

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 / group / group & solo | 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 (Rs. in million, as of most recent reporting date) | Rs.2826.17 million | Rs.0.00 million | Rs.0.00 million | Rs.0.00 million | Rs.1250.00 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)

| | Description | Equity Shares | SERIES I | SERIES II | SERIES III | SERIES IV |
|-----|---|----------------------|-----------------|------------------|-------------------|--|
| | 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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|--|---|---|--|--|--|--|
| | Description | Equity Shares | SERIES I | SERIES II | SERIES III | SERIES IV |
| | 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 |
| | | | | Total | Rs.600.00 |

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 |