

## Main Features of Regulatory Capital Instruments:

Main Features of Regulatory Capital Instruments (Equity Shares & Bond SERIES I, II, III & IV)						
	Description	Equity Shares	SERIES I	SERIES II	SERIES III	SERIES IV
1.	Issuer	The Karnataka Bank Ltd	The Karnataka Bank Ltd	The Karnataka Bank Ltd	The Karnataka Bank Ltd	The Karnataka Bank Ltd
2.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE614B01018	INE614B09011	INE614B09029	INE614B08013	INE614B08021
3.	Governing law(s) of the instrument	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements
	<i>Regulatory Treatment</i>					
4.	Transitional Basel III rules	Common Equity Tier I	Tier 2	Tier 2	Tier 2	Tier 2
5.	Post-transitional Basel III rules	Common Equity Tier I	Ineligible	Ineligible	Ineligible	Ineligible
6.	Eligible at solo / <del>group</del> / <del>group &amp; solo</del>	Solo*	Solo	Solo	Solo	Solo
7.	Instrument type	Common Shares	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Tier 2 Debt Instruments
8.	Amount recognized in regulatory capital ( <b>Rs. in million</b> , as of most recent reporting date)	Rs.1884.66 million	Rs.241.00 million	Rs.118.00 million	Rs.800.00 million	Rs.1750.00 million
9.	Par value of instrument	Not Applicable	Rs.1205.00 million	Rs.295.00 million	Rs.2000.00 million	Rs.2500.00 million
10.	Accounting classification	Shareholders' Equity	Liability	Liability	Liability	Liability
11.	Original date of issuance	Various	30.06.2007	29.03.2008	27.09.2008	17.11.2012
12.	Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated
13.	Original maturity date	Not Applicable	30.06.2017	29.03.2018	27.09.2018	17.11.2022
14.	Issuer call subject to prior supervisory	Not Applicable	No call option	No call option	No call option	Call Option by the Bank at par after

**Main Features of Regulatory Capital Instruments (Equity Shares & Bond SERIES I, II, III & IV)**

	<b>Description</b>	<b>Equity Shares</b>	<b>SERIES I</b>	<b>SERIES II</b>	<b>SERIES III</b>	<b>SERIES IV</b>
	approval					five years from the date of issue subject to RBI Approval.
15.	Optional call date, contingent call dates and redemption amount	Not Applicable	Not Applicable	Not Applicable	Not Applicable	After 18.11.2017, Rs.2500.00 million
16.	Subsequent call dates, if applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Coupons / dividends	Dividend	Coupon	Coupon	Coupon	Coupon
17.	Fixed or floating dividend / coupon	Not applicable	Fixed	Fixed	Fixed	Fixed
18.	Coupon rate and any related index	Not Applicable	10.50%	10.25%	11.25%	11.00%
19.	Existence of a dividend stopper	Not Applicable	Yes	Yes	Yes	Yes
20.	Fully discretionary, partially discretionary or mandatory	Full Discretionary	Mandatory	Mandatory	Mandatory	Mandatory
21.	Existence of step up or other incentive to redeem	No	No	No	No	No
22.	Noncumulative or cumulative	Non Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23.	Convertible or non-convertible	Not Applicable	Non Convertible	Non Convertible	Non Convertible	Non Convertible
24.	If convertible, conversion trigger(s)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
25.	If convertible, fully or partially	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
26.	If convertible, conversion rate	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
27.	If convertible, mandatory or	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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	<b>Description</b>	<b>Equity Shares</b>	<b>SERIES I</b>	<b>SERIES II</b>	<b>SERIES III</b>	<b>SERIES IV</b>
	optional conversion					
28.	If convertible, specify instrument type convertible into	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
29.	If convertible, specify issuer of instrument it converts into	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
30.	Write-down feature	No	No	No	No	No
31.	If write-down, write-down trigger(s)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
32.	If write-down, full or partial	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
33.	If write-down, permanent or temporary	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
34.	If temporary write-down, description of write-up mechanism	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
35.	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated Claim at the time of liquidation	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank
36.	Non-compliant transitioned features	No	Yes	Yes	Yes	Yes
37.	If yes, specify non-compliant features	Not Applicable	PONV clause not in instrument	PONV clause not in instrument	PONV clause not in instrument	PONV clause not in instrument

**\* No Group entities**

The details of the Tier II capital [Bonds] raised by the Bank:

(Rs in crore)

Series	ISIN	Date of allotment	Date of redemption	Rate of Interest	Amount
Series I	INE614B09011	30.06.2007	30.06.2017	10.50%	Rs.120.50
Series II	INE614B09029	29.03.2008	29.03.2018	10.25%	Rs. 29.50
Series III	INE614B08013	27.09.2008	27.09.2018	11.25%	Rs.200.00
Series IV	INE614B08021	17.11.2012	17.11.2022	11.00%	Rs.250.00
				<b>Total</b>	<b>Rs.600.00</b>

Terms and Conditions of regulatory capital instruments [Bond series]:

Instrument	Full Terms and Conditions	
Series I	Nature of Instrument:	Unsecured, Redeemable, Non-convertible Subordinated Lower Tier-II Bonds in the nature of debentures.
	Amount Subscribed:	RS.120.50 Crore
	Face Value of the Bond:	Rs.10,00,000 per Bond
	Date of allotment:	30.06.2007
	Date of Redemption:	30.06.2017
	Coupon Rate:	10.50%
	Issuance, Trading & Listing:	Demat Mode, Listed on NSE Debt Segment

Instrument	Full Terms and Conditions	
Series II	Nature of Instrument:	Unsecured, Redeemable, Non-convertible Subordinated Lower Tier-II Bonds in the nature of debentures.
	Amount Subscribed:	RS.29.50 Crore
	Face Value of the Bond:	Rs.10,00,000 per Bond
	Date of allotment:	29.03.2008
	Date of Redemption:	29.03.2018
	Coupon Rate:	10.25%
	Issuance, Trading & Listing:	Demat Mode, Listed on NSE Debt Segment

Instrument	Full Terms and Conditions	
Series III	Nature of Instrument:	Unsecured, Redeemable, Non-convertible Subordinated Lower Tier-II Bonds in the nature of debentures.
	Amount Subscribed:	RS.200.00 Crore
	Face Value of the Bond:	Rs.10,00,000 per Bond
	Date of allotment:	27.09.2008
	Date of Redemption:	27.09.2018
	Coupon Rate:	11.25%
	Issuance, Trading & Listing:	Demat Mode, Listed on NSE Debt Segment

Instrument	Full Terms and Conditions	
Series IV	Nature of Instrument:	Unsecured, Redeemable, Non-convertible Subordinated Lower Tier-II Bonds in the nature of debentures.

Amount Subscribed:	RS.250.00 Crore
Face Value of the Bond:	Rs.10,00,000 per Bond
Date of allotment:	17.11.2012
Date of Redemption:	17.11.2022
Coupon Rate:	11.00%
Issuance, Trading & Listing:	Demat Mode, Listed on NSE Debt Segment