Note:
This Term sheet is part of the Placement Memorandum dated September 06, 2022 (Please refer Page No. 133 of the Placement Memorandum)

<u>Term sheet of the Issue:</u>

Security Name	7.84% HDFC Bank Basel III Perpetual Bonds Series 1/2022-23
Issuer	HDFC Bank Limited
Type of Instrument	Unsecured, Subordinated, Fully Paid-Up, Non-Convertible, Basel III compliant, Perpetual Debt Instruments in the nature of debentures for inclusion in Additional Tier I Capital
Nature of Instrument	Unsecured
Seniority	The claims of the Bondholders in the Bonds shall be: i. superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the Bank whether currently outstanding or issued at any time in the future. ii. subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines) of the Bank; iii. neither secured nor covered by a guarantee of the Bank nor its related entity or other arrangement that legally or economically enhances the seniority of the claim vis -à-vis bank creditors iv. paripassu without preference amongst themselves and other subordinated debt classifying as Additional Tier 1 Capital in terms of Basel III Guidelines, whether currently outstanding or issued at any time in the future; Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of "Coupon Discretion", "Loss Absorbency" & "Other Events" mentioned in this Placement Memorandum.
Mode of Issue	Private placement
Eligible Investors	In terms of SEBI Operational Circular, only Qualified Institutional Buyers (QIBs) (other than Regional Rural Banks), as defined by SEBI under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time, are allowed to participate in the issuance of Additional Tier 1 instruments. All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in the issue of Bonds as per the norms approved by Government of India, RBI or any other statutory body from time to time. This being a private placement Issue, the eligible investors who have been addressed through this communication directly, are only eligible to apply. Prior to making any investment in these Bonds, each investor should satisfy and assure himself/herself/itself that he/she/it is authorized and eligible to invest in these Bonds. The Bank shall be under no obligation to verify the eligibility/authority of the investor to invest in these Bonds. Further, mere receipt of this Placement Memorandum by a person shall not be construed as any representation by the Bank that such person is authorized to invest in these Bonds or eligible to subscribe to these Bonds. If after applying for subscription to these Bonds and/or allotment of Bonds to any person, such person becomes ineligible and/or is found to have been ineligible to invest in/hold these Bonds, the Bank shall not be responsible in any manner.

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<table>
<tr><td></td><td>As per Basel III Guidelines, any related party over which the bank exercises control or significant influence (as defined under relevant Accounting Standards) should not purchase the instrument.

Further, investment by FPIs in these Bonds raised in Indian Rupees shall be subject to compliance with terms and conditions stipulated by the RBI, SEBI or any other regulatory authorities on investment in these Bonds.</td></tr>
<tr><td>Listing</td><td>The Bonds shall be listed on the Debt Market Segment of the BSE and NSE.

The Designated Stock Exchange for this issue shall be NSE.

<u>Timelines for listing of securities:</u>

<table>
<tr><td>Sr. No.</td><td>Details of Activities</td><td>Due Date</td></tr>
<tr><td>1</td><td>Closure of issue</td><td>T Day</td></tr>
<tr><td>2</td><td>Receipt of funds</td><td rowspan="2">To be completed by T+2 working day</td></tr>
<tr><td>3</td><td>Allotment of Securities</td></tr>
<tr><td>4</td><td>Issuer to make listing application to stock exchange(s)</td><td rowspan="2">To be completed by T+4 working day</td></tr>
<tr><td>5</td><td>Listing permission from stock exchange(s)</td></tr>
</table></td></tr>
<tr><td>Delay in Listing</td><td>Bonds issued pursuant to the issue will be listed within 4 working days from the Issue Closing Date in terms of the SEBI Operational Circular. In case of delay in listing of securities within the above timelines, the issuer shall pay a penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing). Such penal interest shall be paid by the Bank to the Bondholders within 7 working days from listing.</td></tr>
<tr><td>Rating</td><td>CRISIL AA+/Stable by CRISIL Ratings Limited,
IND AA+/Stable; by India Ratings & Research Private Limited &
CARE AA+; Stable by CARE Ratings Limited.</td></tr>
<tr><td>Issue Size</td><td>Base Issue Size of Rs. 1,000 crores with a greenshoe option to retain over subscription upto Rs. 2,000 crores</td></tr>
<tr><td>Minimum Subscription</td><td>1 (One) Debenture (of Face value of Rs. One Crore) and in multiples of 1 (One) Debenture thereafter.</td></tr>
<tr><td>Option to Retain Oversubscription Amount</td><td>HDFC Bank can retain oversubscription up to Rs 2,000 Crore over and above the issue size of Rs 1,000 crore</td></tr>
<tr><td>Amount Accepted</td><td>Rs. 3,000 crore</td></tr>
<tr><td>Objects of the Issue/ Details of the utilization of the Proceeds</td><td>Augmenting Additional Tier 1 Capital (as the term is defined in the Basel III Guidelines) and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources.
The funds being raised by the Bank through the present Issue are not meant for financing any particular project. The Bank shall utilize the proceeds of the Issue for its regular business activities. The Bank shall not utilize proceeds of the Issue for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the RBI/ SEBI/ stock exchanges.</td></tr>
<tr><td>Coupon Rate</td><td>7.84% payable annually</td></tr>
<tr><td>Step Up/Step Down Coupon Rate</td><td>Not Applicable</td></tr>
<tr><td>Coupon Payment Frequency</td><td>Annual (subject to Basel III Guidelines)</td></tr>
</table>

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Coupon Payment Dates	On anniversary of the deemed date of allotment each year (i.e. September 08 every year), subject to Basel III Guidelines and Coupon Discretion (upto Call Option Date, in case if Call Option is exercised by the Bank)
Coupon Type	Fixed
Coupon Reset Process	Not Applicable
Day Count Basis	The Coupon for each of the interest periods shall be computed as per Actual / Actual day count convention (as per the SEBI Operational Circular) on the face value/principal outstanding after adjustments and write-off on account of "Coupon Discretion", "Loss Absorbency", and "Other Events" mentioned in this Term Sheet of the Issue, at the Coupon Rate rounded off to the nearest Rupee. All coupon/ interest, penal interest, interest on application money, delay/ default interest shall be computed on an "actual/actual basis". Where the period for which such amounts are to be calculated (start date to end date) includes February 29, coupon/ interest shall be computed on 366 days-a-year basis.
Interest on Application Money	Interest at the Coupon Rate (subject to deduction of Income-tax under the provisions of the Income-tax Act 1961, or any statutory modification or re-enactment as applicable) will be paid to all the Applicants on the application money for the Bonds. Such interest shall be paid from the date of realization of cheque (s)/demand draft (s) and in case of RTGS/other means of electronic transfer interest shall be paid from the date of receipt of funds to one day prior to the Deemed Date of Allotment. The Interest on application money will be computed as per Actual/Actual Day count convention. Such interest would be paid on all the valid applications including the refunds. For the application amount that has been refunded, the Interest on application money will be paid along with the refund orders and for the application amount against which Bonds have been allotted, the Interest on application money will be paid within ten working days from the Deemed Date of Allotment. Where an Applicant is allotted lesser number of Bonds than applied for, the excess amount, if any, paid on application will be refunded to the Applicant along with the interest on refunded money. Income Tax at Source (TDS) will be deducted at the applicable rate on Interest on application money. The Bank shall not be liable to pay any interest in case of invalid applications or applications liable to be rejected including applications made by person who is not an eligible Investor.
Default Interest Rate	In case of default in payment of Interest and / or principal redemption on the due dates, additional interest at 2% per annum over the Coupon Rate will be payable by the Issuer for the defaulting period. However, in case of any non-payment of interest and / or principal on account of Basel III Guidelines, 'Loss Absorbency', 'Coupon Discretion' and 'Other Events' of this Term Sheet of the Issue, no such default interest shall be payable. The Issuer shall make listing application to BSE receive listing approval from BSE and/or NSE within 4 (four) Business Days from the Issue Closing Date. In case of delay in listing of the Bonds beyond 4 (Four) Business Days from the Issue Closing Date, the Issuer shall pay penal interest at the rate of 1% p.a. over the coupon rate for the period of delay to the investor (i.e., from date of allotment to the date of listing). If the Bank fails to execute the trust deed within the prescribed timelines under the applicable law, the Bank shall also pay interest of 2% p.a. to the investors, over and above the agreed coupon rate, till the execution of the trust deed.
Tenor	Not Applicable. The Bonds shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem
Redemption Date	Not applicable. The Bonds shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem. In the event of exercise of

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	Call Option in accordance with the terms specified in the Term Sheet of the Issue, the date of exercise of Call Option would be considered the redemption date.
Redemption Amount	Not applicable. However in case of redemption due to exercise of Call Option in accordance with Basel III Guidelines, the Bonds shall be redeemed along with interest, subject to the terms specified in the Term Sheet of the Issue, including provisions related to "Coupon Discretion", "Loss Absorbency" and "Other Events".
Redemption Premium /Discount	Not applicable.
Issue Price	Rs 1,00,00,000/- (Rs. One Crore only) per Bond
Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Put Date	Not Applicable
Put Price	Not Applicable
Call Option	**Issuer Call:** On or after the fifth anniversary from the Deemed Date of Allotment, the Issuer may at its sole discretion, having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Issuer Call (which notice shall specify the date fixed for exercise of the Issuer Call (the "**Issuer Call Date**")), exercise a call on the outstanding Bonds. The Issuer Call, which is discretionary, may or may not be exercised on the fifth anniversary from the Deemed Date of Allotment i.e. the fifth Coupon Payment Date or on any Coupon Payment Date thereafter. The Issuer Call may be exercised subject to the following conditions: (a) Prior approval of RBI (Department of Banking Regulation) will be required for exercising Issuer Call. (b) The called Bonds should be replaced with capital of the same or better quality and the replacement of such Bond shall be done at conditions which are sustainable for the income capacity of the Issuer. Here, replacement of the capital can be concurrent with but not after the Bonds are called; OR The Issuer demonstrates that its capital position is well above the minimum capital requirements after the Issuer Call is exercised. As per extant guidelines, minimum refers to CET 1 of 8% of RWAs (including capital conservation buffer of 2.5% of RWAs) and Total Capital of 11.5% of RWAs including additional capital requirements identified under Pillar 2 and additional capital requirements as applicable to the Bank being Domestic Systemically Important Bank (D-SIB)

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	Tax Call: If a Tax Event (as described below) has occurred and continuing, then the Issuer may subject to paragraphs (a) and (b) of "Issuer Call" above, having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Tax Call (which notice shall specify the date fixed for exercise of the Tax Call ("**Tax Call Date**")), exercise a call on the Bonds and/or substitute the Bonds so that the new bonds have tax deductible coupon. A Tax Event has occurred if, as a result of any change in, or amendment to, the laws affecting taxation (or regulations or rulings promulgated thereunder) of India or any change in the official application of such laws, regulations or rulings, the Issuer will no longer being entitled to claim a deduction in respect of computing its taxation liabilities with respect to coupon on the Bonds. The exercise of Tax Call by the Issuer is subject to requirements set out in the Basel III Guidelines. RBI will permit the Issuer to exercise the Tax Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Tax Event at the time of issuance of the Bonds
	Regulatory Call: If a Regulatory Event (described below) has occurred and continuing, then the Issuer may subject to paragraphs (a) and (b) of "Issuer Call" above, having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Regulatory Call (which notice shall specify the date fixed for exercise of the Regulatory Call (the "**Regulatory Call Date**")), exercise a call on the Bonds and substitute the Bonds so that the new bonds have better regulatory classification, or a lower coupon with the same regulatory classification with prior approval of RBI. A Regulatory Event is deemed to have occurred if there is a downgrade of the Bonds in regulatory classification i.e. Bonds is excluded from the consolidated Tier I Capital of the Issuer. The exercise of Regulatory Call by the Issuer is subject to requirements set out in the Basel III Guidelines. RBI will permit the Issuer to exercise the Regulatory Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Regulatory Event at the time of issuance of the Bonds.
Other Condition for exercise of Call Option	Potential Investors may note that approvals to be obtained from RBI to exercise Call Options are not routine and are subject to the discretion of RBI. Further, RBI shall, before providing such approvals, thoroughly consider the financial and capital position of the Bank or any other criteria or basis it deems fit.
Call Option Date	Issuer Call Date, Tax Call Date and Regulatory Call Date
Call Option Price	At Par i.e. Rs. 1,00,00,000/- (Rs One Crore only) per Bond subject to the terms specified in the Term Sheet of the Issue, including provisions related to "Coupon Discretion", "Loss Absorbency" and "Other Events".
Put Notification Time	Not Applicable
Call Notification Time	Any redemption of the Bonds on account of exercise of Call Option shall be subject to the Issuer giving not less than twenty-one (21) calendar days prior notice to the Trustee.
Face Value	Rs. 1,00,00,000/- (Rs. One Crore only) per Bond
Minimum Application	1 (One) Debenture and in multiples of 1 (One) Debenture thereafter
Issue Schedule (*)	
a) Name of the EBP	NSE –EBP
b) Issue Timing	10.00 am to 11.00 am
c) Minimum Bid Lot	1 (One) Debenture (of Face value of Rs. One Crore) and in multiples of 1 (One) Debenture thereafter

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d) Issue/Bid Opening Date	September 06, 2022
e) Issue/Bid Closing Date	September 06, 2022
f) Pay-in date (Settlement Cycle)	September 08, 2022 (T+2)
g) Deemed date of allotment	September 08, 2022
h) Manner of Bidding	Closed
i) Manner of Allotment	Uniform
Manner of Settlement	Through Clearing Corporation of NSE
Issuance mode	Demat only
Trading mode	Demat only
Settlement mode	Payment of interest and repayment of principal shall be made by way of credit through direct credit/NECS/RTGS/NEFT mechanism or any other permitted method at the discretion of the issuer
Depository	NSDL & CDSL
Disclosure of interest / redemption date	Please refer to section on Coupon payment dates and redemption date above in the Term Sheet of the Issue.
Business Day Convention/Effect of Holidays	Should any of the dates (other than the Coupon Payment Date) including the Deemed Date of Allotment, Issuer Call Date, Tax Call Date or Regulatory Call Date as defined herein, fall on day which is not a Business Day, the immediately preceding Business Day shall be considered as the effective date. 'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra and when the money market is functioning in Mumbai. If the date of payment of coupon /redemption of principal on account of exercise of Call Option, does not fall on a Business Day, the payment of coupon /principal shall be made in accordance with SEBI Operational Circular If any of the Coupon Payment Date(s), other than the ones falling on the redemption date, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day, which becomes the Coupon payment date for that Coupon, without liability for making payment of interest for the delayed period. However, the future Coupon Payment Date(s) would be as per the schedule originally stipulated in this Placement Memorandum. If the Call Option Date (also being the last Coupon Payment Date, in case Call Option is exercised) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Issuer on the immediately preceding Business Day which becomes the new Call Option Date, along with interest accrued on the debentures until but excluding the date of such payment. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered as the Record Date.
Record Date	15 (Fifteen) days prior to each Coupon Payment Date/Call Option Date (as the case may be).

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All covenants of the issue (including side letters, accelerated payment clause, etc.)	Other than as mentioned in this Term Sheet of the Issue, there are no additional covenants of the issue. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.
Security	Unsecured
Transaction Documents	The Issuer shall execute the documents including but not limited to the following in connection with the Issue: (i) Letter appointing Trustee to the Bondholders (ii) Debenture Trust Deed (iii) Rating letters from credit rating agencies (iv) Letter appointing Registrar and agreement entered into between the Issuer and the Registrar (v) This Placement Memorandum and the Application Form (vi) Private Placement Offer Letter (PAS -4)
Conditions Precedent to Disbursement	The subscription from Investors shall be accepted for allocation and allotment by the Bank subject to the following: a) Rating letters from CRISIL Ratings Ltd., CARE Ratings Ltd. and India Ratings & Research Private Limited not being more than one month old from the Issue Opening Date; b) Letter from the Trustee conveying its consent to act as Trustee for the holder(s) of Bonds; c) Letter from NSE and BSE for In-principle approval for listing and trading of Bonds
Condition Subsequent to Disbursement	The Bank shall ensure that the following documents are executed/ activities are completed as per terms of this Placement Memorandum: a) Credit of Demat Account(s) of the Allottee(s) by number of Bonds allotted within 2 (Two) Business Days from the Deemed Date of Allotment; b) Before making the application for listing of the Bonds, the Bank shall execute the debenture trust deed with the Debenture Trustee; c) Making application to BSE and/or NSE seeking listing permission within 4 Working (Four) days from the Issue Closing Date in accordance with the SEBI Operational Circular. d) Neither the Bank nor any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall not grant advances against the security of the Bonds issued by it.
Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	In case of default in payment of Coupon and/or principal redemption, in the event of exercise of Call Option, on the due dates as per the terms set out under this Placement Memorandum, additional interest at 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period. However, it is clarified that any non-payment of interest and / or principal on account of Basel III Guidelines, 'Coupon Discretion', 'Loss Absorbency' and 'Other Events' of this Term Sheet of the Issue, shall not be deemed to be an event of default and no such default interest shall be payable. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer. The Issuer or the Debenture Trustee will call for meeting of Bondholders as per the terms of the Debenture Trust Deed (to be executed). As per Regulation

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	15(2)(a) of the SEBI DT Regulations, read along with Rule 18(4) of the Companies (Share Capital and Debenture) Rules, 2014, the Debenture Trustee or the Issuer may, at any time, and the Debenture Trustee shall at the request in writing of the Bondholders representing not less than one-tenth of the aggregate nominal value of the Bonds for the time being outstanding or upon the happening of any event which constitutes a breach or any Event of Default or which in the opinion of the Debenture Trustee affects the interest of the Bondholders, convene a meeting of the Bondholders. Resolutions shall be passed at the meeting of the Bondholders by way of such consent threshold as specified in the Debenture Trust Deed. Notwithstanding anything contained above, if any regulations/ circular/ guidelines issued by SEBI/RBI or any other relevant regulator require the voting to be held in a particular manner, the provisions contained in such regulations/ circular/ guidelines shall prevail. The Debenture Trust Deed (to be executed) shall contain the provisions for the meetings of the Bondholders and manner of voting. In terms of the SEBI circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 and subject to applicable law and regulatory guidelines, a meeting of the Bondholders may consider the proposal for joining the inter creditor agreement, if applicable, and the conditions for joining such inter creditor agreement, if applicable, will be made part of the meeting agenda and the Debenture Trustee will follow the process laid down vide SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020.
Creation of Recovery Expense Fund (REF)	The Recovery Expense Fund (REF) has been created with BSE in accordance with SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22,2020
Conditions for breach of covenants (as specified in Debenture Trust Deed)	The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer.
Provisions related to Cross Default Clause	Not Applicable
Dividend Stopper Clause	Dividend Stopper Clause will be applicable to these Bonds and it will stop dividend payments on common shares in the event the holders of the Bonds are not paid coupon. In the event the holders of the Bonds are not paid coupon, they shall not impede the full discretion that Issuer has at all times to cancel distributions/payments on the Bonds, nor will they impede / hinder: (i) The Re-Capitalization of the Issuer. (ii) The Issuer's right to make payments on other instruments, where the payments on this other instrument were not also fully discretionary (iii) The Issuer's right to making distributions to shareholders for a period that extends beyond the point in time that coupon on the Bonds are resumed. (iv) The normal operation of the Issuer or any restructuring activity (including acquisitions/ disposals).
Role and Responsibilities of Debenture Trustee	The Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustee by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustee. The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI NCS Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Bond Trustees Agreement, this

	Placement Memorandum and all other related transaction documents, with due care, diligence and loyalty.
Risk factors pertaining to the issue	Please refer Page 64 of this Placement Memorandum
Coupon Discretion	(i) The Bank has full discretion at all times to cancel Coupon either in part or full in order to meet eligibility criteria for perpetual debt instruments under the Basel III Guidelines. On cancellation of payment of Coupon, these payments shall be extinguished and the Bank shall have no obligation to make any distribution/Coupon payment in cash or kind. (ii) The Bonds do not carry a 'dividend pusher' feature i.e., if the Bank makes any payment (coupon/dividend) on any other capital instrument or share, the Bank shall not be obligated to make Coupon payment on the Bonds. (iii) Cancellation of Coupon shall not be an event of default. (iv) Bank shall have full access to cancelled Coupon to meet obligations as they fall due. (v) Cancellation of Coupon shall not impose any restrictions on the Bank except in relation to distributions to common stakeholders. (vi) Further, the coupon will be paid out of distributable items. In this context, coupon may be paid out of current year's profits. However, if current year profits are not sufficient, coupon may be paid subject to availability of (a) profits brought forward from previous years, and/or (b) reserves representing appropriation of net profits, including statutory reserves, and excluding share premium, revaluation reserve, foreign currency translation reserve, investment reserve and reserves created on amalgamation. The accumulated losses and deferred revenue expenditure, if any, shall be netted off from sub-paragraph (a) and (b) above, to arrive at the available balances for payment of coupon. (vii) In the event the aggregate of (a) profits in the current year, (b) profits brought forward from the previous years, and (c) permissible reserves as at sub-paragraph (b) of paragraph (vi) above, excluding statutory reserves, net accumulated losses and deferred revenue expenditure are less than the amount of coupon, then the Bank shall make the appropriation from the statutory reserves. In such cases, the Bank is required to report to the RBI within 21 (twenty one) days from the date of such appropriation in compliance with Section 17(2) of the Banking Regulation Act, 1949. (viii) However, payment of coupon on the Bonds from the reserves is subject to the Issuer meeting minimum regulatory requirements for CET 1, Tier 1 and Total Capital ratios (each as defined and calculated in accordance with the Basel III Guidelines) including the additional capital requirements for D-SIBs at all times and subject to the restrictions under the capital buffer frameworks (i.e. capital conservation buffer and countercyclical capital buffer in terms of paras 15 and 17 respectively of the Basel III Guidelines). (ix) Coupon on the Bonds shall not be cumulative. If Coupon is cancelled or not paid or paid at a rate lesser than the Coupon Rate, such unpaid and/or cancelled Coupon will not be paid in future years.

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	(x) In the event that the Issuer determines that it shall not make a payment of coupon on the Bonds, the Issuer shall notify the Trustee not less than 21 calendar days prior to the relevant Coupon Payment Date of that fact and of the amount that shall not be paid.
Loss Absorbency	The Bonds are subject to principal loss absorption as described herein and required of Additional Tier I instruments at Level of Pre-Specified Trigger and at PONV as provided for in Annex 16 of the Basel III Guidelines. The write-down will have the following effects: (a) Reduce the claim of the Bonds(up to nil) in liquidation; (b) Reduce the amount re-paid (up to nil) when a call is exercised; and (c) Partially or fully reduce Coupon payments on the Bonds. **(i) Loss Absorption at Pre-Specified Trigger Level** (a) If a Pre-Specified Trigger Level(as described below) occurs, the Bank shall: 1. notify the Trustee; 2. cancel any coupon which is accrued and unpaid to as on the write-down date; and 3. without the need for the consent of Bondholders or the Trustee, write down the outstanding principal of the Bonds by such amount as the Issuer may in its absolute discretion decide subject to the amount of write down not exceeding the amount which would be required to bring the CET 1 ratio to 8% of RWAs (minimum CET 1 of 5.5% + capital conservation buffer of 2.5%) and additional capital as applicable to the Bank being D-SIB and in no case such amount shall be less than the amount required to immediately return the Issuer's CET 1 ratio to above the Pre-Specified Trigger Level or, if this is not possible, the full principal value of the Bonds (the "CET1 Write Down Amount"). (b) The write-down of any CET 1 shall not be required before a write-down of any Additional Tier 1 instruments (including the Bonds). The write-down will generate CET 1 under applicable Indian Accounting Standards (i.e. net of contingent liability recognised under the Indian Accounting Standards, potential tax liabilities, etc., if any). (c) When the Bank breaches a Pre-Specified Trigger Level and the equity is replenished through write-down, such replenished amount of equity will be excluded from the total equity of the Bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer (as described in the Basel III Guidelines). However, once the Bank has attained total CET 1 ratio of 8% and additional capital as applicable to the Bank being D-SIB without counting the replenished equity capital that point onwards, the Bank may include the replenished equity capital for all purposes. (d) The Bank shall have the discretion to write-down the Bonds multiple times in case the Bank hits Pre-Specified Trigger Level subsequent to the first write-down which was partial. The Bonds which have been written off can be written up (partially or fully) at the absolute discretion of the Bank and subject to compliance with RBI conditions (including permission, consent if any).

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	Pre-Specified Trigger Level means if the CET 1 of the Bank falls to or below 6.125% of RWAs. **(ii) Loss Absorption at the Point of Non-Viability ("PONV")** (a) The Bonds, at the option of the RBI, can be permanently written off upon occurrence of the trigger event, called the Point of Non-Viability Trigger ("PONV Trigger"). If a PONV Trigger (as described below) occurs, the Issuer shall: 1. notify the Trustee; 2. cancel any coupon which is accrued and unpaid on the Bonds as on the write-down date; and 3. without the need for the consent of Bondholders or the Trustee, write down the outstanding principal of the Bonds by such amount as may be prescribed by RBI and subject as is otherwise required by the RBI at the relevant time. (b) Following writing-off of the Bonds and claims and demands as noted above neither the Bank, nor any other person on the Bank's behalf shall be required to compensate or provide any relief, whether absolutely or contingently, to the Bondholder or any other person claiming for or on behalf of or through such holder and all claims and demands of such persons, whether under law, contract or equity, shall stand permanently and irrevocably extinguished and terminated. (c) The write-off of any CET 1 shall not be required before the write-off of any Non-equity (Additional Tier 1 and Tier 2) regulatory capital instrument, including the Bonds, and there is no right available to the Bondholder hereof or any other person claiming for or on behalf of or through such holder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the Bondholders.
Point of Non-Viability (PONV)	(a) PONV Trigger Event is the earlier of: 1. a decision that a permanent write-off without which the Bank would become non-viable, is necessary as determined by the RBI; and 2. the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority. The PONV Trigger Event will be evaluated both at consolidated and solo level and breach at either level will trigger write-off. (b) The amount of non-equity capital to be written-off will be determined by RBI. (c) The order of write-off of the Bonds shall be as specified in the order of Seniority as per this Placement Memorandum and any other regulatory norms as may be stipulated by the RBI from time to time. (d) The Bonds can be written-down multiple times in case the Bank hits the PONV Trigger Level subsequent to the first write-down. The Bonds which have been written down shall not be written up. (e) The write-off consequent upon the PONV Trigger Event shall occur prior to any public sector injection of capital so that the capital provided

	by the public sector is not diluted. The Bondholders shall not have any residual claims on the Bank (including any claims which are senior to ordinary shares of the Bank), following the PONV Trigger Event and when write-off is undertaken. (f) For these purposes, the Bank may be considered as non-viable if: The Bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by the Bank should be such that these are likely to result in financial losses and raising the CET 1 of the Bank should be considered as the most appropriate way to prevent the Bank from turning non-viable. Such measures would include write-off of non-equity regulatory capital in combination with or without other measures as considered appropriate by the RBI. (g) The Bank facing financial difficulties and approaching a PONV will be deemed to achieve viability if within a reasonable time in the opinion of RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including augmentation of equity capital through write off of Bonds/ public sector injection of funds are likely to: 1. Restore depositors'/investors' confidence; 2. Improve rating /creditworthiness of the Bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and 3. Augment the resource base to fund balance sheet growth in the case of fresh injection of funds. (h) RBI would follow a two- stage approach to determine the non-viability of the Bank. The Stage 1 assessment would consist of purely objective and quantifiable criteria to indicate that there is a prima facie case of the Bank approaching non-viability and, therefore, a closer examination of the Issuer's financial situation is warranted. The Stage 2 assessment would consist of supplementary subjective criteria which, in conjunction with the Stage 1 information, would help in determining whether the Bank is about to become non-viable. These criteria would be evaluated together and not in isolation. Once the PONV is confirmed, the next step would be to decide whether rescue of the Bank would be through write-off alone or write-off in conjunction with a public sector injection of funds.
Other Events	***Treatment of Bonds in the event of Winding-Up:*** a. The Bonds cannot contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise. b. If the Bank goes into liquidation before the Bonds have been written-down, the Bonds will absorb losses in accordance with the order of Seniority as specified in this Placement Memorandum and as per usual legal provisions governing distribution in a winding up. c. If the Bank goes into liquidation after the Bonds have been written-down, the Bondholders will have no claim on the proceeds of liquidation. ***Amalgamation of a banking company: (Section 44 A of Banking Regulation Act, 1949)***

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	Subject to the provisions of the Banking Regulation Act, 1949 as amended from time to time: a. If the Bank is amalgamated with any other bank before the Bonds have been written-down, the Bonds will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger. b. If the Bank is amalgamated with any other bank after the Bonds have been written-down temporarily, the amalgamated entity can write-up the Bonds as per its discretion. c. If the Bank is amalgamated with any other bank after the Bonds have been written-down permanently, these Bonds cannot be written up by the amalgamated entity. ***Scheme of reconstitution or amalgamation of a banking company:*** If the relevant authorities decide to reconstitute the Bank or amalgamate the Bank with any other bank under the Section 45 of Banking Regulation Act, 1949, the Bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability for write-down of Additional Tier 1 instruments will be activated. Accordingly, the Bonds will be written-down permanently before amalgamation / reconstitution.
Repurchase/ Buy-Back / Redemption	The Issuer may at any time, subject to the following conditions having been satisfied and such repayment being otherwise permitted by the then prevailing Basel III Guidelines, repay the principal amount of the Bonds by way of repurchase, buy-back or redemption: (a) the prior approval of RBI shall be obtained; (b) the Issuer has not assumed or created any market expectations that RBI approval for such repurchase/redemption/buy-back shall be given; (c) Issuer: (i) replaces the Bonds with capital of the same or better quality and the replacement of the Bonds is done at conditions which are sustainable for the income capacity of the Issuer; or (ii) demonstrates that its capital position is well above the minimum capital requirements after the repurchase / buy-back / redemption; (d) any other pre-conditions specified in the Basel III Guidelines at such time have been satisfied. Such Bonds may be held, reissued, resold, extinguished or surrendered, at the option of the Issuer.
Order of claim of Additional Tier 1 instruments at the event of Gone concern situation	The order of claim of various types of regulatory capital instruments issued by the Issuer and that may be issued in future shall be as under: Additional Tier 1 debt instruments will be superior to the claims of investors in equity shares and perpetual non-cumulative preference shares and subordinated to the claims of all depositors and general creditors & subordinated debt (other than subordinated debt qualifying as Additional Tier1 Capital) of the Issuer. However, write down / claim of Additional Tier I debt instruments will be on pari-passu basis without preference amongst themselves and other debt instruments classifying as Additional Tier 1 Capital irrespective of the date of issue.
Basel III Guidelines	RBI Master Circular DOR.CAP.REC.3/21.06.201/2022-23 dated April 01, 2022 read with Master Circular DBR.No. BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on Basel III Capital Regulations ("**Master Circular**") issued by the Reserve Bank of India covering *inter alia* the terms and conditions for issue

	of Perpetual Debt Instruments for inclusion in Additional Tier 1 Capital (Annex 4 of the Master Circular) and minimum requirements to ensure loss absorbency of Additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at PONV (Annex 16 of the Master Circular) read with Circular DBR. No. BP.BC.71/21.06.201/2015-16 dated January 14, 2016 on "Implementation of Basel III Capital Regulations in India Amendments" and Circular DBR.BP.BC.50/21.06.201/2016-17 dated February 2, 2017 and Circular DOR.CAP.BC.No.34/21.06.201/2020-21 dated February 5, 2021 as amended from time to time, each issued by the RBI.
SEBI NCS Regulations	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, ("**SEBI NCS Regulations**") dated August 09, 2021 and SEBI Operational Circular. The Bonds are 'Perpetual Debt Instruments' issued under the issuance and listing framework given in the SEBI NCS Regulations read with the SEBI Operational Circular and all other relevant circulars issued by SEBI.
Governing Law & Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of Mumbai, Maharashtra.
Undertaking for obtaining consent from earlier/prior creditor for creation of security	Not Applicable. The Bonds are unsecured in nature and hence no permission or consent from any earlier creditor is required for any security creation.

(*) HDFC Bank reserves the right to change the issue schedule including the Deemed date of Allotment at its sole and absolute discretion without giving any reasons or prior notice.

Note:
This Term sheet is part of the Placement Memorandum dated September 06, 2022 (Please refer Page No. 133 of the Placement Memorandum)

For HDFC Bank Limited

HDFC BANK LTD. MUMBAI

Ashish Parthasarthy
Treasurer
ashish.parthasarthy@hdfcbank.com

Place : Mumbai
Date : September 06, 2022