79%	Mar 04, 2025	3,005.00	[ICRA]AAA (Stable)
INE001A08395	Unsecured non-convertible debentures	May 03, 2023	7.80%	May 03, 2033	15,000.00	[ICRA]AAA (Stable)
INE001A08403	Unsecured non-convertible debentures	May 16, 2023	7.70%	May 16, 2028	3,000.00	[ICRA]AAA (Stable)
INE001A08411	Unsecured non-convertible debentures	May 25, 2023	7.65%	May 25, 2033	3,635.00	[ICRA]AAA (Stable)
INE001A08429	Unsecured non-convertible debentures	Jun 02, 2023	7.80%	Jun 02, 2025	8,235.00	[ICRA]AAA (Stable)
INE001A08437	Unsecured non-convertible debentures	Jun 13, 2023	7.75%	Jun 13, 2033	13,187.00	[ICRA]AAA (Stable)
-	Unsecured non-convertible debentures*	-	-	-	10,938.00	[ICRA]AAA (Stable)
INE001A07SP7	Non-convertible debentures#	Aug 11, 2020	5.40%	Aug 11, 2023	3,693.00	[ICRA]AAA (Stable)
INE001A08361	Subordinated debt	Oct 21, 2014	9.60%	Oct 21, 2024	2,000.00	[ICRA]AAA (Stable)
INE001A08379	Subordinated debt	Feb 24, 2015	8.65%	Feb 24, 2025	1,000.00	[ICRA]AAA (Stable)
INE001A14ZE2	Commercial paper	Aug 18, 2022	6.90%	Jul 25, 2023	500.00	[ICRA]A1+
INE001A14ZE2	Commercial paper	Aug 22, 2022	6.90%	Jul 25, 2023	1,305.00	[ICRA]A1+
INE001A14ZH5	Commercial paper	Aug 29, 2022	6.85%	Aug 11, 2023	825.00	[ICRA]A1+
INE001A14ZI3	Commercial paper	Sep 02, 2022	6.94%	Aug 25, 2023	995.00	[ICRA]A1+
INE001A14ZI3	Commercial paper	Sep 05, 2022	6.94%	Aug 25, 2023	200.00	[ICRA]A1+
INE001A14ZJ1	Commercial paper	Sep 06, 2022	6.94%	Aug 29, 2023	1,895.00	[ICRA]A1+
INE001A14ZK9	Commercial paper	Sep 07, 2022	6.94%	Aug 30, 2023	1,275.00	[ICRA]A1+
INE001A14ZK9	Commercial paper	Sep 08, 2022	6.94%	Aug 30, 2023	750.00	[ICRA]A1+
INE001A14ZL7	Commercial paper	Sep 30, 2022	7.34%	Sep 28, 2023	850.00	[ICRA]A1+
INE001A14ZM5	Commercial paper	Oct 10, 2022	7.34%	Sep 11, 2023	160.00	[ICRA]A1+
INE001A14ZN3	Commercial paper	Oct 13, 2022	7.40%	Oct 12, 2023	300.00	[ICRA]A1+
INE001A14ZR4	Commercial paper	Oct 17, 2022	7.75%	Oct 13, 2023	775.00	[ICRA]A1+
INE001A14ZQ6	Commercial paper	Oct 19, 2022	7.75%	Oct 18, 2023	1,920.00	[ICRA]A1+
INE001A14ZT0	Commercial paper	Nov 25, 2022	7.80%	Nov 23, 2023	2,640.00	[ICRA]A1+
INE001A14ZT0	Commercial paper	Dec 01, 2022	7.80%	Nov 23, 2023	505.00	[ICRA]A1+
INE001A14ZU8	Commercial paper	Dec 01, 2022	7.80%	Nov 28, 2023	985.00	[ICRA]A1+
INE001A14ZV6	Commercial paper	Dec 07, 2022	7.80%	Dec 05, 2023	875.00	[ICRA]A1+
INE001A14ZY0	Commercial paper	Dec 28, 2022	7.85%	Dec 11, 2023	750.00	[ICRA]A1+
INE001A14ZZ7	Commercial paper	Jan 05, 2023	7.80%	Dec 26, 2023	2,175.00	[ICRA]A1+
INE001A14ZZ7	Commercial paper	Jan 06, 2023	7.80%	Dec 26, 2023	1,200.00	[ICRA]A1+
INE001A14A04	Commercial paper	Jan 27, 2023	7.88%	Jan 25, 2024	1,640.00	[ICRA]A1+
INE001A14A04	Commercial paper	Jan 27, 2023	7.88%	Jan 25, 2024	275.00	[ICRA]A1+
INE001A14A12	Commercial paper	Jan 30, 2023	7.88%	Jan 29, 2024	200.00	[ICRA]A1+
INE001A14A12	Commercial paper	Jan 30, 2023	7.88%	Jan 29, 2024	165.00	[ICRA]A1+
INE001A14A20	Commercial paper	Feb 03, 2023	7.88%	Feb 02, 2024	500.00	[ICRA]A1+
INE001A14A38	Commercial paper	Feb 07, 2023	7.88%	Feb 06, 2024	775.00	[ICRA]A1+
INE001A14A38	Commercial paper	Feb 09, 2023	7.88%	Feb 06, 2024	1,800.00	[ICRA]A1+
INE001A14A46	Commercial paper	Feb 13, 2023	7.94%	Feb 12, 2024	750.00	[ICRA]A1+
INE001A14A53	Commercial paper	Feb 20, 2023	7.92%	Feb 14, 2024	750.00	[ICRA]A1+
INE001A14A61	Commercial paper	Mar 21, 2023	7.97%	Mar 19, 2024	3,750.00	[ICRA]A1+
INE001A14A79	Commercial paper	Mar 21, 2023	7.97%	Mar 18, 2024	400.00	[ICRA]A1+
INE001A14A87	Commercial paper	Mar 24, 2023	7.97%	Mar 22, 2024	3,050.00	[ICRA]A1+

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE001A14A87	Commercial paper	Mar 27, 2023	7.97%	Mar 22, 2024	1,650.00	[ICRA]A1+
INE001A14A95	Commercial paper	Mar 27, 2023	7.90%	Feb 26, 2024	960.00	[ICRA]A1+
INE001A14A95	Commercial paper	Mar 29, 2023	7.90%	Feb 26, 2024	450.00	[ICRA]A1+
INE001A14B03	Commercial paper	Apr 19, 2023	7.80%	Apr 16, 2024	2,800.00	[ICRA]A1+
INE001A14B03	Commercial paper	Apr 21, 2023	7.80%	Apr 16, 2024	1,200.00	[ICRA]A1+
INE001A14B11	Commercial paper	Apr 26, 2023	7.80%	Apr 24, 2024	4,000.00	[ICRA]A1+
INE001A14B29	Commercial paper	Apr 24, 2023	7.80%	Apr 22, 2024	800.00	[ICRA]A1+
INE001A14B37	Commercial paper	Apr 28, 2023	7.80%	Apr 26, 2024	250.00	[ICRA]A1+
INE001A14B45	Commercial paper	May 23, 2023	7.75%	May 21, 2024	3,275.00	[ICRA]A1+
INE001A14B52	Commercial paper	May 26, 2023	7.75%	May 24, 2024	775.00	[ICRA]A1+
INE001A14B60	Commercial paper	May 30, 2023	7.75%	May 28, 2024	2,000.00	[ICRA]A1+
Not placed yet	Commercial paper	-	-	-	21,905.00	[ICRA]A1+
-	LT/ST fund-based bank facilities	-	-	-	1,50,000.00	[ICRA]AAA (Stable)/ [ICRA]A1+
-	Fixed deposit	-	-	-	-	[ICRA]AAA (Stable)
-	Issuer rating	-	-	-	-	[ICRA]AAA (Stable)

Source: HDFC Bank; [&]Earlier ISIN INE001A07TD1; [#]With warrants; * Yet to be issued/unutilised

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Key features of rated debt instruments

The servicing of the Basel III Tier II bonds and infrastructure bonds is not subject to any capital ratios and profitability. However, the Basel III Tier II bonds are expected to absorb losses once the point of non-viability (PONV) trigger is breached in the RBI's opinion. The rated Basel III Tier II instruments are hybrid subordinated debt instruments with equity-like loss-absorption features. Such features may translate into higher loss severity vis-à-vis conventional debt instruments.

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
HDFC Securities Limited	95.60%	Limited Consolidation
HDB Financial Services Limited	94.90%	Limited Consolidation
HDFC Life Insurance Company Limited	50.40%	Limited Consolidation
HDFC Asset Management Company Limited	52.55%	Limited Consolidation
HDFC Ergo General Insurance Company Limited	50.50%	Limited Consolidation
HDFC Sales Private Limited	100.00%	Limited Consolidation
HDFC Credila Financial Services Limited ⁵	100.00%	Limited Consolidation
HDFC Education and Development Services Private Limited	100.00%	Limited Consolidation
HDFC Capital Advisors Limited	89.00%	Limited Consolidation

Source: HDFC Bank; ⁵ In the process of selling 90% stake

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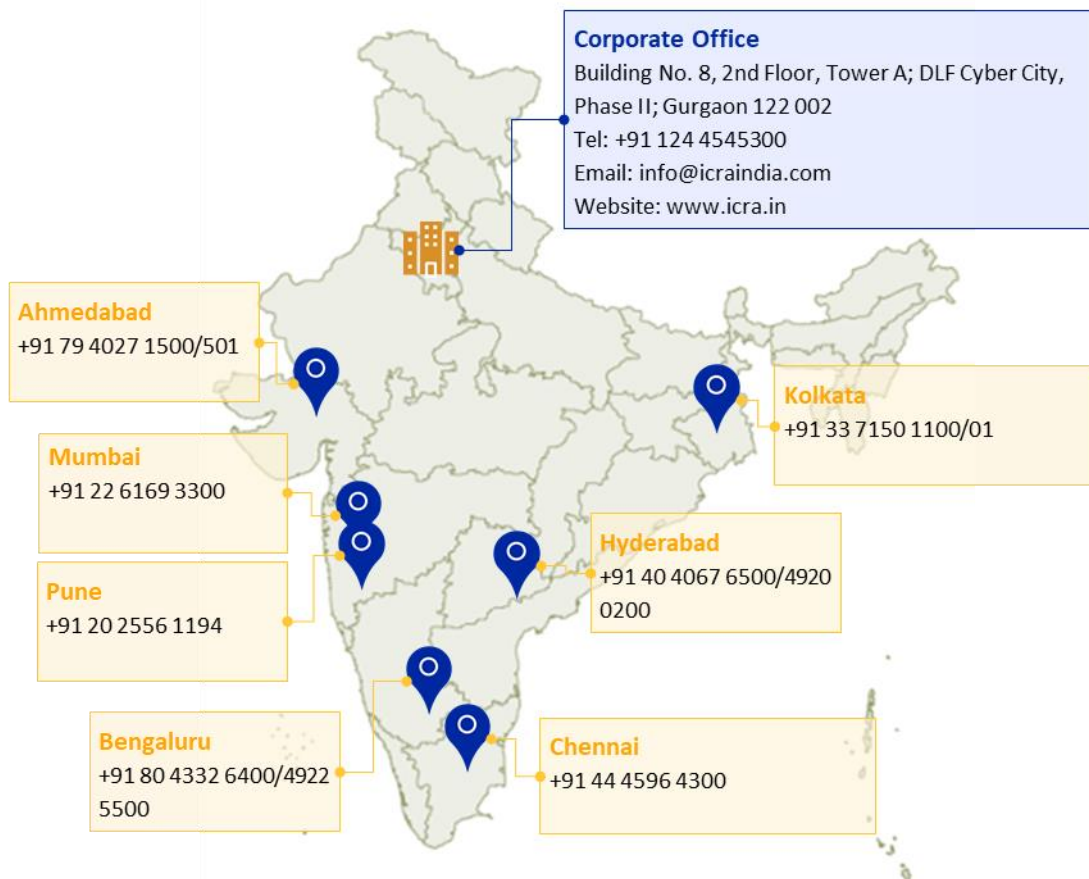
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