

HDFC Bank (India): Index Review Shares in Issue and Free Float Update

07 August 2023

Further to the FTSE Russell [notification](#) published on 07 July 2023 in relation to the index treatment consequent to the merger between Housing Development Finance and HDFC Bank in conjunction with Section 4.10 of the [Corporate Actions and Events Guide](#), on 13 July 2023, HDFC Bank (India, BK1N461) was added to the relevant FTSE indices with a shares in issue total of 3,082,056,076 and an investability weighting of 95.9796776855778%. At this point, HDFC Bank was included in the indices incorporating the merger entitlement issued to the shareholders of Housing Development Finance, only.

In conjunction with the September 2023 index review, FTSE Russell will evaluate the eligibility status of HDFC Bank, which includes a review of its shares in issue, free float, and foreign headroom. Based on the available public information as of the shares and free float cut-off date on 31 July 2023, HDFC Bank's total shares in issue is 7,544,951,154, the investability weighting is 74%, and the foreign headroom is 18.3%, which satisfies the minimum foreign headroom requirement for an index constituent as stated in Section C of the [Foreign Ownership Restrictions and Minimum Foreign Headroom Requirement](#). Consequently, the shares in issue and free float update to HDFC Bank is projected to increase its weighting within the [FTSE Emerging All Cap Index](#) from the current 0.81% to 1.52%.

FTSE Russell has considered client feedback on the significant size of the projected upweight and the potential impact to the company's foreign headroom if the shares in issue and free float update are implemented in their entirety on a one-off basis at the September review.

Consequently, to ensure the replicability of the impacted indices, FTSE Russell proposes to implement the upweight of HDFC Bank in three tranches in conjunction with the September 2023, December 2023, and March 2024 index reviews, with the December and March tranches contingent on the company's foreign headroom continuing to satisfy the minimum 10% headroom requirement.

	Current	Tranche One	Tranche Two	Tranche Three
Quarterly review Schedule		September 2023	December 2023	March 2024
Tranching Factor (Accumulating)		33.33%	66.66%	100%
Shares in Issue	3,082,056,076	7,544,951,154	7,544,951,154	7,544,951,154
Investability Weight	95.97967769%	74%	74%	74%
Index Shares	2,958,147,488	3,833,186,277	4,708,225,065	5,583,263,854

Please contact the FTSE Client Services team at info@ftserussell.com if you would like to provide feedback on the above proposed approach.

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