

 Early Warning System

IFC-48034

HDFC Bank Loan



Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	C
Voting Date	2024-02-26
Borrower	HDFC BANK LIMITED
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 500.00 million



Project Description

According to the Bank's website, the project envisages a proposed lending to HDFC Bank Limited (HDFC or the Bank), India's largest private sector bank and second largest bank overall. The proposed lending consists of a loan of up to US\$500 million to support the Bank's lending to women borrowers for income generation purposes. The proceeds of the IFC loan will be used for on-lending to women borrowers as microloans under Self Help Group (SHGs) and Joint Liability Group (JLGs) enrolled in HDFC Bank's Sustainable Livelihoods Initiative (SLI), the Bank's business line responsible for microfinance lending program.



Early Warning System Project Analysis

The IFC loan will only support on-lending to HDFC Bank's microfinance borrowers. The IFC loan will not support higher risk activities that may include involuntary resettlement, risk of adverse impacts on indigenous peoples, significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage, significant retrenchment, or significant occupational health and safety risks. The loan will also not support any coal-related activity. Hence, the E&S risks and impacts of the Project will be low and mostly relate to exposure to activities on the IFC Exclusion List. The Project is categorized as FI-3 according to IFC's Policy on Environmental and Social Sustainability. The applicable performance requirements will be the IFC- MFI Exclusion List.



Investment Description

- International Finance Corporation (IFC)

The proposed Project envisages a senior unsecured debt investment of up to US\$500 million in HDFC Bank Limited.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [HDFC Bank](#) (Financial Intermediary)



Private Actors Description

HDFC Bank Limited was established in 1994 and effective July 1, 2023, has merged with its promoter entity HDFC Limited, previously a long-standing IFC client. As of March 31, 2024, HDFC Bank had standalone total assets of US\$433.742 billion (translated into USD at 83.405) and over 93 million customers across an extensive distribution network of 8,738 branches (Source: Bank's investor presentation). More than half of the Bank's branches are in Semi-urban and rural geographies. It is rated BBB-/Stable by Standard & Poor's and Baa3/Stable by Moody's, at par with India's sovereign rating. Its domestic rating is AAA. HDFC is a listed entity and has a diversified shareholding, with 100% of the shareholding being publicly owned.



Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>