

### Main Features of Regulatory Capital Instruments:

<b>Main Features of Regulatory Capital Instruments (Equity Shares &amp; Bond SERIES II, III &amp; IV)</b>					
	<b>Description</b>	<b>Equity Shares</b>	<b>SERIES II</b>	<b>SERIES III</b>	<b>SERIES IV</b>
	Issuer	The Karnataka Bank Ltd	The Karnataka Bank Ltd	The Karnataka Bank Ltd	The Karnataka Bank Ltd
1.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE614B01018	INE614B09029	INE614B08013	INE614B08021
2.	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
	<i>Regulatory Treatment</i>				
3.	Transitional Basel III rules	Common Equity Tier I	Tier 2	Tier 2	Tier 2
4.	Post-transitional Basel III rules	Common Equity Tier I	Ineligible	Ineligible	Ineligible
5.	Eligible at solo <del>group</del> / <del>group &amp; solo</del>	Solo*	Solo	Solo	Solo
6.	Instrument type	Common Shares	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Tier 2 Debt Instruments
7.	Amount recognized in regulatory capital ( <b>Rs. in million</b> , as of most recent reporting date)	Rs.2826.17 million	Rs.0.00 million	Rs.0.00 million	Rs.1250.00 million
8.	Par value of instrument	Not Applicable	Rs.295.00 million	Rs.2000.00 million	Rs.2500.00 million
9.	Accounting classification	Shareholders' Equity	Liability	Liability	Liability
10.	Original date of issuance	Various	29.03.2008	27.09.2008	17.11.2012
11.	Perpetual or dated	Perpetual	Dated	Dated	Dated
12.	Original maturity date	Not Applicable	29.03.2018	27.09.2018	17.11.2022
13.	Issuer call subject to prior supervisory	Not Applicable	No call option	No call option	Call Option by the Bank at par after

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

Main Features of Regulatory Capital Instruments (Equity Shares & Bond SERIES II, III & IV)					
	Description	Equity Shares	SERIES II	SERIES III	SERIES IV
	optional conversion				
27.	If convertible, specify instrument type convertible into	Not Applicable	Not Applicable	Not Applicable	Not Applicable
28.	If convertible, specify issuer of instrument it converts into	Not Applicable	Not Applicable	Not Applicable	Not Applicable
29.	Write-down feature	No	No	No	No
30.	If write-down, write-down trigger(s)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
31.	If write-down, full or partial	Not Applicable	Not Applicable	Not Applicable	Not Applicable
32.	If write-down, permanent or temporary	Not Applicable	Not Applicable	Not Applicable	Not Applicable
33.	If temporary write-down, description of write-up mechanism	Not Applicable	Not Applicable	Not Applicable	Not Applicable
34.	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
35.	Non-compliant transitioned features	No	Yes	Yes	Yes
36.	If yes, specify non-compliant features	Not Applicable	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 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.479.50</b>

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

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