

Main Features of Regulatory Capital Instruments:

| Main Features of Regulatory Capital Instruments (Equity Shares & Bonds) | | | | | |
|--|---|--|---|---|---|
| | Description | Equity Shares | SERIES IV | SERIES V | SERIES VI |
| 1. | Issuer | 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 | INE614B08021 | INE614B08039 | INE614B08047 |
| 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 |
| | <i>Regulatory Treatment</i> | | | | |
| 4. | Transitional Basel III rules | Common Equity Tier I | Tier 2 | Tier 2 | Tier 2 |
| 5. | Post-transitional Basel III rules | Common Equity Tier I | Ineligible | Eligible | Eligible |
| 6. | Eligible at solo / group / group & solo | Solo* | Solo | Solo | Solo |
| 7. | Instrument type | Common Shares | 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.2826.18 million | Rs.750.00 million | Rs.4000.00 million | Rs.3200.00 million |
| 9. | Par value of instrument | NA | Rs.2500.00 million | Rs.4000.00 million | Rs.3200.00 million |
| 10. | Accounting classification | Shareholders' Equity | Liability | Liability | Liability |
| 11. | Original date of issuance | Various | 17.11.2012 | 16.11.2018 | 18.02.2019 |
| 12. | Perpetual or dated | Perpetual | Dated | Dated | Dated |
| 13. | Original maturity date | NA | 17.11.2022 | 16.11.2028 | 18.02.2029 |
| 14. | Issuer call subject to prior supervisory approval | NA | Call Option by the Bank at par after five years from the date of issue subject to RBI Approval. | Call Option by the Bank at par after five years from the date of issue subject to RBI Approval. | Call Option by the Bank at par after five years from the date of issue subject to RBI Approval. |

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| 15. | Optional call date, contingent call dates and redemption amount | NA | After 18.11.2017, Rs.2500.00 million. However call option has not been exercised so far. | After 16.11.2023, Rs.4000.00 million | After 18.02.2024, Rs.3200.00 million |
| 16. | Subsequent call dates, if applicable | NA | On every anniversary of coupon payment date after first call option due date. However, no call option has been exercised so far. | On every anniversary of coupon payment date after first call option due date | On every anniversary of coupon payment date after first call option due date |
| | Coupons / dividends | Dividend | Coupon | Coupon | Coupon |
| 17. | Fixed or floating dividend / coupon | NA | Fixed | Fixed | Fixed |
| 18. | Coupon rate and any related index | NA | 11.00% | 12.00% | 12.00% |
| 19. | Existence of a dividend stopper | NA | NA | NA | NA |
| 20. | Fully discretionary, partially discretionary or mandatory | Full Discretionary | Mandatory | Mandatory | Mandatory |
| 21. | Existence of step up or other incentive to redeem | No | No | No | No |
| 22. | Noncumulative or cumulative | Noncumulative | Noncumulative | Noncumulative | Noncumulative |
| 23. | Convertible or non-convertible | NA | Non-Convertible | Non-Convertible | Non-Convertible |
| 24. | If convertible, conversion trigger(s) | NA | NA | NA | NA |
| 25. | If convertible, fully or partially | NA | NA | NA | NA |
| 26. | If convertible, conversion rate | NA | NA | NA | NA |

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| 27. | If convertible, mandatory or optional conversion | NA | NA | NA | NA |
| 28. | If convertible, specify instrument type convertible into | NA | NA | NA | NA |
| 29. | If convertible, specify issuer of instrument it converts into | NA | NA | NA | NA |
| 30. | Write-down feature | No | No | Yes | Yes |
| 31. | If write-down, write-down trigger(s) | NA | NA | Point of Non Viability as stipulated in Basel III guidelines and determined by RBI. | Point of Non Viability as stipulated in Basel III guidelines and determined by RBI. |
| 32. | If write-down, full or partial | NA | NA | Full | Full |
| 33. | If write-down, permanent or temporary | NA | NA | Permanent | Permanent |
| 34. | If temporary write-down, description of write-up mechanism | NA | NA | NA | NA |
| 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 |
| 36. | Non-compliant transitioned features | No | Yes | No | No |
| 37. | If yes, specify non-compliant features | NA | PONV clause not in instrument | NA | NA |

* No Group entities

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

(Rs in crore)

| Series | ISIN | Date of allotment | Date of redemption | Rate of Interest | Amount |
|-----------|--------------|-------------------|--------------------|------------------|------------------|
| Series IV | INE614B08021 | 17.11.2012 | 17.11.2022 | 11.00% | Rs.250.00 |
| Series V | INE614B08039 | 16.11.2018 | 16.11.2028 | 12.00% | Rs.400.00 |
| Series VI | INE614B08047 | 18.02.2019 | 18.02.2029 | 12.00% | Rs.320.00 |
| | | | | Total | Rs.970.00 |

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

| 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 |

| Instrument | Full Terms and Conditions | |
|------------|------------------------------|--|
| Series V | Nature of Instrument: | Unsecured, Redeemable, Non-convertible, Basel III compliant, Subordinated Lower Tier-II Bonds in the nature of debentures. |
| | Amount Subscribed: | Rs.400.00 Crore |
| | Face Value of the Bond: | Rs.1,00,000 per Bond |
| | Date of allotment: | 16.11.2018 |
| | Date of Redemption: | 16.11.2028 |
| | Coupon Rate: | 12.00% |
| | Issuance, Trading & Listing: | Demat Mode, Listed on NSE Debt Segment |

| Instrument | Full Terms and Conditions | |
|------------|------------------------------|--|
| Series VI | Nature of Instrument: | Unsecured, Redeemable, Non-convertible, Basel III compliant, Subordinated Lower Tier-II Bonds in the nature of debentures. |
| | Amount Subscribed: | Rs.320.00 Crore |
| | Face Value of the Bond: | Rs.1,00,000 per Bond |
| | Date of allotment: | 18.02.2019 |
| | Date of Redemption: | 18.02.2029 |
| | Coupon Rate: | 12.00% |
| | Issuance, Trading & Listing: | Demat Mode, Listed on NSE Debt Segment |